

*Prepared for:  
State of Illinois  
Department of Human Services*

# **Illinois TANF Applicant Study**

## **Executive Summary and Extended Research Summary**

**May 2002**

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## EXECUTIVE SUMMARY AND POLICY IMPLICATIONS

This report presents the findings of a study of TANF applicants and the TANF intake process in Illinois. The study provides information on approximately 4,800 families who applied for TANF in Illinois during the summer of 2000. The study also presents findings on the operation of the TANF intake process in Illinois, including an assessment of two new policy initiatives introduced in late 1998 and early 1999 by the Illinois Department of Human Services (IDHS) -- Up-Front Job Search and the Community Partners program.

### A. PROJECT BACKGROUND AND OBJECTIVES

In April 1999, the Office of the Assistant Secretary for Planning and Evaluation (ASPE) of the U.S. Department of Health and Human Services announced the availability of funding for studies to determine the status of families applying for, entering, and leaving the Temporary Assistance for Needy Families (TANF) program. The Illinois Department of Human Services (IDHS) applied and was approved for a study of TANF applicants.

#### 1. LEARNING MORE ABOUT TANF APPLICANTS AND THEIR NEEDS

A major goal of the study was to gather more information about TANF applicants who were not approved for assistance. The study was designed to focus on families who come to IDHS for assistance, and to determine whether these families have the services and supports they need. Three major areas were examined in this regard:

- employment and economic well-being;
- participation in public assistance programs; and
- family well-being.

#### 2. ASSESSING RECENT CHANGES IN THE TANF INTAKE PROCESS

A second major focus of the study was to evaluate changes that IDHS had made in the TANF intake process. In late 1998 and early 1999, IDHS implemented two new initiatives designed to change the TANF intake process, as follows:

- **Up-Front Job Search:** Under this program, job-ready TANF applicants are required to seek employment during the application process. Those who do not comply with the job search requirement are denied TANF.
- **Community Partners Diversion Program:** Although Illinois does not have a formal lump-sum TANF diversion program, IDHS decided to establish a network of Community Partners whose role would be to assist TANF applicants in seeking alternatives to cash assistance. Job-ready TANF applicants are referred to the Community Partners, who provide funds to cover expenses for job search and initial employment.

### 3. TRENDS IN APPLICATIONS FOR CASH ASSISTANCE IN ILLINOIS

Average monthly applications and approvals for cash assistance in Illinois increased steadily beginning in the early 1990's. Average monthly AFDC/TANF applications rose from 10,133 in 1991 to a peak of 14,419 in 1997. During the same time, average monthly approvals increased from 6,754 to 10,695. After 1997, the number of TANF applications and approvals declined significantly. Between 1997 and 2001, average monthly applications declined by 79 percent from 14,419 to 3,037, and the number of approvals fell from 10,695 to only 1,557 – a decline of 85 percent. The number of TANF applications and approvals declined especially rapidly between 1999 and 2001. For example, average monthly TANF applications declined by 69 percent, while the number of approvals declined by 78 percent.

The decline in TANF applications and approvals can be credited to welfare reform in Illinois and improvements in economic conditions. Effective July 1, 1997, Illinois implemented its comprehensive TANF program in response to the 1996 national welfare reform legislation. The legislation introduced a five-year time limit on TANF benefits, as well as work requirements, supportive services, and work incentives.

#### B. STUDY DESIGN AND METHODS

To achieve the study objectives, the following three methods were used:

- Site visits were conducted to six IDHS offices to examine the operation of the Up-Front Job Search and Community Partner programs;
- Administrative records data were analyzed on a sample of 4,823 persons who applied for TANF in Illinois during the summer of 2000; and
- Follow-up telephone surveys were conducted with a sub-sample of 1,043 persons between November 2000 and April 2001.

The study focused on four types of TANF applicants, as follows:

- **Group 1: Approvals** -- persons whose application for TANF was approved;
- **Group 2: Withdrawals** -- persons whose application was denied because they were coded as having withdrawn their applications;
- **Group 3: Failure/Refusal Denials** -- persons whose application was denied because of failure or refusal to provide information or show up at appointments or for job search; and
- **Group 4: Financial Denials** -- persons whose applications were denied because they did not meet the financial criteria for TANF eligibility.

## C. SUMMARY OF MAJOR FINDINGS

In this section, we present the major findings from the study.

### 1. CHARACTERISTICS AND WELFARE HISTORY OF APPLICANTS IN THE STUDY SAMPLE

#### **Persons Who Were Denied TANF Due to Failure or Refusal to Comply With Application Requirements Had Many of the Same Characteristics as Persons Who Were Approved for TANF**

The survey data showed that the “failed/refusals” were similar to the approvals in terms of such characteristics as education and marital status. About 41 percent of the failed/refusals had not completed high school or a GED, compared to 37 percent of the applicants whose cases were approved for TANF. By comparison, only 30 percent of the withdrawals had not completed high school. The approved cases and the failed/refusal cases were also similar in terms of marital status. About two-thirds of the approvals and the failed/refusals had never been married. In contrast, only 51 percent of the withdrawals had never been married. About 7 percent of the failed/refusals were currently married, compared to 9 percent of the approved cases.

The approvals and failed/refusals were also somewhat similar in terms of reasons for applying for TANF. About 39 percent of the persons who were approved for TANF cited pregnancy as a reason for applying. This compares to 32.6 percent of the failed/refusals, but only 25 percent of the withdrawals, and 24 percent of the financial denials.

#### **The Approvals and Denials Were Similar in Terms of Prior Receipt of Cash Assistance**

About 54 percent of the survey respondents reported that they had been on cash assistance before they applied for TANF in the summer of 2000, either in Illinois or another state. The surveys showed that 52 percent of the approvals had been on AFDC or TANF before, compared to 55 percent of the withdrawals, 57 percent of the failed/refusals, and 60 percent of the financial denials.

### 2. JOB SEARCH DURING THE APPLICATION PROCESS

#### **About 24 Percent of All Respondents Reported that They Received Help in Finding Jobs or in Being Referred to Jobs While Their Applications Were Being Considered. However, Only 18 Percent of the Failed/Refusals Received Help**

About 28 percent of the approvals and the financial denials reported receiving help in finding jobs, compared to only 15 percent of the withdrawals and 18 percent of the failed/refusals. The reason for this may be that most of the withdrawals and failed/refusals did not stay in the application process long enough to receive services.

Overall, 27 percent of the respondents reported that they received advice on how to look for jobs, including 32 percent of the approvals. About 15 percent of the applicants reported that they received help paying for gas, bus fare, or cab fare, including 22 percent of the approvals. About 18 percent reported that they had received help with child care, including 22 percent of the approvals. Relatively few respondents reported receiving help with car repairs (2.7 percent), paying for clothing (4.3 percent), and paying for rent or utilities (5.8 percent).

### **Only About 32 Percent of the Applicants Said That They Had Been Required to Participate in Job Search While their Application Was Being Considered, Including 33 Percent of the Approvals. Exemptions Due to Pregnancy and Infant Children May Have Been A Major Factor**

About 32 percent of the survey respondents reported that they had been required to participate in job search or a job club while their applications were being considered. The percentage was highest for the financial denials (39 percent) and lowest for the withdrawals (24.0 percent). Only about 33 percent of the approvals said that they were required to take part in job search while their application was being considered. Other survey findings suggest that many applicants may have been exempted from job search due to pregnancy, other medical conditions, or the presence of infant children.

### **3. EMPLOYMENT STATUS AND EARNINGS AT FOLLOW-UP**

#### **Only 36 Percent of the Failed/Refusals and 41 Percent of the Withdrawals Were Working at the Time of the Follow-Up Surveys**

In combination, 33 percent of all the survey respondents had jobs at the time of the surveys. The rate of employment was highest among the financial denials (55 percent), followed by the withdrawals (41 percent), the failed/refusals (36 percent) and the approvals (almost 30 percent). About 30 percent of the approvals were no longer on TANF.

Among respondents *not on TANF*, 55 percent of the financial denials were employed, compared to 49 percent of the approvals, 42 percent of the withdrawals, and 40 percent of the failed/refusals.

#### **To Some Extent, the Presence of Other Employed Adults in the Household Compensated for Low Employment Rates Among the Failed/Refusals and Withdrawals**

At the time of the surveys, about 53 percent of the respondents were either working or living with an employed adult, including 72 percent of the financial denials, 55 percent of the failed/refusals, 59 percent of the withdrawals, and 50 percent of the approvals. Of the respondents who were not on TANF, 61 percent were employed or living with an employed adult. About 15 percent of the respondents reported no income coming into the household (not counting TANF or Food Stamps), including almost 21 percent of the failed/refusals.

## **Employment Rates Were Very Low Among High School Drop-Outs. Among Employed Respondents, Earnings Among Persons Who Had Attended College Were 45 Percent Higher than Earnings Among Drop-Outs**

Less than 22 percent of the applicants who had not completed high school or a GED were working at the time of the surveys. This compares to 40 percent of respondents who had completed high school. Employed respondents who had not completed high school had lower average monthly earnings (\$824) than respondents who had completed high school only (\$1,117) and those who had attended a two-year or four-year college (\$1,194). Average monthly earnings among respondents who had attended college were 45 percent higher than earnings among those who had not completed high school.

## **About 52 Percent of Currently Unemployed Respondents Reported That They Had Not Worked in the Prior 12 Months**

About 52 percent of the persons who were unemployed at the time of the surveys said that they had not worked in the past year. In addition, 22 percent of the unemployed respondents reported that they had worked for only 1-3 months in the past year, and another 12 percent had worked for only 4-6 months.

## **4. REASONS FOR NOT WORKING**

### **About 23 Percent of Unemployed Respondents Cited Physical or Mental Health Conditions as the Most Important Reason for Not Working**

About 17 percent of unemployed respondents cited their own physical health problems as the most important reason for not working. Another 2.1 percent cited mental health problems, and another 3.4 percent mentioned the health problems of a child or other family member. In combination, these three factors were cited by 23 percent of the unemployed respondents as the most important reasons for not working. The next most common factors were not being able to find a job close to home (14 percent), problems with child care (12 percent), and preferring to stay home with children (12 percent).

## **5. KNOWLEDGE AND USE OF THE EARNED INCOME TAX CREDIT**

### **Almost Two-Thirds of the Respondents Had Heard of the Earned Income Tax Credit, and 41 Percent Had Used It, but Knowledge and Use of the Credit Varied Among Different Types of Applicants**

Blacks and whites were equally likely to have heard of the tax credit, but slightly less than 40 percent of “other” respondents had heard of the tax credit. Only 55 percent of respondents who had dropped out of high school had heard of the tax credit, compared to 71 percent of respondents who had completed high school only, and 85 percent of those who had attended college.



## **Only 56 Percent of Working Respondents Had Used the Tax Credit**

About 77 percent of working respondents indicated that they had heard of the tax credit, and 56 percent had used it. The large majority of these respondents should be eligible for the credit, based on their reported income and family composition.

