
***A Report Series of the
Work First New Jersey
Evaluation***

Work First New Jersey Evaluation

**Early and Later WFNJ
Clients: Are Their
Experiences Different?**

April 2004

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Submitted to:

State of New Jersey
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Contract No.: A87041

MPR Reference No.: 8575-535

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This report was prepared for the New Jersey Department of Human Services, under Contract No. A87041. Any opinions expressed in this report are those of the authors and do not necessarily represent the views of the New Jersey Department of Human Services.

ACKNOWLEDGMENTS

Many people have contributed in significant ways to this report. First and foremost, we are grateful to staff at the Division of Family Development (DFD) of the New Jersey Department of Human Services (NJDHS) for providing us with the data to draw our sample for the evaluation and to track the sample members' welfare receipt over time. In particular, we would like to thank Rudy Myers and Beth Connolly for making available the data from the Family Assistance Management Information System, for their generosity with their time, and for patiently answering the many questions we have had since beginning this evaluation.

We also would like to thank NJDHS staff for their input on this report. At the Office of Planning and Special Initiatives, Gayle Riesser, who is the project officer for this study, and Suzanne Borys provided many useful comments. In addition, Rudy Myers of DFD carefully reviewed a previous draft of this report and provided many helpful comments on its content. We also want to thank others at DFD, including Jeanette Page-Hawkins and Beth Connolly, for their comments on the report. Others provided guidance early in the process, when the survey instrument was being drafted and the focus of the report was being determined. These include David Heins, Deputy Commissioner of NJDHS; Leonard Feldman, former Director of Research and Evaluation at NJDHS; and Rachel Hickson, the study's former project officer.

In addition, throughout the project, an external advisory group met regularly and provided important guidance on the scope and focus of the study. Members of this group include Melville Miller, Jr., Anjali Strivastava, and Heidi Gold, of Legal Services of New Jersey; Shakira Abdul-Ali, of Alchemy Consulting, LLC; David Novak, of the New Jersey State Employment and Training Commission; JoAnn Hammill, of the New Jersey Department of Labor; Carolann Kane-Cavaola, of the Division of Addiction Services of the New Jersey Department of Health and Senior Services; Cecilia Zalkind, of the Association for Children of New Jersey; Edward Freeland, of the Survey Research Center at Princeton University; Ted Goertzel, of Rutgers University, Camden; Kate Kraft, of The Robert Wood Johnson Foundation; Joseph Kunzmann, of the Somerset County Board of Social Services and the County Welfare Directors Association; Ingrid Reed, of the Eagleton Institute of Politics at Rutgers University; and Rawaa Albilal, of the United Way of Essex and West Hudson.

At Mathematica Policy Research, Inc., Stuart Kerachsky, the former project director of the WFNJ evaluation, carefully reviewed a previous draft of the report and provided very helpful comments. Todd Ensor, survey director for the WFNJ evaluation, expertly directed the survey that forms the basis of our findings. He was assisted by Barbara Benedict, who supervised the telephone interviewing effort; Cindy Steenstra, who supervised the searching operations; and Betsy Santos and Margo Salem, who jointly managed the in-person interviewing effort and provided valuable assistance on many aspects of survey implementation. Todd Ensor, Jennifer McNeill, and Mike Watts oversaw the programming of the survey instrument for computer-assisted telephone interviewing. We are grateful to the many telephone and field interviewers who collected the data. Jigar Bhatt and Carol Razafindrakoto provided excellent programming assistance and analyzed the survey and program administrative data. Patricia Ciaccio carefully edited the report, and Jennifer Chiamonti did an excellent job of producing it.

Finally, we would like to thank the many current and former WFNJ clients who participated in our survey and who patiently answered our numerous questions. We gratefully acknowledge all of these contributions and accept sole responsibility for any errors or omissions in the report.

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EXECUTIVE SUMMARY

In 1997, New Jersey implemented its welfare initiative, Work First New Jersey (WFNJ), which includes five-year time limits on cash assistance, immediate work requirements for most clients, and expanded support services. To learn how current and former welfare recipients are faring under these reforms, the New Jersey Department of Human Services (NJDHS) contracted with Mathematica Policy Research, Inc. (MPR) in 1998 to conduct a comprehensive five-year evaluation of the initiative.

This report examines the progress of a statewide sample of WFNJ clients who participated in the program during the one-year period from July 2000 to June 2001, three to four years after the program was implemented. It examines the background characteristics of these clients, their welfare and employment patterns, their income and poverty levels, their knowledge of WFNJ provisions, and their use of program services. On all these measures, it compares the outcomes of these later clients to those of an early group who participated in WFNJ in its first year, from July 1997 to June 1998.

KEY FINDINGS: IN BRIEF

Have the characteristics of New Jersey's welfare caseload changed over time? Some recent changes suggest that a growing proportion of the caseload faced employment challenges as the number of recipients rapidly declined in recent years. For example, welfare recipients became more concentrated in high-poverty areas and in the state's largest, most urban county, as caseloads declined more rapidly outside these areas. In addition, later WFNJ clients were more likely than early ones to report health problems. Other shifts reflect broad changes in the welfare system itself. In particular, the proportion consisting of longer-term recipients decreased substantially, and the proportion mixing work and welfare increased somewhat.

Do early and later WFNJ clients have different economic outcomes? Later WFNJ clients initially spent somewhat less time on TANF and more time employed than early clients did. These small differences suggest that WFNJ may have become somewhat more effective at encouraging clients to leave welfare for work during the first few years after it was implemented. However, the initial advantage later clients enjoyed disappeared over time. By the time of the survey (conducted, on average, 21 months after baseline), later clients were actually somewhat more likely than early ones to be on TANF and not employed. The recent economic downturn may have played a role in this pattern, causing later clients to have increasing difficulty leaving TANF and finding work.

Do early and later WFNJ clients have different experiences with the program? Similar to early clients, most later WFNJ clients are aware of the program's basic provisions, including work requirements and the availability of post-TANF supports. However, only 67 percent of later clients reported knowing that TANF benefits were time limited, compared with 82 percent of early clients at a similar point. Later WFNJ clients received more support services from the program than early clients did. They were substantially more likely to receive financial assistance, such as child care and transportation assistance. Similarly, they received more services during contacts with caseworkers (such as moral support or help finding child care or transportation). In addition, later clients were more likely than early ones to report that WFNJ services were useful in helping them find or keep a job.

Has the use of post-TANF services among WFNJ clients changed over time? Later WFNJ clients were more likely than early ones to receive post-TANF supports. For example, among those eligible, later clients were more likely than early ones to receive food stamps after leaving TANF (55 versus 45 percent). Similarly, later clients were substantially more likely to be covered by government insurance after leaving welfare (70 versus 62 percent) leading to a slightly higher percentage of later clients who were insured after exiting TANF. Finally, among those who had left TANF for work and had a child under age 6, 47 percent of later clients were receiving a child care subsidy, compared with only 31 percent of early clients at a similar point. These findings suggest that the state's attempt to expand participation in post-TANF supports through outreach and other efforts have met with some success.

The report focuses on four main questions: (1) Have the characteristics of New Jersey’s welfare caseload changed over time? (2) Do early and later WFNJ clients have different economic outcomes? (3) Do early and later WFNJ clients have different experiences with the program? and (4) Has the use of post-TANF services (such as food stamps, child care subsidies, and Medicaid) among WFNJ clients changed over time?

RESEARCH METHODS

This report compares the experiences of two groups of WFNJ clients: (1) an early group that participated in the program during the one-year period from July 1997 to June 1998 (the program’s first year of operations), and (2) a later group that participated in WFNJ at some point during the one-year period from July 2000 to June 2001.

The primary data sources for this report are two surveys: (1) a follow-up survey of the early WFNJ client sample conducted in spring 1999, and (2) a survey of the later WFNJ client sample conducted in spring 2002. For both groups, the average length of followup was 21 months, and the response rate was 81 percent. These surveys included questions about clients’ employment histories, their income from various sources at the time of the survey, hardships they have faced (such as poor health and housing problems), their knowledge of basic WFNJ provisions, and their use of program services. For some analyses, we also use state administrative data on monthly receipt of TANF and food stamp benefits.

For most analyses, we compare the outcomes of early and later WFNJ clients and conduct statistical tests to determine whether differences between the two groups are statistically significant. We measure outcomes for both groups of clients at the same point relative to baseline. For early clients, “baseline” is defined as the time they first received TANF on or after July 1, 1997 (when WFNJ was fully implemented). For later clients, it represents the time they first received TANF on or after July 1, 2000.¹

KEY FINDINGS

Have the Characteristics of New Jersey’s Welfare Caseload Changed over Time?

- *Caseload characteristics changed substantially during the recent period of rapid caseload decline. Some changes suggest a growing proportion of clients facing employment challenges. Others reflect broad changes in the welfare system itself.*

The number of New Jersey families on welfare has declined substantially since the mid-1990s. In 1995, approximately 110,000 families were receiving cash assistance. By 2002, that number had fallen to fewer than 40,000 families, a decline of more than 60 percent. More recently (and mirroring national trends), the number of New Jersey families receiving welfare has begun to increase slightly as the economy has slowed. The large decline in the size of the welfare caseload that began in the mid-1990s and has only recently ended may have led to changes in its composition. In particular, if the decline was driven primarily by the most job-ready recipients exiting welfare, then the caseload

¹Clients in both groups may have received cash assistance at some point before baseline—in fact, most of them did.

may have become more economically disadvantaged over time as the more disadvantaged recipients remained on the rolls.

Based on several measures, an increasing proportion of the welfare caseload faced employment challenges as the number of recipients rapidly declined. For example, welfare recipients became more concentrated in high-poverty areas (where jobs may be less readily available) and in Essex County, the state's largest, most urban county, as caseloads declined more rapidly outside these poor, urban areas (Table 1). In addition, later WFNJ clients were more likely than early ones to report health problems (particularly with mental health). These characteristics are strongly associated with worse economic outcomes for clients.

Other changes in the characteristics of the welfare caseload reflect broad changes in the welfare system itself. In particular, consistent with the imposition of work requirements and time limits under WFNJ, the proportion of the caseload that consisted of longer-term recipients decreased substantially in the years immediately after the reforms were implemented (Table 1). In addition, the proportion of recipients who were mixing work and welfare increased somewhat during this period.

Do Early and Later WFNJ Clients Have Different Economic Outcomes?

- *Later WFNJ clients initially spent somewhat less time on TANF and more time employed than early clients did.*

In the 18 months after baseline, later clients were consistently less likely than early ones to be receiving TANF in a given month (Figure 1). During this period, later clients spent 10.2 months on TANF, on average, compared with 10.9 months for early clients—a difference of about three weeks. Later WFNJ clients were also more likely than early ones to be employed initially (Figure 1). During the first year after baseline, later clients averaged 4.2 months of employment, compared with 3.7 months for early clients—a difference of about two weeks. Although these differences are fairly small, they are statistically significant.

These small differences suggest that WFNJ may have become somewhat more effective at encouraging clients to leave welfare for work during the first few years after it was implemented in 1997. By 2000 and 2001, when the later group of clients in our study were participating in the program, the incentives and the message to leave welfare and go to work may have been stronger than they were immediately after WFNJ was implemented. In addition, the support services may have been more firmly in place and readily available. Consistent with this interpretation, we find that later clients were more likely than early ones to report having been sanctioned for not complying with program requirements (40 versus 34 percent). Similarly, as we discuss below, later clients were more likely than early ones to report having received child care assistance and other WFNJ financial services, as well as encouragement, support, and other assistance from their caseworkers. These differences may have led to quicker TANF exits and more work for later WFNJ clients. In addition, although clients in the later group all participated in WFNJ during 2000 and 2001, many had also participated in the program before this period. Therefore, on average, they had longer exposure to the program's requirements and services than clients in the early group did, which may have contributed to their better economic outcomes.

TABLE 1
CHARACTERISTICS OF THE EARLY AND LATER WFNJ CLIENTS
(Percentages, Unless Otherwise Indicated)

	Early WFNJ Clients	Later WFNJ Clients
Average Age	32.2	32.0
Female	95	95
Educational Attainment		
Less than high school or GED	44	46
High school or GED	44	44
More than high school or GED	12	11
Race/Ethnicity		
African American	47	55***
Hispanic	28	29
White	20	14***
Other	4	2***
Marital Status		
Never married	65	71***
Formerly married	29	22***
Married, spouse present	5	7**
Children in Household		
Average Number	1.9	1.9
Average Age of Youngest Child (in Years)	4.8	4.8
Health Status		
Rates Own Health as Poor	8	13***
Has a Diagnosed Mental Health Condition	11	16***
Mixing Work and Welfare	7	9***
Months on AFDC/TANF in Two Years Prior to Baseline		
None	15	24***
1 to 12	22	31***
13 to 23	31	30
24	32	15***
(Average)	(15.2)	(11.1)***
County of Residence		
Essex	25	31***
Hudson	15	15
Camden	12	11
Medium-density counties ^a	29	28
Low-density counties ^b	19	15***
Poverty Level of Neighborhood		
High	37	42***
Medium	36	37
Low	27	21***
Sample Size	1,753	1,500

Source: WFNJ administrative records data and WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Characteristics refer to those of the case head or “payee.” Except for measures of health status, characteristics refer to those at baseline. Measures of health status refer to status at the time of the follow-up survey, conducted, on average, 21 months after baseline.

^aMedium-density counties are Bergen, Mercer, Middlesex, Monmouth, Passaic, and Union.

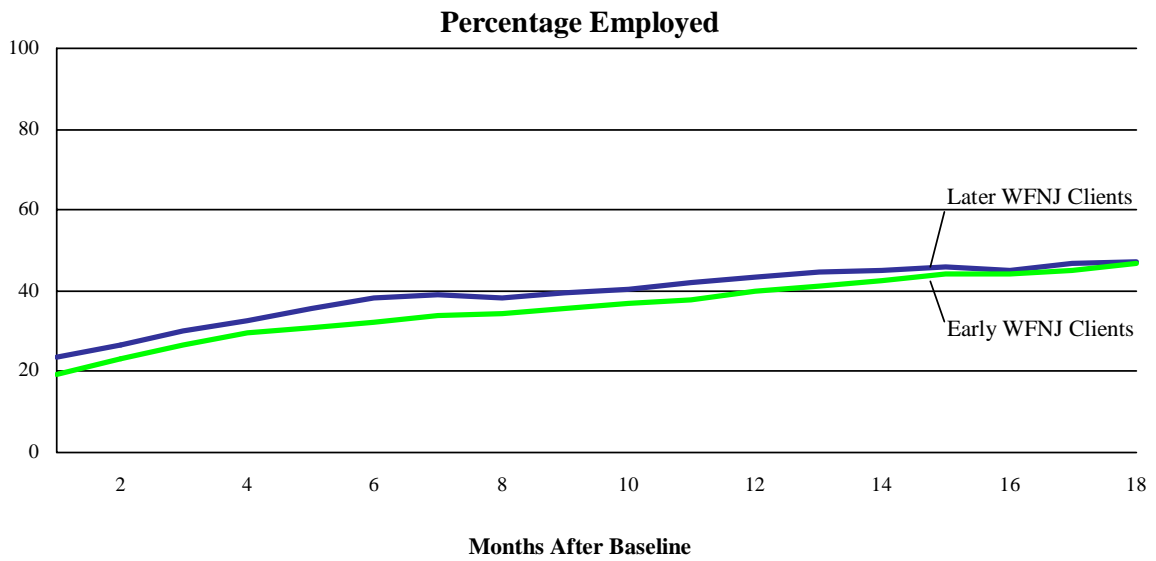
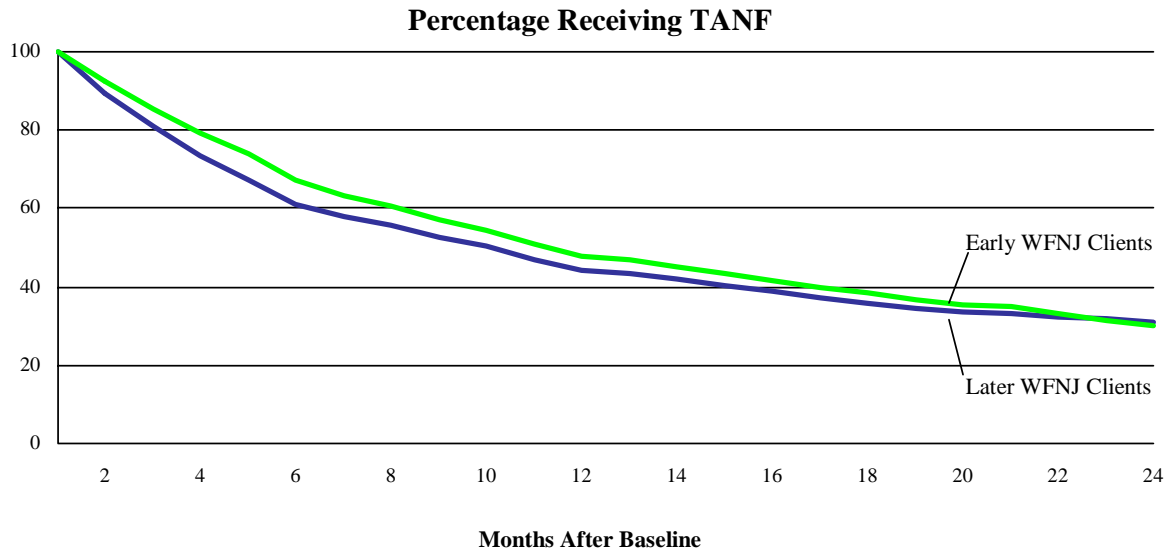
^bLow-density counties are Atlantic, Burlington, Cape May, Cumberland, Gloucester, Hunterdon, Morris, Ocean, Salem, Somerset, Sussex, and Warren.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; TANF = Temporary Assistance for Needy Families.

*/**/** Difference between early and later WFNJ clients significant at the .10/.05/.01 level.

FIGURE 1

RATES OF TANF RECEIPT AND EMPLOYMENT
AMONG EARLY AND LATER WFNJ CLIENTS



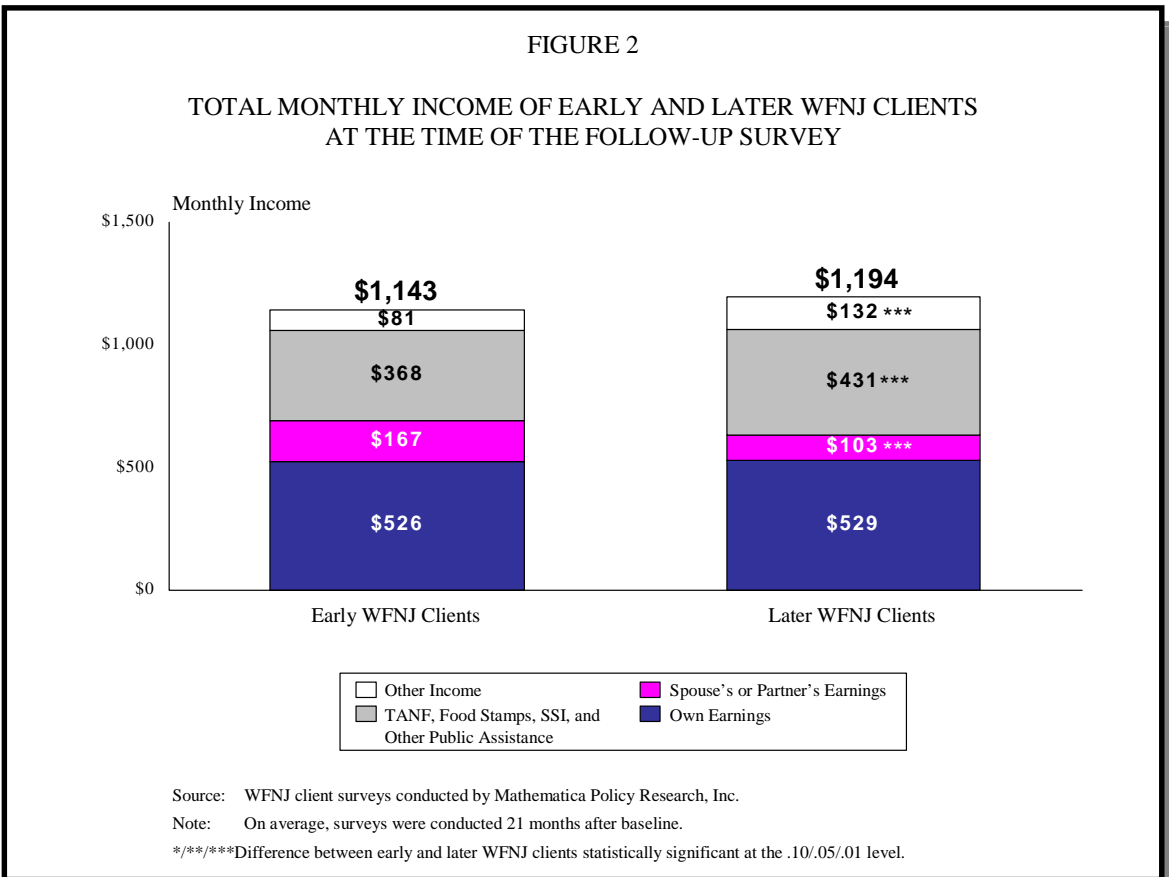
Source: TANF receipt from WFNJ administrative data. Employment data from WFNJ client surveys conducted by Mathematica Policy Research, Inc.

- *This initial advantage went away over time, however, perhaps because of the weaker economy later clients faced.*

Within two years, the initial advantage later clients enjoyed in TANF receipt and employment was gone. The later and early groups of clients were equally likely to be receiving TANF by 24 months after baseline (Figure 1). By 18 months, the two groups were equally likely to be employed. By the time of the survey (conducted, on average, 21 months after baseline), later clients were actually somewhat more likely than early ones to be on TANF and not employed, 34 versus 29 percent (not shown). The recent economic downturn, which began in 2001 and deepened in 2002, may have played a role in this pattern. The weakening economic conditions later clients faced toward the end of the follow-up period may have caused them to have more difficulty leaving and staying off TANF and maintaining employment than early clients had at a similar point three years earlier.

- *At the end of the follow-up period, income levels for early and later clients were about the same. However, the sources of income varied for the two groups.*

At the time of the survey and adjusting for inflation, later clients had average monthly incomes of \$1,194, compared with \$1,143 for early clients, a small and statistically insignificant difference (Figure 2). For both groups, monthly income levels were low—equivalent to an annual income of about \$14,000, or just below the poverty threshold for a family of three. Consistent with the similarity in their average income



levels, the percentage of WFNJ clients who had incomes below the federal poverty threshold at the time of the survey was about the same for the early and later groups. Two-thirds of clients in both groups had incomes below the poverty threshold at this point (not shown). However, fewer later clients than early ones had income below 50 percent of the poverty threshold (23 versus 27 percent).

Although the average income levels of early and later clients were similar at the time of the survey, the source of that income differed somewhat for the two groups. For example, later clients received more income from public assistance than did early clients (Figure 2). Although later clients were less likely to be on TANF initially, by the time of the survey, they were somewhat more likely than early clients to be receiving TANF—42 versus 38 percent (not shown). In addition, at this point, later clients were substantially more likely to be receiving food stamps—63 versus 54 percent. Later clients were also somewhat more likely than early ones to receive supplemental security income (SSI)—16 versus 13 percent.

While later clients received substantially more income from public assistance than early clients did at a similar point, they received substantially less from the earnings of spouses or partners (Figure 2). Among later clients, only 7 percent had income from the earnings of a spouse or partner at the time of the survey, compared with 13 percent among those in the early group (not shown). The main reason for this difference is that later clients were less likely than early ones to be married or cohabiting at the time of the survey. Later clients were more likely than early ones to be African American and to have never been married before entering WFNJ, groups that we have found in earlier research are less likely to marry or cohabit after program entry (Wood et al. 2003). These differences in the background characteristics of early and later clients explain, at least in part, the differences in the amount of income they received from spouses or partners.

Do Early and Later WFNJ Clients Have Different Experiences with the Program?

- *As with early clients, most later WFNJ clients are aware of the program's basic provisions. However, there is growing uncertainty over TANF time limits.*

Early and later clients had similar levels of understanding of most of the basic WFNJ provisions. Among both groups, 80 percent or more reported a basic awareness of WFNJ work requirements. Similarly, most clients in both groups were aware of the availability of post-TANF supports. For example, 70 percent or more of both early and later clients were aware of the availability of food stamps and child care subsidies after leaving TANF, while more than 80 percent of both groups were aware of the availability of transitional Medicaid.

However, there appears to be growing uncertainty among clients over TANF time limits. Only 67 percent of later WFNJ clients reported knowing that TANF benefits were time limited, compared with 82 percent of early clients at a similar point. Since the first WFNJ clients began reaching their time limit in 2002, the state has been granting exemptions or temporary extensions to nearly all those who reach this limit. Therefore, more than a year after the first clients began passing the five-year mark, few WFNJ clients have had their benefits ended by time limits. This policy may have played a role in the rising proportion of clients who are unaware of or unsure about these limits.

Longer-term TANF recipients were more likely than shorter-term ones to be aware of time limits. Among later clients who had spent at least two-thirds of their time on TANF during the past three years, 75 percent were aware of the limits. In contrast, among similar clients who had spent less than a third of their time on TANF, only 58 percent were aware of them. This pattern suggests that those WFNJ clients who are most likely to be affected by time limits are also the most likely to be aware of them.

- ***Later WFNJ clients received more support services from the program than early clients did and found these services more helpful in finding and keeping jobs.***

Later clients received more support services from WFNJ than early clients did, particularly financial supports and assistance from caseworkers. For example, later clients were substantially more likely than early ones to receive child care subsidies during the period since baseline. Among later clients, 23 percent reported receiving a child care subsidy while on TANF, and 16 percent reported receiving a subsidy after leaving TANF (Table 2). Among early clients, these figures were 15 and 9 percent, respectively. Receipt of transportation assistance was also more common among later clients than early ones.

	Early Clients	Later Clients
Work-Related Activities		
Job Search Assistance	31	32
Job Readiness Training	21	24**
Unpaid Work	12	13
Vocational Training	14	17
Any Work-Related Activity ^a	37	39
Financial Support Services		
Child Care Subsidies While on TANF	15	23***
Child Care Subsidies After Leaving TANF	9	16***
Transportation Assistance	18	26***
Housing/Moving Expenses	5	7*
Any Financial Support Service ^b	32	43***
Help from Caseworkers		
Encouragement and Support	15	25***
Finding Child Care	19	24***
Finding Transportation	13	19***
Budgeting Money/Time	5	8**
Straightening out Benefit Problems	15	19**
Help in an Emergency	10	14***
Any Help from a Caseworker ^b	72	71

Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Figures are client self-reports and refer to WFNJ services received from baseline until the time of the survey, a period of 21 months, on average.

^aDoes not include paid work. Clients may have participated in more than one type of work-related activity. Therefore, this percentage is not the sum of the percentages of clients participating in each of the specific work-related activities listed above.

^bClients may have received more than one type of service in this category. Therefore, this percentage is not the sum of the percentages of clients receiving each of the specific services in this group.

*/**/**Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

In addition, although similar percentages of early and later clients had spoken to a caseworker during the period since baseline (just over 70 percent of both groups), later clients reported having received more services during these contacts. For example, later clients were more likely than early ones to report having received encouragement and moral support from their caseworker—25 versus 15 percent (Table 2). Later clients were also more likely than early ones to report having received other kinds of assistance during contacts with caseworkers, such as help finding child care or transportation, straightening out problems with benefits, and budgeting their money and time. These differences may reflect, in part, efforts in some counties to create a more supportive and customer-friendly environment in the welfare office.

Moreover, later clients generally had a more favorable opinion of WFNJ activities and services than early clients did. For example, 49 percent of later clients found the program’s activities and services useful in finding or keeping a job or becoming self-sufficient, compared with only 37 percent of early clients (not shown). Later clients also reported higher levels of satisfaction than did early clients with the hours the welfare office was open and the ease of getting to it. These latter differences may reflect the recent state effort to keep welfare offices open a few additional hours each week.

Has the Use of Post-TANF Services Among WFNJ Clients Changed over Time?

- *Later WFNJ clients were more likely than early ones to receive food stamps after leaving TANF.*

Because WFNJ clients typically have low incomes, most remain eligible for food stamps after leaving TANF. Among both early and later WFNJ clients who had left cash assistance, about 70 percent of those who had left TANF were eligible for food stamps at the time of the survey. However, among those eligible, later clients were substantially more likely than early ones to receive food stamps after leaving TANF, 55 versus 45 percent (Table 3). This increase in food stamp participation among WFNJ clients who have left TANF suggests that recent state efforts to market available support programs and benefits through collaboration with faith- and community-based organizations may have met with some success. It may also suggest that, in more uncertain economic times, low-income people are more likely to apply for food stamps.

In spite of substantial improvement in this area, many former WFNJ clients who appear eligible for food stamps do not receive them. Moreover, some of these eligible nonparticipants appear to have pressing nutrition needs that are not being met. Half gave responses to a standard set of survey questions that indicated that they had experienced “food insecurity” in the past year, or difficulty having consistent access to nutritionally adequate and safe foods. Moreover, one in four gave responses that indicated they had experienced hunger during this period.

- *Later WFNJ clients were somewhat more likely than early ones to maintain health insurance coverage after leaving TANF. Even so, nearly one in four former clients in the later group were uninsured.*

The likelihood that WFNJ clients maintain health insurance coverage after leaving TANF increased somewhat over time. Among later clients who had left cash assistance, 77 percent were insured at the time of the survey, compared with 73 percent of early clients who had left TANF (Table 3). This increase in coverage was driven by a

TABLE 3
PARTICIPATION IN POST-TANF SUPPORTS AMONG FORMER WFNJ CLIENTS

	Early Clients	Later Clients
Receiving Food Stamps ^a	45	55***
Covered by Insurance		
Public	62	70***
Private	15	10**
Either	73	77*
Receiving Child Care Subsidies ^b	31	47***

Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Figures are from client self-reports and refer to services being received at the time of the survey, conducted 21 months after baseline, on average. Only clients who were off TANF at the time of the survey are included.

^aAmong those eligible for food stamps.

^bAmong those who are working and have a child under age 6.

