Employment First Evaluation

Employment Experiences and Challenges Among Urban and Rural Welfare Clients in Nebraska

Final

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Last but not least we would like to thank the Nebraska clients who took the time to respond to the survey and share their experiences and describe the challenges they face in trying to obtain employment and achieve economic independence.

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EXECUTIVE SUMMARY

In 1997, Nebraska implemented its new welfare reform initiative, Employment First, statewide. Employment First seeks to provide welfare recipients with employment-related opportunities and supportive services to help them develop personal and vocational skills, address challenges, and transition to employment within a two-year period. Phased in during a time of strong economic expansion, this policy change has been associated with a large drop in the welfare rolls and a commensurate increase in employment. The reductions in Nebraska’s TANF caseload make it critical to analyze the employability and needs of clients still receiving welfare and to determine what program improvements may still be needed to improve clients’ employability and address their unmet needs.

The Nebraska Health and Human Services System (HHSS) with funding from the Administration on Children and Families of the U.S. Department of Health and Human Services, contracted with Mathematica Policy Research, Inc. (MPR) to conduct an evaluation of Nebraska’s Employment First welfare reform initiative. This report provides a snapshot of how a recent cohort of Nebraska’s welfare clients and their families are faring under the program. The study, which focuses on single mothers with children, examines clients’ welfare and employment experiences, obstacles to work, program participation and service usage, and overall quality of life. In addition, since urban and rural areas offer different opportunities and challenges for clients in finding jobs and getting off TANF, an additional study objective was to assess how TANF clients’ characteristics, circumstances, and needs differ in urban versus rural parts of the state. The primary data source is a client survey. MPR selected a sample of single mothers with children receiving TANF in January 2000 and then surveyed them approximately one year later. In all, 412 clients were interviewed (200 urban and 212 rural), for an overall response rate of 75 percent.

KEY QUESTIONS AND FINDINGS

- What Are the Welfare and Employment Experiences of Nebraska’s TANF Clients?

In examining a cohort of single-mother TANF clients in the Nebraska caseload, we find that a year later over one-third had left TANF and were working. These clients earned substantially more than other clients, although, as is typical for newly employed welfare recipients, they usually worked in jobs that paid low wages and offered few fringe benefits. About half the caseload continued to receive TANF, and nearly half these clients combined welfare with work, a higher fraction compared with welfare clients nationwide.

- What Obstacles Do Clients Face in Finding and Keeping Jobs?

Clients had varying levels of need, but many faced multiple barriers to employment. Low skills, mental health difficulties, problems with child care, and having to care for a child...
with special needs or for an elderly, sick, or disabled person were the most common, each affecting about one-third of the caseload. Smaller but still significant fractions of clients also faced transportation problems and serious personal needs, such as alcohol or drug problems, physical domestic abuse, learning disabilities, and physical health issues. Overall, over three in five clients faced at least one serious personal or family barrier, and nearly one in four had low skills and at least one serious personal or family barrier. Clients who were working a year later were significantly less likely to have employment barriers. Moreover, clients who remained on TANF and were not working a year later faced more barriers than other clients, especially those who had left welfare for work. These findings suggest that those clients still on TANF, especially those not working, may have a difficult time leaving welfare for work unless their skill deficiencies and other barriers are addressed.

- **What Are Clients’ Experiences with the Employment First Program and Related Supportive Services?**

  Many clients reported participating in Employment First program activities and receiving services. About 7 in 10 signed a Self-Sufficiency Contract, and at the time of the survey, close to 6 in 10 were either working or participating in work activities for at least 20 hours a week. Most made use of available supportive services and benefits, including child care subsidies, public health insurance, food stamps, and the Earned Income Tax Credit (EITC). Smaller fractions received help with transportation and services to address mental health needs, substance abuse, and domestic violence. Overall, client participation in employment preparation activities and receipt of services was high in Nebraska compared to other states. In particular, Nebraska’s clients were more likely to participate in education and training activities. This may partly reflect Nebraska’s assessment-choice model of service delivery, which uses individualized case management and offers support for education and training.

- **What Is the Overall Well-being and Quality of Life of Clients and Their Families?**

  Most clients continue to live in single-parent households with children, although many lived with one other adult, often a spouse or partner, sometimes with other adults. Many clients faced hardships despite their employment efforts and service use. A year later two-thirds were still living in poverty, and 8 in 10 faced at least one serious hardship, such as a housing crisis, often not having enough food to eat, or lacking health insurance coverage. Working allowed many former TANF recipients to escape poverty; still, one-half of those off TANF and working were poor.

- **How Do Clients’ Obstacles, Welfare and Employment Experiences, Service Use, and Well-Being Differ in Urban and Rural Areas?**

  Clients in Omaha and Lincoln were more dependent on TANF than clients in rural areas. At the time of sampling in January 2000, two in five urban clients had received welfare for four or more years since 1992, compared with one in five rural clients. Although levels of education and work experience were very similar, 6 in 10 rural clients were employed and off TANF a year later, compared with 4 in 10 urban ones. Despite their
higher probability of finding employment, rural clients worked in jobs that paid significantly less and offered fewer fringe benefits than the jobs held by urban clients. Consequently, rural clients had lower monthly earnings and were more likely to remain in poverty even when they were working. Rural clients were just as likely to work in full-time jobs, but more likely to have jobs with irregular, split, or rotating shifts. Program participation and service use rates were much higher among rural clients, though the prevalence of barriers between the two groups was quite comparable. Nearly two-thirds of rural clients reported that they participated in employment-related or educational services over the past year, compared with just over half of urban clients. In particular, rural clients were significantly more likely to receive job search assistance, participate in job readiness training, and receive help finding or paying for education or training. Rural clients were also in more frequent contact with their case manager. Although there was little difference in the use of child care subsidies, receipt of transportation assistance, and health insurance coverage, rural clients were more likely to receive the EITC, and rural clients with serious mental health and substance abuse problems were much more likely to receive treatment or services.

**PROGRAM AND POLICY IMPLICATIONS**

Nebraska’s Employment First program has done well—a year later over one-third of single-mother clients who were receiving TANF had left welfare for work. Moreover, a large fraction—about one-quarter—were combining welfare with work. Nebraska has implemented many program strategies to address clients’ needs and prepare them for work; these findings, however, suggest additional action steps. These steps, highlighted next, are designed to target work preparation opportunities and supportive services to address needs and improve the employment and economic prospects of Nebraska’s welfare clients.

- **Target new program initiatives to hard-to-employ clients in urban areas, where most of Nebraska’s long-term TANF clients live.**

Clients who remained on TANF and were not working were more disadvantaged than other clients. Program staff might try new ways to identify these and other long-term clients and reassess their need for services and employment preparation. This strategy demands that more attention be given to Nebraska’s urban areas, which contain a greater proportion of long-term TANF clients. The Building Nebraska Families (BNF) Initiative offers intensive and individualized home-based case management and life skills training to high-risk rural families. Nebraska might consider adapting this initiative to its urban areas or developing new initiatives to address the needs of its hardest-to-employ urban clients.

- **Help clients with limited education and work history take advantage of work experience, on-the-job training, and educational opportunities.**

Welfare clients with limited education and work history are significantly less likely to work than other clients. To improve their employment outcomes, program staff might require them to participate in intensive job readiness and life skills training. They might also better target these clients for work experience and on-the-job training opportunities and develop suitable supported work opportunities. More generally, since the Employment First
program is supportive of education and training, staff might improve efforts to help clients who have the potential for further education and vocational training to take advantage of available opportunities.

- **Develop a systematic process for identifying and addressing serious personal and family barriers.**

  Many of Nebraska’s welfare clients face mental health problems, substance abuse, domestic violence, and learning disabilities. These barriers can be very difficult to identify and address. However, since they may prevent clients from working or participating in work activities, it is important to improve strategies to address them. Building on what has been done already, program administrators and policymakers might improve ongoing staff training and technical assistance; develop better screening and assessment tools; improve partnerships with local service providers; target clients for specialized activities like job readiness training, work experience, and supported work; and expand the list of allowable TANF work activities to include mental health and substance abuse treatment.

- **Improve transitional employment support to help clients manage the transition to work and promote job retention and advancement.**

  Stronger transitional employment support may help clients to cope with workplace issues and to develop the skills and experience to advance in the labor market over time. This may involve intensive case management for high-risk clients, workplace mentoring and coaching, financial incentives for low earners, and education vouchers to help clients develop skills while they work. Clients may also benefit from assistance in dealing with workplace stress and getting along with others. Developing closer ties with local employers might also help. It is also important to ensure that clients use available services, including child care subsidies, food stamps, health insurance, and specialized treatment and services.

- **Increase knowledge and use of the EITC to increase the amount of take-home pay for working families.**

  Although most eligible clients take advantage of the EITC, many more could benefit. Future program efforts might focus on increasing knowledge and awareness of the EITC, and on helping clients claim it on their tax return. Encouraging clients to use the EITC’s advanced pay option will also help to increase their take-home pay.

- **Identify clients who leave TANF without a stable source of financial support and reassess their needs for and use of available services.**

  To assist former clients who leave welfare without a job or other source of support, including those who were sanctioned, staff may need to understand why these clients exited TANF, reassess their need for supportive services and employment preparation, and help them obtain needed services and supports. Close coordination with community organizations that can reach out to these clients might be useful.
CHAPTER I

INTRODUCTION

Employment First, Nebraska’s welfare reform program, was implemented statewide in 1997. Employment First seeks to provide welfare recipients with employment-related opportunities and supportive services to help them develop personal and vocational skills, address challenges, and transition to employment within a two-year period. Through an assessment process based on clients’ individual circumstances, case managers and clients jointly develop a plan and a sequence of activities to help clients achieve employment and economic independence.