## **6. HEALTH CARE COVERAGE AND ACCESS**

### **Almost 8 Percent of the Respondents Had a Child Without Health Coverage at the Time of the Surveys, Including 15 Percent of the Failed/Refusals**

When surveyed, almost 8 percent of all respondents reported that they had at least one child living with them who was not covered by health insurance. About 15 percent of the failed/refusals reported that they had at least one child without health insurance. About 47 percent of the respondents whose children were not enrolled in Medicaid thought that families could get Medicaid coverage even if they were not on TANF. Among all respondents, 37 percent had not heard of the KidCare program.

### **About 18 Percent of the Applicants Reported That They Did Not Have Health Coverage for Themselves, Including 30 Percent of the Failed/Refusals**

About 75 percent of all respondents reported that they had Medicaid coverage for themselves. The percentage was lowest among the failed/refusals (63 percent) and the withdrawals (67 percent). About 18 percent of the respondents reported that they had no health coverage for themselves, including 30 percent of the failed/refusals.

### **Almost 30 Percent of All Respondents Reported That There Had Been Times in the Past Year When They Needed Medical Care for Themselves or a Family Member But Could Not Afford to Pay for It. About 6 Percent Said They Had a Condition That Went Untreated**

The percentage who reported problems with health care access in the past year was highest among the failed/refusals (38 percent). About 19 percent of all respondents reported that there had been times *since they applied for TANF* when they needed medical care but could not afford it. The percentage for the failed/refusals was almost 29 percent.

About 42 percent of the respondents who reported problems paying for medical care said that they received the medical care but did not pay for it. Another 35 percent borrowed money or paid for the care in installments. About 19 percent of the respondents who reported problems indicated that the condition went untreated. Overall, 5.7 percent of all respondents reported that there had been occasions in the past year when they had a medical condition that went untreated because they could not pay for care.

## 7. FOOD SECURITY

**Almost 28 Percent of the Applicants Reported That There Had Been Times in the Past Year When They Had to Cut the Size of Meals or Skip Meals Due to Lack of Money. The Percentage Was Highest Among the Failed/Refusals (35 Percent). However, Only 3 Percent of all Respondents Reported Using Food Pantries.**

In addition, almost 22 percent of all respondents reported that there had been times *since applying for TANF* when they had to cut the size of meals or skip meals. The percentage for the failed/refusals was 29 percent. Almost 44 percent of the respondents who reported problems buying food since applying for TANF indicated that it had happened every month. About 5 percent of the respondents who reported problems buying food said they went hungry. Applying this 5 percent to the 28 percent who had problems affording food, we find that 1.4 percent of all respondents had gone hungry in the past year. Only 3 percent of the respondents reported that they were receiving help with meals from food shelters.

## 8. OTHER HARDSHIPS EXPERIENCED SINCE APPLYING FOR TANF

**In Terms of Other Hardships, There Was a Slight Increase in the Percentage of Respondents Who Experienced Minor Hardships Since Applying for TANF, But Severe Hardships Were Not Very Common**

About 37 percent of the respondents reported that there had been times when they had fallen behind in rent payments since applying for TANF. About 31 percent reported that they had fallen behind in payments *before* they applied.

Only 1.6 percent of the respondents reported that there had been times since applying when they had to live in a car or on the streets. Only 3.5 percent said that they had stayed in a homeless shelter since applying. Less than one percent of the respondents reported that, either before or after applying for TANF, they had to place their children in foster care. About 3.1 percent of the respondents reported that, since applying for TANF, they had to send their children to live with someone else. This compares to 3.5 percent for the period before applying for TANF.

About 10 percent of the respondents reported that there had been times since applying for TANF when they had to go without heat, electricity, or water. This compares to 8.7 percent in the period before they applied for TANF. The failed/refusals (13 percent) were somewhat more likely than other applicant groups to report that there had been times since applying when they had to go without heat, water, or electricity.

## 9. HOUSING SITUATION AND LIVING ARRANGEMENTS AT FOLLOW-UP

**About 46 Percent of the Applicants Were Not Financially Independent in Terms of Their Housing Situation. This Includes Persons in Public Housing, Section 8 Housing, or Living Rent-Free with Family or Friends. About 52 Percent of the Respondents Reported That There Was at Least One Other Adult Living in Their Household**

At the time of the surveys, about 11 percent of all respondents were living in Section 8 housing, and another 12 percent were living in public housing. About 22 percent reported that they were living rent-free with a friend or relative. A relatively high percentage of the failed/refusals (28 percent) and the financial denials (27 percent) reported that they were living rent-free with relatives or friends. About 52 percent of the respondents said that they were living with at least one other adult, suggesting that many respondents were having to rely on shared living arrangements.

## 10. USE OF CHILD CARE AT FOLLOW-UP

**Of the Respondents Who Had Young Children But Were Not Using Child Care, About 25 Percent Reported That They Could not Afford to Pay for Child Care, Including One-Third of the Failed/Refusals**

About half of the respondents with children under 13 were using child care at the time of the survey. Of those who were *not* using child care, one quarter said that they could not afford child care. About one-third of the failed/refusals who had children under 13 but who were not using child care said that they could not afford child care.

**Of the Respondents Who Were Using Paid Child Care, About 64 Percent Were Receiving Help from the State in Paying for Care**

About 61 percent of the respondents who were using child care were using paid care. Of these, about 64 percent reported that they were receiving help from the state. Of the respondents who were using paid child care, about 14 percent reported that they had out-of-pocket costs of more than \$50 per week.

**About 47 Percent of All Respondents With Children Under 13 Knew That Families Could Get Help Paying for Child Care Even If They Are No Longer on Cash Assistance**

Almost 45 percent thought that families could not get assistance with child care, and another 8 percent were not sure. Almost 51 percent of the failed/refusals did not think that families could get help paying for child care, and another 5.5 percent were not sure.

## 11. CHILD SUPPORT

### **Only About 8 Percent of the Withdrawals and Denials Were Receiving Child Support Payments on a Regular Basis at the Time of the Surveys**

Almost 31 percent of the withdrawals and denials reported that a child support order had been established for their child(ren). Of the respondents with child support orders, one-third indicated that they received regular or occasional payments (about 10 percent of all respondents). Persons who had withdrawn their applications were about twice as likely to be receiving child support as the failed/refusals. Of the 10 percent of respondents who were receiving child support regularly or occasionally, 77 percent said that they received the payments every month or every other month.

## 12. FINDINGS FROM THE SITE VISITS

The major findings from the site visits to the local DHS offices are summarized below.

### **The Local Offices Have Effectively Transformed the TANF Intake Process to Emphasize Work Requirements, Time Limits, and Self-Sufficiency**

The offices that were visited for the study have aggressively transformed the TANF intake process to emphasize self-sufficiency rather than the traditional focus on eligibility processing. As part of the new approach, the Intake Workers have been trained to conduct a comprehensive intake interview that includes an “orientation” component and a family assessment.

### **The Local Offices Have Implemented an Aggressive Model for Applicant Job Search**

In the offices that were visited, TANF applicants who decide to proceed with their applications are told that they must begin their job search immediately. In the larger offices where job clubs are held as part of the up-front job search, this means showing up at the next scheduled job club – usually within 2-3 days after applying for TANF. Another common practice is that fraud investigations are routinely conducted on TANF applicants. The workers who were interviewed at the local offices were supportive of the new up-front job search model.

### **Many Applicants Decide to Divert from TANF When They Learn of the New Requirements or Do Not Show Up for the Up-Front Job Search**

According to local staff, many TANF applicants drop out of the application process when they learn of the work requirements. In some cases, applicants may inform the Intake Worker that they do not want TANF benefits. In other cases, the applicant may complete the application but not provide needed verifications within the required 10-day period.

In some cases, the applicant completes the application and provides the required verifications but does not show up for the job club. In other cases, the applicant shows up for one or two sessions of the job club (or meetings with the intake worker) but then drops out of the mandatory job search process.

The local staff believed that the up-front orientation, coupled with the job search requirement, was effective in encouraging persons to divert from TANF if they did not really need to be on cash assistance. Another group of applicants who are likely to divert are those who are concealing information from DHS about income, living arrangements, or resources. These applicants do not need to be on cash assistance, and typically divert when they learn about the work requirements.

### **Based on the New Intake Procedures in Place in the Local Offices, Some of the TANF Applicants May Be Diverting Without Receiving Needed Employability Services**

While the majority of applicants who divert from TANF in the local offices are probably employable persons who do not want to deal with the TANF work requirements, some of the diverters may have unresolved barriers to employment. On the one hand, applicants who participate in the up-front job search are given the opportunity to address employment barriers and are also provided with job referrals and information on how to search for jobs. They are also able to take advantage of the networking with other applicants about job leads. However, under the new intake procedures, some TANF applicants withdraw their applications when they learn of the work requirements, and many applicants complete the application but do not show up for the up-front job search. It is possible that some of these applicants are persons who have unresolved barriers and do not feel that they can comply with the job search requirements. It is also possible that some of these applicants would benefit from participating in job club activities in terms of addressing barriers and finding out about job opportunities.

### **Under the New Intake Procedures, Some Applicants May Be Foregoing Medicaid Benefits to Which They Are Entitled**

In each of the local offices, the staff had procedures in place to make sure that TANF applicants knew about Medicaid, KidCare, and other benefits even if they opted not to go on cash assistance. For example, intake workers clearly explained that applicants could apply for Medicaid and Food Stamps even if they did not want to be on TANF. In addition, applicants who told the worker during the intake interview that they no longer wanted to go on TANF would automatically have their applications “progressed” to Medicaid and Food Stamps. Also, many of the TANF intakes are actually “swaps” consisting of clients who are already on Medicaid and who now wish to access TANF benefits.

Under current procedures, however, there is a segment of the TANF applicant population that may be diverting from TANF without accessing needed Medicaid benefits even though they are eligible. These are applicants who do not inform the Intake Worker that they wish to withdraw their TANF applications but who subsequently do not bring in their required

verifications and do not show up for the up-front job search. The intake worker cannot progress these applications to Medicaid without the needed verifications. It is not known what percentage of TANF applicants fall into this category. However, it is possible that some of the TANF applicants who drop out of the process may not fully understand that they can get Medicaid and KidCare without having to go on TANF and comply with work requirements. The same general observation may also be true for Food Stamp benefits and subsidized child care.

## **Many TANF Applicants Are Exempted from Up-Front Job Search Due to Pregnancy, Young Children, or Medical Barriers**

Although the local offices have successfully transformed the TANF intake process to emphasize self-sufficiency, it was found that many TANF applicants are exempted from the up-front job search requirement. The major reasons are that the applicant is in the final stages of pregnancy, or that the applicant has a child under 1, or that the applicant has some other type of medical barrier. This may partly explain why a large percentage of the survey respondents reported that they had not been required to take part in job search.

## **The Up-Front Job Search Models in the Local Offices Emphasize Job Development and Barrier Resolution, Not Simply Independent Job Search**

The local offices have generally done an effective job of developing “enriched” components to their up-front job search activities, instead of relying largely on independent job search. Each of the larger offices conducts weekly job clubs. In addition, applicants are typically required to show up for one-on-one meetings with their workers once per week to discuss the progress of their job search and to review barriers to employment. Also, most of the local offices have incorporated a job development and employer outreach component to their up-front job search.

