

Contract No.: 99ASPE327A
MPR Reference No.: 8217-318

MATHEMATICA
Policy Research, Inc.

Iowa Families That Left TANF: Why Did They Leave And How Are They Faring?

February 2001

*Jacqueline Kauff
Lisa Fowler
Thomas Fraker
Julita Milliner-Waddell*

Submitted to:

Iowa Department of Human Services
Division of Economic Assistance
Hoover State Office Building
Des Moines, IA 50319
(515) 281-6820

Submitted by:

Mathematica Policy Research, Inc.
600 Maryland Avenue, SW
Suite 550
Washington, DC 20024
(609) 799-3535

Project Officer: Mohammed Amjed

Project Director: Jacqueline Kauff

ACKNOWLEDGEMENTS

The Study of TANF Leavers in Iowa was conducted by Mathematica Policy Research, Inc. under contract to the Iowa Department of Human Services (DHS) with funding from DHS and the Office of the Assistant Secretary for Planning and Evaluation (ASPE) at the U.S. Department of Health and Human Services. Many individuals within each of these organizations assisted in conducting the study and producing this report.

At DHS, Jennifer Beck provided overall guidance to the study and was responsible for all business and technical aspects of the study. Mohammed Amjed assumed Jennifer Beck's responsibilities toward the end of the study and responded to our questions and requests for information about Iowa's welfare program. Peter Elgin and Brian Laatsch within the Bureau of Collections arranged for us to have access to child support data from the Iowa Collections and Reporting system. Rebecca Meyer within the Adult, Family, and Children's Services Division arranged for us to have access to child welfare data from the Family and Children's Services system. Mike Baldwin, Robert Krebs, Michelle Holst, Sandy Paris, Normajean VanDenHeuvel, and Lucinda Wonderlich-Fuller arranged for us to have access to Medicaid enrollment data from Iowa's Medicaid Information system.

At MPR, Jonathan Jacobson reviewed an earlier draft of this report and provided us with many helpful comments. Heather Hill and Merrile Sing assisted in the development of the survey instrument. Sarah Douglas, Jessica Schraub, and Paul Werner provided research assistance for the analysis of data collected in the survey and for the extraction and analysis of data from administrative records. Linda Mendenko assisted with all phases of the telephone survey and Jackie Donath and John Larkin directed the telephone interviewers. Alfreda Holmes prepared the manuscript for this report.

We would like to thank the above organizations and individuals for their important contributions to this study. We also would like to thank ASPE for supporting this study and staff at ASPE and Child Trends for providing helpful guidance on the development of the survey instrument and on the overall design of the study.

The opinions and conclusions expressed herein are solely those of the authors and should not be construed as representing the opinions or policy of any agency of the Federal Government.

CONTENTS

Chapter		Page
	ACKNOWLEDGEMENTS	iii
	EXECUTIVE SUMMARY	ix
1	INTRODUCTION	1
	Reason for the Study	1
	Research Objectives	2
	Methodology and Data Sources	3
	Characteristics of Families in this Study	4
	The Structure of this Report	4
2	EXIT FROM FIP AND SUBSEQUENT RETURN	7
	Exit From FIP	7
	Return to FIP	9
	Summary	12
3	EMPLOYMENT AND EARNINGS	13
	Current Employment	13
	Employment Patterns Since Exit From FIP	18
	Summary	22
4	PARTICIPATION IN GOVERNMENT ASSISTANCE PROGRAMS	23
	Current Participation	23
	Exploring Nonparticipation	25
	Trends in Participation Over Time	29
	Summary	31

CONTENTS

Chapter		Page
5	INCOME, EXPENSES, AND STANDARD OF LIVING	33
	Income and Poverty Status	33
	Expenses	38
	Standard of Living	39
	Summary	41
6	OTHER MEASURES OF FAMILY WELL-BEING	43
	Reliance on Private Support Networks	43
	Health Insurance Coverage and Health Status	45
	Food Security	47
	Housing Security	49
	Children’s Well-Being	50
	Summary	56
7	FINDINGS FOR SUBGROUPS OF FAMILIES	59
	Comparison by Circumstances Surrounding Exit From FIP	60
	Comparison by Return to FIP	63
	Comparison by Current Employment of the Family Head	68
	Summary	71
8	SUMMARY OF FINDINGS AND POLICY IMPLICATIONS	73
	Summary of Findings	73
	Policy Implications	75
	Additional Research Now Underway	76

CONTENTS

Chapter	Page
APPENDIX A: DATA SOURCES AND METHODOLOGY	A-1
APPENDIX B: TABLES OF STUDY RESULTS.....	B-1
APPENDIX C: LIMITATIONS OF UNEMPLOYMENT INSURANCE DATA	C-1

EXECUTIVE SUMMARY

In 1993, under waivers from the federal government, Iowa replaced the cash assistance program, Aid to Families with Dependent Children, with the Family Investment Program (FIP). With the passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, FIP became Iowa's Temporary Assistance for Needy Families (TANF) cash assistance program. The long-term goal of FIP is to help families become self-sufficient. To achieve this goal, the program relies on strict work requirements, consequences for failing to meet those requirements, financial incentives and other policies to make work pay, and a 60-month time limit on the receipt of cash assistance.

Since reaching a near high of 40,659 cases in April 1994, the FIP caseload has dropped by 52 percent to 19,316 cases as of December 2000. This dramatic decline has generated widespread interest in why families are leaving FIP and the circumstances and well-being of the families that have left. In particular, policymakers and advocates are concerned that some of the new policies may cause families to leave FIP before they are ready to become self-sufficient and, as a result, these families may be at risk of severe hardship. The Study of TANF Leavers in Iowa, conducted for the Iowa Department of Human Services (DHS) with funding from DHS and the Office of the Assistant Secretary for Planning and Evaluation at the federal Department of Health and Human Services, addresses this concern through an analysis of administrative data on all 958 single-parent families that left FIP in spring 1999—that is, received FIP benefits in April, May, and June 1999, but not in July or August 1999—and an analysis of survey data for 401 of those families. Specifically, the study addresses five broad research questions:

- Why do families leave and return to FIP?
- What are the employment circumstances of families that have left FIP?
- To what extent do families participate in other government programs after leaving FIP?
- What is the economic status of families that have left FIP?
- How do families fare with respect to other measures of well-being after leaving FIP?

KEY STUDY FINDINGS

The main objectives of the Study of TANF Leavers in Iowa are to explain why families leave FIP and to describe the circumstances and well-being of families 8 to 12 months after leaving FIP. Generally, families leave FIP because they find other ways of making ends meet without cash assistance, and they are no worse off one year after leaving than they were before. Still, some families leave cash assistance before they are ready to become self-sufficient and some experience hardships after leaving. Key findings from the study include the following (almost all findings presented in this summary are based on survey, rather than administrative, data):

Why do families leave and return to FIP?

- Almost 60 percent of families chose to leave FIP in spring 1999 on their own, most commonly because they had other ways to make ends meet without cash assistance.

Only 14 percent felt they left FIP because they could not comply with program requirements.

- Most families left FIP with the tools they need to be self-sufficient, at least in the short-term; about 70 percent were able to remain off cash assistance for 8 to 12 months after leaving FIP.
- Still, about 30 percent were not able to remain off cash assistance. Most commonly these families returned to FIP because they could not generate enough income on their own—either through earnings or other sources—to make ends meet. These families are at greater risk of reaching the time limit on receipt of cash assistance.

What are the employment circumstances of families that have left FIP?

- Just over 60 percent of the heads of families that left FIP in spring 1999 were working at a job for pay 8 to 12 months later.
- On average, those who were employed worked 34 hours at their primary job, earned \$7.54 per hour, and earned a total of \$1,055 per month.
- Many heads of families that left FIP in spring 1999 were not able to maintain employment—while over 80 percent of family heads had worked at some time since leaving FIP, about one-quarter who had worked at the time of or soon after leaving FIP were no longer working 8 to 12 months after leaving. A personal health problem was the most common reason why they were not working.

To what extent do families participate in other government programs after leaving FIP?

- About 8 to 12 months after leaving FIP, families continue to rely on Medicaid more than any other program—in almost two-thirds of the families at least one member is currently enrolled in the program.
- Many families that appear eligible for the Medicaid, Food Stamp, and Child Care Assistance programs after leaving FIP do not participate in them. In one-quarter of families with incomes at or below 100 percent of poverty no one is enrolled in Medicaid, and in more than one-third of families with incomes between 101 and 130 percent of poverty no one is enrolled in Medicaid. Nonparticipation in the Food Stamp and Child Care Assistance programs is even more pronounced.
- Most families do not participate in Medicaid or the Food Stamp Program because of uncertainty about their eligibility or about the requirements for determining their eligibility. Most families do not participate in the Child Care Assistance Program because they do not need or want this assistance—often, they have accessible and affordable child care arrangements through family and friends.

What is the economic status of families that have left FIP?

- Overall, the percentage of families that escaped poverty and the percentage of families that remained in poverty one year after leaving FIP was about equal—53 percent of

families had incomes above poverty and 47 percent had incomes below poverty 8 to 12 months after leaving FIP.

- On average, families had about \$1,440 in monthly income 8 to 12 months after leaving FIP. About 46 percent of this income came from earnings of the head of the family; 38 percent came from income of other household members; 10 percent came from government cash assistance; and 6 percent came from the financial contributions of noncustodial parents.
- Half of the families that left FIP in spring 1999 considered their current standard of living to be better than before they left FIP, one-third considered it to be the same, and one-sixth considered it to be worse.
- Economic circumstances after leaving FIP differed depending on why families left FIP and their ability to remain off FIP and maintain employment. Families that left FIP voluntarily fared better than families that did not leave FIP voluntarily; families that were able to remain off FIP fared better than families that were not able to remain off of FIP; and families headed by individuals who could maintain steady employment fared better than families headed by individuals who could not.

How do families fare with respect to other measures of well-being after leaving FIP?

- Most families relied on support from private networks to help make ends meet after leaving FIP—about 85 percent relied on support from family members, friends, and neighbors and 41 percent relied on support from private community-based organizations.
- About 37 percent of the heads of families that left FIP in spring 1999 did not have any health insurance 8 to 12 months later; almost 60 percent had been without health insurance at some time after leaving FIP. In addition, in 1 in 5 families, none of the children had any health insurance 8 to 12 months after leaving FIP; in 2 in 5 families, children were without health insurance at some time after leaving FIP.
- Almost one-third of families that left FIP in spring 1999 were “food insecure” after leaving FIP—that is, at some time after leaving FIP they did not have food sufficient to meet their basic needs due to inadequate household resources for food. However, they were no more likely to be food insecure than before they left FIP and no more likely to be food insecure than other families across the nation with similar incomes.
- About 7 percent of families had been homeless (either living on the street or in an emergency shelter) at some time after leaving FIP. Similarly, about 7 percent had gone without heat and about 7 percent had gone without electricity because they couldn’t afford it. About one quarter of families had been unable to pay their rent or mortgage at some point after leaving FIP, and about one quarter had doubled up with other families to help cover rent or mortgage at some point after leaving FIP.

POLICY IMPLICATIONS

This study focuses on a group of Iowa families that left TANF, but its findings are similar to those of studies of TANF leavers in other states. The findings have important implications not only for welfare policy in Iowa, but for welfare policy nationwide. They highlight three key issues confronting policymakers: (1) the need to support families at risk of reaching the time limit on receipt of cash assistance; (2) the need to assist families that are able to obtain employment to advance in the workplace and benefit financially from working; and (3) the need to ensure that when families leave cash assistance, they do not lose other critical government support for which they may be eligible.

CHAPTER 1—INTRODUCTION

In 1993, under waivers from the federal government, Iowa replaced the cash assistance program, Aid to Families with Dependent Children (AFDC), with the Family Investment Program (FIP). With the passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, FIP became Iowa's Temporary Assistance for Needy Families (TANF) cash assistance program. The long-term goal of FIP is to help families become self-sufficient. To achieve this goal, the program relies on a comprehensive set of policies intended to encourage participant behavior that will lead to self-sufficiency. Two of the most important policies are:

1. Making work pay through a program eligibility and benefit structure that permits participants to benefit financially from becoming employed.
2. Making individuals more responsible for their economic status by requiring all able-bodied adult FIP recipients to participate in Iowa's employment and training program, PROMISE JOBS, and terminating the cash assistance of those who do not participate.

The employment and training requirements are more demanding than they were under AFDC, and the consequences for failing to meet the requirements are more immediate and severe than they were under AFDC. Unlike the old AFDC program, FIP also imposes a 60-month lifetime limit on the receipt of cash assistance.

REASON FOR THE STUDY

Since reaching a near high of 40,659 in April 1994, the FIP caseload dropped by 52 percent to 19,316 as of December 2000. For several years, policymakers, the media, and the public have been interested in learning whether FIP is meeting its long-term goal of encouraging self-sufficiency and how FIP policies influence why families leave the program. The dramatic decline in the Iowa welfare caseload has heightened this interest.

A similar phenomenon is occurring in other states as well. Unprecedented caseload declines throughout the nation have led to widespread interest in the circumstances and well-being of families that have left the welfare rolls. In particular, there is concern that, under TANF, more families may be leaving cash assistance under adverse circumstances and that families may be leaving earlier than they would have under AFDC. Families often left AFDC for positive reasons or because cash assistance was no longer essential—their income increased due to employment, marriage, or child support, or their youngest child reached 18 years of age. In contrast, more families may be leaving state TANF programs like FIP because they are not able to comply with program requirements, they reach the time limit, or they preserve months of eligibility in anticipation of the time limit. Leaving cash assistance for these reasons may mean that some families go off welfare without the tools they need to become self-sufficient. As a result, they may remain in or fall deeper into poverty and may be at risk of experiencing extreme deprivation.

The dramatic caseload declines and the concerns about the circumstances of families that have left welfare prompted the Office of the Assistant Secretary for Planning and Evaluation (ASPE) at the U.S. Department of Health and Human Services to provide \$4.65 million in grants in federal fiscal years 1998 and 1999 to states and counties to conduct studies of “TANF leavers.” The purpose of these studies was to describe the reasons why families have been leaving TANF cash assistance and the well-being of families that have left. To address the experiences of its own welfare caseload, the Iowa Department of Human Services (DHS) applied for and received a grant from ASPE to conduct the Study of TANF Leavers in Iowa. DHS then contracted with Mathematica Policy Research, Inc. (MPR) in November 1999 to design and carry out the study.

RESEARCH OBJECTIVES

The two broad objectives of the Study of TANF Leavers in Iowa are to explain why families leave FIP and to describe their experiences and their circumstances after exit. This information should provide insight into what steps, if any, policymakers can take to help ensure the well-being and long-term self-sufficiency of families that leave cash assistance. The study findings should also shed light on the distinct needs of families that leave the rolls under different circumstances. In particular, the findings may help to guide policymakers in Iowa and other states as they design programs to support those who are moving from welfare to work and as they develop strategies to reengage those who have left the rolls because of noncompliance.

Achieving the broad objectives of the study involves addressing five categories of research questions:

1. ***Why do families leave and return to FIP?*** What proportion of families leaves under adverse circumstances—such as noncompliance—and what proportion leaves under positive circumstances—such as increased income? What proportion of families leaves voluntarily? How do participants’ reports of reasons for leaving differ from reasons officially coded in state administrative records? How many families return to FIP, and what are their reasons for subsequently cycling on and off FIP?
2. ***What are the employment circumstances of families that leave FIP?*** What is the rate of employment among families that leave FIP, and how does it differ from the rate before exit? For individuals who are employed, what are the characteristics of their current jobs? For those who are not employed, what are their reasons for not working?
3. ***To what extent do families participate in other government assistance programs after leaving FIP?*** How many families are aware of their eligibility for programs such as Medicaid, Food Stamps, and Child Care Assistance? How many participate in these programs, and how does participation fluctuate over time?
4. ***What is the economic status of families that leave FIP?*** How much money do families have at their disposal after leaving FIP, and how has total income changed since exit? How many families remain in poverty after leaving FIP? What are families’ major expenses, and how have those expenses changed since families have left FIP? How do families feel about their overall standard of living?

5. *How do families fare on other measures of well-being after leaving FIP?* To what extent do families rely on personal support networks and community resources to make ends meet? Do families have enough food and stable housing after leaving FIP? How are parents and children faring physically and emotionally after having left FIP?

METHODOLOGY AND DATA SOURCES

To address the research questions, DHS and MPR conducted an in-depth study of 958 families that left FIP in the spring of 1999. Families were included in the study on the basis of their FIP benefits and their FIP case-type. All families that met these criteria were included in the study.

- ***FIP Benefits.*** Families were included in the study only if, according to state administrative records, they received a positive FIP benefit in April, May, and June 1999 and no FIP benefit in July and August 1999. The purpose of using these benefit criteria—that is, requiring three months on and two months off FIP—was to exclude from the study families that leave FIP due to very temporary “administrative churning” and families that leave FIP after a very temporary attachment to the program. The criteria do not apply to the receipt of benefits after August 1999—families in the study may have remained off FIP or may have returned to FIP any time after August.
- ***FIP Case-Type.*** Families were included in the study only if they were coded as single-parent cases in state administrative records in June 1999. Cases coded as two-parent or child-only/caretaker¹ cases were excluded mainly because they make up a small portion of the FIP caseload (8 and 7 percent, respectively).

Data for the Study of TANF Leavers in Iowa came from two sources: (1) state administrative records and (2) a telephone survey of the heads of families that left FIP.² Administrative data from five systems provided information for all 958 families on reasons for leaving FIP and on employment and earnings, participation in public assistance programs, receipt of child support, and use of child welfare services before and after exit. For the most part, these data capture trends over time. Survey data provided information for 401 of the 958 families on reasons for leaving FIP and on economic status and family well-being after leaving (and, in some cases, compared with spring 1999 when all families in the study were receiving FIP). Telephone interviews were conducted over a 16-week period in February through June 2000, 8 to 12 months

¹Child-only/caretaker cases are those in which (1) the children are cared for by someone other than a parent, and (2) the caretaker receives FIP on the children’s behalf, but not on his or her own behalf. Cases in which the caretaker is someone other than a parent and both the caretaker and the children receive FIP are included in the study.

² A more detailed description of each data source is provided in Appendix A.

after families left FIP, with 76 percent of 535 randomly selected families.³ For the most part, the survey data capture family circumstances at a point in time—the month of or month prior to the survey interview.

CHARACTERISTICS OF FAMILIES IN THIS STUDY

Before reviewing the findings of the Study of TANF Leavers in Iowa, it is important to get a feel for the basic demographic characteristics of the families included in the study. Typically, families included in the study are headed by white women and they currently reside in rural counties throughout the state (see Exhibit 1.1).⁴ Almost 15 percent, however, currently reside outside the state of Iowa—that is, they have relocated to and remained in other states since leaving cash assistance in the spring of 1999. On average, the heads of families included in the study are 30 years old and live with 3 other people—usually two children and one other adult. Often the second adult is a spouse or partner—15 percent of family heads are currently married and living with their spouse, and another 17 percent are living with an unmarried partner. About three-quarters of the family heads have at least the equivalent of a high school degree while one-quarter have less than a high school degree. The characteristics of families included in the analysis of administrative data and the characteristics of families included in the analysis of survey data are very similar.⁵

THE STRUCTURE OF THIS REPORT

This report is organized into eight chapters. The five chapters following this introductory chapter, Chapters 2 through 6, each address one of the study’s five central research questions. Chapter 7 presents findings for various subgroups of families that left FIP. These subgroups are defined by the circumstances surrounding exit from FIP, the family’s subsequent return to FIP, and the current employment status of the head of the family. Chapter 8 discusses the key lessons and policy implications of the study as well as efforts now underway to further enhance our understanding of the families in this study and of TANF leavers in general.

³ Interviews were completed with 405 families, but data are presented in the report on 401 families. See Appendix A for more details on the survey response rate and on the reasons for presenting data on 401 families.

⁴ Rural counties are those located outside of metropolitan statistical areas in the state.

⁵ Data supporting all findings and statistics referenced in the report may be found in the tables in Appendix B, regardless of whether the findings and statistics are presented in exhibits throughout the body of the report. Some of the tables in Appendix B present more results than are discussed in the body of the report.

Exhibit 1.1
Characteristics of Families Included in the Study

	Average or Percentage
Female	93%
White	81%
Less than High School Degree	26%
Never Married	48%
Married and Living with Spouse	15%
Cohabiting with Unmarried Partner	17%
Residing in Urban Counties in Iowa	40%
Residing Outside the State of Iowa	15%
Average Number of Persons in Household	4
Average Age of Family Head	30
Average Age of Youngest Child in Family	5

Source: Survey of Iowa families that left FIP in spring 1999

Sample: Due to item nonresponse, sample sizes range from 398 to 401 family heads

CHAPTER 2—EXIT FROM FIP AND SUBSEQUENT RETURN

Some of the primary motivations for this study are the concerns that families may leave FIP under more adverse circumstances than they would have left AFDC, and that FIP's strict work requirements, consequences for failing to meet those requirements, and 60-month time limit on the receipt of cash assistance may result in some families leaving before they are ready to become self-sufficient. Families that leave FIP under adverse circumstances or before they are ready to become self-sufficient may be at risk of falling deeper into poverty or experiencing extreme deprivation such as hunger or homelessness. This chapter looks at why families left FIP in spring 1999 to determine the incidence of leaving FIP under adverse conditions. It also explores the incidence and possible causes of FIP recidivism. Findings in these areas will shed light on whether families are leaving FIP cash assistance before they are truly self-sufficient and may suggest strategies DHS can implement to support families as they work toward self-sufficiency.

EXIT FROM FIP

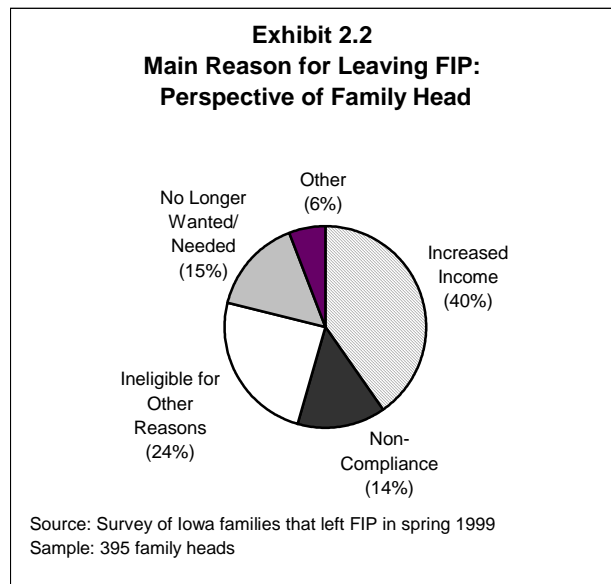
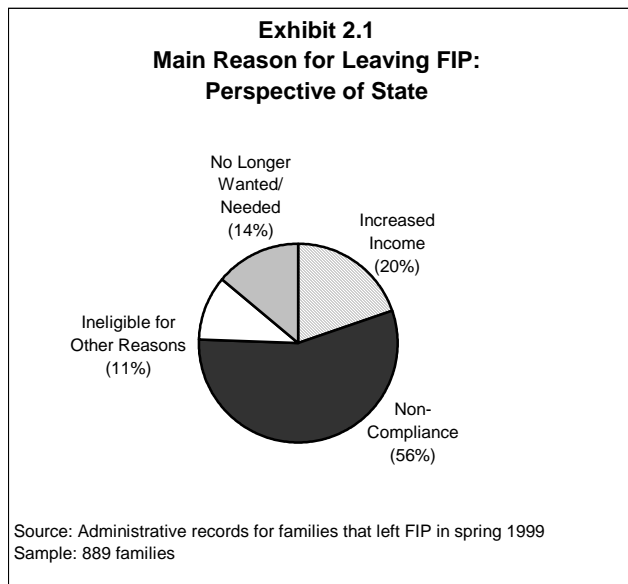
The reasons for leaving FIP differ substantially depending on whether exit from FIP is viewed from the perspective of the state or from the perspective of the heads of the families that left the program. This section presents the two perspectives and discusses possible reasons for differences.

From the state's perspective, DHS's policy of participant responsibility with consequences for failing to meet responsibilities had a considerable effect on families leaving FIP in spring 1999. In Iowa, failure to comply with employment and training requirements results in assignment to the Limited Benefit Plan (LBP). When families are assigned to the LBP, they are immediately ineligible for FIP for an indefinite period of time.¹ Failure to comply with other requirements—such as completing paperwork necessary for re-certification of FIP benefits or attending certain interviews with DHS staff—also may result in the reduction or termination of FIP benefits. According to the state, more than half of the families that left FIP in spring 1999 did so because of noncompliance with program requirements (see Exhibit 2.1). Almost 20 percent failed to comply with employment and training requirements, and 36 percent failed to comply with other requirements. There are probably a multitude of reasons why FIP participants fail to comply with program requirements, but the state does not gather data on these reasons.

¹A first instance of noncompliance with employment and training requirements results in an indefinite period of ineligibility for FIP until the participant signs an individualized self-sufficiency plan. A second or subsequent instance of noncompliance results in a minimum six-month period of ineligibility for FIP that continues until the participant (1) signs an individualized self-sufficiency plan and (2) completes 20 hours of employment and training activities.

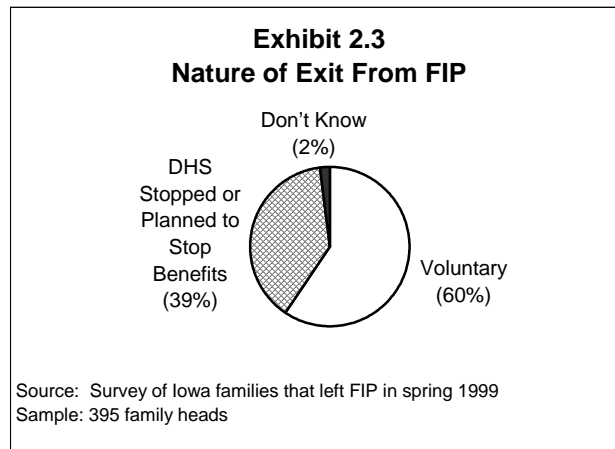
In contrast to the state’s point of view, the heads of families more often perceive their exit from FIP as having occurred under positive circumstances. More than half of family heads claim that they left FIP because they had ways to make ends meet without cash assistance—40 percent left because of increased income, and 15 percent left because they no longer needed or wanted FIP cash assistance (see Exhibit 2.2). At least half of the families that left because of increased income had recently begun working or had found a better-paying job. Relatively few families—just 14 percent—feel that they left FIP because of noncompliance with program requirements.² It is possible that more families believe that they were noncompliant with program requirements, but choose not to acknowledge their noncompliance.

One likely explanation for the difference in the two perspectives is a lack of communication between DHS and families that leave FIP. For instance, families that leave because of an increase in income may stop providing monthly reports of income to DHS, and families that no longer need or want FIP may stop participating in program activities even though they remain obligated to participate. From the state’s perspective, these families are noncompliant, but from the families’ perspective, they simply left the program on their own—in some sense, for them, the program requirements no longer applied. A related explanation is that, although multiple factors may contribute to a family’s exit from FIP, Iowa’s administrative data system allows only one reason—presumably the one the state deems to be the primary reason—to be recorded.



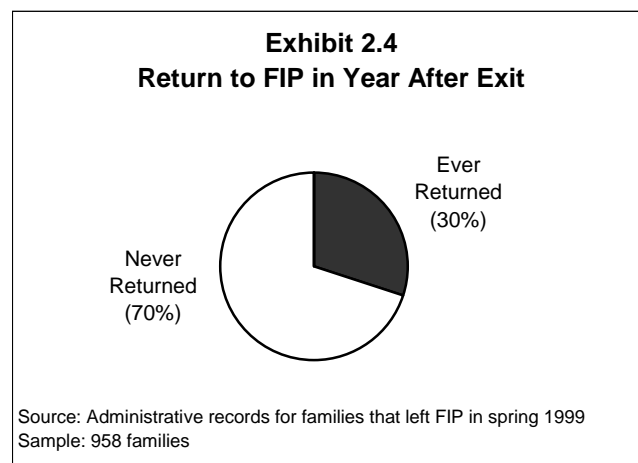
² A small percentage of family heads said they left FIP because they reached the time limit. In Iowa, months toward the time limit started counting in January 1997. Thus, no families would have reached the limit at the time of their exit from FIP. It is possible that some family heads meant that they left FIP in order to avoid reaching the time limit or to “bank time” for future need. Only 1.3 percent said that reaching the time limit was their main reason for leaving FIP.

While their reasons for leaving FIP are varied, most family heads perceive that their exit was voluntary in nature (see Exhibit 2.3). Almost 60 percent of family heads felt that they chose to leave FIP in spring 1999, while 39 percent felt that DHS stopped or planned to stop their benefits. This suggests that most families leaving FIP in spring 1999 felt that they had the ability to get by without cash assistance. However, about one-quarter of those that left FIP voluntarily based that decision, at least in part, on FIP's time limit policy. That is, concern about reaching the time limit or needing to preserve months of eligibility for future receipt of benefits had some influence on the decision to leave FIP.



RETURN TO FIP

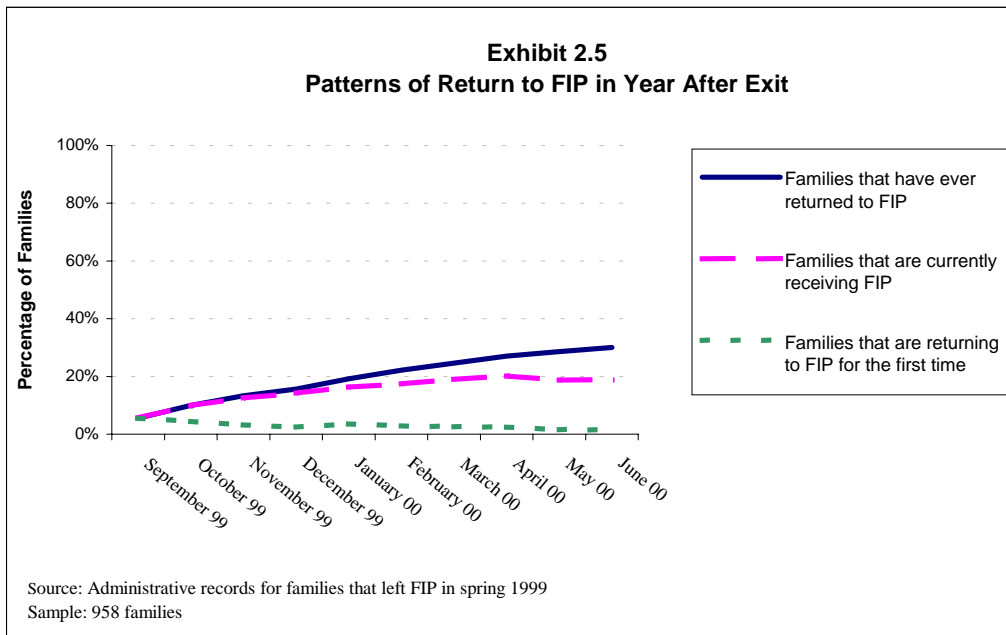
Most families that left FIP in spring 1999 have remained off cash assistance, at least in the short-run. Only about 30 percent of the families that left FIP in spring 1999 returned to FIP at some point during the following year (see Exhibit 2.4).³



³ According to administrative data, 30 percent of families returned to FIP; according to survey data, 28 percent of families returned to FIP.

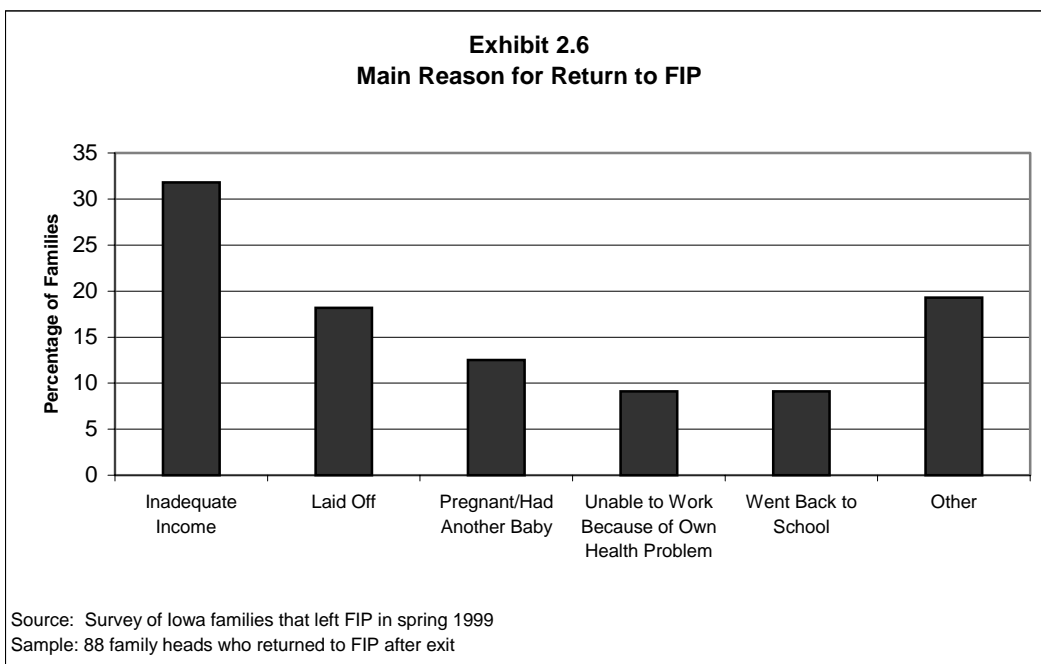
In the first year after exit, the likelihood of returning to FIP declines over time (see Exhibit 2.5). The largest percentage of families, still only 5.5 percent, returns to FIP immediately.⁴ Over the course of the year after exit, the percentage returning tapers off fairly steadily to 1.5 percent, with a minor and temporary increase around the winter holidays, while the percentage of families that ever return to FIP builds to 30 percent over the same period. Assuming that the trends in the first year after exit continue, it is possible that up to 18 percent more families will return to FIP in the second year after exit—that is, it is possible that by the end of the second year after exit from FIP, almost half of the families that left cash assistance will have returned to the rolls for at least some period of time.

Many families that return, however, subsequently exit FIP again. By the end of the first year after leaving FIP, 30 percent of families had returned to FIP at some point, but less than two-thirds of them were still receiving FIP benefits. Among the 30 percent that had returned at some point, slightly more than one-third received FIP benefits for 1 to 3 months in the year following exit, slightly more than one-third received FIP benefits for 4 to 6 months, and slightly less than one-third received FIP benefits for 7 or more months. This suggests that while leaving FIP in spring 1999 marked a significant change and permanent move toward self-sufficiency for most families, it was merely part of a pattern of short-term cycling on and off cash assistance for others.



⁴ In this study, families returned to FIP “immediately” if they returned to FIP in September 1999.

Understanding the reasons for returning to FIP is important in light of the program’s 60-month lifetime limit on the receipt of cash assistance. The primary reason for returning to FIP is that families cannot generate enough income on their own—either through earnings or other sources—to make ends meet (see Exhibit 2.6). Many come back to the rolls after unsuccessful attempts to become self-sufficient through employment. For instance, over 18 percent of family heads who returned to FIP were laid off from their jobs, and another 9 percent had to stop working because of personal health problems. Other family heads returned to FIP because they became pregnant or because they had a baby. A pregnancy can affect a mother’s health and limit her opportunities or ability to find and keep a good job, and the addition of a new baby can increase family expenses and strain the family’s budget. About 13 percent of families returned to FIP because of a pregnancy or the birth of a baby. Still others returned to cash assistance in the year after exit from FIP as a temporary support while they pursued their education.



Early intervention by DHS may help limit the number of families that reach the 60-month limit because they cannot remain off cash assistance for extended periods of time. Through an expanded program of post-employment services, DHS might try to reach individuals who do not earn enough or who are laid off from their jobs. These individuals may benefit from job-search assistance; information about the Earned Income Tax Credit; and training in conflict resolution, strategies for advancing in the labor market, and other workplace issues. DHS might reach other individuals by increasing referrals to family planning services and by promoting its Child Care

Assistance Program to families with infants.⁵ Even with additional services, some families may not be able to continue making ends meet without additional financial support. The reasons for returning to FIP, however, suggest that programs other than FIP may be able to support families through the events that lead them back to welfare. For instance, the Unemployment Insurance system can serve as an alternative source of support for some individuals who lose their jobs, and the Supplemental Security Income (SSI) program may serve as an alternative source of support for some individuals who cannot work because of health problems.

