

**EMPLOYMENT AND RETURN TO PUBLIC ASSISTANCE
AMONG SINGLE, FEMALE HEADED FAMILIES LEAVING AFDC
IN THIRD QUARTER, 1996,
CUYAHOGA COUNTY, OHIO**

Prepared for Cuyahoga Work and Training

by

Claudia Coulton
Center on Urban Poverty
and Social Change
Case Western Reserve University
Cleveland, OH

Nandita Verma
Manpower Demonstration
Research Corporation
New York, NY

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INTRODUCTION

As welfare caseloads fall and provisions of welfare reform are implemented in state and local welfare offices, there is a growing interest in families and individuals who leave the welfare rolls. However, welfare caseloads have always been dynamic, with families entering and leaving assistance programs each month. To interpret information on families leaving welfare since welfare reform, it is necessary to know what happened to families who left welfare in the past as well. This is a study of a third quarter, 1996 cohort of welfare leavers, who stopped receiving cash assistance before welfare reform went into effect. It is intended to provide a basis of comparison for future studies of families leaving welfare under welfare reform.

This study is being conducted in Cuyahoga County (Cleveland), Ohio. Cuyahoga County is one of 14 states and counties selected by the Assistant Secretary for Planning and Evaluation (ASPE) of the Department of Health and Human Services to conduct studies of welfare leavers. ASPE is funding these studies to provide a picture of what is happening to TANF recipients who are leaving assistance. The grantees have been working together to establish some common definitions and methods that will facilitate interpreting the findings as a whole. The grantees included in the ASPE study are Arizona, District of Columbia, Florida, Georgia, Illinois, Massachusetts, Missouri, New York, South Carolina, Washington, Wisconsin, Los Angeles County, Cuyahoga County (Ohio), and a consortia of San Mateo, Santa Cruz, and Santa Clara, California.

Cuyahoga County is the largest county in Ohio. As can be seen in Table 1, Cuyahoga County represents approximately one-fourth of Ohio's welfare caseload. Caseloads in the state and county increased through 1992, and then began to decline, with the state AFDC caseload falling at a faster rate than that of Cuyahoga County.¹ The characteristics of the caseload have been changing along with the size. For example, the proportion of the Cuyahoga County caseload with long welfare histories of greater than 3 years, has been increasing from approximately 55% in 1995 to over 65% in 1997. Furthermore, new entrants to welfare have experienced ever-shortening welfare spells from 1992 forward.² The changing mix of the caseload may produce exit cohorts with different compositions in the future.

Year	Cuyahoga County		Ohio	
	Monthly average of recipients	% Change in Recipients	Monthly average of recipients	% Change in Recipients
1989	125,919		623,945	
1990	123,138	-2.21%	641,460	2.34%
1991	127,850	3.83%	684,635	7.41%
1992	136,505	6.77%	733,842	6.83%
1993	133,343	-2.32%	712,277	-4.35%
1994	130,030	-2.48%	670,376	-7.79%
1995	118,210	-9.09%	599,159	-16.78%
1996	109,670	-7.22%	538,597	-12.83%
1997	104,936	-4.32%	466,524	-13.38%
1998	88,867	-15.25%	340,179	-27.08%

The exit cohort described in this report left welfare prior to the initiation of Ohio’s welfare reform. Ohio Works First went into effect on October 1, 1997, one year after the families in this study stopped receiving cash benefits. In third quarter, 1996 when the families in this study left AFDC, they had not yet been subjected to the work requirements, sanction policies or time limits that are currently in effect. Thus, this cohort can be thought of as representing a pre-reform baseline.

METHODOLOGY

This is a study of single, adult female heads of assistance groups that stopped receiving cash assistance (for at least 2 months) in the third quarter, 1996. Male headed assistance groups were not included due to their small numbers and the fact that they typically have different labor market experiences than women. Child only assistance groups were not included because they will not be subjected to the same work requirements and sanction policies as adults. The adults in the exit cohort were followed for the subsequent 4 quarters to determine their employment and earnings. The use of public assistance benefits in the 12 months subsequent to exit was examined for the adult women and their children who left cash assistance.

