

**Chapter 4—The Continuing Use of
Assistance by Former Missouri
AFDC Recipients**

**For The Missouri Department of Social Services
Through the Local Investment Commission**

MRI Project No. 101033.1.001

August 3, 2000

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**For The Missouri Department of Social Services
Broadway State Office Building
P.O. Box 1527
Jefferson City, Missouri 65102**

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Preface

Midwest Research Institute (MRI) is pleased to deliver the fourth report to the Missouri Department of Social Services (DSS), through the Local Investment Commission (LINC), on the continuing use of assistance by persons who left Aid to Families with Dependent Children in the last quarter of 1996. The purpose of this study is to assess the movement of these families toward economic self-sufficiency two years after exit. This project is being performed under contract to LINC with funds provided by DSS and Grant 98ASPE300A from the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services.

MRI wishes to thank staff members of DSS and LINC for providing the administrative data included in this report and for their input into the design of the questionnaire used in the survey. In particular, the assistance of Dr. Richard Koon, Mr. John Shively, and Mr. Chris VanNess was invaluable. We also thank Ms. Sue Spraggs for her assistance with state administrative data.

This project was performed under the direction of Dr. Nancy Dunton. Dr. Jane Mosley was the principal analyst on this chapter. Ms. Lola Butcher and Ms. Wanda Brandenburg also assisted on the project. Survey data for this study were collected under subcontract with ORC/Macro. We deeply appreciate the dedication and insight of their staff, particularly Ms. Tammy Ouellette.

Any questions regarding this report should be directed to Dr. Dunton at (816) 753-7600, Ext. 1169.

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Executive Summary

This report describes various types of insecurity among former Missouri recipients of Aid to Families with Dependent Children (AFDC) two and one-half years after exit. In particular, we address child care arrangements, medical insurance coverage, food insecurity, housing insecurity, and telephone service.

Overall, our findings show that many welfare leavers face high levels of insecurity and have continuing needs for supportive services.

Child Care Arrangements

- A quarter of employed leavers reported no child care arrangement for their preschool-aged children; 40 percent reported no arrangement for their school-aged children.
- Among leavers who had child care arrangements, 40 percent paid nothing. Among those who paid for care, the average monthly cost was \$277, or 20 percent of household income.
- Just 15 percent of leavers used a child care subsidy, even though, on average, subsidies covered 78 percent of total child care costs. For nearly half of the leavers using a subsidy, it covered 100 percent of their child care costs and they had no out-of-pocket child care expenses.

Medical Insurance Coverage

- One-third of the leavers were without health insurance coverage at the time of the survey. Seventy percent had experienced a gap in coverage since leaving AFDC.
- Fewer children of leavers were without health insurance than the leavers themselves. Eleven percent were uninsured at the time of the survey and 33 percent had been uninsured at some point in the last two and one half years.
- While many Missourians obtain health insurance coverage through their employers, work provided a tenuous link to coverage for leavers and their families. The most common coverage barriers cited by respondents included cost of premiums and waiting periods. Both barriers are exacerbated for respondents with intermittent employment patterns.

Food Insecurity

- A quarter of the leavers said they were unable to buy enough food to meet their family's needs in the month before the interview. Food insecurity was higher in St. Louis and Kansas City than it was in the rest of the state. Notably, a higher percentage of leavers received Food Stamps in the outstate area than in the two metropolitan areas.
- Child hunger was less prevalent than the inability to buy sufficient food; just 3 percent of the respondents reported that a child in their household had missed one or more meals in the preceding month.
- Approximately half of those experiencing food insecurity received assistance. Family and friends were the most common source of assistance. One-third of those who did not receive assistance said they did not want or need assistance.

Housing Insecurity

- A quarter of the leavers said they were unable to pay rent, mortgage, or utilities in the month before the survey. Leavers who had worked at some point since exit, but were not currently employed, were the most likely group to experience housing insecurity.
- Less than half (46%) of those experiencing housing insecurity received assistance. The most common sources of assistance were community groups (32%) and the government (30%). Among the 54 percent who did not receive assistance, a third said they believed no help was available and another third stated that they didn't want or need assistance.

Telephone Service

- Nearly two-thirds of the leavers reported that they had lacked or lost phone service for some period of time since they left AFDC two and one-half years earlier.

This report raises several issues that warrant further investigation. In particular, the under-utilization of child care subsidies, which are clearly a valuable resource for families vulnerable to various forms of insecurity, is puzzling. The questionnaire used in this study did not explore the reasons why leavers are not using this support for low-income, working families. Additionally, large percentages of leavers with food or housing insecurity said they did not need or want assistance. Clearly, additional research is warranted to explore the reasons why economically vulnerable families are not accessing available supports.

Section 1.