Phased in during a time of strong economic expansion, this policy change has been associated with an unprecedented drop in the welfare rolls and a commensurate increase in employment. The number of families receiving Temporary Assistance to Needy Families (TANF) in Nebraska declined by almost 30 percent from January 1996 to June 2000 (14,136 to 10,088). The reductions in Nebraska’s TANF caseload make it critical to analyze the characteristics and employability of clients currently receiving welfare. Doing so will allow Nebraska to make informed decisions about what changes, if any, should be made to the Employment First program to better address the needs of these people and their families and help them make a successful transition to economic independence.

In response, the Nebraska Health and Human Services System (HHSS) contracted with Mathematica Policy Research, Inc. (MPR) to conduct an evaluation of Nebraska’s Employment First program. This report summarizes the findings from the evaluation’s client study, which included a survey designed to learn more about recent TANF clients’ characteristics, circumstances, and needs, and how these may differ in urban versus rural parts of the state. The client survey provides timely information on the experiences of current and recent former TANF clients and how they are faring. This will enable state policymakers and program operators to understand better the needs of current and recent recipients, and in turn to improve program operations and target program services more effectively to people with serious employment barriers.
MPR’s evaluation of Employment First also includes a qualitative process study that is examining program implementation issues, as well as documenting and assessing the strategies that Nebraska’s welfare offices and their community partners are using to address clients’ employment barriers and support them in their transition to work and economic independence. The process study draws primarily on two rounds of site visits to four communities: Omaha, Lincoln, Scottsbluff/Gering, and Columbus. The findings from the client study and the process study will be integrated in the evaluation’s final synthesis report, which will examine clients’ employment barriers in the context of the key program strategies that are used to address them. The final report will identify and assess important program challenges and make recommendations for how to address them and improve the program so that it better meets the needs of Nebraska’s welfare clients.

WELFARE REFORM IN NEBRASKA

Federal welfare reform legislated through the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 ended cash welfare assistance as an entitlement and replaced it with block grants to states to create a work-oriented program for supporting low-income families. The TANF program that PRWORA created made moving people from welfare to work a primary goal of federal welfare policy, with receipt of public assistance temporary, conditional on working or preparing for work, and subject to time limits.

Nebraska’s reshaping of its welfare system had begun before PRWORA. The Employment First program emerged in 1993 from Nebraska’s Task Force on Welfare Reform, and then was implemented as a five-county demonstration program in 1995. Statewide implementation of the program began in July 1997, hastened by PRWORA.

Instead of emphasizing immediate entry into the labor market for all clients, as many states do, Nebraska’s Employment First program uses an assessment-choice, case management model of service delivery to assess clients’ interests and needs and connect them with an individualized mix of opportunities and services. Three key features characterize Nebraska’s approach:

1. Case management services, including a structured, up-front client assessment and the development of an individualized Self-Sufficiency Contract.

2. Mandatory participation in a variety of employment-related activities designed to help clients obtain employment and develop the vocational, educational, and life skills needed to achieve economic independence. Job search assistance to help clients find jobs quickly is a key opportunity offered by Employment First, but other skill-building opportunities, such as work experience, postsecondary education, and vocational training, are also available.
3. A mix of supportive services, incentives, sanctions for nonparticipation, and a time limit on receipt of cash assistance to encourage client responsibility and support progress.¹

To be eligible for TANF cash assistance, a family must have monthly countable income less than the state's established need and payment standards. The maximum monthly financial assistance is $222 for the first person plus $71 for each additional person included in the assistance unit. Earned income is disregarded at a flat 20 percent rate. For example, a family of three (one adult and two children) with no other income receives $364 per month (Table I.1). If this family also receives food stamps, its combined TANF and food stamp benefits would be $699, which represents 61 percent of the federal poverty guidelines. TANF families that become ineligible for cash assistance because of an increase in earnings may become eligible for transitional assistance. These families may receive a single one-half

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Maximum TANF/AFDC Grant (in Dollars)</th>
<th>Food Stamp Benefits (in Dollars)</th>
<th>Combined Benefits (in Dollars)</th>
<th>U.S. Poverty Thresholds (in Dollars)</th>
<th>Combined Benefits as a Percentage of Poverty Threshold</th>
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<td>6</td>
<td>577</td>
<td>556</td>
<td>1,133</td>
<td>1,882</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Nebraska TANF and Food Stamp Program, Year 2000.

¹Table assumes that a household contains one adult female householder under age 65 and that the rest of the household members are children under age 18. For example, a three-person household consists of one adult and two children; a four-person household consists of one adult and three children, and so on.

²Food stamp benefits are based on maximum TANF benefits shown and assume monthly deductions of $409 ($134 standard household deduction and $275 maximum allowable deduction for excess shelter cost).

³Federal poverty thresholds from the U.S. Bureau of the Census are for the year 2000 and are divided by 12 to obtain monthly levels.

¹¹In Nebraska, TANF assistance is limited to a total of 24 months within a 48-month period in cases where the adult family member(s) is able to work. This time limit does not apply in cases with certain personal or family hardships or responsibilities. Consistent with federal law, Nebraska has a five-year lifetime limit on TANF receipt.
month cash grant and six months of Medicaid coverage without consideration of income. They may receive up to 18 additional months of Medicaid coverage if the countable income is below 185 percent of the federal poverty level. Subsidized child care on a sliding fee schedule is also available to TANF families in transition with income below 185 percent of poverty.

**OBJECTIVES OF THE CLIENT STUDY**

The client study examines the characteristics and experiences of current and recent former TANF clients and how they are faring—with a focus on single mothers with children. The study addresses three key research questions:

1. **How employable are clients remaining on the rolls?** What are clients’ welfare and employment experiences? What barriers and opportunities do they face in finding and keeping jobs? How do these obstacles and opportunities influence short-term welfare and employment outcomes and movement toward economic independence?

2. **What employment-related and support services are clients receiving to help them leave welfare, and what are their unmet needs?** To what extent do clients sign Self-Sufficiency Contracts and participate in different types of employment preparation activities? What is the nature and frequency of their interactions with Employment First program case managers? To what extent do they make use of available supportive services and benefits?

3. **How are recent TANF participants faring?** What are clients’ living arrangements and household composition? What is their total household income, and their household’s poverty status? To what degree are they experiencing food or housing insecurity or other serious hardships?

An additional objective of the study is to compare the employment barriers, welfare and employment experiences, service use, and well-being of clients residing in urban and rural Nebraska locations. Though the nation’s rural areas have shared in the benefits of economic prosperity and welfare reform, poverty continues to be more prevalent and persistent in rural areas than in nonrural areas, with unemployment and underemployment rates higher and average earnings lower (Weber and Duncan 2001). The lower population densities and greater geographic dispersion that characterize most rural areas often result in severe transportation problems and limited employment options. Key services, such as education, training, child care, and other critical support services, are often unavailable or difficult to access. While much has been learned recently about the rural dimensions of welfare reform and poverty, most of the research has been based on national studies of metropolitan versus nonmetropolitan areas. Little research has been undertaken on rural versus urban experiences within individual states. The Nebraska client survey was specifically designed to obtain reliable information on TANF clients residing in rural areas.
THE CLIENT STUDY SAMPLE

To address the study’s research questions, MPR selected a sample of clients receiving TANF in January 2000 and then surveyed them approximately one year later (between November 2000 and January 2001). Our goal was to complete 400 interviews. We restricted the client sample to TANF cases that were single mothers with children. To be eligible, these women had to meet the following requirements: (1) be single mothers between the ages of 18 and 54, (2) have at least one child in the household less than age 18, and (3) be receiving TANF in January 2000. The sample excludes child-only, two-parent, and single-father cases. Mother-only cases with children made up 72 percent of Nebraska’s TANF caseload in January 2000. The final sampling frame consisted of 6,077 single mothers with children receiving TANF in January 2000.

Nearly two-thirds of Nebraska’s mother-only TANF cases lived in the urbanized areas of the state (Douglas, Sarpy, and Lancaster counties), while the rest lived in the other, relatively rural, parts. To ensure an adequate sample size for the rural subgroup, we oversampled TANF clients from rural counties. We formed two strata based on the urban and rural designation of counties. We selected a sample size of 1,600 (800 in each stratum) and randomly divided the sample within each stratum into 32 replicates. All analyses presented are weighted, however, so that the figures represent the full statewide population of mother-only cases receiving TANF in January 2000, as well as the separate urban and rural subgroup populations. In all, 412 clients were interviewed (200 urban and 212 rural), for an overall response rate of 75 percent.

The average Nebraska TANF client in mother-only cases was 28 years old with two children under age 18 (Table I.2). Over half were white, 30 percent were African American, and 9 percent were Hispanic. Most clients had a high school education and reported working for pay in most of their adult years. Nearly four in five clients had a high school degree or GED. Nearly three in five reported that they had worked for pay in most or all of the years since they were 18 years old (Table I.3). Many clients had extensive past welfare receipt. The average number of months of welfare receipt since 1992 was 37.5 (slightly more than 3 years over the past 8). The median duration of clients’ current TANF spell at the time of sampling was 8 months.

The demographic characteristics of clients in urban and rural areas were similar with the exception of race/ethnicity (Table I.2). Clients in rural areas were predominantly white (72 percent), with some Native Americans and Hispanics, while urban areas had a relatively large African American TANF population (47 percent). There were no significant differences between urban and rural clients on education and work experience. Rural and urban clients differed substantially on welfare receipt (Table I.3). Rural clients had significantly less cumulative time on welfare than urban clients (28.6 months versus 42.5 months, on average, since 1992). Nearly one-third of urban clients had received welfare for 5 or more years since

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2See Appendix A for a complete discussion of the sampling, data collection, and data-weighting procedures used in the study.