Sample selection

To find adults who left cash benefits in quarter 3, 1996, we began with the females, age 18 and over receiving AFDC-R in June, 1996. AFDC-R is the code for cash assistance to single parents used in Ohio’s public assistance data system. These recipients were matched with July and August benefit information. Female adults who received AFDC in June but not in July and August were classified as exiters (see table 2). Similarly, adult females receiving AFDC-R in July were matched with August and September benefit data and classified as exiters if they received AFDC in July but not in August and September. Finally, adult females receiving AFDC-R in August, but not in September and October also were classified as 3rd quarter exiters. The total number of adult women identified through this process was 3,532.⁴

Table 2: Definition of quarter 3, 1996 exit cohort	
Month Recipient Active on Cash Assistance	Months not active (i.e., not receiving cash assistance).
June, 1996	July, 1996 and Aug, 1996
July, 1996	August, 1996 and Sept, 1996
August, 1996	Sept, 1996 and Oct, 1996

The next step was to identify the children who were in the AFDC assistance groups with these adult exiters in the month prior to exit. There were 6,044 such children in total. However, 1,184 (20%) of these children remained on AFDC even though the adult member of the assistance group stopped receiving cash assistance for two months. Approximately 1/3 of these children who stayed on AFDC, after their adult member of the assistance group left, changed cases. The rest remained on as “child only” cases with the same case number as they had when there was an adult present in their group. This analysis of the children revealed that the exit status of the adults and children in an assistance group

could differ. In fact, of the 3,532 adult women who exited cash during the quarter, 738 had either no children who exited or only took part of their children off cash with them. These women were removed from the main analyses of this report, but a detailed discussion of this issue is presented in the appendix.

These exclusions resulted in an exit cohort for this study of 2,794 adult women and their 4,860 children who left cash along with them. Thus, the 3rd quarter 1996 exit cohort is made up of single, adult females and the children in their assistance group in the month prior to exit who stopped receiving cash assistance in either July, August or September, 1996 and remained off for the next consecutive month as well.⁵

Data sources

The primary data source for this study was the monthly Income Maintenance Files (IMF) supplied by Ohio Department of Human Services to Cuyahoga County. The IMF is a monthly extract made for each county from the State's client registration system (Cris-e). IMF tapes were used to identify the sample and to track benefits and program usage for each assistance group and recipient in the 12 months subsequent to their exit. The IMF files contain information on AFDC, Food Stamps and Medicaid program participation along with basic demographic information on recipients. The recipients who stopped receiving cash benefits during third quarter 1996 were tracked for 12 months to determine whether they returned to cash assistance at any time in this interval. We also examined whether they were still receiving Food Stamps or medical assistance after their exit.

The IMF tape was the only data source available to the County in 1996. A limitation of the IMF tape, though, is that it is extracted from the Cris-e system at a specific point in time, during the last week of each month. Thus, it may be missing changes that occur in recipients' status and benefits after that date. Further, because it is an extract designed before refinements were made in Cris-e, some codes cannot be used. Comparison between the IMF and the case counts made by the State directly from the Cris-e system suggests that the IMF may be missing the benefits for as many as 4% of recipients in a given month. However, these benefits typically appear on the next month's tape. The recipient and case counts made from the IMF have been consistently lower than the counts the State makes directly from the Cris-e system.

Of particular importance to this study is the fact that the IMF tape may show a recipient as not active when they actually had benefits authorized late in the month or as being active even though they were closed late in the month. However, this problem can be overcome to some degree by defining an exit as having two consecutive months off of cash assistance. Thus, what appears to be a one-month gap in benefits due to the timing of data extraction or to administrative delays that are quickly remedied in the subsequent month is not treated as an exit from AFDC in this study. However, using two months off benefits as criteria for sample selection is a conservative estimate of welfare exits and will result in findings that cannot be compared with studies that include cases that are closed for just one month.⁶

Employment information for each adult recipient who left cash assistance was obtained for the four quarters preceding and following the quarter of their exit from the Ohio Bureau of Employment Services (OBES). OBES maintains records of employment and earnings under its Unemployment Insurance system. Almost all employers in Ohio are covered by this program and report the employment

and earnings of their workers to the State. Workers who are self-employed, employed by the federal government, or work “off the books” are not in this database.

Analysis

Employment rates and earnings were examined for the adult (age 18 and over) females for the four quarters after the quarter in which they exited cash assistance. Women were classified as employed if their earnings reported to OBES were at least \$100 in the quarter. This threshold was chosen to avoid counting trivial employment and was agreed upon by all of the grantees. Earnings, for employed persons, are reported in current dollars. Earnings changes are computed between the first and last quarters worked and reported separately for those who worked 2, 3 or 4 quarters. The analysis of earnings was restricted to those who were employed.