*/**/**Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

substantial increase in the percentage of former clients covered by government insurance programs, up from 62 percent among the early group to 70 percent among the later group. This increase is most likely the result of the introduction of the state's FamilyCare program, which covers low-income parents and their children and was launched in October 2000—between the survey of early WFNJ clients in 1999 and the survey of later WFNJ clients in 2002. Because of funding constraints, FamilyCare stopped enrolling new adult participants in June 2002 (after the survey of later clients was conducted). Additional cuts to the program are currently being considered.

While later WFNJ clients were more likely than early ones to participate in government insurance programs after leaving TANF, they were less likely to participate in private insurance programs. At the time of the survey, 10 percent of later clients who had left TANF were covered by private insurance, compared with 15 percent of early clients (Table 3). Later clients were even more likely to have jobs that offer health insurance coverage than early clients were at a similar point. However, later clients were substantially less likely than early ones to participate in their employer's insurance plan. The introduction of FamilyCare may have played a role in this shift, because it offered a low-cost alternative to paying for employer-provided coverage.

Although levels of coverage have improved, nearly one in four later WFNJ clients who had left TANF was not insured. Among those who lacked insurance coverage, many reported that they were not eligible for government health insurance programs, often because their income was too high or because they had exhausted their two years of transitional Medicaid eligibility. Others said they were eligible but had not applied for these benefits.

- *Later WFNJ clients were more likely than early ones to receive child care subsidies after leaving TANF for work.*

Use of child care subsidies has increased substantially among WFNJ clients who have left TANF for employment. Among later clients who had a child under age 6 and who had left welfare for work, 47 percent were receiving a child care subsidy at the time of the survey (Table 3). In contrast, among similar clients in the early group, only 31 percent were receiving a subsidy. Several factors may have contributed to this increased level of participation. For example, when WFNJ was implemented in 1997, the state changed how these subsidies were administered, moving responsibility from the county welfare agencies to unified child care agencies (typically, community-based organizations under contract to the state). This change initially led to some coordination problems between the child care and welfare agencies. As the program has matured, coordination has improved, which may have contributed to the higher rates of child care subsidy use among later clients. The state has made other efforts that may have played a role in increasing participation. These include extending office hours at child care agencies and providing outreach to clients who have left TANF for work and are not receiving subsidies.

IMPLICATIONS FOR POLICY

The experiences of early and later WFNJ clients differ in ways that suggest that the program began running more smoothly and became somewhat more successful at meeting its goals a few years after it was launched in 1997. Later clients who participated in WFNJ three to four years after it was initially implemented reported higher levels of service receipt (particularly financial assistance and help from caseworkers) and better opinions of the effectiveness of these services than did clients who participated in WFNJ during its first year. Later clients were also more likely than early ones to have received post-TANF supports, such as food stamps, child care subsidies, and health insurance coverage, through government programs. In addition, in spite of facing greater employment challenges based on several measures, later clients were initially more economically successful than early ones, spending more time employed and less receiving TANF. This advantage disappeared over time, which perhaps reflects the weaker economic conditions later clients faced. These results suggest substantial progress toward improving the delivery of the basic set of services to WFNJ clients. In addition, the state has launched a number of new initiatives that have affected current and former TANF recipients over the past several years (summarized in the text box on the next page) and that could have played a role in these improvements.

These results also point to several remaining challenges. First, although later clients initially performed better economically than early ones, by the time of the survey, they were more likely to be on TANF and less likely to be employed than early clients were at a similar point. This reversal suggests that the weakening economy has made it more difficult for later clients to leave TANF and remain off welfare and to maintain employment. Therefore, stronger supports aimed at helping clients find and maintain employment may be needed. Newly employed TANF recipients can face a variety of challenges as they make the transition from welfare to work, including child care and transportation problems, struggles with health or housing, and difficulties adjusting to the demands of the workplace. For this reason, many states are starting to consider employment retention programs for welfare recipients who have exited TANF for

RECENT STATE INITIATIVES FOR CURRENT AND FORMER TANF RECIPIENTS

Supportive Assistance to Individuals and Families (SAIF). This program, initiated in 2003, offers an additional two years of cash assistance and support services to eligible WFNJ clients who reach their 60-month TANF time limit. SAIF clients are required to participate in work activities and must work intensively with their case managers to find employment.

Individual Development Account (IDA) Program. In September 2002, the state launched the IDA program to help low-income families save to buy a house, start a small business, or pay for higher education. Under New Jersey's program, the state will match participants' contributions to these accounts, dollar for dollar, for up to three years (up \$1,500 a year).

Supplemental Work Support Program. This program, which began in spring 2001, encourages working TANF recipients to close their cases in exchange for a monthly work support payment of \$200, regardless of the amount of their cash benefit. Clients who agree to do so are eligible for other post-TANF benefits, and their TANF "clock" (tracking their total months of benefit receipt) stops.

Career Advancement Vouchers. These vouchers, first offered in January 2001, give employed former clients as much as \$4,000 toward program tuition to pursue additional training while they are working.

Comprehensive Case Assessments. In November 2000, county staff began administering a comprehensive social assessment to all long-term TANF recipients. Originally conducted after clients had received TANF for 34 months, they are now administered to all clients after 12 months of TANF receipt. Through these assessments, workers are expected to determine appropriate referrals and services for clients, such as referrals to the State Department of Labor's Division of Vocational Rehabilitation Services or to the state's Substance Abuse Initiative or Mental Health Initiative.

State Earned Income Tax Credit. In 2000, New Jersey introduced a refundable state Earned Income Tax Credit (EITC) for low-income families with children to supplement the federal EITC. The state credit is currently set at 20 percent of the family's federal EITC. The maximum state EITC is about \$500 for a family with one child and about \$800 for a family with two or more children.

Outreach and Marketing Efforts. In 2000, the state developed a faith- and community-based collaborative to market available support programs and benefits to former TANF recipients.

NJ FamilyCare. In October 2000, the state launched NJ FamilyCare, a state-sponsored health insurance program for low-income working adults and their children. (Because of funding constraints, NJ FamilyCare stopped enrolling new adult participants in June 2002. It continues to enroll eligible children.)

employment. Our previous research suggests that WFNJ clients are at the highest risk of job loss during their first few months of employment (Wood et al. 2003). Stronger postemployment supports (such as intensive case management or financial incentives for low earners) during the critical period immediately after job start may help some clients cope with the transition from welfare to work.

Second, although substantial progress has been made in increasing the use of post-TANF supports, considerable room for improvement remains. Many former clients who appear to be eligible for food stamps and child care subsidies are still not receiving them. In addition, although gains have been made in this area, nearly one in four former WFNJ clients lacks health insurance. These results suggest that current outreach efforts to former TANF recipients who are not participating in these services should be continued and possibly expanded.² In addition, we find that many former WFNJ clients report that

²The state recently launched a media campaign to promote awareness of food stamp eligibility.

administrative hassles, such as the amount of paperwork or the difficulty of getting to the food stamp office for recertification, prevented them from receiving food stamps. Therefore, strategies to promote food stamp participation by reducing these administrative barriers may be worth pursuing. Some states are considering allowing clients to recertify for food stamp benefits by mail or telephone. Our results suggest this may be a promising approach. Among eligible nonparticipants, most said they would apply for food stamps if they could do so by telephone. In addition, many clients who leave welfare for work do not receive transitional child care and Medicaid because they do not inform the welfare office of their reason for exiting TANF. Therefore, the state may want to strengthen efforts to convey to clients the importance of telling their caseworker when they get a job.³

Third, the state continues to face the issue of WFNJ clients who reach the TANF time limit. Some clients began reaching the five-year mark for total TANF receipt in April 2002. So far, the state has been granting exemptions or temporary extensions to nearly all clients who reach time limits.⁴ In the coming months, it will have to decide whether to continue this policy. Among WFNJ clients, we find growing uncertainty about the existence of time limits. A third of later clients were unaware of or unsure about these limits, a fraction that is likely to grow as more time passes with few clients having their benefits terminated. If the state does begin to close the cases of a substantial number of clients who reach time limits, it will need to take this growing skepticism into account. Special efforts may be required to spread the word among clients that temporary extensions will no longer be routinely granted. In addition, if the state stops granting temporary extensions to most clients, it will have to determine how to deal with those who are not exempt from time limits under current regulations and who reach their five-year limit. Clients with severe employment barriers (such as chronic substance abuse, severe mental health problems, or serious learning disabilities) can be classified by the state as “chronically unemployable” and thus be exempt from the time limit.⁵ In addition, during the past several years, the state has used several strategies to identify and address the needs of clients with serious barriers to employment who may be the most at risk of exhausting their benefits. For example, the state has been working with Legal Services of New Jersey to move TANF recipients with severe disabilities into the SSI program. In addition, the state and certain counties have launched numerous initiatives to address the barriers facing the hardest-to-employ clients, such as substance abuse and mental health problems. As more clients reach the five-year mark, the state’s greatest challenge may be to determine what to do with clients who reach their time limit and do

³Some state outreach efforts have specifically targeted these clients in an effort to increase their use of these transitional benefits. See Rosenberg et al. (2003) for a detailed discussion of possible strategies for increasing participation in post-TANF services.

⁴In addition, in 2003, the state implemented the Supportive Assistance to Individuals and Families (SAIF) program, which offers an additional two years of assistance to eligible clients who reach their five-year limit. SAIF clients must participate in work activities and work intensively with their case managers to find employment.

⁵Clients who are 60 years old or more, those who are permanently disabled, and those with a severely disabled dependent are also exempt from the time limit.

not have such obvious barriers to employment. Should it grant permanent exemptions to some of these clients? What criteria should it use for these exemptions? What should be done about clients who do not meet the criteria but who have been unable to get off welfare?⁶ If the weak economic conditions persist, these issues could become even more pressing.

⁶The recent introduction of the SAIF program may substantially address this issue.

I

INTRODUCTION

In 1997, New Jersey implemented its welfare initiative, Work First New Jersey (WFNJ), which includes a five-year time limit on cash assistance, immediate work requirements for most clients, and expanded support services. During the first five years under WFNJ, and in the context of a strong economy during much of this period, New Jersey experienced an unprecedented reduction in its welfare caseload. The size of the Temporary Assistance for Needy Families (TANF) caseload declined by nearly 60 percent from July 1997 (the time WFNJ was fully implemented) through July 2002. More recently (and mirroring national trends), the size of the caseload has stabilized as the economy has slowed.

To learn how families receiving cash assistance in New Jersey are faring and what has happened to those who have left cash assistance, the New Jersey Department of Human Services (NJ DHS) contracted with Mathematica Policy Research, Inc. (MPR) in 1998 to conduct a comprehensive, five-year evaluation designed to provide frequent feedback to state policymakers and program operators. The evaluation has five components: (1) a longitudinal Client Study to track the progress of WFNJ families over a five-year period; (2) a Program Study to examine implementation issues; (3) a Community Study to learn how WFNJ is unfolding at the community level; (4) a Child-Only Study to look at the characteristics of child-only welfare cases in New Jersey; and (5) an Unemployment Insurance (UI) Study to examine the eligibility for, and use of, UI benefits among WFNJ clients who have left welfare for work. The text box on the following page provides more detail on the five components of the evaluation.

A. OVERVIEW OF THE REPORT

For the past several years, the Client Study has been tracking the progress of an early group of WFNJ clients who participated in the program during its first 18 months of operations—July 1997 to December 1998. As part of the study, MPR has surveyed this early group annually and has completed a report after each survey round documenting their economic progress in the years since entering the program. These reports have focused on a variety of issues, including the welfare patterns of this early group of clients, their knowledge of WFNJ provisions, and their use of WFNJ services. The reports have also focused on the employment and income levels of this group and the frequency with which they have experienced certain economic hardships.

This report examines a similar set of issues for a later group of clients. This group participated in WFNJ approximately three years later, sometime during the one-year period from July 2000 to June 2001. The report examines differences between the outcomes of this later group of clients and those of the early group tracked throughout the study. There are several reasons to expect that these early and later clients may have had different experiences with WFNJ, as well as different levels of economic success. First, the large caseload declines of recent years may have changed the mix of clients participating in the program. Second, WFNJ itself may have changed, as the original

THE WFNJ EVALUATION: A COMPREHENSIVE LOOK AT WELFARE REFORM IN NEW JERSEY

- The *Client Study* is tracking a statewide sample of WFNJ families over a five-year period to establish what happens to them before and after they leave welfare. Focusing on clients who participated in WFNJ during its first 18 months of operation, this study is documenting the welfare receipt, employment levels, income, health, housing arrangements, and other indicators of WFNJ clients' general well-being and quality of life. It is identifying factors affecting individuals' success in moving from welfare to work and is documenting changes in these measures over time. The study uses three main types of data: (1) a series of five longitudinal surveys with a statewide sample of as many as 2,000 WFNJ clients, conducted at 12-month intervals; (2) information from state administrative data systems on a larger sample of 10,000 WFNJ clients, documenting such outcomes as their welfare receipt, employment levels, and earnings; and (3) three rounds of in-depth, in-person interviews with a subset of WFNJ clients, designed to gather more detailed, qualitative information about their lives. In addition, the study includes a survey of a more recent cohort of WFNJ clients, to examine how the characteristics and outcomes of clients have changed over time.
- The *Program Study* explored operational challenges and promising strategies for overcoming them, to help state and county staff identify and address key implementation issues. It also helped the state develop performance indicators to guide program improvement efforts. The analysis drew on state administrative data and three rounds of site visits to a subset of the state's 21 counties. During these visits, site visitors interviewed county staff members, conducted case file reviews, and observed key program activities. Topics for the three rounds of data collection included: (1) progress in WFNJ implementation, (2) working TANF leavers' access to post-TANF benefits, and (3) efforts to address TANF clients' employment barriers.
- The *Community Study* included case studies in three areas—Newark, Camden City, and Cumberland County—to understand local opportunities and challenges facing welfare reform. The case studies focused on the employment patterns and service needs of low-income parents, the jobs available in local labor markets, and the local institutional response to welfare reform. The analysis drew on a survey of low-income residents, an employer survey, and interviews with local service providers and other stakeholders.
- The *Child-Only Study* examined a statewide sample of New Jersey families receiving child-only TANF grants. Child-only TANF families are diverse and include those headed by nonparent caretakers (typically, grandparents), as well as those headed by parents who are ineligible for TANF because they are on Supplemental Security Income (SSI) or because of their immigration status. The study included a survey of more than 500 adult caretakers of children on these cases, supplemented by detailed qualitative interviews with a subsample of these cases and by an analysis of state administrative records data. The study focused on the characteristics and origins of these cases, as well as on the stability and economic security of these households.
- The *UI Study* analyzed how the UI program functions as a safety net for TANF recipients who have exited welfare and found jobs. The study relied on administrative welfare records, UI earnings and claims data, and survey data for a subsample of WFNJ clients tracked by the Client Study who had left welfare and found jobs. The study calculated the proportion of these WFNJ clients who achieved monetary eligibility for UI benefits during the first few years after leaving welfare for work and how this proportion changed when eligibility rules were varied. The study also examined factors affecting nonmonetary eligibility, such as reasons for job separations. Finally, the study examined the actual use of UI benefits among these clients.

programs and policies were more fully implemented and as new programs and policies were introduced. Finally, because of the economic downturn, which began in 2001 and deepened in 2002, the later group may have had more difficulty than the early group leaving TANF and finding employment.

The purpose of this report is to determine whether the lessons drawn from our analysis of the experiences of early WFNJ clients still hold when we examine the outcomes of later clients. Moreover, if differences between the outcomes of early and later WFNJ clients exist, we consider whether these differences may be due to changes in the effectiveness of program services, changes in economic conditions, or other factors. Specifically, this report addresses the following four broad research questions:

1. *Have the characteristics of New Jersey's welfare caseload changed over time?*
2. *Do early and later WFNJ clients have different economic outcomes?*
3. *Do early and later clients have different levels of knowledge of WFNJ provisions, and do they use a different mix of program services?*
4. *How likely are WFNJ clients to use post-TANF services (such as food stamps, child care subsidies, and Medicaid) when they leave cash assistance, and how has this changed over time?*

Each of the next four chapters of the report focuses on one of these main questions. We summarize our findings briefly below.

On the basis of our analysis, we find that there were substantial changes in the characteristics of the welfare caseload in recent years, when the number of welfare recipients was declining rapidly. Some of these changes suggest a trend toward a caseload facing more employment challenges (with recipients increasingly concentrated in poor, urban areas and more likely to report health problems), while others reflect broad changes in the welfare system itself (with fewer long-term welfare recipients and more people mixing welfare and work). These trends have reversed somewhat since 2001, as the economy has slowed and the size of the caseload has stabilized.

We find that later WFNJ clients initially did better economically than early clients, spending less time on TANF and more time employed during the first 12 to 18 months after baseline. These differences between early and later clients suggest that WFNJ may have become more effective at encouraging clients to leave welfare for work. However, this initial advantage disappeared over time. By the time of the survey (conducted, on average, 21 months after baseline), later clients were actually somewhat more likely than early clients to be on TANF and not employed (34 versus 29 percent). The recent economic downturn may have played a role here, making it more difficult for later clients to leave TANF and find work.

In addition, we find that, similar to those who participated in WFNJ during its first year, most later clients were aware of the program's basic provisions, including work requirements and the availability of post-TANF supports. However, there is growing uncertainty among clients about time limits. Only 67 percent of later clients knew that

TANF benefits were time limited, compared with 82 percent of early clients measured at a similar point. Since the first WFNJ clients began reaching their time limit in 2002, the state has been granting exemptions and temporary extensions to nearly all those who reach this limit. This may have contributed to the growing level of uncertainty among clients about this policy.

Later WFNJ clients received more support services from the program than early clients did and found these services more helpful in finding and keeping jobs. For example, later clients were substantially more likely than early ones (43 versus 32 percent) to receive financial assistance (such as help paying for child care and transportation) from WFNJ during the follow-up period. Similarly, later clients reported receiving more services during contacts with caseworkers, such as moral support or help finding child care or transportation. Later clients were also more likely than early ones to report that WFNJ services were useful in helping them find or keep a job. These results suggest that WFNJ may have been implemented more fully and running more smoothly a few years after it was launched in 1997.

Later clients were also more likely than early ones to receive post-TANF supports, such as food stamps, child care subsidies, and health insurance coverage through government programs. It appears, therefore, that the state has had some success in increasing the level of participation among those eligible for these benefits through outreach and other efforts. In spite of this substantial progress, however, considerable room for improvement in this area remains. Many former WFNJ clients who appear eligible for these post-TANF supports are not receiving them.

B. WELFARE REFORM IN NEW JERSEY

In August 1996, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act, which abolished the Aid to Families with Dependent Children (AFDC) program and replaced it with TANF. The legislation imposes a five-year lifetime limit on cash assistance and requires most clients to work after two years of benefit receipt. Under TANF, states have greater discretion in establishing program policies than they had under AFDC. In addition, they are allowed to impose stricter time limits and work requirements than those specified in the federal legislation. In April 1997, New Jersey began implementing the federal reforms as part of its WFNJ initiative. The new policies were fully implemented statewide by July 1997.

Under WFNJ, New Jersey has maintained some basic features of its former AFDC program. For example, the state has maintained its pre-TANF cash benefit levels, under which a family of three with no other income receives \$424 per month.¹ In addition, as part of its earlier welfare reform initiative, the Family Development Program (FDP), (implemented in 1992) the state had (1) introduced a family cap provision, which prevents clients from receiving additional cash benefits for children born while the clients are receiving cash assistance; and (2) expanded transitional Medicaid benefits, allowing clients who leave welfare for work to retain Medicaid eligibility for as long as two years. WFNJ maintains these key features of FDP.

¹Only the state legislature can change benefit levels.

Under WFNJ, the state introduced substantial changes to its welfare program. Important policies implemented under WFNJ include:

- ***Work Requirements for TANF Recipients.*** WFNJ emphasizes work and imposes an immediate work requirement for most clients, rather than the two-year maximum time limit that the federal law permits. All WFNJ applicants must register for work with the county Employment Service and must participate in a four-week job search class. Those who do not find jobs must participate in training, basic education, or work experience activities. Recipients who refuse to cooperate with these requirements are subject to grant reductions and, after extended noncompliance, case closure.
- ***Time Limits on TANF Benefits.*** In accordance with federal requirements, New Jersey has imposed a five-year time limit on TANF benefits. However, certain WFNJ cases (such as the elderly, people with disabilities, and victims of domestic violence) are exempt. In addition, as part of a new program (described below), eligible WFNJ clients can receive cash benefits for an additional two years after reaching this limit, if they continue to participate in work activities and work with their case manager to find employment.
- ***Expanded Child Care Benefits.*** Under WFNJ, clients who exit TANF for employment can receive transitional child care subsidies for as long as two years after they leave cash assistance.²

Since first implementing WFNJ in 1997, the state has launched additional initiatives, some that specifically target current and former TANF recipients and others that serve a broader population of low-income families. These include:

- ***NJ FamilyCare.*** In October 2000, the state launched NJ FamilyCare, a state-sponsored health insurance program for low-income working adults and their children.³
- ***Comprehensive Social Assessments.*** In November 2000, county staff began administering a comprehensive social assessment to long-term TANF recipients. The assessments were originally conducted after clients had accumulated 34 months of TANF receipt. The assessments are now conducted after clients have been receiving TANF for 12 months. Through these assessments, workers are expected to determine appropriate referrals and services for clients (for example, referrals to the state Department of Labor's Division of Vocational Rehabilitation Services or to the state's Substance Abuse Initiative or Mental Health Initiative).

²After they have exhausted their 24 months of transitional child care benefits, eligible WFNJ clients can apply to receive child care subsidies through another state program—New Jersey Cares for Kids. New Jersey Cares for Kids is open to all New Jersey families with (1) income below 200 percent of the federal poverty level, (2) a child younger than age 13, and (3) a parent or caretaker employed full-time.

³Because of funding constraints, NJ FamilyCare stopped enrolling new adult participants in June 2002. The program continues to enroll eligible children.

- ***State Earned Income Tax Credit (EITC).*** In 2000, New Jersey introduced a refundable state EITC for low-income families with children to supplement the federal EITC. The state credit is currently set at 20 percent of the family's federal EITC amount. The maximum state EITC is about \$500 for a family with one child and about \$800 for a family with two or more children.
- ***Outreach and Marketing Efforts.*** In 2000, the state developed a faith- and community-based collaborative to market available support programs and benefits, such as food stamps, to former TANF recipients.
- ***Career Advancement Vouchers.*** Initiated in January 2001, these vouchers provide employed former clients with as much as \$4,000 toward program tuition to pursue additional training while they are working.
- ***Housing Subsidy Program.*** This program, which operated from January 2001 to June 2003, helped employed WFNJ clients who had recently left TANF with housing costs. The program offered them rental assistance for up to 24 months and a one-time payment to help cover their security deposit, moving expenses, and utility connection.
- ***Supplemental Work Support Program.*** Launched in spring 2001, this program encourages working welfare recipients to close their cases in exchange for a monthly work support payment of \$200, regardless of the amount of their cash benefit. Clients who agree to do so are eligible for other post-TANF benefits.
- ***Individual Development Account (IDA) Program.*** In September 2002, the state launched the IDA program to help low-income families save to buy a home, start a small business, or pay for higher education. Under New Jersey's program, the state will match participants' contributions to these accounts up \$1,500 a year, dollar for dollar, for up to three years.
- ***Supportive Assistance to Individuals and Families (SAIF).*** Initiated in 2003, this program offers eligible WFNJ clients who reach their 60-month TANF time limit an additional two years of cash assistance and support services. SAIF clients are required to participate in work activities and must work intensively with their case managers, who will help them get a job and exit welfare.

C. THE SAMPLE AND DATA FOR THIS REPORT

This report compares the experiences of two groups of WFNJ clients: (1) an early group that participated in the program during its first year of implementation, from July 1997 to June 1998; and (2) a later group that participated in WFNJ sometime during the one-year period from July 2000 to June 2001. To make the two samples comparable, we restricted the early group to those who entered WFNJ in its first year.⁴ Child-only TANF

⁴Throughout the Client Study, we have been tracking an early group of WFNJ clients who entered the program during its first 18 months of operations—July 1997 to December 1998. This report excludes clients who entered WFNJ from July to December 1998.

cases, which are not subject to the WFNJ work requirement and time limits, were excluded from both samples.

For both groups of WFNJ clients, we oversampled those from smaller, less urban counties. We did this to ensure adequate sample sizes for key subgroup analyses. In addition, for the early group, we oversampled “new entrants”—clients who entered the program after WFNJ was fully implemented in July 1997. All figures in this report are weighted to take this oversampling into account. Therefore, they represent, for the early group, the full statewide population of clients who participated in WFNJ at some time from July 1997 and June 1998. For the later group, they represent the full statewide population of clients who participated in WFNJ during a similar interval three years later, sometime from July 2000 to June 2001.

The primary data sources for this report are two surveys: (1) the first follow-up survey of the early WFNJ client sample, and (2) the survey of the later WFNJ client sample. MPR conducted the first follow-up survey with the early group of clients from March through September 1999 and completed interviews with 1,423 clients from this early group (out of a survey sample of 1,753 clients), yielding an 81 percent response rate (Table I.1).⁵ MPR conducted the survey with the later group from April through July 2002 and completed interviews with 1,219 clients (out of a survey sample of 1,500 clients), also yielding an 81 percent response rate. For both groups, the average length of followup from baseline to the survey date was 21 months.⁶ These surveys included questions about clients’ employment histories since baseline, income from various sources at the time of the survey, measures of hardship (such as poor health and housing

TABLE I.1
SAMPLE SIZES AND RESPONSE RATES FOR EARLY AND LATER WFNJ CLIENTS

	Early Clients	Later Clients
Survey Sample		
Number of cases fielded	1,753	1,500
Number of cases completed	1,423	1,219
Percentage of cases completed	81	81
Administrative Records Sample	8,741	54,102

⁵These numbers exclude those sample members from this early group who entered WFNJ from July through December 1998, since they are excluded from all analyses for this report. The full sample for this survey (including those who entered WFNJ from July through December 1998) was 2,000 WFNJ clients, of whom 1,621 completed interviews, also yielding an 81 percent response rate.

⁶For early WFNJ clients, “baseline” pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later clients, “baseline” pertains to the time the sample member first received cash assistance after July 2000.

problems), potential employment barriers, and clients' knowledge of basic WFNJ provisions and use of program services.⁷

For some analyses, we also use administrative data on TANF and food stamp benefits, obtained from the Family Assistance Management Information System (FAMIS) maintained by the Division of Family Development of NJDHS. For analyses using these data, we have substantially larger sample sizes—nearly 9,000 for the early group and more than 54,000 for the later group (Table I.1).⁸

D. METHODOLOGICAL APPROACH

Most analyses in this report compare the characteristics and outcomes of early and later WFNJ clients. Client characteristics (such as age, education, or number of children) are measured as of baseline. Client outcomes (such as employment, income, or knowledge of WFNJ services) are measured for both groups at a similar point relative to baseline. For early clients, “baseline” is defined as the time they first received TANF after WFNJ was fully implemented in July 1997. For later clients, it represents the time they first received TANF during or after July 2000. For all these comparisons, we conduct statistical tests to determine whether differences between early and later WFNJ clients are statistically significant. We use tables and figures to show the results of these tests.

In addition to these comparisons of early and later clients, we conduct several other kinds of analyses in this report. For example, in Chapter II, we describe general trends in the characteristics of the welfare caseload from 1995 to 2003, relying on cross-sectional data on the full statewide welfare caseload at various points in time during this period. In other analyses (reported in Chapters IV and V), we rely on data on later clients only to examine such questions as: Who is most likely to be aware of various WFNJ provisions? and Which clients use the most services?

For these latter analyses, we use multivariate statistical techniques to examine how knowledge or service use varies across different groups of clients, holding other client characteristics constant. We developed a standard list of client characteristics to be used as predictors in our statistical models. The list includes standard demographic measures and was chosen to include characteristics likely to be associated with clients' level of service use and program knowledge. These variables generally refer to clients' characteristics when they entered WFNJ. Characteristics used as predictors in our

⁷In a few instances, when the data are not available from the first follow-up survey of the early client group, we use data from the second follow-up survey, conducted approximately one year later. The second survey had an 80 percent response rate and was completed by 1,404 clients from the early group. When data from the second follow-up survey are used for an analysis, we indicate this in the text.

⁸For the early group, the administrative records sample represents a random sample of all WFNJ clients who participated in the program from July 1997 to June 1998. At the beginning of the study, an administrative records sample of 10,000 WFNJ clients who participated in the program from July 1997 to December 1998 was selected from the full population of more than 100,000 clients who participated in WFNJ at some time during this period. Of this sample of 10,000 early clients, 8,741 had participated in WFNJ from July 1997 to June 1998. (The survey sample for this early group is a subsample of the administrative records sample.) For the later group, the administrative records sample represents the full population of 54,102 clients who participated in WFNJ at some time from July 2000 to June 2001.

models include clients' age, sex, ethnicity, education, and marital status; the number and ages of the clients' children; whether the clients speak English at home; their welfare history; and whether they received welfare while growing up. These characteristics also include whether clients grew up in a two-parent household; whether they lived in a high-, medium-, or low-density county at WFNJ entry; and whether they lived in a high-, medium-, or low-poverty neighborhood at WFNJ entry.

We conducted statistical tests as part of the multivariate analyses to determine whether the differences in outcomes between various groups of clients were significantly different from each other. To conduct these tests, it was necessary to choose a reference category from among each set of client characteristics (for example, "never married" for marital status, "African American" for ethnicity).⁹ The tests determine whether the average outcome levels for clients in the reference category are different from the average outcome levels for those in each of the other categories at standard levels of statistical significance. For client characteristics in which the categories could be ordered from lowest to highest (for example, age, education, and number of months on welfare), we chose the lowest category as the reference category. For characteristics that could not be ordered in this way (such as ethnicity or marital status), we chose the largest category.

⁹We converted all variables describing client characteristics into categorical variables by using ranges for continuous variables, such as age, education, and months of welfare receipt.

II

TRENDS IN THE CHARACTERISTICS OF THE NEW JERSEY WELFARE CASELOAD

The number of New Jersey families on welfare has declined substantially since the mid-1990s.¹ In 1995, approximately 110,000 families in the state were receiving cash assistance (Figure II.1). By 2002, that number had fallen to fewer than 40,000 families, a decline of more than 60 percent. More recently (and mirroring national trends), the number of New Jersey families receiving welfare has begun to increase slightly as the economy has slowed. The large decline in the size of the welfare caseload that began in the mid-1990s and has only recently ended may have led to changes in its composition. In particular, if the large decline was driven primarily by the most job-ready recipients exiting welfare, then those facing more substantial employment challenges may have become a growing portion of the caseload.

