

After Welfare:

A Study of Work and Benefit Use
After Case Closing In New York State

Revised Interim Report Submitted to the
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Acknowledgments

Although the Rockefeller Institute of Government is publishing this first study of families who left New York State public assistance rolls during the era of Welfare Reform, we have not been alone in the endeavor. This report represents a cooperative effort between the Rockefeller Institute, the New York State Office of Temporary and Disability Assistance, and the New York State Department of Labor.

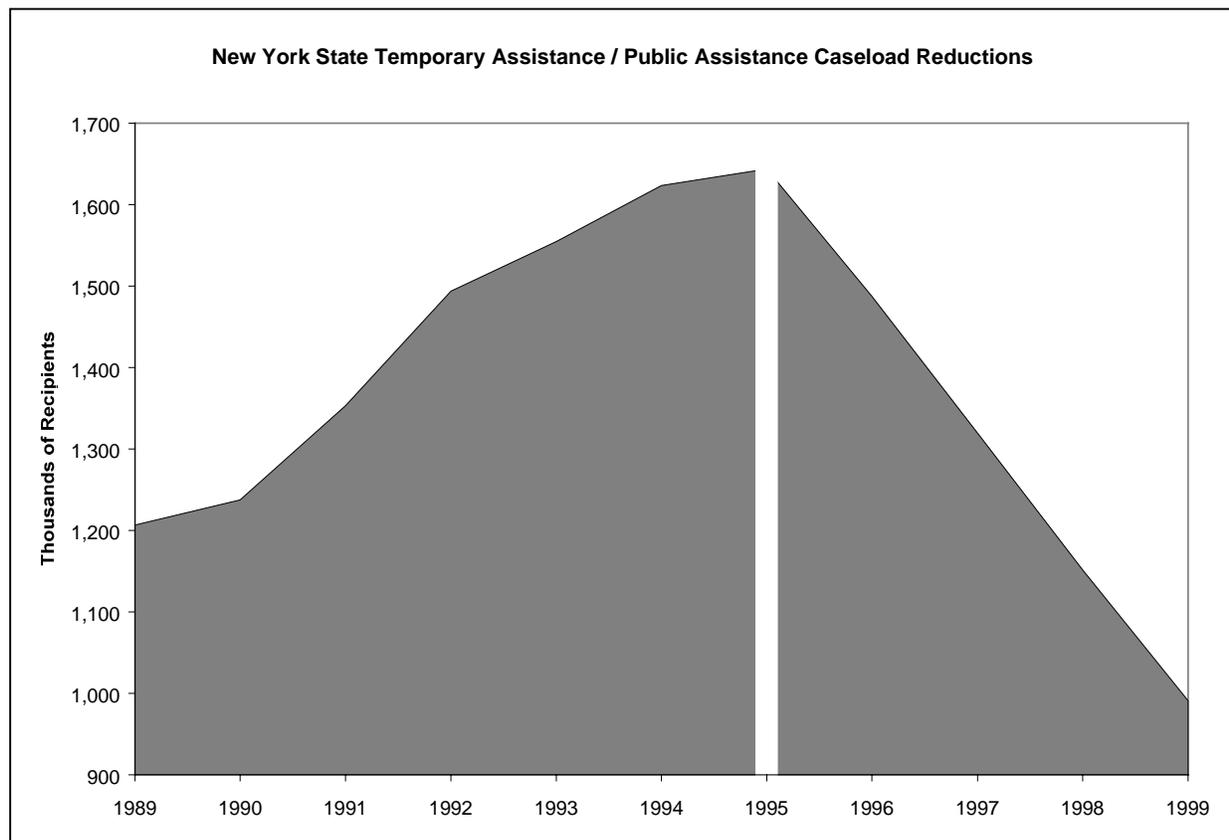
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We would also like to gratefully acknowledge the support of the United States Department of Health and Human Services (HHS), Office of the Assistant Secretary For Planning and Evaluation, which provided funding to support this effort and subsequent survey activities.

Executive Summary

For the last half-decade, New York State government's goal has been to ensure that the State's welfare system consistently encourages families to become self sufficient. The State has attempted to achieve this goal through policy revision, by restructuring government agencies and by modifying welfare program administration.

These changes, combined with a strengthened State economy, appear to have produced substantial reductions in Family Assistance (FA) caseload (formerly Aid to Families with



Dependent Children or AFDC). The Pataki administration reports that since the Governor took office in January 1995, 671,540 individuals have left the welfare rolls, and 65,070 public assistance cases have been closed due to increased child support payments.

Evaluation Activities in New York

To better understand the impact of welfare reform in New York State, we have initiated an extensive plan of evaluation. Our first efforts (which include this report) examine what happens to families who leave welfare, by extracting, linking and analyzing data from the information systems that are used to administer welfare and related programs. In later studies, phone and in-

home surveys of individuals whose welfare cases closed will be used to supplement and expand on the knowledge gained by analyzing administrative data.

This interim report was undertaken as part of a grant from the U.S. Health and Human Services Administration (HHS). Our study tracks a large sample of families after they left the State Family Assistance program and provides information on post-welfare employment and wages and on the extent of recidivism to the welfare caseload. In addition, we report preliminary data on the amount of other assistance (Food Stamps and Medicaid) used by families in our sample. The analysis is conducted using State administrative data derived from the Welfare Management System (WMS), WMS Quality Control (QC) extracts, Upstate Tracking Files (UTF) and Quarterly Wage Reporting data.

Individuals and Families Studied

The cohort of cases selected for study included family units who left Family Assistance during the 1st quarter of 1997. In total, the number of cases included in the study was 8,983, representing all available cases in New York State that met the following criteria:

- They left public assistance and did not return within two months after closing. All the states conducting studies under this HHS grant use this criterion.
- They included at least one adult and at least one child.
- Adults in the case all had identifiable Social Security numbers to allow for employment and wage tracking.
- The official reason for closing was not “moved to another state.” Given the type of automated files used, movement to another state would preclude accurate tracking of employment, wage and public assistance utilization.

Main Findings

The central finding of this study is that, for the cohort of cases studied, *New York’s reduction in welfare caseload has been accompanied by positive employment outcomes for the majority of former welfare recipients, without a substantial return to welfare.*

Eighty-three percent of families that left the welfare rolls in the 1st Quarter of 1997 were not on welfare one year after closing. We found evidence of employment for 71 to 75 percent of our sample during the study period.

Post TANF Employment

- Approximately 66 percent of the cases in the closing cohort contained an adult who was employed sometime during the one-year follow-up period -- based on New York State quarterly Wage Reporting System (WRS) data. After adjusting for types of employment not

captured by WRS data,¹ it is estimated that between 71 percent to 75 percent of the cases in the closing cohort had an adult employed sometime during the follow-up period. The adjustment is derived from research for New York State, and is intended to recognize employment excluded from WRS data and facilitate comparisons with employment outcomes reported by states using direct client surveys.

- Sixty percent of all the cases that contained an adult who was employed sometime during the four quarter follow-up period showed continuous employment in all four quarters.
- Approximately 53 percent of cases in the closing cohort had an adult employed in the 4th quarter of the one-year follow-up period. After adjusting for types of employment not captured by WRS data,² it is estimated that approximately 60 percent of the cases in the closing cohort had an employed adult in the 4th quarter of the follow-up period.
- Average 4th quarter earnings were found to be \$4,230 (based on State WRS data). This only includes the earnings of adult case members, and does not include the value of Food Stamps or Medicaid. After adjusting for employment not captured by WRS data,³ it is estimated that average 4th quarter earnings may be as high as \$5,034.

Return to Welfare (Recidivism)

- Analysis of the 57 districts outside New York City (Rest-of-State sample) showed that 79 percent of cases that left the welfare rolls in the 1st quarter of 1997 stayed off welfare during the one-year follow-up period. Our analysis of this sample shows that progressively fewer cases returned each month. Given current trends and conditions, few new cases would be expected to return during the subsequent year.

Use of Other Benefit Programs

- Twenty nine percent of cases that closed received Food Stamps in the 4th quarter after closing.
- Forty-eight percent of cases that closed contained an adult or child who was enrolled in the Medicaid program in the 4th quarter after closing.