Some of the offices have special components to help applicants who may have barriers. For example, one of the local offices requires all job club participants to meet with a substance abuse counselor at their first meeting. As part of the job club format, this counselor provides an overview of the services that are available to applicants. The same office also has a mental health counselor speak at the first meeting of the job club. Another local office conducts “staffings” on TANF applicants who have been in up-front job search for more than two weeks without finding a job. In general, it was thought that the use of “enriched” components helps to address concerns that TANF applicants may be placed in job search without any attention to employment barriers.

## **The Role of the Community Partners is Limited Largely to Processing the Front Door Funds**

At the locations where site visits were conducted, the role of the Community Partner was limited largely to processing Front Door funds for TANF applicants. Although most of the Community Partners were community-based agencies that provide extensive services for low-income populations, they typically did not get involved in providing services to the TANF applicants who were referred for Front Door funds. For the most part, the local DHS office made decisions about the amount of funds to be authorized for specific applicants, and also determined the use of the funds. The role of the Community Partner was primarily to issue the check, voucher, or other form of reimbursement for the applicants, based on the decisions made by the DHS office.

## **The Front Door Funds Dispensed Through the Community Partner Program Are Relatively Small and Are Used Primarily to Cover Expenses After Applicants Obtain Jobs**

Except for bus passes or car fare, the Front Door funds were typically not used extensively to assist with the job search itself. Instead, the funds were more likely to be used to help an applicant with clothing or a car repair after a job was obtained. In addition, the funds were not being used extensively to provide help with child care during job search. In general, the funds available to each local office were very small. In some offices, the workers felt that more funds would be helpful. In other offices, the workers reported that relatively few TANF applicants request Front Door money.

## **D. DISCUSSION OF THE FINDINGS**

The results of the study raise a number of issues and questions about the circumstances and needs of TANF applicants in Illinois, particularly the persons whose applications are denied. The study also raises issues about the up-front job search program.

### **High Rates of Prior TANF Involvement Among the Denials**

The surveys indicate that applicants who were denied TANF benefits were similar to approved cases in terms of their prior AFDC/TANF history. The administrative data generally confirm this overall finding, showing that the approvals, failed/refusals, and financial denials had substantially similar rates of prior TANF involvement during the baseline period. This finding suggests that many of the denials may share the same circumstances and service needs as the persons approved for TANF.

### **Similar Characteristics of the Approvals and the Failed/Refusals**

The survey data show that, in addition to having a similar AFDC/TANF history, the failed/refusals and the approved cases share other characteristics. As noted, two-thirds of the respondents in both groups had never been married – much higher than the withdrawals and financial denials. In terms of education, about 41 percent of the failed/refusals and 37 percent

of the approvals had not completed high school. In terms of family composition, the failed/refusals and approvals were less likely than the other applicant groups to be living with the father of the child.

These data suggest that the approvals and the failed/refusals may face many of the same circumstances and barriers to self-sufficiency. They may also have very similar needs for services. This is potentially significant in view of the fact that the failed/refusals account for the large majority of denials in the TANF program.

## **Low Rates of Current Employment and Income Among the Failed/Refusals**

Only 36 percent of the failed/refusals reported that they were employed at the time of the surveys. Even among those who were not on TANF at the time of the surveys, the employment rate was only 40 percent. To some extent, this situation is offset by the fact that many of the failed/refusals were living with other employed adults – overall, 55 percent of all the failed/refusals were either working themselves or living with an employed adult. However, this still leaves 45 percent who were not working and not living with an employed adult.

The administrative data indicate that about 9 percent of the failed/refusals had actually reapplied for TANF and been approved for benefits by January 2001. Even if all of these persons were unemployed and not living with employed adults, *that would leave at least 35 percent of the failed/refusals without any household earnings or TANF benefits*. The survey data and the administrative data reveal that relatively few of the failed/refusals were receiving child support or other non-wage income on a regular basis.

## **Evidence of Hardship and Deprivation among the Failed/Refusals**

In general, the surveys show relatively low rates of the most severe types of hardship among the sample members – hunger, homelessness, and having to place children in foster care. However, a relatively high percentage of the failed/refusals reported other types of hardship and deprivation. For example, 35 percent of the failed/refusals reported that there had been times in the last year when they had to skip meals or cut the size of meals. About 29 percent reported that this had happened since they applied for TANF. In addition, 28 percent of the failed/refusals reported living rent-free with family members or friends, indicating lack of financial independence.

## **Problems with Health Care Coverage and Access Among the Failed/Refusals**

About 15 percent of the failed/refusals reported that they had at least one child who did not have health care coverage – higher than for the other groups. In addition, 30 percent of the failed/refusals reported that they did not have health coverage for themselves – also much higher than for the other groups. Finally, 38 percent of the failed/refusals reported that there had been times in the past year when they needed medical care for a family member but could not afford it.



Part of the problem is the low rate of Medicaid coverage among the failed/refusals. Only 71 percent of the failed/refusals reported that they had Medicaid coverage for their children – lower than the other applicant groups. Only 63 percent had Medicaid coverage for themselves. Among those who were working, many were not enrolled in an employer health plan, largely because the employer did not offer a health plan or because the respondent was not eligible to enroll. In addition, many of the failed/refusals were not working.

## **Use and Awareness of Benefits and Services**

According to the surveys, about 61 percent of the failed/refusals were receiving Food Stamps when the surveys were conducted. Of those who were *not* on Food Stamps, 47 percent did not seem to know that families could potentially qualify for Food Stamps without being on cash assistance.

With regard to Medicaid, only 47 percent of the respondents whose children were not enrolled in Medicaid thought that families could get Medicaid coverage even if they were not on TANF. Among all respondents, 37 percent had not heard of the KidCare program.

In terms of the Earned Income Tax Credit, the surveys indicate that persons who had not completed high school had a low level of awareness of the tax credit – only 55 percent of high school drop-outs had ever heard of the tax credit. Only 77 percent of employed respondents had heard of the credit, and only 56 percent had used it.

## **Levels of Job Search Activity During the Application Process**

Only 32 percent of the applicants reported that they had been required to take part in job search or a job club while their application was being considered. For the withdrawals and denials, the low rate of job search may be accounted for by the fact that many of these applicants dropped out of the process before they could receive services.

However, only 33 percent of the approved cases reported that they were required to be in job search. Part of the explanation for this is that many of the approvals may have been exempted due to pregnancy, other medical conditions, or because they had a child under 1 – in fact, about 39 percent of the approvals cited pregnancy or a new born child as a reason for applying for TANF. In combination, about 44 percent of the approvals mentioned pregnancy, a new child, or another medical condition as the most important reasons for applying for TANF. However, this still leaves about 56 percent of the approvals who should potentially have been required to participate in job search during the application process. One possibility is that some applicants may keep appointments and sit through job club sessions without remembering that it was called “job search.”

## **Changes in the Intake Process**

Based on the site visits, the local offices have implemented major changes in the intake process by emphasizing the temporary nature of TANF and the need for applicants to focus on

self-sufficiency. The offices have also implemented aggressive up-front job search programs that have apparently been effective in helping applicants to find employment. One of the concerns raised by the site visits, however, is that some applicants are choosing to divert from TANF without resolving barriers to employment.

## **E. POLICY IMPLICATIONS OF THE FINDINGS**

This section presents a review of the potential policy implications of the study findings, including options for ensuring that the needs of TANF applicants are addressed.

### **Concerns About Applicants Diverting from TANF Without Having Good Prospects for Stable Employment and Adequate Income**

Since 1997, the number of cases approved for TANF in Illinois has declined dramatically. This decline is partly due to welfare reform in Illinois, with its emphasis on work requirements, time-limited benefits, work incentives, and supportive services for persons who work. Welfare reform has encouraged many potential TANF applicants to obtain jobs or seek other alternatives to going on TANF. The decline in TANF approvals is also a reflection of lower unemployment rates over the last several years. Favorable economic conditions have created a context in which welfare reform could achieve significant results.

The transformation of the TANF intake process, including the implementation of the Up-Front Job Search program, has helped ensure that TANF applicants begin to receive services as soon as they apply for benefits. The Up-Front Job Search and the Community Partners program are designed to help and encourage applicants to find employment as an alternative to going on TANF. Based on the site visits, the Up-Front Job Search Program has been effectively implemented and is strongly supported by local managers and staff.

In implementing applicant job search and other diversion programs for TANF applicants, one of the concerns for policy makers is that applicants should divert for the right reasons. Applicants who are appropriate for diversion are those who are job ready and can find employment on their own, as well as those who are able to find suitable employment with the help of the up-front job search program.

In any TANF diversion program, however, there is a risk that some applicants may divert from TANF for reasons that are not appropriate. For example, some applicants may feel that they cannot comply with the job search or work requirements for various reasons. If these applicants simply divert from TANF without their barriers being addressed, they may not find stable employment and may experience hardship in the absence of TANF benefits.

Based on the survey findings, there is evidence that a small but significant percentage of denied applicants in Illinois are experiencing problems in terms of subsequent employment and household income. At the time of the surveys, for example, about 35 percent of the failed/refusals were not working, not living with an employed adult, and not receiving TANF

benefits. This statistic raises concerns about whether some of the TANF applicants are being diverted without having effective alternatives to TANF.

Our assessment of the TANF intake process at the local offices shows how some TANF applicants may be diverting without getting needed services. For example, a certain number of the TANF applicants go through the intake interview, but then do not show up for the job club or other appointments. In addition, some applicants show up for one or two of the job club sessions but then drop out without the workers knowing their situation.

The majority of these no-shows and drop-outs no doubt decide to find jobs by themselves, and others probably have income or resources that they have not disclosed to the intake worker. However, based on the survey findings, it appears that many of the applicants who simply drop out of the process do not find stable jobs and do not have other reliable sources of family income.

In terms of policy implications, it might be advisable to consider incorporating a follow-up component into the current intake process to find out more about the subsequent employment situation of the no-shows and drop-outs. For example, intake workers might contact these applicants to find out about their employment status and family situation. These contacts might also be used to remind applicants about employment services and other social services available to families. An alternative approach would be for IDHS to send mail-outs to these applicants informing them about employment services and related programs.

## **Concerns About Applicants Diverting from TANF But Not Having Health Care Coverage**

As noted above, the surveys showed that 15 percent of the failed/refusals did not have health care coverage for their children and 30 percent had no health coverage for themselves. The site visits to the local offices showed that the intake workers have procedures in place designed to help ensure that applicants who divert from TANF are enrolled in Medicaid. However, the site visits also revealed that some of the applicants who divert from TANF may do so without enrolling in Medicaid. These applicants include persons who complete the TANF intake interview but who then drop out of the process and do not bring in the required verifications. Compounding this situation is the fact that most of the failed/refusals are unable to obtain employer health insurance within a reasonable time after diverting. The surveys also show that a large percentage of the failed/refusals reported problems with access to health care.

