

**Texas Families in Transition/
Surviving without TANF:**

**A Preliminary Analysis of Families Diverted
From or Leaving TANF**

A joint project of

Deanna Schexnayder
Daniel Schroeder
**Ray Marshall Center
for the Study of Human Resources**
Lyndon B. Johnson School of Public Affairs
The University of Texas at Austin

Laura Lein
David Dominguez
Center for Social Work Research
School of Social Work
The University of Texas at Austin

Karen Douglas
Freddie Richards
**Center for Innovative Projects
for Economic Development**
Prairie View A&M University

March 2001

Final report expected in August 2001

This report was prepared with funds provided through Interagency Agreement UTA00-066 from the Texas Department of Human Services to the Ray Marshall Center for the Study of Human Resources at The University of Texas at Austin and Interagency Agreements UTA99-0242, OSP#199902725 and UTA99-0040 from the Texas Department of Human Services to the Center for Social Work Research at The University of Texas at Austin. The Center for Social Work Research subcontracted with the Center for Innovative Projects for Economic Development at Prairie View A&M University. The views expressed here are those of the authors and do not represent the positions of the funding agencies or of The University.

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Executive Summary

Background

Since welfare reform began, many states have been conducting studies to determine how these policy changes are affecting the families served by Temporary Assistance for Needy Families (TANF). In particular, states are interested in understanding whether former welfare recipients or those diverted from receiving TANF are employed or are receiving other types of economic supports. They also are interested in how many families are returning to welfare and the reasons for their return.

The U.S. Department of Health and Human Services has supported these research efforts through a series of competitive grants to states. Texas received federal funding to study outcomes for families diverted from TANF. In addition, the state of Texas has funded a study of outcomes for families redirected from or leaving TANF. This project, Texas Families in Transition: Surviving without TANF, combines the resources and research approaches of these studies to provide the most comprehensive look to date at these populations in Texas. While no one approach can fully assess the effects of welfare reform on poor families, the use of multiple approaches (and data from multiple projects) can provide a more complete picture of how low-income families in Texas are responding to changes enacted as a result of welfare reforms.

As a recipient of these funds, the Texas Department of Human Services (TDHS) has contracted with the Ray Marshall Center for the Study of Human Resources and the Center for Social Work Research at The University of Texas at Austin to conduct this combined research effort. The Center for Social Work Research is sub-contracted with the Center for Innovative Projects for Economic Development at Prairie View A&M University, another partner in this research.

Research Questions and Methods

The following research questions are being addressed:

- What are the characteristics of families who left or were diverted from TANF?
- To what extent are these families participating in other government programs, especially Medicaid and Food Stamps?
- To what extent are these families employed and/or receiving other economic supports, such as child support and child care?
- Over time, how do these families manage and what hardships do they face?
- How do potential applicants view the diversion/application process?
- Are there particular points after leaving TANF at which people are the most vulnerable to returning?
- Which factors are associated with leaving TANF, remaining off TANF, or returning to TANF?

These questions are answered for several types of diverted TANF applicants and TANF leavers. Three types of ‘diverted’ families are being studied: families redirected prior to TANF application, those denied TANF for non-financial reasons, and approved TANF applicants opting to receive a one-time payment in lieu of TANF benefits. Outcomes for diverted families are sometimes compared to those for approved TANF applicants to give the reader a frame of reference. Leavers include families whose TANF cash grant has ended and who do not return to TANF for at least two months. For the preliminary phase of this study, leavers were divided into three sub-groups: totally denied cases, cases denied TANF and transferring to a Medicaid program, and ‘child-only’ cases denied after the adult had reached a state time limit. These sub-groups are defined further in Table ES-1.

This preliminary report concentrates on answering the first three research questions. It summarizes results from initial analyses of administrative data files for families who were diverted from or left TANF from April 1998 through June 1999 and intensive interviews conducted between November 1998 and March 2000 with a sample of these families.

Administrative data analysis. Ray Marshall Center researchers analyzed individual-level administrative program data from TANF, Food Stamp, Medicaid, child support, and subsidized child care programs, as well as earnings from the Texas Unemployment Insurance quarterly wage database. The statewide administrative data

analysis provides demographic information about the diverted and leavers populations and monitors their program participation and employment for one year prior to and one year following TANF diversion or exit.

Table ES-1
Types of Families Diverted From or Leaving TANF
April 1998-June 1999

Population Type	Sub-Group Name	Definition
Divertees	Redirects	Potential applicants who were redirected (informally diverted) from TANF and did not apply for cash benefits.
	Non-financial Denials	Applicants who completed an application for TANF, but whose application was denied for a reason unrelated to earnings or assets.
	One-time Recipients*	TANF applicants who opted to receive a \$1,000 one-time payment in lieu of TANF for the following twelve months.
Leavers	Totally Denied	Cases composed of both caretakers and children that are denied both TANF and Medicaid. (Child may be eligible for a Medicaid program at a later time).
	Denied and Transferred to Medicaid	Cases composed of both caretakers and children that are denied TANF and transferred to a Medicaid program.
	Child Cases Denied†	Child-only cases in which caretakers reached TANF time limits and children were denied TANF at some later date.

* One-time recipients are less than two percent of diverttees.

† Child cases denied are less than two percent of leavers. Under the provisions of Texas' welfare reform waiver, children remain eligible for TANF after the caretaker leaves TANF because of reaching a time limit.

In-depth interviews. The Center for Social Work Research conducted in-person interviews with samples of TANF leavers, redirects, applicants denied for non-financial reasons, and recipients of one-time payments. In-depth interviews were conducted with 439 persons in eight different research sites at some point during the fifteen months following their diversion or TANF exit.¹ Partial information was collected for an

¹ Research sites included Bexar County (San Antonio), Harris County (Houston), McLennan County (Waco), Jasper County (Jasper), Hale County (Plainview), Hidalgo and Cameron Counties, and single offices in Austin and El Paso. These sites were selected to provide variation in urbanization, racial and ethnic demographics, and labor markets.

additional 192 persons for whom interviews could not be completed. This component provides detailed life circumstances, experience with TANF services, employment experience, and income information from respondents to a series of open-ended questions.

Due to its preliminary nature, this report discusses separately the current findings from the administrative data analysis and the intensive interviews. Differences in findings between the two study components may be due to: the longitudinal nature of the administrative data analysis compared to the snapshot (one point in time) approach of the initial analysis from the interviews with families; the statewide analysis of administrative data versus the sub-state nature of interview samples; and differing definitions of some research measures used by the two components of the study. Any differences will be analyzed and integrated into one set of findings in the final report in August, 2001.

Summary of Preliminary Findings from Administrative Data

Nearly two-thirds of the families diverted from TANF completed a TANF application but were denied for non-financial reasons while another third were redirected prior to TANF application. Less than two percent of diverted families used the one-time payment. Whether families were diverted or left TANF, average levels of Medicaid enrollment a year after that event were 20 -30 percent. Similarly, rates of Food Stamp participation fell within the year to about 30 percent. Although only a small share of adults who left TANF returned to welfare in the year after exit, most persons who returned did so within the first six months.

While wages of those employed increased for all sub-groups in the year after leaving or being diverted from TANF, average wages remained below the poverty level for a family of three one year later. Only a small minority of divertees or leavers received either child support payments or subsidized child care assistance.

More detailed responses to the specific research questions are discussed below:

Demographic characteristics of families. Average ages of caretakers in all families diverted from or leaving TANF ages were 30-32 years old. While family sizes varied, most sub-groups averaged two children per family.

Among diverted sub-groups, limited demographic information for redirected applicants and those denied for non-financial reasons prevented further analysis of their demographic characteristics. Over half of families receiving one-time payments were two-parent families. Hispanic families were most likely to choose this option, and Black families were least likely to use this option.²

Among TANF leavers, Hispanics were more likely to remain on Medicaid after leaving TANF while Whites were more likely to leave both TANF and Medicaid. Blacks made up the largest share of child-only cases leaving TANF after the caretaker reached the time limit.

Participation in government programs. All populations diverted from TANF had used TANF less frequently in the year prior to application than families whose TANF applications were approved. For redirected clients and applicants denied for non-financial reasons, rates of TANF usage quickly returned to pre-diversion levels. Among TANF leavers, 15 percent had returned to the TANF rolls one year following exit.

Medicaid enrollment rates varied considerably among the sub-groups of diverted caretakers and showed different patterns over time. At the point of application, only 10-12 percent of all diverted adults were receiving Medicaid.³ While rates rose substantially for several months for those families receiving one-time payments, rates of Medicaid receipt for all types of diverted adults had fallen to less than 15 percent one year following application.

The patterns of Medicaid enrollment for TANF leavers varied by sub-group. Among TANF caretakers who left Medicaid and TANF simultaneously, one fourth had enrolled in Medicaid again by the third month after exit. Medicaid usage for other leavers fell steadily over time. One year following TANF exit, one-fourth of all adult

² This option was first introduced in Hidalgo and Cameron Counties in the Rio Grande Valley, which may have influenced these demographics.

³ All Medicaid results from the administrative data analysis refer to Medicaid receipt by the caretaker only. The final report will include an analysis of children's Medicaid receipt.

TANF leavers were enrolled in Medicaid. Possible reasons for these trends will be explored more fully in the final report.

All families diverted from TANF increased their use of Food Stamps in the period immediately following diversion. Several months later, rates of Food Stamp participation declined for all diverted sub-groups. Enrollment in Food Stamps dropped substantially for TANF leavers when they stopped receiving cash benefits. Approximately 70 percent of leavers received Food Stamps while on TANF, a figure that dropped to 30 percent one year after TANF exit.

Employment and other economic supports. Among diverted families, redirects had the highest rates of employment and earnings throughout the period of observation. In the quarter of application, persons denied for non-financial reasons and those accepting one-time payments were less likely to be employed than persons entering TANF but had comparable earnings to TANF recipients. Earnings for all groups dipped prior to TANF application and rebounded in the year following application.

Rates of employment and earnings increased for TANF leavers prior to exit and continued to increase in the year following exit. Caretakers who continued to receive Medicaid had the highest employment rates of all sub-groups. Although earnings increased steadily following TANF exit, average earnings for all TANF leavers remained below the poverty level for a family of three one year after TANF exit.

Few of the families in this study received formal child support. However, a greater share of TANF leavers received child support at exit than diverted families did upon application or diversion. Although rates of child support receipt increased steadily over time for all groups, fewer than 10 percent of all diverted applicants and 12 percent of TANF leavers were receiving child support at the end of the study period. For caretakers who did receive child support, the amounts of child support received generally increased over time for all groups. By the end of the study period, diverted families receiving child support averaged \$210-\$320 per month while average payments to TANF leavers ranged from \$217-\$239 per month.

A very small share (less than five percent) of diverted families received subsidized child care. Once families entered TANF, rates of child care subsidy increased. Child care subsidy usage varied among TANF leavers but was generally highest (up to 20 percent for some sub-groups) before these families left TANF. After leaving TANF, subsidized child care receipt dropped for most families.

Points at which TANF leavers are most vulnerable to returning to TANF.

Most caretakers returning to TANF did so within the first six months after exit. These caretakers were less likely to be employed and earned less than other leavers around the time of exit. Unlike other leavers, their overall employment rates dropped in the first few months after leaving TANF. Results from additional research to identify the factors contributing to these trends will be included in the final report.

Summary of Preliminary Findings from Intensive Interviews

The results of intensive interviews with respondents (both welfare leavers and diverted sub-groups) generally support and elaborate some of the findings described above. At the point when the respondent was interviewed — sometime during the fifteen-month period after having left or been diverted from TANF — about half were employed. However, most were employed in low-wage jobs with little, if any, access to employer-assisted benefits. Few households used subsidized child care, and only a minority received child support payments. While families faced substantial barriers to work — including health, transportation, and child care problems — over a third of the respondents had no Medicaid coverage for any household member. Respondents also reported difficulties in finding stable jobs with benefits.

More specific answers to this project’s research questions are summarized below:

Characteristics of families who left or were diverted from TANF. Results from the intensive interviews indicate that individuals who were re-directed from TANF, and those who received the one-time payment option, were more likely to be male and to be married. Leavers were more likely to be on TANF at the time of the interview and to be living in subsidized housing.

Overall, just over half of the interview respondents were employed. The majority of respondents were employed in jobs without benefits and at wages below \$8.50/hour.⁴ Respondents were eager to present themselves as employed, even in situations where they had earned no recent income. For instance, respondents who had recently been laid off and hoped to be recalled sometimes described themselves as employed. Respondents with more secure, higher-wage jobs typically had higher levels of education and training.

Participation in government programs. While over half of the respondents had at least one child on Medicaid, a large minority of respondents reported no family members on Medicaid. Health problems were the most frequent reason given for lack of employment. Respondents reported problems both in gaining medical coverage and in accessing health care. Problems with health care access were particularly pronounced in rural areas.

Over half of the respondents in all groups were using Food Stamps, although use was particularly high among recipients of the one-time payment. Respondents also reported frequent use of food pantries. Their accounts, which will be subject to more detailed analysis for the final report, indicate that some families face ongoing concerns about their ability to feed their children. Future analysis will explore the usefulness of Food Stamps in preventing food shortages among respondents.

Employment and other economic supports. Although half of the respondents are employed, short-term, low-wage employment without employer-provided benefits predominates. Higher-level employment tends to result from access to training and education. Only a minority of families use formal child care arrangements. Almost a third of respondents report receiving some child support, although some of the payments they described were neither collected nor delivered through the state child support system.

Management over time and hardships encountered. Family coping strategies are multi-faceted and complex and will be subject to continuing analysis for the final report. The initial work reported here indicates that families are often struggling with

⁴ For a full-time worker, this hourly wage would produce poverty-level income for a four-person family.

barriers to work that include health problems, lack of child care, difficulties with transportation, and difficulties, particularly in rural areas, in locating employment. Many families are facing multiple problems. The large majority of families depend on themselves or on informal social supports for their child care. A minority of families depend on social supports for their transportation. The final report will examine the importance of informal supports, particularly in situations where families face multiple problems.

Potential applicants' views of the diversion/application process. Initial analysis indicates that families find the services of TANF, Food Stamps, and Medicaid extremely valuable. They often do not understand everything that is necessary to maintain eligibility — the schedule of appointments or the documentation required — or the eligibility criteria. Particularly in rural areas, respondents report difficulties in meeting the demands for continued eligibility for services. As in other studies, there appears to be a sizeable amount of low-income families not on TANF, in low-income, low-benefit jobs without Food Stamps and/or Medicaid. Respondents also report that adults in households are likely to go without medical insurance from any source, even when children are covered by Medicaid.

Points at which TANF leavers are most vulnerable to returning to TANF. The qualitative interviews — conducted sometime in the fifteen months after a respondent left or was diverted from TANF — show relatively few returning to TANF, although they continue to face barriers to employment. The longer time period provided by the administrative database can better establish periods of vulnerability.

Factors associated with leaving and returning to TANF. The detailed interviews revealed that factors preventing employment appear to cluster in the following four areas: health problems, problems with child care, problems with transportation, and difficulties in locating employment. More analysis will be done in this area for the final report.

Next Steps

The preliminary results included in this report are a part of an unfinished story. In the remaining five months of this project, further analysis will be conducted for both the diverted and leavers populations from the existing administrative data and interviews. This work will explore relationships between the trends discovered in the administrative database and the more detailed portrait of what is happening in households. Additional administrative data on children's Medicaid, Choices participation, foster care and child abuse and neglect will be incorporated. Results from a combined mail/telephone survey to a statewide sample of TANF leavers and an in-depth econometric analysis of this population will be used to identify factors associated with leaving or returning to TANF. This will be informed by further intensive interviews with leavers and one-time recipients to provide further longitudinal perspectives.

All research questions will be explored more fully in the final report and findings from all facets of the study will be integrated to develop final conclusions. The final report should be available by the end of August 2001.

A Preliminary Analysis of Families Diverted From or Leaving TANF

I. Background

Beginning in the early 1990s, many states began to experiment with various types of welfare reform. In 1995, the Texas legislature passed major welfare reform legislation, HB1863, which established time limits, modified eligibility requirements, and enacted a personal responsibility agreement for recipients of Aid to Families with Dependent Children (AFDC). The bill also authorized the receipt of a one-time lump sum payment in lieu of receiving a welfare cash grant. As required by federal law at that time, Texas applied for and received a waiver from existing federal regulations in order to implement HB 1863. This waiver, known as Achieving Change for Texans (ACT), remains in effect through March 2002.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed by Congress in 1996, replaced the AFDC program with a new cash assistance program for needy families, Temporary Assistance for Needy Families (TANF). The federal legislation includes mandates regarding the TANF program, including a lifetime limit of 60 months on TANF. States also are required to meet higher work participation rates than were previously required, and fewer exemptions may be granted. Because Texas already had federal approval to implement ACT before PRWORA went in effect, some federal welfare provisions will not apply to Texas until the state's waiver expires in March 2002.

In contrast with federal time limits policy, the Texas ACT waiver time limits policy states that TANF adults who reach state time limits can receive TANF again after a five year 'freeze-out' period. During this period, the dependent children of adults who have reached their time limits may continue to receive cash benefits as long as there is still time left on the federal clock, and the case otherwise meets eligibility requirements.