¹ Use of WRS data to measure employment-related outcomes may understated the resultant outcomes because certain types of employment, particularly out-of-state employment and "off the books" employment, will not be captured in state WRS data. A discussion of WRS and adjustments to WRS data are presented in sections 2 and 3 of this report, respectively.

² Ibid.

³ Research indicates that earnings reported by individuals through direct survey instruments are generally higher than their earnings as reported on WRS data. This is attributable to these individuals supplementing their earnings with, for example, a second job that is "off the books." A discussion of WRS and WRS adjustments are presented in sections 2 and 3 of this report, respectively.

Single Parent Cases

Examination of only those cases that were single parent cases showed somewhat lower rates of employment in the follow-up period than the total closing sample. For example: 48% were working in the fourth quarter of follow-up according to the WRS, versus 53% of the total closing cohort; 62% worked at some time during the follow-up period according to WRS, compared to 66% of the total closing cohort.

After adjusting for employment excluded from WRS, we found that: 54% of single parent cases were working in the fourth quarter of follow-up versus 60% of the total closing cohort, and; 67% to 70% worked at some time during the follow-up period compared to 71% to 75% of the total closing cohort.

Although employment rates were somewhat lower, the percent of single parent cases on assistance a year after closing was the same as for the total closing cohort. Finally, use of food stamps and Medicaid by single parents was slightly lower than for the total cohort.

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Section 1-Introduction and Background

The rising concern within New York State and around the nation regarding dependency and its possible effects on families and children has resulted in a period of unprecedented change in welfare policies and programs. In August, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) became Federal law. This landmark legislation fundamentally changed the structure of welfare service provision in the United States by shifting the mission of welfare programs from establishing categorical eligibility, to encouraging participants to actively work toward gaining self-sufficiency through employment.

New York's program of welfare reform was well underway when the PRWORA was enacted. This reform was codified in August, 1997, when the New York State Legislature passed the Welfare Reform Act. Signed into law by Governor Pataki, this legislation extended the federal mandate to include requirements and management structures unique to New York.

The comprehensive changes embodied in state and federal legislation, combined with a strengthened State economy, have produced substantial reductions in Family Assistance (FA) caseload (formerly Aid to Families with Dependent Children or AFDC). State welfare officials report that since Governor Pataki took office, the welfare rolls have been reduced by 671,540 individuals and 65,070 public assistance cases have been closed due to increased child support payments. Several new policies and programs have contributed to these reductions in welfare caseload:

- A "work first" program philosophy, including the expectation that recipients would work towards self-sufficiency in a timely manner and welfare administration staff would encourage and support such efforts;
- Stricter enforcement of eligibility rules;
- The development of application diversion programs;
- Greater emphasis on work and job search activities; and
- Increased child support requirements and enforcement.

The Purpose of This Study

Given the change in system goals and caseloads, there are important issues that New York State policy-makers would like to investigate. In particular, there is a need to gain a better understanding of the factors that facilitate or impede self-sufficiency after case closing. This interim report was undertaken as part of a grant from the U.S. Health and Human Services Administration (HHS). The report uses automated data to track a group

of families who left the welfare caseload in the 1st quarter of 1997 and measures their progress toward self-sufficiency. In a second phase of our evaluation effort, we will examine cases that closed in early 1999. For this second phase, automated data will be augmented by phone and in-home surveys. These surveys will provide a richer descriptive picture of post-closing work and family well-being as well as a means to explore possible explanations for these outcomes. The data that we present on closed cases in this and subsequent reports are expected to improve management and policy development in the PRWORA environment and to help sustain and continue caseload reduction.

Note that this interim report is a revised version of the report produced in July 1999. This current version reflects comments on the original interim report made by the Office of the Assistant Secretary For Planning and Evaluation at HHS. The most important difference between this version and the original is that the examination of outcomes for the total closing cohort is supplemented by a separate examination of single parent cases.

Study Time Frame and Population

The individuals and cases included in this study are those that exited the AFDC rolls in New York State during the 1st quarter (January through March) of 1997. This time frame is consistent with other studies being carried out with funding from the U.S. Department of Health and Human Services (HHS). Certain individuals have been removed from the analysis. For purposes of cross-state comparability, they include cases:

1. **Where any adult returned to welfare within two months of case closing.** These cases were removed from all federally funded studies to adjust for situations where individuals or families may have gone off and back on welfare due to administrative reasons, such as failure to appear for re-certification appointments or failure to submit requested documents.
2. **Where the records for adults did not have Social Security numbers.** Since Social Security numbers were used to match wage and employment data, the absence of these identifiers would prohibit accurate cross system matches. About two percent of cases were missing social security numbers.⁴

⁴ Including cases with no social security number would be certain to bias work estimates downward. This is because social security number is the *only* means of matching WRS records. Therefore, all such cases without social security numbers would be found to be not working. On the other hand, not including such cases imparts an unknown bias, since it is not clear whether those without social security numbers would work more or less. Lower work rates might be predicted among the general population (particularly in the past), but because social security numbers are required for those participating in government benefit programs (and increasingly in non-governmental activities), we assumed that if they are missing, it is more a result of random bureaucratic errors, including data entry and processing errors, than a result of their previous work history. In any event, the low percent missing social security numbers means that even if we made the extreme assumption that all such cases were not working, then the fourth quarter

3. **Where the case closed because the recipient indicated they were moving to another state.** Since New York did not have access to welfare and employment information in other states, the movement of individuals to another state would preclude the tracking of employment, wage and social service receipt. About three percent of cases indicated that they were moving to another state.⁵
4. **Where no adults were included in the case.** We are most interested in determining the employment experience of typical Family Assistance cases. Accordingly, child-only cases were eliminated from the study.
5. **Where no children were included in the case.** In New York State, AFDC and TANF families traditionally include adults and children. Accordingly, our study focuses on this population, leaving out family units who would formerly be served under programs such as Home Relief (HR), and now the Safety Net Program (SNP).

estimate of work rate shown in section 3 below (53%) would change to only 52%.

⁵Like the decision to eliminate cases without social security numbers, the decision to eliminate out of state moves was made in the interest of generating accurate, unbiased (or least biased) estimates. Including cases that moved out of the state would introduce an almost certain (although not as certain as above), downward bias to work estimates since only those who returned to New York State could possibly be reported to WRS. For the same reason, it would also bias the public assistance recidivism rate downward, making it look like fewer returned to assistance after closing, since only those who returned to assistance in New York State would be identified as returning to assistance. On the other hand, we have no reason to believe such cases are any more or less likely to work or recidivate. Thus, if accurate estimation is the goal, the best choice seemed to be to take them out. Moreover, since only 3% were reported as moving out of state, this is unlikely to affect the results in any substantive way.

After excluding such cases, the total closing cohort included 8,983 family units (cases). These included families from all districts of New York State. The main analyses below include these cases and are referred to as the total closing cohort. However, for the purpose of comparison, and due to the structure of the administrative datasets used (see below), we report New York City cases (n = 4,855) and Rest-of-State cases (n = 4,128) separately.

In addition to the analysis of the total closing cohort, separate analyses are reported for single parent cases. Results of these analyses are described in the text. Related tables are included in the appendix.

Section 2--Description of Data Sources and Analysis Methods

This study uses a consolidated set of data that integrated, to the extent possible, four separate data sources. These sources were designed primarily for day-to-day operations of a variety of state programs, and consequently have some limitations when applied for research purposes. Following is a short description of the datasets used, and some discussion of the limitations that should be considered when analyzing the results reported in subsequent sections.

Description of Data

Welfare Management System (WMS) Extracts. The Welfare Management System is the primary system for maintaining information on public assistance eligibility in New York State. It consists of two primary databases, one for all social service districts outside of New York City, and one for New York City. From this system, month-end snapshots of client and case status are retained for New York City and the Rest of the State (ROS). This was the primary source for identifying the closing sample and for client and case demographics at the point of case closing.

Welfare Management Systems Quality Control Extract File (QC). This monthly file, historically used for social services quality control, includes information on current Public Assistance, Food Stamp, and Medicaid status for all individuals statewide. Extracts for the one year follow-up quarter (Jan.-March, 1998) were the primary source for data on PA, Food Stamp and Medicaid use during this period.