In terms of policy implications, it may be advisable for IDHS to implement a follow-up process in the case of persons who apply for TANF but who subsequently fail to go on Medicaid or Kid Care. This follow-up may involve efforts by the local offices to reach the applicants, or mailings from IDHS to remind the applicants that they can access Medicaid or KidCare without having to meet TANF work requirements.

## **Awareness and Use of Benefits**

The surveys indicate that a significant percentage of the denied cases do not seem to be fully aware of the different benefits and programs that are available to low-income families even if they are not on TANF. These benefits include not only Medicaid and KidCare but also Food Stamps, child care subsidies, and the EITC.

One of the potential issues with the current intake process is that some applicants may drop out of the process before receiving a proper orientation about these benefits and programs. This may be especially the case with first-time applicants. Although the intake workers may be informing the applicants about other benefits and programs, it may be difficult for some applicants to absorb all of the information in a single meeting with an Intake Worker.

A potential solution to this problem would be to incorporate additional materials into the follow-up procedures recommended above. The follow-up contact or mailing could include information about Food Stamps, WIC, school lunch, subsidized child care, and the EITC, emphasizing that low-income families can access these programs without being on cash assistance. The information packet could also include general information about eligibility limits and points of contact. Again, the mail-out or other follow-up contacts would be targeted at the group of TANF applicants who do not show up for job search, who drop-out during job search, or who do not come back in to the local office to provide required verifications.

With regard to the EITC, the tax credit is a potentially valuable tool for encouraging TANF recipients to accept low-paying entry-level jobs. The credit is also an important income supplement for persons who have been denied TANF. The effectiveness of the tax credit, however, depends on whether eligible persons are aware of the credit and understand it.

## **Design of the Up-Front Job Search**

In the context of an aggressive applicant job search model, it is important that the job search include components designed to help applicants resolve barriers to employment. This will help reduce the probability that TANF applicants with barriers are inappropriately diverted without receiving needed services. Given the abbreviated time period available for applicant job search, identifying and addressing personal barriers during job search is a significant challenge.

The site visits showed that several of the local offices have developed “exemplary” up-front job search models that go beyond simple reliance on independent job search or traditional job clubs. Examples of the types of “enriched” components that have been implemented by some of the offices include the following:

- extensive use of job development and employer outreach to help place clients in suitable jobs;

- follow-up visits with employers to address any problems after placement;
- visits by employers to the job club to talk about job opportunities and job requirements;
- use of substance abuse counselors and mental health counselors at the initial job club meeting to explain services to participants and to encourage applicants to access services if needed;
- mandatory one-time meetings with substance abuse counselors to help ensure that potential problems are adequately identified;
- weekly one-on-one meetings with individual workers to review progress in the job search and to help resolve barriers to job search; and
- staffings of individual cases after the applicant has been in job search for more than 2-3 weeks.

To help ensure that local offices are using effective approaches to the up-front job search, it is recommended that IDHS compile a list and a description of these types of “best practices.” These practices can then be disseminated to all of the local offices, with an emphasis on the larger offices that actually operate job clubs. This approach may help reduce the number of applicants who are diverted without their barriers being adequately addressed.

## **Role of the Community Partners**

The site visits showed that the Community Partners are serving primarily as conduits for the issuance of Front Door funds to TANF applicants, and do not typically provide other services to applicants. The use of the Community Partners is driven primarily by the need to have an outside agency dispense the funds. The current arrangements with the Community Partners, however, are something of an inconvenience for both the applicants and the local DHS staff. In many of the localities that were visited, clients typically have to travel some distance to get to the Community Partner. Staff have to fill out paperwork for transmittal to the Community Partner and have to monitor the Community Partner accounts. In addition, many of the local offices have had difficulty recruiting and retaining Community Partners because, until January 2001, there are no funds available to cover their administrative costs. If IDHS can identify a way to dispense the Front Door funds through an internal process, it is recommended that the use of Community Partners be discontinued.

## **EXTENDED SUMMARY OF THE KEY FINDINGS**

This chapter presents a more detailed summary of the background, objectives, and key findings from the study of TANF applicants and the TANF intake process in Illinois. The study provides information on approximately 4,800 families who applied for TANF in Illinois during the summer of 2000. The study also presents findings on the operation of the TANF intake process in Illinois, including an assessment of two new policy initiatives introduced in late 1998 and early 1999 by the Illinois Department of Human Services (IDHS) -- Up-Front Job Search and the Community Partners program. These programs are designed to help TANF applicants find jobs during the application process as an alternative to going on TANF.

### **A. PROJECT BACKGROUND AND OBJECTIVES**

In April 1999, the Office of the Assistant Secretary for Planning and Evaluation (ASPE) of the U.S. Department of Health and Human Services announced the availability of funding for studies to determine the status of families applying for, entering, and leaving the Temporary Assistance to Needy Families (TANF) program. The TANF program was implemented through the national welfare reform legislation of 1996 and replaced the former Aid to Families with Dependent Children (AFDC) program. The Illinois Department of Human Services (IDHS) applied and was approved for a study of TANF applicants.

#### **1. LEARNING MORE ABOUT TANF APPLICANTS AND THEIR NEEDS**

A major goal of the study was to gather more information about TANF applicants who were not approved for assistance. The Department is committed to helping low-income families achieve and maintain self-sufficiency while providing temporary supports to families who need them. The study was designed to focus on families who come to IDHS for assistance, and to determine whether these families have the services and supports they need.

The study was to designed to track TANF applicants to better understand their circumstances at the time of application and during subsequent months. The study sought to identify the challenges that bring families to apply for cash assistance, the resources they need to provide for their families, and the services that may help them achieve long-term self-sufficiency. The study was designed to examine three major areas, as follows:

- employment and economic well-being;
- participation in public assistance programs; and
- family well-being.

#### **2. ASSESSING RECENT CHANGES IN THE TANF INTAKE PROCESS**

A second major focus of the study was to evaluate changes that IDHS had made in the TANF intake process. In late 1998 and early 1999, IDHS implemented two new initiatives designed to change the TANF intake process, as follows:

- **Up-Front Job Search:** Under this program, job-ready TANF applicants are required to seek employment during the application process. Those who do not comply with the job search requirement are denied TANF. Under the TANF intake policy, applications cannot be approved for 30 days following the date of application. The 30-day window, which was implemented in November 1998, is designed to allow applicants to conduct a complete job search before their applications are approved.
- **Community Partners Diversion Program:** Although Illinois does not have a formal lump-sum TANF diversion program, IDHS decided to establish a network of Community Partners whose role would be to assist TANF applicants in seeking alternatives to cash assistance. Job-ready TANF applicants are referred to the Community Partners, who provide funds to cover expenses for job search and initial employment. The goal of the program is to facilitate rapid entry into the workforce for TANF applicants so that cash assistance is not needed.

### 3. TRENDS IN AFDC/TANF APPLICATIONS AND APPROVALS IN ILLINOIS

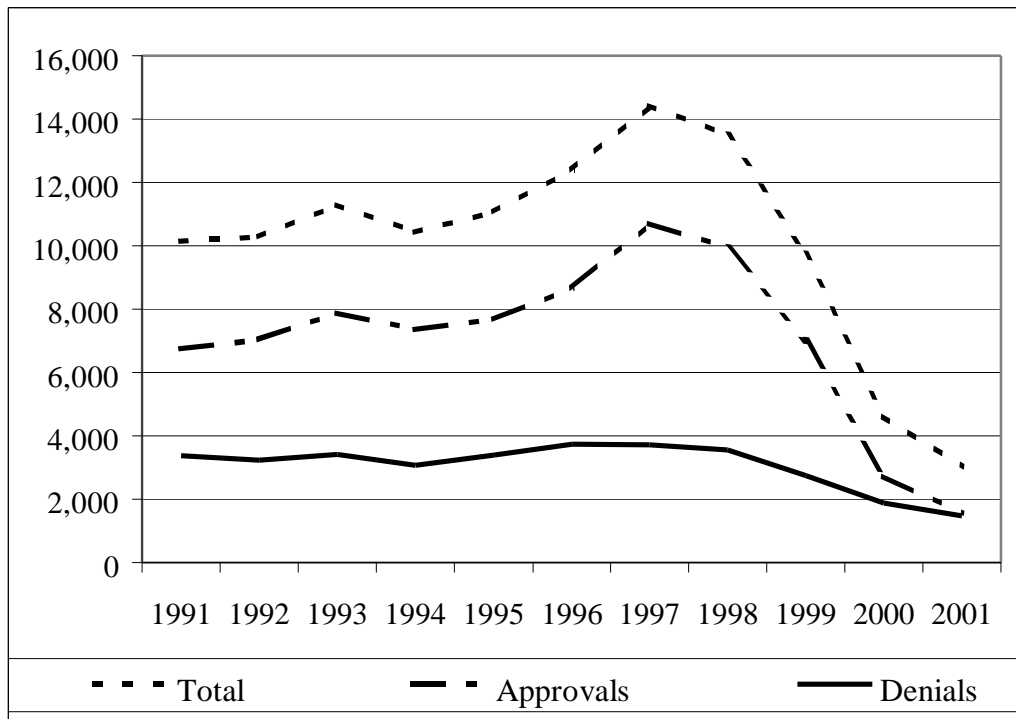
Exhibit 1 presents data on trends in average monthly AFDC/TANF applications and approvals in Illinois since 1991. As shown in the exhibit, applications increased steadily in the early 1990's, reaching a peak in 1997, when applications averaged 14,419 per month.

Since 1997, the number of TANF applications and approvals has declined significantly. Between 1997 and 2001, the average monthly number of applications fell from 14,419 to 3,037 - a decline of almost 79 percent. During the same period, average monthly approvals fell from 10,695 to only 1,557 - a decline of 85 percent. The decline in TANF applications and approvals can be credited to welfare reform in Illinois, as well as improvements in economic conditions. Effective July 1, 1997, Illinois implemented its comprehensive TANF program in response to the 1996 national welfare reform legislation. The legislation introduced a five-year time limit on TANF benefits, as well as work requirements, supportive services, and work incentives.

As indicated in Exhibit 1, the number of TANF applications and approvals declined especially rapidly between 1999 and 2001. Specifically, the average monthly number of TANF applications declined from 9,749 to 3,037, a decline of 69 percent. Approvals declined by almost 78 percent from 6,994 to 1,557.

Exhibit 2 presents data on the average monthly approval rate for AFDC/TANF applications in Illinois since 1991. The data show that the approval rate increased steadily between 1991 and 1997, reaching a peak of 74 percent in 1997. Since 1997, the approval rate has declined gradually to 71.7 percent in 1999 and then more rapidly to 51.2 percent during the first five months of 2001.