Use of public assistance programs was for the entire sample in each of the four quarters following the exit quarter. Recipients were counted as receiving benefits if they were active for at least one month in the quarter. Also, Food Stamp and Medicaid participation was examined for recipients who were not receiving AFDC during the month after the exit and still not receiving AFDC 12 months after exit. Recipients were classified as returning to cash assistance if they receive cash in any month during the 12-month follow-up period. The amount of time off cash assistance was calculated in months for those who returned to cash assistance during the year. The rate of return to cash assistance was compared for those who were employed and not employed in the first quarter after exit.

Employment, earnings and return to cash assistance were also examined separately for several sub-groups. Specifically, the sample was broken down into the following categories for these analyses: Prior receipt of cash assistance; previous work experience; age of adult at exit; race/ethnicity. Prior receipt of cash assistance was calculated as the number of months out of the 36 months before exit that the adult received a cash benefit. Only the months, in which the individual was age 18 or over, were included in the calculation. Previous work experience was determined for the four quarters prior to the quarter of exit; that is, quarters 3 and 4, 1995, and quarters 1 and 2, 1996.

RESULTS

The characteristics of the third quarter, 1996, exit cohort of single adult women with children are presented in Table 3. The majority of the adult women are between the ages of 20 and 35 and African-American. The majority of the exiters received assistance for more than two out of the previous three years. However, most also had at least one quarter of employment experience in the year prior to leaving cash assistance.

Table 3. Description of adult women in the Quarter 3, 1996 exit cohort		
Descriptors	Frequency	Percent
Age in month of exit		
18 - 19 years old	152	5.4%
20 - 24	741	26.5%
25 - 29	631	22.6%
30 - 34	491	17.6%
35 - 39	416	14.9%
40 - 44	232	8.3%
45 and older	131	4.7%
mean age = 29.9		
standard deviation = 8.04		
Number of Children exiting with Adult		
1 child	1487	53.2%
2 children	810	29.0%
3 children	342	12.2%
4 or more children	155	5.6%
Race		
White, non-Hispanic	805	28.8%
African American, non-Hispanic	1806	64.6%
Hispanic	146	5.2%
Asian	3	0.1%
Native American	5	0.2%
Other	28	1.0%
Number of Months on Assistance in Previous 3 years		
1 to 12 months	644	23.0%
13 to 24 months	601	21.5%
25 to 36 months	1549	55.4%
mean number of months on = 23.9		
standard deviation = 11.61		
Employment before Exit		
Not employed in year prior to exit	892	31.9%
Employed one quarter prior to exit	487	17.4%
Employed two quarters prior to exit	400	14.3%
Employed three quarters prior to exit	423	15.1%
Employed four quarters prior to exit	592	21.2%
mean earnings per quarter = 1629.86		
standard deviation = 1238.65		
Number of adult exiters=2,794		

Employment and earnings of adults after exit

Table 4 displays employment rates and earnings for employed individuals. The table begins with quarter 4, 1996, the first full quarter in which the entire sample could have been off assistance. Almost 60% of the adults were working. The average earnings for those who were employed was about \$2,800 per quarter, which is consistent with earning minimum wage or having less than full-time work. In the first quarter after exit, approximately 60% of the employed adults earned less than \$3,000.

**Table 4: Employment and Earnings of Adult Women Who Worked Following Exit
Quarter 3, 1996 Exit Cohort**

	Q4, 1996	Q1, 1997	Q2, 1997	Q3, 1997
Employment				
Number (%) Not employed	1136 (40.7%)	1279 (45.8%)	1236 (44.2%)	1206 (43.2%)
Number (%) Employed	1658 (59.3%)	1515 (54.2%)	1558 (55.8%)	1588 (56.8%)
Quarterly Earnings of Employed				
Mean	\$2,756	\$2,756	\$2,891	\$2,952
Median	\$2,587	\$2,620	\$2,729	\$2,776
Standard Deviation	\$1,885	\$1,803	\$1,985	\$2,091
Quarterly Earnings Ranges⁷				
\$100 - \$1,000	348 (21.0%)	282 (18.6%)	313 (20.1%)	343 (21.6%)
\$1,000 - 1,999	283 (17.1%)	281 (18.5%)	264 (16.9%)	255 (16.1%)
\$2,000 - 2,999	328 (19.8%)	321 (21.2%)	283 (18.2%)	253 (15.9%)
\$3,000 - 3,999	324 (19.5%)	288 (19.0%)	292 (18.7%)	291 (18.3%)
>= \$4,000	375 (22.6%)	343 (22.6%)	406 (26.1%)	446 (28.1%)
Number of Adult Exiters = 2,794				