Wage Reporting System (WRS) Data The use of Wage Reporting System (WRS) data, also termed unemployment insurance quarterly wage data, is becoming widely recognized as a readily available source of administrative information to assess employment and earnings of individuals participating in publicly funded programs. Under the WRS, employers covered by the Federal Unemployment Tax Act (FUTA) are required to report aggregate quarterly earnings for each person employed by them during the quarter, including full-time, part-time, permanent or casual employees. Types of earnings that

must be reported by employers include: salaries, cash wages, tips, commissions, bonuses and the reasonable value of board, rent, housing, lodging or similar advantage. In New York State this data is collected and maintained by the New York State Department of Taxation and Finance (NYS DT&F).⁶

The New York State WRS contains an individual's quarterly earnings for all employers for the eight most recent quarters. Also contained are the individual's name and social security number (SSN). The SSN is the unique identifier for matching other administrative data with wage record data. Therefore, it is important to have accurate SSN information in order to conduct analyses.

In this study, employment outcomes are measured by evidence of earnings in a particular quarter (or quarters) as reported on WRS data. If wages are reported in a quarter (\$1 or more), then employment is indicated for the quarter. However, no wages in a particular quarter or the absence of an individual on WRS data is not a conclusive indicator of unemployment in the quarter. This is because certain types of employment are not captured on state WRS data. Most notably, persons who work in surrounding states (out-of-state employment) and/or those who work "off the books" will not appear in State WRS data. In addition, there are certain types of employment that are not covered under UI, including self-employed persons, some part-time employees in non-profit institutions, employees of religious orders, some students employed by their schools, and some types of agricultural workers. Therefore, use of WRS as the sole source of data for evaluating employment-related phenomena may tend to understate the resultant outcomes.

Upstate Tracking Files (UTF). These files, available for cases outside New York City, are six-month compendiums of WMS information developed specifically for longitudinal tracking and analysis purposes. The files track information on all open cases, including use of public assistance and Food Stamps. These files were used to determine whether cases outside of New York City remained off assistance for two months following closing (and thus were eligible for inclusion in the study) and to assess the dynamics of TANF receipt for non-New York City cases.

Description of New York City Sample. Since the UTF does not contain New York City case information, we had to rely on the WMS file extracts to determine if cases in New York City remained off TANF for two months. Time did not permit the development of WMS extracts beyond March of 1997. In the case of New York City, this meant that the two consecutive month closing criteria could only be applied to cases that closed in January. Even with this limitation, the size of the New York City sample exceeded that for the rest of New York State.

⁶ Form NYS-45, Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return

Analysis Methods

Statewide Estimation Procedure. Statewide measures contained in this report were calculated by taking a weighted average of the New York City (2.9709) and Rest-of-State (1.00) strata within the overall sample. This procedure accounts for the different number of months of data collection associated with the strata and for small inter-strata differences in the proportion of cases that lacked a Social Security number.

Note on Use of Month 12 and Quarterly Measures. Throughout this report, data are presented as quarterly statistics. This convention is consistent with the reporting standards developed by HHS and is also a necessity for WRS-derived data which are reported as quarterly figures by employers.

Some monthly data were available for Family Assistance, Food Stamp and Medicaid. We took advantage of this situation and added a month 12 measure to the sections that describe these programs. This addition allows for better comparison of data from the New York City and Rest-of-State samples. As we noted in Section 2, these samples differed with respect to their data collection periods. The New York City sample was selected in one month while the Rest-of-State sample included cases closing in three consecutive months. This means that data collection in the Rest-of-State districts extended for two months after the data collection in New York City had ended, a circumstance that reduces the reliability of inter-regional comparisons using quarterly data. The month 12 measures provide better inter-regional comparisons, because month 12 occurred at the same time in both the New York City and Rest-of-State samples.

Section 3-Work Outcomes

Table 1 presents employment-related outcomes for the closing cohort examined in this study. The results are presented at the case level for all adults in the case, and are presented for the State; New York City (NYC); and Rest-of-State (ROS).

The outcomes reported in Table 1 include:

1. Employment rates (percent of cases with earnings).
2. Mean quarterly earnings (summing across all employed adults in the case).
3. Median quarterly earnings (summing across all employed adults in the case).

In addition, each outcome is reported for:

1. Closing quarter (Jan-Mar 1997);
2. 1st quarter after closing (Apr-Jun 1997);
3. 2nd quarter after closing (Jul-Sep 1997);
4. 3rd quarter after closing (Oct-Dec 1997);

5. 4th quarter after closing (Jan-Mar 1998);
6. Adults employed at any time during the 1st through 4th quarters after closing; and
7. Adults continuously employed over all four post-closing quarters (1st through 4th).

Employment-related outcomes are measured by earnings in the quarter(s) of interest, as reported on New York State's WRS maintained by the NYSDT&F.

Table 1: Employment-Related Outcomes of the Case Closing Cohort
Derived from WRS Data (All Cases, Adults by Region)

	Statewide	NYC	ROS
Percent with Earnings			
Closing Qtr. (Jan-Mar 97)	55%	52%	64%
1 st Qtr. (Apr-Jun 97)	55%	53%	63%
2 nd Qtr (Jul-Sep 97)	55%	53%	62%
3 rd Qtr. (Oct-Dec 97)	53%	51%	59%
4 th Qtr. (Jan-Mar 98)	53%	52%	58%
Adults employed anytime in Qtrs. 1-4.	66%	63%	75%
Adults continuously employed in Qtrs. 1-4 as a % of adults employed anytime in Qtrs. 1-4.	60%	61%	56%
Mean Earnings			
Closing Qtr. (Jan-Mar 97)	\$3,561	\$3,945	\$2,523
1 st Qtr. (Apr-Jun 97)	\$3,868	\$4,240	\$2,877
2 nd Qtr (Jul-Sep 97)	\$3,962	\$4,329	\$2,988
3 rd Qtr. (Oct-Dec 97)	\$4,648	\$5,061	\$3,557
4 th Qtr. (Jan-Mar 98)	\$4,230	\$4,630	\$3,163
Adults employed anytime in Qtrs. 1-4.	\$13,687	\$15,038	\$10,068
Adults continuously employed in Qtrs. 1-4	\$18,884	\$20,561	\$14,447
Median Earnings			
Closing Qtr. (Jan-Mar 97)	NA	\$3,256	\$2,046
1 st Qtr. (Apr-Jun 97)	NA	\$3,563	\$2,468
2 nd Qtr (Jul-Sep 97)	NA	\$3,655	\$2,575
3 rd Qtr. (Oct-Dec 97)	NA	\$4,041	\$2,826
4 th Qtr. (Jan-Mar 98)	NA	\$3,863	\$2,675
Adults employed anytime in Qtrs. 1-4	NA	\$11,713	\$7,974
Adults continuously employed in Qtrs. 1-4	NA	\$17,431	\$12,611
SOURCE: WRS.			

Analysis Notes

The employment-related outcomes reported for NYC (in Table 1) are only for the January 1997 cohort of closed cases. Statewide results presented in Table 1 are obtained by weighting the NYC results for the January 1997 cohort and adding the ROS results. The weights used to obtain the statewide numbers are discussed in section 2 of this report (Analysis Methods, Statewide Estimation Procedure).

Findings

Statewide, approximately 66 percent of the cases in the closing cohort contained an adult who was employed sometime during the one-year follow-up period. In 63 percent of NYC's cases and 75 percent of the ROS cases an adult was employed sometime during the one-year follow-up period.

Statewide, approximately 60 percent of cases in the closing cohort that contained an adult who was employed sometime during the follow-up period showed continuous employment across all four quarters of the follow-up period. This is equivalent to approximately 40 percent of the entire closing cohort showing continuous employment across all four quarters of the follow-up period.

Statewide, approximately 53 percent of the cases in the closing cohort were employed in the 4th quarter after closing. In NYC, approximately 52 percent of the cases in closing cohort were employed in the 4th quarter after closing, while 58 percent of cases in the ROS were employed in the 4th quarter after closing.

Statewide, mean earnings for all employed adults in the case during the 4th quarter after closing were \$4,230.

Statewide, mean earnings over the entire four quarter follow-up period were \$13,687.

Statewide, cases with continuous employment over the follow-up period (i.e., the presence of reported wages during all four quarters) had mean earnings of \$18,884.