In this chapter, we examine the changes in the characteristics of the New Jersey welfare caseload during this period of rapid caseload decline. We begin by using state administrative records data to examine the basic demographic characteristics of the welfare caseload since 1995. For this analysis, we examine the characteristics of the statewide caseload at two-year intervals from 1995 to 2003 to identify trends in how the

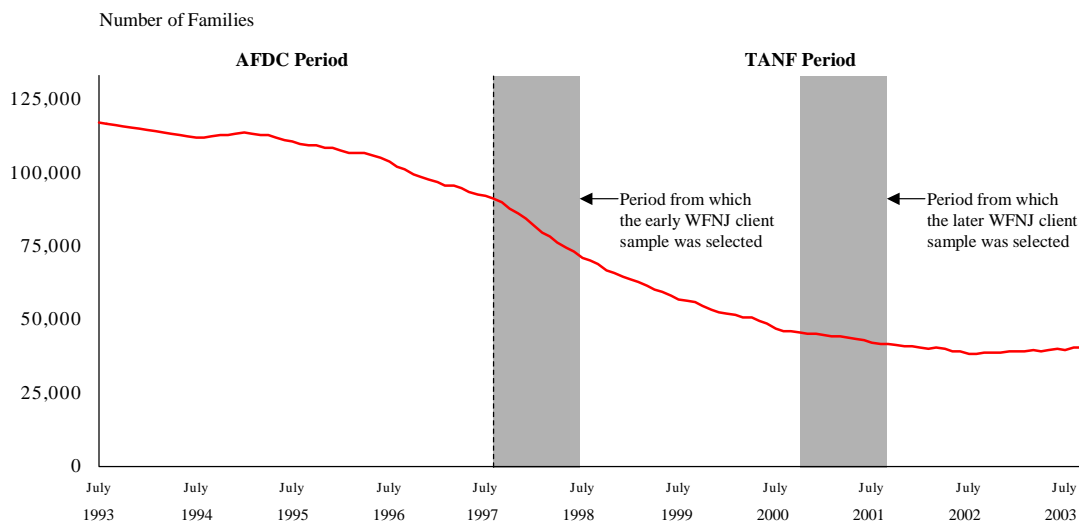
KEY FINDINGS FROM THIS CHAPTER

- *Based on several measures, an increasing proportion of the welfare caseload faced employment challenges as the number of recipients rapidly declined.* For example, during the recent period of rapid caseload decline, welfare recipients became more concentrated in high-poverty areas (where jobs may be less readily available) and in larger, more urban counties (particularly Essex County), as caseloads declined more rapidly outside these poor, urban areas. In addition, later WFNJ clients were more likely than early clients to report health problems, particularly mental health problems.
- *Other changes in the characteristics of the welfare caseload reflect broad changes in the welfare system itself.* In particular, consistent with the imposition of work requirements and time limits under WFNJ, the proportion of the welfare caseload consisting of longer-term recipients decreased substantially in the years immediately after the reforms were implemented. Similarly, the proportion of recipients mixing work and welfare increased during this period.

¹In this chapter, we use the terms “welfare” and “cash assistance” to refer to both the AFDC and TANF programs.

FIGURE II.1

NUMBER OF NEW JERSEY FAMILIES RECEIVING AFDC OR TANF: 1993 TO 2003



Source: Calculations by Mathematica Policy Research, Inc. from New Jersey AFDC/TANF caseload data.

AFDC = Aid to Families with Dependent Children; TANF = Temporary Assistance for Needy Families.

caseload has changed over time.² We focus first on 1995 to 2001—the period when the welfare rolls were declining most rapidly. We then consider how these trends have changed more recently, as the economy has weakened and caseloads have stabilized.³

Next, we look more closely at the characteristics of the two groups of welfare recipients we compare throughout the rest of this report: (1) the “early” WFNJ clients who received TANF sometime during the one-year period from July 1997 to June 1998; and (2) “later” WFNJ clients who received TANF three years later, sometime during the one-year period from July 2000 to June 2001. For this latter comparison, because we can use survey data as well as administrative data, we can examine a more detailed set of descriptive measures.

A. WHAT ARE THE TRENDS IN CASELOAD CHARACTERISTICS SINCE 1995?

The large caseload declines in recent years may have changed the mix of welfare recipients who remain on the rolls. In this section, we analyze state administrative data to examine the trends in the characteristics of New Jersey welfare recipients since 1995.⁴

²We excluded child-only cases when calculating the mean characteristics of the statewide welfare caseload.

³We also examined trends in welfare entry and exit rates over this period, as well as trends in the characteristics of those entering and exiting welfare. These results are reported in Appendix A.

⁴We also examined county-level trends in these characteristics for the nine New Jersey counties with the largest welfare caseloads. We report these figures in Appendix B. In general, state- and county-level trends in these characteristics were similar.

- *As the New Jersey welfare caseload declined rapidly in size from 1995 to 2001, an increasing proportion of those on the caseload faced employment challenges.*

Based on several measures, from 1995 to 2001, when the number of New Jersey families on welfare was declining rapidly, the state's welfare caseload shifted toward groups that face more difficulty obtaining and maintaining employment. For example, during this period, the welfare caseload became more concentrated in poor, urban areas where jobs may be less readily available. In 2001, 45 percent of the state's welfare recipients lived in high-poverty areas (defined as five-digit zip code areas where more than 20 percent of residents live below the poverty threshold), up from 37 percent in 1995 (Table II.1). During this period, the caseload also became more heavily concentrated in Essex County—the state's largest, most urban county. In 1995, 26 percent of New Jersey welfare recipients lived in Essex County; by 2001, this had increased to 36 percent. In general, these trends began before WFNJ implementation in 1997, then accelerated in the first few years immediately after WFNJ began.

The caseload shifted in other ways during this period toward groups that may face more challenges to stable employment. For example, those who were age 40 or older became a larger share of the caseload—up from 14 to 19 percent (Table II.1). There were also small increases over the period in the percentage of recipients without a high school diploma—up from 47 to 50 percent—and with a family member receiving supplemental security income (SSI)—up from 8 to 11 percent.

Caseload characteristics shifted substantially in other ways during the period of rapid caseload decline from 1995 to 2001. For example, those who had never been married became a larger share of the welfare caseload, up from 67 percent in 1995 to 77 percent in 2001 (Table II.1). In addition, the caseload became more African American (up from 50 to 59 percent) and less white (down from 21 to 12 percent), while the proportion of Hispanic welfare recipients remained fairly constant.

- *Some changes in the characteristics of the welfare caseload during this period reflect specific policy changes under welfare reform.*

The characteristics of the welfare caseload changed substantially in other ways from 1995 to 2001, reflecting broad changes in the welfare system—in particular, the imposition of time limits and work requirements—that occurred when WFNJ was implemented in 1997. For example, the proportion of the caseload consisting of long-term recipients declined substantially. In 1995, 41 percent of the caseload had been receiving welfare continuously for three years or more (Table II.1).⁵ By 2001, this had

⁵The figures in Table II.1 describing the number of continuous months on AFDC or TANF refer to the length of recipients' current welfare spell. These figures do not describe the total cumulative number of months on cash assistance across all welfare spells. The figures in Table II.2 on the number of months on AFDC or TANF in the two years prior to baseline (reported later in the chapter) refer to the total number of months on welfare during this two-year period, even if the client had more than one spell of welfare receipt during the period. Ideally, we would have used a measure of time on welfare similar to the latter measure for both analyses. Unfortunately, a measure that sums time on cash assistance across welfare spells was not available for the analysis presented in Table II.1.

TABLE II.1
CHARACTERISTICS OF THE NEW JERSEY AFDC/TANF CASELOAD:
1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	7	6	7	6	6
20 to 24	22	21	21	24	25
25 to 29	22	21	20	18	20
30 to 39	35	35	34	32	31
40 or older	14	16	18	19	18
(Average)	(30.6)	(31.0)	(31.4)	(31.2)	(30.8)
Female	96	96	96	96	96
Educational Attainment					
Less than high school or GED	47	48	50	50	46
High school or GED	42	41	40	41	43
More than high school or GED	11	11	10	9	11
Race/Ethnicity					
African American	50	52	58	59	60
Hispanic	28	27	27	27	25
White	21	19	13	12	14
Other	2	2	2	2	1
Does Not Speak English at Home	16	15	15	14	10
Marital Status					
Never married	67	70	74	77	79
Formerly married	26	23	20	17	16
Married, spouse present	7	6	6	5	5
Number of Children					
One	42	42	41	41	43
Two or three	48	47	47	47	46
Four or more	10	11	12	12	11
(Average)	(2.0)	(2.0)	(2.1)	(2.1)	(2.0)
Age of Youngest Child (in Years)					
Younger than 1	14	14	15	17	17
1 to 2	26	24	23	24	25
3 to 5	25	25	22	21	21
6 or older	35	38	40	38	37
(Average)	(5.0)	(5.1)	(5.2)	(5.0)	(5.0)
Mixing Work and Welfare	4	6	12	9	8
Has Household Member on SSI	8	10	11	11	11
Number of Continuous Months on AFDC/TANF³					
Less than 6	18	18	27	35	42
6 to 11	12	11	14	16	18
12 to 35	29	27	21	23	24
36 to 59	16	15	11	7	7
60 or more	25	29	27	18	5
(Average)	(44.2)	(48.1)	(45.0)	(33.9)	(23.1)

TABLE II.1 (continued)

	1995	1997	1999	2001	2003
County of Residence					
Essex	26	28	36	36	32
Hudson	16	16	18	16	13
Camden	12	12	10	10	11
Medium-density counties ^b	28	28	26	27	29
Low-density counties ^c	19	17	10	12	15
Poverty Level of Neighborhood ^d					
High	37	39	44	45	43
Medium	38	38	38	37	36
Low	25	23	17	18	21
Sample Size	93,858	74,286	41,669	29,123	28,158

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." Characteristics for each year refer to those of the July caseload.

^aFigures refer to length of current cash assistance spell.

^bMedium-density counties are Bergen, Mercer, Middlesex, Monmouth, Passaic, and Union.

^cLow-density counties are Atlantic, Burlington, Cape May, Cumberland, Gloucester, Hunterdon, Morris, Ocean, Salem, Somerset, Sussex, and Warren.

^dPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

dropped to only 25 percent.⁶ In addition, the proportion of recipients mixing work and welfare increased during this period. In 1995, four percent of recipients had reported earnings to the welfare office. This percentage increased to 12 percent by 1999 but then declined to 9 percent by 2001.

- *These changes in the welfare caseload have begun to reverse since 2001, as the economy has slowed and the caseload size has stabilized.*

Across many of the measures we examined, the changes in the caseload observed from 1995 to 2001 have begun to reverse during the most recent period. For example, from 2001 to 2003, the percentage of the welfare caseload with less than a high school education fell from 50 to 46 percent (Table II.1). In addition, the caseload became somewhat less concentrated in high-poverty areas from 2001 to 2003, with the percentage of the caseload living in these areas falling from 45 to 43 percent (Table II.1). Similarly, the proportion of welfare recipients living in Essex County fell from 36 to 32 percent during this period. These more recent changes are consistent with a pattern in which a higher proportion of people facing fewer employment challenges (for example, those with higher education levels or living in more affluent areas) enter the welfare rolls when

⁶This shift toward fewer clients who have been on welfare continuously for extended periods may reflect, in part, the introduction of full-family sanctions under WFNJ.

economic conditions are worse. In most cases, these changes were not large enough to completely reverse the earlier trends toward a caseload facing more employment challenges observed during the period ending in 2001. They did, however, move the characteristics of the caseload back toward their previous levels.

One trend did not reverse as the economy weakened. The proportion of the caseload consisting of long-term welfare recipients continued to decline after 2001, as more people began approaching their lifetime limit on TANF receipt. From 2001 to 2003, the percentage of recipients with three or more years of continuous welfare receipt fell from 25 to 12 percent (Table II.1).

B. DO EARLY AND LATER CLIENTS HAVE DIFFERENT CHARACTERISTICS?

In the previous section, we established the broad trends in the characteristics of the New Jersey welfare caseload since 1995. In this section, we look more closely at the characteristics of two groups of TANF recipients: (1) “early” WFNJ clients who received TANF sometime during the one-year period from July 1997 to June 1998, and (2) “later” WFNJ clients who received TANF during the one-year period from July 2000 to June 2001. As Figure II.1 illustrates, the early clients received TANF during a period when caseloads were much larger than they are today but were rapidly declining in size. The later group of WFNJ clients was selected from a period three years after the early group, when caseloads were much smaller than they had been but were remaining relatively constant in size. In this section, we examine whether different kinds of clients were participating in WFNJ in these early and later periods. In general, the differences between these two groups of WFNJ clients reflect the trends in caseload characteristics identified in the previous section.

- *Based on several measures, later WFNJ clients appear to face more employment challenges than early WFNJ clients did.*

Based on several measures we examined, clients who participated in WFNJ during 2000 and 2001 appear to have faced more challenges to stable employment than did those who participated three years earlier, in 1997 and 1998 (Table II.2). For example, similar to results described in the previous section, they were more likely than early clients to live in poor, urban areas where obtaining employment may be more challenging. Later clients were more likely than early clients to live in high-poverty areas (42 versus 37 percent) and to live in Essex County (31 versus 25 percent).⁷

⁷Comparing the figures reported in the two tables, WFNJ clients described in Table II.1 appear to face more employment challenges than those described in Table II.2. This difference occurs because clients included in Table II.1 are those who were on cash assistance during a one-month period, whereas those included in Table II.2 are those who were on cash assistance during a one-year period. Using the longer time frame (one year rather than one month) to select clients causes the sample to include more welfare recipients who exited TANF soon after entering. These short-term recipients tend to be less disadvantaged than other recipients. Therefore, on average, clients who participated in WFNJ during any one-year period were somewhat less disadvantaged than clients who participated in the program during any one-month period.

TABLE II.2
CHARACTERISTICS OF THE EARLY AND LATER WFNJ CLIENTS
(Percentages, Unless Otherwise Indicated)

	Early WFNJ Clients	Later WFNJ Clients
Age (in Years)		
Younger than 20	2	3*
20 to 24	20	24***
25 to 29	22	19*
30 to 39	36	32**
40 or older	21	21
(Average)	(32.2)	(32.0)
Female	95	95
Educational Attainment		
Less than high school or GED	44	46
High school or GED	44	44
More than high school or GED	12	11
Race/Ethnicity		
African American	47	55***
Hispanic	28	29
White	20	14***
Other	4	2***
Does Not Speak English at Home	18	18
Born Outside the United States	21	19
Not a U.S. Citizen	8	6**
Marital Status		
Never married	65	71***
Formerly married	29	22***
Married, spouse present	5	7**
Number of Children		
One	45	47
Two	30	28
Three	17	15*
Four or more	8	10**
(Average)	(1.9)	(1.9)
Age of Youngest Child (in Years)		
Younger than 1	18	20*
1 to 2	21	23
3 to 5	27	21***
6 or older	34	36
(Average)	(4.8)	(4.8)
Age at First Birth (in Years)		
Younger than 18	29	27
18 or 19	26	27
20 to 24	31	28*
25 or older	15	18**
(Average)	(20.3)	(20.7)**
Grew Up in Two-Parent Household	51	49
Family Received Welfare When Growing Up	37	43***
Has Household Member on SSI	9	10
Rates Own Health as Poor	8	13***
Own Health Limits Ability to Work	22	25

TABLE II.2 (continued)

	Early WFJ Clients	Later WFJ Clients
Mixing Work and Welfare	7	9***
Months on AFDC/TANF in Two Years Prior to Baseline		
None	15	24***
1 to 12	22	31***
13 to 23	31	30
24	32	15***
(Average)	(15.2)	(11.1)***
County of Residence		
Essex	25	31***
Hudson	15	15
Camden	12	11
Medium-density counties ^a	29	28
Low-density counties ^b	19	15***
Poverty Level of Neighborhood ^c		
High	37	42***
Medium	36	37
Low	27	21***
Sample Size	1,753	1,500

Source: WFJ administrative records data and WFJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Characteristics refer to those of the case head or "payee." Except for measures of own health status, characteristics refer to those at baseline. Measures of own health status refer to status at the time of the follow-up survey, conducted, on average, 21 months after baseline. For early WFJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFJ was fully implemented in July 1997. For later WFJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

^aMedium-density counties are Bergen, Mercer, Middlesex, Monmouth, Passaic, and Union.

^bLow-density counties are Atlantic, Burlington, Cape May, Cumberland, Gloucester, Hunterdon, Morris, Ocean, Salem, Somerset, Sussex, and Warren.

^cPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold, a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold, and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

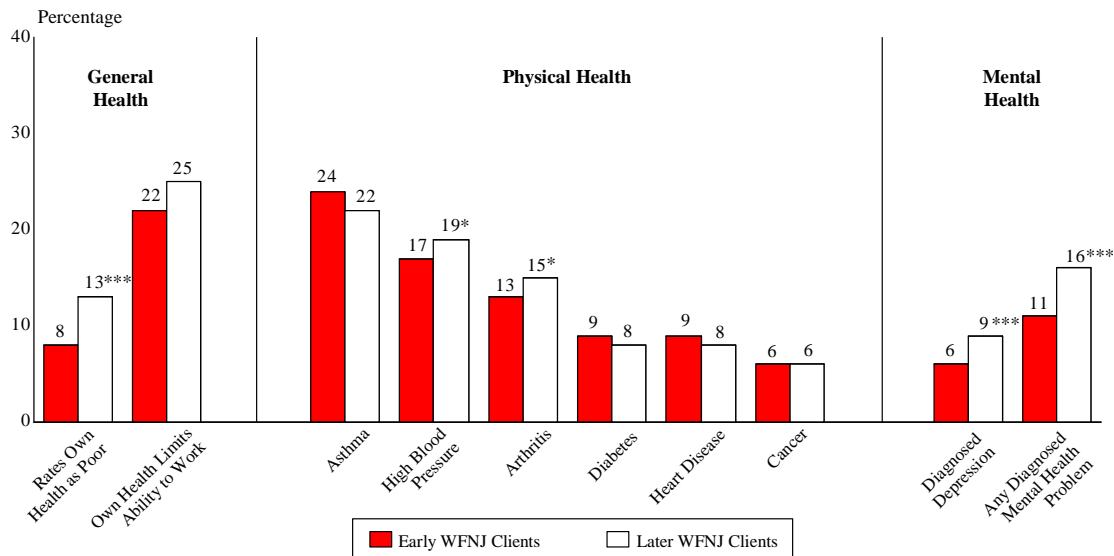
*/**/**Difference between early and later WFJ clients significant at the .10/.05/.01 level.

Because we have survey data for these two groups of clients, we can compare them on additional measures not available from administrative data. Based on these additional measures, we find other ways in which later clients appeared to have faced more challenges to stable employment. In particular, later clients were more likely than early ones to report poor health—13 versus 8 percent (Figure II.2). When we compare self-reports of specifically diagnosed health conditions, we find that the biggest differences between early and later clients are in mental, rather than physical, health. Later WFJ clients were significantly more likely than early clients to report having received a diagnosis of depression (9 versus 6 percent) or of any mental health problem (16 versus 11 percent).⁸

⁸For early clients, self-reports of specifically diagnosed health conditions (such as asthma, high blood pressure, or depression) were not asked on the first survey. Therefore, these figures come from the second follow-up survey of the early group, which was conducted, on average, 32 months after baseline.

FIGURE II.2

HEALTH STATUS OF EARLY AND LATER WFNJ CLIENTS



Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: General health measures collected, on average, 21 months after baseline for both early and later WFNJ clients. Physical and mental health measures collected, on average, 21 months after baseline for later WFNJ clients and 32 months after baseline for early WFNJ clients. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

*/**/** Difference between early and later WFNJ clients significant at the .10/.05/.01 level.

Early and later clients differed in other ways that reflect trends described in the previous section. For example, as Table II.2 shows, later clients were more likely than early ones to have never been married when they entered the program (71 versus 65 percent) and to be African American (55 versus 47 percent). In addition, they were more likely to have received welfare as children—43 versus 37 percent. They also were less likely not to be U.S. citizens (six versus eight percent) and were slightly older when they had their first child.

- ***Later WFNJ clients had shorter welfare histories and were more likely to be mixing work and welfare than early clients were, reflecting changes in the welfare system itself.***

Similar to results described in the previous section, some of the differences between early and later clients reflect changes in the welfare system itself. In particular, consistent with the imposition of work requirements and time limits under WFNJ, later clients had spent substantially less time on welfare in the recent past than had early clients. On average, later clients had spent only 11 of the past 24 months receiving cash assistance, compared to 15 months for early clients (Table II.2). These changes suggest that later clients were more likely to be people new to the welfare system. Among later clients, 24 percent had not received welfare in the prior two years, compared with only 15 percent among early clients. In addition, later clients were somewhat more likely than early ones to be mixing work and welfare—nine versus seven percent.

In general, we find that the characteristics of early and later clients differed substantially in many ways. Several of these differences—in particular, the worse health of later clients and the fact that these clients were more concentrated in poor, urban areas than early clients were—suggest that later clients faced greater employment challenges than did early ones. Even so, as we discuss in the next chapter, later clients had somewhat better economic outcomes than did early clients, at least initially.

III

THE ECONOMIC OUTCOMES OF EARLY AND LATER WFNJ CLIENTS

WFNJ aims to help clients become self-sufficient by enabling them to move off public assistance and into the workforce. The program places work requirements on clients and limits how long they can receive cash welfare during their lifetime. Ultimately, the hope is that clients' income levels will increase over time, enhancing their self-sufficiency and reducing their level of economic hardship. In earlier reports, we have found that the early group of WFNJ clients made substantial economic progress in the years after entering the program (Wood et al. 2003; Rangarajan and Johnson 2002; Rangarajan and Wood 2000; and Rangarajan and Wood 1999). Many left welfare for work, and their average income levels increased substantially over the period. In addition, the incidence of serious economic hardship (such as housing instability or food insecurity) declined among these clients as their incomes rose.

KEY FINDINGS FROM THIS CHAPTER

- ***Later WFNJ clients initially spent somewhat less time on TANF and more time employed than did early clients.*** During the first 18 months after baseline, later clients spent 10.2 months on TANF, on average, compared with 10.9 months for early clients—a difference of about three weeks. Similarly, during the first 12 months, later clients averaged 4.2 months of employment, compared with 3.7 months for early clients—a difference of about two weeks. These small differences suggest that WFNJ may have become somewhat more effective at encouraging clients to leave welfare for work during the first few years after it was initially implemented.
- ***This initial advantage went away over time, however, perhaps because of the weaker economy later clients faced.*** Within two years of baseline, the initial advantage later clients enjoyed in employment and TANF receipt was gone. By the time of the survey (conducted, on average, 21 months after baseline), later clients were actually somewhat more likely than early clients to be on TANF and not employed (34 versus 29 percent). The recent economic downturn may have played a role in this pattern, causing later clients to have increasing difficulty leaving TANF and finding work.
- ***At the end of the follow-up period, income levels for early and later clients were about the same.*** At the time of the survey, later clients had monthly incomes of \$1,194 on average, compared with \$1,143 for early clients. Although income levels were similar, the source of that income differed somewhat for the two groups, with later clients getting more income from public assistance (particularly food stamps and SSI) and less from spouses and partners than early clients did.

In this chapter, we examine a different set of issues. Instead of tracking the economic progress of one group of WFNJ clients over time, we compare the economic outcomes of early and later clients. In particular, we examine differences in their patterns of TANF receipt and employment, their income levels, and the frequency with which they experience housing problems. There are several reasons to expect that these two groups of clients may have had different levels of economic success. First, the large caseload declines of recent years may have changed the mix of clients participating in the program. As described in Chapter II, early and later clients differ substantially in a variety of ways. Some of these differences suggest later WFNJ clients faced more employment challenges than early clients did, which could have led to worse economic outcomes for the later group. Second, WFNJ itself may have changed over time as the original programs and policies were more fully implemented. In addition, new programs and policies introduced in the years after WFNJ was first launched may have changed clients' behavior and outcomes. Third, the economic downturn, which began in 2001 and deepened in 2002, may have caused the later group of clients to have more difficulty than the early group leaving TANF and finding employment.

We begin the chapter by comparing the patterns of TANF receipt of early and later clients. We then compare the employment levels of the two groups, as well as the types of jobs they held. Next, we examine differences in the income levels and sources of early and later clients. Finally, we compare the frequency of housing problems among clients in the two groups. All these outcomes are measured at the same point relative to baseline for early and later clients. For early clients, "baseline" is defined as the time they first received TANF on or after July 1, 1997 (when WFNJ was fully implemented). For later clients, it represents the time they first received TANF on or after July 1, 2000.¹

A. WHAT ARE THE DIFFERENCES IN TANF AND EMPLOYMENT PATTERNS?

The long-term goal of WFNJ is to promote self-sufficiency by reducing welfare dependency and encouraging work among clients. Here, we compare the TANF and employment patterns of early and later clients and consider whether WFNJ has had a differing level of success with this goal as the program has matured and the composition of the caseload has changed.

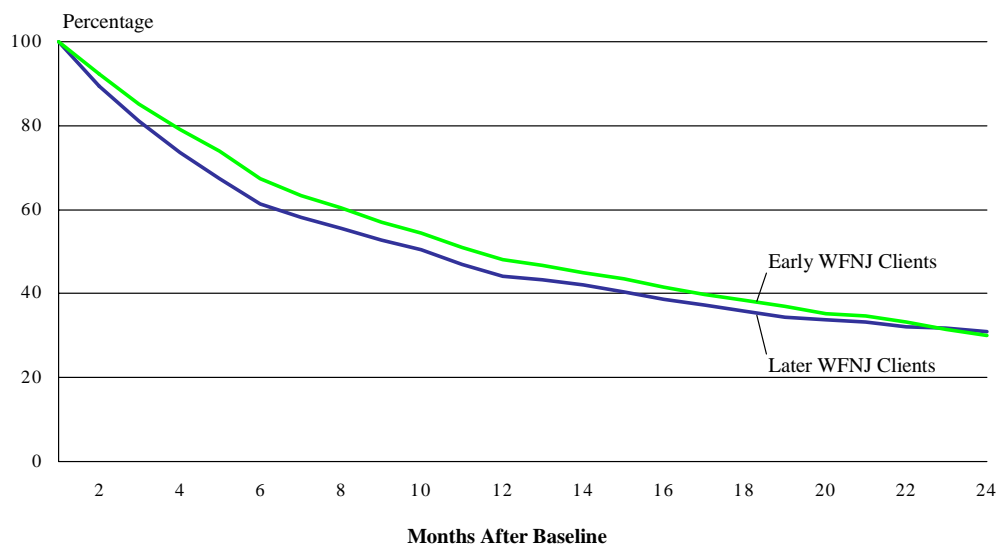
- *Initially, later WFNJ clients spent less time on TANF than did early clients. This advantage disappeared over time, however, perhaps because of the weaker economic conditions later clients faced.*

In the 18 months after baseline, later clients were consistently less likely than early clients to be receiving TANF in a given month (Figure III.1). For example, 12 months after baseline, 44 percent of later clients were receiving TANF, compared to 48 percent of early clients. Over the first 18 months, later clients spent 10.2 months on TANF, on average, compared with 10.9 months for the early group—a difference of about three weeks (Table III.1).

¹Clients in both groups may have received cash assistance at some point before baseline—in fact, most of them did.

FIGURE III.1

PERCENTAGE OF EARLY AND LATER WFNJ CLIENTS RECEIVING TANF,
BY MONTHS AFTER BASELINE



Source: Calculations by Mathematica Policy Research, Inc. using WFNJ administrative data.

Note: For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

This small difference suggests that welfare reform may have been more firmly in place in New Jersey three years after WFNJ was implemented. By 2000 and 2001, when the later group of clients in our study were in the program, the incentives and the message to leave welfare and go to work may have been stronger than they were immediately after WFNJ was implemented. In addition, the support services may have been more firmly in place and readily available. Consistent with this interpretation, we find that sanctioning was more common among later clients than among early ones. Among later clients, 40 percent reported that they had been sanctioned for not complying with WFNJ requirements at some point during the 21-month follow-up period, compared with only 34 percent of early clients (not shown).² Similarly, as we discuss in Chapter IV, later clients were more likely than early clients to receive child care assistance and other WFNJ financial services. They also reported receiving more encouragement and support, as well as other kinds of assistance, from their caseworkers than early clients did. These differences may have led to quicker TANF exits for later WFNJ clients.³

However, the initial advantage that later WFNJ clients enjoyed went away over time. By 24 months after baseline, the later and early groups of clients were equally likely to be receiving TANF (Figure III.1). Why would the initial advantage later clients enjoyed disappear over time? The economic slowdown that began in 2001 may have caused later clients to be less likely to exit TANF and more likely to return after exiting than early

²This difference is statistically significant at the .01 level.

³As described in Appendix A, both early and later WFNJ clients spent less time on cash assistance than did clients under the old AFDC program in the period just before WFNJ was implemented.

TABLE III.1

TOTAL TANF RECEIPT AMONG EARLY AND LATER WFNJ CLIENTS
DURING FIRST 18 MONTHS AFTER BASELINE

	Early WFNJ Clients	Later WFNJ Clients
Percentage Who Received TANF for:		
1 to 3 months	15	18***
4 to 6 months	16	17*
7 to 9 months	13	12
10 to 12 months	12	12
13 to 15 months	10	12***
16 to 17 months	12	12
18 months	22	16***
Average Number of Months Received TANF	10.9	10.2***
Sample Size	8,741	54,102

Source: Calculations by Mathematica Policy Research, Inc. using WFNJ administrative records data.

Note: For early WFNJ clients, “baseline” pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, “baseline” pertains to the time the sample member first received cash assistance after July 2000.