Since the implementation of PRWORA, welfare reform in Texas has continued to evolve. The following key initiatives enacted either by the legislature or agency policy are relevant to this research:

- On November 1, 1997, the Texas Department of Human Services (TDHS) implemented Texas Works. This welfare reform initiative communicates to individuals as early as possible that employment is both the goal and the expectation for families receiving TANF. Texas Works helps individuals who contact TDHS for TANF assistance identify obstacles to employment and locate resources in their communities that can help them get jobs. Informal diversion (redirection) is a component of Texas Works.
- The Texas Workforce Commission (TWC) and TDHS implemented the Work First program on December 1, 1997. The message of Work First is that welfare recipients should access the benefits and opportunities derived from employment. The Work First model includes both job readiness activities and immediate directed job search, including job referrals and job development services. Work First includes a workforce orientation session that TANF applicants must attend as a condition of TANF eligibility prior to approval of their TANF application (unless they qualify for an exception).

II. Research Context

Since welfare reform began, many states have begun conducting studies to determine how the new policies affect the families they serve. In particular, states need to understand how many former welfare recipients are employed or receiving other types of economic supports, and how many have returned to welfare. The U.S. Department of Health and Human Services (HHS) has supported these efforts through the use of competitive grants to states to conduct studies on TANF leavers. A recent synthesis of the findings from the first round of leavers grants (Acs and Loprest, 2001) found that:

- Three out of five families leaving welfare are employed at any given point after exiting welfare. While three-quarters of leavers have worked within a year of leaving welfare, their incomes cluster around the poverty level.
- A significant minority of TANF leavers return to welfare.
- Over one-third of leavers receive Food Stamps, and approximately 40 percent have Medicaid coverage in the fourth quarter following exit.
- Child care findings are rather inconclusive, with little data available on this topic.

- Leavers still experience hardship, such as not having enough food, but do not experience these events any more frequently than when they were receiving TANF benefits.

In FFY1999, HHS awarded additional grants to encourage states to study outcomes for applicants who apply for cash assistance but never enrolled because of non-financial eligibility requirements and diversion programs. Seven states and counties (including Texas) received these competitive grants.

As a recipient of one of these grants, the Texas Department of Human Services (TDHS) has combined research on four populations into one coordinated effort that uses a variety of approaches to explore outcomes for these groups. While no one approach can fully assess the effects of welfare reform on poor families, the use of multiple approaches can provide a more complete picture of how low-income families in Texas are responding to changes enacted as a result of welfare reforms.

TDHS has contracted with the Ray Marshall Center for the Study of Human Resources and the Center for Social Work Research at The University of Texas at Austin to conduct this combined research effort. The Center for Social Work Research is sub-contracted with the Center for Innovative Projects for Economic Development at Prairie View A&M University, another partner in this research.

Over the past several years, the Texas Department of Human Services (TDHS) has sponsored research to determine the status of families who have been diverted from or left TANF after the implementation of welfare reform. This research has been combined into one project that takes advantage of a variety of research approaches while minimizing the limitations of any one technique. TDHS has contracted with the Ray Marshall Center for the Study of Human Resources and the Center for Social Work Research at The University of Texas at Austin to conduct this research.⁵ This project is supported both through grant funds from the U.S. Department of Health and Human Services and state-appropriated revenue.

⁵ The Center for Social Work Research sub-contracted with the Center for Innovative Projects for Economic Development at Prairie View A&M University, another partner in this project.

III. Research Questions

The research addresses the following research questions:

- What are the characteristics of families who left or were diverted from TANF?
- To what extent are these families participating in other government programs, especially Medicaid and Food Stamps?
- To what extent are these families employed and/or receiving other economic supports, such as child support and child care?
- Over time, how do these families manage and what hardships do they face?
- How do potential applicants view the diversion/application process?
- Are there particular points after leaving TANF at which people are the most vulnerable to returning?
- Which factors are associated with leaving TANF, remaining off TANF, or returning to TANF?

The preliminary report concentrates on answering the first three research questions for families who were diverted from or left TANF from April 1998 through June 1999. While topics relevant to the other research questions may be discussed in this report, those questions will be answered more completely in the final report that will be completed in August 2001.

IV. Research Methods

Researchers throughout the U.S. have been studying many welfare reform initiatives to determine the effectiveness of these policy changes and the experiences of poor families to whom these policies apply. Types of studies currently underway include:

- *formal program evaluations*, which measure the net impact of a policy change through the use of randomized experiments or quasi-experimental statistical techniques, and generally include a process evaluation to document the implementation of these policy changes. The ACT evaluation is an example of this type of study;
- *monitoring or descriptive studies*, which follow sub-groups of persons affected by these policy changes over time, but do not measure the impact of particular policy provisions. The administrative data analysis included in this report is an example.

- *econometric studies*, which incorporate caseload, demographic, and economic variables into statistical models, then determine factors associated with various behaviors, such as exit from welfare or entry into employment; and
- *qualitative studies*, which provide in-depth information about families affected by policy changes, often through the use of detailed structured interviews. The intensive interview studies reported here are examples of this type of study.

This research project includes monitoring, qualitative, and econometric components. While none of these approaches alone can fully assess effects of welfare reform on poor Texas families, the use of a combination of these approaches can provide a more complete picture of how low-income families are responding to the changes enacted as a result of these reforms. The varied approaches also provide a richer context from which to determine how the well-being of affected families in Texas may have changed over time and to identify sub-groups of families with differing needs.

Populations Being Studied

Three types of ‘diverted’ families are being studied: families redirected prior to TANF application, those denied TANF for non-financial reasons, and approved TANF applicants opting to receive a one-time payment in lieu of TANF benefits. Outcomes for diverted families are sometimes compared to those for approved TANF applicants to give the reader a frame of reference. Leavers include families whose TANF cash grant has ended and who do not return to TANF for at least two months. For the preliminary phase of this study, leavers were divided into three sub-groups: totally denied cases, cases denied TANF and transferring to a Medicaid program, and ‘child-only’ cases denied after the adult had reached a state time limit. These sub-groups are defined further in Table 1.⁶

Table 1
Populations Included in the Analysis

Population Type	Sub-Group Name	Share of Total	Definition
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⁶ Some families who left TANF during the study period and attempted to re-apply for benefits may be counted as both leavers and divertees.

Divertees n=131,126	Redirects	33.2%	Potential applicants who were redirected (informally diverted) from TANF and did not apply for cash benefits.
	Non-financial denials	65.5%	Applicants who completed an application for TANF, but whose application was denied for a reason unrelated to earnings or assets such as for failure to attend appointments.
	One-time recipients	1.4%	TANF applicants who opted to receive a \$1,000 one-time payment in lieu of TANF for the following twelve months.
Leavers n=165,681	Totally denied	77.5%	Cases composed of both caretakers and children that are denied both TANF and Medicaid (Child may be eligible for a Medicaid program at a later time).
	Denied and transferred to Medicaid	21.0%	Cases composed of both caretakers and children that are denied TANF and transferred to a Medicaid program.
	Child cases denied	1.5%	Child-only cases denied TANF for reasons such as increased family income.*

* Child only cases in this study include only those cases in which caretakers have left TANF due to having reached state time limits, but children remain eligible for TANF after the caretaker leaves TANF.

Contents and Time Period of Preliminary Report

The preliminary report summarizes administrative data outcomes for families who were diverted from or left TANF from April 1998 through June 1999, and results from detailed interviews conducted between November 1998 and March 2000. The administrative data analysis monitored program participation and outcomes for two years prior to and one year following TANF diversion or exit to determine key changes that occurred over that time period.⁷ In contrast to the longitudinal approach summarized in the administrative data analysis, interviews may be viewed as a snapshot of families' circumstances at some point in time in the year following diversion or exit. Appendix A describes the time periods for each facet of this study in more detail and discusses the additional time periods to be included in the final report.

⁷ The main report only displays results for one year prior to diversion or exit through one year following these events because almost all key changes occurred during that time span.

Methods Used for Analysis of Administrative Data

This report includes a longitudinal analysis of individual-level administrative data from a number of programs that serve Texas low-income families. Data files were linked to determine the demographic characteristics of families within each population being studied and to follow their program participation and economic well-being over time. These data also were used to determine the degree to which the characteristics of the families interviewed mirrored those of families from the local areas from which they were drawn and from the entire state.

Of the 131,126 families diverted from TANF from April 1998 through June 1999, 33 percent were redirected from TANF prior to filing an application and 65 percent filed a TANF application but were later denied for non-financial reasons.⁸ A very small share of these families, 1.4 percent of the total, were approved for TANF but opted to receive a lump-sum payment instead of monthly TANF benefits. Of the 165,681 caretakers whose families left TANF during the same time period, 77.5 percent left both TANF and Medicaid simultaneously, while 21 percent left TANF but continued to receive Medicaid. Only 1.5 percent of the leavers consisted of child-only cases in which the children left TANF after the parent was removed from TANF because of reaching the state's time limits.⁹

Appendix A includes a more detailed description of quantitative methods used.

Methods Used for Intensive Interviews

Qualitative researchers studied leavers and 'redirects' in six research sites: the counties of Bexar, Harris, Jasper, McLennan, Hale, and the two-county Valley area comprised of Cameron and Hidalgo counties. Applicants denied for non-financial reasons were studied in single offices in two research sites: Austin and El Paso. Recipients of the one-time payment also were studied in two of the six research sites

⁸ Reasons for such denials will be explored more fully in the interviews. However, the primary sub-group of interest includes persons who were required to participate in Work First as part of the TANF application process and never returned to complete their TANF application.

⁹ This number is small because few adults had reached the end of their state time limit during this time period and the children of some caretakers who reached their time limits continue to receive TANF.

listed above: Cameron/Hidalgo and Bexar counties. Thus, researchers studied four different groups in eight sites, although each group was not studied in each site. As can be seen in Table 2, sample sizes were substantially larger for leavers and redirects than for applicants denied for non-financial reasons and one-time recipients. In each site, research staff drew a random sample of potential research respondents from the TDHS population. Leavers included three sub-groups: caretaker cases denied, caretaker cases denied and transferred to Medicaid, and ‘child-only’ cases denied after the adult had left TANF due to reaching state time limits.

Field researchers worked with a random sample, making a series of efforts to locate and interview the respondent. Once located, each potential respondent was asked to participate in an extensive open-ended interview that covered such topics as household demographics, sources and amounts of household income, barriers to employment, types of household expenditures, experience of material hardship, recent experiences with TANF, and plans for the future.

Across the eight research sites in which leavers and diverted applicants were studied, a sample of 679 persons were contacted for interviews. As indicated in Table 2, the research staff located and completed interviews with 439 respondents. They learned about recent mobility (moving from one address to another) and institutionalization (in prison, the hospital, or a shelter) for an additional 123 respondents. They gained additional information on 69 non-respondents. In ten instances, respondents had not moved but were out of town for an extended period.

Table 2
Sample and Information

	Leavers	Redirects	Non-Financial Denials	One-time Recipients	Totals
Total sample (n)	299	289	36	55	679
Interviewed	190	158	36	55	439
Non-Interviewed/ Partial information	109	131	n.a.	n.a.	192
Respondent moved	61	62	n.a.	n.a.	123

Additional information	29	30	n.a.	n.a.	59
Out-of-town	4	6	n.a.	n.a.	10
Refusal/No information	15	10	n.a.	n.a.	48

As might be expected, respondents who had moved differed somewhat from respondents who had not moved. Concerted efforts to locate every potential study participant revealed that the over-representation of more stable households remains an ongoing concern. Appendix A more fully discusses an analysis of the impact of mobility on the sample of persons actually interviewed.

The current report summarizes the basic, quantifiable data gleaned from the interviews and uses illustrations from the thematically-coded prose content of disposition notes and completed interviews. Appendix A includes a more complete description of the qualitative research methods used to conduct the interviews.

Remaining Work to be Performed

Due to its preliminary nature, this report discusses separately the current findings from the administrative data analysis and the intensive interviews. Differences in findings between the two study components may be due to 1) the longitudinal nature of the administrative data analysis compared to the snapshot (one point in time) approach of the initial analysis from the interviews with families, 2) the statewide analysis of administrative data versus the sub-state nature of interview samples, and 3) differing definitions of some research measures used by the two components of the study. Any differences will be analyzed and integrated into one set of findings in the final report.

In the remaining five months of this project, further analysis will be conducted for both the diverted and leavers populations from the existing administrative data and interviews. This work will explore relationships between the trends discovered in the administrative database and the more detailed portrait of what is happening in households. Additional administrative data on children's Medicaid, Choices participation, foster care and child abuse and neglect will be incorporated. Results from a combined mail/telephone survey to a statewide sample of TANF leavers and an in-depth

econometric analysis of this population will be used to identify factors associated with leaving or returning to TANF. This analysis will be informed by additional interviews with leavers and with one-time recipients in four research sites to provide a longitudinal perspective.

All research questions will be explored more fully in the final report and findings from all facets of the study will be integrated to develop final conclusions. The final report should be available by the end of August 2001.

V. Preliminary Findings

Demographics of Research Populations

Statewide Administrative Data

Tables 3 and 4 describe the demographic characteristics of each of the populations included in this study. The average age of caretakers in all groups ranged from 30-32 years of age, and most groups of families averaged two children each.

Table 3
Demographic Characteristics of Diverted Applicants

	Redirected (no app. filed) [†]	Application filed		
		Denied for Non- financial Reasons [†]	Approved - One-time Payment	Approved - Entry into TANF Caseload
Number of Families	43,479	85,856	1,791	127,168
Age of Caretaker*				
Average age	31.8		30.4	30.7
Percent 18-25	31.9%		32.3%	38.0%
Percent 26-34	31.1%		38.5%	31.7%
Percent 35-44	24.5%		22.2%	19.2%
Percent 45 and over	12.6%		7.0%	11.1%
Race/ethnicity of Caretaker*				
Percent Black			5.4%	29.6%
Percent Hispanic			73.5%	44.7%
Percent White			20.7%	24.9%
Percent Other			0.4%	0.9%
Type of Family*				
Percent single-parent families			47.1%	92.3%
Percent two-parent families			52.9%	7.7%
Number of Children*				
Average number of children	1.9	1.9	2.2	1.9
Percent with one child	43.0%	44.3%	31.7%	45.2%
Percent with two children	31.8%	30.7%	36.6%	29.7%
Percent with three or more children	25.2%	25.0%	31.8%	25.1%

*Only non-missing values are included in calculation of percentages. Measures for which more than 10% of values are missing have been blanked (see Appendix Table A-2 for actual percent missing).

[†] Due to space constraints, little demographic information was collected on the redirect form. Because of this and pervasive missing data on denied applications, demographic information available for these two groups is sparse.

Table 4
Demographic Characteristics of TANF Leavers

	Total Sample	Caretaker Cases Totally Denied	Caretaker Cases Transferred to Med Only	Child Only (caretaker hit time limit) Cases Denied
Number of Families	165,681	128,435	34,808	2,438
Age of Caretaker				
Average age	31.5	32.0	29.7	32.6
Percent 18-25	34.7%	33.8%	39.1%	19.4%
Percent 26-34	32.8%	32.2%	34.4%	43.0%
Percent 35-44	20.6%	20.7%	19.3%	30.5%
Percent 45 and over	11.9%	13.3%	7.3%	7.1%
Race/ethnicity of Caretaker				
Percent Black	30.6%	31.0%	28.1%	49.3%
Percent Hispanic	44.0%	42.4%	51.0%	28.1%
Percent White	24.4%	25.6%	20.1%	21.6%
Percent Other	0.9%	1.0%	0.8%	1.0%
Type of Family				
Percent single-parent families	92.7%	93.3%	90.1%	94.2%
Percent two-parent families	7.3%	6.7%	9.9%	5.8%
Number of Children				
Average number of children	2.0	1.9	2.0	2.0
Percent with one child	43.0%	44.1%	39.5%	36.1%
Percent with two children	30.8%	30.3%	32.1%	36.3%
Percent with three or more children	26.2%	25.6%	28.4%	27.6%

Other demographic characteristics of diverted caretakers could be computed only for persons choosing a one-time payment.¹⁰ Over half of those receiving a one-time payment were two-parent families. Hispanic families were the most likely and Black families the least likely to use this option.¹¹

Among TANF leavers, Hispanics were more likely to be transferred to Medicaid while Whites were more likely to leave TANF and Medicaid simultaneously. Blacks

¹⁰ Limited administrative data are collected for redirected and denied applicants. See Appendix A for a discussion of missing demographic data for these populations.

¹¹ These demographics may be affected somewhat by the manner in which this initiative was implemented. Prior to August 1998, One-time payments were only available in TDHS Region 11, which includes heavily Hispanic areas in the Rio Grande Valley.

comprised a disproportionate share of child-only cases exiting TANF after the caretaker had reached her time limit.

Interview Samples

The demographic characteristics and outcomes for the persons interviewed were compared to those for all members of the relevant population from the geographic areas from which the samples were drawn and for the state as a whole. Due to technical reasons that are explained more fully in Appendix A, the preliminary report contains these comparisons only for those families accepting one-time payments and TANF leavers. To the extent feasible, comparisons for redirected families and applicants denied for non-financial reasons will be included in the final report.

In general, one-time recipients who were interviewed closely resemble the one-time populations of the selected areas. While some other differences were observed between persons interviewed and the larger population, most of these differences seem consistent with the persons interviewed being a slightly more stable subset of the populations they were meant to represent.

A similar pattern was found when comparing the characteristics of the TANF leavers who were interviewed against leavers in the selected areas and statewide. Two-parent families were slightly over-represented among the persons interviewed, but otherwise, their demographics are remarkably similar. Observed differences in outcomes also appeared consistent with the finding that persons interviewed were less mobile than the population from which they were drawn.¹²

Preliminary Results from Administrative Data Analysis

Participation in government programs and the employment, earnings and economic-well being of selected families were examined over a four and a half-year time period through the use of individual-level administrative data. Results reported and discussed here encompass one year immediately prior to and one year following TANF

¹² See Appendix A for a discussion of the effect of mobility on the representativeness of the persons interviewed and for a more complete discussion of the characteristics of the interview sample.

diversion or exit because those time periods contain the most variation in the outcome measures under study.¹³

Participation in Government Programs

Rates of TANF, Food Stamps and Medicaid participation for adults diverted from or leaving TANF are presented below. Adults' participation in other government programs (e.g. Choices) and children's enrollment in Medicaid will be added in the final report.

