Illinois Study of Former TANF Clients

Interim Report:
Analysis of Administrative Data

Institute for Public Affairs
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in collaboration with

School of Social Work
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The analyses performed and described herein were conducted on the basis of a cooperative agreement from the U.S. Department of Health and Human Services. The opinions and conclusions expressed in this report, however, are solely the authors' and should not be interpreted as reflecting the opinions and policies of the federal government or the State of Illinois.

When Families Leave Welfare Behind:
Illinois Families in Transition

Analysis of Administrative Data

Institute for Public Affairs, University of Illinois at Springfield
School of Social Work, University of Illinois at Urbana-Champaign

Executive Summary

This is the second in a series of reports describing findings of a study that explores how people are faring after they leave welfare in Illinois. The questions addressed in this report are:

1. What are the characteristics of clients at the time of TANF case closure?

2. What happens to clients in the months following their exit from TANF?

3. What factors appear to affect the stability of TANF exits and employment-related outcomes?

The first report for this study addressed the findings from a survey of former TANF clients. This report addresses the three questions through analysis of administrative data from the Illinois Department of Human Services and the Illinois Department of Employment Security. The population studied incorporated all cases with at least one adult and one child that closed between July 1997 and December 1998. TANF leavers were defined as those whose case closed in the selected month and did not reopen the following month, i.e., whose case remained closed for at least two months.

Key findings of this analysis of administrative data include:

The typical adult leaver is female, has never married, and was on a single-parent case.

- Almost 92 percent of leavers are female.
- Most leavers (61%) have never been married.
- Approximately 91 percent of the leavers were on single-parent cases; nine percent for two-parent cases.

Most leavers have preschool-aged children.

- The median age of youngest child is just over 4 years old (4.2).
- Most leavers (63%) have one or more children under 6 years old.
- Few leavers (11%) have one or more children under 1 year old.
- A few leavers (11%) have no child under 13 years old.

Two-parent cases differ markedly from single-parent cases.

- Whereas around 20% of two-parent leavers have never married, around 65% of single parent cases report this.
- Leavers in two-parent cases had younger children (median age of youngest child of 2.9 years old as compared to 4.3 years for single-parent cases).
- Two-parent leavers were less likely to be identified as African-American (18% compared to 56% for single-parent cases) and more likely to be white (68% compared to 33% for single-parent cases).

Those exiting in the first quarters after welfare reform have characteristics less associated with recidivism than those exiting in the later quarters of this study.

- Fewer leavers in the third quarter of 1997 have never married (58% versus 66% for those leaving in the fourth quarter of 1998).

- More leavers in the third quarter of 1997 completed high school (60% versus 57% for those leaving in the fourth quarter of 1998).

- Ethnicity of leavers in the third quarter of 1997 is more evenly divided between white and African-American (40% white and 50% African-American versus 30% white and 60% African-American for the fourth quarter of 1998).

Approximately half of all leavers have recorded earned income during any given quarter.

- The percent of leavers with earned income increases from 49 percent in the quarter before exit to over 55 percent in the quarter of exit.

- The percent of leavers with earned income remains stable after exit, continuing at around 54 percent having some quarterly income in subsequent quarters.

Median quarterly earnings of leavers increased substantially at exit and continue to rise.

- Median quarterly earnings increased from $1,576 in the quarter before exit to $2,176 in the quarter of exit (an increase of $600 per quarter or $200 per month).

- Median quarterly earnings continued to rise in the quarters after exit.

Use of food stamps decreases substantially after TANF exit.

- Although 88 percent of leavers received food stamps in the month prior to exit, only 20 percent receive them in the month of exit.

- The percent receiving food stamps increased in the months after exit (up to over 35 percent six months after exit), with most of this increase accounted for by the recycling of leavers back to TANF cash assistance.

Participation in Medicaid decreases substantially after TANF exit.

- Almost all leavers (99%) participated in Medicaid in the month prior to exit, but this decreased to 43 percent in the month of exit.

- There was an increase in Medicaid participation in the months after exit, but this was primarily due to leavers returning to cash assistance.

Over a quarter of all case closings become active TANF cases again within 12 months.

- By three months after exit, 16 percent of those leaving have returned to cash assistance at some point. This cumulative recidivism rate increases to 23 percent six months after exit.

- By six months after exit, cumulative recidivism has stabilized and increases only five additional percentage points, to 28 percent, by 12 months after exit.

For single-parent cases headed by a female, recidivism for TANF is highest for young African-American mothers without a high school diploma and without prior earned income.

- Younger women were, controlling for other factors, more likely to return to TANF assistance than were older women, with, for example, women between 20 and 25 years old being about 30 percent less likely than women over 30 to remain off TANF for 12 months.

- African-American women were, controlling for other factors, about 31 percent less likely than their white counterparts to remain off TANF for 12 months.

- Women without high school diplomas were, controlling for other factors, about 21 percent less likely than their more educated counterparts to remain off TANF for 12 months.

- Women without earned income at exit were, controlling for other factors, about 34 percent less likely than those with earned income to remain off TANF for 12 months.

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INTRODUCTION

The Personal Responsibility and Work Opportunity Act of 1996 established the Temporary Assistance for Needy Families (TANF) program as the successor welfare program to the Aid to Families with Dependent Children (AFDC) program. TANF represented a major policy change in that welfare was no longer to be considered an entitlement but instead was designed to provide only temporary help while a family moves toward employment and self-sufficiency. A major part of this change in orientation was the specification in the federal legislation of time limits in the TANF program. As of the programs start date in Illinois, July 1, 1997, recipients of TANF could receive federal cash assistance for a total of five years (that is, a lifetime total of 60 months on assistance). In Illinois there are, as will be discussed below, exceptions and variations on this five-year limit, but the emphasis on temporary assistance is maintained.

The intent of this change to an emphasis on temporary assistance is to encourage the poor to work, hopefully towards self-sufficiency. Declining caseloads since TANF was initiated have led to optimism that this program may be working. There are concerns, however, about what happens to adults and children after their TANF cases are closed. Accordingly, the Illinois Department of Human Services (IDHS) contracted with the Institute for Public Affairs at the University of Illinois at Springfield (UIS), in collaboration with researchers in the School of Social Work at the University of Illinois at Urbana-Champaign (UIUC), to study the experiences of former TANF clients. Additional funding from the U. S. Department of Health and Human Services (DHHS) permitted the expansion of the study to include additional cohorts of TANF leavers and longer follow-up of those cohorts.

This interim report describes the initial analyses and findings of the administrative data component of the study, conducted with data provided by IDHS and then prepared, in part, by the Chapin Hall Center for Children at the University of Chicago. An earlier report from this research effort described the results of the initial survey findings. The three questions that guide this study and provide the framework for this report are:

1. What are the characteristics of clients at the time of TANF case closure?

2. What happens to clients in the months following their exit from TANF?

3. What factors appear to affect the stability of TANF exits and employment-related outcomes?

After first describing the research methods used, we address these three questions by focusing on recidivism, wages, use of food stamps, and participation in Medicaid. The data reported are useful in addressing the needs of DHHS in comparing interim results across other states and counties that are being funded to study TANF leavers. Nonetheless, the interpretation provided in this report needs to be understood as tentative. Additional analyses will be conducted for the final report, and even the numbers presented in this report are expected to change in minor ways based on these additional analyses.

METHODOLOGY

This report is based on an analysis of the IDHS client database (CDB), along with wage data from the Illinois Department of Employment Security.

Population of TANF Leavers

This study is concerned with addressing the three research questions for all cases that closed from TANF cash assistance from July 1997 to December 1998. Defining this population requires addressing four points:

1. Identifying primary adult leavers
2. Distinguishing true leavers from administrative churning
3. Employing individual and case levels of analysis
4. Distinguishing the population of cases and the population of exits.

Identifying Adult Leavers. The first point in defining the population is to note that some TANF cases are identified as "single-parent cases" while others are "two-parent cases." Single-parent cases are those in which only one adult is on the TANF grant, or a second adult is on the grant but is incapacitated. Two-parent cases are those in which two adults are on the grant and available to work. (Before August 1998, a small number of cases with a second parent in the home but ineligible for TANF were classified as two-parent cases.)

Single-parent cases, with typically only one adult on the grant, the grantee is usually a mother but sometimes a father, grandparent, or other relative. For two-parent cases, however, either of the two parents could be the grantee, and the leaving of either or both of these adults triggers the entry of the case into the study. If only one of the adults on a two-parent case left assistance, she or he is the identified adult. If both adults on a two-parent case exited TANF, the adult identified for this study is the grantee. Note that this definition of TANF leavers does not require that children or a second adult leave cash assistance for the case to be included in the study.

Distinguishing Actual Leavers. A second issue in defining the population of TANF leavers involves the recognition that not all case closings represent what most people would understand as "exiting TANF." Instead, some case closings result from administrative error or, more commonly, from noncompliance on the part the clients. These cases tend to close for one month, only to be re-opened the next month. In order to exclude these temporary administrative closings, in this study, as well as the majority of other state studies sponsored by the U.S. Department of Health and Human Services, cases are identified as having exited TANF only after the identified adults had been off their cash assistance grants for at least two months. For example, those who left TANF in July 1997 were excluded from the study if they began receiving cash assistance again before September 1997. Note that, consistent with IDHS terminology, the exit month for cases was defined as the first month without cash assistance. For example, those defined as leaving in July 1997 had received their last cash assistance payment in June 1997.

Individual and Case Levels of Analysis. Another complexity in defining a population of TANF leavers is distinguishing between individuals and cases. All cases considered in this report are comprised of more than one individual, and specific individuals may show up on different cases at different points in time. For the purposes of this study, identification of TANF leavers begins with an adult leaving the TANF rolls. All children and adults on the TANF case with this adult leaver at the time of this exit are defined as comprising the case. This information is used for case-level analyses, such as describing the median ages of children on the cases.

One of the main reasons for being clear about individual and case-level analyses is that there can be differences in services received by the adult leaving TANF and those received by others on the case. This report focuses on case-level analyses using information about adults who leave TANF assistance as representing the case. Thus, receipt of food stamps and participation in Medicaid after exit are defined in terms of the status of the identified adult leaver, recognizing that the children or other adults on the case may have different patterns of services after exit. An additional implication of this focus on adults is that recidivism is defined in terms of an identified adult returning to cash assistance. As such, if a case closes and the children or other adults return to cash assistance on some other case, this is not counted as recidivism.

Distinguishing Cases from Exits. Based on the definitions described above, there were 132,275 TANF cases that closed at least once during the study period, from July 1997 to December 1998. Some of the adults leavers who were used to define the cases returned to TANF and then exited again during the study period; indeed, some exited three or four times during the study period. As a result, there was a total of 145,480 case closings during the study period. In other words, each case has a "first exit" that establishes it in the population of this study; some cases, however, have two or more exits during the study period, yielding a number of exits that is greater than the number of cases. For some purposes we will be interested in describing the 132,275 cases. For other purposes, we will want to report information about the 145,480 separate exits.

Defining All-Exit and First-Exit Cohorts. Given these definitions, Table 1 presents the population of TANF leavers being addressed in this report. The single and two-parent cases are presented both by month of exit and summed by calendar quarters, along with a sum of all cases listed as Total Cases. In addition, the monthly cohorts are presented both in terms of those cases in which the identified adult first exited in the study period (in columns labeled First-Exit) and in terms of what will be called the all-exit cohorts, defined in terms of all cases that closed in a given month, regardless of whether that exit was the first exit of the adult in the study period or a second, third, or fourth exit during the study period (reported in columns labeled All-Exits). Looking at the first-exit columns in Table 1, we see that 119,997 single-parent cases and 12,298 two-parent cases (summing to the total of 132,275 cases) closed at least once during the study period. In the row below these numbers for unduplicated first-exit cases, we see that they involve 342,267 total persons for single-parent cases and 49,736 total persons for two-parent cases, for a total of 392,003 persons being examined in this study. For all-exit cohorts, there are 131,967 exits for single-parent cases and 13,513 exits for two-parent cases, summing to a total of 145,480 case closings in the study period.

Table 1 also displays considerable variation in the size of the monthly cohorts. For example, the total number of exits in a month (the all-exit cohorts) ranged from a low of 2,516 case closings in February 1998 to a high of 11,899 case closings in June 1998. While there are many factors that affect case closures, several seasonal and administrative factors need to be considered. First, there are generally higher numbers of closures in the first month of each calendar quarter (that is, high closures in July, October, January, and April). One reason for this is that under Illinois' quarterly budgeting policy, cancellations due to increased earnings tend to be effective the first month of each quarter. As a result, monthly cohorts for the first month of a quarter have a higher percent of leavers with recorded income than for the other two months in the quarter. Because of this intra-quarter variation, and for ease of presentation, the remaining descriptive analyses presented in this report will be based on quarterly cohorts.

A second factor to consider in understanding the monthly and quarterly variation in exits is illustrated in the sharp increase in TANF exits in the second quarter of 1998. This quarter, with by far the highest number of case closings, was affected by the high number of closings in June 1998. This is the only quarter in which the third month of the quarter had the most exits, which state officials attribute to a strict application of policy directives regarding the need to close cases for non-cooperation at that time.