Introduction and Background

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) brought about an unprecedented change in the system of governmental supports for needy families. PRWORA ended the entitlement of needy families with children to cash assistance and, under general guidelines, gave each state the responsibility for developing its own programs. The goals of welfare reform were to help former welfare recipients move toward economic self-sufficiency and to reduce dependency on governmental assistance. The two hallmarks of this reform were a lifetime limit on the number of months of assistance and a work requirement. PRWORA also de-emphasized the role of training in cash assistance programs and moved the programmatic emphasis to “work first.” As with any major change in a social institution, there are legitimate concerns about whether the effects of the change will match the intention of the reform. Thus, it is critical to assess how individuals are faring under the new system.

Missouri’s TANF program, called “Temporary Assistance,” is designed to provide assistance to needy families with children so they can be cared for in their own home. It is also intended to reduce dependency by promoting job preparation, work, and marriage. Major provisions include:

- Able-bodied adult cash assistance recipients must work or be in work activities (job training, subsidized employment, job search, or job readiness assistance) after two years of receiving assistance. This provision is subject to good cause exemptions on a limited basis.
- Receipt of cash assistance under Temporary Assistance is restricted to a lifetime limit of five years.
- As of fiscal year 2000, individuals receiving cash assistance (unless exempt) must work at least 30 hours per week (averaged over a month) to be counted toward meeting the work participation rate.

This study assesses the well-being of persons in Missouri who left Aid to Families with Dependent Children (AFDC) in the fourth quarter of 1996. The well-being of this cohort is being examined approximately two years after exit from cash assistance. This design is primarily descriptive and does not attempt to attribute cohort differences to PRWORA changes. Observed difference also could be related to changes in the labor market, inflation, maturation, or other factors.

The sampling design for this study allows a comparison of three distinct geographic areas that are important for policy making in Missouri. These are:

- Kansas City area, defined as Jackson, Clay, and Platte counties
- St. Louis area, defined as St. Louis County and St. Louis City
- Rest of Missouri, including all other counties in the state

Missouri is home to nearly 5.5 million residents. The Kansas City and St. Louis areas are the state's two largest metropolitan areas. They account for one-sixth and one-quarter of the state's population, respectively (Table 1). In 1999, when the survey was conducted, unemployment rates were low. The unemployment rate in St. Louis (3.6%) was slightly higher than the state average, while Kansas City's rate (3.2%) was lower than the state average. The Kansas City area contained 18 percent of the AFDC caseload in 1999, proportional to its share of the total population. On the other hand, the St. Louis area contained 42 percent of the caseload, nearly double its proportional share. Similarly, the AFDC caseload declined by 42 percent between 1994 and 1999 in Kansas City, a figure close to the statewide average (43%), while the caseload decline was much less in St. Louis (32%).

Table 1. Comparison of Geographic Areas

	Kansas City area	St. Louis area	Rest of state	Missouri total/average
1999 Population*	906,283	1,330,141	3,231,914	5,468,338
Population distribution	17%	24%	59%	100%
1999 Unemployment rate**	3.2%	3.6%	3.3%	3.4%
1999 AFDC caseload***	9,730	21,943	21,150	52,823
Caseload distribution	18%	42%	40%	51%
AFDC caseload decline, 1994-1999***	42%	32%	51%	43%

* U.S. Census population estimates.

** Missouri Department of Labor and Industrial Relations.

*** Missouri Department of Social Services.

Assessing the well-being of former cash assistance recipients is a difficult task because there is no ready way to locate many of them. In order to maximize the amount of information available on the transitions of former recipients toward self-sufficiency, two approaches were used. The first was to search for former recipients in state administrative records to determine, for example, if they were receiving any kind of social services, if they had wages reported through the Missouri Department of Labor, or if they were in the care or custody of the state. The second approach was to conduct a survey of a sample of former recipients, collecting exactly the needed information. The survey was designed to examine how persons fared after leaving the welfare system in terms of workforce attachment, income, household composition, and other factors.¹

This report is based on the survey results for those who left AFDC in 1996. Because of the richness of the survey data, it would be nearly impossible to convey all the relevant

¹ A report examining only administrative data for the State of Missouri has already been released (Ryan and Koon, 1999). Thus, our results are based primarily on survey data, although we used administrative data to augment that information.

information in one report; thus, MRI is issuing a series of “chapters” dealing with key outcomes. The third report on former Missouri AFDC recipients explored the continuing use of assistance for that population. Overall, large percentages of the sample continued to rely on various forms of government assistance, including Medicaid, Food Stamps, public housing, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Surprisingly, take-up rates for state child care subsidies were unexpectedly low. This report, the fourth in the series, describes child care arrangements including types and cost of care. The report continues with an examination of the need for transitional supports based on health insurance coverage and food and housing insecurity.

The last report in this series will describe the use of community-based emergency assistance by all those who left AFDC in Kansas City during the fourth quarter of 1996. We will also be issuing a companion series of reports on a cohort who left Temporary Assistance to Needy Families (TANF) in the fourth quarter of 1997. These reports will be issued during the second half of 2000.

Section 2.