3We include mother-only cases that contain other adults in the household, so long as these other adults do not include the spouse or partner (that is, they are not “two-parent” cases).
TABLE 1.2

DEMOGRAPHIC CHARACTERISTICS OF CLIENTS AT TIME OF SAMPLING, JANUARY 2000
(Percentages, Unless Stated Otherwise)\textsuperscript{*}

<table>
<thead>
<tr>
<th></th>
<th>Urban</th>
<th>Rural</th>
<th>All</th>
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<tbody>
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<td>Age (in Years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Younger than age 25</td>
<td>40</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td>25 to 34</td>
<td>38</td>
<td>42</td>
<td>39</td>
</tr>
<tr>
<td>35 or older</td>
<td>22</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>(Average age)</td>
<td>(28.1)</td>
<td>(28.8)</td>
<td>(28.3)</td>
</tr>
<tr>
<td>Race/Ethnicity</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Non-Hispanic white</td>
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<td>52</td>
</tr>
<tr>
<td>Non-Hispanic African American</td>
<td>47</td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>Non-Hispanic Native American</td>
<td>2</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>Other non-Hispanic</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Hispanic</td>
<td>8</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Highest Education Completed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than high school diploma/GED</td>
<td>24</td>
<td>18</td>
<td>22</td>
</tr>
<tr>
<td>High school diploma/GED</td>
<td>49</td>
<td>58</td>
<td>52</td>
</tr>
<tr>
<td>More than high school diploma/GED</td>
<td>28</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Number of Children Less than Age 18 in Household</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One</td>
<td>42</td>
<td>45</td>
<td>43</td>
</tr>
<tr>
<td>Two</td>
<td>31</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>Three</td>
<td>18</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Four or more</td>
<td>10</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>(Average number of children &lt;18 in household)</td>
<td>(2.0)</td>
<td>(2.0)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>In Foster Care (as a Child)</td>
<td>14</td>
<td>19</td>
<td>15</td>
</tr>
</tbody>
</table>

**Sample Size**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>200</td>
</tr>
<tr>
<td>Rural</td>
<td>212</td>
</tr>
<tr>
<td>All</td>
<td>412</td>
</tr>
</tbody>
</table>

**Source:** Data is from the Nebraska Client Survey. Tabulations are weighted.

**Note:** GED = General Equivalency Diploma.

*Because missing data, percentages may not sum to 100 percent in cases where a variable's full distribution is shown (these represent "Don't Know or "Refused" responses).

We conducted t-tests (for continuous variables) and chi-squared tests (for categorical variables) to test for differences between urban and rural clients. Differences between urban and rural clients for this characteristic:

*Significantly different from zero at the .10 level, two-tailed test.
**Significantly different from zero at the .05 level, two-tailed test.
***Significantly different from zero at the .01 level, two-tailed test.

1992. Rural clients also had shorter current TANF spells: the median duration of clients’ current TANF spells at the time of sampling was 7 months for rural clients and 9 months for urban ones.

**Methodological Approach**

The primary data source for this report is the client survey, which asked about clients’ backgrounds, employment histories, sources of income, potential employment barriers, and experiences and perceptions of Employment First and related services. In addition, it used
## TABLE I-3

CLIENTS’ PAST WELFARE RECEIPT AND EMPLOYMENT AT TIME OF SAMPLING, JANUARY 2000  
(Percentages, Unless Stated Otherwise)\(^a\)

<table>
<thead>
<tr>
<th>Duration of Current TANF/ADC Spell</th>
<th>Urban</th>
<th>Rural</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 6 months</td>
<td>27</td>
<td>44</td>
<td>34</td>
</tr>
<tr>
<td>6 to 11 months</td>
<td>33</td>
<td>28</td>
<td>31</td>
</tr>
<tr>
<td>12 to 23 months</td>
<td>15</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>24 to 35 months</td>
<td>6</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>36 to 47 months</td>
<td>5</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>48 to 59 months</td>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>60 or more months</td>
<td>9</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>(Average months of receipt)</td>
<td>(19.4)</td>
<td>(10.5)***</td>
<td>(16.2)</td>
</tr>
<tr>
<td>(Median months of receipt)</td>
<td>(9)</td>
<td>(7)</td>
<td>(8)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Months Received TANF/ADC Since 1992</th>
<th>***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 12 months</td>
<td>24</td>
</tr>
<tr>
<td>12 to 23 months</td>
<td>13</td>
</tr>
<tr>
<td>24 to 35 months</td>
<td>9</td>
</tr>
<tr>
<td>36 to 47 months</td>
<td>11</td>
</tr>
<tr>
<td>48 to 59 months</td>
<td>32</td>
</tr>
<tr>
<td>60 or more months</td>
<td>32</td>
</tr>
<tr>
<td>(Average months of receipt)</td>
<td>(42.5)</td>
</tr>
<tr>
<td>(Median months of receipt)</td>
<td>(38)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proportion of Years Employed Since Age 18</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>About 75 percent or most years</td>
<td>55</td>
</tr>
<tr>
<td>About 50 percent</td>
<td>21</td>
</tr>
<tr>
<td>About 25 percent</td>
<td>9</td>
</tr>
<tr>
<td>Never or hardly at all</td>
<td>14</td>
</tr>
</tbody>
</table>

| Sample Size | 200 | 212 | 412 |

**SOURCE:** Data on duration of TANF receipt are from Nebraska state administrative records; data on employment are from the Nebraska Client Survey. Tabulations are weighted.

**NOTE:** TANF = Temporary Assistance for Needy Families; ADC = Aid to Dependent Children.

\(^a\)Because of missing data, percentages may not sum to 100 percent in cases where a variable's full distribution is shown (these represent "Don't Know or "Refused" responses).

We conducted t-tests (for continuous variables) and chi-squared tests (for categorical variables) to test for differences between urban and rural clients. Differences between urban and rural clients for this characteristic:

\(^*\)Significantly different from zero at the .10 level, two-tailed test.

\(^**\)Significantly different from zero at the .05 level, two-tailed test.

\(^***\)Significantly different from zero at the .01 level, two-tailed test.

well-tested batteries of questions to estimate the prevalence of particular employment barriers, such as mental health problems, learning disabilities, substance abuse, and domestic violence. We also used state administrative data from Nebraska’s N-FOCUS on TANF/ADC receipt prior to January 2000.

The findings presented in this report are primarily descriptive. Most analyses focus on client experiences and outcomes over the entire follow-up period since January 2000. Some examine changes in client outcomes between January 2000 and the time of the survey, approximately one year later, while others focus on client outcomes at the time of the survey or the month prior to it.
The client study provides information on the short-term experiences of a cohort of TANF clients who were receiving TANF in January 2000. It documents the welfare receipt, employment levels, income, health, housing arrangements, personal and structural challenges, service use, and other indicators of clients’ general well-being and quality of life, and identifies the factors associated with their success in moving from welfare to work. This information will help program staff and policymakers make changes to the Employment First program so that clients’ transition from welfare to work is smoother and more sustained.

**STUDY LIMITATIONS**

The study provides reliable evidence on how clients are faring under Employment First. It explores the relationship between employment barriers and employment outcomes, and examines how to address the diverse needs of TANF clients who are trying to become economically independent. Interpretations of the results summarized in this report, however, must be made in light of the study’s limitations.

First, the findings cannot be used to gauge the impacts of Employment First on clients. Such an assessment of program impacts would need to randomly assign potential clients to the Employment First program or to a control group that did not receive program services, or, alternatively, utilize a nonexperimental comparison group evaluation design. Such a design was not feasible given the ongoing, entitlement nature of the program.

Second, this study looks at one cohort—those who received TANF in January 2000—so it cannot address the issue of whether the composition of Nebraska’s TANF caseload is changing over time. It is reasonable to expect that the robust economy, coupled with time limits and sanctions, caused those who could most easily find jobs to find employment and exit welfare. Those still receiving welfare assistance are likely to be people who face the greatest barriers to employment and longer-term economic independence. On the other hand, some people who previously might not have entered the TANF program may now participate because they want to take advantage of the employment-related services and transitional benefits. It is unclear on balance how these different forces play out. Answering questions about the composition of the caseload and characteristics of new applicants over time requires sampling later cohorts of the caseload at different points in time, and comparing their characteristics. This was beyond the scope of the current study.

Finally, policymakers want to know which groups within a program’s target population are helped most by program reforms and which groups are helped least. By design, the study is able to assess differences and similarities among an important subgroup of clients—those residing in urban versus rural locations. However, because of small sample sizes, it cannot look at subgroups of clients separately within urban and rural clients. The study also examines the experiences and outcomes of subgroups of clients defined by employment and TANF receipt at the time of the follow-up survey. However, because of limitations on
sample size we only present findings on two of the four employment-TANF subgroups: “employed and off TANF” and “not employed and receiving TANF.”

**Organization of the Report**

The next three chapters focus on the study’s main research questions. Chapter II examines clients’ welfare and employment experiences and the role of personal and other barriers in relation to employment outcomes. Chapter III presents findings on clients’ experiences and satisfaction with the Employment First program and on their use of available services and benefits. Chapter IV describes clients’ economic well-being and their quality of life. Chapter V presents conclusions and the key policy recommendations suggested by these findings.

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*The sample sizes for the four employment-TANF subgroups defined at the time of the follow-up survey are: employed and off TANF—162 observations; employed and on TANF—91 observations; not employed and receiving TANF—110 observations; and not employed and not receiving TANF—49 observations. The sample sizes for the “employed and receiving TANF” and “not employed and not receiving TANF” groups were judged to be too small to support separate analysis of these subgroups.*
Chapter II

The Employability of Nebraska’s TANF Recipients

The reductions in Nebraska’s welfare caseload, coupled with its policy of limiting TANF receipt to a total of 24 months within a 48-month period, make it critical to examine the employability of clients who remain on the rolls. For instance, what obstacles to employment do these TANF clients face? To what extent are they working? What are the wage rates, fringe benefits, and other features of the jobs they hold? How many clients have left welfare for work? How many still on TANF are working? Are there differences between those who find jobs and exit TANF and those who remain? Are there differences between urban and rural clients in welfare and employment experiences and employment obstacles they face? Answers to these questions can indicate clients’ level of preparedness for employment and the extent of additional assistance that clients who remain on TANF may need to foster their transition from welfare to work.