Table 1: Population of All Exits and First Exit Cohorts by Case Types

	Single-parent Cases		Two-Parent Cases		All Cohort Cases	
	All Exits	**First Exit**	**All Exits**	**First Exit**	**All Exits**	**First Exit**
Third Quarter 97	**19,762**	**19,762**	**2,267**	**2,267**	**22,029**	**22,029**
July 1997	9,085	9,085	1,103	1,103	10,188	10,188
Aug 1997	5,262	5,262	532	532	5,794	5,794
Sept 1997	5,415	5,415	632	632	6,047	6,047
Fourth Quarter 97	**18,457**	**18,157**	**2,101**	**2,068**	**20,558**	**20,225**
Oct 1997	9,077	9,005	1,027	1,020	10,104	10,025
Nov 1997	4,757	4,646	485	474	5,242	5,120
Dec 1997	4,623	4,506	589	574	5,212	5,080
First Quarter 98	**18,468**	**17,501**	**2,287**	**2,144**	**20,755**	**19,645**
Jan 1998	8,143	7,820	983	945	9,126	8,765
Feb 1998	2,180	2,070	336	310	2,516	2,380
Mar 1998	8,145	7,611	968	889	9,113	8,500
Second Quarter 98	**25,742**	**23,141**	**3,234**	**2,889**	**28,976**	**26,030**
Apr 1998	8,406	7,723	1,052	962	9,458	8,685
May 1998	6,914	6,140	705	637	7,619	6,777
June 1998	10,422	9,278	1,477	1,290	11,899	10,568
Third Quarter 98	**24,381**	**21,075**	**2,056**	**1,751**	**26,437**	**22,826**
July 1998	10,429	9,167	1,026	907	11,455	10,074
Aug 1998	5,994	5,205	469	388	6,463	5,593
Sept 1998	7,958	6,703	561	456	8,519	7,159
Fourth Quarter 98	**25,157**	**20,341**	**1,568**	**1,179**	**26,725**	**21,520**
Oct 1998	10,688	8,852	782	619	11,470	9,471
Nov 1998	6,440	5,176	309	213	6,749	5,389
Dec 1998	8,029	6,313	477	347	8,506	6,660
Total Cases	**131,967**	**119,977**	**13,513**	**12,298**	**145,480**	**132,275**
Total Persons		**342,267**		**49,736**		**392,003**

Description of Administrative Data

Administrative data used for this analysis come primarily from the IDHS Client Database (CDB), with the only other variables coming from wage data from the Illinois Department of Employment Security (IDES). Table 2 summarizes these variables. In brief, the CDB contains both case-level variables (those with one value being used to represent each case) and individual-level variables that relate to characteristics of the individuals on the cases. For this report, we will present individual data only on the adults that were used to define the cases. For example, the IDES quarterly wage information refers to the wages of the one adult that was used to define each case.

The first three variables listed in Table 2 were defined above. The region variable refers to the five IDHS administrative regions. Case ethnicity is assigned at case opening based on the self-described ethnic identification of the primary grant recipient. The number of children and total persons come from those listed on the TANF grant and are updated as appropriate. Single-parent cases and two-parent cases are defined, as explained above, using the IDHS administrative category for the case grant. Ages of children, used to calculate the median age of children, the age of the youngest child, and the percentages of children younger than 1 year old, 6 years old, and 13 years old, are calculated based on CDB birthdate information and the date of first exit in the study period. Recipient age is a calculated variable based on CDB birthdate information and date of first exit. Education of the adult recipients is the self-reported highest level of education. This variable is recorded at the time the case opens but is sometimes updated. Similarly, prior work experience and marital status are self-reported and recorded at case opening, though they are sometimes updated.

Quarterly earnings come from the IDES file. The information is represented both as a dichotomous variable noting presence or absence of earnings and as a continuous variable with the dollar value of quarterly earnings. Food stamps and Medicaid use represent participation of the identified adult in these programs for a given month, calculated using start and end dates generated by Chapin Hall for these public supports as assigned to the primary recipients on cases.

Before presenting the data for the variables just described, a caveat is required about two parallel concerns regarding the currency of the data reported. First, much of the administrative data are obtained when a case is opened. Some variables are updated reliably because the TANF payment is calculated using the information. For example, the number of children on a case and the total persons on a case generally are updated accurately. IDHS will be aware of children who age-out of TANF, and clients have an incentive to report additional children. For some variables, such as self-described ethnicity, this timing of recording may not matter as there is little change over time. For variables involving the ages of recipients there are also few problems as they are calculated based on birthdate information. Other variables, however, are not updated reliably and can present problems of interpretation. For example, education is not always updated after case opening and so the level of education reported in the tables that follow may underestimate the amount of education TANF leavers have at exit. Similarly, during the survey portion of this study, it became apparent that many of the addresses on file for TANF recipients had not been updated in years. As a result, someone coded as living in Cook County at the time of exit from TANF may not have actually been residing there at the time of exit. In sum, many variables are recorded at case opening and are not current at the time of first exit.

The second concern with currency of data adds to the first when we are talking about the characteristics of leavers at the time of their second or third (or more) exit from TANF. Because the data received from Chapin Hall contain demographic and case information only as it exists on case records at first exit, we have to recognize that information that was current at first exit may be less so at subsequent exits. For example, when reporting recidivism by region, we need to recognize that the information about region of residence may have been accurate at the first exit in the study but not accurate for subsequent exits.

Table 2: Description of Major Variables Used in Analyses

Variable	Description
All-Exit Cohort	All TANF cases closed during a particular calendar month
First-Exit Cohort	TANF cases closed for first time in the study period by month
Recidivism	Calculated variable; primary adult on TANF case returning to cash assistance status during the study period
Region	Coded in terms of the five IDHS administrative regions (Cook County and four horizontal bands of counties dividing the state)
Case Ethnicity	Assigned to case based on primary grant recipient (White, African-American, Hispanic, Asian/Pacific Islander, and Other)
Number of Children	Number of children listed on TANF case
Total Persons on Case	Total number of individuals listed on TANF case
Single/Two-Parent cases	Number of adults on TANF case, based on category of assistance
Median Age of Children	Calculated variable; interpolated middle age of all children on TANF case
Age of Youngest Child	Calculated variable; age of youngest child at first exit of primary adult
Number of Children under 1 yr, 6 yrs, 13 yrs	Calculated variable; total number of children on grant under specified age (under 1 yr, under 6yrs, and under 13 yrs) at first exit of primary adult
Education	Self-reported highest level of education (Some High School, High School Diploma or Equivalent, Post-HS Training, Some College, College Degree)
Age	Calculated variable; age of individual at first study exit based on birthdate
Gender	Gender of primary recipient for each case
Prior Work Experience	Self-reported work experience, recorded at case opening and sometimes updated; used both as a dichotomous variable (Prior Experience or No Prior Experience) and for sector of experience (e.g., Service, Manufacturing, Hospitality)
Marital Status	Status at case opening, with possible update (Never Married, Married, Divorced, Separated, Deserted, Widowed, Other)
Quarterly Wages	IDES data for wage earnings in each calendar quarter; used both as a dichotomous variable and as an actual dollar amount per quarter
Food Stamps	Receipt of food stamps for a particular month
Medicaid	Participation in Medicaid for a particular month

CHARACTERISTICS OF LEAVERS AT EXIT

The variables introduced above from the IDHS central database and the IDES wage file are used in this section to describe the characteristics of those who left TANF during the study period. There are two goals of this description:

1. To provide an overview of who is leaving TANF

2. To consider whether the composition of leavers is changing in ways that have implications for discussions about TANF policies.

Characteristics of Cases

Table 3 presents median and percent values for the administrative variables presented in Table 2. These averages are for the 132,275 defined cases with first exits during the study period, differentiated by the family structure of the case: single-parent, two-parent, and then all cases. These overall statistics, aggregated across the six quarters of TANF leavers being studied, are adequate to depict many of these variables in that the average statistics remain consistent across the six quarters of study. For example, the median age of the primary adult remains close to 29 years old across the six quarters. Using these aggregated numbers, Table 3 shows that most leavers have prior work experience at exit (only 20.6% of those adults on single-parent cases and 13.9% of those on two-parent cases have no prior experience), and most of the prior experience is in the service industry or as laborers. Also, note that the majority of those on single-parent cases are African-American (56.2%), whereas the majority of those on two-parent cases are White (68.2%).

Changing Composition of Leavers: Region of Exit

Table 4 disaggregates the all-exit quarterly cohorts by the five IDHS administrative state regions. These regions, presented in Figure 1, are numbered beginning with Region 1 for Cook County, which represents the urban Chicago area, and then encompassing roughly horizontal bands of counties from north to south in the state. Thus, Region 2 contains 17 northern counties, including several large urban counties that surround Cook County, and Region 3 is the next band of 23 counties, comprising north-central Illinois. Region 4 covers 28 counties in south-central Illinois, while Region 5 contains the 33 southernmost counties in Illinois.

Two patterns in Table 4 deserve particular notice. First, in addition to the variation in cohort sizes noted when discussing Table 1, the variation in the size of the cohorts is greater in Cook County than downstate. Second, the proportion of case closings that are in Cook County increases from around 48 percent of state closures in the fourth quarter of 1997 (9,900 out of a total of 20,558), to almost 64 percent of the cases for the fourth quarter of 1998 (17,087 out of a total of 26,725). This last point emphasizes the changing urban-rural composition of the TANF leavers during this study period.

Table 3: Aggregate Characteristics of TANF Leavers at First Exit

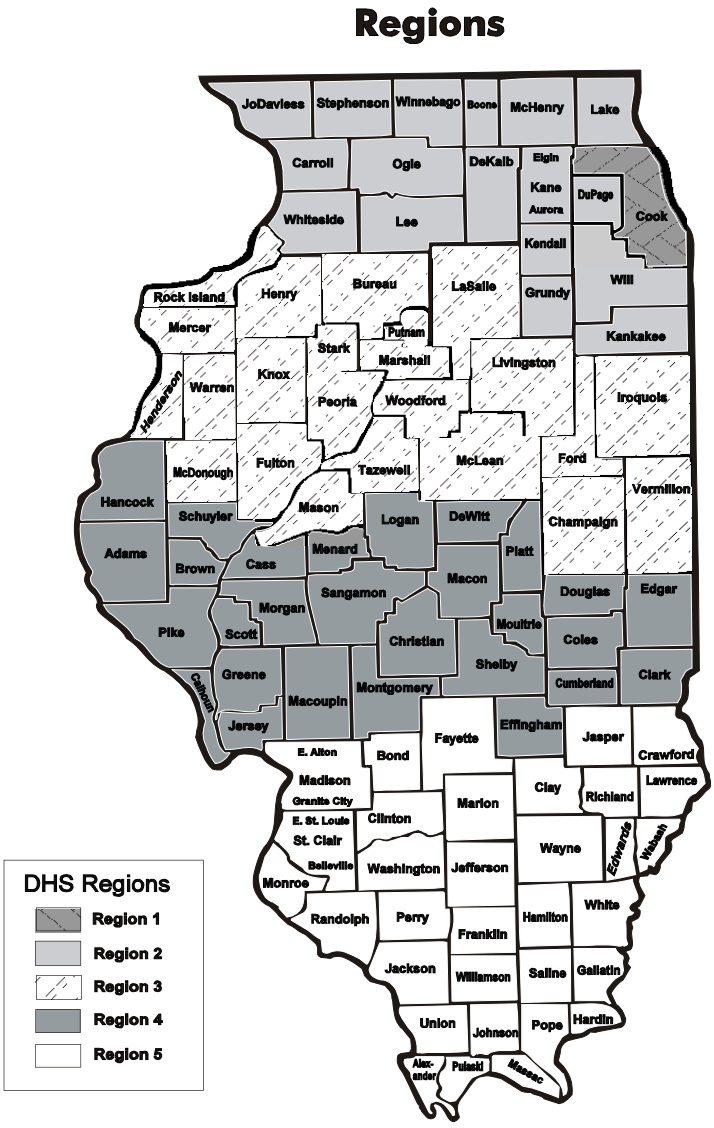
Characteristics on Record at First Exit	Single Parents	Two Parents	All Cohorts
Median Age of Adults	29	29	29
Median Age of Children	6.2	5.0	6.1
Median Age of Youngest Child	4.3	2.9	4.2
Percent with Children under 1	10.2%	16.0%	10.8%
Percent with Children under 6	61.9%	74.5%	63.1%
Percent with Children under 13	87.2%	93.5%	88.7%
Female Primary Recipient	94.7%	64.1%	91.8%
Ethnicity of Primary Recipient			
White	33.4%	68.2%	36.4%
African-American	56.2%	17.5%	52.6%
Hispanic	9.4%	11.3%	9.9%
Other	0.9%	3.0%	1.1%
Prior Work Experience			
None	20.6%	13.9%	20.0%
Service	37.5%	38.6%	37.6%
Laborer	19.4%	28.1%	20.2%
Clerical	10.0%	4.3%	9.5%
Professional/Managerial	0.2%	3.7%	2.7%
Sales	3.5%	2.5%	3.4%
Crafts	0.4%	2.0%	0.6%
Other	8.4%	6.9%	6.0%
Marital Status			
Never Married	65.1%	20.2%	61.3%
Married	8.3%	74.8%	14.5%
Divorced	10.8%	2.8%	10.1%
Other	15.8%	2.2%	14.1%

Table 4: Quarterly Case Cohorts for All Exits, Disaggregated by IDHS Region

	Cook	Downstate				Total
	Region 1	Region 2	Region 3	Region 4	Region 5	
Third Quarter, 1997	11,586	2,934	2,636	1,724	3,149	22,029
Fourth Quarter, 1997	9,900	3,212	2,765	1,674	3,007	20,558
First Quarter, 1998	10,285	3,038	2,569	1,827	3,036	20,755
Second Quarter, 1998	17,084	3,677	2,938	2,001	3,276	28,976
Third Quarter, 1998	14,762	3,788	2,784	1,890	3,213	26,437
Fourth Quarter, 1998	17,087	3,002	2,133	1,542	2,961	26,725
Total Cases	80,704	19,651	15,825	10,658	18,642	145,480

Figure 1: DHS Administrative Regions in Illinois

Department of Human Services



Changing Composition of Leavers: First Exits versus Subsequent Exits

The discussion just presented on regional variations across the quarters of study was based on the all-exit cohorts, the cohorts that include all cases that closed in a given quarter regardless of whether the exit was the first for that case in the study period or the fourth. The justification for the use of the all-exit cohorts is that this approach results in a less biased depiction of patterns of change over the quarters of study. To document the possibility of bias that could result from describing the changes in the first-exit cohort over time, Table 5 divides all leavers for a given quarter into two groups: those who left the study for the first time in the study period (the first-exit definition) and those who had left TANF previously during the study (subsequent exits). For each quarter these two groups sum to the total of the all-exits for that quarter.