Methodological Overview

This report describes findings from the first of two surveys of former Missouri cash assistance recipients, specifically, individuals who left AFDC in the fourth quarter of 1996. The sampling frame, obtained from the Missouri Department of Social Services (DSS), included 12,508 adults who left the AFDC rolls during the fourth quarter of 1996. Recipients were counted as leaving the rolls if they remained off the caseload for at least two consecutive months. Persons who subsequently returned to welfare were included in the survey.² There was no minimum time that a former recipient had to have been on the rolls to be included in the survey. Child-only cases were excluded.

Approximately 10 percent of the former recipients, or 1,200 individuals, were selected into the sample. The following three sub-areas of the state each had 400 sample members:

- St. Louis City and St. Louis County
- Kansas City area (Jackson, Clay, and Platte counties)
- Rest of Missouri

Interviews were conducted over a 26-week period between March 15 and August 31, 1999, approximately two and one-half years after individuals left welfare. Interviews were completed with 878 respondents, for a response rate of 74.5 percent.³ Response rates were comparable in the three geographic study regions: Kansas City area (73%), St. Louis area (72%), and rest of state (77%). Refusal rates were also comparable across regions: Kansas City area (1.6%), St. Louis area (1.8%), and rest of state (0.7%). Based on comparisons with administrative data, we found little indication of nonresponse bias (Table 2). Comparing the regional distribution of respondents and nonrespondents, we see a modest over-representation of leavers from the rest of the state. Length of AFDC use prior to exit was essentially equal between respondents and nonrespondents.

Table 2. Assessment of Response Bias from Administrative Records

	Respondents (%)	Nonrespondents (%)
Regional distribution		
Kansas City area	36	40
St. Louis City/County	32	36
Rest of state	32	23
Months of AFDC use prior to exit	28 months	27 months
Racial distribution		
Black	52	53
White	46	42

² According to the survey and administrative records, almost one-half of the sample had returned to TANF after exiting in the fourth quarter of 1996.

³ Former recipients who were deceased, incapacitated, or otherwise unable to be interviewed were excluded in the calculation of the response rate. A total of 21 cases were dropped from the denominator: 4 cases with a language barrier, 11 cases with a deceased respondent, and 6 cases in which the respondent could not be interviewed due to “serious health concerns or other special circumstances.”

MRI subcontracted with ORC/Macro International, Inc., of Burlington, Vermont, to administer the survey. To assist in locating respondents, DSS provided information on the leavers' Social Security numbers, counties of residence, last known addresses, and, if available, telephone numbers. Interviews were conducted primarily during weekday evenings and weekends, lasting on average 38 minutes.

The questionnaire for this survey collected information about respondents' lives two and one-half years after they had left the AFDC program. It included 151 items covering 10 topical areas:

- Work effort
- Earnings and other income
- Welfare reciprocity status
- Use of supports, including Food Stamps, emergency assistance, and WIC
- Training
- Education
- Health insurance coverage
- Child care
- Housing and residential mobility
- Household composition

Analyses presented in this report were conducted for the State of Missouri. They represent St. Louis City and County, the Kansas City area (Jackson, Clay, and Platte counties), and the rest of Missouri. The descriptive statistics presented in this report are based on data that were weighted to represent the entire leaver cohort. Figures reflecting sample sizes are unweighted.

Section 3. Findings

3.1 Child Care

The availability and cost of child care and people's ability to move successfully from "welfare to work" are inextricably linked. As more and more recipients leave the welfare rolls for work, the need for child care grows. There is general concern over whether the current system will be able to absorb this new cohort of children while providing adequate care at a reasonable cost.

A large amount of information regarding child care arrangements was collected in the leaver survey. Respondents were asked about the type of arrangements used, the amount of time children spent in each arrangement, and the associated costs for two age groups of children, those five and under and those six to thirteen. Thus, information on child care arrangements was collected for children in the aggregate, not for each child. We can determine what types of care were used by households for children in certain age groups, although it is not possible to determine costs or care type for any specific child.

In this section, we describe the child care arrangements used by AFDC leavers two and one-half years after exit.

3.1.1 Children 5 and Under

Seventy-five percent of the respondents with children five and under reported that someone looked after their children.⁴ Thus, a quarter of those employed reported no caregiver for young children. This figure is consistent with findings from the Urban Institute's National Survey of American Families. Researchers found that only 76 percent of employed mothers listed a care provider for young children (Capizzano, Adams, and Sonenstein 2000). Interestingly, there was no difference between full time and part time workers in the percent of households without a caregiver. That is, full-time workers were just as likely to report no caregiver as those working thirty hours a week or less.

The most common type of care for young children was care by a relative (Table 3). Of those households that reported having a child care provider, 41 percent used relatives as their primary care arrangement in the past month, 25 percent relied on centers, and 13 percent depended on family day care (Table 3).⁵ Only a small number of households (3%) reported using Head Start centers, church care, or a "babysitter" (term used by

⁴ The questionnaire asked about child care arrangements for times when a respondent was working, looking for work, or going to school. The analysis was conducted using only employed respondents.