Clients’ Patterns of Welfare Receipt and Employment

The goal of Employment First is to reduce clients’ reliance on welfare and promote economic independence through sustained employment. In this section, by examining the patterns of welfare receipt and employment of a cohort of single mothers receiving TANF, we assess their progress toward leaving welfare for work. In particular, we examine how those on TANF in January 2000 are faring approximately one year later. It is important to note that the one-year follow-up period does not refer to the first 12 months after clients most recently entered TANF. For the vast majority of clients, the one-year follow-up period begins within one or two years of when they began their current TANF spell.1

1By design, all the clients in the study were receiving TANF when they were sampled in January 2000. Because the sample is a cross-section of clients receiving TANF at a point in time, clients were at different points in their current welfare spells when the follow-up period began. Specifically, at the time of sampling, nearly two-thirds of the single mothers were in a current TANF spell that had been going on for less than one year, whereas about one-eighth of the clients had been receiving TANF for three or more years.
Many clients were progressing toward economic independence by leaving welfare for work. Clients in rural areas were more likely than urban clients to be employed and off TANF one year later.

Over one-third of the single mothers receiving welfare in January 2000 were working and no longer receiving TANF at the time of the survey, approximately one year later (Figure II.1). Two-thirds of clients off TANF who were employed worked 35 or more hours per week in their current job (results not shown). Clients living in rural parts of Nebraska were significantly more likely than urban clients to be employed and off TANF. Forty-five percent of clients residing in Nebraska's rural areas were employed and off TANF approximately one year later, compared with 31 percent of urban clients. The finding that welfare recipients in Nebraska's rural areas are leaving TANF sooner than those in urban areas is consistent with other studies that have examined urban-rural differences in patterns of employment and welfare receipt (Weber and Duncan 2001).2

**Other studies have also found, however, that once clients leave welfare, rural clients are more likely than urban ones to go back to welfare sooner (Weber and Duncan 2001). Although we were not able to address the issue of welfare recidivism in the current Nebraska study, as discussed later in this chapter; we do find that welfare recipients in rural areas take jobs that generally pay lower wages and offer fewer fringe benefits than do the jobs of urban clients, conditions that make it more likely that Nebraska's rural clients may leave their jobs sooner than their urban counterparts.**

---

![Figure II.1](image-url)

**FIGURE II.1**

**EMPLOYMENT AND TANF RECEIPT AMONG CLIENTS DURING THE MONTH PRIOR TO THE SURVEY**

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban Clients</td>
</tr>
<tr>
<td><strong>Not Employed, Not on TANF</strong></td>
<td>10</td>
</tr>
<tr>
<td><strong>Employed, Not on TANF</strong></td>
<td>28</td>
</tr>
<tr>
<td><strong>Employed, on TANF</strong></td>
<td>22</td>
</tr>
<tr>
<td><strong>Not Employed, on TANF</strong></td>
<td>36</td>
</tr>
</tbody>
</table>

Source: Nebraska Client Survey. Tabulations are weighted.

**Differences between urban and rural clients on employment-TANF status were statistically significant from zero at the .05 level, using a two-tailed chi-squared test.**

---

2Other studies have also found, however, that once clients leave welfare, rural clients are more likely than urban ones to go back to welfare sooner (Weber and Duncan 2001). Although we were not able to address the issue of welfare recidivism in the current Nebraska study, as discussed later in this chapter; we do find that welfare recipients in rural areas take jobs that generally pay lower wages and offer fewer fringe benefits than do the jobs of urban clients, conditions that make it more likely that Nebraska's rural clients may leave their jobs sooner than their urban counterparts.
A substantial number of clients still received TANF one year later. Clients in urbanized parts of the state were more dependent on TANF than rural clients.

Fifty-two percent of clients reported receiving TANF benefits in the month prior to the survey, approximately one year later (Figure II.1). Clients in urban areas were more likely than rural clients to still be receiving TANF. Fifty-nine percent of single mothers living in urban areas and receiving TANF in January 2000 were still receiving it at the time of the survey, compared with 40 percent of rural clients. Some clients exited TANF soon after the sample was drawn and stayed off, while others continued to receive assistance for longer periods of time. For instance, 29 percent of clients received TANF continuously during the first year after sampling, while 50 percent received TANF for six months or less (Figure II.2). Urban clients were nearly twice as likely as rural clients to have received TANF continuously during the 12 months preceding the survey (34 percent versus 19 percent, Figure II.2). They received TANF an average of 7.5 months during the 12-month period preceding the survey, approximately one and one-half months longer than clients in rural areas (results not shown). The average TANF grant received by urban and rural clients who received TANF in the month prior to the survey was $323.

Source: Nebraska Client Survey.

***Differences between urban and rural clients on duration of TANF receipt were statistically significant from zero at the .01 level, using a two-tailed chi-squared test.

FIGURE II.2
NUMBER OF MONTHS OF TANF RECEIPT DURING 12 MONTHS PRIOR TO SURVEY

Source: Nebraska Client Survey.

***Differences between urban and rural clients on duration of TANF receipt were statistically significant from zero at the .01 level, using a two-tailed chi-squared test.
Many current TANF recipients were also working.

Of the clients receiving TANF in the month prior to the survey, nearly half (48 percent) were also employed. Those on TANF and working represented 25 percent of all clients (Figure II.1). TANF recipients who were employed worked on average 5 hours per week less than employed clients off TANF (31 versus 36 hours per week, results not shown).

The proportion of Nebraska’s clients still receiving TANF but working (nearly 50 percent) is higher than has been found in other recent national studies of welfare recipients (Rangarajan and Wood 1999). This may be due to several reasons: the effectiveness in which Nebraska’s case managers are communicating Employment First’s philosophy to clients (particularly the two-year time limit); clients’ strong work ethic; Nebraska’s assessment-choice case management model of service delivery, which provides individualized services to clients, including assistance in finding jobs and obtaining supportive services so they can work; and the fact that Nebraska’s TANF recipients are generally better educated, which makes them more likely to be employable.

Although many current TANF recipients were working, more of them did not work than did work. Of clients still on TANF one year later, 52 percent reported that they were not working in the month prior to the survey. Those on TANF and not working represented 27 percent of all clients (Figure II.1).

Clients who remained on TANF and were not working one year later were considerably less prepared for employment than clients who had left TANF for work.

Slightly more than one in four clients was still on TANF and not working at the time of the survey. Clients who remain on TANF and are not working are of concern, because some may eventually reach Nebraska’s two-year TANF time limits with little work experience. Indeed, based on characteristics measured at the time of sampling (January 2000), these clients were considerably less prepared for employment than were those who had left TANF for work. Less than half (45 percent) of clients who were on TANF and not employed reported working for pay in all or most years as an adult (Table II.1), in contrast to nearly 80 percent of clients who were employed and no longer receiving TANF. Clients who remained on TANF and were not working were also much less likely to have a high school education (a diploma or GED) than those who were employed and no longer receiving TANF: 36 percent of these clients did not have a high school education, compared with just 13 percent of those clients currently employed and not on TANF. Clients who remained on TANF and were not employed were also more likely to have longer histories of TANF/ADC receipt as adults, measured at the time of sampling, both in terms of the duration of their current spell (an average of 22 months versus 12 months) and cumulative TANF/ADC receipt since 1992 (an average of 44 months versus 32 months).
**Approximately 1 in 10 clients was neither working nor receiving TANF one year later. Clients neither currently working nor receiving TANF were a mixed group that faced different risks for remaining in poverty.**

Twelve percent of single mothers receiving TANF in January 2000 were neither working nor receiving welfare at the time of the survey, approximately one year later (Figure II.1). This group represented one-quarter of the clients who had exited TANF at the time of the survey. Although they represent only a small proportion of the caseload, many clients who leave welfare without work may be at high risk either of returning to TANF or of falling through the cracks in Nebraska’s service delivery system and experiencing high rates of poverty and hardship.

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3The 25 percent of Nebraska’s welfare clients who left TANF and were not working is lower than has been found in TANF “leaver” studies in other states. For example, a recent GAO report, which summarized the results of TANF leaver studies from seven states, found that the proportion of welfare leavers who were not employed ranged from 29 to 39 percent (U.S. General Accounting Office 1999). These earlier studies, however, were all based on surveys conducted about the time that TANF was implemented nationally in 1997, whereas the Nebraska client study was conducted in 2000. The findings for Nebraska, however, are consistent with a recent study of TANF leavers in Iowa. For instance, Kauff et al. (2001) found that 24 percent of a recent cohort of clients who left TANF did not receive TANF, food stamps, or Medicaid, nor did they work in the four quarters since their exit, approximately one year later.

---

**TABLE II.1**

**EMPLOYMENT PREPARATION AND CONSTRAINTS OF SINGLE-MOTHER TANF CASES**

<table>
<thead>
<tr>
<th>Characteristics (at Time of Sampling)</th>
<th>Employment-TANF Status (Month Prior to Survey)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employed, off TANF</td>
</tr>
<tr>
<td>Worked for Pay in All or Most Years Since Age 18</td>
<td>79</td>
</tr>
<tr>
<td>High School Diploma/ GED or Greater</td>
<td>87</td>
</tr>
<tr>
<td>Average Number of Months Received TANF/ ADC Since 1992</td>
<td>32</td>
</tr>
<tr>
<td>Average Number of Months Received TANF/ ADC, Current Spell</td>
<td>12</td>
</tr>
<tr>
<td>Client’s Average Age</td>
<td>29</td>
</tr>
<tr>
<td>Average Number of Children Less than Age 6 in Household</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Sample Size</strong></td>
<td><strong>162</strong></td>
</tr>
</tbody>
</table>

**Source:** Nebraska administrative data and Nebraska Client Survey. Tabulations are weighted.

**Note:** We conducted t-tests for differences between clients employed, off TANF and those not employed, on TANF. Differences between these groups for this characteristic:

*Significantly different from zero at the .10 level, two-tailed test.