In the first quarter of the study, the third quarter of 1997 there are no Subsequent Exits; all who exit in that quarter are assigned to that first-exit cohort. However, as indicated in the column of Table 5 labeled Cohort Size, by the fourth quarter of 1998, 5,205 of the cases that closed during that quarter are excluded from the first-exit cohort of that quarter because they had closed previously during the 18-month study period. If those being screened out of the later cohorts are different than the cohort averages, then this approach to defining cohorts can contribute to biased comparisons. For example, if those being excluded were at increased risk for recidivism, then excluding them would make the later cohorts appear more positive than is warranted.

Table 5 presents the differences in trends and quarterly percentages (combining both single-parent cases and two-parent cases) between those in the first-exit cohorts and those that would be excluded as subsequent exits. We see that there are trends among the first-exit leavers but that those trends have been attenuated by the exclusion of the subsequent exits. For example, whereas there is an increase in the percentage of African-Americans across the last five quarters of first-exit leavers being reported (from 47.6% in the fourth quarter of 1997 to 59.1% in the fourth quarter of 1998), the increase is larger among those who have recycled on and off TANF during the study period (from 47.4% in the fourth quarter of 1997 to 62.9% in the fourth quarter of 1998). Similarly, whereas there is a noticeable decrease across quarters in the percent of leavers who have completed high school (who have a high school diploma or further education) and an increase in the percent who have never married, the pattern is more disconcerting for those who recycle off and on again on TANF cash assistance (e.g., by the fourth quarter of 1998 the subsequent exits are less likely to have at least a high school diploma and are more likely never to have married). Thus, use of the first-exit definition can result in minimizing the trends across quarters. Because these trends can be important for policy discussions, we will make comparisons across quarters using the all-exits cohorts, cohorts that include both those leaving TANF for the first time during the study period and those who recycle and have exited again during the study period.

Table 5: Comparison of First-Exit Cohorts and Subsequent exits by Quarters, All Cases

Cohort			Characteristics on Record at First Study Exit					
Quarter of Exit	Cohort Size		African-American		Completed H.S. or More		Never Married	
	First Exits	Subseq. Exits	% of First Exits	% of Subseq. Exits	% of First Exits	% of Subseq. Exits	% of First Exits	% of Subseq. Exits
Third Quarter, 1997	22,029	0	49.5%		60.3%		58.1%	
Fourth Quarter, 1997	20,225	333	47.6%	47.4%	62.0%	59.5%	57.1%	54.7%
First Quarter, 1998	19,645	1,110	49.0%	47.0%	61.0%	57.4%	58.1%	57.4%
Second Quarter, 1998	26,030	2,946	55.3%	53.6%	59.0%	55.9%	61.9%	63.3%
Third Quarter, 1998	22,826	3,611	54.1%	56.0%	58.3%	55.0%	63.4%	64.7%
Fourth Quarter, 1998	21,520	5,205	59.1%	62.9%	57.6%	53.8%	65.8%	68.6%

Changing Composition of Leavers: Characteristics of All-Exit Cohorts

Trends in descriptive characteristics for ethnicity, high school completion, and never-married status are presented in Tables 6, 7, and 8, for single-parent cases, for two-parent cases, and for all cases, respectively. For single-parent cases (Table 6), the percent of leavers with at least a high school diploma shows a slight decline for the six quarters, beginning around 60 percent and ending around 57 percent. More substantial is the change in the ethnic distribution of leavers. The percent of Hispanic leavers remains fairly constant at around 10 percent and so is not presented in these tables. The percent of African-Americans, however, increases from under 54 percent in the third quarter of 1997 to over 62 percent for the fourth quarter of 1998. The percent of those never having been married also shows an increase in this period, from approximately 63 percent for the third quarter of 1997 to over 69 percent by the fourth quarter of 1998.

Some of these trends, such as lower percent of high school graduates and higher percent never married, raise concerns that those leaving TANF in the later quarters studied are not as well prepared to remain off cash assistance as those who left in the early phases of welfare reform. Those with lower education levels may have more difficulty finding stable jobs, and those not married may experience greater difficulties with the supports needed to balance work and family responsibilities. These issues will be explored in subsequent survey analyses.

Table 7 shows that some of the same trends apply to two-parent cases. There is an increase in the percent of African-American leavers, a decrease in the percent of white leavers, and an increase in the percent who have never married. The percent completing high school, however, showed no long-term trends during the six quarters of this study. Table 8 combines the single-parent cases and the two-parent cases, providing an aggregated account of TANF leavers. Because there are far more single-parent cases than two-parent cases, the characteristics of this aggregation of all cases resemble those displayed in Table 6 for single-parent cases.

Table 6: Characteristics of All-Exits Cohorts by Quarter, Single-Parent Cases

Cohort		Characteristics on Record at First Study Exit			
Quarter of Exit	**Cohort Size**	**White**	**African-American**	**Completed H.S. or More**	**Never Married**
Third Quarter, 1997	19,762	36.2%	53.5%	60.2%	62.7%
Fourth Quarter, 1997	18,457	38.3%	51.4%	62.0%	61.4%
First Quarter, 1998	18,468	37.0%	53.0%	60.9%	62.8%
Second Quarter, 1998	25,742	30.9%	59.6%	58.7%	67.2%
Third Quarter, 1998	24,381	32.0%	57.3%	57.6%	67.2%
Fourth Quarter, 1998	25,157	27.4%	62.3%	56.7%	69.2%
All Cohorts	131,967	33.4%	56.2%	59.5%	65.1%

Table 7: Characteristics of All-Exits Cohorts by Quarter, Two-Parent Cases

Cohort		Characteristics on Record at First Study Exit			
Quarter of Exit	**Cohort Size**	**White**	**African-American**	**Completed H.S. or More**	**Never Married**
Third Quarter, 1997	2,267	72.0%	14.8%	60.9%	18.0%
Fourth Quarter, 1997	2,101	71.9%	14.5%	62.25	18.7%
First Quarter, 1998	2,287	70.1%	16.6%	59.8%	20.6%
Second Quarter, 1998	3,234	64.7%	20.1%	59.3%	21.1%
Third Quarter, 1998	2,056	66.7%	19.8%	61.0%	22.0%
Fourth Quarter, 1998	1,568	63.3%	20.7%	58.6%	22.7%
All Cohorts	13,513	68.2%	17.5%	60.5%	20.2%

Table 8: Characteristics of All-Exits Cohorts by Quarter, All Cases

Cohort		Characteristics on Record at First Study Exit			
Quarter of Exit	**Cohort Size**	**White**	**African-American**	**Completed H.S. or**	**Never Married**
Third Quarter, 1997	22,029	39.8%	49.5%	60.3%	58.1%
Fourth Quarter, 1997	20,558	41.7%	47.6%	62.0%	57.1%
First Quarter, 1998	20,755	40.7%	48.9%	60.8%	58.0%
Second Quarter, 1998	28,976	34.8%	55.1%	58.7%	62.0%
Third Quarter, 1998	26,437	34.9%	54.3%	57.8%	63.6%
Fourth Quarter, 1998	26,725	29.6%	59.8%	56.9%	66.4%
All Cohorts	145,480	36.4%	53.0%	59.2%	61.3%

OUTCOMES FOLLOWING TANF EXIT

This section addresses the experiences and life circumstances of TANF leavers after exit. The goal is both to use several administrative variables as indicators of what happens to TANF leavers in the months after exit and to identify important trends in these indicators that may differentiate the outcomes for exits early in the study period from those later in the study period. To support the assessment of trends, the tables in this section are compiled in terms of the population of all exits (thus avoiding the bias that would result from screening out those who recycle in the study period). The following analyses organize the data by quarterly cohorts for all exits for:

1. Current recidivism rates across months after exit
2. Cumulative recidivism rates across months after exit
3. Quarterly earnings as reported on IDES wage files
4. Receipt of food stamps for months before and after exit
5. Participation in the Medicaid program for months before and after exit.

Current Recidivism for Cash Assistance

One of the primary issues in assessing welfare reform is the degree to which leavers are able to remain off cash assistance. This is of particular concern given the time limits that will apply to welfare recipients in coming years. We report the results separately for single and two-parent cases. The results for all cases, combining single and two-parent cases, are dominated by the large majority of single-parent cases and so are presented but not discussed in any detail.

Current Recidivism by Month after Exit: Single-Parent Cases. Table 9 reports the percent of single-parent cases in that cohort that have reopened and are active in particular months after exit. The most apparent finding is that, with the exception of the fourth quarter cohort of 1997, current recidivism is reasonably stable, both across months after exit and across cohorts. Looking first at the average of all exits in the five quarters (the bottom row of Table 9), we see that just over 16 percent of those who leave TANF are back on cash assistance three months after exit. This average rises to a high of over 19 percent by six months after exit then declines to around 17 percent one year after exit. This indicates that around one-sixth of the single-parent leavers have returned to cash assistance and are currently active in any given month after exit.

To examine whether there are any trends or other patterns in current recidivism, we can look down the columns in Table 9. For example, looking first down the column designating active TANF status three months after exit (printed in bold), we see that current recidivism for the fourth quarter of 1997 (at 12%) is lower than others but that the rest of the quarterly cohorts are similar in the percentage currently back on cash assistance, ranging from almost 16 percent to over 18 percent. This examination of recidivism for five quarterly cohorts tempers a naive conclusion that might have followed from use of only the third and fourth quarters of 1997. Whereas comparison of quarterly cohorts at three or six months after exit shows a cycle of current recidivism decreasing and then increasing again, examining only the two quarterly cohorts with data 12 months after exit might have led to a conclusion about an overall decrease (from 20% to 14%) in current recidivism across cohorts. Instead, it appears that the cohort for the fourth quarter of 1997 was different from the other cohorts. The notably lower recidivism rates for this cohort may, in part, be a function of the different composition of the single-parent cases that closed in the fourth quarter of 1997. As seen in Table 6, this cohort had the highest percentage of leavers with at least a high school degree and the lowest percentage of those recorded as never having married.

Current Recidivism by Month After Exit: Two-Parent Cases. Table 10 presents the data for two-parent cases. When compared to single-parent cases, Table 10 reveals lower levels of recidivism. The row of cohort averages (the bottom row) indicates that by three months after exit around eight percent of the two-parent cases are currently receiving cash assistance again (measured in terms of the identified adult that was used to define the initial exit). This rate of current recidivism increases to over 10 percent seven months after exit and then declines to a little over eight percent at 12 months after exit.

As for trends across the five quarterly cohorts, there does seem to be some decrease in current recidivism for later quarterly cohorts. In addition to the positive trend at 12 months after exit for the first two quarterly cohorts that was seen also for the single-parent cases, there is a decline in current recidivism also for six months after exit. Whereas recidivism at six months for two-parent cases closing in the beginning of the study period, third quarter 1997, is around 14 percent, this declines to around 10 percent for the first quarter of 1998 and to 7 percent for the second quarter of 1998. The pattern is not as straightforward for the three-month follow-up, but the most recent quarters, the second and third quarters of 1998, are the lowest for current recidivism.

Current Recidivism by Month After Exit: Comparison by Case Types. Table 11 presents the results for all cases, representing a simple addition of the tables for single and two-parent cases. Figure 2 provides graphic illustration of the comparison of the recidivism rates for the two case types, single-parent cases and two-parent cases. The averages for each of the two case types show an increase in current recidivism until six or seven months after exit (though less of an increase for the two-parent cases) and a similar proportional drop in recidivism between the six-month follow-up and the twelve-month follow-up. As for differences, the two-parent average recidivism rates are lower, do not rise as much in the months following exit, and decrease proportionately more between their peak (seven months after exit for the two-parent cases) and twelve months after exit.

Figure 2: Current Recidivism
Single-parent and Two-parent Cases

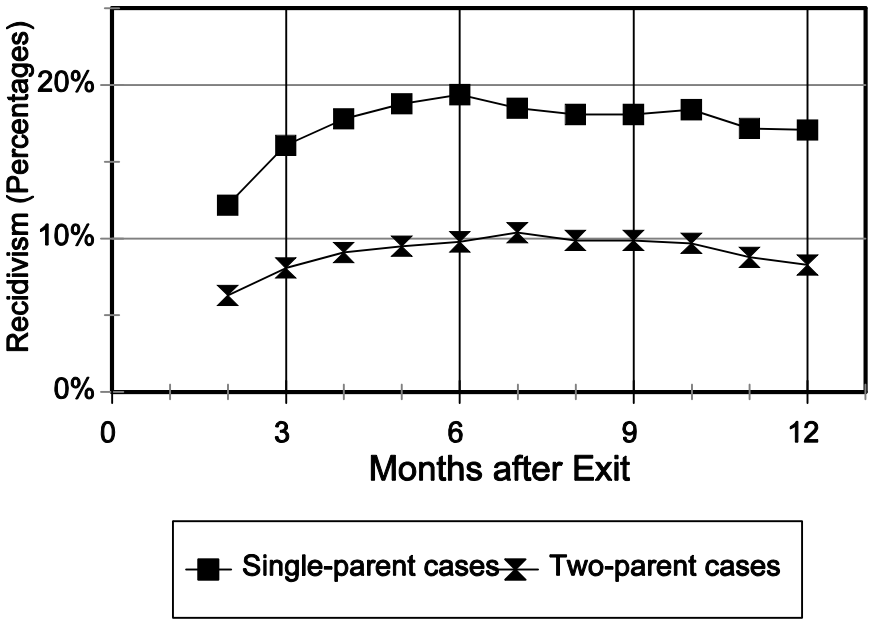


Table 9: Current Recidivism by Months After Exit for All-Exit Cohorts, Single-Parent Cases

All-Exit Quarterly Cohorts		Months After TANF Exit										
Date	**Size**	2	**3**	4	5	**6**	7	8	**9**	10	11	**12**
Third Quarter, 1997	19,762	12.6%	**17.4%**	20.6%	22.2%	**23.4%**	23.5%	23.3%	**22.5%**	21.6%	20.7%	**20.0%**
Fourth Quarter, 1997	18,457	8.3%	**12.0%**	13.3%	14.6%	**15.0%**	15.0%	14.8%	**14.8%**	14.9%	14.6%	**14.0%**
First Quarter, 1998	18,468	12.7%	**15.8%**	16.7%	17.2%	**17.4%**	17.7%	17.4%	**16.7%**			
Second Quarter, 1998	25,742	14.0%	**18.4%**	20.1%	21.0%	**21.0%**						
Third Quarter, 1998	24,381	12.7%	**16.0%**									
All Cohorts	106,810	12.2%	**16.1%**	17.8%	18.8%	**19.4%**	18.5%	18.1%	**18.1%**	18.4%	17.2%	**17.1%**