Median earnings are not available at the State level due to exclusion of the NYC closing cohort for February and March, 1997. In NYC, median earnings for the 4th quarter after closing (for all adults employed in the case) were \$3,863, and median earnings over the entire four quarters were \$11,713. In the ROS, median earnings for the 4th quarter after closing were \$2,675, and median earnings over the entire follow-up period were \$7,974.

For single parent cases only, work rates and earnings were somewhat lower (see Table A1 in the Appendix). For example, whereas 53% of the total closing sample were working in the fourth quarter, according to wage records, 48% of single parent cases were working. Mean earnings for those single parents working in the fourth quarter were \$3602 compared to \$4,230 for the total closing cohort. The reduction in work rates and earnings

for single parents was generally greater for New York City than the Rest-of-State.

Adjusting WRS Data to Estimate Total Employment

The state and national welfare evaluation community depends largely upon WRS data as the most readily available source of data to measure employment outcomes for closed cases. Accordingly, several research studies have examined the potential magnitude of employment excluded in WRS in order to estimate adjustments to employment outcomes obtained from WRS. Similarly, the United States Department of Labor (USDOL) is funding an analysis of a variety of studies of UI-based work performance indicators to develop national adjustment factors to employment outcomes obtained from WRS data. In this study, certain results obtained from WRS data are adjusted to recognize employment excluded from WRS data, and to facilitate comparison of the employment outcomes obtained from WRS data with those obtained from direct client surveys. Our adjustments are derived from independent research concerning proper methods for adjusting employment and earnings estimates derived from WRS data. Table 2 presents a summary of available studies. As this table shows, there is considerable variation in the magnitude of the adjustment across different regions of the nation. With respect to employment, the adjustment ranges from 1 percent (Kornfeld & Bloom) to 66 percent (California). With respect to earnings, the adjustment ranges from negative 4 percent (Wright & West) to 21 percent (Abt Assoc.).

In this section's narrative and in portions of the Executive Summary, we report unadjusted and adjusted versions of three measures obtained from WRS data:

1. Statewide work rate for the 4th quarter after closing;
2. Statewide work rate for adults employed at any time during the 1st through 4th quarters after closing;
3. Statewide average earnings in the 4th quarter after closing.

We have not adjusted any tabular data contained in the report.

Adjusting the Work Rate for the 4th Quarter after Closing. For purposes of adjusting the statewide work rate for the 4th quarter after closing, a 13 percent adjustment was adopted. The adjustment is derived from research on employment of welfare recipients conducted by Abt Associates for three counties in New York State, and is equal to the midpoint value (point-in-time) of the range of estimates found in their study (i.e., 5 percent to 21 percent).

Adjusting for types of employment not captured in WRS increases the statewide work rate for the 4th quarter after closing from 53 percent (Table 1) to approximately 60

percent.⁷ For single parent cases, the work rate increases from 48 percent to 54 percent.

Table 2: Wage Reporting Adjustment Summary

Study	Organization	Study Population	Ratio of Survey to UI Reported Employment For Same Individuals
New York State Waiver Experiment (CAP Program 1996)	Abt Associates	Phone and in-home surveys of 4,200 NYS public assistance beneficiaries in 3 counties five years after random assignment to study group. Most off assistance	Employment 1.05 to 1.21 depending on county. Earnings 1.16 to 1.21 depending on county
Measuring Program Impacts on Earnings and Employment (1997)	Kornfeld & Bloom	UI and survey data for 12,318 low-income adults and out-of-school youth in 12 US cities that were JTPA sites.	Employment 1.01 control group, 1.03 treatment group Earnings: 1.24 control group; 1.23 treatment group
Estimated Baseline Departure Points and Adjustment Models for Performance Standards Based on Wage Records (1998)	Wright & West, for Office of Policy and Research, Employment and Training Admin., USDOL	UI vs. survey comparison in first full quarter after termination for welfare recipients who terminated from JTPA, Title IIA programs after receipt of services beyond assessment.	Employment 1.24 Earnings 0.96
Merging JTPA Termination and Follow up Data with UI Wage Records	Northwestern University, Center for Labor Market Studies	Analysis of Massachusetts JTPA and UI databases for individuals under JTPA Title II-A programs.	Employment 1.22
Special South Carolina Analysis (1999)	Marilyn Edelho, South Carolina Department of Social Services.	Special tabulation of data provided by South Carolina Department of Social Services based on survey of post-TANF closers who did not return to assistance.	Employment: 1.22 ⁸
California Waiver Experiment (1999)	Henry Brady, UC Data, Survey Research Center, UC Berkeley	Special tabulation of survey and UI results of pre-TANF waiver experiment 1 to 3 years after random assignment. Data from LA., Oakland, San Yoachim and San Bernadino Counties.	Employment 1.66

⁷ Obtained by multiplying 53 percent by 1.13 (the 13 percent adjustment).

⁸ In a preliminary tabulation, Wisconsin found a similar increase in the percent working on their closed case survey compared to UI data. Wisconsin researchers have not yet analyzed or published the data so we did not include their results.

Adjusting Work Rate for Adults Employed at any Time During the 1st Through 4th Quarters after Closing. For purposes of adjusting the statewide work rate for adults employed at any time during the 1st through 4th quarters after closing, a range of 8 percent to 13 percent was adopted. This represents the range resulting from applying the 13 percent point-in-time adjustment (derived above) to the WRS work outcomes for each quarter. The lower bound recognizes that individuals with employment may be excluded in WRS data in one quarter (because of their type of employment), but may be observed in WRS data in another quarter (due to a change to employment covered by the WRS). The upper bound recognizes the theoretical limit for this adjustment.

The adjustment increases the work rate for an adult employed at any time during the follow-up period from 66 percent to between 71 percent to 75 percent.⁹ For single parent cases, the adjustment increases the work rate for an adult employed at any time during the follow-up period from 62 percent to between 67 percent to 70 percent

Adjusting Average Earnings in the 4th Quarter after Closing. The adjustment to average earnings in the 4th quarter after closing is also based on the CAP Study prepared by Abt Associates.¹⁰ The CAP Study found WRS data to understate quarterly earnings by 16 percent to 21 percent. For purposes of adjusting average earnings in the 4th quarter in this study, a 16 percent adjustment was adopted. This reflects individuals supplementing their earnings with, for example, a second job that is "off the books." Applying the adjustment for the total closing cohort increases the 4th quarter average earnings from \$4,230 to \$4,907.¹¹ For single parent cases, average earnings rise from \$3,602 to \$4,178.

Section 4-Use of Welfare in the Post Closing Period.

One key to maintaining reduced levels of assistance is the ability of families who leave assistance to remain off assistance. Under the old AFDC program, frequent returns to assistance had a large effect on the size of the caseload. Such returns also affected the total lifetime welfare use — perhaps the best measure of an individual's welfare dependency — and greatly increased the share of all welfare costs incurred by those who were long term, highly dependent users. A key question then for judging the performance of welfare reform in New York State is: "How frequently do closed cases return to Family Assistance (FA)?"

To answer this question, we examined Family Assistance use during the follow-up

⁹ Obtained by multiplying 66 percent by 1.08 (the 8 percent adjustment) and 1.13 (the 13 percent adjustment), respectively.

¹⁰ This research found that earnings reported by individuals through direct survey instruments are generally higher than their earnings as reported on WRS data.

¹¹ This is derived by multiplying \$4,230 by 1.16 (the 16 percent adjustment).

period. For this analysis, a closed case was counted as returning to assistance if any adult who was part of the FA case at the time it closed returned to FA.¹²

We also examined the proportion of adults and children in the closing sample that returned regardless of their FA case affiliation. This supplementary analysis is necessary because the individuals in cases that close may return as individuals or as part of other cases.¹³ In addition, outcomes for children, apart from the case in which they are a part, is of particular interest to New York State policy makers and the public.

Reported below for New York City, ROS, and for the State as a whole, is the rate of FA use at the end of the follow-up period, twelve months after close. Results for the 4th quarter are also presented. If a case or individual returned in any of the three months that comprise this quarter, then the case or individual is counted as returning, for the purpose of our analysis.