Table 5 shows that women varied in the number of quarters they worked after exit. More than 40 percent remained employed all four quarters. However, 28 percent were never employed at all in the year following their exit from cash assistance. For many women who left cash benefits, employment was sporadic during the subsequent year.

**Table 5: Number of Quarters Worked Following Exit
Quarter 3, 1996 Exit Cohort**

Number of Quarters Worked	Number of Adults Working	Percentage of Adults Working
0 quarters	790	28.3%
1 quarters	285	10.2%
2 quarters	250	8.9%
3 quarters	342	12.2%
4 quarters	1,127	40.3%
Total exit cohort	2,794	100.0%

The increases or decreases in earnings between the first and last quarter worked are displayed in Table 6 for women who worked at least two quarters. The analyses begins with quarter 4, 1996, the first full quarter after exit. Women were slightly more likely to experience an earnings increase than a decrease. The greatest earnings increases occurred for women who worked all four quarters.

**Table 6: Quarterly Earnings Increases/Decreases for Exiters Working
Quarter 3, 1996 Exit Cohort**

Earnings Difference	Worked 2 Quarters	Worked 3 Quarters	Worked 4 Quarters
	Number (%)	Number (%)	Number (%)
Decrease > \$1000	44 (17.6%)	81 (23.7%)	215 (19.1%)
Decrease \$500 - \$1000	35 (14.0%)	37 (10.8%)	115 (10.2%)
Decrease \$100 - \$500	22 (8.8%)	42 (12.3%)	108 (9.6%)
Decrease or Increase < \$100	29 (11.6%)	28 (8.2%)	73 (6.5%)
Increase \$100 - \$500	32 (12.8%)	41 (12.0%)	154 (13.6%)
Increase \$500 - \$1000	38 (15.2%)	36 (10.5%)	161 (14.3%)
Increase > \$1,000	50 (20.0%)	77 (22.5%)	301 (26.7%)
Total	250 (100%)	342 (100%)	1127 (100%)
Number of Adult Exiters = 2,794			
Number of Adult Exiters Working 2 or More Quarters After Exit = 1,719			

Generally, with respect to employment, women exiting cash assistance in quarter 3, 1996 did become employed in large numbers with less than 30% never working in covered employment during the subsequent year. However, if remaining employed four quarters is taken as a sign of stable employment, only 40% of the women achieved this outcome. Further, the majority of those working in the fourth quarter after exit were not earning enough to move their families above the poverty threshold if they were relying exclusively on their own earnings.

Receipt of public assistance

The number and percent of the adult leavers that subsequently received public assistance is presented in Table 7. In each of the four quarters after exit, individuals are counted as receiving assistance if they were active recipients for one or more months in the quarter. The table begins with quarter 4, 1996, which is labeled Q1, the first quarter after the exit quarter.

Table 7: Number and percent of Adult Exiters receiving assistance in Four Quarters after exit Quarter 3, 1996 Exit Cohort

Quarter	AFDC		Food Stamps		Medicaid	
	Number	Percent	Number	Percent	Number	Percent
Q1	571	20.4	1188	42.5	1157	41.4
Q2	769	27.5	1178	42.2	1166	41.7
Q3	826	29.6	1150	41.2	1107	39.6
Q4	802	28.7	1102	39.4	1054	37.7
	2794		2794		2794	

Figure 1 displays these trends. It can be seen that in the first quarter after exit about 20% have returned to cash and Food Stamps and Medicaid. Another 20% are not on cash in the quarter but are getting Food Stamps and/or Medicaid. There is a gradual increase in the portion of the cohort receiving cash but a gradual decline in non-AFDC adults who receive Food Stamp and Medicaid benefits.