**Significantly different from zero at the .05 level, two-tailed test.

***Significantly different from zero at the .01 level, two-tailed test.
How do clients who have left TANF and are not employed support themselves? Approximately three in five clients in this group were in unstable economic situations. Most of them had not worked for pay recently and did not live with an employed spouse or other employed adult. To support themselves, these people relied largely on income from child support and food stamps, and on help from family or friends. They have the lowest household incomes and are at high risk of living in long-term poverty. Some of the clients currently neither working nor receiving TANF were living in households with other employed adults who were not their spouses or partners. While the earnings of these other adults may provide a temporary support for some clients in this group, such arrangements are more likely to be unstable and may not provide long-term economic independence. The rest of the clients (approximately two in five) currently neither working nor receiving TANF were generally in stable economic situations. Some of them lived with an employed spouse or partner at the time of the survey; and some had only recently lost their jobs and appeared able to find new ones.

- **A substantial fraction of clients off TANF were not receiving food stamps.**

Many clients who left TANF during the past year also left the Food Stamp Program (FSP) at the same time or soon after they exited cash assistance. For instance, among the 48 percent of clients who were off TANF in the month prior to the survey, half were not receiving food stamps (Figure II.3).

While higher earnings or household income may have caused many clients who left TANF to lose their eligibility for food stamps, some clients exiting TANF appear to have household incomes low enough to make them eligible for food stamps. For instance, using income received from all household members from two major sources (client’s earnings; earnings of all other adults in the household) in the month prior to the survey, 55 percent of Nebraskan clients off TANF who were employed reported gross income from earnings less than 130 percent of poverty, one of the financial tests for food stamp eligibility.

One possible explanation for not participating in the FSP is that some clients may not be aware of their eligibility for food stamps after leaving TANF. For example, studies of food stamp nonparticipation by working poor families typically show that many of them believe

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4The findings on clients neither receiving TANF nor working should be treated cautiously, since they are based on few observations (the unweighted sample size is 49 cases).

5High earnings and increases in income of other adults in the household were the main reasons clients reported for no longer receiving TANF. For instance, 49 percent of TANF leavers reported that they became employed or increased their earnings, and another 11 percent cited income from other adult household members as their reason for leaving TANF. Nearly 3 in 10 clients no longer receiving TANF at the time of the survey reported leaving TANF because they had not complied with program requirements or had been sanctioned.

6To be eligible for food stamps, households headed by nonelderly clients are subject to three financial eligibility tests: (1) monthly gross counted income must not exceed 130 percent of the federal poverty level; (2) monthly net counted income (that is, gross income minus allowable deductions) must not exceed 100 percent of the federal poverty level; and (3) countable resources, such as a bank account, must not exceed $2,000.
themselves ineligible because their income or assets are too high (McConnell and Ponza 1999). Unfortunately, the detailed data on household income, assets, and expenses required to estimate the number of nonparticipating FSP-eligible clients in Nebraska are not available in the client survey.

**CHARACTERISTICS OF JOBS HELD BY CURRENTLY EMPLOYED CLIENTS**

Under the philosophy of Employment First, obtaining and keeping good jobs is viewed as the primary route to economic independence for TANF recipients. To help TANF clients transition from welfare to work, Nebraska state policymakers and program operators need to know what kinds of jobs clients get. The characteristics of these jobs can provide some indication of whether the jobs clients take have the potential to lead to sustained employment and economic independence in the long run.

- **About 6 out of 10 recent TANF clients were working one year later.**
- **Job loss and turnover among clients were common problems.**

Sixty-one percent of clients were employed in the month prior to the survey, approximately one year later. Twenty percent of clients were not working and had last held a paid job more than a year before. Clients had worked an average of approximately 6 of the 12 months prior to the survey. One-quarter of clients worked in 10 or more months during the past year (Figure II.4).
Job loss among clients was fairly common. While over three-quarters of clients had worked at some time during the 12 months prior to the survey, one-third of that group were no longer working at the time of the survey. Clients who reported having worked during the past 12 months often cycled among several different employers. Of clients who reported having worked during the past year, 55 percent reported having had two or more employers, and nearly 20 percent had four or more.

- **Employed clients generally worked in low-wage jobs that were fairly typical for newly employed welfare recipients. Urban clients held better jobs, on average, than rural clients.**

Wages are among the strongest indicators of job quality and successful transition to work. The average wage among clients employed in the month prior to the survey (including both those off TANF and those still on TANF) was $7.44 per hour. (Table II.2). Average monthly earnings equaled $1,033. Employed clients living in urban areas held jobs that paid significantly higher wages than jobs of clients in rural areas ($7.85 versus $6.75). Urban clients also had higher monthly earnings ($1,098 versus $926). Comparing
Nebraska's employed clients with other groups of working women nationally shows that these recipients are doing at least as well as other low-income mothers in terms of wages (Loprest 1999). However, in the context of the entire labor market (for instance, considering all working women) the jobs these clients are getting are low-paying.

The jobs employed clients held typically offered few fringe benefits. For instance, 51 percent were in jobs that offered health benefits, and 52 percent of employed clients were in jobs that provided paid vacation (Table II.2).

Employers are but one of several potential sources of health insurance for clients and their children. Other sources include Medicaid (regular or transitional, as appropriate), Nebraska's state children’s health insurance program, or other insurance plans. Clients' health insurance coverage is addressed in Chapter IV.
offering paid sick time. Jobs held by clients in urban areas were more likely than those of rural clients to offer fringe benefits. For instance, 56 percent of employed urban clients had jobs that provided health insurance, compared with 42 percent of employed rural clients.

- **Clients in jobs offering low wages and few benefits were less likely to stay employed during the follow-up period.**

  TANF clients who were employed at some point during the follow-up period but lost their jobs prior to the time of the survey tended to have had lower-paying jobs. For instance, average hourly wages were $6.92 for these clients (results not shown), but $7.44 for those who were employed in the month prior to the survey. In addition, those clients who lost their jobs during the past year were much less likely to have had jobs that offered fringe benefits. For instance, clients no longer employed at the time of the survey were much less likely than employed clients to have received paid sick leave through their last job (19 versus 41 percent), and only 37 percent of those not employed had been offered health insurance through their last job, compared with 51 percent of those who were employed.

  While clients in higher-quality jobs tend to stay in them longer, it is not correct to infer that better jobs cause clients to stay employed longer, because clients may be more likely to obtain such jobs and to stay in them longer for reasons other than the characteristics of the jobs. Regardless, knowledge by case managers of the “quality” of the initial jobs taken by clients, as indicated, say, by wage rates, can be an effective tool for targeting job retention services to those most likely to need them.8

- **The jobs that clients held typically were in service, sales, and administrative support. About one in three clients who held a job worked evenings or nights or in a job with variable shifts.**

  Most employed clients worked in service jobs (such as in the health and food sectors) or held clerical or other administrative support positions (Table II.3). Few clients held managerial, professional, or technical jobs in construction, production, or trade occupations, all of which typically offer higher wages and are associated with less turnover. Employed rural clients were significantly more likely than urban clients to be working in the food service sector (24 percent versus 9 percent).

  Nearly one-third of clients who were working in the month prior to the survey worked evenings or nights or in jobs with variable or rotating shifts (Table II.3). Nonstandard hours and varying shifts can affect a clients’ ability to sustain employment. Formal child care and public transportation may be less readily available at these times and can lead to problems that could result in job loss. Rural clients were significantly more likely than urban clients to work irregular, split, or rotating shifts (21 percent versus 7 percent).

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8Rangarajan, Schochet, and Chu (1998) find strong and statistically significant associations between the wage rate of recipients’ initial jobs and job turnover. Specifically, they found that clients in jobs with lower wages are more likely to lose those jobs compared with recipients in higher-wage jobs.
About one in five employed clients reported that their job was a temporary or seasonal one when they took it. Urban clients were somewhat more likely than rural clients to work in temporary jobs (24 percent versus 18 percent).

**Employment Challenges That Clients Face**

Like other states, Nebraska at any given time has a caseload made up of various types of clients, including long-term clients with substantial obstacles to employment, clients who have recently entered TANF for the first time (many of whom have short-term needs), and others who cycle in and out. A key objective of the client survey was to obtain information about the circumstances and personal challenges that Nebraska’s TANF caseload face in obtaining and holding jobs and to ascertain whether clients in urban and rural areas face different obstacles to work.

### TABLE II.3

CHARACTERISTICS OF THE PRIMARY JOB HELD BY EMPLOYED CLIENTS  
(Percentages)

<table>
<thead>
<tr>
<th></th>
<th>Urban</th>
<th>Rural</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Occupation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative support/ clerical</td>
<td>22</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Sales</td>
<td>16</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Health services</td>
<td>11</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Food services</td>
<td>9</td>
<td>24</td>
<td>15</td>
</tr>
<tr>
<td>Cleaning services</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Other services</td>
<td>13</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Manager/ professional/ technical</td>
<td>9</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td><strong>Shift or Time of Day Worked</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular daytime shift</td>
<td>59</td>
<td>46</td>
<td>54</td>
</tr>
<tr>
<td>Afternoon shift</td>
<td>8</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Evening or night shift</td>
<td>17</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Irregular, split, or rotating shift</td>
<td>7</td>
<td>21</td>
<td>13</td>
</tr>
<tr>
<td>Morning shift</td>
<td>8</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Temporary or Seasonal Job</td>
<td>24</td>
<td>18*</td>
<td>22</td>
</tr>
</tbody>
</table>

Sample Size  99    120    219

Source: Nebraska Client Survey. Tabulations are weighted.