SUMMARY

Policymakers and the public alike are concerned that time limits and strict program requirements with consequences may be pushing some families off of FIP with few prospects for self-sufficiency. Information from families themselves suggests that this is not the case, despite the official state explanation for exits from FIP. Most families feel that they left FIP voluntarily and did so under positive circumstances. Still, the financial well-being of these families at the time of exit and in the longer-term is not certain, and other families may have left FIP under adverse circumstances and before they were ready to become self-sufficient.

The fact that most families that left FIP in spring 1999 remained off cash assistance in the following year suggests that most families *are* leaving FIP with the tools they need to be self-sufficient. However, there are some families that cannot remain off of FIP for extended periods of time. These families are more at risk of reaching the 60-month time limit on the receipt of cash assistance and are becoming an increasingly larger proportion of Iowa's caseload. To best address the needs of these families, DHS might want to consider what additional services it could provide and examine policies both internal and external to FIP. Examples include enhancing DHS post-employment services and supporting increased utilization of alternative sources of support such as the Unemployment Insurance system and the Supplemental Security Income program.

⁵ While DHS currently offers post-employment services in a small number of counties and currently provides family planning referrals and promotes its Child Care Assistance Program to some extent, DHS might look for ways to expand its efforts in these areas.

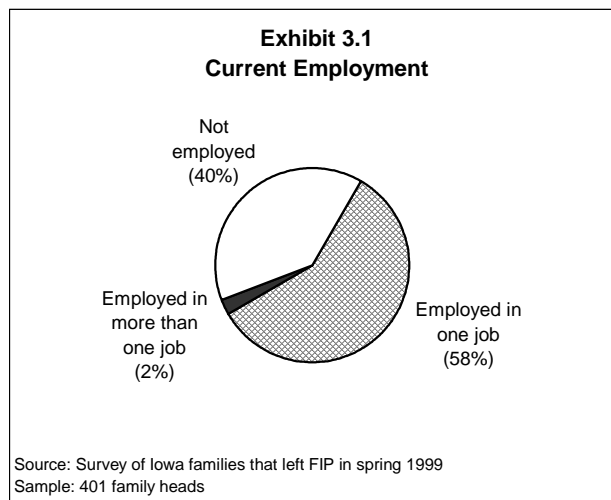
CHAPTER 3—EMPLOYMENT AND EARNINGS

Perhaps the most important indicator of the ability to achieve and sustain self-sufficiency is the ability to find and retain employment—more specifically, employment that provides a livable wage such that families can work their way off of cash assistance. Because FIP offers very generous income disregards, families must earn relatively high wages in order to work their way off of cash assistance in Iowa. For instance, a family of three with no other income would have to earn more than \$1,065 per month before becoming ineligible for FIP. This would require single parents who hold minimum wage jobs (jobs that pay \$5.15 per hour) to work 8 hours per day for 6 days per week—an entire day more than full-time work. Those who work 40 hours per week would have to earn more than \$6.19 per hour, and those who work 30 hours per week would have to earn more than \$8.26 per hour in order to work their way off of FIP.

This chapter describes the employment experiences of the heads of families who left FIP in spring 1999 and their potential for achieving self-sufficiency through work. The chapter covers the current employment status of these individuals and their patterns of employment in the year after they left FIP. The information on current employment is based on survey data that reflect the individuals' experiences in the month prior to the survey interview. The information on employment patterns since exit from FIP is based on administrative data.

CURRENT EMPLOYMENT

About 8 to 12 months after exit from FIP, just over 60 percent of family heads were working at a job for pay (see Exhibit 3.1). Almost all family heads who were working held only one job at that time. The characteristics of these jobs are described below. For family heads who held more than one job, the characteristics of their primary jobs—that is, the jobs at which they worked the most hours—are described. Also described below are transportation arrangements of the family heads to and from work, the employment barriers they may face, and issues related to their job stability.



Job Characteristics

Most family heads who left FIP and are currently employed work either in the service sector (most often in health, business, or personal services) or in retail trade (see Exhibit 3.2). Services and trade (wholesale or retail) are the most common sectors among the general population in Iowa as well. The three most common occupations among family heads who left FIP and are currently employed are service provider, administrative support worker, and sales associate.

Exhibit 3.2	
Most Common Industries and Occupations	
	Percentage
Industry	
Service	44
Retail Trade	29
Manufacturing	8
Finance/Insurance/Real Estate	5
Transportation and Public Utilities	4
Food and Kindred Products	4
Occupation	
Service Provider	37
Administrative Support Worker	17
Sales Associate	16
Production Worker	12
Handler/Equipment Cleaner/Helper/Laborer	7

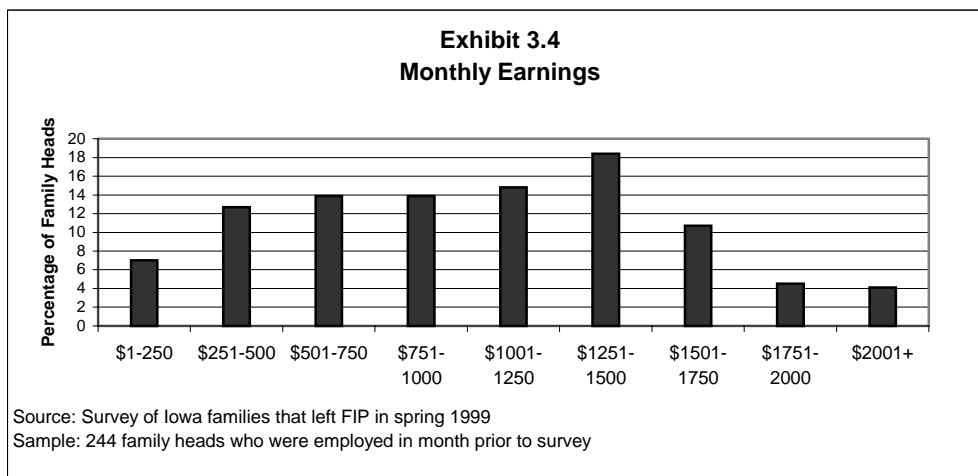
Source: Survey of Iowa families that left FIP in spring 1999
 Sample: 244 family heads who were employed in month prior to survey

Work appears to be a central part of the lives of family heads who are employed. On average, these individuals work close to full time—34 hours per week—at their primary job (see Exhibit 3.3). Half work 40 or more hours per week, and almost three-quarters work 30 or more hours per week. On average, primary jobs pay 46 percent more than minimum wage—\$7.54 compared with \$5.15 per hour. About 58 percent of employed family heads make \$7.00 or more per hour. For many, however, wage rates were not always this high; almost half had received a raise since they started their primary job.

Exhibit 3.3	
Characteristics of Primary Job	
	Average or Percentage
Average Weekly Hours	34
Usual Weekly Hours (%)	
Less than 20	9
20 - 29	18
30 - 39	23
40	38
More than 40	12
Average Hourly Pay	\$7.54
Hourly Pay (%)	
Less than \$5.15	14
\$5.16 - \$6.99	27
\$7.00 - \$8.99	39
\$9.00 or more	19

Source: Survey of Iowa families that left FIP in spring 1999
 Sample: 244 family heads who were employed in month prior to survey

About one year after leaving cash assistance, employed family heads were generally earning substantially more than the maximum FIP grant most families could receive, but less than what families of three or more with no other income need to work their way off of FIP. Eight to 12 months after leaving FIP, average monthly earnings at their primary jobs were \$1,055. Almost half of the family heads earned \$1,000 or less, about a third earned between \$1,001 and \$1,500, and the remainder earned more than \$1,500 per month (see Exhibit 3.4).



While many jobs held by family heads who have left FIP offer health benefits, the proportion of individuals that has been able to take advantage of those benefits is low. For instance, over 60 percent of family heads working 8 to 12 months after exit from FIP claim that their primary employer offered health insurance at some point over the course of their employment (see Exhibit 3.5). However, only about half of these individuals so far have enrolled in their employer's health plan. Most have not enrolled for two main reasons: (1) they are not eligible to enroll because they have not worked enough on that job (either they began the job too recently or they do not work enough hours per week), or (2) the plan is too costly.

Indeed, more than half of employed family heads have been working at their primary job for just six months or less; just over one-third have been working at their primary job for three months or less. Even if these working parents have some form of health insurance, however, other factors may create barriers to obtaining health care. For example, only 40 percent of the employers of family heads offer paid sick days, so employees may have to forgo pay when they are sick or otherwise need to see a doctor.

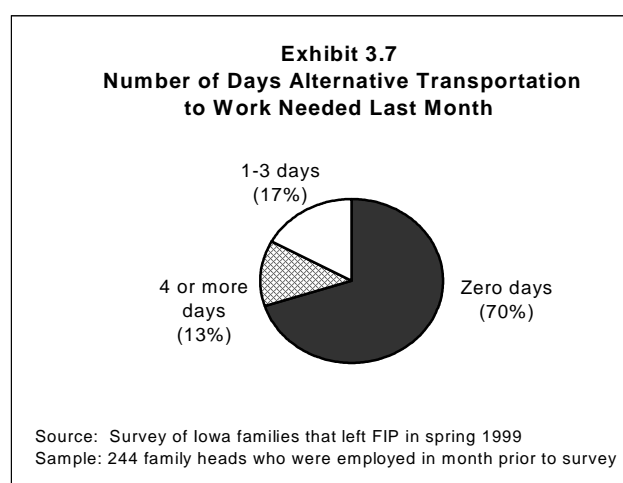
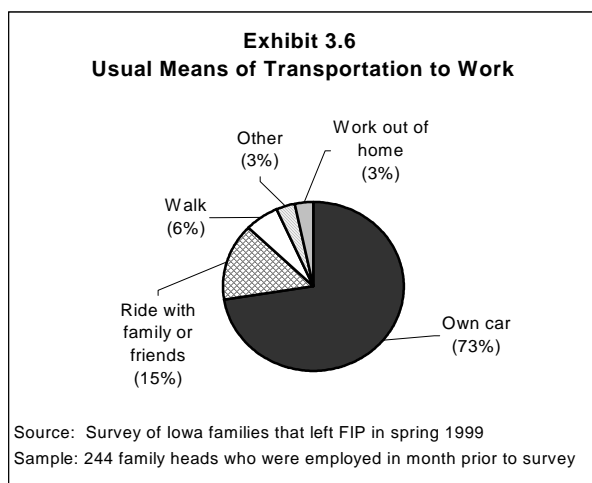
**Exhibit 3.5
Benefits at Primary Job**

	Percentage
Offered Health Insurance	61
Enrolled in Health Insurance Plan	33
Offered Paid Sick Days	40
Offered Paid Vacation	60

Source: Survey of Iowa families that left FIP in spring 1999
Sample: 244 family heads who were employed in month prior to survey

Transportation

Public transportation is limited in most urban areas in Iowa and nonexistent in many rural areas of the state. Therefore, families must generally make their own arrangements to get to and from work. Indeed, almost none of the employed heads of families who left FIP in spring 1999 use public transportation to get to and from their current job (see Exhibit 3.6). Most (73 percent) rely on their own car, while others (15 percent) ride with family or friends. The overwhelming majority have found their transportation arrangements to be very or somewhat reliable, and most (70 percent) do not need to use alternate methods of transportation to get to or from work (see Exhibit 3.7).



Barriers to Employment

While it is encouraging that many heads of families who left FIP are working about a year after exit, there is still a substantial minority who are not working and have not worked for quite some time. On average, heads of families who are not working 8 to 12 months after leaving FIP have not worked for a year and a half. The reasons for this may shed light on how DHS might alleviate barriers to work and increase the employment rate among current and former FIP recipients.

The most common reasons for not working 8 to 12 months after exit from FIP include personal physical or mental health problems, inability to find a job, and child care problems (see Exhibit 3.8). Of the individuals not working for health reasons, only one-third are receiving SSI. Perhaps DHS could help the others apply for SSI, find jobs that are appropriate given their health condition, obtain job counseling, or access medical treatment for their health condition. Of the individuals not working primarily because of child care problems, hardly any are receiving government assistance to pay for child care. Although the exact nature of the child care problems is not apparent, DHS might play a role in helping families access and navigate the state's Child Care Assistance Program to reduce out-of-pocket costs and/or in helping families find reliable primary and back-up child care. Through job-search assistance, job placement, and

other case management efforts, DHS programs might help those who are not working because they cannot find a job.¹

Exhibit 3.8
Most Common Main Reasons for Not Working

	Percentage
Own physical or mental health problem	23
Unable to find job or decent job/looking for a job	16
Child care problems	13
In school or training	11
Own pregnancy	9
Transportation problem	6

Source: Survey of Iowa families that left FIP in spring 1999
Sample: 156 family heads who were not working in month prior to survey

Evidence presented in the previous section suggests that lack of transportation is not a major problem for heads of families who are employed. Similarly, lack of transportation does not appear to be a major barrier for heads of families who are not employed. Despite limited public transportation in Iowa, relatively few heads of families who are not currently employed consider transportation problems to be a reason why they are not working.²

Job Stability

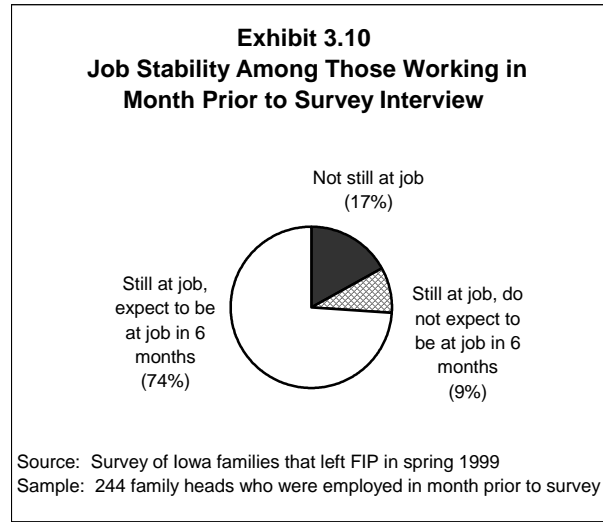
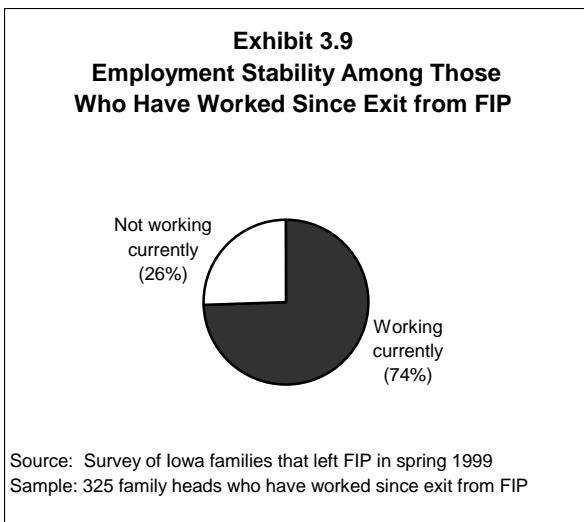
Increasing the overall rate of employment among current and former welfare recipients involves not only addressing the barriers faced by those who are not working, but also fostering job stability for those who are working. Research suggests that it is extremely important for states to help low-income parents retain their initial jobs after exit from welfare and/or become re-employed quickly, since working steadily after exit is linked to being employed in later years.³

¹ More than one-third of family heads who are not working are back on FIP 8 to 12 months after leaving FIP (see Chapter 7 for more discussion of findings for subgroups of families defined by employment status). DHS has the opportunity to continue working with these family heads and may have an opportunity to work with other family heads through its post-employment pilot programs.

² Although lack of *access* to transportation does not seem to be a major barrier to employment, the cost of gas and auto maintenance may be a challenge for family heads who are working or who hope to enter the workforce. In state fiscal year 2000, over 77 percent of all diversion funds for FIP applicants and over 70 percent of emergency cash grant (Family Self-Sufficiency Grant) funds for FIP recipients were transportation related.

³ J. Strawn and K. Martinson, *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce*, New York: MDRC, 2000.

Job loss among current and former welfare recipients, especially within the first 3 to 6 months of starting employment, is common.⁴ Indeed, while over three-quarters of family heads had worked at some time since leaving FIP, one-quarter of family heads who had worked since leaving FIP were no longer working 8 to 12 months after exit (see Exhibit 3.9). Furthermore, of the survey respondents who were working in the month prior to the interview, one-quarter were either not working in the month of the interview or did not expect to be at their job 6 months after the interview (see Exhibit 3.10). Most of them, however, do want to work; 90 percent expect to be working at a different job in 6 months. The most common reason for having left a job is a pregnancy or health problem. Other common reasons include moving, being fired or laid off, dissatisfaction with the job, and the termination of a temporary or seasonal job.



EMPLOYMENT PATTERNS SINCE EXIT FROM FIP

In order to assess a family’s ability to achieve long-term self-sufficiency, it is necessary to assess the ability of the head of the family to maintain employment in the long-term and to advance in the workplace. This section presents information on the extent to which the heads of families who left FIP in spring 1999 are able to maintain employment in the year after leaving FIP and documents changes in their earnings over time. The information is based on administrative data—specifically, data from Iowa’s Unemployment Insurance system.

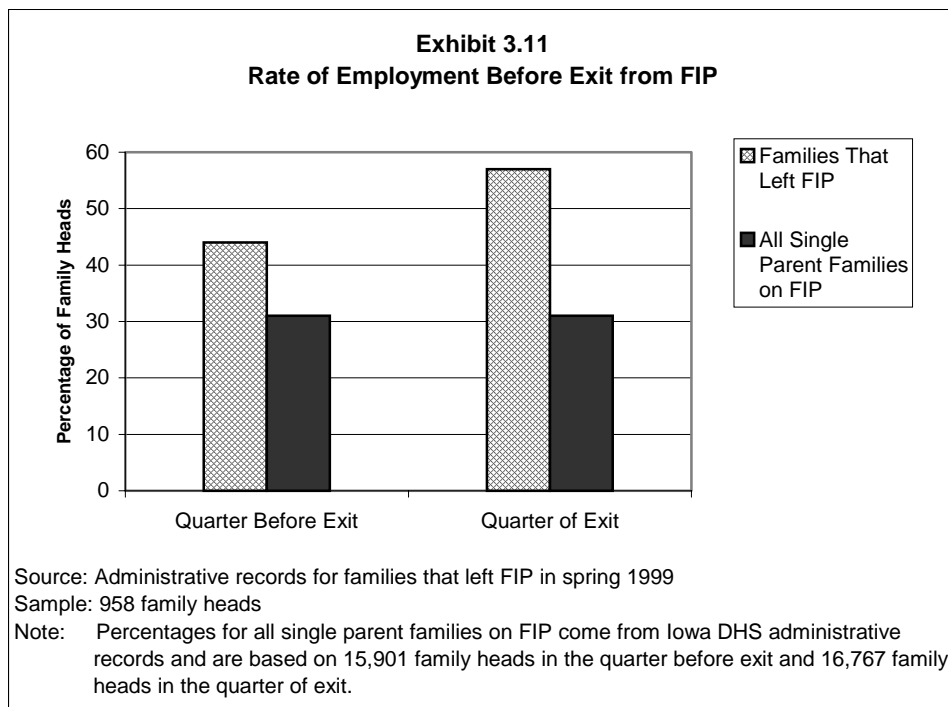
Iowa’s Unemployment Insurance system does not contain information on employment and earnings for some individuals. The system does not contain information on individuals who are self-employed, who are employed outside the state of Iowa, who are working under-the-table, or who are employed in jobs that employers are not required to report to Iowa’s Unemployment

⁴Strawn and Martinson, 2000.

Insurance system. Thus, it is likely that data from this system understate the employment rate and earnings among heads of families who left FIP in spring 1999. For this reason, the survey data that were presented in the previous section—that is, data provided by the heads of families themselves—offer a more accurate description of employment and earnings. A more detailed discussion of the limitations of the data in Iowa’s Unemployment Insurance system may be found in Appendix C.

Employment Rate

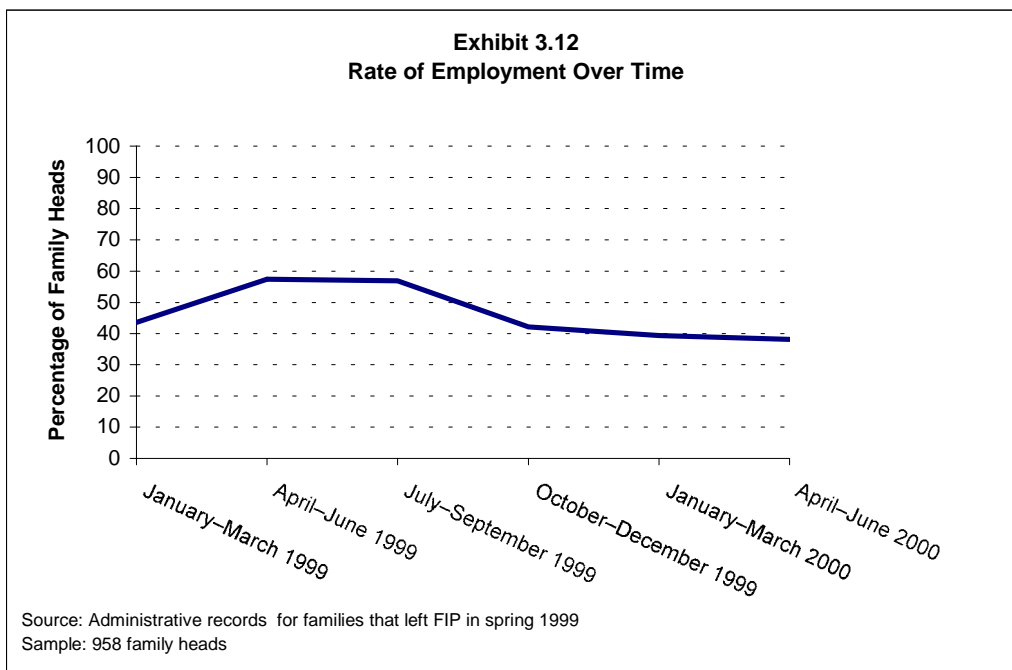
A sizeable proportion of family heads who left FIP in spring 1999 were working while they were still receiving FIP. About 44 percent of family heads worked for at least some time during the calendar quarter before their exit from FIP—January through March 1999—and about 57 percent worked for at least some time during the calendar quarter of their exit from FIP—April through June 1999 (see Exhibit 3.11). In fact, during these periods, the employment rate among families that left FIP in spring 1999 was much higher than the employment rate among other families on the caseload. In the quarter before exit from FIP, the percentage of family heads who were employed was more than 1.4 times larger among those who left FIP than among all single-parent families on the caseload. In the quarter of exit it was more than 1.8 times larger.⁵



⁵ In each month from January through June 1999, the rate of employment among all single-parent families on FIP hovered around 31 percent.

The reasons for this difference are not entirely clear. On the one hand, it might be that families that are able to leave FIP are inherently different from other families receiving FIP—perhaps they are less disadvantaged than other families receiving FIP and therefore more likely to be both employed and able to leave cash assistance. On the other hand, it might be that the heads of these families happened to become employed shortly before the spring of 1999 and their employment—not their characteristics—enabled them to leave FIP; families without employed heads may have been more likely to remain on cash assistance.

Many family heads who leave FIP employed, however, are not able to sustain employment in the long term. The employment rate among the heads of families who left FIP in spring 1999 is highest right around the time of exit from FIP, but declines in each calendar quarter of the following year (see Exhibit 3.12). By the end of that year, the employment rate is just two-thirds of what it had been at the time of exit from FIP. Despite the fact that more than two-thirds of family heads who left FIP were employed for some time during the year after they left, only one-quarter were employed consistently during that year.⁶



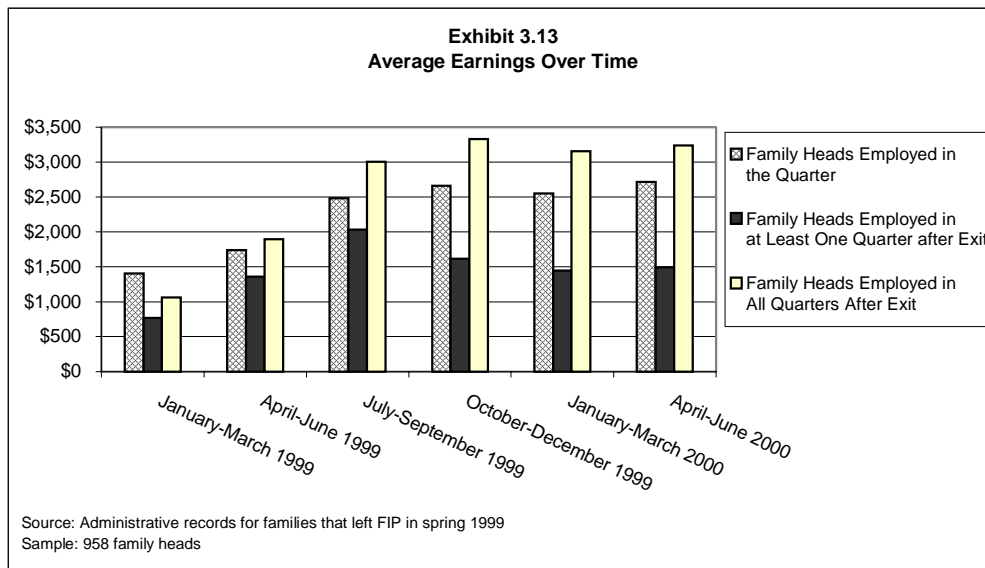
⁶ A family head was employed consistently if he or she was employed for some time in each of the four calendar quarters after leaving FIP. An alternative measure of consistent employment is the percentage of family heads who were employed in each of the four calendar quarters after leaving FIP and who earned at least \$500 in each of those quarters. About one-fifth of family heads were employed consistently according to this alternative definition.

Progression in Earnings

It is important not only for current and former welfare recipients to sustain employment, but also to advance in the workplace. Perhaps the most important way to gauge advancement in the workplace is to measure the progression of earnings over time. The progression in earnings is different for family heads who are employed consistently in the year after leaving FIP and family heads who are not. Earnings among family heads who were employed consistently—that is, who were employed in each calendar quarter after leaving FIP—are higher and increase more than earnings among family heads who were employed for only some time during that year (see Exhibit 3.13). In the quarter before and the quarter of exit from FIP, the average earnings of family heads who were employed consistently are about 38 percent greater than the average earnings of family heads who were employed for only some time (\$1,062 compared with \$771 in January-March 1999 and \$1,898 compared with \$1,358 in April-June 1999). By the end of the year after leaving FIP, the earnings of family heads who were employed consistently are well over 100 percent greater than those of family heads employed for only some time (\$3,240 compared with \$1,493 in April-June 2000).

Even though earnings among family heads who were employed consistently rise steadily relative to the earnings of other family heads who were employed, average earnings among this group still fluctuate slightly over the year after exit from FIP. This suggests that when families leave FIP, they experience an initial and dramatic increase in earnings, but do not experience a continual progression in earnings over the following year. It might also suggest that increases in hourly wages family heads may receive are sometimes countered by a reduction in the number of hours they work.

On average, the heads of families who left FIP in spring 1999 are not earning a substantial amount in the year after leaving FIP. Among those who were employed consistently during that year, average annual earnings were \$12,723. Median earnings were about the same. However, average and median earnings among those who worked for only some time during that year are substantially lower—average earnings are \$6,588 for the year and median earnings are \$3,996 for the year.



SUMMARY

Many heads of families work in typical entry-level jobs after leaving FIP. About 60 percent report that they are currently working at a job for pay, mostly in the service sector or in retail trade. While they tend to make between \$7.00 and \$8.00 per hour on these jobs and work close to full time, they are not earning enough to substantially improve their overall financial well-being through employment alone. On average, they earn only \$1,055 per month. Even those with the greatest earning power—those who are able to maintain employment consistently in the year after they left FIP—do not earn a substantial amount of income from employment. Most family heads are not able to maintain employment consistently. In order for these family heads to substantially improve their financial well-being over what it had been while they were on FIP, they would have to have the skills necessary to move into substantially better paying jobs or would have to supplement their earnings to a large extent with income from other sources.

CHAPTER 4—PARTICIPATION IN GOVERNMENT ASSISTANCE PROGRAMS

A variety of government programs form a safety net for families transitioning off cash assistance. Examples include Medicaid, the Food Stamp Program, the Child Care Assistance Program, Supplemental Security Income (SSI), Social Security, Emergency Assistance, Women Infants and Children (WIC), General Assistance, Unemployment Insurance, school meal programs, and housing programs. Some families may rely on many of these programs as their primary sources of support; others may rely on only select programs or none at all. This chapter describes the extent of current participation in government assistance programs and explores reasons for nonparticipation. It also examines trends in participation in the year after leaving FIP to assess how program participation fluctuates over time. Information on current participation and nonparticipation is based on survey data that reflect the families' experiences in the month prior to the survey interview, about 8 to 12 months after FIP. Information on trends in participation is based on administrative data.

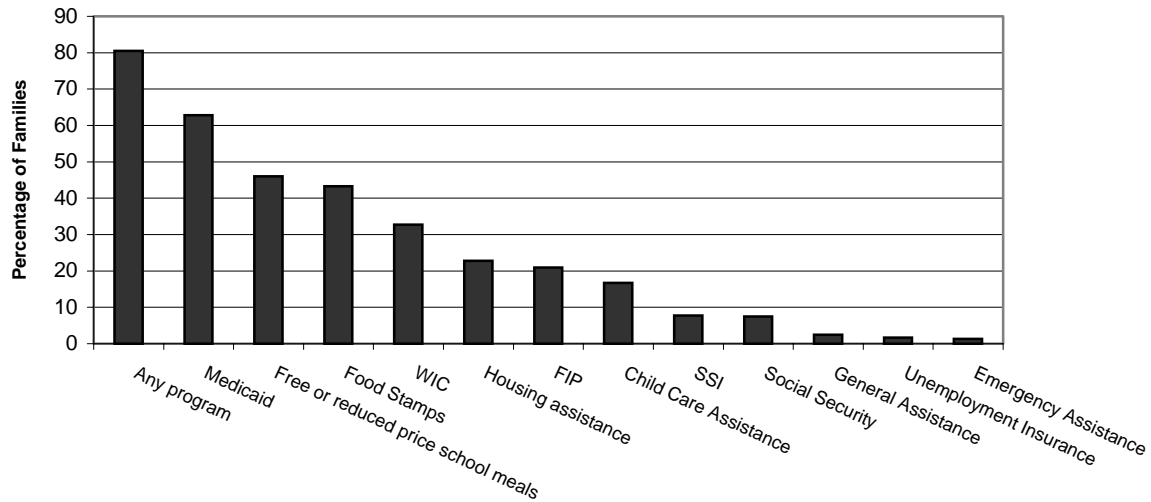
CURRENT PARTICIPATION

About 8 to 12 months after leaving FIP, most families are still relying on assistance from at least one government program (see Exhibit 4.1). They are relying on Medicaid more than any other program. Almost two-thirds of families that left FIP in spring 1999 are currently relying on Medicaid—either the head of the family is enrolled, the children are enrolled, or the whole family is enrolled in the program. The high rate of enrollment in Medicaid 8 to 12 months after leaving FIP likely reflects relatively high rates of eligibility for Medicaid because of generous income requirements and recent federal and state expansions in coverage for children. It may also suggest that families value government assistance for health insurance coverage more than they value government assistance for other family needs.

The second most common type of program families are currently relying on is food assistance, such as the School Breakfast Program or National School Lunch Program, the Food Stamp Program, and WIC. Like Medicaid, these programs provide in-kind assistance, rather than cash assistance, to families with specific needs. Eight to 12 months after leaving FIP, far fewer families rely on programs that provide cash assistance, such as FIP, SSI, Social Security, General Assistance, Unemployment Insurance, and Emergency Assistance.¹

¹ Emergency Assistance may include diversion grants for FIP applicants, emergency cash grants (Family Self-Sufficiency Grants) for FIP recipients, or other one-time cash grants from any government or non-government agency.

**Exhibit 4.1
Current Participation in Government Assistance Programs**



Source: Survey of Iowa families that left FIP in spring 1999
 Sample: Due to item nonresponse, sample sizes range from 393 to 401 family heads. Only respondents with children age 12 or younger were asked about their participation in the Child Care Assistance program; sample size for this item is 339.
 Note: Participation in Medicaid is based on the enrollment of the family head and/or the children in the family

Families that are currently participating in government assistance programs are receiving fairly generous benefits from them. On average, families participating in programs that provide cash assistance receive between \$238 (for General Assistance) and \$504 (for Social Security) per month (see Exhibit 4.2). Families participating in the Food Stamp Program receive an average of \$226 to spend on food per month, and families participating in the Child Care Assistance Program receive an average of \$51 for child care per month. However, given the generally low rates of participation in these programs, the average benefit amount among all families that left FIP in spring 1999 is low for most programs. For example, the average General Assistance benefit among all families that left FIP is just \$5.

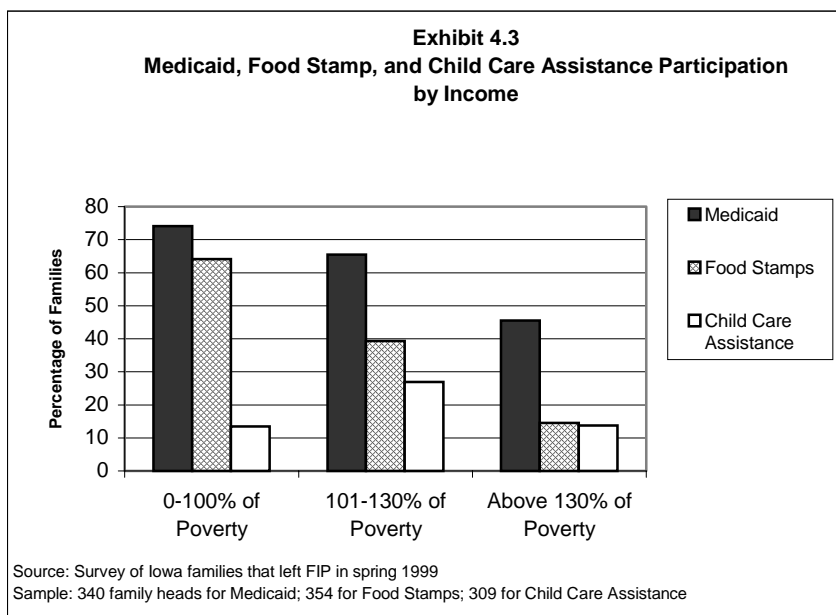
**Exhibit 4.2
Average Monthly Benefits**

	Among Families Participating in Program	Among All Families
Social Security	\$504	\$34
Supplemental Security Income	\$473	\$35
Unemployment Insurance	\$388	\$7
Emergency Assistance	\$354	\$4
FIP	\$328	\$66
General Assistance	\$238	\$5
Food Stamps	\$226	\$97
Child Care Assistance	\$51	\$4

Source: Survey of Iowa families that left FIP in spring 1999
 Sample: See Appendix B, Table 4-2 for specific sample sizes

EXPLORING NONPARTICIPATION

When examining participation in government programs among families that have left welfare, policymakers, advocates, and researchers often pay particular attention to three specific programs—the Medicaid program, the Food Stamp Program, and the Child Care Assistance Program. These groups, along with low-income families themselves, tend to believe that these three programs are particularly important sources of support for families transitioning off cash assistance. Generally, families with incomes below 130 percent of poverty are eligible to receive assistance from all three programs.² Yet, after leaving FIP many families with incomes below 130 percent of poverty do not participate in these programs. In one-quarter of families with incomes at or below 100 percent of poverty and in more than one-third of families with incomes between 101 and 130 percent of poverty, no one is currently enrolled in Medicaid (see Exhibit 4.3). Nonparticipation in the Food Stamp Program and the Child Care Assistance Program is even more pronounced among families that appear eligible on the basis of their income.



² At the time this study was conducted, infants and pregnant women in families with incomes at or below 185 percent of poverty were eligible for Medicaid (this limit increased to 200 percent of poverty on July 1, 2000). Children between the ages of 1 and 19 in families with incomes at or below 133 percent of poverty were eligible for Medicaid. Families with income at or below 130 percent of poverty were eligible for food stamps, and families with incomes at or below 140 percent of poverty (or 175 percent of poverty for families with special needs children) were eligible for child care assistance. In addition to income eligibility requirements, families had to meet other requirements—such as work requirements or asset limits—to be eligible for some of these programs.