Family Assistance Use at the End of the Follow-up Period

As shown in Table 3, few closed cases in New York State returned to assistance. Eighty-three percent of all cases that closed in New York State were not on Family Assistance in the twelfth month after closing. Somewhat more cases in the Rest-of-State than in New York City were not receiving FA (88 percent versus 82 percent respectively).

Results in month 12 for single parent cases were the same as results for the total closing cohort (see Appendix Table A2).

Family Assistance Use in the 4th Quarter

When measured on a quarterly basis, a slightly lower percentage than in month 12 were off assistance. For example, 81 percent of cases were off assistance in the 4th quarter after close versus 83 percent measured in month twelve as shown in Table 3. This result is expected given the definitions used for *quarterly* (versus *monthly*) return to assistance. A return in any of the three months comprising the quarter is counted as a *quarterly* return.

¹² New York State also provides public assistance under the Safety Net program—sometimes called General Assistance in other states—for those not qualifying for Family Assistance. Such cases are not included in the present analysis. Addition of such cases would increase the percent of cases returning during the 4th quarter by one percentage point.

¹³ An example is a FA case that closes because the oldest child reaches age 18. The case could return to public assistance as one or more Safety Net cases. The number of cases would depend on whether the individuals in the closing case (now all adults) live in the same or different households.

Table 3: Family Assistance Use During Follow-up Period

	Month 12	4 th Quarter		
Region	Cases*	Cases*	Adults	Children
New York City				
On FA	18%	20%	16%	20%
Not on FA	82%	80%	84%	80%
Rest-of-State				
On FA	12%	15%	14%	17%
Not on FA	88%	85%	86%	83%
State Total				
On FA	17%	19%	16%	19%
Not on FA	83%	81%	84%	81%

* A case was considered to be back on Family Assistance if any adult in the closing case returned to FA in month 12 or the final quarter. SOURCE: QC,UTF

Table 4: Use of Family Assistance During the 4th Quarter of Follow-up Period by Case or Adult Characteristic

Case or Individual	Cases*	Adults	Children
Age of Youngest Child			
0-1	22%	18%	20%
2-5	20%	17%	19%
6-12	18%	14%	18%
13-17	16%	11%	18%
Number of Children in Case			
1	20%	16%	20%
2	18%	14%	17%
3	20%	16%	18%
4+	26%	19%	23%
Earnings Status at Time of Closing			
Had Earnings	17%	12%	16%
Did Not Have Earnings	24%	21%	22%
Age of Adult			
18-20	n/a	17%	n/a
21-34	n/a	16%	n/a
35-54	n/a	15%	n/a
55-59	n/a	11%	n/a
60+	n/a	5%	n/a

* A case was considered to be back on Family Assistance if any adult in the closing case returned to Family Assistance in month 12 or the final quarter. SOURCE: WMS,QC,UTF

We examined whether case characteristics at closing were related to the likelihood of returning to FA. As shown in Table 4 for the State as a whole, cases with fewer children, as well as those with older children, were more likely to be off assistance at the end of the follow-up period.

Results for single parent cases, measured on a quarterly basis, were virtually the same as results above for the total closing cohort -- 81 percent of cases were off assistance in the 4th quarter (see Appendix Table A2). However, whereas a somewhat larger percent of adults in the total closing cohort were off assistance in the 4th quarter, among single parent cases, the same percent of adults and children were off assistance. This result is expected when examining single parent cases.

The Dynamics of Family Assistance Use During the Follow-up Period

Although the above analysis shows few cases were on assistance at the end of the follow-up period, some cases could have returned to assistance and re-exited. Thus, the total number of cases that ever returned could be higher than the above presentation would suggest. For cases that closed in Local Social Service Districts outside of New York City, we were able to examine the questions of how many cases ever returned to family assistance and the timing of return.

Table 5 shows the percent of closed cases and individuals that were on assistance in each month after closing, while Table 6 shows the cumulative percent who returned over the follow-up period, including the percent of the sample who *ever* returned.¹⁴ These trends are displayed in Figures 1 and 2, respectively.

Key findings include the following:

- Only about one in five cases (21 percent) *ever* returned to Family Assistance. Stated another way, 79 percent of closed cases were free of such assistance for the entire year following the case closing.
- Rates of return in the early months are higher than in later months. This can be seen by the smaller differences between successive months in the percent that ever returned in Table 6.
- If the trends shown in Figures 1 and 2 persist, the percent on assistance at any time will not change appreciably. The total *ever* back on assistance will rise only slightly over time.

¹⁴ Month begins with the 3rd month after close, because as noted in Section 2, cases that returned within two months were, by agreement with HHS and other grant funded states, eliminated from all closing samples.

Applicability of Rest-of-State Data to the State as a Whole

The foregoing analysis of caseload dynamics is based on data for Rest-of-State. Despite this limitation, there are several factors that suggest the results can be generalized to New York City and thus the state as a whole. First, the vast majority of welfare recipients in Rest-of-State districts reside in major cities and urbanized metropolitan areas, not in rural areas. These areas include: the cities of Buffalo, Syracuse, Rochester; Binghamton and the Capital Region (Albany, Schenectady and Troy), and the major urbanized regions in the New York City metropolitan area, such as Long Island and Westchester Counties (including the cities of Yonkers, New Rochelle, and White Plains). Second, past studies of recidivism among welfare leavers, including those in New York City have consistently shown a similar pattern of relatively large early returns that decline gradually. Third, the total number of cases on assistance at the end of the period is not that much different for New York City than Rest-of-State. It is therefore likely that New York City (and thus the State as a whole) will be characterized by a similar recidivism dynamic as the one observed in the Rest-of-State sample.¹⁵

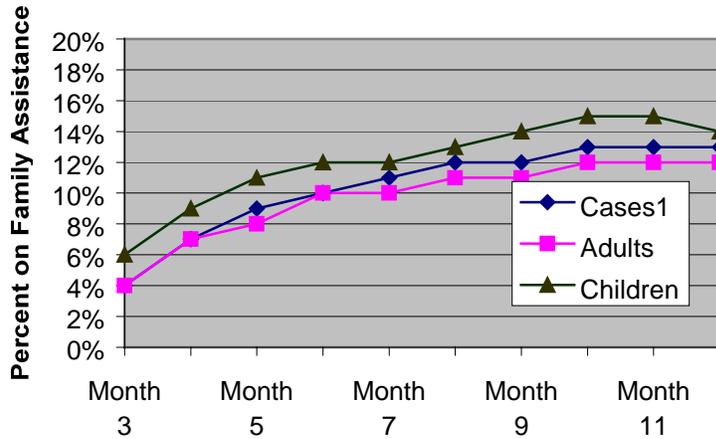
¹⁵ Although the basic trend is likely to be the same, the percent that ever returned, is likely to be somewhat higher for New York City (and as a result the State as a whole), since as shown in table 3, the percent of cases on assistance at the end of month 12 is somewhat higher for New York City than for the Rest-of-State.

Table 5: Percent on Family Assistance by Month of Follow-up Period (Rest-of-State Only)

Month After Close	% of Cases on FA	% Change from prev. month	% Adults on FA	% Children on FA
Month 3	4.1%	N/a	3.7%	6.1%
Month 4	7.4%	+3.3	6.7%	9.0%
Month 5	9.1%	+1.7	8.3%	10.6%
Month 6	10.4%	+1.3	9.5%	11.8%
Month 7	11.0%	+0.6	9.9%	12.4%
Month 8	11.7%	+0.7	10.6%	13.0%
Month 9	12.1%	+0.4	11.1%	13.5%
Month 10	13.0%	+0.9	11.9%	14.4%
Month 11	13.1%	+0.1	12.1%	14.5%
Month 12	13.1% ¹⁶	0	11.9%	14.3%