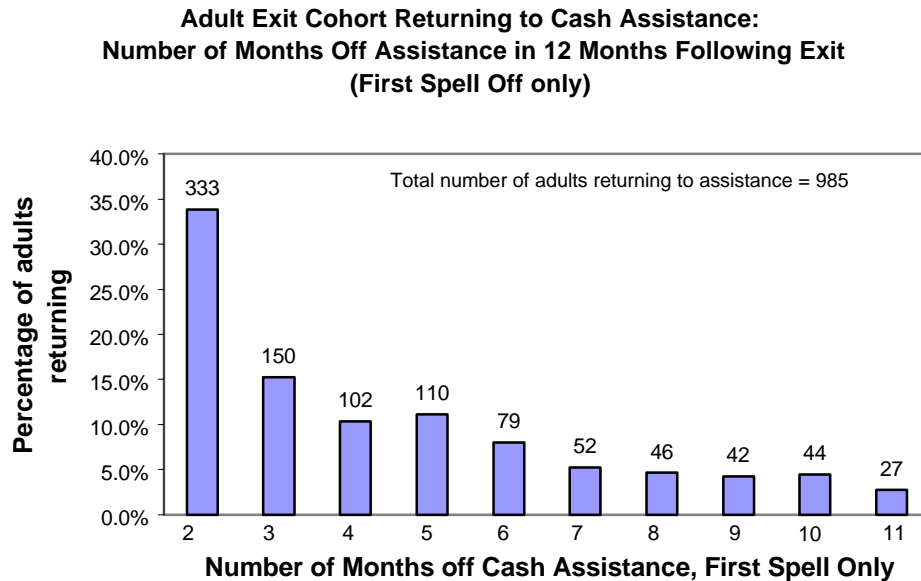
When the entire year following exit is examined, 35% of the women came back on AFDC for at least one month as did 37% of the children (See table 8). Sixty-five percent of the adult women did not return at all to cash assistance at all during the one-year follow-up. For those who returned to AFDC, the number of months off of cash was relatively short, with the majority returning before 3 months. By the 12th month, 76 percent of the exiting adults were off assistance, although some of them had a spell of cash assistance at some time in the interim year.

Table 8: Return to cash assistance and time off cash within 12 months after exit Quarter 3, 1996 Exit Cohort

	Adults	Children
Number (%) returned to cash	985 (35%)	1,822 (37%)
Months off cash for returnees		
Mean	4.46	4.36
Median	4.00	3.00
Standard Deviation	2.64	2.60
Total cohort	2,794	4,860

The length of the first spell off cash for adult recipients who returned to AFDC within the one year follow-up period can be seen in Figure 2. It is quite skewed toward short off spells suggesting that most exiters who are going to return to AFDC do so within a relatively short time after leaving. In fact, more than 1/3 of those exiters who return during the first year had spent only 2 months off assistance.⁸

Figure 2



Adults who remained off cash assistance for the entire 12-month period are compared with those who returned to AFDC at least once in Table 9. Those who remained off cash had lower employment rates, but among those who did work, they had higher earnings than those who returned to cash. The majority, of those who stayed off cash, did not ever receive Food Stamps or Medicaid again during the year.

Table 9: Description of Adult Exiters by Whether they Returned to Cash Assistance

Quarter 3, 1996 Exit Cohort

Return to Cash Assistance during 12 Months After Exit

	Returned at least Once	No Return
Percent Never Employed after Exit	26.6%	29.2%
Percent (of Column) Ever Employed After Exit	73.4%	70.8%
employed one quarter	15.1%	7.5%
employed two quarters	13.3%	6.6%
employed three quarters	16.3%	10.0%
employed four quarters	28.6%	46.7%
Mean Quarterly Earnings for those employed	\$1,674	\$2,957
Percent Ever on Food Stamps After Exit	98.8%	34.7%
Percent Ever on Medicaid After Exit	99.9%	30.9%
Total Number of Adults	985	1809

Use of other benefits by families off cash

Participation of the women and children in Food Stamps and Medicaid while they were off cash, is presented in Table 10. In the month after exit, most of the adults and children did not continue on these programs. For those remaining off cash assistance in the twelfth month after exit, the fraction of individuals not receiving either Food Stamps or Medicaid had risen even higher. Participation in Medicaid was higher than Food Stamps among children while adults were more likely to participate only in Food Stamps.