Some families that appear eligible may not participate in the Medicaid, Food Stamp, or Child Care Assistance programs after leaving FIP because they do not need the kind of assistance these programs offer. Others may need the assistance, but may not be aware that they are eligible for it or may not be able to access it for various reasons. Understanding the reasons for nonparticipation in these programs can clarify the extent to which families that actually need assistance are not getting it and may suggest how the state can ensure that families in need of assistance do not fall through holes in the safety net. This section explores families' knowledge of program rules and whether lack of understanding about eligibility requirements and procedures may be related to nonparticipation in the Medicaid, Food Stamp, and Child Care Assistance programs. It also examines the reasons family heads themselves give for their nonparticipation.

Knowledge of Program Rules

Under current policies in Iowa, nearly all families on FIP are eligible for coverage under Medicaid, and when families leave FIP, they can remain on Medicaid as long as they continue to meet the program's eligibility requirements.³ In fact, income maintenance workers at DHS are required to automatically redetermine a family's Medicaid eligibility under another coverage group when the family leaves FIP, as long as there is sufficient information to conduct the redetermination. Often, families need to supply DHS with the information necessary to redetermine eligibility when or soon after they leave FIP. Similar rules apply to the Food Stamp and Child Care Assistance programs.

Most families that left FIP in spring 1999 understand that benefits from the Medicaid, Food Stamp, and Child Care Assistance programs may still be available after leaving FIP. About 84 percent of the heads of these families know that adults can retain Medicaid coverage and almost 90 percent know that children can retain Medicaid coverage after a family leaves FIP (see Exhibit 4.4). Similarly, 86 percent of family heads know that families may still be eligible for food stamps, and 76 percent know that families may still be eligible for child care assistance after leaving FIP.

³ Transitional Medicaid is automatically provided for up to 12 months for families that lose coverage under section 1931 because of increased income from earnings and for up to 4 months for families that become ineligible for FIP because of increased income from child support.

Exhibit 4.4
Families that Know that Eligibility for Other Government Programs Can Continue After Families Leave FIP

	Percentage
Medicaid	
Parents' eligibility	84
Children's eligibility	90
Food Stamps	86
Child Care Assistance	76

Source: Survey of Iowa families that left FIP in spring 1999

Sample: Due to item nonresponse, sample sizes range from 398 to 400 family heads

While families are generally aware of the availability of other program benefits after leaving FIP, it is likely that some do not understand that they may need to provide information to DHS in order to have their eligibility for program benefits redetermined. DHS routinely provides written notification to families leaving FIP informing them about the information they need to provide, but written notification may not be enough. Some families may not receive the notification (for instance, if it is mailed to an incorrect address or if the family moves), and others may need to be reminded about the eligibility redetermination requirements and about their role in the redetermination process. However, about half of the heads of families that left FIP in spring 1999 claim that no one at DHS talked with them about the issue of continued eligibility for the Medicaid, Food Stamp, or Child Care Assistance programs after leaving FIP (see Exhibit 4.5). About 60 percent of families not currently participating in these programs claim that no one at DHS talked with them about this issue, and between 38 and 43 percent of families currently participating in these programs claim that no one at DHS talked with them about this issue. Because they may not have fully understood the redetermination process, it is likely that some families that may have been eligible for other program benefits after leaving FIP never provided DHS with the information necessary to redetermine their eligibility.

Exhibit 4.5
Families That Never Received Information from DHS About Continued Eligibility For Other Government Programs

	Percentage of All Families	Percentage of Families Currently Participating	Percentage of Families Currently Not Participating
Medicaid	49	43	61
Food Stamps	50	38	59
Child Care Assistance	56	39	60

Source: Survey of Iowa families that left FIP in spring 1999

Sample: 393 family heads for Medicaid

399 family heads for Food Stamps

341 family heads for Child Care Assistance

For some families, DHS may not have needed to discuss the issue of continued eligibility because caseworkers were able to automatically redetermine eligibility with information that was already available. For other families, DHS may have had no opportunity to discuss the issue of continued eligibility upon or around the time that families left FIP because some families left FIP voluntarily without notifying their DHS caseworkers. To prevent families from leaving FIP without providing the information necessary for DHS to redetermine their eligibility for other program benefits, DHS may want to encourage caseworkers to be more proactive in discussing the redetermination process with families early, before they are ready to leave FIP.

Families' Reasons for Nonparticipation

Some families may not participate in the Medicaid or Food Stamp programs because they may not be eligible to participate. Either their incomes are too high or they fail to meet other eligibility requirements. Indeed, one-quarter of family heads who are not covered by any type of health insurance said that they had either applied for Medicaid and been turned down or had been terminated from the program by DHS (see Exhibit 4.6). About 15 percent of families not receiving food stamps had applied for food stamps and been turned down or had their food stamp benefits terminated.

Other families also reported that their nonparticipation was related to questions about their eligibility, but some of these families may not have actually applied for benefits. For instance, one-fifth of family heads who do not have any health insurance said their income is over the eligibility limit for Medicaid. Another 8 percent said they were ineligible for Medicaid for an unspecified reason, and 6 percent said they were ineligible because they left FIP. It is likely that some, but not all, of these families would have been found ineligible had they applied. The same is true of nonparticipation in the Food Stamp Program. About 31 percent of families that are not participating in the Food Stamp Program said their income was over the eligibility limit and another 9 percent said they were ineligible for an unspecified reason. Unlike with Medicaid, however, a substantial percentage of families (21 percent) said they were not participating in the Food Stamp Program because they did not need the assistance.

Exhibit 4.6
Most Common Reasons for Nonparticipation in the Medicaid and Food Stamp Programs

	Medicaid (%)	Food Stamp Program (%)
Income too high	20	31
Applied, but denied/not eligible	16	11
Did not apply/reapply	13	7
Was terminated	9	3
Did not think eligible	8	9
Left FIP	6	0
Too much hassle	6	4
Did not need it	5	21
Did not want it	5	6

Source: Survey of Iowa families that left FIP in spring 1999

Sample: 145 family heads with no health insurance; 221 family heads not receiving food stamps

In contrast to the situation with the Medicaid and Food Stamp programs, a small proportion of families are not currently participating in the Child Care Assistance program because of actual or perceived ineligibility. Rather, most families with children under 12 who are not participating in the Child Care Assistance Program said they do not want or need the assistance (see Exhibit 4.7). This is often because they have accessible and affordable child care arrangements through family and friends or because the head of the family is available to care for the children.

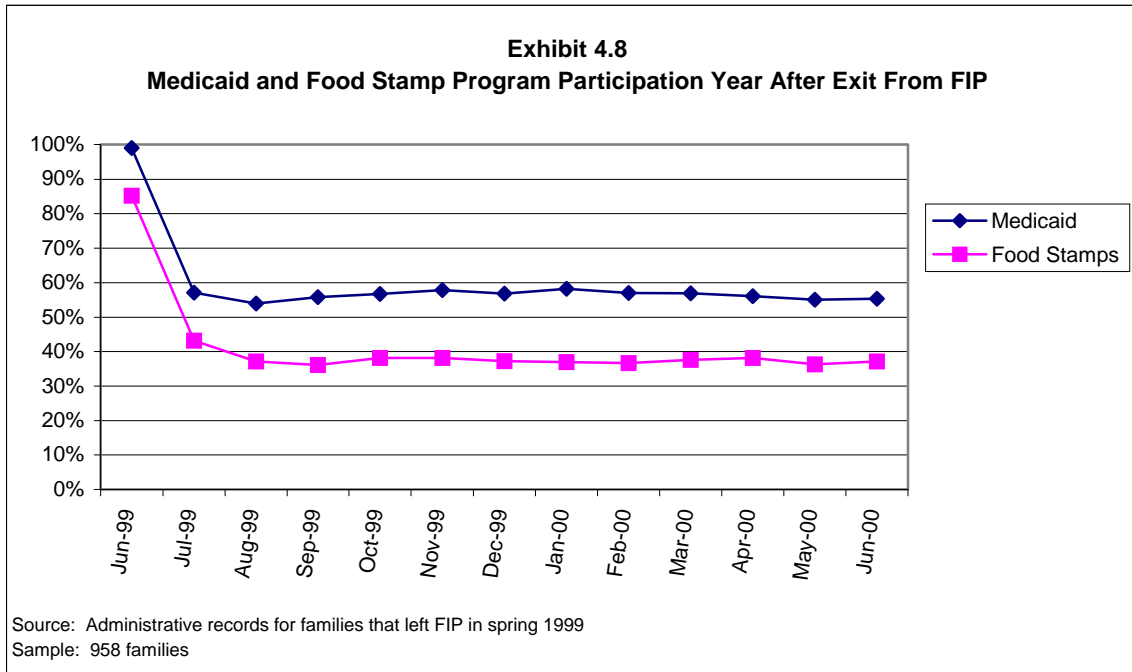
Exhibit 4.7
Most Common Reasons for Non-Participation in the
Child Care Assistance Program

	Percentage
Did not need it	23
Family member/friend provides care at no cost	18
Was not working/in school/in training	14
Did not think I was eligible	11
Did not want to apply	11
Income too high	4
Parent is home when child is home	4
Child cares for self	3
Did not know about the program	3

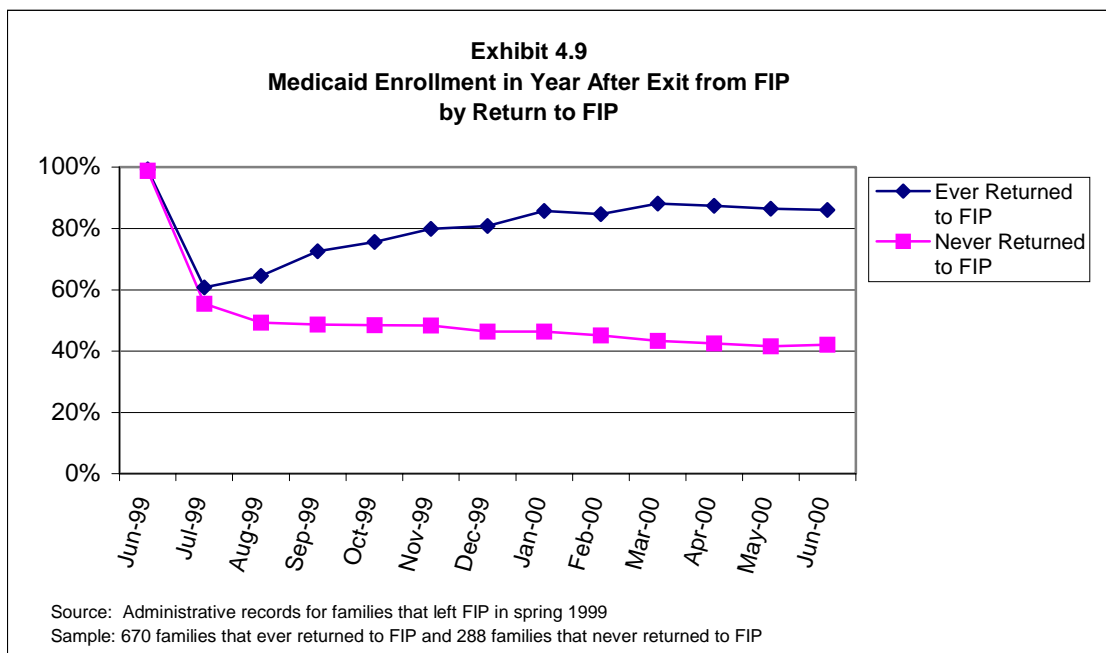
Source: Survey of Iowa families that left FIP in spring 1999
Sample: 281 family heads with children under 12 who were not receiving child care assistance

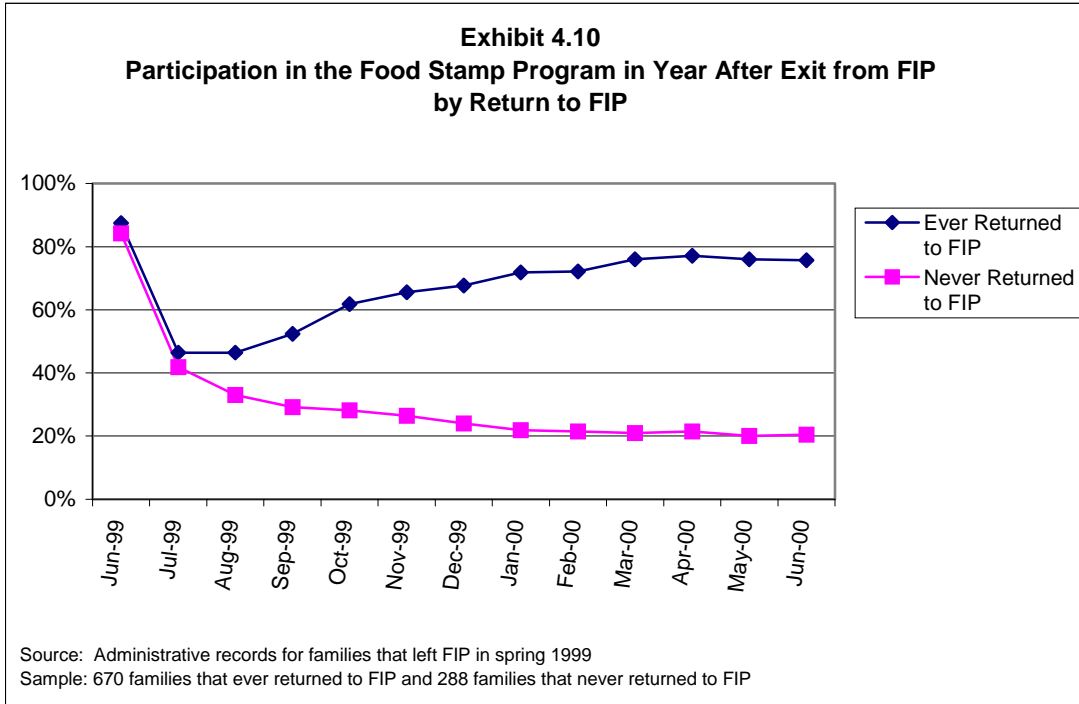
TRENDS IN PARTICIPATION OVER TIME

Declines in Medicaid and Food Stamp Program participation after exit from FIP did not occur gradually, but rather rates of participation in these programs dropped immediately after families left FIP and remained at consistently low levels throughout the following year. Just before families left FIP, rates of participation in these in-kind programs were extremely high—99 percent of families were participating in Medicaid (that is, had at least one member enrolled in Medicaid) and 85 percent were participating in the Food Stamp Program (see Exhibit 4.8). In the first month after exit, however, rates of participation dropped by about one-half—57 percent were participating in Medicaid, and 43 percent were participating in the Food Stamp Program. Participation rates in both programs hovered around those levels throughout the rest of the year. At all times, participation in Medicaid was higher than participation in the Food Stamp Program. Again, this likely reflects relatively higher rates of eligibility for Medicaid or a greater value that families place on government assistance for health insurance coverage than on government assistance for other family needs.



There is a strong relationship between Medicaid and Food Stamp Program participation in the year after leaving FIP and a family's return to FIP. Families that returned to FIP some time during the year after leaving were much more likely to be covered by Medicaid and to receive food stamps than families that never returned to FIP during that year (see Exhibits 4.9 and 4.10). One explanation for this phenomenon is that families that return to FIP are more likely to be income-eligible for these other programs than are families that do not return to FIP. Another explanation is that families that return to FIP are simply more connected to the welfare system and therefore more likely to communicate and exchange information with caseworkers and to receive support in accessing other government assistance programs.





SUMMARY

In general, families rely on government assistance programs for specific purposes in the year after leaving FIP. While most families continue to receive some type of government assistance 8 to 12 months after leaving FIP, they participate selectively in programs that provide necessary support for their families as they work toward self-sufficiency. Very few receive direct cash assistance, such as FIP, SSI, or General Assistance. Rather, the majority receive support that helps their families in very targeted ways, such as with health insurance or food.

The Medicaid, Food Stamp, and Child Care Assistance programs are important sources of support for families transitioning off cash assistance, yet many eligible families do not participate in them. Rates of participation drop immediately after families leave FIP and remain at relatively low levels throughout the following year. While some families may not be eligible for these programs because of income, others are likely eligible but do not provide DHS with the information necessary for caseworkers to redetermine their eligibility after leaving FIP. DHS might want to take steps to ensure that well before families leave FIP, they are aware of the procedural requirements necessary to access the Medicaid, Food Stamp, and Child Care Assistance programs so that when families leave cash assistance they do not unnecessarily lose other types of government support.

CHAPTER 5—INCOME, EXPENSES, AND STANDARD OF LIVING

Previous chapters have discussed earnings and government assistance, two important sources of household income for current and former welfare recipients. Income from these sources alone, however, is often not enough to cover family expenses and to raise a family out of poverty. This chapter introduces two other important sources of income for current and former welfare recipients—income from other household members and child support from noncustodial parents—and presents the total income and poverty status of families 8 to 12 months after leaving FIP. This information will shed light on the relative importance of various income sources and on how families that leave FIP fare financially. The chapter also examines how families' expenses change after leaving FIP and concludes with a discussion of families' perceptions of their overall standard of living after leaving FIP.

INCOME AND POVERTY STATUS

About 8 to 12 months after leaving FIP, families had an average monthly income of \$1,440 (see Exhibit 5.1). This amount does not include the value of any earned income tax credits families may have been eligible to receive. Such tax credits can be a big benefit for people who are employed for at least some time during the tax year. Two-thirds of family heads who left FIP in spring 1999 had received an earned income tax credit at some time in their lives and slightly less than that planned to apply for a credit for tax year 1999.

The sources of income included in the average total income amount are: (1) earnings of the head of the family; (2) cash assistance from the government such as FIP, SSI, Social Security, Unemployment Insurance, General Assistance, and Emergency Assistance (the value of food stamps is not included); (3) income from other household members; and (4) child support. The first two income sources were discussed in more detail in Chapters 3 and 4; the latter two are discussed in more detail below. Also discussed below is the poverty status of families that left FIP in spring 1999.

Exhibit 5.1
Sources of Income

	Average
Earnings	\$658
Government Assistance	\$147
Child Support	\$81
Other Household Income	\$554
Total Income	\$1,440

Source: Survey of Iowa families that left FIP in spring 1999

Sample: 357 family heads who reported zero or positive income from each source in month prior to survey

Income from Other Household Members

Many families benefit from the income of other household members. In over 40 percent of the families that left FIP in spring 1999, other household members are currently bringing in some income (see Exhibit 5.2). Among these families, the average amount of income other household members bring in is about \$1,334 per month. Most of this is income earned from jobs as opposed to unearned income such as government assistance or loans.

Financial support from other household members may be a primary reason why many families are able to remain off cash assistance in the year after leaving FIP. On average, income from other household members accounts for 38 percent of total income among all families that left FIP and is almost as important as the earnings of the family head, which accounts for 46 percent of total income.

Most likely, other household members with income are spouses or partners, but in some instances they may be other adults in the household or the family head's grown children.¹ Their income may not be available for the family's use, particularly if the household member is not a spouse, partner, or close relative. Consequently, estimates of total monthly income that include income from other household members may overstate the amount of money families actually have to provide for their needs. It is possible that none or only some of the income from other household members was available to the families that left FIP in spring 1999 and that therefore average total income among all families 8 to 12 months after leaving FIP was less than \$1,440.

Exhibit 5.2
Income from Other Household Members

	Percentage of Family Heads With Income From Other Household Members	Average Amount Among Family Heads With Income from Other Household Members	Average Amount Among Family Heads With and Without Income from Other Household Members
Any Income	42%	\$1,334	\$534
Earned Income	37%	\$1,399	\$482
Unearned Income	10%	\$555	\$49

Source: Survey of Iowa families that left FIP in spring 1999

Sample: Due to item nonresponse, sample sizes range from 399 to 401 family heads

¹ While the families included in this study were coded in Iowa DHS administrative data as single-parent families in June 1999, some may have been married but separated in June 1999 and others may have gotten married since June 1999.

Child Support

In contrast to income from other household members, child support currently makes up a small fraction of families' average total income—\$81 of the \$1,440 total. Most of the heads of families that left FIP—and, indeed, most current and former welfare recipients—are single parents whose children have noncustodial parents. About 87 percent of family heads who left FIP in spring 1999 and who currently live with their children have at least one child with a noncustodial parent. However, only 35 percent are currently receiving any financial child support—either formally through a court order or informally.²

Formal child support is hard for custodial parents to come by. To be eligible to receive formal child support, a custodial parent must first confirm the paternity of the noncustodial parent and then establish a court order that obligates the noncustodial parent to pay. At no time in the year after leaving FIP did more than 60 percent of the families that left FIP in spring 1999 have a child whose noncustodial parent was obligated to pay child support (see Exhibit 5.3). Even if noncustodial parents are obligated to pay, many fail to meet their obligations. The percentage of families in which at least one noncustodial parent paid anything toward his or her child support obligation did not exceed 40 percent in any month during the year after families left FIP.³ And, even if noncustodial parents meet their obligations, the custodial parents may not actually receive any or all of the child support paid.⁴ In any particular month in the year after leaving FIP, only slightly more than one-quarter of these families actually received any child support from noncustodial parents.

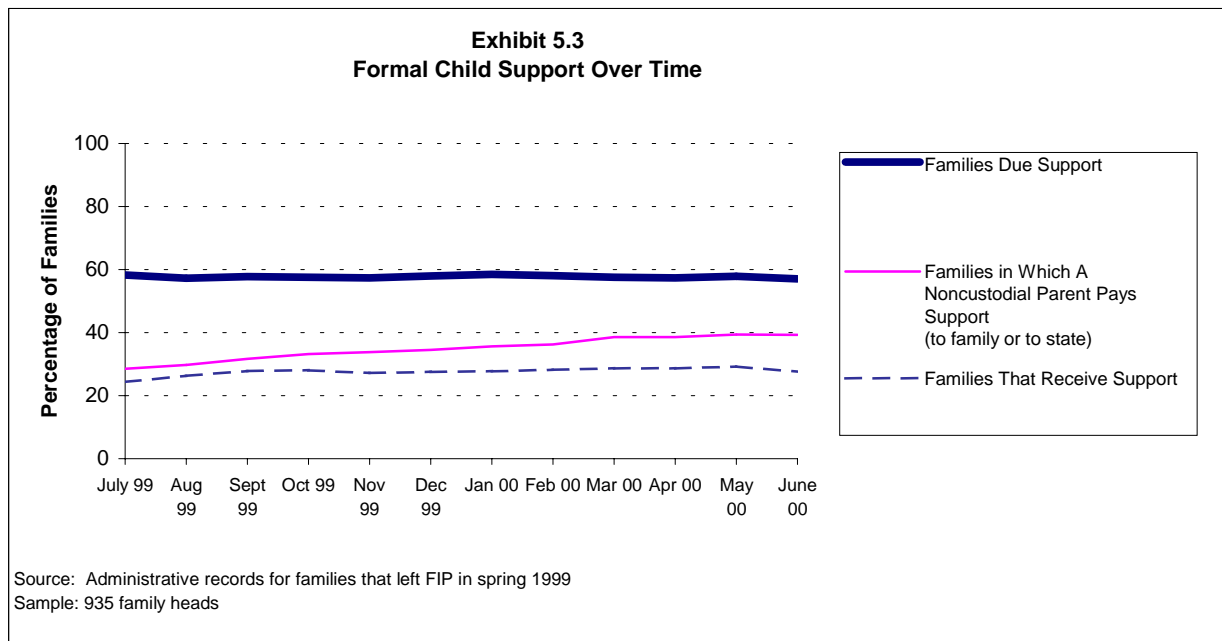
Very few families can rely on formal child support consistently from month to month. Close to half of the families that left FIP in spring 1999 had received child support sometime in the following year, but most of them went at least some months without support. Overall, just 11 percent of all families that left FIP received child support consistently in each of the 12 months

² In addition to financial support, 8 percent of family heads currently receive in-kind support—such as food, clothing, diapers, toys, household furnishings, or other children's necessities—from noncustodial parents.

³ The percentage of families in which at least one noncustodial parent paid some part of his or her child support obligation increased steadily over the year from 29 percent to 39 percent. The increase is likely due to more aggressive efforts being undertaken in Iowa and nationwide to establish the paternity of noncustodial parents and enforce child support orders.

⁴ With few exceptions, when custodial parents are on FIP, the state of Iowa keeps all of the child support paid on their children's behalf. When custodial parents are not on FIP, they receive all the child support that noncustodial parents pay toward their current monthly obligations; any additional amount paid is used to reimburse the state or the family for arrears that may have accrued over time. For this reason, particularly when custodial parents are on FIP, they may prefer informal arrangements to formal child support arrangements. Since some families in the study returned to FIP after leaving, a small percentage do not receive the child support paid on their children's behalf.

after they left. Among those that received some child support in the year after they left FIP, the average amount they received was almost \$300 per month in the months they received support. If more families received child support, the average amount they would receive could substantially increase their total income and mean the difference between living above or below the poverty threshold.

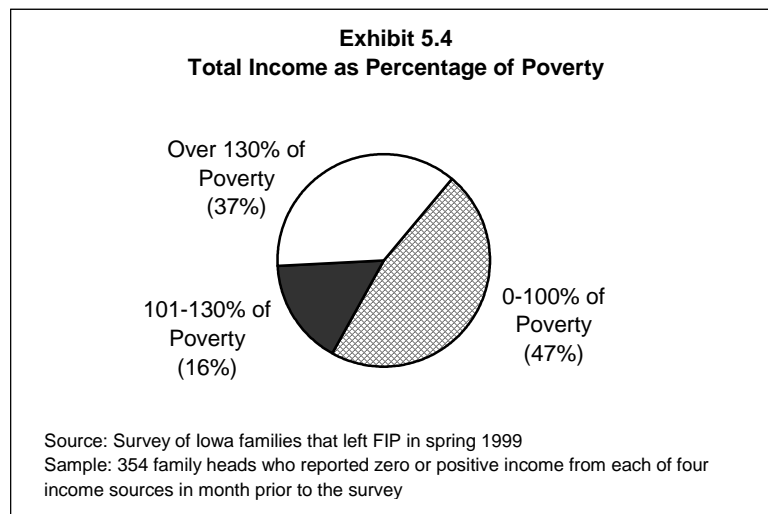


Current Poverty Status

Despite additional income from other household members and from child support, the majority of families that left FIP in spring 1999 are still poor or near poor. Currently, 47 percent of families have incomes below the U.S. Census Bureau's 1999 poverty threshold and another 16 percent have incomes between 101 and 130 percent of the poverty threshold (see Exhibit 5.4).⁵

⁵ For low-income families, income is likely to fluctuate from month to month. The head of the family may move in and out of the labor market, families may cycle on and off various public assistance programs, other earners may move in and out of the household, and child support may be inconsistent. Annual measures of income are less sensitive to short-term fluctuations than monthly measures of income. The U.S. Census Bureau determines poverty thresholds on the basis of annual, not monthly, income. Because the poverty statistics presented in this chapter are determined on the basis of monthly income 8 to 12 months after leaving FIP, they may not accurately reflect the poverty status of families in the year after leaving FIP. It is not possible to construct an adequate measure of annual income in this study using survey data because of problems with respondent recall. It is not possible to construct an adequate measure of annual income in this study using administrative data because those data fail to capture important sources of income, most notably earnings and other income from other household members.

About 37 percent have incomes above 130 percent of poverty threshold. Among all families, average income is about one-quarter higher than the poverty threshold.



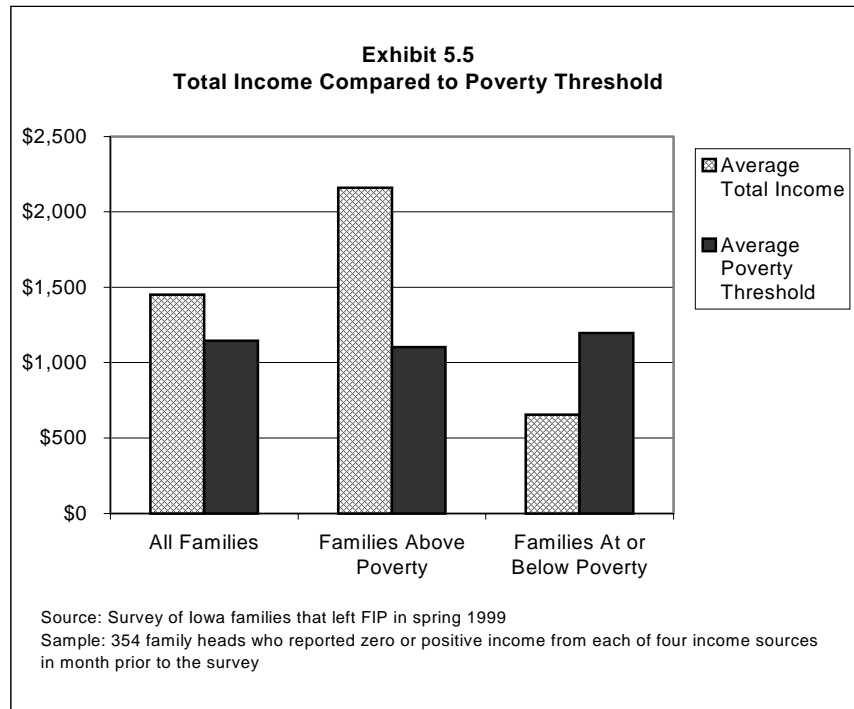
On average, families with incomes above poverty are bringing in almost double the poverty threshold (see Exhibit 5.5). However, the majority of these families still qualify for some public assistance in Iowa, including the Medicaid, Food Stamp, and Child Care Assistance programs. About 62 percent of these families have incomes below 185 percent of poverty; only 38 percent have incomes high enough to disqualify them from all three assistance programs.

On average, families with incomes at or below poverty, seem to be struggling. Average income among this group of families is just over half of the poverty threshold. Slightly less than half of them have income that is less than 50 percent of poverty, and slightly more than half of them have income that is between 50 and 100 percent of poverty. Among all families that left FIP in spring 1999, more than 1 in 5 currently live in extreme poverty (below 50 percent of poverty).

Policymakers, advocates, and researchers often believe that for many families living near or below the poverty threshold—and particularly for those low-income families that are not receiving cash assistance—the Food Stamp Program serves as the primary safety net and is often what enables families to make ends meet. Families can use food stamps to free up income that they would have used to purchase food for other necessities. When the value of food stamps is added to the total monthly income of families that left FIP in spring 1999, fewer families—41 percent as opposed to 47 percent—appear to be in poverty and average income among families at or below poverty is almost two-thirds—instead of one-half—of the poverty threshold.⁶ Overall,

⁶ The value of food stamps is not included in the U.S. Census Bureau's poverty threshold and therefore a comparison of total income including food stamps to the poverty threshold is not fully consistent with the Census Bureau's methodology for measuring the incidence of poverty. Our use of monthly income data is another substantial deviation from the Census Bureau's methodology.

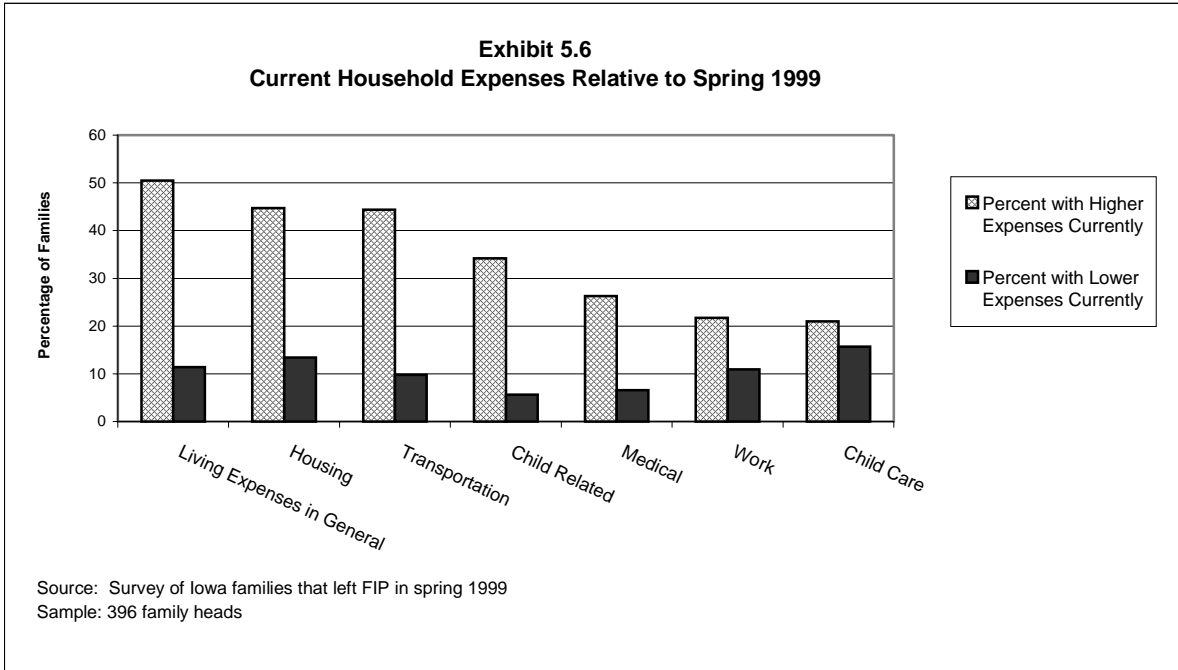
however, adding the value of food stamps to total monthly income does not dramatically alter the picture of financial well-being among families that left FIP in spring 1999 that has been presented in this section.



EXPENSES

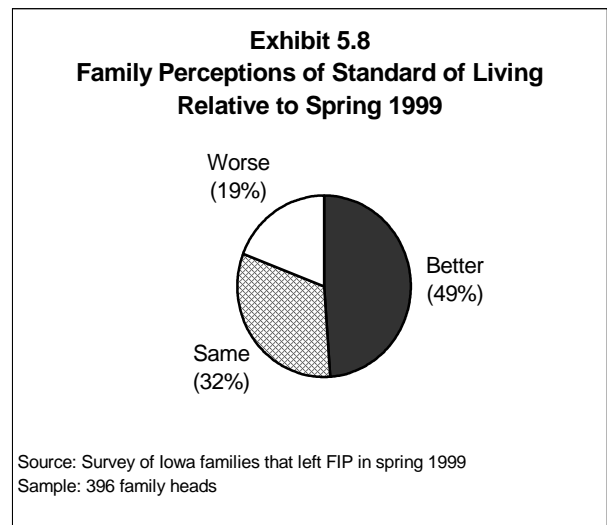
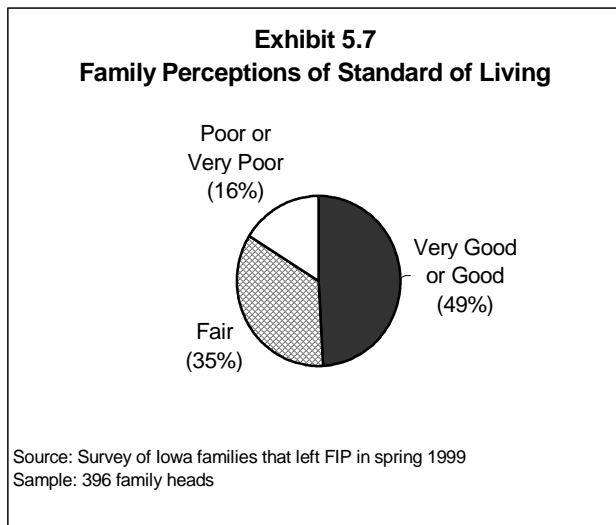
A family's ability to survive on its income depends in large part on the amount of money the family must spend to cover basic expenses. For about half of the families that left FIP in spring 1999, living expenses were higher after leaving FIP than before (see Exhibit 5.6).⁷ For most of the other families, living expenses did not change after leaving FIP; relatively few families had lower expenses after leaving. The largest percentages of families experienced increases in housing and transportation expenses after leaving FIP.

⁷ The survey of Iowa families that left FIP in spring 1999 asked survey respondents to compare their expenses before leaving FIP to their expenses after leaving FIP; it did not ask survey respondents for amounts of expenses before and after leaving FIP.