*/**/**Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

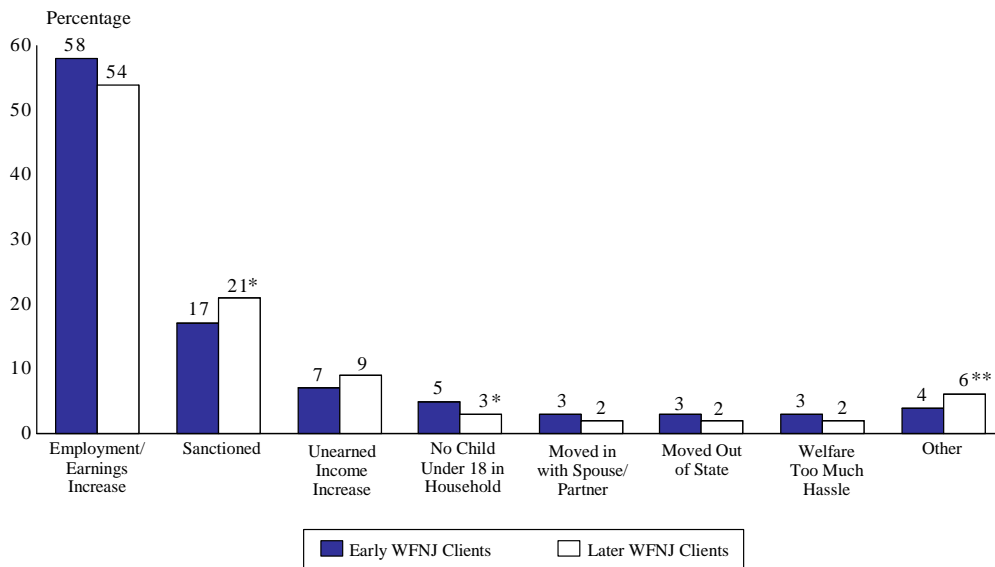
clients were at a similar point three years earlier. Consistent with this pattern, later clients were somewhat more likely than early clients to return to TANF after exiting. Among those who exited in the first year after baseline, 36 percent of later clients had returned to TANF within 18 months of exiting, compared with 32 percent of early clients (not shown).

- *Among both early and later clients, most exited TANF because they found employment. Later clients were more likely than early clients to leave welfare because of a sanction.*

The reasons for leaving TANF are broadly similar for early and later WFNJ clients. Among those in both groups who exited TANF, most left because they found employment—58 percent of those in the early group and 54 percent of those in the later group reported leaving for this reason (Figure III.2). Later clients were somewhat more likely than early clients to report exiting because of a sanction—21 versus 17 percent. This difference suggests that imposing full-family sanctions may have become more common over time. In addition, it may explain, at least in part, why later clients were more likely to return to TANF after exiting. In previous reports, we have found that those who exit TANF because of a sanction are considerably more likely to return to TANF than are those who leave for other reasons (Rangarajan and Wood 2000; and Wood et al. 2003). Among both early and later groups, others left TANF for a mix of reasons, including increases in unearned income (such as SSI or child support), no longer having a child under age 18 in their household, moving in with a spouse or partner, or moving out of state.

FIGURE III.2

MAIN REASON FOR TANF EXIT AMONG EARLY AND LATER WFNJ CLIENTS



Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

*/**/***)Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

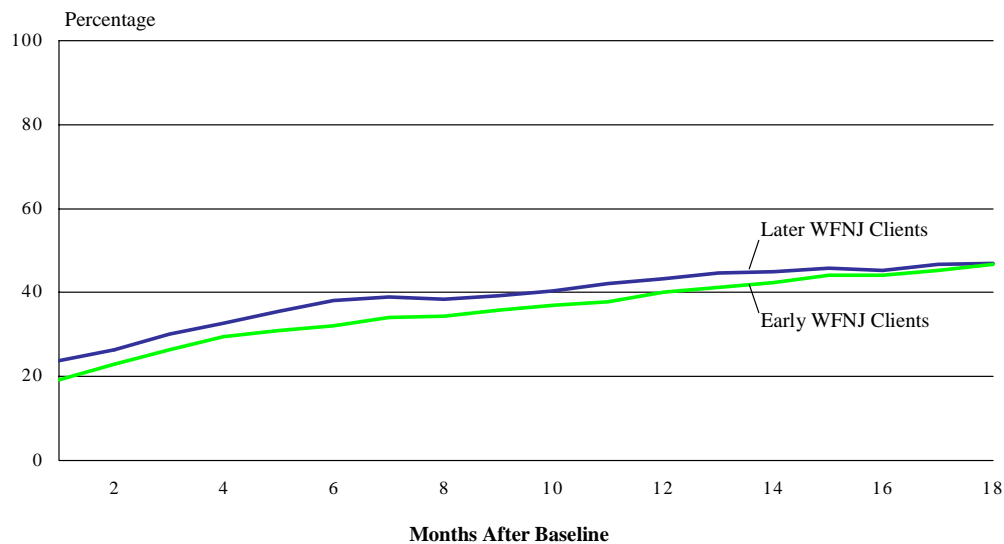
- ***Initially, later WFNJ clients spent somewhat more time employed than early clients did. As with TANF receipt, these differences disappeared over time.***

Similar to the pattern with TANF receipt, later WFNJ clients were more likely than early clients to be employed initially. During the first year after baseline, later clients were consistently more likely than early clients to be employed in a given month. For example, six months after baseline, 38 percent of clients in the later group were employed, compared with 32 percent of clients in the early group (Figure III.3). On average, later clients spent 4.2 months employed during the first year after baseline, compared with 3.7 months for clients in the early group (Table III.2). On average, this difference amounts to an extra two weeks of employment during the first year for clients in the later group—a small but statistically significant difference consistent with the differences observed in TANF receipt between the early and later groups. This employment advantage for later clients comes primarily from the fact that they were more likely to be employed initially. Among later WFNJ clients, 24 percent were employed at baseline, compared with 19 percent of early clients (Figure III.3). Among those not initially employed, the differences in employment between the early and later groups were small and statistically insignificant (Table III.2).

The initial employment advantage that the later clients had over early clients disappeared over time. By 18 months after baseline, the two groups were equally likely to be employed, with 47 percent of both groups working (Figure III.3). As with TANF receipt, this pattern is consistent with the recession taking hold later in the follow-up period and causing some of those in the later group to lose jobs or have difficulty finding them. Therefore, the overall pattern for TANF receipt and employment is similar.

FIGURE III.3

PERCENTAGE OF EARLY AND LATER WFNJ CLIENTS EMPLOYED,
BY MONTHS AFTER BASELINE



Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: For early WFNJ clients, “baseline” pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, “baseline” pertains to the time the sample member first received cash assistance after July 2000.

Initially, later clients did better than early clients economically, but this advantage also disappeared over time.

Those in the early group caught up with those in the later group on employment about four or five months earlier than they did on TANF receipt (Figures III.1 and III.3). This difference is consistent with a pattern of some later clients becoming unemployed because of weaker economic conditions, then not returning to TANF right away. This lag may occur because some clients spend time looking for work or receiving UI before returning to TANF.

- ***Later clients held better jobs (offering higher wages and more fringe benefits) than early clients did at a similar point.***

WFNJ clients in both groups typically worked at low-paying, entry-level jobs. However, on average, later clients held jobs that offered higher wages and better benefits. Among those in the later group, the average hourly wage was \$8.31 at the time of the survey, compared with an inflation-adjusted average of \$7.88 for those in the early group (Table III.3). Similarly, the average monthly earnings of clients in the later group were nine percent higher than the earnings of those in the early group (\$1,273, compared with \$1,173). In addition, jobs later clients held were more likely to offer health insurance (48 versus 40 percent), less likely to be seasonal or temporary (29 versus 36 percent), and more likely to have a regular or daytime shift (74 versus 67 percent). These differences suggest that several years of a strong economy and tight labor markets may have improved the kinds of entry-level jobs available to newly employed TANF recipients in New Jersey.

TABLE III.2
TOTAL EMPLOYMENT AMONG EARLY AND LATER WFNJ CLIENTS
DURING FIRST 12 MONTHS AFTER BASELINE

	Early WFNJ Clients	Later WFNJ Clients
Among All Clients		
Percentage Employed for:		
0 months	50	44***
1 to 3 months	11	12
4 to 6 months	10	10
7 to 9 months	10	11
10 to 11 months	7	7
12 months	12	15*
Average Months Employed	3.7	4.2**
Among Clients Not Employed at Baseline		
Percentage Employed for:		
0 months	61	58
1 to 3 months	12	13
4 to 6 months	10	11
7 to 9 months	10	11
10 to 11 months	7	7
12 months	0	0
Average Months Employed	2.2	2.4
Sample Size:		
All Clients	1,404	1,219
Clients Not Employed at Baseline	1,130	938

Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: For early WFNJ clients, “baseline” pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, “baseline” pertains to the time the sample member first received cash assistance after July 2000.

*/**/**Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

- ***By the time of the survey, later clients were more likely than early clients to be on TANF and not employed.***

By the time of the follow-up survey, conducted 21 months after baseline, on average, the initial advantage later clients enjoyed in employment and TANF receipt was gone. In fact, at this point, later clients were more likely than early clients to be on TANF and not employed—34 versus 29 percent (Figure III.4). In addition, at the time of the survey, later clients were somewhat less likely to be employed and off TANF—33 versus 35 percent. However, this latter difference is small and statistically insignificant. For clients in both groups, the follow-up survey was conducted anywhere from about a year to just over two years after baseline, with an average follow-up period for both groups of 21 months. Therefore, the percentages do not correspond exactly to those figures on employment and TANF receipt discussed earlier in this chapter. In any case, they are consistent with the pattern, described earlier, that the initial economic advantage the later clients enjoyed disappeared over time.

At the time of the survey, similar percentages of both groups were in the category referred to in earlier reports as “least stable” TANF leavers. These are clients who were

TABLE III.3
 CHARACTERISTICS OF CURRENT OR MOST RECENT JOB
 AMONG EARLY AND LATER WFNJ CLIENTS
 (Percentages)

	Early WFNJ Clients	Later WFNJ Clients
Hourly Wages (in 2002 Dollars)		
\$6.00 or less	24	21*
\$6.01 to 7.00	17	18
\$7.01 to 8.00	16	18
\$8.01 to 9.00	16	13*
\$9.01 to 10.00	9	11
More than \$10.00	17	19
(Average)	(\$7.88)	(\$8.31)***
Hours Worked per Week		
Fewer than 20	10	8**
20 to 34	31	32
35 to 39	10	9
40 or more	49	51
(Average)	(33.6)	(34.5)*
Monthly Earnings (in 2002 Dollars)		
Less than \$600	18	14**
\$601 to \$1,000	24	24
\$1,001 to \$1,400	27	28
\$1,401 to \$1,800	18	17
More than \$1,800	14	16
(Average)	(\$1,173)	(\$1,273)***
Benefits Offered		
Health insurance	40	48***
Paid vacation	43	49**
Paid sick leave	36	41**
Seasonal/Temporary Job		
	36	29***
Shift Worked		
Regular/daytime	67	74***
Evenings/nights	23	16***
Weekends/variable shift	9	10
Occupation		
Manager/professional/technical	6	4**
Sales	15	15
Administrative support	23	27**
Services	42	39*
Transportation	8	9
Construction/production/other	7	6
Sample Size	1,005	843

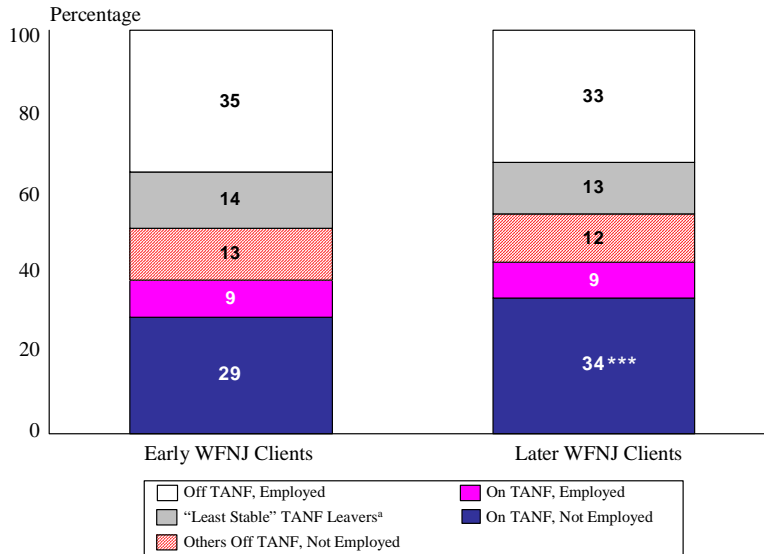
Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Characteristics represent those of the current or most recent job held at the time of the survey, conducted 21 months after baseline, on average. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

*/**/***Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

FIGURE III.4

EMPLOYMENT AND TANF STATUS OF EARLY AND LATER WFNJ CLIENTS AT THE TIME OF THE FOLLOW-UP SURVEY



Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: On average, surveys were conducted 21 months after baseline. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

**"Least stable" TANF leavers are defined as those who are off TANF, have not worked in the past three months, do not live with an employed spouse or partner, and do not receive SSI or UI benefits.

***Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

off TANF, not employed for three months or more, not living with an employed spouse or partner, and not receiving SSI or UI benefits. In both groups, just over 1 in 10 clients were in this status at this point (Figure III.4).

B. WHAT ARE THE DIFFERENCES IN INCOME AND HARDSHIP?

WFNJ aims to improve clients' standards of living and reduce their incidence of economic hardship. Here, we examine the income levels, poverty rates, and frequency of housing problems of early and later WFNJ clients.

The income figures we report in this section are calculated by adding together income received from earnings, public assistance, and other sources during the month before the survey. The figures represent family income and include the income of clients, their minor children, and, if applicable, their spouses or partners. These figures include all major income sources, such as clients' pretax earnings, earnings of spouses or partners, TANF and food stamp benefits, child care subsidies, other public assistance, child support, UI, and money from friends and relatives. Income levels for both early and later clients are reported in 2002 dollars. The poverty levels we report are based on federal poverty guidelines for 2002. Based on these guidelines, a family of three is considered to be living in poverty if its annual income is less than \$15,020.

In this section, we also examine the frequency of serious housing problems—a key measure of economic hardship—for early and later clients. Specifically, we examine the frequency of six events during the year prior to the survey: (1) having utilities cut off,

(2) having to move in with friends or relatives to save on rent, (3) moving two or more times, (4) being evicted, (5) living in an emergency shelter, and (6) being homeless.

- *By the time of the survey, income levels were about the same for early and later WFNJ clients. However, later clients received more of their income from public assistance and less from spouses or partners.*

At the time of the survey, average monthly income was roughly the same for early and later WFNJ clients. At this point, about 21 months after baseline, later clients' average monthly income was slightly higher than that of early clients—\$1,194, compared with an inflation-adjusted \$1,143 for early clients (Table III.4). However, this small difference is not statistically significant. For both groups, income levels were low at this point. These monthly income figures are equivalent to an annual income of about \$14,000, which is just below the poverty threshold for a family of three.

Although the average income levels of early and later clients were similar at the time of the survey, the source of that income differed somewhat for the two groups. For example, later clients received more income from public assistance than did early clients. The average amount of monthly income from public assistance was \$431 for later clients, compared with \$368 for early clients. As we discussed in the previous section, although later clients were less likely to be on TANF initially, by the time of the survey, they were somewhat more likely than early clients to be receiving cash assistance—42 versus 38 percent (Table III.5). In addition, at this point, later clients were substantially more likely to be receiving food stamps—63 versus 54 percent (Table III.5). This difference suggests that recent state efforts to increase food stamp participation among WFNJ clients who

TABLE III.4
AVERAGE MONTHLY INCOME AND SOURCES OF INCOME
AT THE TIME OF THE FOLLOW-UP SURVEY
(In 2002 Dollars)

	Early WFNJ Clients	Later WFNJ Clients
<i>Own Earnings</i>	526	529
<i>Total Public Assistance</i>	368	431***
TANF	134	145
Food stamps	149	165**
SSI	75	101**
Other public assistance	10	20***
<i>Other Unearned Income</i>	249	234
Child support	37	39
Spouse's/partner's earnings	167	103***
UI	15	28***
Friends/relatives	17	34***
Other sources	13	30*
<i>Total Income</i>	1,143	1,194
Sample Size	1,423	1,219

Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: On average, follow-up surveys were conducted 21 months after baseline. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

*/**/** Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

SSI = supplemental security income; TANF = Temporary Assistance for Needy Families; UI = unemployment insurance.

TABLE III.5

PERCENTAGE RECEIVING INCOME FROM VARIOUS SOURCES AND MONTHLY AMOUNTS
RECEIVED AMONG THOSE RECEIVING INCOME FROM SOURCE
(in 2002 Dollars)

	Early WFNJ Clients	Later WFNJ Clients
Percentage Receiving Income from:		
<i>Own Earnings</i>	47	44
<i>Total Public Assistance</i>	65	75***
TANF	38	42**
Food stamps	54	63***
SSI	13	16*
Other	4	5*
<i>Other Unearned Income</i>	44	47
Child support	21	20
Spouse's/partner's earnings	13	7***
UI	3	5***
Friends/relatives	8	15***
Other sources	10	10
Average Amount Received Among Those Receiving Income from:		
<i>Own Earnings</i>	1,125	1,192*
<i>Total Public Assistance</i>	585	606
TANF	352	342
Food stamps	275	264
SSI	573	640
Other	280	390***
<i>Other Unearned Income</i>	563	502
Child support	181	189
Spouse's/partner's earnings	1,323	1,409
UI	564	576
Friends/relatives	225	228
Other sources	130	315*
Sample Size	1,423	1,219

Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Income measured at the time of the follow-up survey, conducted 21 months after baseline, on average. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

*/**/**Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

SSI = supplemental security income; TANF = Temporary Assistance for Needy Families; UI = unemployment insurance.

leave TANF but remain eligible for food stamps may have had some success.⁴ (We discuss the issue of differences in food stamp participation between early and later WFNJ clients further in Chapter V.) Later clients were also somewhat more likely than early clients to receive SSI—16 versus 13 percent. This difference is consistent with the somewhat poorer health of later clients described in Chapter II. It may also indicate that the joint effort in recent years by NJDHS and New Jersey Legal Services to get more eligible clients into the SSI program has met with some success.

⁴See Rosenberg et al. 2003 for a discussion of these state efforts.

While later clients received substantially more income from public assistance than early clients did, they received substantially less from the earnings of spouse or partners. Among later clients, only 7 percent had income from the earnings of a spouse or partner at the time of the survey, compared with 13 percent among those in the early group (Table III.5). The main reason for this difference is that later clients were less likely than early clients to be married or cohabiting at the time of the survey. Among later clients, at the time of the survey, eight percent were married and living with their spouses, and six percent were living with an unmarried partner (not shown). The corresponding percentages for early clients were 10 percent married and 8 percent cohabiting at this point.⁵

Why were later WFNJ clients less likely to be married or cohabiting than were early clients at a similar point? Based on earlier analysis, we learned that African American clients and those who had never been married when they entered WFNJ were substantially less likely than other clients to marry or cohabit after entering the program (Wood et al. 2003). In addition, as discussed in Chapter II, later WFNJ clients were more likely than early clients to be African American and to have never been married. Therefore, the composition of the WFNJ caseload shifted toward groups that were less likely to marry or cohabit. These changes most likely explain, at least in part, the differences between early and later clients on these measures.

- ***Early and later clients were equally likely to have incomes below poverty at the time of the survey. However, later clients were somewhat less likely than early ones to be in extreme poverty at this point.***

Consistent with the similarity in their average income levels, the percentage of WFNJ clients who had incomes below the federal poverty threshold at the end of the follow-up period was about the same for the early and later groups. Among both early and later groups, two-thirds of clients had incomes below the poverty threshold at the time of the survey (Figure III.5). However, at this point, fewer later WFNJ clients were in “extreme poverty”—defined as having an income below 50 percent of the poverty threshold. At the time of the survey, 23 percent of later clients were living in extreme poverty, compared with 27 percent of early clients (Figure III.5). Among both groups, nearly all clients (93 to 94 percent) had an income below two times the poverty threshold at this point.

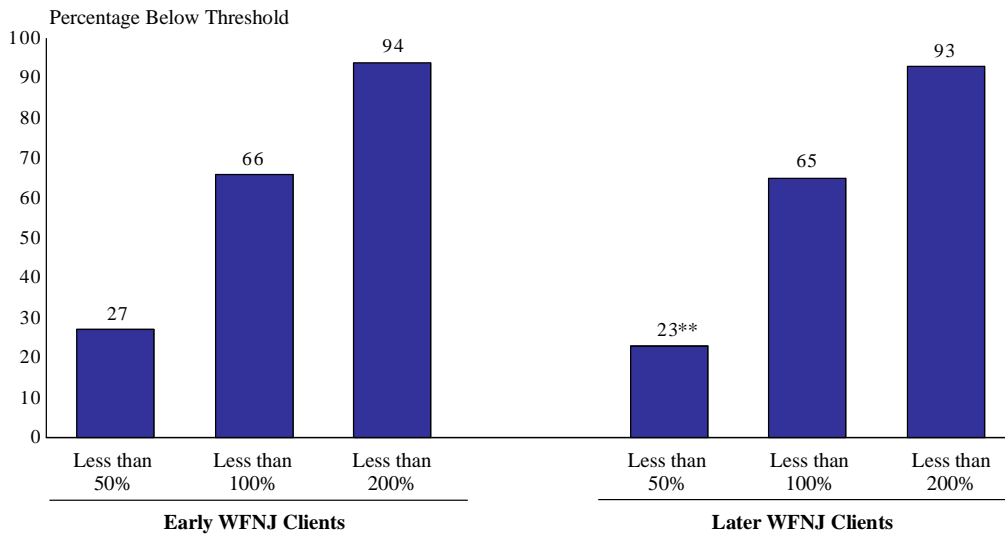
- ***Although housing problems were relatively common for both groups, later clients were somewhat less likely than early clients to experience them.***

Finally, we examined the prevalence of housing problems—a key measure of economic hardship—among early and later WFNJ clients. For both early and later clients, housing problems were relatively common in the period shortly after baseline, with a third or more experiencing one of the six housing problems we examined (Figure III.6). However, later clients had somewhat fewer housing problems than early clients during this period. For example, they were less likely to report having to move in with friends and relatives to save on rent during the year prior to the survey, with 14 percent of

⁵These differences between early and later groups in the percentage married and the percentage cohabiting are statistically significant.

FIGURE III.5

WFNJ CLIENTS' INCOME AT THE TIME OF THE FOLLOW-UP SURVEY
RELATIVE TO THE FEDERAL POVERTY THRESHOLD



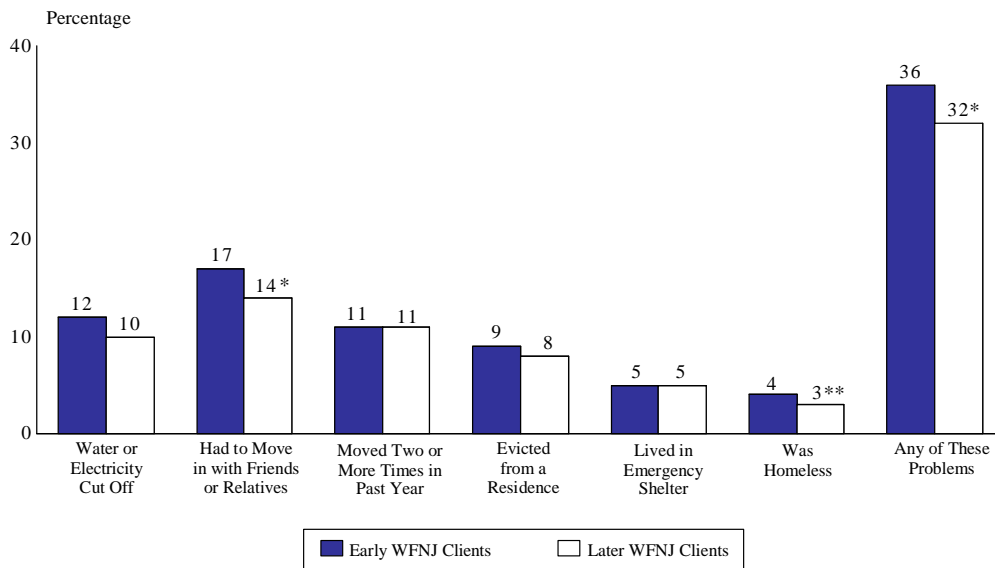
Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: On average, surveys were conducted 21 months after baseline. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

***Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

FIGURE III.6

HOUSING PROBLEMS DURING THE PAST YEAR
AMONG EARLY AND LATER WFNJ CLIENTS



Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Outcomes measured at the time of the follow-up survey, conducted, on average, 21 months after baseline. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

***Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

later clients reporting this problem, compared with 17 percent of early clients (Figure III.6). Similarly, later clients were less likely than early clients to report having experienced a period of homelessness during this period—four versus three percent.⁶ In addition, during the year prior to the survey, they were less likely to have experienced any of the six housing problems we examined—32 versus 36 percent. These results suggest that later clients—consistent with their initial economic advantage in TANF receipt and employment, their slightly higher incomes at the time of the survey, and their lower rates of extreme poverty—experienced somewhat lower levels of economic hardship than early clients did in the period shortly after baseline.

⁶Taking these percentages out another decimal place, the difference between early and later clients on this measure is 1.5 percentage points (4.2 percent for early clients versus 2.7 percent for later clients). Because homelessness is a relatively uncommon event among this population, this small difference is statistically significant.

IV

WFNJ KNOWLEDGE AND SERVICE USE

For welfare reform to be successfully implemented, clients need to know the rules of the program and what support services are available through it. As a program matures, information about its rules and benefits may become more widely disseminated and better known to clients. In addition, as staff gain experience with a new program, they can deliver services more effectively, which may lead to higher levels of service receipt among clients. Therefore, trends in the extent of clients' knowledge about program rules and their use of services can help indicate how successful the program is in meeting its goals. In this chapter, we describe differences in program knowledge and service use between early and later groups of WFNJ clients to see whether the degree of clients' awareness of its provisions and the extent of their participation in its services and activities have increased as the program has matured.

A. HOW WELL DO CLIENTS UNDERSTAND WFNJ PROVISIONS?

Welfare policy changed substantially when WFNJ was implemented in 1997. Cash benefits became subject to a five-year time limit, and most clients were required to participate in a work activity to continue to qualify for benefits. In addition, certain transitional benefits to those who leave welfare for work were expanded. Because of the magnitude of welfare reform and the publicity it received, clients' initial awareness of

KEY FINDINGS FROM THIS CHAPTER

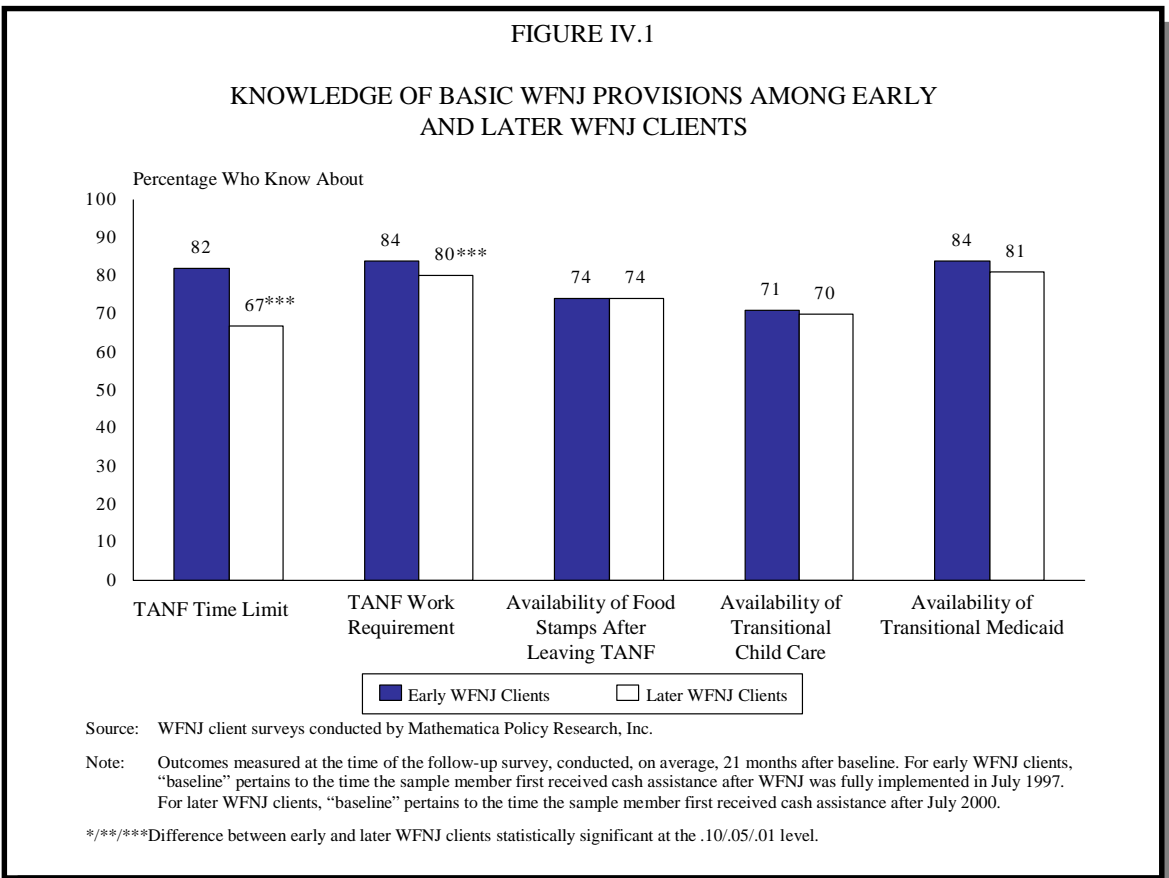
- *As with early clients, most later clients are aware of WFNJ's basic provisions. However, there is growing uncertainty among clients over the existence of TANF time limits.* For most WFNJ provisions, such as work requirements and the availability of post-TANF supports, early and later clients had similar, high levels of awareness and understanding. However, only 67 percent of later clients reported knowing that TANF benefits were time limited, compared with 82 percent of early clients measured at a similar point. The state has been granting temporary extensions to nearly all clients who reach their time limits, which may have played a role in the growing uncertainty over whether these benefits are time limited.
- *Later clients received more support services, especially financial supports, from WFNJ than early clients did.* Later clients were substantially more likely than early ones to receive financial assistance, such as child care and transportation assistance, from WFNJ (43 versus 32 percent). Likewise, although similar percentages of early and later clients had spoken to a caseworker, later clients reported receiving more service during these contacts (such as moral support or help finding child care or transportation). In addition, later clients were more likely to report that WFNJ services and activities were useful in helping them find or keep a job (49 versus 37 percent).