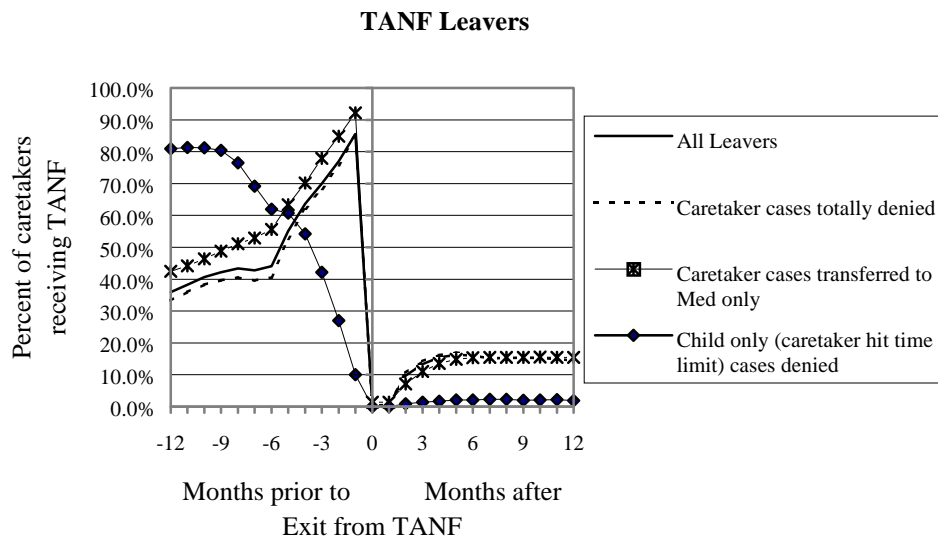
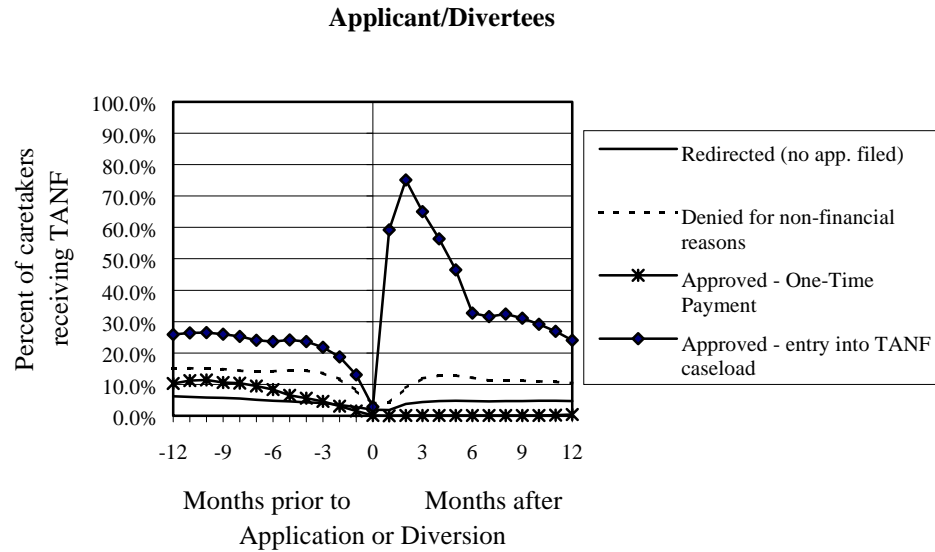
TANF

Figure 1 displays the pattern of TANF receipt over a two-year period for all of the groups being studied. For diverted populations, the period shown in the charts includes one year prior to visiting the TDHS office to apply for benefits through one year following diversion. Charts for TANF leavers display rates of TANF use for the year prior to TANF exit and through the year after leaving TANF.

Divertees. None of the cases considered 'diverted' were current TANF clients at the time they were diverted. But some were former TANF clients who had received TANF for some time in the 12 months before diversion. All sub-groups diverted from TANF had used TANF less frequently in the prior year than did the comparison group of applicants who ultimately entered the TANF rolls. The rates of TANF usage after the diversion activity quickly returned to prior levels of usage for redirected clients and those denied for non-financial reasons. In accordance with policy, persons receiving one-time payments did not re-enter TANF during the observed period.

¹³ Appendix B includes additional statistics regarding the use of these benefits over the entire four and a half-year study period.

**Figure 1
Caretaker TANF Receipt Over Time**



NOTE: See Appendix A for a discussion of methods used to compute percentages used in all charts.

Leavers. While all TANF leavers initially left the program, some of them returned to the TANF rolls in the year following exit. TANF caretakers whose cases were totally denied and those who were transferred to Medicaid-only status were most likely to return to TANF. However, only 15 percent of persons in both groups were receiving

TANF one year following exit, much lower rates than in the year prior to exit. Adults who had reached time limits could only return to TANF under very stringent rules. As shown in Figure 1, less than two percent of the caretakers in these cases returned in the year following TANF exit.

Most caretakers returning to TANF did so within the first six months following exit. An additional analysis of administrative data showed that, at the time of TANF exit, these caretakers were less likely to be employed and earned less than other leavers. They also showed a drop in overall employment rates in the first few months after leaving TANF. The final report will include a more complete analysis of factors influencing return to TANF based on the econometric analysis, the statewide survey and the detailed interviews.¹⁴

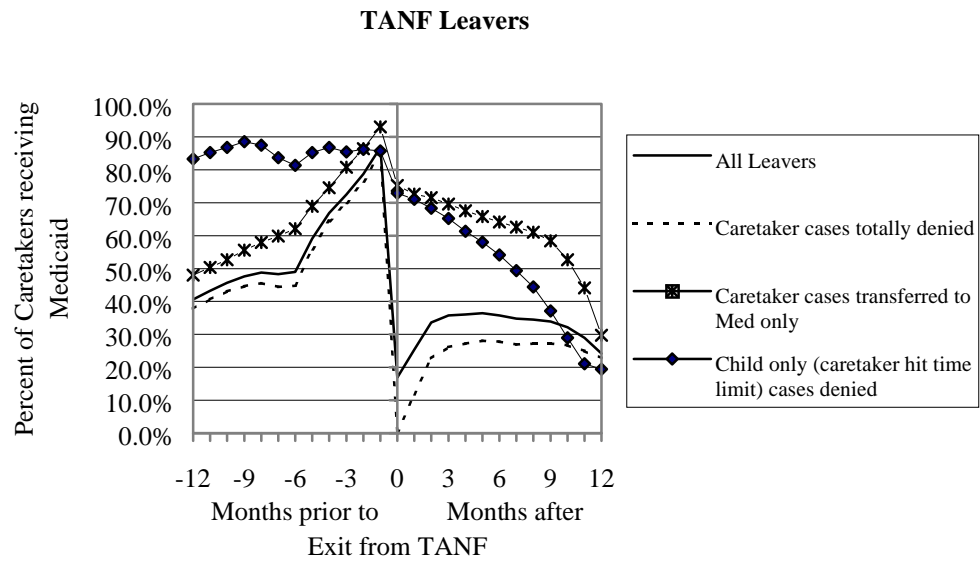
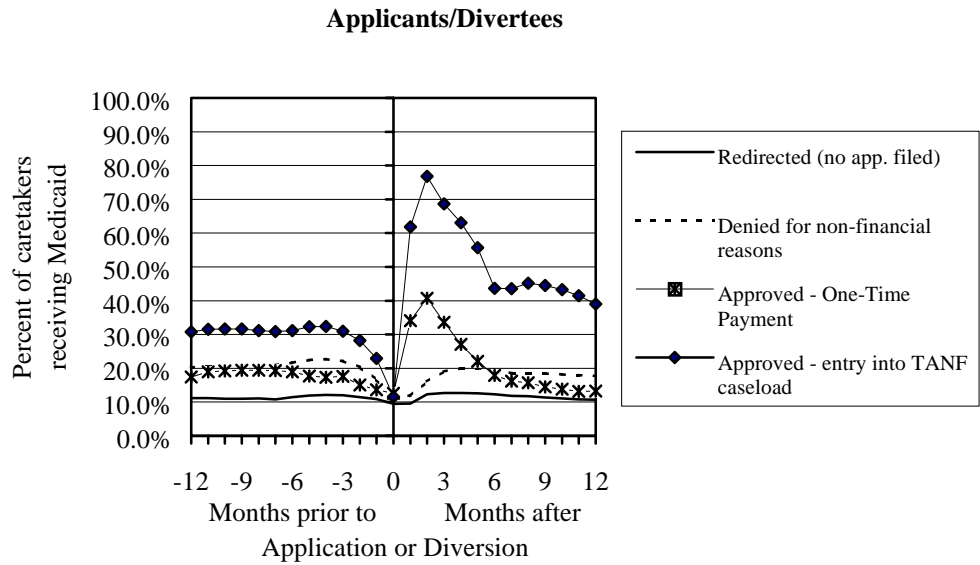
Medicaid

Divertees. As shown in Figure 2, the three diverted groups of caretakers participated in Medicaid at different rates in the year following diversion.¹⁵ Approximately ten percent of redirected adults were enrolled in Medicaid throughout the years immediately prior to and following TANF exit, with the redirection activity appearing to have little influence on this pattern. For adult applicants denied for non-financial reasons, Medicaid enrollment dipped in the period immediately prior to the denial and stayed low for several months following the denial. After that time, the rate of Medicaid enrollment for this group increased to 20 percent, then dropped slightly for the remainder of the year following the denial. For one-time recipients, in the months immediately prior to application, less than 15 percent of these caretakers received Medicaid. This rate increased to 40 percent in the second month after receiving the lump-sum payment, then dropped steadily. By the end of the year following receipt of the one-time payment, a smaller share of these caretakers were receiving Medicaid than at the point of application.

¹⁴ Appendix B compares the demographic characteristics and employment and earnings patterns for persons returning to TANF within six months after exit to those of other leavers.

¹⁵ All Medicaid results based on an analysis of administrative data refer to Medicaid receipt by the caretaker only. The final report will include an analysis of children's Medicaid receipt.

Figure 2
Caretaker Medicaid Receipt Over Time

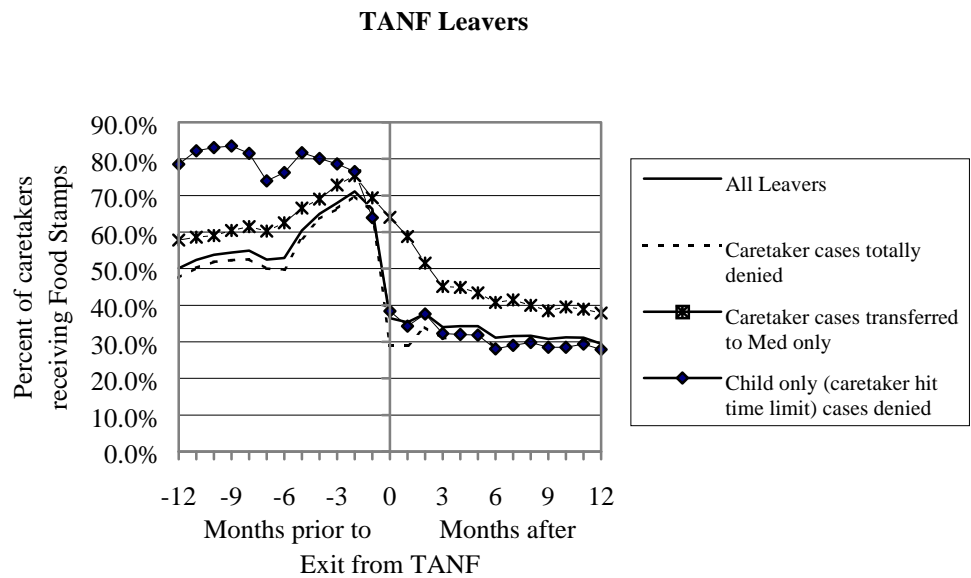
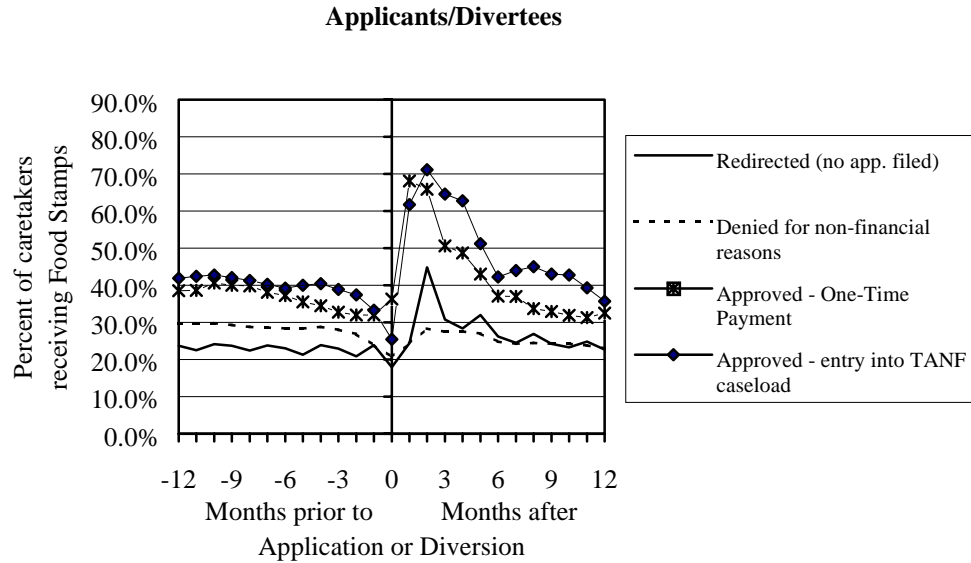


Leavers. The patterns of Medicaid enrollment for adult TANF leavers varied by sub-group. Approximately one fourth of the TANF caretakers who left TANF and Medicaid simultaneously returned to the Medicaid rolls within the first three months after TANF exit. The number of caretakers who continued to receive Medicaid after leaving TANF slowly dropped over the year following TANF exit. By the end of the first year after leaving TANF, only thirty percent of these caretakers still received Medicaid. For caretakers in denied child-only cases, Medicaid participation dropped steadily from 73 percent at the point of the denial to only 19 percent one year following TANF exit.

Food Stamps

Divertees. All families diverted from TANF increased their Food Stamp participation in the period immediately following the diversion (Figure 3). However, both the overall rates and the lag time between the diversion activity and increased use of Food Stamps varied among the groups. For persons redirected, Food Stamp participation dropped from 24 percent one month prior to diversion to 18 percent at the point of diversion then increased to 45 percent two months later. This suggests that redirected families reapplied and received Food Stamps shortly after being diverted. For the remainder of the year, Food Stamp enrollment slowly dropped for these families. Families denied for non-financial reasons decreased their Food Stamp participation in the two months prior to and following their denial. However, after that time, Food Stamp participation rates returned to the levels observed earlier in the study period and remained at that level throughout the rest of the year. For families accepting one-time payments, use of Food Stamps jumped from 32 percent at the point of application to 68 percent the next month. After a couple of months, participation in Food Stamps began dropping steadily for these families. By the end of the year, only 32 percent of these families still received Food Stamps, the same share of families who used this benefit at the point of application.

Figure 3
Caretaker Food Stamp Receipt Over Time



Leavers. In contrast to the initial jump in Food Stamp use among diverted families, Food Stamp participation dropped substantially for all groups when they left TANF. Approximately 70-75 percent of these families received Food Stamps two months prior to TANF exit, a figure that dropped to 30 percent for totally denied cases

and child-only cases by the third month following exit. Participation rates for these groups remained at this level throughout the study period. While rates also fell for caretakers who continued to receive Medicaid, the decline was more gradual and stabilized at a higher level. Approximately 40 percent of these families were still receiving Food Stamps one year after exit.

Employment, Earnings, and Economic Well-Being

Several types of economic supports are available to families who were diverted from or left TANF. Types of economic support discussed in this section include: caretaker employment and earnings, child support received from noncustodial parents, and subsidized child care provided through Child Care Management Services (CCMS).

Employment and Earnings

Divertees. Figures 4 and 5 display the employment rates and earnings of those employed for caretakers over time, as computed from Unemployment Insurance (UI) quarterly wage data.¹⁶ Among divertees, redirected applicants displayed the highest rates of employment (50-55 percent) and earnings (\$665-\$900 per month) throughout the period of observation. Other diverted groups were employed at lower rates than persons entering TANF and had earnings similar to those of approved TANF applicants.¹⁷ Although employment rates dipped slightly for applicants accepting one-time payments and those who entered TANF in the quarter of their application, employment rates remained stable for redirected applicants and those denied for non-financial reasons.

As shown in Figure 5, earnings of those employed dipped substantially for all diverted groups in the quarter prior to application for TANF benefits.¹⁸ Earnings for all diverted groups rebounded in the year following application. By the end of the

¹⁶ UI wage data cover more than 98 percent of all wage and salary employment in Texas. Not included are military employment, self-employment, and some agricultural employment.

¹⁷ For the purpose of this study, ‘employment’ is defined as the presence of any wages in the Unemployment Insurance wage database for a calendar quarter. While researchers assumed that all earnings were distributed evenly in each month of the quarter, this may not have been true for some persons. All references to average monthly employment rates and average monthly earnings should be interpreted with this in mind.