STANDARD OF LIVING

Generally, families take both their income and their expenses into account—as well as other factors—to judge their overall standard of living. About half of the heads of families that left FIP in spring 1999 consider their current standard of living to be good or very good (see Exhibit 5.7). About one-third consider it to be fair, and the remainder consider it to be poor or very poor. Roughly the same breakdowns occur when family heads compare their current standard of living to their standard of living before they left FIP—about half consider it to be better than before they left FIP, about one-third consider it to be the same, and the remainder consider it to be worse (see Exhibit 5.8). This suggests that there is a group of families that are unable to regain their footing after leaving FIP.



The reasons why families perceive a change in their standard of living after leaving FIP may shed light on how the state can support families transitioning off FIP and ensure that these families do not fall through holes in the safety net of social welfare programs. Changes in financial circumstances were at the root of families' perceptions of changes in their standard of living (see Exhibit 5.9). Most family heads attribute a better standard of living after leaving FIP to increased earnings or income. Most attribute a worse standard of living to lower income or higher expenses.

A change in housing situation was the next most common reason for a change in standard of living. Examples of changes that improved families' standard of living include becoming a homeowner or moving to a better neighborhood. Examples of changes that lowered families' standard of living include moving to poorer-quality housing, moving into public housing, or moving in with other people to save on housing costs. While financial changes are at the root of most families' perceptions of improvements in standard of living after leaving FIP, almost 1 in 6 attribute improvements to the greater sense of independence or spiritual strength they feel after leaving welfare.

To reduce the likelihood that families that leave cash assistance will experience a decline in their standard of living, DHS may want to consider how it can encourage families to avail themselves of community programs that can lower their out-of-pocket expenses. It may also want to consider how it can encourage families to remain connected to government assistance programs—particularly housing assistance programs—until they regain their footing. This may involve increasing referrals to other agencies and building stronger interagency relationships since most housing assistance programs are not operated out of DHS, but rather through the Department of Housing and Urban Development, Rural Development, and the Iowa Finance Authority.

Exhibit 5.9
Most Common Reasons for Change in Standard of Living

	Percentage
Reasons for Better Standard of Living	
Earning more	46
Better housing/living situation	20
Increased income	17
More independent/spiritually stronger	16
Reasons for Worse Standard of Living	
Less income	45
More expenses	26
Worse housing situation	18
No FIP benefits	13

Source: Survey of Iowa families that left FIP in spring 1999
Sample: 193 family heads for better standard; 76 family heads for worse standard

SUMMARY

There has been debate in recent years over whether the success of programs like FIP should be judged by how well they help families leave and remain off cash assistance or by how well they help families to improve their financial well-being. Study findings presented in Chapter 2 suggest that if FIP were judged by how well it helps families leave and remain off cash assistance, it would be found fairly successful. However, study findings presented in this chapter suggest that if FIP were judged by how well it helps families escape poverty or otherwise improve their financial well-being, its success would be more questionable. Almost half of the families that left FIP in spring 1999 remained in poverty about one year later. Moreover, one-third of families experienced no change in their standard of living after leaving FIP, and nearly 1 in 5 experienced a decline. These findings indicate that about half of families that leave FIP fail to achieve minimal goals for improving their financial well-being in the process.

CHAPTER 6—OTHER MEASURES OF FAMILY WELL-BEING

Welfare reform under PRWORA, as embodied in FIP, encourages and requires some families to leave welfare sooner than they would have under the former AFDC program. While some families benefit from this nudge toward self-sufficiency, others may be seriously unprepared for self-sufficient living and therefore be at heightened risk of falling deeper into poverty and experiencing more hardships. Previous chapters have suggested that some families leave FIP under adverse circumstances and live substantially below poverty after leaving FIP. This chapter explores whether key aspects of families' well-being suffer after leaving FIP. First, it describes the extent to which families that leave FIP rely on private support networks to make ends meet after leaving FIP. Then, it examines the health status of the head of the family and explores whether families experience extreme deprivation such as hunger or homelessness after leaving FIP. It concludes with a description of the well-being of children in families that leave FIP, focusing on their health status and on school performance and social and emotional well-being among school-age children.

RELIANCE ON PRIVATE SUPPORT NETWORKS

Most families rely on support from private networks to help make ends meet after leaving FIP. Families more often rely on support from informal networks—family members, friends, and neighbors—than from formal networks such as community organizations. This section explores the nature and extent of support from these two types of networks.

Support from Family Members, Friends, and Neighbors

Family members, friends, and neighbors are important sources of support for families that leave FIP. The vast majority of families that left FIP in spring 1999 (85 percent) received some type of support from family members, friends, or neighbors to help make ends meet in the year after leaving FIP (see Exhibit 6.1). The nature of this assistance tended to be in-kind rather than financial. For instance, families relied on informal support networks for child care and transportation most often and for help paying bills or for loans least often.

There may be several reasons why families rely on informal support networks for in-kind assistance more often than for financial assistance. It may be that families feel less stigmatized accepting in-kind assistance, or are reluctant to accept financial assistance because they do not want to feel financially in debt to others. That is, families may not want to accept financial assistance that they cannot repay, but may be willing to accept in-kind assistance that they can repay—for instance, by swapping or bartering services with other families in need. It also may be that family members, friends, and neighbors are struggling financially themselves and therefore more able to provide in-kind assistance than financial assistance. Or, some may be more willing to provide in-kind assistance than financial assistance out of a sense of paternalism or a sense of responsibility to ensure the purpose of their support.

Exhibit 6.1
Support from Family Members, Friends and Neighbors

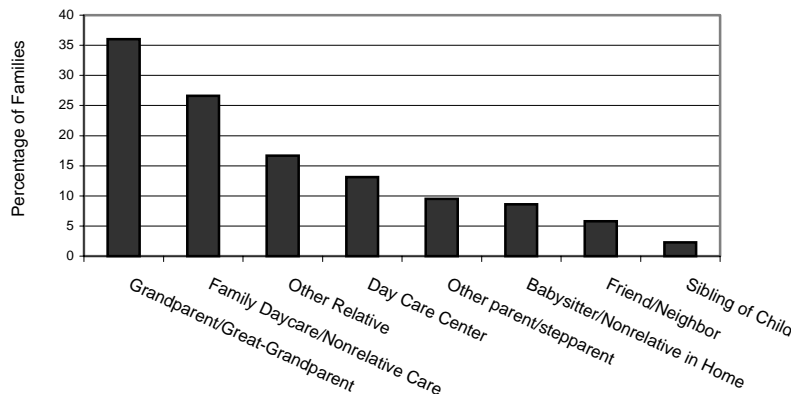
	Percentage
Any Support	85
Child Care	57
Transportation	47
Telephone Access	40
Children's Things	40
Food or Meals	34
A Place to Stay	31
Job Referral	25
Loans/Financial Help	25
Electric/Utility Bill	23

Source: Survey of Iowa families that left FIP in spring 1999
 Sample: Due to item nonresponse, sample sizes range from 398 to 400 family heads

More families rely on family members, friends, and neighbors for child care assistance than for any other type of assistance. Three-quarters of families with children 12 or younger currently have at least one child in child care. Among these families, the most common sources of child care are family members such as the children's grandparents or great-grandparents, the children's other parent or step-parent, the children's siblings, and other relatives (see Exhibit 6.2). Other informal providers include friends and neighbors and nonrelative babysitters. Only 13 percent of families rely on a formal day care center.

While family members, friends, and neighbors may be convenient and affordable sources of child care, they may be less reliable than organized day care programs. They may become unavailable on short notice and may offer no contingency plans when they become unavailable. While the overwhelming majority of families are satisfied with the cost, quality, and flexibility of their current child care arrangements, we did not attempt to ascertain their assessment of the *reliability* of these arrangements.

Exhibit 6.2
Most Common Child Care Arrangements



Source: Survey of Iowa families that left FIP in spring 1999
 Sample: 222 family heads with children age 12 or younger
 Note: Families may use more than one child care arrangement

Support from Community Organizations

Considerably fewer families rely on community organizations—food pantries, soup kitchens, crisis centers, or thrift shops—than on family members, friends, and neighbors to help make ends meet after leaving FIP. Among families that left FIP in spring 1999, the percentage that ever received help from a community organization after leaving—41 percent—was less than half of the percentage that ever received help from family members, friends, and neighbors after leaving (see Exhibit 6.3). In large part, this is because families are not aware of any of these organizations in their community, either because they do not exist or the families do not know that they exist. Almost one-third are not aware of a food pantry in their area; three-quarters are not aware of a soup kitchen; one-half are not aware of a crisis center; and one-fifth are not aware of a thrift shop. It may also be that families do not feel they need assistance from these organizations or feel that seeking assistance from such organizations would be too stigmatizing.

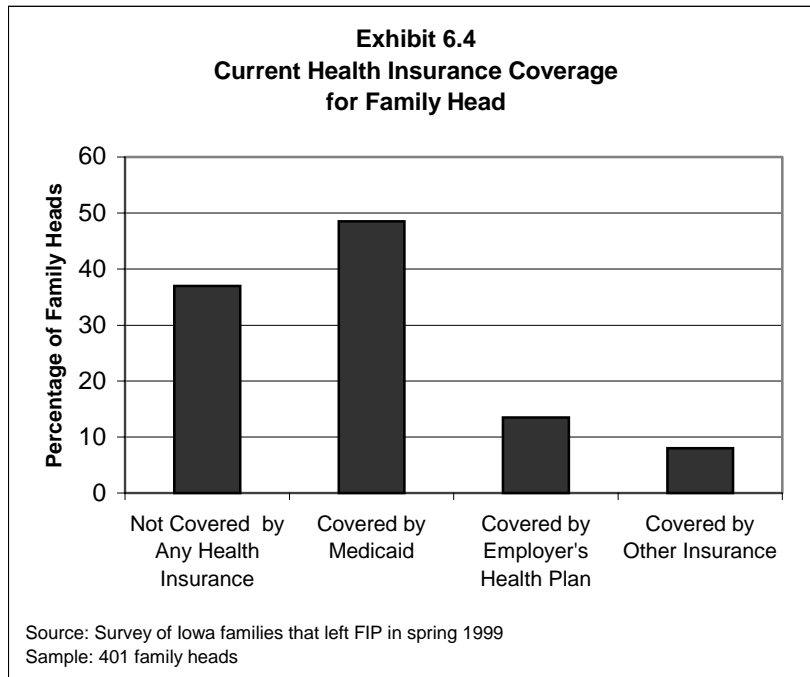
Use of food pantries and thrift shops is much more common than use of soup kitchens or crisis centers. However, there is little evidence that families used these community resources more after leaving FIP than they did before. For instance, among families that used food pantries after leaving FIP, one-third used them as often as they did before leaving FIP, slightly less than one-third used them more often, and slightly more than one-third used them less often. Among families that used thrift shops after leaving FIP, more than half used them as often as they did before leaving FIP, less than one-quarter used them more often, and the remainder used them less often.

	Percentage
Any Community Resource	41
Food Pantry	28
Thrift Shop	20
Crisis Center	6
Soup Kitchen	3

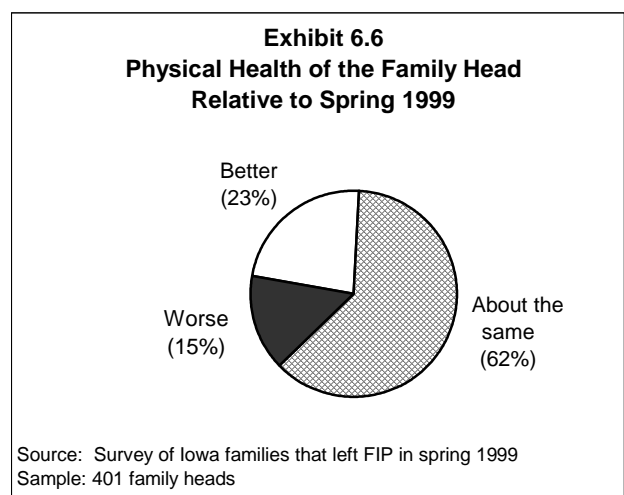
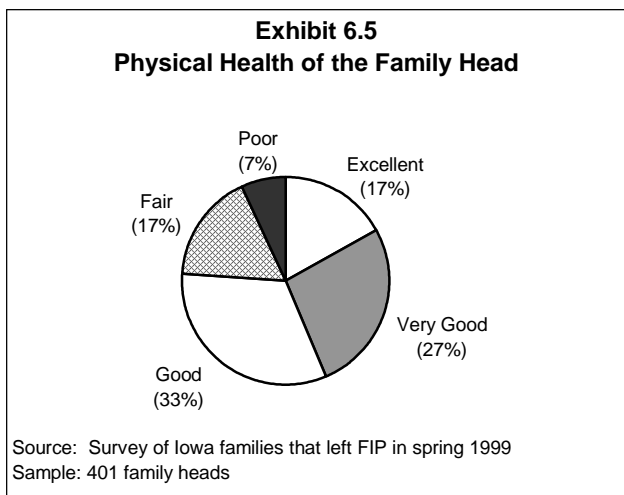
Source: Survey of Iowa families that left FIP in spring 1999
Sample: 401 family heads

HEALTH INSURANCE COVERAGE AND HEALTH STATUS

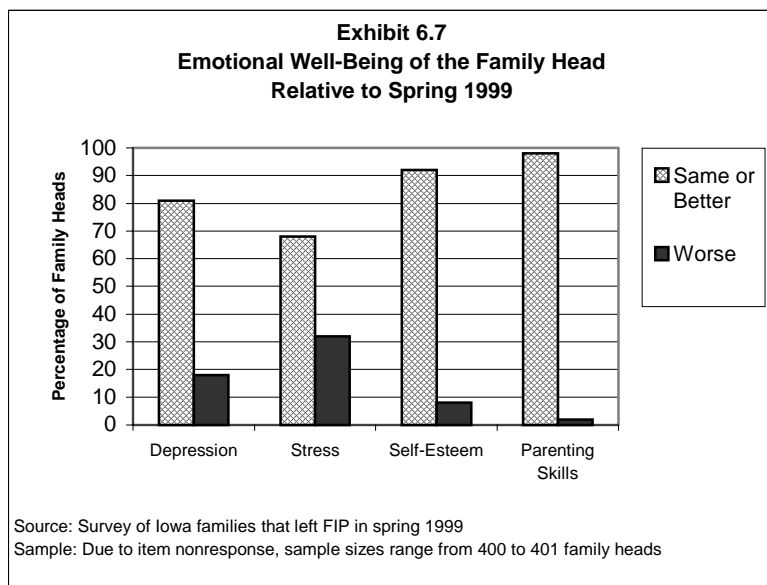
Health insurance is extremely important for all families, but it is particularly important for low-income families, since the high costs of medical care can be prohibitive or leave families in substantial debt. Yet, many of the heads of families that left FIP in spring 1999 do not have health insurance and may be only one medical crisis away from significant financial hardship. About 37 percent currently do not have any health insurance (see Exhibit 6.4). Almost 60 percent have been without health insurance for at least some time since they left FIP. While the cost of care prevented less than 15 percent of family heads from seeking medical attention when they needed it, those who lack health insurance are at risk of such a situation.



While there is some concern about lack of health insurance, overall, the health status of family heads after leaving FIP is the same or better than it was before they left. About 76 percent of family heads rate their current health status as good to excellent, and 85 percent feel that their current health status is about the same or better than it was before they left FIP (see Exhibits 6.5 and 6.6). Still, about one-quarter of family heads rate their current health status as fair or poor. About the same proportion feel that their health condition limits their participation in work, school, or training activities. Most of these family heads are limited by a physical condition, but some are limited by an emotional or mental health problem and a small percentage are limited by a drug or alcohol problem.



The emotional well-being of family heads is perhaps as important as their physical health when it comes to their ability to care and provide for their families. Generally, the heads of families that left FIP in spring 1999 feel that they are doing well emotionally and that their emotional well-being is currently the same or better than it was before they left FIP. For the majority of family heads, the amount of time they felt depressed and stressed was about the same or less after leaving FIP, and their ratings of their self-esteem and parenting skills were about the same or higher after leaving FIP (see Exhibit 6.7). Still, almost one-third reported a higher level of stress after leaving FIP. Family heads had more problems with stress after leaving FIP than with other emotional problems. The challenges of making ends meet without cash assistance likely account for much of the increase in stress after leaving FIP.



FOOD SECURITY

Some families that left FIP in spring 1999 have had trouble meeting their basic need for food. One indication of this is the percentage of families that have received assistance from a food pantry or soup kitchen—28 percent and 3 percent, respectively (see discussion above). Another indication is the percentage of families that are “food insecure.” Families that have assured access, at all times, to enough food for an active, healthy life are considered by the U.S. Department of Agriculture to be “food secure.”¹ Families that are uncertain of having, or unable to acquire, adequate food sufficient to meet basic needs at all times due to inadequate household resources for food are considered to be “food insecure.” Almost one-third of families that left

¹ Margaret Andrews, Mark Nord, Gary Bickle, and Steven Carlson, “Household Food Security in the United States, 1999,” Food and Rural Economic Division, Economic Research Service, U.S. Department of Agriculture, Food Assistance and Nutrition Research Report No. 8.

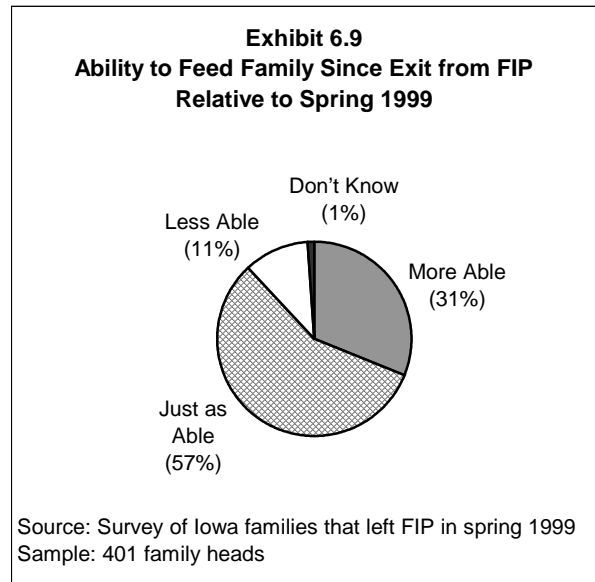
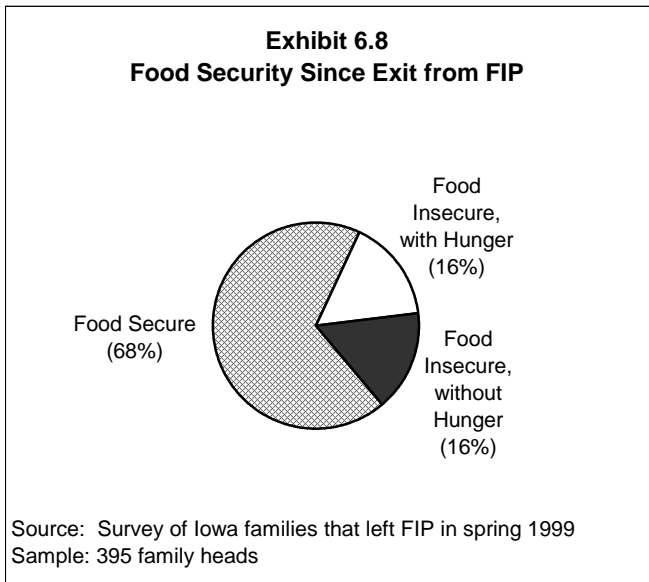
FIP in spring 1999 were food insecure after leaving FIP (see Exhibit 6.8).² Half of these families actually experienced hunger—the most severe form of food insecurity—and half of them did not.

Although a nontrivial minority of families were food insecure after leaving FIP, they were no more likely to be food insecure than before they left FIP and no more likely to be food insecure than other families across the nation with similar incomes. Most family heads (88 percent) felt that their food situation after leaving FIP was about the same or better than it was before they left the program (see Exhibit 6.9). Moreover, the rate of food insecurity among families that left FIP in spring 1999 (32 percent) is about the same as the national rate for households with income under 130 percent of poverty in 1999 (32 percent including all states, and 29 percent including states in the Midwest only).³ The rate of food insecurity among families that left FIP in spring 1999 is somewhat higher than the national rate for households with income under 185 percent of poverty in 1999—26 percent including all states.⁴

² In the early 1990s, the U.S. Department of Agriculture (USDA)—in collaboration with other federal agencies, academic researchers, and private organizations—began developing a scale that could be used in surveys to measure the degree of household food insecurity and hunger with a single number on a scale of zero-to-ten. Their work resulted in an 18-question scale that has been tested and used in national surveys. The USDA and its collaborators also developed a shorter module consisting of 6 of the 18 questions that may be used in place of the full scale. Results from the 6-item module are generally consistent with those from the full scale [Mark Nord, “Accuracy of the Six-Item Food Security Scale. Working Paper #FS-16. Economic Research Service, USDA. (March 23, 2000)]. The 6-item module was included in the survey of Iowa families that left FIP in spring 1999. However, the version of the module that was included in the survey is slightly different than the 6-item module developed by USDA and its collaborators in that it asks survey respondents about the time period since exit from FIP—a period of 8 to 12 months—rather than the past 12 months. The effect of this difference is likely trivial, but it is possible that rates of food insecurity would be slightly higher if survey respondents were asked about the past 12 months.

³ Recall that 63 percent of families had incomes at or below 130 percent of the U.S. Census Bureau’s 1999 poverty threshold and that, across all families who left FIP in spring 1999, average total income was 127 percent of the poverty threshold (see Chapter 5).

⁴ Margaret Andrews, Mark Nord, Gary Bickle, and Steven Carlson, “Household Food Security in the United States, 1999,” Food and Rural Economic Division, Economic Research Service, U.S. Department of Agriculture, Food Assistance and Nutrition Research Report No. 8.



HOUSING SECURITY

Most families were able to meet their basic need for shelter in the year after they left FIP; however, some struggled to cover the cost of housing and critical utilities. Perhaps the most extreme measure of the ability of families that left FIP in spring 1999 to meet their basic need for shelter is the rate of homelessness. About 7 percent of family heads had been homeless—either living on the street or in an emergency shelter—for some time since they left FIP (see Exhibit 6.10). This may be cause for some concern as the rate of homelessness among this group is higher than what the National Alliance to End Homelessness believes was the national rate of homelessness in 1999—4.5 percent among people with family income under 125 percent of the poverty threshold.⁵ However, there is no evidence that leaving FIP caused or contributed to families’ experiences with homelessness.

A less extreme measure of the ability of families to meet their basic shelter needs is the extent to which families have had to go without critical utilities because they could not afford to pay the bills. Just over 7 percent had gone without heat and about the same percentage had gone

⁵Because the homeless population is difficult to contact and thus count, the national rate is an estimate obtained by taking the estimated number of homeless in a given year—about 2 million people—and comparing it with the census count of people with family income below 125 percent of poverty in 1999—about 44.5 million people (recall that 63 percent of families had incomes at or below 130 percent of the U.S. Census Bureau’s 1999 poverty threshold and that, across all families who left FIP in spring 1999, average total income was 127 percent of the poverty threshold). In this estimate, homelessness is defined as living on the street, in a shelter, in a car, or in a campground. For more information on the estimated number of homeless, see the National Alliance to End Homelessness web site (www.endhomelessness.org); for more information on the census count of people with family income below 125 percent of poverty, see the U.S. Census Bureau web site (www.census.gov).

without electricity for some time since leaving FIP because they could not afford it. In addition, about one-quarter of families that left FIP in spring 1999 were unable to cover rent or mortgage sometime since leaving FIP, and about one-quarter had doubled up—either moved in with others or took others into their households—to help cover rent or mortgage. Only slightly more than half of all families that left FIP in spring 1999 never had any of these difficulties since leaving FIP.

Exhibit 6.10
Housing Security Since Exit From FIP

	Percentage
Ever without phone service because of cost	35
Ever unable to cover rent/mortgage	25
Ever doubled up to help cover rent/mortgage	25
Ever without heat because of cost	8
Ever homeless	7
Ever without electricity because of cost	7

Source: Survey of Iowa families that left FIP in spring 1999
Sample: Due to item nonresponse, sample sizes range from 397 to 401 family heads

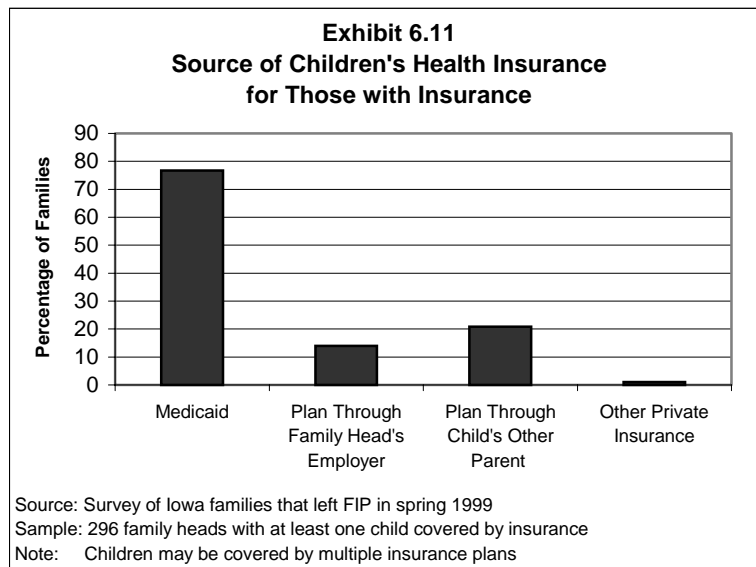
CHILDREN’S WELL-BEING

There is concern among advocates and policymakers about the effects that leaving cash assistance can have on children. A family’s transition off FIP can cause tremendous change in children’s lives depending on the reasons families leave and how successful they are in attaining self-sufficiency. This section describes children’s current well-being—including their health insurance coverage and health status, school performance, and social and emotional well-being—and presents information on the extent to which families are involved with the child welfare system before and after leaving FIP. The information on health insurance coverage is based on survey data for all children in each family that left FIP in spring 1999. The information on health status, school performance and social and emotional well-being is based on survey data for one child in each family between the ages of 6 and 17.⁶ The information on involvement in the child welfare system is based on administrative data for all children in families that left FIP.

⁶ The survey of families that left FIP in spring 1999 included a set of questions about one of the family head’s children in particular. This child was selected randomly from among all of the family head’s children between the ages of 6 and 17. Findings for these children should be applicable to all 6- to 17-year-old children in families that left FIP in spring 1999.

Health Insurance Coverage and Health Status

When a family leaves FIP, children between the ages of 1 and 19 remain eligible for Medicaid if the family's income is less than or equal to 133 percent of the poverty threshold (infants remain eligible up to 185 percent of the poverty threshold). Iowa recently expanded its health insurance program so that children in families with income between 133 and 185 percent of poverty may also be covered under the State Child Health Insurance Program known as the Healthy and Well Kids in Iowa (HAWK-I) program.⁷ In 80 percent of the families that left FIP in the spring of 1999, at least some of the children have public or private health insurance. In more than three-quarters of these families, the children are enrolled in Medicaid (see Exhibit 6.11). In slightly more than one-third of these families, the children have some type of private insurance—either through the employer of the head of the family, through the children's other parent, or other insurance purchased privately. None of the families have children enrolled in HAWK-I.⁸



Despite recent expansions in Iowa's public health insurance programs, many children remain without coverage. In approximately one-fifth of the families that left FIP in spring 1999, none of the children currently have any health care coverage. Furthermore, 2 of every 5 families have children who went without health care coverage at some time during the year after leaving FIP. In many of these families, the children were not enrolled in Medicaid because of uncertainty about their eligibility, and the children were not enrolled in HAWK-I because their

⁷ The income eligibility limit for infants on Medicaid and for the HAWK-I program was increased from 185 to 200 percent of poverty on July 1, 2000.

⁸ It is possible that, since two-thirds of family heads are not familiar with HAWK-I (see Exhibit 6.12), some children are actually enrolled in HAWK-I, but the head of the family thinks the children are enrolled in Medicaid.

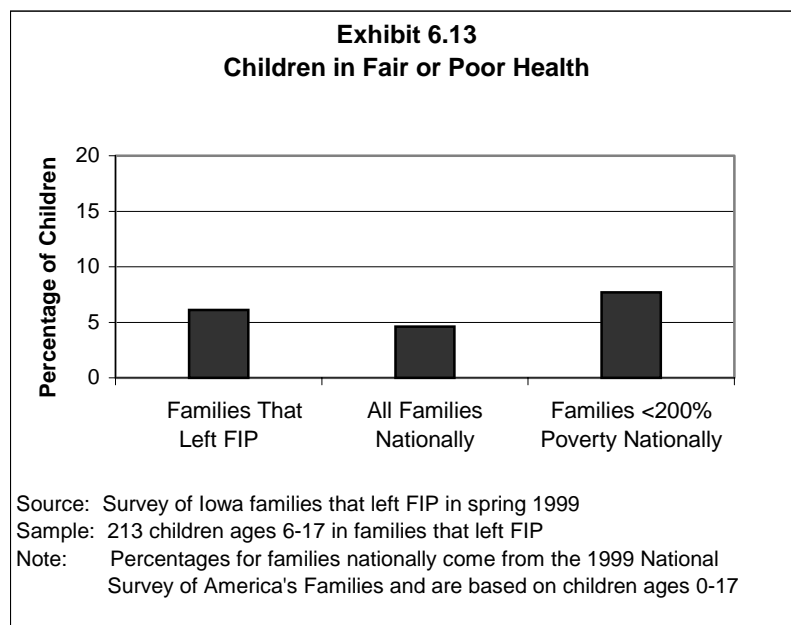
parents were not familiar with the program (see Exhibit 6.12). Recently, DHS has made progress in marketing HAWK-I and enrolling children in the program. To ensure that children do not unnecessarily lose health care coverage when they leave FIP, DHS may want to make even more effort to promote and enroll children in the HAWK-I program.

Exhibit 6.12
Most Common Reasons Children Without Health Insurance
Are Not Enrolled in Medicaid or HAWK-I

	Medicaid (%)	HAWK-I (%)
Did not apply/did not want it	23	4
Applied, but denied	16	4
Was terminated	14	0
Income too high	13	0
Did not think eligible	10	4
Not familiar with program	0	68

Source: Survey of Iowa families that left FIP in spring 1999
Sample: 71 family heads with no children covered by health insurance

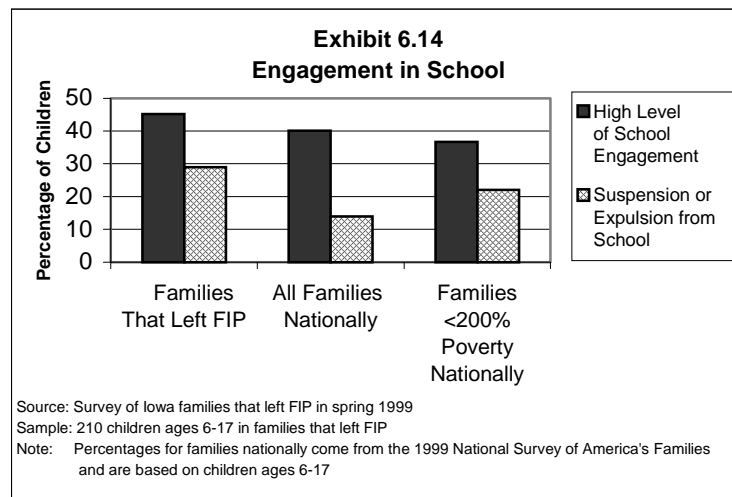
Despite gaps in health insurance coverage, parents overwhelmingly feel that their children are in good health and that their children’s health is the same or better than it was before they left FIP. Ninety-four percent feel that their 6- to 17-year-olds are currently in excellent, very good, or good health; only 6 percent feel that they are in only fair or poor health. The health status of children in families that left FIP in spring 1999 is about the same as the health status of children in low-income families nationally (see Exhibit 6.13). Nationally, 8 percent of children in families living below 200 percent of poverty and 5 percent of children at all income levels are in fair or poor health, according to their parents’ assessments.



Engagement and Performance in School

According to many researchers and child advocates, a child's engagement and performance in school are critical determinants in his or her future economic status and work productivity.⁹ When a family leaves FIP, children can experience substantial changes in their lives that can affect their engagement and performance in school either positively or negatively. The findings about engagement in school are mixed with respect to how well children in families that left FIP in spring 1999 are doing relative to other children. However, the findings about performance in school suggest that the problems that do exist among children in families that left FIP are not related to departure from FIP.

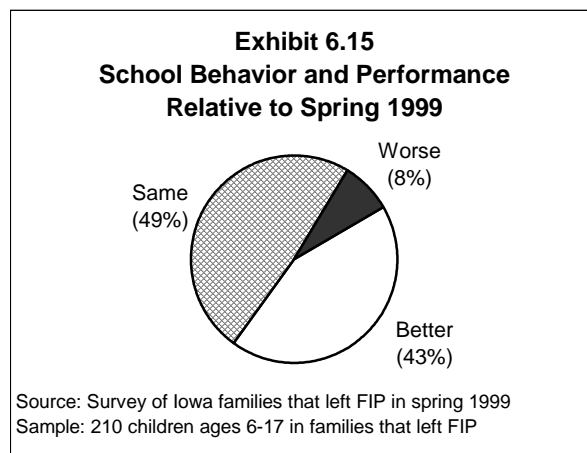
Almost half of children in families that left FIP in spring 1999 appear to be highly engaged in school, according to a standard measure of school engagement.¹⁰ About 45 percent of 6- to 17-year-olds in families that left FIP are highly engaged in school, compared with 40 percent of 6- to 17-year-olds in all families nationally and 37 percent of 6- to 17-year-olds in all families with incomes below 200 percent of poverty (see Exhibit 6.14). However, 29 percent of 13- to 17-year-olds in families that left FIP had been suspended or expelled from school in the 1999-2000 school year, compared with 14 percent of 12- to 17-year-olds in all families nationally and 22 percent of 12- to 17-year-olds in families with incomes below 200 percent of poverty.



⁹ D. Kuh and M. Wadsworth, "Childhood Influences on Adult Male Earnings in a Longitudinal Study," *British Journal of Sociology* 42 (4)(1991): 537-555, and U.S. Department of Commerce, "What's It Worth?" Field Training and Economic Status, 1993." Current Population Report, 70-51 (Washington, DC : U.S. Census Bureau, 1995).

¹⁰ School engagement was measured according to a scale developed by the Institute for Research and Reform in Education in California. This scale is based on parents' responses to four questions about children's attitudes toward school and approaches to schoolwork. An example of one question is how often the child cares about doing well in school—all of the time, most of the time, some of the time, or none of the time. For more information on this scale, see Ehrle, J., and Moore, K., "No. 6: Benchmarking Child and Family Well-Being Measures in the
(continued)

Despite mixed findings on school engagement, school performance among children in families that left FIP does not appear to be suffering. About 47 percent of family heads rated the quality of their child's schoolwork as excellent or above average, and another 40 percent rated it as average; only 13 percent rated it as below average or failing. Furthermore, it appears that leaving FIP has not adversely affected children's behavior or performance in school. Family heads overwhelmingly think that their child's behavior and performance in school after leaving FIP has been the same or better than it was before leaving FIP; only 8 percent think it has been worse (see Exhibit 6.15). For those children whose behavior and performance in school got worse, parents did not attribute the deterioration to the family's exit from FIP. Rather, parents cited children's health problems, personal problems, a change of school, or negative influences of friends as the reason for the deterioration.



Social and Emotional Well-being

Children in families that left FIP in spring 1999 are doing well socially and emotionally. No children age 6 to 12 have high levels of behavioral and emotional problems (see Exhibit 6.16), compared with 6 percent of 6- to 11-year-olds in all families nationally and 9 percent of 6 to 11 year olds in families with incomes below 200 percent of poverty.¹¹ Moreover most family

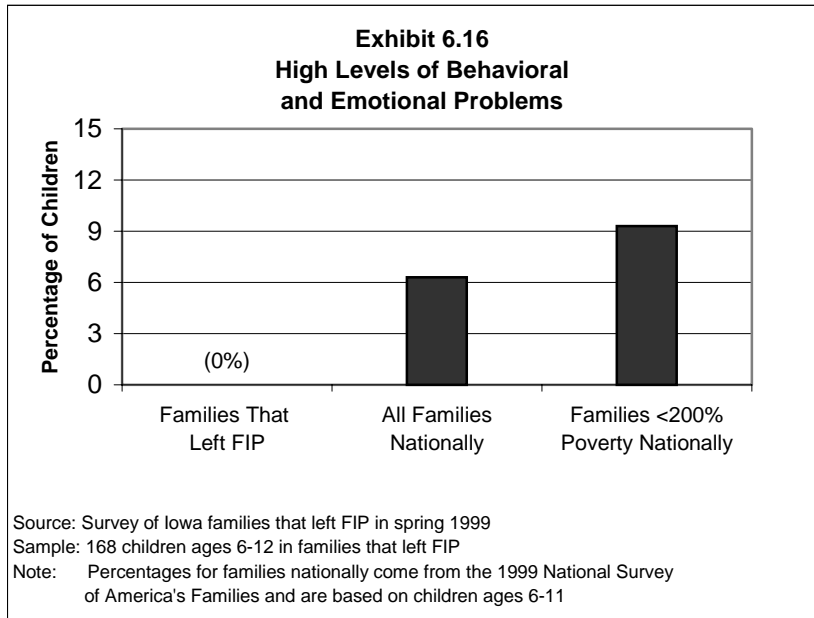
(continued)

NSAF,” March 1999, which can be found on the NSAF web site at <http://newfederalism.urban.org/nsaf/methodology1997.html>.