Table 10: Current Recidivism by Months After Exit for All-Exit Cohorts, Two-Parent Cases

All-Exit Quarterly Cohorts		Months After TANF Exit										
Date	**Size**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Third Quarter, 1997	2,267	6.9%	**9.1%**	11.3%	12.6%	**14.1%**	14.3%	13.7%	**12.8%**	11.6%	10.7%	**10.1%**
Fourth Quarter, 1997	2,101	5.4%	**7.7%**	8.9%	9.8%	**9.5%**	9.3%	8.5%	**8.0%**	7.5%	7.1%	**6.4%**
First Quarter, 1998	2,287	9.2%	**10.7%**	11.0%	9.7%	**9.8%**	9.8%	9.1%	**8.8%**			
Second Quarter, 1998	3,234	4.6%	**6.7%**	7.5%	7.7%	**7.1%**						
Third Quarter, 1998	2,056	5.8%	**6.6%**									
All Cohorts	11,945	6.3%	**8.1%**	9.1%	9.5%	**9.8%**	10.4%	9.9%	**9.9%**	9.7%	8.8%	**8.3%**

Table 11: Current Recidivism by Months after Exit for All-Exit Cohorts, All Cases

All-Exit Quarterly Cohorts		Months After TANF Exit										
Date	**Size**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Third Quarter, 1997	22,029	12.1%	**16.5%**	19.7%	21.3%	**22.4%**	22.6%	22.3%	**21.5%**	20.6%	19.7%	**19.0%**
Fourth Quarter, 1997	20,558	8.0%	**11.6%**	12.8%	14.1%	**14.5%**	14.4%	14.2%	**14.1%**	14.2%	13.8%	**13.2%**
First Quarter, 1998	20,755	12.3%	**15.3%**	16.1%	16.4%	**16.6%**	16.8%	16.5%	**15.9%**			
Second Quarter, 1998	28,976	12.9%	**17.1%**	18.7%	19.5%	**19.4%**						
Third Quarter, 1998	26,437	12.2%	**15.3%**									
All Cohorts	118,755	11.6%	**15.3%**	16.9%	17.8%	**18.4%**	17.8%	17.3%	**17.3%**	17.5%	16.4%	**16.2%**

Cumulative Recidivism

In addition to knowing the percent of TANF leavers who have returned to cash assistance in terms of the cases that are active in a particular month, it is important to understand the degree to which TANF leavers ever return over an extended period. Cumulative recidivism is defined for this study as the percent of primary adults in a given quarterly cohort who have returned to cash assistance ***at any point prior to or during*** a particular follow-up month. Thus, cumulative recidivism for six months after exit is the percent of a cohort who have returned to active TANF status at some point, even if just for one month, during those six months after exit. One implication of this definition of cumulative recidivism is that, unlike current recidivism, the rate for a given cohort cannot decrease as more months go by after exit. As the follow-up period is extended, fewer cases have remained closed continuously since exit.

Cumulative Recidivism by Month: Single-Parent Cases. The patterns of cumulative recidivism in Table 12 complement the findings for the current recidivism rates presented in Table 9. First, the average recidivism rate (the bottom row in the table) shows the greatest increases in the months leading up to six months after exit. By six months after exit about one-quarter of all cases that close (24.3%) have become active again at least once. By nine months after exit, this cumulative percentage has increased only about two additional percentage points (26.6%), and by 12 months after exit (using only two quarterly cohorts to make an estimate) the cumulative recidivism rate reaches just over 29 percent. This pattern suggests that the majority of those who will return to TANF during the first year after exit will do so within six months after exit.

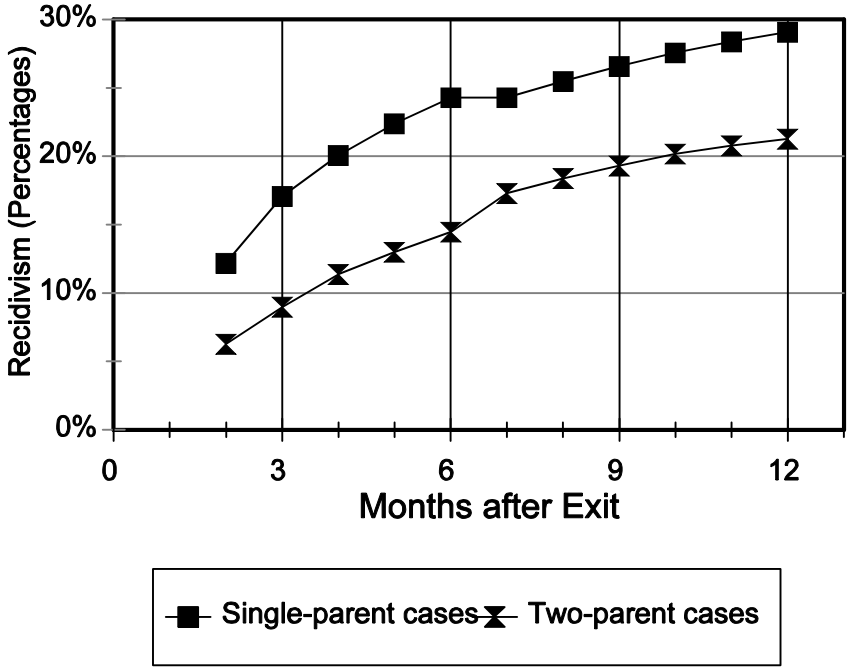
Examining the individual columns in Table 12 allows us to assess whether the cumulative recidivism rates are different for the early and later quarterly cohorts. We see, for example, that 6 months after exit the cumulative recidivism rate for the third quarter 1997 cohort is over 26 percent (26.6%). This rate drops to under 19 percent (18.8%) for the next cohort, the fourth quarter of 1997, but then rises again for the first quarter of 1998 (23.2%) and rises even higher for the second quarter of 1998 (27.2%).

Cumulative Recidivism by Month: Two-Parent Cases. Cumulative recidivism rates for two-parent cases are presented in Table 13. From a nine percent cumulative rate at three months after exit, the recidivism rate continues to climb to over 14 percent (14.5%) at six months, around 19 percent (19.3%) at nine months, and around 21 percent (21.3%) at 12 months after exit.

Looking down the columns in Table 13 allows comparisons of early and later quarterly cohorts. In general, whether looking at the columns for three months, six months, nine months, or 12 months after exit, the cumulative recidivism rates decrease. For example, for six months after exit the cumulative recidivism rate begins at over 17 percent for the third quarter of 1997 and decreases to less than 14 percent (13.8%) for the fourth quarter of 1997. The cumulative rate increases for the next quarter, the first quarter of 1998, but then decreases again to around 11 percent (11.4%) for the second quarter of 1998. There is a similar reduction in cumulative recidivism when examining the rates at three months after exit.

Cumulative Recidivism by Month: Comparison of Case Types. Table 14 reports the results for all cases (the total of both the single-parent and two-parent cases). Figure 3 compares the average cumulative recidivism rates for the two case types. As with current recidivism, the two-parent cumulative rates are lower than for single-parent cases. On the other hand, whereas the cumulative rate for single-parent cases levels off around six months after exit, the increase in cumulative recidivism for two-parent cases does not level off in the same way.

Figure 3: Cumulative Recidivism
Single-parent and Two-parent Cases



Summary of Findings for Recidivism

As noted, recidivism is a core outcome of concern for welfare reform. Figure 4 presents the current and cumulative recidivism rates for single-parent cases. With regard to current recidivism, the figure shows that approximately one-sixth of the single-parent cases are active again after exit in any given month. For cumulative recidivism, the findings for this analysis of five quarterly cohorts in Illinois suggest that almost 30 percent of the single-parent cases return to TANF assistance at some point in the year after exit (cumulative recidivism). Thus, a large majority (70%) of TANF leavers do not return in the first year after exit, but a sizable minority (30%) do return at some point in the first year. These percentages are consistently lower for two-parent cases. If TANF policies are to provide the proper balance of encouragement to leave and support for leaving, it will be important to understand who is returning to assistance and who is remaining self-sufficient. The final section of this interim report, Factors Associated with Recidivism, begins to explore this question.

Figure 4: Summary of Recidivism

Current vs. Cumulative: Single Parents

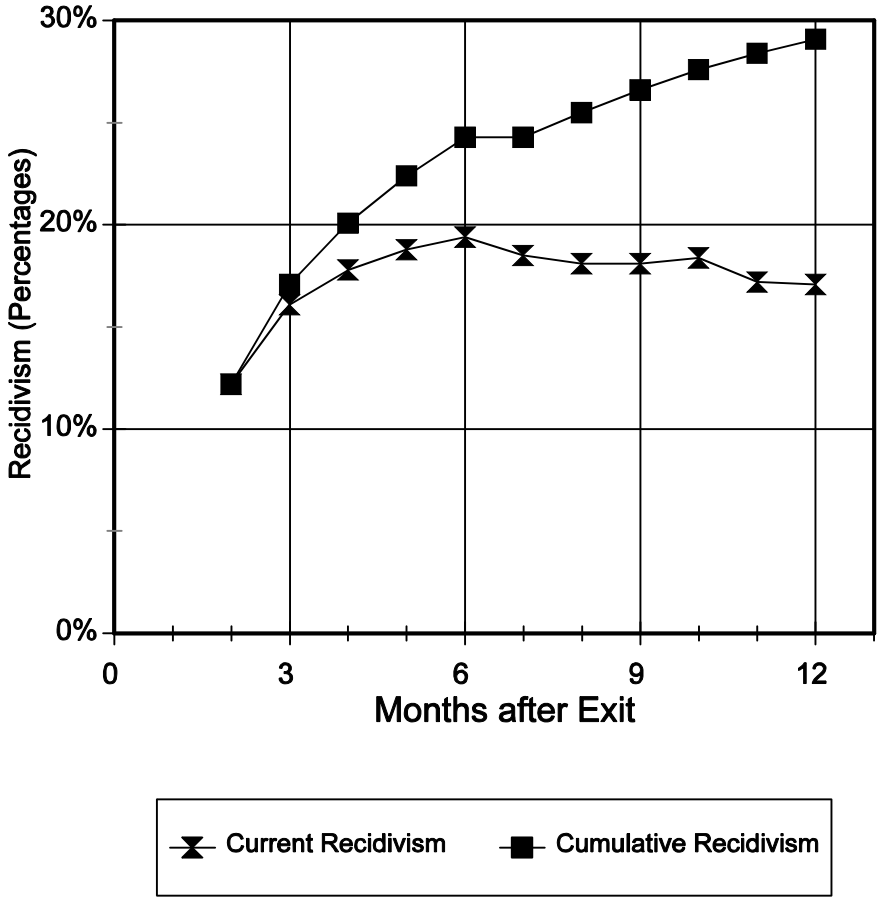


Table 12: Cumulative Recidivism by Month After Exit: Single-Parent Cases

All-Exit Cohorts		Months After TANF Exit										
Quarter	**Size**	2	**3**	4	5	**6**	7	8	**9**	10	11	**12**
Third Quarter, 1997	19,762	12.6%	**18.0%**	22.1%	24.3%	**26.6%**	27.6%	29.0%	**30.1%**	31.1%	31.8%	**32.5%**
Fourth Quarter, 1997	18,457	8.3%	**12.8%**	14.6%	16.9%	**18.8%**	20.4%	21.6%	**22.8%**	23.9%	24.8%	**25.5%**
First Quarter, 1998	18,468	12.7%	**16.9%**	19.4%	21.5%	**23.2%**	24.7%	25.7%	**26.7%**			
Second Quarter, 1998	25,742	14.0%	**19.6%**	23.0%	25.5%	**27.2%**						
Third Quarter, 1998	24,381	12.7%	**17.3%**									
All Cohorts	106,810	12.2%	**17.1%**	20.1%	22.4%	**24.3%**	24.3%	25.5%	**26.6%**	27.6%	28.4%	**29.1%**

Table 13: Cumulative Recidivism by Month After Exit: Two-Parent Cases

All-Exit Cohorts		Months After TANF Exit										
Quarter	**Size**	2	**3**	4	5	**6**	7	8	**9**	10	11	**12**
Third Quarter, 1997	2,267	6.9%	**9.7%**	13.0%	15.0%	**17.6%**	18.9%	20.6%	**21.9%**	22.4%	23.0%	**23.7%**
Fourth Quarter, 1997	2,101	5.4%	**8.9%**	10.4%	12.5%	**13.8%**	15.4%	16.5%	**17.2%**	17.9%	18.5%	**18.8%**
First Quarter, 1998	2,287	9.2%	**12.0%**	13.9%	15.0%	**16.4%**	17.4%	18.1%	**18.8%**			
Second Quarter, 1998	3,234	4.6%	**7.2%**	9.2%	10.4%	**11.4%**						
Third Quarter, 1998	2,056	5.8%	**7.7%**									
All Cohorts	11,945	6.3%	**9.0%**	11.4%	13.0%	**14.5%**	17.3%	18.4%	**19.3%**	20.2%	20.8%	**21.3%**

Table 14: Cumulative Recidivism by Month After Exit: All Cases

All-Exit Cohorts		**Months After TANF Exit**										
Quarter	**Size**	2	**3**	4	5	**6**	7	8	**9**	10	11	**12**
Third Quarter, 1997	22,029	12.1%	**17.2%**	21.1%	23.4%	**25.7%**	26.7%	28.1%	**29.3%**	30.2%	30.9%	**31.6%**
Fourth Quarter, 1997	20,558	8.0%	**12.4%**	14.1%	16.5%	**18.3%**	19.8%	21.1%	**22.2%**	23.3%	24.1%	**24.8%**
First Quarter, 1998	20,755	12.3%	**16.4%**	18.8%	20.8%	**22.5%**	23.9%	24.9%	**25.8%**			
Second Quarter, 1998	28,976	12.9%	**18.2%**	21.5%	23.8%	**25.4%**						
Third Quarter, 1998	26,437	12.2%	**16.5%**									
All Cohorts	118,755	11.6%	**16.3%**	19.2%	21.4%	**23.2%**	23.5%	24.8%	**25.8%**	26.9%	27.6%	**28.3%**

Earned Income

Two other core outcomes of interest are whether TANF leavers had earnings through employment and, if so, the level of these earnings. The data used to address this issue were obtained from wage files compiled by the Illinois Department of Employment Security. These files do not provide complete coverage of wages earned by former TANF clients. For example, those employed by the federal government are not represented on these files, nor, of course, do they cover work in the cash or underground economy, which may be substantial for some TANF leavers. Nonetheless, these wage data do provide a useful indicator of the percent of TANF leavers who are receiving wages before exit and after exit and a rough guide as to the level of those wages.

