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INTERIM REPORT

# Evaluating Welfare Reform

A Framework and  
Review of Current Work

Panel on Data and Methods for Measuring the Effects of Changes in  
Social Welfare Programs

Robert A. Moffitt and Michele Ver Ploeg, *Editors*

Committee on National Statistics

Commission on Behavioral and Social Sciences and Education

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**PANEL ON DATA AND METHODS FOR MEASURING THE EFFECTS  
OF CHANGES IN SOCIAL WELFARE PROGRAMS**

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This report has been reviewed in draft form by individuals chosen for their diverse perspectives and technical expertise, in accordance with procedures approved by the Report Review Committee of the National Research Council

(NRC). The purpose of this independent review is to provide candid and critical comments that will assist the institution in making the published report as sound as possible and to ensure that the report meets institutional standards for objectivity, evidence, and responsiveness to the study charge. The review comments and draft manuscript remain confidential to protect the integrity of the deliberative process.

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Although the individuals listed above have provided constructive comments and suggestions, it must be emphasized that responsibility for the final content of this report rests entirely with the authoring committee and the institution.

The panel is indebted to the efforts of the NRC staff in the preparation of this report. **Michele** Ver Ploeg, the study director for the panel and coeditor of this report, provided superb assistance in the drafting and redrafting process and in shepherding the draft through the NRC review process; as well as organizing the panel's meetings and activities, molding the panel's sometimes loose thoughts into coherent summaries, gathering and summarizing materials on welfare reform for the panel, and serving as liaison with the sponsor and other outside groups. Constance Citro, senior project officer, guided the panel through NRC processes, drafted sections of the report, and tirelessly read and commented on drafts of the report. The panel is grateful for her insights. The panel is grateful to Eugenia Grohman, associate director for reports of the Commission on Behavioral and Social Sciences and Education for her excellent technical editing. The panel greatly appreciates the work that Telissia Thompson, senior project assistant, provided for the activities of the panel. Telissia skillfully contributed to the production of the final manuscript. Her superb efforts in arranging the logistics of panel meetings and workshops should also be recognized.

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Robert **Moffitt**, *Chair*  
Panel on Data and Methods for  
Measuring the Effects of Changes  
in Social Welfare Programs

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## Executive Summary

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 fundamentally changed the nation's social welfare system, replacing a federal entitlement program for low-income families, called Aid to Families with Dependent Children (AFDC), with state-administered block grants, the Temporary Assistance for Needy Families (TANF) program. PRWORA furthered a trend started earlier in the decade under so called "waiver" **programs**—state experiments with different types of AFDC rules-toward devolution of design and control of social welfare programs from the federal government to the states. The legislation imposed several new, major requirements on state use of federal welfare funds but otherwise freed states to reconfigure their programs as they want. The underlying goal of the legislation is to decrease dependence on welfare and increase the self-sufficiency of poor families in the United States.

In summer 1998, the Office of the Assistant Secretary for Planning and Evaluation (ASPE) of the Department of Health and Human Services (**DHHS**) asked the Committee on National Statistics of the National Research Council to convene a Panel on Data and Methods for Measuring the Effects of Changes in Social Welfare Programs. The panel's overall charge is to study and make recommendations on the best strategies for evaluating the effects of PRWORA and other welfare reforms and to make recommendations on data needs for conducting useful evaluations.

Under the broad charge, the panel is considering many evaluation issues, such as the proper mix of national-level and state-level evaluations; the appropriate roles of experimental and nonexperimental evaluation methodologies; and the importance of monitoring versus evaluation. The panel is also considering the

needs for data from surveys and administrative records at both the federal and state levels, as well as general issues of data quality for studies of the low-income and welfare populations. The panel began its work in fall 1998 and will issue a final report in late 2000.

This interim report presents the panel's initial conclusions and recommendations. Given the short length of time the panel has been in existence, this report necessarily treats many issues in much less depth than they will be treated in the final report. The report has an immediate short-run goal of providing DHHS-ASPE with recommendations regarding some of its current projects, particularly those recently funded to study "welfare leavers"-former welfare recipients who have left the welfare rolls as part of the recent decline in welfare caseloads.

### INITIAL CONCLUSIONS

Many of the conclusions reached by the panel in its initial examination of welfare reform evaluations under way around the country concern the data bases used for evaluation. The devolution of program responsibility begun under the pre-PRWORA waivers and institutionalized by PRWORA has led to wide variation in programs across states and even **within** states. While this proliferation of programs has some advantages from an evaluation standpoint-it makes use of federalism as a laboratory for testing (as it has been so often used in American history)-it imposes the need for a significant data infrastructure. Such an infrastructure should include national-level data sets that can capture state variations in policies and outcomes; state-level data sets that are sufficiently detailed and standardized to permit comparisons of welfare policies as implemented and family and individual outcomes (employment, income, etc); and state-level data sets for evaluating the effects of welfare reform in each state, even if not intended for comparison with other states. The panel has concluded that such a data infrastructure is not in place at the current time.

Gaps in the data infrastructure for determining the effects of welfare reform are numerous. The new welfare reform environment imposes great strain on traditional national-level survey data sets, both those supported by the Census Bureau as well as those supported by other federal agencies. These data sets usually have relatively small sample sizes for the welfare-relevant population, and they often do not have all the major variables needed to comprehensively assess the effects of welfare reform. The Survey of Program Dynamics, a national-level panel data set intended to remedy some of these defects, has so far not been as successful as expected. A further difficulty straining the usefulness of national-level surveys is the relative lack of information on the policies that states have actually adopted since 1996. The 1996 legislation not only devolved operational and design responsibility to the states, it also removed many requirements for state reporting to the federal government on their policies. Federal data-gathering activities on the details of state policies have been slow and hap-

hazard, and it is only since early 1999 that an institutional structure has begun to be put in place for collecting such data on a permanent and long-run basis.

Program devolution has also constrained the ability of the federal government to mandate data collection or research to track the effects of the changes in social welfare programs required by the new legislation. Yet it is clear that the federal government and Congress will need a national-level assessment of how the new programs are working, especially to make informed decisions about the renewal of PRWORA. In addition, a national-level assessment containing results from all the states should be of interest to state policy makers, who are interested in how other state programs are working in comparison with their own and who are interested in what other states' efforts have been successful.

The new welfare reform environment also imposes burdens on state-level data sets. Most state-level data sets are obtained from administrative records that have historically been used for management, not evaluation, purposes. These data sets are being put under strain as states seek to develop and use them in more sophisticated ways in order to meet the legal requirements—for example, to keep counts of time limits as well as to satisfy federal reporting requirements on counts of recipients in different categories—and to conduct evaluations of their own state's policies. Considerable effort is required to convert these databases for evaluation and research uses, for which they were not originally intended. The use of these state-level databases for cross-state comparison research or, more ambitiously, as a substitute for national-level data sets, is further hindered by noncomparable variables and data constructs across states and by the same lack of comparable policy information that is hindering national-level surveys. **State-level household surveys** have been only rarely conducted in the past, but are now in great demand, and states are hurrying to build the capacity to conduct them.

The panel also reached some initial conclusions about evaluation **methodology**. Both national-level and state-level evaluations have roles to play in welfare reform evaluation, and neither should be pursued to the exclusion of the other. Moreover, cross-state comparability in state-level data sets and the development of comparable measures of state policies are important for both national-level and state-level evaluations. Although nonexperimental methods have become the dominant evaluation method for PRWORA, the panel believes **that** experimental methods should be kept on the table and still have a role to play in the future.

The panel also concludes that monitoring and evaluation both have great value, but that the distinction between the two has not always been sufficiently delineated and that evaluation should be the ultimate goal. Relatedly, the panel concludes that many existing studies do not have credible groups for which policy comparisons can be made and hence are of limited value as evaluation studies. Other studies use comparison groups that will require great care in reaching sound conclusions. Specifically, the panel concludes that welfare leaver studies have great value but represent only one group potentially affected by

welfare reform: they miss those who were diverted or discouraged and even those families remaining on the welfare rolls.

### SHORT-RUN RECOMMENDATIONS

Although the panel will be issuing a broad set of recommendations to address the many issues of methods and data for welfare reform evaluation in its final report, there are several immediate, short-run recommendations it wishes to make to DHHS-ASPE concerning some of its current sponsored activities. In particular, for the purposes of cross-state comparisons and national-level assessments, there are benefits, including economies of scale, for DHHS to take a leading role in obtaining data and guiding research. Several key areas in which guidance in data collection and research is needed, for which the department already has some initiatives under way, include: (1) identifying key policy issues over the next 3-5 years that should guide priorities for data collection and research; (2) taking steps to ensure that research addresses key populations of interest for social welfare policy analysis; (3) fostering improved capabilities for social welfare program-related data collection and research at the federal and state levels; (4) encouraging efforts to make data and research results comparable across jurisdictions; and (5) documenting state policies.

#### Identifying Key Policy Con&&

Because resources for data collection and research on social welfare programs are limited across all levels of government, it is important to set priorities so that key policy questions can be answered. While not all states will have the same specific policy concerns, there is likely a core set of issues that will be the focus of federal and state policy making over the next 3-5 years and on which it makes sense to concentrate scarce resources for data collection and research.

The department can take steps toward identifying critically important issues by maintaining an information-gathering operation that obtains input from a variety of sources, such as the Congress and other relevant federal departments (Agriculture, Housing and Urban Development, and Labor), state welfare agency staff, and state legislators and their staffs. Maintaining close relationships with interstate coordinating mechanisms that the states have already established would also be useful. The department already has many of these kinds of ties.

**(1) The panel recommends that the Department of Health and Human Services be proactive in identifying important current and emerging issues for welfare policies at both federal and state levels that, in turn, can guide priorities for investment in data and research.**

### **Defining Key Populations**

Much attention has been given to the effects of changes in social welfare programs on those who leave welfare. While leavers are an important group to track, policy decisions—for example, the decision to renew or modify PRWORA—will not be adequately informed if other key populations are not analyzed as well. Many states have active diversion programs that discourage potential TANF recipients from enrolling, and many families who are eligible to receive benefits may not apply for benefits. “Stayers,” those who remain on the rolls, should also not be neglected in a study of the impact of welfare reform. In order to understand the extent to which PRWORA and other social welfare program changes are achieving their goals, it is important to look at these other key groups among the low-income population.

Features of the new program environment have made it difficult to clearly define such key population groups as leavers, divertees, and eligible non-applicants. The devolution of program responsibility to state and **substate** jurisdictions has led to different eligibility provisions across jurisdictions. Moreover, “assistance” has been redefined to include not only cash, but also a variety of **noncash** benefits and services. This feature, in combination with the blurring of the lines of responsibility among program agencies (e.g., “welfare” caseworkers may now serve as brokers to a variety of services for clients and often are employment and training counselors for clients) has made it difficult to determine when someone has “left” welfare or has been diverted from the program. The increase in child-only cases, some of which are the result of partial family sanctions, presents a similar definitional challenge.

DHHS can make a major contribution to improving the analytical rigor and cross-area comparability of data and research on the effects of changes in social welfare programs by addressing the definition of key population groups and proposing standard definitions for use in research and data collection and ensuring that grant and contract research programs adequately cover key groups. The department has already taken steps in this direction. The next round of ASPE grants for leaver studies will include studies of divertees as well as leavers. ASPE is also planning a research program to study entry as well as exit effects.

**(2) The panel recommends that the Department of Health and Human Services address the definition of key populations of interest for welfare policy analysis in its research agenda and take steps to ensure that its grant and contract research programs adequately cover all important population groups for welfare reform. In particular, to consider the effects of changes in welfare policies on the outcomes of the low-income population, it is important to study not only leavers, but also stayers and potential applicants who are diverted from programs or who do not apply.**

### **Capacity-Building and Cross-State Comparability**

DHHS should give priority to improving the capabilities for cost-efficient, policy-relevant data collection and research at both the federal and state levels. In doing so, the department should also encourage and facilitate cost-effective steps to make data and evaluations comparable across states so that all levels of government can make better use of scarce resources for data collection and research to evaluate changing programs.

We encourage the department to undertake capacity-building and cross-state comparability activities, such as: (1) facilitating efforts by states to form networks for exchanging information and technical assistance; (2) facilitating lower-cost survey development and more comparable data and analysis (e.g., by providing tested questionnaires for states to consider using in surveys); and (3) for future rounds of grants, consider hiring one or more contractors with research and survey expertise to serve as consultants to all grantees. To build capacity, the department can also encourage recipients of departmental grants and other state and local jurisdictions to invest in increasing staff skills for conducting surveys and analysis. To foster cross-area comparability of research analyses and results in subsequent rounds of leaver study grants, ASPE can facilitate the following actions: (1) collecting information on the educational level and employment history and experience of leavers to use as stratifiers in analyzing results; (2) collecting information on the welfare reciprocity history of leavers to allow stratification of results by recipients' statuses as **short-termers**, **cyclers**, and **long-termers**, which can at least partially control for differences in outcomes across states that may result simply from differences in the mix of these types of recipients; (3) comparing outcomes and characteristics of leavers to stayers; and (4) including full descriptions of the welfare programs and economic environments in place over the life of the cohorts studied in grantee reports, as a matter of routine practice.

**(3) The panel recommends that the Department of Health and Human Services make the improvement of capabilities for data collection and research on social welfare programs at both federal and state levels a priority. The department should include capacity-building initiatives in its grant and contract programs for welfare research and evaluation.**

**(4) The panel recommends that the Department of Health and Human Services take the lead in working with states, localities, and research organizations to achieve cross-state and within-state comparability of data and research on welfare program effects to the greatest extent possible.**

### Documenting State Policies

Keeping up-to-date information about state and local program rules and how the rules are implemented is essential in order to make cross-state comparisons and to improve the capabilities for national data sets to estimate program eligibility and to evaluate policy changes. Before PRWORA, each state was required to complete a form for the federal government that detailed the rules, benefit levels, and a wide variety of information on their welfare programs, and the rules were published by DHHS annually. Under PRWORA, states must provide an annual report on the characteristics of their programs, but there is less standardization of how these characteristics are reported and the questions that states must answer about their programs are now more open-ended. Without standard methods for reporting, the reports provided to the department are likely to be more-varied and more difficult to use in a research setting. In addition, it is unclear as yet whether the reports will contain a complete account of programs for the TANF-eligible population that are supported by state funds.

DHHS is in the best position to guide an effort for standard, comprehensive, and regular reporting of program rules. The department's efforts in this direction thus far have evolved quite slowly, in part because of the undeniable complexity of the welfare rules that are developing at the state and even the county level. Only recently were final reporting requirements established (*The Federal Register*, April 12, 1999). The department has sponsored a subcontractor to collect such information, but nothing has been produced as this report was being completed. An institutional structure that will ensure the long-run continuity of documenting state and county program rules needs to be put into place, and the department should take responsibility for assembling this information.

**(5) The panel recommends that the Department of Health and Human Services take an active and direct role in documenting and publishing the TANF policies enacted in every state and in every substate area where relevant. The panel also recommends that the department document and publish any changes to state and substate area policies on a regular and ongoing basis.**

### ASPE Leaver Study Grants

Because the current round of ASPE leaver study grants is well under way, some of the ideas suggested above for ways to further enhance the cross-area comparability of data items-beyond the significant efforts that ASPE has made in this regard with the current grantees-must wait until subsequent rounds of grants. However, there is time to foster greater cross-area comparability in the analysis and documentation of methods and results. For example, grantees should be encouraged to use standard tabulation and reporting categories for key

stratifiers, such as education, employment, and welfare reciprocity history; include information on the welfare program provisions in effect for the cohorts studied and key features of the economic environment (e.g., state and local unemployment rates); and fully document their data collection and analysis methods. For surveys, ASPE should foster agreement on a standard definition of response rates and other indicators of survey quality.

**(6) The panel recommends that ASPE encourage the leaver study grantees to achieve the greatest possible comparability of analysis and results by asking grantees to share their tabulation, analysis, and reporting plans and by facilitating a dialogue to work toward comparability of analysis methods, reporting categories used, and documentation of methods and results.**

For subsequent rounds of studies of welfare leavers, the panel recommends that ASPE ask grantees to specify a broad definition of leavers that includes the widest possible set of families, such as child-only cases. Most of the grantees are excluding these cases from their leaver studies. While there are reasons to exclude child-only cases, the panel believes the arguments are stronger to include them, so that it is possible to assess the circumstances of families that are receiving reduced cash assistance as well as those that are receiving no cash assistance. If administrative records systems are redesigned to track recipient families, it may be possible to analyze child-only cases at relatively low cost.

**(7) For subsequent rounds of grants for studies of welfare program leavers, ASPE should broaden the population of leavers to include the widest possible set of families.**

## Introduction

The United States is in the midst of a major social experiment with its social welfare and safety net programs for the poor. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, the most fundamental and far-reaching reform of the social welfare system since 1935, replaced the federal entitlement program for low-income families and children (Aid to Families with Dependent Children, AFDC) with a program financed by state-administered block grants, the Temporary Assistance for Needy Families (TANF) program. PRWORA furthered a trend that began earlier in the decade under so-called “waiver” programs—state experiments with different program rules—towards devolution of design and control of social welfare programs from the federal government to state governments. The legislation imposed several major new requirements on state programs (e.g., lifetime time limits on receipt of benefits and minimum work requirements), but otherwise allowed states to reconfigure their programs as they each see fit.

There is tremendous interest among federal and state officials, policy analysts, and the public in knowing the consequences of this experiment. Determining those consequences poses several challenges to the federal government, state governments, and the research and evaluation community. One challenge arises because the devolution of program responsibility has led to wide variation in programs across states and even within states—for several states have passed responsibility for program design to counties,<sup>1</sup> and many states have given coun-

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<sup>1</sup>California, Colorado, Maryland, Minnesota, New York, North Carolina, and Ohio give counties the option of setting their own **program** rules or allow counties to apply for waivers to set their own program rules (Gallagher et al., 1998).

ties and smaller entities administrative freedom to operate programs. The task of simply recording each of the new policies that have been legislated in each state or county, how those policies have been implemented, and how they are evolving over time has become much more difficult and will require major effort because of the variation in program rules. Reporting requirements in the 1996 Act and in the federal regulations that have followed it require the states to report some aspects of their policies on an annual basis, but far less than what is required for a comprehensive accounting of the welfare programs that are available to the poor families in each state.

A second challenge is to the nation's data infrastructure on poor and welfare populations, which must necessarily be the basis for assessing the effects of PRWORA. The extensive variation of programs across the country puts great strain on national-level data sets based on household surveys—such as those conducted by the Census Bureau and other federal statistical agencies—because the samples of the welfare-relevant and poor populations in those surveys may not be large enough to capture the effects of welfare reform. State-level data sets, both administrative and survey based, will be asked to provide new information far beyond anything they have previously needed to provide, for such data have historically been primarily used for management rather than evaluation purposes.

A third, more analytic, set of challenges is that of assessing the effect of legislation relative to other forces and trends in the economy and society. Foremost among these is the necessity to separate the effects of the improving U.S. economy and the PRWORA legislation, both of which occurred almost simultaneously. Choosing a comparison group with which to assess the effects of PRWORA is made especially difficult by this occurrence. Additionally, cross-state comparisons are complicated by the need to account for differences in economic and policy environments other than those in PRWORA-related policies. There are also challenges in assessing which of the many provisions of PRWORA have effects and which do not, for all the provisions were enacted at roughly the same time. Another part of this analytical challenge is to assess the effects of PRWORA on participation in other social welfare programs that were not substantially changed in the legislation (such as food stamps and Supplemental Security Income [SSI]).

It is in this context that the Office of the Assistant Secretary for Planning and Evaluation (ASPE) of the Department of Health and Human Services (DHHS) asked the Committee on National Statistics of the National Research Council to convene the Panel on Data and Methods for Measuring the Effects of Changes in Social Welfare Programs, using funds in a congressional appropriation to ASPE for this purpose. The same congressional appropriation provided funding to ASPE for data collection and evaluation of the effects of welfare reform on families who have left welfare, commonly called “welfare leavers.” Language accompanying the appropriation requested that the new panel provide guidance

on the ASPE research plan for tracking former welfare recipients and suggest directions for future welfare-related research.

The charge to the panel is to review data needs and methods for evaluating the outcomes of changes in social welfare programs on families and individuals. The panel is specifically charged to assist the department in: (1) identifying how best to measure and track program eligibility, participation, child well-being, and other outcomes; (2) evaluating data, research designs, and methodologies for the study of welfare reform outcomes; and (3) identifying needed areas and topics of research. In doing so, the panel may consider alternative federal and state data sources, the limitations of currently available data, appropriate evaluation design and methods for analysis and inference, and, finally, findings from previous research and evaluation. The panel is also specifically charged with reviewing data needs and methods for tracking and assessing the effects of program changes on families who stop receiving cash assistance. To fulfill that component of the charge, a considerable portion of this interim report focuses on studies of welfare leavers.

### PROGRAM BACKGROUND

Before the passage of PRWORA, the main cash program for the poor, AFDC, did not vary greatly across the country. Although states were allowed to set benefit levels (which varied a great deal—from \$120 per month in Mississippi to almost \$600 in most of California in 1996), the basic program rules (income eligibility, asset limits, treatment of two-parent families) were standardized across the states. In the late 1980s and early 1990s, federal administrators issued more and more waivers to states to enact and operate programs that deviated from federal requirements. PRWORA continued this trend and gave states even more discretion for designing their own social welfare programs. Broadly speaking, the law imposed only three types of major mandates:<sup>2</sup>

(1) All persons receiving assistance for at least 2 years must participate in work or work activities in order to receive assistance, with different specific requirements for single- and two-parent families and for single parents with young children.

(2) There is a lifetime limit to the number of years a family may receive assistance paid out of federal funds. This limit was set at a maximum of 5 cumulative years, although states can legislate shorter lifetime limits and can exempt up to 20 percent of the caseload from the limit.<sup>3</sup>

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<sup>2</sup>The law has a number of other requirements on state spending and on state provisions for specific populations; for a detailed account, see U.S. Department of Health and Human Services (1999).

<sup>3</sup>Ten states have lifetime limits that are shorter than the federal limit of 5 cumulative years, meaning once that limit is reached, the family may never receive assistance. Thirteen states have

(3) In order for unmarried minor teenage parents to receive assistance, they must live with an adult or in an approved adult setting and they must participate in educational activities leading to high school graduation or receiving a general equivalency degree (GED).

With only these three mandates, states are free not only to set benefit levels, as they did under AFDC, but also to set eligibility requirements and financial incentives, such as earnings disregards; to alter the relative importance of cash benefits and support services, such as job search assistance, child care, and the like (and to shift toward support services and away from cash benefits, if they desire); to set sanctions and diversion policies without restriction; to mandate participation in substance abuse or educational programs; and to vary their programs in numerous other ways. States appear to be taking up the challenge of devising their own programs which differ in many ways in all of **these** and other **dimensions**.<sup>4</sup>

Keeping track of all of the policies and determining the program rules **that** families and recipients are experiencing—that is, knowing what policy rules are being applied to each welfare case—is a formidable task for research and data collection. A further complication to the task of defining the program rules actually faced by recipients arises because policy implementations vary across states and across welfare agencies within states and across counties. For example, sanctions may be strictly or loosely enforced, in ways that the formal rules do not indicate. There is also variance across states and within states in the way in which the rules are publicized to the eligible population, with many agencies trying to alert potential applicants of significant changes in the rules and to change applicants' expectations of the program application and participation processes. Relatedly, some states and counties have formal diversion programs in which up-front payments, job search services, or other support services such as transportation support or child care are provided to applicants to keep them from enrolling or re-enrolling in the cash assistance program. Other states have informal, less well documented, diversion policies to discourage application and benefit receipt. The degree to which **these** formal and informal diversion programs are applied in different welfare offices makes determination of the actual policy environment facing a given low-income family more **difficult**.<sup>5</sup>

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variations on shorter time limits: a family may receive assistance for only so many months in a 60-month period or may receive assistance for only 24 cumulative months, after which cash assistance stops, but may resume again after a number of months of nonreceipt, for example.

<sup>4</sup>For the most detailed account of state policies that has been published so far, see Gallagher et al. (1998).

<sup>5</sup>While there is always a gap between a formal policy and its implementation, as there was under the old AFDC program, the emphasis on reaching potentially eligible families with these signals and the emphasis on diversion programs are developments that began only with the AFDC waivers and with PRWORA.

These difficulties in measuring the policies faced by families in different locations represent a barrier to any evaluation that uses cross-state comparisons as a means of **evaluation**.<sup>6</sup> Thus, welfare reform evaluations conducted with national-level household surveys, such as the Survey of Income and Program Participation, the Current Population Survey, the Panel Study of Income Dynamics, or the National Longitudinal Survey of Youth, are disadvantaged by this problem of policy measurement. Comparisons of individual state-level studies across states is also hindered because the policy descriptions provided by states may not be provided on a comparable basis.

The 1996 legislation changed the state reporting requirements, which also have implications for data collection and program evaluation. States must now produce quarterly reports on monthly measures of many characteristics of a sample of families and children receiving cash assistance, such as their demographic characteristics, employment status, and program use. States are also required to report some information about a sample of closed cases. In order to meet these requirements, states must further develop and link their administrative data sets and, perhaps, supplement this information with survey data, especially for adults in child-only cases. The federal government will then face the difficult task of interpreting the state information, as the definitions of the characteristics and the data used may not be comparable across states because reporting systems and definitions are not fully standardized.

The changes initiated in the PRWORA **legislation** also have implications for the methodologies that researchers use to evaluate the programs. In the late 1980s and early 1990s, the dominant methodology in program evaluation was the small-scale, randomized experiment which administered a set of program reforms to an experimental group but not to a randomized control group, to whom they could be **compared**.<sup>7</sup> Several of the randomized experiments that began in this period are still being conducted. However, the large-scale changes in the TANF program resulting from PRWORA, the evolving nature of welfare reform policy at the state level, and the difficulty of maintaining a control group in an environment in which systemwide changes are occurring have led to a decline in use of the experimental method. A heavier reliance upon nonexperimental methods of analysis has been the result.

A further complication in evaluating changes in policies arises from the fact that states have enacted "bundles" of reforms simultaneously-various forms and combinations of time limits, work requirements, family caps and other rules.

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<sup>6</sup>Within-state evaluators presumably have a fuller and more complete knowledge of their own state policies.

<sup>7</sup>With a few exceptions, the Section 1115 waivers required experimental designs. Over time, many of the randomized trials changed, as program reforms were instituted statewide instead of on a small experimental group. In these cases, a small group of control families were allowed to continue to face the old rules.

Although the entire bundle may be the initial policy issue of interest, it will be difficult to gauge the effect of specific components of the bundle if and when further reform is considered.

### **INITIAL WORK OF THE PANEL**

The membership of the panel was constituted in the summer of 1998, and the **first** meeting of the panel in September 1998 brought together representatives from ASPE and the Administration for Children and Families, both in DHHS, to discuss their welfare reform activities with the panel, as well as representatives from several other private and public welfare reform studies under way around the country. After this overview of the landscape of welfare reform, the panel turned to an examination of the ASPE-funded welfare leavers studies. Because part of its charge is to review and evaluate the designs of the 14 awards ASPE made in September 1998 to study welfare leavers and because of the need to make recommendations to ASPE regarding these studies as soon as possible, the panel convened a workshop in November 1998 to learn more about the designs of these studies. The ASPE awards were granted to 14 jurisdictions (states, counties, and county groups) to assist them in tracking those who leave the welfare rolls and to develop administrative data, survey data, and linkages of these two to form the information base to study welfare leavers. The November 1998 workshop brought representatives of the 14 studies to Washington, D.C., to discuss their plans with panel members and other welfare experts. Topics discussed at the workshop included data issues, the outcomes of interest, the populations of interest, and the appropriate methodologies for data analysis (see National Research Council, 1999).

From these activities and its own deliberations, the panel has produced this interim report, which has three purposes. The first is to outline a broad framework for evaluating and studying welfare reform that clarifies the basic principles of good evaluation design and which discusses the special evaluation and data issues involved in welfare reform analysis. The panel found it essential that these basic principles be laid out explicitly before assessing the ASPE welfare leaver studies or any other welfare reform study. The second purpose is to conduct a detailed review of the 14 ASPE leaver studies and to comment on their designs. As part of this review, the panel also briefly surveyed other leaver studies that have been conducted, as well as other welfare reform studies under way around the country. The third purpose of the report is to make immediate, short-run recommendations to ASPE and the department on its welfare reform agenda, with an emphasis on the issue of continued funding for welfare leaver studies. With these three goals achieved, the panel is currently engaged in a broader evaluation of welfare reform data and methodologies that will lead to its final report in 2000.

The rest of this report has three sections. The first section (Chapter 2)

provides an overall framework for evaluating welfare reform, considering both evaluation methodologies and data needs. The material in this section will already be quite familiar to evaluation experts and is primarily targeted at state and federal policy-makers who have not been exposed to discussions of evaluation methodology. The discussion is intended to place evaluation methods and data sources into the context of current social policy programs and dynamics. Chapter 3 provides, at the request of ASPE, an in-depth discussion of 14 recently funded state-level welfare leaver studies. The designs of these studies, which are still in progress, are evaluated by applying the general principles of evaluation reviewed in Chapter 2, leading to an assessment of the strengths and weaknesses of the evaluation designs and databases planned for these projects. The 14 studies represent only a fraction of welfare reform evaluation activity around the country and only a fraction of even those studies that have been completed or are under way. Consequently, the discussion in the chapter is targeted primarily to those conducting the 14 studies and sponsoring officials at ASPE. However, the conclusions reached in this section have broader implications for welfare reform evaluation and therefore will be of some interest to the general welfare reform research and policy communities. This section also reports briefly on the other major welfare reform activities around the country.

The third and final section (Chapter 4) provides immediate, short-run recommendations directed primarily to ASPE regarding its research agenda for welfare reform and its further sponsoring of welfare leaver studies. The panel's final report will contain broader recommendations on evaluation and data needs for welfare reform.

## Framework, Principles, and Designs for Evaluation

As we stressed in Chapter 1, evaluating the effects of the new welfare legislation and related welfare reform initiatives at the state and local level around the country presents many challenges to data and evaluation methodology. In this chapter we present general principles for program evaluation and the major issues that any evaluation must confront, and we outline some of the choices and alternatives that are available in an evaluation. Although these general principles are quite well known to many welfare reform researchers, we review them to emphasize that our findings on individual state-level studies, discussed in Chapter 3, are based on and naturally follow from this set of general principles governing how evaluations should be conducted. In Chapter 3 we apply the principles to the 14 specific state studies we have assessed in detail, and also, more briefly, to other welfare reform examinations under way around the country.