¹⁸ This phenomenon, known as ‘pre-program earnings dip’, is well-documented in the research literature on employment and training programs serving low-income individuals.

observation period, earnings for all of these groups, while still below the poverty level for a three person family, were higher than at any prior point in the study period.

**Figure 4
Caretaker Employment Over Time**

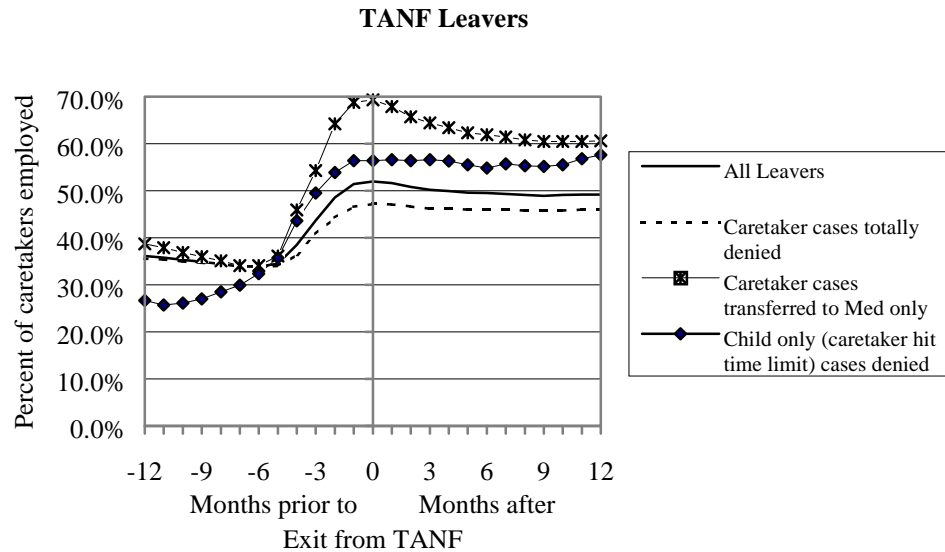
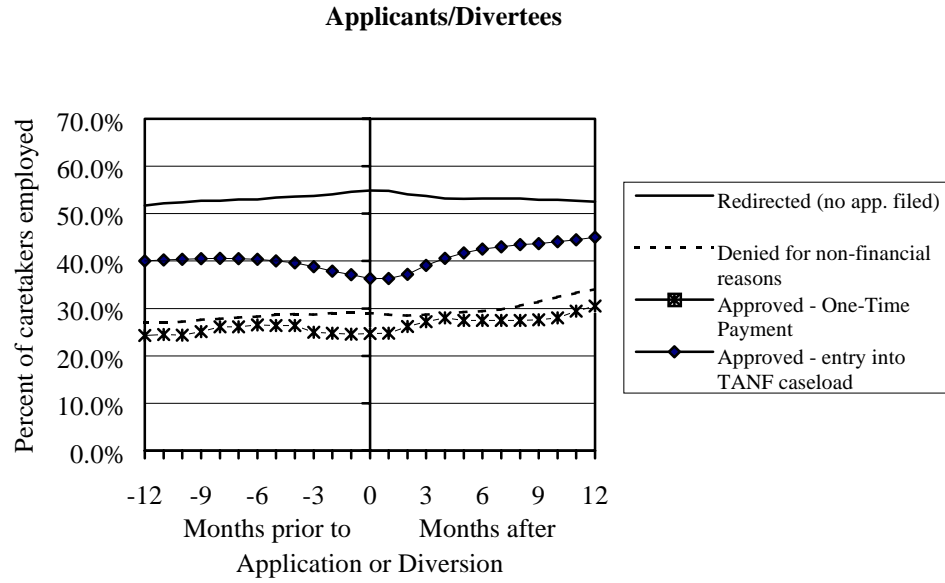
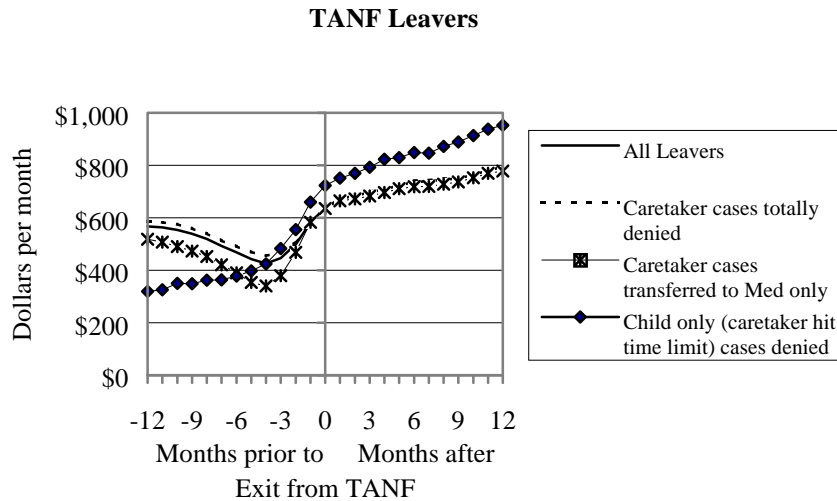
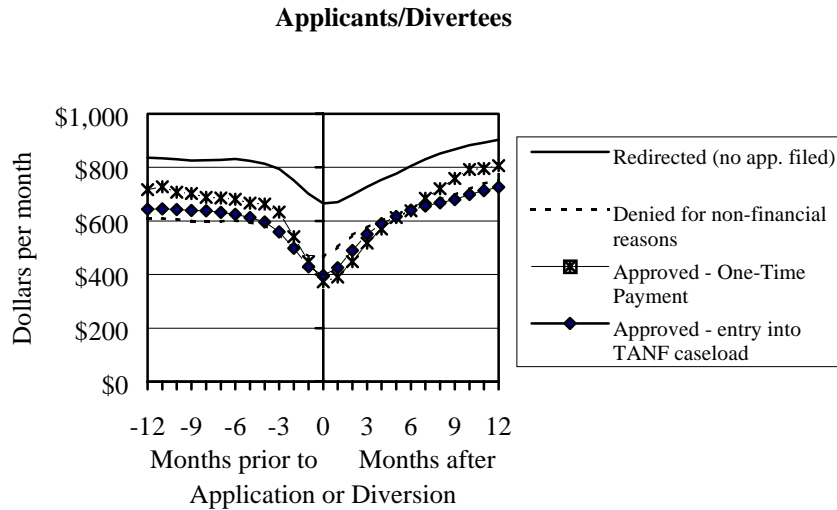


Figure 5
Caretaker Earnings Over Time for Caretakers with Any Earnings



Leavers. Employment rates for all TANF leavers increased in the months immediately prior to their TANF exit. Approximately 52 percent of TANF leavers were employed in the quarter of exit. Twelve months after leaving TANF, 49 percent of leavers were still employed. Caretakers who continued to participate in Medicaid had the highest employment rates of all groups.

Earnings of all employed TANF leavers increased from \$425 per month three months prior to exit to \$640 in the month of exit (Figure 5). This earnings increase probably caused financial ineligibility for continued TANF benefits. Earnings for all groups continued to increase during the year following exit but all remained below the poverty level. While TANF caretakers in child-only cases started with the lowest level of earnings, they earned the highest amount of all groups by the end of the year following exit.¹⁹

Child Support

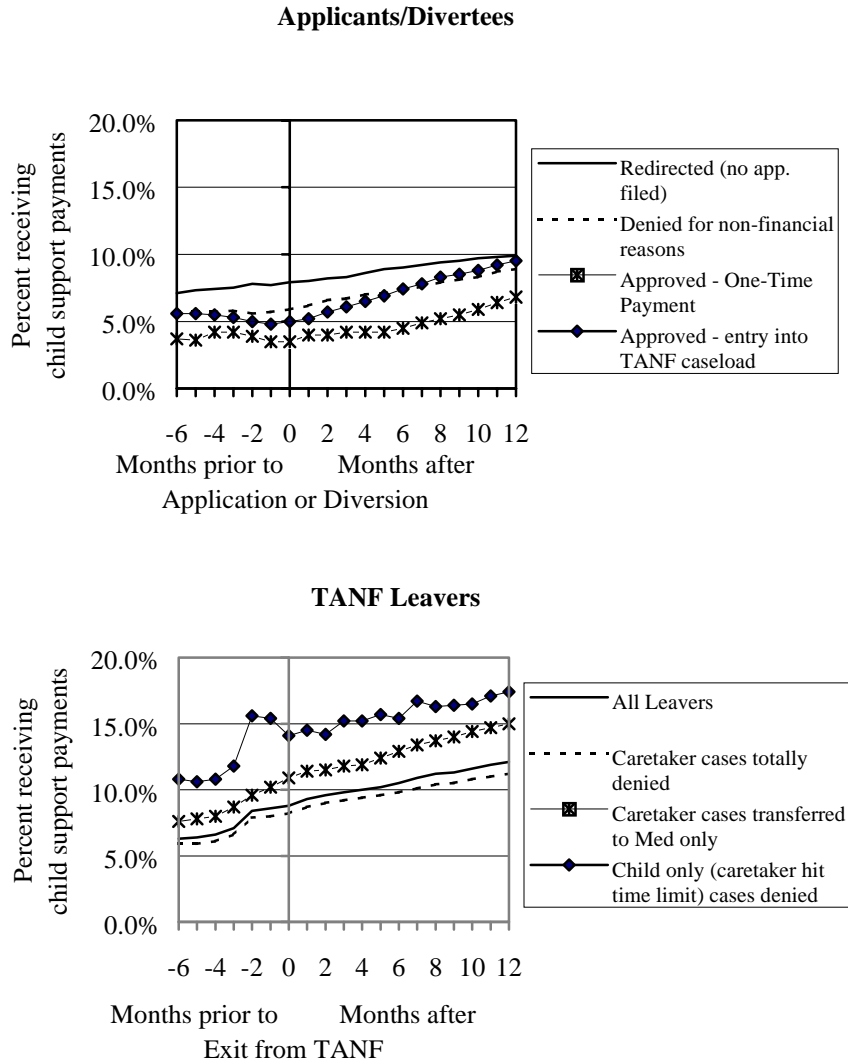
The Texas Office of the Attorney General (OAG) collects child support on behalf of low-income families. When custodial parents are receiving TANF benefits, they typically receive only the first \$50 of child support collected each month unless the amount of child support is greater than the amount of the TANF grant plus \$50. Continued collection of this level of child support can disqualify families from TANF. Once custodial parents no longer receive TANF, all of the current child support collected is distributed to the family.

Divertees. As shown in Figure 6, few of the caretakers diverted from TANF received child support through the formal collection system. Although the percentage receiving child support increased for all groups over the study period, less than ten percent of any diverted caretakers were receiving child support at the end of the study period. Families redirected from TANF were the most likely to receive child support while families accepting the one-time payment were least likely to receive child support.²⁰

¹⁹ By definition, this group of leavers includes only those child-only cases that were denied TANF after the caretaker reached time limits. The children of many other caretakers who reached time limits remain on TANF. This finding should not be interpreted as a positive impact of time limits on earnings. That issue is best addressed by the ACT impact evaluation. (TDHS, 2001)

²⁰ Over half of the families receiving One-time payments are two-parent families and thus less likely to be owed child support.

**Figure 6
Caretaker Receipt of Child Support Over Time**



Leavers. Six percent of all TANF leavers received child support six months prior to exit, a figure that rose to 12 percent by the end of the year following exit. Highest rates of child support receipt occurred for the denied child-only cases in which the caretaker had previously reached a TANF time limit. For this group, 11 percent of custodial parents received child support six months prior to their children exiting TANF, a figure that increased to 17 percent by the end of the year following exit. Factors contributing to

the spike in collections for this group just prior to their children's TANF exit will be investigated further in the econometric analysis and detailed interviews.

For those families receiving child support, diverted applicants received larger amounts of child support each month than any group of TANF leavers (Figure 7). Average payments ranged from \$180 - \$270 per month at the beginning of the observed period for diverted groups compared to \$72 - \$128 per month for TANF leavers.²¹ By the end of the year following diversion or TANF exit, diverted families received on average \$210-\$320 per month in child support while average payments to TANF leavers ranged from \$217-\$239 per month.

Subsidized Child Care

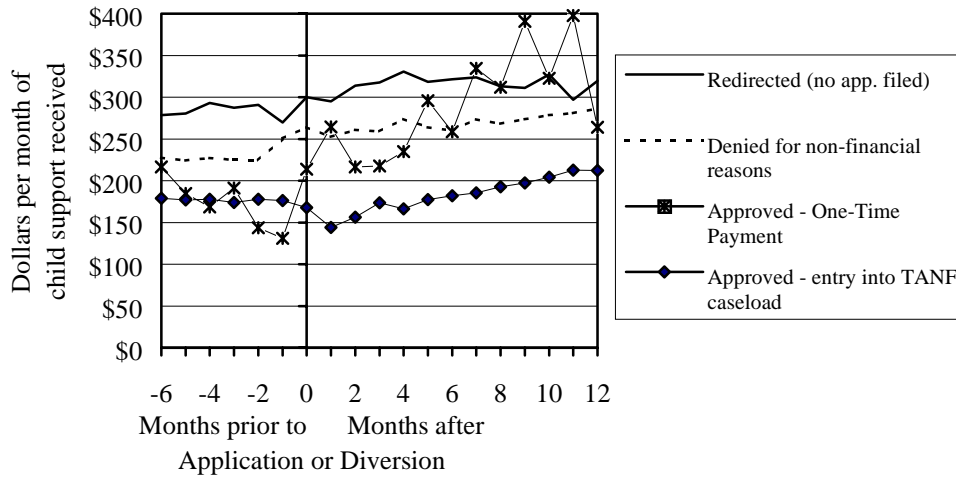
Subsidized child care for Texas low-income families is provided through CCMS. Priority for receipt of services through CCMS is given to TANF recipients who participate in Choices, those leaving welfare for work, persons who have reached TANF time limits, and selected other groups. While other low-income families are eligible for subsidized child care, waiting lists for these families are often very long.

Divertees. As shown in Figure 8, less than five percent of persons diverted from TANF received subsidized child care through CCMS, a figure that changed little throughout the period of observation. In comparison, applicants who entered TANF increased their rates of subsidized child care use to nine percent.

²¹ Because the average child support received by TANF families is greater than \$50 per month, it is possible that the amount of child support collected for these families may have contributed to their TANF exit. The relationship between collected child support and TANF exits will be explored further in the econometric analysis.

Figure 7
Amount of Child Support Received Over Time
for Caretakers Receiving any Child Support

Applicants/Divertees



TANF Leavers

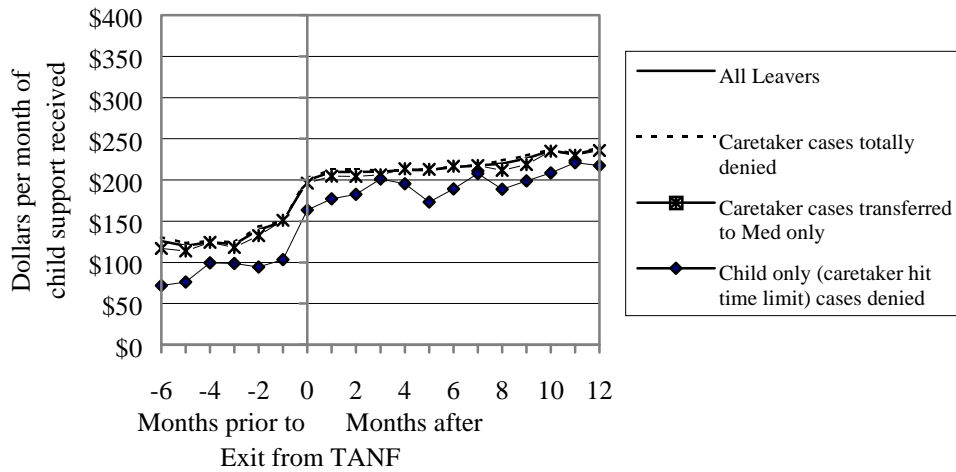
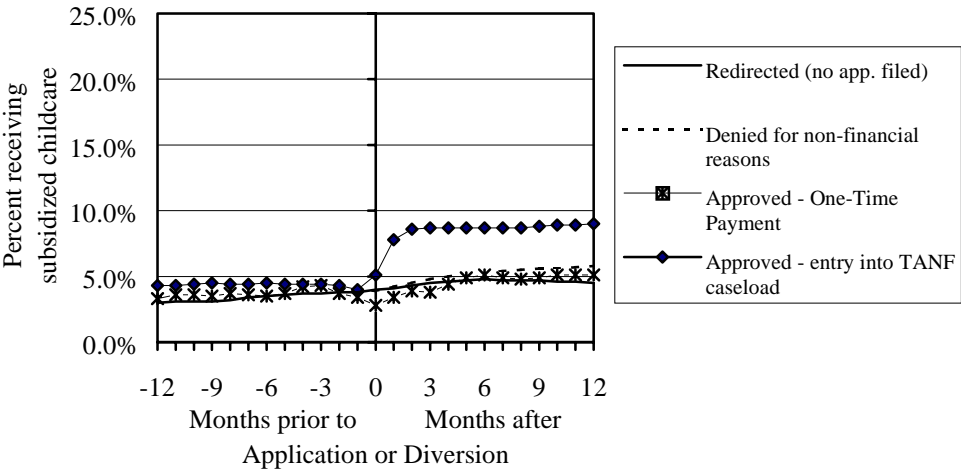
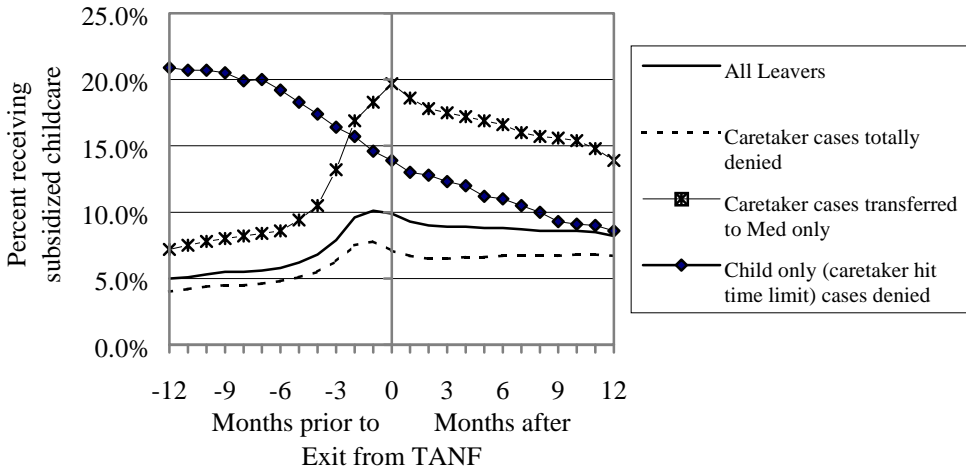


Figure 8
Caretaker Use of Subsidized Child Care Over Time

Applicants/Divertees



TANF Leavers



Leavers. The patterns of subsidized child care receipt varied substantially among the sub-groups of TANF leavers. Twenty-one percent of the caretakers who ultimately reached their time limit received child care at the beginning of the study period, probably because they were entitled to 12-18 months of transitional child care due to reaching their time limit. Their child care subsidy enrollment dropped throughout the period. By the year following their children's exit from TANF, only nine percent of this group still received child care subsidies. Child care receipt for caretakers transferring to Medicaid peaked at 20 percent at the time of exit, then dropped to 14 percent by the end of the following year. This group probably included many Choices participants or persons who notified TDHS that they were leaving TANF for employment, two other groups of parents who receive priority for child care subsidies services. Rates of child care subsidy usage were lowest for persons who were totally denied for TANF and Medicaid benefits, with their participation rates ranging from four to eight percent.