¹¹ It may be somewhat surprising that no children in the families that left FIP had high levels of behavioral and emotional problems, especially relative to national figures. There is no immediate explanation for this phenomenon. Levels of behavioral and emotional problems were measured according to a scale used in the NSAF and developed for the National Health Interview Survey. Questions included in the scale come from the Child Behavior Checklist, a standardized questionnaire used to obtain parents' ratings of their children's problems and competencies. They pertain to children's relationships with other children and family members

(continued)

heads think that their children are doing the same or better socially and emotionally after leaving FIP.



Involvement in the Child Welfare System

Perhaps the most extreme measure of children’s well-being is the extent to which the state child welfare system has had to intervene to protect the children and support families through crises that could be harmful to the children. According to data maintained by the Adult, Children, and Family Services Division within Iowa DHS, in the year after they left FIP, 13 percent of families received services from the state child welfare system (see Exhibit 6.17). While this may be cause for some concern, it does not appear that leaving FIP had much effect on families’ involvement in the system overall; about 14 percent of families had received services from the state child welfare system in the year before they left FIP. While some families began receiving services for the first time after leaving FIP, about as many ended previous involvement with the system after leaving FIP.

(continued)

as well as children’s feelings of self-worth. Three of the nine questions in the scale are applicable to all children ages 6 to 17, three are applicable to 6- to 11-year-olds only, and three are applicable to 12-to 17-year-olds only. The survey of Iowa families that left FIP in spring 1999 included only the six questions applicable to 6- to 11-year olds. For more information on this scale, see Ehrle, J., and Moore, K., “No. 6: Benchmarking Child and Family Well-Being Measures in the NSAF,” March 1999, which can be found on the NSAF web site at <http://newfederalism.urban.org/nsaf/methodology1997.html> .

The state provides three primary child welfare services. The services that it most commonly provided to families that left FIP in spring 1999 are family-centered services. The goals of family-centered services are (1) to prevent and alleviate child abuse, neglect, and delinquency; (2) to prevent out-of-home placement of children; and (3) to reunite and support families whose children have been placed outside the home. Among the families that had received any child welfare service after leaving FIP, 85 percent received family-centered services. They received these services for an average of 6 months of the year. Often, they received these services in conjunction with other child welfare services.

The second most common services provided to families that left FIP in spring 1999 are foster care services. Through its foster care services, the child welfare system offers 24-hour temporary substitute care for children unable to stay in their own homes and works with families to implement plans for permanent placement of children. Among the families that had received any child welfare service after leaving FIP, slightly more than half received foster care services. They received these services for an average of 6 months of the year.

The services least often provided to families that left FIP in spring 1999 are family preservation services. Through its family preservation services, the child welfare system provides intensive, short-term, and in-home crisis intervention to families with children at risk of out-of-home placement. Among the families that had received any child welfare service after leaving FIP, only 7 percent received family preservation services. Moreover, families received these services for an average of only 1 month of the year.

Exhibit 6.17
Involvement in the Child Welfare System

	Before Exit From FIP (%)	After Exit From FIP (%)
Any services received	14	13
Type of services among those in the system		
Family centered services	74	85
Foster care services	52	54
Family preservation services	11	7

Source: Administrative records for families that left FIP in spring 1999
Sample: 958 family heads

SUMMARY

Generally, the concern that families may experience more hardships in the first year after leaving FIP appears to be unfounded. Overwhelmingly, families do not appear to have any more problems maintaining their health, feeding their families, or meeting their housing needs after leaving FIP than they had before. In some cases, they have fewer problems. In order to get by after leaving FIP, however, most families rely on support from personal and community networks. Without this support, it is possible that more families would experience hardships

after leaving FIP. In addition, there is still a nontrivial proportion of families that have difficulties after leaving FIP—well over half of the heads of these families have been without health insurance for some time after leaving FIP, one-quarter are currently in poor health, and one-third have had trouble feeding their families since leaving FIP. Perhaps most troubling, about 7 percent have been homeless—either living on the street or in an emergency shelter—for some time since leaving FIP.

Similarly, on the whole, children do not appear to be worse off after leaving FIP, but some do experience difficulties that may be cause for some concern. In terms of their health, behavior and performance in school, and social and emotional well-being, most children are doing about the same or better after leaving FIP than before. Still, some are not doing well in these areas and some are involved in the child welfare system. Their difficulties, however, do not appear to be associated with families' experiences with FIP, but rather with a host of other factors that influence children's well-being.

CHAPTER 7—FINDINGS FOR SUBGROUPS OF FAMILIES

Previous chapters have described the circumstances and well-being of all families that left FIP in spring 1999. However, different types of families may have markedly different experiences, and a general description of all families might mask these differences. It is important to identify variations so that DHS can determine whether it would be efficient to craft different policies to address the distinct needs of different types of families leaving cash assistance. This chapter highlights important outcomes for different types of families that left FIP in spring 1999. The types of families are defined in three ways:¹

- (1) ***By circumstances surrounding exit from FIP.*** First, this chapter will compare families that, by their own assessment, left FIP voluntarily and families that left FIP involuntarily. This kind of comparison may shed light on: (1) whether DHS can identify families that are likely to leave FIP before they are ready to become self-sufficient; (2) whether families that leave FIP involuntarily are more prone to FIP recidivism than families that leave voluntarily; and (3) whether families that leave involuntarily have a harder time making ends meet than families that leave voluntarily. The analysis may help DHS determine whether it could target families at risk of leaving FIP involuntarily for enhanced services while they remain on the caseload and how it could support these families after they leave.
- (2) ***By return to FIP.*** Next, this chapter will compare families that returned to FIP within 8 to 12 months of leaving and families that did not. This kind of comparison may shed light on: (1) what characteristics are associated with FIP recidivism; (2) how the financial circumstances of families that return to FIP differ from the financial circumstances of families that do not return to FIP; and (3) whether families that return to FIP also rely on other government programs more than families that do not return to FIP. The analysis may suggest ways that DHS could identify and support families most at risk of FIP recidivism and may inform DHS about whether or not families that do not return are succeeding in maintaining self-sufficiency.
- (3) ***By current employment of the head of the family.*** Finally, this chapter will compare families in which the head is currently employed and families in which the head is not currently employed. This kind of comparison may shed light on: (1) what characteristics are associated with employment; (2) whether the overall well-being of families in which the head is employed is higher than the overall well-being of families in which the head is not employed; and (3) whether families with employed heads rely on government assistance programs less than other families do. The analysis may suggest strategies for increasing employment among current and former welfare recipients and for assisting family heads to maintain employment after leaving cash assistance.

¹ All definitions are based on responses to questions in the survey of Iowa families that left FIP in spring 1999, and subgroups consist only of those survey respondents with valid and nonmissing responses (e.g., those who responded “do not know” to the applicable question are not included in the subgroups presented in this chapter).

COMPARISON BY CIRCUMSTANCES SURROUNDING EXIT FROM FIP

This section compares families that left FIP voluntarily and families that left FIP involuntarily. Sixty-one percent of the families that left FIP in spring 1999 left voluntarily and 39 percent left involuntarily—that is, because DHS stopped or planned to stop their benefits.

Demographic Characteristics

Families that left FIP voluntarily and families that left FIP involuntarily look very similar in terms of demographic characteristics (see Exhibit 7.1). However, they differed in one significant way—the heads of families that left involuntarily were slightly older than the heads of families that left voluntarily.

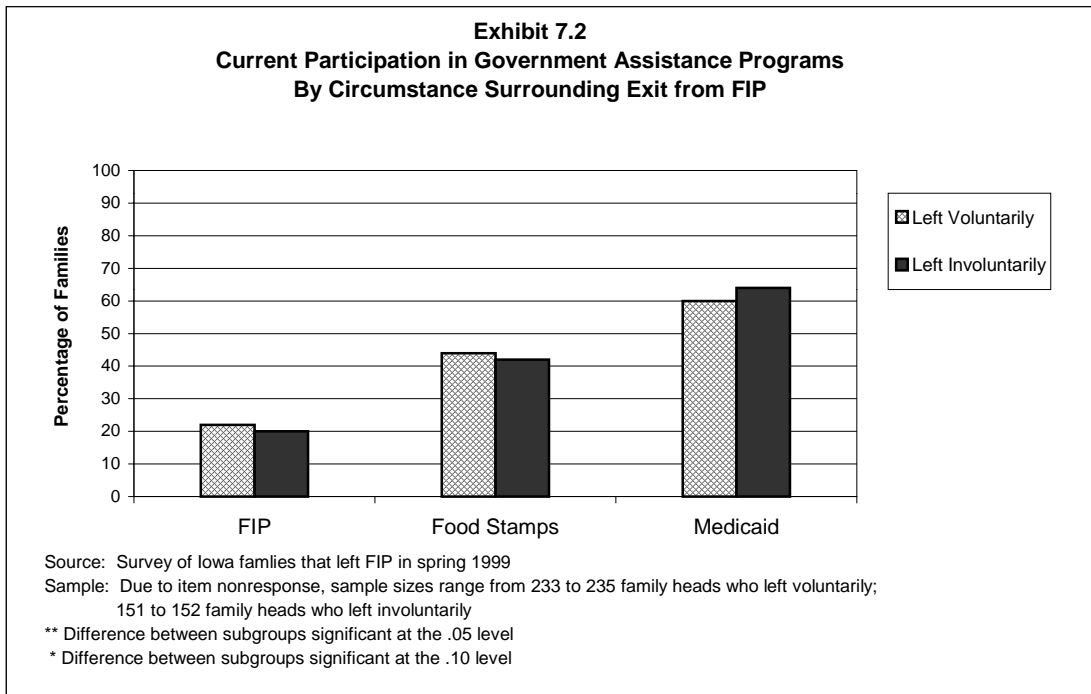
Exhibit 7.1			
Demographic Characteristics by Circumstances Surrounding Exit from FIP			
	Average or Percentage		
	Left Voluntarily	Left Involuntarily	
Percentage with Characteristic:			
Male	6%	9%	
Non-white	17%	21%	
Less than High School Degree	24%	29%	
Never Married	47%	50%	
Married or Cohabiting	33%	30%	
Residing in Urban Counties in Iowa	44%	49%	
Youngest Child is 0-2	46%	42%	
Average Age of Family Head	29.0	30.8	**
Average Number of Persons in Household	3.7	3.6	

Source: Survey of Iowa families that left FIP in spring 1999
Sample: Due to item nonresponse, sample sizes range from 222 to 235 family heads who left voluntarily; 132 to 152 family heads who left involuntarily. Because some families reside outside the state of Iowa, sample sizes for "residing in urban counties in Iowa" are 185 for family heads who left voluntarily and 144 for family heads who left involuntarily.

** Difference between subgroups significant at the .05 level
* Difference between subgroups significant at the .10 level

Program Participation

Families that left FIP involuntarily are no more likely to return to FIP or to participate in other government assistance programs after leaving FIP than families that left voluntarily (see Exhibit 7.2). Among both groups, about 2 in 10 families are back on FIP 8 to 12 months after leaving, 4 in 10 are participating in the Food Stamp Program, and 6 in 10 are participating in Medicaid—that is, the family head and/or the children are enrolled in Medicaid.



Employment and Income

The heads of families that left FIP involuntarily were just as likely to be employed some time after leaving FIP as the heads of families that left FIP voluntarily (see Exhibit 7.3). Those who left involuntarily are also just as likely to be employed currently. Moreover, the characteristics of their current jobs are about the same as the characteristics of jobs held by family heads who left FIP voluntarily.

Exhibit 7.3
Employment by Circumstances Surrounding Exit from FIP

	Average or Percentage	
	Left Voluntarily	Left Involuntarily
Percent ever employed since leaving FIP	84%	78%
Percent currently employed	61%	59%
If currently employed, characteristics at job:		
Average hourly pay	\$7.53	\$7.83
Average hours worked per week	34.2	33.2
Average monthly earnings	\$1,104	\$990
Percent offered health insurance	63%	54%
Percent offered paid sick days	43%	33%
Average number of months on job	10.6	11.5

Source: Survey of Iowa families that left FIP in spring 1999
Sample: 235 family heads who left voluntarily; 152 family heads who left involuntarily
** Difference between subgroups significant at the .05 level
* Difference between subgroups significant at the .10 level

Yet, overall, the current financial circumstances of families that left FIP involuntarily are worse than those of families that left voluntarily (see Exhibit 7.4). Families that left involuntarily have significantly less income than families that left voluntarily.² On average, their income is \$1,270 per month in contrast to \$1,551 per month for families that left FIP voluntarily. Consequently, families that left involuntarily are more likely to be in poverty—54 percent have incomes at or below poverty, compared with 42 percent of families that left voluntarily.

Exhibit 7.4
Economic Status by Circumstances Surrounding Exit from FIP

	Average or Percentage		
	Left Voluntarily	Left Involuntarily	
Percent with income from:			
Earnings	61%	59%	
Government Assistance (FIP, SSI, UI, GA, SS, EA)	36%	34%	
Child Support	29%	28%	
Other Household Members	41%	37%	
Average amount of income from:			
Earnings	\$687	\$590	
Government Assistance (FIP, SSI, UI, GA, SS, EA)	\$140	\$156	
Child Support	\$79	\$83	
Other Household Members	\$598	\$428	
Total	\$1,551	\$1,270	**
Percent at or below poverty	42%	54%	**
Percent rating standard of living at least "good"	52%	43%	*

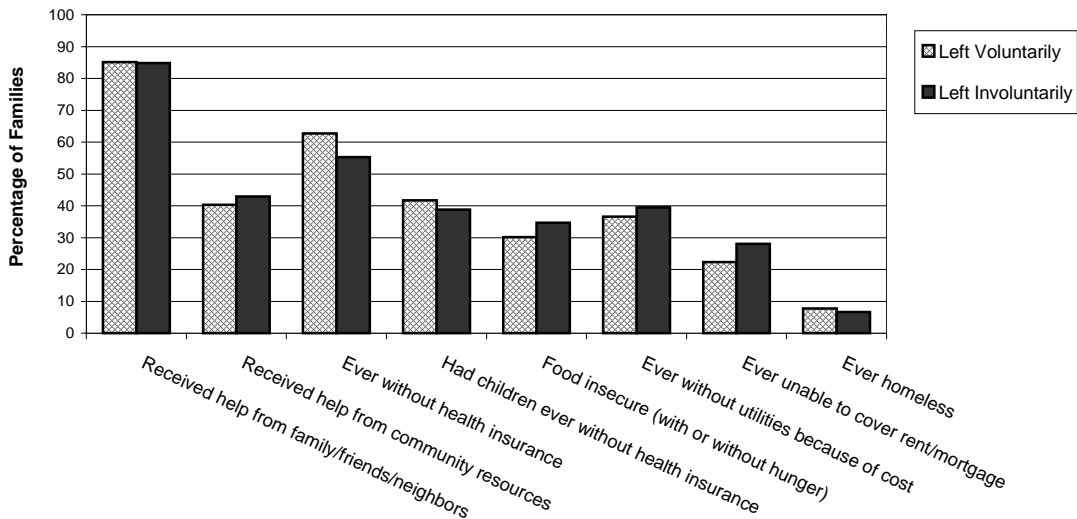
Source: Survey of Iowa families that left FIP in spring 1999
Sample: Due to item nonresponse, sample sizes range from 205 to 235 family heads who left voluntarily; 134 to 152 family heads who left involuntarily
Note: Averages include zero values for those with no income from designated source
** Difference between subgroups significant at the .05 level
* Difference between subgroups significant at the .10 level

Family Well-Being

Despite differences in financial circumstances, families that left FIP involuntarily are faring about as well on other measures of well-being as families that left voluntarily (see Exhibit 7.5). Families that left FIP involuntarily are no more likely to receive help from private support networks and are no more likely to experience deprivation with respect to health insurance, housing, or food.

² The measure of income reported on here and throughout Chapter 7 does not include the value of Food Stamps.

**Exhibit 7.5
Family Well-Being By Circumstance Surrounding Exit from FIP**



Source: Survey of Iowa families that left FIP in spring 1999
 Sample: Due to item nonresponse, sample sizes range from 228 to 235 family heads who left voluntarily;
 147 to 152 family heads who left involuntarily
 ** Difference between subgroups significant at the .05 level
 * Difference between subgroups significant at the .10 level

Summary—Circumstances Surrounding Exit From FIP

While there is some evidence that families that leave FIP involuntarily have more difficulty raising their families out of poverty, they do not experience more hardships than other families. Also, they use the same strategies to get by after leaving cash assistance as other families; they are working, utilizing government assistance programs, relying on financial contributions from other household members and from noncustodial parents, and getting help from private support networks at the same rate as other families.

COMPARISON BY RETURN TO FIP

This section compares families that returned to FIP within a year of leaving and families that did not. Twenty-eight percent of families that left FIP in spring 1999 returned to FIP within 8 to 12 months and 72 percent did not.

Demographic Characteristics

The heads of families that are able to remain off FIP in the year after leaving tend to be older and more educated than the heads of families that are not able to remain off FIP (see Exhibit 7.6). This suggests that policies designed to facilitate the attainment of a high school diploma may pay dividends in terms of reduced recidivism among families that leave FIP.

Exhibit 7.6
Demographic Characteristics by Return to FIP

	Average or Percentage		
	Never Returned	Ever Returned	
Percentage with Characteristic:			
Male	8%	6%	
Non-white	19%	20%	
Less than High School Degree	23%	36%	**
Never Married	47%	48%	
Married or Cohabiting	34%	28%	
Residing in Urban Counties in Iowa	47%	49%	
Youngest Child is 0-2	43%	48%	
Average Age of Family Head	30.4	27.9	**
Average Number of Persons in Household	3.6	3.8	

Source: Survey of Iowa families that left FIP in spring 1999

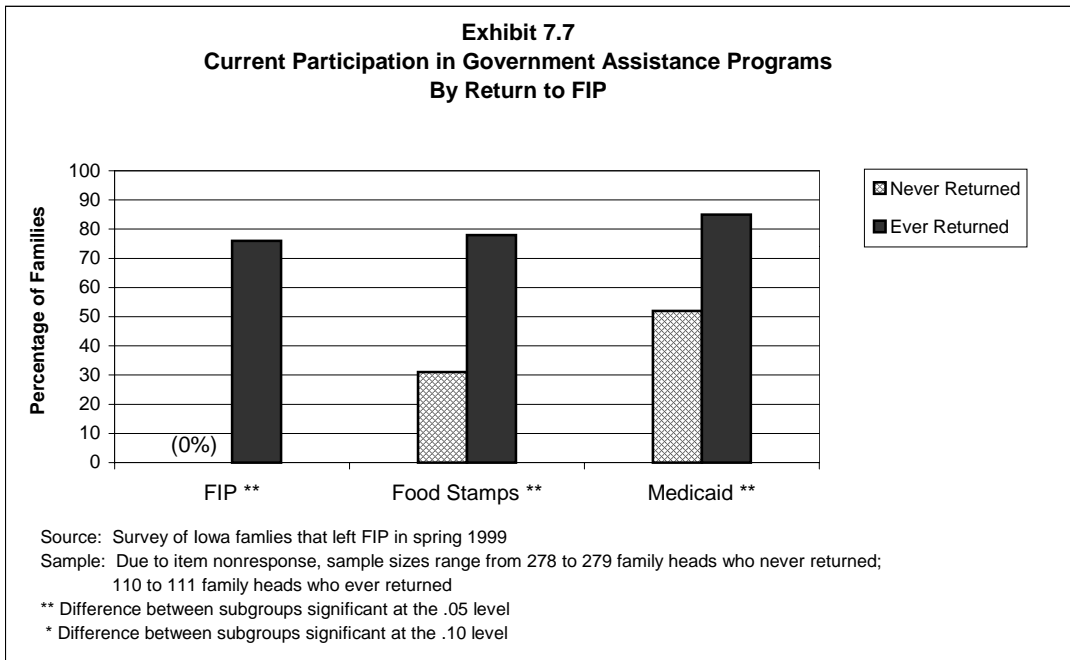
Sample: Due to item nonresponse, sample sizes range from 252 to 279 family heads who never returned; 107 to 111 family heads who ever returned. Because some families reside outside the state of Iowa, sample sizes for "residing in urban counties in Iowa" are 228 for family heads who never returned and 103 for family heads who ever returned

** Difference between subgroups significant at the .05 level

* Difference between subgroups significant at the .10 level

Program Participation

Families that return to FIP are much more likely to participate in other government assistance programs one year after leaving FIP (see Exhibit 7.7). About 78 percent of families that returned to FIP within 8 to 12 months of leaving currently participate in the Food Stamp Program, while only 31 percent of families that never returned to FIP currently participate. Similarly, in 85 percent of the families that returned to FIP, someone is currently enrolled in Medicaid compared with 52 percent of the families that never returned to FIP. These findings illustrate the high degree of correlation between participation in FIP and participation in other government assistance programs.



Employment and Income

The heads of families that never returned to FIP and the heads of families that did return were about as likely to have been employed some time after leaving FIP, but the heads of families that never returned were better able to sustain employment (see Exhibit 7.8). While just over 80 percent of family heads in both groups had been employed some time after leaving FIP, 69 percent of family heads who never returned are currently employed compared with only 39 percent of family heads who returned to FIP.

Exhibit 7.8
Employment by Return to FIP

	Average or Percentage		
	Never Returned	Ever Returned	
Percent ever employed since leaving FIP	81%	83%	
Percent currently employed	69%	39%	**
If Currently Employed, Characteristics at Job:			
Average hourly pay	\$7.98	\$6.11	**
Average hours worked per week	35.2	28.3	**
Average monthly earnings	\$1,151	\$646	**
Percent offered health insurance	64%	44%	**
Percent offered paid sick days	44%	19%	**
Average number of months on job	11.9	5.3	*

Source: Survey of Iowa families that left FIP in spring 1999
Sample: 279 family heads who never returned; 111 family heads who ever returned
** Difference between subgroups significant at the .05 level
* Difference between subgroups significant at the .10 level

Among currently employed family heads, those who never returned to FIP are more likely to have better jobs—that is, jobs that pay more, offer more hours, and offer benefits—than those who did return to FIP. Either because their jobs are better or because they have personal characteristics that are associated with being better able to sustain employment, the heads of families that never returned to FIP stay at their jobs longer. On average, they have been working at their current job for as long as they have been off FIP (12 months) while those who returned to FIP have been working at their current job an average of 5 months only.

In part because of their higher rates of employment and better jobs, families that never returned to FIP are doing much better financially than families that returned to FIP (see Exhibit 7.9). Overall, their incomes are more than 50 percent higher than the incomes of families that returned to FIP. Not only are they more likely to have earnings and to have higher earnings, they are also more likely to have income from other household members and to receive child support from noncustodial parents. Therefore, families that never returned to FIP are much less likely to be poor than families that returned to FIP. Despite the differences in income, the two groups of families were about equally likely to rate their standard of living as “good” or better.

Exhibit 7.9
Economic Status by Return to FIP

	Average or Percentage		
	Never Returned	Ever Returned	
Percent with income from:			
Earnings	69%	37%	**
Government Assistance (FIP, SSI, UI, GA, SS, EA)	19%	78%	**
Child Support	33%	15%	**
Other Household Members	41%	36%	
Average amount of income from:			
Earnings	\$797	\$256	**
Government Assistance (FIP, SSI, UI, GA, SS, EA)	\$88	\$309	**
Child Support	\$101	\$24	**
Other Household Members	\$582	\$425	
Total	\$1,597	\$1,029	**
Percent at or below poverty	39%	69%	**
Percent rating standard of living at least "good"	50%	48%	

Source: Survey of Iowa families that left FIP in spring 1999

Sample: Due to item nonresponse, sample sizes range from 249 to 279 family heads who never returned; 93 to 111 family heads who ever returned

Note: Averages include zero values for those with no income from designated source

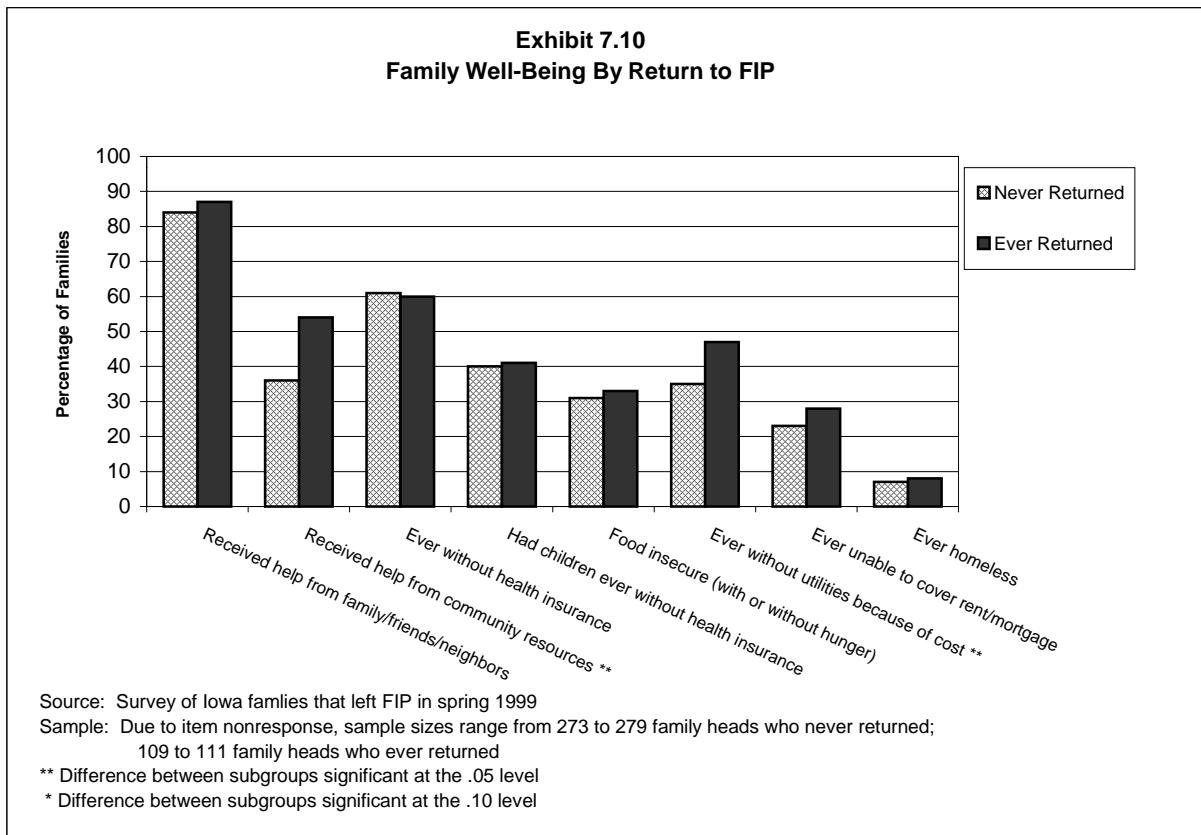
** Difference between subgroups significant at the .05 level

* Difference between subgroups significant at the .10 level

Family Well-Being

Aside from having lower income levels, families that return to FIP fare as well as families that do not return by most other measures of their well-being (see Exhibit 7.10). However, families that return to FIP are much more likely to receive help from community resources after

leaving. Almost 55 percent of families that returned received help from community resources compared with 36 percent of families that did not. Perhaps the reason why families that return to FIP fare about as well as families that do not return is that families that return are able to meet their needs through a combination of government assistance (including FIP) and help from community resources while families that do not return are able to meet their needs through a combination of other government assistance (not including FIP), their own earnings, and financial support from other household members and the noncustodial parents of their children.



Summary—Return to FIP

Families that are able to remain off of cash assistance are those in which the head is older, more educated, and more able to sustain employment in higher quality jobs. There is strong evidence that these families are financially better off than families that return to cash assistance within 8 to 12 months of leaving. The heads of families that remain off FIP are more likely to be employed, are more likely to have income from other household members, and are more likely to receive child support from noncustodial parents. To help families avoid FIP recidivism and improve their economic circumstances, DHS may want to encourage more family heads to pursue education—especially a high school degree—and to provide additional skills training to help family heads obtain and keep better jobs. It may also want to put increased emphasis on paternity establishment and child support enforcement for families that cycle on and off FIP and to encourage families to build support networks to deal with problems and to help make ends meet.

COMPARISON BY CURRENT EMPLOYMENT OF THE FAMILY HEAD

This section compares families in which the heads are currently employed and families in which the heads are not currently employed. Sixty-one percent of the heads of families that left FIP in spring 1999 are currently employed and 39 percent are not.

Demographic Characteristics

Heads of families who are currently employed are more likely to be white and to have completed high school than heads of families who are not currently employed (see Exhibit 7.11). The latter finding reinforces the earlier suggestion that DHS may want to put increased emphasis on education and training in FIP's personal responsibility requirements. However, family heads who are not employed may have other barriers—aside from low levels of education—that reduce their ability to obtain and maintain employment.

Exhibit 7.11			
Demographic Characteristics by Current Employment of the Family Head			
	Average or Percentage		
	Employed	Not Employed	
Percentage with Characteristic:			
Male	7%	8%	
Non-white	16%	25%	**
Less than High School Degree	23%	33%	**
Never Married	47%	49%	
Married or Cohabiting	31%	34%	
Residing in Urban Counties in Iowa	44%	52%	
Youngest Child is 0-2	41%	50%	
Average Age of Family Head	29.5	29.7	
Average Number of Persons in Household	3.6	3.7	

Source: Survey of Iowa families that left FIP in spring 1999

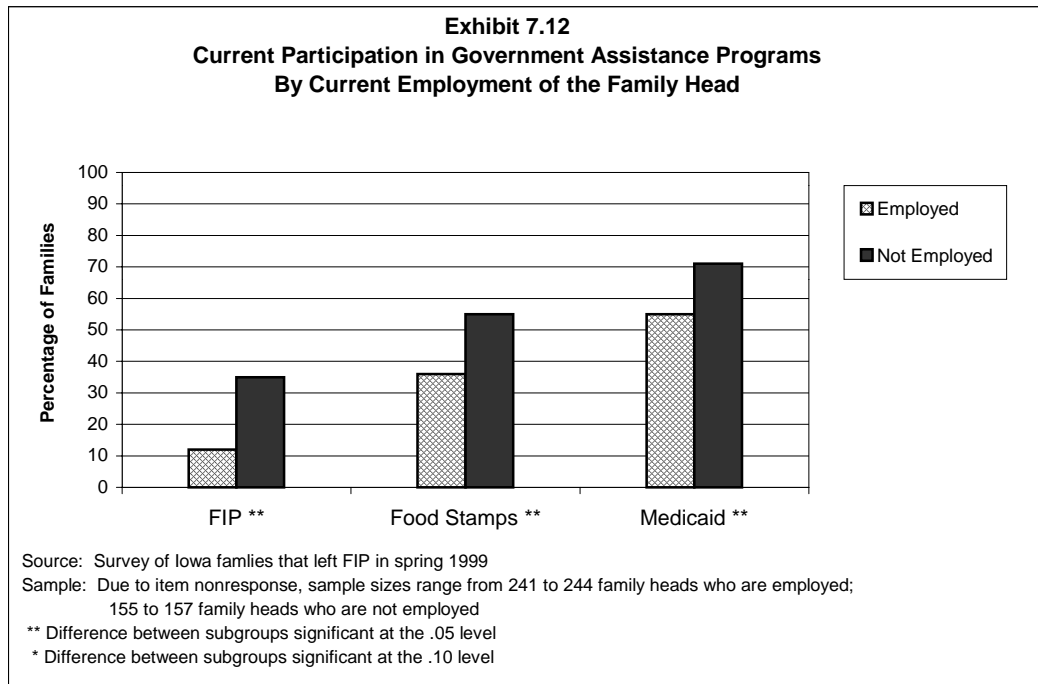
Sample: Due to item nonresponse, sample sizes range from 237 to 244 family heads who are employed; 132 to 157 family heads who are not employed. Because some families reside outside the state of Iowa, sample sizes for "residing in urban counties in Iowa" are 209 for family heads who are employed and 132 for family heads who are not employed.

** Difference between subgroups significant at the .05 level

* Difference between subgroups significant at the .10 level

Program Participation

Government assistance programs can provide substantial help to those who do not work or do not earn enough through work. Indeed, families in which the head is not employed are significantly more likely to participate in FIP, Food Stamps, and Medicaid than other families (see Exhibit 7.12). Still, many families in which the head is employed also rely on government assistance. Approximately 12 percent of those employed still receive FIP, 36 percent receive food stamps, and 55 percent rely on Medicaid for themselves or their children.



Employment and Income

Largely because of their earnings, families with an employed head have much higher incomes and are much less likely to be in poverty than families without an employed head (see Exhibit 7.13). Most families without employed heads live in poverty, and the average income among those in poverty is merely 41 percent of the poverty threshold. Despite their earnings, however, more than one-third of families with an employed head remain in poverty.³ This suggests that, even though families with an employed head are doing better than families without an employed head, many families trying to work their way off cash assistance are unable to substantially improve their financial circumstances.

³ Recall that calculations of income and poverty do not include the value of the EITC which some employed family heads may receive.

Exhibit 7.13
Economic Status by Current Employment of the Family Head

	Average or Percentage		
	Employed	Not Employed	
Percent with income from:			
Earnings	100%	0%	--
Government Assistance (FIP, SSI, UI, GA, SS, EA)	22%	56%	**
Child Support	35%	17%	**
Other Household Members	35%	46%	**
Average amount of income from:			
Earnings	\$1,074	\$0	**
Government Assistance (FIP, SSI, UI, GA, SS, EA)	\$72	\$268	**
Child Support	\$99	\$45	**
Other Household Members	\$447	\$672	**
Total	\$1,690	\$1,021	**
Percent at or below poverty	34%	69%	**
Percent rating standard of living at least "good"	56%	37%	**

Source: Survey of Iowa families that left FIP in spring 1999

Sample: Due to item nonresponse, sample sizes range from 223 to 244 family heads who are employed; 129 to 157 family heads who are not employed

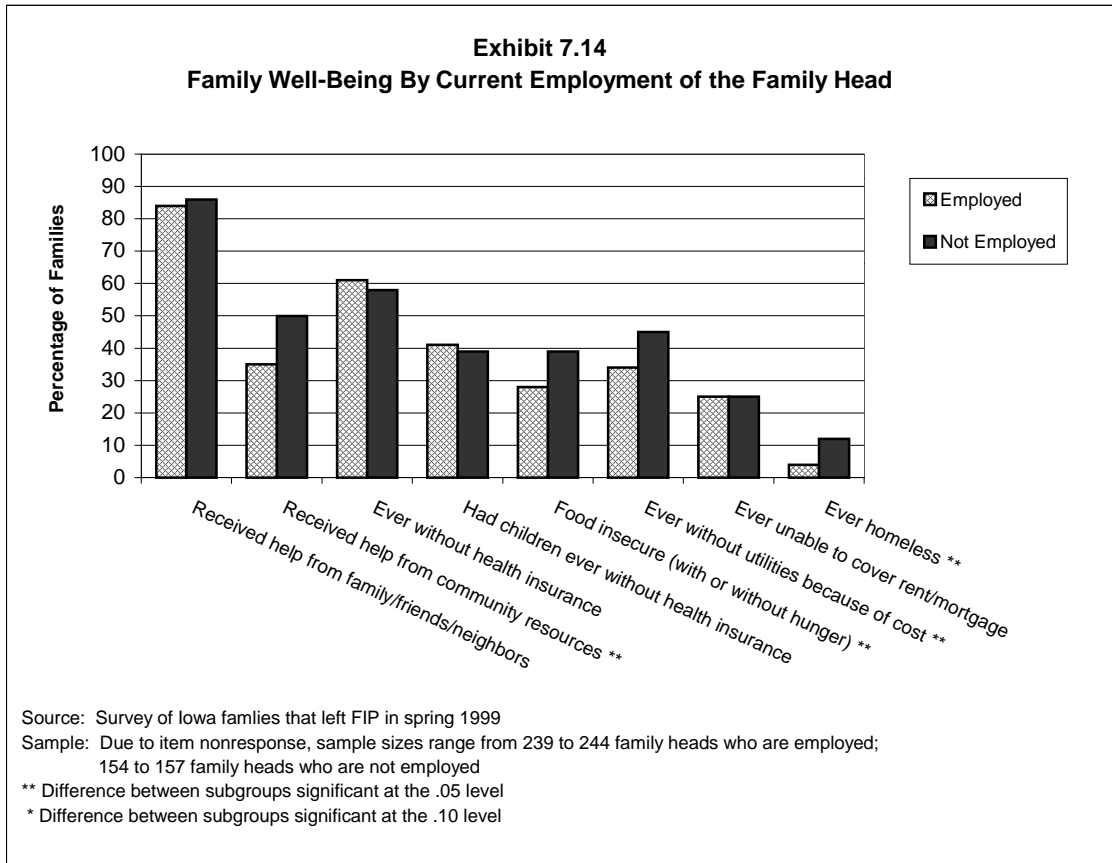
Note: Averages include zero values for those with no income from designated source

** Difference between subgroups significant at the .05 level

* Difference between subgroups significant at the .10 level

Family Well-Being

There are other indications that families without an employed head are worse off than families with an employed head. Those without an employed head were much more likely to rely on help from community resources and much more likely to have trouble affording adequate food and utilities in the year after leaving cash assistance (see Exhibit 7.14). Perhaps most troubling, they were also almost three times as likely as those with an employed head to have been homeless at some point since leaving FIP.