We focus this discussion primarily on “impact” evaluations as opposed to “process” evaluations. Impact evaluations (sometimes called outcome evaluations) concern the outcomes of a program on recipients, such as **the** effects on individual employment, earnings, and family income. Process evaluations (sometimes called implementation evaluations) describe how the program services are actually provided and then assess how well the services provided match the intended purpose of a program. They also assess the degree to which a program was successfully implemented and thus aid in characterizing the policy “treatment” that the participants and potential participants actually received. Although we do not provide an extended analysis of process evaluation, we do provide a brief discussion of it at the end of the chapter, given its importance.

The report also focuses only on **the** effects of reform on individuals, rather

than the effects of reform on government itself. One view of the purpose of the welfare reform legislation is that it was intended to change the nature of how government delivers assistance to the poor, away from a purely eligibility-oriented and check-writing function to a function of encouraging work, promoting self-sufficiency, and providing **the** right signals and incentives for those to occur. As Nathan and Gais (1999) have described, the reform is resulting in a major change in welfare bureaucracies. Although this is a legitimate issue, evaluating the effects of PRWORA on governments themselves requires different evaluation methods than the methods discussed in this report (although process studies, which we do discuss, are one component of such evaluations).

We organize our discussion of the general principles of impact evaluation in terms of four general issues that any impact study must address; we pose each in the form of a question:

- What are the research and policy questions of interest, and what are the precise objectives of the study?
- What are the study populations of interest, and what are **the** outcomes of interest on those populations?
- What evaluation methodologies are appropriate for achieving **the** goals of the study?
- What data sources are available to the study and how can they be used?

Having a solid understanding of these issues is not only important for the design of new welfare reform studies, but also for interpreting the results of those studies that are currently under way and will be issuing findings over the next few years. As Chapter 3 details, the current studies differ, often on critical dimensions, in the way in which each of the four issues listed above is addressed. Some answer different questions, many study different populations, they often use different methodologies, and they frequently use very different data. Melding the results of such a diverse set of studies into a single coherent picture of the effects of the latest wave of welfare reform is a challenge that requires a clear understanding of the issues that we discuss in this chapter.

#### **RESEARCH AND POLICY QUESTIONS AND STUDY OBJECTIVES**

Broadly speaking, the question of interest in all welfare reform studies is the effect of reform on adults and children. The types of reforms that are of interest and the geographic level at which these effects are assessed are major issues in the research community. One key distinction, for example, is whether interest centers on the effect of an entire “bundle” of reforms—that is, a package containing provisions for work requirements, sanctions, time limits, a particular set of support services, and other features—or whether one is interested in the effects of each component separately, holding the others fixed. Most welfare reforms that

have been enacted in the last 10 years are, indeed, bundles of different types of reforms, sometimes introduced by policy makers on the presumption that the collective effect of all the components together is greater than the effect of each of them separately. Policy makers often discuss the importance of changing the overall “culture” of welfare and of changing the expectations that recipients have for welfare. Changing multiple components at the same time makes such changes in culture more likely. PRWORA itself legislated multiple changes of the old AFDC system, and each state has added more components to those required by the federal law. Thus, a strong case can be made that it is the effect of the entire bundle that is of major policy interest.

Yet knowing the effect of an entire bundle of reforms does not provide a very good basis for future reforms or for determining which components work and which do not. Taken literally, knowing the effect of the bundle allows policy makers to decide only whether the entire bundle turned out to be a good policy or a bad policy, on the whole, and is informative only for the decision to either continue or end the whole bundle. However, it is likely that some components have favorable effects and others have unfavorable or no effects. Determining which components should be changed requires knowledge of the effects of each of them separately. Indeed, most observers expect that when PRWORA comes up for reauthorization in 2002, it is unlikely that a simple return to the old AFDC system and the old method of financing welfare will be an active option. Rather, it is far more likely that Congress and the President will be interested in modifying the current law to eliminate or change components of the law that have been judged to be ineffective or less effective than others.

Determining the effects of each component separately will probably require choosing a “base” from which each component has changed. If it is indeed the case that the bundle of reforms has a greater effect than the sum of the effects of its components, then adding or subtracting any individual component will have a different effect if none of the other components is in place than if all the components are in place at the same time. If the basic structure of reforms enacted by PRWORA is taken as the base, for example, policy interest should center on the incremental effects of each policy component, holding that basic structure in place.

In addition to these issues of the inherent questions of interest, there are several practical questions about the feasibility of estimating the effects of individual components, rather than the bundle. We discuss these issues when we discuss alternative evaluation designs below.

Another issue that has assumed importance in recent welfare reform discussions is the relative importance of national-level estimates and state-specific estimates of the effects of reform. Many federal policy makers and members of Congress would like to know the total effect of reform in the country as a whole. PRWORA is, after all, a federal law and was intended to change the welfare system in the entire country. Yet, other analysts argue that an average estimate is

not of great interest because the diversity of state reforms is so great that an average would not be a very good indicator of any particular reform package. This approach does not mean that national-level estimates are not desirable, for one may well be interested in the range of effects across states, not just the average. However, an acceptable evaluation strategy for this approach would only require estimates on a subset of the states, if that subset captured the range of different reform policies that have been tried in all the states. Yet this approach leads back to the question of what the policy of interest is, for obtaining a range of effects across a set of states leads inevitably to a search for why those effects differ. This question in turn leads to a need to determine which elements of the bundle of reforms explain the differences. Even if the aim is to obtain only a range of estimates across selected states, cross-state comparability is necessarily a major issue.

While these debates occur at the federal level, at the state level there is more interest in knowing the effect of a state's own specific reforms. Because evaluation, as well as operations, have shifted so heavily toward the states and away from Washington, welfare reform analysis in the current environment is much more state focused than it has previously been. State policy makers are often interested in comparing their state's policies to those of other states, but usually they are most interested in knowing the effects of their own policies first. This focus creates some difficulties in making national-level assessments of the effects of the policies and for determining what works and what does not, as discussed further below.

Yet another important issue concerning the nature of the research and policy questions that are, or should be, asked involves the distinction between evaluation studies and monitoring (or descriptive) studies. We discuss this issue below.

#### Evaluation Studies

The classic type of study enshrined in textbooks and in program project studies is the *evaluation* study, whose objective is to estimate the causal connection between a program or policy and its effect.<sup>7</sup> Any study of this type must necessarily have what is known in the evaluation field as a "counterfactual": the program or policy that is being compared with the program or policy under study. By definition, when one speaks of the effect of a new welfare reform program or policy, one must say what that effect is relative to; the latter is the counter-factual.

The most common counter-factual is simply the program that existed prior to the program under study, which in most cases for TANF or an AFDC waiver is the basic AFDC program in a state prior to the introduction of the state's waiver

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<sup>7</sup>Throughout this report, "evaluation" refers to such an assessment of the effects of the program or policy.

or PRWORA program. The effect of a program is generally taken to mean its effect relative to what existed before.<sup>2</sup> While this is indeed the generally accepted counterfactual in current discussions, it should be noted that there are other counterfactuals of interest. One is a program bundle that is the same except for one changed feature. As we noted above, this may be the most important knowledge for incremental reform, where the alternative policy is not a return to AFDC, but a modification of current policy. Studies that consider this type of comparison will necessarily have an evaluation design that permits the estimation of the impact of the counterfactual. A program that modifies one element of a bundle is one example of such a counterfactual. A counterfactual could also be another state's program or policy.

### Monitoring and Descriptive Studies

Many of the welfare reform studies currently under way have less ambitious goals than evaluation. These studies typically characterize their goals as "description" or "monitoring." A descriptive study is one that simply describes the characteristics of a population group relevant for policy—such as welfare leavers, welfare applicants, welfare eligibles, or just low-income families—and focuses on their levels of well-being. A monitoring study is one that follows such a population group over time, periodically describing and measuring its well-being along general and specific dimensions. In both descriptive and monitoring studies, there is no attempt to isolate the precise cause of the individual and family outcomes. No attempt is made to determine how much of the change (in the case of a monitoring study) is the result of welfare reform and how much is the result of other, simultaneous forces, such as trends in the economic environment.

The monitoring approach is very closely related to a classic method known as a *before-and-after*, or *pre-post*, design, which we discuss below when we review alternative methodologies for conducting an evaluation. A *before-and-after* design uses roughly the same data strategy as a monitoring study, namely, the collection of data on outcomes before and after a policy change. However, in a *before-and-after* design the family and individual outcomes in the "after" phase are intended to be causally related to the policy. A design of this type can be distinguished from a monitoring study if it includes a strong analysis of the influence of alternative, simultaneously occurring forces, such as social and economic trends (e.g., changes in the unemployment rate) that may have been contributing to the trends in outcomes as well as policy. (Because this separation of policy effects and the effects of other forces is so difficult, *before-and-after* designs are one of the least desirable types of evaluation methodologies, as we

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<sup>2</sup>To be precise, given time and changes in a state's economic and social environment, the counterfactual is usually defined not as AFDC at a prior time, but as what the effects of AFDC would be in the current environment had it continued.

discuss further below.) This kind of analysis is usually missing in a monitoring study. Also, some monitoring studies have no data from the period prior to the policy change and so are clearly distinguished from a before-and-after evaluation design.

Describing and monitoring the populations of interest are, arguably, the necessary first steps prior to conducting an evaluation. Descriptive and monitoring studies can have tremendous utility in situations in which relatively little information on the recipient population is available. Studies of this type can be informative both to program managers and to the general policy-making and research community because the information gathered can be an indicator of the well-being of the target population intended to be served by the program, and whether that well-being is going up or down, or remaining unchanged. For example, descriptive studies can determine how many welfare leavers are in economic distress and can identify the existence of particular barriers to employment, such as health status, transportation needs, and access to child care.

Ultimately, however, in order to learn the effects of a policy change, description and monitoring need to be followed by evaluation. Without evaluation, nothing can be firmly known about why the well-being of the population is changing the way it is. More important, if that well-being is deteriorating, even for only a minority of the population, a descriptive or monitoring study provides no guidance on how to reverse that trend and increase well-being, because nothing has been firmly learned about its causes. Thus, very little guidance can be given to policy makers regarding whether a policy should be modified.

A potential danger of monitoring studies as well is that they are often misinterpreted as representing the results of a before-and-after design. Even though a monitoring study may carefully note that it has not established any **cause-and-effect** conclusions, the results may nevertheless be incorrectly labeled by others as demonstrating the effect of policy changes. This often occurs because many monitoring studies do not explicitly state the purpose of the study as monitoring, making the results easily interpreted as the results of a before-and-after evaluation. Given the weaknesses of the before-and-after methodology, such misinterpretations pose risks to good policy conclusions.

Monitoring studies are sometimes justified as useful in establishing a baseline for the evaluation of future policy changes. For example, welfare reform in most states is, at this writing, still evolving: any data collection (or monitoring) effort under way can be viewed as establishing a baseline that can be compared with later **outcomes**.<sup>3</sup> A yet more long-run view is that PRWORA will, most likely, be modified, even if in only minor ways, so current monitoring studies can be viewed as establishing a baseline prior to those modifications. These **interpreta-**

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<sup>3</sup>It is possible, however, that such a baseline may have already missed certain attitude and perception changes, such as an increase in the stigma associated with welfare receipt, that were the result of the national debate and media attention on welfare reform prior to the law's enactment.

tions and justifications for monitoring studies led to more general issues concerning the desirability of investments in data and in knowledge infrastructure as the basis for research and evaluation in the future, possibly as part of a general building of data infrastructure.

### STUDY POPULATIONS OF INTEREST

In the broadest sense, the population of interest in any welfare reform study is the low-income or poor population in the United States. However, most welfare reform studies have a narrower focus because most policies and programs are aimed at a particular target population, usually the families or individuals that are eligible for program services. There is some danger in focusing only on the eligible population, however, because who is eligible and who is not can change over time, resulting in a shifting population of interest. Another complicating factor is that families sometimes have the ability to alter their behavior in order to make themselves eligible: for example, by spending down their asset levels. Nevertheless, eligible families are the first population of interest.

Many welfare reform studies are even narrower in their focus, concentrating instead on the population of program participants, usually those who are receiving benefits at a particular time or at two or three different times. Such a focus comes naturally because participants are those actually receiving program benefits and services. Yet this focus runs the risk of missing important responses to a reform. Who is receiving benefits at any time may change, sometimes because of external changes in the socioeconomic or demographic environment and sometimes because of behavioral responses to the policy change itself. In either case, the types of individuals who are program participants can change in ways that will affect the findings of the study or at least that will require a careful delineation of what the study shows and what it does not.

### Studies of Recipients: Caseload Dynamics

The principle that studying a population composed only of a sample of those on the rolls at a particular time is of great relevance and importance, yet it presents certain risks. Given its importance and the risks, an extended discussion of its different aspects is warranted. A useful perspective on the determinants of who is a participant and who is not is furnished by the framework of *caseload dynamics*, which views the caseload in a program as a fluid, ever-changing mix of families and individuals who move in and out of the program, possibly at frequent intervals. First-time entry by a TANF recipient, for example, occurs when a family suffers a drop in income, a woman has a nonmarital birth or experiences a divorce or separation, or some combination of these or other factors. Thus, *first entry* begins a recipient's experience with the system. *First exit occurs* when the recipient finds a job or gets married, when her child ages out of the age range of

eligibility, or any of a host of other events that leads the recipient to attempt self-sufficiency. *Reentry* occurs for those who are unsuccessful in obtaining self-sufficiency, even if temporarily, and who therefore return to the program for another period of benefit receipt, possibly because of the loss of a job, the dissolution of a marital or nonmarital union, or some other event.

At any time, the caseload of a program is composed of families who are **first-time** entrants, as well as reentrants, and who have been on the rolls for varying lengths of time. The caseload dynamics perspective distinguishes between *short-termers*, *cyclers*, and *long-termers*. Short-termers, the least disadvantaged of the three, have only a brief experience with the welfare system and are, for the most part, relatively independent of welfare over their lifetimes. In contrast, cyclers move on and off the welfare rolls periodically and end up, over time, with a **long-term** dependence on the system for repeated assistance, being unable to achieve self-sufficiency. Long-termers, the most disadvantaged of the three, have long spells on welfare uninterrupted by time off the rolls, and have the heaviest dependence on the welfare system for support.

These distinctions are important because research has shown—and intuition supports—that the different degrees of dependence on the welfare system are correlated with individual, family, and community characteristics. These characteristics include a recipient's level of education, work experience, physical and mental health status, history of drug abuse, past history of **nonmarital** child-bearing, and family background and how well it has prepared the recipient for adulthood; the family, social, and community networks available to the recipient; the neighborhood environment from which the recipient comes; her exposure to others with social difficulties; and related factors. Among the types of recipients, short-termers are typically the best off, with relatively good educational and work backgrounds and a relative lack of severe health problems, and who come from better-off family and neighborhood backgrounds than other recipients. Long-termers are typically the worst off, with relatively poor educational and work backgrounds, often with a history of health problems and drug abuse, and with a history of unstable marital or other partner relationships. Cyclers are in the middle, ranked somewhere between the short-termers and long-termers in these respects; they may have some job market skills and some family or community support, for example, but not enough for permanent self-sufficiency.

Among all families in a low-income welfare-eligible population, participants are, on average, worse off than those who are eligible nonparticipants. More important, as the socioeconomic and policy environments change, families move into and out of participation depending on their characteristics and situations. As the economy improves, for example, as it has in recent years, recipients who are better off in general and have greater skill potential tend to leave the program, so the worst-off cases remain. Thus, the caseload becomes increasingly composed of long-termers who have the greatest number of difficulties (sometimes also called the hard-to-serve). Not only do the exit rates, of the better-off families

increase, but the first-time entry and reentry rates of such families also decline as individuals who have better income potential or networks of support are less likely to lose their jobs or supports and become participants. These changes reinforce the change in the composition of the caseload.

Similarly, when policies change (such as those enacted in recent welfare reform), better-off recipients are likely to leave the program as they find jobs or other supports, and they are less likely to enter the program for the same reason; both exit rates and entry rates are affected, changing the composition of recipients. Some policy reforms, such as work requirements, have the net effect of encouraging recipients to leave welfare and discouraging them to enter welfare. Other reforms, such as time limits and sanctions and diversion, literally push recipients out of programs or prevent them from entering. These latter reforms provide a possible exception to the rule that it is always the better-off families that tend to be the first to leave or to fail to enter: for example, in some states the evidence suggests that sanctioned families tend to be among the worst-off cases. In other words, families that are relatively better off will be more likely to *voluntarily* leave programs, while those who are relatively worse off will be more likely to *involuntarily* leave programs.

### Implications

What are the implications of a caseload dynamics perspective for the study of welfare reform policy changes? The major implication is that, while it is easy for a study to define its population of interest as recipients at one particular time, the resulting estimates of the policy effects on that population may not generalize to any other time or any other place. This limitation is because the composition of the recipient population (e.g., among long-termers, short-termers, and cyclers) changes in response to the state of the economy, the prior policies in place, and the nature of the eligible population from which recipients are drawn. This caseload dynamic is especially important for current studies of recipients or former recipients because there has been a significant decrease in the number of families receiving welfare since 1994. Between 1994 and December 1998, the number of families receiving AFDC/TANF declined from just over 5 million to 2.8 million (U.S. Department of Health and Human Services, 1998). A study of former recipients in 1998 is likely to show very different outcomes than a study of former recipients in 1994 because the caseload in 1994 was likely to have been composed of recipients with a greater mix of self-sufficiency levels (skills, education, and work experience) and of reciprocity histories (long-termers, cyclers, and first-timers) than the caseload in 1998, which probably had less variation in self-sufficiency level and reciprocity history and was likely composed of **harder-to-serve** recipients.

Equally important, the effects of policy reforms are likely to be different in any comparison where the caseload composition has changed. For example, the

effect of imposing stricter work requirements would have been different if imposed in 1994 than in 1998, and, in turn, is likely to be different in a future time with a higher unemployment rate than in 1998. The effect of stricter work requirements in different states is also likely to be different if their unemployment rates are different or if their caseload compositions (short-termers, cyclers, and long-termers) is different for other reasons. The effects of time limits, sanctions, family caps, and other reforms is also likely to depend on caseload composition.

The lesson of a caseload dynamics perspective for studying welfare reform is, at a minimum, **that** the findings of any particular study of recipients must be carefully described as pertaining to the particular population at that particular time. A more proactive lesson is that a good welfare reform study should distinguish between different types of recipients in describing its results. This critical element is a first step toward comparability across studies in different states and localities and across studies in the same state or locality at different times. Thus, all results and findings should be stratified by whether the recipients were **long-termers**, cyclers, or short-termers and by the other individual and neighborhood dimensions mentioned above. Distinguishing between groups should take place when measuring outcomes, such as earnings and income, either among those still on the rolls or welfare leavers. Adequate stratification along various dimensions has clear implications for the types of data needed for the study as well, which we discuss further below.

Another implication of these principles concerns studies that examine only welfare leavers. Given the importance of first entry and reentry in the response to welfare reform, a study that intends to capture the full effects of the reform on the eligible population has to move beyond the examination of only leavers to an examination of the decisions of eligible nonparticipants, including their entry decisions. It is important to recognize that changes in welfare programs may affect the decisions of potentially eligible families before they apply or reapply for benefits. First, individuals who may be eligible for the program may not understand the new rules and, hence, may believe that they are no longer eligible to receive assistance. Second, some agencies have implemented formal diversion programs, which commonly offer a lump-sum payment or support services, such as job search support or transportation support, in exchange for not enrolling for the cash assistance program. Furthermore, some agencies are directly or indirectly sending signals to potential clients that the emphasis of welfare is now on employment and self-sufficiency and that more will be expected of them if they enroll in the cash assistance program, a sort of informal diversion program. In some cases, the names of the programs and agencies are the signals of a focus on employment and self-sufficiency. The leading signal to potential welfare recipients that agencies, politicians, and the media have been sending is that work effort is expected (Nathan and Gais, 1999).

Both formal and informal diversion programs aimed at reducing entry to welfare programs are important to understand in evaluating the entry effects of

welfare reform. These diversion programs are also being implemented to stem re-entry onto welfare for those who have voluntarily left or were sanctioned off of welfare. Understanding how these diversion programs, in conjunction with sanction policies, act to permanently keep potential recipients off welfare is also important in assessing the effects of time limits on permanently removing or keeping people from assistance. Studies of the broad effects of welfare reform should also seek to understand the behavioral responses of individuals who make themselves eligible or ineligible for participation, for example, by changes in marital status.

Beyond these broad issues of the study population, there are of course many important subpopulations of interest in most welfare reform studies. Most welfare reform studies differentiate carefully between unemployed-parent and single-parent cases, teenage parent and older parent cases, child-only and **non-child**-only cases, and a variety of different programmatic categories (by age of children, for example). The subpopulations of interest in any particular study depend on the policy and program of interest and on which subpopulations are differentially treated by the **policy**.<sup>4</sup>

#### OUTCOMES AND TIME FRAMES

The outcomes of interest in welfare evaluations vary widely: a comprehensive list of all possible outcomes of interest **would be** quite long. From a programmatic perspective, the effect of the reform on caseloads or, at the family level, on participation rates and recipient rates are clearly of key interest. The implications of caseload changes for costs, including costs net of the expense of operating and implementing the policy change, are usually also of interest to administrators and legislators. The policy and research community is interested in overall trends in family well-being and in how the reforms affect overall trends in poverty. The policy and research community is also often interested in the outcomes of those who begin or end participation because of a policy change. The typical outcomes considered are the employment and earnings of the mother or responsible adult in the case. Shared family or household income is also of interest, especially for former recipients who marry, or who, with their children, move in with or share supports with kin or friends, all of which are outcomes of interest themselves. The extent to which nonparticipant low-income families (because of program exit or failure to enter) rely on other programs or on families and friends for support is also an important question of interest. Dependence on other government programs (such as food stamps) implies that families are not

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<sup>4</sup>The PRWORA policy changes targeted at specific subpopulations are too numerous to explain in detail. However, for an example, a study might focus on the well-being of unmarried **minor** teenage parents and their children who, under the new rules, must live with an adult or in an adult-supervised setting and must participate in educational and training activities.

self-sufficient entirely, and dependence on families, friends, community supports and charities or private aid-giving agencies is often less desirable to some policy makers than reliance on earnings.

Beyond these outcomes for adults and families are outcomes for children. The fundamental reforms of the last decade have **the** ambitious goal of reducing dependence on welfare and reducing the likelihood **that** future generations will become welfare recipients. Often reforms are supported on the basis that children will be made better off in the long run by the reforms. Studying these outcomes requires **that** child outcomes be explicitly identified. There is a tremendous range of types of child outcomes that can be studied, including relatively easy-to-define outcomes for older children, such as educational attainment and grades, to somewhat less easy-to-define but nevertheless conceptually clear outcomes related to the behavior of parents toward children, such as abuse and maltreatment or child support payments from an absent parent. There is also the behavior of the children themselves, such as nonmarital childbearing, drug abuse, and illegal activities; their physical health; socioemotional development, especially for young children; cognitive outcomes, such as test scores and performance on standardized scales; and attitudinal changes, mental health problems, and the like.

The time frame for studying outcomes is also an important feature of any welfare reform study, and time frames often differ across studies, which can introduce noncomparability. It is expected that short-term effects of some recent reforms on adult earnings and employment might be different from long-term outcomes, for it may take time for individuals to build up a sufficient work history to achieve an adequate level of income. Alternatively, an individual leaving welfare may initially do quite well but later encounter health problems or other difficulties that hinder or eliminate her forward progress, resulting in deteriorating long-term outcomes. The private sources of support that are available to families who leave or fail to enter welfare programs may differ over time. Even if a family is, in **the** short run, able to rely on the income of families and friends, this may not be true in the long run because such sources of support are likely to be sporadic. Child outcomes are particularly sensitive to the time frame because many of the basic cognitive outcomes can be expected to be affected only in the long term. However, some outcomes, such as school attendance, may be affected relatively quickly. Thus it is important, once again, for a welfare study both to carefully choose a time frame appropriate to its goals, as well as to carefully describe and qualify its findings according to the time frame actually used in the study.

Demographic outcomes-reduction in nonmarital childbearing, for **example**—have been a goal of many recent welfare reform policies, including PRWORA. Some reforms were implemented specifically to discourage nonmarital childbearing, such as provisions directed specifically to unmarried teenage mothers, funding for abstinence education programs, family caps implemented by some states, reductions in benefits for not cooperating **with** paternity establishment,

and greater enforcement of child support laws. PRWORA also has attempted to give incentives to states to focus on nonmarital childbearing outcomes by implementing an illegitimacy bonus, which will be given to the five states whose nonmarital births and abortions decrease the most over 2-year periods. The extent to which these policy changes are successful in reducing nonmarital childbearing may require a relatively long time frame because demographic outcomes are heavily influenced by custom and social acceptability, and these may change slowly. However, it is also possible that the widespread attention and debate over welfare reform and nonmarital childbearing may have already affected childbearing decisions.

### **STUDY METHODOLOGIES**

There is a long tradition in social science research and policy studies of evaluation of government programs, which in turn, has generated a large literature on methods for evaluation and the relative pros and cons of different methodologies. Although there is still considerable disagreement among experts on what the "best" methodology is, there is general agreement on what the advantages and disadvantages of different methodologies are. Experts come to different judgments on the most preferred methodology because they give different weight to the various advantages and disadvantages. We provide in this section a thumbnail sketch and broad classification of the alternative methodologies, with an emphasis on the types of comparisons involved and the data required for them.

The goal of any evaluation method is to make valid inferences. By valid inference, we mean that the method leads to a conclusion about the true cause of an observed outcome. A method leads to a valid inference if the conclusion drawn from it attributes the change in an outcome to what truly caused the change in the outcome—in this case, if it correctly attributes a change in outcome to the change in policy being examined. Every methodology has some risk of leading to a wrong conclusion, and the possible reasons that a method may lead to incorrect conclusions are called threats to valid inference for that method. An assessment of the reliability of any evaluation methodology requires systematically listing the possible threats to valid inference for that method and, in practice, assessing the importance of each threat.

#### **Randomized Trials**

Perhaps the most well-known evaluation methodology is a randomized trial, or experiment, in which a randomly selected set of individuals is provided with a welfare reform alternative (the experimental group) and another randomly selected set of individuals is not (the control group). The difference in outcomes between the two groups is attributed to the difference in policy. The primary advantage of a randomized trial is that, if properly conducted, the results have a

higher degree of credibility than comparisons based on other methodologies, for the randomization ensures that the estimated effect of the program is free of contamination from effects of other, nonreform changes. A secondary advantage of experiments is that they generally require less data than “observational” (i.e., nonexperimental) studies, for there is less need to collect background and retrospective information on the individuals involved in order to control for their differences; differences between the experimental and **control** groups have already been eliminated, at a first approximation, by the randomization. Nor is there need to collect data across a number of states and localities to ensure that sufficient programmatic variation is obtained, because programmatic variation is built into the experimental design and is thus “forced” on the **environment**.<sup>5</sup>

Despite these advantages, randomized trials are generally not being used in current welfare reform evaluations, except in a few areas in which pre-1996 waiver evaluations are being continued with experimental methodologies. One of the many reasons for this lack of experimental activity follows from the evolving and still sometimes ill-defined nature of many state TANF programs, which have undergone, and are still undergoing, significant modification as states explore different policy and implementation goals. Without a clearly defined and stable program, it is not cost-effective to begin a long-term experiment whose results may not be of interest after they are obtained because the program being examined is no longer the same as the one currently in effect. Another **difficulty** with experiments is that most welfare reform efforts in the states have sought to change the perception of welfare in low-income communities and to change the culture of welfare offices (e.g., to a more work-oriented environment). With changes on this scale occurring, it is difficult to prevent the members of a control group from being affected by the changes induced by welfare reform in their environment. Yet another drawback to experimental approaches is that experiments are ill-suited to capturing the effects of diversion, nonparticipation of eligible people, and general entry effects that result from welfare reform, a significant disadvantage given the current importance of such effects.

Despite these difficulties, however, experimental methodologies should have an important role to play in the future. If and when programs in the states stabilize, for example, experiments may become more cost-effective. In addition, experiments that vary one feature of a reform bundle offer an attractive means of estimating the effects of incremental reform, holding constant the environment and “culture” created by the initial reform. Given the advantages of experiments in terms of credibility, the methodology should be kept as an active alternative for future welfare reform.

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<sup>5</sup>**Randomized** experiments are often conducted at different sites when it is believed that the program effect depends on area characteristics, which helps make the conclusions **from** the study more **generalizable**.

### Nonexperimental Studies

Turning to nonexperimental, or observational studies, Table 2-1 presents a classification of different types of evaluations according to the key issue of the source of the program variation used in obtaining an estimate of the program effect. The choice of a comparison group in a nonexperimental evaluation simultaneously defines the implicit counterfactual for the programmatic environment to which the policy change is being compared by determining who is being compared with whom to obtain an estimate of the program effect. The table considers four different generic types of evaluations: pure before-and-after designs, pure cross-section designs, designs that combine before-and-after with cross-sectional elements, and cohort designs. Each of these types makes a different type of comparison. The issue for evaluation, assuming that the different methodologies do not produce the same findings of program impact (which they usually do not), is how to assess the threats to each methodology.

#### *Pure Before-and-After Designs*

Pure before-and-after designs simply follow individuals or groups of individuals over a period in which a program change has occurred. (We referred to this method above in the discussion of monitoring as a study goal.) The change

TABLE 2-1 Methodologies for Nonexperimental **Welfare** Evaluations

Evaluation Design	Description
<b>Pure Before-and-After</b>	Individuals examined over time and outcome measures; program has changed over time; change in outcomes attributed to change in program; can have multiple <b>before-and-after</b> time periods.
<b>Pure Cross-Section</b>	Comparison of different individuals at one time (e.g., week, month, or year); program differs across units; difference in outcomes across units attributed to program differences. Alternatively, participants compared with nonparticipants.
<b>Cross-Section Combined with Before-and-After</b>	Individuals followed over time as policy changes and affects different individuals differently. Within areas: individuals subject to different requirements; across areas: individuals subject to different policy rules.
<b>Cohort and Repeated Cross-Section</b>	Multiple birth or program entry cohorts who are followed over time; program is changing over time; changes in cohort experiences attributed to program change. Within areas or across areas.

in outcomes is attributed to the change in the program. An example of such a design is a study that follows a group of low-income families for several years prior to a policy change—for example, the implementation of work requirements in order to receive cash assistance—through several years after the policy change. The policy comparison might be how many of these families applied for cash assistance before the work requirements compared to how many of these same families applied for cash assistance after work requirements.