⁵ Respondents could pick multiple categories, which is why the numbers do not necessarily sum to 100 percent. All information is listed by household, not by child.

respondents). As noted in a previous report, take-up rates for child care subsidies were low. Approximately 40 percent of eligible households reported receiving a subsidy at any time since exit and 22 percent of leavers were receiving a child care subsidy when surveyed.⁶ For households that received a child care subsidy in the prior month, we further examined the relationship between a subsidy and the type of care used. The last column in Table 3 shows the percent of households using each type of care for young children, among those who received a subsidy. Those respondents who received subsidies were more likely to report using center care than those without subsidies. Additionally, households with subsidies were less likely to use relative care. Recall in Chapter 3 that eligible populations who did and did not use subsidies had remarkably similar demographic characteristics; from this one would infer that it is receipt of the subsidy which influences type of care, not the characteristics of families who receive such assistance. Subsidies, at least in Missouri, may allow families with young children to use different child care arrangements than they might otherwise use.

Table 3. Percent of Households Using Each Child Care Arrangement, Children Under 5

Former Missouri AFDC Recipients

	All leavers with children < 5	Leavers receiving state subsidy in prior month
Relative	41	33
Center	25	35
Family day care	18	16
Friend	13	15
Head Start	3	2
Church	1	2
Babysitter	1	1
N=	289	87

Source: Missouri Leavers' Survey.

3.1.2 School-Aged Children (6 through 13)

Fewer households reported having a caregiver for school-aged (6-13) children than for the younger group. Many families may have less need for a such a caregiver, as much of the time such children are in school and parents may be able to schedule work around that. In households where the respondent was employed, just under 40 percent reported having some type of care for school aged-children. Thus, approximately 60 percent of school-aged children were cared for solely by parent(s) or left to their own devices.

⁶ State administrative child care records were merged with the survey data to provide this information. We can tell which individuals received a child care subsidy, the date of the subsidy and the amount of assistance. We examined state records from the fourth quarter of 1996 to November 1999.

Table 4 shows the arrangements for households that reported using a caregiver for school-aged children. As with young children, the most common type of care was relatives (40%), followed by center care (22%). Eleven percent of households had children in after-school programs or with friends. Those with state subsidies had a different distribution of care types. Surprisingly, households with subsidies used relative care in greater concentrations than those without.⁷ It is generally thought that subsidies promote use of the “formal market,” which includes centers, and are used less often for informal care, such as relative care. While subsidies increased the number of families using center care, that increase was smaller than for relative care.

Table 4. Percent of Households Using Each Child Care Arrangement, School-aged Children Former Missouri AFDC Recipients^a

	All	Leavers receiving state subsidy in prior month
Relative	40	53
Center	22	28
Friend	11	4
School sponsored program	11	7
Family day care	8	3
Sibling	3	2
Boys and Girls Club	2	1
Church	1	1
N=	190	40

Source: Missouri Leavers' Survey.

^a Virtually no households reported multiple types of care for school-aged children.

3.1.3 Cost of Child Care

Household child care costs can be constructed from the survey data. Many households with a caregiver reported paying nothing for child care (Table 5).⁸ This was the case for 40 percent of households, although it was more frequent for care provided for older children (46%) than for younger children (38%).

⁷ The sample size for households that received subsidies and had school-aged children is quite small.

⁸ Households outside of Kansas City and St. Louis were most likely to report paying no child care costs.

Table 5. Child Care Costs

Age of children	Percent paying something	N
Less than 5	38	276
6 to 13	46	185
All households with children 0 to 13	40	369

Source: Missouri Leavers' Survey.

Whether or not a respondent paid some amount for care also varied widely by type of arrangement used. For example, approximately 80 percent of households using friends, babysitters, or centers for young children paid some amount; however, only 40 percent of those using relatives paid the provider.

Table 6 displays the average monthly household costs for child care. Although the average rates are low relative to market rates,⁹ the range is quite large. Respondents reported paying as much as \$866 a month for school-aged children and more than \$1,700 a month for children under 5.¹⁰

The first cost column shows the monthly costs for all households using a caregiver; the second column shows costs only for those households who reported paying some amount. From Table 6, it is clear that households paid much more in child care for young children than for school-aged children (\$221 versus \$171). The last row shows the average payment for all households with children under 13. The cost for this group is the sum of each age group, if applicable. Thus, the average for all households was \$162 a month for all children. For those respondents that paid the provider at least \$1, the average monthly payment for all children was \$277.

**Table 6. Average Monthly Child care Costs
Former Missouri AFDC Recipients**

Category	Average monthly cost	Average monthly costs, for those who paid at least \$1
Children under 5	\$155	221
N	276	171
School-aged children (5-13)	\$91	\$171
N	185	95
All households with children	\$162	\$277
N	369	220

Source: Missouri Leavers' Survey

⁹ In Jackson County, which contains Kansas City, market rates for infants were approximately \$541 a month, while the figure for pre-school children was \$346.