SOURCE: UTF

Figure 1: Percent on Family Assistance By Follow-up Month



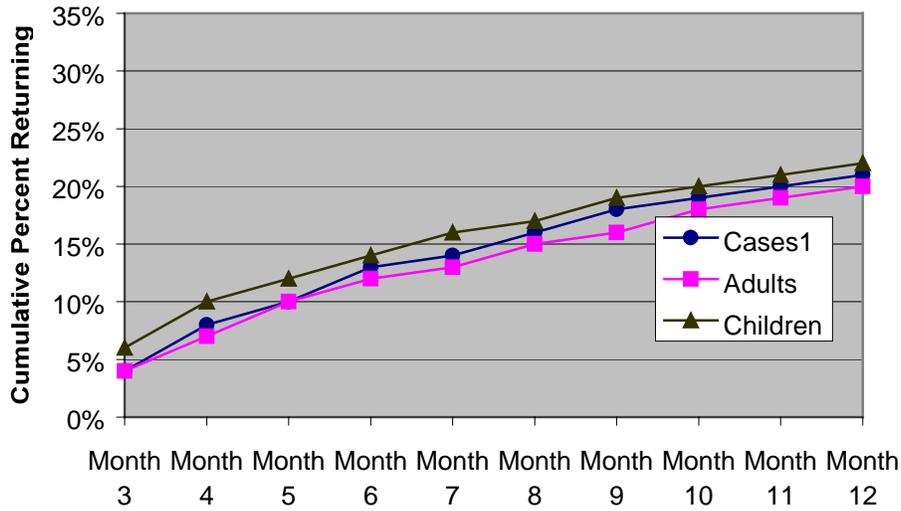
¹⁶ Because the source of data for this table is the Upstate Tracking File, percent on FA at the end of month 12 for ROS is slightly different (one percentage point) than shown in Table 3. See section 2 for a description of the data files and their uses in this report.

Table 6: Percent Who Ever Returned to Family Assistance by Month of Follow-up Period (Rest-of-State Only)

Month After Close	% Cases Ever Returned	% Change from Prev. Month	% Adults Ever Returned	% Childrn Ever Returned
Month 3	4.1%	N/A	3.7%	6.1%
Month 4	7.8%	+3.7	7.1%	9.5%
Month 5	10.4%	+2.6	9.5%	11.8%
Month 6	12.6%	+2.2	11.5%	13.9%
Month 7	14.4%	+1.8	13.1%	15.6%
Month 8	16.1%	+1.7	14.8%	17.3%
Month 9	17.5%	+1.4	16.1%	18.8%
Month 10	19.0%	+1.5	17.5%	20.2%
Month 11	20.2%	+1.2	18.7%	21.2%
Month 12	21.1%	+0.9	19.5%	22.2%

SOURCE: UTF

Figure 2: Percent Who Ever Returned To Assistance By Follow-up Month



Section 5: Food Stamp and Medicaid Use

At the present time, little is known about how families combine employment with non-cash programs like Medicaid and Food Stamps in a new, work-empowered program environment. Knowledge is also scarce about how changes in cash assistance programs have influenced the Medicaid and Food Stamps programs. Many changes could have occurred. For example, changes in cash assistance application procedures may have changed the way clients enter or leave medical and food assistance programs. Changes in program culture and in national norms may affect the recipient's thoughts about the appropriateness of accepting non-cash assistance while they are employed. Similarly, greater earnings may reduce the former recipient's actual or perceived need for medical or food assistance. These cross-program, normative and administrative impacts, will be addressed in the survey phase of New York's welfare evaluation project. The administrative data that follow are necessarily preliminary, but should help to inform the emerging national dialogue concerning non-cash benefits.

Analysis Notes

Our analysis of Food Stamps and Medicaid usage does not include data for the first three quarters after the Family Assistance case closing. We present only month 12 and 4th quarter data. This "blind spot" in the data is unfortunate because we have probably missed some amount of Food Stamp and Medicaid usage. Many families continue on Medicaid or Food Stamps for some time after they close their TANF case. As their economic circumstances improve, they may exceed applicable eligibility thresholds or find that they no longer require supplemental assistance. In either case, the recipient could leave the Food Stamps or Medicaid caseloads before our earliest follow-up observation in the 4th quarter after the TANF closing. They would therefore not be counted as a Food Stamp or Medicaid enrollee in our analysis.

Because we had no data on the first three quarters of the follow-up period, we were unable to include a cumulative usage measure like that presented above for public assistance in the districts outside New York City for all 12 months after case closing. Such a measure would show more usage than the month 12 and 4th quarter measures that we are able to present.

Food Stamps Use

Table 7 presents case and individual data for the total closing cohort during month 12 and the 4th quarter. As this table shows, 29 percent of cases, statewide were found to be receiving Food Stamps at some time during the 4th quarter after closing. If the analysis is

restricted to only one month in this quarter (month 12) the comparable figure is 23 percent.

Table 7: Food Stamp Use During Follow-up Period

	Month 12	4 th Quarter		
Region	Cases *	Cases *	Adults	Children
New York City				
On FS	22%	27%	22%	28%
Not on FS	78%	73%	78%	72%
Rest-of-State				
On FS	26%	34%	33%	34%
Not on FS	74%	66%	67%	66%
State Total				
On FS	23%	29%	24%	29%
Not on FS	77%	71%	76%	71%
A case was considered to be back on Food Stamps if any adult in the closing case returned to Food Stamps in month 12 or the final quarter.				
SOURCE: WMS, QC				

Small differences between New York City and Rest-of-State are evident in Table 7. Twenty-two percent of New York City Family Assistance closings were found to have used Food Stamps during month 12, a rate that was four percentage points lower than that observed in the rest of New York State.

Table 7 indicates that children and adults differ in their post-welfare use of Food Stamps. For the State as a whole, 29 percent of children and 24 percent of adults used Food Stamps during the follow-up quarter. However, this statewide effect is driven primarily by differences occurring in New York City, where 22 percent of adults and 28 percent of children used Food Stamps in the follow-up quarter. Outside of New York City this difference was only one percentage point (33 percent versus 34 percent).

A slightly lower percentage of single parent cases received food stamps compared to the total closing cohort (see Appendix Table A3). Statewide, 26 percent of cases received food stamps during the 4th quarter after closing. In month 12, 21 percent of single parent cases received food stamps. For single parent cases, differences between New York City and Rest-of-State in food stamp use were similar to the differences found for the total closing cohort.

Table 8 also reports Food Stamp outcomes in relation to case characteristics. This table reveals a striking relationship between the number of children and the likelihood that a family received Food Stamps. If only one child was present, 26 percent of closed TANF cases received Food Stamps during the follow-up quarter. This rate rose to 28 percent for families with two children, to 32 percent for families with three children and to 38 percent for families with four or more children.

Table 8: Statewide Use of Food Stamps During 4th Quarter of Follow-up Period by Case or Adult Characteristic

Characteristic	4 th Quarter		
	Cases *	Adults	Children
Age of Youngest Child			
0-1	31%	28%	31%
2-5	27%	25%	29%
6-12	28%	23%	28%
13-17	29%	20%	26%
Number of Children in Case			
1	26%	23%	26%
2	28%	23%	27%
3	32%	27%	32%
4+	38%	31%	34%
Earnings Status at Time of Closing			
Had Earnings	28%	23%	30%
Did Not Have Earnings	30%	26%	28%
Age of Adult			
18-20	n/a	25%	n/a
21-34	n/a	24%	n/a
35-54	n/a	25%	n/a
55-59	n/a	24%	n/a
60+	n/a	17%	n/a
* A case was considered to be back on Food Stamps if any adult in the closing case returned to Food Stamps in month 12 or the final quarter. SOURCES: QC AND WMS			

A potential reason for the observed relationships between the number of children and Food Stamps usage is that household size interacts with Food Stamps eligibility rules. The income thresholds for Food Stamp eligibility are higher for larger families, meaning that large households may stay eligible longer than small households. Further, large households are eligible for a greater dollar amount of Food Stamp coupons each month, other things held constant. These families may therefore have a greater propensity to apply and to maintain their eligibility.

Table 8 presents data on two additional case characteristics thought to influence Food Stamps usage, age of youngest child and the work status of adults at the point of closing. Surprisingly, neither variable had a demonstrable impact on 4th quarter Food Stamp utilization. Analysis of the impact of the age of adults which is also presented in the table, found no unexpected relation between this factor and Food Stamp receipt.

Medicaid Use

Table 9 presents Medicaid usage rates for New York State, New York City and Rest-of-State. In New York State as a whole, 48 percent of closed TANF cases were enrolled in Medicaid in the 4th quarter after case closing. Forty three percent of closed cases were enrolled in Medicaid in month 12. Among children, 35 percent were enrolled in Medicaid in the 4th quarter after closing. This does not include children who might be participating in the State’s CHIP program.