The threats to this design are of two distinct types: aging (sometimes called maturation or life-cycle) effects and systematic external changes in the environment. Aging effects refer to the employment or demographic changes that occur as individuals age and go through different stages of life. As an individual's family members age, their program participation may also change. For example, a woman may find sustained employment more feasible once all her children are of school age. Aging effects might be ignorable for short periods, but over long periods the change in outcomes will inevitably be affected by life-course transitions.

Systematic changes in the external environment can also pose threats to correct inference in a before-and-after design. Changes in the economy and in other programs can easily change the outcomes of the families being studied for reasons other than the policy change being examined. Attempts to control for changes in the environment are generally necessary for this type of evaluation to be credible, and credibility often requires relatively **long periods** of historical data to convincingly demonstrate that other influences have been successfully controlled (accounted) for. Like all time-series analyses, of which the **before-and-after** design is one, estimating the effect of the policy change requires an estimate of how outcomes would have evolved in the absence of the change, which must be estimated on the basis of historical trends at the aggregate or individual level.

### *Pure Cross-Section Designs*

A pure cross-section evaluation compares different individuals or families at one time who face different program environments or who in some **other** way can be differentiated according to their programmatic status. For welfare reform, the most common approach is a comparison of outcomes across different states with different policies. The cross-sectional dimension of evaluations in this category refers to cross-sectional variations in policy at a given time, but it does not mean that only point-in-time data are used. Indeed, an evaluation can follow individuals and families over time and collect detailed outcome measures and still be a **cross-sectional** evaluation according to our definition, if the policies do not change over the period of the data collection. An example of this design would be a comparison of the earnings outcomes of program participants in a state that has a 5-year time limit, lenient sanctions, and weak work requirements, with the outcomes of program participants in another state **that** has a different bundle of reforms-for

example, a 2-year time limit, stringent sanctions, and strong work requirements. This comparison would require observing the participants in both states over time, but it is still a cross-sectional study because the policies in both states do not change over the observation period.

The major threat to this type of design is that not all differences across areas in the economic, social, or programmatic environments have been controlled for, and there are, therefore, alternative explanations for any differing outcomes among the study populations. A closely related threat to this design occurs if the study populations themselves are different across areas, an issue which is best understood in the context of our previous discussion of differing caseload compositions. Caseload composition may differ across states, which by itself can generate differences in outcomes, independent of differences in policies. A partial remedy to caseload compositional differences across states is to combine eligible nonparticipants with participants and compare the total eligible populations across states. However, the eligible populations themselves may differ for reasons that are difficult to measure, which leaves some potential for confounding policy differences with underlying population differences.

Most cross-sectional comparison designs in welfare reform are based upon cross-state differences, but within-state comparisons are not completely ruled out. A within-state cross-sectional comparison design is possible, for example, if policy is implemented differently in different areas. Migration across areas is a potential threat to such comparisons, but if migration can be shown to be minor, the threat is minimal. Comparisons of different types of recipients who are treated differently by a policy (e.g., women with and without young children who are and are not exempt from work requirements) are also sometimes considered under this rubric. However, such studies are rarely credible because obvious differences in outcomes result from the difference in characteristics that generates the differential policy treatment in the **first** place: for example, women with and without children will ordinarily have quite different employment and other outcomes independent of the welfare policies imposed upon them.

Also included under this category are comparisons of recipients to non-recipients. Cross-sectional comparisons of this kind are extremely rare in welfare reform evaluations because recipients and nonrecipients are so different that their differences in outcomes can almost never be ascribed to differences in the policy. Participant-nonparticipant comparisons are more common in evaluations of other types of social programs, such as manpower training programs, where, arguably, there is a significant degree of randomness in who enters the program from among those who are eligible.

#### *Combination of Cross-Sectional and Before-and-After Designs*

A combination of cross-sectional and before-and-after designs is the third category of evaluation methodology. In this design, a study has data following

individuals over time, but a policy changes during that time and changes differently for different individuals, so that both over-time policy variation and **cross-sectional** variation are generated. For example, a study may follow a group of recipients in two different states over a period in which a policy changes in one state but not the other. Relative to a pure cross-sectional comparison of the states over a period in which policy is not changing, this design has the advantage of permitting a comparison of the composition of the recipient populations before the policy change in order to ascertain the differences that may confound efforts to estimate **the** true effect; once these differences are controlled for, the isolation of the post-policy change difference across the states that results from the change itself is more credibly achieved.

The major threat to **this** design is the danger that the changes in outcomes across areas differ for reasons other than the difference in **the** policy change. Trends in the economic environment or programmatic environment in different areas are not always easy to identify and control for. In addition, differences in the types of recipients who are receiving benefits at any particular time may be associated with differences in their evolving experiences over time: better-off recipients may have stronger growth rates of employment and earnings, for example, than worse-off recipients. Controlling for observable differences in recipient composition is a critical feature for a convincing design of this type and often requires the use of information on the work and programmatic history of the recipients in the different states.

### ***Cohort and Repeated Cross-Section Designs***

Cohort and repeated cross-section designs are the final category of non-experimental methodologies. These designs are quite similar to the combination just discussed except that **the** same individuals or families are not followed over time; rather, different cohorts of families are compared before and after a policy change. The usual example of this type of design defines one cohort as participants in the welfare program at one time and the second cohort as participants at a later time, after welfare policy has changed. A comparison of the outcomes of the two groups is conducted, and any difference is attributed to the introduction of the policy. The advantage of this design over a pure before-and-after approach is that the threat of aging, maturation, or natural life-course effects that occur to a group of families over time—which is a threat to valid inference in a **before-and-after** design—is no longer present. If the two cohorts have roughly the same age distribution and distribution of other characteristics, they will both “age” simultaneously and their outcomes will evolve, but if the policy has an effect then the outcomes of the two cohorts will be different.

One major threat to valid inference in this design is **the** danger **that** the two cohorts are different in ways that affect their outcomes. This is a serious threat in welfare reform evaluations because most policies change the nature of who is a

recipient (as discussed above in the context of study populations). Thus, comparing two cohorts of recipients, one before PRWORA and one after PRWORA, for example, is problematic because the types of recipients still on the rolls during the latter period may be quite different from the types on the rolls in the former period, leading to differences in outcomes because of the types of families on the rolls rather than the effect of welfare reform.

A method to reduce this threat is to compare birth cohorts instead of program cohorts or to consider cohorts of eligible populations instead of program recipient cohorts.<sup>6</sup> Although the nature of birth cohorts may change over time, any such effects should be minor and unaffected by policy. Cohorts of eligible populations are more problematic because policies can change who is eligible and who is not, but **this** can be partly controlled for by using pre-change measures of eligibility for the definition of the second cohort. Assuming cohorts are defined in this or some related way, one can compare series of cohorts across areas in which policies are changing differentially.

Whether cohorts are defined by reciprocity, eligibility, or birth year, all cohort designs face the additional threat of changes over time in the economic and programmatic environment that will affect outcomes independently of those induced by the policy change, just as in a before-and-after study. Ideally, a number of cohorts (i.e., more than two) should be constructed to determine whether trends exist in successive cohorts.

A more elaborate cohort design combines **cohort studies** across states. One example would be to have a before cohort and an after cohort in a state that experienced a policy change between the cohorts and data from two cohorts at the same time in a state that did not experience a policy change. As with the combined before-and-after and cross-section designs discussed above, the major threat to this design is that there are differences across states **either in** the types of families in the cohorts or in trends in the social and economic environments.

As we noted at the beginning of this section, different studies of welfare reform have evaluation goals that require different methodologies for evaluation. If the threats to the validity of each method are not the same, then comparing the results of studies is problematic. More important for the long run is the resolution of any issues that arise from the choice of methodology and determining whether the threats to each type actually occurred. Strong welfare reform evaluations are those that consider the different threats and evaluate their importance.

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<sup>6</sup>An example of a birth cohort design is a design that follows a cross-section of women of the same age over time (perhaps following all 15-year-old women as they move through the childbearing years) and a later cross-section of women of the same age (i.e., a later cohort of 15-year-olds) who are subject to a different policy environment and compares their outcomes. A birth cohort could **also** be defined by the birth of a woman's child. An example of an eligibility cohort design would be to follow a cross-section of women **pre-PRWORA** who were eligible for AFDC (both those on and off the rolls) and a later cross-section of women post-PRWORA who have the same **characteristics**—that is, who would have been eligible for AFDC **pre-PRWORA**.

### ESTIMATING THE EFFECT OF REFORM COMPONENTS

Our description of different study methodologies has implicitly assumed that there is a single policy whose effect is of interest, in most cases a policy consisting of a bundle of different reform elements. But different evaluation designs have a different set of advantages and disadvantages when the evaluation seeks to estimate the effects of individual components in a bundle of reforms. Before-and-after designs are very problematic for estimating the effects of individual components because policies are almost always introduced in their totality, not in a piecemeal fashion. Cohort designs, if conducted in only one state or geographic location, are similarly disadvantaged for this purpose. Because before-and-after and cohort designs are the most common within-state evaluation methodologies, it is very difficult to estimate the effects of individual program components on data from a single state. In contrast, cross-section designs and combined cross-section and before-and-after designs, which use cross-state variation in policy to estimate welfare reform effects, are more amenable to estimating the effect of individual components because the variation in bundles across states sometimes permits an indirect assessment of individual component effects. For example, in the lucky (though unlikely) case that two states have enacted bundles of policies that are identical except for one feature, a comparison of the outcomes across the states may be interpreted as representing the effects of a change in that individual component. Although this type of case is quite unlikely, it is still possible that the 51 states (including the District of Columbia) may have enacted policies that differ in only a small number of dimensions. For example, it is possible that states could be classified into five or ten different “types,” and within each type states have more or less the same package of reforms. If such a classification is possible, comparisons of outcomes across the states might allow the estimation of the effects of each of the individual “types” from each other and, possibly, an indirect estimate of the effects of individual components (if there are not too many).

Although such a strategy is attractive and will no doubt be explored in welfare reform evaluations of PRWORA and related reforms, there are significant difficulties that will have to be addressed in its implementation. Some issues are practical, such as the capability of national-level data sets or a combination of state-level data sets to permit such comparisons (an issue we discuss further below). Another issue is whether accurate data on policy measures have been collected and are sufficiently available to represent a state’s policy correctly (which we also discuss further below).

But even with the appropriate data and full knowledge of all states’ policies, one difficulty that remains is whether the policies are similar enough in groups of states to permit the classification into types. There are numerous different welfare reform features and combinations of features that have been considered by the states, so a classification scheme would have to rank those features by their importance. Another difficulty arises if the features interact with each other—

that is, if the effect of any individual component depends on the presence of another—which will likely reduce the strength of a comparison across only 51 states and jurisdictions. Finally, a major difficulty is controlling for the other differences across states that occur simultaneously with differences in **policies**—differences in the economic environment, socioeconomic characteristics of the population, and types of other welfare programs available. Thus, while this strategy should unquestionably be pursued in the full panoply of welfare reform evaluations, its success and credibility will require successful resolution of these issues. We also note that these issues will have to be resolved to give credibility to cohort and before-and-after designs in a single state (except for the issue of across-state comparability), as discussed above, and to other forms of evaluation.

#### **DATA SOURCES**

The discussions of research and policy questions, populations of interest, and evaluation methodologies in the preceding sections have already raised issues related to data requirements. Monitoring studies, for example, necessarily require data that track the observed group over time. Welfare reform studies need to make careful distinctions by entry, exit, and reciprocity status, and they need to distinguish between long-termers and short-termers in their analyses. **Disaggregating** families by their characteristics is also important, which requires data on education, past work history, health, past reciprocity; the ages and number of children, characteristics of **the** families' neighborhoods, and related characteristics. Finally, the choice of evaluation methodology has immediate and direct implications for data requirements, for each type of methodology requires different information. The simplest design, a before-and-after study, particularly needs historical data on trends at the state and individual level, for example. But all methodologies need data on multiple periods, multiple cohorts, or otherwise demand careful and detailed data.

The data requirements are unlikely to be met by any existing welfare reform study in perfectly acceptable fashion because data limitations are so severe. The severity of the data difficulties confronting studies of welfare reform is a major barrier to conducting convincing and credible analyses **with** reliable policy conclusions. In this section we discuss the data that are available for evaluations and briefly describe the more important data barriers.

The two major sources of data for welfare reform analysis are administrative data and survey data. Administrative data include information gathered from welfare records of all kinds (TANF, Food Stamp Program, Medicaid, etc.), as well as information gathered from nonwelfare sources, such as information on earnings from the records of the unemployment insurance system or information on fertility from birth records. Often, administrative records from many welfare and nonwelfare programmatic sources are linked together to expand the coverage of any one individual source, leading to "linked" administrative data.

Survey data are obtained when information is collected directly from participant or nonparticipant families through a question-and-answer interviewing process, either over the telephone or in person. There are national-level data sets of this kind that are relevant to welfare evaluation (e.g., the Survey of Program Dynamics and the Survey of Income and Program Participation), as well as state-specific surveys conducted explicitly to yield information on some relevant subpopulation in that state.

It is useful to separately consider these two types of data sources, and we do so *below*.<sup>7</sup> We also discuss the importance of collecting descriptive program data to make both administrative and survey data more effective. Finally, we consider the use of all three types of data together for both monitoring and evaluation.

### **Administrative Data**

Administrative data in welfare reform evaluations come most often from the records of the TANF system itself. TANF records typically indicate the months of receipt by a family, a list of the persons included on the grant, the benefit paid, and various characteristics of the persons relevant to eligibility and to the grant amount, such as earned and unearned income, assets, and ages of children. With the more complex types of welfare reforms that have been implemented over the last decade, administrative data have come to include information on participation in work programs, sanctioning status, and related indicators of program treatment.

Administrative data of this type have been most heavily used because they are most readily available to welfare agencies and to the evaluation organizations with which they may subcontract. The data typically are not immediately usable for analytic and research purposes, however, but must be prepared for such use in what may be a fairly long and expensive process of correcting erroneous codes, interpreting missing data, and documenting the meaning of entries. Indeed, a significant barrier to the use of administrative data in general is that their quality is often of an unknown level because there is rarely systematic checking for errors and inconsistencies, especially for items of information that are not directly used for administering the program (Hotz et al., 1998). Nevertheless, assembling administrative data on TANF reciprocity is an important first step in describing a recipient population.

One serious issue that arises in the administrative welfare records of most states is the generally short time period of their availability. Not only are welfare records in most states not available for families who were recipients even a few

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<sup>7</sup>For other discussions of survey and administrative data for welfare reform research, see Brady and Snow (1996) and Hotz et al. (1998).

years ago, there is often relatively poor data on the historical reciprocity patterns of current **recipients**.<sup>8</sup> Although there is considerable variation across states and even across counties in this regard, many states have not thus far given priority to maintaining historical administrative data at all or in usable form. For the most part, the reason for the lack is that such data were not needed to administer the program. Now, however, the relative lack of availability of such information is a major barrier to many of the desirable features of a welfare evaluation study. Classifying recipients into long-term and short-term categories, for example, requires at least some historical information on reciprocity. Likewise, implementing any of the evaluation methodologies that make use of data on recipients over time requires such information.

For the purposes of most welfare program evaluations, the major drawback to administrative data from the welfare system is simply that they do not, by definition, contain information on periods when the individual or family is not receiving benefits. Thus, the data are ill-equipped to assess the well-being or status of families who have left the program or of eligible nonparticipants who have failed to apply or who have been diverted. This problem can be considerably reduced by the linkage of data sets from different programs—AFDC-TANF, food stamps, housing, the child welfare system, child support enforcement, and so on—because families may be in at least one of these databases when they are not receiving benefits **from** one of the other programs. For example, a family that has stopped receiving cash assistance and is no longer in the welfare data system may still be receiving food stamps, Medicaid, or public housing benefits. A major issue in current welfare reform data discussions is whether administrative data from, say, non-TANF welfare programs provides adequate coverage of TANF leavers or TANF-eligible nonparticipants. At the present time, little information is available on such coverage rates.

The most common administrative data source currently in use to at least partly assess the economic circumstances of individuals and families when they are not receiving benefits is that based on unemployment insurance (**UI**) records. Employers who are covered by the **UI** system must provide quarterly earnings reports on individuals to state employment agencies, and these data can be made available to researchers. Typically, these data have been matched to information on families who have previously received welfare benefits, but they could also be gathered on periods prior to entry (or on low-skilled working women who are not receiving benefits) to estimate entry effects. Making such data available to researchers requires that safeguards and guarantees of confidentiality and disclosure be maintained and enforced. This is another barrier to the use of administrative data that needs to be addressed by state and local governments (see Hotz et al., 1998, for a discussion).

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<sup>8</sup>This may change with PRWORA because the enforcement of time limits requires that records on past spells of reciprocity be kept for a much longer time.

A significant difficulty with UI earnings data is that they do not cover the entire workforce: they exclude many government workers, domestic workers, informal and temporary workers, and individuals in the underground economy. They also pertain only to individuals and not to families, and unearned income in general is not available from the records. Yet another issue is that earnings are reported only quarterly, which can create some difficulties for matching to monthly or weekly welfare participation or other records. Furthermore, in order to track workers who live in one state but work in another, a state would have to obtain the UI records of its neighboring state. One new potential source that might be useful in tracking workers across states is the Expanded Federal Parent Locator Service (EFPLS), which contains the National Directory of New Hires. The National Directory of New Hires contains quarterly reports from all states on wage and unemployment compensations of newly hired workers in a state. Many federal agencies, whose workers are not covered in UI reporting, will be reporting this information under EFPLS. Making the data available for research purposes could help analysts track employment outcomes of welfare recipients and potential recipients.

Data from income tax records is another potential source of data for conducting evaluations. State tax records are likely to have wider coverage of the workforce than UI earnings data and will also have wider coverage of unearned income and the earnings of spouses. There are, however, serious privacy and confidentiality barriers to obtaining the use of tax records.

Each of these data sources is susceptible to not covering the entire population of interest, at least to some degree. Some low-income individuals may not show up in any of the data sets, especially if they are not working in the formal economy and would not be covered under unemployment insurance or file tax returns. These individuals may be the worst-off cases in terms of formal labor market job skills, and missing them in an analysis could limit the generalizability of results.

Administrative data are usually quite weak on socioeconomic characteristics of the recipient because that information is not generally needed to determine eligibility for a benefit or to judge compliance with requirements. Consequently, information on education, occupation, marital status, and other basic characteristics is usually not available from administrative data. However, linking administrative data sets can improve the coverage of socioeconomic characteristics of individuals and families because different programs need different information about a potential recipient to judge eligibility or compliance. Nonprogrammatic sources of data can increase coverage of socioeconomic characteristics: for example, vital statistics birth records can be used to monitor and understand fertility decisions. However, linking individual administrative data sets can be difficult because there is often not a unique identifier for each case and because other identifying variables (names, Social Security numbers, or birth dates) can be incorrectly recorded. Significant strides in the area of probabilistic record

matching, a technique that calculates a probability that two records with separate identifying information (name and birth date for example) are actually from the same person, have been made and can help address this problem.

Finally, administrative data present significant difficulties if attempts are made to compare them across states. In many instances—for example, the many welfare leaver studies conducted in different states (see Chapter 3)—one may want to know if an outcome in one state is comparable to that in another (e.g., if a 50% employment rate among welfare leavers is really double the 25% rate in a different state). Unfortunately, data from administrative records are often not comparable because of variations in the definition of what a case is, what a program is, and how a case is tracked with administrative data. Different concepts are often used for variables with the same label, and the classification schemes used for recipients may be quite different. This variation has always existed, but it is growing with the devolution of program design to the states and the increased variety of types of programs across the country. This variation presents a serious challenge to making cross-state comparisons with administrative data.

### **Survey Data**

Survey data have important advantages over administrative data. General household surveys contain information on family structure, family income, earnings in all sectors, hours of work, and all other major socioeconomic and demographic characteristics. Often, earnings and wages are available at relatively short time intervals. In addition, perhaps most importantly, general population surveys have information on individuals and families when they are not receiving welfare benefits, and thus can be used to assess well-being and to measure behavior during those periods.

One source of household survey data are the national-level surveys, such as the Survey of Program Dynamics (SPD), Survey of Income and Program Participation (SIPP), Current Population Survey (CPS), Panel Study of Income Dynamics (PSID), and National Longitudinal Survey of Youth (NLSY). As we noted above, these data sets have a potential role to play in obtaining national-level estimates of the impact of welfare reform. Unfortunately, the usefulness of these surveys for the purpose of welfare program evaluation is significantly threatened by three factors. One is that most national surveys do not have very large sample sizes on the populations of interest in welfare reform. Even the CPS, the largest of the data sets, runs into potential sample size problems if an analysis is restricted to, say, less educated single mothers and conducted separately by race and ethnic group. A second drawback is that using national surveys to assess welfare reform requires that welfare rules be known for each state in a comparable form, and there have been, thus far, limits to the extent to which such information is col-

lected and made available (see below).<sup>9</sup> A third drawback is that most national household surveys collect only general socioeconomic information and do not obtain all the information from a respondent that welfare studies need, such as the respondent's history of receipt of welfare and other government program benefits, detailed accounts of sources of support, and the characteristics of the neighborhood in which the respondent lives.

From the point of view of state-level evaluations, new household surveys of the population are an option that can be considered. The major barrier to their use is their significant expense. Fielding a survey is a major operation and can be quite costly, particularly if interviews are conducted in person rather than over the telephone. Survey expenses are also quite high if the sample is generated by screening at the household door, because considerable effort is required to locate the target sample. A frequently used alternative in welfare evaluations is to gather administrative data from welfare or other programs to generate a sample of current or former welfare recipients. The major disadvantage to such list frames is their partial coverage of the population, because many families who are not receiving welfare benefits will not be included in such administrative data. An additional difficulty is that, although forming a sample from administrative data lowers screening costs, locating and tracking former recipients (e.g., obtaining current addresses or telephone numbers) can also be time-consuming and expensive.

In addition to the expense of household surveys, nonresponse<sup>10</sup> and misreporting problems raise issues that can be difficult to address. Nonresponse in most household surveys is not random, and a low response rate in a survey leaves the potential for systematic bias due to nonresponse. Nonresponse rates can be particularly high in telephone surveys of low-income populations. Nonresponse rates in telephone surveys in general have grown with the increase in telemarketing and other factors (e.g., extensive polling, use of answering machines and other call-screening devices). Furthermore, the fraction of the low-income population without telephones or with disconnected telephone service, and the fraction who change telephone numbers frequently, is relatively high, leaving the potential for considerable sampling frame bias. Yet telephone surveys are often used because they are less expensive than in-person surveys. Indeed, there are serious tradeoff concerns between obtaining high-quality, high response-rate survey data with the limited resources of many states for data collection. This

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<sup>9</sup>The lack of comparable information on policy variables across states is also a problem when comparing outcomes across states using administrative data, and hence it is not inherently a problem with survey data. However, state-level administrative data can be used for state-level evaluations and hence is of some usefulness—at least for estimating the effect of the bundle of reforms.

<sup>10</sup>Nonresponse can be by the respondent to a whole survey (unit nonresponse) or to one or more questions on a survey (item nonresponse).

tradeoff may lead to a need to conduct smaller-scale surveys in order to keep quality standards sufficiently high.

Misreporting and underreporting of events and program participation is also a problem and is also difficult to detect. One of the main ways of detecting response errors is, in fact, the use of the administrative data discussed above, through cross-checking information with survey data. For example, TANF receipt information from survey data can be cross-checked with administrative records. Administrative data can also be used to gather missing information from survey nonrespondents, for example, earnings from UI records. Such data can also help detect any nonresponse bias<sup>11</sup> in the surveys. The use of administrative data for detecting nonresponse is limited by the coverage of administrative data sets (e.g., UI data only cover those who are employed in the formal economy). However, the potential use of administrative data for this purpose is worth serious consideration.

A more analytic difficulty with survey data is that they generally cannot be used to gather much retrospective information on earnings, employment, and welfare and other program participation while ensuring accurate answers. Consequently, historical information is difficult to obtain. This is a problem for welfare program evaluation, given that most evaluation methodologies require information on behavior and outcomes prior to the policy change as well as after the change. Most state-level surveys begin long after a new policy is in place, leaving the study without a pre-change, or baseline, measure. In contrast, with administrative data, the likelihood of the availability of at least some historical data is much greater.

Other difficulties with survey data result from attempts to reinterview respondents over periodic intervals and hence create a longitudinal, or panel, data set. While the average cost of interviewing a family a second time is much less than the cost of locating and interviewing a family for the first time, a small fraction of families who move or who are difficult to locate at a later time can generate very high expenses for the data collectors. Nonresponse in a longitudinal context can be a problem as well, because the ability to locate and reinterview a family may be correlated with the values of the outcome variables of interest (employment, earnings, program participation, etc.) for assessing new welfare policies. Consequently, issues of nonresponse bias again appear. Another complication for panel data sets is following all family members when families split up. To track outcomes, especially for children, it is critically important to collect data on all members of the original family. For instance, one may want to evaluate the outcomes of children who have been separated from their families because of hardships. To do so would require following the children in the

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<sup>11</sup>Nonresponse bias is a systematic difference in the characteristics of respondents and non-respondents.

family as well as the adult member(s) of the family, but it is often difficult to do so after the family has split, and it can be costly.

Despite this rather long list of disadvantages, survey data nevertheless have strong advantages and must be considered part of the data collection strategy of any welfare reform study that desires a reasonably comprehensive picture of families and individuals who are not participating in welfare programs.

### **Linking Administrative and Survey Data**

Linking administrative data sets to survey data sets offers the potential to take advantage of the features of both types of data. Surveys can gather information on program participants when they are not receiving benefits and can also supplement administrative data in gathering information on demographic and background characteristics of the populations of interest. Surveys can also collect data on the entire household and on informal sources of support. Administrative data, in contrast, can provide reliable data on program participation, potentially for long periods of time, and information on how recipients are treated by the program. Linked administrative data can provide information on the services recipients receive while they are on welfare, such as work supports under Welfare to Work, job training, and job search services. Linked administrative data can also be used to track a recipient's or former recipient's dependency on other social welfare programs, such as public housing, food stamps, and others. The use of administrative data can also reduce the costs of collecting data that would otherwise be obtained with a survey, such as date of birth. Information on common items available in both sources can be used to check data quality. Administrative data (e.g., on UI earnings and employment) can be used to assess the seriousness of any bias from nonresponse in a survey.

As we stated in the opening of this section, the appropriate data sources for an evaluation depend on the evaluation methodology chosen. A monitoring study would be more effective if based on a linked administrative-survey data set on families over time. Before-and-after studies require historical data at either the individual level or aggregated at the state (or relevant policy area) level in order to account for changes in the external environment that may change individual welfare reciprocity, and linked administrative-survey data sets would also make this type of study more effective. The pure cross-section design, the combination of cross-section and before-and-after design, and cohort designs (at least across states) also require considerable knowledge of participation histories and demographic and socioeconomic characteristics, but in these cases, information is required across different states. A challenge to the use of administrative data for these types of designs is whether cross-state comparability of administrative data is sufficient to make these methods possible (see Hotz et al., 1998, for a discussion of such comparability).

Linking survey data to administrative data has thus far been on a state level,

probably because state agencies conducting welfare reform evaluations have easy access to administrative records. The extent to which survey and administrative data can be linked on a national-level basis with national household surveys remains to be seen. As we explain in Chapter 3, the Census Bureau, with support from ASPE, is looking into the feasibility of matching social security records to the SIPP and SPD data.

Privacy and confidentiality are significant concerns for the development and linkage of administrative data sets and for survey data sets linked to administrative data sets. These concerns may limit the access outside researchers have to the data. The issue is also of concern for survey data, but is typically addressed through informed consent agreements and data masking procedures. Techniques and protocols for ensuring confidentiality and privacy continue to develop and will need to be developed further if linked data are to be more widely accessible.

#### **Data Providing Descriptions of Programs**

A third type of data, less often discussed, is that describing the welfare reform itself. Although it is commonly assumed that such data must necessarily be available, lack of accurate information about program rules and provisions has developed into a problem in current welfare reform efforts, and it is therefore necessary to note that collection of descriptive program data requires an independent effort.

Prior to the wave of welfare reform that began in the early 1990s, all state AFDC programs had the same approximate structure, with a relatively similar set of rules governing eligibility and benefit computation. States had considerable leeway in setting benefit levels, but most other characteristics of the program were heavily regulated by the federal government, operating under the provisions of the Social Security Act, court interpretations of that act, and administrative decisions. States were required to report to the federal government the provisions of their state AFDC plans, their benefit levels, and a wide variety of other information to ensure that they were in compliance. In addition, because the **matching-grant** structure of the federal financial support for the system required information on average benefit levels in the states, those had to be reported as well.

Requirements for reporting program rules to the federal government have changed greatly under PRWORA. Federal regulations include a requirement that states must provide an **annual** report on the characteristics of their TANF program rules. However, how these characteristics are reported is not standardized, and the wide variation in policy across states makes standardized reporting more difficult. The reporting requirements are fairly open-ended, possibly diminishing the usefulness of the data provided in these reports. States can use varying definitions in reporting and are likely to report only what is strictly defined in the final regulations since there are no incentives to report any other information and no funds from the federal government to do so, as there were under AFDC.

Furthermore, it is not clear from the final regulations how states that have given counties authority to set their own program rules will report the program rules, though clearly the states and the federal government have an interest in knowing what **these** county rules are.

Many states have their own state programs for low-income populations. For such programs, states are only required to report the characteristics of programs that use federal maintenance-of-effort funds that are provided for under PRWORA;<sup>12</sup> states do not have to report rules of separate state programs that are funded from **other** state sources. But to evaluate the effects of the PRWORA legislation, it would be necessary to understand how these separate state programs interact with the federal requirements of TANF. For example, Illinois is using its own funds to pay benefits to recipients in months when they are working at least 25 hours per week, but receiving these benefits does not count against the 5-year time limit on receiving benefits (Illinois Department of Human Services, 1999).