We conducted chi-squared tests to test for differences between urban and rural clients. Differences between urban and rural clients for this characteristic:

*Significantly different from zero at the .10 level, two-tailed test.
**Significantly different from zero at the .05 level, two-tailed test.
***Significantly different from zero at the .01 level, two-tailed test.
Using information from the client survey, we defined eleven obstacles to employment, each measured over the 12-month follow-up period: (1) low skills, (2) learning disabilities, (3) major depressive disorder, (4) alcohol or drug abuse, (5) poor physical health, (6) physical domestic abuse, (7) caretaker responsibilities for a child or other household member with health or behavioral problems, (8) low self-efficacy/control, (9) criminal histories, (10) transportation problems, and (11) child care problems. (See Appendix B for definitions of these measures.) Here we document the prevalence of these barriers and examine the extent to which they pose difficulties to finding and keeping jobs.

- Employment obstacles were quite prevalent among single mother TANF cases. Many clients faced multiple challenges.

Nearly 9 in 10 (85 percent) of the single mothers receiving TANF in January 2000 reported having at least one employment obstacle during the 12 months prior to the survey (Figure II.5). Fifty-nine percent of the clients reported two or more obstacles, and 21 percent had four or more. Clients on average had two obstacles during the past 12 months (not shown).

**FIGURE II.5**

NUMBER OF EMPLOYMENT OBSTACLES AMONG TANF CLIENTS

<table>
<thead>
<tr>
<th></th>
<th>Urban Clients</th>
<th>Rural Clients</th>
<th>All Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any</td>
<td>84</td>
<td>87</td>
<td>85</td>
</tr>
<tr>
<td>Two or More</td>
<td>58</td>
<td>60</td>
<td>59</td>
</tr>
<tr>
<td>Four or More</td>
<td>20</td>
<td>23</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: Nebraska Client Survey. Tabulations are weighted.

Note: Obstacles refer to low skills; learning disability; depressive disorder; poor physical health; alcohol or drug abuse; physical domestic abuse; caretaker responsibilities for a child or other household member with a health or behavior problem; low self-efficacy/control; criminal histories; transportation problems; or child care problems.
Nearly two-thirds of the clients reported at least one major personal or family obstacle. Overall, 62 percent of the clients reported at least one serious personal or familial obstacle during the past 12 months, such as a learning disability, major depressive disorder, an alcohol or drug abuse problem, poor physical health, physical domestic abuse, or the need to take care of a child or other household member with health or behavioral problems (Figure II.6). Thirty-four percent had two or more serious obstacles in the past year, and 16 percent had three or more.

**FIGURE II.6**
NUMBER OF MAJOR PERSONAL AND FAMILY OBSTACLES TO EMPLOYMENT AMONG CLIENTS

Many clients experienced mental health problems in the 12 months prior to the survey. One-third of clients were classified as having had major depressive disorder, reporting that they had experienced a major episode of depression lasting two or more consecutive weeks during the past 12 months (Figure II.7). Nearly one-third of clients also reported having a child or elderly dependent with health problems or special behavioral or other needs.

A smaller but still substantial fraction of clients reported other serious personal or family obstacles, such as substance abuse, domestic violence, and physical health problems. For
FIGURE II.7
MAJOR PERSONAL AND FAMILY OBSTACLES
TO EMPLOYMENT AMONG CLIENTS

Source: Nebraska Client Survey. Tabulations are weighted.
*Significantly different from zero at the .10 level, two-tailed test.

Learning Disability
Major Depressive Disorder
Alcohol or Drug Problems
Physical Health Problems
Domestic Physical Abuse
HH Member Has a Health Problem

Percentage

Urban Clients
Rural Clients

Source: Nebraska Client Survey. Tabulations are weighted.
*Significantly different from zero at the .10 level, two-tailed test.
instance, 17 percent reported abusing drugs or alcohol during the past year. Thirteen percent reported experiencing physical domestic abuse during the past year, and a similar proportion (12 percent) reported having poor health.

Findings about the prevalence of serious personal or family problems among Nebraska's mother-only welfare population are generally consistent with other national and state-level studies that have examined the prevalence of employment barriers (Olson and Pavetti 1996; Johnson and Meckstroth 1998; Loprest 1999; Danziger et al 1999; Meckstroth et al. 2000). Although comparing findings across studies is difficult given differences in measures used, it appears that the prevalence of substance abuse among Nebraska's clients is generally consistent with other studies; the prevalence of a mental health problem is somewhat higher than is found in other studies; and the prevalence of current physical domestic abuse and learning disabilities is somewhat lower.

- **Substantial proportions of clients had low skills, and many clients reported experiencing logistical problems related to child care and transportation.**

  Low skills, defined as low educational achievement or limited work histories, was a common problem (Figure II.8). Nearly 4 in 10 clients (35 percent) did not have a high school diploma or GED or had little or no paid work experience as an adult.

  One-third of clients reported having had child care problems during the past year, such as (1) not being able to find child care during the time of day or day of week that they needed, or (2) having to use a child care provider too far from home or work (Figure II.8).

  As discussed later in Chapter III, most clients in both urban and rural areas of the state relied on cars to get to work or to obtain needed services, either driving themselves or getting a ride with a friend or coworker. Few clients used public transportation, especially in the state’s rural areas. One-third of clients reported that they lacked access to a car that worked or did not have a valid driver's license (results not shown). Urban clients were considerably more likely than rural clients to report lacking a reliable car or driver’s license (42 percent versus 26 percent). However, many Nebraska communities offer bus, van, taxi, or shuttle services that clients without access to privately owned vehicles may use to get to work. When we define a transportation barrier as “not having a driver’s license or access to a working car or other vehicle, and the community does not offer bus, van, or shuttle services,” 15 percent of Nebraska’s current TANF clients report such a barrier (Figure II.8). Eighteen percent of rural clients and 13 percent of urban clients have a transportation barrier under this alternative definition.9

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9This measure probably understates the prevalence of clients with transportation barriers, as some respondents may live in communities where, though public transportation and other transportation services do exist, they are not accessible for commuting to jobs or convenient for child care. The services may be available only during the day and early evening, or they may be too costly or unreliable.
FIGURE II.8
OTHER OBSTACLES TO EMPLOYMENT AMONG CLIENTS

Source: Nebraska Client Survey. Tabulations are weighted.
- Nearly one in four clients had low skills and at least one serious personal barrier.

Some employment obstacles are easier than others for human services organizations to deal with, and clients with multiple personal or family problems and skill deficiencies are often more difficult to serve than clients facing just one problem. For instance, for clients with poor job skills, providing remedial education or job training and helping in the search for employment is easier when they do not have any other serious personal or familial problems, but more difficult when they do. We used the survey data to classify clients according to three types of barriers: (1) low skills; (2) serious personal or family issues (physical health problems, mental health problems, learning disabilities, substance abuse, physical domestic abuse, and caretaker responsibilities for a child or adult family member with health or behavioral problems); and (3) obstacles that may be more easily addressed with basic support services (child care and transportation problems).

The most common pattern is for clients to have adequate skills but to have at least one serious personal barrier (Figure II.9). Two-fifths of clients were classified as having adequate skills but one or more major health problem, mental health problem, learning disability, domestic abuse, substance abuse problem or having caretaker responsibilities for a child or other household member with a health or behavioral problem that may interfere with their ability to find and keep a job. Proper screening to identify these personal and familial problems, followed by referrals to appropriate service providers, is critical to address these clients’ barriers and help prepare them to get and keep a job.

**Figure II.9**

**Prevalence of Selected Combinations of Employment Obstacles**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Adequate Skills, and One or More Major Personal Obstacles</th>
<th>Poor Skills, and One or More Major Personal Obstacles</th>
<th>Poor Skills Only</th>
<th>Transportation or Child Care Problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td></td>
<td>23</td>
<td>12</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Nebraska Client Survey. Tabulations are weighted.
Nearly one-quarter of clients had poor job skills and at least one other serious personal barrier, such as a physical or mental health problem, a learning disability, substance abuse, or physical domestic abuse. These clients need multiple, comprehensive services to help them overcome personal and familial issues, as well as services to enhance basic job skills to enable them to become employed.

Over one-tenth of clients had low skills but faced no other obstacles. Skill-building activities available under Employment First, such as basic education, vocational training, and work experience, are advisable for this group. Some of these clients might also benefit from supported work opportunities that include the active use of on-the-job coaching and workplace accommodations.

Finally, nearly one-tenth of clients reported child care or transportation obstacles, but no skill deficiencies or other serious personal or family barriers. Helping these clients find reliable and affordable child care and transportation services is the key to addressing their barriers and for helping them make the transition to employment.

- **In general, urban and rural clients faced similar obstacles. Although there were a few differences between urban and rural clients in the incidence of some obstacles, most were not statistically significant under conventional standards.**

Employment obstacles were prevalent in both urban and rural areas of Nebraska. This is consistent with recent research on urban-rural differences in client characteristics in other states (Weber and Duncan 2001). For instance, Nebraska’s urban and rural clients faced a similar number of obstacles (Figure II.5), on average slightly more than two (2.1 versus 2.3, respectively). Urban and rural clients generally faced similar types and combinations of obstacles (Figure II.6 through Figure II.9). Of all the employment barrier outcomes considered, including individual obstacles as well as combinations of obstacles, there were only three statistically significant differences between urban and rural clients, and these were only marginal (significant at the .10 level, using a two-tailed test). Specifically, rural clients were more likely than urban clients to report an alcohol or drug abuse problem (22 percent versus 14 percent); instances of multiple, serious personal or family obstacles (39 percent versus 31 percent), and having adequate skills but facing one or more serious personal or family problem (32 percent versus 24 percent, results not shown).

- **Clients with employment obstacles were less likely to be working at the time of the survey.**

Single mothers with low skills and those facing serious personal and family issues were less likely to be currently working than those without these barriers. For individual barriers such as low basic skills, learning disabilities, mental health problems, physical health problems, child and dependent care and transportation problems, and low self-efficacy/control, women who had the barrier were significantly less likely to work at least 20 hours per week than those without it (Table II.4). For instance, only 30 percent of clients with poor skills (that is, less than a high school diploma/GED or little or no work experience) were currently working at least 20 hours per week, compared with 58 percent of
those with good skills. Just 19 percent of women who reported their health as “poor” were currently working 20 hours or more, compared with 52 percent of women who reported their health as fair, good, or excellent. Strong associations between potential barriers and clients’ current employment were equally true for urban and rural clients (results not shown).