¹⁰ Respondents were asked for weekly costs for care. To be comparable with state subsidy data, however, this amount was multiplied by 4.33 to construct monthly child care costs.

Child care costs consumed a large portion of household income. On average, households paid more than 13 percent of income to child care. We noted earlier that a large portion of households who had a provider paid nothing for child care. If we look only at families that paid some amount for care, child care costs represented more than 20 percent of their household income.

3.1.4 Subsidy Value

Next we examine the value of state child care subsidies for households. Although a relatively small number of families received this form of assistance, subsidies were clearly a valuable resource.

The monthly subsidy values ranged widely, with an average or mean of \$350 and a median of \$262.¹¹ Table 7 provides the quartile distribution of subsidy values. Twenty-five percent of households received \$147 or less, while 25 percent received \$482 or more.

Not only do subsidies represent a large absolute dollar amount, they cover a high proportion of child care costs. On average, a subsidy covered 78 percent of total child care costs for those families receiving them.¹² Additionally, for almost half (47%) of those receiving a subsidy, it was equal to 100 percent of all child care costs. Total child care costs were constructed by summing the amount paid by the respondent and the value of the subsidy. To the extent that any costs were paid by another entity, our results overestimate the importance of subsidies.

Overall, subsidies are a potentially valuable resource for families transitioning off welfare. There is some evidence that subsidies allow people access to more formal, stable child care markets. They represent a significant amount of money, and a large share of total child care costs. Given such information, it is perplexing why more families are not taking advantage of this resource.¹³

Table 7. Value of Child Care Subsidy for Former Missouri AFDC Recipients

	Value of subsidy	Subsidy as percent of total costs
25th percentile	\$147	57%
50th percentile	\$262	95%
75th percentile	\$482	100%
Mean	\$350	78%
N=	113	113

Source: Missouri Leavers' Survey and Missouri State Administrative Records.

¹¹ All information regarding subsidy prevalence and value comes from state administrative records, not survey data. Additionally, all information is at the household, not child, level.

¹² To the extent that any costs were paid by another entity, our results overestimate the importance of subsidies.

¹³ Although it is difficult to construct eligibility based on both income and need from the survey data, we estimate that approximately 70% of our sample met the income requirements for a subsidy at the time of the survey.

Finally, the survey asked respondents whether they felt their child care situation had improved, deteriorated, or stayed the same since leaving welfare two and one-half years earlier. Only 10 percent thought their child care situation was worse, while one-third thought it had improved. Half of those responding reported no difference in their situation.

3.2 Health Insurance

Medicaid is another common transitional support for families that leave welfare . In Chapter 3, we reported that many families continued to use Medicaid, for both adults and children, for some time after exit.¹⁴ In this chapter, health insurance coverage for respondents is described more fully.

As shown in Table 8, the most common source of health coverage for survey respondents was Medicaid (33%). Nearly as many respondents (32%) reported having no coverage at the time of the survey. Additionally, almost 30 percent received insurance through work (25% with their own employer and 4% through a spouse’s employer).

**Table 8. Health Coverage of the Leaver
Former Missouri AFDC Recipients**

Health coverage	Percent
Medicaid	33
No health insurance	32
Covered by Employer	25
Covered by Spouse/Partner’s Employer	4
Other private insurance	2
Medicare	2
Other federal health insurance	1

Source: Missouri Leavers’ Survey

Earlier reports found that more than half of those employed¹⁵ worked at places where health insurance was offered, yet only 60 percent of respondents in such situations participated in those plans.¹⁶ Among those that did not participate, 15 percent noted they already had other coverage, while the other 85 percent described a number of barriers.

¹⁴ For children, it is not possible to distinguish Medicaid from the Child Health Insurance Programs (CHIP) coverage in the survey data.

¹⁵ Respondents were asked this question if they had ever worked since exit; 90 percent had been employed at some time.

¹⁶ Given that ninety percent of respondents had worked since leaving welfare, this works out to roughly to 27%, or slightly higher than the 25% reported in the table. The difference is primarily rounding.

The most prevalent was that the premium or copay was too high (37%), followed by “still in the waiting period” (23%). Eight percent did not like the plan offered, while 4 percent responded they did not need insurance. Only a small amount (2%) said a pre-existing condition prohibited them from participating. The rest of the respondents gave another, non-specified reason that they did not join the employer plan.

Table 9 shows the health coverage for all children in the households surveyed. A majority of children (68%) are covered by either Medicaid or SCHIP programs. Approximately 20 percent are covered by a parent’s coverage provided by their employer. Eight percent of children had no health coverage when surveyed.

