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Evaluation of the North Carolina Work First (TANF) Program

Statewide Follow-Up Study of Welfare Leavers

Executive Summary

June 2001

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The telephone surveys were conducted by the MAXIMUS Survey Research Center. The opinions expressed in this report are those of the MAXIMUS authors.

EXECUTIVE SUMMARY

This report presents findings on short-term outcomes among a statewide sample of welfare leavers in North Carolina. The sample of leavers consisted of 795 families. They were part of a larger sample of 1,750 families who had been receiving cash welfare in North Carolina in May and June 2000.¹ The families left welfare between August 2000 and May 2001.

The surveys were conducted by telephone. The surveys were administered to families had been off welfare for two consecutive months and were conducted within 3-4 months after they initially left welfare. Therefore, the surveys do not provide data on *long-term outcomes* on the families.

A. STUDY OBJECTIVES

The report was part of a study of the Work First (TANF) program in North Carolina. A primary objective of the overall study was to gather information that will be useful to North Carolina policymakers in addressing potential barriers to self-sufficiency among the Work First population. The study was also designed to provide information on the status of Work First recipients over time.

An additional objective of the study was to assess the TANF New State Plan in North Carolina. Under the TANF New State Plan, individual counties can apply for “electing county” status. This status allows them to adopt certain policy changes that are not authorized under the “standard” Work First program. The report compares findings for welfare leavers in the standard and electing counties, but does not contain data on long-term outcomes.

B. SUMMARY OF KEY FINDINGS

Reasons for Leaving Welfare

- About 64 percent of the leavers cited employment as a reason for leaving welfare, and 54 percent said that employment was the most important reason.
- The next most common reason (27 percent) was not wanting to be on welfare or to deal with the “hassle.” Some of these respondents may also have obtained jobs when they left.
- Almost 9 percent said that they did not want to use up all of their time limit, and 8 percent said that they actually reached the time limit.

¹ Survey findings on the 1,750 welfare recipients were presented in an earlier MAXIMUS report: Characteristics and Barriers of Welfare Recipients in North Carolina, January 2001.

- Respondents who gave more than one reason for leaving welfare were asked to identify the most important reason why they left. If respondents identified only one reason, this was considered the most important.
- Blacks (58 percent) were much more likely than whites (44 percent) to mention employment as the most important reason for leaving welfare.
- High school drop-outs were somewhat less likely than other respondents to mention employment as the most important reason for leaving welfare.
- Drop-outs were also somewhat more likely to cite reaching the 24-month time limit.
- Persons aged 35 and older were somewhat less likely than younger respondents to mention employment as the most important reason for leaving welfare.
- There was not a major difference between urban and rural counties in the most important reasons given by respondents for leaving welfare.

Living Arrangements Among Welfare Leavers

- The surveys indicate that many of the welfare leavers were relying on shared living arrangements to help address their situation.
- For example, about 43 percent of the welfare leavers were living with one or more other adults at the time of the survey.
- About 58 percent of white leavers were living with one or more other adults, compared to only 37 percent of black leavers.
- High school drop-outs (48 percent) were somewhat more likely to be living with another adult than other respondents.
- Persons in urban counties (44 percent) were more likely to be living with another adult than persons in rural counties (35 percent).
- About 17 percent of the leavers were living with their mothers, and almost 14 percent were living with a spouse or significant other.
- Almost 9 percent were living with their father, and 4 percent were living with a sister.

Employment Status of Welfare Leavers

- About 62 percent of the welfare leavers were working for pay at the time of the surveys. Almost all of these were working in a regular paid job outside the home.
- Blacks were employed at a higher rate than whites (65 percent compared to 53 percent).
- Only 52 percent of high school drop-out were employed, compared to 65 percent of persons who had completed high school without college, and almost 70 percent of persons who had completed college.
- Only 50 percent of persons aged 40 and older were employed.
- Currently married leavers were less likely to be working than non-married leavers.
- Almost 63 percent of the welfare leavers in the standard counties were employed, compared to about 57 percent of the leavers in electing counties. This may partly be a result of the higher employment rates among blacks.
- Leavers in rural counties (57 percent) were somewhat less likely to be employed than leavers in urban counties (62-64 percent).

Employment of Other Adults in the Household

- Almost 29 percent of the welfare leavers were living with an employed adult.
- About 67 percent of the respondents were either working or living with an employed spouse or partner.
- Almost 75 percent of the leavers were either employed or living with an employed adult.

Types of Jobs

- About 17 percent of the employed leavers were working in office/clerical jobs, and that another 16.5 percent were working as nurse's aides or home health aides.
- About 16 percent were working as restaurant workers and 15 percent were working in retail stores or grocery stores. Almost 12 percent were working in factories.