**EXHIBIT 1  
AVERAGE MONTHLY AFDC/TANF APPLICATIONS IN ILLINOIS**

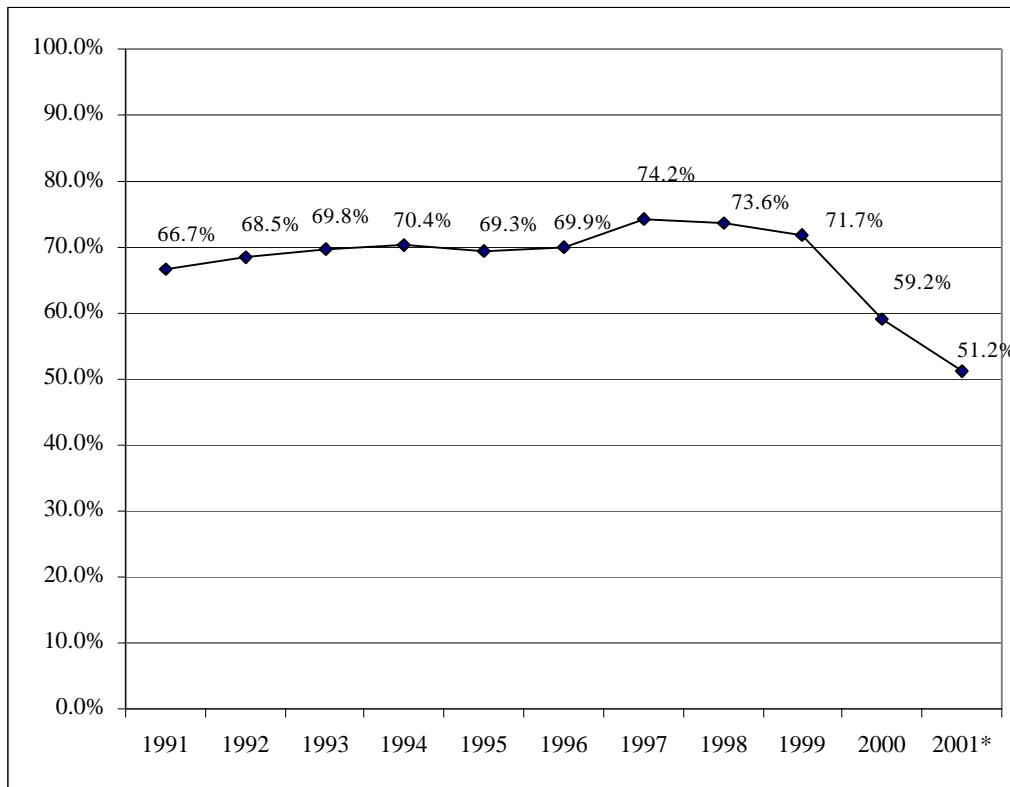


Year	Total	Applications Approved	Applications Denied
1991	10,133	6,754	3,379
1992	10,281	7,040	3,241
1993	11,284	7,872	3,412
1994	10,419	7,339	3,080
1995	11,062	7,666	3,396
1996	12,403	8,666	3,737
1997	14,419	10,695	3,724
1998	13,493	9,926	3,567
1999	9,749	6,994	2,755
2000	4,624	2,738	1,886
2001*	3,037	1,557	1,480

\* Based on data for January through May 2001



**EXHIBIT 2  
AVERAGE MONTHLY APPROVAL RATE FOR AFDC/TANF  
APPLICATIONS IN ILLINOIS\***



\*Data for 2001 are based on the period from January through May 2001

**B. STUDY DESIGN AND METHODS**

As noted, the Illinois TANF Applicant Study had the following major objectives:

- find out more about the circumstances, characteristics, and current status of families who have applied for TANF in Illinois, including cases approved for TANF as well as denied cases; and
- assess the implementation and operation of the Up-Front Job Search and Community Partner programs.

To achieve the study objectives, the following three methods were used:

- Site visits were conducted to six IDHS offices to examine the operation of the Up-Front Job Search and Community Partner programs;

- Administrative records data were analyzed on a sample of 4,823 persons who applied for TANF in Illinois during the summer of 2000; and
- Telephone surveys were conducted with a sub-sample of 1,043 persons of the 4,823 persons in the overall sample.

The overall sample of TANF applicants for the study consisted of all persons whose TANF applications were disposed of in September 2000 through an approval or a denial and who met the criteria for inclusion in one of four study groups. Applicants were excluded from the study, however, if they had not been off TANF for at least two months before their application. Cases whose denial reasons indicated that they were TANF-ineligible at the time of application (except for financial denials) were also excluded. As noted, a total of 4,823 applicants met the criteria for inclusion in the study.

The study focused on four types of TANF applicants, as follows:

- **Group 1: Approvals** -- persons whose application for TANF was approved;
- **Group 2: Withdrawals** -- persons whose application was denied because they were coded as having withdrawn their applications;
- **Group 3: Failure/Refusal Denials** -- persons whose application was denied because of failure or refusal to provide information or show up at appointments or for job search; and
- **Group 4: Financial Denials** -- persons whose applications were denied because they did not meet the financial criteria for TANF eligibility.

A sub-sample of 1,490 cases was selected from the overall sample for purposes of conducting the telephone surveys of applicants. Surveys were completed with 1,043 persons between November 2000 and April 2001, representing a response rate of approximately 70 percent.

## **C. SUMMARY OF FINDINGS FROM THE SURVEYS AND ADMINISTRATIVE DATA**

In this section, we present the major findings from the applicant surveys and from the analysis of administrative records data. In Section D, we present the key findings from the site visits to selected IDHS offices.

## **1. CHARACTERISTICS AND AFDC/TANF HISTORY OF APPLICANTS**

### **Persons Who Were Denied TANF Due to Failure or Refusal to Comply With Application Requirements Had Many of the Same Characteristics as Persons Who Were Approved for TANF**

The survey data showed that the “failed/refusals” were similar to the approvals in terms of such characteristics as education and marital status. About 41 percent of the failed/refusals had not completed high school or a GED, compared to 37 percent of the applicants whose cases were approved for TANF. By comparison, only 30 percent of the withdrawals had not completed high school.

The approved cases and the failed/refusal cases were also similar in terms of marital status. About two-thirds of the approvals and the failed/refusals had never been married. In contrast, only 51 percent of the withdrawals had never been married. About 7 percent of the failed/refusals were currently married, compared to 9 percent of the approved cases. In regard to location, about 73 percent of Cook County respondents had never been married, compared to only 50 percent of downstate respondents. Only 3.9 percent of Cook County respondents were currently married and living with their spouses, compared to 13.5 percent of downstate respondents.

### **Pregnancy Was Identified by 35 Percent of the Applicants as a Reason for Applying for TANF, Including 39 Percent of the Approved Cases and Almost 33 Percent of the Failed/Refusals**

About 35 percent of all applicants said that pregnancy was a reason why they applied for TANF. The next most common reason was loss of a job – cited by almost 27 percent as a reason for applying. In terms of the single most important reason for applying, 26 percent mentioned pregnancy and 21 percent cited the loss of a job.

About 39 percent of the persons who were approved for TANF cited pregnancy as a reason for applying. This compares to 32.6 percent of the failed/refusals, 25 percent of the withdrawals, and 24 percent of the financial denials. Job loss was mentioned by 32 percent of the withdrawals and failed/refusals as a reason for applying, but by only 22 percent of the approvals.

### **About 54 Percent of the Applicants Said That They Had Been on Cash Assistance Before, Including 56 Percent of the Denied Cases**

About 54 percent of the survey respondents reported that they had been on cash assistance before they applied for TANF in the summer of 2000, either in Illinois or another state. The surveys showed that 52 percent of the approvals had been on AFDC or TANF before, compared to 55 percent of the withdrawals, and almost 57 percent of the failed/refusals. Surprisingly, the financial denials were the most likely to have been on

AFDC/TANF before (60 percent). Cook County respondents and downstate respondents did not differ in the percentage of applicants who reported being on AFDC or TANF before.

About 51 percent of the applicants who had been on AFDC or TANF before reported that they had first begun receiving assistance before 1996. These respondents represent almost 28 percent of all survey respondents. About 56 percent of the approvals who had previously been on AFDC or TANF had been on before 1996. This compares to 54 percent of the withdrawals, 43 percent of the failed/refusals, and 58 percent of the financial denials.

### **The Administrative Data Show That, Except for the Withdrawals, There Was Not Much Difference Among the Applicant Groups in the Percentage Who Received TANF in Baseline Period**

The administrative data indicate that 24 percent of all the applicants were on TANF in October 1998. In the baseline period before July 2000, the withdrawals were receiving TANF at much lower rates than the other three applicant groups. For example, only 13.5 percent of the withdrawals had been on TANF in October 1998, compared to 25-27 percent of the other three groups.

In the baseline period before July 2000, the Cook County sample members were receiving TANF benefits at a much higher rate than downstate families. In October 1998, 28 percent of the Cook County sample were on TANF, compared to only 18 percent of the downstate sample.

### **3. EMPLOYMENT STATUS AT THE TIME OF APPLICATION**

#### **About 19 Percent of the Applicants Reported That They Were Working or on Leave from a Job When They Applied for TANF**

A relatively high percentage (33 percent) of the financial denials had jobs or were on leave from jobs when they applied, compared to only 17 percent of approvals, 24 percent of withdrawals, and 21 percent of failed/refusals. A relatively high percentage of downstate respondents (26 percent) were working or on leave from a job when they applied for TANF, compared to only 13.7 percent of Cook County respondents.

Almost 62 percent of the applicants who were *not* working at the time of their application for TANF said that they had worked at some time in the 12 months before applying.

#### **About 30 Percent of the Respondents Who Were Not Working at the Time of Application For TANF Cited Pregnancy as a Reason**

Pregnancy was cited by 34 percent of the approvals, compared to only 21 percent of the withdrawals. The next most common reason for not working was physical health problems – cited by 21 percent of respondents who were not working when they applied.

## 4. JOB SEARCH DURING THE APPLICATION PROCESS

### **About 24 Percent of All Respondents Reported that They Received Help in Finding Jobs or in Being Referred to Jobs While Their Applications Were Being Considered. However, Only 18 Percent of the Failed/Refusals Received Help**

About 28 percent of the approvals and the financial denials reported receiving help in finding jobs, compared to only 15.4 percent of the withdrawals and 17.8 percent of the failed/refusals. The reason for this may be that most of the withdrawals and failed/refusals did not stay in the application process long enough to receive services.

Overall, 27 percent of the respondents reported that they received advice on how to look for jobs, including 32 percent of the approvals. About 15 percent of the applicants reported that they received help paying for gas, bus fare, or cab fare, including 22 percent of the approvals. About 18 percent reported that they had received help with child care, including 22 percent of the approvals. Relatively few respondents reported receiving help with car repairs (2.7 percent), paying for clothing (4.3 percent), and paying for rent or utilities (5.8 percent).

Cook County respondents received services at a much higher rate than downstate respondents, including help in finding jobs, advice on job applications and resumes, help in paying for transportation, and help in finding child care. Part of the reason for this may be that Cook County had a higher percentage of approved cases than downstate counties.

### **About 28 Percent of the Respondents Who Got Help Finding Job Openings Indicated That the Service Helped Them Get a Job**

In addition, about 38 percent of the respondents who had received help with finding jobs thought that the service had helped them to stay off TANF. The failed/refusals were generally less likely than the other denied groups to think that services they had received had helped them in staying off TANF.