It is difficult to judge whether the requirements of states to report on program rules will be comprehensive and standardized enough for use in evaluations. A separate effort is being made along these lines by the Urban Institute, under contract to DHHS. The Urban Institute is collecting information on the TANF rules for all the states for 1996-1998 and is attempting to classify the rules in a **typology** that could allow state comparisons. A list of the summary categories of rules that will be collected in the project is shown in **Box 2-1**. This is an important effort that should be strongly encouraged and considerably broadened. The pace of the effort is discouragingly slow, given that PRWORA was passed in August 1996. The work deserves support to produce information on a more timely basis, and a long-run institutional commitment is required to ensure that this information will be forthcoming on a regular basis in the future.

The current lack of information on state policies also poses a significant problem to any welfare reform evaluation that attempts to make cross-state comparisons. As discussed above, several of the major evaluation methodologies require such comparisons. Without reliable information on **the** programs enacted by the states and how they are changing over time, at a level of detail permitting accurate comparisons of how different states have approached the various major categories of reform policy (time limits, work requirements, sanctions, diversion, family caps, and so on), it is unlikely that credible cross-state comparisons will be possible. This would be an unfortunate outcome because the various policies adopted by the different states offer a valuable source of variation for estimating the effects of welfare policies.

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<sup>12</sup>States are not required to report very many details of the characteristics of these state programs.

### Box 2-1 The Urban Institute's Welfare Rules Database

#### Welfare Rules Categories

(organized from the perspective of a family applying for benefits)

Does the state try to divert the family from applying for benefits?

Diversion

What kinds of families are potentially eligible?

Eligibility by number/type of parents (family type)

Eligibility of units headed by a minor parent

Eligibility of pregnant women (with no other children)

Eligibility of two-parent families

Which individuals in a family are potentially eligible?

Eligibility of individual family members

Inclusion of noncitizens in the unit

Family caps

What is the amount of assets a family can have and still be eligible?

Asset test

How is income counted?

Countable income

Income and assets of children

Earned income disregards

In-kind income

Deemed income

## PROCESS EVALUATIONS

As we note at the beginning of this chapter, process evaluation plays an important role in supplementing and complementing outcome evaluation. Documenting the written program rules in each state is the essential first step to understanding the policies that face program participants and potential program participants. A further step toward fully understanding the treatment is to document how the written rules are actually implemented. Such studies are generally referred to as process, or implementation, evaluations.

Process evaluations describe how program rules are operationalized and how the services are actually delivered. Implementation information is **gathered** by

**What is the amount of income a family can have and still be eligible?**

Income eligibility tests  
Dollar amounts

**If family passes all eligibility tests, what is the amount of its benefit?**

Benefit calculations

**What are a recipient family's child support requirements?**

Child support  
Child support sanctions

**What are a recipient family's behavioral requirements?**

Contracts and agreements  
School policies for dependent children  
Immunization and health screening requirements

**What are a recipient family's work-related activities requirements?**

Activities exemptions  
Activities requirements  
Activities sanctions  
Minor parent activities requirements and bonuses  
Components

**How long can a family receive benefits?**

Time limits

**What happens after a family no longer receives benefits?**

Transitional benefits

visiting program offices (often across multiple service delivery areas), interviewing caseworkers, surveying administrators, directly observing client and caseworker interactions, or reviewing documentation of individual cases. Process evaluations can be used for administrative purposes, such as assessing caseworker and administrator performance, determining whether the intended policies are actually being implemented, or as an example of how services are provided in one area. Process evaluations can also be used in conjunction with outcome evaluations by linking the exposure individuals had to the program to the effects of policies on individuals. This use of process evaluations is the most relevant for the purposes of this report.

Although it is always possible that a gap **between the** written policy and the

implementation of the policy exists, process analyses are particularly important in the post-PRWORA policy setting because there is greater variation in program rules and because responsibility for program design and administration has devolved to state and local levels. There is now more room for differential implementation of policies across service delivery areas because local welfare offices have more control over service provision than in the APDC program. AFDC was an entitlement program in which caseworkers were basically charged only with determining eligibility and benefit levels, and there were quality control measures taken to ensure that eligibility and benefit calculations were implemented consistently. Now, however, local welfare offices are increasingly becoming integrated with other social program offices so that caseworkers serve as gatekeepers to a variety of services (job training, job search, transportation benefits, and child care benefits, all in addition to cash assistance). Understanding how integrated these services are in each service delivery area and how clients are treated is an important component of assessing the treatment and, subsequently, in drawing conclusions about the effects of the treatment.

Consider the following example given in Corbett (1998). A new policy that many states have implemented is a diversion payment, a lump-sum payment given to cash assistance applicants in exchange for not enrolling in the continuing cash assistance program. One local agency may encourage applicants to take the diversion payment, while another agency may just mention the payment in passing. In order to evaluate the effect of the diversion payment on TANF participation (and in the gatekeeper setting, on other social program participation), an evaluation study would need to understand the degree to which clients were aware of and pushed toward taking the diversion payment.

Process evaluations may also be useful in understanding how other social welfare programs have been affected by the change in cash assistance rules. For example, some administrative offices may direct potential cash assistance applicants or current recipients to other programs, such as food stamps, while other administrative offices may discourage the receipt of any form of assistance. **Both** possible cases would have implications for participation in other social welfare programs.

While the necessity for conducting process evaluations is apparent, it is not always apparent how the results can be integrated **with** outcome evaluations. Studies that span many service delivery areas present especially difficult problems, because in order to link program implementations to individual case outcomes, specific information for each office from which cases in the sample receive services must be known. It is less difficult to link implementation results to outcome studies if the study sample covers only a few service delivery areas and implementations in only these areas must be assessed. Keeping up-to-date information on program implementations so that they are relevant to the study period is another challenge to effectively using process evaluations in **conjunc-**

tion with outcome evaluations. Efforts to address these challenges deserve further attention in the evaluation research community.

### CONCLUSIONS

The study of welfare reform and the evaluation of its effects presents many challenges. Examining the effect of complex bundles of individual reform programs, determining the influence of the composition of the welfare caseload on measured outcomes, developing a credible comparison group for those affected by welfare reform, and constructing an adequate database for measuring outcomes, as well as data describing policies across states, require thoughtful study designs as well as considerable resources.

We conclude that while nonexperimental methodologies for evaluation have become the dominant method of evaluation at the current time, experimental methodologies still have a role to play and should be kept on the table as one means of evaluation. We conclude that monitoring and descriptive studies of welfare reform are important, but that evaluation studies—which estimate the effect of a program reform—should be the ultimate goal of welfare reform research. We emphasize that there is a role for both national-level welfare reform evaluation, which yields a comprehensive assessment of the effects of reform in all the states around the country, and for purely state-level studies, which yield estimates for individual states.

Regarding data, the panel has found considerable weaknesses in the three elements of data infrastructure needed to evaluate welfare reform. Household survey data sets, which are rare at the state level, are more plentiful at the national level but suffer from small sample sizes, a lack of key variables, and the relative unavailability of comparable policy measures across states. State-level administrative data sets, which have traditionally been used for management rather than research purposes, are still at an early stage of development and need much more work before they can fulfill their potential. Comprehensive data on state welfare policies across states and over time on a comparable basis have yet to be published, and there is no systematic plan for collecting such data on a long-run, permanent basis within the federal government.

## ASPE Leaver Studies and Other Current Research on Welfare Reform

Part of the charge to the panel is to assess the designs of 14 **state-level**<sup>1</sup> welfare “leaver” studies funded by the Office of the Assistant Secretary for **Planning** and Evaluation (ASPE) in the **Department of Health and Human Services (DHHS)**. This chapter reports such an assessment. These studies are designed to track those who leave welfare programs, through the development of administrative data, survey data, and linkages of these two. The first part of the chapter briefly summarizes the proposed study plans. The second part discusses some conceptual and technical issues raised by the proposed studies, including issues raised during a workshop held with researchers and administrators from the states and counties. Here we also use the principles of good evaluation design reviewed in Chapter 2 to draw lessons for leaver studies.

The final section of the chapter goes briefly beyond these leaver studies. A large number of leaver studies around the country have been completed already, and in the third part of this chapter we summarize some of these other leaver studies. In addition, DHHS is sponsoring other major welfare reform evaluation studies, and many other government agencies, private institutes and researchers are funding and conducting such studies as well. The fourth part of this chapter briefly reviews some of the other major studies evaluating the effects of welfare reform.

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<sup>1</sup>These 14 studies include two counties and one group of counties (see below), but, for simplicity, we often refer to all of them as state-level **studies** throughout the report.

### ASPE-FUNDED LEAVER STUDIES

In an effort to provide support to states who are conducting studies of families who leave welfare programs, ASPE in May 1998 invited states to submit proposals to study the outcomes of at least one of three groups: those individuals and families who once participated in TANF but who stopped (leavers), those who applied for TANF but were diverted from participating, or those who appeared to be eligible for TANF but did not apply to receive it. In September 1998, 14 jurisdictions-10 states, the District of Columbia, and 3 counties or groups of counties-were awarded a total of \$2.9 million to conduct studies.<sup>2</sup> The average grant award was just over \$250,000; the studies will last from 1 to 1 1/2 years. All grantees must produce interim reports in the first year of the grant period and final reports at the end of the grant period. The grantees are: Arizona, the District of Columbia, Florida, Georgia, Illinois, Massachusetts, Missouri, New York, South Carolina, Washington, Wisconsin, Cuyahoga County, Ohio (Cleveland), Los Angeles County, and a group of counties in Northern California (Santa Clara, Santa Cruz, and San Mateo counties-the San Mateo county group).<sup>3</sup> Table A-1 in Appendix A summarizes key study components for the 14 jurisdictions. As that table shows, and as we discuss further below, most grantees plan to study the first group mentioned by ASPE-leavers.

At this writing, not all state grantees' interim reports were finalized. Our summary and review of the issues in these studies are therefore based on two sources: the proposals and, when possible, the finalized interim reports submitted by the grantees, and a workshop held with the grantees and the panel in November 1998. This summary discussion of the state plans considers the outcomes proposed for study, the study populations, the proposed methodologies, and the data sources, in turn.

### Outcomes

ASPE gave the grantees much discretion in choosing the outcomes to be studied, except that one requirement of all grantees was to study employment and earnings outcomes. Table A-2 in Appendix A summarizes the outcomes studied by the grantees and the sources of data for the outcomes. Employment outcomes

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<sup>2</sup>Additional funding for these studies was provided by the Department of Agriculture, the Department of Labor, and the Administration for Children and Families in the Department of Health and Human Services. The award to one of the states, South Carolina, was made under a previous grant announcement.

<sup>3</sup>ASPE issued a second Request for Applications in spring 1999 but the grant recipients have not yet been announced. This request called for studies of the status of applicants and potential applicants to TANF and families entering TANF, in addition to further studies of leavers, including, perhaps, extensions of some of the 14 studies.

that states and counties proposed to study include: employment status, hourly wage, hours worked, quarterly earnings, attachment to the labor force, types of jobs held, receipt of fringe benefits by those who are employed, and receipt of education and training. Other adult and family outcomes the studies plan to investigate (not all studies plan to measure all of these outcomes, but rather combinations of some of these outcomes) include: economic well-being (overall economic status, food security, housing security, child support receipt, other sources of support such as support from emergency shelters or support from other family members, and health insurance coverage); program participation (reason for leaving TANF, recidivism, reason for returning to TANF, and other assistance program participation such as food stamps or public housing); family structure, family formation and family functioning; barriers to self-sufficiency (lack of child care, mental health barriers, drug usage or illiteracy); and, finally, attitudes and awareness of public assistance programs. Child outcomes are also of interest to the grantees, including: availability, usage, and quality of child care; health school attendance; behavior patterns; living arrangements; and abuse and neglect.

### **Study Populations**

The major population of interest to the grantees are families who once received TANF but have stopped receiving it because their earnings were too high, they were sanctioned for not complying with requirements, they reached the end of their time limit, they voluntarily withdrew from the program, their children reached the age limit, they thought they were no longer eligible for the program, or for any other reason. This is the so-called leavers population. What it means to *leave TANF* varies across jurisdictions, but the majority of states count families who do not receive cash assistance for at least 2 consecutive months as leavers. For all states, to be eligible to leave TANF, cases only had to be open for 1 month. The 2-month criterion was used to avoid administrative “churning” and to avoid the inclusion of cases that were erroneously classified as having left for 1 month, which would presumably be correctly reported after 2 months.

Within the group defined as leavers, further distinctions are made. First, some states have partial case sanctions, which often means that a client’s benefit is reduced (usually for failing to meet work requirements). In some states these benefit reductions are small. In others, the reductions fully sanction the adult(s) in the case so that the remaining grant theoretically covers only the client’s *child(ren)*. Another distinction is made between these “partially sanctioned” child-only cases and other child-only cases, which are often cases in which the child lives with foster parents or grandparents or has immigrant parents who may not be eligible for assistance. The adults in the other child-only cases are not subject to work requirements; in some states, the adult in the partially sanctioned child-only case is still subject to work requirements and may face a more severe

benefit reduction for continued **noncompliance**.<sup>4</sup> In the 14 leaver studies, five states have proposed to count the partially sanctioned child-only cases as leavers (Georgia, Illinois, Missouri, New York, and the San Mateo County group<sup>5</sup>). Only Georgia and New York have decided to include all types of child-only closed cases (child-only for any reason, including foster care or immigrant status) as leavers. New York will follow this type of child-only case with administrative data only.

The unit of observation in all of the state and county proposals is the closed case, including children and other family members who are living in the same household as the client at the time of closure. For child outcomes, some states have proposed tracking the outcomes of all children in a recipient's family, while other states plan to follow one randomly selected child per family.

Several of the grantees also proposed to study families who were diverted from enrolling in the TANF program (or its predecessor, AFDC) through a formal diversion program or who were informally diverted, which some states have defined as families who begin the application process but withdraw the application before it is completed or complete the application but never enroll in the program. Washington has a formal diversion program and will be studying those who participate in it. In Jackson County (Kansas City), Missouri, those who apply for TANF and who are participating in Work First, a job placement program, will also be studied. Florida, the San Mateo County group, and South Carolina will study families who started the application process but never finished or who finished the application process but then voluntarily withdrew without receiving any cash assistance. The San Mateo County group will also study families who applied but whose applications were denied for nonmonetary reasons. Florida, South Carolina, and Washington also plan to study the outcomes of families who appear to be eligible for, but are not receiving, cash assistance. The proposed methodology to reach this population is to identify those who received food stamps or Medicaid (and so met means-tested requirements for these programs) but who did not apply to receive TANF grants. A similar effort is being undertaken in Milwaukee, Wisconsin, as part of Wisconsin's welfare leaver study grant. This part of the study, being conducted by the Institute for Research on Poverty at the University of Wisconsin-Madison, is examining three types of applicants for Wisconsin Works (W-2) in Milwaukee: families who apply and later receive assistance, families who apply for assistance and are determined to be ineligible for assistance, and families who apply and appear to be eligible for assistance but do not participate.

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<sup>4</sup>Eventually, with increasingly severe benefit reductions, some states completely close a case, while other states fully sanction only the adults in a case, but still provide benefit coverage for the child (see Gallagher et al., 1998, for state-by-state sanction rules).

<sup>5</sup>Cuyahoga County will do some analysis of child-only cases.

**Study Methods:  
Definition of Cohorts and Comparison Groups**

The majority of states followed ASPE's suggestion for defining two separate cohorts of families who were once receiving cash assistance but have since stopped. Most of the plans define the first, pre-PRWORA, cohort as those who left cash assistance in the last quarter of 1996 or the first two quarters of 1997. The second, post-PRWORA, cohort of leavers is typically defined as those who left in a quarter as early as 1997 or as late as 1999. Although most of the studies plan to simply monitor the outcomes of these cohorts, some jurisdictions have proposed to compare outcomes of the two cohorts of welfare leavers. (See below for a discussion of the complications of such a comparison.) A couple of states have also proposed to compare the outcomes of the sample of leavers to a sample of families who stayed in the program. Several subgroup comparisons were proposed by states and counties; Table A-1 in Appendix A lists the subgroups that each grantee hopes to examine.

Some states and counties are conducting qualitative analyses from data collected through focus groups or ethnographic studies. Both the Cuyahoga County, Ohio, and Los Angeles County projects are part of Manpower Demonstration Research Corporation's Project on Devolution and Urban Change, which includes ethnographic studies. The District of Columbia will be conducting focus group interviews of the first cohort of welfare leavers in its study. South Carolina is conducting "semi-structured" case-study interviews (and depth personal stories) with 40 family heads who will also be interviewed in the survey component of its study.

**Data Sources**

All the grantees proposed to use administrative data supplemented with survey data for their studies. Most states have proposed using only administrative data to track the first cohort of welfare leavers and to use both administrative data and survey data to track the second cohort. In addition, the four studies that are collecting qualitative data through in-depth ethnographic studies or focus groups will use these data to complement the quantitative data.

Administrative data will provide an inexpensive way for states to collect data on program participation, earnings, and employment outcomes. All the states proposed linking administrative data on earnings and employment to the records of closed cases. Most of them proposed using employment and earnings records from unemployment insurance (UI) reporting by employers to the states. A couple of them proposed using state Department of Revenue administrative records to track a case's employment, earnings, and income status. In order to obtain data on other well-being measures, such as income security, food security, housing security, mental health, and child support, and to track dependency of

cash assistance leavers on other social welfare programs, states plan to link administrative records from programs in housing, education, child welfare services, Medicaid, food stamps, Supplemental Security Income, and child support.

The period for which most jurisdictions plan to track leavers with administrative data varies widely. Some states have extensive data and can track individual cases as far back as 1988. Most proposed to track leavers for at least 1 year after their program participation ended. Some states proposed using administrative data for all leavers defined in a quarter, while others proposed using administrative data for only a subsample of the leavers in a quarter.

In order to obtain information about outcomes not available in administrative records, all the states proposed conducting surveys of a subsample of the leavers, most often a subsample of the second cohort of leavers. Surveys will cover questions not typically available on administrative records, such as living arrangements and marital status, earnings and income support not on administrative records, fringe benefits covered by employers, health insurance coverage, use of child care, barriers to self-sufficiency, food insecurity, housing insecurity, rent and other expenses, use of emergency services, and, finally, child well-being.

Not all the states plan a stratified sample, but most surveys will stratify the subsample of closed cases in a particular quarter of the year. The characteristics used for stratification are reason for leaving assistance, urban/rural, and region of state or county. Most of the states will use mixed mode surveys—telephone interviews followed by in-person interviews for those who do not respond to the telephone survey. There is a wide range in the sample sizes of the surveys: the smallest proposed sample is 350, while the largest is 15,000. All the studies hope to achieve a response rate of around 70 percent; many of the states will provide incentives for completing the survey.

Three states have proposed to interview a case more than once after leaving welfare, but most proposed only one interview with each case. The proposed timing of the surveys varies: most states plan to interview the individuals between 6 months to 1 year after leaving TANF, although the time frames for interviews range from the month the client left the rolls up to almost 2 years after leaving.

Each project plans to link all the administrative data sets. Most states proposed using a common identification code across all records in order to link the data (most often the client's Social Security number). A few states proposed using probabilistic matching to do the linking. The linked administrative data sets will also be linked to the survey data collected on each individual. The grants require that the data be made available for public use, so the states also have plans for how access will be provided and how confidentiality of the cases will be maintained.

**RESEARCH ISSUES FOR THE ASPE LEAVER STUDIES**

The 14 leaver studies funded by ASPE have many strengths, and they show considerable promise for providing new information relevant to welfare reform when their final reports are completed. The panel believes their most important strength is their contribution to the building of data infrastructure at the state level, which will provide many benefits in the future as the study of welfare reform continues. The studies will also be of generally higher quality and have more cross-state comparability than welfare leaver studies that have been completed to date. At the same time, using the general principles of welfare reform evaluations we outline in Chapter 2, there are several issues raised by the grantees' plans that the panel believes should be addressed for the studies to yield their maximum potential.

**Cross-Study Comparability**

One issue that cuts across all the individual topic areas (outcome variables, populations, etc.) is that of cross-study comparability. Such comparability is not the sole objective of the studies, for a goal of each study is an adequate description of its own leaver population and the special characteristics of that population in terms of the outcomes most important to that state. Nevertheless, cross-study comparability would assist the states in comparing their own programs to those of other states, and it would assist Congress and the **administration**, which will need some national-level assessment of the effect of welfare reform. In the absence of randomized trials or well-designed and credible nonexperimental analyses within each individual state, cross-state comparisons of outcomes and policies are very important.

ASPE has made some attempts at cross-state comparability among the studies. However, many data barriers to cross-state comparability in the studies remain. Although a consensus was reached on the length of time off the rolls required in order to be considered a leaver (a notable **achievement**),<sup>6</sup> there is still variation in defining leavers in the presence of partial sanctions, child-only cases, and transitional benefits besides cash assistance. These differences arise naturally because different states officially terminate cases at different points in the **process**—sometimes immediately after a sanction has been imposed, sometimes only after an appeal process has been exhausted, **sometimes** only after the family has had a certain length of time to come into compliance, and so on. For administrative data, there are considerable differences across states in concepts used for the definition of a case, types of cases delineated, and the universe of administrative

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<sup>6</sup>Consensus among the grantees on the length of time for which a case is considered a leaver was achieved primarily through discussion at a technical assistance workshop that ASPE held with grantees and through the ASPE-sponsored Internet-based Welfare Reform Outcomes Grantees list serve.

data sets. For example, one state (Wisconsin) defines a welfare leaver as someone who leaves all assistance programs (both cash and noncash benefits), while other states define those who leave cash assistance only as leavers, meaning the recipients could still be receiving other benefits.<sup>7</sup> In principle, survey data should be capable of standardization across states. Because new surveys are being undertaken in the leaver studies, comparability would be possible, but it requires attention to detail in making survey questions and constructs similar and in making accounting and tracking time periods the same.

Another aspect of comparability across states (which relates to in-state issues, as well) is the need for a characterization of the recipient population in terms of the key variables discussed in Chapter 2. Documenting the distribution of cases across long-termers, cyclers, and short-termers in each state and reporting the findings on outcomes separately for the three groups would allow a crude, but useful means of standardization across states and go a long way toward eliminating differences among the compositions of caseloads. Similarly, stratification of the state samples by household type, education, health, and other fundamental determinants of well-being would assist in comparability. For example, individuals with more education or who are in better health when they leave the program may have very different outcomes than those who left with less education or bad health.

Stratifying the analysis by groups defined by these types of characteristics does not need to be justified by cross-state comparability, however, but rather simply by the importance of subgroup analysis. The states have plans for some subgroup analyses (see Appendix A, Table A-1), but the groups are largely defined by programmatic status (time-limit leavers, sanctioned cases) or by race or number of children. These subgroup categories are important because time limits differ and are enforced differently across states. This is an obvious reason for variability in exit rates and the outcomes of leavers. However, characterizing leavers by these subgroup categories does not capture the basic characteristics of individual earnings capacity or the capability for self-sufficiency. As noted in Chapter 2, characterizing women by their work history, welfare history, and their history of health and related social problems should be important in predicting the likelihood of success or lack of success after leaving TANF. To do so clearly has implications for data collection and subsequent analysis.

Another analytic approach that would both be informative to a state and assist cross-state comparability is a comparison of the characteristics of families who are leavers with the characteristics of families who are not leavers ("stayers"). With such an analysis included in all state reports, an assessment could be made about whether differences in the characteristics of leavers across states is a result

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<sup>7</sup>Wisconsin will present results defining a leaver in a manner the other states do, as well as under its own definition of a welfare leaver.

of differences in the types of families that leave the rolls or of differences in the types of families *on* the rolls. It would also be helpful to compare the characteristics of some of the families in the in-between categories mentioned above (partial-sanctions, child-only cases, transitional cases, etc.) to the characteristics of both stayer and leaver families. Such comparisons require that data be collected on stayers as well as leavers, but many states do not plan their analyses in that way.<sup>8</sup> However, administrative data could be used to compare characteristics of stayers to characteristics of leavers with relatively low time and cost efforts.

### **Monitoring Versus Evaluation**

A second issue raised by the state studies is the relative importance of monitoring and evaluation. The studies, as they have evolved thus far, have been primarily focused on monitoring. This is proper and the best use of resources in the short term. Setting up state data bases to be able to track recipients and nonrecipients over time, for example, is a valuable exercise in data building and data infrastructure that is needed for long-term efforts to study the effects of welfare reform. Determining the employment rates of leavers and, more generally, their well-being is also important, as is documenting the percentage of leavers who can be characterized as in distress. An understanding of particular barriers to self-sufficiency faced by particular kinds of families can be gained from the monitoring studies as well. Monitoring can also help states understand what transitional services former recipients are using, the extent to which they are using them, and what other social programs the recipients use (such as food stamps), in order to plan future programs and policies and to allocate resources. For such an assessment, it is important to know the characteristics of those leaving TANF, especially their past history of welfare receipt and employment, and their education level, since those who are relatively better off in terms of these characteristics may not need as many transitional services after they leave TANF as those who are relatively worse off.

As was stressed in Chapter 2, however, a monitoring study is not capable of generating an estimate of the effect of the policy change by itself, because no comparison group or counterfactual is present. Determining the employment rates, earnings, and general well-being outcomes of leavers is of interest. However, unless it can be determined whether those outcomes are different than the outcomes that would have occurred in the absence of the policy change, it cannot be known whether the actual outcomes are a result of the policy change.

The states are collecting data on a pre-PRWORA cohort implicitly for **evalu-**

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<sup>8</sup>More generally, it would be helpful for cross-state comparability if states describe the characteristics (education, work history, reciprocity history, demographic structure, etc.) of the caseload as a whole, not just for leavers.

ation purposes. In either their current or future reports, they will be analyzing the two cohorts and comparing their outcomes along dimensions for which data are available in both periods. Unfortunately, many outcomes (such as those obtainable only through household surveys) will generally not be available on the pre-PRWORA cohorts. When this stage of the analysis is reached, all the important issues discussed in Chapter 2 will need to be addressed: that is, the possible threats to the cohort design will have to be studied. In particular, states will have to assess whether the pre-PRWORA cohorts are similar to the post-PRWORA cohorts in their characteristics. For example, a key issue in all states will be the effect of the socioeconomic environment on outcomes because the economy improved over the period of the two cohorts in most states. This improvement will lead the outcomes for leavers in the post-PRWORA cohort to be more favorable than those in the pre-PRWORA cohort, even if there had been no policy change. To address that threat to the study designs, states will have to make an estimate of the effect of the economy on the outcomes of leavers and “net out” that effect when arriving at an estimate of the effect of their policies.

Yet, as also discussed in Chapter 2, declining caseloads may alter the composition of the caseload, leaving a disproportionate number of long-termers on the rolls, with corresponding low leaving rates and worse outcomes when they leave (some of whom will be forced to leave because of the time limit provisions). This effect works in the opposite direction to the effect of the economy, because in this case it could appear that outcomes of leavers have worsened over time. However, this change in leaver outcomes would be a result entirely of the caseload composition, not an effect of the legislation. To address that threat, states will need to characterize both study cohorts in terms of their status (long-termers, cyclical, and short-termers), their work histories and general job skills, and other characteristics related to potential success off the rolls.

Both of these threats will also affect a comparison of the rates of reentry of leavers in the pre-PRWORA and post-PRWORA cohorts. The improvement in the economy will tend to make reentry rates lower in the post-PRWORA cohorts, while the change in the composition of the caseload will tend to make reentry rates higher in those cohorts. Both of these effects are independent of a state’s policies.

A major barrier to assessing comparability of the pre-PRWORA and post-PRWORA cohorts is, once again, data availability. Although almost all states are linking welfare reciprocity data to other administrative data sets, few have proposed to track welfare reciprocity history for more than 1 year prior to the dates for which the cohorts are defined (see Appendix A, Table A-1). Yet data on welfare reciprocity history over longer periods of time are needed to assess changes in caseload composition. It might also be helpful to understand the use of other social programs (such as food stamps, Welfare to Work, Medicaid, and job training programs) by the pre-PRWORA cohort, which must necessarily rely on administrative rather than survey data. Because of the lack of survey data, it

will be difficult to measure income, family structure, and other characteristics and outcomes for the pre-PRWORA cohort.

It is not clear whether the states have data collection and analysis plans that can assess the effects of the economy on outcomes for leavers or characterize other changes in the programmatic and policy environment (changes in child care, child support, Medicaid, and other programs) that may have changed between the pre-PRWORA and post-PRWORA cohorts. In fact, if a state had a waiver policy at the time of the pre-PRWORA cohort, the programmatic environment would not be AFDC in its prereform structure. In such a case, it may be necessary to use time-series caseload modeling, which imposes a separate and very different set of data requirements on the analysis, or comparisons of different counties in the state with different unemployment rates. In the absence of any formal empirical analysis of the effect of the economy and other programs, states should carefully document what those changes have been, to at least allow policy makers and analysts to judge the likelihood that they changed outcomes in a particular direction.

The use of a cohort comparison design implies that the relevant counter-factual is what went before PRWORA, which will generally be the AFDC program. Most states had Section 1115 waivers at the time their pre-PRWORA cohorts were drawn. These waivers had been implemented at various times, from 1993 until right before PRWORA was passed. Some waivers covered only a few counties or an experimental group in a state, while some covered an entire state except for a small control group.<sup>9</sup> This variation of rules in the pre-PRWORA cohort complicates any conclusions drawn from the comparison.

As noted in Chapter 2, future evaluations may wish to examine as a counter-factual an incremental altering of welfare reform provisions within the general framework of a state's PRWORA program. Changes in time-limit policies that affect particular groups of recipients who are thought to be in particular need, provisions of extra services to the hard-to-serve population, testing the effects of alternative child care reimbursement policies, and other provisions might be important in the not-so-distant future. While estimating the total effect of a program bundle rightly deserves first priority, states should begin thinking of ways in which modifications and incremental reforms could be tested and evaluated as well.

### **TANF** Entry Rates

A third issue raised by the state grantee studies is the need for an examination of the **TANF** entry rates of those who apply and, more broadly, of the entire

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<sup>9</sup>Nine states are continuing waiver plans unmodified under PRWORA. Twelve states are modifying components of their waivers (including some of the nine states with unmodified waivers that had more than one waiver).

population of eligible **persons**.<sup>10</sup> Divertees and discouraged applicants constitute the other part of the caseload flow that, with leavers, determine how the caseload changes over time and how well-off the nonrecipient population is. The major difficulty in studying entry is the difficulty of obtaining data on divertees and on nonapplicants. Outcome information on divertees may require surveys from the applicant pool if administrative data are not collected on divertees. Other administrative records, such as those from food stamp, Medicaid, and UI wage records, may also provide data on at least some of the nonrecipient population. The best source of data on nonrecipient households in general is the in-person, **block**-based household survey, which can be very expensive to conduct. States will need to be creative in seeking low-cost methods of fielding such surveys. Piggy-backing on national surveys or other surveys in the state is one avenue that may be available in some areas.