Work Hours

- About 52 percent of the employed respondents were working 40 hours or more per week, and that 83 percent were working 30 or more hours per week.
- About 47 percent of high school drop-outs were working 40 or more hours per week, compared to 52-53 percent of more educated respondents.

Non-Traditional Work Hours

- About 27 percent of the employed respondents were working non-traditional daily work schedules.
- About 26 percent of employed respondents worked all or most weekends, and that another 16 percent often worked weekends.
- High school drop-outs were more likely to be working weekends than other respondents.
- Employed respondents aged 18-24 were somewhat more likely than older respondents to be working non-traditional hours.
- Respondents in rural counties were less likely to be working non-traditional daily schedules, but were more likely to be working weekends.

Earnings Patterns

- About 58 percent of employed welfare leavers were earning more than \$1,000 per month, and 32 percent were earning more than \$1,250 per month.
- Employed blacks were slightly more likely than employed whites to be earning more than \$1,000 per month.
- Only 51 percent of employed high school drop-outs were earning more than \$1,000 per month, compared to 58 percent of persons who had completed high school without college, and 66 percent of persons who had completed college.
- Married employed respondents were more likely than non-married employed respondents to be earning more than \$1,000 per month.
- There was no difference between electing and standard counties in the percent of employed persons earning more than \$1,000 per month.

- Employed persons in rural counties were much more likely than employed persons in urban counties to be earning more than \$1,000 per month.

Earnings by Occupation

- Average monthly earnings varied considerably by occupation. The highest paying jobs were in teaching, nursing, factory work, and office/clerical.
- The lowest paying jobs were in babysitting, restaurant work, housekeeping, and retail.

Pay Raises in Current Job

- About one-third of the employed respondents had received a raise in their current jobs.
- This finding would suggest that many of the employed respondents were working in their current jobs when they were still on welfare.

Perceived Opportunities for Advancement

- Employed blacks were somewhat more likely than employed whites to think that there were opportunities for advancement in their current jobs.
- Only 38 percent of employed high school drop-outs saw opportunities for advancement, compared to 53-54 percent of more educated respondents.
- Older employed respondents were less likely to see opportunities for advancement.

Job Satisfaction

- About 48 percent of employed leavers were very satisfied with their jobs, and another 34 percent were somewhat satisfied. Only 14 percent were dissatisfied with their jobs.

Likelihood of Staying in Current Job

- About 52 percent of employed leavers thought it very likely they would stay in their current job, and 31 percent said they would probably stay.

Employment Status of Unemployed Respondents When They Left Work First

- About 42 percent of currently unemployed leavers were working when they left Work First. These 42 percent represent about 16 percent of all leavers in the survey.
- About 51 percent of unemployed black leavers were working when they left Work First, compared to only 27 percent of unemployed whites.
- About 50 percent of unemployed leavers from large urban counties were employed when they left Work First, compared to 40 percent in rural areas.

What Happened to Most Recent Job

- Of the unemployed persons who were working when they left Work First, 46 percent had quit their last job, and almost 41 percent had been fired or laid off.
- Another 13 percent said that the job was seasonal or temporary.

Reasons for Quitting Last Job

- Of the unemployed persons who were working when they left Work First but who had quit their last job, almost 40 percent had quit because of a health problem. These represent about 18 percent of unemployed respondents who had been employed when they left Work First. About 20 percent had quit due to a child care problem.

Job Search by Unemployed Respondents

- Almost 58 percent of unemployed persons were looking for work, while 42 percent were not.

Reasons for Not Working

- About 22 percent of unemployed respondents cited transportation problems as a reason for not working.
- Another 22 percent mentioned physical health problems, and 21 percent said that they preferred to stay home with their children
- About 18 percent said that they could not find jobs with convenient work hours, and almost 14 percent mentioned child care.

Most Important Reason for Not Working

- Almost 18 percent of unemployed respondents cited physical health problems as the most important reason for not working.
- About 15 percent said that they preferred to stay home with their children, and 13 percent mentioned transportation problems.
- About 9 percent cited child care as the most important reason for not working.

Health Barriers to Employment

- Of the unemployed respondents who cited physical health problems as the most important reason for not working, 13 percent mentioned high blood pressure, and another 13 percent cited injury/trauma.
- About 12 percent mentioned surgery and almost 11 percent cited depression.
- Of the unemployed respondents who cited physical health problems as the most important reason for not working, almost 72 percent considered the condition to be permanent.

Coverage by Employer Health Insurance

- About 40 percent of employed leavers were working for employers who did not provide health insurance.
- Another 44 percent were working for an employer with health insurance but were not enrolled.
- The remaining 16.5 percent were covered by employer health insurance. These represent about 10 percent of all welfare leavers.
- Of those working for an employer with health insurance but who were not enrolled, almost 48 percent said they could be enrolled and 52 percent said they could not be enrolled.
- Of the respondents who indicated that they could not be enrolled in their employer's health plan, 60 percent said that they had not worked for the employer long enough to qualify. Another 30 percent said they could not enroll because they were part-time employees.