Summary of Preliminary Findings from Administrative Data Analysis

Demographic characteristics of families. For caretakers in all sub-groups of families diverted from or leaving TANF, average ages were 30-32 years old. While family sizes varied, most groups averaged two children per family. Limited demographic information for redirects and applicants denied for non-financial reasons prevented further analysis of their demographic characteristics. Over half of diverted applicants receiving one-time payments were two-parent families. Hispanic families were most likely to choose this option, and Black families were least likely to choose this option.

Among TANF leavers, Hispanics were more likely to remain on Medicaid after leaving TANF while Whites were more likely to leave both TANF and Medicaid. Blacks made up the largest share of child-only cases leaving TANF after the caretaker reached her time limit.

Participation in government programs. All populations diverted from TANF used TANF less frequently in the year prior to application than families who ultimately entered the TANF rolls. For redirected clients and applicants denied for non-financial reasons, rates of TANF usage quickly returned to pre-diversion levels (five percent and

10 percent respectively). One year following TANF exit, only 15 percent of TANF leavers were receiving TANF again.

Medicaid enrollment rates for diverted caretakers varied considerably among the groups and showed different patterns over time. At the point of application, only 10-12 percent of all diverted caretakers were enrolled in Medicaid. While rates rose substantially for several months for those families receiving one-time payments, rates of receipt for all diverted groups fell to less than fifteen percent one year after application.

The patterns of Medicaid enrollment for TANF leavers varied by sub-group. Among TANF caretakers who left Medicaid and TANF simultaneously, one fourth had enrolled in Medicaid again by the third month after exit. Medicaid usage for other groups of leavers, while initially higher than the rates for caretakers totally denied from TANF, fell steadily over time. A year following TANF exit, the rates for all groups of TANF leavers were comparable. The final report will explore more fully the reasons for these trends.

All groups diverted from TANF increased their use of Food Stamps in the period immediately following diversion. After a few months, rates of Food Stamp participation declined for all groups. Enrollment in Food Stamps dropped substantially for all groups of TANF leavers after they stopped receiving cash benefits. Approximately 70 percent of leavers received Food Stamps while on TANF, a figure that dropped to 30 percent one year after TANF exit.

Employment and other economic supports. Among the groups of diverted families, redirected applicants had the highest rates of employment and earnings throughout the period of observation. Around the time of application, persons denied for non-financial reasons and those accepting one-time payments were less likely to be employed than applicants approved for TANF but had earnings comparable to approved TANF applicants. Earnings for all diverted groups dipped prior to TANF application and rebounded in the year following application. However, mean earnings for all groups of diverted caretakers remained below the poverty level for a family of three throughout the period of observation.

Rates of employment and earnings increased for all groups of TANF leavers prior to exit and continued to increase in the year following exit. Caretakers who continued to receive Medicaid had the highest employment rates of all groups. Although earnings increased steadily following TANF exit, average earnings for all groups of leavers remained below the poverty level a year after TANF exit.

Few of the families in this study received child support. However, a greater share of TANF leavers received child support at exit than diverted families did upon application or diversion. Although rates of child support receipt increased steadily for all groups, less than ten percent of all diverted applicants and 12 percent of TANF leavers received child support by the end of the study period. For caretakers who did receive child support, the amounts of child support received generally increased over time for all groups. By the end of the study period, diverted families receiving child support averaged \$210-\$320 per month while average payments to TANF leavers ranged from \$217-\$239 per month.

A very small share (less than five percent) of diverted families received subsidized child care. Once applicants began receiving TANF, rates of subsidized child care usage increased. Rates of subsidized child care usage varied among TANF leavers but were generally highest (up to 20 percent for some groups) when these families were still receiving TANF. After leaving TANF, rates of subsidized child care usage dropped for most groups.

Points at which TANF leavers are most vulnerable to returning to TANF. Most caretakers returning to TANF did so within the first six months after exit. These caretakers were less likely to be employed and earned less than other leavers around the time of exit. They also showed a drop in overall employment rates in the first few months after leaving TANF. Further analysis from the detailed interviews and the planned econometric analysis will be used to determine the reasons for these trends and to identify other factors associated with TANF return. The final report will include the results from this work.

Preliminary Results from Intensive Interviews

In contrast to the administrative data, the qualitative interview data represent the self-reported status of respondents anywhere from three to fifteen months after diversion or exit. The intensive interview analysis deals with data from three different studies. The largest study included respondents in six sites who had left TANF (leavers) or who had been redirected from TANF prior to completing an application. A second study focused on respondents in three of these sites who had accepted the one-time payment. A third study focused on 'non-financial denials' in specific offices in two different sites. In order to provide general descriptive information, some description is provided on all of these groups taken together. Some description, when noted below, is provided of the leavers and redirects from the largest study.

Participation in Government and Other Programs

Regardless of whether or not respondents are currently receiving TANF, government assistance still figures prominently in their lives including such services as Food Stamps, Medicaid, subsidized housing, WIC, and child support. Overall, over two thirds of the sample respondents report receipt of assistance either from the government or other community agencies. These include: Medicaid for at least one child (68 percent); Food Stamps (60 percent); child support (29 percent); WIC (30 percent); subsidized housing (29 percent); TANF (15 percent); as well as use, to be explored further, of food banks, free clothing, SSI, and energy assistance. While there are not large differences between leavers and redirects, leavers are more likely than redirects to be on TANF at the time of the interview and to live in subsidized housing (Table 5). More detailed analyses of all groups will be presented in the final report.

Child Medicaid Enrollment

Overall, 263 of 386 respondents (68 percent) report having at least one child enrolled in Medicaid although there is considerable variation by interview site among the leaver/redirect group. Respondents residing in the Valley report the highest frequency of child enrollment in Medicaid at 77 percent while respondents in both Harris and

McLennan Counties report the lowest enrollments at 55 percent. Child Medicaid enrollment figures for the remaining sites are: Bexar County (74 percent), Hale County (68 percent), and Jasper County (60 percent).

Welfare leavers as well as respondents redirected away from TANF services are almost equally likely to have at least one child enrolled in Medicaid although leavers are slightly more likely than redirects to have a child enrolled (67 percent and 62 percent respectively). The younger the respondents are themselves, the more likely they are to have a child enrolled in Medicaid. Indeed, three quarters (76 percent, 22 of 29) of respondents between 18 and 21 years of age report at least one child enrolled in the Medicaid program. Enrollment of children into Medicaid is fairly high regardless of a respondent's race or ethnic background although Hispanic enrollment is highest (69 percent, 132 of 192) followed by White (64 percent, 43 of 67), and African American (63 percent, 60 of 96).

Respondents repeatedly explained that enrollment into Medicaid (as well as other assistance programs) is motivated by the needs of children. Children were more likely to be enrolled than adults, and, in those cases where adults could get access to health care through their job, health care for their children through the caretaker's employment was usually either unavailable or unaffordable. Further analysis will explore the experiences of both adults and children who are uninsured, including the reasons for lack of insurance, their health status, and their access to medical care when needed.

Table 5
Receipt of Government Services at Time of Interview

Currently Receiving:	Leavers		Redirects		Non-financial Denials		One-time Recipients		Totals	
	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%
TANF	34/185	18%	15/153	10%	7/28	25%	*	*	56/366	15%
Food Stamps	105/185	57%	84/155	54%	17/30	57%	50/55	91%	256/425	60%
Medicaid (for child)	115/173	67%	86/138	62%	19/27	70%	43/48	90%	263/386	68%
Child support	44/156	28%	34/111	31%	3/13	23%	*	*	81/280	29%
Subsidized housing	52/147	35%	20/115	17%	2/11	18%	17/45	38%	91/318	29%
WIC	44/162	27%	37/136	27%	14/21	67%	*	*	95/319	30%

*Data from one-time recipients were not included in some categories: one-time recipients were ineligible for TANF and were more likely to be married so that child support was not an issue. WIC data have not yet been coded for this group.

NOTE: The total number from whom information was gathered (n) varied for each question due to researchers' gaining information about non-respondents for some questions and from receiving comprehensive information from those interviewed.

Food Stamp and Food Bank Reliance

Judging from the combined usage of both Food Stamps and patronage of food banks, securing food remained an ongoing preoccupation for some study participants, particularly when their children were in need. Overall, 60 percent of study participants report receiving monthly allotments of Food Stamps. As with enrollment in Medicaid, there is considerable variation in Food Stamp participation by site. For example, 39 percent of respondents in Harris County indicated receiving monthly Food Stamps while a full two-thirds of Valley respondents reported receiving Food Stamps. Food Stamp usage in the remaining counties is: Jasper (61 percent), Hale (59 percent), Bexar (57 percent) and McLennan (50 percent).

Differences in Food Stamp usage emerge along racial and ethnic lines. White respondents are less likely than both Hispanic and African American respondents to have been receiving Food Stamps at the time of interview. For example, slightly more than

one-third (35 percent) of White respondents compared to 65 percent of African Americans and 58 percent of Hispanics were utilizing Food Stamps at the time of the interview.

Seventy-six of 168 employed respondents (45 percent) report receiving Food Stamps. Because Food Stamp eligibility depends on income, receipt drops off sharply if wages are at least \$8.50 per hour. Indeed, only 30 percent (8 of 27) of those earning this wage or greater also receive Food Stamps compared to 51 percent (68 of 134) of employed respondents earning less than \$8.50 per hour.

Slightly more than a third (34 percent) of the study participants report having frequented a food bank over the previous year. Patronage is lowest among Valley respondents (25 percent) and highest among respondents residing in Jasper County (38 percent). The prospect of their children going without food was the most urgent motivator to use food banks and other emergency food sources. Respondents who used emergency food outlets remarked on restrictions in their use. They reported that most food banks have limits on the number and frequency of times a respondent can use them.

Respondents facing the most barriers to employment are more likely to have utilized the services of food banks. For example, respondents with eight or fewer years of formal education are twice as likely as those with 13 or more years of education to have frequented a food bank in the past year — 49 percent (230/47) versus 24 percent (7 of 29).

The relationships among variables such as site, relationship to TANF, and use of diverse services will be subject to more analysis. These factors, as well as more detailed accounts of cases that typify respondent experiences, will be explored in the final report.

Employment Status and Economic Well-Being

The overall employment rates from the qualitative interviews indicate that, across the board, 50 percent of the respondents (232 of 461) in the qualitative studies reported being employed at the time of the interview (Table 6). The overall employment statistics mask differences in pay rates, job duration, and access to benefits. Furthermore, while interview data indicated relatively small differences among groups with different welfare

experiences, larger differences occurred among research sites and among different race/ethnic groups

Table 6
Employment Status for Entire Respondent Group

n=461	#	% of total
Employed	232	50%
Employed with employer-assisted benefits	64	28%
Employed with wages over \$8.50	29	13%
Employed with benefits and wages over \$8.50	12	5%
Mean hourly wage (for persons employed)	\$6.80	
Median hourly wage (for persons employed)	\$6.00	
Mean employment tenure (for persons employed)	13.9 months	
Median employment tenure (for persons employed)	6.0 months	

Wages and Benefits of Employment

Of those employed (Table 6), 13 percent of those employed had wages over \$8.50/hour.²² Twenty-eight percent had access to employer-assisted benefits (although some could not afford required co-payments or employee contributions). Five percent had both higher wages and access to benefits. Means for wages and job duration were affected by a small number of high-end outliers, individuals with unusually high wages and/or job duration. Therefore, figures are presented both for the mean and the median. The mean wage was \$6.80/hour, \$1.70 under the above-poverty estimate. The median wage was \$6.00. The mean length of time on the most recent job was about 14 months. However, the median was only six months. Median figures may be considered to represent the 'typical' situation. Differences between leavers and redirects were not large in this initial analysis, compared to the quite low rate of employment for recipients of the one-time payment and the differences among sites discussed below (Table 7). Employment rates among sites ranged from 46 percent to 66 percent for the combined

²² For a full-time worker, this hourly wage would produce poverty-level income for a four-person family (DHHS, 2001).

leavers and redirects group. More analysis on the distinctions between leavers and redirects will be included in the final report.

Recipients of the one-time payment frequently requested it because of a recent episode of unemployment. Therefore, interviewers seeking them out in the months after receipt of the check were likely to find them jobless. However, some recipients who worked nine-month terms for school districts or who engaged in agricultural labor used the one-time payment to provide support during expected periods of unemployment.

Characteristics of Employment

In general, respondents wanted to be employed. Therefore, some respondents described themselves as employed, although they had earned no income in the previous month. While these individuals were not included in our wage analysis, and are counted here among the unemployed, their stories illustrate the importance of employment to them, as well as some of the difficulties they faced. Several respondents were registered with temporary agencies, substitute teacher systems, or other on-call services. While they described themselves as employed, they had not been placed in any position nor earned any income in the preceding month. Respondents who had been laid off from jobs in the preceding several months also often reported themselves as still employed.

Data from face-to-face interviews allowed us to include 'off-the-books' employment not available through administrative databases. Such jobs included babysitting, house cleaning, and gardening work that was reimbursed in cash. They also included some short-term agricultural work. The hourly rates and the number of hours worked per week varied considerably among these types of job and, in some situations, made it extremely difficult to figure an hourly wage. Since many of the one-time recipients who were employed were working in irregular or agricultural positions, no hourly wage figure is included for them.

**Table 7
Employment Status for Sub-Groups**

	Leavers and Redirects												Denials				One-time	
	Bexar		Harris		Valley		Jasper		McLennan		Hale		Austin		El Paso		All Sites	
n=461 [†]	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%
Employed	31/53	58%	45/68	66%	27/59	46%	38/66	58%	25/52	48%	40/74	54%	6/19	32%	9/15	60%	12/55	22%
Average hourly wage	\$7.05		\$7.70		\$5.72		\$6.74		\$7.10		\$6.13		\$8.06		\$6.56		*	
Median hourly wage	\$7.00		\$7.00		\$5.25		\$5.88		\$6.00		\$5.92		\$8.00		\$6.65		*	
Average employee tenure	12.5		16		15.7		18.0		13.5		11.3		4.0		10.42		*	
Median employee tenure	8		11		12		9		6		4		5.3		6.9		*	

* Wages of the recipients of the one-time payment were often ambiguous, based on piece work and irregular payments.

[†] The total number from whom information was gathered (n) varies for each question due to researchers' success in gaining information from non-respondents and in receiving comprehensive information from those interviewed.

Respondents' descriptions of their jobs illustrated the range of current employment experienced after welfare. On the one hand, a small number of respondents (no more than twenty across all the respondents) had completed substantial educational programs and entered such occupations as teaching and nursing. On the other hand, one household reported full-time employment because they had a contract to hoe ten acres of cotton for \$10/acre, a task that would take them over a week. As the figures indicate (Tables 6 and 7), the norm of employment for the respondents was a relatively short-term job without benefits and with wages between minimum wage and poverty wage estimates.

Site Differences in Employment

Wage and job profiles differed by site (Table 7) and race/ethnicity (Table 8). Respondents in the three urban sites (Harris and Bexar counties and the one-office site in Austin) and the mid-size town site (McLennon) reported higher average wages while the Valley (Hidalgo and Cameron counties) and the rural counties (Hale and Jasper) reported lower average wages. The open-ended interviews indicate that, as one might expect, the array of available jobs varied among different sites. In Jasper County, respondents reported that jobs at fast-food restaurants were among the most desirable available. Respondents in Harris and Bexar Counties tended to avoid fast-food jobs, searching for other opportunities first.