Summary—Current Employment of the Family Head

Long-term employment is strongly associated with a family’s well-being, financially and otherwise. While most family heads were employed for at least some time after leaving cash assistance, those who were able to maintain employment fared much better than those who were not. This suggests that DHS should consider expanding its current post-employment services program not only to help those who are employed keep their jobs, but also to help those who lose their jobs to become re-employed quickly. DHS should also recognize, though, that many families that are able to sustain gainful employment remain in poverty. The department may want to expand its current efforts to facilitate participation by working families in government programs that can provide critical support—such as Medicaid and the Food Stamp Program—and to build on its current efforts to help them utilize other supports—such as the EITC—that can make their work pay.

SUMMARY

Different types of families have different experiences after leaving FIP. While the circumstances under which a family leaves FIP do not seem to affect its experiences in the first year after leaving FIP, the ability of the head of the family to obtain and sustain employment plays a major role in shaping a family’s experiences in that year. Most families in which the head can sustain employment do fairly well after leaving cash assistance, but families in which the head cannot sustain employment suffer financially and otherwise after leaving cash

assistance. In addition, the financial circumstances among families that come back onto FIP within a year of leaving are worse than the financial circumstances among families that are able to remain off of cash assistance. This implies that DHS may want to follow-up with families that leave FIP to help the heads of those families maintain long-term employment and to otherwise help them avoid FIP recidivism.

CHAPTER 8—SUMMARY OF FINDINGS AND POLICY IMPLICATIONS

Since reaching a near high of 40,659 in April 1994, Iowa's welfare caseload has dropped by 52 percent to 19,316 as of December 2000. This dramatic decline has inspired widespread interest in why families are leaving welfare and the circumstances and well-being of the families that leave. In particular, policymakers and advocates are concerned that new welfare program policies—including strict work requirements, consequences for failing to meet those requirements, and a 60-month time limit on the receipt of cash assistance—may cause families to leave welfare before they are ready to become self-sufficient and, as a result, these families may be at risk of severe hardship. The Study of TANF Leavers in Iowa addresses this concern through an analysis of survey and administrative data for families that left Iowa's welfare program, FIP, in spring 1999.

SUMMARY OF FINDINGS

The objectives of the Study of TANF Leavers in Iowa were to explain why families leave FIP and to describe their experiences and well-being after leaving. The majority of families leave FIP because they find other ways of making ends meet without cash assistance and are no worse off one year after leaving than they were before. Still, some families leave cash assistance before they are ready to become self-sufficient, and some experience hardships after leaving. These families may warrant policy attention. The remainder of this section summarizes in somewhat more detail the main findings from the study (Exhibit 8.1 presents the main findings in table format).¹ The findings help answer each of the study's five broad research questions set forth in Chapter 1.

Why do families leave and return to FIP? Although DHS records indicate that more than half of the families that leave FIP do so because of noncompliance with program rules, most families report that they leave FIP voluntarily and under positive circumstances, most commonly because of an increase in income. Few report leaving because they failed to comply with FIP's work and other requirements. Moreover, it seems that most families leave FIP with the tools they need to be self-sufficient, at least in the short-term; most are able to remain off cash assistance for 8 to 12 months after leaving FIP. However, a nontrivial minority of families is not able to remain off cash assistance for an extended time. Most commonly these families return to FIP because they cannot generate enough income on their own—either through earnings or other sources—to make ends meet.

¹ When interpreting the findings, it is important to keep in mind that Iowa's economy was very strong during the time in which the study was conducted. Had the study been conducted during weaker economic conditions, the circumstances and well-being of families that left FIP may have been quite different.

Exhibit 8.1
Main Findings from the Study of TANF Leavers in Iowa

	Percentage or Average
<i>Circumstances surrounding FIP exit/return</i>	
Left voluntarily	60%
Left because of non-compliance with program requirements	14%
Returned to FIP within 8-12 months	28%
<i>Employment circumstances of the heads of families that leave FIP</i>	
Employed currently	61%
If employed currently, average hourly pay	\$7.54
If employed currently, average weekly hours of work	34
If employed currently, average monthly earnings	\$1,055
<i>Participation in other government programs after leaving FIP</i>	
Currently enrolled in Medicaid (family head and/or children)	63%
Currently participating in the Food Stamp Program	43%
Currently participating in the Child Care Assistance program	17%
<i>The economic status of families that leave FIP</i>	
Current average monthly income	\$1,440
Current income at or below poverty	47%
Rated current standard of living as at least "good"	49%
<i>Other measures of well-being after leaving FIP</i>	
Family head not covered by health insurance	37%
Families in which no child is covered by health insurance	20%
Food insecure since leaving FIP	32%
Homeless for some time since leaving FIP	7%

Source: Survey of Iowa families that left FIP in spring 1999

What are the employment circumstances of families that leave FIP? Most families that leave FIP attempt to gain self-sufficiency through work, but many of the heads of these families are not able to maintain stable employment. Personal health problems are the most common reasons why these individuals left their last job and why they are not currently employed. On average, those who are currently employed work close to full time and earn more than the minimum wage, but they still do not earn enough in total to substantially improve their families' overall financial well-being through employment alone. Even when they combine earnings with other sources of income, about one-third of families are still in poverty.

To what extent do families participate in other government assistance programs after leaving FIP? Other government programs—particularly Medicaid and the Food Stamp Program—remain critical sources of support for many families that leave cash assistance. Yet, some families that appear to be eligible for these programs on the basis of their income do not participate in them. Generally, these families know about the availability of these programs to families that leave cash assistance, but many do not have a complete understanding of the procedures for redetermining eligibility. Participation in these other programs is much higher among families that return to FIP within 8 to 12 months than among families that remain off FIP. Participation is also much higher among families without earnings from employment than among families with earnings from employment.

What is the economic status of families that leave FIP? Overall, almost half of the families that leave FIP live in poverty about one year later. Economic circumstances after leaving FIP differ, however, for different types of families. Families that leave FIP voluntarily fare better economically than families that do not leave the program voluntarily; families that are able to remain off cash assistance fare better than families that are not able to remain off of cash assistance; and families headed by individuals who can maintain employment fare better than families headed by individuals who cannot maintain employment.

How do families fare on other measures of well-being after leaving FIP? In general, the concern that families may experience more hardships after leaving FIP appears to be unfounded. Despite the fact that some families have extremely low incomes after leaving FIP, most do not appear to experience more hardships than they did while on FIP. In order to get by after leaving FIP, however, most families rely on support from personal and community networks. Without this support, it is possible that more families would experience hardships after leaving FIP. In addition, there is still a nontrivial proportion of families that has severe difficulties after leaving FIP—some are in poor health and lack health insurance, some have trouble feeding their families, and some have trouble maintaining stable housing. Families headed by individuals who are employed have fewer of these problems than families headed by individuals who are not employed.

POLICY IMPLICATIONS

This study focuses specifically on a group of families that left FIP in Iowa, but the findings are similar to findings from ASPE-funded studies of TANF leavers in other states and have implications for welfare policy nationwide.² The findings highlight three key issues confronting policymakers in the current environment: (1) the need to support families at risk of reaching the time limit on receipt of cash assistance; (2) the need to assist families that are able to obtain employment to advance in the workplace and benefit financially from working; and (3) the need to ensure that when families leave cash assistance, they do not unnecessarily lose other critical government support.

A sizeable minority of families that leave cash assistance cannot remain off for an extended period of time. These families are at greater risk of reaching the 60-month time limit on receipt of cash assistance. To best address the needs of these families and to prevent welfare recidivism, policymakers may want to consider what additional services they could provide before and after families leave cash assistance. Policymakers could do this not only by examining what services and financial support they could provide within their cash assistance programs, but also by looking more broadly to other programs that could support families through crises that might

² The findings from the Study of TANF Leavers in Iowa are similar to findings from ASPE-funded studies of TANF leavers in other states, particularly in the areas of TANF recidivism, employment circumstances, and participation in other government assistance programs after leaving FIP. For more information on studies of TANF leavers in other states and on cross-state comparability, see ASPE's "Welfare Leavers and Diversion Studies" web site at <http://aspe.hhs.gov/hsp/leavers99/index.htm>.

otherwise drive them back onto welfare. Examples include the Unemployment Insurance system, SSI, child support, and various housing programs.

Though families headed by individuals who are employed fare much better than families headed by individuals who are not employed, increasing the employment rate alone is not likely to substantially improve the circumstances of families that leave FIP. Even those who work need additional support to raise their families out of poverty. In recent years policymakers have focused attention on making work pay for families receiving cash assistance. They have instituted generous earnings deductions within the welfare benefit structure so that families receiving cash assistance can keep more of what they earn, and they have eliminated disincentives to work for two-parent families. Now, policymakers may need to turn more attention to making work pay for families who leave welfare for work. Policymakers in Iowa and other states might consider implementing or expanding post-employment services, including additional skills training, to former welfare recipients so that they can obtain substantially better paying jobs and advance in the workplace. It is also important that working families be made aware of and helped with accessing other supports that can make work pay, such as the EITC.

To ensure that when families leave cash assistance they do not unnecessarily lose other critical government supports, policymakers and program managers may want to consider how they can be proactive in educating the welfare caseload about the eligibility and procedural requirements for those supports. It is particularly important that families leaving cash assistance not forego support from the Medicaid and Food Stamp programs while they are still eligible. Policymakers may want to consider how both caseworkers within DHS and partners in other agencies can promote these programs to low-income families on and off of cash assistance and guide them through the certification and re-certification processes.

ADDITIONAL RESEARCH NOW UNDERWAY

While the Study of TANF Leavers in Iowa has shed light on the circumstances and well-being of families that leave cash assistance, a number of questions about this population remain, including:

- How do families with exceptionally low incomes make ends meet after leaving cash assistance?
- Are families that do not participate in surveys like the one underlying this study worse off than families that do participate?
- How do families that leave cash assistance fare in the longer-term?

To address these questions, Iowa DHS and Mathematica Policy Research, Inc., are currently conducting three follow-up studies with families that left FIP in spring 1999. In the first, we are conducting case studies of 16 families that left FIP in spring 1999 and that received no more than \$500 of income per month about one year after leaving FIP. In-depth, in-person, open-ended interviews will explore the financial circumstances of these families and the strategies they use to make ends meet more fully than the Study of TANF Leavers in Iowa. In the second, we are conducting interviews with some families that did not participate in the survey of Iowa families

that left FIP in spring 1999 and comparing their circumstances and well-being after leaving FIP with the circumstances and well-being of families that participated in the survey. In the third, we are conducting follow-up telephone interviews with and analyzing additional administrative data for families that left FIP in spring 1999 to determine how they are faring two years after leaving FIP. Final reports from these studies will be available in late 2001 and early 2002.

APPENDIX A

DATA SOURCES AND METHODOLOGY

APPENDIX A—DATA SOURCES AND METHODOLOGY

This appendix describes the five sources of administrative data used in the Study of TANF Leavers in Iowa and the methodology for the telephone survey of heads of families that left FIP, Iowa's TANF program. In addition, this appendix examines the representativeness of the survey sample and evaluates potential sources of bias related to the survey design.

ADMINISTRATIVE DATA

A total of 958 single-parent families left FIP in spring 1999—that is, received FIP benefits in April, May and June 1999 but not in July or August 1999. Administrative data were collected for all 958 families from five sources:

- 1) ***The Iowa Automated Benefit Calculation (IABC) System.*** The Division of Economic Assistance within Iowa DHS maintains this system, which contains two distinct files that provided data for this study. The Case Master file is a monthly data file that includes current and historical benefit information for each family that has participated in or applied for FIP or Food Stamps within the previous two years. The June 1999, September 1999, December 1999, March 2000, and June 2000 Case Master files provided information on receipt of FIP and Food Stamps from three months prior to through 12 months after exit from FIP. The Individual Master file is a monthly data file that includes demographic and other information for each individual in a family included in the Case Master File. The June 1999 Individual Master file provided information on the demographic characteristics of the head of the family at the time the family left FIP.
- 2) ***The Medicaid Information System.*** The Division of Medical Services within Iowa DHS maintains this system, which is used to issue Medicaid cards to families that qualify for Medicaid benefits. The system is updated on a daily basis and contains 24 months of information on each individual that was enrolled in Medicaid for at least one month during that time period. One extract from this system provided the Medicaid enrollment status for the family head and for each child in all 958 families for each month between June 1999 and June 2000. Data were aggregated across children and family heads to create family-level records.
- 3) ***The Iowa Collection and Reporting (ICAR) System.*** The Bureau of Collections within Iowa DHS maintains this system, which contains monthly data on court-ordered child support obligations, payments made by noncustodial parents toward obligations and arrearages, and amounts of support the state distributes to the custodial parent for each child belonging to a family that has been on FIP. Two extracts from this system provided child support data for each child in all 958 families for each month between June 1998 and June 2000. Data were aggregated across all children in a family to create family-level records.

- 4) ***The Unemployment Insurance (UI) System.*** Iowa Workforce Development maintains this system and provides data to Iowa DHS through an interagency agreement. The system contains quarterly information on employment and earnings as reported by employers participating in Iowa's Unemployment Insurance system. Therefore, it does not include information on individuals who are self-employed, who are employed outside the state of Iowa, who are paid under the table, or who are employed in jobs that are not required to be reported to the Unemployment Insurance system. The UI system provided data for the heads of the 958 families on number of jobs and total earnings in the quarter prior to through the fourth quarter after the family left FIP.

- 5) ***The Family and Child Services (FACS) System.*** The Adult, Children, and Family Services (ACFS) Division within Iowa DHS maintains this system, which contains monthly data on children who have received foster care, family preservation, and family-centered services from Iowa's child welfare system from 1996 through the present. Two extracts from this system provided child welfare data for each child in all 958 families for each month between June 1998 and June 2000. Data were aggregated across all children in a family to create family-level records.

SURVEY METHODOLOGY

A telephone survey was conducted in spring 2000 with heads of families that left FIP in spring 1999. The following section describes the telephone survey methodology, provides a comparison of survey respondents and nonrespondents, and assesses how the survey results can be generalized to the target population.

Sample Design

The sampling frame for the survey of Iowa families that left FIP consisted of 958 single-parent families that, according to Iowa DHS administrative records, received FIP benefits in April, May, and June 1999 but did not receive FIP benefits in July or August 1999. MPR randomly selected 100 of these families for a pretest of the survey instrument and procedures and 535 to make up the survey sample. Using state administrative records, MPR identified the head of each family to be the subject of the survey interview (that is, to represent the family over the telephone).

Survey Instrument and Pretest

MPR developed the survey instrument in consultation with Iowa DHS. The survey was designed for paper-and-pencil administration over the telephone and was designed to take 35 to 40 minutes. MPR conducted a pretest of the survey procedures and the survey instrument to identify ways to improve the procedures, adjust the length of the survey, improve the flow and sequencing of the questions, clarify question wording for the sample members, and clarify instructions for the interviewers. Main study

procedures were modeled in a pretest of the survey to provide the best information possible regarding locating sample members, willingness to participate, survey length, and survey comprehension among both respondents and interviewers. Modifications to the survey instrument were made in an iterative fashion based on information obtained through monitoring by MPR staff and debriefings with interviewers. Interviews were conducted with a total of 10 pretest sample members.

During the pretest, interviewers were trained to use the Kish method for selecting a child to be the focus of survey questions about child well-being. Interviewers were trained to identify the number of the respondents' own children between ages 6 and 17 who were in the household, list them in chronological order (from oldest to youngest), and select the one whose placement on the list corresponded to the random number listed in a table for family size. Five distinct lists of random numbers were used for this survey.

Survey Data Collection

Data collection began in mid-February 2000 and ran for 16 weeks, through early June. Letters were sent to each of the 535 sample members before any telephone contact. The letters explained the study, encouraged participation, offered a \$25 incentive, and invited sample members to call MPR's toll-free number to complete an interview. It also explained that participation was voluntary and that the identities and responses of all participants would be kept confidential.

Using phone numbers from DHS, MPR interviewers called sample members who did not respond to the advance letter to conduct an interview or schedule a time to do so. If telephone numbers were incorrect or unavailable, MPR's locating department used a variety of techniques to find valid contact information. Locating efforts ranged from calling directory assistance to more extensive methods such as tapping into reverse directories and searching through national and state-level databases. State databases included the IABC system and the ICAR system. National databases used included Metronet, DTEC and Lexis-Nexis. A special version of Lexis-Nexis containing information on state motor vehicle records was used for some families who were the hardest to locate. Nearly half of the sample required specialized locating efforts.

In addition to the advance letters, several additional mailings were sent to sample members to encourage participation. Specialized letters were sent to sample members for whom telephone numbers could not be obtained. These letters were sent not only to the sample member's last known address, but also to the addresses of other known contact people for the sample member. Brightly colored fliers and postcards were also sent later in the field period to those who had not yet participated in the survey. Some of these follow-up mailings were sent via priority mail as a way of bringing more attention to the mailings. Finally, specialized letters were sent to sample members who initially declined to participate in the survey. These letters were sent priority mail and follow-up calls were made within a few days of the mailing. Sample members who refused to participate a second time were considered to be nonrespondents, and MPR made no additional attempts to contact them by telephone.

About three weeks before the end of the survey fielding period, fliers and postcards announcing an increase in the incentive payment were sent to all sample members who had not yet completed an interview. In addition to the original \$25 payment, MPR offered a \$15 gift certificate to Wal-Mart in return for completing an interview. A total of 68 survey respondents (17 percent of all respondents) received the increased incentive.

Survey Data Preparation

As each interview was completed, it was reviewed for completeness, consistency, and accuracy of focal child selection. Based on guidelines developed by MPR, interviewers called back respondents to obtain missing information or clarify contradictory answers. Reviewers back-coded “other-specify” responses to prelisted choices where appropriate, or assigned new codes if responses were common enough to warrant the additions. They also assigned numeric codes to open-ended questions.

After completed interviews were reviewed and coded, they were sent through the data entry process. The data entry program was written to restrict entries to allowable ranges as well as to adhere to skip patterns in the survey instrument. The data were entered two times by two different people to verify that the data were entered correctly. After data entry was verified, a file of initial frequencies was produced and reviewed for inconsistencies and out-of-range data. Inconsistent data were reconciled based on review of the source data and, in some cases, callbacks to sample members. Following this process, a final data file was produced for analysis.

Survey Response Rates

Interviews were completed with 405 (76 percent) of the 535 sample members. At the beginning of the survey interview, respondents were asked whether they agreed that they received FIP benefits in the spring of 1999 but not in the summer of 1999. Respondents overwhelmingly confirmed the information regarding benefit receipt during the relevant months. Eleven respondents, however, disagreed in some way with the information on their receipt of benefits. Based on their reasons for disagreeing with the information, four respondents who disagreed in a substantial way were excluded from the analyses of the survey data. Throughout the report, results are provided for the 401 respondents who agreed with the information regarding their receipt of benefits or who disagreed in an insubstantial way.

Sample members who did not complete survey interviews fell primarily into two categories—either they could not be located during fielding period (18 percent of the sample) or they refused to participate in the survey (4.5 percent of the sample). The remaining nonrespondents included sample members who began the interview but failed to complete it; sample members who were unavailable during the field period; and sample members who were ill or hospitalized, deceased, or had a barrier to completing a telephone interview. These results are shown in Table A-1.

EXHIBIT A.1

FINAL SURVEY SAMPLE DISPOSITION

	Number	Percentage
Completed Interview	405	75.7
Did Not Complete Interview		
Not Located	96	17.9
Refused	24	4.5
Incomplete Interview	4	0.7
Unavailable during field period	3	0.6
Barrier (Language/Physical/Cognitive)	1	0.2
Ill/Hospitalized	1	0.2
Deceased	1	0.2
Total Sample	535	100.0

Representativeness of the Survey Sample

The estimates presented in this report are based on a sample of individuals who received FIP benefits in Iowa during the spring of 1999 but not in the summer of 1999. It is possible that estimates for the sample differ from estimates for the entire population of individuals who meet these criteria and that some error may result from using a sample rather than the full population. It is important to examine potential sources of error to help estimate the accuracy and precision of the survey results. Errors may be encountered due to coverage, response, processing, and nonresponse problems. These types of errors and their applicability in reviewing the estimates derived from this survey are explained below.

Coverage errors. Coverage errors occur when some members of a target population are not identified and therefore do not have an opportunity to be included in the sample. Coverage errors are unlikely to occur in this survey. The sampling frame for this study came from the administrative system that is used to issue FIP benefit checks. Therefore, it includes all families that received FIP in Iowa. Because a random sample was drawn from all families in the data that met the benefit criteria (positive FIP benefits in April, May, and June 1999 and zero FIP benefits in July and August 1999), all members in the target population had an equal opportunity to be selected.

Response errors. Response errors can occur in several ways: for example, if the wrong person is interviewed, if the selected sample member cannot accurately recall events in question, if responses are deliberately false, or if questions are so poorly worded that they are inherently biased and/or leave room for several interpretations. Response errors are likely to be minimal in this survey. Before beginning the interview, date of birth was collected from all respondents and matched to the information obtained from state administrative records. In cases where the date of birth given differed from the date of

birth in administrative records, the last four digits of the Social Security number were requested and matched against administrative data. If neither the date of birth nor Social Security number provided matched the administrative data, the interview was not conducted. In addition, pretest interviews helped to fine-tune the instrument and to test the wording and comprehension among persons selected from the same sampling frame.

Recall is one area of potential response error. For many questions, sample members in this survey were asked to remember their circumstances and events that took place in the spring and summer of 1999. Some respondents may have had difficulty thinking back in time.¹ However, only a subset of survey questions asked respondents to think back to the spring and summer of 1999; most questions referenced current circumstances or circumstances in the month immediately before the interview.

Processing errors. Processing errors can occur when data are not edited, coded or entered accurately. Because of the stringent quality control and data entry verification processes employed, processing errors in this survey are likely to be minimal.

Nonresponse errors. Nonresponse errors can occur when survey data are not collected for the entire sample. Bias can result if respondents are not representative of the entire sample or if they are different in some way from the nonrespondents. To determine the extent of nonresponse error in this survey, administrative data were used to compare respondents and nonrespondents across various characteristics. Significant differences between the two populations would suggest that estimates based on respondents alone might be different than estimates based on the entire population. According to most measures, respondents to the survey of Iowa families that left FIP are not significantly different from nonrespondents (see Exhibits A.2, A.3, and A.4). However, some differences occur in the receipt of government assistance and in employment and wages.

The percentage of respondents receiving FIP in December 1999 was significantly higher (using the .05-level of statistical significance, two-tailed test) than the percentage of nonrespondents receiving FIP during the same period. Also, the average food stamp benefit amount received in March 2000 was significantly higher for nonrespondents than for respondents. These differences, however, are isolated. Generally, respondents and nonrespondents do not appear to be different in terms of their receipt of government assistance.

The percentage of respondents who were employed in the quarter that they left FIP (April-June 1999) and the quarter after they left FIP (July-September 1999) was significantly higher than the percentage of nonrespondents who were employed during the same periods. Also, wages among respondents were significantly higher in the quarter that they left FIP and the quarter before they left FIP. Why these differences occurred or how they affected the survey estimates is difficult to determine. However, the fact that differences in employment and wages do not persist over time (particularly during the survey fielding period); the lack of significant differences across most

¹ Sample members interviewed in February had to think back 7 to 10 months to the spring and summer of 1999; those interviewed in June had to think back 11 to 14 months.

measures of demographic characteristics, receipt of government assistance, and employment and wages; and the reasonably high response rate for the survey suggest that the survey results are reasonably reliable estimates of the population of interest.

EXHIBIT A.2

DEMOGRAPHIC CHARACTERISTICS

	Survey Group			Difference Between Respondents & Nonrespondents	
	Sample	Respondents	Nonrespondents	Amount	p-value
Percentage					
Female	91.8	92.8	88.5	+4.3	0.12
Racial/ethnic minority ^a	17.1	15.5	22.3	-6.8	0.07
Married	19.6	18.5	23.1	-4.6	0.28
Living in urban county	51.4	50.1	55.4	-5.3	0.25
Average					
Age	29.7	29.5	30.2	-0.8	0.37
Number of children in FIP case ^b	2.1	2.0	2.2	-0.2	0.33
Number of persons in FIP case ^b	4.2	4.2	4.3	-0.1	0.66
Sample size	535	405	130	--	--

SOURCE: IABC Case Master File; IABC Individual Master File

^a Sample size for this item is 531 (401 respondents and 130 nonrespondents) due to missing data.

^b The number of children and number of persons in the FIP case may be overstated because the data include individuals who have ever been associated with the FIP case during the previous two years.

EXHIBIT A.3

RECEIPT OF GOVERNMENT ASSISTANCE OVER TIME

	Survey Group			Difference Between Respondents & Nonrespondents	
	Sample	Respondents	Nonrespondents	Amount	p-value
Percentage Participating					
June 1999					
FIP	100.0	100.0	100.0	0.0	-
Food Stamps	87.1	87.7	85.4	+2.3	0.50
September 1999					
FIP	5.8	6.4	3.8	+2.6	0.28
Food Stamps	33.1	34.8	27.7	+7.1	0.13
December 1999					
FIP	14.4	16.0	9.2	+6.8	0.05
Food Stamps	34.6	35.8	30.8	+5.0	0.29
March 2000					
FIP	19.6	21.0	15.4	+5.6	0.16
Food Stamps	33.8	35.3	29.2	+6.1	0.20
June 2000					
FIP	18.7	20.0	14.6	+5.4	0.17
Food Stamps	36.3	38.5	29.2	+9.3	0.06
Average Benefit Amount (\$) ^a					
June 1999					
FIP	312	308	324	-16	0.23
Food Stamps	230	229	232	-3	0.82
September 1999					
FIP	206	227	97	+130	0.10
Food Stamps	218	211	249	-38	0.12
December 1999					
FIP	334	332	350	-18	0.69
Food Stamps	230	225	246	-21	0.35
March 2000					
FIP	322	327	305	+22	0.54
Food Stamps	239	230	273	-43	0.04
June 2000					
FIP	342	343	337	+6	0.84
Food Stamps	240	236	259	-23	0.28
Sample size	535	405	130	--	--

SOURCE: IABC Case Master File

^a Average values include only those who are receiving assistance.

EXHIBIT A.4

EMPLOYMENT AND WAGES OVER TIME

	Survey Group			Difference Between Respondents & Nonrespondents	
	Sample	Respondents	Nonrespondents	Amount	p-value
Percentage Employed					
January – March 1999	42.4	44.0	37.7	+6.3	0.21
April – June 1999	54.8	57.3	46.9	+10.4	0.04
July – September 1999	54.8	58.3	43.8	+14.5	0.00
October – December 1999	38.3	38.0	39.2	-1.2	0.81
January – March 2000	37.9	37.0	40.8	-3.8	0.45
April – June 2000	36.8	37.3	35.4	+1.9	0.70
Average Wages (\$) ^a					
January – March 1999	1,398	1,488	1,069	+419	0.02
April – June 1999	1,698	1,796	1,325	+471	0.01
July – September 1999	2,348	2,399	2,138	+261	0.30
October – December 1999	2,615	2,660	2,481	+179	0.56
January – March 2000	2,464	2,507	2,343	+164	0.59
April – June 2000	2,702	2,717	2,653	+64	0.84
Sample size	535	405	130	--	--

SOURCE: Iowa's Unemployment Insurance System

^a Average values include only those who are employed.

APPENDIX B

TABLES OF STUDY RESULTS

APPENDIX B—TABLES OF STUDY RESULTS

This compendium presents tables of results that were used to develop the analyses and exhibits throughout the body of the report for the Study of TANF Leavers in Iowa. The results come from administrative data and from the survey of Iowa families that left FIP in spring 1999. Some of the tables present more results than were discussed in the report. The table numbers reference the report chapter to which each table pertains. For instance, Tables B.1-1 through B.1-3 pertain to Chapter 1 and Tables B.2-1 through B.2-7 pertain to Chapter 2.

TABLE B.1-1

SELF-REPORTED DEMOGRAPHIC CHARACTERISTICS FOR SURVEY RESPONDENTS
AT THE TIME OF THE SURVEY INTERVIEW

	Average or Percentage
Sex	
Male	7.2
Female	92.8
Age in years	
15-20	7.0
21-25	32.9
26-30	21.7
31-35	13.5
36-40	15.0
41+	10.0
Average age	29.6
Race ^a	
White	80.7
Black	12.6
Other	6.8
Latino or of Spanish descent ^b	4.0
Educational status ^a	
Less than high school degree	26.4
High school degree or GED	66.1
Two or four year college degree	7.5
Marital status	
Married	15.0
Separated	12.8
Divorced	23.0
Widowed	1.5
Never married	47.8
Cohabiting with unmarried partner ^b	17.0
If married or cohabiting, got married/began cohabiting since exit from FIP ^c	34.6
State of residence	
Iowa	85.0
Other	15.0
If resides in Iowa, county of residence	
Urban	46.9
Rural	53.1
Sample Size	401

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 398 due to missing data.

^b Sample size for this item is 399 due to missing data.

^c Sample size for this item is 127 (not 128) due to missing data.

TABLE B.1-2

SELF-REPORTED HOUSEHOLD CHARACTERISTICS FOR SURVEY RESPONDENTS AT THE TIME OF THE SURVEY INTERVIEW

	Average or Percentage
Average number of persons in household	
Adults	1.7
Children	1.9
Total	3.6
Presence of children (%)	
Children present in household	95.2
Respondent's own children present in household	93.2
Other children present in household	8.6
Total number of own children in household (%)	
0	6.6
1	38.4
2	34.1
3+	20.7
Do not know	0.3
If respondent's own children present in household, average age of respondents' youngest child in years	4.7
If respondent's own children present in household, age of respondent's youngest child (%)	
Under 1 year old	11.7
1 to 2 years old	32.8
3 to 5 years old	20.9
6-11 years old	24.1
Older than 11 years	10.6
Sample Size	396

SOURCE: Survey of Iowa families that left FIP in spring 1999

TABLE B.1-3

NON-CUSTODIAL CHILDREN

RESPONDENTS	Number	Percentage of Respondents with Non-Custodial Children
Total number of respondents with at least one non-custodial child	66	100.0
Number of non-custodial children		
1	32	48.5
2	20	30.3
3 or more	14	21.2
At least one non-custodial child is receiving FIP	7	10.6
At least one non-custodial child was living with respondent in spring 1999	29	43.9
NON-CUSTODIAL CHILDREN	Number	Percentage of Total Non-Custodial Children
Total number of non-custodial children	122	100.0
Age of non-custodial children ^a		
0 to 2 years	10	8.5
3 to 5 years	23	19.5
6 to 11 years	43	36.4
Over 11 years	42	35.6
Living arrangements of non-custodial children ^a		
Father/mother of child	60	50.8
Grandparents of child	25	21.2
Adoptive parents	9	7.6
Aunt/uncle of child	8	6.8
Other relative of child	6	5.1
School/group home/jail/treatment facility	6	5.1
Foster care	3	2.5
Child deceased	1	0.8
Reason why child is not living with respondent ^b		
Other parent has primary custody	43	37.7
Mother cannot care for child	11	9.6
Child prefers to live elsewhere	10	8.8
Court or agency removed child from home	8	7.0
Mother in residential program	8	7.0
Child has been adopted	6	5.3
Lives with relatives in a better area	4	3.5
Child is institutionalized or in treatment facility	3	2.6
Child is in juvenile detention/jail	2	1.8
Child is visiting relatives	1	0.9
Other	18	15.8
Sample Size	392	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 118 (not 122) due to missing data.

^b Sample size for this item is 114 (not 122) due to missing data.

TABLE B.1-4

DEMOGRAPHIC AND HOUSEHOLD CHARACTERISTICS FOR
ALL FAMILIES AT THE TIME OF EXIT FROM FIP

	Average or Percentage
Sex (%)	
Male	8.4
Female	91.6
Age in years (%)	
15-20	12.6
21-25	28.4
26-30	20.4
31-35	14.5
36-40	13.7
41+	10.4
Race (%) ^a	
White	83.0
Black	12.2
Other	4.9
Marital status (%) ^b	
Married	18.2
Separated	9.8
Divorced	11.3
Widowed	0.4
Never married	60.3
County of residence (%)	
Urban	52.1
Rural	47.9
Average number of persons associated with the case	
Adults	2.2
Children	2.1
Total	4.3
Average age of youngest child associated with the case	5.1
Age of youngest child associated with the case (%)	
0-2 years	46.1
3-5 years	20.1
6-11 years	22.8
Older than 11 years	11.0
Sample Size	958

SOURCE: IABC Individual Master File, July 1999.

^a Sample size for this item is 946 due to missing data.

^b Sample size for this item is 950 due to missing data.

TABLE B.2-1

COMPARISON OF REASONS FOR LEAVING FIP

	All Reasons Given By Survey Respondents		Main Reason Given By Survey Respondents		Administrative Reason for Survey Respondents		Administrative Reason for All Research Cases	
	Number	Percentage ^a	Number	Percentage	Number	Percentage	Number	Percentage
Increased Income	174	44.1	158	40.0	85	22.5	174	19.6
Non-Compliance								
Assigned to LBP	--	--	7	1.8	60	15.9	175	19.7
Other	--	--	49	12.4	139	38.9	323	36.3
Subtotal	65	16.5	56	14.2	199	52.8	498	56.0
Ineligible for Other Reasons	108	27.3	95	24.1	38	10.1	93	10.5
No Longer Wanted/Needed	78	19.7	60	15.2	55	14.6	124	13.9
Other	30	7.6	23	5.8	--	--	--	--
Sample Size	395	--	395	100.0	377	100.0	889	100.0

SOURCE : Survey of Iowa families that left FIP in spring 1999; IABC Case Master File, July 1999.

^a Percentages may sum to more than 100 because multiple responses are possible.