- **Clients who remained on TANF and were not employed faced more obstacles than those who had left TANF for work.**

Clients who remained on TANF and were not working faced considerably more obstacles to employment than did those who had left welfare for work by the time of the survey (Table II.5). For instance, 55 percent of clients who were on TANF and not working...
| Low Skills | 19 | 55*** |
| Learning Disability | 11 | 24** |
| Major Depressive Disorder | 25 | 36** |
| Alcohol or Drug Abuse Problems | 13 | 21* |
| Physical Health Problems | 4 | 23*** |
| Domestic Physical Abuse | 7 | 17** |
| Low Self-Efficacy/Control | 4 | 5 |
| Past Criminal Record | 9 | 11 |
| A Child or Elderly Dependent Has Health Problems | 29 | 36* |
| Transportation Problems | 9 | 17* |
| Child Care Problems | 29 | 38* |
| Number of Barriers | | |
| 0 | 22 | 9** |
| 1 | 36 | 19 |
| 2 to 3 | 33 | 35 |
| 4 to 5 | 7 | 31 |
| 6 or more | 2 | 5 |
| (Average number of barriers) | (1.6) | (2.7) |
| Prevalence of Selected Combinations | | |
| Low skills and major health or domestic abuse | 9 | 41*** |
| Good skills, but major health or domestic abuse | 46 | 32** |
| Low skills only | 9 | 14 |
| Child or dependent care or transportation only | 9 | 5 |

**Sample Size**

| 162 | 106 |

**Source:** Nebraska Client Survey. Tabulations are weighted.

*Problem occurred during the past 12 months.

**Major health problems refer to mother’s physical health problems, major depressive disorder, or alcohol or drug abuse problems, domestic physical abuse, learning disability, or having caretaker responsibilities or a child or other household member with a health or behavioral problem.

We conducted t-tests to test for differences between these subgroups of clients for this characteristic:

*Significantly different from zero at the .10 level, two-tailed test

**Significantly different from zero at the .05 level, two-tailed test.

***Significantly different from zero at the .01 level, two-tailed test.
at the time of the survey had low skills (that is, did not have a high school diploma or GED or had little or no paid work experience as an adult) compared with just 19 percent of clients who had left TANF and were employed. Clients who remained on TANF and were not working were also more likely than those employed and off TANF to report being in poor physical health (23 percent versus 4 percent), experiencing physical domestic violence (17 percent versus 7 percent), and facing transportation problems (17 percent versus 9 percent). They were also more likely to face multiple challenges: on average, they had more obstacles (2.7 versus 1.6) during the past year. Over two-fifths of these clients had two or more serious personal or family problems, compared with just one-quarter of employed TANF leavers (results not shown).

In general, then, employed clients off TANF faced fewer obstacles and were less likely to have faced serious personal or family issues than those clients on TANF and not working. However, some clients who were off TANF and working were able to overcome obstacles and work, while others without specific barriers were not working and were still on TANF.

- **Nearly half the clients were not employed at the time of the survey.** Consistent with the findings on employment obstacles, more than one in four nonemployed clients cited physical health or mental health problems as a major reason for not currently working.

Among those clients who were not working at the time of the follow-up survey, clients most often mentioned their physical or mental health as reasons for not being employed. For example, 27 percent of nonemployed clients reported having a physical or mental health problem that currently prevented them from working (Figure II.10). Other clients who were not working cited child care (21 percent) and transportation problems (16 percent) when asked why they were not currently working. About one in five nonemployed clients reported that their reason for not currently working was that they were training for a job or taking classes or looking for a job. There were no significant differences between urban and rural clients in the reasons they gave.
FIGURE II.10
MAIN REASONS FOR NOT WORKING, AMONG ALL CURRENTLY NONEMPLOYED CLIENTS

Source: Nebraska Client Survey. Tabulations are weighted.
Chapter III

Client Participation in Program Activities and Receipt of Supportive Services and Benefits

Nebraska’s Employment First program is designed to prepare clients for work by helping them improve their skills, get and keep a job, and achieve economic independence. To this end, the Employment First program offers clients various employment-related activities and supportive services. While many clients participate and receive important services, many others, including those who face serious employment barriers, do not. To understand what Nebraska’s welfare clients still need to make a successful transition to work and economic independence, we examine their experiences and satisfaction with the Employment First program and their use of available services and benefits. We highlight important differences between urban and rural clients, as well as between clients who remained on TANF a year later and those who had left TANF.

Participation in Employment-Related Services and Activities

Welfare clients need different types of assistance to make the transition to work and economic independence. The Employment First program uses an assessment-choice, case management model of service delivery to assess clients’ interests and needs, develop an individualized plan for self-sufficiency, and connect clients with opportunities and services. Clients work closely with a case manager to develop and implement a Self-Sufficiency Contract, which includes a detailed plan for becoming employed. The contract requires clients to participate in some type of employment-related or educational activity. It also outlines the types of supportive services that clients will likely need to help overcome barriers they face. It is expected that a client’s contract be developed and signed within 90 days after an application for cash assistance is completed. Although clients with contracts are those who are required to work or participate in an employment preparation activity, clients without contracts may also participate.
In this section we profile the recent program experiences of single-mother TANF clients who were receiving welfare in January 2000. In particular, we profile the extent to which these clients completed Self-Sufficiency Contracts, participated in employment preparation activities, and interacted with their case managers. We also examine clients' satisfaction with the Employment First program. In the next section we examine their use of supportive services and benefits.

Most clients signed a Self-Sufficiency Contract.

Most clients reported that they had completed a Self-Sufficiency Contract. A year after the sample was drawn, over 7 in 10 clients reported that they had worked with their case manager to develop and sign one (Table III.1). Among clients still receiving TANF in the

| TABLE III.1 |
| CLIENT PARTICIPATION IN EMPLOYMENT PREPARATION ACTIVITIES |
| (Percentages) |

| Completed Self-Sufficiency Contract | 72 |
| Participated in EF Educational or Employment Activity During the Past 12 Months | 56 |
| Currently Working or Participating a Total of 20 Hours or More per Week | 56 |
| Types of EF Employment Preparation Services Received During the Past Year |
| Educational services |
| Help find or pay for a class to complete GED | 7 |
| Help find or pay for other educational training | 12 |
| Employment services |
| Job search training and assistance | 34 |
| Job readiness training (information on proper job-related dress, behavior, and attendance) | 25 |
| Help get you OJT or unpaid work experience | 12 |
| Currently Participating in Any Educational or Employment Preparation Activity* | 32 |
| Received Sanction During the Past Year | 19 |
| Actively Searched for a Job During the Past Year | 73 |
| Received a Job Offer During the Past Yearb | 66 |

**Sample Size** 412

**Source:** Nebraska Client Survey. Tabulations are weighted.

**Note:** EF = Employment First Program; GED = General Equivalency Diploma; OJT = On-the-Job Training.

*This includes activities outside the EF program.

bCalculated for those clients who searched for a job during the past year.
month prior to the survey, a somewhat higher fraction had completed contracts. Seventy-five percent of these clients had done so, compared with 67 percent of clients who had exited TANF.

Clients may not have reported completing a contract for a variety of reasons. Some may have left TANF for work before the contract development process was completed. Others may have been sanctioned for nonparticipation. Still others may not have been contacted by an Employment First case manager to begin the contract development process. Finally, some clients may not have remembered developing or signing a contract.

- About three in five clients participated in employment-related or educational activities through the Employment First program, a higher fraction than in most other states.

Most clients participated in Employment First activities. Clients are expected to participate in some type of employment-related or educational activity ("employment preparation activity"), unless they are able to find employment on their own. These activities, which are documented in their Self-Sufficiency Contracts, include primarily job search assistance, job readiness and life skills training, basic or postsecondary education, work experience, and vocational training. Close to three-fifths of clients reported that they participated in some type of employment preparation activity through the Employment First program during the past year (Table III.1). Among clients with Self-Sufficiency Contracts, participation was higher (68 percent). Still, 31 percent of clients who reported not having a Self-Sufficiency Contract did participate in an employment preparation activity during the past year.

A year later, most of Nebraska’s clients were either working or participating in employment preparation activities. At the time of the survey, nearly 6 in 10 clients (56 percent) reported that they were spending 20 hours or more per week either working or participating in an employment preparation activity. Overall, clients who faced various types of barriers were much less likely to work or participate at least 20 hours per week compared with their counterparts who did not face barriers.

It appears that a high fraction of Nebraska’s clients, compared with those in other states, were working or engaged in work activities. Although Nebraska’s welfare clients have exited welfare more slowly than clients in other states, Nebraska has successfully engaged many of them in employment preparation activities. An examination of recent

---

1 It is expected that most clients in the sample would have been required to develop and sign a contract by the time of the follow-up survey a year later (unless they had quickly exited TANF before doing so). However, we cannot identify clients who would have been required to develop a contract, because it is not possible through the client survey to examine when clients exited TANF. However, an examination of the length of clients’ current TANF spell based on administrative records data does show that fewer than one-fifth of clients had been on TANF less than three months at the time of sampling. An unknown fraction of these clients may have exited TANF very quickly after sampling, and hence might not have been expected to sign a contract.

2 Forty-eight percent of clients reported that they were spending 30 hours or more per week either working or participating in an employment preparation activity.
federal TANF participation estimates shows that 63 percent of Nebraska's entire TANF caseload between October 1998 and September 1999 was either working or participating in employment activities, compared with 42 percent of TANF clients nationally (U.S. Department of Health and Human Services 2001). Moreover, Nebraska's federal participation rate was comparable to or higher than that of its neighboring states (U.S. Department of Health and Human Services 2001).3

- Clients participated in various types of employment-related and educational activities, with job search assistance, job readiness training, and education the most common.