### **About 32 Percent of the Applicants Said That They Had Been Required to Participate in Job Search While their Application Was Being Considered, Including 33 Percent of the Approvals. However, Only 65 Percent of the Applicants Who Were Required to be in Job Search Were Able to Meet the Requirements**

About 32 percent of the survey respondents reported that they had been required to participate in job search or a job club while their applications were being considered. The percentage was highest for the financial denials (39 percent) and lowest for the withdrawals (24.0 percent). About 33 percent of the approvals said that they were required to take part in job search while their application was being considered.

About 38 percent of Cook County respondents reported that they were required to take part in job search, compared to only 24 percent of downstate respondents. This may be due to

the large percentage of approvals in Cook County (denials and withdrawals are more likely to drop out of the application process without going through job search).

Of the respondents who reported that they were required to participate in job search or a job club while their TANF application was being considered, 65 percent said that they were able to meet the requirement.

## **Of the Respondents Who Reported That They Were Required to Participate in Job Search, 16 Percent Reported That They Obtained a Job as a Result**

Overall, 16.5 percent of the applicants who were required to take part in job search said that they found a job directly as a result of the job search. It should be noted, however, that some applicants may also have decided to obtain jobs on their own in response to the job search requirement.

About 44 percent of the financial denials who were required to be in job search reported that they found a job directly as a result. This compares to only 8.8 percent of failed/refusals. Almost 25 percent of the downstate respondents who were required to participate in job search or a job club reported obtaining a job as a result, compared to only 12 percent of Cook County respondents.

Almost 24 percent of the respondents who were required to participate in job search thought that DHS could improve the job search by having more or better job listings. About 21 percent recommended more help with transportation, but only 6 percent mentioned more help with child care. Cook County respondents were more likely than downstate respondents to see a need for more or better job listings and for more child care.

## **5. EMPLOYMENT STATUS AND EARNINGS AT THE TIME OF FOLLOW-UP**

### **About One-Third of the Applicants Were Working at the Time of the Follow-Up Surveys**

In combination, 33.5 percent of the respondents had jobs at the time of the surveys. The rate of employment was highest among the financial denials (55 percent), followed by the withdrawals (41 percent), the failed/refusals (36 percent) and the approvals (almost 30 percent).

About 41 percent of downstate respondents were employed at the time of the surveys. In comparison, only 24.5 percent of the Cook County respondents were employed. The relatively low rate of employment among Cook County respondents was partly due to the fact that a high percentage of these respondents consisted of approvals.

## **The UI Earnings Data Show That in Any Given Quarter of the Baseline Period, About 45-50 Percent of the Sample Members Had UI Earnings. About 41 Percent Had UI Earnings in the Last Quarter of 2000.**

Between 45 and 50 percent of the sample members had UI earnings in any given quarter of the baseline period. In the fourth quarter of 2000 – the last quarter for which data were available – about 41 percent of the sample members had earnings. This is higher than the 33 percent employment rate reported by the survey respondents. The difference may be due to the fact that the UI data capture any type of employment that occurs during the quarter, while the surveys ask about employment at the time of the surveys. The UI data show that 48 percent of downstate cases had earnings during the fourth quarter of 2000, compared to 36 percent of the Cook County cases.

## **Of the Respondents not on TANF at the Time of the Surveys, 44 Percent Were Employed**

About 44 percent of the respondents who were not on TANF at the time of the surveys were employed, compared to 19.6 percent of the respondents who were on TANF. Among respondents not on TANF, 55 percent of the financial denials were employed, compared to 49 percent of the approvals, 42 percent of the withdrawals, and 40 percent of the failed/refusals.

## **About 53 Percent of the Respondents Were Either Working Themselves or Living With an Employed Adult, Including 61 Percent of Those Not on TANF**

At the time of the surveys, about 53 percent of the respondents were either working or living with an employed adult, including 72 percent of the financial denials, 55 percent of the failed/refusals, 59 percent of the withdrawals, and 50 percent of the approvals. Of the respondents who were not on TANF, 61 percent were employed or living with an employed adult. About 15 percent of the respondents reported no income coming into the household (not counting TANF or Food Stamps), including almost 21 percent of the failed/refusals.

Almost 16 percent of the respondents reported that their household income included SSI/SSDI benefits. About 12 percent of the respondents reported that they were receiving help from family or friends in paying bills, including 17 percent of the failed/refusals. About 19 percent of the respondents reported that their household income was lower than when they applied for TANF, and 32 percent said that it was higher.

## **Employment Rates Varied by Education and Ethnicity**

Less than 22 percent of the applicants who had not completed high school or a GED were working at the time of the surveys. This compares to 40 percent of respondents who had completed high school. Almost 44 percent of whites were employed, compared to only 29 percent of blacks, and 34 percent of Hispanics. This pattern may partly be due to the fact that blacks accounted for a relatively large percentage of the approved cases.

## **Almost 41 Percent of Employed Respondents Were Working 40 or More Hours Per Week**

Almost 41 percent of the employed respondents (13.7 percent of *all* respondents) were working 40 or more hours per week. Overall, 73 percent of employed respondents (24.6 percent of *all* respondents) were working 30 or more hours per week.

Almost 36 percent of employed respondents were working non-traditional daily schedules involving evening hours or night shifts. Almost 27 percent of employed respondents were working all or most weekends, and another 25 percent often worked on weekends.

## **About Half of the Employed Respondents Were Earning More Than \$1,000 per Month, but 12 Percent Were Earning \$500 or Less**

About 52 percent of the employed respondents were earning more than \$1,000 per month, while 12.5 percent were earning \$500 or less per month. Mean earnings were highest among the approvals, followed by the failed/refusals, the withdrawals, and the financial denials. About 17 percent of employed Cook County respondents were earning \$500 or less per month, compared to only 9 percent of employed downstate respondents.

## **Earnings Among Persons Who Had Attended College Were 45 Percent Higher than Earnings Among High School Drop-Outs**

Earnings varied by education. Employed respondents who had not completed high school had lower average monthly earnings (\$824) than respondents who had completed high school only (\$1,117) and those who had attended a two-year or four-year college (\$1,194). Average monthly earnings among respondents who had attended college were 45 percent higher than earnings among those who had not completed high school.

## **About 48 Percent of Currently Unemployed Respondents Reported That They Had Worked at Some Time in the Prior 12 Months**

Unemployed respondents who had been denied TANF for financial reasons were much more likely to have worked in the past year (79 percent) than respondents from other applicant groups. In addition to the 52 percent who had not worked in the past year, 22 percent of the unemployed respondents reported that they had worked for only 1-3 months in the past year, and another 12 percent had worked for only 4-6 months.

Almost 57 percent of the unemployed respondents who had worked in the past year reported that they had quit their last job. The most common reason given for quitting was pregnancy – cited by 30 percent of those who had quit a job. The next most common reason was health problems – mentioned by 21 percent of those who had quit their job.

About 51 percent of currently unemployed respondents reported that they were looking for work. About 65 percent of the respondents who said they were looking for work had contacted an employer in the past two weeks.



## 6. REASONS FOR NOT WORKING

### **About 23 Percent of Unemployed Respondents Cited Physical or Mental Health Conditions as the Most Important Reason for Not Working**

About 17 percent of unemployed respondents cited their own physical health problems as the most important reason for not working. Another 2.1 percent cited mental health problems, and another 3.4 percent mentioned the health problems of a child or other family member. In combination, these three factors were cited by 23 percent of the unemployed respondents as the most important reasons for not working. The next most common factors were not being able to find a job close to home (14 percent), problems with child care (12 percent), and preferring to stay home with children (12 percent).

Among respondents on TANF at the time of the survey, the most important reason for not working was physical health problems (22 percent). Among respondents not on TANF, the most important reason for not working was not being able to find a job close to home (14 percent).

## 7. KNOWLEDGE AND USE OF THE EARNED INCOME TAX CREDIT

### **Almost 66 Percent of the Respondents Reported That They Had Heard of the Earned Income Tax Credit, but Knowledge and Use of the Tax Credit Varied Among Different Types of Applicants**

Blacks and whites were equally likely to have heard of the tax credit, but slightly less than 40 percent of “other” respondents had heard of the tax credit (44.8 percent of the “other” respondents were Hispanic). Only 55 percent of respondents who had not completed high school had heard of the tax credit, compared to 71 percent of respondents who had completed high school only, and 85 percent of those who had attended college.

About 77 percent of the respondents who had heard of the credit reported that they understood it. Overall, 51 percent of all respondents had heard of the credit *and* understood it.

Almost 60 percent of the respondents who had heard of the EITC said that they had actually used the tax credit. Overall, 41 percent of all respondents had heard of the credit *and* used the credit. Almost 46 percent of downstate respondents had heard of and used the tax credit, compared to only 37 percent of Cook County respondents.

### **Only 56 Percent of Working Respondents Had Used the Tax Credit**

About 77 percent of working respondents indicated that they had heard of the tax credit, and 56 percent had used it. The large majority of these respondents should be eligible for the credit, based on their reported income and family composition.

## 8. HEALTH CARE COVERAGE AND ACCESS

### **About 83 Percent of the Survey Respondents Reported That Their Children Were Covered by Medicaid or Kidcare, but Almost 8 Percent Had a Child Without Health Coverage, Including 15 Percent of the Failed/Refusals**

The percentage of respondents who had children covered by Medicaid or KidCare was highest among the approvals (91 percent) and lowest among the failed/refusals (71 percent). Another 4.8 percent of all respondents said that their children were covered through other health insurance.

Almost 8 percent of all respondents reported that they had at least one child living with them who was not covered by health insurance. About 15 percent of the failed/refusals reported that they had at least one child without health insurance.

About 47 percent of the respondents whose children were not enrolled in Medicaid thought that families could get Medicaid coverage even if they were not on TANF. Among all respondents, 37 percent had not heard of the KidCare program.

### **About 18 Percent of the Applicants Reported That They Did Not Have Health Coverage for Themselves, Including 30 Percent of the Failed/Refusals**

About 75 percent of all respondents reported that they had Medicaid coverage for themselves. The percentage was lowest among the failed/refusals (63 percent) and the withdrawals (67 percent). About 18 percent of the respondents reported that they had no health coverage for themselves, including 30 percent of the failed/refusals.

Almost 46 percent of the employed respondents reported that their employer had a health plan. However, only 35 percent of the respondents who were working for an employer with a health plan were enrolled in the plan, including 40 percent of downstate respondents but only 26 percent of Cook County respondents.

### **The Administrative Data Show that About 75 Percent of the Sample Members Were on Medicaid in April 2001, But Only 58 Percent of the Failed/Refusals and 47 Percent of the Withdrawals Were on Medicaid**

The data show that rate of Medicaid participation among the sample rose slowly from 36 percent in October 1998 to 41 percent in November 1999, and then increased more rapidly to 57 percent in July 2000. During the baseline period, Medicaid participation was highest among the financial denials and lowest among the withdrawals.

In April 2001, 75 percent of all the applicants were on Medicaid, including 91 percent of the approvals, 58 percent of the failed/refusals, 81 percent of the financial denials, and 47 percent of the withdrawals.