Percentage with Earned Income. Tables 15, 16, and 17 present–for single-parent, two-parent, and all cases–the wage information in terms of the percent of those having recorded wage income for a given quarter. Figure 5 provides a graphic illustration of this outcome by the two case types. Note that for single-parent cases the percentage of those with wage income rises only slightly, on average, from approximately 50% in the quarter before exit to about 56% in the quarter of exit. This suggests that high percentages of leavers were working before exit, and thus reinforces the importance of earned income disregard policies and supportive services in stimulating work by TANF recipients. The information available suggests that the percentage of leavers with reported earnings drops slightly in the quarter following exit but does not decline dramatically then or in further quarters. Overall, the data in Table 15 reflect a fairly stable aggregate pattern in terms of the percentage of TANF leavers who work, both before and after exits.

Figure 5: Earned Income
Single- and Two-parent, All Exits

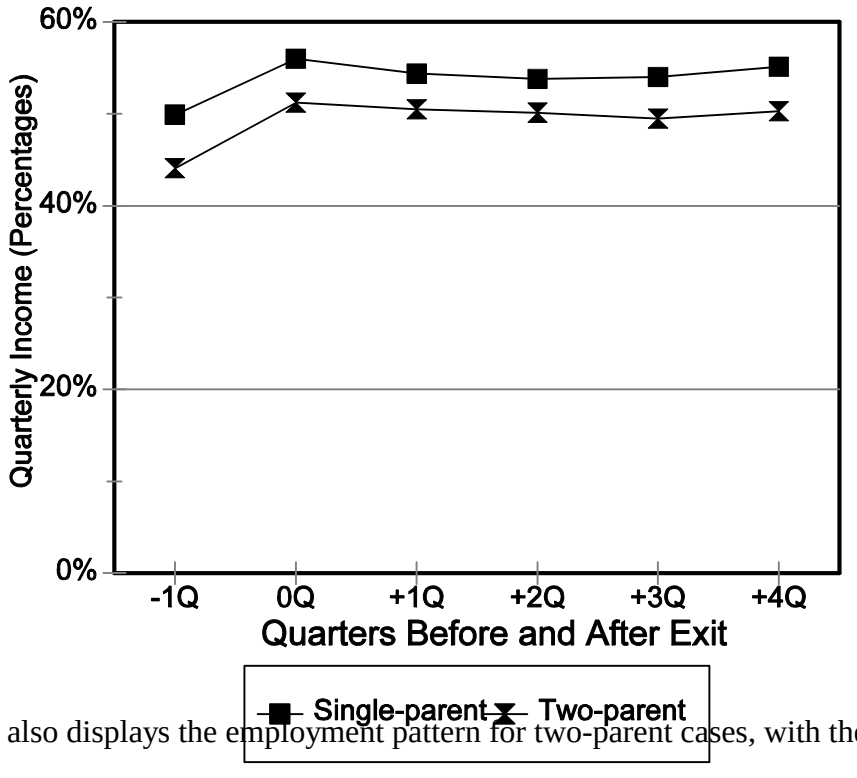
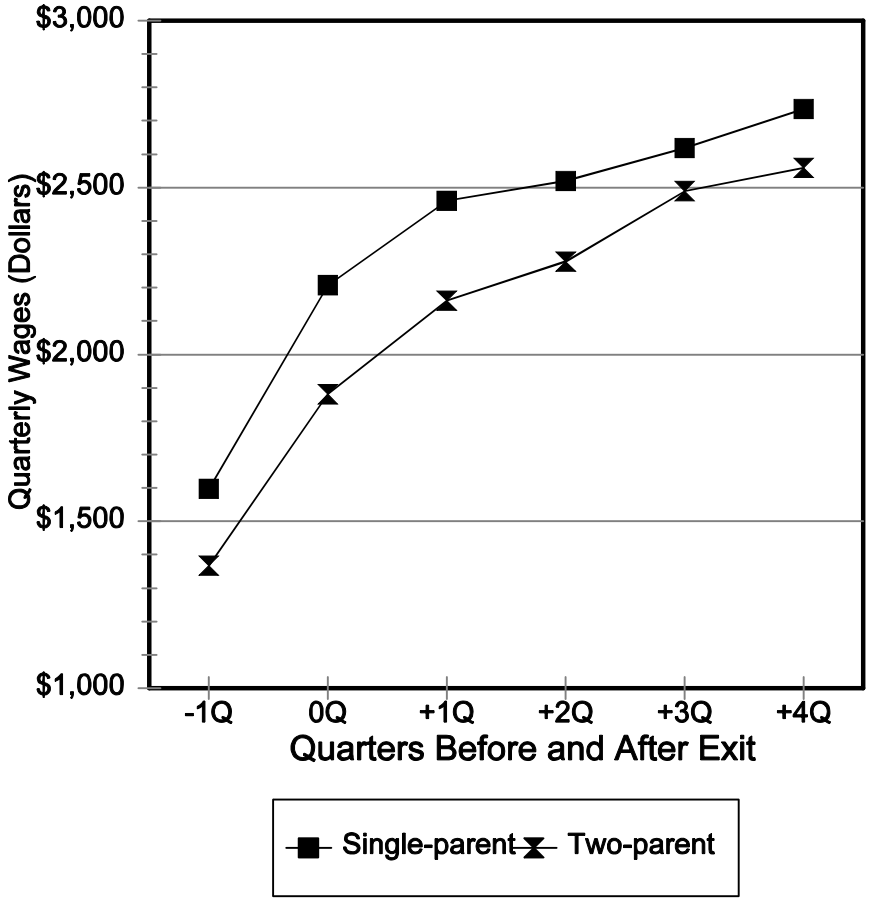


Figure 5 also displays the employment pattern for two-parent cases, with the major

difference being a somewhat lower percent of wage income for primary recipients in two-parent cases. This lower percentage can be misleading, however, in that it under-represents household income by not showing the wages for the other parent. Nonetheless, Figure 5 shows a similar pattern of stable employment for two-parent cases.

Median Quarterly Wages. Moving from the percentage of those with reported wage income to the dollar amounts for quarterly wages, Tables 18, 19, and 20 provide median wage levels by case type. Figure 6 provides a visual comparison of quarterly wage income for the two case types. For single-parent cases we see a substantial increase in the reported quarterly wages in the quarter of exit. Whereas the median quarterly income for all single-parent cases (reported in the bottom row of Table 18) was $1,597 in the quarter before exit, this increased to $2,208 for the quarter of exit (38.3% increase). Compared with the less dramatic increase in the percentage of leavers who received wages in the quarter of exit (noted above as increasing from around 50% in the quarter before exit to about 56% in the quarter of exit), this may indicate that increased earnings among those who are already working triggers many of these exits. There is less of an increase in quarterly income for two-parent cases, but, as noted above, this is likely an under-representation of the changes in household income in that the wages of the second adult are not included.

Figure 6: Quarterly Wages
Single- and Two-parent, All Exits



The data also show that median wage levels increase in subsequent quarters after TANF exit. For example, for those cohorts with four quarters of post-exit earnings data available, median earnings for single-parent cases increased between 14 and 25 percent from the quarter of exit to the fourth quarter after exit. This indicates that TANF leavers commonly experience some continuing earnings growth in the year following TANF exit.

Table 15: Earned Income Percentages for All-Exit Cohorts, Single-Parent Cases

Cohort	Size	Quarter Before Exit	Quarter of Exit	First Quarter After Exit	Second Quarter After Exit	Third Quarter After Exit	Fourth Quarter After Exit
Third Quarter, 1997	19,762	48.1%	54.6%	53.3%	50.4%	51.9%	53.2%
Fourth Quarter, 1997	18,457	54.6%	60.2%	56.2%	56.1%	57.1%	57.2%
First Quarter, 1998	18,468	57.9%	58.7%	58.5%	58.1%	58.1%	54.8%
Second Quarter, 1998	25,742	45.8%	53.0%	53.6%	53.9%	50.4%	
Third Quarter, 1998	24,381	48.3%	56.2%	55.4%	51.5%		
Fourth Quarter, 1998	25,157	47.9%	54.8%	50.9%			
All Cohorts	131,967	49.9%	56.0%	54.4%	53.8%	54.0%	55.1%

Table 16: Earned Income Percentages for All-Exit Cohorts, Two-Parent Cases

Cohort	Size	Quarter Before Exit	Quarter of Exit	First Quarter After Exit	Second Quarter After Exit	Third Quarter After Exit	Fourth Quarter After Exit
Third Quarter, 1997	2,267	45.3%	52.8%	51.1%	48.7%	51.4%	51.8%
Fourth Quarter, 1997	2,101	47.5%	52.9%	50.6%	51.5%	50.9%	51.6%
First Quarter, 1998	2,287	45.9%	48.8%	50.1%	52.2%	51.1%	47.5%
Second Quarter, 1998	3,234	38.4%	47.5%	49.1%	49.4%	46.2%	
Third Quarter, 1998	2,056	45.7%	55.8%	54.5%	48.9%		
Fourth Quarter, 1998	1,568	44.9%	51.5%	47.4%			
All Cohorts	13,513	44.1%	51.2%	50.5%	50.1%	49.5%	50.3%

Note: Only the earned income of the identified leaver is reported here; by not including the income of the second adult, this under-represents the income available in two-parent cases.

Table 17: Earned Income Percentages for All-Exit Cohorts, All Cases

Cohort	Size	Quarter Before Exit	Quarter of Exit	First Quarter After Exit	Second Quarter After Exit	Third Quarter After Exit	Fourth Quarter After Exit
Third Quarter, 1997	22,029	47.8%	54.4%	53.1%	50.2%	51.8%	53.1%
Fourth Quarter, 1997	20,558	53.8%	59.4%	55.6%	55.7%	56.5%	56.6%
First Quarter,1998	20,755	56.6%	57.6%	57.6%	57.4%	57.4%	54.0%
Second Quarter, 1998	28,976	45.0%	52.4%	53.1%	53.4%	49.9%	
Third Quarter, 1998	26,437	48.1%	56.2%	55.3%	51.3%		
Fourth Quarter, 1998	26,725	47.7%	54.6%	50.7%			
All Cohorts	145,480	49.4%	55.5%	54.1%	53.4%	53.5%	54.6%

Table 18: Median Quarterly Income for All-Exit Cohorts, Single-Parent Cases

Cohort	Size	Quarter Before Exit	Quarter of Exit	First Quarter After Exit	Second Quarter After Exit	Third Quarter After Exit	Fourth Quarter After Exit
Third Quarter, 1997	19,762	$1,569	$2,124	$2,162	$2,479	$2,624	$2,660
Fourth Quarter, 1997	18,457	$1,672	$2,560	$2,547	$2,717	$2,671	$2,990
First Quarter, 1998	18,468	$1,903	$2,250	$2,514	$2,520	$2,795	$2,572
Second Quarter, 1998	25,742	$1,539	$2,082	$2,347	$2,600	$2,421	
Third Quarter, 1998	24,381	$1,493	$1,965	$2,543	$2,327		
Fourth Quarter, 1998	25,157	$1,462	$2,283	$2,223			
All Cohorts	131,967	$1,597	$2,208	$2,461	$2,520	$2,618	$2,736

Table 19: Median Quarterly Income for All-Exit Cohorts, Two-Parent Cases

Cohort	Size	Quarter Before Exit	Quarter of Exit	First Quarter After Exit	Second Quarter After Exit	Third Quarter After Exit	Fourth Quarter After Exit
Third Quarter, 1997	2,267	$1,358	$1,877	$2,332	$2,258	$2,519	$2,486
Fourth Quarter, 1997	2,101	$1,415	$2,253	$2,077	$2,340	$2,529	$2,676
First Quarter, 1998	2,287	$1,572	$1,810	$2,143	$2,191	$2,673	$2,494
Second Quarter, 1998	3,234	$1,259	$1,709	$2,085	$2,412	$2,324	
Third Quarter, 1998	2,056	$1,307	$1,796	$2,210	$2,150		
Fourth Quarter, 1998	1,568	$1,352	$1,944	$2,096			
All Cohorts	13,513	$1,368	$1,880	$2,161	$2,279	$2,490	$2,559

Note: Only the earned income of the identified leaver is reported here; by not including the income of the second adult, this under-represents the income available in two-parent cases.

Table 20: Median Quarterly Income for All-Exit Cohorts, All Cases

Cohort	Size	Quarter Before Exit	Quarter of Exit	First Quarter After Exit	Second Quarter After Exit	Third Quarter After Exit	Fourth Quarter After Exit
Third Quarter, 1997	22,029	$1,552	$2,095	$2,593	$2,459	$2,612	$2,647
Fourth Quarter, 1997	20,558	$1,646	$2,537	$2,525	$2,688	$2,654	$2,961
First Quarter, 1998	20,755	$1,880	$2,210	$2,471	$2,486	$2,779	$2,565
Second Quarter, 1998	28,976	$1,509	$2,045	$2,317	$2,584	$2,410	
Third Quarter, 1998	26,437	$1,480	$1,945	$2,520	$2,313		
Fourth Quarter, 1998	26,725	$1,452	$2,260	$2,219			
All Cohorts	145,480	$1,576	$2,176	$2,435	$2,496	$2,603	$2,720

Use of Food Stamps

Participation in the food stamps program is another outcome that is being tracked using the administrative data. Eligibility for food stamps is not dependent on TANF status. Indeed, because the income limits and program requirements are stricter for TANF than for food stamps, most former TANF recipients continue to be eligible for the food stamp program. Depending on the reason for TANF cancellation, food stamp enrollment may or may not continue automatically when TANF is canceled. When it does not continue, the family can reapply for food stamps. Families leaving TANF, however, may not know that they can receive food stamps without TANF or may not take the necessary steps to establish their continued eligibility. This raises the concern that many TANF leavers who are eligible for food stamps may not be receiving this support. To the extent that this leads to greater hardships or higher levels of recidivism, it is important to understand this post-exit outcome.