Race/Ethnic Differences in Employment

Across sites, White respondents had higher wages and longer job tenure than either African-American or Hispanic respondents, although African-American respondents had educational levels similar to those of White respondents, and higher rates of employment. In rural sites, particularly, members of ethnic and racial minority groups reported their perception of a segregated labor force. Rural respondents reported that some industries and some employers were known to select employees by race and ethnicity. The race and ethnic composition of the samples varied considerably by site. The final report will include more detailed analyses of differences by site, sub-group, race and ethnicity.

Table 8
Employment Characteristics by Race/Ethnicity

	African American	Hispanic	White
Total sample size (n)	100	202	68
% Employed	60%	53%	51%
Average hourly wage	\$6.78	\$6.56	\$7.64
Median hourly wage	\$6.28	\$6.00	\$6.60
Average employee tenure	14.5 months	13.4 months	16.7 months
Median employee tenure	6 months	8 months	7 months

NOTE: Coding for race and ethnicity is not confirmed in all cases.

Barriers to Employment: Managing Hardships

Unemployed respondents reported a number of reasons for being unemployed. Among the seven most cited reasons are the following four barriers (Table 9): health problems, lack of transportation, lack of child care, and lack of available jobs. Respondents also discussed other reasons for their unemployment, such as being laid off or fired and their desire to stay home with young children.

Respondents' life stories indicate that long-term difficulties finding and sustaining employment usually resulted from a multiplicity of barriers. They had the greatest difficulty overcoming combinations of barriers. Only 27 percent (42 of 156) of those unemployed (and coded in detail) explicitly reported more than one immediate barrier to employment when asked directly about this issue (Table 10). However, in the course of thematic analysis, the researchers discovered that a far larger proportion of the respondents experienced multiple barriers to employment. For instance, when asked directly, a respondent might explain that he was unemployed because he couldn't find work yet. Later in the interview, he might add that he had difficulty finding work because of his poor health. In fact, respondents' accounts made it clear that they were likely to have greater difficulties finding and sustaining employment when, for instance, they were dealing with their own ill health (or that of a dependent family member) in addition to having unreliable transportation even though transportation was reported as the only

barrier to employment. The nature of work barriers will be subject to further analysis in the final report.

**Table 9
Major Reasons for Unemployment**

	Leavers		Redirects		One-time Recipients		Denied for Non-financial Reasons		TOTAL	
	#	%	#	%	#	%	#	%	#	%
Total sample (n)	82		94		29		20		224	
Health issues	17	21%	24	26%	8	28%	1	5%	50	22%
[Fired from job]*	9	11%	14	15%	0	0%	1	5%	24	11%
[Temporarily laid-off]*	3	4%	4	4%	8	28%	1	5%	16	7%
Can't find work	9	11%	13	14%	1	3%	1	5%	24	11%
[Stay home with children]*	7	9%	15	16%	1	3%	2	10%	25	11%
Child care issues	13	16%	7	7%	1	3%	1	5%	22	11%
Transportation problems	12	15%	6	6%	2	7%	0	0%	20	9%
All other reasons	12	15%	11	12%	8	28%	13	65%	43	19%

* Issues not included as barriers.

**Table 10
Number of Reasons Cited for Unemployment**

1 reason	73% (113 of 156)
2 reasons	17% (27 of 156)
3 or more reasons	10% (15 of 156)

Some situations were so complicated that it was difficult to code the nature of respondents' answers. For instance, one respondent facing eviction had care of her own child and another relative's children, had not worked out a child care arrangement, and was beginning to suffer from arthritis.

Health and disability problems were experienced by almost a third of all respondents (132 of 441), with a quarter of those unemployed (50 of 224) having explained that such problems prevented their employment. Health and disability were most frequently cited in rural areas as problems preventing employment. In these sites

respondents had access to a relatively small set of possible jobs, and a single disability might make them ineligible for most available employment. In some cases (such as routine manual work in packing plants), the work appeared, according to respondents, to cause the disability, which then led to unemployment. Furthermore, respondents in rural areas reported more frequent and more severe examples of difficulties in acquiring medical treatment.

The Significance of Transportation

Transportation issues emerged in respondents' stories of difficulties with finding and holding a job as well as difficulties in accessing support services such as Food Stamps and Medicaid. In rural areas, lack of transportation also made it difficult for some households to get health care even if they had Medicaid coverage. Over half of the respondents who were employed reported using their own car to get to work (Table 11). Other respondents borrowed cars, drove with other people, used public transportation, or walked. In more rural areas, there was often no transportation available except for personal automobiles.

**Table 11
Mode of Transportation to Work**

	Leavers		Redirects		One-time Recipients*		Denied for Non-financial Reasons		TOTAL	
	#	%	#	%	#	%	#	%	#	%
Total sample (n)	116		81		3		16		216	
Own car	67	58%	44	54%	2	67%	12	75%	125	58%
Walk	27	23%	20	25%	0	0%	0	0%	47	22%
Drive other's car	11	9%	8	10%	0	0%	1	6%	20	9%
Public transportation	8	7%	4	5%	1	33%	2	12%	15	7%
Ride with another	3	3%	5	6%	0	0%	1	6%	9	4%

* Further analysis will be provided in the final report. Coding is still underway.

For instance, according to respondents, Jasper County had no public transportation system and, as respondents pointed out, only one taxi cab. Respondents

traveled up to 50 miles round-trip to jobs and potential jobs. They traveled similar distances to welfare offices to apply for and re-certify their Food Stamps and Medicaid. Families with children, particularly those dealing with health problems, worried about their isolation if they did not own cars. They could not keep appointments with the welfare office, attend job training and placement, apply for jobs, or sustain employment without access to a reliable car. Furthermore, they felt they needed cars in the event of a family emergency. However, they reported that they were discouraged from applying for public services if they owned a car, and they understood that owning a car of a certain value made them ineligible. There were differences in car ownership among sites. As indicated in Table 12, there were differences between the redirected respondents and the leaver respondents in car ownership that warrant further investigation. Respondents repeatedly mentioned that car ownership made them ineligible for TANF and other services.

Table 12
Car Ownership by Interview Site and TANF Type

	Leavers		Redirects		Denied		One-time*	
	#/n	%	#/n	%	#/n	%	#/n	%
Bexar	13/25	52%	11/21	52%	n.a.		11/12	92%
Harris	12/28	43%	15/24	63%	n.a.		n.a.	
Valley	20/33	61%	13/21	62%	n.a.		8/9	89%
Jasper	13/27	48%	19/33	58%	n.a.		n.a.	
McLennan	16/25	64%	8/16	50%	n.a.		n.a.	
Hale	19/35	54%	23/29	79%	n.a.		n.a.	
Austin	n.a.		n.a.		8/17	47%	n.a.	
El Paso	n.a.		n.a.		12/15	80%	n.a.	
TOTAL	93/173	54%	89/144	62%	20/32	63%	19/21	90%

* Coding is still underway. Those coded had spent at least part of the one-time payment on cars.

There were also substantial race/ethnic differences in car ownership (Table 13). Whites were more likely than Hispanics, who were more likely than African-Americans, to own cars. This has implications for barriers to work. Since transportation was a significant barrier to work, differences in car ownership may relate to differences in access to employment. However, African-Americans had the highest rates of

employment. Further analysis will explore the implications of car ownership for employment options.

Table 13
Car Ownership by Race/Ethnicity

	#/n	%
African American	38/95	43%
Hispanic	122/193	63%
White/Other	50/70	71%

Because automobiles were so important to family well-being, some family members co-signed loans and ownership papers for those who were having difficulty financing a car. When such an individual applied for public services, he or she was on record as owning multiple cars (including those co-signed for), and thus ineligible for services. In one household, an employed father with a relatively stable job had co-signed for several cars. When this information surfaced during a DHS application, he was told that he could not be considered eligible.

Particularly in rural areas, respondents often saw themselves as vulnerable to family emergencies and unemployment, among other ills, without access to a car. If they were able to acquire a car, car ownership might then render them ineligible for public programs. If they did not have a car they could not seek out the services they needed.

Child Support and Other Social Network Assistance

A minority of respondents (81 of 280, 29 percent) received child support, including informal child support payments. Some respondents were married; male respondents were less likely to have child support. Respondents, however, were frequently dependent on extended networks that included not only the fathers of their children but those fathers' relatives. Single mothers often received assistance from fathers, mothers-in-law, and others with child care, products needed for children, and transportation. The final report will describe in more detail the multiple roles of social support networks.

Managing Child Care: Strategies and Supports

Two particularly strong findings emerged from respondent reports on child care. First of all, the large majority of respondents depend on informal means of caring for their children. Second, the pattern of child care use varied by site.

Social Supports and Child Care

Child care arrangements were heavily weighted toward the informal care system. Fewer than 20 percent of the employed respondents among the leavers and redirects used non-relative care at all, and a small minority of families (under 10 percent) depended on the child's self care. Respondents were most likely to care for their children themselves or to enlist relatives to help with child care. The numbers of employed respondents among the one-time recipients and applicants denied for non-financial reasons were small enough to be excluded from this analysis of child care.

Site Differences in Child Care

The kinds of child care respondents reported using varied by site (Table 14). From the respondents' point of view, these differences reflected different patterns of child care availability as well as different local policies concerning access to child care subsidies. Each research site presented a different child care story. Three stories, each from a different site, illustrate these differences.

Table 14
Major Child Care Arrangements by Interview Site

	Bexar		Harris		Valley		Jasper		McLennan		Hale		Total
	#	%	#	%	#	%	#	%	#	%	#	%	#
n=281													
Inside family	29	66%	34	67%	34	83%	34	63%	26	72%	45	75%	202
Formal child care	9	21%	9	18%	2	10%	5	9%	10	28%	6	10%	41
Outside family	0	0%	3	6%	7	5%	2	4%	0	0%	3	5%	15
Child cares for self	5	11%	3	6%	1	3%	11	20%	0	0%	3	5%	23

NOTE: Child care coding has only been determined for six of the sites thus far.

Even in urban areas like San Antonio, most respondents relied upon some form of support from their families. Various child care programs were available; however, according to respondents, special groups received priority for subsidized child care. For instance, those respondents who had their children while still in high school praised the provision of subsidized child care through the CCMS as essential to receiving their diploma. Transportation for themselves and their children was one of the services offered to teenage parents who were still in school: “CCMS really helps me finish school and get off TANF.” However, clients report that these programs were not available to women who had completed high school or were now over the age of twenty. For both working and non-working mothers, child care remained an on-going concern. In particular, mothers going into the service industries often found jobs with non-standard hours and reported that it was especially difficult to arrange child care for night-time and weekend hours.

In the Valley, as in the more rural areas, only about one in ten of the participants had children in day care centers. Parents almost always took care of the children themselves or arranged with a family member to take care of their children. For some parents this was the preferred mode of care. However, some respondents reported difficulties in meeting the demands associated with the use of more formal child care. One respondent explained that the welfare office required that clients participate as volunteers in different programs and in parenting classes in order to continue their

eligibility for child care, but participants had neither transportation nor adequate child care for these additional activities. As a result, some respondents became discouraged with the system; in some cases they reported that their lack of participation in parenting programs also made them ineligible for welfare benefits as well as for subsidized child care.

In Jasper, with many rural respondents, while the need for child care emerged in detailed interviews, more respondents reported material hardship and difficulties in attaining basic necessities. In this context, families were relying on local agencies (themselves often short of resources) and family members for basic necessities. Child care did not have a high priority. For instance, one respondent reported that a local church paid his electricity bill in return for his work mowing the church yard. While this respondent described himself as employed, he was not seeking child care as a result of his employment. Respondents with minimal earnings, health problems, and food shortages often did not mention child care as a priority.

Summary of Preliminary Findings from Analysis of Intensive Interviews

Characteristics of families who left or were diverted from TANF. The qualitative data indicate that individuals who were redirected from TANF, and those who received the one-time payment option, were more likely to be male and to be married. Leavers were more likely to be on TANF at the time of the interview and to be living in subsidized housing.

Overall, about half of the respondents were employed. The majority of respondents were employed in jobs without either employee benefits and at wages below \$8.50/hour. Respondents were eager to present themselves as employed, even in situations where they had earned no recent income. Respondents with more secure, higher wage jobs tended to have higher levels of education and training.

Participation in other government programs. While over half of the respondents had at least one child on Medicaid, a large minority of respondents reported no family members on Medicaid. Health problems were the most frequent reason given for lack of employment. Respondents reported problems both in gaining medical coverage, and in

accessing health care. Problems with health care access were particularly pronounced in rural areas.

Over half of the respondents in all groups were using Food Stamps, although use was particularly high among recipients of the one-time payment. Respondents also reported frequent use of food pantries. Their accounts, which will be subject to more detailed analysis for the final report, indicate that some families face days without food and ongoing concerns about their ability to feed their children.

Employment and other economic supports. Although half of the respondents are employed, short-term, low-wage employment without employer-sponsored benefits predominates. Higher-level employment tends to result from access to training and education. Only a minority of families use formal child care arrangements. Almost a third of respondents report receiving child support payments, including both formal and informal payments.

Management over time and hardships encountered. Family coping strategies are multi-faceted and complex and will be subject to continuing analysis to be reported in the final report. The initial work reported here indicates that families are often struggling with barriers to work that include health problems, lack of child care, difficulties with transportation, and difficulties, particularly in rural areas, in locating employment. Many families are facing multiple problems.

The large majority of families depend on themselves or on informal social supports for their child care. A minority of families depend on social supports for their transportation. The final report will examine the importance of informal supports, particularly in situations where families face multiple problems.

Potential applicants' views of the diversion/application process. Initial analysis indicates that families find the services of TANF, Food Stamps, and Medicaid extremely valuable. They often do not understand everything that is necessary to maintain eligibility. Particularly in rural areas, respondents report difficulties in meeting the demands for continued eligibility for services. As in other studies, there appears to be a sizeable amount of low-income families not on TANF, in low-income, low-benefit jobs

without Food Stamps and/or Medicaid. Respondents also report that adults in households are likely to go without medical insurance, even when children are covered.

Points at which TANF leavers are most vulnerable to returning to TANF. The qualitative interviews — conducted sometime in the fifteen months after a respondent left or was diverted from TANF — show relatively few returning to TANF. The longer time range provided by the administrative database can better examine patterns of return of families to TANF.

Factors associated with leaving and returning to TANF. The detailed interviews revealed that factors preventing employment appeared to cluster in the following four areas: health problems, problems with child care, problems with transportation, and lack of available jobs. More analysis will be done in this area for the final report through the econometric analysis of administrative and survey data. Combined work with the in-depth interview data and the longitudinal administrative data will highlight precipitating issues that push people on and off TANF. In the final report, the two types of analysis will be interpreted together to examine these factors in more detail.

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Appendix A: Research Methods

This first section of this appendix provides more detailed information on the study components and time periods covered. Two additional sections, included below, detail the research methods used in the administrative data and the interview portions of this study.

Overview of Study Components and Time Periods

Table A-1 summarizes the study components and the time frames relevant to each component.

Administrative Data Research Methods

This section of the appendix provides more detailed information on the administrative data analysis component of this study. Included are descriptions of data sources, techniques used to create research datasets, variable definitions, and details of certain analyses that supplement those reported in the main paper.

Data Sources

This section provides details of the source data collected from each supplying agency.

Table A-1
Texas Families In Transition: Surviving Without TANF Study Components
Included In Preliminary Report

Subgroup	Intensive Interview Respondents	Geographic Location	Administrative Data	Time Period for Cohort Entry
TANF Leavers	(TFIT Face-to-Face Interviews) n=189 This sample is comprised of three groups of leavers: a. Caretaker cases denied b. Caretaker cases transferred to Medicaid c. Child only (caretaker hit time limit) cases denied	Six counties: Bexar Cameron/Hidalgo Hale Harris Jasper McLennan	Statewide and county level	Interviews 4/98-6/99; Administrative Data 4/98-6/99
Redirects	(TFIT) n=158	Same six counties as above	Statewide and county level	Interviews 4/98-6/99; Administrative Data 4/98-6/99
Applicants denied for non-financial reasons	(ASPE)* n=30 Baseline interviews conducted 6/00-8/00, Follow-up interviews four months later	Austin (n=15) El Paso (n=15)	Statewide and office level	Interviews 1/00-3/00; Administrative Data 4/98-6/99
One-time lump sum recipients (from ACT evaluation) †	(ACT) n=55	Bexar Cameron/Hidalgo	Statewide and county level	Interviews 3/98-8/99; Administrative Data 4/98-6/99

*The ASPE study is an on-going, federally-funded study designed to examine the economic and non-economic circumstances of individuals who were denied TANF on initial application or were redirected from cash assistance.

†Achieving Change for Texans (ACT) is Texas' welfare reform program.

Department of Human Services (DHS) Data

The primary data source for this study was the DHS SAVERR data system, the main repository of client and case information over time. Periodic and transaction-based extracts from this system were used to define the research groups as well as a number of outcome measures. These data sources included:

- TANF, Food Stamp, and Medicaid client strip tapes, serving as monthly snapshots of the case and client loads of these programs;
- cumulative warrant files containing historical records of actual cash assistance paid to cases, whether by check or by electronic benefits transfer (EBT);
- transaction files describing the disposition of TANF applications and recertifications, as well as other case changes;
- Texas Works (form 1181) files, containing information completed by everyone entering a DHS office with the intent of applying for benefits to aid in the support of their children; and
- One-time files, containing information on all clients who have received one-time benefits since the inception of this program.