TABLE B.2-2
REASONS FOR LEAVING FIP

	All Reasons Given By Survey Respondents		Main Reason Given By Survey Respondents	
	Number	Percentage ^a	Number	Percentage
Increased Income				
Began working for pay/got better paying job	93	23.5	77	19.5
Income was too high	72	18.2	64	16.2
Began receiving child support	11	2.8	9	2.3
Began receiving SSI/disability/UI	7	1.8	5	1.3
Spouse/partner got job	4	1.0	3	0.8
Subtotal	--	--	158	40.0
Non-Compliance				
Could not/did not want to fulfill program reqs.	51	12.9	44	11.1
Assigned to LBP/benefits terminated	12	3.0	7	1.8
Incomplete paperwork	8	2.0	5	1.3
Subtotal	--	--	56	14.2
Ineligible for Other Reasons				
Moved out of eligible area	70	17.7	61	15.4
Child turned 18/moved out of home	20	5.1	18	4.6
Went to prison/treatment facility	7	1.8	7	1.8
Hit time limit	7	1.8	5	1.3
Other	5	1.3	4	1.0
Subtotal	--	--	95	24.1
No Longer Wanted/Needed				
No longer wanted FIP	53	13.4	41	10.4
No longer needed FIP	26	6.6	19	4.8
Too much hassle	4	1.0	0	0.0
Subtotal	--	--	60	15.2
Other				
Got married/moved in with partner	20	5.1	15	3.8
Other	10	2.5	8	2.0
Subtotal	--	--	23	5.8
<hr/>				
Sample Size	395	--	395	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Percentages may sum to more than 100 because multiple responses are possible.

TABLE B.2-3

NATURE OF EXIT FROM FIP

	Number	Percentage
Exit from FIP		
Voluntary	235	59.5
DHS stopped or planned to stop benefits	152	38.5
Do not know	8	2.0
If voluntary exit from FIP, influence of time limit on decision to leave		
A lot	21	8.9
A little	41	17.4
Not at all	167	71.1
Do not know	6	2.6
Sample size	395	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

TABLE B.2-4

PARTICIPATION IN FIP OVER TIME

	Percentage Receiving FIP	Average FIP Grant Among Those Receiving FIP
April 1999	100.0	\$323.24
May 1999	100.0	\$333.19
June 1999	100.0	\$310.92
July 1999	0.0	\$ 0.00
August 1999	0.0	\$ 0.00
September 1999	5.5	\$219.88
October 1999	9.8	\$288.46
November 1999	12.5	\$302.33
December 1999	14.2	\$325.31
January 2000	16.3	\$314.86
February 2000	17.4	\$308.19
March 2000	19.0	\$316.33
April 2000	20.1	\$332.77
May 2000	18.8	\$341.09
June 2000	18.8	\$353.73
Ever After Exit	30.1	--
Sample Size	958	--

SOURCE: IABC Case Master Files

TABLE B.2-5

RETURNS TO FIP OVER TIME

	Families Returning to FIP For the First Time		Families That Have Ever Returned to FIP	
	Number	Percentage	Number	Percentage
September 1999	53	5.5	53	5.5
October 1999	43	4.5	96	10.0
November 1999	31	3.2	127	13.3
December 1999	23	2.4	150	15.7
January 2000	34	3.5	184	19.2
February 2000	28	2.9	212	22.1
March 2000	24	2.5	236	24.6
April 2000	23	2.4	259	27.0
May 2000	15	1.6	274	28.6
June 2000	14	1.5	288	30.1
Sample Size	958	--	958	--

SOURCE: IABC Case Master Files

TABLE B.2-6

MONTHS OF FIP RECEIPT AMONG FAMILIES RETURNING TO FIP

	Number	Percentage
1	26	9.0
2	31	10.8
3	42	14.6
4	35	12.2
5	32	11.1
6	36	12.5
7	19	6.6
8	23	8.0
9	26	9.0
10	18	6.3
Sample Size	288	--

SOURCE: IABC Case Master Files

TABLE B.2-7

REASONS FOR RECIDIVISM AND SUBSEQUENT EXIT FROM FIP

	Number	Percentage
Returned to FIP after July 1999		
Yes	110	27.8
No	279	70.6
Do not know	6	1.5
If returned to FIP, main reason for the return ^a		
Income fell/wasn't earning enough	28	31.8
Laid off from my job	16	18.2
Got pregnant/had another baby	11	12.5
Stopped working for own health reasons	8	9.1
Went back to school	8	9.1
Other	17	19.3
If returned to FIP, left a second time ^b		
Yes	60	61.2
No	38	38.8
If left a second time, main reason for leaving ^c		
Increased income/began working/got better job	11	34.4
Non-compliance	8	25.0
No longer needed/wanted FIP	6	18.8
Other	6	18.8
Do not know	1	3.1
Sample Size	395	--

Source: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 88 (not 110) due to missing data.

^b Sample size for this item is 98 (not 110) due to missing data.

^c Sample size for this item is 32 (not 60) due to missing data.

TABLE B.3-1
EMPLOYMENT STATUS

	Number	Percentage
Employed in month prior to survey interview		
Yes	244	60.9
No	157	39.2
If employed, number of jobs held in month prior to survey interview		
One	233	95.5
Two or more	11	4.5
If not employed, main reason why ^a		
Own physical or mental health problem	36	23.1
Unable to find job or decent job/looking for a job	25	16.0
Child care problems	20	12.8
In school or training	17	10.9
Own pregnancy	14	9.0
Transportation problems	10	6.4
Health problem of other household member	7	4.5
In jail/treatment facility	6	3.8
Recently moved	5	3.2
Does not want to work	3	1.9
Does not need to work	3	1.9
Other	10	6.4
If not employed, ever employed		
Yes	152	96.8
No	5	3.2
If not employed, ever worked since leaving FIP		
Yes	84	53.3
No	68	43.3
Do not know	5	3.2
Sample Size	401	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 156 (not 157) due to missing data.

TABLE B.3-2

INDUSTRY AND OCCUPATION AT PRIMARY JOB AMONG RESPONDENTS
EMPLOYED IN MONTH PRIOR TO SURVEY INTERVIEW

	Number	Percentage
INDUSTRY		
Services	108	44.3
Health	30	12.3
Business	25	10.2
Personal/Private Households	22	9.0
Hotel	8	3.3
Recreational	8	3.3
Social	7	2.9
Educational	6	2.5
Other	2	1.0
Retail Trade	71	29.1
Eating and drinking place	32	13.1
General merchandise store	14	5.7
Food store	7	2.9
Auto dealer	7	2.9
Other	11	4.5
Manufacturing	20	8.2
Finance, Insurance, and Real Estate	11	4.5
Transportation and Public Utilities	9	3.7
Food and Kindred Products	9	3.7
Wholesale Trade	8	3.3
Other	8	3.3
OCCUPATION		
Service provider	91	37.3
In private household	11	4.5
Not in private household (protective, food and beverage, health, cleaning, building, personal services)	80	32.7
Administrative support worker	42	17.2
Sales associate	40	16.4
Production worker	28	11.5
Handler, equipment cleaner, helper, and laborer	18	7.4
Transportation worker	5	2.1
Mechanic/construction worker	5	2.1
Veterinarian/nurse/health technician	5	2.1
Writer/artist/entertainer/athlete	4	1.6
Social/recreational/religious worker	3	1.2
Other	3	1.2
Sample Size	244	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

TABLE B.3-3

CHARACTERISTICS OF PRIMARY JOB AMONG RESPONDENTS
EMPLOYED IN MONTH PRIOR TO SURVEY INTERVIEW

	Percentage or Average
Began this job ^a	
Before exit from FIP	37.9
After exit from FIP	62.1
Number of months at this job ^a	
3 or less	37.0
4 to 6	18.5
7 to 12	28.0
More than 12	16.5
Average number of months at this job ^a	10.9
Hourly pay	
\$5.15 or less	14.3
\$5.16 to \$6.99	27.0
\$7.00 to \$8.99	39.3
\$9.00 or more	19.3
Average hourly pay	\$7.54
Number of weeks worked	
1 to 3	15.2
4 or more	84.8
Average usual weeks worked	4.0
Usual weekly hours	
Less than 20	9.0
20 to 29	18.0
30 to 39	23.4
40	37.7
More than 40	11.9
Average usual weekly hours	34.1
Preference for more hours	
Prefer more hours	30.7
Prefer fewer hours	7.0
Number of hours about right	61.9
Do not know	0.4
Monthly earnings at this job	
\$1 - 250	7.0
\$251 - 500	12.7
\$501 - 750	13.9
\$751 - 1,000	13.9
\$1,001 - 1,250	14.8
\$1,251 - 1,500	18.4
\$1,501 - 1,750	10.7
\$1,751 - 2,000	4.5
\$2,001 or more	4.1
Average monthly earnings at this job	\$1,055.14
Ever promoted ^b	19.7
Ever received a raise	48.8
Seasonal or temporary job	16.4
Sample Size	244

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 243 due to missing data.

^b Sample size for this item is 233 due to missing data.

TABLE B.3-4

BENEFITS AT PRIMARY JOB AMONG RESPONDENTS EMPLOYED
IN MONTH PRIOR TO SURVEY

	Percentage
Benefits Available	
Health insurance	60.7
Paid vacation	59.8
Paid sick leave	39.8
If health insurance available, participates in insurance plan^a	
Yes	44.5
No	55.5
If does not participate in health insurance plan, main reason why	
Did not work at employer long enough	35.8
Too expensive	25.9
Covered by Medicaid or other insurance plan	12.3
Did not work enough hours (not available for part-time work)	8.6
Did not want it	4.9
Other	12.3
Sample Size	244

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 146 (not 148) due to missing data.

TABLE B.3-5

TRANSPORTATION AMONG RESPONDENTS EMPLOYED
IN MONTH PRIOR TO SURVEY INTERVIEW

	Number	Percentage
Usual means of transportation to primary job		
Own car	177	72.5
Carpool/ride with family or friends	36	14.8
Walk	15	6.1
Public transportation	3	1.2
Taxi	3	1.2
Employer provides ride	2	0.8
Not applicable—works out of home	8	3.3
Reliability of transportation among those working outside of home		
Very reliable	163	69.1
Somewhat reliable	60	25.4
Not very reliable	12	5.1
Not at all reliable	1	0.4
Number of days alternate transportation was necessary in month prior to survey interview among those working outside the home		
Zero	166	70.3
One to three	39	16.5
Four or more	31	13.1
Sample Size	244	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

TABLE B.3-6

EXPECTATIONS ABOUT JOB TENURE AMONG RESPONDENTS EMPLOYED
IN MONTH PRIOR TO SURVEY INTERVIEW

	Number	Percentage
Still working at primary job at the time of survey interview		
Yes	202	82.8
No	42	17.2
If still working at primary job, expectations about length of stay		
Expect to be at primary job in 6 months	169	83.7
Do not expect to be at primary job in 6 months	21	10.4
Do not know	12	5.9
If expect to be at primary job in 6 months, likeliness of promotion		
Very likely	32	18.9
Somewhat likely	46	27.2
Not very likely	37	21.9
Not likely at all	49	29.0
Do not know	5	3.0
If not still working at primary job or do not expect to be working at primary job in 6 months, expectations about working elsewhere in 6 months ^a		
Expect to be working somewhere else in 6 months	56	90.3
Do not expect to be working somewhere else in 6 months	4	6.5
Do not know	2	3.2
Sample Size	244	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 62 (not 63) due to missing data

TABLE B.3-7

CHARACTERISTICS OF MOST RECENT JOB AMONG RESPONDENTS
NOT EMPLOYED IN MONTH PRIOR TO SURVEY INTERVIEW

	Percentage or Average
Average number of months since last worked ^a	17.9
Average hourly pay ^b	\$7.23
Average usual weekly hours ^c	35.4
Average monthly earnings at last job ^d	\$1,083.32
Benefits available	
Health insurance	35.5
Paid vacation	31.6
Paid sick leave	17.8
Reasons for leaving last job ^e	
Pregnancy/maternity leave or own health problem	29.1
Fired/laid off	13.2
Respondent/family moved	11.3
Job dissatisfaction	11.3
Temporary/short term assignment ended	10.6
Children/child care problems	8.6
Other family health problems/personal problems	8.6
Returned to school/training	7.9
Transportation problems	6.0
Did not like hours/schedule	5.3
Sample Size	152

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 140 due to missing data.

^b Sample size for this item is 138 due to missing data.

^c Sample size for this item is 149 due to missing data.

^d Sample size for this item is 146 due to missing data.

^e Sample size for this item is 151 due to missing data. Percentages may sum to more than 100 because multiple responses are possible.

TABLE B.3-8

EMPLOYMENT AND EARNINGS AMONG FAMILY HEADS OVER TIME

	Percentage Employed	Average Earnings Among Those Employed	Median Earnings Among Those Employed
January – March 1999	43.6	\$1,401.62	\$1,153.12
April – June 1999	57.4	\$1,740.94	\$1,552.83
July – September 1999	56.9	\$2,480.50	\$2,177.35
October – December 1999	42.2	\$2,661.40	\$2,519.65
January – March 2000	39.4	\$2,549.99	\$2,332.00
April – June 2000	38.2	\$2,712.34	\$2,417.47
July 1999 – June 2000	69.4	\$6,588.18	\$3,996.13
Sample Size	958	--	--

SOURCE: Administrative records from Iowa's Unemployment Insurance system

TABLE B.3-9

CONSISTENT EMPLOYMENT AND EARNINGS AMONG FAMILY HEADS OVER TIME

	Employed in Any Quarter After Exit from FIP (July 1999 – June 2000)		Employed in All Four Quarters After Exit from FIP (July 1999 – June 2000)	
	Average Earnings	Median Earnings	Average Earnings	Median Earnings
January – March 1999	\$770.80	\$67.50	\$1,061.65	\$600.04
April – June 1999	\$1,357.53	\$995.04	\$1,898.07	\$1,809.99
July – September 1999	\$2,032.89	\$1,714.54	\$3,001.03	\$2,941.26
October – December 1999	\$1,616.85	\$740.00	\$3,326.69	\$3,223.00
January – March 2000	\$1,445.63	\$373.38	\$3,154.56	\$2,967.53
April – June 2000	\$1,492.81	\$210.76	\$3,240.40	\$3,250.64
July 1999 – June 2000	\$6,588.18	\$3,996.13	\$12,722.68	\$12,349.96
Sample Size	665	665	243	243

SOURCE: Administrative records from Iowa's Unemployment Insurance system

TABLE B.3-10

FAMILY HEADS WITH QUARTERLY EARNINGS OF \$500 OR MORE

	Number	Percentage
January – March 1999	303	31.6
April – June 1999	442	46.1
July – September 1999	469	49.0
October – December 1999	349	36.4
January – March 2000	316	33.0
April – June 2000	308	32.2
July 1999 – June 2000	193	20.1
Sample Size	958	--

SOURCE: Administrative records from Iowa's Unemployment Insurance system

TABLE B.3-11

NUMBER OF EMPLOYERS AMONG EMPLOYED FAMILY HEADS

	Number	Percentage
January – March 1999		
1	330	78.9
2	75	17.9
3	11	2.6
4	1	0.2
5	1	0.2
April – June 1999		
1	397	72.2
2	124	22.5
3	24	4.4
4	5	0.9
July – September 1999		
1	394	72.3
2	114	20.9
3	32	5.9
4	5	0.9
October – December 1999		
1	320	79.2
2	66	16.3
3	17	4.2
4	1	0.2
January – March 2000		
1	307	81.4
2	60	15.9
3	8	2.1
4	1	0.3
5	1	0.3
April – June 2000		
1	308	84.2
2	48	13.1
3	10	2.7
Sample Size	958	--

SOURCE: Administrative records from Iowa's Unemployment Insurance system

TABLE B.3-12

EMPLOYMENT PATTERNS AMONG FAMILY HEADS BEFORE AND AFTER EXIT FROM FIP

	Number	Percentage
Employed in quarter of and all four quarters after exit from FIP	218	22.8
Not employed in quarter before exit and employed in quarter of exit from FIP	189	19.7
Not employed in quarter before exit and employed in quarter of or quarter after exit from FIP	253	26.4
Sample Size	958	--

SOURCE: Administrative records from Iowa's Unemployment Insurance system

TABLE B.4-1

PARTICIPATION IN GOVERNMENT ASSISTANCE PROGRAMS
IN MONTH PRIOR TO SURVEY INTERVIEW

	Number	Percentage
Medicaid ^a	247	62.8
Free or reduced price school breakfasts or lunches ^b	184	46.0
Food Stamp Program ^b	173	43.3
Women, Infants and Children ^c	130	32.7
Housing assistance programs ^b	91	22.8
FIP	84	20.9
Child Care Assistance ^d	57	16.8
Supplemental Security Income ^b	31	7.7
Social Security ^b	30	7.5
General Assistance	10	2.5
Unemployment Insurance	7	1.7
Emergency Assistance ^d	5	1.3
Other	20	5.0
Any government program	323	80.5
Sample size	401	100.0

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 393 due to missing data.

^b Sample size for this item is 400 due to missing data.

^c Sample size for this item is 398 due to missing data.

^d Only respondents with children age 12 or younger were asked about their participation in the Child Care Assistance program. Sample size for this item is 339 (not 342) due to missing data.

TABLE B.4-2

AVERAGE BENEFITS IN THE MONTH PRIOR TO SURVEY INTERVIEW

	Respondents Participating in the Program		All Respondents	
	Number	Average Benefit	Number	Average Benefit
Social Security	27	\$503.96	397	\$34.27
Supplemental Security Income	30	\$472.93	400	\$35.47
Unemployment Insurance	7	\$387.71	401	\$6.77
Emergency Assistance	5	\$354.40	398	\$4.46
FIP	80	\$327.60	395	\$66.35
General Assistance	8	\$238.13	390	\$4.88
Food Stamp Program	169	\$225.80	395	\$96.61
Child Care Assistance	22	\$50.64	305	\$3.65

SOURCE: Survey of Iowa families that left FIP in spring 1999

TABLE B.4-3

PARTICIPATION IN THE MEDICAID, FOOD STAMP, AND CHILD CARE ASSISTANCE PROGRAMS
BY POVERTY STATUS

	Percentage Participating in		
	Medicaid	Food Stamp Program	Child Care Assistance
Family income \leq 100% of poverty	74.1	64.1	13.5
Family income 101-130% of poverty	65.5	39.3	26.9
Family income $>$ 130% of poverty	45.5	14.5	13.8
Sample Size	340	354	309

SOURCE: Survey of Iowa families that left FIP in spring 1999

TABLE B.4-4
KNOWLEDGE OF PROGRAM RULES

	Number	Percentage
If a low-income family stops receiving FIP cash assistance, the family can still receive food stamps ^a		
True	344	86.4
False	14	3.5
Do not know	40	10.1
If a low-income family stops receiving FIP cash assistance, the family can still receive child care assistance from the state		
True	303	75.8
False	21	5.3
Do not know	76	19.0
If a low-income parent stops receiving FIP cash assistance, the parent can continue to receive Medicaid benefits ^b		
True	336	84.2
False	34	8.5
Do not know	29	7.3
If a low-income parent stops receiving FIP cash assistance, the children can continue to receive Medicaid or HAWK-I ^a		
True	357	89.7
False	11	2.8
Do not know	30	7.5
Sample Size	400	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 398 due to missing data.

^b Sample size for this item is 399 due to missing data.

TABLE B.4-5

INFORMATION FROM DHS ABOUT ELIGIBILITY FOR OTHER PROGRAM BENEFITS
AFTER LEAVING FIP CASH ASSISTANCE

	Percentage of All Respondents	Percentage of Respondents Participating in Program	Percentage of Respondents Not Participating in Program
Did DHS tell you that you might still be eligible for Food Stamp benefits even after leaving FIP cash assistance?			
Yes	46.1	57.2	37.9
No	49.9	37.6	58.9
Do not know	4.0	5.2	3.1
Did DHS tell you that you might still be eligible to receive child care assistance even after you leave FIP case assistance? ^a			
Yes	40.8	61.4	36.4
No	56.3	38.6	60.1
Do not know	2.9	0.0	3.5
Did DHS tell you that you might still be eligible for Medicaid even after leaving FIP cash assistance? ^b			
Yes	49.4	56.7	37.7
No	49.4	42.5	61.0
Do not know	1.2	0.8	1.4
Sample Size	399	--	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Only respondents with children age 12 or younger were asked about receiving information from DHS about eligibility for child care assistance. Sample size for this item is 341 (not 342) for all respondents due to missing data.

^b Sample size for this item is 393 for all respondents due to missing data.

TABLE B.4-6

MAIN REASON FOR NONPARTICIPATION IN MEDICAID AND IN
THE FOOD STAMP PROGRAM IN MONTH PRIOR TO SURVEY INTERVIEW

	Medicaid ^a	Food Stamp Program
Income too high	20.0	30.8
Applied, but denied/not eligible	15.9	11.3
Did not apply/reapply	13.1	7.2
Was terminated/DHS canceled (administrative reason)	9.0	3.2
Did not think eligible	8.3	8.6
Too much hassle	5.5	3.6
Left FIP	5.5	0.0
Incarcerated	4.8	0.0
Did not want it	4.8	6.3
Did not need it	4.8	21.3
Applied, waiting for approval	1.4	0.5
Did not know it was available	0.7	0.5
Other	4.8	6.8
Do not know	1.4	0.0
Sample size	145	221

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Reasons for nonparticipation in Medicaid are for respondents who are not enrolled in the program.

TABLE B.4-7

REASONS FOR NONPARTICIPATION IN THE CHILD CARE ASSISTANCE PROGRAM IN MONTH PRIOR TO SURVEY INTERVIEW AMONG RESPONDENTS WITH CHILDREN AGE 12 OR YOUNGER

	Number	Percentage ^a
Did not need it	65	23.1
Family member/friend provides care at no cost	52	18.4
Was not working/in school/in training	40	14.2
Did not think I was eligible	31	11.0
Did not want to apply	31	11.0
Income too high	11	3.9
Parent is home when child is home	10	3.6
Child cares for self	8	2.8
Did not know about it	7	2.5
Too much hassle	5	1.8
Applied, but denied/not eligible	5	1.8
Applied, waiting for approval	5	1.8
Did not apply	5	1.8
Provider not eligible	3	1.1
Provider won't take subsidy/do paperwork	2	0.7
Other	16	5.7
Do not know	3	1.1
Sample size	281	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Percentages may sum to more than 100 because multiple responses are possible.

TABLE B.4-8

PARTICIPATION IN THE FOOD STAMP PROGRAM OVER TIME

	All Families		Families That Returned to FIP		Families That Never Returned to FIP	
	Percentage Receiving Food Stamps	Average Benefit Among Those Receiving Food Stamps	Percentage Receiving Food Stamps	Average Benefit Among Those Receiving Food Stamps	Percentage Receiving Food Stamps	Average Benefit Among Those Receiving Food Stamps
April 1999	88.2	\$236.95	92.0	\$244.14	86.6	\$233.66
May 1999	87.9	\$237.95	91.7	\$244.37	86.3	\$235.02
June 1999	85.2	\$231.37	87.5	\$235.71	84.2	\$229.43
July 1999	43.2	\$235.58	46.5	\$238.66	41.8	\$234.11
August 1999	37.1	\$224.78	46.5	\$214.91	33.0	\$230.76
September 1999	36.1	\$211.35	52.4	\$222.44	29.1	\$202.76
October 1999	38.2	\$222.22	61.8	\$237.80	28.1	\$207.47
November 1999	38.2	\$228.80	65.6	\$244.02	26.4	\$212.55
December 1999	37.2	\$223.80	67.7	\$231.21	24.0	\$214.83
January 2000	37.0	\$224.32	71.9	\$226.11	21.9	\$221.80
February 2000	36.7	\$215.55	72.2	\$224.60	21.5	\$202.49
March 2000	37.6	\$230.87	76.0	\$235.08	21.0	\$224.32
April 2000	38.2	\$243.30	77.1	\$250.13	21.5	\$232.78
May 2000	36.8	\$234.28	76.0	\$238.03	20.0	\$228.15
June 2000	37.1	\$238.99	75.7	\$239.55	20.4	\$238.09
Ever After Exit from FIP	64.8	--	94.4	--	52.1	--
Sample Size	958	--	288	--	670	--

SOURCE: IABC Case Master Files

TABLE B.4-9

PARTICIPATION IN MEDICAID OVER TIME (FAMILY HEAD)

	All Families		Families That Returned to FIP		Families That Never Returned to FIP	
	Number	Percentage	Number	Percentage	Number	Percentage
June 1999	884	92.3	263	91.3	621	92.7
July 1999	457	47.7	147	51.0	310	46.3
August 1999	408	42.6	151	52.4	257	38.4
September 1999	412	43.0	170	59.0	242	36.1
October 1999	426	44.5	190	66.0	236	35.2
November 1999	428	44.7	197	68.4	231	34.5
December 1999	416	43.4	203	70.5	213	31.8
January 2000	425	44.4	216	75.0	209	31.2
February 2000	405	42.3	214	74.3	191	28.5
March 2000	406	42.4	227	78.8	179	26.7
April 2000	400	41.8	225	78.1	175	26.1
May 2000	396	41.3	227	78.8	169	25.2
June 2000	394	41.1	224	77.8	170	25.4
Ever After Exit from FIP	650	67.8	282	97.9	368	54.9
Sample Size	958	--	288	--	670	--

SOURCE: Iowa's Medicaid Information System

TABLE B.4-10

PARTICIPATION IN MEDICAID OVER TIME (ANY MEMBER OF THE FAMILY)

	All Families		Families That Returned to FIP		Families That Never Returned to FIP	
	Number	Percentage	Number	Percentage	Number	Percentage
June 1999	948	99.0	286	99.3	662	98.8
July 1999	547	57.1	175	60.8	372	55.5
August 1999	516	53.9	186	64.6	330	49.3
September 1999	535	55.8	209	72.6	326	48.7
October 1999	543	56.7	218	75.7	325	48.5
November 1999	554	57.8	230	79.9	324	48.4
December 1999	544	56.8	233	80.9	311	46.4
January 2000	558	58.2	247	85.8	311	46.4
February 2000	546	57.0	244	84.7	302	45.1
March 2000	545	56.9	254	88.2	291	43.4
April 2000	537	56.1	252	87.5	285	42.5
May 2000	528	55.1	249	86.5	279	41.6
June 2000	530	55.3	248	86.1	282	42.1
Ever After Exit from FIP	751	78.4	288	100.0	463	69.1
Sample Size	958	--	288	--	670	--

SOURCE: Iowa's Medicaid Information System

TABLE B.4-11

USE OF EMERGENCY ASSISTANCE

	Number	Percentage
Received emergency cash assistance at any time since exit from FIP	58	14.6
If received emergency cash assistance since exit from FIP, uses for assistance ^a		
Security deposit/rent	33	56.9
Heating/utility payments	18	31.0
Food	5	8.6
Home or car repairs	2	3.4
Clothing	2	3.4
Overdue bills	2	3.4
Other	3	5.2
Sample Size	401	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Percentages may sum to more than 100 because multiple responses are possible.

TABLE B.4-12

FAMILIES RECEIVING NO GOVERNMENT ASSISTANCE (MEDICAID, FOOD STAMPS, OR FIP)
AFTER EXIT FROM FIP

	Number	Percentage
July 1999	358	37.4
August 1999	403	42.1
September 1999	396	41.3
October 1999	389	40.6
November 1999	374	39.0
December 1999	392	40.9
January 2000	386	40.3
February 2000	395	41.2
March 2000	398	41.5
April 2000	402	42.0
May 2000	412	43.0
June 2000	413	43.1
Sample Size	958	--

SOURCE: IABC Case Master Files and Iowa's Medicaid Information System

TABLE B.4-13

FAMILIES RECEIVING NO GOVERNMENT ASSISTANCE (MEDICAID, FOOD STAMPS, OR FIP)
AND NO EARNINGS AFTER EXIT FROM FIP

	Number	Percentage
July – September 1999	141	14.7
October – December 1999	227	23.7
January – March 2000	233	24.3
April – June 2000	226	23.6
Sample Size	958	--

SOURCE: IABC Case Master Files, Iowa's Medicaid Information System, and administrative records from Iowa's Unemployment Insurance system

TABLE B.5-1

TOTAL HOUSEHOLD INCOME IN MONTH PRIOR TO SURVEY INTERVIEW

	Average	Percentage of Total Income
Excluding Food Stamps		
Earnings	\$658.22	45.7
Government Assistance		
FIP	\$ 63.17	4.4
Supplemental Security Income	\$ 33.38	2.3
Social Security	\$ 32.76	2.3
Unemployment Insurance	\$7.60	0.5
General Assistance	\$5.34	0.4
Emergency Cash Assistance	\$4.97	0.3
Subtotal	\$147.22	10.2
Child Support		
Formal support	\$73.52	5.1
Informal support	\$7.67	0.5
Subtotal	\$81.19	5.6
Other Household Income		
Earnings of other household members	\$500.37	34.7
Other	\$53.38	3.7
Subtotal	\$553.75	38.4
Total Income	\$1,440.39	100.0
Including Food Stamps^a		
Earnings	\$662.82	42.9
Government Assistance		
Food Stamps	\$96.07	6.2
FIP	\$61.48	4.0
Supplemental Security Income	\$33.66	2.2
Social Security	\$33.04	2.1
Unemployment Insurance	\$7.67	0.5
General Assistance	\$5.38	0.3
Emergency Cash Assistance	\$5.01	0.3
Subtotal	\$242.32	15.7
Child Support		
Formal support	\$74.14	4.8
Informal support	\$7.74	0.5
Subtotal	\$81.88	5.3
Other Household Income		
Earnings of other household members	\$504.61	32.7
Other	\$53.84	3.5
Subtotal	\$558.44	36.1
Total Income	\$1,545.46	100.0
Sample Size	357	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size including Food Stamps is 354 due to missing data.

TABLE B.5-2

EITC AMONG RESPONDENTS WHO HAVE EVER WORKED

	Number	Percentage
Ever heard of EITC		
Yes	320	81.0
No	71	18.0
Do not know	4	1.0
If ever heard of EITC, ever received EITC		
Yes	261	81.6
No	49	15.3
Do not know	10	3.1
If ever heard of EITC, plan to apply for EITC for tax year 1999		
Yes	234	73.1
No	64	20.0
Do not know	22	6.9
If never received EITC, reasons why ^a		
Never filed application	18	38.3
Did not work/earned too little	8	17.0
Did not want to file income tax return	4	8.5
No children to claim as dependents	4	8.5
Did not know how to apply	3	6.4
Earnings too high to qualify	2	4.3
Not eligible for other reasons	1	2.1
Do not know	4	8.5
Sample Size	395	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 47 (not 49) due to missing data. Percentages may sum to more than 100 because multiple responses are possible.

TABLE B.5-3

INCOME FROM OTHER HOUSEHOLD MEMBERS

	Percentage with Income from Other Household Members	Average Amount of Income Among Those With Income from Other Household Members	Average Amount of Income Among Those With and Without Income from Other Household Members
Any Income ^a	41.9	\$1,334.32	\$533.73
Earned Income ^b	36.5	\$1,398.82	\$481.98
Unearned Income	9.5	\$555.49	\$49.47
Sample Size	401	--	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 399 due to missing data.

^b Sample size for this item is 400 due to missing data.

TABLE B.5-4
CHILD SUPPORT

	Percentage or Average
At least one child in family has a noncustodial parent (%)	87.4
If at least one child has a noncustodial parent, types of child support received (%)	
Formal, court-ordered monetary support ^a	31.8
In-kind items	8.3
Informal monetary support	3.4
If receiving monetary support, average amount received	
Formal, court-ordered monetary support	\$281.85
Informal monetary support	\$249.00
Total monetary support	\$278.59
Sample size	372

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 324 (not 325) due to missing data.

TABLE B.5-5

CHILD SUPPORT OBLIGATIONS OVER TIME

	Percentage of Families Due Child Support	Average Obligation Among Families Due Child Support
June 1998	44.4	\$262.13
July 1998	44.8	\$265.30
August 1998	45.7	\$262.27
September 1998	46.4	\$262.76
October 1998	47.2	\$267.88
November 1998	47.6	\$263.80
December 1998	48.5	\$265.09
January 1999	49.1	\$268.23
February 1999	51.0	\$266.84
March 1999	52.6	\$268.31
April 1999	54.5	\$276.00
May 1999	55.8	\$275.91
June 1999	57.0	\$280.52
July 1999	58.3	\$285.43
August 1999	57.2	\$283.62
September 1999	57.8	\$280.54
October 1999	57.5	\$284.94
November 1999	57.3	\$283.54
December 1999	58.0	\$286.26
January 2000	58.5	\$281.14
February 2000	58.1	\$279.19
March 2000	57.5	\$284.64
April 2000	57.3	\$278.98
May 2000	57.9	\$280.37
June 2000	57.0	\$283.26
Sample Size	935	--

SOURCE: Iowa Collection and Reporting (ICAR) Files

NOTE: Sample size for months prior to exit from FIP (June 1998 - June 1999) is 934 due to missing data.

TABLE B.5-6

CHILD SUPPORT PAYMENTS OVER TIME

	Percentage of Families With a Noncustodial Parent Paying Child Support	Average Payment Among Families With a Noncustodial Parent Paying Child Support
June 1998	22.5	\$368.64
July 1998	21.9	\$246.09
August 1998	21.3	\$304.15
September 1998	22.3	\$254.64
October 1998	22.8	\$351.78
November 1998	23.4	\$346.48
December 1998	22.9	\$280.43
January 1999	23.0	\$257.27
February 1999	27.0	\$204.17
March 1999	27.1	\$298.45
April 1999	28.9	\$329.41
May 1999	29.6	\$365.91
June 1999	30.4	\$506.72
July 1999	28.6	\$360.38
August 1999	29.7	\$534.38
September 1999	31.7	\$316.95
October 1999	33.2	\$272.80
November 1999	33.8	\$340.37
December 1999	34.5	\$288.54
January 2000	35.6	\$306.84
February 2000	36.3	\$284.84
March 2000	38.6	\$353.07
April 2000	38.6	\$373.98
May 2000	39.4	\$390.89
June 2000	39.3	\$433.99
Sample Size	935	--

SOURCE: Iowa Collection and Reporting (ICAR) Files

NOTE: Sample size for months prior to exit from FIP (June 1998 - June 1999) is 934 due to missing data.

TABLE B.5-7

CHILD SUPPORT RECEIVED OVER TIME

	Percentage of Families Receiving Child Support	Average Amount Received Among Families Receiving Child Support
June 1998	9.5	\$282.51
July 1998	9.2	\$248.00
August 1998	7.6	\$254.04
September 1998	8.5	\$267.53
October 1998	8.8	\$509.70
November 1998	8.9	\$217.17
December 1998	7.7	\$237.29
January 1999	7.3	\$229.24
February 1999	7.2	\$187.34
March 1999	7.0	\$180.25
April 1999	6.4	\$173.96
May 1999	5.0	\$175.94
June 1999	4.5	\$315.57
July 1999	24.4	\$277.56
August 1999	26.3	\$347.19
September 1999	27.8	\$306.95
October 1999	28.0	\$268.50
November 1999	27.2	\$296.05
December 1999	27.5	\$289.41
January 2000	27.7	\$270.80
February 2000	28.2	\$302.50
March 2000	28.7	\$294.89
April 2000	28.7	\$271.32
May 2000	29.2	\$311.25
June 2000	27.6	\$292.57
Sample Size	935	--

SOURCE: Iowa Collection and Reporting (ICAR) Files

NOTE: Sample size for months prior to exit from FIP (June 1998 - June 1999) is 934 due to missing data.

TABLE B.5-8
TOTAL HOUSEHOLD INCOME COMPARED TO THE POVERTY THRESHOLD
IN MONTH PRIOR TO SURVEY INTERVIEW

	Percentage or Average
Excluding Food Stamps	
All Survey Respondents	
Above the poverty threshold	52.8%
At or below the poverty threshold	47.2%
All Survey Respondents	
Average poverty threshold	\$1,145.71
Average total income	\$1,449.31
Average poverty gap (total income-poverty threshold)	\$303.60
Total income as a percentage of the poverty threshold	126.5%
Of the 52.8% Above Poverty	
Average poverty threshold	\$1,101.43
Average total income	\$2,159.93
Average poverty gap (total income-poverty threshold)	\$1,058.50
Total income as a percentage of the poverty threshold	196.1%
Of the 47.2% At or Below Poverty	
Average poverty threshold	\$1,195.30
Average total income	\$653.60
Average poverty gap (total income-poverty threshold)	-\$541.70
Total income as a percentage of the poverty threshold	54.7%
Including Food Stamps^a	
All Survey Respondents	
Above the poverty threshold	58.8%
At or below the poverty threshold	41.2%
All Survey Respondents	
Average poverty threshold	\$1,145.86
Average total income	\$1,551.97
Average poverty gap (total income-poverty threshold)	\$406.11
Total income as a percentage of the poverty threshold	135.4%
Of the 58.8% Above Poverty	
Average poverty threshold	\$1,109.57
Average total income	\$2,120.27
Average poverty gap (total income-poverty threshold)	\$1,010.70
Total income as a percentage of the poverty threshold	191.1%
Of the 41.2% At or Below Poverty	
Average poverty threshold	\$1,197.68
Average total income	\$740.68
Average poverty gap (total income-poverty threshold)	-\$457.00
Total income as a percentage of the poverty threshold	61.8%
Sample Size	354

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size including food stamps is 352 due to missing data.