Table 9: Medical Assistance Use During Follow-up Period

	Month 12	4 th Quarter		
Region	Cases*	Cases*	Adults	Children
New York City				
On Medical Assist.	42%	47%	30%	33%
Not on Medical Assist.	48%	53%	73%	67%
Rest-of-State				
On Medical Assist.	43%	50%	37%	41%
Not on Medical Assist.	57%	50%	63%	59%
State Total				
On Medical Assist.	43%	48%	32%	35%
Not on Medical Assist.	57%	52%	68%	65%

* A case was considered to be back on Medical Assistance if any family member in the closing case returned to Medicaid in month 12 or the final quarter. SOURCE: UTF, QC

The data in Table 9 show less regional variation than was evident for Food Stamps usage. The month 12 rate for Medicaid usage for New York City (42 percent) is only one percentage point lower than the Rest-of-State rate.

A slightly lower percent of single parent cases received Medicaid at the end of the follow-up period. Forty-five percent of single parent cases were enrolled in Medicaid sometime in the 4th quarter after case closing, compared to 48 percent of the total closing cohort. During the last month of the fourth quarter (month 12), 40 percent of single parent cases were enrolled compared to 43 percent of the total closing cohort. As noted above, this does not include children who might be participating in the State’s CHIP program.

Table 10 presents Medicaid rates broken out by: (1) age of youngest child; (2) number of children in case; (3) earnings status at TANF case closing; and (4) the age of adults. Notably, the employment status of adults in the case had a small impact on subsequent Medicaid enrollment. Of those cases containing an adult who was employed at the time of TANF case closing, 46 percent were Medicaid-enrolled in the 4th quarter. Forty-nine percent were enrolled if no adult in the TANF case was working at the time of case closing.

Table 10: Use of Medical Assistance During 4th Quarter of Follow-up Period by Case or Adult Characteristic

Characteristic	4 th Quarter		
	Cases *	Adults	Children
Age of Youngest Child			
0-1	49%	35%	37%
2-5	47%	32%	34%
6-12	47%	30%	35%
13-17	52%	29%	35%
Number of Children in Case			
1	46%	33%	35%
2	46%	29%	33%
3	43%	31%	36%
4+	47%	34%	36%
Earnings Status at Time of Closing			
Had Earnings	46%	28%	35%
Did Not Have Earnings	49%	36%	34%
Age of Adult			
18-20	n/a	33%	n/a
21-34	n/a	31%	n/a
35-54	n/a	32%	n/a
55-59	n/a	40%	n/a
60+	n/a	30%	n/a
A case was considered to be back on Medical Assistance if any family member in the closing case returned to Medical Assistance in month 12 or the final quarter. SOURCE: WMS, QC			

Variables related to case composition (i.e., number of children or age of youngest child) or the age of the adult, have inconsistent effects on subsequent Medicaid enrollment. For example, the rate of enrollment decreases slightly (from 39 percent to 37 percent) when the age of the youngest child increases from 0-1 year old to 2-5 years old. Curiously, the enrollment rate increases when the age of youngest child increases from 6-12 years old to 13-17 years old.

Section 6-The Interaction Between Earnings and Public Assistance Programs

In this section we explore the interactions among earnings and the use of Family Assistance, Food Stamps and Medicaid. We present data on the level of earnings for people on and off Family Assistance in the year after their case closed. We also studied the relationship between the reason for case closing and mean earnings, as well as the interactions between use of public welfare programs and earnings.

Earnings and Family Assistance Use over Time

Table 11 shows the quarterly earnings progression over the 4-quarter follow-up period, for individuals in the closing cohort that were off FA in the 12th month after closing and for those that were on FA in the 12th month. The results indicate that, although the earnings of people on FA in the 12th month after closing are considerably lower than people off FA in the 12th month, there is steady earnings progression. More specifically,

Table 11: Family Assistance Status at Month 12, Adults

	Statewide		NYC		ROS	
	Off FA Mnth 12	On FA Mnth 12	Off FA Mnth 12	On FA Mnth 12	Off FA Mnth 12	On FA Mnth 12
Percent with Earnings						
Closing Qtr. (Jan-Mar 97)	56%	46%	54%	44%	65%	57%
1 st Qtr. (Apr-Jun 97)	57%	43%	56%	41%	64%	55%
2 nd Qtr. (Jul-Sep 97)	58%	39%	56%	38%	64%	48%
3 rd Qtr. (Oct-Dec 97)	56%	40%	54%	39%	61%	47%
4 th Qtr. (Jan-Mar 98)	56%	41%	54%	41%	61%	41%
Any Qtr 1-4	68%	57%	65%	54%	76%	70%
Mean Earnings						
Closing Qtr. (Jan-Mar 97)	\$3,723	\$2,207	\$4,135	\$2,399	\$2,605	\$1,701
1 st Qtr. (Apr-Jun 97)	\$4,049	\$2,155	\$4,445	\$2,332	\$2,991	\$1,692
2 nd Qtr. (Jul-Sep 97)	\$4,143	\$2,048	\$4,528	\$2,264	\$3,117	\$1,466
3 rd Qtr. (Oct-Dec 97)	\$4,874	\$2,315	\$5,296	\$2,657	\$3,762	\$1,366
4 th Qtr. (Jan-Mar 98)	\$4,404	\$2,436	\$4,820	\$2,771	\$3,295	\$1,510
Any Qtr 1-4	\$14,572	\$6,168	\$16,009	\$6,959	\$10,724	\$3,996
Median Earnings						
Closing Qtr. (Jan-Mar 97)	na	na	\$3,443	\$2,163	\$2,114	\$1,636
1 st Qtr. (Apr-Jun 97)	na	na	\$3,813	\$2,113	\$2,557	\$1,491
2 nd Qtr. (Jul-Sep 97)	na	na	\$3,880	\$1,896	\$2,693	\$1,148
3 rd Qtr. (Oct-Dec 97)	na	na	\$4,239	\$2,174	\$3,073	\$1,094
4 th Qtr. (Jan-Mar 98)	na	na	\$4,055	\$2,306	\$2,814	\$1,365
Any Qtr 1-4	na	na	\$12,989	\$5,011	\$8,720	\$2,992

SOURCES: WRS and QC

the quarterly earnings of people off FA in the 12th month increase through the 1st, 2nd and 3rd quarters and decrease in the 4th quarter, but remain higher than 1st quarter earnings. This trend may be attributable to seasonal variation due to the holiday season. Similarly, quarterly earnings of people on FA in the 12th month decrease in the 1st and 2nd quarters after closing, and then increase in the 3rd and 4th follow-up quarters, reaching the highest level of earnings in the 4th quarter.

Mean Earnings, Closing Reasons and Return to Family Assistance

Table 12 shows earnings and Family Assistance receipt at the end of the follow-up period by the administrative reason for closing. As shown, cases close for a variety of administrative reasons, including: 1) income, resources or needs may change making cases no longer eligible; 2) cases may fail to follow eligibility procedures or be found in violation of particular eligibility rules, or; 3) cases may voluntarily choose to close for a variety of underlying reasons and changes of circumstance.

Table 12: Mean Earnings & Family Assistance Use at End of Follow Up Period, by Closing Reason

	Number of Cases	Statewide Mean Earnings 4 Qtrs.	% Returned to FA in Month 12	% Returned to FA in 4 th Quarter
Reason For Closing Codes (in order of mean earnings)				
Failed to Access Issued FA Benefits	161	\$18,470	5%	6%
Receipt of Transfer Income Makes Case Ineligible (e.g., SSI, UI, Workman's Compensation)	115	\$17,045	27%	29%
No Longer Eligible Child/Other Person in Household	36	\$14,812	12%	18%
Client Request to Close Case	1,365	\$14,685	5%	7%
Earned Income of Parent/Caretaker	1,927	\$14,570	19%	21%
Failure to Report for Re-Certification	1,635	\$13,933	17%	19%
STATEWIDE		\$13,687	17%	19%
Failure to Comply with EVR, FEDS or Other Verification Procedure	522	\$12,578	24%	26%
Failure to Comply with Other Procedures	1,299	\$12,519	22%	25%
Other	360	\$12,388	19%	24%
Other Change in Income, Resources, or Need	728	\$10,863	13%	17%
Whereabouts Unknown/Not Living at Known Address	742	\$10,419	20%	23%
Moved Out of District	93	\$9,961	12%	13%

SOURCES: WRS, WMS, and QC

The cases with the lowest rates of return tended to be those that closed for purely voluntary reasons, such as those cases who requested closing (5 percent returned in month

12), or who failed to access benefits issued (5 percent returned). Somewhat higher rates are found for those whose earnings, resources and income changed rendering them ineligible. The highest rates of return to assistance were among those who took no positive steps towards self-sufficiency (e.g. those who closed because of violations of eligibility procedures or because they began receiving some other transfer income sufficient to meet the needs of the household according to public assistance eligibility rules.)