With few exceptions, the effective dates of these DHS data sources covered the time period from April 1996 through October 2000. Not all time periods were utilized in this preliminary report.

Texas Workforce Commission (TWC) Data

As the administrator for the Unemployment Insurance (UI) program, TWC maintains a wage database system that contains reported employee wages by employer by calendar quarter. The data identify employees by social security number (SSN). RMC researchers used these data to measure employment and earnings.

TWC has also been responsible for the administration of subsidized child care (SCC) since September 1996. In order to model the use of SCC, RMC requested child care payment administrative data from TWC. Case and individual level data requested regarding SCC included, but was not limited to: (1) spells of SCC receipt, (2) number of children receiving SCC, and (3) costs of subsidized care.

The effective dates of these TWC data sources covered the time period from April 1996 through June 2000. Not all time periods were utilized in this preliminary report.

Office of the Attorney General Data

In Texas, the Office of the Attorney General (OAG) has been assigned the responsibility for helping the custodial parent(s) collect child support from the non-custodial parent(s) of their children. The OAG has developed automated data systems to

facilitate the administration of this program. These data systems include detail on case status and demographics, amounts of support paid and owed by non-custodial parents, and share of the support collected that is disbursed to the state and custodial parent. The data are keyed to both SSN and TANF client number when applicable.

The effective dates of these OAG data sources covered the time period from September 1997 through August 2000. Not all time periods were utilized in this preliminary report.

Creation of Research Data Sets

To conduct the analysis of most outcomes, RMC researchers linked and merged data files from the disparate data sources noted here. The first step in pulling these data together was to use TANF monthly case/client files, together with transactions, one-time files, and Texas Works data, to define the groups of interest. A listing of the identifiers (SSNs and client numbers) of all statewide members of these groups was compiled. This identifying information was then used to create subsets of data from each source to be used by the relational data engine.

Definition of Research Groups

Diverted Groups

Those diverted from TANF consisted of redirects, those denied for non-financial reasons, and one-time recipients. These sub-groups, as well as their comparison group (TANF entrants), were defined in relation to the month in which clients entered a DHS office and/or applied for benefits. This month will be referred to as the 'focal month.'²³ The aggregate applicant population, from which the sub-groups were drawn, was created by combining the Texas Works data (completed by nearly all entering the office) and one-time client data together with all new applications for TANF or TANF-UP cases. For every client who walked into an office or filed a new application, group membership was

²³ The fact that divertees' focal month was defined around the point of filing an application, and not the month the application was acted upon, explains seemingly strange results in some charts whereby, for example, TANF entrants do not approach 100 percent TANF receipt in the month after application.

determined by his or her presence and/or absence in one or more of these files as well as the monthly client files.

In the definition of the diverted groups, individual clients were allowed to be members of more than one diverted group, provided they met all other criteria for group membership. Thus, for example, a person who was designated a redirect in month one for not having filed an application could be an applicant denied for non-financial reasons in month three, and a TANF entrant (comparison group) in month six. Of course, by definition, one could not be a member of multiple groups for the same focal month of application/redirection. Thus, clients are only potentially duplicated at different points in time. This does not pose an interpretational problem when one considers the highly cyclical nature of TANF receipt in Texas. Because the unit of analysis is the person-month, and members of this population can vary greatly in their characteristics from one month to the next, most members *should* be included in more than one group. On the other hand, it is not appropriate for a client to be included multiple times in any one group, so only the first instance per person of redirection, non-financial denial, one-time receipt, or TANF entry was counted.

Redirects

Membership in the group of *redirects* was determined first by selecting all who entered a DHS office, completed a Texas Works form (1181), and responded to the first question: “I came to the office today because I need help,” by selecting the box for “supporting my children.” Also included were a small number of clients who gave free-form responses to this question and included some form of the word support within their response.²⁴ This screen was applied to minimize the possibility that the redirect group contained those who were principally concerned with employment, food, or medical expenses. This list was then linked to transaction records to remove anyone who filed an

²⁴ In the earliest versions of this form, this question allowed only a free-form response, and in later versions, free-form responses were allowed next to a box marked other. In either case, the existence of the word “support” was deemed an indicator that a client was likely to apply for TANF.

application for TANF, TANF-UP, or one-time benefits in the same month. All who remained were designated as TANF redirects.²⁵

Non-financial Denials

Another form of diversion consisted of those who completed a TANF application but were denied for non-financial reasons. Identifying and other information on these individuals was sparse (see ‘missing data’ below).

One-time Recipients

Those applicants who elected to receive a \$1,000 payment in exchange for remaining TANF ineligible for one year were included in the group of divertees known as one-time recipients. Since they did not enter the active TANF caseload and were not necessarily on Food Stamps or Medicaid, demographic data were sparse on this group as well.

Comparison Group - TANF Entrants

The final group was included for comparison purposes and consisted of the primary caretakers on new applications that were approved for entry into the TANF or TANF-UP caseload.

TANF Leavers

TANF leavers were defined as the primary caretakers of TANF-basic or -UP cases that were denied or otherwise became inactive for two consecutive months²⁶. These leavers were categorized as those totally denied, those transferred to Medicaid, and child-only cases in which the caretaker had previously reached their state time limits. For these child-only cases, the time-limited caretaker was considered the leaver. In contrast to the definition of divertees, leavers were not allowed to be in multiple groups. Only the first

²⁵ This differs slightly from the definition of redirects used in the selection of the interview sample. Effects of this difference will be investigated before the final report.

²⁶ This definition relied upon case status as of monthly cutoff. For the final report, it will also consider whether the 2-month gap might have been bridged by retroactive benefits, according to the warrant data.

instance per person of leaving TANF was counted, regardless of the sub-group to which it was assigned. For all leavers groups, the focal month, or month of exit, was designated as the first of two consecutive months without TANF receipt.

Key Identifiers

Due to the fact that members of several groups of divertees were not necessarily ever on active cases, they may not have had DHS client numbers assigned. Instead, the social security number (SSN) was chosen as the key variable, both for creation of person-month datasets as well as for linking to UI wage and other non-DHS data. While this necessitated the removal of a number of clients who never provided a valid SSN, it carried multiple benefits from improving the linkage to external data sources to eliminating duplication caused by issuance of multiple client numbers to the same person. The topic of missing SSNs is discussed more fully in the ‘Analysis Details: Missing Data’ section below.

Use of Relational Data Engine

RMC researchers created a relational data engine that tied together several individual and case-level relational datasets to produce flat person-month files for analysis. As suggested above, the unit of analysis was SSN-month. A one-to-many relationship was thus maintained between SSN and client number for DHS data sources, with safeguards added to verify that multiple clients using the same SSN were the same person.

One unintended side-effect of using SSN as the key caused a handful of seemingly inexplicable findings for certain groups, particularly in the charts showing receipt of TANF or Medicaid over time. For example, a small percentage of those categorized as denied for non-financial reasons are shown as receiving TANF in the same month. This and other results that one would expect to approach 100 percent or 0 percent are likely due to the fact that one person (with only one SSN) can have multiple client numbers simultaneously. Most of these should be cleared up when, for the final report, the use of SSN as key is incorporated into the definitions of all groups.

Variable Information and Definitions

Types of Outcome Variables

Percent-of-Time Measures

Various outcomes were summarized by computing the percent of time spent in a given state (e.g. employed). This was done by computing a variable at the person-month level that takes the value of one for months in which the person is in the state, and zero otherwise. The mean of this variable over an interval (e.g., the 24 months before a leaver exits), provides an estimate of the percent of time spent in this state. A number of outcomes were summarized in this manner, including employment, TANF, Medicaid, Food Stamps, and child support receipt.

It should also be noted that outcomes reported ‘at the time of exit (or application)’ are a special case of these percent-of-time measures. They are calculated in the same manner. The main difference here is that for each applicant/divertee or leaver, only the focal month is included in this analysis, so they could just as easily be interpreted, for example, as ‘percent of leavers employed in their month of exit.’

Over-Time Measures

While the percent-of-time measures work very well for summarizing a large volume of data into a few easy to interpret numbers, they also tend to obscure much of the month-to-month variability that occurs on these measures for these populations. For this reason, the same data were summarized a little differently by taking the mean per month relative to the focal month and displaying each graphically. The resulting charts, many examples of which are in the main paper, suggest compelling stories about the conditions leading up to and following the focal events (diversion or exit) by which the groups have been defined.

Measures Expressed in Dollar Amounts

All measures that report mean dollar amounts, including wages and child support amounts received, are computed by first excluding zero values.²⁷ This was done to give a more accurate estimate of average amounts received by *those who received anything at all*. The effect is to maintain the independence, for example, of the two questions: what percent of the people were employed, and how much did those who were employed earn? A more accurate representation of each question can be made by keeping these two questions independent. This is particularly true when analyzing populations of individuals for whom a substantial percentage is, at any given time, unemployed or not receiving child support payments. To present a mean with zeroes included would severely distort the picture.

Specific Measures

Welfare and Other Benefit Receipt

The percent-of-time approach, as described above, was used to measure receipt of TANF, Medicaid, and Food Stamps. This approach reduces a great deal of information about divertees or leavers into just a few numbers. The combined effects of changes in entries, exits, and recidivism are all summarized in this single statistic. The only real drawback to this approach is that it is relatively insensitive to ‘churning,’ or frequent exit and reentry, that would be evidenced by elevations in both the exit and reentry rates.

Employment and Other Economic Supports

Employment

Some limited data on income of TANF recipients are available through the administrative records of DHS. However, these data cover only current recipients, are reported only at application or recertification, and are based on self-reported income. Previous work in the area of welfare and employment has shown that UI wage data are likely to be superior to self-reported data from administrative welfare records and were

therefore used to measure employment. UI wage data cover over 98 percent of all reported wage and salary employment in the state of Texas. Some jobs are not covered, including out-of-state employment, self-employment, federal government employment, and some agricultural employment.

In measuring employment outcomes, RMC researchers created a variable that takes the value of one if the recipient earned money and the value of zero otherwise. Taking the mean of this variable for a given sub-group gave the percent employed for that group. Any employment in a quarter was assumed to represent employment in each of the three months comprising the quarter.

Earnings

Previous work with UI wage data has shown that a modest percentage of the welfare population earns wages. However, the distribution of wages earned is skewed with a large proportion of the earners at the low end of the wage scale and very few at the high end of the wage scale. Furthermore, there are many participants with zero wages. Mean earnings were analyzed, as described above, by excluding zero values. Quarterly wage amounts were assumed to have been earned in equal amounts in each of the three months comprising that quarter.

Child Support Collections Retained by Family

Child support collections retained by the family (as opposed to all collections) were reported due to the way that the OAG disburses funds collected from non-custodial parents (NCPs). When child support is collected for a current welfare recipient, the state keeps the proceeds (except for a \$50 disregard) unless the amount collected exceeds the amount of the welfare grant plus \$50. When child support is collected by the OAG for *former* welfare recipients, however, the entire amount of the ongoing support portion of the payment is forwarded to the recipient. Since the portion of child support payments

²⁷ Zero values are also excluded from the measure of mean number of children receiving subsidized child care for the same reasons.

retained by the OAG can not affect a client’s self-sufficiency, only the portion of payments that are forwarded to the clients is counted.

Subsidized Child Care

Subsidized child care (SCC) services are offered to eligible, current, and former TANF-recipient families under a number of different programs including Choices, Transitional, and At-Risk (income-eligible) Child Care. Welfare reform legislation has changed some of the regulations governing the eligibility for and receipt of Transitional Child Care (TCC) services. Child care payment data were thus analyzed to determine whether the sub-groups of divertees or leavers differed in their patterns of subsidized child care receipt. Differences among sub-groups could be expected in both the number of children in SCC, and the number of families that availed themselves of this benefit. Thus, SCC receipt was modeled as the percentage of cases using SCC each month and the average number of children using SCC per subsidized family.

Analysis Details

Missing Data

Demographics

As mentioned previously, for several of the sub-groups of redirects, there were problems with missing values for a number of the demographic variables. Table A-2 lists the percent of missing values for each of the diverted sub-groups on each of the demographic variables. Because of the possibility that those with missing values comprise a biased subset of these groups, demographic data have not been reported in instances where more than 10 percent of the observations have missing values.

Table A-2
Missing Data Analysis: Demographics of Divertees

		Application filed
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	Total Sample	Redirected (no app. filed)	Denied for Non-financial Reasons	Approved - One-time Payment	Approved - Entry into TANF Caseload
Number of Families	258,294	43,479	85,856	1,791	127,168
Age of Caretaker					
Percent missing	15.4%	0.5%	45.6%	0.0%	0.4%
Race/ethnicity of Caretaker					
Percent missing	30.1%	84.4%	47.4%	0.0%	0.4%
Type of Family					
Percent missing	35.9%	85.8%	64.5%	2.0%	0.0%
Number of Children					
Percent missing	13.6%	80.9%	0.0%	0.0%	0.0%

NOTE: Cells in bold indicate unacceptable levels of missing values (> 10%). These cells will not be reported in the demographics tables. There were no missing values on any of these measures for any of the groups of TANF leavers.

As can be seen in Table A-2, redirects and those denied for non-financial reasons show the highest levels of missing values. The values are missing primarily because of the nature of data collection on these individuals. Redirects, for example, show extensive missing values on race/ethnicity, type of family, and number of children because this information is not collected on the Texas Works form. Demographics have been filled in from other sources (e.g., Medicaid and Food Stamps client files); however, if redirects have not participated in these programs, then their data are unavailable. For applicants denied for non-financial reasons, the relevant data elements are present on the transaction record, but the values in these fields are quite frequently missing when the application is denied.

Missing SSNs

Due to the selection of SSN as the key variable, as discussed above, those whose SSNs were missing or invalid had to be dropped from all analysis. For most sub-groups, the percent dropped was very small, and thus the impact on the results is likely to be negligible. For example, less than one percent of redirects, one-time recipients, and all leavers groups had missing or invalid SSNs. For other groups, however, greater numbers had to be dropped. Thirty-five percent of applicants denied for non-financial reasons and six percent of TANF entrants had missing or invalid SSNs. For the final report, further

attempts will be made to reduce the numbers of clients dropped or to assess the extent and nature of the bias introduced.

Statistical Representativeness of Interviewed Samples

An important question for interpreting the interview data concerns how closely the interviewed samples resemble the populations from which they were randomly sampled. For this purpose, the characteristics and outcomes of persons interviewed who could be identified in the administrative data were compared to those of the respective populations. Two levels of comparison were done. First, each group of persons interviewed was compared against the respective population of the local area from which it was sampled. Second, a similar comparison was made against the respective population of the entire state.

Table A-3 lists the demographics and other characteristics of one-time recipients. An examination of the demographics portion reveals that the one-time interviewees closely resemble the one-time populations of the selected areas and of the entire state in terms of age and percentage of two-parent families. The interviewed one-time sample appears to be almost entirely Hispanic very much like the one-time population of the selected areas but more heavily representative of Hispanics than is the statewide population of one-time recipients. The only unexpected difference is that interviewed one-times have, on average, more children. Examination of the employment, child support, and benefit receipt histories of these groups also reveals great similarity with only a few puzzling differences. Interviewed one-times, for example, were more likely to be employed but at lower wages and more likely to be receiving child support but in smaller amounts. The interviewees also appear to be slightly more likely to have received Medicaid, Food Stamps, or subsidized child care, and to have more children in SCC. Many of these differences seem consistent with the interviewees being a slightly more stable subset of the populations they were meant to represent. Overall, however, the similarities are striking.

A similar pattern is seen (Table A-4) when comparing the characteristics of the TANF leavers who were interviewed against leavers in the selected areas and statewide.

Two-parent families are slightly over represented among the interviewees, but otherwise their demographics are remarkably similar. Like their one-time counterparts, interviewed leavers also appear to be slightly more likely to be employed and receiving child support but not necessarily more likely to receive more money. Those interviewed also seem more likely to have received benefits other than TANF in the six months prior to their exit. Again, this is consistent with the interviewees being slightly more stable than the populations from which they were drawn but still very similar.

**Table A-3
Statistical Representativeness of Persons Interviewed**

Applicants Selecting One-time Payments

	One-times Interviewed	All One-times in Selected Areas *	All One-times Statewide
Number of Families	29	899	1,791
Age of Caretaker			
Average Age	30.8	30.5	30.4
Percent 18-25	37.9%	34.3%	32.3%
Percent 26-34	24.1%	35.0%	38.5%
Percent 35-44	31.0%	22.1%	22.2%
Percent 45 and over	6.9%	8.6%	7.0%
Race/ethnicity of Caretaker			
Percent Black	0.0%	1.3%	5.4%
Percent Hispanic	96.6%	94.0%	73.5%
Percent White	3.4%	4.3%	20.7%
Percent Other	0.0%	0.3%	0.4%
Type of Family			
Percent single-parent families	41.4%	37.4%	47.1%
Percent two-parent families	58.6%	62.6%	52.9%
Number of Children			
Average number of children	2.7	2.2	2.2
Percent with one child	24.1%	30.5%	31.7%
Percent with two children	27.6%	35.2%	36.6%
Percent with three or more children	48.3%	34.3%	31.8%
Employment, Child support, and Benefit Receipt in 6-Months Prior to Application			
Percent of time employed	29.9%	21.5%	25.6%
Average monthly earnings of those employed	\$459	\$585	\$608
Child support - percent of time receiving payments	4.6%	3.5%	3.9%
Child Support - average of payments received	\$112	\$168	\$173
Percent of time caretaker receiving TANF	5.2%	5.5%	4.9%
Percent of time caretaker receiving Medicaid	21.3%	16.4%	16.7%
Percent of time caretaker receiving Food Stamps	48.9%	38.3%	34.0%
Percent of time receiving subsidized child care	4.6%	3.6%	3.8%
Average number of children in family receiving subsidized child care	2.4	1.8	1.8

* Includes all one-time recipients in Bexar, Cameron, and Hidalgo Counties from 4/98 through 6/99.