**Table 9. Health Coverage of Children
Former Missouri AFDC Recipients**

Health coverage	Percent	N
Medicaid	68	1196
Covered by respondent’s employer	14	240
No health insurance	8	177
Covered by spouse/partner’s employer	6	83
Other private insurance	3	49
Medicare	0	2
Other federal health insurance	0	3

Source: Missouri Leavers’ Survey

3.2.1 Gaps in Coverage

From the survey, it can also be determined if respondents or their children experienced any gaps in health insurance coverage since exiting welfare two and one-half years earlier (Table 10). Nearly 70 percent of respondents reported a time during that period when they lacked any health care coverage. Additionally, one-third of households indicated there had been a time when a child in the household had no insurance. In the vast majority (90%) of households where a child had a gap in health care coverage, the leaver also lacked coverage at some point.

We found regional differences in gaps in coverage. Leavers from outstate Missouri were the most likely to have experienced gaps in their own health insurance (73%); leavers from the St. Louis area were the least likely (61%). In contrast, children from outstate Missouri were the least likely to have experienced a gap in health coverage (29%), while children from Kansas City were the most likely (41%). The relatively low incidence of health insurance gaps for children in the outstate region is consistent with the high rates of Medicaid coverage for children in that area. However, the high percentage of adults in outstate Missouri who lacked health insurance at some time since

exit was surprising given that adult Medicaid coverage was also highest in that area at the time of the survey.¹⁷ However, given the high employment rates in outstate Missouri, it is possible that many respondents may have had earnings that rendered them ineligible for public insurance at a given point.

Table 10. Percent of Households Experiencing Gaps in Health Coverage Since Exiting AFDC, by Region

Former Missouri AFDC Recipients

	Statewide	Kansas City	St. Louis	Rest of state
Gap in respondent's health coverage	69	66	61	73
N=	876	317	282	277
Gap in any child's health coverage	33	41	37	29
N=	843	301	273	276

Source: Missouri Leavers' Survey

Table 11 shows the gaps in insurance by work status. Although there were virtually no differences for children's health coverage, a strong association existed between work status and gaps in health coverage for adults. Leavers who had worked since exit were more likely to have experienced a time with no health coverage than those who had never worked. This finding underscores the tenuous link between employment and insurance coverage for leavers. Recall that only half of those who were (or had been) employed were offered health insurance; of those, just over half actually used the company plan. Other research has shown that while workers overall are more likely to have health insurance than non-workers, this is not true for workers with incomes below the poverty line. Nationwide, just under half (48%) of poor, full-time full-year workers had health coverage, a figure lower than that for poor non-workers (United State Census Bureau 1999).

Table 11. Percent of Households Experiencing Gaps in Health Coverage Since Exiting AFDC, by Work History

Former Missouri AFDC Recipients

	Statewide	Currently employed	Formerly employed	Never worked
Gap in respondent's health coverage	69	70	71	58
N=	876	532	250	94
Gap in any child's health coverage	33	32	35	35
N=	843	519	238	86

Source: Missouri Leavers' Survey.

¹⁷ See, "Continuing Use of Government Assistance for Former Missouri AFDC Recipients," Midwest Research Institute, May 2000.

3.3 Food Insecurity

Chapter 3 reported high levels of Food Stamp receipt. More than 80 percent of respondents had relied on Food Stamps since leaving welfare; almost 50 percent were using this benefit when surveyed. This section addresses food insecurity as reported by respondents.

Overall, approximately a quarter (26%) of the sample reported they had been unable to buy enough food to meet their needs in the prior month (Table 12). Levels of food insecurity varied by region. The highest rates were found in the St. Louis area (36%), while the lowest rates were in the rest of state area (21%). Chapter 3 noted that food stamp receipt was higher in outstate areas than in the two metropolitan areas, implying that households with Food Stamps are more likely to be able to buy enough food to meet their needs¹⁸

**Table 12. Percent of Households Reporting Food Insecurity, by Region
Former Missouri AFDC Recipients**

	Statewide	Kansas City	St. Louis	Rest of state
Time in past month when unable to buy enough food for household needs	26	29	36	21
N=	878	318	283	277
Time in past month when child skipped meal due to lack of food	3	5	6	2
N=	799	284	253	262

Child hunger is considered to be a severe sign of economic deprivation (Isaccs 1999). Generally, if food is in short supply, adults go without food before children do so. Only 3 percent of leavers reported that a child skipped a meal in the last month due to lack of food, much lower than the percentage of households that were unable to buy enough food.¹⁹ So, in the majority of households that did not buy sufficient food, children did not skip meals. In other words, for most households, food insecurity did not necessarily result in deprivation among children.

There appeared to be regional differences in the degree of food deprivation, with fewer children outside of St. Louis and Kansas City skipping meals (2%). However, these findings are based on a very small portion of the sample and may not be statistically different. This pattern is consistent with the idea that even though outstate residents generally had lower incomes, they were more likely to use Food Stamps, resulting in lower levels of deprivation.

¹⁸ Chapter 3 reported that income-eligible families that received Food Stamps reported lower levels of food deprivation than similar families that did not receive Food Stamps, implying that receipt of Food Stamps helps to lessen food deprivation.