#### **Data Collection and Availability**

A fourth set of issues raised by the state grantee studies relates to data collection and availability, although many of these issues have been raised above for administrative data. The state grantees are starting to collect data sets from a large variety of sources (see Appendix A, Table A-2), but more progress will need to be made before these data sets can fulfill their potential. The quality and reliability of the information in many of the data sets is still mostly unknown, largely because they were generally designed for administrative, not research, purposes. States should be able to learn a great deal in their initial grant periods in this respect.

The possibilities for data matching across state agencies, or between state and federal agencies, are often unknown, and approaches and methodologies have not been standardized. Many barriers to interagency and intergovernmental cooperation exist, and more systematized **confidentiality** and disclosure agreements are needed. Obtaining administrative data sufficiently far back in time to construct reciprocity histories and to obtain information on pre-PRWORA cohorts is a problem in many states. Nevertheless, this is a direction that should be pursued vigorously given the high payoff that matched administrative data records can provide. There is a research community with considerable experience in developing linked administrative data sets that is a potential resource for state grantees.

The states face challenges in their surveys as well. Relatively small sample sizes, largely resulting from inadequate financial resources to conduct large surveys even if by telephone, are a problem in many of the surveys. The response

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<sup>10</sup>Five of the current state grantees have begun to address entry rates and ASPE plans to fund studies of entry in the next round of grants.

rates by telephone for the population remain to be assessed, and methods for locating families and maintaining contact with them are also only beginning to be studied by the states. For states that use telephone surveys in combination with in-person follow-up for nonresponse, there is potential for a mode bias<sup>11</sup> that states will need to assess and report. Statistical methods for adjusting for non-response and methods for assessing the degree of bias from nonresponse need to be fully understood by the state grantees.

Another issue related to response rates is the seemingly simple issue of defining response rates the same way across studies. Unfortunately, response rates can be defined in a variety of ways that can produce noncomparable figures across studies. The American Association for Public Opinion Research (AAPOR) (1998) has published a study on the different types of response rates that can be calculated that offers guidance on preferred measures. The AAPOR report defines four groups of response cases: interviewed, eligible nonresponse, unknown eligibility and nonresponse, and not eligible. The standardization of calculating and reporting response rates will aid in cross-state comparability of the studies, and, at a minimum, grantees should be encouraged to report the number of cases in each of these four groups to aid comparability.

The accuracy of long retrospective questions in surveys and the difficulty of respondent recall are issues of concern for grantees, as are many issues about the more general accuracy of survey responses concerning income and welfare receipt. In addition, how to balance the tradeoff between expenditures to improve the quality of the data from a given set of interviews and the number of interviews itself, given a fixed budget constraint, is a **difficult** issue.

The survey research community has addressed many of these issues for the last 3 or 4 decades, and a substantial body of knowledge has been accumulated on which the states could capitalize. Much is known about strategies for encouraging response by households, the effects of incentive payments on response rates, statistical methods for adjusting for nonresponse, the accuracy of recall in retrospective questions, and the accuracy of income and welfare receipt reporting (see Andranovich and Riposa, 1993; Fowler, 1993; Groves and Couper, 1998; and Lavarakas, 1993, for guidance). Formal or informal mechanisms for making contact with the larger survey research community is a possible avenue that state grantees should explore. However, much of the survey research community has studied general populations, and it is not clear which of the lessons learned from those populations apply, or to what degree, to the populations of interest for welfare reform studies.

Finally, as noted in Chapter 2, data that explicitly document the program rules in force at the time of the two cohorts used in the analysis are necessary and should be provided by the state grantees in their reports. Such an effort should

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<sup>11</sup>A bias due to survey mode is a **nonrandom** difference in survey responses by the mode of the survey given to respondents.

include documentation not only of TANF rules, but also of rules of other programs providing services for those on the caseload (such as Welfare to Work services and job training and job search programs) because the services recipients receive may affect their outcomes. While this is largely a matter of routine and good research practice, such documentation often requires a separate effort and devotion of some resources, even for analysts who are located in the state where the policies have been enacted. It is also important that states make an effort to document the degree of implementation of the programs within the state and to give a qualitative assessment of their effects on the operation of the welfare program offices. A formal process evaluation is one method of obtaining that information but it may not be feasible for all states to conduct such an evaluation in this round of grants. At the least, a description of implementation of a state's policies should be included in all state grantee reports and analyses.

#### OTHER WELFARE LEAVER STUDIES

The 14 ASPE-funded welfare leaver studies will add to a growing list of such studies conducted around the country.<sup>12</sup> There have been a number of reviews of leaver studies to date (Brauner and Loprest, 1999; U.S. General Accounting Office, 1997, 1999; National Governor's Association et al., 1998b; Parrott, 1998; U.S. Department of Health and Human Services, 1998), but the number of leaver studies being conducted and reported is growing rapidly, and these reviews will be out of date quite soon.

The most recent reviews of the results of these leavers studies are those by Brauner and Loprest (1999) and the U.S. General Accounting Office (GAO) (1999). The Brauner and Loprest review (subsequently referred to as B&L) considered 11 studies in 10 states and the GAO review considered 8 studies in 7 states. Seven of the studies in the GAO review are also covered in the B&L review. B&L and the GAO both restricted their reviews to studies which had adequate response rates in their surveys and other data collection mechanisms, and thus do not cover all leaver studies that have been completed.

According to these two reviews, the leaver studies show that over half the former recipients were working at the time the data were collected and employment outcomes were measured, which was usually several months to a year after exit. The studies in the B&L review indicated that between 51 and 75 percent of former recipients were working at the data collection point and that between 68 and 88 percent were ever employed over the course of the study periods. The studies reviewed by the GAO indicate that 61 to 71 percent of leavers were

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<sup>12</sup>A summary of leaver studies in all states has been prepared and is being updated continually in a joint effort by the National Governor's Association, National Conference of State Legislatures, and the American Public Human Services Association (1998a).

employed at the time the data were collected and that 63 to 87 percent had been employed at some time during the study periods.

Few of the reviewed studies reported how many of the welfare leavers returned to cash assistance. The three studies that did report on recidivism found that between 19 to 30 percent of leavers returned to welfare. Many studies reported the rates at which leavers used other non-cash benefits (most often Medicaid and food stamp usage were reported). Both the GAO and the B&L reviews indicate that between 44 to 83 percent of former recipients received Medicaid benefits after leaving welfare. Food stamp usage by former recipients also varied widely. The studies reviewed by the GAO show that between 38 to 60 percent of former recipients received food stamps while the studies reviewed by B&L show that between 31 and 66 percent received food stamps after leaving cash assistance.

Both of the reviews note a number of difficulties in comparing results across the studies. For example, one difficulty is that some states restricted their studies to those who had been off welfare for at least 6 months or more, thus excluding welfare leavers who had not been successful and had returned fairly quickly to the rolls. The B&L review indicates that studies that included all leavers, instead of only including those who did not return to the rolls, showed lower employment rates, generally between 51 to 69 percent at the time of data collection. The employment rates for studies that included only those who stayed off of welfare were generally higher, between 55 and 75 percent at the time of data collection. One problem common to many leaver studies that was discussed at length in the GAO review is that leaver studies usually have such small and specialized samples that their results cannot be generalized to the entire state in which the studies took place. Both reviews noted many other differences in methodologies, definitions, data used, and calendar time periods covered. Some studies included only sanctioned leavers, while others included all closed cases. Some included only **single-parent** families, while others included two-parent and other types of families.

In addition to these issues of cross-study comparability, the leaver studies reviewed by B&L and the GAO fail to address most of the other issues we noted in our discussion of the 14 ASPE leaver studies. Very little subgroup analysis according to short-term, **cycler**, or **long-term** categories has been conducted; consequently, only averages across all types of leavers are generally provided. The studies are almost entirely monitoring in nature, making no attempt at estimating the effects of welfare reform. This lack is apparent as none of the leaver studies has a comparison group and none has attempted to determine whether the employment rates of leavers are greater or less than they would have been in the absence of welfare reform. Finally, none of the studies seriously examined the other groups of interest besides leavers—those still on the rolls (stayers), divertees, and eligible nonapplicants.

To illustrate some of these methodological, definitional, and data differences and their implications for cross-state comparisons in more detail, we take a

closer look at the leavers studies in four of the states covered by the B&L and GAO reviews: Indiana, Iowa, Maryland, and South Carolina (two studies). Detailed descriptions of the studies and results are shown in Table 3-1.<sup>13</sup>

In these five studies, between 53 and 88 percent of former recipients had worked since leaving cash assistance. For the studies that reported the number of leavers who were working at the time of data collection, results range between 64 percent in Indiana to 70 percent in the first South Carolina cohort and 62 percent in the second South Carolina cohort. Some leavers' incomes increased after departing, but not all. The majority of leavers received food stamps or Medicaid after leaving, except for food stamp reciprocity in Indiana. Finally, only one study reported the number of leavers who returned to welfare: Maryland found that 19 percent of leavers returned to welfare within 3 months of leaving, and 23 percent returned within 12 months of leaving.

These studies show in more detail how the populations studied and definitions used to define leavers vary across the studies. For example, the Iowa study considers only sanctioned leavers, while the other four consider leavers of any type. The Indiana study considers leavers at one time, although the leavers could have returned to welfare and subsequently left welfare again by the time the outcomes were measured. The South Carolina studies do not include leavers who return to welfare in the study population, which makes it difficult to compare outcomes with those studies that do include those who return to welfare, since it is likely that those who did not return to cash assistance are doing better than those who *did*.<sup>14</sup>

The range of employment rates for leavers—from 53 percent to 88 percent—is quite wide across the five studies. This is cause for concern because it cannot be determined if the outcome differences are caused (in part or in whole) by the differences in populations studied and caseload dynamics at the time of the study or the economic conditions in the states at the time of the study, rather than the policies in effect during the study period. In addition, in only one study (Indiana) is there an attempt to characterize who was a leaver and who was a stayer to guard against the possibility that the characteristics of the overall caseload are the same across states but that different types of families left the rolls in one state versus another. There is little information on how the outcomes varied for long-termers

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<sup>13</sup>Three of these studies (Iowa, Indiana, and Maryland) were cited in the First Annual Report to Congress on the TANF Program (U.S. Department of Health and Human Services, 1998). Neither of the two South Carolina studies were cited in this report, but results from an earlier cohort of leavers in South Carolina were cited.

<sup>14</sup>The Iowa study does not include welfare returners either, but the Limited Benefit Plan Program has a mandatory 6-month period during which sanctioned leavers cannot return to welfare, after which they may return.

TABLE 3-1 Summary of Methods and Results from Selected Recent Research on Welfare Leavers

Study	Iowa: Limited Benefit Plan Study (LBP)	Indiana	Maryland	South Carolina 2nd Quarter 1997 Cohort	South Carolina 3rd Quarter 1997 Cohort
<b>Description of Program Environment</b>	Pre-TANF waiver; <sup>a</sup> Study of PROMISE JOBS program in 3 service delivery areas	Pre-TANF waiver; <sup>b</sup> experimental design	Post-TANF implementation <sup>c</sup>	Post-TANF implementation (which occurred October 1996) <sup>d</sup>	Post-TANF implementation (which occurred October 1996) <sup>d</sup>
<b>Populations Covered</b>	Cases sanctioned to LBP 11195-1196	All cases 5/95-5/96 (both control and experiment programs)	All closed cases exiting 10/96-9/97	Closed cases 4/97-6/97 <sup>e</sup>	Closed cases 7/97-9/97 <sup>e</sup>
<b>Does Study Include Those Who Return to Welfare?</b>	No	Yes <sup>f</sup>	Yes	No	No
<b>When Are Outcomes Measured?</b>	2-6 months after benefits terminated	Early 1997	Up to 12 months after exit	Not available	8 to 13 months after case closed
<b>Study Methodology</b>	Descriptive; before and after benefit loss	Descriptive	Monitoring	Monitoring	Monitoring
<b>Data Collection Method</b>	Telephone survey with in-person follow-up; 85% response rate; n = 137; some administrative data also used	CAP1 survey with in-person follow-up; stratified random sample (half from control group, half from experimental group); 71% response rate; n = 1,593	Matched administrative data, 5% sample of cases closing each month; n = 2,156	Telephone survey with in-person follow-up; random sample; 76% response rate; n = 391	Telephone survey with in-person follow-up; random sample; 76% response rate; n = 403

<b>Reason for Closure</b>	All cases sanctioned from cash assistance and reached a time limit of LBP	Not available	19% income ineligible; 32% did not complete redetermination process or provide eligibility information; remainder for various reasons.	54% earned income; 19% sanctioned; 13% procedural; 8% voluntary withdraw; 4% ineligible	5 1% earned income; 22% sanctioned; 9% procedural; 9% voluntary withdraw; 7% ineligible
<b>Reason for Sanctions</b>	Not available	Not available	7% of all closings sanctions: 6% <b>nonwork</b> compliant; 1% noncompliance with child support enforcement	Not available	Not available
<b>Ever Worked After Leaving</b>	53 percent	84 percent	58 percent	88 percent	86 percent
<b>Working at Time of Data Collection</b>	Not available	64 percent	Not available	70 percent	62 percent
<b>Received Food Stamp Benefits After Leaving</b>	64 percent	38 percent	Not available	57 percent	60 percent
<b>Received Medicaid After Leaving</b>	66 percent	53 percent	Not available	79 percent	80 percent

*continued*

TABLE 3-1 Continued

<b>Income After Leaving Welfare</b>	40% had increase; 49% had decline; 11% no change	43% of all leavers had income > \$1,000/month; 40% had income between \$500 and \$1,000	For those working, first quarter earnings after leaving averaged \$2,384	66% said income was up	59% said income was up
<b>Percent Returned to Welfare</b>	Not available	Not available	19% within 3 months; 23% within 12 months	Not available	Not available

<sup>a</sup>Waiver provisions include: removal of 100-hour work cap, higher earnings and asset disregards, must participate in PROMISE JOBS employment and training program, if not, assigned to LBP. For the cases in this study period, LBP recipients received 3 months of full benefits, 3 months of limited benefits, and then no benefits for a period of 6 months, after which they are eligible to receive benefits again.

<sup>b</sup>Waiver provisions for experimental group include: signing a Personal Responsibility Agreement, children must attend school and be immunized, family benefit cap, disregard of child support and earnings in first 6 months, work or training requirements, time limit of 24 months if subject to work requirements.

<sup>c</sup>No further policy details provided.

<sup>d</sup>TANF policy includes: 24-month time limit on economic assistance over 10 years and 60 months over lifetime, full family sanction for not meeting requirements, spouses eligible to participate in program.

<sup>e</sup>Only closed cases that met the following three requirements were included in the study: (1) household received at least one check for cash assistance; (2) household received no subsequent cash assistance; (3) at least one household member was required to seek work or voluntarily sought work.

<sup>f</sup>A leaver is defined as someone on welfare during the study period, but who was not on welfare at the time of the survey. A leaver may have left welfare, returned to welfare, and left again before the survey was conducted. All results are reported for those not on welfare at the time of the survey.

SOURCES: Data from U.S. Department of Health and Human Services (1998); Fraker, et al. (1997); Fein (1997); Fein, et al. (1997); Maryland School of Social Work (1998); South Carolina Department of Social Services (1998).

and short-termers and whether different caseload compositions in this respect across the states might explain some of the observed differences.<sup>15</sup>

In addition, there is no information on whether the leaving rates measured in these studies were higher or lower than at any time in the past, nor whether the improvement in the economy affected the leaving rates.<sup>16</sup> The studies did not report the unemployment rates in the states during the period of study. However, the time periods covered by these studies range from May 1995 to as late as September 1997, and the state of the economies across these time periods and across these areas could be quite different.

A final reason that the studies are difficult to compare is because the policies in effect in each state differ. Both the Iowa and Indiana studies were conducted before PRWORA and the policies in effect in both states were waiver policies. Both of these studies were part of a larger evaluation that included policy implementation studies which provided details on the policies in place during the study periods. Although these studies had some similar policy components, such as work requirements and asset and earnings disregards, each study had policy components that differed significantly, making comparisons difficult. The Iowa study focuses only on those cases that are sanctioned for not participating in an employment and training program, and so are assigned to the Limited Benefit Program, which gives the recipient a full benefit for 3 months, then a limited benefit for 3 months, and, finally, no benefit for 6 months. After these 6 months, the recipient may be eligible for benefits again. In the Indiana study, half of the sample of leavers were part of an experimental group that was subject to family caps, time limits, and work requirements, among other things, and half the sample consisted of those in a control group that were subject to the old AFDC rules. These differences make it difficult to compare and interpret outcomes from the two studies. The South Carolina and Maryland studies were conducted after TANF was implemented in each state. While the policies in these states may be similar to each other and may even be similar to the pre-PRWORA policies for the Iowa and Indiana studies, neither study documents the policies in place in sufficient detail to make such a comparison possible. The South Carolina study reported a few components of the state's TANF policies, and the Maryland study provided no detail on its policies. Because the populations studied, the economic conditions, and the policy regimes in place across the states in these studies likely differ so much, what can be learned from these studies is quite modest.

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<sup>15</sup>The Maryland study did characterize the welfare reciprocity history of leavers and whether or not leavers had past work experience. However, the only outcome that was compared across these characteristics of leavers was whether or not the leaver returned to welfare. The Indiana study also compared leavers to stayers by past welfare receipt and work experience histories of recipients, but did not compare employment outcomes or any other outcomes of leavers by past welfare receipt or work history characteristics.

<sup>16</sup>A separate component of the Indiana study did show trends in AFDC caseloads and state unemployment rates for several years before and after the study.

There is also considerable variation in the time that the outcomes are measured compared to when the leavers stopped receiving cash assistance, ranging from 2 months to almost 2 years. Recidivism is one outcome that is difficult to assess since the number of leavers who eventually return to welfare can only increase with time.

The GAO and B&L reviews both only considered studies that achieved an adequate response rate. Several of the leaver studies conducted by states were eliminated because they had such low response rates. Four of the studies in Table 3-1 use survey data (Iowa, Indiana, and the two cohorts from South Carolina). Each of these studies achieved good response rates. Both the Iowa and South Carolina studies describe nonresponse in their surveys and how they defined their response rates. These two studies also compared demographic characteristics of respondents and nonrespondents. The Iowa study showed few differences across respondent status. The South Carolina second-quarter cohort survey showed that those who left because their earned income levels were too high were more likely to respond to the survey, and the third-quarter cohort survey showed that sanctioned leavers were more likely to not respond to the survey than other types of leavers. This may be cause for concern since sanctioned leavers may be worse off than those leavers who left for other reasons, and those with higher earned incomes may be better off, meaning the survey results may not reflect the worse outcomes. Neither studies supplemented their surveys with administrative data to attempt to characterize responders and nonresponders by outcomes of interest, such as employment and wage status. The brief report of the Indiana study we used to gather information about this study did not show how the response rate of the survey was defined or if responders differed from nonresponders.

The Maryland study uses only administrative data, which, as we discussed in Chapter 2, does not cover the entire population of interest, as many welfare leavers may not show up in any administrative data sets. Such an exclusion is potentially biasing because leavers who are missing may be those who have moved out of state or who are not participating in any other program in the state with an available administrative database. This study does not provide detailed information on whether any observations had missing data for the outcome measures or whether those with missing data were dropped from the study. Such reporting should be standard practice in reporting results.

Although the range of employment rates in the leaver studies is between 53 and 88 percent, one could view this range as narrow instead of broad and a range that adds up to a fairly consistent story, given the differences in methods and lack of comparability across the studies in Table 3-1 and in the B&L and GAO reviews that we have noted. Moreover, subgroup analysis, which the leaver studies have mostly neglected, may show a narrower range of employment outcomes. That the range of employment rates for leavers is not wider in these studies may suggest that the differences in policies, in socioeconomic environments, and in data comparability are not that great. Or it may merely reflect a

strong national economy with low unemployment so that economywide effects dominate all other effects. Thus, much more progress in leaver studies is needed before one can be confident of **their** general conclusions.

### OTHER MAJOR WELFARE REFORM PROJECTS

There are a large number of **other** welfare reform studies under way around the country. In this section we review some of the other efforts to evaluate welfare reform that are being conducted by the ASPE and other offices in DHHS, as well as the efforts of researchers in academia and at private research organizations.

We first summarize several projects whose researchers addressed the panel during its initial meeting in September 1998. There are many more evaluations under way as well; a more comprehensive list is included in Table B-1 in Appendix B .

#### Office of the Assistant Secretary for Planning and Evaluation

In addition to the grants to **the** 14 jurisdictions to study welfare leavers, ASPE has several other research projects it is funding or conducting internally. Among the external projects, the largest study is an evaluation of the **welfare-to-work** grantees that the Department of Labor funded to **provide** services for welfare recipients and noncustodial parents of children on TANF who are the hardest to employ. ASPE has contracted with a team of researchers from the Urban Institute and **Mathematica** Policy Research to evaluate the net impact and **cost-effectiveness** of the program at up to 10 sites and to conduct a process evaluation of how the projects are being implemented at several sites. To **the** extent possible, net impacts will be assessed using a random assignment design.

External evaluations of child and youth well-being funded by ASPE include projects on abstinence education programs, child welfare, child support enforcement, and child care policies for low-income families. ASPE and the **Adminis-**tration for Children and Families are jointly sponsoring a project, Measurement of the Impacts on Children in Evaluations of State Welfare Reforms, which seeks to improve states' abilities to measure child outcomes for welfare reform evaluations. ASPE is also funding several smaller studies that focus on special populations of welfare recipients, such as Native Americans, individuals with disabilities, individuals who are victims of domestic violence, and child-only welfare cases.

ASPE will also be funding a second round of grants to states and large counties to examine the diversion of applicants and potential applicants for cash assistance. Applicants who eventually do not enroll because they are ineligible for nonfinancial reasons, participate in formal diversion programs, participate in job search activities prior to enrolling, or never finish the application process **are**

of particular interest. ASPE will also consider funding projects that focus on individuals and families entering or leaving TANF.

One major internal ASPE project is creating a historical baseline of data on welfare receipt, starting with AFDC and including TANF. Other internal projects include: analyzing administrative data from the Food Stamp Program to learn more about low-income individuals not receiving welfare, assessing the research capabilities of the New Hires Database, matching data from the Social Security Administration with national-level survey data, and working on strategies for ensuring that former welfare recipients and persons diverted from TANF are enrolled in Medicaid when they are eligible. Finally, ASPE is working with the Census Bureau in developing the Survey of Program Dynamics, which is summarized below.

#### Administration for Children and Families

The Administration for Children and Families (ACF) in DHHS also funds and conducts research on welfare reform. One of ACF's major projects is the evaluation of nine states with Track 1 welfare reform demonstration waivers, which were implemented before TANF and have not been modified or have been only slightly modified since. These studies, almost all of which use an experimental design, compare the outcomes of individuals in a control group subject to the old set of AFDC rules to the outcomes of individuals in the experimental group, who were subject to the demonstration rules, which had many TANF-like components. Five of these states were also given grants to do comprehensive and systematic measurements of family processes and child outcomes.

ACF is also funding 13 Track 2, or modified state welfare reform demonstration evaluations in 12 states that modified or replaced their welfare reform demonstrations implemented prior to TANF. Some of the 13 sites use an experimental design; some of the projects include process analyses on the implementation of policies; and some of the projects include impact analyses.

Another study funded by ACF is the Employment Retention and Advancement Initiative, which involves planning grants to states to examine job retention and job advancement program development and subsequent outcomes. There are two phases to this project: a planning and design phase and the provision of technical assistance through a contract with the Lewin Group. The purpose of this contract is to help states refine their program interventions and develop evaluation designs.

In conjunction with ASPE, ACF is also finishing evaluations of the former JOBS program, now called the National Evaluation of Welfare-to-Work Strategies. The evaluations began in 1989 and will end in 2000. There are 7 sites and 11 different programs.

### **Survey of Program Dynamics**

The Survey of Program Dynamics (SPD) is being conducted by the Census Bureau under a requirement of the 1996 PRWORA legislation (see Weinberg et al., 1998). The purpose of the survey is to collect longitudinal data on the demographic, social, and economic characteristics of a nationally representative sample of the U.S. population so that overall evaluations of welfare reforms can be conducted. Congress mandated that the 1992 and 1993 panels of the Survey of Income and Program Participation (SIPP) continue to be followed so that the prereform characteristics and well-being of families would be understood. The data from the 1992 and 1993 SIPP panels give 3 years of a longitudinal baseline before the reforms in 1996 (1992-1995 for half the sample and 1993-1995 for the other half). SPD will follow the 1992 and 1993 panels of SIPP participants over the years 1996-2001, meaning that, combined, SIPP and SPD provide 10 years of panel data. The 1997 SPD Bridge Survey attempted to interview all sample persons in the 38,000 households that completed all waves of the 1992 and 1993 SIPP panels (76% of the original sample). The Census Bureau interviewed 82 percent of the households in the Bridge Survey (about **30,000**), using a modified version of the March 1997 Current Population Survey (CPS) questionnaire. A new core SPD questionnaire was developed for the 1998 survey (**with** the assistance of Child Trends, Inc.). This survey included a self-administered adolescent questionnaire and retrospective questions on the core topics of jobs, income, and program participation for all persons over the age of 15. The sample size for the 1998 SPD was reduced to approximately 18,500 because of budget constraints. The 1998 SPD interviewed 89 percent of eligible households. The 2001 SPD will repeat the 1998 adolescent questionnaire. A topical module on child well-being will be included in the 1999 and 2001 SPD, and a children's residential history module will be included in 2000. The 1998 SPD data were released in February 1999 as a research file. The 1998 SPD data are expected to be released by the end of summer 1999.

One criticism of the SPD is the cumulative attrition rate, which, from the beginning of the 1992 and 1993 SIPP panels through the 1998 SPD is approaching 50 percent. The Census Bureau is **taking** steps to address this attrition problem by investigating the use of incentives to induce former SIPP respondents to return to the SPD sample to offset additional attrition expected. Plans to link Social Security Administration earnings records to SPD households to assess any effects of attrition and to look at employer-side variables have also been made. ASPE is contributing funds for the Social Security records and **SPD/SIPP** analysis.

### **Urban Institute: Assessing the New Federalism Project**

The Assessing the New Federalism Project (ANF) of the Urban Institute has a broad focus, based on **the** assumption that the shift of responsibility for social

welfare programs from the federal to the state level will affect many families in the low-income population, not just those receiving welfare (Kondratas, Weil, and Goldstein 1998). The project is not specifically designed as a welfare reform evaluation; rather, it is a study of all social support systems: health, income, housing, food, and cash assistance. The project looks at the effect of changes in the nation's social safety net on the well-being of families. Intensive analysis is under way in 13 states that cover half the population of the United States. The 13 states are geographically diverse, vary in their fiscal capacities, and have different policy approaches to social and health care services. In addition, the project has established a state database with more than 900 variables covering the program rules and policies for all 50 states. The ANF project is primarily a monitoring project, although it also includes policy analysis.

The primary source of individual-level data (the unit of analysis is families) is through the Urban Institute's National Survey of America's Families (NSAF). The initial survey of a cross-section of families in the 13 states, as well as in the nation as a whole, was conducted between February and September 1997. A follow-up survey of another cross-section is currently (mid-1999) being fielded. The survey interviewed over 48,000 households: about 28,000 parents with children under 18 and 20,000 households without children. Half of the sample is of households with incomes below 200 percent of the official poverty line. The survey was conducted by telephone. The survey of the first cross-section achieved a 65 percent response rate for interviews about children and a 62 percent response rate for interviews about nonelderly adults (Urban Institute, 1999). Topics covered in the survey include economic security, health and health care, child education and cognitive development, child social and positive development, child behavior problems, family environment, and community environment. The Urban Institute has made public-use data files from the survey available on-line at its Web site.

#### **Manpower Demonstration Research Corporation: Project on Devolution and Urban Change**

The Project on Devolution and Urban Change is a study of welfare reform in four urban counties: Philadelphia County, Cuyahoga County (Cleveland), Ohio, Dade County (Miami), Florida, and Los Angeles County (see Manpower Demonstration Research Council, 1998, for a full account of the project). The study has five components: an individual-level impact study, a neighborhood indicators study, an implementation study, an ethnographic study, and an institutional study.

The individual-level study includes, for each county, a sample of households that used food stamps, AFDC/TANF, or, possibly, Medicaid at any time between 1992 and 1999 and whose head is under age 65. From this universe, cohorts of AFDC/TANF recipients and nonrecipients will be selected and tracked over time with administrative data from unemployment insurance records and survey data.

The surveys will be conducted in person and last approximately 90 minutes. The goal is to obtain 1,000 completed surveys in each county. Two cohorts will be surveyed: single mothers between the ages of 18 and 55 who received AFDC benefits in May 1995 and single mothers who received TANF during May 1997. The two cohorts in each area will be compared in order to estimate the effects of the changes in welfare programs.

The implementation component involves visiting three welfare offices in each county several times a year to study how the policies are being implemented. The ethnographic study consists of a series of in-depth interviews with 30-40 families in each of the four counties over several years. The institutional component includes interviews with nonprofit and for-profit community institutions that provide general services and emergency services for the poor. Each of these components of the studies will provide descriptive assessments of outcomes. The neighborhood indicators study will collect data on the social and economic conditions of the neighborhoods in the counties that are being studied. The characteristics of these neighborhoods will be described over time, and neighborhoods will also be compared with one another at a given time. Changes in neighborhood-level measures will be compared among poor neighborhoods and between poor and **nonpoor** neighborhoods.

### **Welfare, Children, and Families: A Three-City Study**

The Three-City Study covers Boston, Chicago, and San Antonio and is being conducted by researchers at Harvard University, Johns Hopkins University, Northwestern University, Pennsylvania State University, and the University of Texas (Angel et al., 1998). The study has three major components. The first is a survey that plans to sample 2,800 low-income, primarily single-mother families from poor and moderate-income blocks in the central urban areas of each of the three cities beginning in 1999. Half of the families interviewed will be TANF recipients and half will not. Only families with children between birth and age 4 or between the ages of 4 and 14 will be included, reflecting a focus on the effects of welfare reform on young children and adolescents as well as adults. The longitudinal survey will interview families and collect information on adult and family well-being, employment and welfare outcomes, and child outcomes and the home environment, three times over a span of 4 years. Over the study period, information about children of almost all ages will be collected as the children grow into older age ranges.