**Table 10: Participation in Food Stamps and Medicaid While Off Cash Assistance
Quarter 3, 1996 Exit Cohort**

	In Month of Exit		12 Months After Exit ¹	
	Number	Percentage	Number	Percentage
Adult Exit Cohort	2,794		2138	
Neither Food Stamps nor Medicaid	1,835	65.7	1725	80.7
Food Stamps Only	290	10.4	158	7.4
Medicaid Only	252	9.0	117	5.5
Both Food Stamps and Medicaid	417	14.9	138	6.5
Children of Adult Exiters	4,860		2,977	
Neither Food Stamps or Medicaid	3,270	67.3	2504	84.1
Food Stamps Only	151	3.1	50	1.7
Medicaid Only	423	8.7	194	6.5
Both Food Stamps and Medicaid	1,016	20.9	229	7.7

¹ Adults and Children off of Cash Assistance in the 12th month after exit

Analysis of sub-groups

Table 11 compares various sub-groups of the quarter 3, 1996 exit cohort on their employment, earnings, and return to cash assistance. Employment rates were highest for adults with a moderate welfare history, previous work experience, between ages 20 and 30 and African-American. However, these same sub groups had higher rates of return to welfare at least once within the year. While this pattern may be contradictory, it is possibly due to the fact that women who did not work after welfare left assistance due to changes in family composition or earnings of their household members. Family members' income may have been made available to these women preventing their return to welfare. Unlike family support, which may be enduring, employment for the women in some subgroups may have been so unstable as to lead to their return to welfare benefits. Changing family structure could not be ascertained using the data sources available for the 1996 exit cohort.

Table 11: Subgroup Analysis of Adult Exiters Quarter 3, 1996 Exit cohort

	Percent Employed in First Quarter After Exit ⁹	Median Quarterly Earnings in First Quarter after Exit	Percent Returning to Cash Assistance within One Year	Total Adults
Time ON Cash Assistance in Previous 36 Months				
Less than 20% time ON	51.2%	\$3,025	24.9%	389
20-39% time ON	61.7%	\$2,545	27.8%	334
40-59% time ON	65.3%	\$2,902	38.9%	375
60-79% time ON	63.6%	\$2,583	40.0%	393
More than 79% time ON	58.2%	\$2,486	41.1%	1303
Previous Work Experience				
No work previous 4 quarters	29.4%	\$1,661	28.7%	892
Work one previous quarter	61.6%	\$2,579	39.2%	487
Work two previous quarters	65.3%	\$2,396	42.8%	400
Work three previous quarters	75.7%	\$2,719	44.9%	423
Work four previous quarters	87.0%	\$3,119	37.3%	592
Number of Children				
One child	61.1%	\$2,553	34.6%	1487
Two children	62.0%	\$2,688	40.0%	810
Three children	53.5%	\$2,745	37.4%	342
Four or more children	41.9%	\$2,085	41.3%	155
Age of Adult recipient at exit				
18 - 19 years old	55.3%	\$1,153	56.6%	152
20 - 24 years old	62.4%	\$2,365	46.4%	741
25 - 29 years old	62.8%	\$2,724	34.7%	631
30 - 34 years old	61.7%	\$3,094	31.0%	491
35 - 39 years old	51.7%	\$2,831	33.4%	416
40 - 44 years old	59.1%	\$3,120	26.7%	232
45 years and older	46.6%	\$2,447	20.6%	131
Race / ethnicity				
White, non-Hispanic	49.3%	\$2,112	26.5%	805
African American	65.4%	\$2,772	42.0%	1806
Hispanic	41.8%	\$3,188	34.3%	146
Other	51.4%	\$3,653	21.6%	37

CONCLUSIONS

Employment levels of adults leaving welfare were fairly high in 1996, the year before the implementation of welfare reform. Almost 60% of all adults exiting welfare worked and this rate stayed about the same even 4 quarters after exit. However, there was considerable movement from work back to welfare with more than one-third of those who left coming back to cash assistance within the same year. Adults who worked steadily after leaving welfare were less likely to return to welfare during the year than adults who worked sporadically or had low earnings. Unfortunately, many of the recipients who worked after leaving welfare did not earn enough to support their families with their own wages. However, a small but noteworthy group was economically better off after leaving welfare with earnings that would put their families above the poverty level.

The majority of adults and children who left cash assistance remained off of benefits during the subsequent year. However, since their earnings were low, it was surprising to find that few individuals continued their Food Stamps or Medicaid benefits.