¹⁹ It could be that respondents who reported being unable to *buy* enough food to meet their needs, supplemented their food in other ways, such as through private assistance.

Table 13 shows food insecurity by the work status of the respondent. Even though income levels differed markedly among the regions, rates of food insecurity (at least as measured by the inability to buy sufficient food) were virtually identical. However, when examining childhood hunger, households where the respondent had never worked were more likely to contain children who had skipped meals in the last month. This pattern was unexpected, since for almost all other outcomes, households headed by intermittent workers have fared worse than those headed by adults who were either currently working or had not worked since leaving AFDC.

**Table 13. Percent of Households Reporting Food Insecurity, by Work Status
Former Missouri AFDC Recipients**

	Overall	Currently working	Formerly worked	Never worked
Time in past month when unable to buy enough food for household needs	26	25	26	27
N=	878	533	251	94
Time in past month when child skipped meal due to lack of food	3	2	4	8
N=	261	150	82	29

3.3.1 Food Assistance

Since so many leavers experienced food insecurity, it is important to understand if, and from whom, they received any assistance. Just over half (56%) of those who reported being unable to buy enough food in the last month obtained assistance.

Table 14 compares the characteristics of respondents who did and did not receive any food assistance.²⁰ Work status was strongly associated with the receipt of assistance. Leavers who were working when surveyed were least likely to have received assistance. Those who obtained help were more likely to have a spouse or partner. The two groups were strikingly similar in terms of respondent's age, the age of the youngest child, and household size.

²⁰ Respondents were only asked this question if they noted that they had not been able to buy sufficient food. The sample size is small within these groups.

**Table 14. Characteristics of Households Experiencing Food Insecurity
Former Missouri AFDC Recipients**

Characteristic	Received assistance	
	Yes	No
Work history		
Currently working	58%	73%
Formerly worked	32%	18%
Never worked	11%	9%
Presence of spouse/partner	39%	26%
Education level		
Less than high school diploma	36%	40%
HS diploma/GED	62%	52%
Some college	3%	8%
Age of respondent	34	34
Age of youngest child	8.5	8.2
Household size	4	3.8
N=	123	138

Source: Missouri Leavers' Survey.

Among households that received assistance, the most common source of help was family and friends (46%), followed by church (30%) and community programs (20%).²¹ Only 6 percent reported seeking help from a government program (Table 15).²²

**Table 15. Sources of Food Assistance
(Among Households Receiving Assistance)
Former Missouri AFDC Recipients**

Source of assistance	Percent
Family and friends	46
Church	30
Community group	20
Government	6
N=	141

Source: Missouri Leavers' Survey.

²¹ Respondents were allowed multiple responses, but the majority gave only one response.

²² Ninety percent of those who cited government assistance also reported receiving Food Stamps.

Respondents who had been unable to buy enough food in the last month but had not received assistance were asked why they did not do so (Table 16). More than one third (35%) of this group stated that they did not want or need such help. Another study found that some individuals are reluctant to use such assistance if they feel that others are in greater need than themselves (McConnell and Ponza 1999). Respondents also cited other barriers to the receipt of assistance. Almost a quarter said they did not seek assistance because not enough services or resources existed. Additionally, more than 20 percent responded they did not know where to go for help. Another 8 percent stated that they had been denied help or that they had expected a denial and thus had not sought assistance.

Table 16. Reasons for Not Seeking Assistance for Those Unable to Buy Sufficient Food Former Missouri AFDC Recipients

Reason	Percent
Did not want to, did not need to	35
Lack of services or resources (either community or personal networks)	23
Did not know where to go for help	22
Denied or expected a denial	8
Other	12
N	123

Source: Missouri Leavers' Survey

3.4 Housing Insecurity

The survey also addressed housing insecurity. Chapter 3 reported that a quarter of the leavers were receiving housing assistance (public housing or Section 8) at the time of the survey. Respondents were asked if there was a time during the last month when they were unable to pay rent, mortgage, or utility bills. A quarter of the leavers, approximately the same percent that experienced food insecurity, also experienced housing insecurity (26%).²³ These rates are high relative to low-income Americans in general. Research using the National Survey of American Families (NSAF) found that 28 percent of low-income respondents reported experiencing housing difficulty some time in the last year, a period much longer than the one month addressed by the Missouri Leavers' survey.²⁴ There were no differences in housing insecurity by region (Table 17).

²³ It should be noted that, for the most part, those who experienced food insecurity were not the same people who experienced housing difficulties. Of those experiencing either problem (39% of overall sample), roughly one-third had both problems, another third experienced food insecurity only, while a final third only had housing difficulties. It may be that families with limited resources must choose between critical areas; some may choose housing while others choose food.

²⁴ Low income in NSAF was defined as 200% of the federal poverty line and below.

Table 17. Percent Unable to Pay Rent, Mortgage, or Utilities in Last Month by Region

Former Missouri AFDC Recipients

Statewide	Kansas City	St. Louis	Rest of state
26	26	26	26

Source: Missouri Leavers' Survey.