- Of the respondents who chose not to enroll in an employer health plan even though eligible, 72 percent cited the cost of the premiums as the reason for not enrolling.

Who Was Covered by Employer Health Insurance

- About 41 percent of the respondents who were covered by employer health plans reported that only they were included in the health coverage.
- About 57 percent said that the coverage also included their children.

Use of the Earned Income Tax Credit

- Only about 54 percent of the respondents who were currently working were claiming the Earned Income Tax Credit.
- Only about 7 percent of employed respondents were getting the tax credit in each paycheck.
- Employed high school drop-outs were somewhat less likely to be claiming the EITC than more educated respondents.
- Employed married respondents were much less likely to be claiming the tax credit than employed non-married respondents.
- Rural employed respondents were somewhat less likely to be claiming the tax credit than respondents in large urban counties.

Receipt of Public and Private Assistance

- Almost 11 percent reported that they were receiving SSI benefits.
- About 19 percent were receiving help with utilities or fuel.
- About 6 percent were receiving regular financial support from family or friends not living with them.
- About 55 percent of the welfare leavers reported that they were still receiving Food Stamps at the time of the survey.
- High school drop-outs were more likely than other respondents to still be receiving Food Stamps (63.5 percent compared to 52 percent).

- Only 44 percent of currently married leavers were on Food Stamps, compared to 56 percent of other leavers.
- There was not a major difference between the standard and electing counties in the percentage of leavers still on Food Stamps.
- About 58 percent of the leavers in large urban counties were still on Food Stamps, compared to only 50 percent of the leavers in rural counties.

Reasons for Not Using Food Stamps

- About 51 percent of the respondents who were not on Food Stamps reported that they had been told they were no longer eligible due to income.
- Almost 13 percent said that they had an application pending or were planning to apply.
- Almost 12 percent reported that they no longer needed Food Stamps.
- About 10 percent said that they did not want to deal with the hassle or paperwork.

Knowledge of Food Stamp Benefits

- About 61 percent of the leavers thought that families could still get Food Stamps after leaving welfare.
- Married respondents were much less likely than non-married respondents to think that families could get Food Stamps after leaving welfare.
- About 65 percent of the leavers in large urban counties thought that families could get Food Stamps after leaving welfare, compared to 52 percent of the leavers in rural counties.

Use of Other Food Programs

- About 39 percent of the welfare leavers reported that they were currently enrolled in the WIC program.
- About 57 percent of the leavers had their children participating in the school breakfast and school lunch programs.

Housing Situation

- About 24 percent of the welfare leavers reported that they were living in Section 8 housing. Another 15 percent were living in public housing.
- About 21 percent were living rent-free with a friend or family.
- The remaining 39 percent reported that they were not receiving any type of assistance with housing.
- Almost 28 percent of blacks were living in Section 8 housing, compared to 17 percent of whites.
- About 19 percent of blacks were living in public housing, compared to only 5 percent of whites.
- About 21 percent of high school drop-outs were living in public housing, compared to 11-12 percent of other respondents. However, persons who had attended college were more likely than other respondents to be living in Section 8 housing.
- Almost 29 percent of the 18-24 year old leavers were living rent-free with family or friends.
- Never married leavers were much more likely than other leavers to be living in public housing than other leavers. They were also more likely to be living rent-free with family or friends.
- There was not a major difference between electing and standard counties or between urban and rural counties in the percentage of leavers living in Section 8 housing or public housing.

Receipt of Child Support

- About 55 percent of the non-married welfare leavers reported that the father or mother of their child(ren) had been ordered to pay child support.
- About 33 percent of non-married leavers with child support orders reported that they received child support regularly, representing 18 percent of all non-married leavers.

Adequacy of Income and Benefits

- About 57 percent of the leavers felt that their income and benefits met their family's needs, but almost 19 percent felt that their needs were definitely not being met.
- About 61 percent of blacks thought that their family's needs were being met, compared to only 48 percent of whites.
- Only 48 percent of high school drop-outs thought that they family's needs were being met, compared to about 62 percent of more educated respondents.
- About 64 percent of 18-24 year olds thought that their family's needs were being met, compared to only 46 percent of 35-39 year olds.
- There was not a major difference between the standard and electing counties in the percentage of leavers who felt that their family's needs were being met.
- Only 48 percent of the leavers in rural counties thought that their family's needs were being met, compared to 60 percent of the families in large urban counties.