Welfare reform seeks to achieve higher levels of employment and to increase the number of recipients who can remain employed and support their families. However, the rate at which recipients left welfare for work was already quite high in 1996. The challenge appears to be in the area of keeping people employed with adequate wages and preventing their return to the welfare rolls during the year following their exit.

This analysis also has raised a significant methodological issue for studying welfare leavers. Although we often think of welfare leavers as a mother and all of her children, the reality is more complicated, as illustrated in the appendix to this document. The exit of the adult from cash assistance does not necessarily mean that all of the children for whom she is responsible also lose benefits. There are many assistance groups where the adult leaves with no children or one of the children and others remain behind. Complicating the tracking process is the fact that children may change assistance groups when the adult leaves. Further, the adult may continue to receive welfare checks for children who are in another assistance group. Thus, even though the adult is no longer a recipient and her assistance group has closed, she continues responsibility for some children on welfare.

These issues must be addressed because these "partial leaving" patterns and changing case affiliation may increase under welfare reform. These changes are themselves, of research interest. Furthermore, the heterogeneity of welfare exit samples is likely to increase as individuals within families depart from one another in their welfare utilization. We will attempt to address these methodological problems more thoroughly in a final report.

NOTES

¹ Caseloads have fallen more slowly in many of the nations large cities as compared to the balance of the states. See Bruce Katz and Katherine Allen. The state of welfare caseloads in America's cities. Washington, DC: Brookings Institution, 1998.

² See Claudia Coulton, Nandita Verma, and Shenyang Guo. Time limited welfare and the employment prospects of AFDC recipients in Cuyahoga County, Cleveland: Center on Urban Poverty & Social Change, 1996.

³ These data are provided by the Ohio Department of Human Services.

⁴ Approximately 2% of the adult women who stopped receiving benefits in this quarter were 18-19 years old and were not accompanied in their exit by children on their assistance group. These young women appear to be children who became age-ineligible for assistance on their mother's cases rather than single mothers. They have been excluded in the sample. Persons 18-19 were included in the study if they exited along with other adults or children in their AG.

⁵ There are no child only cases in this exit study. Only children who exited in an adult-headed group are included. Also, the study excludes assistance groups without children or AG's in which some or all of the children did not exit along with the adult.

⁶ Studies that include all cases that close, rather than using two months off cash as the criteria, generally find lower rates of employment and shorter spells off welfare.

⁷ Persons earning less than \$100 in a quarter were not counted as employed and are not included in the earnings analysis.

⁸ This study defined an exit as a minimum of 2 months off cash. A large number of returnees would have been excluded from the study if we had adopted a three month-off definition of exit.

⁹ Percentages are based on row totals (e.g., 48.9% of the people on Assistance less than 20% of the time are employed in the First Quarter after Exit, while 51.1% are not employed).

APPENDIX

COMPOSITION OF ASSISTANCE GROUPS FOR LEAVERS STUDIES

The public and policy makers are very concerned about what happens to families that leave welfare and are especially interested in outcomes such as their employment rates and recidivism rates. These rates may differ, though, depending on how the group of welfare leavers is defined. Leavers can be defined very broadly to include anyone whose cash benefits cease or more narrowly by setting minimum thresholds for months off assistance or restricting leavers to particular types of cases. The ASPE grantees agreed to define leavers as those who do not receive cash benefits for two consecutive months after at least one month of receiving benefits. On this basis alone, the studies will tend to find higher employment and lower recidivism rates than research that includes one month leavers. The findings will also differ from studies that adopt a three month off criterion. Nevertheless, the two month off criterion is clear and its effect on the results can be anticipated.

Another issue in sample selection, which is more difficult to standardize, has to do with the unit that is sampled. In common parlance, researchers would like to study families but there is not a neat correspondence between groupings of individuals who receive cash welfare benefits and the concept of immediate or extended family. For the purposes of benefit administration, related individuals are grouped into assistance groups and/or cases. However, these groupings do not necessarily contain all family members nor do they remain constant. The membership of the groupings can change as specific individuals gain or lose their eligibility status or move from one grouping to another. One or more members of an assistance group can leave cash, while others remain on the rolls. Thus, study samples may differ because of how the eligibility status of individuals and the other members of their case or assistance group are jointly considered in defining an instance of welfare leaving.