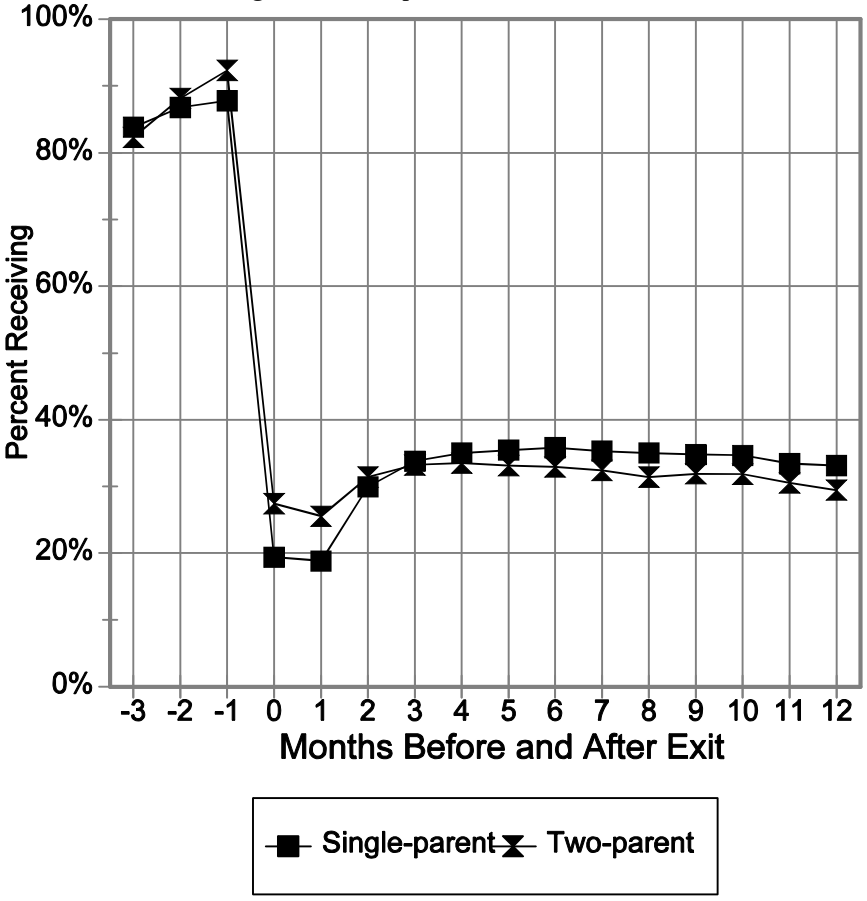
Use of Food Stamps Before and After Exit: Single-parent Cases. For single-parent cases, Table 21 notes a dramatic decrease in food stamp use at point of exit. Reviewing the averages at the bottom of the table, one month prior to exit food stamp usage was about 88 percent, while one month after exiting TANF, food stamp use was approximately 19 percent. The percentage of those receiving food stamps increased to a high of about 36 percent in subsequent months, indicating that at least 64 percent of TANF leavers are not receiving food stamps in any given month after exit. In looking at differences between the early and later quarterly cohorts, there is a noticeable decrease in the percent receiving food stamps at exit in the later cohorts (down to 16% for the fourth quarter of 1998), but this decrease dissipates by three months after exit.

Use of Food Stamps Before and After Exit: Two-Parent Cases. Table 22 provides the data for food stamps receipt for two-parent cases. The averages at the bottom of this table indicate that in the month prior to exit food stamp usage was approximately 92 percent, while in the month of exit the percentage dropped to around 27 percent. By four months after exit, the percent of cases receiving food stamps reached over 33 percent, indicating that around 67 percent of the cases were not receiving food stamps at that point.

Use of Food Stamps Before and After Exit: Comparison by Case Types. Table 23 aggregates the data for single-parent and two-parent cases. Figure 7 illustrates the differences by case type. While the single-parent and the two-parent cases are similar in many ways, they do differ in that the two-parent cases are more likely to receive food stamps in the months surrounding their months of exit, though their use of food stamps does not increase after exit as much as the single-parent cases do.

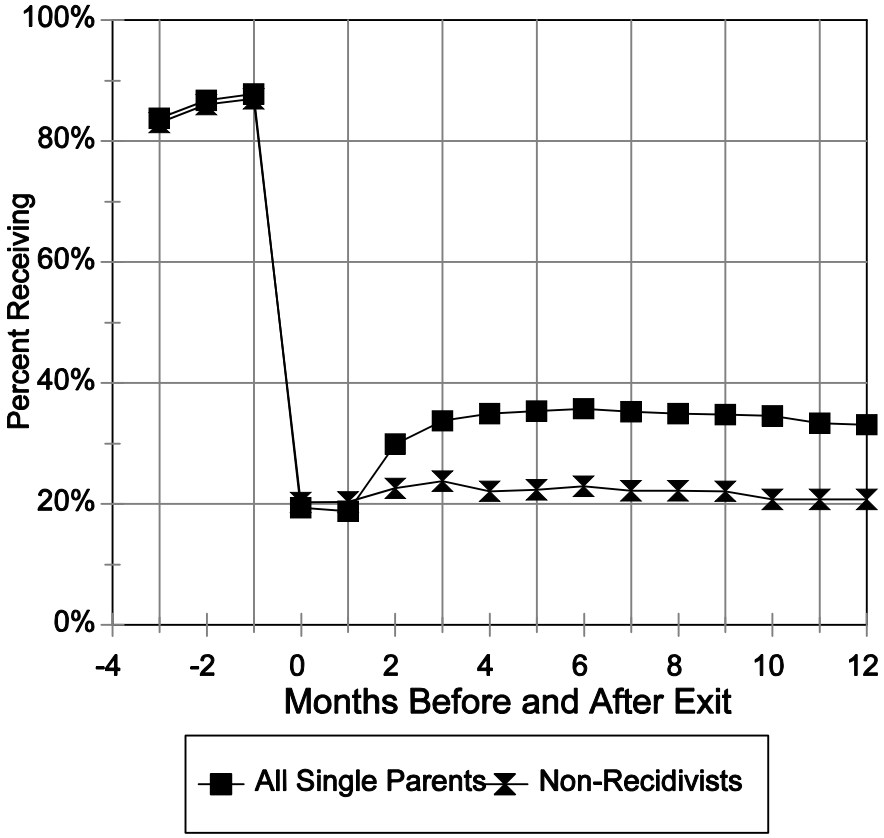
Figure 7: Food Stamp Receipt

Single- and Two-parent Cases, All Exits



Another way to compare case types is to examine a special subset of TANF leavers: those with cases that closed but did not reopen in the subsequent 12 months. The logic in examining this subset stems from the recognition that the accounts of usage presented above are likely an overestimate of the percent of those off welfare who are receiving food stamps, because some of the increase in program participation in the months after exit is no doubt due to some cases in the cohorts returning to active TANF status. To investigate this possibility, Figure 8, based on Tables 21 and 24, compares the percent of single-parent cases that receive food stamps during the quarters before and after exit with those single-parent cases that closed but did not return to cash assistance at any time during the next 12 months. We see that among those who do not return to TANF, there is very little increase after exit in the food stamps participation rate. Specifically, whereas there was an increase of 15 percentage points between the first month after exit and the third month after exit in bottom row of Table 21 (from 18.8% receiving food stamps one month after exit to 33.8% in the third month after exit), in Table 24, where we control for the effect of returning to cash assistance, we see an increase of only about 3 percentage points (from 20.4% to 23.8%). Thus, it is important to recognize that most of the increase in receipt of food stamps after exit in Table 21 is due to people returning to TANF.

Figure 8: Food Stamp Receipt
Impact of Recidivism, Single Parents



Past research indicates that one reason individuals do not receive benefits for which they would be eligible is a lack of knowledge about the individual program. Some TANF leavers may not have been informed that they may be eligible for food stamps without receiving cash assistance. In addition, some leavers may have applied for food stamps and may have been determined ineligible for food stamps as a result of income. However, as mentioned above, the income eligibility requirements are sufficiently high that most TANF leavers would remain eligible. A third potential reason is that others may have chosen not to enroll, either because of an unwillingness to fulfill requirements or a self-perceived lack of need to apply for food stamps separately. Likely, all of these reasons have some effect. To guide policy and program enhancements in this matter, further research is needed to examine the reasons why eligible persons do not always receive these important benefits.

Table 21: Food Stamps by Month after Exit for All-Exit Cohorts, Single-Parent Cases

Cohort		Months Before and After Exit														
Date	**Size**	**-3**	**-2**	**-1**	**exit**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Third Quarter, 1997	19,762	84.1%	88.1%	90.4%	24.7%	22.9%	32.4%	35.5%	37.8%	39.0%	39.4%	39.0%	38.5%	37.5%	36.3%	35.3%	34.5%
Fourth Quarter, 1997	18,457	84.5%	88.2%	89.0%	22.7%	21.5%	28.8%	31.9%	32.4%	32.5%	32.7%	32.5%	32.2%	32.0%	32.1%	32.0%	31.6%
First Quarter, 1998	18,468	84.7%	86.8%	88.7%	20.2%	19.0%	31.1%	34.2%	34.6%	34.9%	35.1%	35.5%	35.3%	34.8%			
Second Quarter, 1998	25,742	85.0%	86.9%	86.5%	16.2%	15.5%	28.5%	33.2%	34.9%	35.6%	35.8%						
Third Quarter, 1998	24,381	83.0%	86.2%	87.7%	19.0%	18.1%	30.0%	34.4%									
Fourth Quarter, 1998	25,157	81.7%	85.3%	85.4%	16.0%												
All Cohorts	131,967	83.8%	86.8%	87.8%	19.4%	18.8%	29.9%	33.8%	35.0%	35.4%	35.8%	35.3%	35.0%	34.8%	34.6%	33.4%	33.1%

Table 22: Food Stamps by Month after Exit for All-Exit Cohorts, Two-Parent Cases

Cohort		Months Before and After Exit														
Date	**Size**	**-3**	**-2**	**-1**	**exit**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Third Quarter, 1997	2,267	83.9%	89.6%	94.5%	33.4%	30.5%	34.2%	35.2%	35.9%	36.7%	36.9%	36.7%	34.5%	34.5%	32.8%	31.3%	30.7%
Fourth Quarter, 1997	2,101	81.4%	88.1%	91.8%	30.4%	27.3%	30.9%	32.7%	33.1%	33.0%	32.5%	32.2%	30.9%	30.7%	29.9%	28.9%	28.0%
First Quarter, 1998	2,287	82.3%	86.7%	91.7%	25.2%	23.1%	32.3%	33.7%	33.1%	31.9%	32.1%	31.5%	30.7%	30.5%			
Second Quarter, 1998	3,234	83.3%	89.1%	92.5%	23.7%	22.1%	29.1%	31.7%	32.2%	31.5%	30.8%						
Third Quarter, 1998	2,056	82.4%	88.7%	92.3%	28.1%	26.1%	32.3%	33.2%									
Fourth Quarter, 1998	1,568	78.8%	86.3%	90.2%	24.6%												
All Cohorts	13,513	82.3%	88.15	92.3%	27.4%	25.5%	31.4%	33.2%	33.5%	33.1%	32.9%	32.4%	31.4%	31.9%	31.8%	30.5%	29.4%

Table 23: Food Stamps by Month after Exit for All-Exit Cohorts, All Cases

Cohort		Months Before and After Exit															
Date	**Size**	**-3**	**-2**	**-1**	**exit**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Third Quarter, 1997	22,029	84.1%	88.3%	90.8%	25.6%	23.7%	32.6%	35.5%	37.6%	38.8%	39.2%	38.7%	38.1%	37.2%	35.9%	34.9%	34.1%
Fourth Quarter, 1997	20,558	84.1%	88.2%	89.3%	23.5%	22.1%	29.1%	31.9%	32.5%	32.6%	32.6%	32.4%	32.1%	31.9%	31.9%	31.7%	31.2%
First Quarter,1998	20,755	84.5%	86.8%	89.0%	20.8%	19.5%	31.2%	34.2%	34.5%	34.6%	34.8%	35.0%	34.8%	34.3%			
Second Quarter, 1998	28,976	84.8%	87.2%	87.2%	17.0%	16.2%	28.6%	33.1%	34.6%	35.1%	35.3%						
Third Quarter, 1998	26,437	82.9%	86.4%	88.0%	19.7%	18.7%	30.2%	34.3%									
Fourth Quarter, 1998	26,725	81.5%	85.4%	85.7%	16.5%												
All Cohorts	145,480	81.5%	86.9%	88.2%	20.2%	19.4%	30.1%	33.8%	34.8%	35.2%	35.5%	35.0%	34.6%	34.5%	34.3%	33.1%	32.7%

Table 24: Food Stamps by Month after Exit, Single-Parent Exits where Leaver Does Not Return to TANF

Cohort		Months Before and After Exit															
Date	**Size**	**-3**	**-2**	**-1**	**exit**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Third Quarter, 1997	13,090	83.8%	87.5%	89.8%	24.0%	21.9%	21.9%	21.8%	21.9%	22.2%	22.0%	21.5%	21.0%	20.7%	20.3%	20.0%	19.6%
Fourth Quarter 1997	13,833	84.1%	87.7%	88.3%	23.6%	22.3%	22.9%	23.0%	22.7%	21.7%	21.8%	21.7%	21.7%	21.4%	21.4%	21.7%	22.0%
First Quarter, 1998	13,697	84.1%	86.1%	88.1%	22.7%	21.3%	22.8%	23.2%	23.1%	23.2%	23.3%	23.3%	23.9%	24.2%			
Second Quarter, 1998	19,294	83.7%	85.6%	84.9%	19.2%	18.4%	19.6%	20.4%	21.2%	22.6%	23.9%						
Third Quarter, 1998	21,887	82.5%	85.8%	87.4%	20.5%	19.4%	25.3%	28.7%									
Fourth Quarter, 1998	25,157	81.7%	85.3%	85.4%	16.0%												
All Cohorts	106,958	83.1%	86.1%	87.0%	20.3%	20.4%	22.6%	23.8%	22.1%	22.4%	22.9%	22.2%	22.2%	22.1%	20.8%	20.8%	20.8%

Participation in Medicaid

The final outcome tracked in this phase of the study is the percentage of TANF leavers who continue to receive Medicaid after exit. Most former TANF recipients are potentially eligible for Medicaid or KidCare, the Illinois Child Health Insurance Program. Eligibility for these programs is not dependent solely on TANF status. Families who qualify for Medicaid or KidCare may be enrolled when the TANF case is canceled. When that does not happen, the family can reapply for those programs. However, families leaving TANF may not know that they can receive Medicaid or KidCare without TANF or may not take the necessary steps to establish their eligibility.