Likelihood of Reapplying for Welfare

- About 8 percent of the leavers felt that it was very likely they would reapply for welfare, and another 6.7 percent thought it was somewhat likely. Almost 16 percent were not sure.
- About 45 percent thought it was very unlikely they would reapply, and another 24 percent said that it was not very likely.
- About 47 percent of blacks said it was very unlikely they would reapply, compared to 43 percent of whites.
- About 11 percent of high school drop-outs reported that it was very likely they would reapply, compared to 7.7 percent of those who had completed high school without college, and 5.4 percent of persons who had attended college.
- About 17 percent of the respondents in the electing counties thought it very likely or somewhat likely that would reapply, compared to only 14.6 percent of the respondents in standard counties.

- About 10 percent of the leavers in rural counties thought it very likely or somewhat likely they would reapply, compared to 14.4 percent of the leavers in large urban counties and 17 percent of the leavers in other urban counties.

Health Insurance for Children

- About 5 percent of the respondents reported that they had a child who was not covered by health insurance.
- About 84 percent of the respondents had their children enrolled in Medicaid, 8 percent had coverage through Health Choice, and 5.9 percent had a child covered through employer health plans. The percentages add to more than 100 percent because respondents could report more than one type of health coverage for their children.
- About 30 percent of the respondents who had a child without health coverage reported that the child had been without health coverage for more than three months.
- Among respondents who had a child without health insurance, 44 percent used a low-cost clinic to get care for the child, 40 percent paid for medical care out-of-pocket, and 16 percent did not take their child in for regular medical check-ups.

Knowledge and Use of Health Choice

- About 58 percent of the leavers had heard of the Health Choice for Children program.
- Among those who had heard of the program, almost 14 percent were using it.
- About 71 percent of the persons who had attended college had heard of the Health Choice program, compared to only 47 percent of high school drop-outs.
- Persons in standard counties were somewhat more likely to have heard of the program than persons in electing counties.

Regular Source of Medical Care

- Almost 96 percent of the leavers reported that they had a regular source of medical care for their children.

Health Insurance for the Respondent

- About 78 percent of the respondents reported that they had Medicaid coverage for themselves.
- About 37 percent had medical coverage for themselves through an employer.
- Almost 13 percent of the respondents said that they had no health coverage for themselves.

Use of Child Care

- About 80 percent of the employed welfare leavers were using paid or unpaid child care.
- Of those who were not using child care, 49 percent reported that their children were in school while they were working, and 44 percent said that their children were old enough to look after themselves.

Types of Child Care Used

- Almost 76 percent of the employed welfare leavers who were using child care were using paid child care, and almost 30 percent were using unpaid care.
- Almost 46 percent of employed respondents who were using child care were using child care centers.
- The next most common types of providers were paid relatives or friends not living in the home (19 percent), and unpaid relatives or friends not living in the home (18 percent).
- Whites were more likely to be using unpaid child care than blacks.
- Respondents in rural counties were less likely to be using unpaid childcare than respondents from urban counties.

Help Paying for Child Care

- About 67 percent of the employed respondents who were using paid child care were getting help from the county.
- For those who were not getting help, 25 percent did not want to deal with the county's requirements, 15 percent were on a waiting list, and 11 percent did not know they could get help.

Knowledge of Child Care Benefits

- About 65 percent of all leavers knew that families could get help paying for child care.

Child Care Barriers

- Only about 7 percent of employed respondents who used child care reported that they often or occasionally had problems getting to work because of unreliable child care.

Vehicle Ownership

- About 47 percent of all leavers owned a vehicle. Only 42 percent of blacks owned a vehicle, compared to 59 percent of whites.
- About 66 percent of persons who had attended college owned a vehicle, compared to only 35 percent of high school drop-outs.
- Only 40 percent of 18-24 year olds owned a vehicle.
- Only 39 percent of never married leavers owned a vehicle, compared to 74 percent of married leavers.
- Almost 46 of vehicle owners said that their vehicle was more than 10 years old.

Transportation Barriers to Employment

- Only 4 percent of employed respondents reported that they often missed work or showed up late due to transportation problems, but another 15 percent report that they occasionally missed work or showed up late.
- About 28 percent of unemployed leavers reported that they would have trouble starting a new job because of transportation problems.
- Unemployed blacks (59 percent) were much more likely than unemployed whites (38 percent) to think that they would have trouble starting a new job because of transportation problems.
- Unemployed persons who had attended college were much less likely to think that transportation would be a barrier to employment than less educated respondents.

- About 37 percent of unemployed 18-24 year olds thought that transportation would be a barrier to employment.
- Almost 70 percent of unemployed never married respondents thought that transportation would be a barrier to getting to work on time.
- Respondents from rural counties were much less likely than respondents from urban counties to think that transportation would be a barrier to employment.