This appendix presents detailed information about assistance group composition of welfare leavers and identifies some of the ambiguities of sample selection. Appendix Table A shows all of the single adult females who lost cash assistance for at least two months in Cuyahoga County in quarter 3, 1996. The number of such individuals is 3,532. However, only 2,794 of these adults are included in the main body of this report because we decided to restrict our sample to assistance groups where the adult and all of their children met the two months off criterion. As can be seen in table A, 4% of the adults did not have any child on their assistance group in the month before exit. Another 18% of the adults exited without one or more of their children. Since sanctions were not in place in 1996, this does not represent partial sanctioning but some other change in the adult eligibility status.

The effect of restricting the sample to the group of adults who exit with all of their children who were in their assistance group in the month before exit can be seen in the 12-month recidivism rate. It is 42% for adults who exit without their children but only 35% for adults who exit with all of their children, for example. Employment rates (not shown in table B) are also lower when partially exiting assistance groups are included in the sample. These differences between individual leavers and those who leave with their whole group would be even more dramatic if we had required the whole case to leave rather than the whole assistance group. Cash assistance cases in Ohio can have multiple assistance groups and it is common for one to leave and the other to remain on assistance.

Appendix Table B displays information on the children who were in the assistance groups headed by the adults who stopped receiving cash assistance in quarter 3, 1996. It can be seen that

several thousand of them remained on the rolls even though the adult female in their group left. Some of them did not meet the exit definition themselves because their exit was for only one of the two months. Others moved to new assistance groups or remained on as child only groups. They were not included in the main analysis of this report because they themselves were not welfare leavers, even though their lives may have been affected by their mother's exit from welfare.

These findings about the changing composition of assistance groups and the differences in individual eligibility within groups presents challenges for drawing comparable samples across states and time periods. Comparability probably can be improved by restricting samples to assistance groups in which all members exit simultaneously. That is what was done in the main body of this report. However, such restrictions may result in missing some of the effects of welfare reform. Welfare reform may result in more "partial exits" due to the new requirements. Eliminating these recipients from leaver samples will result in their outcomes remaining unknown. If their numbers grow, an important group will be omitted from the research.

A preferable approach may be to sample from the entire universe of adult and child leavers, using individual recipients as the sampling units. The status of the rest of the members of their assistance groups at the time of exit can be taken into account in sub-group analysis. Also, the outcomes for individuals who remain on the rolls when one or more members of their group leaves benefits can be tracked using this sampling strategy. In particular, children who stay on the rolls after their parents leave may be particularly vulnerable and should be included in research on the effects of welfare exits.

Appendix Table A

Q3 1996 Adult Exiters: Status of Children in Same Assistance Group in Month Prior to Exit

	Adult Exit Month								Adults Returning to Cash			
	Jul-96		Aug-96		Sep-96		Total		within 12 months		In 3rd month	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Total Number of Adult Exiters	836		1163		1533		3532		1272	36%	420	12%
Adults with NO children in AG prior to exit	32	4%	46	4%	50	3%	128	4%	36	28%	11	9%
Adults with one or more children in AG prior to exit	804	96%	1117	96%	1483	97%	3404	96%	1236	36%	409	12%
All children all exited with adult	680	85%	950	85%	1164	78%	2794	82%	985	35%	333	12%
Some children, not all, exited with adult	7	1%	8	1%	9	1%	24	1%	7	29%	2	8%
No Children exited with adult	117	15%	159	14%	310	21%	586	17%	244	42%	74	13%

Appendix Table B

Q3 1996 Adult Exiters: Status of Children in Same Assistance Group in Month Prior to Exit

	Adult Exit Month							
	Jul-96	%	Aug-96	%	Sep-96	%	Total	%
Children Exiting with Adult	1172	83%	1679	84%	2009	76%	4860	80%
Children "half-exiting" ¹								
ON in exit mo, OFF in second	20	1%	21	1%	47	2%	88	1%
OFF in exit mo., ON in second	36	3%	61	3%	97	4%	194	3%
Children Not Exiting with Adult								
Children changing AG	57	4%	64	3%	96	4%	217	4%
Children keeping AG	129	9%	170	9%	386	15%	685	11%
Total Number of Children	1414		1995		2635		6044	

* children NEVER exiting in 14 months (first month on with adult, next 14 months still on assistance even after adult has exited)

103	7%	123	6%	186	7%	412
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¹ "half exiting" means that one of the two "exit months" has no cash assistance but the other exit month does show cash assistance