NOTE: The percentage of respondents above and below the poverty threshold is determined by taking each respondent's total household income and comparing it to the Census Bureau's 1999 poverty threshold for the respondent's family size. The respondent, the respondent's spouse, and the respondent's own children present in the household are included in the determination of family size. Average poverty threshold is the mean across each respondent's threshold based on each respondent's family size.

TABLE B.5-9

TOTAL HOUSEHOLD INCOME AS A PERCENTAGE OF THE POVERTY THRESHOLD
IN MONTH PRIOR TO THE SURVEY INTERVIEW

	Excluding Food Stamps		Including Food Stamps	
	Number	Percentage	Number	Percentage
0 – 50% of poverty	77	21.8	42	11.9
50.1 – 100% of poverty	90	25.4	103	29.3
100.1 – 130% of poverty	56	15.8	60	17.0
130.1 – 185% of poverty	60	16.9	73	20.7
185.1 – 200% of poverty	9	2.5	9	2.6
200.1% + of poverty	62	17.5	65	18.5
Sample Size	354	--	352	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

TABLE B.5-10

LIVING EXPENSES IN MONTH PRIOR TO SURVEY INTERVIEW COMPARED WITH SPRING 1999

	Number	Percentage
Living expenses in general		
Higher	200	50.5
About the same	148	37.4
Lower	45	11.4
Do not know	3	0.8
Child care expenses		
Higher	83	21.0
About the same	251	63.4
Lower	62	15.7
Transportation expenses		
Higher	176	44.4
About the same	181	45.7
Lower	39	9.8
Medical care expenses		
Higher	104	26.3
About the same	264	66.7
Lower	26	6.6
Do not know	2	0.5
Housing expenses		
Higher	177	44.7
About the same	166	41.9
Lower	53	13.4
Work expenses (supplies/equipment/uniforms)		
Higher	86	21.7
About the same	266	67.2
Lower	43	10.9
Do not know	1	0.3
Child related expenses (school and other supplies)		
Higher	135	34.2
About the same	238	60.3
Lower	22	5.6
Sample Size	396	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

TABLE B.5-11

SELF-REPORTED STANDARD OF LIVING

	Number	Percentage
Rating of standard of living in month prior to survey interview		
Very good	41	10.4
Good	154	38.9
Fair	137	34.6
Poor	49	12.4
Very poor	15	3.8
Rating of standard of living in month prior to survey interview, relative to spring 1999		
Much better off	92	23.3
Somewhat better off	101	25.5
The same	127	32.1
Somewhat worse off	54	13.6
Much worse off	22	5.6
If better standard of living in month prior to survey interview, reasons why ^a		
Working/earning more	88	45.6
Better housing/living situation	39	20.2
Income higher (includes earnings and other income sources)	33	17.1
More independent/spiritually stronger	30	15.5
More family support	16	8.3
Fewer expenses	16	8.3
Other	16	8.3
If worse standard of living in month prior to survey interview, reasons why ^a		
No/less income (including food stamps)	37	48.7
More expenses	20	26.3
Worse housing situation	14	18.4
No FIP benefits	10	13.2
Health or health insurance problems	6	7.9
Other	9	11.8
Sample Size	396	--

SOURCE: Survey of Iowa families that left FIP in spring 19999

^a Percentages may sum to more than 100 because multiple responses are possible.

TABLE B.6-1

HELP RECEIVED FROM FAMILY, FRIENDS, AND NEIGHBORS SINCE EXIT FROM FIP

	Number	Percentage
Any type of help from family, friends, and neighbors since exit from FIP	340	85.0
Child care		
Frequently	109	27.3
Sometimes	118	29.5
Never	173	43.3
Transportation ^a		
Frequently	67	16.8
Sometimes	119	29.8
Never	213	53.4
Job referral		
Frequently	13	3.3
Sometimes	86	21.5
Never	301	75.3
Telephone access		
Frequently	72	18.0
Sometimes	86	21.5
Never	242	60.5
Electric or utility bills		
Frequently	30	7.5
Sometimes	61	15.3
Never	308	77.0
Do not know	1	0.3
Loans or financial help		
Frequently	18	4.5
Sometimes	80	20.0
Never	302	75.5
A place to stay ^b		
Frequently	50	12.6
Sometimes	74	18.6
Never	274	68.8
Food or meals ^b		
Frequently	38	9.5
Sometimes	97	24.4
Never	263	66.1
Children's things (clothes/toys/diapers)		
Frequently	35	8.8
Sometimes	126	31.5
Never	239	59.8
Sample Size	400	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 399 due to missing data.

^b Sample size for this item is 398 due to missing data.

TABLE B.6-2

CHILD CARE AMONG RESPONDENTS WHO WERE EMPLOYED, IN SCHOOL/TRAINING, OR ACTIVELY LOOKING FOR A JOB IN MONTH PRIOR TO SURVEY INTERVIEW AND WHO HAD CHILDREN AGE 12 OR YOUNGER

	Number	Percent
Relied on others for child care	223	78.0
Proportion of children in care ^a		
All children in care	198	72.8
Some, but not all children in care	11	4.0
No children in care	63	23.2
If relied on others for child care, sources of care ^b		
Child's grandparent or great-grandparent	80	36.0
Family daycare/nonrelative care	59	26.6
Other relative of child	37	16.7
Day care center/nursery school	29	13.1
Child's other parent/stepparent	21	9.5
Babysitter or nonrelative in home	19	8.6
Friend/neighbor	13	5.8
Child's sibling or half-sibling	5	2.3
Preschool/before or after-school program	5	2.3
School	2	0.9
Head Start	1	0.5
Summer camp/lessons/clubs/sports	1	0.5
Other	1	0.5
If did not rely on others for child care, reasons why ^c		
Kids in school/activities	18	56.3
Children are old enough, don't need child care	12	19.0
Working at home/care for child myself	9	14.3
Do not need/respondent always available	9	14.3
Someone else at home	7	21.9
Take child to work	4	12.5
No one available	1	1.6
Costs too much	1	1.6
Could not find quality care	1	1.6
Other	3	9.4
Sample size	286	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 272 due to missing data.

^b Sample size for this item is 222 (not 223) due to missing data.

^c Percentages may sum to more than 100 because multiple responses are possible.

TABLE B.6-3

COST, QUALITY, AND FLEXIBILITY OF CHILD CARE ARRANGEMENTS AMONG RESPONDENTS
WHO WERE EMPLOYED, IN SCHOOL/TRAINING, OR ACTIVELY LOOKING FOR A JOB
IN THE MONTH PRIOR TO THE SURVEY INTERVIEW, HAD CHILDREN AGE 12 OR YOUNGER,
AND RELIED ON OTHERS FOR CHILD CARE

	Percentage or Average
Paid out-of-pocket for child care ^a	
Yes	55.0
No	45.0
If paid out-of-pocket, average cost of child care per week	\$61.21
Satisfaction with the quality of child care	
Very satisfied	82.0
Somewhat satisfied	14.9
Not too satisfied	1.8
Not at all satisfied	1.4
Satisfaction with the flexibility of child care	
Very satisfied	77.5
Somewhat satisfied	15.8
Not too satisfied	2.7
Not at all satisfied	4.1
Sample size	222

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 220 due to missing data.

TABLE B.6-4

HELP RECEIVED FROM COMMUNITY RESOURCES

	Number	Percentage
Received help from any community resource ^a	161	40.9
Food Pantry		
Knew about a food pantry in the community	280	69.8
If knew about a food pantry, used a food pantry since exit from FIP	112	40.0
If used a food pantry since exit from FIP ^b		
Used food pantry more since exit from FIP than in spring 1999	32	28.8
Used food pantry less since exit from FIP than in spring 1999	44	39.6
Used food pantry same amount since exit from FIP as in spring 1999	35	31.5
Soup Kitchen		
Knew about a soup kitchen in the community	100	24.9
If knew about a soup kitchen, used a soup kitchen since exit from FIP	10	10.0
If used a soup kitchen since exit from FIP ^c		
Used soup kitchen more since exit from FIP than in spring 1999	2	22.2
Used soup kitchen less since exit from FIP than in spring 1999	3	33.3
Used soup kitchen same amount since exit from FIP as in spring 1999	4	44.4
Crisis Center		
Knew about a crisis center in the community	191	47.6
If knew about a crisis center, used a crisis center since exit from FIP ^d	25	13.4
If used a crisis center since exit from FIP ^e		
Used crisis center more since exit from FIP than in spring 1999	11	47.8
Used crisis center less since exit from FIP than in spring 1999	9	39.1
Used crisis center same amount since exit from FIP as in spring 1999	3	13.0
Thrift Shop		
Knew about a thrift shop in the community	323	80.5
If knew about a thrift shop, used a thrift shop since exit from FIP ^f	80	25.0
If used a thrift shop since exit from FIP		
Used thrift shop more since exit from FIP than in spring 1999	19	23.8
Used thrift shop less since exit from FIP than in spring 1999	13	16.3
Used thrift shop same amount since exit from FIP as in spring 1999	47	58.8
Do not know	1	1.3
Sample Size	401	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 394 due to missing data.

^b Sample size for this item is 111 (not 112) due to missing data.

^c Sample size for this item is 9 (not 10) due to missing data.

^d Sample size for this item is 187 (not 191) due to missing data.

^e Sample size for this item is 23 (not 25) due to missing data.

^f Sample size for this item is 320 (not 323) due to missing data.

TABLE B.6-5
RESPONDENT'S OWN HEALTH INSURANCE

	Number	Percentage
Covered by any health insurance in month prior to survey interview		
Yes	250	62.3
No	149	37.2
Do not know	2	0.5
If covered in month prior to survey interview, type of insurance ^a		
Medicaid	192	77.1
Employer's medical plan	54	21.7
Spouse's medical plan	17	6.8
Insurance purchased privately	7	2.8
Medicare	5	2.0
Other	1	0.4
Ever not covered by health insurance since exit from FIP ^b		
Yes	235	59.6
No	156	39.6
Do not know	3	0.8
Ever did not get medical attention because of cost		
Yes	56	14.0
No	345	86.0
Sample Size	401	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 249 (not 250) due to missing data. Percentages may sum to more than 100 because multiple responses are possible.

^b Sample size for this item is 394 due to missing data.

TABLE B.6-6

RESPONDENT'S PHYSICAL HEALTH AND WELL-BEING

	Number	Percentage
Self-rated quality of health in month prior to survey interview		
Excellent	66	16.5
Very good	110	27.4
Good	131	32.7
Fair	68	17.0
Poor	26	6.5
Self-rated quality of health relative to spring 1999		
Much better	51	12.7
Somewhat better	42	10.5
About the same	248	61.8
Somewhat worse	48	12.0
Much worse	12	3.0
Own health <u>prevents</u> participation in work, school, or training		
Yes	60	15.0
No	337	84.0
Do not know	4	1.0
Own health <u>limits</u> participation in work, school, or training		
Yes	103	25.7
No	297	74.1
Do not know	1	0.2
If own health limits participation in work, school, or training, type of health problem ^a		
Physical disability or illness ^b	79	80.6
Emotional problem or mental health problem ^c	22	23.4
Drug or alcohol problem ^d	8	8.7
Other household member's health problem limits respondent's participation in work, school, or training ^e		
Yes	34	8.5
No	363	91.0
Do not know	2	0.5
Sample Size	401	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Percentages may sum to more than 100 because multiple responses are possible.

^b Sample size for this item is 98 (not 103) due to missing data.

^c Sample size for this item is 94 (not 103) due to missing data.

^d Sample size for this item is 92 (not 103) due to missing data.

^e Sample size for this item is 399 due to missing data.

TABLE B.6-7

RESPONDENT'S EMOTIONAL HEALTH AND WELL-BEING

	Number	Percentage
Frequency of feeling downhearted and blue		
All of the time	16	4.0
Most of the time	37	9.2
Some of the time	207	51.6
None of the time	140	34.9
Do not know	1	0.2
Frequency of feeling downhearted and blue, relative to spring 1999		
More often	72	18.0
Less often	111	27.7
The same	215	53.6
Do not know	3	0.7
Frequency of feeling a lot of stress		
All of the time	82	20.4
Most of the time	888	21.9
Some of the time	202	50.4
None of the time	29	7.2
Level of stress, relative to spring 1999 ^a		
Higher	127	31.8
Lower	99	24.8
The same	173	43.3
Do not know	1	0.3
Self-reported rating of self-esteem		
Very high	92	22.9
Somewhat high	205	51.1
Somewhat low	80	20.0
Very low	21	5.2
Do not know	3	0.7
Self-reported rating of self-esteem, relative to spring 1999		
Higher	124	30.9
Lower	32	8.0
The same	243	60.6
Do not know	2	0.5
Self-reported rating of parenting skills ^a		
Very good parent	180	45.0
Better than average parent	84	21.0
Average parent	125	31.3
Person who has some trouble being a parent	9	2.3
Not very good at being a parent	1	0.3
Do not know	1	0.3
Self-reported rating of parenting skills, relative to spring 1999		
Better	165	41.1
Worse	7	1.7
The same	229	57.1
Sample Size	401	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 400 due to missing data.

TABLE B.6-8
FOOD SECURITY

	Number	Percentage
Level of food security ^a		
Food secure	269	68.1
Food insecure without hunger	62	15.7
Food insecure with hunger	64	16.2
If children in household, child(ren) have skipped meals since exit from FIP because there wasn't enough money for food ^b		
Never	364	97.3
Only 1 or 2 months	3	0.8
Some months but not every month	4	1.1
Almost every month	3	0.8
If children in household, family has relied on only a few kinds of low-cost food to feed child(ren) since exit from FIP because ran out of money to buy food ^c		
Never true	252	67.0
Sometimes true	93	24.7
Often true	31	8.2
Ability to provide complete nutritious meals in month prior to survey interview, relative to spring 1999		
More able	125	31.2
Just as able	228	56.9
Less able	43	10.7
Do not know	5	1.2
Sample size	401	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 395 due to missing data.

^b Sample size for this item is 374 (not 377) due to missing data.

^c Sample size for this item is 376 (not 377) due to missing data.

TABLE B.6-9
HOUSING SECURITY

	Number	Percentage
Homelessness since exit from FIP		
Ever lived on the street	19	4.7
If ever lived on the street, first time in adult life ^a	12	66.7
Ever lived in an emergency/domestic violence shelter	13	3.2
If ever lived in shelter, first time in adult life	9	69.2
Ever lived on the street <i>or</i> in an emergency/domestic violence shelter	28	7.0
Moves since exit from FIP		
Lived in more than 1 home ^b	159	40.0
Lived in more than 2 homes ^b	36	9.1
Moved in with others to lower housing costs	90	22.4
Took others into household to lower housing costs	26	6.5
Ever moved in with others <i>or</i> took others in to lower housing costs	107	26.7
Ability to cover utilities		
Ever without phone service since exit from FIP because of cost	139	34.7
Ever without heat since exit from FIP because of cost	31	7.7
Ever without electricity since exit from FIP because of cost	28	7.0
Ever without phone service, heat, or electricity since exit from FIP because of cost	152	37.9
Ever without phone service, heat, or electricity in spring 1999 because of cost ^c	111	27.8
Ability to cover rent or mortgage		
Ever unable to cover rent or mortgage since exit from FIP ^d	98	24.7
Ever unable to cover rent or mortgage in spring 1999 ^e	86	21.7
Never went without heat or electricity, never unable to cover rent or mortgage, and never doubled up since exit from FIP ^f	220	55.7
Never went without heat or electricity, never went without phone service, never unable to cover rent or mortgage, and never doubled up since exit from FIP ^f	171	43.3
Sample Size	401	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample size for this item is 18 (not 19) due to missing data.

^b Sample size for this item is 398 due to missing data.

^c Sample size for this item is 399 due to missing data.

^d Sample size for this item is 397 due to missing data.

^e Sample size for this item is 396 due to missing data.

^f Sample size for this item is 395 due to missing data.

TABLE B.7-1

SELF-REPORTED DEMOGRAPHIC AND HOUSEHOLD CHARACTERISTICS AT THE TIME OF THE SURVEY INTERVIEW BY CIRCUMSTANCES SURROUNDING EXIT FROM FIP

	Subgroup		Differences Between Subgroups	
	Left FIP Voluntarily	Left FIP Involuntarily	Amount	p-value
Percentage male	6.0	9.2	-3.2	0.23
Average age	29.0	30.8	-1.8	0.03
Percentage non-white ^a	17.1	20.7	-3.6	0.38
Percentage with less than high school degree ^b	23.9	29.1	-5.2	0.26
Percentage married or cohabiting with partner	32.8	30.3	2.5	0.61
Percentage never married	47.2	50.0	-2.8	0.60
Percentage residing in an urban county ^c	43.8	49.3	-5.5	0.32
Average number of persons in household ^d	3.7	3.6	0.1	0.63
Percentage whose youngest child is age 0-2 ^e	46.4	41.5	4.9	0.37
Sample Size	235	152	--	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample sizes for this item are 234 and 150 due to missing data.

^b Sample sizes for this item are 234 and 151 due to missing data.

^c Sample sizes for this item are 185 and 144 families living in Iowa at the time of the survey.

^d Sample sizes for this item are 232 and 149 due to missing data.

^e Sample sizes for this item are 222 and 135 due to missing data.

TABLE B.7-2

PARTICIPATION IN PUBLIC ASSISTANCE PROGRAMS IN MONTH PRIOR TO SURVEY INTERVIEW
BY CIRCUMSTANCES SURROUNDING EXIT FROM FIP

	Subgroup		Differences Between Subgroups	
	Left FIP Voluntarily (%)	Left FIP Involuntarily (%)	Amount	p-value
FIP	22.1	19.7	2.4	0.55
Food Stamp Program ^a	44.4	42.1	2.3	0.57
Medicaid				
Respondent or any children in family	60.0	63.8	-3.8	0.45
Respondent ^b	47.2	49.3	-2.1	0.68
Any children in family ^c	56.0	58.9	-2.9	0.57
Sample Size	235	152	--	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample sizes for this item are 234 and 152 due to missing data.

^b Sample sizes for this item are 233 and 152 due to missing data.

^c Sample sizes for this item are 234 and 151 due to missing data.

TABLE B.7-3

EMPLOYMENT BY CIRCUMSTANCES SURROUNDING EXIT FROM FIP

	Subgroup		Differences Between Subgroups	
	Left FIP Voluntarily	Left FIP Involuntarily	Amount	p-value
Percentage employed some time since exit from FIP	83.8	78.3	5.5	0.17
Percentage employed in month prior to survey interview	61.3	59.2	2.1	0.69
If employed in month prior to survey interview, characteristics of primary job				
Average hourly pay	\$7.53	\$7.83	-\$0.30	0.64
Average hours worked per week	34.2	33.2	1.0	0.50
Average monthly earnings	\$1,104.14	\$989.75	\$114.39	0.23
Percentage offered health insurance	63.2	54.4	8.8	0.18
Percentage offered paid sick days	43.1	33.3	9.8	0.09
Average number of months on job ^a	10.6	11.5	-0.9	0.73
Sample Size	235	152	--	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample sizes for this item are 144 and 89 due to missing data.

TABLE B.7-4

FINANCIAL CIRCUMSTANCES IN MONTH PRIOR TO SURVEY INTERVIEW
BY CIRCUMSTANCES SURROUNDING EXIT FROM FIP

	Subgroup		Differences Between Subgroups	
	Left FIP Voluntarily	Left FIP Involuntarily	Amount	p-value
INCOME				
Percentage with income from				
Earnings ^a	60.8	58.9	1.9	0.72
Government assistance, including Food Stamps ^b	55.4	53.4	2.0	0.71
Government assistance, excluding Food Stamps ^c	36.1	33.8	2.3	0.65
Child support ^d	28.9	27.8	1.1	0.82
Other household income ^d	40.9	36.7	4.2	0.41
Average amount of income from				
Earnings ^a	\$ 686.96	\$ 589.70	\$97.26	0.20
Government assistance, including Food Stamps ^e	\$ 238.65	\$ 249.40	-\$10.75	0.77
Government assistance, excluding Food Stamps ^f	\$ 140.00	\$ 155.79	-\$15.79	0.60
Child support ^a	\$ 78.94	\$ 82.54	-\$3.60	0.89
Other household income ^g	\$ 597.98	\$ 428.15	\$169.83	0.12
All sources combined, including Food Stamps ^h	\$1,654.97	\$1,378.31	\$276.66	0.03
All sources combined, excluding Food Stamps ⁱ	\$1,551.35	\$1,269.90	\$281.45	0.03
POVERTY STATUS				
Percentage at or below poverty threshold				
Including Food Stamps in total income ^j	37.6	47.8	-10.2	0.06
Excluding Food Stamps in total income ^k	41.5	54.4	-12.9	0.02
Total income as percentage of poverty threshold				
If below threshold, including Food Stamps	57.4	62.9	-5.5	0.23
If below threshold, excluding Food Stamps	49.9	55.4	-5.5	0.24
If above threshold, including Food Stamps	204.0	181.2	22.8	0.20
If above threshold, excluding Food Stamps	205.3	187.1	18.2	0.34
STANDARD OF LIVING				
Percentage rating standard of living as at least good	52.3	43.4	8.9	0.09
Percentage rating standard of living better than before exit from FIP	51.9	42.8	9.1	0.08
Sample Size	235	152	--	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample sizes for this item are 232 and 151 due to missing data.

^b Sample sizes for this item are 233 and 148 due to missing data.

^c Sample sizes for this item are 230 and 148 due to missing data.

^d Sample sizes for this item are 230 and 150 due to missing data.

^e Sample sizes for this item are 217 and 143 due to missing data.

^f Sample sizes for this item are 219 and 145 due to missing data.

^g Sample sizes for this item are 227 and 145 due to missing data.

^h Sample sizes for this item are 206 and 135 due to missing data.

ⁱ Sample sizes for this item are 207 and 137 due to missing data.

^j Sample sizes for this item are 205 and 134 due to missing data.

^k Sample sizes for this item are 205 and 136 due to missing data.

TABLE B.7-5

OTHER MEASURES OF FAMILY WELL-BEING SINCE EXIT FROM FIP
BY CIRCUMSTANCES SURROUNDING EXIT FROM FIP

	Subgroup		Differences Between Subgroups	
	Left FIP Voluntarily (%)	Left FIP Involuntarily (%)	Amount	p-value
Received help from family, friends, or neighbors ^a	85.1	84.8	0.3	0.93
Received help from community resources ^b	40.3	42.9	-2.6	0.63
Ever not covered by health insurance ^c	62.7	55.3	7.4	0.18
Had children ever not covered by health insurance ^d	41.7	38.8	2.9	0.48
Food insecure (with or without hunger) ^e	30.2	34.7	-4.5	0.36
Ever without utilities because could not afford them	36.6	39.5	-2.9	0.57
Ever unable to cover rent or mortgage ^f	22.3	28.0	-5.7	0.21
Ever homeless (living on the street or in a shelter)	7.7	6.6	1.1	0.69
Sample Size	235	152	--	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample sizes for this item are 235 and 151 due to missing data.

^b Sample sizes for this item are 233 and 147 due to missing data.

^c Sample sizes for this item are 228 and 152 due to missing data.

^d Sample sizes for this item are 230 and 149 due to missing data.

^e Sample sizes for this item are 232 and 150 due to missing data.

^f Sample sizes for this item are 233 and 150 due to missing data.

TABLE B.7-6

SELF-REPORTED DEMOGRAPHIC AND HOUSEHOLD CHARACTERISTICS
AT THE TIME OF THE SURVEY INTERVIEW BY RETURN TO FIP

	Subgroup		Differences Between Subgroups	
	Never Returned to FIP After Exit	Ever Returned to FIP After Exit	Amount	p-value
Percentage male	7.9	6.3	1.6	0.59
Average age	30.4	27.9	2.5	0.01
Percentage non-white ^a	19.2	19.8	-0.6	0.89
Percentage with less than high school degree ^b	22.7	36.4	-13.7	0.01
Percentage married or cohabiting with partner	33.7	27.9	5.8	0.27
Percentage never married	47.3	47.7	-0.4	0.94
Percentage residing in an urban county ^c	46.5	48.5	2.0	0.73
Average number of persons in household ^d	3.6	3.8	-0.2	0.26
Percentage whose youngest child is age 0-2 ^e	42.9	47.7	-4.8	0.40
Sample Size	279	111	--	--

Source: Survey of Iowa families that left FIP in spring 1999

^a Sample sizes for this item are 276 and 111 due to missing data.

^b Sample sizes for this item are 278 and 110 due to missing data.

^c Sample sizes for this item are 228 and 103 families living in Iowa at the time of the survey.

^d Sample sizes for this item are 275 and 109 due to missing data.

^e Sample sizes for this item are 252 and 107 due to missing data.

TABLE B.7-7

PARTICIPATION IN PUBLIC ASSISTANCE PROGRAMS IN MONTH PRIOR TO SURVEY INTERVIEW
BY RETURN TO FIP

	Subgroup		Differences Between Subgroups	
	Never Returned to FIP After Exit (%)	Ever Return to FIP After Exit (%)	Amount	p-value
FIP	0.0	75.7	-75.7	0.00
Food Stamps ^a	30.9	77.5	-46.6	0.00
Medicaid				
Respondent or any children in family	51.6	84.7	-33.1	0.00
Respondent ^b	36.3	76.4	-40.1	0.00
Any children in family ^c	45.5	84.7	-39.2	0.00
Sample Size	279	111	--	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample sizes for this item are 278 and 111 due to missing data.

^b Sample sizes for this item are 278 and 110 due to missing data.

^c Sample sizes for this item are 277 and 111 due to missing data.

TABLE B.7-8

EMPLOYMENT BY RETURN TO FIP

	Subgroup		Differences Between Subgroups	
	Never Returned to FIP After Exit	Ever Returned to FIP After Exit	Amount	p-value
Percentage employed sometime since exit from FIP	81.0	82.9	-1.9	0.67
Percentage employed in month prior to survey interview	68.8	38.7	30.1	0.00
If employed in month prior to survey interview, characteristics of primary job				
Average hourly pay	\$7.98	\$6.10	\$1.90	0.02
Average hours worked per week	35.2	28.3	6.9	0.00
Average monthly earnings	\$1,150.71	\$645.64	\$505.10	0.00
Percent offered health insurance	64.1	44.2	19.9	0.01
Percent offered paid sick days	44.3	18.6	25.7	0.00
Average number of months on job	11.9	5.3	6.6	0.06
Sample Size	279	111	--	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

TABLE B.7-9

FINANCIAL CIRCUMSTANCES IN MONTH PRIOR TO SURVEY INTERVIEW
BY RETURN TO FIP

	Subgroup		Differences Between Subgroups	
	Never Returned to FIP After Exit	Ever Returned to FIP After Exit	Amount	p-value
INCOME				
Percentage with income from				
Earnings ^a	68.7	37.0	31.7	0.00
Government assistance, including Food Stamps ^b	42.5	86.5	-44.0	0.00
Government assistance, excluding Food Stamps ^c	18.8	78.0	-59.2	0.00
Child support ^d	33.3	14.5	18.8	0.00
Other household income ^e	41.4	35.5	5.9	0.28
Average amount of income from				
Earnings ^a	\$ 796.78	\$ 255.97	\$541.81	0.00
Government assistance, including Food Stamps ^f	\$ 156.20	\$ 488.52	-\$332.32	0.00
Government assistance, excluding Food Stamps ^g	\$ 88.20	\$ 308.81	-\$220.61	0.00
Child support ^d	\$ 100.81	\$ 23.65	\$ 77.16	0.01
Other household income ^h	\$ 582.43	\$ 424.85	\$157.58	0.23
All sources combined, including Food Stamps ⁱ	\$1,669.60	\$1,223.19	\$446.41	0.00
All sources combined, excluding Food Stamps ^j	\$1,597.04	\$1,028.81	\$568.23	0.00
POVERTY STATUS				
Percentage at or below poverty threshold				
Including Food Stamps in total income ^k	34.1	59.1	-25.0	0.00
Excluding Food Stamps in total income ^l	38.8	69.1	-30.3	0.00
Total income as percentage of poverty threshold				
If below threshold, including Food Stamps	59.2	61.0	-1.8	0.71
If below threshold, excluding Food Stamps	54.6	51.3	3.3	0.49
If above threshold, including Food Stamps	200.0	173.3	26.7	0.21
If above threshold, excluding Food Stamps	203.8	180.8	23.0	0.35
STANDARD OF LIVING				
Percentage rating standard of living as at least good	49.8	47.7	2.1	0.71
Percentage rating standard of living better than before exit from FIP	50.2	41.4	8.8	0.12
Sample Size	279	111	--	--

SOURCE: Survey of Iowa families that left FIP in spring 1999

^a Sample sizes for this item are 278 and 108 due to missing data.^b Sample sizes for this item are 273 and 111 due to missing data.^c Sample sizes for this item are 272 and 109 due to missing data.^d Sample sizes for this item are 276 and 110 due to missing data.^e Sample sizes for this item are 273 and 110 due to missing data.^f Sample sizes for this item are 264 and 99 due to missing data.^g Sample sizes for this item are 266 and 101 due to missing data.^h Sample sizes for this item are 266 and 109 due to missing data.ⁱ Sample sizes for this item are 251 and 93 due to missing data.^j Sample sizes for this item are 252 and 95 due to missing data.^k Sample sizes for this item are 249 and 93 due to missing data.^l Sample sizes for this item are 250 and 94 due to missing data.

APPENDIX C

LIMITATIONS OF UNEMPLOYMENT INSURANCE DATA

APPENDIX C—LIMITATIONS OF UNEMPLOYMENT INSURANCE DATA

This appendix provides a general description of the data available in state Unemployment Insurance systems. It also describes the limitations of data from Iowa's Unemployment Insurance system in the Study of TANF Leavers in Iowa—more specifically, the extent to which Iowa's Unemployment Insurance system fails to capture employment among the heads of families that left FIP in spring 1999.

DESCRIPTION OF DATA IN STATE UNEMPLOYMENT INSURANCE SYSTEMS

The Social Security Act of 1935 authorized the federal government to collect employment and wage data for all workers covered by state Unemployment Insurance laws and for civilian workers covered by Unemployment Compensation for Federal Employees (UCFE). The original purpose of collecting these data was to determine if state unemployment compensation programs were in compliance with the Social Security Act. Employers in each state must report data on employment and wages quarterly to the state employment security agency for all employees who are covered by Unemployment Insurance or UCFE and who earned wages during the relevant quarter (employers are not required to report data for workers who earned no wages during the relevant quarter because of work stoppages, temporary layoffs, illness, or unpaid vacations).¹ The following types of employers are required to report data to the state employment security agency:

- Private firms employing one or more people at least 20 weeks a year
- Employers of federal civilian personnel and ex-military personnel
- State colleges, universities, and hospitals
- Employers of state and local public personnel
- Agricultural firms employing a minimum of 10 workers in at least 20 weeks a year or having a \$20,000 quarterly payroll
- Employers paying a quarterly minimum of \$1,000 to domestic workers

Because Unemployment Insurance coverage is quite broad, almost all nonagricultural employees appear in the data that state employment security agencies collect. However, about 56 percent of workers in agricultural industries, all workers who are self-employed, and a limited number of other workers are not covered by Unemployment Insurance and therefore do not appear in the data collected by state employment security agencies. In addition, in some states, certain types of nonprofit employers, such as religious organizations, and certain state and local government entities can choose whether their workers will have Unemployment Insurance coverage. Those that decide their workers will not have coverage are not required to report employment and wages to the employment security agency. In 1991, the data that state employment security agencies collected excluded approximately:

¹ For a more detailed description of the reporting requirements, see the Bureau of Labor Statistics web page at <http://stats.bls.gov/cewchap5.htm>.

- 0.3 million wage and salary agricultural employees
- 1.5 million self-employed farmers
- 8.9 million self-employed nonagricultural workers
- 0.7 million domestic workers
- 0.3 million unpaid family workers
- 1.6 million members of the Armed Forces stationed in the United States
- 0.3 million workers covered by the railroad unemployment insurance system
- 0.6 million state and local government workers

Two other important groups of workers who do not appear in the data are workers who are paid under the table and workers who are employed outside of the state. For the Study of TANF Leavers in Iowa, we collected data only from Iowa's employment security agency, Iowa Workforce Development. Individuals who worked for employers outside of Iowa, then, do not appear in these data and are considered not employed for purposes of the analysis of Unemployment Insurance data in this study.

LIMITATIONS OF DATA IN IOWA'S UNEMPLOYMENT INSURANCE SYSTEM

To determine the extent to which Iowa's Unemployment Insurance system fails to capture employment among the heads of families that left FIP in spring 1999, we compared administrative data from this system with data from the survey of Iowa families that left FIP in spring 1999. Administrative data for survey respondents only were included in this comparison, and the comparison was based on the quarter before the survey interview.² According to the survey data, 71 percent of family heads were employed—either at a formal job or a job in which they were paid under-the-table—in the quarter before they were interviewed (see Exhibit C.1). According to the administrative data, however, only 37 percent of family heads were employed in formal jobs in that quarter. And, according to the survey data, 13 percent of those employed worked multiple jobs, but according to the administrative data, only 7 percent of those employed worked multiple jobs.

To determine how much of the discrepancy between survey and administrative data might be due to family heads working outside the state of Iowa, we limited the comparison of survey and administrative data to families that lived in Iowa when they were interviewed for the survey. Findings for this group, however, were similar to the findings for the larger group. According to the survey data, 73 percent of family heads living in Iowa were employed—either in a formal job or a job in which they were paid under-the-table—in the quarter before they were interviewed (see Exhibit C.2). According to the administrative data, however, only 43 percent of these family heads were employed in a formal job in that quarter. And according to the survey data,

² Note that in Chapter 3, the employment statistics based on survey data pertained to the month—not the quarter—before the survey interview, and the employment statistics based on administrative data from Iowa's Unemployment Insurance system included all 958 families—not just the 401 survey respondents—in the Study of TANF Leavers in Iowa.

13 percent of those employed worked multiple jobs, but according to the administrative data, only 8 percent of those employed worked multiple jobs.

EXHIBIT C.1

EMPLOYMENT OF RESPONDENTS IN QUARTER PRIOR TO SURVEY INTERVIEW

	Number	Percentage
Employment		
Employed according to survey data ^a	278	71.3
Employed according to administrative data	149	37.2
Number of jobs		
Multiple jobs according to survey data ^a	51	13.1
Multiple jobs according to administrative data	21	6.7
Number of jobs in survey data compared with administrative data ^a		
Survey data = administrative data	217	55.6
Survey data > administrative data	154	39.5
Survey data < administrative data	19	4.9
Sample Size	401	--

SOURCE: Survey of Iowa families that left FIP in spring 1999; Administrative records from Iowa's Unemployment Insurance system

^a Sample size for this item is 390 due to missing data.

EXHIBIT C.2

EMPLOYMENT OF RESPONDENTS IN QUARTER PRIOR TO SURVEY INTERVIEW
AMONG THOSE LIVING IN IOWA AT THE TIME OF THE SURVEY INTERVIEW

	Number	Percentage
Employment		
Employed according to survey data ^a	241	73.0
Employed according to administrative data	148	43.4
Number of jobs		
Multiple jobs according to survey data ^a	44	13.3
Multiple jobs according to administrative data	27	7.9
Number of jobs in survey data compared with administrative data ^a		
Survey data = administrative data	193	58.5
Survey data > administrative data	118	35.8
Survey data < administrative data	19	5.6
Sample Size	341	--

SOURCE: Survey of Iowa families that left FIP in spring 1999; Administrative records from Iowa's Unemployment Insurance system

^a Sample size for this item is 330 due to missing data.

SUMMARY

State Unemployment Insurance systems contain employment and wage data for almost all nonagricultural employees officially on their employers' payrolls, but they exclude many agricultural workers, all self-employed workers, all workers paid under the table, and all workers who work for employers outside the state. Iowa's Unemployment Insurance system fails to capture a substantial amount of employment among the heads of families that left FIP in spring 1999—even among those who likely worked in the state of Iowa. The reasons for this are not clear. It is possible many heads of families that left FIP in spring 1999 were self-employed or were working under-the-table in the quarter before they were interviewed for the survey and that some worked for nonprofit or other employers without Unemployment Insurance coverage.