**Table A-4
Statistical Representativeness of Persons Interviewed**

TANF Leavers

	Leavers Interviewed	All Leavers in Selected Areas*	All Leavers Statewide
Number of Families	162	54,702	165,681
Age of Caretaker			
Average Age	30.4	31.6	31.5
Percent 18-25	35.2%	34.1%	34.7%
Percent 26-34	32.7%	32.8%	32.8%
Percent 35-44	24.1%	20.9%	20.6%
Percent 45 and over	8.0%	12.2%	11.9%
Race/ethnicity of Caretaker			
Percent Black	28.4%	30.4%	30.6%
Percent Hispanic	51.9%	56.3%	44.0%
Percent White	19.1%	12.3%	24.4%
Percent Other	0.6%	0.9%	0.9%
Type of Family			
Percent single-parent families	88.9%	90.4%	92.7%
Percent two-parent families	11.1%	9.6%	7.3%
Number of Children			
Average number of children	2.1	2.0	2.0
Percent with one child	35.4%	41.5%	43.0%
Percent with two children	36.0%	29.6%	30.8%
Percent with three or more children	28.6%	28.9%	26.2%
Employment, Child Support, and Benefit Receipt in 6-Months Prior to Exit			
Percent of time employed	48.9%	39.1%	41.8%
Average monthly earnings of those employed	\$467	\$470	\$484
Child support - percent of time receiving payments	12.4%	7.1%	7.2%
Child support - average of payments received	\$105	\$128	\$131
Percent of time caretaker receiving TANF	71.7%	68.1%	65.9%
Percent of time caretaker receiving Medicaid	81.5%	70.8%	68.8%
Percent of time caretaker receiving Food Stamps	74.0%	63.3%	63.9%
Percent of time receiving subsidized child care	16.0%	8.5%	7.7%
Average number of children in family receiving subsidized child care	1.9	1.9	1.9

* Includes all TANF leavers in Bexar, Cameron, Hidalgo, Hale, Harris, Jasper, and McClellan Counties from 4/98 through 6/99.

For this preliminary report, analysis of representativeness of interviewed samples was only possible for one-time recipients and TANF leavers. The interview sample of applicants denied for non-financial reasons was not analyzed for representativeness due to the fact that the time-frame for entry into this sample was outside the window of coverage for administrative data. Since the administrative data window will be extended for the final report, this analysis will be postponed until then. Similarly, analysis of the representativeness of interviewed redirects was not possible for the present report. Due to numerous problems including differing identifiers, lack of appropriate geographic variables, and missing data this comparison for redirects may or may not be possible to complete for the final report pending further analysis.

In summary, for those comparisons that could be made, the interviewed samples appear to be remarkably similar to the populations of the areas from which they were drawn as well as to their respective statewide populations. The only differences that consistently emerged suggest that the persons interviewed were slightly more stable or easier to locate. Such a result should be expected when attempting to interview a sample drawn from a highly mobile population.

Research Methods Used for Intensive Interviews

Interview Research Sample

Qualitative researchers studied leavers and ‘redirects’ in six research sites: the counties of Bexar, Harris, Jasper, McLennan, Hale, and the two-county Valley area comprised of Cameron and Hidalgo counties. Applicants denied for non-financial reasons were studied in two research sites: Austin (Rutherford office) and El Paso (Alameda office). Recipients of the one-time payment were also studied in two research sites: Cameron/Hidalgo and Bexar counties. In each site, research staff drew a random sample of potential research respondents from the TDHS population. The leavers population included three subcategories: caretaker cases denied, caretaker cases denied and transferred to Medicaid, and ‘child-only’ cases denied after the adult had left TANF due to reaching state time limits.

Data Collection

Field researchers worked with a random sample making a series of efforts to locate and interview the respondent, preferably in person and preferably in the respondent's home. The samples were drawn over a one-year period in all but the study of those denied for non-financial reasons. Therefore, interviews took place between three and fifteen months after departure from TANF. In the larger six-site study a careful record was kept of each effort and the information learned during each attempt (new address/move/employment status/institutionalization). Once located, each potential respondent was asked to participate in an extensive open-ended interview that covered such topics as household demographics, sources and amounts of household income, barriers to employment, types of household expenditures, experience of material hardship, recent experiences with TANF, and plans for the future. In the smaller-scale studies of applicants denied for non-financial reasons and of recipients of one-time payments, researchers interviewed a random sample of respondents several times and considerable effort was made to reach those selected. However, partial data from those who could not be located were not collected. Furthermore, this report draws only on data from the first interview with each respondent.

Data Analysis

Detailed notes (called dispositions) were kept on all attempts to reach potential respondents in the larger six-site study. In all studies, each completed interview was transcribed from audio tapes if the respondent permitted taping, from notes if the respondent disallowed it. Codebooks were established for each of two databases. The first database included the basic, quantifiable data, which are the basis for this report. Still underway, the second database includes the thematically coded prose content of disposition notes and completed interviews. The current report draws on the first database, informed by illustrations from the second.

Qualitative Research Strengths and Weaknesses

This approach allowed us to:

- increase the likelihood of locating potential respondents who are relatively difficult to find or who may have a tendency to refuse, thus mitigating response bias.
- talk directly to respondents in order to explore the complex relationships among variables, including new variables suggested by the respondents. While respondents' narratives are idiosyncratically different from each other, they provide the researchers with new insights into respondents' perceptions of welfare and work.
- also obtain information from and about non-respondents.

While providing detailed and evocative information about families in poverty, this approach is subject to several limitations, in particular:

- inability to reach all research respondents,
- a snapshot rather than a longitudinal approach,
- relatively small sample sizes.

Therefore, the qualitative findings are integrated into the context of an analysis of administrative data files. The joint analysis allows us to explore in depth and to draw on longitudinal data from the entire population.

Impact of Respondent Mobility on Sample Response Rate

Because data for this report were collected through three different studies, with somewhat different research designs, this is a report on data collected with somewhat different sampling and follow-up techniques. In the largest of the studies — implemented in six sites — research staff searched exhaustively for each individual drawn in the sample. While searching out respondents in six sites, researchers learned a little about even those potential respondents who were never located or interviewed. Thus, some types of information are available from larger numbers of potential respondents than other types of information. Our response rate varied, depending on the question at issue. In the

two smaller studies, efforts concentrated on the location of respondents who were willing to be interviewed, rather than on follow-up with clear non-respondents.

Response Rates

Across the eight research sites in which leavers and diverted respondents were studied, a sample totaling 679 potential respondents were contacted for interviews. As indicated in Table 2 in the main report, the research staff located and completed interviews with 439 respondents. They learned about recent mobility (moving from one address to another) and institutionalization (in prison, the hospital, or a shelter) for an additional 123 respondents. They gained still additional information on 69 non-respondents.

Residential Mobility and Sample Location

The methodology used for the qualitative research reported here provided an opportunity to explore the geographic mobility of families in our population and its relationship to other family problems and issues as well as to response rates. In all cases, the sample members had had contact with a TDHS office during the year preceding the efforts of researchers to contact them. Because the researchers made several attempts to contact each person, including visits to the home and neighborhood, the researchers almost always were able to confirm whether a respondent was still in residence. In some cases they gained additional information from family members who were willing to help the project by reporting, for instance, that the respondent had left town and had a job (and was therefore employed). In several cases researchers learned that respondents were hospitalized, in jail or prison, or in shelters. Thus, the analysis for each of our research questions includes responses concerning different numbers of respondents. Table 2 in the main report presents the numbers of respondents with different types of information available. It indicates the number of potential respondents in the sample, whether or not interviewers acquired any information, and the degree to which they succeeded in completing an interview.

TDHS population lists provided mailing addresses for all potential respondents of the six sites that included leavers and redirects. In some cases these addresses indicated a specific geographic location, such as a street address. Other provided addresses were in the form of post office boxes and rural route addresses. For 52 percent (308 of 588) of the cases, a street address was provided and interviewers were able to locate a respondent at that address. However, for 37 percent (221 of 588) of the cases, although a street address was provided, interviewers were unable to locate the respondent. Approximately 10 percent (59 of 588) of the provided addresses were post office boxes and/or rural routes. This final type of address, more common in rural locales, posed additional challenges for the researchers.

Among the sample respondents interviewed, almost three quarters (74 percent) of the cases resided at addresses that matched the provided street address. However, this indicates that more than one quarter of our sample (26 percent) included interviews with respondents not as easily located, either because the respondent didn't live at the given street address or the given address was a post office box or rural route.

Residential Mobility and Other Demographic Factors

As might be expected, respondents who moved had different characteristics than respondents who did not move. However, concerted efforts to locate every potential study participant revealed that the over-representation of more stable households remains an ongoing concern. And while analysis is continuing, preliminary results reveal some interesting patterns regarding residential mobility.

For example, people who moved were more likely to be men. Although the sample of men originally is fairly small (71 of 679), 42 percent of the men interviewed were residing at addresses different from the one initially provided compared to 21 of women respondents.

In general, people who move are younger, and the respondents in this sample who had moved are younger as well. Respondents who were no longer residing at the provided address averaged 27 years of age compared to 32 years of age for those who had not moved.

Mobility was also related to issues discussed later in this report including Medicaid coverage and employment status. Those who had moved were less likely to have Medicaid coverage for their children. Fifty-four percent of those residing at different addresses reported not having Medicaid for their children compared to 31 percent of those who were residing at the given address. People who moved and were also employed made on average less than employed non-movers — \$7.12 versus \$8.16.

Appendix B: Additional Statistics

Table B-1
Benefit receipt
Applicants/Divertees

	Redirected (no app. filed)	Application filed		
		Denied for Non-financial Reasons	Approved - One-time Payment	Approved - Entry into TANF Caseload
Percent of Time Caretaker Receiving TANF				
In two years prior to application	6.0%	14.9%	10.9%	25.3%
At time of application	1.9%	4.0%	0.1%	2.9%
In one year after application	4.4%	10.7%	0.1%	42.5%
Percent of Time Caretaker Receiving Medicaid				
In two years prior to application	11.6%	20.7%	19.3%	31.1%
At time of application	9.5%	12.1%	12.6%	11.6%
In one year after application	11.6%	18.0%	21.8%	52.2%
Percent of Time Caretaker Receiving Food Stamps				
In two years prior to application	24.1%	30.1%	39.9%	42.6%
At time of application	17.9%	20.7%	36.3%	25.4%
In one year after application	27.8%	25.3%	42.7%	50.3%
Percent of Time Receiving Subsidized Child Care				
In two years prior to application	3.0%	3.4%	3.3%	4.0%
At time of application	4.0%	3.9%	2.8%	5.1%
In one year after application	4.6%	5.2%	4.6%	8.7%
Average Number of Children in Family Receiving Subsidized Child Care				
In two years prior to application	1.82	1.80	1.87	1.85
At time of application	1.82	1.82	1.84	1.85
In one year after application	1.83	1.86	1.90	1.91

**Table B-1 (continued)
Benefit receipt**

TANF Leavers

	Total Sample	Caretaker Cases Totally Denied	Caretaker Cases Transferred to Med Only	Child Only (caretaker hit time limit) Cases Denied
Percent of Time Caretaker Receiving TANF				
In two years prior to exit	44.2%	42.0%	50.4%	67.8%
At time of exit	0.3%	0.0%	1.4%	0.0%
In one year after exit	13.5%	13.9%	13.0%	1.8%
Percent of Time Caretaker Receiving Medicaid				
In two years prior to exit	48.3%	45.8%	55.5%	80.8%
At time of exit	16.9%	0.0%	75.2%	72.9%
In one year after exit	32.6%	24.9%	59.9%	48.2%
Percent of Time Caretaker Receiving Food Stamps				
In two years prior to exit	55.4%	53.3%	61.5%	78.3%
At time of exit	36.5%	29.0%	64.0%	38.4%
In one year after exit	32.7%	29.9%	43.4%	30.8%
Percent of Time Receiving Subsidized Child Care				
In two years prior to exit	5.5%	4.5%	8.4%	17.3%
At time of exit	9.9%	7.1%	19.7%	13.9%
In one year after exit	8.8%	6.7%	16.3%	10.7%
Average Number of Children in Family Receiving Subsidized Child Care				
In two years prior to exit	1.82	1.81	1.83	1.80
At time of exit	1.95	1.92	1.98	1.97
In one year after exit	2.00	1.99	2.01	1.97

**Table B-2
Employment and Economic Well Being**

Applicants/Divertees

	Redirected (no app. filed)	Application filed		
		Denied for Non- financial Reasons	Approved - One-time Payment	Approved - Entry into TANF Caseload
Percent of Time Employed				
In two years prior to application	51.4%	26.7%	24.5%	38.8%
At time of application	54.9%	29.0%	24.7%	36.3%
In one year after application	53.3%	30.4%	27.7%	41.8%
Average Monthly Earnings of Those Employed				
In two years prior to application	\$812	\$581	\$656	\$613
At time of application	\$665	\$466	\$373	\$397
In one year after application	\$804	\$649	\$650	\$627
Child Support - Percent of Time Receiving Payments				
In two years prior to application	6.8%	5.3%	3.5%	5.4%
At time of application	7.9%	5.9%	3.5%	5.0%
In one year after application	9.1%	7.5%	5.0%	7.5%
Child Support - Average of Payments Received				
In two years prior to application	\$267	\$220	\$167	\$172
At time of application	\$300	\$264	\$214	\$168
In one year after application	\$316	\$270	\$299	\$187

Table B-2 (continued)
Employment and Economic Well Being

TANF Leavers

	Total Sample	Caretaker Cases Totally Denied	Caretaker Cases Transferred to Med Only	Child Only (caretaker hit time limit) Cases Denied
Percent of Time Employed				
In two years prior to exit	37.4%	36.4%	41.4%	32.2%
At time of exit	52.0%	47.2%	69.3%	56.4%
In one year after exit	49.7%	46.1%	62.5%	56.0%
Average Monthly Earnings of Those Employed				
In two years prior to exit	\$546	\$564	\$495	\$410
At time of exit	\$640	\$639	\$635	\$724
In one year after exit	\$732	\$735	\$718	\$852
Child Support - Percent of Time Receiving Payments				
In two years prior to exit	6.7%	6.3%	7.9%	10.2%
At time of exit	8.8%	8.2%	10.9%	14.1%
In one year after exit	10.7%	10.0%	13.1%	15.9%
Child Support - Average of Payments Received				
In two years prior to exit	\$134	\$138	\$129	\$85
At time of exit	\$200	\$202	\$196	\$164
In one year after exit	\$221	\$222	\$218	\$197

**Table B-3
Demographics of Short Term vs. Long Term TANF Leavers**

	Short-term Leavers: Returned to TANF Within 6 Months.	Long-term Leavers: Still Off TANF After 6 Months.
Number of Families	38,822	126,859
Age of Caretaker		
Average Age	30.5	31.9
Percent 18-25	38.7%	33.5%
Percent 26-34	32.8%	32.8%
Percent 35-44	18.7%	21.1%
Percent 45 and over	9.9%	12.6%
Race/ethnicity of Caretaker		
Percent Black	35.5%	29.2%
Percent Hispanic	43.3%	44.2%
Percent White	20.5%	25.6%
Percent Other	0.7%	1.0%
Type of Family		
Percent single-parent families	93.6%	92.4%
Percent two-parent families	6.4%	7.6%
Number of Children		
Average number of children	2.1	1.9
Percent with one child	38.9%	44.3%
Percent with two children	31.0%	30.7%
Percent with three or more children	30.1%	25.1%

Figure B-1
Caretaker Employment Over Time

TANF Short-Term vs. Long-Term Leavers

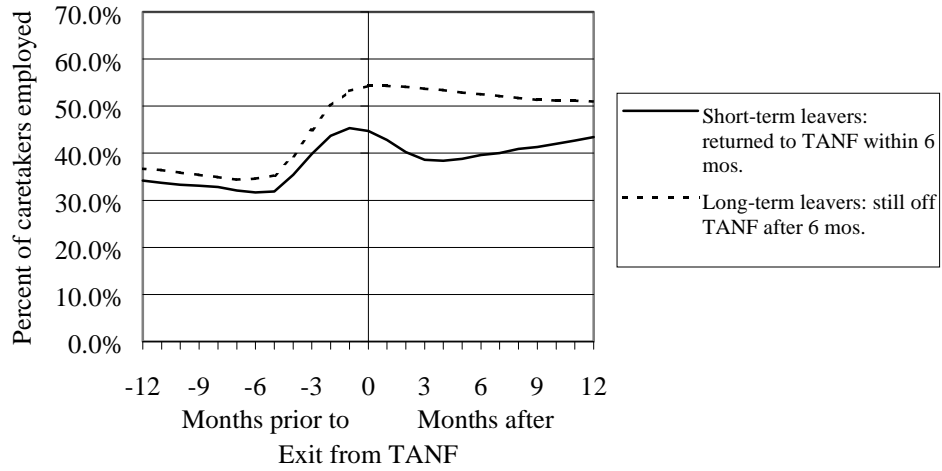


Figure B-2
Caretaker Earnings Over Time

TANF Short-Term vs. Long-Term Leavers