However, there was variation in housing insecurity by work status (Table 18). Intermittent workers were the most likely to have experienced such difficulties, while those working when surveyed were the least likely to have been unable to pay their housing costs.

Table 18. Percent Unable to Pay Rent, Mortgage, or Utilities in Last Month by Work History

Former Missouri AFDC Recipients

Overall	Currently working	Formerly worked	Never worked
26	21	37	25

Source: Missouri Leavers' Survey.

As with food insecurity, respondents were asked if they had received any help for housing. Less than half (46%) who reported being unable to pay housing bills received any assistance. Table 19 compares housing insecure respondents who did and did not receive outside help. Respondents who did not receive help were more likely to have a spouse or partner, which is the opposite of the pattern found for food assistance (Table 14). Those who did not receive assistance also contained slightly younger children than those that did. Interestingly, the education and work distributions were rather similar between the recipients and non-recipients.

Table 19. Characteristics of Those Who Received Assistance for Housing Problems of Those Households That Experienced Housing Insecurity in the Last Month

Former Missouri AFDC Recipient Insecurity

Characteristic	Received assistance	
	Yes	No
Work history		
Currently working	50%	58%
Formerly worked	40%	34%
Never worked	11%	8%
Presence of spouse/partner	15%	32%
Education level		
Less than high school degree	33%	36%
HS diploma/GED	58%	54%
Some college	9%	10%
Age of respondent	35	34
Age of youngest child	9.7	7.5
Household size	3.3	3.9
N=	98	132

Source: Missouri Leavers' Survey.

Help for housing was most commonly received from community groups (32%), followed closely by government programs (30%) (Table 20). The last number is particularly striking when compared to the low percentage who reported turning to the government for food assistance (3%). Twenty percent went to friends, while 10 percent received help from churches. Less than 1 percent of the sample used bank loans or other commercial sources.

**Table 20. Sources of Food Assistance
(Among Households Seeking Assistance)
Former Missouri AFDC Recipients**

Source of assistance	Percent
Community	32
Government	30
Friends	20
Church	10
Bank	1
Other	7
N =	98

Source: Missouri Leavers' Survey.

The two most common reasons for not receiving help for housing were a perceived lack of available resources (32%) and the respondent not wanting or needing help (30%) (Table 21). Again, there appeared to be an inconsistency between the situation and individuals' perceptions or attitudes toward that situation. Twenty-two percent responded that they did not know where to go for help. Five percent worked out arrangements with the landlord, hence ending their need, and 6 percent said they believed they were ineligible for aid programs.

**Table 21. Reasons for Not Receiving Assistance for Those with Housing Insecurity
Former Missouri AFDC Recipients**

Reason	Percent
Lack of resources (either community or personal networks)	32
Did not want to, did not need to	30
Did not know where to go for help	22
Believed themselves ineligible	6
Arranged payment	5
Other	4
N=	126

Source: Missouri Leavers' Survey.

3.5 Telephone Service

Another form of deprivation is measured by determining the percentage of respondents who have experienced a time without a phone or lost phone service since exiting AFDC. Nearly two-thirds of the sample (62%) reported that they had experienced this situation in the last two and one-half years. Residents from outside Kansas City and St. Louis were somewhat more likely to experience this situation (Table 22).

Table 22. Percent Reporting Lack of Phone Service by Region
Former Missouri AFDC Recipients

Statewide	Kansas City	St. Louis	Rest of state
62	58	57	65

Source: Missouri Leavers' Survey.

Table 23 shows lack of phone service by work status. Consistent with previous findings, intermittent workers were faring the worst. Almost 70 percent had experienced a time without a phone, as compared to 62 percent for non-workers and 59 percent for current workers. Lack of phone service may be particularly problematic for keeping and securing a job.

Table 23. Percent Reporting Lack of Phone Service by Work History
Former Missouri AFDC Recipients

Overall	Currently working	Formerly worked	Never worked
62	59	69	62

Source: Missouri Leavers' Survey.

Section 4. Discussion

Overall, it appears that many welfare leavers face relatively high levels of insecurity two and one-half years after exit. More than a quarter reported food insecurity in the past month, and a similar number experienced housing insecurity. Almost 40 percent of leavers experienced one or both of these measures of insecurity.

Insecurity among welfare leavers was, high regardless of work status. Many families are playing by the new rules (that is, working) but are still unable to meet all their basic needs.

This chapter raises two especially perplexing issues. The first is why more households do not use child care subsidies. Although it is difficult to determine eligibility from the survey data, a surprisingly small number of households used such assistance. Yet, for those families who do receive subsidies, the value of this service is quite high. This situation merits further investigation to determine why more eligible households do not apply for child care subsidies.

The second issue is why many families who experienced insecurity—in both food and housing—reported that they did not need assistance. More information is needed to interpret this common response.

Our next report deals with use of emergency assistance for Kansas City leavers.