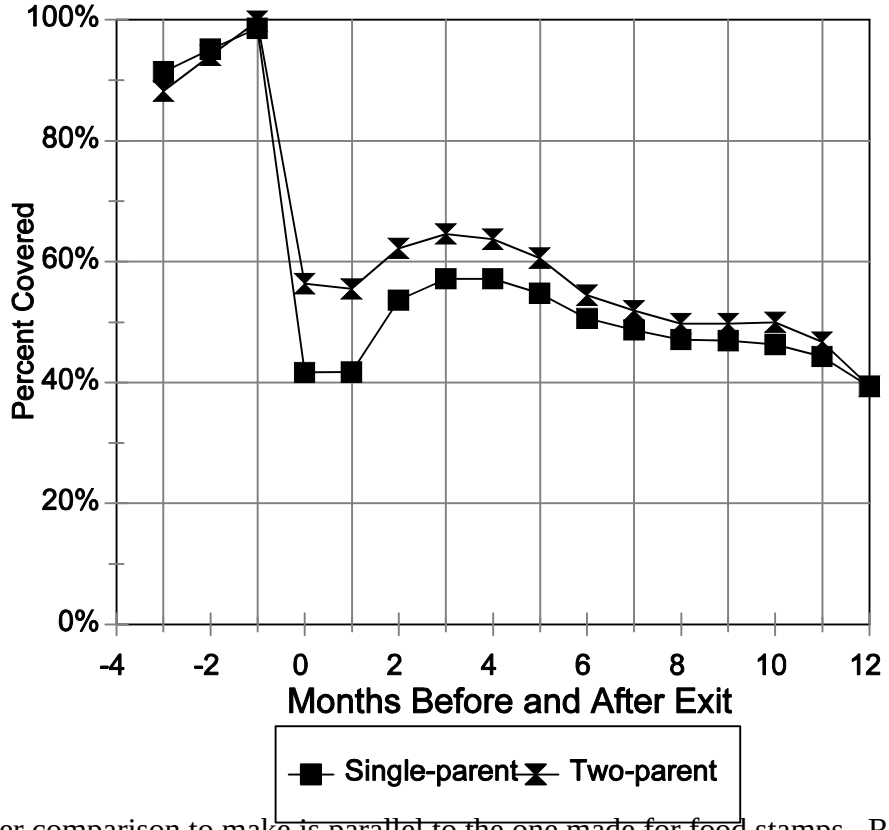
Families with new or increased earnings which result in cancellation of TANF automatically receive extended Medicaid (transitional Medicaid) for six months and most can qualify for an additional six months. Most families canceled for failure to cooperate with TANF employment and training requirements are potentially eligible for Medicaid because those requirements do not affect Medicaid eligibility. Those who leave TANF because of unearned income may still qualify for Medicaid, or their children may qualify for KidCare. Some circumstances, such as failure to keep an appointment to verify continued eligibility, may end eligibility for both Medicaid and TANF.

Participation in Medicaid Before and After Exit: Single-parent Cases. Reviewing first the single-parent cases, the overall averages in the bottom row of Table 25 indicate that adult participation in Medicaid is almost universal before exit, on average over 98 percent, but in the month of exit coverage drops to around 42 percent. There is some subsequent increase so that by three months after exit about 57 percent of the adult leavers in the study population are participating in this program. Consequently, around 43 percent of adult leavers were not receiving this form of health care coverage three months after exit. This trend seems consistent across quarterly cohorts. For example, the column for three months after exit indicates that the percentage who participate in Medicaid ranges from over 54 percent to 59 percent.

Participation in Medicaid Before and After Exit: Two-Parent Cases. As indicated in Table 26, for two-parent households approximately 100 percent of the identified adult leavers are covered by Medicaid in the month before exit, and, on average, around 56 percent are covered in the month of exit. This average percentage of coverage increases so that by the third month after exit almost 65 percent are participating in Medicaid. This increase by the third month appears consistent across the quarterly cohorts. Reviewing the columns for the month of exit and the third month after exit, we see that the increase for each of the quarterly cohorts ranges from around 6 percentage points to nearly 11 percentage points.

Participation in Medicaid Before and After Exit: Comparison by Case Types. Table 27 presents the data on Medicaid participation for all cases. Figure 9 illustrates the similarities and differences between the single-parent and two-parent cases. We see that whereas around 42 percent of single-parent cases are covered by Medicaid in the month of exit, over 56 percent of two-parent cases are covered in that month. Similarly, whereas a little more than 57 percent of the single-parent cases participate in Medicaid three months after exit, over 64 percent of the two-parent cases participate.

Figure 9: Medicaid Participation
Single- and Two-parents Cases, All Exits

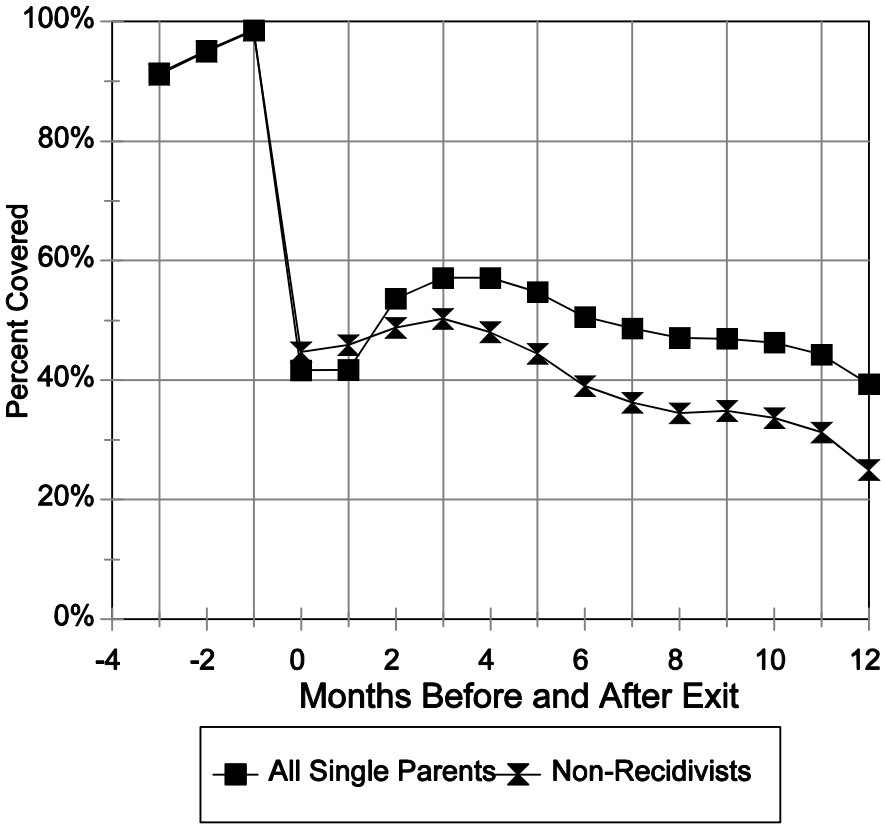


Another comparison to make is parallel to the one made for food stamps. Recall that Table 25 shows that coverage of single-parent cases increased over 15 percentage points between the month of exit (41.7%) and the third month after exit (57.2%). This result is similar to the one shown in Table 21, where we see that the percentage of single-parent cases who use food stamps rises over 14 percentage points from month of exit (19.4%) to the third month after exit (33.8%). Perhaps those who leave TANF assistance are being contacted in the first months after exit to make sure that they know that they are eligible for Medicaid assistance. An alternative explanation for this increase is that many of those who left without Medicaid are returning to active TANF status and so receive Medicaid coverage automatically.

To examine these possibilities, Table 28 presents the participation rates for Medicaid for those who have not returned to TANF assistance in the year following exit. Figure 10 displays the comparison between the coverage for all single-parent exits presented in Table 25 and for this group of non-recidivists presented in Table 28. As with food stamps, this subgroup lets us see if there is an increase in participation separate from returning to TANF assistance. We see in Figure 10, and in the bottom row of Table 28, that, while there is an increase of almost 6 percentage points in the average of Medicaid coverage between the month of exit and third month off assistance (from 44.7% to 50.3%), the increase is much smaller than the increase in Table 25 (15.5 percentage points). This suggests that there is some increase in Medicaid coverage after exit even without a return to TANF, but most of the increase is due to returning to active TANF status.

Figure 10: Medicaid Participation

Impact of Recidivism, Single Parents



As with food stamps, there are several reasons why Medicaid coverage is not higher after exit–some leavers are not eligible, other leavers do not know that they are eligible, and still others do not want to bother with Medicaid requirements. Analyses in the final report will examine Medicaid coverage for different groups of leavers, differentiating, for example, leavers in terms of their administrative reason for leaving TANF. For now, Table 28 also shows that, for those who do not return to TANF in 12 months, there is a noticeable drop in Medicaid coverage following a peak at three months after exit. For example, whereas 50 percent of these leavers were receiving Medicaid three months after exit, only 25 percent were receiving Medicaid 12 months after exit. The largest of these declines in coverage occurred at six months and 12 months after exit, which likely correspond to the loss of transitional coverage for those who left TANF due to work. The extent to which these leavers are able to obtain alternative health care coverage through their employment is an important area that is being addressed by the survey component of this study.

Table 25: Medicaid by Month after Exit for All-Exit Cohorts, Single-Parent Cases

Cohort		Months Before and After Exit															
Date	**Size**	**-3**	**-2**	**-1**	**exit**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Third Quarter, 1997	19,762	90.7%	95.4%	99.8%	43.5%	43.0%	54.2%	57.3%	58.8%	59.3%	54.0%	51.7%	48.6%	47.8%	47.1%	44.7%	40.0%
Fourth Quarter, 1997	18,457	91.1%	95.7%	99.1%	48.6%	48.4%	55.6%	58.2%	58.4%	52.9%	48.3%	45.7%	44.6%	44.9%	45.5%	43.8%	38.9%
First Quarter, 1998	18,468	92.2%	95.6%	98.7%	42.7%	42.4%	54.9%	57.8%	57.4%	54.9%	50.0%	48.4%	47.8%	48.2%			
Second Quarter, 1998	25,742	93.4%	95.8%	97.9%	35.8%	35.5%	49.5%	54.2%	55.2%	52.8%	50.1%						
Third Quarter, 1998	24,381	90.6%	94.1%	98.1%	42.2%	42.0%	55.2%	59.0%									
Fourth Quarter, 1998	25,157	90.2%	94.6%	98.5%	39.8%												
All Cohorts	131,967	91.4%	95.2%	98.6%	41.7%	41.8%	53.7%	57.2%	57.2%	54.8%	50.6%	48.7%	47.1%	47.0%	46.3%	44.3%	39.4%

Table 26: Medicaid by Month after Exit for All-Exit Cohorts, Two-Parent Cases

Cohort		Months Before and After Exit															
Date	**Size**	**-3**	**-2**	**-1**	**exit**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Third Quarter, 1997	2,267	88.3%	94.5%	99.9%	58.3%	57.3%	62.5%	64.4%	65.4%	65.4%	57.1%	54.4%	50.9%	50.6%	50.1%	47.2%	39.5%
Fourth Quarter, 1997	2,101	86.7%	93.8%	100.0%	60.2%	59.9%	64.4%	66.4%	66.7%	60.7%	55.1%	52.0%	50.4%	50.4%	49.8%	46.0%	39.3%
First Quarter, 1998	2,287	89.0%	94.6%	99.9%	50.1%	49.1%	58.8%	60.9%	60.9%	57.7%	52.5%	49.5%	48.3%	48.6%			
Second Quarter, 1998	3,234	90.2%	95.0%	99.6%	52.3%	51.9%	58.8%	62.2%	62.6%	59.3%	53.8%						
Third Quarter, 1998	2,056	88.3%	93.5%	99.7%	62.3%	62.8%	69.0%	70.9%									
Fourth Quarter, 1998	1,568	84.8%	92.5%	99.9%	58.3%												
All Cohorts	13,513	88.2%	94.1%	99.8%	56.4%	55.5%	62.2%	64.6%	63.7%	60.6%	54.5%	51.9%	49.8%	49.8%	50.0%	46.7%	39.4%