WFNJ provisions was strong. In this section, we examine how the perceptions of more recent clients regarding basic WFNJ provisions compare to those of clients who entered the program during its first year.

- ***Later WFNJ clients are less sure that TANF benefits are time limited than early clients were at a similar point.***

Although most later clients knew about the existence of TANF time limits, early clients were substantially more likely to know about them. At the time of the survey, 82 percent of early clients reported knowing about time limits, compared to 67 percent of later clients measured at a similar point (Figure IV.1). The implementation of time limits in 1997 was a major national policy change, and the considerable discussion that followed in the news media and other forums increased the likelihood that people had heard about them. In the years since welfare reform was initially implemented, the focus on time limits has decreased, which may have contributed to the decline in the percentage of WFNJ clients aware of them. There also appears to be greater recent uncertainty as to whether time limits will actually be enforced, since nearly all WFNJ clients reaching these limits are receiving extensions. Knowledge of work requirements has also declined slightly over this period, from 84 to 80 percent (Figure IV.1).

Among those who know there is a time limit, later clients are more likely than early ones to know that it is a five-year limit. Among those who were aware of time limits, 71 percent of later clients knew the limit was five years, compared to just 55 percent of the

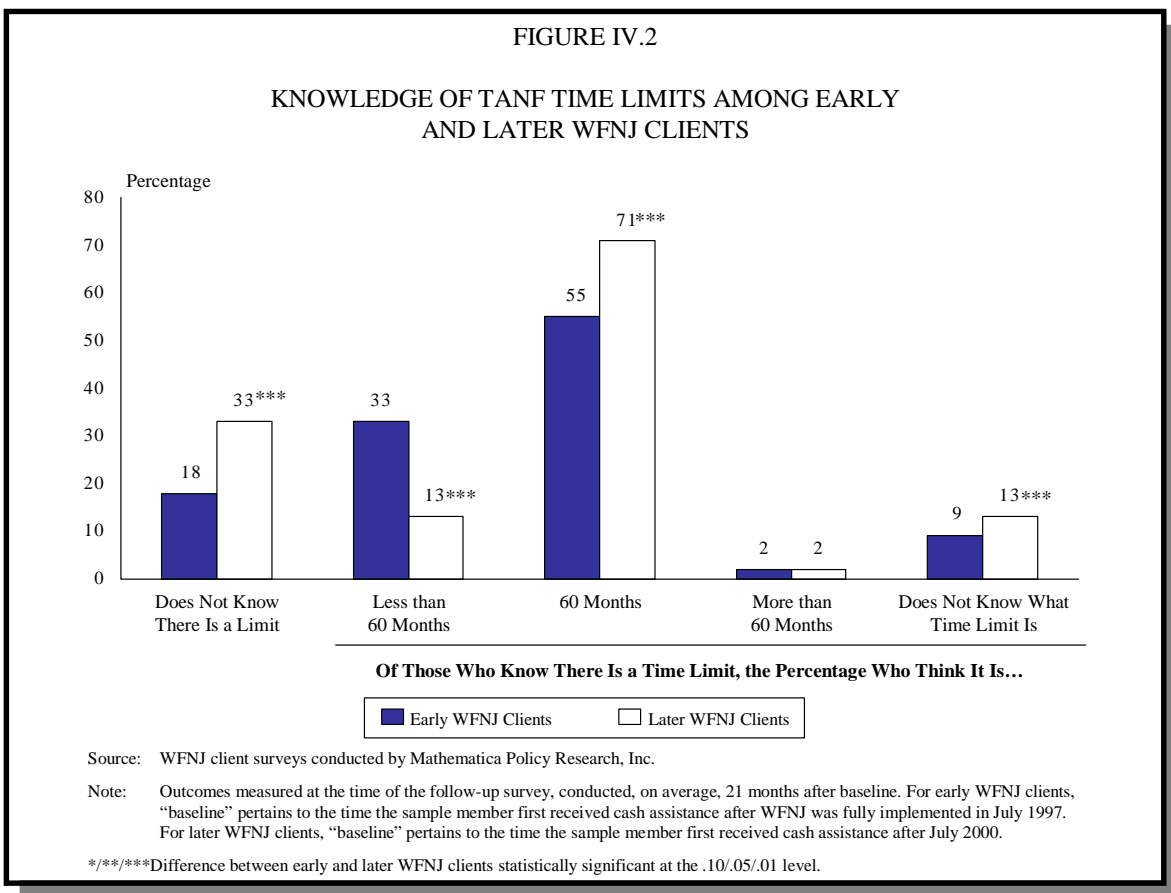


early group (Figure IV.2). The greatest misconception among the early group was that the time limit was less than five years. This type of misunderstanding is much less common among the later group: just 13 percent of later clients who were aware of the limits, as opposed to 33 percent of early ones, thought the limit was less than five years.

Among later clients, those who had recently spent more time on welfare were more likely to know about time limits. For example, 75 percent of clients who were on welfare 24 or more of the 36 months prior to the survey were aware of time limits, compared with only 58 percent among similar clients who had spent less time on welfare.¹ This suggests that clients who are most likely to be affected by time limits are also most likely to be aware of them.

- **Most WFNJ clients know about transitional benefits. Knowledge of transitional benefits has remained steady over time.**

Later clients were just as likely as early ones to know that transitional benefits exist. About 70 percent of both groups knew about transitional child care, 74 percent knew they could still receive food stamps after leaving TANF, and more than 80 percent knew about transitional Medicaid. Perhaps because many clients already know about these benefits,



¹These results are based on multivariate regression analysis, which controls for a variety of client characteristics when comparing the awareness of time limits among longer-term and shorter-term TANF recipients.

there is little scope for improvement in the knowledge of these benefits over time. In addition, we found that there was little variation in knowledge of transitional benefits, time limits, or work requirements by clients' characteristics (not shown).

B. WHAT SERVICES DO CLIENTS RECEIVE, AND HOW DO THEY VIEW THEM?

WFNJ offers a variety of activities, services, and supports to help clients find work and become self-sufficient. These include work-related activities, such as job placement assistance and job training; financial supports for child care, transportation, or other work-related expenses; and assistance from WFNJ caseworkers with child care, transportation arrangements, dealing with errors in benefits, and other matters. In this section, we compare how early and later clients used and evaluated WFNJ activities and services.²

- *Just under 40 percent of both early and later clients participated in work-related activities offered by WFNJ.*

Most WFNJ clients must participate in a work activity while receiving cash assistance.³ Many clients meet this requirement by finding a job. Others meet it by participating in work-related activities offered by WFNJ, such as job search assistance, job readiness classes, unpaid work experience, and education or training activities. Just under 40 percent of both early and later groups participated in a WFNJ work-related activity during the follow-up period (Figure IV.3).⁴ This participation rate is modest in part because many find employment on their own.⁵ For instance, earlier reports indicate that about a third of WFNJ clients find employment within six months of program entry, and half find work within one year. The mix of work-related activities has also remained mostly unchanged over time, although there was a small but statistically significant increase in job readiness program participation.

We asked clients who said they were required to participate in WFNJ work-related activities whether they had any difficulty meeting this requirement. Overall, less than half the clients reported any difficulty, and there was no difference in the proportion of early and later clients who found it difficult (not shown). However, there are some changes in what clients report as the source of that difficulty. In general, later clients were less likely than early ones to report child care and more likely to report other reasons as the source of difficulty. For example, only 32 percent of later clients reported having difficulty due to child care issues, compared to 43 percent of early clients (Figure IV.4). This reduction may be related to an increase in the use of child care benefits

²Participation in activities and use of services are measured through clients' survey responses. For each type of activity or service, clients were asked whether they participated in that activity or service over the period from baseline until the time of the follow-up survey, a period that averaged 21 months for both early and later groups. For the early WFNJ clients, baseline pertains to the time that the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For the later clients, baseline pertains to the time that the sample member first received cash assistance after July 2000.

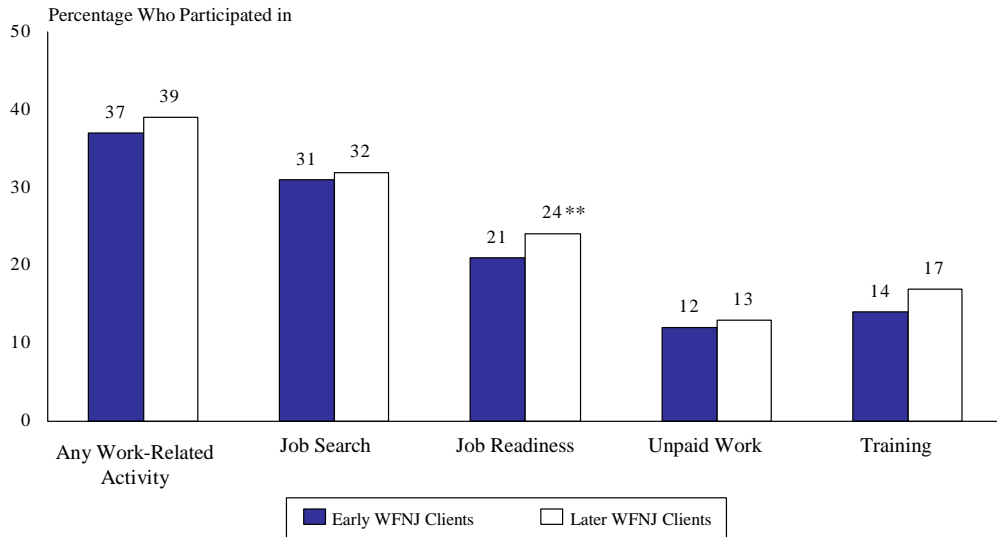
³Some clients are exempt from this requirement (for example, mothers with children under three months old, those with serious health problems, and those caring for an ill family member).

⁴Work-related activities described in this section do not include paid work.

⁵Although not included in the figures reported here, paid work arranged either by the client or through WFNJ is an activity that counts toward the official TANF work participation rates reported by the state to the federal government.

FIGURE IV.3

PARTICIPATION IN WORK-RELATED ACTIVITIES
AMONG EARLY AND LATER WFNJ CLIENTS



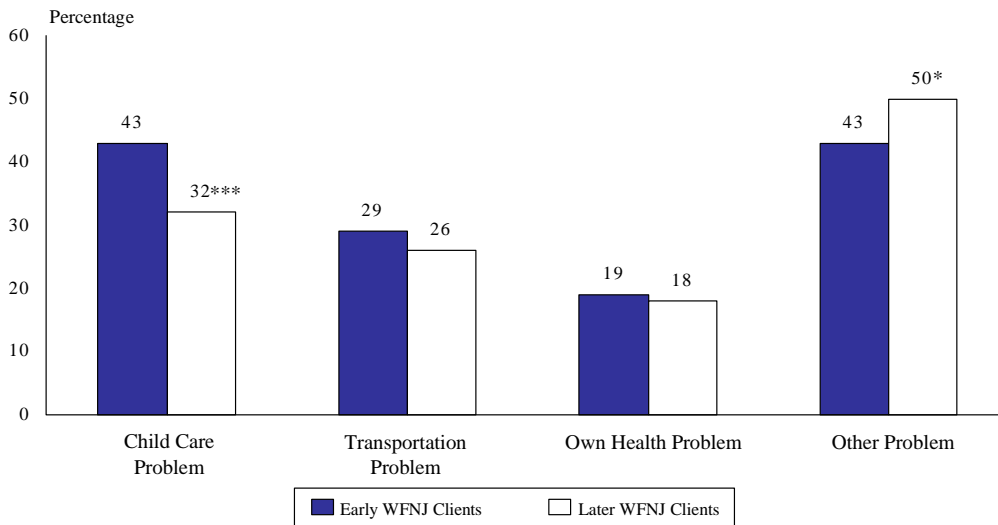
Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Work-related activities reported here do not include paid work. Figures represent the percentage of clients who ever participated in the activity from baseline until the time of the follow-up survey, conducted, on average, 21 months after baseline. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

//**Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

FIGURE IV.4

REASONS FOR DIFFICULTY MEETING WORK REQUIREMENTS
AMONG EARLY AND LATER WFNJ CLIENTS



Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Figures include only WFNJ clients who reported some difficulty in meeting WFNJ work requirements. Outcomes measured at the time of the follow-up survey, conducted, on average, 21 months after baseline. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

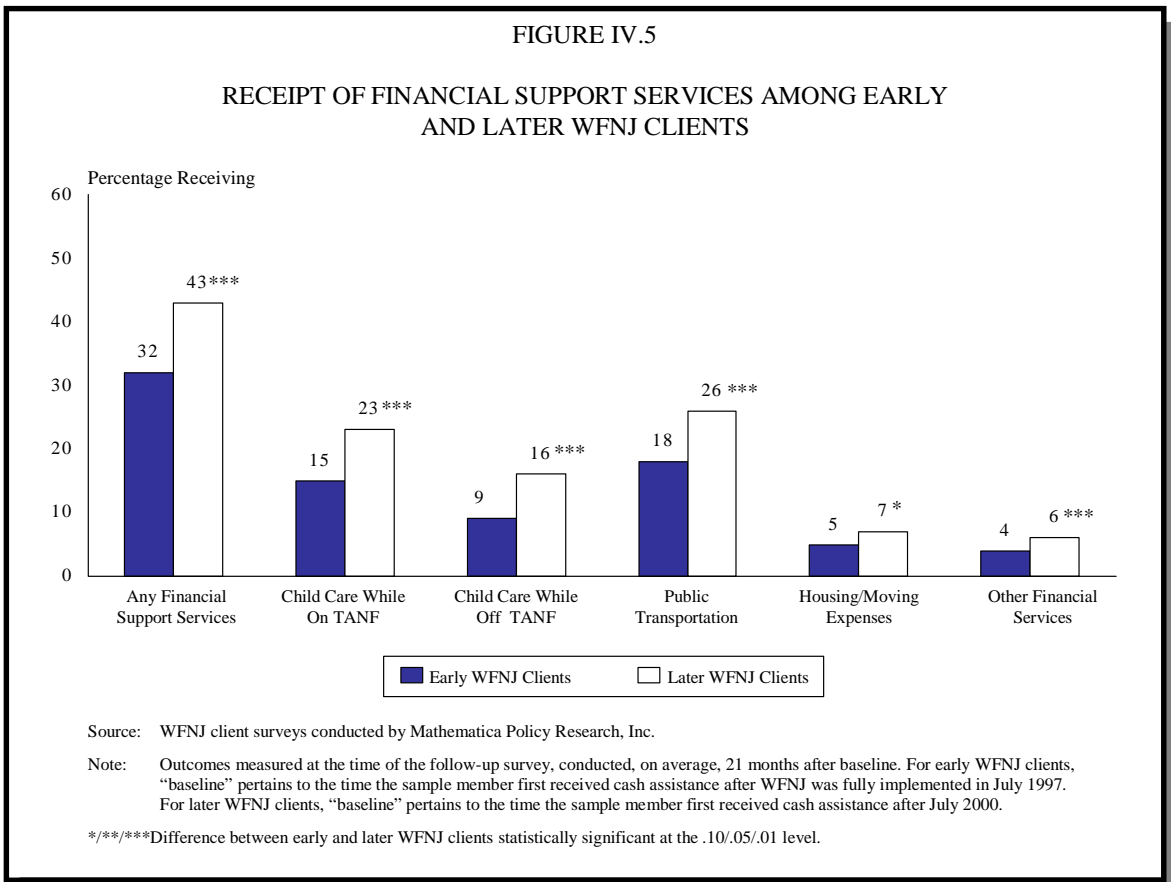
//**Difference between early and later WFNJ clients statistically significant at the .10/.05/.01 level.

reported by clients (discussed later in this chapter). Later clients were more likely than early clients to report “other” problems that made meeting work requirements difficult—50 versus 43 percent. These other sources of difficulty pertained to unusual circumstances that prevented attendance, as well as dissatisfaction with the program.⁶

- ***Receipt of WFNJ financial support services has increased significantly.***

In addition to providing help in job search and preparation, WFNJ offers financial benefits to help clients move from welfare to work. These benefits can both increase clients’ ability to participate in work-related services and provide an important supplement to income earned through employment. These benefits include money for child care, transportation, and work-related expenses (such as tools or clothing).

Later clients were more likely to receive these financial supports than early clients were. Overall, 43 percent of later clients received some type of financial support service from WFNJ, compared with 32 percent of early clients (Figure IV.5). The proportion of clients receiving help paying transportation expenses increased substantially. Among later clients, 26 percent received this kind of help from WFNJ, compared with 18 percent of early clients. Similarly, receipt of child care subsidies both while on TANF and after



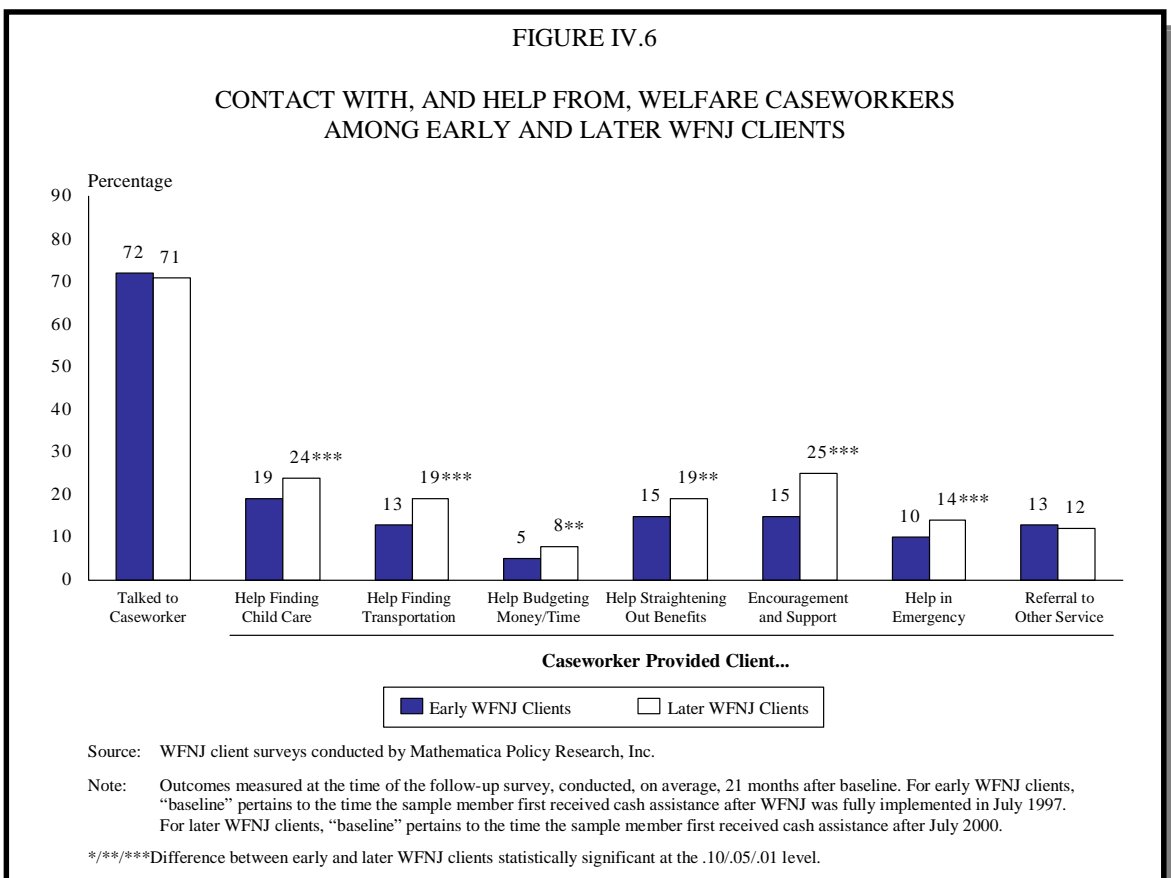
⁶Later clients are also slightly less likely than early clients to report multiple difficulties with meeting work requirements, which is why we see small reductions in most specific difficulties, although we see no change in the proportion of clients reporting any difficulty.

leaving TANF were substantially higher for the later group of clients than for the early group.⁷ The increase in receipt of some of these benefits might be partially explained by state and county efforts to better inform current and former clients about available services (Rosenberg et al. 2003).

- **Contact with caseworkers has remained the same, but the amount of help received has increased.**

WFNJ caseworkers provide other types of assistance to welfare recipients trying to make the transition to work. Caseworkers can help clients access child care subsidy programs, make transportation arrangements, and understand and resolve issues with welfare benefits. They can also provide encouragement, support, and advice.

Although later clients were not any more likely than early ones to talk to a caseworker, they appear to have gotten more out of such contacts. Just over 70 percent of both groups of clients reported having had contact with a caseworker during the follow-up period (Figure IV.6). Later clients, however, were more likely to than early ones to



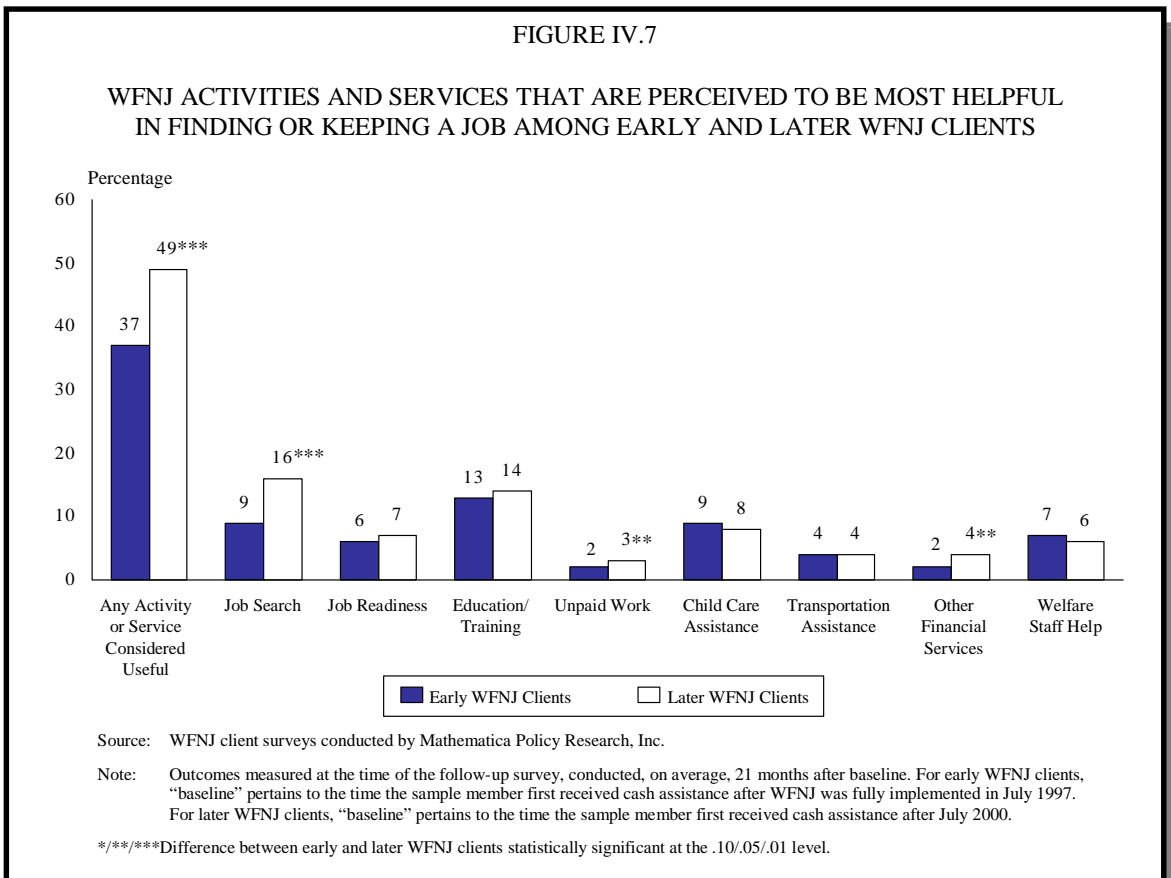
⁷The percentage of clients receiving child care subsidies reported in Chapter V is substantially higher than the percentages reported in Figure IV.5. This difference results from the fact that the child care subsidy figures in Chapter V are restricted to clients who are employed, off TANF, and have a child under age 6. This subgroup of clients is substantially more likely than clients in general to receive post-TANF child care subsidies.

report receiving specific help from caseworkers during these contacts. They were particularly more likely to report having received encouragement and support—25 percent of later clients versus 15 percent of early ones. This might partially reflect the efforts of some counties to create a more supportive and customer-friendly environment in the welfare office. Caseworkers also were more likely to help later clients find child care or transportation, help them budget their money and time, straighten out errors with benefits, and provide help in an emergency.

- *Later clients found WFNJ activities and services to be more useful in finding and keeping a job than early clients did.*

An understanding of the extent to which clients believe WFNJ services are helpful can be useful to state policymakers in getting a better sense of how their customers view the services. If clients have a positive view of WFNJ services, they are also more likely to participate in program services and to recommend those services to others.

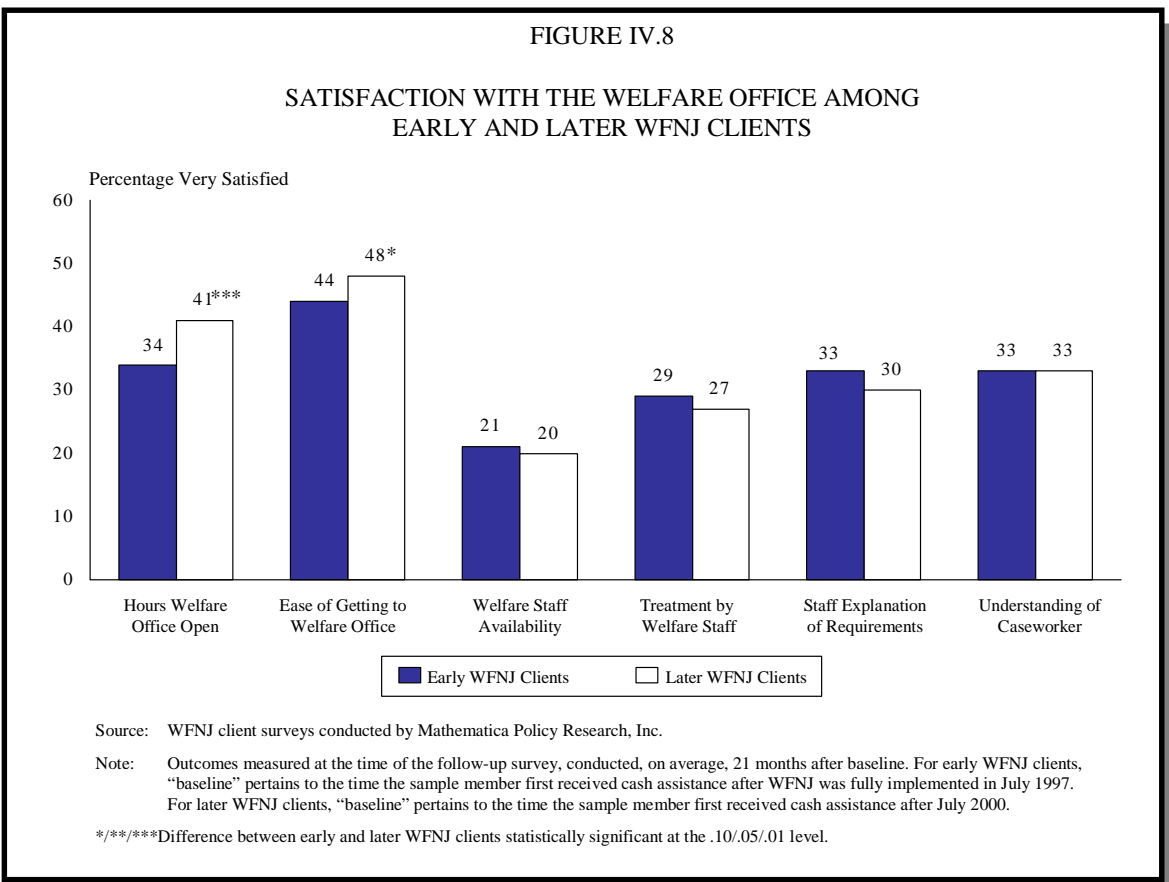
Later WFNJ clients were much more likely than early ones to report that they found WFNJ services useful. For instance, 49 percent of later clients who received some WFNJ service or benefit found it useful, compared to 37 percent of early clients (Figure IV.7). The biggest difference between early and later clients in their perceptions of the usefulness of specific WFNJ services was for job search activities. Among later clients,



16 percent specifically named job search assistance as a useful service, compared with only 9 percent of early clients.⁸

- *Later WFNJ clients were more likely than early clients to be satisfied with welfare office locations and hours.*

We asked clients about their experiences with their welfare office in general. We found that 41 percent of later clients were “very satisfied” with the hours the welfare office is open, compared to 34 percent of early clients (Figure IV.8). Furthermore, 48 percent of later clients were “very satisfied” with how easy it is to get to the welfare office, compared to 44 percent of early clients. Recent efforts to keep welfare offices open a few extra hours a week might help explain these increases in client satisfaction (Rosenberg et al. 2003).



⁸Clients were not specifically asked about the usefulness of each type of service in which they participated. Instead, they were asked to report if they found any WFNJ services they had received useful. If they said yes, they were then asked to name the services that had been useful to them. In these instances, respondents were not prompted with a specific list of WFNJ services. Instead, they volunteered the services that came to mind, and the interviewer then recorded these services. This method of collecting this information typically yields a lower percentage of clients finding specific services useful than when they are asked specifically about the usefulness of each service.

V

USE OF POST-TANF SUPPORTS AMONG FORMER WFNJ CLIENTS

Several types of post-TANF benefits are available to WFNJ clients to facilitate their transition from welfare to work. These include food stamps, health insurance coverage, and child care subsidies. In earlier reports, we found that many early WFNJ clients did not receive these post-TANF supports. In response to these low utilization rates, the state, through outreach and other strategies, has tried to promote the use of these services.