Mean Earnings, the Use of Family Assistance and the Number of Individuals on a Case

Table 13 shows 4th quarter earnings, use of Family Assistance, use of Food Stamps, and use of Medicaid among: 1) all cases; 2) cases where adults had wages reported; and 3) cases where there were no indications of adult earnings. The earnings in the table include wages for all case members (including children) and hence are slightly different than those in previous tables. The inclusion of child and adult income allows us to compare observed earnings with the Federal poverty guidelines (Fed. Reg. Vol. 64, No. 52, p. 13428).

Table 13: Mean Earnings In 4th Quarter, FA Return, Food Stamp Use, Medicaid Use, Poverty Rate by Number of Individuals on Case

	Number of Individuals in Case			
	2	3	4	5 or more
MEAN EARNINGS OF ALL CASE MEMBERS (4th QUARTER)				
All Cases	\$1,810	\$2,202	\$2,586	\$3,013
Cases With Earnings	\$3,616	\$4,238	\$4,591	\$5,349
Cases Without Earnings	\$0	\$0	\$0	\$0
FAMILY ASSISTANCE USE (4th QUARTER)				
All Cases	20%	17%	19%	23%
Cases With Earnings	14%	12%	15%	21%
Cases Without Earnings	26%	23%	24%	26%
MEDICAID USE (4th QUARTER)				
All Cases	44%	45%	51%	59%
Cases With Earnings	39%	41%	49%	59%
Cases Without Earnings	48%	49%	53%	59%
FOOD STAMP USE (4th QUARTER)				
All Cases	24%	27%	32%	38%
Cases With Earnings	19%	24%	31%	39%
Cases Without Earnings	30%	30%	32%	36%
FEDERAL POVERTY LEVEL (3/99)				
Quarterly Poverty Level	\$2,765	\$3,470	\$4,175	\$4,880
SOURCES: WRS, QC				

The table indicates that families with adults who had no income were, as expected, more likely to access all forms of benefits. Among non-working families, use of all types of

family assistance benefits stayed relatively stable, with a moderate increase in Medicaid and Food Stamp use occurring as family size reached five members or more members.

The most pronounced relationship is between the number of members in a household and use of public services available to working families. Where family size grew to four and above, mean earnings draw closer to the Federal poverty line, and the use of other forms of public assistance outside of Family Assistance increased substantially. More generally, as family size rose, the proportion receiving all forms of benefits increased, suggesting that use of public services may be a function of client decision making, program structure, and eligibility rules. This relationship needs to be further analyzed, and will be addressed in the survey phase of our evaluation.

Section 7-Summary and Conclusions

The preceding represents our first preliminary look at the impact of welfare reform in New York State. Its depth and breadth were constrained by the limitations of administrative data originally developed for non-evaluation purposes. Administrative systems do not contain data on hourly wage rates, total hours worked, other income sources, the monetary contributions of other household members, or the well-being of children and other members of the household. In coming months, phone and in-home surveys of closed cases will help fill this gap, along with additional administrative data from child support and child welfare programs.

Despite the inherent limitations in currently available data, several themes are evident.

First, the majority of New Yorkers who previously used Family Assistance and whose case closed in the beginning of 1997 were working one year later. An even larger majority had been employed at some point during the year.

Secondly, there were few returns to Family Assistance during the follow-up period and by the end of the one year follow-up period the proportion of closed cases and individuals on Family Assistance had stabilized. Enrollment in Food Stamps and Medicaid was dependent on family size, particularly among working families. This complex pattern of social service program use is appropriate for future study.

Lastly, interaction between case earnings, use of public programs, and case demographics can begin to be seen through the analysis of administrative data. As noted above, this observation may be explained during the next phase of our research.

APPENDIX: Outcomes For Single Parents

Table A1: Employment-Related Outcomes For Single Parent Cases
On Wage Reporting System

	Statewide	NYC	ROS
Percent with Earnings			
Closing Qtr. (Jan-Mar 97)	50%	47%	61%
1 st Qtr. (Apr-Jun 97)	50%	47%	59%
2 nd Qtr. (Jul-Sep 97)	49%	46%	59%
3 rd Qtr. (Oct-Dec 97)	48%	46%	56%
4 th Qtr. (Jan-Mar 98)	48%	46%	55%
Adults employed anytime in Qtrs. 1-4.	62%	58%	73%
Mean Earnings			
Closing Qtr. (Jan-Mar 97)	\$3,067	\$3,349	\$2,318
1 st Qtr. (Apr-Jun 97)	\$3,393	\$3,660	\$2,698
2 nd Qtr. (Jul-Sep 97)	\$3,402	\$3,661	\$2,731
3 rd Qtr. (Oct-Dec 97)	\$3,877	\$4,132	\$3,234
4 th Qtr. (Jan-Mar 98)	\$3,602	\$3,883	\$2,873
Adults employed anytime in Qtrs. 1-4.	\$11,384	\$12,278	\$9,055
Median Earnings			
Closing Qtr. (Jan-Mar 97)	NA	\$2,985	\$1,936
1 st Qtr. (Apr-Jun 97)	NA	\$3,263	\$2,386
2 nd Qtr. (Jul-Sep 97)	NA	\$3,231	\$2,420
3 rd Qtr. (Oct-Dec 97)	NA	\$3,602	\$2,626
4 th Qtr. (Jan-Mar 98)	NA	\$3,478	\$2,540
Adults employed anytime in Qtrs. 1-4	NA	\$10,534	\$7,310
SOURCE: WRS.			

Table A2: Family Assistance Use During Follow-up Period: Single Parent Cases Only

	Month 12	4 th Quarter		
Region	Cases *	Cases *	Adults	Children
New York City				
On FA	18%	20%	20%	20%
Not on FA	82%	80%	80%	80%
Rest-of-State				
On FA	12%	16%	16%	17%
Not on FA	88%	84%	84%	83%
State Total				
On FA	17%	19%	19%	19%
Not on FA	83%	81%	81%	81%
*A case was considered to be back on Family Assistance if any adult in the closing case returned to FA in month 12 or the final quarter. SOURCE: QC,UTF				

Table A3: Food Stamp Use During Follow-up Period: Single Parent Cases

	Month 12	4 th Quarter		
Region	Cases *	Cases *	Adults	Children
New York City				
On FS	20%	24%	24%	33%
Not on FS	80%	76%	76%	67%
Rest-of-State				
On FS	24%	32%	32%	27%
Not on FS	76%	68%	68%	73%
State Total				
On FS	21%	26%	26%	28%
Not on FS	79%	74%	74%	72%
A case was considered to be back on Food Stamps if any adult in the closing case returned to Food Stamps in month 12 or the final quarter. SOURCE: WMS,QC				

Table A4: Medical Assistance Use During Follow-up Period: Single Parent Cases

	Month 12	4 th Quarter		
Region	Cases *	Cases *	Adults	Children
New York City				
On Medical Assist.	40%	44%	33%	32%
Not on Medical Assist.	60%	56%	77%	68%
Rest-of-State				
On Medical Assist.	43%	49%	40%	41%
Not on Medical Assist.	57%	51%	60%	59%
State Total				
On Medical Assist.	40%	45%	35%	34%
Not on Medical Assist.	60%	55%	65%	66%
*A case was considered to be back on Medical Assistance if any family member in the closing case returned to Medicaid in month 12 or the final quarter. SOURCE: UTF, QC				