Table 27: Medicaid by Month after Exit for All-Exit Cohorts, All Cases

Cohort		Months Before and After Exit															
Date	**Size**	**-3**	**-2**	**-1**	**exit**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Third Quarter, 1997	22,029	90.5%	95.3%	99.8%	45.0%	44.4%	55.1%	58.1%	59.4%	59.9%	54.3%	52.0%	48.9%	48.1%	47.4%	45.0%	39.9%
Fourth Quarter, 1997	20,558	90.7%	95.5%	99.2%	49.8%	49.5%	56.5%	59.1%	59.2%	53.7%	49.0%	46.4%	45.2%	45.5%	45.9%	44.0%	38.9%
First Quarter, 1998	20,755	91.9%	95.5%	98.8%	43.5%	43.1%	55.3%	58.1%	57.8%	55.2%	50.3%	48.5%	47.9%	48.3%			
Second Quarter, 1998	28,976	93.0%	95.7%	98.1%	37.6%	37.3%	50.6%	55.1%	56.0%	53.5%	50.5%						
Third Quarter, 1998	26,437	90.4%	94.1%	98.2%	43.8%	43.5%	56.3%	59.9%									
Fourth Quarter, 1998	26,725	89.9%	94.5%	98.5%	40.9%												
All Cohorts	145,480	91.1%	95.1%	98.7%	43.0%	43.2%	54.5%	57.9%	57.9%	55.5%	51.0%	49.0%	47.4%	47.3%	46.7%	44.5%	39.4%

Table 28: Medicaid by Month after Exit for Single-Parent Cases Not Returning to TANF

Cohort		Months Before and After Exit															
Date	**Size**	**-3**	**-2**	**-1**	**exit**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Third Quarter, 1997	13,090	91.0%	95.6%	99.7%	47.4%	46.8%	47.9%	48.3%	47.8%	47.4%	39.4%	36.2%	32.4%	32.1%	32.0%	29.3%	22.8%
Fourth Quarter, 1997	13,833	91.1%	95.7%	99.1%	50.8%	50.6%	51.8%	52.5%	52.0%	44.7%	39.0%	36.0%	34.7%	34.9%	35.2%	33.3%	27.1%
First Quarter, 1998	13,697	92.1%	95.6%	98.6%	48.0%	47.6%	49.3%	50.2%	49.1%	45.6%	39.2%	36.8%	36.2%	37.6%			
Second Quarter, 1998	19,294	92.9%	95.3%	97.7%	41.8%	41.6%	43.6%	45.1%	44.7%	41.5%	38.9%						
Third Quarter, 1998	21,887	90.4%	93.9%	98.0%	45.3%	45.1%	51.7%	54.9%									
Fourth Quarter, 1998	25,157	90.2%	94.6%	98.5%	39.8%												
All Cohorts	106,958	91.2%	95.0%	98.5%	44.7%	45.9%	48.8%	50.3%	48.1%	44.5%	39.1%	36.3%	34.5%	34.9%	33.7%	31.3%	25.0%

FACTORS ASSOCIATED WITH RECIDIVISM

This final section considers the factors that are associated with TANF recidivism during the study period, an important consideration when trying to understand what is happening to those leaving TANF. This examination is conducted in two stages. First we use univariate analyses to determine which variables were associated with recidivism. Then, logistic regression is used to find which variables are most predictive of recidivism when controlling for other influences. The first stage orients us regarding the variables that appear most important in understanding recidivism; the second stage attempts to identify the key factors influencing recidivism.

Univariate Analyses

In order to examine the background characteristics associated with TANF grant recidivism, many of the variables from the IDHS CDB database provided by Chapin Hall were recoded into dichotomous variables. For example, the analyses considered recidivism to have a dichotomous distribution, with a code of '1' indicating a return to TANF cash assistance and a code of '0' indicating no return. Similarly, most background characteristics were coded as dichotomous (e.g., white, nonwhite), though some were left with multi-level codings (e.g., number of children less than 13 years old). This recoding allowed for the appropriate tests of statistical significance (using the Cochran-Mantel-Haenszel statistic and Cochran-Armitage trend multitest in SAS v6.12). Statistical significance does not entail substantive significance, but this approach was used: (1) to distinguish those variables significantly related to recidivism, and then (2) to see if the relationships with recidivism remained constant, became stronger, or became weaker during the five quarters examined for recidivism.

Analyses for the association between background characteristics and TANF recidivism were conducted using stratified 2XN tables (2x2 for recidivism by dichotomous variables; 2xN when the predictor variables have more than two levels, as in the number of children less than 13 years old), controlling for cohorts grouped by quarters as a six-level stratum (3rd quarter of '97 thru 4th quarter of '98). By controlling for cohort quarters, the obvious influence of time at exit, within the observation period of the study–July 1997 through November 1998– is taken into account for any association between recidivism or receipt and the given background characteristic. In short, the univariate analyses indicated (1) the statistical significance of an association between the given background characteristic and the given recidivism/receipt variable, controlling for the time stratification inherent in the observation period, and (2) the statistical significance of the variation in the association across the six quarters.

The results of these analyses are presented in Table 29 with three columns that present the variables found to be statistically significant ($p<0.05$), the direction of the association ("positive" for more likely to co-occur with recidivism, and "negative" for less likely to co-occur with recidivism), and an indication of whether the association changes significantly across the time stratum ("yes" if it does, and "no" if it does not). The third column also indicates whether 00the association increases or decreases in the given direction or varies from positive to negative over the quarter groupings (mixed).

Table 29: Variables with a Significant Association with Recidivism on TANF Grants

Background Characteristics	Association with Recidivism	Association Varies Across 5 Quarters
Age:		
Recipient age 17-19 yrs	higher recidivism	yes, weaker
Recipient age 20-25 yrs	higher recidivism	yes, weaker
Recipient age 26-30 yrs	lower recidivism	no
Recipient age 31-35 yrs	lower recidivism	no
Recipient age 36-40 yrs	lower recidivism	no
Recipient age 41-45 yrs	lower recidivism	yes, weaker
Recipient age 46-50 yrs	lower recidivism	yes, weaker
Recipient age 51+ yrs	lower recidivism	yes, mixed
Ethnicity:		
African American cases	higher recidivism	yes, weaker
White cases	lower recidivism	yes, weaker
Latino/Hispanic cases	lower recidivism	yes, weaker
Case Characteristics:		
Total number in case	higher recidivism	yes, mixed
Number of adults in case	lower recidivism	no
Two-parent case	lower recidivism	yes, weaker
Female recipient	higher recidivism	yes, weaker
Never married	higher recidivism	yes, mixed
Married	lower recidivism	yes, weaker
Widowed	lower recidivism	no
Legally separated	lower recidivism	no
Children:		
Number of children < 1 yrs.	higher recidivism	yes, weaker
Number of children < 6 yrs.	higher recidivism	yes, mixed
Number of children < 13 yrs.	higher recidivism	yes, weaker
Education:		
Some elementary school	lower recidivism	no
H.S. Diploma	lower recidivism	no
High school and beyond	lower recidivism	yes, weaker
1 yr college	lower recidivism	no
2 yrs college	lower recidivism	no
3 yrs college	lower recidivism	no
Work Experience		
No prior work experience	higher recidivism	yes, mixed
Prior service work	lower recidivism	yes, weaker
Prior professional work	lower recidivism	no
Prior laborer work	lower recidivism	no
Prior operator work	lower recidivism	no
Other:		
IDHS geographic regions: Cook County	higher recidivism	yes, mixed
CDB income indicator	lower recidivism	yes, mixed
Food stamps prior to exit	higher recidivism	yes, mixed
Medicaid prior to exit	higher recidivism	no

As seen in Table 29, a significant association with TANF recidivism is present for 37 background characteristics, with 13 of these characteristics having a positive association. These univariate analyses are useful in identifying variables that may be important in understanding recidivism, but many of the variables, such as ethnicity and region of residence, are so closely related that it is difficult to disentangle which factors may be most important in thinking about recidivism. For this reason, the univariate analyses just reported were supplemented with logistic regression in order to begin seeing which variables remain associated with recidivism when controlling for other variables.

Logistic Regression for Single-Parent Cases Headed by a Female

Predicting recidivism with logistic regression (with recidivism coded as '0' for never returning to cash assistance and as '1' if the identified adult returned to cash assistance one or more times during the study period) allows us, by controlling statistically for the impacts of other variables, to assess the unique relationship between various factors and recidivism. In an effort to simplify the interpretation of the results, the analysis reported in Table 30 was conducted on a particularly common subset of cases, those single-parent cases headed by a woman. This restricted focus was chosen in order to minimize the problem that emerges when different factors are particularly important for different subgroups. Analyses in the final report will explore the differences that result when applying logistic regression to different subgroups. As such, the results presented in Table 30 are intended as an initial effort to understand the association of multiple variables with recidivism and so should be interpreted as tentative. One aspect of this caution should be emphasized: the results of logistic regression, as with other variants of regression analysis, are dependent on the predictor variables that are included. If important predictor variables are neglected, and these variables are related to the predictor variables that are included, then the results for the included predictor variables may be misleading. Other databases with other variables will be available for inclusion in analyses for the final report.

The first point to make in interpreting Table 30 is that the overall model is statistically significant, as measured by the chi-square statistic that analyzes whether independent variables improve the fit of the model. This suggests that the predictor variables chosen are related in meaningful ways to recidivism. Before considering individually the factors that appear to affect the likelihood of recidivism, note the last independent variable listed, "months of follow-up." This variable allows us to control for the fact that early leavers have a much longer time to return to cash assistance than do late leavers. To make some effort to control for this difference in follow-up, this variable, coded as the number of months of follow-up data available for a given monthly cohort, is included as a control variable. This is important because, for example, the percentage of African-Americans increases over time in the population of leavers. Since those leaving later have less time to recidivate, failure to include "months of follow-up" would likely underestimate the risk of recidivism confronting African-Americans.

The next step is to examine each of the other rows in Table 30 to see which variables, when controlling for the other variables, are particularly related to recidivism. In addition to the value of looking at the parameters and standard errors, a particularly important column in Table 30 is the Odds Ratio column. Because of the way that the dependent variable, recidivism, is coded, the ratios in this column represent the "relative probability of remaining off TANF assistance." For example, because the ratio for the African-American row is less than 1.00 (it is

0.685), African-Americans are, controlling for other factors in the model, less likely than whites to stay off assistance. More specifically, the 0.685 ratio for the African-American row indicates that whatever the probability is for whites remaining off assistance, identified adults who are recorded as African-American are, again, controlling for other factors, about two-thirds (0.685 being close to .666) as likely to remain off assistance. This comparison to whites is necessary in that the odds ratios for dummy-coded variables (coded '0' or '1') in logistic regression always compare the probabilities for those coded with a '1' against the probabilities for those coded as a '0.' In this case, where two dummy variables are used to distinguish three groups, the group not explicitly included–whites–is the implicit comparison group (there are a very small number of recipients coded as Asian-Pacific or as Native Americans; in that variables are not entered for them, they are included with whites). When appropriate, these implicit comparison groups are noted in the table.

Continuing with our explanation of odd ratios, in contrast with ratios that are less than 1.00, the odds ratio of 1.523 for earned income indicates that those with recorded earned income at exit are more likely to remain off TANF cash assistance than those without recorded earned incomes. In that 1.523 is about 50% larger than 1.00, those with earned income at exit are about 50% more likely to remain off cash assistance than other leavers.

With this background for interpretation, we can conclude that African-Americans are particularly likely to return to assistance, as are younger clients. Those with earned income at exit and high school diplomas, however, are much less likely to return to assistance.

In examining prior work experience, we see that having no experience makes staying off assistance less likely (odds ratio of 0.939) than for those with certain types of experience (the comparison group for this set of variables are those with managerial/professional, clerical, sales, or operator experience). However, the most common types of prior work experience are in the service sector or as a laborer (over 57% of all have experience in one of these two work categories), and these types of prior experience do not appear to help leavers remain off assistance (odds ratios of 0.919 for service experience and 0.908 for laborer experience), when compared to other types of prior work experience (managerial/professional, clerical, sales, or operator experience). This argues for caution in presuming that any kind of work experience is substantially better than no experience in forestalling recidivism.

In terms of other DHS services, receipt of food stamps in the month prior to exit is associated with a decreased likelihood of remaining off cash assistance. This may be due to those not receiving food stamps prior to exit having greater financial resources than those who did receive food stamps.

Looking at the region of residence, we see that living in Cook County, the largest urban region in the state, is associated with higher recidivism than the implicit comparison group of the Central Rural areas of the state as the odds ratio for staying off assistance is less than 1.00. However, even greater recidivism is associated with another area of the state, the most southern rural counties in the state (the odds ratio for South Rural region being 0.873). This argues against presuming that urban areas contain the greatest barriers to post-TANF self-sufficiency.

In sum, additional analyses will be conducted for the final report, but we are beginning to distinguish the factors that appear to place clients at risk for recidivism. This information will be important not only in making overall predictions about recidivism, but also in identifying those who seem to be at risk for recidivism and in identifying the barriers that may interfere with self-sufficiency after TANF exit.

Table 30: Logistic Regression for Prediction of Staying Off TANF (Non-Recidivism); Single-Parent Cases Headed by a Female

CDB Variable	Parameter Estimate	Standard Error	Chi-Square Probability	Odds Ratio
Ethnicity (Compared to White)				
African-American	-.38	.024	.0001	0.685
Hispanic	.05	.037	.154	1.053
Age of Adult Recipient (Compared to 31 and Older)				
Age: 16 and under	-.45	.378	.217	0.635
Age: 17 to 19	-.65	.041	.0001	0.520
Age: 20 to 25	-.35	.024	.0001	0.703
Age: 26 to 30	-.09	.024	.0003	0.915
Family Variables				
Never married (compared to ever married)	-.13	.022	.0001	0.882
Children (compared to those with no child in age range)				
Child under 1 year old	.08	.029	.006	1.084
Child between 2 and 6 years old	-.03	.013	.009	0.968
Education/Employment				
High school diploma (or more)	.24	.018	.0001	1.270
Recorded earned income	.42	.020	.0001	1.523
Work Experience (Compared to Other Work Experience)				
No prior work experience	-.06	.026	.016	0.939
Service sector experience	-.08	.023	.0003	0.919
Laborer experience	-.10	.027	.0004	0.908
Other Services				
Food stamps prior to exit	-.26	.026	.0001	0.767
Geo-Economic Zone (Compared to Central Rural Zones)				
Cook County region	-.03	.036	.453	0.973
Collar county region	.04	.044	.007	1.045
Downstate urban region	-.02	.036	.590	0.981
Rural south region	-.14	.051	.007	0.873
Control Variable				
Months of follow-up	-.10	.002	.0001	0.904

Overall model significant (Chi-Square) at $p < 0.0001$, with 20 df