In this chapter, we examine the extent to which later clients are using these post-TANF supports and consider whether later clients use these supports at higher rates than early clients did. We consider the following questions. First, how many clients who have left TANF are eligible for, and are receiving, food stamps, and how is this different for early and later clients? Second, to what extent do former TANF recipients and their children have health insurance coverage? Are later WFNJ clients more likely than early clients were to maintain health insurance coverage when they leave TANF? Third, how many WFNJ clients who have young children and have left welfare for work are

KEY FINDINGS FROM THIS CHAPTER

- ***Later WFNJ clients were more likely than early ones to receive food stamps after leaving TANF.*** Among both early and later clients who left TANF, about 70 percent remained eligible for food stamps. However, among those eligible, later clients were substantially more likely than early ones to receive food stamps (55 versus 45 percent). There are two probable reasons for the increase in FSP: (1) recent state efforts to increase the use of post-TANF supports among former recipients, and (2) the economy remaining weak.
- ***Later WFNJ clients were somewhat more likely than early ones to maintain health insurance coverage after leaving TANF.*** About 77 percent of later clients who had left TANF had health insurance coverage, compared with 73 percent of early clients. The increase in coverage is driven substantially by an increase in the percentage of former clients covered by public health insurance, up from 62 percent among the early group to 70 percent among the later group. This is most likely the result of the introduction of the FamilyCare program in 2000, which covered low-income adults who did not qualify for Medicaid.
- ***Later WFNJ clients who were employed and had young children were more likely than similar early clients to receive child care subsidies after leaving TANF.*** Among later clients who were working and had a child under age 6, 47 percent were receiving a child care subsidy at the time of the survey, compared to only 31 percent of the early group. Improved coordination between child care and welfare agencies, as well as increased outreach efforts, probably contributed to these increases in subsidy use.

receiving child care subsidies, and has this changed over time? Finally, are later clients aware of the recently initiated supplemental work support program? How many are actually participating?

A. TO WHAT EXTENT DO TANF LEAVERS USE FOOD STAMPS?

The federal government provides food stamps to eligible low-income households so they can obtain a nutritious diet. Since many former welfare recipients find low-wage jobs, many clients are likely to remain eligible for food stamps even after exiting TANF. Food stamps, therefore, can play an important role in easing clients' transition toward self-sufficiency. We begin this section by looking at overall rates of food stamp participation among early and later WFNJ clients (including those still on TANF). We then examine food stamp use among those who have exited TANF and are potentially eligible for these benefits. Next, we look at reasons given for not using food stamps among those who are eligible for these benefits but are not receiving them. Finally, we examine the prevalence of hunger among TANF leavers who do and do not receive food stamps.

1. What Are Clients' Patterns of Participation in the Food Stamp Program?

- *Later clients were somewhat more likely than early clients to exit the FSP, especially during the early months after baseline. However, they were also considerably more likely than the early clients to return to the FSP.*

Consistent with patterns of TANF receipt described in Chapter III, later clients were somewhat more likely than early ones to leave the FSP, especially during the first year after baseline. However, as with TANF receipt, this initial advantage for later clients disappeared over time. By the end of the second year after baseline, approximately 70 percent of both groups had exited the FSP (Figure V.1).

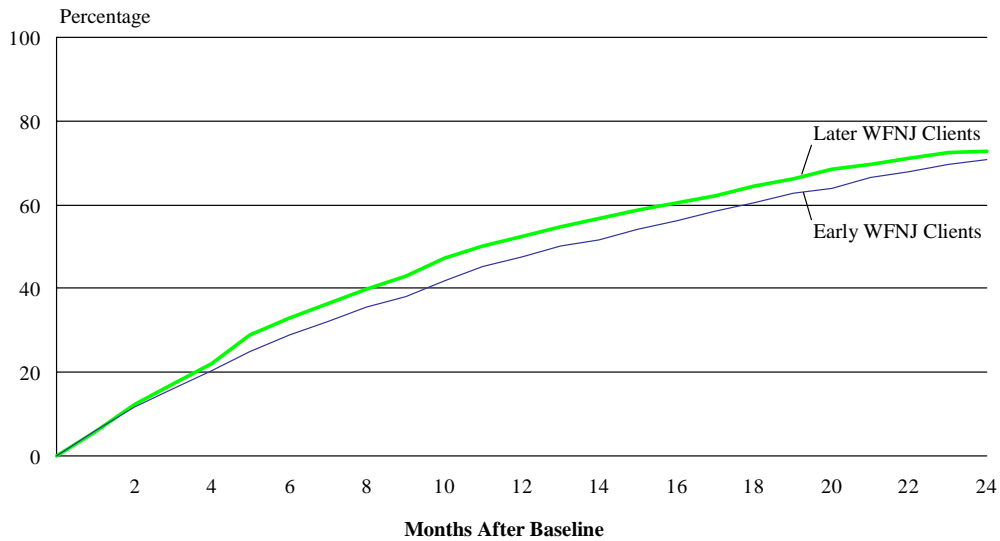
Although later clients left the FSP more quickly than early clients did, they were more likely to return. Among those who had stopped receiving food stamps, 51 percent of later clients had returned to the program within one year, compared with less than 40 percent of early clients (Figure V.2). Since FSP participation is fairly sensitive to economic conditions, we suspect that the higher rates of reentry into the FSP among later clients are driven at least in part by the poorer economic conditions that prevailed during the more recent period. Because later clients are more likely to exit more quickly, but also return more quickly, overall rates of food stamp receipt were similar for early and later WFNJ clients during most of the follow-up period (not shown).

2. How Likely Are WFNJ Clients to Receive Food Stamps After Leaving TANF?

Because many clients leave TANF and find employment, high earnings may have caused some WFNJ clients who left TANF to lose eligibility for food stamps. Thus, they leave both programs at the same time. Therefore, when examining food stamp participation among TANF leavers, we must consider whether they are still eligible for this benefit. However, determining household eligibility for food stamps from survey data can be difficult, since program rules for such determination are fairly complicated, and surveys typically do not include all the information needed. For example, although gross income information is available in most surveys, using it alone can overstate

FIGURE V.1

PERCENTAGE OF WFNJ CLIENTS WHO EVER EXITED THE FSP,
BY MONTHS AFTER BASELINE

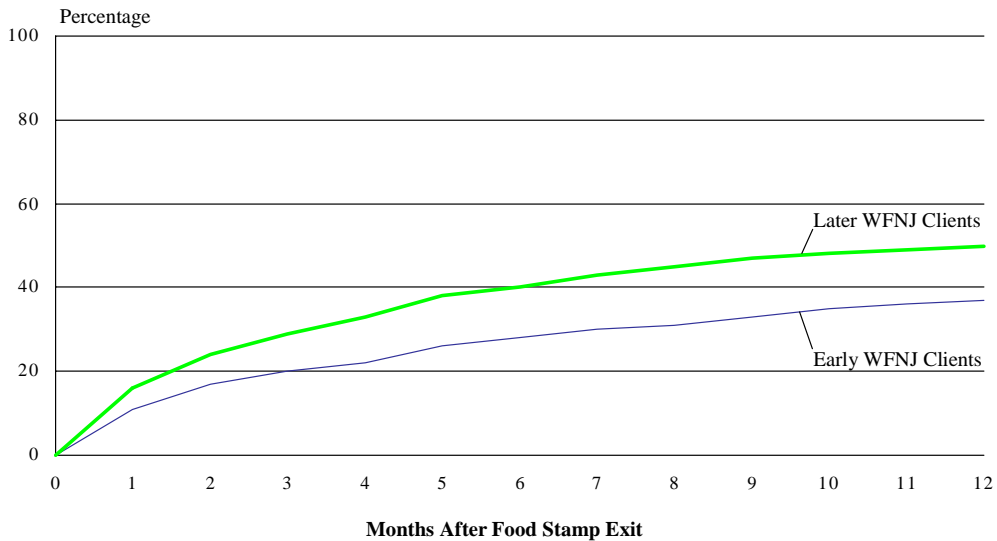


Source: Calculations by Mathematica Policy Research, Inc. using WFNJ administrative data.

Note: Sample includes only WFNJ clients who were receiving food stamps at baseline. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after WFNJ was fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

FIGURE V.2

PERCENTAGE OF WFNJ CLIENTS WHO RETURN TO THE FSP,
BY MONTHS AFTER FOOD STAMP EXIT



Source: Calculations by Mathematica Policy Research, Inc. using WFNJ administrative data.

Note: Figure includes only those who exited the FSP during first 12 months after baseline. For early WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after New Jersey fully implemented in July 1997. For later WFNJ clients, "baseline" pertains to the time the sample member first received cash assistance after July 2000.

eligibility, since a household that meets the income requirement might not meet others, such as the asset or vehicle restriction requirements. Errors in predicting eligibility can be minimized by using information on household assets, vehicles owned by the household, and the presence of elderly adults in it (McConnell 1997).¹ For our population, however, these other criteria based on assets and vehicles do not seem to make a large difference.² To make comparisons with the early group of clients (for whom we do not have vehicle and asset information), we examine eligibility based on the gross income criterion alone.

Two other difficulties in calculating food stamp eligibility are (1) obtaining accurate information on total household income, and (2) identifying who belongs in the food stamp unit.³ In our survey, we have information on income from various sources for the sample member, her spouse or partner, and their children. However, we do not have good information on the income of other household members. In addition, for households with other adults (who are not the spouse or partner of the case head), we do not know who belongs in the food stamp unit.

As a result, calculating eligibility is straightforward for single- and two-parent households: we have fairly good income measures for them, and we can reasonably assume that they are in the same food stamp unit. However, we are less sure about eligibility calculations for other multiple-adult households or for households with elderly adults. Therefore, in our discussion of the number eligible and participation rates, we focus on single- and two-parent households.⁴

- ***Later WFNJ clients were more likely than early ones to receive food stamps after leaving TANF.***

For both early and later groups of clients, we estimate that about 70 percent of those who had left TANF remained eligible for food stamps at the time of the survey (Figure V.3). Eligibility rates have not changed much over time. Participation rates among those eligible have gone up, however, with 55 percent of later clients who were eligible receiving food stamps, compared with 45 percent for the earlier clients. The higher participation rates among those eligible is likely due to a combination of (1) the increased outreach efforts of the state and counties, and (2) increased participation in the FSP as a result of poorer economic conditions.

¹A nonelderly household is determined to be eligible for the FSP if its gross income does not exceed 130 percent of the poverty level, its financial assets do not exceed \$2,000, and the household owned no vehicles newer than five years old. For elderly households, financial assets cannot exceed \$3,000, but the vehicle and gross income criteria are the same.

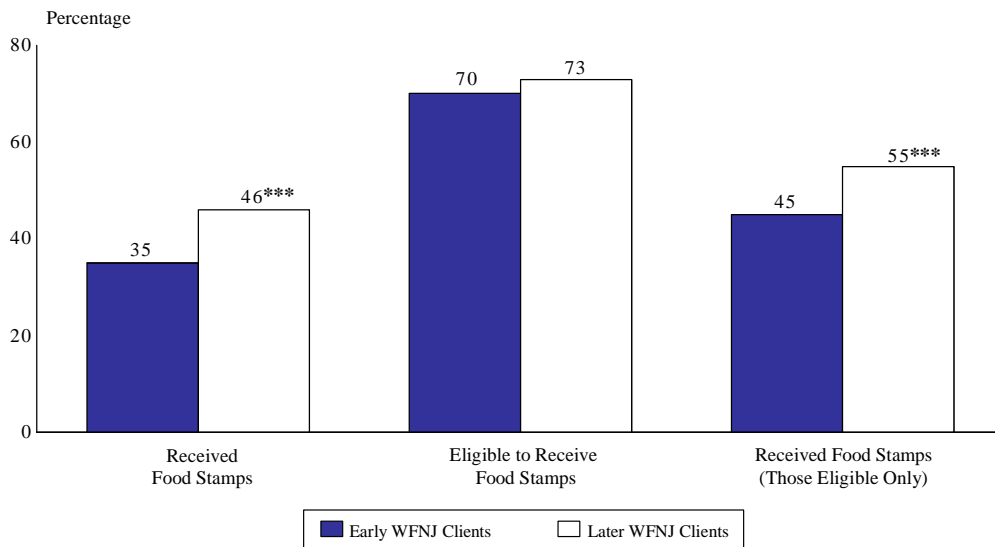
²In the later cohort survey, we have information on vehicles and assets owned by sample members. We found that only about three percent who were eligible according to the gross income criteria were disqualified based on asset and vehicle criteria.

³FSP eligibility is calculated for those in a food stamp unit, which is defined as people who live under the same roof, share a kitchen, and cook and eat together.

⁴Among those off TANF and not receiving food stamps, 66 percent of households are single- or two-parent families, 27 percent are other multiple-adult households, and 6 percent are households with an elderly person.

FIGURE V.3

FOOD STAMP ELIGIBILITY AND PARTICIPATION AMONG SINGLE- AND TWO-PARENT FAMILIES WHO HAVE LEFT TANF



Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Sample includes those off TANF at the time of the survey. Figures refer to food stamp eligibility and receipt at the time of the survey.

***Difference between early and later WFNJ clients significant at the .10/.05/.01 level.

- ***Those eligible for, but not receiving, food stamps report varied reasons for not applying for them, including administrative difficulties, finding benefits too low, and not wanting government help.***

In spite of substantial improvement in this area, many former WFNJ clients who are eligible for food stamps do not receive them. Nonparticipants give a variety of reasons why they do not receive food stamps. The most common reason cited by those who were eligible but not receiving food stamps was administrative “hassles,” with about 35 percent reporting too much paperwork, and 22 percent reporting it was difficult to get to the office (Figure V.4).⁵ About 27 percent reported that they did not want government help, while about one in four said they did not need food stamps. Given the large number that report not applying for food stamps because of administrative hassles, efforts to make it easier to apply for food stamps could increase participation rates among those eligible.

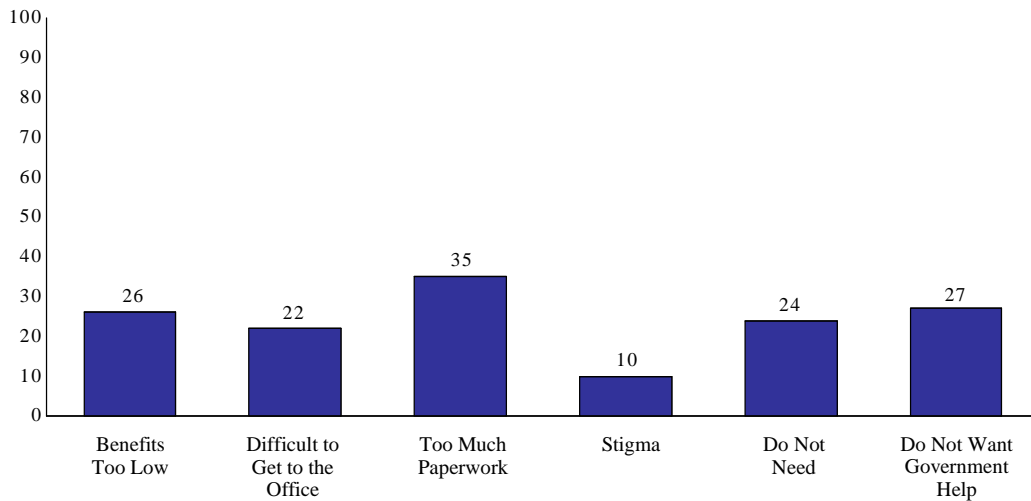
- ***Most clients who are eligible for the FSP but not receiving benefits said they would apply for benefits if they could recertify by phone.***

Because there is an interest in increasing access to the FSP among eligible people, the federal government is trying to learn about approaches that might reduce administrative hassles and encourage people to apply. We asked those who thought they

⁵We asked sample members whether a set of issues applied to them; they could reply “yes” to multiple issues.

FIGURE V.4

REASONS FOR NOT USING FOOD STAMPS, AMONG NONPARTICIPATING
WFNJ CLIENTS WHO HAVE LEFT TANF



Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Sample includes only later WFNJ clients who were off TANF and not receiving food stamps at the time of the survey.

were eligible but were not receiving food stamps whether they would receive food stamps if they could recertify by phone. We found that nearly all (91 percent) said they would apply for the FSP if they could do so phone. This appears to be a strategy worth testing, as some states are beginning to do.

- ***TANF leavers who are eligible for food stamps but do not receive them are more likely than those who do receive food stamps to experience food insecurity with hunger.***

We examined the prevalence of food security among eligible sample members, both those receiving food stamps and those not receiving them. The food security measure is based on six questions related to affordability of food and food intake, which can be used to classify people into those who are food secure, food insecure but with no hunger, and food insecure with hunger. Clients who are eligible for, but not receiving, food stamps are considerably more likely than those who are ineligible to report food insecurity with hunger. For instance, about 25 percent of eligible nonparticipants were food insecure with hunger, compared to 16 percent of ineligible nonparticipants (Table V.1). The higher prevalence of food insecurity among the eligible nonparticipants suggests that many of these people have a pressing need for food and may benefit from using any food stamp benefits available to them.

TABLE V.1
FOOD STAMP RECEIPT AND FOOD SECURITY AMONG SINGLE- AND
TWO-PARENT FAMILIES WHO HAVE LEFT TANF
(Percentages)

	Not Receiving Food Stamps		Receiving Food Stamps
	Eligible	Ineligible	
Food Secure	51	58	62
Food Insecure, No Hunger	25	26	20
Food Insecure, with Hunger	25	16	19
Sample Size	150	103	216

Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Sample includes only later WFNJ clients and only those who were off TANF at the time of the survey.

B. TO WHAT EXTENT DO TANF LEAVERS MAINTAIN HEALTH INSURANCE COVERAGE?

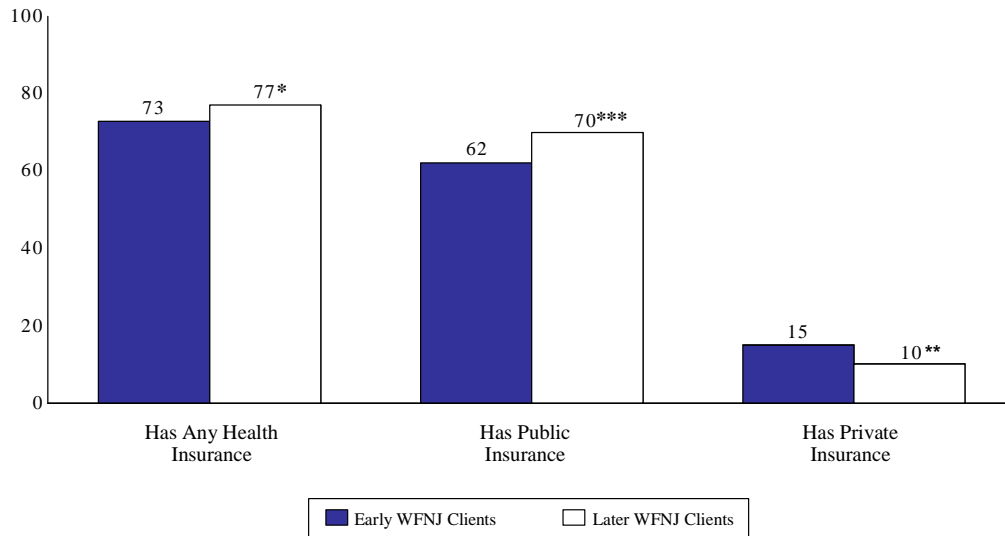
Because clients on TANF are generally eligible for Medicaid, health insurance coverage is typically not an issue while they are on TANF. To ensure continuity of health insurance coverage once clients have exited welfare, WFNJ offers clients who have exited welfare for work up to two years of transitional Medicaid benefits. In addition, in October 2000, the state initiated the FamilyCare program, which provides health insurance to low-income people who do not qualify for Medicaid. While many clients who exit welfare are entitled to Medicaid, clients often tend to package services, and some who leave TANF also automatically leave the FSP and Medicaid at the same time. In this section, we examine insurance coverage among earlier and later WFNJ clients who have left TANF, as well as the sources of health insurance coverage.

- *A slightly larger fraction of former TANF recipients in the later cohort than in the early one have health insurance coverage. Still, close to one in four do not have any health insurance 18 months after TANF exit.*

Just over three-fourths (77 percent) of later WFNJ clients who had exited welfare had health insurance coverage at the time of the survey (Figure V.5). About 70 percent had public health insurance, while about 10 percent had private health insurance. The overall rate of health insurance coverage was slightly higher, and the difference was statistically significant, among those in the later cohort relative to those in the earlier cohort (73 percent for the early group). The increase in insurance coverage is driven by increases in greater use of public health insurance coverage (70 percent for later clients, compared with 62 percent for early clients). We suspect that the higher percentage of later clients is driven in part by the advent of the FamilyCare program, which covers low-income parents and their children. It was launched in October 2000—between the survey

FIGURE V.5

HEALTH INSURANCE COVERAGE AMONG WFNJ CLIENTS WHO HAVE LEFT TANF



Source: WFNJ client surveys conducted by Mathematica Policy Research, Inc.

Note: Sample includes those off TANF at the time of the survey. Figures refer to health insurance coverage at the time of the survey.

*/**/***Difference between early and later WFNJ clients significant at the .10/.05/.01 level.

of early WFNJ clients in 1999 and later WFNJ clients in 2002. Because of funding constraints, FamilyCare stopped enrolling new adult participants in June 2002 (after the survey of later clients was conducted). Additional cuts to the program are currently being considered. During this period, the state also increased outreach efforts to promote the use of transitional Medicaid among those who have exited TANF. These efforts may also have played a role.

While later WFNJ clients were more likely than early ones to participate in government insurance programs after leaving TANF, they were less likely to participate in private insurance programs. At the time of the survey, 10 percent of later clients who had left TANF were covered by private insurance, compared with 15 percent of early clients (Figure V.5). Later clients were even more likely to have jobs that offer health insurance than early clients were at a similar point. However, later clients were substantially less likely than early ones to participate in their employer’s insurance plan. The introduction of FamilyCare may have played a role in this shift, because it offered a low-cost alternative to paying for employer-provided coverage. Although levels of coverage have improved, nearly one in four later WFNJ clients who had left TANF were not insured.

Among those not covered by any health insurance, roughly one in four thought they were ineligible for any type of public health insurance. They frequently reported, as the reason for ineligibility, that their income was too high or that they ran out of transitional

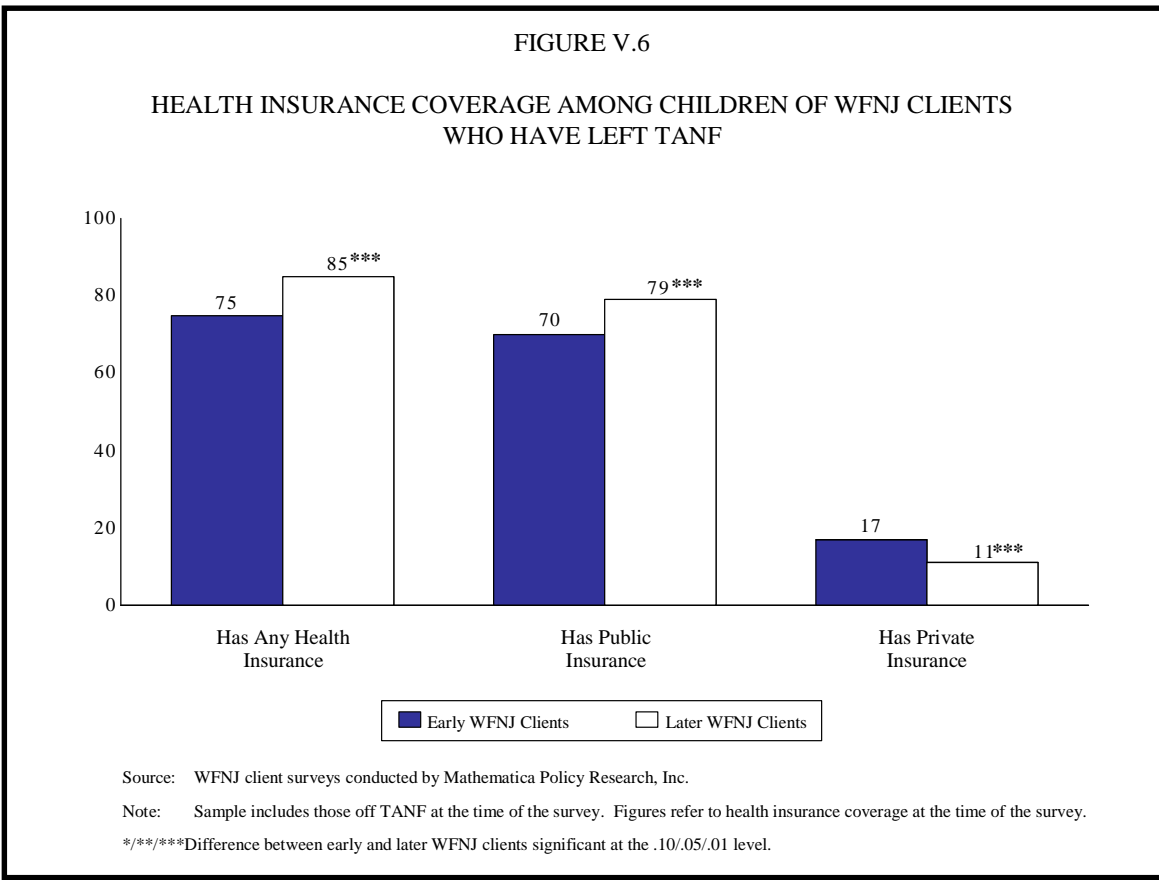
Medicaid. About 40 percent thought they were eligible, but most reported that they had not applied for benefits.⁶

- ***The children of TANF leavers were more likely than their parents to have health insurance coverage. As with insurance coverage for adults, rates of coverage are higher among children in the later group of WFNJ clients.***

Among the children of TANF leavers, coverage rates were higher than those for their parents, and 85 percent of the families in the later cohort had health insurance for their children at the time of the survey (Figure V.6). As was true for adults, rates of health insurance were higher for children in the later cohort than in the earlier cohort (85 versus 75 percent). Nearly 80 percent of the children of later clients who had left TANF had public health insurance coverage, and 11 percent of the families had children with private coverage. Again, the increases in health insurance coverage were driven largely by increases in public health insurance coverage, although there were slight decreases in private health insurance coverage.

C. DO CLIENTS USE CHILD CARE ASSISTANCE AFTER LEAVING TANF?

WFNJ clients who leave TANF for work can receive transitional child care subsidies for up to two years. As discussed in an earlier client study report, however, many clients who leave welfare and are working do not take advantage of these benefits (Rangarajan



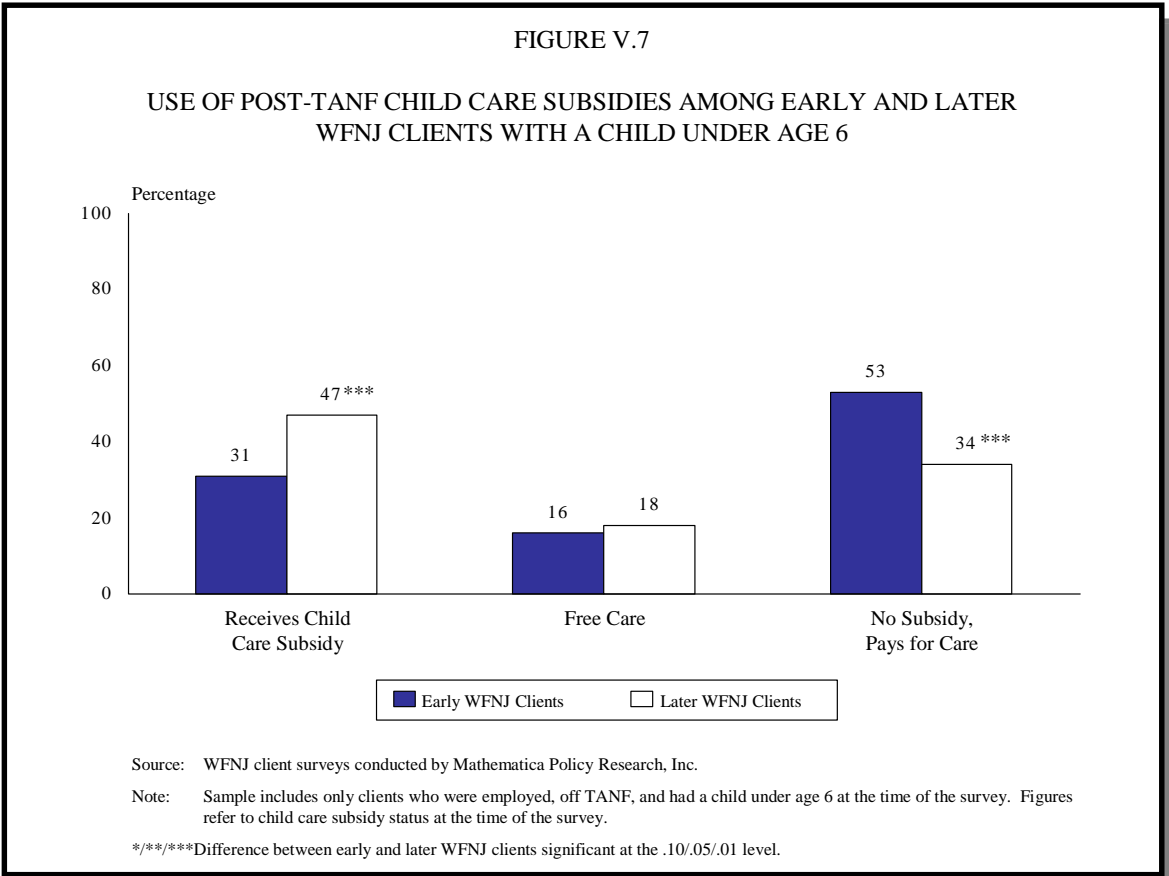
⁶The remaining third were not sure whether they were eligible.

and Wood 2000). Efforts have been made at the state and county levels to increase use of child care subsidies, and, as the program has matured, more clients may also know about the existence and availability of these benefits. This section describes use of child care assistance among the later cohort of employed former WFNJ clients and examines whether these rates have changed over time. We then look at the cost of care for those who pay out of pocket with no subsidies and the costs to those receiving subsidies.

- ***More later clients with young children reported receiving child care subsidies than did earlier clients.***

Among later clients off TANF and working, 47 percent of those with a child under age 6 reported receiving government child care assistance at the time of the survey (Figure V.7). In comparison, only about 31 percent of early clients off TANF and working reported receiving child care subsidies. About one in three of the later clients were paying for care with no subsidies, while about 18 percent had free care for their preschool child. The increases in use of child care subsidies among later clients are largely a result of reductions in the fraction who were paying for care (the fraction that received free care was about the same for the two groups).