## **Almost 30 Percent of All Respondents Reported That There Had Been Times in the Past Year When They Needed Medical Care for Themselves or a Family Member But Could Not Afford to Pay for It. About 6 Percent Said They Had a Condition That Went Untreated**

The percentage who reported problems with health care access in the past year was highest among the failed/refusals (38 percent). About 19 percent of all respondents reported that there had been times *since they applied for TANF* when they needed medical care but could not afford it. The percentage for the failed/refusals was almost 29 percent.

Among the respondents who reported problems paying for medical care, the medical condition cited most often was pregnancy and related ob/gyn conditions – mentioned by 20 percent of the respondents who could not afford medical care. The next most common medical conditions were colds/influenza (17 percent) and respiratory problems (16.5 percent).

About 42 percent of the respondents who reported problems paying for medical care said that they received the medical care but did not pay for it. Another 35 percent borrowed money or paid for the care in installments. About 19 percent of the respondents who reported problems indicated that the condition went untreated. Overall, 5.7 percent of all respondents reported that there had been occasions in the past year when they had a medical condition that went untreated because they could not pay for care.

## **9. FOOD STAMP PARTICIPATION AND FOOD SECURITY**

### **About Two-Thirds of All Survey Respondents Reported That Someone in Their Household Was Receiving Food Stamps at the Time of the Surveys, Including 58 Percent of Those not on TANF**

About 66 percent of the all survey respondents said that someone in their household was on Food Stamps, including 57.6 percent of those not on TANF. The percentage was highest among the financial denials (80 percent) and lowest among the failed/refusals (61 percent). About 43 percent of the respondents who were not on Food Stamps reported that they had applied for Food Stamps but been found ineligible due to income or assets. About 8 percent did not think they would be eligible and another 11 percent did not want to deal with the paperwork or other requirements. About 25 percent of the failed/refusals gave one of these two responses. About 54 percent of the respondents who reported that they were *not* currently on Food Stamps thought that persons could get Food Stamps even if they were not on cash assistance.

About 45 percent of all respondents reported that they were currently receiving WIC benefits, and about 51 percent of all respondents reported that their children were in the school lunch program.

**The Administrative Data Indicate That the Level of Food Stamp Participation Among the Sample Was Relatively Stable at About 25-26 Percent Between October 1998 and June 2000. In April 2001, the Food Stamp Participation Rate Stood at 39 Percent.**

In each month of the baseline period, about 25-27 percent of the sample members were on Food Stamps. The withdrawals had much lower rates of Food Stamp participation than the other three applicant groups. It appears from the data that a relatively small percentage of the failed/refusals and the withdrawals actually went on Food Stamps at the time when they applied for TANF. For example, the percentage of failed/refusals who went on Food Stamps peaked at 40 percent in August 2000. The percentage for the withdrawals reached a high of 32 percent in September 2000.

In April 2001, the rate of Food Stamp participation was highest among the approvals (46 percent) and the financial denials (49 percent) and lowest among the failed/refusals (33 percent) and the withdrawals (23 percent).

**Almost 28 Percent of the Applicants Reported That There Had Been Times in the Past Year When They Had to Cut the Size of Meals or Skip Meals Due to Lack of Money. The Percentage Was Highest Among the Failed/Refusals (35 Percent). However, only 3 Percent of all Respondents Reported Using Food Pantries.**

Overall, almost 22 percent of all respondents reported that there had been times *since applying for TANF* when they had to cut the size of meals or skip meals. The percentage for the failed/refusals was 29 percent. Almost 44 percent of the respondents who reported problems buying food since applying for TANF indicated that it had happened every month. Almost 83 percent of the respondents who reported problems buying food in the last year had dealt with the situation by getting food or money from relatives or friends. About 5 percent of the respondents who reported problems buying food said they went hungry. Applying this 5 percent to the 28 percent who had problems affording food, we find that 1.4 percent of all respondents had gone hungry in the past year. Only 3 percent of the respondents reported that they were receiving help with meals from food shelters.

## **10. OTHER HARDSHIPS EXPERIENCED SINCE APPLYING FOR TANF**

**In Terms of Other Hardships, There Was a Slight Increase in the Percentage of Respondents Who Experienced Minor Hardships Since Applying for TANF**

About 37 percent of the respondents reported that there had been times when they had fallen behind in rent payments since applying for TANF. About 31 percent reported that they had fallen behind in payments *before* they applied. The approvals were the least likely to have fallen behind in rent since applying (33 percent). The failed/refusals (42 percent) and the financial denials (44 percent) were the most likely.

About 11 percent of the respondents reported that they had been forced to move since applying for TANF because they could not pay for housing. About the same percentage had

been forced to move in the period before they applied. The failed/refusals (17 percent) were the most likely to have been forced to move since applying.

Almost 24 percent of the respondents reported that they had to stay with relatives or friends at some point since applying for TANF because they could not pay for housing. This compares to almost 28 percent in the period before applying for TANF. The percentage was highest among the failed/refusals (30 percent) and the financial denials (30 percent).

Only 1.6 percent of the respondents reported that there had been times since applying when they had to live in a car or on the streets. Only 3.5 percent said that they had stayed in a homeless shelter since applying. Less than one percent of the respondents reported that, either before or after applying for TANF, they had to place their children in foster care. About 3.1 percent of the respondents reported that, since applying for TANF, they had to send their children to live with someone else. This compares to 3.5 percent for the period before applying for TANF.

About 10 percent of the respondents reported that there had been times since applying for TANF when they had to go without heat, electricity, or water. This compares to 8.7 percent in the period before they applied for TANF. The failed/refusals (13 percent) were somewhat more likely than other applicant groups to report that there had been times since applying when they had to go without heat, water, or electricity.

## **11. HOUSING SITUATION AND LIVING ARRANGEMENTS AT FOLLOW-UP**

### **About 46 Percent of the Applicants Were Living in Public Housing, Section 8 Housing, or Rent-Free with Family or Friends**

At the time of the surveys, about 11 percent of all respondents were living in Section 8 housing, and another 12 percent were living in public housing. About 22 percent reported that they were living rent-free with a friend or relative. A relatively high percentage of the failed/refusals (28 percent) and the financial denials (27 percent) reported that they were living rent-free with relatives or friends. About 17 percent of respondents reported that their housing situation had changed since applying for TANF.

Almost 15 percent of downstate respondents reported that they were living with the father/mother of their child(ren), compared to only 3.4 percent of Cook County respondents. Overall, about 92 percent of the respondents had a child under the age of 13, indicating that most respondents had a potential need for child care.

## **About 52 Percent of the Respondents Reported That There Was at Least One Other Adult Living in Their Household at the Time of the Survey**

About 52 percent of the respondents said that they were living with at least one other adult, suggesting that many respondents were having to rely on shared living arrangements. In addition, 17 percent reported that there were two or more adults.

## **12. USE OF CHILD CARE AT FOLLOW-UP**

### **Half of the Respondents With Young Children Were Using Child Care at the Time of the Survey. About 25 Percent of the Respondents Who Were not Using Child Care Reported That They Could not Afford to Pay for Child Care, Including One-Third of the Failed/Refusals**

About half of the respondents with children under 13 were using child care at the time of the survey. Of those who were *not* using child care, one quarter said that they could not afford child care. About one-third of the failed/refusals who had children under 13 but who were not using child care said that they could not afford child care. About 29 percent of Cook County respondents who had children under 13 but were not using child care said that they could not afford it, compared to 20 percent of downstate respondents.

### **Of the Respondents Who Were Using Paid Child Care, About 64 Percent Were Receiving Help from the State in Paying for Care**

About 61 percent of the respondents who were using child care were using paid care. Of these, about 64 percent reported that they were receiving help from the state. Of the respondents who were using paid child care, about 14 percent reported that they had out-of-pocket costs of more than \$50 per week.

Almost 29 percent of the respondents who were currently using child care were using a *paid* relative or friend who was not living in the home. The next most common type of provider was an *unpaid* relative or friend not living in the home (26 percent). Another 23 percent were using a paid or unpaid relative or friend who was living in the home, 20 percent were using a child care center, and 3 percent were using a family day care home.

### **About 47 Percent of All Respondents With Children Under 13 Knew That Families Could Get Help Paying for Child Care Even If They Are No Longer on Cash Assistance**

Almost 45 percent thought that families could not get assistance with child care, and another 8 percent were not sure. Almost 51 percent of the failed/refusals did not think that families could get help paying for child care, and another 5.5 percent were not sure. About 42 percent of all respondents with children under 13 reported that they had heard of the Child Care Resource and Referral Agency.

Almost 17 percent of the unemployed respondents with children under 13 reported that child care would be a major problem if they wanted to go to work, and 11 percent said that it would be something of a problem.

### **The Administrative Data Show that the Percentage of Sample Members Who Used Subsidized Child Care Increased from Less Than 2 Percent at the Time of the TANF Application to 14 Percent in January 2001**

The data show that very few of the sample members (1-2 percent) were using subsidized child care at the time of application for TANF. The percentage increased to 5 percent in December 2000 and to 14 percent in January 2001. The average subsidy amount in January 2001 was \$210.

## **13. TRANSPORTATION ISSUES**

### **At the Time of the Surveys, Almost 28 Percent of all Respondents Reported That They Owned a Vehicle, Including 48 Percent of the Financial Denials, 44 Percent of the Withdrawals, 26 Percent of the Approvals, and 26 Percent of the Failed/Refusals**

Vehicle ownership was much higher among downstate respondents (45 percent) than Cook County respondents (14 percent). Almost 89 percent of the vehicle owners reported that their vehicle worked, but 33 percent reported that their vehicle was not insured. About 35 percent of employed respondents reported that they drove their own vehicle to work, while 16 percent got rides from family or friends. About 32 percent of the employed respondents reported that they used public transportation. About 26 percent of the respondents who were *not* currently working reported that transportation would be a problem if they were to look for a job today.

## **14. CHILD SUPPORT**

### **About 8 Percent of All the Withdrawal/Denial Cases Said They Were Receiving Child Support Payments Every Month or Almost Every Month**

Almost 31 percent of the withdrawals and denials reported that a child support order had been established for their child(ren). Of the respondents with child support orders, one-third indicated that they received regular or occasional payments (about 10 percent of all respondents). Persons who had withdrawn their applications were about twice as likely to be receiving child support as the failed/refusals. Of the 10 percent of respondents who were receiving child support regularly or occasionally, 77 percent said that they received the payments every month or every other month.

## **The Administrative Data Indicate that Almost 8 Percent of the Sample Members Received Child Support Payments in March 2001 -- Not Much Higher than in July 2000**

The administrative data on IV-D child support payments largely support the findings of the surveys that 7-8 percent of the sample members were receiving child support in any given month. The data also indicate that 7.7 percent of sample members received child support in March 2001. The percentage had not increased greatly since July 2000, when it stood at 6.3 percent. Almost 12 percent of the withdrawals received a child support payment in March 2001, compared to about 7 percent for each of the other three types of applicants.