The second component is an embedded developmental study, which designates 800 families with children aged 2 to 4 for whom more detailed parent and child interaction data will be gathered. Parent and child interactions will be videotaped and coded for further analysis. This part of the study will also interview out-of-home child care providers as well as the child's father. A time diary of the child's activities will also be collected. The 800 families will be drawn

from the 2,800 families in the main survey, and will be interviewed on the same schedule over 4 years.

The third study component involves ethnographic studies of 170 families in the three cities. It will track how welfare policies affect the daily lives and neighborhood resources of poor families. In-depth interviews will be conducted over the course of 2 years and will cover such topics as the respondent's life history and daily routines of life. This component also includes diary studies and observations of the participant when she goes to a social services office for assistance. Neighborhood data and indicators will also be collected under **this** component of the study.

In the third year of the project, a second cohort of families will be drawn from the same cities, neighborhoods, and population strata as the first cohort. Both TANF recipients and nonrecipients will again be included and the sampling frame will be **identical** in other respects to that used to draw the first cohort sample. The second cohort will be compared to **the** first to assess how the progress of welfare reform over time affects succeeding cohorts of families.

### **Fragile Families and Child Well-Being Study**

The Fragile Families and Child Well-Being Study is a study of parents and newborns being conducted by a team of researchers from Columbia University and Princeton University (see **McLanahan** and **Garfinkel**, 1999). The study's focus is on unwed parents of newborns, although a sample of married parents of newborns will also be drawn. The purpose of the study is to understand the capabilities and situations of the fathers of the children, the dynamics of the relationships between the fathers and mothers, **the** well-being of the children in early life, and the effects of welfare and family policy changes on each of these areas.

The study is drawing a cohort sample of 4,000 children born to unwed parents and 1,000 children born to married parents. These samples are being drawn from 20 cities randomly selected from all cities with populations over 200,000. Mothers of the children are interviewed in the hospital after **the** births. If a father is not in the hospital for a child's birth, the interviewers ask the mother how the father can be contacted. The interviews are 30 minutes long for the mother and 40 minutes long for the father. Follow-up interviews are planned for each parent every year for the next 4 years. Interviews in the **first** 3 years will be conducted by telephone and will last 45 minutes. The fourth-year interview will be conducted in person.

### **Other Studies**

There are many **other** studies of welfare reform in progress around the **coun-**try which we have not separately described (see Table B-1 in Appendix B).

Many, if not most, are studies at the state level and represent some type of evaluation of a local program. Many are directly conducted by the state, while others are being conducted by national research organizations (Abt Associates, Manpower Demonstration Research Corporation, **Mathematica** Policy Research, Inc., etc.). Not all are focused directly on PRWORA or related waiver programs, however. Some are focused on programs now defunct (the JOBS evaluation), while others are evaluations of different types of reform programs that have not been implemented on a large scale (New Hope).

### Assessment

The number and variety of welfare reform studies under way around the country is large. The majority of studies have welfare recipients, current or former, as their main population of interest, but a few have included nonrecipients as well (SPD, ANF-NSAF, Three-City Study, Fragile Families). Most studies use traditional household survey data for their databases, but some have significant ethnographic components in addition (New Hope, Three-City Study, Urban Change). Some studies have a strong focus on children, (ASPE Child Impacts State Studies, Three-City Study, SPD topical supplements), while others are focused on adults and their barriers to employment and self-sufficiency (the Michigan Women's Employment Study). Most are focused on individual families, but a few have neighborhoods and communities as their major unit of analysis and focus of interest (RAND Community Survey). Most studies are focused on single-parent families, but one has as its major goal the inclusion of absent fathers (Fragile Families). Almost all are focused on individual cities, counties, or states; only one is completely national in scope (SPD).

With respect to the general principles for welfare reform evaluation discussed in Chapter 2, these studies must be judged to be only partially successful in fulfilling those principles. All of the studies necessarily study the effects of a single bundled set of program services; there are none which have, as a major focus, the identification of the effects of the individual provisions in the reform bundle. Most studies that have welfare recipients as their population of interest necessarily do not address issues of diversion and entry; only a few of the studies incorporate those effects.

For the key issue of evaluation methodology, only a small number of evaluations have an experimental design (New Hope, the ACF studies); the rest are nonexperimental. In the latter category, only a few have explicitly outlined comparison groups (Urban Change, Three-City Study), and those studies will need to assess the threats to cohort comparison designs that we have discussed. Other studies (ANF-NSAF, Fragile Families, SPD) will have sufficient **cross**-state variation to permit an evaluation based on cross-sectional or cross-sectional-panel designs, and these studies will face both the problem of measuring what the different state policies are—a fundamental data problem we identified in

Chapter 2 and above-as well as controlling for other state differences that might confound the effects of welfare policy.

To a great extent, the importance of these issues will be clear only when the results of the studies are available. If the diverse populations, cities, and evaluation designs yield a reasonably coherent and consistent set of findings that add up to a credible overall picture of the consequences of welfare reform, the issues and potential difficulties we have noted will be of only modest importance. In this case, the great diversity of the studies will work to the advantage of the overall national evaluation effort by demonstrating the robustness and consistency of estimates across a wide range of approaches and across different populations for study. If, on the other hand, the studies yield results that vary greatly and in ways that are not easily explainable by obvious differences, a mixed message will result and some assessment of the relative reliability of the different approaches will have to be undertaken. This could be a formidable challenge.

## CONCLUSIONS

The state grantee studies funded by ASPE have made a good start in what is expected to be a longer term effort to assess the effects of welfare reform policies on the low-income population. To a great extent, the grantee studies should be viewed as initial investments in building data capacity at the state level, leading to improved administrative and survey data. **However**, much remains to be done for these data sets to fulfill their potential. As monitoring studies, the ASPE grantee designs have significant interest and should yield interesting findings on the outcomes of welfare leavers. While the cross-state comparability in these 14 studies will be much greater than among the welfare leaver studies conducted previously, thus strengthening their findings as a whole, many improvements in such comparability need to be made. The grantee designs also have thus far not proposed to identify the most important subgroups in the welfare recipient population, namely, long-term and short-term recipients and those with strong and weak work histories. As evaluation studies, the ASPE grantee designs face considerable challenges in demonstrating the credibility of a recipient-based cohort comparison design. Finally, the grantee designs thus far concentrate almost exclusively on welfare leavers; they do not include an examination of nonapplicants and divertees or of families who are still on the rolls (stayers).

The other welfare leavers studies that have been completed around the country have the same strengths and weaknesses, and the ASPE grantee studies promise to be of higher general quality. There are many other welfare reform projects under way around the country as well, both within and outside of government, and these will, when completed, yield a large number of assessments of welfare reform using different approaches and different data. Most of these projects also face significant evaluation challenges, which we have identified. Whether the set of findings that will emerge from these diverse studies will yield a consistent and coherent picture of the effects of welfare reform remains to be seen.

## Recommendations

Based on its work to date, the panel offers several recommendations directed to the U.S. Department of Health and Human Services (DHHS) regarding its immediate research agenda. These recommendations are general in nature and are aimed at ensuring that adequate data and research are available to measure the effects of recent sweeping changes in social welfare programs. Five recommendations address steps that the Office of the Assistant Secretary for Planning and Evaluation (ASPE) and the department can take to address data and research needs generally; two recommendations specifically address the ASPE grant programs for studies of families who leave the welfare system. The recommendations indicate broad areas in which the panel believes action is needed in the near term to develop new initiatives or to expand initiatives that are already under way. In its final report, the panel will consider a broader range of issues and present more detailed recommendations for data and research that can provide the basis for informed policy making in an era of continuing social welfare program change.

### **BROAD ROLE FOR THE DEPARTMENT**

The 1996 PRWORA legislation and earlier DHHS waiver programs embodied the viewpoint that the federal government should accord substantial discretion to states in designing and administering social welfare programs. In turn, many states have chosen to give considerable discretion to their counties and cities. Undergirding this stance is the assumption that decisions about social welfare programs are best made by governments that are closer to the people

being served and thereby more cognizant of local needs, resources, and concerns. It is also assumed that program devolution is more likely to lead to innovative cost-effective approaches to reducing welfare dependency than a centralized approach. (Not all social welfare programs have experienced such extensive devolution as AFDC/TANF; food stamps, for example, remains largely centralized in design and regulation.)

The PRWORA legislation laid out several reporting requirements to states, including a mandate to produce quarterly reports on a sample of TANF cases, a sample of cases from separate state programs that use federal maintenance of effort funds (SSP-MOE), financial data on TANF and state programs, and an annual report on TANF and SSP-MOE program characteristics. Beyond these reports, the federal government has very little ability to mandate the collection of data or the conduct of research to track the effects of the changes in social welfare programs. However, the lack of a mandate does not mean that it is desirable for DHHS to assume a passive role. On the contrary, there are clear benefits—to the states as well as to the federal government—for the department to be proactive in facilitating the collection of needed data and research for social welfare program analysis.

The federal government has an obvious interest in the availability of data and research results that can provide a nationwide picture of the effects of social welfare program changes. Congress and the administration will require such a picture to make informed decisions about the renewal of PRWORA (which expires at the end of fiscal 2002) and related legislation and to determine if modifications to PRWORA are needed.

Perhaps somewhat less obviously, the states also have a strong interest in producing data and research results that can support state-level policy making not only by analysis of what is happening in a state, but also by analysis of a state's experience in comparison with other states and in comparison to national-level results. Many of the representatives from states and counties receiving ASPE leaver grants who attended the panel's November 1998 workshop expressed the view that governors and state legislators are very interested in evaluations of the policy changes and how the results of these evaluations compare with results from other areas. States have an interest in learning the most cost-effective methods for data collection and analysis of the low-income population, including cross-state (and within-state) comparisons, and in order to meet the federal data reporting requirements. Making cross-state comparisons will require not only an understanding of other states' policies and implementations, but also an understanding of the data, definitions of outcomes, and methods used to make these evaluations. The state interest came across clearly to the panel in the discussions at the November 1998 workshop, as state researchers were eager to share their experiences, listen to the experiences of others, and acquire additional data collection and evaluation skills.

In Chapter 3 we specified some limitations of the current round of leavers

studies. We noted, with the recognition that it was not the sole purpose of the studies, that there are data and definitional barriers to achieving cross-state comparability. We also noted that although the studies will be quite useful for monitoring the outcomes of those who have left welfare, studies that monitor the outcomes of those who have applied for the program but have been diverted, as well as the outcomes of those who have not applied, are also needed. We noted that outcomes of former recipients need to be stratified between long-term and short-term recipients, which requires that enough historical data on recipient histories be available to identify those types. Comparisons of leavers with stayers is another priority item. Another need with implications for data collection is to carefully account for the local socioeconomic environment during the time periods of the studies, so that the cohort comparison designs intended for program evaluations can be reliably assessed. Consequently, major efforts toward **capacity**-building for research and data collection, toward making research and data comparable across states, and toward examining program entry as well as exit decisions will need to be made in order to understand the effects of welfare reform.

To ensure that data and research needed for evidence-based federal and state policy making are collected and conducted, there are benefits to having DHHS assume a leadership role. There are five areas where a leadership role would yield benefits: (1) identifying key policy issues that will emerge over the next 3-5 years and using those issues to guide priorities for data collection and research; (2) taking steps to ensure that federal and state-level research addresses all the key populations of interest for social welfare policy analysis; (3) fostering improved capabilities for data collection and research on social welfare programs at the federal and state levels; (4) encouraging efforts to make data and research results comparable across jurisdictions; and (5) comprehensively documenting state policies and program rules. The department already has initiatives under way in some of these areas. Coordinating these activities at the federal level will ease the burden on the states to conduct such coordination on their own and will provide a resource to the states wishing to participate in coordination activities. We discuss each of these areas for DHHS leadership in turn.

### **Identifying Key Policy Concerns**

Because resources across all levels of government for data collection and research on social welfare programs are limited, it is important to set priorities so that resources are used in ways that are most likely to inform key policy questions. While individual states may have specific policy concerns that differ from each other and from federal concerns, there is likely a core set of issues that will be the focus of federal and state policy making over the next 3-5 years and on which it makes sense to concentrate scarce resources for data collection and research. An initiative by DHHS to identify key policy issues of concern to

federal and state governments will help all governmental levels make best use of their resources to ensure that data and research are available to inform policy making.

Some examples of key issues of broad concern in the near term are the effects of the time limit provisions in PRWORA; outcomes not only for families who leave welfare, but also for families who remain on the program (up to the limits) and who may represent a particularly hard-to-serve population; and outcomes for families who might have applied for assistance in the past but who are diverted or choose not to apply under the new policy. Besides these groups that are eligible for or currently receiving cash assistance, the population of low-income families as a whole may be of interest in the next few years, as their circumstances and behaviors may change and move them in and out of eligibility for cash assistance.

Some specific outcomes may require a longer time frame for observation and may be of great policy interest in the next few years as well. Earnings, employment, and the self-sufficiency of program participants, which are major goals of the legislation, as well as child outcomes, are examples of such longer term outcomes. As we discuss in Chapter 3, the department has already initiated studies to aid research on these long-term outcomes. ASPE and ACF, along with other federal agencies and with private foundations, have funded studies in five welfare waiver states to help the states measure the impact of welfare reform on children. ACF is also funding the development of programs for employee retention and advancement for welfare recipients, which will have a program evaluation component as well. We encourage the department to continue to fund and expand studies for key welfare outcomes that are of policy relevance for the next few years.

To determine other issues that will be critically important over the next 3-5 years, the department should make special efforts to maintain regular and formal contact with groups likely to identify such issues. For example, it could be useful for department staff to talk regularly not only with state welfare agency staff, but also with state legislators and their staffs. It would also be useful to maintain close relationships with interstate coordinating mechanisms that the states have already established (e.g., WELPAN, the Midwest Welfare Peer Assistance Network, which is a network of senior welfare officials from seven Midwest states who meet to discuss the policy and administrative issues of welfare reform). ASPE has already invited researchers and administrators from other states to join the Internet-based list-serve for the welfare leaver study grantees. Expanding this means of communication between jurisdictions will be helpful for the purposes of tracking key policy concerns. The department should also maintain close relationships for information-gathering purposes with the Congress and other relevant federal agencies, such as the Departments of Agriculture, Housing and Urban Development, and Labor.

We recognize that the department already has many ties of these kinds,

particularly with Congress and other federal agencies, with research organizations that are active in social welfare program analysis, and with states. In addition, the department has begun a series of reports to provide a national-level assessment of the use of cash assistance programs, caseload composition, and welfare dependency over time. We recommend that the department expand its ties with all levels of government to focus on obtaining early warning of key policy concerns. Such efforts can assist in a long-range planning perspective that, in turn, can guide the department's current efforts in data collection and research at the federal and state levels.

**(1) The panel recommends that the Department of Health and Human Services be proactive in identifying important current and emerging issues for welfare policies at both federal and state levels that, in turn, can guide priorities for investment in data and research.**

### **Defining Key Populations**

Attention in the media and, to some extent, among policy makers, about the effects of changes in social welfare programs has tended to focus on what happens to families who leave welfare. While leavers are an important group to track, policy decisions—for example, the decision to renew or modify PRWORA—will not be adequately informed if other key populations are not also considered. Important underlying goals in the PRWORA legislation are to strengthen low-income families and to reduce their dependence on welfare for support. To understand the extent to which PRWORA and other social welfare program changes are achieving such goals, it is important to look at the entire low-income population, including the key groups of families who are diverted from applying for cash assistance and families who are potentially eligible for benefits but do not apply. At issue is whether families have not applied or have been diverted because they have achieved self-sufficiency off welfare, and whether, more generally, they are finding adequate support through other means. Defining broader populations could also provide information on participation decisions for other social welfare programs.

A confluence of factors makes it difficult in the new program environment to clearly define such key population groups as leavers, divertees, and eligible nonapplicants. These factors include: the devolution of program responsibility to state and **substate** jurisdictions, which means that eligibility provisions for assistance differ; the redefinition of “assistance” to include not only cash, but also a variety of **noncash** benefits and services, which makes it difficult to determine when someone has “left” the program or been diverted; similarly, the blurring of lines of responsibility among program agencies (e.g., “welfare” caseworkers may now serve as brokers to provide a variety of services to clients); the

increase in child-only cases, some of which are the result of partial family sanctions; and, finally, the striking declines in cash assistance caseloads that have occurred in many states, which mean that the population of “leavers” is not likely the same across time or across jurisdictions.

The Department of Health and Human Services can make a major contribution to improving the analytical rigor and cross-area comparability of data and research on social welfare program effects by addressing the definition of the key population groups, including leavers, divertees, and eligible nonapplicants, and proposing standard definitions for use in research and data collection. The department should also take steps to ensure that grant and contract research programs adequately cover key groups.

We note that the department has already taken steps in this direction. For example, through its Internet-based list-serve, ASPE and the 14 leaver studies reached a consensus in defining a welfare leaver as someone who has stopped receiving cash assistance for 2 consecutive months. The next round of ASPE grants for leaver studies will include studies of divertees as well as leavers. Also, ASPE is planning a research program to study entrance as well as exit effects. In addition to these planned studies of a broader range of leavers, ASPE and ACF have already funded a set of studies on specific groups of welfare recipients, including studies of recipients who are Native Americans, who are from rural areas, who have disabilities, who are victims of domestic violence, or who are child-only cases.

**(2) The panel recommends that the Department of Health and Human Services address the definition of key populations of interest for welfare policy analysis in its research agenda and take steps to ensure that its grant and contract research programs adequately cover all important population groups for welfare reform. In particular, to consider the effects of changes in welfare policies on the outcomes of the low-income population, it is important to study not only leavers, but also stayers and potential applicants who are diverted from programs or who do not apply.**

### **Capacity Building**

Obtaining high-quality, relevant data and analyses for measuring the effects of changes in social welfare programs is increasingly difficult in the new and changing program environment. Both federal and state governments face growing challenges to keep surveys and administrative records data systems current and to obtain data by cost-effective means. Improving capabilities for cost-efficient, policy-relevant data collection and research at both the federal and state levels should be a priority for DHHS. The department can usefully undertake a range of initiatives and activities to build capacity. Being proactive in this regard

will enable all levels of government to make better use of scarce resources for data collection and research to better serve social welfare program policy needs.

There are several examples of the activities that we encourage:

- DHHS should facilitate efforts by states and localities to form networks for exchanging information and technical assistance on such topics as low-cost methods for tracking former welfare program participants, definitions of key population groups, analytical methods to compensate for nonresponse bias in surveys, standard formats for administrative records tracking systems, and others. Some interstate groups of this nature already exist. Examples are WELPAN (described above), the National Institute for Child Health and Human Development's Family and Child Well-Being Research Network, and the MacArthur Network on the Family and the Economy. The department could work with and learn from these groups and use their experience to help other states form similar networks.

- DHHS should encourage recipients of departmental grants and other state and local jurisdictions to invest in developing the appropriate staff skills for conducting surveys and analysis. The department could bring states together with academic survey organizations to develop appropriate short courses in survey and analysis methods that specifically address data collection and analysis issues for the low-income population. For example, the Institute for Social Research at the University of Michigan, which offers summer courses in survey methods, and the University of Maryland-University of Michigan Joint Program in Survey Methodology could be training venues, as could local colleges and universities.

- DI-IHS should facilitate lower-cost survey development and more comparable data and analysis by compiling questionnaires from telephone and in-person surveys of the low-income or welfare population that have had good results and making them available not only to departmental grantees, but also to other state and local jurisdictions. For example, ASPE has provided lists of questions on a range of topics to its leaver study grantees, including tested questions on child outcomes that were developed by Child Trends, Inc., and used in various forms in other programs (see Child Trends, Inc., 1999). Making available translations of tested survey questionnaires in Spanish and other languages would also be helpful.

- In future grant programs, such as subsequent rounds of the ASPE-funded leaver study grants, DHHS should consider hiring one or more contractors with research and survey expertise to serve as consultants to all the state and local grantees.

With regard to federal household surveys on income and welfare, ASPE has historically represented the department on interagency committees for content development and related issues. For example, ASPE has played a key role in the

development of welfare program-related questions for the March CPS, SIPP, and SPD. ASPE should continue to play a leadership role in this regard. Such a role is critically important to ensure that national household surveys continue to provide relevant, high-quality data for social welfare program analysis.

**(3) The panel recommends that the Department of Health and Human Services make the improvement of capabilities for data collection and research on social welfare programs at both federal and state levels a priority. The department should include capacity-building initiatives in its grant and contract programs for welfare research and evaluation.**

#### **Cross-Area Comparability**

Although devolution was undertaken in part to reduce the federal role in social welfare program design and administration, the fact of devolution makes the need for federal-level facilitation and coordination of data and research across the states even more important. Congress and the administration require an overall picture of the effects of program changes, and state analysts assert that they are often asked by state legislators and others about how their state compares to other jurisdictions and to national-level measures. Hence, for both state and federal purposes, there is a premium on cross-area comparability of data and research, and DHHS is best positioned to encourage and facilitate such comparability in a cost-effective manner.

The steps the department should take to foster cross-area comparability, which are similar to those outlined above for capacity building, include:

- working with existing networks of states and localities and facilitating efforts to form new networks for exchanging information and technical assistance on such topics as comparable definitions of key population groups, standard formats for administrative records tracking systems, and others;
- compiling questionnaires (and translations in other languages) from surveys of the low-income or welfare population that have had good results and making them available not only to departmental grantees, but also to other state and local jurisdictions; and
- in subsequent rounds of grants for welfare data collection and evaluation, hiring one or more contractors with research and survey expertise to serve as consultants to all the state and local grantees.

The provision in ASPE's current round of leaver study grants requiring grantees to provide public-use files of their data for research use is another mechanism for working toward greater cross-area comparability that should be

continued. Researchers who work with such files will undoubtedly have suggestions for more comparable formats and variables that can be considered in subsequent rounds of grants.

In subsequent rounds of leaver study grants, ASPE can also foster cross-area comparability of research analyses and results by such actions as:

- encouraging grantees to collect information on the educational level and employment history and experience of leavers and use these characteristics as stratifiers in analysis;
- encouraging grantees to collect information on the welfare reciprocity history of leavers and to stratify them in their analyses as short-termers, cyclers, and **long-termers** (see Chapter 2);
- more generally, encouraging grantees to stratify their analyses by characteristics that will allow their caseloads and leaver populations to be compared with those of other states; and
- encouraging grantees in their reports, as a matter of routine good practice, to include full descriptions of the welfare programs and economic environments in effect over the life of the cohorts studied.

In subsequent rounds of leaver studies, ASPE could also consider asking grantees to focus their data collection and research on key outcomes, such as employment and income. A benefit of such an approach is that it is likely more cost-effective to measure fewer outcomes well and comparably across areas than to try to cover too many outcomes in one grant program.

**(4) The panel recommends that the Department of Health and Human Services take the lead in working with states, localities, and research organizations to achieve cross-state and within-state comparability of data and research on welfare program effects to the greatest extent possible.**

#### **Documenting State Policies**

A fundamental necessity of making cross-state comparisons of the effects of welfare reform is knowing the program rules in each state. Keeping up-to-date information about state and **substate** program rules and how the rules are implemented is also essential in order to improve the capabilities for national data sets to estimate program eligibility and to evaluate policy changes. Before PRWORA, states were required to report the rules, benefit levels, and a wide variety of information on their **AFDC** programs to the federal government. In addition, the federal government previously shared the costs of reporting with states. Under PRWORA, states are required to report annually on the characteristics of their **TANF** program rules. However, as we discuss in Chapter 2, there is less stan-

standardization of how these characteristics are reported. Furthermore, there are few reporting requirements for separate state programs, even though understanding these rules is necessary for conducting cross-state comparisons.

The department can take steps to improve the capabilities of national data sets and to help make studies comparable across states by comprehensively documenting state policies and changes to policies. The department is in the best position to do so because it has contact with each state's program administrators and because it will already be enforcing the reporting requirements under PRWORA. Although efforts to document state program rules and implementations are under way at the Urban Institute, and ACF has funded the National Governor's Association and the National Conference of State Legislatures to develop common descriptions of TANF program components, the department should be committed to ensuring that systematic and comprehensive data-gathering efforts to document state programs and changes to state programs take place within the federal government.

**(5) The panel recommends that the Department of Health and Human Services take an active and direct role in documenting and publishing the TANF policies enacted in every state and in every substate area where relevant. The panel also recommends that the department document and publish any changes to state and substate area policies on a regular and ongoing basis.**

#### **ASPE LEAVER STUDY GRANTS**

The current round of ASPE leaver study grants is well under way. Most grantees are completing data collection and are beginning data analysis. Hence, some of the ideas suggested above for ways to further enhance the cross-area comparability of data items-beyond the significant efforts that ASPE has made in this regard with the current grantees through its technical workshops and list-serve-must await subsequent rounds of grants.

There is still time, however, to foster greater cross-area comparability in the last stage of the current round of grants by encouraging comparability in the data analysis phase and in the documentation of methods and results. ASPE should ask grantees to put their documentation plans on the list-serve and encourage a dialogue to promote comparability for key aspects of the plans.

For example, grantees should be encouraged to use standard tabulation and reporting categories for key stratifiers, such as education, employment, and welfare reciprocity history reporting-to the extent that the data are available. They should also be strongly encouraged, as a matter of good practice, to include information on the welfare program provisions in effect for the cohorts studied and key features of the economic environment (e.g., state and local unemployment rates). As another matter of good practice, they should be strongly encour-

aged to fully document their data collection and analysis methods. For surveys, ASPE should foster agreement on a standard definition of response rates and other indicators of survey quality.

**(6) The panel recommends that ASPE encourage the leaver study grantees to achieve the greatest possible comparability of analysis and results by asking grantees to share their tabulation, analysis, and reporting plans and by facilitating a dialogue to work toward comparability of analysis methods, reporting categories used, and documentation of methods and results.**

We recommended above (Recommendation 2) that the Department of Health and Human Services address the definition of key populations of interest for welfare policy analysis and take steps to ensure that grant and contract research programs adequately cover key population groups. As important steps in this direction, we noted ASPE's plans to include divertees as well as leavers in its next round of leaver studies and its plans to develop a research program to study entrance as well as exit effects. For subsequent rounds of studies of welfare leavers, we recommend that ASPE ask grantees to specify a broad definition of leavers that includes the widest possible set of families. For example, in the current round of leaver studies, most grantees are excluding child-only cases in which the children are eligible for cash assistance -but the adults, for one or another reason, are not (e.g., they may be foster parents or ineligible immigrants). The exception is that some grantees are including child-only cases that result because the adults in the families are sanctioned and thereby lose benefits for themselves. While there are reasons to exclude child-only cases, we believe the arguments are stronger to include them, so **that** it is possible to assess the circumstances of families that are receiving reduced cash assistance as well as those that are receiving no cash assistance. If administrative records systems are redesigned to track recipient families, it may be possible to analyze child-only cases at a relatively low cost.