Several factors might have contributed to this increased level of participation. For example, when WFNJ was implemented in 1997, the state changed how these subsidies were administered, moving responsibility from the county welfare agencies to unified child care agencies (typically, community-based organizations under contract to the



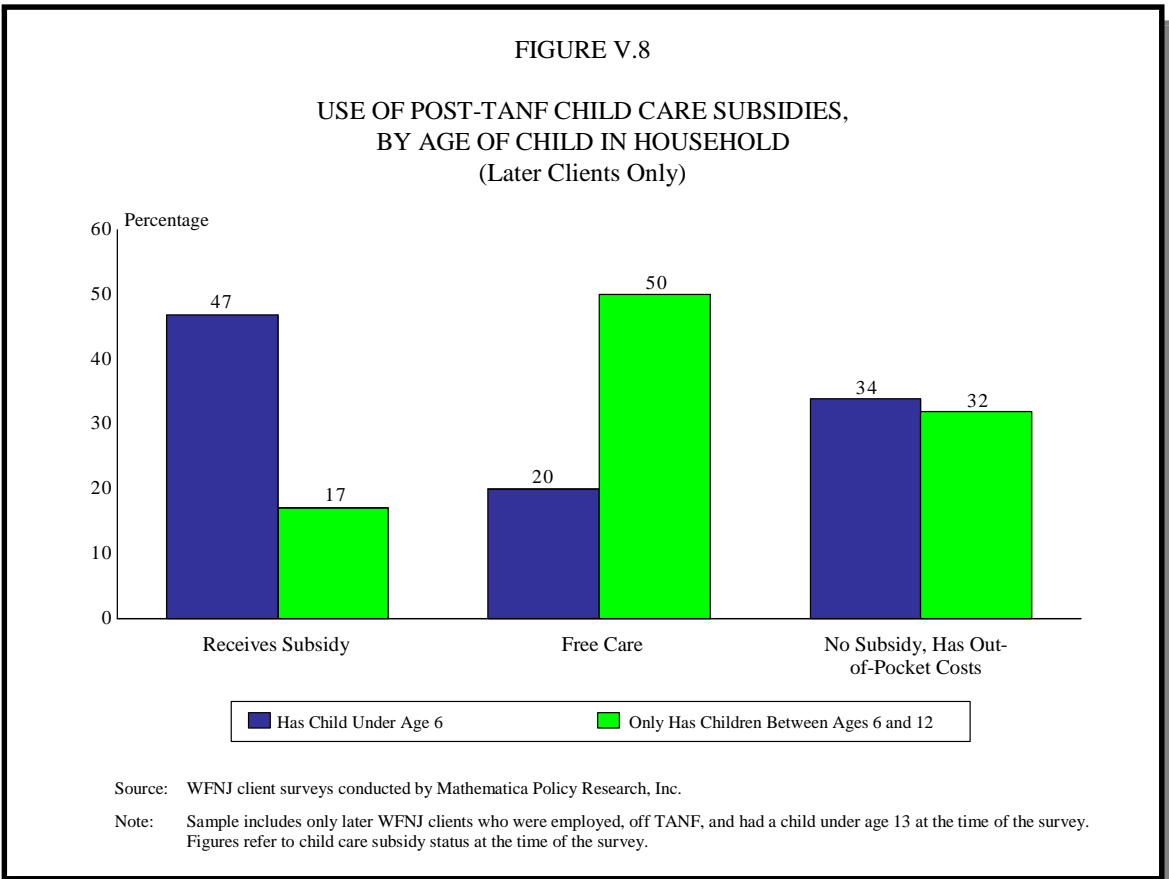
state). This change initially led to some coordination problems between the child care and welfare agencies. As the program has matured, coordination has improved, which may have contributed to the higher rates of child care subsidy use among later clients. Other state efforts may also have played a role in increasing participation, including extending office hours at child care agencies and providing outreach to clients who have left TANF for work and are not receiving subsidies.

- ***In general, those with preschoolers are more likely to receive subsidies, while those with school-age children under 13 are more likely to use free care for their children.***

Nearly half the later clients with only preschool-age children receive child care subsidies, compared with just 17 percent of families with only older children (Figure V.8). WFNJ clients are considerably more likely to use free care for older children (50 versus 20 percent), while people are most likely to receive subsidies when they have to place their children in formal or informal care. Since older children need child care only after school, it might be easier for their parents to make child care arrangements with relatives or neighbors than it is for parents of children who need care all day.

- ***Out-of-pocket costs are relatively high for those who do not receive subsidies; these differences are especially large for those caring for preschoolers.***

Families that do not receive subsidies and do not rely on free care bear considerable out-of-pocket costs. The average weekly out-of-pocket costs of child care was \$42



(about \$182 per month) among those receiving subsidies, while it was twice as high for those paying for child care and not receiving any subsidies (Table V.2). Out-of-pocket costs are especially large for those with preschoolers. Those who have only preschoolers and who receive subsidies pay \$45 per week out of pocket (about \$195 per month) for child care, while their counterparts who pay for care and receive no child care subsidies pay \$97 per week (about \$420 a month).

There are several reasons why some WFNJ clients pay for child care and do not receive subsidies. In earlier reports, we found that about a third of this group were not aware that such subsidies were available, suggesting that lack of knowledge of these benefits plays a role (Rangarajan and Wood 2002). Some clients in this group have higher incomes and may therefore be eligible for little or no subsidy. In addition, some may be paying friends or relatives to watch their children, and these providers may not want to go through the home inspection and other procedures required to receive state child care subsidy payments.⁷

D. WHAT DO CLIENTS KNOW ABOUT THE SUPPLEMENTAL WORK SUPPORT PROGRAM?

In October 2001, to help those who are combining work and welfare keep the time limit clock from ticking, the state initiated the Supplemental Work Support (SWS) program. The SWS allows those who are working and receiving welfare to close their welfare case, receive \$200 a month for two years, and remain eligible for the post-TANF benefits that are available to those who close their cases because of earnings. However, participation in this program has been low, and the state is interested in knowing if clients

	All Clients	Those with Children Under Age 6	Those Without Children Under Age 6
Weekly Out-of-Pocket Costs (for Those Paying for Child Care)			
For those receiving subsidies	\$42	\$45	\$23
For those with no subsidies	\$84	\$97	\$60
Sample Size	226	172	54
Source:	WFNJ client surveys conducted by Mathematica Policy Research, Inc.		
Note:	Sample includes only later WFNJ clients who were employed, off TANF, and had a child under age 13 at the time of the survey.		

⁷Earlier WFNJ Client Study reports have a more complete discussion of child care subsidy use (see Rangarajan and Johnson 2002 and Rangarajan and Wood 2000).

are aware of it. In the surveys we conducted with the later clients, a group potentially exposed to the SWS program, we asked clients whether they knew about it.⁸ Here, we present the results of responses reported by clients in response to questions on knowledge and use of the SWS.

- ***Few WFNJ clients know about the SWS program, and even fewer report ever having participated in it.***

Overall, we found that only about one in four clients reported knowing about the program, and only about four percent reported having participated in it.⁹ We found no difference in knowledge or participation based on whether or not they were employed at the time of the survey. Those receiving TANF seemed to be a little more likely to know about the program.

Among those who know about the SWS, most seem aware that they can continue to receive other post-TANF benefits while on it. One potential reason for the low participation rates is that clients might not be aware of the program rules and fear that they would lose all their benefits, even though they are entitled to the same transitional supports as anyone else who has left TANF. This concern does not seem to be borne out by the data, however. For instance, most (75 to 80 percent) of those who report knowing about the SWS do indicate awareness that they can continue to receive food stamps, transitional child care, and transitional Medicaid if they started receiving SWS grants.

- ***The majority who did not know about the program, however, report they would participate if they were offered it.***

Most (75 percent) of those who did not know about the program reported that they would participate in such a program if offered (not shown).¹⁰ About 15 percent said they would not participate, while another 10 percent did not know whether they would participate if offered. We asked those who said they would not participate why they would not. Their reasons varied, with several reporting that health problems prevented them from working, while others indicated that they did not understand the program or wondered why someone would offer such a program. Since most reported they would participate, this suggests that increasing awareness of this program and the potential benefits it provides could be useful if the state wants to increase enrollment.

⁸This was a new program, and not all clients might have been familiar with it. Therefore, in addition to asking them about the SWS, we included a question that described the program to them to ascertain whether they knew about it but simply did not know its formal name.

⁹The program is offered only to those combining work and welfare. Many clients who find jobs leave TANF, and many remain on TANF without working. For instance, at the time of the survey, only 9 percent were combining work and welfare. Unfortunately, we do not know from the survey when the four percent who reported receiving SWS benefits received these benefits or what fraction they are of those eligible for the SWS.

¹⁰There were no differences in this by TANF or employment status.

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APPENDIX A

ADDITIONAL ANALYSES OF CHANGES IN NEW JERSEY'S WELFARE CASELOAD

This appendix contains the findings from additional analyses we conducted that look at changes in the characteristics and dynamics of the New Jersey welfare caseload over time. Specifically, we look at the following broad sets of questions:

- *Have the dynamics of welfare receipt changed over time?* For example, is there any change in how long people stay on cash assistance or how quickly they leave it? Is there any change over time in the number of exiters who return to welfare and how quickly they do so?
- *What explains the caseload declines over time?* What is the role of entry versus exit rates in explaining the caseload changes? How have the characteristics of exiters and entrants changed over time?

Here, we summarize our main findings related to these questions.

A. THE DYNAMICS OF WELFARE RECEIPT OVER TIME

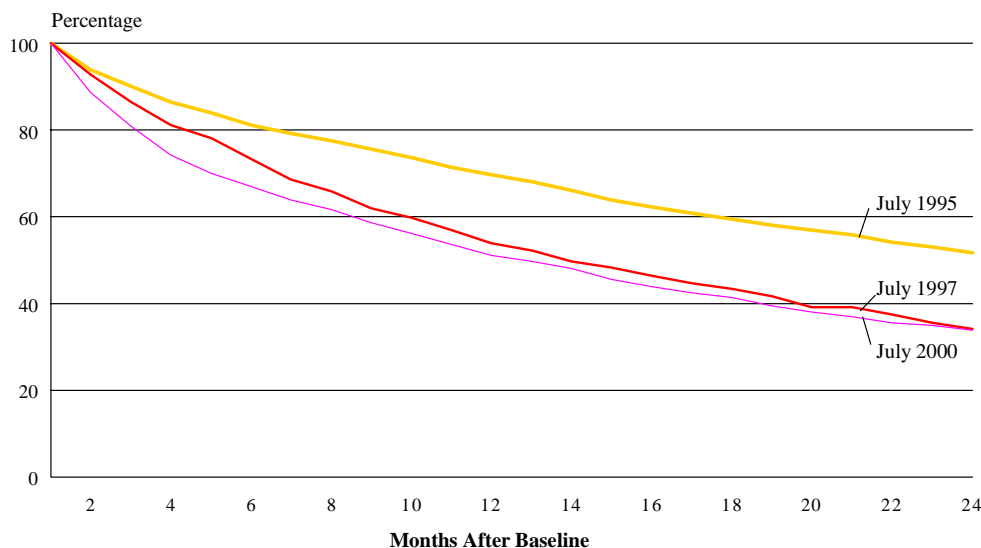
To examine the dynamics of welfare receipt over time, we compare the patterns of welfare receipt for three cohorts of welfare recipients: (1) the July 1995 AFDC caseload, (2) the July 1997 TANF caseload, and (3) the July 2000 TANF caseload. For all three cohorts, we look at patterns of welfare exits over the two years after baseline. For the three cohorts, “baseline” pertains to July 1995, July 1997, and July 2000, respectively. We also look at rates of reentry into welfare over an approximately two-year period after the initial welfare exit. The July 1995 cohort received cash assistance just prior to the PRWORA legislation and allows us to look at the dynamics of AFDC receipt in the period just before WFNJ implementation. The July 1997 cohort represents those receiving cash assistance when WFNJ was first implemented. The July 2000 cohort was receiving welfare during a period a few years after WFNJ was implemented, well past its initial start-up phase.¹ The follow-up periods for the July 1995 and July 1997 cohorts cover the period of strong economic growth in the late 1990s. In contrast, the follow-up period for the July 2000 cohorts begins during strong economic conditions and then extends into the economic downturn that began in 2001.

We begin by examining the percentage of each cohort that was receiving welfare each month during the two years after baseline. We see in Figure A.1 that the two TANF cohorts were considerably less likely to be receiving welfare in a given month in the two year after baseline than the AFDC cohort was at similar points. For example, 12 months after baseline, about 70 percent of the AFDC cohort were still on cash assistance, compared with just over 50 percent of the TANF cohorts (Figure A.1). Similarly, 24 months after baseline, slightly more than half of the AFDC cohort were on welfare, compared with only about a third of the two TANF cohorts. Consistent with the results described in Chapter III, the later (July 2000) TANF cohort spent less time on welfare initially than did the early (July 1997) TANF cohort. As discussed in Chapter III, this initial advantage suggests that welfare reform may have been more firmly in place in

¹The latter two cohorts are subsets of the main groups of WFNJ clients discussed in the main body of the report: (1) the early group of WFNJ clients that participated in the program some time during the one-year period from July 1997 to June 1998, and (2) the later group of clients that participated in WFNJ at some point during the one-year period from July 2000 to June 2001.

FIGURE A.1

PERCENTAGE OF THREE COHORTS OF NEW JERSEY WELFARE RECIPIENTS RECEIVING AFDC OR TANF, BY MONTHS AFTER BASELINE



Source: Calculations by Mathematica Policy Research, Inc. using WFNJ administrative data.

Note: The three cohorts are (1) the July 1995 statewide AFDC caseload, (2) the July 1997 statewide TANF caseload, and (3) the July 2000 statewide TANF caseload. For the three cohorts, "baseline" pertains to July 1995, July 1997, and July 2000, respectively. Child-only cases are excluded.

AFDC = Aid to Families with Dependent Children; TANF = Temporary Assistance for Needy Families.

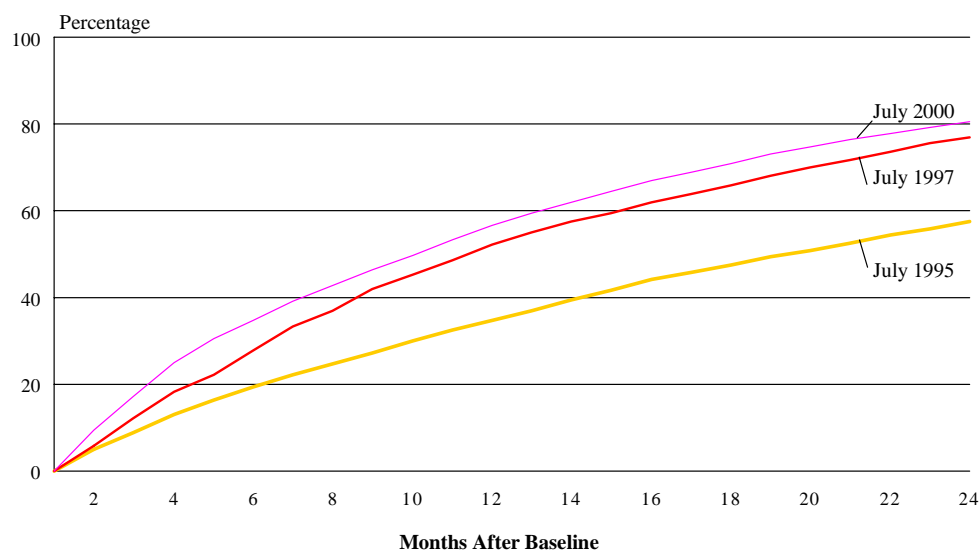
New Jersey three years after WFNJ was implemented. Also consistent with the Chapter III results, this early advantage disappears over time, perhaps because of the weaker economic conditions faced by this later cohort of TANF recipients.

Consistent with these overall patterns of welfare receipt, we find that clients in the two TANF cohorts were more likely to exit welfare in the two years after baseline than were those in the AFDC cohort (Figure A.2). Six months after baseline, approximately 20 percent of the AFDC cohort had exited welfare. In contrast, about 30 percent of the July 1997 cohort and almost 40 percent of the July 2000 cohort had exited welfare during the same period. Similarly, 24 months after baseline, nearly 80 percent of the those clients from the two TANF cohorts had exited welfare, compared with less than 60 percent of the AFDC cohort. Thus, consistent with the goals of the PRWORA legislation, clients exited welfare more quickly under TANF than they did under the old AFDC rules.

We also examined rates of reentry among those who exited welfare. Across all three cohorts, about one in three who exited welfare had returned within two years (Figure A.3). Rates of return to welfare were highest during the early months after exit. For example, within four months of exit, nearly half of those who returned to welfare during the follow-up period had already done so. Comparing the reentry patterns of the three cohorts, we find that rates of welfare return were similar for the 1995 and 1997 cohorts but somewhat higher for the July 2000 cohort.

FIGURE A.2

PERCENTAGE OF THREE COHORTS OF NEW JERSEY WELFARE RECIPIENTS WHO EVER EXITED AFDC OR TANF, BY MONTHS AFTER BASELINE



Source: Calculations by Mathematica Policy Research, Inc. using WFNJ administrative data.

Note: The three cohorts are (1) the July 1995 statewide AFDC caseload, (2) the July 1997 statewide TANF caseload, and (3) the July 2000 statewide TANF caseload. For the three cohorts, "baseline" pertains to July 1995, July 1997, and July 2000, respectively. Child-only cases are excluded.

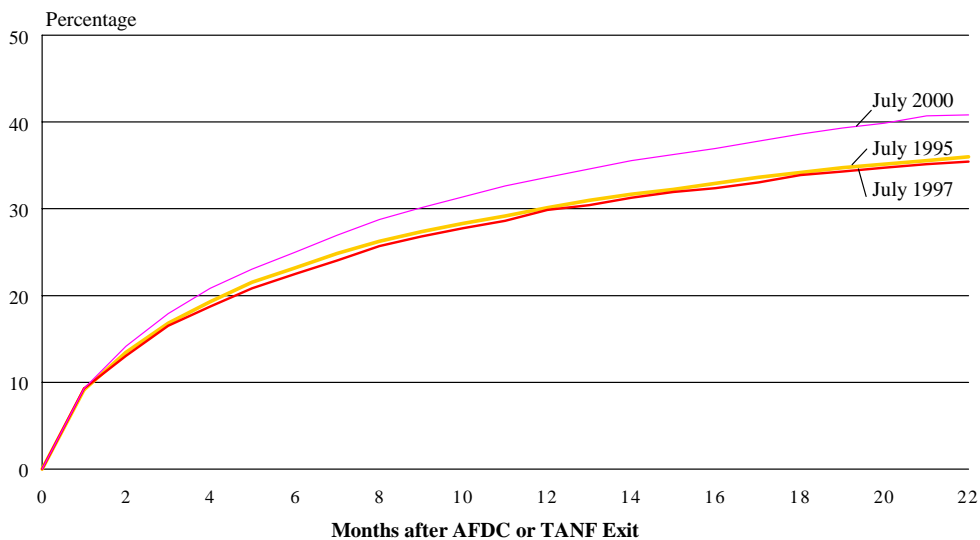
AFDC = Aid to Families with Dependent Children; TANF = Temporary Assistance for Needy Families.

There are two possible explanations for the higher rates of welfare reentry for the July 2000 TANF cohort. First, the weaker economic conditions they faced may have led them to be more likely to return to welfare than the two earlier welfare cohorts were. Second, those in the July 2000 cohort were more likely to have exited welfare because of a sanction, which may have played a role in their higher rates of welfare return. We find that 21 percent of the July 2000 cohort had their cases closed due to a full family sanction in the two years after baseline, compared to only 14 percent of the July 1997 caseload (not shown). Our previous research suggests that those who leave TANF because of sanction are much more likely to return to cash assistance than are those who leave for other reasons, which could explain the higher rate of welfare return among the July 2000 cohort.

Our analysis suggests that this latter explanation explains most of this difference. We find that clients from both the July 1997 and July 2000 cohorts who exited TANF for reasons other than a sanction were equally likely to return to TANF over the subsequent two years (not shown). If the economy was a major reason for the higher rate of return for the later TANF cohort, we would have expected the non-sanctioned exiters in the July 2000 cohort to be more likely to return to welfare than were similar exiters from the July 1997 cohort. We do find that those from the July 2000 cohort who exited TANF because of sanction were somewhat more likely to return to welfare within two years than were sanctioned exiters from the July 1997 cohort (70 versus 62 percent). This latter difference may be due in part to the weaker economic conditions facing the later cohort.

FIGURE A.3

PERCENTAGE OF THREE COHORTS OF NEW JERSEY WELFARE RECIPIENTS WHO RETURNED TO AFDC OR TANF, BY MONTHS AFTER WELFARE EXIT



Source: Calculations by Mathematica Policy Research, Inc. using WFNJ administrative data.

Note: The three cohorts are (1) the July 1995 statewide AFDC caseload, (2) the July 1997 statewide TANF caseload, and (3) the July 2000 statewide TANF caseload. For the three cohorts, "baseline" pertains to July 1995, July 1997, and July 2000, respectively. Child-only cases are excluded.

AFDC = Aid to Families with Dependent Children; TANF = Temporary Assistance for Needy Families.

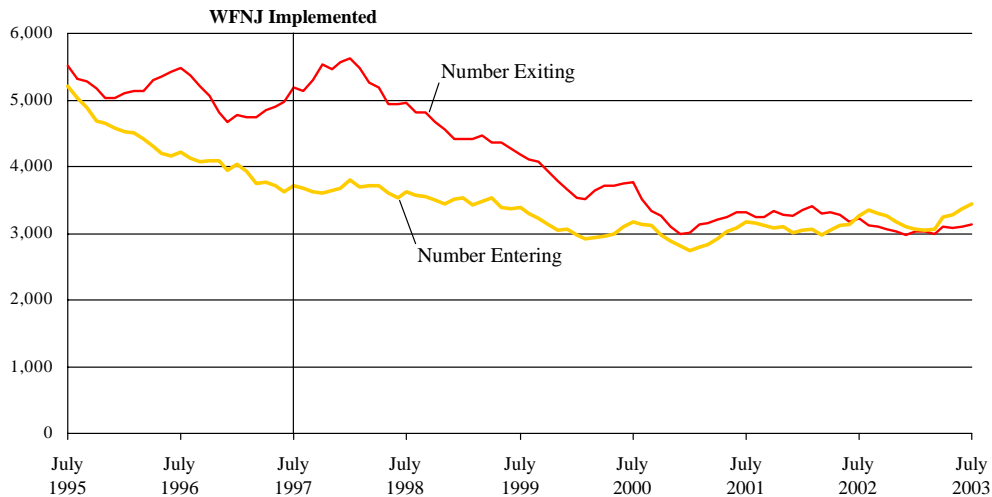
B. EXPLAINING THE DECLINE IN THE WELFARE CASELOADS

Changes in the size of the welfare caseload are a function of two factors: (1) the number of clients entering the program and (2) the number of clients exiting the program. The caseload can fall because fewer clients enter the welfare rolls, because more clients exit the rolls, or because of a combination of these two factors. Moreover, the pace of decline in the size of the caseload is a function of how much the number exiting the welfare rolls exceeds the number entering the rolls. Figure A.4 illustrates this pattern, with the rapid caseload declines of the late 1990s characterized by substantially larger numbers of clients exiting the program than were entering it, with the largest gap occurring in the period just after WFNJ was implemented. By 2001, when the size of the caseload was relatively constant, the number of entrants and exiters was roughly equal. By mid-2003, we see the number of entrants exceeding the number of exiters, indicating that the size of the caseload had begun to increase somewhat.

While looking at the number of exiters and entrants is informative, it is perhaps more useful to look at exit and entry rates. Exit rates can be defined as the number of clients exiting the caseload in a given month divided by the total number of clients on the caseload during that month. We see that, although the *number* of individuals exiting welfare over time was falling over much of the period immediately after WFNJ was implemented, the *exit rates* were actually increasing during this period (Figure A.5). In other words, once we adjust for the declining size of the caseload, we see that the rate at which those remaining on the caseload exited increased substantially throughout the late 1990s and particularly around the time WFNJ was implemented. Exit rates began to

FIGURE A.4

NUMBER OF FAMILIES ENTERING AND EXITING THE NEW JERSEY AFDC OR TANF CASELOAD EACH MONTH: JULY 1995 TO JULY 2003



Source: Calculations by Mathematica Policy Research, Inc. using WFNJ administrative data.

Note: Child-only welfare cases are excluded.

AFDC = Aid to Families with Dependent Children; TANF = Temporary Assistance for Needy Families.

stabilize around 2000 and actually began to decline somewhat in 2002 and 2003, perhaps reflecting the weaker economic conditions during this period.

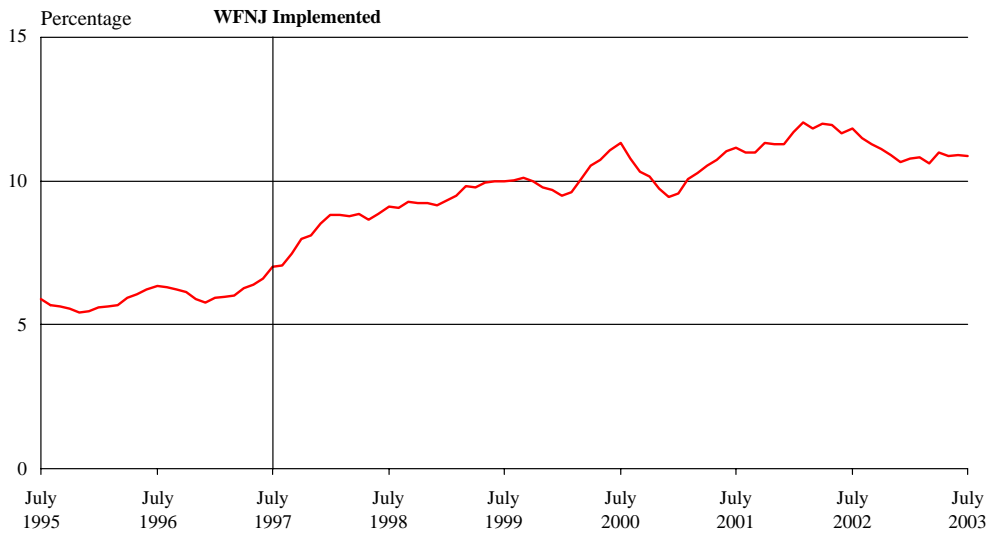
Welfare entry rates are defined as the ratio of the number entering the welfare caseload in any given month, divided by the number at risk of entering.² We see that entry rates are falling during most of the study period (Figure A.6). The declines in entry rates started fairly early—during the pre-TANF period, when economic conditions were strong. Interestingly, the pace of this decline does not increase after WFNJ was implemented. In fact, the decline in entry rates slows around this time. These findings suggest that welfare reform did not seem to deter welfare entry, as much as it increased welfare exit.³ We also find that entry rates stabilized toward the end of the study period, after a year or two of weaker economic conditions in the state.

²We use the population of women in New Jersey between ages 15 to 44 as a proxy for the number at risk of entering welfare. Ideally, we would use the population of low-income single mothers as the group at risk of entering. However, these figures were not available. The choice of the base, however, does not affect the *trends* in exit rates over time as much as it affects the *levels*. We focus on the trends and not the levels in this analysis. The trends we observe are likely to remain the same whether we use all women or low-income single women, unless there are huge fluctuations in this population. We assume, however, that these sorts of fluctuations are unlikely.

³Michalopoulos and Richburg-Hayes (2003), analyzing administrative welfare data from the city of Philadelphia, found similar results.

FIGURE A.5

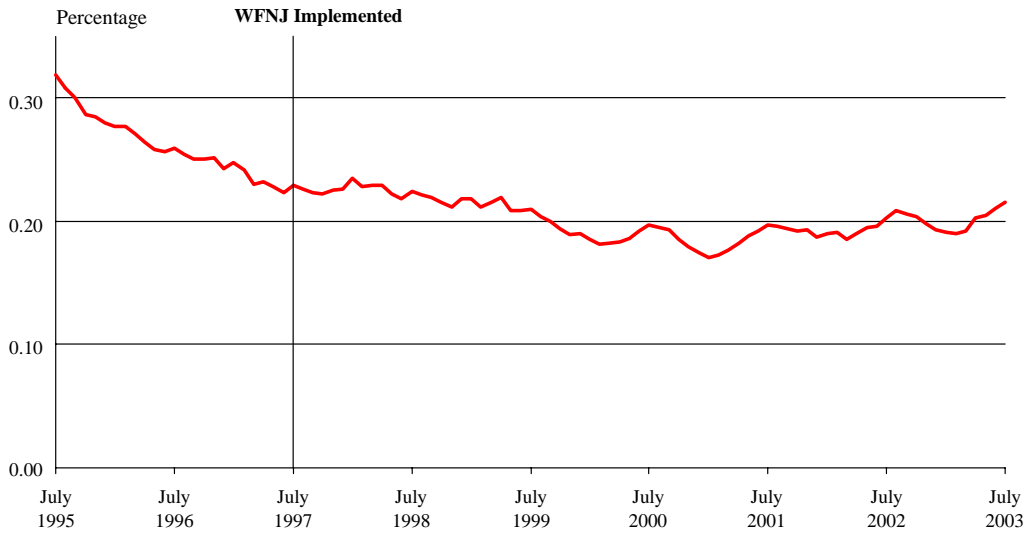
PERCENTAGE OF THE NEW JERSEY AFDC/TANF CASELOAD EXITING CASH ASSISTANCE EACH MONTH: JULY 1995 TO JULY 2003



Source: Calculations by Mathematica Policy Research, Inc. using WFNJ administrative data.
 Note: Exit rates calculated using three-month moving averages. Child-only welfare cases are excluded.
 AFDC = Aid to Families with Dependent Children; TANF = Temporary Assistance for Needy Families.