## **15. DOMESTIC VIOLENCE, MENTAL HEALTH, AND SUBSTANCE ABUSE**

### **Almost 9 Percent of the Respondents Had Been Victims of Domestic Violence by a Current or Former Spouse or Partner in the Past Year, Including 12 Percent of Downstate Respondents and 5 Percent of Cook County Respondents**

The percentage for each applicant group was as follows: approvals: 7.6 percent; withdrawals: 9.2 percent; failed/refusals: 9.6 percent; and financial denials: 11.6 percent. About 12 percent of all downstate respondents said that they were the victims of domestic violence in the past year, compared to only 5.4 percent of Cook County respondents.

Almost 58 percent of the respondents who had been a victim of domestic violence in the past year had received domestic violence counseling, including 62 percent of the downstate respondents and 50 percent of the Cook County respondents. About 32 percent of the respondents who reported that they had experienced domestic violence in the past year *and* who had received domestic violence counseling said that they were referred by the welfare office.

### **About 13 Percent of All Respondents Reported That They Had Received Mental Health Counseling at Some Time, and 8 Percent Said They Had Received Counseling for Substance Abuse Problems**

Almost 17 percent of the downstate respondents reported that they had received mental health counseling, compared to only 10 percent of Cook County respondents. Almost 23 percent of the respondents who had received mental health counseling reported that they were referred by the welfare agency.

Almost 8 percent of the respondents reported that they had received counseling or other treatment for drug or alcohol problems. About 19 percent of these respondents reported that they were referred by the welfare agency.



## 16. SERVICES NEEDED

### **With Regard to Future Services, Respondents Reported that the Most Valuable Service Would Be Help Getting a Better Job**

The services that were most commonly identified by respondents as being potentially “very helpful” to them in the future were as follows: placement in a job with better pay or advancement (63.4 percent); help in finding jobs with convenient work hours (57.4 percent); and help in finding jobs with health benefits (56.5 percent); help with transportation (53.4 percent); help with job training or education (52.6 percent); help paying for child care (51.9 percent); help getting child support (43.1 percent); and help finding reliable child care (40.7 percent)

## 17. TANF STATUS AT FOLLOW-UP

### **The Administrative Data Show That Only 58 Percent of the Approved Cases Were Still on TANF in April 2001. About 11 Percent of the Failed/Refusals Were on TANF in April 2001.**

The administrative data show that 42 percent of the applicants who had been approved for TANF in September 2000 were no longer on TANF in April 2001. In contrast, 11 percent of the failed/refusals, 7.5 percent of the financial denials, and 4.9 percent of the withdrawals were on TANF in April 2001.

## D. SUMMARY OF FINDINGS FROM THE SITE VISITS

The major findings from the site visits to the local DHS offices are summarized below.

### **The Local Offices Have Effectively Transformed the TANF Intake Process to Emphasize Work Requirements, Time Limits, and Self-Sufficiency**

The offices that were visited for the study have aggressively transformed the TANF intake process to emphasize self-sufficiency rather than the traditional focus on eligibility processing. For example, during one of the intake interviews that we observed, the applicant was advised by the Intake Worker that “TANF is not a way of life but a way to become financially independent” and that applicants now have to “start focusing on how to solve their problems.”

As part of the new approach, the Intake Workers have been trained to conduct a comprehensive intake interview that includes an “orientation” component and a family assessment. The intake interview includes an explanation of the work requirements that the applicant must meet if approved for TANF, including sanctions for non-compliance and the need to accept community service jobs if a paid job is not obtained. The Intake Worker also emphasizes the fact that the applicant will be required to accept any suitable job.

## **The Local Offices Have Implemented an Aggressive Model for Applicant Job Search**

In the offices that were visited, TANF applicants who decide to proceed with their applications are told that they must begin their job search immediately. In the larger offices where job clubs are held as part of the up-front job search, this means showing up at the next scheduled job club – usually within 2-3 days after applying for TANF. Applicants are told that they must make contact with a certain number of employers each week – typically 10 contacts. In addition, the applicants are typically required to come into the office at least once per week during the up-front job search to meet with their Intake Worker. The goal of these meetings is to review the applicant’s progress in searching for jobs.

Another common practice is that fraud investigations are routinely conducted on TANF applicants. In some offices, the Intake Workers refer all TANF applicants for fraud investigations. In other offices, the decision to refer cases is left up to the Intake Worker, but many cases are referred. The primary goal is to uncover situations where the applicant has not disclosed income or where the applicant has not provided accurate information about residency or living arrangements.

The workers who were interviewed at the local offices were supportive of the new up-front job search model. They felt that it gave them the opportunity to start working with applicants earlier in the process. They also believed that the up-front job search was an effective tool for getting the message across that applicants were now expected to look for work. In addition, the workers believed that the up-front job search was valuable as an assessment tool for identifying barriers that are not immediately apparent.

## **Many Applicants Decide to Divert from TANF When They Learn of the New Requirements or Do Not Show Up for the Up-Front Job Search**

According to local staff, many TANF applicants drop out of the application process when they learn of the work requirements. In some cases, applicants may inform the Intake Worker that they do not want TANF benefits. In other cases, the applicant may complete the application but not provide needed verifications within the required 10-day period.

In some cases, the applicant completes the application and provides the required verifications but does not show up for the job club. In other cases, the applicant shows up for one or two sessions of the job club (or meetings with the intake worker) but then drops out of the job search process.

The local staff believed that the up-front orientation, coupled with the job search requirement, was effective in encouraging persons to divert from TANF if they did not really need to be on cash assistance. Another group of applicants who are likely to divert are those who are concealing information from DHS about income, living arrangements, or resources. These applicants do not need to be on cash assistance, and typically divert when they learn about the work requirements.

## **Based on the New Intake Procedures in Place in the Local Offices, Some of the TANF Applicants May Be Diverting Without Receiving Needed Employability Services**

While the majority of applicants who divert from TANF in the local offices are probably employable persons who do not want to deal with the TANF work requirements, some of the diverters may have unresolved barriers to employment. On the one hand, applicants who participate in the up-front job search are given the opportunity to address employment barriers and are also provided with job referrals and information on how to search for jobs. They are also able to take advantage of the networking with other applicants about job leads. However, under the new intake procedures, some TANF applicants withdraw their applications when they learn of the work requirements, and many applicants complete the application but do not show up for the up-front job search. It is possible that some of these applicants are persons who have unresolved barriers and do not feel that they can comply with the job search requirements. It is also possible that some of these applicants would benefit from participating in job club activities in terms of addressing barriers and finding out about job opportunities.

## **Under the New Intake Procedures, Some Applicants May Be Foregoing Medicaid Benefits to Which They Are Entitled**

In each of the local offices, the staff had procedures in place to make sure that TANF applicants knew about Medicaid, KidCare, and other benefits even if they opted not to go on cash assistance. For example, intake workers clearly explained that applicants could apply for Medicaid and Food Stamps even if they did not want to be on TANF. In addition, applicants who told the worker during the intake interview that they no longer wanted to go on TANF would automatically have their applications “progressed” to Medicaid and Food Stamps. Also, many of the TANF intakes are actually “swaps” consisting of clients who are already on Medicaid and who now wish to access TANF benefits.

Under current procedures, however, there is a segment of the TANF applicant population that may be diverting from TANF without accessing needed Medicaid benefits even though they are eligible. These are applicants who do not inform the Intake Worker that they wish to withdraw their TANF applications but who subsequently do not bring in their required verifications and do not show up for the up-front job search. The intake worker cannot progress these applications to Medicaid without the needed verifications. It is not known what percentage of TANF applicants fall into this category. However, it is possible that some of the TANF applicants who drop out of the process may not fully understand that they can get Medicaid and KidCare without having to go on TANF and comply with work requirements. The same general observation may also be true for Food Stamp benefits and subsidized child care.

## **Many TANF Applicants Are Exempted from Up-Front Job Search Due to Pregnancy, Young Children, or Medical Barriers**

Although the local offices have successfully transformed the TANF intake process to emphasize self-sufficiency, it should be noted that many TANF applicants are exempted from the up-front job search requirement. The major reasons are that the applicant is in the final stages of pregnancy, or that the applicant has a child under 1, or that the applicant has some other type of medical barrier. This may partly explain why a large percentage of the survey respondents reported that they had not been required to take part in job search. Based on the site visits, the local offices appear to be doing an effective job of ensuring that claims for medical exemptions are valid and are properly documented by doctors' statements.

## **The Up-Front Job Search Models in the Local Offices Emphasize Job Development and Barrier Resolution, Not Simply Independent Job Search**

The local offices have generally done an effective job of developing "enriched" components to their up-front job search activities, instead of relying largely on independent job search. Each of the larger offices conducts weekly job clubs. In addition, applicants are typically required to show up for one-on-one meetings with their workers once per week to discuss the progress of their job search and to review barriers to employment. Also, most of the local offices have incorporated a job development and employer outreach component to their up-front job search. Under this approach, efforts are made to link applicants with specific employers, many of whom have successfully worked with TANF recipients in the past.

Some of the offices have special components to help applicants who may have barriers. For example, one of the local offices requires all job club participants to meet with a substance abuse counselor at their first meeting. As part of the job club format, this counselor provides an overview of the services that are available to applicants. The same office also has a mental health counselor speak at the first meeting of the job club. Another local office conducts "staffings" on TANF applicants who have been in up-front job search for more than two weeks without finding a job. The goal is to determine whether the applicant may have undiagnosed or unresolved problems and to identify needed services.

The workers at the local offices felt that they were generally very successful in placing job-ready applicants in jobs as a result of the up-front job search. At most of the offices, it was reported that few job-ready applicants make it through up-front job search without getting a job. On the other hand, there was some concern about the ability of workers to identify applicants who have substance abuse problems and to help resolve these problems.

In general, the use of "enriched" components helps to address concerns that TANF applicants may be placed in job search without any attention to employment barriers.

## **The Role of the Community Partners is Limited Largely to Processing the Front Door Funds**

At the locations where site visits were conducted, the role of the Community Partner was limited largely to processing Front Door funds for TANF applicants. Although most of the Community Partners were community-based agencies that provide extensive services for low-income populations, they typically did not get involved in providing services to the TANF applicants who were referred for Front Door funds. For the most part, the local DHS office made decisions about the amount of funds to be authorized for specific applicants, and also determined the use of the funds. The role of the Community Partner was primarily to issue the check, voucher, or other form of reimbursement for the applicants, based on the decisions made by the DHS office.

## **The Front Door Funds Dispensed Through the Community Partner Program Are Relatively Small and Are Used Primarily to Cover Expenses After Applicants Obtain Jobs**

Although the local offices varied somewhat in their use of Front Door money, the funds were mostly being used to assist applicants with employment expenses associated with new jobs. Except for bus passes or car fare, the funds were typically not used extensively to assist with the job search itself. Instead, the funds were more likely to be used to help an applicant with clothing or a car repair after a job was obtained. In addition, the funds were not being used extensively to provide help with child care during job search.

In general, the funds available to each local office were very small. In some offices, the workers felt that more funds would be helpful. In other offices, the workers reported that relatively few TANF applicants request Front Door money.