**(7) For subsequent rounds of grants for studies of welfare program leavers, ASPE should broaden the population of leavers to include the widest possible set of families.**

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## Appendices

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## APPENDIX A

### Leaver Studies

TABLE A-1 Fourteen ASPE Leaver Study Grantees: Summary Description of Proposals and Plans (as of 7/8/99)

Study Characteristics	Arizona
<b>Outcomes</b>	
Adults	Employment, earnings, recidivism, other program and private assistance receipt, child support, reason for leaving TANF, health and health care coverage, and barriers to self-sufficiency
Children	Child care receipt and quality, use of child welfare services
<b>Population</b>	
Study population	Former recipients of cash assistance
Definition of leavers	Case closed for at least 2 months; also sample of 1-month leavers
Divertees/applicants	No; Arizona's diversion program not implemented <b>yet</b>
Eligible, not participating	No
Child-only cases	No
Unit of observation	Closed case
<b>Methodology</b>	
Cohort definitions	TANF closed cash assistance cases 10/96-12/96; similar 2nd cohort 1/98-3/98 (after EMPOWER—Track I program began)
Comparison groups	Reason for case closure, across local economic conditions, urban/rural, education level, age, and marital status
<b>Administrative Data</b>	
Sources	Cash assistance, food stamp, Medicaid, UI, JOBS, child care, child support, child protective services, emergency assistance
Years/time covered	Both cohorts tracked for 12 months; data as far back as 1990
Linkages	Cohort II data linked with survey data
<b>Survey Data</b>	
Sample population	Random sample of all Cohort II closed cases
Design	Stratified by reason for closing (2 strata); mixed mode survey
Number of observations	Hope to have 400 completed surveys from each strata; will sample 1,200 cases
Response rate	Aiming for 67%
Timing	Surveyed approximately one year after case closed
<b>Subcontractor</b>	Currently none
<b>Special Features</b>	

Study Characteristics	Cuyahoga County, OH
<b>Outcomes</b>	
Adults	Employment, earnings, recidivism, other program and private assistance receipt, household composition, material well-being, health and health care coverage, income, and barriers to self-sufficiency
Children	Child care arrangements, child living arrangements, and child health
<b>Population</b>	
Study population	Former recipients of TANF
Definition of leavers	Case closed for at least 2 months
<b>Divertees/applicants</b>	Not as part of this grant, but may for another project
Eligible, not participating	No
Child-only cases	Not in survey but may track "true" child-only cases with administrative data
Unit of observation	Closed case
<b>Methodology</b>	
Cohort definitions	Cohort I: left AFDC/TANF 3rd quarter of 1996; Cohort II: left TANF 3rd quarter of 1998
Comparison groups	Cohort I vs. Cohort II; by welfare history (long vs. short term), work experience, reason for leaving, earnings, age of <b>parents</b> , <b>number</b> of kids, marital status, race; Cohort II, education level and public housing usage
<b>Administrative Data</b>	
Sources	UI and welfare administrative records, food stamps, Medicaid 750 randomly selected from each cohort; reports results on all of cohort I
Years/time covered	1 year pre- and post-leaving
Linkages	Cohort II data linked with survey data
<b>Survey Data</b>	
Sample population	Random sample of single parent households from Cohort II
Design	Mixed mode, 30 minute interviews
Number of observations	Hope to have 300 completed surveys
Response rate	MDRC committed to 78% response rate
Timing	Surveyed 1 year after case closed
<b>Subcontractor</b>	Part of MDRC Urban Change Project, Case Western Reserve
<b>Special Features</b>	

TABLE A-1 Continued

Study Characteristics	District of Columbia
<b>Outcomes</b>	
Adults	Employment, earnings, barriers to self-sufficiency, sources of public and private income, family well-being, recidivism, and health care coverage
Children	Child care situation
<b>Population</b>	
Study population	TANF leavers
Definition of leavers	Case closed for at least 2 months
Divertees/applicants	No divertees; DC diversion program not yet implemented
Eligible, not participating	No
Child-only cases	
Unit of observation	Closed case, family
<b>Methodology</b>	
Cohort definitions	Cohort I: left TANF 3rd quarter of 1997; Cohort II: left TANF 4th quarter of 1998; administrative data and focus groups for Cohort I; survey data for Cohort II
Comparison groups	Reason for leaving, whether return to TANF or not, by education level and whether or not receive other assistance
<b>Administrative Data</b>	
Sources	TANF, food stamps, general assistance, SSI, Medicaid, foster care
Years/time covered	As far back as 1992; will track leavers for 1 year
Linkages	Not linked with survey data
<b>Survey Data</b>	
Sample population	TANF leavers between October and December 1998
Design	Mixed mode survey; \$20 incentive payment
Number of observations	Random sample of 500; survey will draw on NSAF
Response rate	Assumes a 75% response rate
Timing	6 months after left TANF
<b>Subcontractor</b>	Urban Institute
<b>Special Features</b>	Linking with unemployment insurance data not as useful because many work in Virginia or Maryland or for the federal government

<b>Study Characteristics</b>	<b>Florida</b>
<b>Outcomes</b>	
Adults	Employment, earnings, financial well-being, health care coverage and health, housing and transportation situations, emotional situation, family stability, recidivism, use of other programs, and barriers to self-sufficiency
Children	Child care situation, child abuse, and neglect
<b>Population</b>	
Study population	Participants who left (plus groups below) Florida's WAGES program
Definition of leavers	Case closed for at least 2 months
Divertees/applicants	Yes; WAGES applicants who never enrolled (no formal program)
Eligible, not participating	Yes; those participating in food stamps and/or Medicaid but not TANF
Child-only cases	No
Unit of observation	Individuals who left and their families
<b>Methodology</b>	
Cohort definitions	Three groups above: (1) Left in 2 <sup>nd</sup> quarter of 1997 (n ≈ 30,000); (2) applied in 2 <sup>nd</sup> quarter of 1997 (n ≈ 9,500); (3) <b>received food</b> stamps or Medicaid, had minor kids and income below limit, no participation 3 <sup>rd</sup> quarter of 1997 (n ≈ 12,000)
Comparison groups	Compare outcomes across three groups and by regional coalitions, racial and ethnic groups, rural vs. urban
<b>Administrative Data</b>	
Sources	TANF, food stamps, Medicaid, child support, and employment data
Years/time covered	Tracked for 1 year
Linkages	Linked with survey data
<b>Survey Data</b>	
Sample population	State sample: 1,000 completed surveys for each of three study groups; four samples from regional coalitions, 1,000 in each study group in all four regions
Design	Telephone survey
Number of observations	Approximately 15,000
Response rate	
Timing	Surveys in field in March 1999
<b>Subcontractor</b>	Florida State University will help with survey
<b>Special Features</b>	State board and 24 regional coalitions of public and private partnerships who 'manage program

TABLE A-1 Continued

Study Characteristics	Georgia
<b>Outcomes</b>	
Adults	Employment, earnings, income, other supports, ratio of income to needs, self-sufficiency, health care coverage, mental health, and recidivism
Children	Child care, absent father involvement, and child well-being
<b>Population</b>	
Study population	Women who have left welfare
Definition of leavers	No cash assistance for at least 2 consecutive months
Divertees/applicants	No
Eligible, not participating	No
Child-only cases	Yes, both "true" child-only and partially sanctioned child-only cases
Unit of observation	Closed case
<b>Methodology</b>	
Cohort definitions	Phase 1: sample of 2,000 leavers from 1/97 to 10/97; administrative data only; Phase 2: telephone survey of 200 leavers each month from 7/98 to 6/01
Comparison groups	Longitudinal study of 800-3 <sup>rd</sup> quarter of 1998 sanctioned welfare recipients, Phase I vs. Phase II, rural/urban, race, education level, high/low poverty neighborhoods, length of time on welfare, and reason left welfare
<b>Administrative Data</b>	
Sources	TANF database, food stamps, UI, new hires and child support enforcement
Years/time covered	Tracked for 1 year after leaving
Linkages	Linked with survey data from Phase 2 interviews
<b>Survey Data</b>	
Sample population	Sample of 200 women leaving TANF each month for 36 months starting 7/98, longitudinal component interviews 6 months later
Design	Mixed mode survey
Number of observations	Approximately 7,200
Response rate	
Timing	Interviews conducted as soon as client determined to have left
<b>Subcontractor</b>	Georgia State University
<b>Special Features</b>	Seeks funding for longitudinal study of 800 women: Wave I of current TANF recipients; Wave II, 6 months later when some will be off TANF

Study Characteristics	Illinois
<b>Outcomes</b>	
Adults	Health insurance, housing, recidivism, income, household composition, other supports, employment, earnings, deprivation, and self-sufficiency barriers
Children	Foster care, child abuse and neglect, child support, and child care
<b>Population</b>	
Study population	TANF closed cases for any reason
Definition of leavers	No cash assistance for 2 consecutive months
Divertees/applicants	No
Eligible, not participating	No
Child-only cases	Yes, but only those converted from family cases to child-only cases
Unit of observation	Closed cases
<b>Methodology</b>	
Cohort definitions	(1) Left 7/97 to 12/98; (2) stayed on TANF 7/97 to 12/98
Comparison groups	Leavers vs. stayers; reasons for case closure; by employment status, by region, and by ethnicity
<b>Administrative Data</b>	
Sources	TANF, Medicaid, food stamps, UI, JOBS program, job training and education, WIC, drug abuse treatment, child welfare and family services cases, child abuse and neglect, and child care assistance
Years/time covered	As far back as 10 years; at least 1 year after leaving
Linkages	Linked with survey data
<b>Survey Data</b>	
Sample population	Survey 3 cohorts of leavers who left in 12/97, 6/98, and 12/98; stratified by Chicago vs. downstate; cluster sample of rural areas
Design	Mixed mode; \$15 incentive for contact info; \$35 for completed survey
Number of observations	Hope for 750 completed surveys
Response rate	Hope for 75%
Timing	Between 4 and 5 months after leaving welfare
<b>Subcontractor</b>	University of Illinois, Springfield; University of Illinois, Urbana-Champaign; and Chapin Hall
<b>Special Features</b>	Part of ongoing closed case study

TABLE A-1 Continued

<b>Study Characteristics</b>	<b>Los Angeles County, CA</b>
<b>Outcomes</b>	
Adults	Employment, earnings, recidivism, income, other public and private assistance, self-sufficiency barriers, health care, household composition, and well-being
Children	Child care arrangements; child well-being
<b>Population</b>	
Study population	AFDC/TANF leavers
Definition of leavers	Case closed for at least 2 months
Divertees/applicants	Los Angeles does not have diversion program
Eligible, not participating	No
Child-only cases	May track "true" child-only cases with administrative data, not with survey data
Unit of observation	Closed cases
<b>Methodology</b>	
Cohort definitions	Cohort I: left welfare between July and September 1996; Cohort II: left welfare between July and September 1998; 750 from each cohort chosen randomly from administrative data
Comparison groups	Two cohorts above, long- vs. short-term welfare use, earnings before and after leaving, age of parents, number of kids, marital status, race, ethnicity, reason for leaving, by whether returned to welfare or not, and education level
<b>Administrative Data</b>	
Sources	Cash benefits, food stamps, general assistance benefits, Medicaid, UI wage data
Years/time covered	1 year pre- and post-leaving welfare
Linkages	Cohort II linked with survey data
<b>Survey Data</b>	
Sample population	Single-parent households from Cohort II
Design	Mixed mode survey
Number of observations	Hope for 300 completed surveys
Response rate	MDRC committed to 78%
Timing	1 year after exiting, 1999
<b>Subcontractor</b>	MDRC
<b>Special Features</b>	A second phase of this project (not funded by this ASPE grant) will look at eligible nonparticipants

<b>Study Characteristics</b>	<b>Massachusetts</b>
<b>Outcomes</b>	
Adults	Employment, earnings, family income and debt, other income and support, housing, food security, and transportation
Children	Child support, medical coverage, child care, child school attendance and child development
<b>Population</b>	
Study population	Recipients leaving TANF
Definition of leavers	Case closed for at least 2 months
Divertees/applicants	No
Eligible, not participating	No
Child-only cases	
Unit of observation	Closed cases and their families
<b>Methodology</b>	
Cohort definitions	Cohort I: 20,000 cases who left 1/97 to 6/97; Cohort II: 15,000 cases estimated to leave 12/98 to 2/99; <b>both</b> are full population of leavers in that quarter
Comparison groups	Time-limit closings vs. other reason close, English speaking or not, age and number of kids, urban vs. rural, work history, welfare history, education level, disability status, ethnicity, and marital status
<b>Administrative Data Sources</b>	
Years/time covered	Transitional assistance, child support, wage and earnings from Department of Revenue, food stamps, Medicaid, child abuse and neglect, and child care As far back as 1990 for some sources
Linkages	Both cohorts linked with survey data
<b>Survey Data</b>	
Sample population	All leavers in <b>both</b> Cohort I and II
Design	Longitudinal, mixed mode, stratified by reason case closed
Number of observations	350 from Cohort I; 600 from Cohort II (400 of whom reached time limit)
Response rate	Hope for 75%
Timing	Cohort I: surveyed four times over course of 1 year; Cohort II: survey 6 months after leaving
<b>Subcontractor</b>	<b>Chapin</b> Hall did administrative data, survey by University of Massachusetts, Boston
<b>Special Features</b>	Survey of 350 Cohort I leavers is completed; offering \$50 incentive for survey participation

TABLE A-1 Continued

Study Characteristics	Missouri
<b>Outcomes</b>	
Adults	Income, earnings, employment, recidivism, private and public sources of assistance, barriers to self-sufficiency, and household composition
Children	Child care, child abuse, and neglect
<b>Population</b>	
Study population	Universe of TANF leavers and subset of TANF applicants in 1 county
Definition of leavers	Case closed for at least 2 months
Divertees/applicants	Yes, TANF applicants in Jackson County enrolled in job placement program
Eligible, not participating	No
Child-only cases	Yes, but only those converted from family cases to child-only cases
Unit of observation	Closed case
<b>Methodology</b>	
Cohort definitions	Cohort I: 4th quarter 1996 leavers; Cohort II: 4th quarter 1997 leavers; Cohort III: TANF applicants enrolled in Jackson County (KC) Work First program last quarter 1996 and 1997
Comparison groups	By employment and job services received; by geographic region
<b>Administrative Data</b>	
Sources	Education (GED, vocational education, higher education), child care assistance, child welfare, emergency assistance records (private sources), employment security records, food stamps, UI, TANF, JOBS, and JTPA
Years/time covered	As far back as 1990
Linkages	Linked with survey data
<b>Survey Data</b>	
Sample population	Represents Cohorts I and II
Design	Stratified by geography and "success," meaning left for at least 6 months
Number of observations	20-minute telephone surveys
Response rate	1,200 from each cohort selected for interview
Timing	Fall 1998 and 1999, 2 years after leaving
<b>Subcontractor</b>	University of Missouri, Midwest Research Institute
<b>Special Features</b>	Unique data set on usage of emergency assistance in Jackson County

<b>Study Characteristics</b>	<b>New York</b>
<b>Outcomes</b>	
Adults	Reason case closed, employment, earnings, transitional services use, income, recidivism, health care coverage, self-sufficiency barriers, and household composition
Children	Child welfare outcomes, child care
<b>Population</b>	
Study population	Sanctioned and closed cases (see Special Features, below)
Definition of leavers	No limit on length of closure, but will do analysis with 2-month definition
Divertees/applicants	No
Eligible, not participating	No
Child-only cases	Both "true" child-only and partially sanctioned cases with administrative data
Unit of observation	Closed cases and individuals in each case
<b>Methodology</b>	
Cohort definitions	Cohort I: All cases closed/sanctioned in the 1st quarter of 1997 (administrative data only); Cohort II: All cases closed in the 1st quarter of 1999 (administrative and survey data)
Comparison groups	Rural vs. Urban, by previous work experience, and employment rates
<b>Administrative Data</b>	
Sources	Public assistance, SSI, food stamps, Medicaid, foster care and child welfare, child support, employment, wage reporting from Department of Taxation
Years/time covered	1 year after sanctioned or closure
Linkages	Linked with Cohort II closed and sanctioned cases survey
<b>Survey Data</b>	
Sample population	Full Cohort II population
Design	Stratified random sample by local district and by reason of closure; mixed mode survey
Number of observations	Target of 900 completed surveys
Response rate	Hope for 75% rate, will sample 1,200
Timing	1 year after leaving (early 2000)
<b>Subcontractor</b>	Contract out survey; Richard Nathan at Rockefeller Institute is an advisor
<b>Special Features</b>	NY still has a safety net for families who reach time limit (basically making them partially sanctioned cases)

TABLE A-1 Continued

Study Characteristics	San Mateo, Santa Clara, and Santa Cruz Counties, CA
<b>Outcomes</b>	
Adults	Employment, earnings, sources and level of income and other support, family structure, deprivation, self-sufficiency barriers, and recidivism
Children	Child care, child well-being, and child abuse and neglect
<b>Population</b>	
Study population	All TANF leavers and eligible nonparticipants
Definition of leavers	Case closed for at least 2 months; will check for "false" exits
Divertees/applicants	Too few diverttees; will study applicants denied for nonmonetary reasons
Eligible, not participating	Only applicants who never enrolled but appear eligible
Child-only cases	Yes, but only those converted from family cases to child-only cases
Unit of observation	Individual client and family
<b>Methodology</b>	
Cohort definitions	Cohort I: left last quarter-of 1996; Cohort II: left last two quarters of 1998; administrative data for both cohorts, survey data for Cohort II
Comparison groups	Leavers vs. different types of applicants, reason left, by recidivism and by other demographics
<b>Administrative Data</b>	
Sources	TANF Case Data System, food stamps, Medi-Cal, general assistance, Q5, GAIN, Public Housing Authority, UI data, child welfare services
Years/time covered	At least 1 year after leaving; as far back as 1988 for some sources
Linkages	Linked with Cohort II survey data
<b>Survey Data</b>	
Sample population	Cohort II population
Design	Stratified random sample, first by county and then by leaver category; mixed mode survey; 30-minute interview
Number of observations	900-950 completed surveys but considering a smaller sample
Response rate	Hope for 80-95% response rate
Timing	Surveyed 6 and 12 months after left
<b>Subcontractor</b>	SPHERE Institute; survey will be contracted out too
<b>Special Features</b>	Survey contains questions from SPD, SIPP, NSAF, and NLSY; \$10 payment for each interview

<b>Study Characteristics</b>	<b>South Carolina</b> (Grant is part of an ongoing project with previous grant)
<b>Outcomes</b>	
Adults	Marital events, employment, and earnings
Children	Child abuse and neglect; low birth weight, infant mortality
<b>Population</b>	
Study population	Cash assistance leavers
Definition of leavers	Not yet determined
Divertees/applicants	No official diversion program; will study applicants who never enrolled
Eligible, not participating	Yes, with survey and food stamp records will identify nonparticipants
Child-only cases	No
Unit of observation	Closed case
<b>Methodology</b>	
Cohort definitions	Cohort I: left January to June 1997; Cohort II: left January to June 1999
Comparison groups	Reason for leaving cash assistance
<b>Administrative Data</b>	
Sources	TANF Client History Information Profile, work support system, Medicaid, foster care, child support, UI, JOBS, CHIP
Years/time covered	As far back as 1986; followed for 2 years
Linkages	Linked with survey data for both cohorts
<b>Survey Data</b>	
Sample population	Nonparticipating eligibles and leavers by each of 3 reasons for leaving
Design	Mixed mode, 30-minute survey; exploring possible oversampling of cases in high-risk neighborhoods
Number of observations	Approximately 1,000 cases, 250 from each of the four groups
Response rate	Estimate 75%
Timing	Interview 1 year and 2 years after exiting
<b>Subcontractor</b>	Under negotiation
<b>Special Features</b>	Part of continuing project begun prior to other studies and funded by ACF

TABLE A-1 Continued

<b>Study Characteristics</b>	<b>Washington</b>
<b>Outcomes</b>	
Adults	Earnings, employment, support sources, well-being, recidivism, other public assistance usage, child support, housing, mental or physical disabilities, addiction, and household composition
Children	Child care, child welfare use, child abuse and neglect, child well-being
<b>Population</b>	
Study population	Cash assistance leavers and stayers
Definition of leavers	Left cash assistance for at least 2 months
Divertees/applicants	Cohort II had diversion program; these divertees will be studied
Eligible, not participating	Yes; those enrolled in food stamps and/or Medicaid but not TANF
Child-only cases	No
Unit of observation	Closed case
<b>Methodology</b>	
Cohort definitions	3 Cohorts: Cohort I left or stayed last quarter 1996 (pre-TANF); Cohort II left or stayed last quarter 1997; Cohort III left or stayed last quarter of 1998
Comparison groups	Across cohorts, leavers vs. stayers, rural/urban and east/west, those who return to TANF for a long term vs. those who return for only a short term and only tracked 1 year after leaving welfare
<b>Administrative Data</b>	
<b>Sources</b>	
Years/time covered	UI, Medicaid, foster care and child welfare, child support, Basic Health for poor families, food stamps, <b>WorkFirst</b> (TANF), child care
Linkages	1 year pre- and 1 year post-exit Cohort III will be linked to survey data
<b>Survey Data</b>	
Sample population	Welfare leavers exiting last quarter of 1998
Design	Stratified by urban/rural and east/west; mixed mode design
Number of observations	A sample of 1,300 will be drawn
Response rate	Hope for 70%
Timing	Cases surveyed in mid-1999, 6-9 months after exit
<b>Subcontractor</b>	
<b>Special Features</b>	
	Already has baseline administrative data on 3,200 recipients pre-TANF, including survey of 560 of these who left the pre-TANF program; will have lottery as incentive for survey completion

<b>Study Characteristics</b>	<b>Wisconsin</b> (Grant is part of three research projects)
<b>Outcomes</b>	
Adults	Employment, earnings, use of other private and public supports, health insurance, deprivation, household composition, recidivism, and barriers to self-sufficiency
Children	Child well-being, child care, child abuse and neglect
<b>Population</b>	
Study population	AFDC leavers or nonparticipants in W-2; W-2 leavers
Definition of leavers	Case closed 2-6 months for administrative data, at least 6 months for survey data
Divertees/applicants	Milwaukee study looks at W-2 applicants not yet enrolled
Eligible, not participating	Only applicants who appear eligible but are not enrolled
Child-only cases	Yes
Unit of observation	Closed case (or applicant for Milwaukee study*)
<b>Methodology</b>	
Cohort definitions	Cohort 1: leavers in quarter 4 of 1996; Cohort 2: leavers in 1998; Cohort 3: entrants and applicants 10/98 to 3/99 in Milwaukee
Comparison groups	By recidivism; by agency for profit or nonprofit, stayers vs. leavers vs. never enrolled, demographics, welfare history, receipt of other services
<b>Administrative Data</b>	
Sources	AFDC, food stamps, child care, medical assistance, child support, foster care, some child abuse and neglect, SSI, UI, tax data
Years/time covered	1988 for some sources through 1 year after leaving welfare
Linkages	Cohort's I and II linked to survey data
<b>Survey Data</b>	
Sample population	Leavers in Cohorts I and II; entrants, divertees, and leavers in Cohort III
Design	Mixed mode survey
Number of observations	Cohort I: 1,200; Cohort II: 900; Cohort III: 1,200
Response rate	75 %
Timing	Surveyed 1 year after leaving (or after application for Milwaukee study)
<b>Subcontractor</b>	
	Institute for Research on Poverty, MPR, Hudson Institute
<b>Special Features</b>	
	*Milwaukee study also plans a survey of applicants; it will be a two-wave panel survey of applicants (n = 1,200); wave 1 interviews 7-14 days after initial application visit; wave II, 1 year later

TABLE A-2 Outcomes Studied and Sources of Data Used by the Welfare Leaver Grantees

Outcome and Data Sources	State/County												
	AZ	Cuyahoga County, OH	DC	FL	GA	IL	Los Angeles County, CA	MA	MO	NY	San Mateo County, CA	WA	WI
<b>Outcomes Studied</b>													
<b>Employment and Earnings</b>													
Employment status	A,S	A,S	S	A,S	A,S	A,S	A,S	S	A	A,S	A,S	A,S	A,S
Quarterly earnings	A,S	A,S	S		A	A	A,S	A	A	A,S	A,S	A,S	A
Hourly wage	s	s		A,S	S	S	S	s	s	s	s	A,S	A,S
Fringe benefits	S	s	S	A,S		s	s	S		s	S	S	
Types of jobs/occupation	A,S	S	S	A,S	S	S	S	A,S	A	S	A,S	S	A,S
Hours worked	s	S	S	A,S	S	S	S	S	s	s	s	A,S	S
Education/training	A	S	S		A,S	A,S	S	S		S	A,S	S	
Other		S	S	S			S		S	S		A,S	A
<b>Other Income Supports</b>													
Food stamps	A,S	A,S	A	A,S	A	A	A	A,S	A,S	A	A,S	A,S	A,S
Child support	A,S	S	S	A,S	A,S	S	S	A,S	S	A	S	A,S	A,S
Family resources	S	S	S	S	S	S	S	S	A,S	S	S	S	S
SSI		S	A		S	S	S	S	S	A			A,S
General assistance						S			S	A	A,S		
Housing assistance	?		S		s	s		S	A,S	S	A,S	S	A,S
Energy assistance	?			S				S	A,S			S	S
EITC			S		S	S	S	s	s	s	s	S	A
Other					S	A				S			S

**Health Insurance**

<b>Medicaid</b>	A,S	A,S	A	A	A,S	A	A,S							
CHIP						A				S	S			
Employer provided	s	s	S	S	S	S	S	S	S	S	S	S	S	S
Adult coverage	?	S		S	S		S			S	S	S	S	S
Child coverage	!	S		S	S		S	S		S	S	S	S	S
Other				S						S		S		

**Deprivations/Insecurity**

Health status	?	S	S	S		S	S		?	?	S			S
Access to health care	?	S	S	S	S	S	S		?	?	S	S	S	S
Hunger	!	S	S	S	S	S	S	S	A	?	S	S	S	S
Food pantries	S	S	S		A		S	S	A	?	S	S	S	S
Doubling-up/living with relatives			S		S				A	?	S	S	S	S
Money to pay rent	?	S	S	S		S			A	?	S	S	S	S
Periods of homelessness	S	S	S	S	A	S			A	?	S	A,S	S	S
Use of community agencies, general		S	S	S		S	S		A	S		S		
Other		S	S	S	S	s	S		A	S				S

**Other Changes**

Change in residence	?	S	S	A	S	S	S	S	A		A,S	A	A
Change in marital status	?	S		S	S	S	S	S	?	S	A,S	S	A,S
Change in household composition	?	S	S	S	S	S	S	S	A	S	A,S	S	S
Other						S			?				



**Awareness of Benefits**

Transitional child care	S		S		A	S		s	S	s	s		s	s
Transitional Medicaid	S		S		A	S			S	s	s			S
Other benefits	S							s	S		S		s	s

**Recidivism**

Returns to TANF	A	A,S	A	A,S	A,S	A	A,S	A S	A	A,S	A,S		A,S	A,S
Reason for return		S	s	s	S	S	s		?	s	s		A	S

**Attitudes**

Toward work				s	s					S				S
Toward TANF	S			s	s				S		S			S
Other	S	s		s										

**Reasons for Case Closure**

A,S	A,S		A,S	S	A,S	A,S	A,S	A	A	A,S	A,S		s	s
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**Barriers to Self-Sufficiency**

Disability/health problems		S		S	A S	S	S		A S	?			A,S	A
Illiteracy					A				A,S	?				
Limited English proficiency	?			S	A			A	S	?	S			
Domestic violence							S		S	S	?	S	A,S	A
Maternal depression or other mental illnesses	?			S	S				S	S	?	S	S	A
Substance abuse				S			S		S	S	?	S	A,S	A,S
Transportation	S			s	s		S		S	S	?	S	s	s
Lack of child care	S	S		s	s	S	S	S	S	S	?	S	s	s
Lack of education/skills	?	S		S		S	S	S	A,S	?	A,S		s	s
Other							S					S		

TABLE A-2 Continued

Outcome and Data Sources	State/County													
	AZ	Cuyahoga County, OH	DC	FL	GA	IL	Los Angeles County, CA	MA	MO	NY	San Mateo County, CA	WA	WI	
<b>Administrative Data</b>														
<b>Sources To Be Used</b>														
TANF	x	x	x	x	x	x	X	X	X	X	X	X	X	X
Food Stamps	x	x	x	x	x	x	X	X	X	X	X	X	X	X
Medicaid eligibility	x	x	x	x	x	x	X	X	X	X	X	X	X	X
Medicaid claims	x			x		x			x		x		x	
JOBS or JOBS successor	x			x		x			x		x			
Child support	x			x	x			x		x		x	x	
Child welfare	x				x	x			x	x	x	x	x	
Child care	x					x			x				x	
SSI			x											x
General assistance						x	x			x	x			
Emergency services	x								x					
Unemployment insurance	x	x			x	x	x		x	x	x	x	x	x
State revenue or IRS								x						x
Substance abuse						x						x		
Education									x					
Other					x	x			x		x	x		

NOTES: A = Administrative Data  
 S = Survey Data  
 ? = Proposal indicates the outcome will be studied, but the source of the data is not given.  
 X = Indicates data source will be used.

ACRONYMS: CHIP Children's Health Insurance Program  
EITC Earned Income Tax Credit  
JOBS Job Opportunities and Basic Skills Training  
SSI Supplemental Security Income  
TANF Temporary Assistance for Needy Families

SOURCE: Data prepared by staff of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, for a presentation to the panel on February 19, 1999.