FIGURE A.6

NUMBER OF FAMILIES ENTERING THE NEW JERSEY AFDC/TANF CASELOAD EACH MONTH AS A PERCENTAGE OF WOMEN AGES 15 TO 44



Source: Calculations by Mathematica Policy Research, Inc. using WFNJ administrative data.
 Note: Entry rates calculated using three-month moving averages. Child-only welfare cases are excluded.
 AFDC = Aid to Families with Dependent Children; TANF = Temporary Assistance for Needy Families.

Finally, Tables A.1 and A.2 present the characteristics of welfare exiters and entrants over time. We find that the trends in the characteristics of both groups are very similar to those of the entire caseload presented in Chapter II. We find that over time, especially through 2001, both exiters and entrants were increasingly more likely to be clients who faced greater employment challenges. For example, from 1995 to 2001, they became more likely to be from urban and high-poverty areas, somewhat less likely to have a high school diploma or GED, and somewhat more likely to have a disabled household member who received SSI. As we found for the characteristics of the full caseload described in Chapter II, we find that these trends in characteristics reverse toward the end of the follow-up period, when economic conditions were weaker.

TABLE A.1
CHARACTERISTICS OF EXITERS TO THE NEW JERSEY AFDC/TANF CASELOAD:
1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	7	7	6	7	7
20 to 24	22	22	23	26	27
25 to 29	22	22	21	19	20
30 to 39	35	34	39	31	30
40 or older	13	15	16	17	16
(Average)	(30.3)	(30.5)	(30.7)	(30.4)	(30.2)
Female	93	94	95	95	94
Educational Attainment					
Less than high school or GED	42	43	46	48	44
High school or GED	45	44	43	42	45
More than high school or GED	13	14	11	10	11
Race/Ethnicity					
African American	47	46	53	57	57
Hispanic	24	26	27	25	24
White	27	27	19	16	17
Other	1	1	2	2	1
Does Not Speak English at Home	14	14	14	12	10
Marital Status					
Never married	62	66	72	76	78
Formerly married	27	25	21	19	17
Married, spouse present	10	9	7	6	5
Number of Children					
One	47	47	42	44	46
Two or three	44	45	48	46	43
Four or more	9	9	11	10	11
(Average)	(1.9)	(1.9)	(2.0)	(2.0)	(2.0)
Age of Youngest Child (in Years)					
Younger than 1	15	15	16	19	18
1 to 2	25	24	24	25	27
3 to 5	26	24	22	20	22
6 or older	34	36	37	36	33
(Average)	(5.0)	(5.0)	(5.0)	(4.9)	(4.8)
Mixing Work and Welfare	10	10	14	13	12
Has Household Member on SSI	6	8	9	9	8
Number of Continuous Months on AFDC/TANF²					
Less than 6	29	28	35	45	48
6 to 11	16	15	17	18	21
12 to 35	27	27	20	19	19
36 to 59	13	12	9	5	6
60 or more	15	17	20	13	7
(Average)	(30.1)	(32.7)	(32.7)	(25.1)	(18.7)

TABLE A.1 (continued)

	1995	1997	1999	2001	2003
County of Residence					
Essex	16	16	18	26	26
Hudson	10	11	16	13	9
Camden	14	13	14	13	13
Medium-density counties ^b	30	30	32	29	30
Low-density counties ^c	27	30	21	20	23
Poverty Level of Neighborhood^d					
High	31	29	35	39	38
Medium	36	37	38	35	35
Low	33	35	27	26	27
Sample Size	5,609	5,023	4,142	3,302	3,074

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: "Exiters" are cases who were on AFDC or TANF in the current month but who were not receiving AFDC or TANF in the subsequent month. Characteristics for each year refer to those who entered the caseload in July. Characteristics refer to those of the case head or "payee." Child-only cases are excluded from the figures reported in this table.

^aFigures refer to length of current cash assistance spell.

^bMedium-density counties are Bergen, Mercer, Middlesex, Monmouth, Passaic, and Union.

^cLow-density counties are Atlantic, Burlington, Cape May, Cumberland, Gloucester, Hunterdon, Morris, Ocean, Salem, Somerset, Sussex, and Warren.

^dPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold, a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold, and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

TABLE A.2
CHARACTERISTICS OF ENTRANTS FROM THE NEW JERSEY AFDC/TANF CASELOAD:
1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	13	13	11	11	10
20 to 24	23	23	24	26	27
25 to 29	20	20	22	19	19
30 to 39	32	31	29	30	28
40 or older	11	12	14	14	15
(Average)	(28.9)	(29.1)	(29.5)	(29.5)	(29.9)
Female	93	94	94	94	95
Educational Attainment					
Less than high school or GED	43	42	45	43	42
High school or GED	43	45	44	45	45
More than high school or GED	14	13	12	11	13
Race/Ethnicity					
African American	48	52	54	57	57
Hispanic	25	22	26	25	24
White	25	25	18	16	18
Other	1	2	2	2	1
Does Not Speak English at Home	14	11	15	11	9
Marital Status					
Never married	64	69	73	77	78
Formerly married	26	23	20	17	16
Married, spouse present	10	9	7	6	6
Number of Children					
One	52	51	48	48	48
Two or three	40	41	42	43	43
Four or more	8	9	10	10	9
(Average)	(1.8)	(1.8)	(1.9)	(1.9)	(1.9)
Age of Youngest Child (in Years)					
Younger than 1	26	24	23	21	21
1 to 2	23	23	24	24	24
3 to 5	22	22	21	20	21
6 or older	30	32	32	35	34
(Average)	(4.2)	(4.4)	(4.4)	(4.6)	(4.7)
Mixing Work and Welfare	4	7	7	6	5
Has Household Member on SSI	5	6	7	7	8
Number of Continuous Months on AFDC/TANF^a					
Less than 6	70	72	76	79	78
6 to 11	5	4	5	4	5
12 to 35	10	10	7	8	8
36 to 59	6	5	4	3	4
60 or more	8	9	8	6	4
(Average)	(13.8)	(14.5)	(11.8)	(9.3)	(8.1)

TABLE A.2 (continued)

	1995	1997	1999	2001	2003
County of Residence					
Essex	17	18	25	24	27
Hudson	10	10	12	11	10
Camden	16	16	12	13	10
Medium-density counties ^b	30	31	31	32	30
Low-density counties ^c	27	24	20	20	22
Poverty Level of Neighborhood^d					
High	32	33	37	38	37
Medium	36	34	36	36	36
Low	33	33	27	25	26
Sample Size	5,401	3,577	3,435	3,318	3,327

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: "Entrants" are cases who were not receiving AFDC or TANF in the previous month but who were receiving AFDC or TANF in the current month. Characteristics for each year refer to those who entered the caseload in July. Characteristics refer to those of the case head or "payee." Child-only cases are excluded from the figures reported in this table.

^aFigures refer to length of current cash assistance spell.

^bMedium-density counties are Bergen, Mercer, Middlesex, Monmouth, Passaic, and Union.

^cLow-density counties are Atlantic, Burlington, Cape May, Cumberland, Gloucester, Hunterdon, Morris, Ocean, Salem, Somerset, Sussex, and Warren.

^dPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold, a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold, and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

APPENDIX B

COUNTY-LEVEL CASELOAD CHARACTERISTICS: 1995 TO 2003

TABLE B.1
CHARACTERISTICS OF THE BERGEN COUNTY, NEW JERSEY,
AFDC/TANF CASELOAD: 1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	4	4	5	4	2
20 to 24	15	16	14	18	20
25 to 29	21	17	14	14	16
30 to 39	44	42	39	37	31
40 or older	17	20	27	27	31
(Average)	(32.2)	(32.8)	(34.0)	(33.9)	(34.2)
Female	95	95	94	94	94
Educational Attainment					
Less than high school or GED	31	32	30	30	26
High school or GED	53	52	54	53	57
More than high school or GED	17	17	16	17	17
Race/Ethnicity					
African American	31	30	32	38	40
Hispanic	18	19	18	20	18
White	49	49	45	39	38
Other	2	3	5	4	4
Does Not Speak English at Home	9	9	9	4	3
Marital Status					
Never married	47	49	54	57	62
Formerly married	41	39	33	34	28
Married, spouse present	12	12	13	10	10
Number of Children					
One	51	50	49	48	52
Two or three	43	43	44	46	42
Four or more	7	6	7	6	6
(Average)	(1.8)	(1.8)	(1.8)	(1.8)	(1.7)
Age of Youngest Child (in Years)					
Younger than 1	12	11	15	15	13
1 to 2	25	23	17	21	19
3 to 5	26	25	21	17	21
6 or older	37	41	47	47	47
(Average)	(5.2)	(5.5)	(5.9)	(6.0)	(6.1)
Mixing Work and Welfare	6	8	13	8	6
Has Household Member on SSI	7	8	10	12	11
Number of Continuous Months on AFDC/TANF ³					
Less than 6	27	29	45	55	57
6 to 11	16	15	18	20	18
12 to 35	32	30	19	17	18
36 to 59	12	12	7	4	3
60 or more	13	14	11	5	3
(Average)	(26.4)	(27.1)	(20.1)	(13.2)	(11.0)

TABLE B.1 (continued)

	1995	1997	1999	2001	2003
Poverty Level of Neighborhood ^b					
High	0	0	0	0	0
Medium	8	7	9	6	7
Low	92	93	91	95	93
Sample Size	2,392	1,860	833	551	545

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." Characteristics for each year refer to those of the July caseload.

^aFigures refer to length of current cash assistance spell.

^bPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

TABLE B.2
CHARACTERISTICS OF THE CAMDEN COUNTY, NEW JERSEY,
AFDC/TANF CASELOAD: 1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	7	7	8	9	9
20 to 24	23	22	21	26	27
25 to 29	22	22	21	18	20
30 to 39	35	34	32	28	28
40 or older	13	15	18	18	15
(Average)	(30.2)	(30.5)	(31.1)	(30.4)	(29.9)
Female	95	96	95	96	96
Educational Attainment					
Less than high school or GED	51	53	56	58	54
High school or GED	37	35	33	32	36
More than high school or GED	12	13	11	10	10
Race/Ethnicity					
African American	45	47	52	51	54
Hispanic	28	29	30	32	28
White	23	21	15	14	17
Other	4	4	3	2	1
Does Not Speak English at Home	16	15	15	15	11
Marital Status					
Never married	67	70	73	74	77
Formerly married	26	24	22	20	18
Married, spouse present	8	6	5	6	6
Number of Children					
One	39	39	37	39	41
Two or three	48	48	47	46	47
Four or more	13	13	16	15	13
(Average)	(2.1)	(2.1)	(2.2)	(2.2)	(2.1)
Age of Youngest Child (in Years)					
Younger than 1	15	15	18	22	21
1 to 2	26	24	22	24	25
3 to 5	24	25	21	19	20
6 or older	35	37	39	36	32
(Average)	(4.8)	(5.0)	(5.1)	(4.7)	(4.7)
Mixing Work and Welfare	4	5	15	8	6
Has Household Member on SSI	10	11	12	12	11
Number of Continuous Months on AFDC/TANF ³					
Less than 6	15	18	25	48	50
6 to 11	10	11	14	17	20
12 to 35	27	24	22	18	21
36 to 59	18	15	10	5	4
60 or more	30	33	30	13	5
(Average)	(49.2)	(50.8)	(47.4)	(24.7)	(15.3)

TABLE B.2 (continued)

	1995	1997	1999	2001	2003
Poverty Level of Neighborhood ^b					
High	66	67	72	70	67
Medium	1	1	1	1	1
Low	33	32	28	30	32
Sample Size	10,885	8,902	4,198	2,891	3,114

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." Characteristics for each year refer to those of the July caseload.

^aFigures refer to length of current cash assistance spell.

^bPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

TABLE B.3
CHARACTERISTICS OF THE ESSEX COUNTY, NEW JERSEY,
AFDC/TANF CASELOAD: 1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	6	6	6	5	5
20 to 24	22	21	22	25	26
25 to 29	22	22	20	19	21
30 to 39	35	36	34	33	30
40 or older	15	16	17	18	17
(Average)	(30.8)	(31.1)	(31.2)	(31.1)	(30.8)
Female	97	97	97	97	97
Educational Attainment					
Less than high school or GED	48	48	49	49	47
High school or GED	42	41	41	41	43
More than high school or GED	11	11	10	9	10
Race/Ethnicity					
African American	73	75	76	78	79
Hispanic	22	21	20	19	18
White	4	4	3	2	3
Other	1	1	1	1	1
Does Not Speak English at Home	13	12	11	10	7
Marital Status					
Never married	77	80	83	86	87
Formerly married	18	16	14	11	10
Married, spouse present	5	4	4	3	3
Number of Children					
One	43	43	42	41	43
Two or three	47	46	46	46	45
Four or more	10	11	12	13	12
(Average)	(2.0)	(2.0)	(2.1)	(2.1)	(2.0)
Age of Youngest Child (in Years)					
Younger than 1	11	12	13	14	13
1 to 2	25	23	25	24	26
3 to 5	26	25	23	23	23
6 or older	38	40	40	39	38
(Average)	(5.4)	(5.4)	(5.3)	(5.2)	(5.2)
Mixing Work and Welfare	2	4	10	9	8
Has Household Member on SSI	8	9	9	10	11
Number of Continuous Months on AFDC/TANF³					
Less than 6	10	10	19	19	26
6 to 11	9	8	11	14	14
12 to 35	27	24	21	28	28
36 to 59	17	17	13	10	13
60 or more	38	41	36	29	20
(Average)	(62.0)	(66.6)	(59.0)	(50.2)	(40.0)

TABLE B.3 (continued)

	1995	1997	1999	2001	2003
Poverty Level of Neighborhood ^b					
High	70	71	71	73	73
Medium	24	24	24	23	23
Low	6	6	5	4	4
Sample Size	24,751	20,470	14,910	10,493	9,033

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." Characteristics for each year refer to those of the July caseload.

^aFigures refer to length of current cash assistance spell.

^bPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

TABLE B.4
CHARACTERISTICS OF THE HUDSON COUNTY, NEW JERSEY,
AFDC/TANF CASELOAD: 1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	5	5	5	5	6
20 to 24	18	18	19	21	24
25 to 29	20	19	18	17	19
30 to 39	36	36	35	33	31
40 or older	19	21	21	23	21
(Average)	(32.0)	(32.3)	(32.4)	(32.4)	(31.6)
Female	95	96	96	96	96
Educational Attainment					
Less than high school or GED	52	51	51	52	46
High school or GED	37	37	38	38	42
More than high school or GED	11	12	11	10	12
Race/Ethnicity					
African American	31	33	35	38	40
Hispanic	54	51	50	48	45
White	13	13	12	11	12
Other	3	3	3	3	3
Does Not Speak English at Home	33	31	29	27	23
Marital Status					
Never married	60	65	69	73	77
Formerly married	32	28	23	20	16
Married, spouse present	8	7	8	7	7
Number of Children					
One	43	42	41	42	45
Two or three	49	49	49	48	46
Four or more	8	9	10	11	10
(Average)	(1.9)	(2.0)	(2.0)	(2.0)	(1.9)
Age of Youngest Child (in Years)					
Younger than 1	11	12	14	15	15
1 to 2	23	22	22	23	25
3 to 5	26	24	21	21	22
6 or older	40	43	43	42	39
(Average)	(5.4)	(5.6)	(5.5)	(5.4)	(5.2)
Mixing Work and Welfare	3	5	14	14	9
Has Household Member on SSI	9	11	12	13	12
Number of Continuous Months on AFDC/TANF ³					
Less than 6	16	15	24	29	41
6 to 11	11	10	13	16	22
12 to 35	27	27	22	26	23
36 to 59	17	16	12	9	7
60 or more	29	33	30	20	7
(Average)	(47.2)	(51.7)	(46.6)	(36.8)	(19.6)

TABLE B.4 (continued)

	1995	1997	1999	2001	2003
Poverty Level of Neighborhood ^b					
High	13	14	15	16	17
Medium	85	83	83	82	81
Low	2	2	2	2	2
Sample Size	14,823	11,812	7,482	4,585	3,813

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." Characteristics for each year refer to those of the July caseload.

^aFigures refer to length of current cash assistance spell.

^bPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

TABLE B.5
CHARACTERISTICS OF THE MERCER COUNTY, NEW JERSEY,
AFDC/TANF CASELOAD: 1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	9	8	10	11	8
20 to 24	28	25	25	26	26
25 to 29	22	23	22	21	21
30 to 39	30	32	29	28	30
40 or older	11	12	14	15	14
(Average)	(29.0)	(29.5)	(29.7)	(29.4)	(29.8)
Female	96	95	96	95	95
Educational Attainment					
Less than high school or GED	56	56	57	57	51
High school or GED	35	36	34	35	37
More than high school or GED	9	8	9	9	12
Race/Ethnicity					
African American	71	72	75	75	75
Hispanic	15	14	14	13	13
White	14	13	11	9	11
Other	1	1	1	3	1
Does Not Speak English at Home	7	6	5	4	3
Marital Status					
Never married	76	78	80	79	80
Formerly married	20	17	17	16	16
Married, spouse present	5	5	3	5	4
Number of Children					
One	41	41	40	42	43
Two or three	48	47	48	46	45
Four or more	11	12	12	12	12
(Average)	(2.0)	(2.1)	(2.1)	(2.0)	(2.1)
Age of Youngest Child (in Years)					
Younger than 1	17	15	20	22	20
1 to 2	27	26	22	26	26
3 to 5	25	25	22	18	23
6 or older	31	34	36	34	31
(Average)	(4.5)	(4.8)	(4.8)	(4.5)	(4.5)
Mixing Work and Welfare	6	7	11	8	9
Has Household Member on SSI	8	10	11	11	11
Number of Continuous Months on AFDC/TANF ³					
Less than 6	27	26	35	51	46
6 to 11	15	14	16	19	22
12 to 35	30	30	24	19	25
36 to 59	14	13	10	4	4
60 or more	15	16	15	7	2
(Average)	(30.0)	(31.1)	(26.8)	(15.6)	(11.9)

TABLE B.5 (continued)

	1995	1997	1999	2001	2003
Poverty Level of Neighborhood ^b					
High	19	17	15	16	15
Medium	69	72	75	72	72
Low	12	11	11	12	12
Sample Size	3,846	3,229	1,726	1,414	1,698

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." Characteristics for each year refer to those of the July caseload.

^aFigures refer to length of current cash assistance spell.

^bPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

TABLE B.6
CHARACTERISTICS OF THE MIDDLESEX COUNTY, NEW JERSEY,
AFDC/TANF CASELOAD: 1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	7	6	8	5	6
20 to 24	23	21	18	23	25
25 to 29	23	22	19	19	18
30 to 39	35	37	35	33	32
40 or older	12	14	20	20	20
(Average)	(29.9)	(30.6)	(31.8)	(31.6)	(31.1)
Female	95	95	96	95	95
Educational Attainment					
Less than high school or GED	45	45	46	42	41
High school or GED	44	44	44	49	45
More than high school or GED	11	11	10	9	14
Race/Ethnicity					
African American	32	36	38	35	41
Hispanic	35	34	35	40	35
White	29	29	24	21	22
Other	2	2	3	3	2
Does Not Speak English at Home	28	27	28	31	16
Marital Status					
Never married	59	62	63	65	68
Formerly married	32	29	28	27	25
Married, spouse present	10	10	9	8	7
Number of Children					
One	46	41	40	43	42
Two or three	46	49	46	47	48
Four or more	8	10	13	10	10
(Average)	(1.9)	(2.0)	(2.1)	(2.0)	(2.0)
Age of Youngest Child (in Years)					
Younger than 1	16	16	21	22	17
1 to 2	28	26	21	21	26
3 to 5	25	25	21	19	21
6 or older	31	34	38	38	36
(Average)	(4.5)	(4.7)	(5.1)	(4.9)	(5.1)
Mixing Work and Welfare	5	8	13	9	8
Has Household Member on SSI	8	9	11	10	10
Number of Continuous Months on AFDC/TANF³					
Less than 6	27	30	51	63	64
6 to 11	15	16	20	16	19
12 to 35	34	29	17	16	14
36 to 59	13	13	5	2	2
60 or more	11	13	7	3	1
(Average)	(25.2)	(26.1)	(16.2)	(9.7)	(6.9)

TABLE B.6 (continued)

	1995	1997	1999	2001	2003
Poverty Level of Neighborhood ^b					
High	25	25	24	20	21
Medium	33	34	35	39	33
Low	42	42	41	41	46
Sample Size	4,699	3,368	1,207	877	1,034

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." Characteristics for each year refer to those of the July caseload.

^aFigures refer to length of current cash assistance spell.

^bPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

TABLE B.7
CHARACTERISTICS OF THE MONMOUTH COUNTY, NEW JERSEY,
AFDC/TANF CASELOAD: 1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	6	6	6	7	6
20 to 24	22	21	22	25	28
25 to 29	23	22	21	19	21
30 to 39	36	37	34	32	30
40 or older	12	14	17	17	14
(Average)	(30.2)	(30.8)	(31.0)	(30.7)	(29.8)
Female	97	97	97	96	96
Educational Attainment					
Less than high school or GED	40	41	43	44	38
High school or GED	50	49	48	48	52
More than high school or GED	10	10	10	8	11
Race/Ethnicity					
African American	50	53	57	61	62
Hispanic	12	12	11	10	10
White	38	35	31	29	28
Other	0	1	1	1	1
Does Not Speak English at Home	6	5	5	4	1
Marital Status					
Never married	65	67	71	74	77
Formerly married	29	27	23	21	17
Married, spouse present	6	6	6	5	5
Number of Children					
One	42	40	41	41	43
Two or three	48	48	47	46	45
Four or more	10	12	13	13	12
(Average)	(2.0)	(2.1)	(2.1)	(2.1)	(2.1)
Age of Youngest Child (in Years)					
Younger than 1	15	15	18	21	20
1 to 2	27	24	25	26	27
3 to 5	25	26	22	19	21
6 or older	33	35	35	34	32
(Average)	(4.7)	(4.9)	(4.8)	(4.7)	(4.5)
Mixing Work and Welfare	8	9	16	11	11
Has Household Member on SSI	6	8	9	7	8
Number of Continuous Months on AFDC/TANF³					
Less than 6	19	20	29	38	34
6 to 11	14	13	14	18	22
12 to 35	32	29	22	24	28
36 to 59	16	15	12	8	8
60 or more	19	23	24	13	8
(Average)	(36.9)	(40.0)	(38.4)	(25.3)	(21.0)

TABLE B.7 (continued)

	1995	1997	1999	2001	2003
Poverty Level of Neighborhood^b					
High	0	0	0	0	0
Medium	57	58	61	58	56
Low	43	42	39	42	44
Sample Size	3,459	2,667	1,370	1,023	1,096

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." Characteristics for each year refer to those of the July caseload.

^aFigures refer to length of current cash assistance spell.

^bPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

TABLE B.8
CHARACTERISTICS OF THE PASSAIC COUNTY, NEW JERSEY,
AFDC/TANF CASELOAD: 1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	7	7	7	7	5
20 to 24	23	22	21	24	26
25 to 29	22	21	19	18	20
30 to 39	33	35	34	33	31
40 or older	14	14	18	17	17
(Average)	(30.2)	(30.7)	(31.2)	(30.9)	(30.9)
Female	97	97	97	97	95
Educational Attainment					
Less than high school or GED	58	58	57	57	57
High school or GED	35	34	36	37	36
More than high school or GED	7	8	7	7	7
Race/Ethnicity					
African American	45	47	49	50	49
Hispanic	44	42	39	38	40
White	11	11	10	10	9
Other	1	1	1	1	1
Does Not Speak English at Home	22	22	21	20	20
Marital Status					
Never married	68	70	72	75	76
Formerly married	25	24	21	19	17
Married, spouse present	7	6	8	6	7
Number of Children					
One	37	37	37	38	41
Two or three	51	50	50	49	47
Four or more	12	13	14	14	13
(Average)	(2.1)	(2.2)	(2.2)	(2.2)	(2.1)
Age of Youngest Child (in Years)					
Younger than 1	15	14	15	17	18
1 to 2	28	24	24	24	25
3 to 5	25	27	22	20	20
6 or older	32	35	39	39	37
(Average)	(4.6)	(4.9)	(5.1)	(5.0)	(5.0)
Mixing Work and Welfare	5	6	8	7	6
Has Household Member on SSI	11	12	13	14	14
Number of Continuous Months on AFDC/TANF ³					
Less than 6	17	17	28	35	43
6 to 11	12	10	15	14	17
12 to 35	30	27	21	28	23
36 to 59	18	17	11	7	8
60 or more	23	29	24	16	8
(Average)	(42.8)	(47.4)	(39.8)	(31.0)	(21.6)

TABLE B.8 (continued)

	1995	1997	1999	2001	2003
Poverty Level of Neighborhood ^b					
High	72	71	71	69	69
Medium	18	19	19	20	22
Low	10	10	10	11	10
Sample Size	6,058	5,079	3,285	2,270	2,272

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." Characteristics for each year refer to those of the July caseload.

^aFigures refer to length of current cash assistance spell.

^bPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

TABLE B.9
CHARACTERISTICS OF THE UNION COUNTY, NEW JERSEY,
AFDC/TANF CASELOAD: 1995 TO 2003
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	7	8	7	7	6
20 to 24	21	21	20	22	23
25 to 29	23	21	19	18	19
30 to 39	36	36	36	33	31
40 or older	12	15	17	20	20
(Average)	(30.2)	(30.8)	(31.4)	(31.7)	(31.6)
Female	96	97	96	95	95
Educational Attainment					
Less than high school or GED	44	44	43	44	40
High school or GED	46	46	47	47	52
More than high school or GED	10	10	10	9	8
Race/Ethnicity					
African American	58	60	66	65	66
Hispanic	29	28	24	27	27
White	12	11	9	7	7
Other	1	1	1	1	1
Does Not Speak English at Home	17	15	13	14	10
Marital Status					
Never married	69	72	75	76	79
Formerly married	24	22	21	18	16
Married, spouse present	7	6	4	6	5
Number of Children					
One	41	42	40	41	42
Two or three	49	47	47	46	47
Four or more	10	11	14	13	11
(Average)	(2.0)	(2.0)	(2.1)	(2.1)	(2.1)
Age of Youngest Child (in Years)					
Younger than 1	16	16	18	20	17
1 to 2	28	25	25	24	23
3 to 5	24	25	21	19	21
6 or older	32	35	37	38	39
(Average)	(4.6)	(4.8)	(4.9)	(4.8)	(5.2)
Mixing Work and Welfare	4	6	11	8	6
Has Household Member on SSI	8	9	10	11	10
Number of Continuous Months on AFDC/TANF³					
Less than 6	24	23	31	45	51
6 to 11	15	14	15	15	20
12 to 35	29	28	23	19	19
36 to 59	15	14	9	8	4
60 or more	18	21	21	14	6
(Average)	(33.2)	(36.6)	(35.9)	(28.2)	(16.3)

TABLE B.9 (continued)

	1995	1997	1999	2001	2003
Poverty Level of Neighborhood ^b					
High	21	21	21	21	19
Medium	49	47	49	49	50
Low	30	32	30	30	31
Sample Size	5,506	4,482	2,416	1,669	1,503

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." Characteristics for each year refer to those of the July caseload.

^aFigures refer to length of current cash assistance spell.

^bPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.

TABLE B.10
CHARACTERISTICS OF THE AFDC/TANF CASELOAD OF THE "LITTLE 12"
NEW JERSEY COUNTIES: 1995 TO 2003^a
(Percentages, Unless Otherwise Indicated)

	1995	1997	1999	2001	2003
Age (in Years)					
Younger than 20	7	7	8	8	8
20 to 24	24	22	20	24	25
25 to 29	22	22	19	19	19
30 to 39	35	35	34	32	31
40 or older	12	14	18	17	17
(Average)	(29.8)	(30.4)	(31.3)	(30.8)	(30.6)
Female	95	95	94	94	93
Educational Attainment					
Less than high school or GED	41	42	43	42	39
High school or GED	48	47	47	47	50
More than high school or GED	11	11	11	11	11
Race/Ethnicity					
African American	36	41	44	45	45
Hispanic	14	14	15	16	16
White	48	45	40	37	38
Other	1	1	2	1	1
Does Not Speak English at Home	7	6	8	6	5
Marital Status					
Never married	61	65	66	68	71
Formerly married	30	27	26	24	22
Married, spouse present	10	8	8	8	8
Number of Children					
One	43	42	42	43	43
Two or three	47	47	46	46	47
Four or more	10	11	12	11	10
(Average)	(2.0)	(2.0)	(2.1)	(2.0)	(2.0)
Age of Youngest Child (in Years)					
Younger than 1	17	17	21	22	21
1 to 2	28	25	21	23	24
3 to 5	24	24	20	18	19
6 or older	31	34	38	37	36
(Average)	(4.5)	(4.8)	(5.0)	(4.8)	(4.9)
Mixing Work and Welfare	6	8	11	6	7
Has Household Member on SSI	8	9	10	11	10
Number of Continuous Months on AFDC/TANF^b					
Less than 6	26	28	45	62	59
6 to 11	17	15	16	16	20
12 to 35	30	28	19	13	17
36 to 59	13	12	8	3	2
60 or more	14	17	12	5	2
(Average)	(28.8)	(31.5)	(23.1)	(12.6)	(9.6)

TABLE B.10 (continued)

	1995	1997	1999	2001	2003
Poverty Level of Neighborhood ^c					
High	9	8	10	10	10
Medium	37	40	40	41	38
Low	54	52	50	49	52
Sample Size	17,439	12,417	4,369	3,450	4,218

Source: Calculations by Mathematica Policy Research, Inc. from state administrative records data.

Note: Child-only cases are excluded from the figures reported in this table. Characteristics refer to those of the case head or "payee." 2003 characteristics refer to those of the January caseload. Characteristics for all other years refer to those of the July caseload.

^a"Little 12" counties are Atlantic, Burlington, Cape May, Cumberland, Gloucester, Hunterdon, Morris, Ocean, Salem, Somerset, Sussex, and Warren. They represent the 12 counties with the smallest welfare caseloads in the state.

^bFigures refer to length of current cash assistance spell.

^cPoverty level of neighborhood defined based on five-digit zip code area using data from the 2000 U.S. census. A low-poverty neighborhood is one in which fewer than 10 percent of residents live below the poverty threshold; a medium-poverty neighborhood is one in which 10 to 20 percent of residents live below the poverty threshold; and a high-poverty neighborhood is one in which 20 percent or more of the residents live below the poverty threshold.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; SSI = supplemental security income; TANF = Temporary Assistance for Needy Families.