## APPENDIX B

### Summary of Welfare Reform Projects

TABLE B-1 Summary of Welfare Reform Projects

<b>Project Title and Investigators</b>	<b>State/Locality Studied</b>	<b>Data Used</b>	<b>Study Design</b>
<b>Abt Associates, Inc.</b>			
Arizona's EMPOWER program	A Z	Longitudinal survey of participants	Experimental design; random assignment
Evaluation of Alabama ASSETS program	3 counties in AL	Administrative data	Quasi-experimental design; each of 3 counties matched with another county in Alabama running standard AFDC programs
Evaluation of Delaware's A Better Chance program	DE	Administrative data; survey data; aggregate cost data	Experimental design; random assignment
Evaluation of Electronic Benefits Transfer in Maryland	MD	Transaction data	
Evaluation of Indiana Manpower Placement and Comprehensive Training Program	IN	Administrative data; client survey; interviews of administrators and staff	Experimental design; random assignment
Evaluation of NY State Child Assistance Program	7 counties in NY	Administrative; survey data	Experimental design at 3 localities

Evaluation of New York Community Access Network (process and cost study too)	New York City after sample entry	Telephone surveys-3 months	Pre-, post-design
Evaluation of Ohio Transitions to Independence demonstration	15 counties in OH	Administrative data	Experimental design; random assignment
Evaluation of to Strengthen Michigan's Families Welfare Reform program	MI	Administrative data	Experimental design; random assignment
National Study of Low Income Child Care	25 communities in 5 to 10 states		
<b>American Public Human Services Association and National Conference of State Legislatures</b>			
State efforts to track and follow-up on welfare recipients	All states	APHSA and NCSL, with the National Governors' Association, are keeping track of leavers studies	
<b>Center for Law and Social Policy and Center for Budget and Policy Priorities</b>			
State Policy Documentation Project	All 50 states and DC		Monitor, document and analyze state welfare, health, and family support programs

TABLE B- 1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
<b>Center for Urban Poverty and Social Change at Case Western Reserve University</b>			
Study for Federation for Community Planning	Cleveland, OH		
Study to aid county Department of Human Services	Cuyahoga County, OH		
Transportation barriers to welfare recipients			
Urban Change project with MDRC	Cuyahoga County, OH		Neighborhood indicators study
Urban Institute's National Neighborhood Indicators project	Cleveland	Will assist other communities in developing similar studies of inner-city welfare recipients' barriers to employment	
<b>Chapin Hall Center for Children</b>			
The dynamics of AFDC, Medicaid and food stamp use	IL	State-level administrative data	Description and event-history analysis

The impact of welfare reforms on children's well-being	IL	Administrative data to track outcomes of families and children	Technical assistance to Illinois Department of Public Aid
Integrated Data Base on Children's Services	IL	Administrative data from child welfare, TANF, Medicaid, food stamps, special education, corrections, and mental health	
Massachusetts Longitudinal Database for Research on Child Support Enforcement and Social Service Agencies	MA	Constructing a longitudinal database of administrative data from TANF, Medicaid, food stamps, child enforcement, wage reporting, and new hires	Also developing outcome indicators
Monitoring child and family social program utilization: Before and after welfare reform in 4 states	CA, IL, MA, NC	Individual-level administrative data	Monitoring study
The State of the Child	IL		Monitoring study of child well-being
<b>Child Trends</b>			
Measuring child outcomes under state welfare waivers (support for project from DHHS, NICHD, and other private sources)	CA, CT, FL, IL, IN, IA, MI, MN, OH, OR, VT, VA	Aggregate state-level data on child well-being indicators	Monitoring

*continued*

TABLE B- 1 Continued

<b>Project Title and Investigators</b>	<b>State/Locality Studied</b>	<b>Data Used</b>	<b>Study Design</b>
Welfare-to-Work (JOBS) National Evaluation of Child Outcomes Study with MDRC (funded by DHHS)	Fulton County, GA; Grand Rapids, MI; Riverside, CA	3,000 families; 790 in Fulton County, GA; survey of mothers and children 2 years after enrollment in JOBS program; administrative records	Mothers randomly assigned to program or control group
JOBS Observational Study	Atlanta, GA	In-home observational study of 250 mothers and children	Mothers randomly assigned to program or control group
New Chance Observational Study of Teen-Mothers with MDRC	16 locations in 10 states	Observational study of 290 teen mothers and children who are on welfare	Voluntary program participation
Measurement of the impacts on children in evaluations of state welfare reforms (with DHHS funding)	CT, FL, IN, IA, MN		Technical support to states to develop measures of child outcomes
Assessing the New Federalism (part of Urban Institute's Project)	AL, CA, CO, FL, MA, MI, MN, MS, NJ, NY, TX, WA, WI	Child Trends is responsible for conceptualizing and designing ways to measure changes in child well-being as a result of policy changes	

**Department of Health and Human Services:  
Office of the Assistant Secretary for Planning and Evaluation, and Administration for Children and Families**

Analyzing the employment and wage patterns of welfare recipients (see MPR)

CA, IL, OR, TX

NLSY and post-employment services demonstration

Assessing effective Welfare-to-Work strategies for domestic violence victims and survivors in the **Options/Opciones** Project (Taylor Institute)

North Lawndale community of Chicago

Study effective strategies of addressing needs of abused women

Assisting states to design and conduct follow-up studies of recipients who leave welfare (NGA, NCSL, and APHSA)

Conference in 1998

Report as issue brief--**Tracking Welfare Reform: Designing Followup Studies of Recipients who Leave Welfare**

Baseline data on Aid to Families with Dependent Children

All states

Descriptive historical tables of families using AFDC

Child Care Research Partnerships

5 research partnership sites

Field-initiated research on child care policies especially for low-income families

TABLE B-1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
Child outcomes study of the National Evaluation of Welfare-to-Work Strategies (see Child Trends)			
Domestic Violence and Welfare: An Early Assessment (see Urban Institute)		Implementation study of states; implementation of the TANF Family Violence Option and child support enforcement responses	
Employment Retention and Advancement Project	CA, IL, MD, NJ, NC, OH, RI, SC, TN, TX, VA, WA, WI	Planning grants	Programs are required to utilize random assignment, experimental designs
Evaluation of community-based job retention programs (the Pittsburgh Foundation)	Pittsburgh, PA		Implementation study; monitor outcomes
Evaluating the feasibility of using food stamp administrative data to track welfare leavers		Examining the possibility of tracking welfare leavers using linked federal quality control and state automated data systems	
Evaluation of Los Angeles Jobs-First GAIN (see MDRC)	Los Angeles, CA		

Evaluation of New Jersey Substance Abuse Research Demonstration	NJ		Will compare 2 models for providing services for substance abusing welfare recipients
Front-Line Management and Practice Study (see Rockefeller Center - SUNY Albany)	Part of 20-state study	In-depth observations of three local offices in four states	Implementation study
Improving States' Capabilities to Evaluate Child Care Policy Options as Components of Welfare-to-Work Strategies (Urban Institute/Mathematica Policy Research)		Development of expanded simulation model for state welfare administrators to consider interactions between child care assistance and welfare policies	
Integration of Welfare and Workforce Development Systems	5-8 sites	Case studies	
Jobs-Plus Community Revitalization Initiative for Public Housing Families (see MDRC)			
Mandatory review and modification of child support orders in TANF cases. (see IRP)			Fiscal impact on state and federal governments of optional child support case review under PRWORA

TABLE B- 1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
Measurement of impacts on children in evaluations of state welfare reforms (see Child Trends and Chapin Hall Center for Children)	Phase I: CA, CT, FL, IL, IN, IA, MI, MN, OH, OR, VT, VA Phase II: CT, FL, IN, IA, MN	Phase I: Planning phase; Phase II: Large-scale data collection activities to expand states' abilities to measure and track child outcomes for impact analyses	Technical assistance to states to develop data collection ability
Modified State Welfare Reform Projects - 13 states funded to continue evaluations of welfare reform demonstrations in place prior to TANF	CA, IL, IA, MD, MN, NE, NH, NC, ND, OH, SC, VA	Sources of data vary at each site	Some experimental designs; some nonexperimental designs
Multi-Site Evaluation of Welfare to Work Grants	Sites to be selected	4 study components: descriptive assessment of all grantees; net impact and cost-effectiveness analyses with process/implementation analyses; process/implementation analyses only; and study of Tribal Welfare to Work	
National Evaluation of Welfare-to-Work Strategies (see MDRC)			

National Study of Low Income Child Care (see Abt Associates) National study

National Longitudinal Study of Children and Families in the Child Welfare System

Longitudinal survey data; sample representative of children and families who enter the child welfare system; over 6,000 children; 1<sup>st</sup> interview in Spring 1999; 3 annual follow-up rounds planned

Neighborhoods, Service Providers and Welfare Reform in Los Angeles County (see RAND) Los Angeles County

Partner and Father Involvement in the Lives of Low-Income First Time Mothers-Children's Hospital, Denver, CO Elmira, NY; Memphis, TN; Denver, CO

Longitudinal study

Experimental design; random assignment

Policy Implications of Welfare Reform: Technical Assistance to States for Serving People with Disabilities (with Urban Institute and SSA) All states

Review of state efforts to provide welfare services to those with disabilities; also case study series

The Role of Child Care in Low Income Families' Labor Market Participation (Urban Institute/Mathematica Policy Research)

Project will develop optional research designs to identify and address child care services needed; working paper series

TABLE B- 1 Continued

<b>Project Title and Investigators</b>	<b>State/Locality Studied</b>	<b>Data Used</b>	<b>Study Design</b>
The Role of Labor Market Intermediaries in <b>Welfare-to-Work</b>	All of U.S.	Data on intermediaries participating in <b>welfare-to-work</b> projects	Description and implementation study
Rural Welfare to Work Strategies	IL, IA, LA, MD, MN, MS, MO, NY, VT, WA		Implementation and evaluation studies
State Welfare Waiver Demonstration <b>Projects</b> —Waivers for 9 states to continue their pre-TANF demonstration projects	AZ, CT, FL, IN, IA, MN, TX, VT, WI	Sources of data vary at each site	Experimental design
Study of Nurse Home Visitation (University of Colorado Health Sciences Center)	Memphis, TN	696 women and their children; 5 years of data to be collected	Experimental design-random assignment
Supporting state efforts to link administrative data systems for the purpose of studying the effects of welfare reform on other state and federal public assistance programs	MD, MA, Mecklenburg County, NC, SC, WI	Provides funding for sites to link administrative program data for monitoring and evaluating purposes	

**Typology** of welfare policy decisions at the local level (contract with IRP)

Study of feasibility of collecting information on local administrative climate of county welfare offices

Understanding the Impact of TANF and Other Laws on Immigrant Families (Urban Institute)

Reviewing information on immigrants gathered in several major longitudinal data sets

Welfare leavers project (see Appendix A, Table A-1)

14 states, counties, or county groups

Linked administrative data and survey data

Monitoring and some non experimental impact studies

Welfare Policy **Typology** Project (contract with Urban Institute)

All 50 states

Establish groundwork for data base of state welfare policy information

Welfare Reform and Its Impact on Persons with Disabilities (part of Three-City Study)

Boston, MA; Chicago, IL; San Antonio, TX

Will be initial part of 5-year longitudinal study

Welfare to Work Monitoring the Impact of Welfare Reform on American Indian Families (Washington University School of Social Work)

American Indians in Arizona

Descriptive and impact analysis

Welfare Reform Studies and Analyses (rural **TANF**)—Eastern Washington University

3 rural counties in Washington State, WI

Process evaluation

*continued*

TABLE B-1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
Wisconsin Data Project on Former AFDC Recipients (see Institute for Research on Poverty)	20 cities randomly selected from all cities over 200,000	Birth cohort sample of 4,000 kids born to unwed parents and 1,000 kids born to wed parents. Longitudinal survey of parents annually for 4 years after birth of child	Birth cohort design
<b>Fragile Families and Child Well-Being Study (Columbia University and Princeton University)</b>	20 cities randomly selected from all cities over 200,000	Birth cohort sample of 4,000 kids born to unwed parents and 1,000 kids born to wed parents. Longitudinal survey of parents annually for 4 years after birth of child	Birth cohort design
<b>Institute for Research on Poverty, University of Wisconsin</b>	WI	Addresses issues related to use and organization of administrative data	Administrative data, policy documents, formal surveys of program staff and participants, and field research
Development and use of merged administrative data	WI	Addresses issues related to use and organization of administrative data	Administrative data, policy documents, formal surveys of program staff and participants, and field research
Evaluation of Wisconsin Works Child Support Demonstration	WI	Data from 1997 of families on AFDC-allowed to retain all of child support payments made	Administrative data, policy documents, formal surveys of program staff and participants, and field research
Examining the labor market impacts of W-Z	Wisconsin	State administrative data	

How Teen Mothers are Faring under Welfare Reform	One Michigan county	Paired interviews of teen mothers with their mothers with whom they are required to live if given benefits; longitudinal study	
The Impact of Welfare Reform on Families	Dane County, WI	Baseline and 1-year follow-up interviews of 200 participants	Compare those who left welfare to those who stayed on welfare
Immigrant Health and Welfare Reform	Hmong and Mexican immigrants in WI and nonimmigrants in same areas	Child and maternal health information; also state policy data	
Job Holding and Earnings Dynamics for Low-Wage Workers	Milwaukee, WI	Part of New Hope Demonstration project; (see MDRC) pay stub data, household survey of participants. Experimental design	
Monitoring State Efforts to Reduce Out-of-Wedlock Childbearing: The Impact of Welfare Reform	WI; other states	State program and expenditures data; in WI-county data; federal expenditure and nativity data also	Monitoring study of state efforts to reducing out-of-wedlock births; integrated administrative data
The Welfarization of Family Law	U.S.		Examines how welfare law has influenced family law
What Happens to Families Who Leave AFDC?	WI	8,000 families on welfare in July 1995; linked administrative data	

*continued*

TABLE B-1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
What Happens to Families Under W-Z?	Milwaukee, WI	Interview of families who apply or are diverted from program; interviewed twice: first as they first make contact with welfare agency and then 12 months later.	Compare those who left welfare to those who stayed on welfare; of those who left, compare those who return to those who did not return
Wisconsin Works: A Case Study in Evaluating Comprehensive Welfare Reform	Wisconsin		Examines methods for evaluating state-based welfare reform program
Conferences:			
Process Evaluation: Workshop, Papers, Conference			Efforts to improve quality and utility of process evaluations
Conference on Rethinking Evaluation Strategies under TANF			Examine role of federal government in public assistance policy
Foundations of Anti-Poverty Policies			Examine public support of antipoverty policies

**Joint Center for Poverty  
Research, Northwestern,  
and University of Chicago**

Administers small grants  
program funded by  
ERS/USDA, ASPE/DHHS,  
Census Bureau

Advisory Panel on Research  
Uses of Administrative Data

Working Papers Series on  
various poverty-related topics

Supports research on food  
assistance, domestic poverty  
and policy using the SIPP  
data set

**Lewin Group**

Analysis of the determinants  
of AFDC caseload growth

All 50 states and DC

Quarterly state-level data from  
1979-1994

Models effects of changes in  
demographics, the economy,  
and programs to changes in the  
caseload, participants, and  
expenditures per case

Disaggregating the TANF  
child-only cases in three states

3 states

Administrative records and  
case file records

Describes composition and  
trends in child-only TANF  
cases

Employment Retention and  
Evaluation Development  
Project (also with Johns  
Hopkins)

13 states

Help states develop program  
interventions and prepare sites  
for a possible multisite  
evaluation

*continued*

TABLE B-1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
Evaluability assessment of Responsible Fatherhood programs			Develop evaluation designs for impact analysis
Evaluation of Maryland's Primary Prevention Initiative (with Johns Hopkins)	M D		Cost-benefit analysis of health components of intervention
Policy evaluation of the overall effects of welfare reform and SSA programs			Literature review and analysis design; analysis of pre-reform data; review of state-level reform assessments; site visits to 5 states; development of evaluation design
Success in the New Welfare Environment (with ICF Kaiser Consulting Group)			Review of locally implemented HUD employment and training programs and their linkage to other employment, training, and human services programs
Temporary Assistance for Low-Wage Workers: Evolving Relationships among Work, Welfare, and Unemployment Insurance (for the NGA)			Analyzed roles of TANF and state UI programs, including a look at participation patterns across UI and AFDC

**Manpower Demonstration  
Research Corporation**

California GAIN Analysis	6 Counties in CA	33,000 applicants of AFDC when GAIN was mandatory; data from automated employment earnings, welfare records, registrant survey, county level administrative data	Experimental design; randomly assigned to GAIN or not
Canada's Earnings Supplement Project	9 sites in Canada	Administrative data supplemented with "mini-survey" of sample of participants	Experimental design; random assignment to program
Canada's Self-Sufficiency Project	British Columbia and New Brunswick, Canada	Single parents on welfare 11/92-3/95	Experimental design; random assignment to program
Connections to Work Project	Various sites		Case studies of communities that are developing innovative approaches to connecting welfare recipients with jobs
Connecticut's Jobs First Program			
a) Evaluation and Post-Time-Limit Study	New Haven and Manchester, CT		Experimental design; random assignment to program
b) Tracking study	6 sites in CT	3-month and 6-month follow-up surveys after time limit on TANF expired	Monitoring study

TABLE B- 1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
Cross-state study of time-limited welfare	CT, FL, VT	Focus groups and in-person interviews of 100 current welfare recipients	Implementation component and monitoring component
Florida's Family Transition Program	2 counties in FL	2,800 computerized records of monthly AFDC/TANF, food stamps and quarterly earnings; follow-up survey to 600 recipients 2 years later	Randomly assigned to AFDC or FTP; longitudinal for part of sample
Jobs-Plus Revitalization Initiative for Public Housing Families-Employment Demonstration Program	Public housing developments in 7 cities		Individual household study plus public housing project study
Los Angeles Jobs First GAIN Program	Los Angeles, CA	Administrative data for almost 2 1,000 households	Experimental design with random assignment to program
Minnesota Family Investment Program	MN-3 urban and 4 rural counties.	1994-1996 baseline data, administrative data, 12 -and 36-month client surveys, staff attitude surveys, and field research	14,639 families randomly assigned to one of 4 research groups
National Evaluation of Welfare-to-Work Strategies	7 sites nationwide	55,000 sample members; in some sites telephone and in-person interviews	Random assignment; process, implementation, and impact study components

New Chance Demonstration and Observational Study	16 locations in 10 states	Young moms in 10 States (n = 2,322); observational study has videotapes of 290 mother/child combinations	Individual data and the coding of mother/child interactions
New Hope Project	Milwaukee	Linked administrative data; 2-year follow-up survey of all applicants	Experimental design; applicants randomly assigned to program
Ohio's Learning, Earning and Parenting Program	OH-12 counties	Teen mothers on welfare: survey of 1,118 teens 1 year after randomly assigned to program; review 263 participant cases; survey of 913 teens 3 years after randomly assigned	Case reviews, survey, random assignment
Oregon's Evaluation of Welfare-to-Work program	OR	Administrative data on 5,547 single-parent AFDC applicants and recipients aged 21+ who attended orientation between 10/93 and 10/94	Experimental design
Parent's Fair Share	7 counties across the country	Administrative data and survey data	Experimental design; randomly assigned to program

TABLE B-1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
Project on Devolution and Urban Change	L.A., Miami, Cleveland, Philadelphia	Survey of households-two cohorts of AFDC/TANF single mothers.; in-depth interviews; Welfare office site visits; Interviews with community institutions and service agencies, neighborhood-level indicators	5 components: individual impact study, implementation study, neighborhood indicators study, ethnographic study, institutional study
<b>ReWORKing</b> Welfare		Guidance to planning and implementing welfare reform	
Vermont's Welfare Restructuring Project	6 districts in VT		
Winning New Jobs	3 California sites		
<b>Mathematica Policy Research, Inc.</b>			
Addressing Barriers to Employment for Welfare Recipients			

Early Head Start Research and Evaluation Project	17 diverse communities	3 rounds of site visits, program documents, parent services follow-up interviews, child care observations, staff surveys, parent report, direct assessments of children, observations of children, videotape coding of parent-child interactions, interviews of parents	Experimental design: implementation study, impact evaluation, local research studies, policy studies, guide to EHS programs
Evaluation of Iowa's Family Investment Program and Limited Benefit Plan	Iowa	Surveyed 137 families; case records of over 4,000 families	Experimental design; process study; impact study; cost-benefit study; client focus-group discussions
Evaluating Welfare Reform: New Freedom, New Challenges for States	CA, CO, MI, MN, WI	Advice to states in evaluating welfare reform	
Expanding Health Insurance Coverage for Low Income People: Experiments in 5 States with Urban Institute	HI, MD, OK, RI, TN	Current Population Survey; interviews with local and state officials, managed care reps, health care providers, consumers; focus groups with consumers and providers	Implementation study
National Evaluation of Welfare to Work Grants Program:	State and local sites		
(a) Descriptive assessment of All sites program designs		Surveys to grantees; about 35 site visits	

TABLE B- 1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
(b) Impact and cost-effectiveness	8-10 sites that agree to participate		Experimental design; random assignment
(c) Process and implementation study	12-15 sites	Site visits, discussion with staff, focus groups with participants, program observations	
Post-Employment Services Demonstration	Chicago, Portland, Riverside, San Antonio	Survey of about 300 in each site; participants administrative data for full sample of participants	Experimental design: random assignment
Teenage Parent Demonstration	Camden, Newark, and South Chicago	Site observations, interviews and case reviews with program staff, program data, state records data, baseline and follow-up interviews with teens, focus groups, in-depth semi-structured interviews	Experimental design; n= 6,000; late 1987-1991
Welfare Reform: New Requirements for Teen Parents	Welfare waiver states		
Youth Fair Chance Program	17 sites in high-poverty areas	Telephone survey of youth in target areas	

**Michigan Women's  
Employment Survey**

An urban county in MI

Simple random sample of 753 single mothers with children who received cash assistance in Feb. 1997; face-to-face interviews; in total, 3 waves of data to be collected

**National Center for  
Children in Poverty—  
Columbia University**

Research Forum on Children,  
Families and the New  
Federalism

Three purposes: promote monitoring and evaluation research; promote collaboration among key stakeholders; information exchange that includes a clearinghouse for welfare research projects

**National Governors'  
Association**

Tracking Welfare Reform:  
Designing Follow-up Studies  
of Recipients Who Leave  
Welfare

All states

NGA, with National Conference of State Legislatures and American of Public Human Service Association, is keeping track of leavers studies

Summaries of Selected  
Elements of State Programs  
for Temporary Assistance for  
Needy Families (TANF)

All states

Keeping track of state welfare policies

TABLE B-1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
Working Out of Poverty: Employment Retention and Career Advancement for Welfare Recipients		Explores promising welfare-to-work programs and practices of states and localities	
Summary of state welfare-to-work plans	All States	Summarizes state plans	
<b>RAND</b>			
Los Angeles Survey of Families and Communities	65 neighborhoods (census tracts) in L.A. County	Stratified random sample of neighborhoods with oversample of poor neighborhoods and of households with children under age 18; 4-year panel study	Annual household survey and annual neighborhood survey: household survey contains program participation questions and questions on child outcomes; neighborhood survey collects administrative data and interviews key neighborhood informants

Statewide CalWORKS evaluation —  
 5 components to study:  
 State-level process study;  
 county-level process study;  
 implementation study;  
 statewide impact and  
 cost-benefit study; county-  
 level impact and cost-benefit  
 study

58 California counties

For the corresponding 5  
 components: (1, 2, and 3) all-  
 county implementation survey  
 with county and state site  
 visits; (4, 5) administrative data  
 from the state and counties,  
 household survey in 6 focus  
 counties, first in 9/99 and  
 again a year later, plus data  
 from components 1-3 of study.

Observational study-standard  
 regression approach and case-  
 control design; process and  
 implementation analyses

**Rockefeller Institute of  
 Government Federalism  
 Research Group**

State Capacity Study &  
 Implementing PRWORA  
 (SUNY Albany)

20 sample states

Implementation and process  
 study of institutions  
 administering social welfare  
 programs

Field research evaluation

**University of California Data  
 Archive and Technical  
 Assistance (UC-Data)**

CA Work Pays Demonstration  
 Project (with California  
 Department of Social Services  
 Research)

California

State-level administrative  
 records for AFDC, Medi-Cal,  
 UI, other state and federal  
 assistance programs, and  
 employment tax files; county-  
 level administrative records  
 for AFDC and food stamp  
 programs; nonautomated  
 client records at county

*continued*

TABLE B- 1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
Advisory Panel for Research Uses of Administrative Data— with JCPR		welfare offices; and telephone interviews with AFDC recipients  Published in January 1998	
CAL-Learn Program Evaluation	CA—4 counties	3 cohorts of AFDC teens n = 4,900	Random assignment; 2-way factorial design of the 2 program elements.
Inventory of state effort to use administrative data for welfare research (funded by ASPE)	28 states	Interviews with state-level data system managers, administrators, and researchers to determine how each state use administrative data records for monitoring evaluation and research	
<b>University of Maryland, School of Social Work, Welfare and Child Support Research and Training Unit</b>			

Life After Welfare Study	Maryland	Matched administrative records; 5% random sample of closed cases taken every month for a year (2,156 cases); survey of former recipients	
Examining Customer Pathways and Assessment Practices	Maryland	In-person staff interviews, site visits, case record review, observation of worker-customer interactions	Process analysis of Maryland's welfare program, which is state supervised, locally administered
<b>Urban Institute: Assessing the New Federalism</b>			
State indicators	All 50 states	Compiled data on income security, social services, health, child and youth well-being, taxes, etc.	Aggregate state-level data
State case studies of policy and programs	AL, CA, CO, FL, MA, MI, MN, MS, NJ, NY, TX, WA, WI	Collecting data in base year (1996) and again in following years	Development and implementation of policies
National Survey of America's Families	AL, CA, CO, FL, MA, MI, MN, MS, NJ, NY, TX, WA, WI	Survey of over 40,000 households in 1997; follow-up survey of second cross-section in 1999	Well-being changes of two cross-sections to be analyzed
Child Well-Being, with Child Trends (see above)	All 50 states	Tracks legislation at federal and state level. Child Trends is developing ways to measure changes in child well-being	

*continued*

TABLE B- 1 Continued

Project Title and Investigators	State/Locality Studied	Data Used	Study Design
Understanding the Impact of TANF and Other Laws on Immigrant Families	Los Angeles and New York City	Large-scale study of immigrants and communities	
<b>Welfare Children and Families: A Three-City Study</b>			
Various researchers across country	Boston, Chicago, and San Antonio	Longitudinal data on 2,800 households; developmental study of 800 children in 2,800 households; comparative ethnographies of 170 families	Cohort design

## APPENDIX C

### Biographical Sketches of Panel Members and Staff

ROBERT A. MOFFITT (Chair) is a professor in the Department of Economics and the Department of Population Dynamics at Johns Hopkins University. He is an affiliate of the Institute for Research on Poverty at the University of Wisconsin, and a senior associate and member of the External Advisory Committee for the Northwestern University/University of Chicago Joint Center on Poverty Research. Moffitt is a member of the American Economic Association, the Econometric Society, the Population Association of America, and the Association of Public Policy Analysis and Management. He has published extensively in his field, and is considered an expert in the areas of labor economics, econometrics, public economics, and population economics. He received his B.A. in economics from Rice University and his master's and Ph.D. in economics from Brown University.

JOHN L. ADAMS is a statistician and head of the Statistical Consulting Service of the Statistics Group at RAND. He also serves as an adjunct assistant professor in the School of Business at the University of Southern California. Previously, he was a statistician for the Center for Urban and Regional Affairs and a research associate for the Management Information Division at the University of Minnesota. His research interests include statistical computing, data analysis, experimental design, and forecasting. He is a member of the American Statistical Association and received his Ph.D. in statistics from the University of Minnesota.

CONSTANCE F. CITRO is a senior staff member of the staff of the Committee on National Statistics. She is a former vice president and deputy director of

**Mathematica** Policy Research, Inc., and was an American Statistical Association/National Science Foundation research fellow at the Bureau of the Census. For the committee, she has served as study director for numerous panels, including the Panel on Poverty and Family Assistance, the Panel to Evaluate the Survey of Income and Program Participation, the Panel to Evaluate Microsimulation Models for Social Welfare Programs, and the Panel on Decennial Census Methodology. Her research has focused on the quality and accessibility of large, complex microdata files, as well as analysis related to income and poverty measurement. She is a fellow of the American Statistical Association. She received a B.A. degree from the University of Rochester and M.A. and Ph.D. degrees in political science from Yale University.

THOMAS CORBETT is associate director of the Institute for Research on Poverty and an assistant professor in the School of Social Work at the University of Wisconsin, Madison. Corbett has been involved at all levels of government in policy analysis and the development and evaluation of social welfare programs for more than 2 decades. His research activities have focused on program administration and implementation and on the historical evolution of welfare issues, policies, and strategies in the United States. He received his Ph.D. in social welfare from the University of Wisconsin, Madison.

JOHN L. CZAJKA is a senior sociologist at **Mathematica** Policy Research, Inc. Much of his research has focused on statistical uses of administrative records and the design and analysis of longitudinal data. He is a member of the American Statistical Association, the Population Association of America, and the Washington Statistical Society. Czajka received a B.A. degree in government from Harvard University and a Ph.D. in sociology from the University of Michigan.

KATHRYN EDIN is an assistant professor of the Department of Sociology and the Population Studies Center at the University of Pennsylvania. Before joining the university, she was assistant professor of the Department of Sociology and Center for Urban Policy Research at Rutgers University and a visiting scholar at the Russell Sage Foundation. Her research interests include qualitative methods, public policy, and urban and community sociology. Edin is also an associate fellow of the Institute for Research on Poverty at the University of Wisconsin, Madison. She received an M.A. and a Ph.D. in sociology from Northwestern University.

IRWIN GARFINKEL is the Mitchell I. Ginsburg professor of contemporary urban problems at the Columbia University School of Social Work. Previous positions held include professor and director of the school of social work and research member and director of the Institute for Research on Poverty at the University of Wisconsin, Madison. He is also an affiliate of the Institute for

Research on Poverty at the University of Wisconsin and a senior affiliate of the Northwestern University/University of Chicago Joint Center for Poverty Research. His research interests include social policy, child support, and single-parent families, and he has published extensively in these fields. He received his Ph.D. in social work and economics from the University of Michigan.

ROBERT M. GOERGE is Associate Director for Research Operations at the Chapin Hall Center for Children at the University of Chicago, and he codirects the Multi-state Foster Care Data Archive. In addition, he holds a research associate appointment at the University of Chicago and is a research affiliate of the Northwestern University/University of Chicago Joint Center for Poverty Research. His research interest focuses on the experiences of children and families in the social service system. His recent and current work includes a study of the effect of teenage childbearing on child maltreatment and foster care, and an analysis of how children's need for human services is affected by welfare reform. His research has been based primarily on large administrative data files from public human service agencies, and he recently coedited a report on the research uses of administrative data from the Joint Center for Poverty Research. He received a Ph.D. in social policy from the University of Chicago.

ERIC A. HANUSHEK is professor of economics and of public policy, and director of the W. Allen Wallis Institute of Political Economy at the University of Rochester. He was formerly deputy director of the Congressional Budget Office and is a past president of the Association for Public Policy Analysis and Management. He previously held academic appointments at Yale University and the U.S. Air Force Academy and governmental appointments at the Cost of Living Council and the Council of Economic Advisers. He is an associate of the Institute for Research on Poverty at the University of Wisconsin, Madison. His research involves applied public finance and public policy analysis, with special emphasis on education issues. He has also investigated the determination of individual incomes and wages, retirement income security, housing policy, social experimentation, statistical methodology, and the economics of discrimination. He received his Ph.D. in economics from the Massachusetts Institute of Technology.

V. JOSEPH HOTZ is a professor in the Departments of Economics and Policy Studies at UCLA. He is a national research associate of the Northwestern University/University of Chicago Joint Center for Poverty Research, and chaired the center's Advisory Panel for Research Uses of Administrative Data. He is a research associate of the National Bureau of Economic Research and a member of the Board of Overseers of the Panel Study of Income Dynamics. His research focuses on the economics of the family, applied econometrics, and the evaluation of social programs. He received his Ph.D. in economics from the University of Wisconsin, Madison.

RICHARD A. KULKA is Research Vice President of Statistics, Health, and Social Policy at the Research Triangle Institute. Prior to his current appointment, he was Senior Vice President for Survey Research at the National Opinion Research Center. He has been involved in the design, conduct, and analysis of numerous statistical surveys on health, mental health, and other social policy issues for more than 2 decades, while also conducting a broad range of applied research on survey research methods in these areas. Kulka is a member of several professional associations, including the American Statistical Association, the American Association for Public Opinion Research, and the American Public Health Association. He received his Ph.D. in social psychology from the University of Michigan.

REBECCA A. MAYNARD is trustee professor of education and social policy at the University of Pennsylvania. Prior to her appointment, she served as senior vice president and director of research at **Mathematica** Policy Research, Inc. While at **Mathematica**, she spent more than 18 years designing and evaluating education, employment, and welfare policies and programs. She is also an associate of the Institute for Research on Poverty at the University of Wisconsin, Madison, and has served as a consultant to the U.S. Department of Health and Human Services on welfare reform and to the U.S. General Accounting Office and the Rockefeller Foundation on various social welfare projects. She received her Ph.D. in economics from the University of Wisconsin, Madison.

SUZANNE M. RANDOLPH is an associate professor of family studies at the University of Maryland. In addition, she is coproject director of the Head Start Violence Prevention Project at the university, and a coproject investigator for a study of early child care at Temple University and the Johns Hopkins University study on the ecology of African American children's development. Her research interests include the normative development of African American infants, toddlers, and preschoolers and culturally responsive evaluation of community-based programs for African American families and other families of color. Randolph is a member of the Society for Research in Child Development and received her B.S. in psychology from Howard University and master's and Ph.D. in developmental psychology from the University of Michigan.

WERNER **SCHINK** is chief of research for the California Department of Social Services, where he is responsible for California's extensive welfare reform demonstration projects. In addition, he oversees the evaluations that are being conducted by the University of California, Los Angeles, and the University of California, Berkeley. Previously, **Schink** held positions as chief of California's \$325 million Job Training Partnership Act program and chief economist for California's Employment Development Department. **Schink** is a member and past president of the National Association for Welfare Research and Statistics, an

organization comprised of researchers and statisticians from state and local social services agencies. He received an M.A. from the University of California, Davis.

MICHBLE VER PLOEG is a member of the staff of the Committee on National Statistics and serves as study director for this panel. Her research interests include the effects of social policies on families and children, the outcomes of children who experience poverty and changes in family composition, and individuals' education attainment choices. She received a B.A. in economics from Central College and an M.S. and a Ph.D. in consumer economics and housing from Cornell University.

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