Job search assistance was the most common activity in which clients participated. Over one-third reported that they received job search assistance through the Employment First program, which includes training on writing resumes, help filling out job applications, and assistance obtaining names of employers or job leads (Table III.1). In addition, a substantial minority of clients reported that they participated in specialized employment-related activities, such as job readiness training (instruction on proper job-related behavior, problem-solving skills, and other life skills) (25 percent), basic or postsecondary education (17 percent), and on-the-job training or unpaid work experience (12 percent).

Compared with welfare clients in other states, Nebraska’s clients were much more likely to participate in education and training, but much less likely to participate in work experience and on-the-job training. Federal TANF data for fiscal year 1999 show that, among participating clients, 23 percent of Nebraska’s clients participated in education or vocational training activities, compared with 6 percent of clients nationally (U.S. Department of Health and Human Services 2001). In contrast, only 1 percent of Nebraska’s clients participated in work experience, on-the-job training, or community service positions, compared with 6 percent of clients nationally. This pattern is similar when Nebraska’s clients are compared with clients from neighboring states.

Among clients with particular barriers, those with low education and limited work experience (“low skills”) were somewhat more likely to participate in specialized employment activities; however, more of these clients might benefit from participation in specialized activities. Among clients who were still receiving TANF at the time of the survey, about 3 in 10 of those who did not have a high school diploma or GED reported that they received help with GED preparation, compared with 0 in 10 other clients. In addition, among clients who were still receiving TANF, close to 2 in 10 with low skills participated in work experience or on-the-job training, compared with 1 in 10 other clients. However, those with low skills and still on TANF were no more likely to participate in job readiness training than their counterparts who did not have low skills (about 3 in 10 clients from both groups participated in job readiness training). These findings generally suggest that specialized employment activities could be better targeted to clients with low skills, and that more clients with low skills might benefit from participation in specialized activities.

3According to recent federal TANF estimates, 63 percent of Nebraska’s remaining TANF caseload was working or participating in employment activities between October 1998 and September 1999, compared with 61 percent of Iowa’s caseload, 60 percent of Kansas’s, 58 percent of South Dakota’s, 53 percent of Wyoming’s, 43 percent of Colorado’s, and 29 percent of Missouri’s.
Clients currently on TANF and not working had a relatively low rate of Employment First program participation.

Clients who were still receiving TANF a year later ("TANF stayers") were more likely to participate in an employment preparation activity than their counterparts who had exited TANF (Table III.2). Over three-fifths (64 percent) of the TANF stayers reported that they participated in an employment preparation activity during the past year, compared with half of those who had exited TANF. TANF stayers were also more likely than TANF leavers to

| TABLE III.2 |
| CLIENT PARTICIPATION IN EMPLOYMENT PREPARATION ACTIVITIES BY TANF STATUS |
| (Percentages) |
| TANF Status (Month Prior to Survey) | Off TANF | On TANF |
| Completed Self-Sufficiency Contract | 67 | 75* |
| Participated in EF Educational or Employment Activity During the Past 12 Months | 49 | 64*** |
| Currently Working or Participating a Total of 20 Hours or More per Week | 73 | 41*** |
| Types of EF Employment Preparation Services Received During the Past Year |
| Educational services | 12 | 21** |
| Help find or pay for a class to complete GED | 5 | 10** |
| Help find or pay for other educational training | 9 | 15* |
| Employment services | 39 | 51** |
| Job search training and assistance | 28 | 39** |
| Job readiness training (information on proper job-related dress, behavior, and attendance) | 22 | 29 |
| Help get you OJT or unpaid work experience | 12 | 13 |
| Currently Participating in Any Educational or Employment Preparation Activitya | 22 | 42*** |
| Received Sanction During the Past Year | 18 | 20 |
| Actively Searched for a Job During the Past Year | 72 | 75 |
| Received a Job Offer During the Past Yearb | 71 | 62 |
| Sample Size | 211 | 197 |

SOURCE: Nebraska Client Survey. Tabulations are weighted.

NOTE: EF = Employment First Program; GED = General Equivalency Diploma; OJT = On-the-Job Training.

aThis includes activities outside the EF program.

bCalculated for those clients who searched for a job during the past year.

We conducted chi-squared tests for categorical variables and t-tests for continuous variables to test for the differences between the two groups for these characteristics:

*Significantly different from zero at the .10 level, two-tailed test

**Significantly different from zero at the .05 level, two-tailed test.

***Significantly different from zero at the .01 level, two-tailed test.
have participated in various types of employment preparation activities over the past year, including education and training and job search assistance (Table III.2).

TANF stayers who were not working during the month prior to the survey, however, were much less likely than other clients to be currently engaged in work-related activities. Only 2 in 10 non-working TANF stayers were participating at least 20 hours per week at the time of the survey, compared with 7 in 10 other clients who were either working or participating at least 20 hours per week (not shown). As shown in Chapter II, TANF stayers who were not working face a high prevalence of barriers that may make it more difficult for them either to work or to participate in Employment First activities.

- **Participation in the Employment First program was significantly higher among Nebraska’s rural clients, compared with its urban clients.**

  Rural clients were more likely than urban clients to participate in the Employment First program, which suggests that rural case managers may be more successful at engaging their clients in the program (Figure III.1). Over three-quarters of rural clients completed a Self-Sufficiency Contract during the past year, which was significantly higher than the two-thirds of urban clients who did. Moreover, nearly two-thirds of rural clients participated in employment preparation activities during the past year, compared with just over half of urban clients. In particular, rural clients were significantly more likely to receive job search assistance, participate in job readiness training, and receive help finding or paying for some sort of education or training. In addition, rural clients were slightly more likely to be currently working or participating at least 20 hours per week, although this difference was not significant.

- **Most clients searched for a job over the past year, and rural clients were significantly more likely to do so.**

  Most Nebraska welfare clients looked for work at some point during the past year. About three-quarters actively searched for a job or a better job during the past year (Table III.1). Of these, two-thirds reported that they received an offer. The vast majority of clients (86 percent) who looked for work during the past year also held a job at some point during the past year.

  Clients who were not currently employed were almost as likely to look for a job as those who were employed, but they were much less likely to receive an offer. Among clients not employed in the month prior to the survey, 72 percent reported looking for a job over the past year, compared with 75 percent of clients who were employed. The difference was not significant. However, among clients who did not work at all during the past year, only 53 percent reported that they actively looked for a job. Overall, employed clients were much more likely to report receiving a job offer than their unemployed counterparts. Among

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4We do not report participation data separately for working TANF stayers due to small sample sizes.
those currently employed clients who looked for a job, 76 percent received an offer, compared with just 55 percent of their unemployed counterparts.5

Rural clients were significantly more likely than urban ones to look for a job. This is not surprising, since rural clients were also more likely to exit welfare for work over the past year (as discussed in Chapter II). Eight in 10 rural clients looked for work over the past year, compared with 7 in 10 urban clients (not shown). Although a higher proportion of clients in urban areas who looked for a job also reported receiving an offer (70 percent compared with 61 percent of rural clients), the difference was not significant.

Most clients who looked for a job relied on informal search methods, such as answering newspaper ads (80 percent) and talking with friends and relatives (73 percent) (not shown). About two-fifths of those who searched for a job relied on assistance through the Employment First program. Although more rural clients reported receiving job search assistance through the program, differences were not significant. Rural clients were, however, significantly more likely than urban ones to use the state employment service to

5Data were not available on whether clients accepted the job offer and, if they did not, why.
search for a job, while urban clients were significantly more likely to rely on private employment agencies and temporary agencies (not shown).

- **One in five clients received a sanction for nonparticipation.**

  In Nebraska, clients who do not comply with program requirements, including work participation requirements, may be sanctioned, which results in the loss of the TANF cash grant for the entire family. Many clients who did not participate in required employment preparation activities received sanctions. Overall, 19 percent of Nebraska’s clients reported that they were sanctioned for nonparticipation at some point during the past year (Table III.1). Despite their lower rates of participation in the program, urban clients were not more likely to be sanctioned. Overall, clients in urban and rural areas had similar rates of sanctioning (18 percent and 20 percent, respectively).

  Clients who left welfare without a job were more likely to be sanctioned than other clients. Roughly one-third of this small group was sanctioned for nonparticipation over the past year, compared with less than 2 in 10 other clients (not shown). Clients who left welfare without a job were also somewhat less likely to sign a Self-Sufficiency Contract and participate in Employment First activities during the past year; however, they were somewhat more likely than other clients to be in frequent contact with their case manager. While some of these clients may not have participated because they had other sources of income and did not want to participate, others may not have been able to comply with requirements because of barriers that they faced.

- **Overall satisfaction with the Employment First program and its case managers was relatively high.**

  Most clients who participated in the Employment First program—both urban and rural clients—reported finding the services and program activities useful. In terms of teaching job readiness skills and providing needed support services, about three-quarters said the Employment First program does a good, very good, or excellent job. In addition, about three-fifths thought the Employment First program did a good, very good, or excellent job in helping them find a job or get a better one. There were no significant urban-versus-rural differences in terms of satisfaction with the Employment First program.

  Most clients were in touch with their case manager at least once a month and were satisfied with the services and support their case manager provided. Two-thirds of clients reported that they were in touch with their case manager at least once a month; and one-third of case managers reported being in touch at least once every two weeks. In addition, two-thirds reported that they were satisfied with the services and support their case manager provided.

  Frequency of contact with case managers was significantly higher among rural clients than among urban clients (Figure III.2). Thirty-nine percent of rural clients were in touch with their case manager at least once every two weeks, compared with 30 percent of urban clients. Although slightly more rural clients were satisfied with their case manager, the

---

6Actual percentages are not reported due to small sample sizes.
difference in satisfaction between urban and rural clients was not significant. In addition to their case manager, rural clients were also significantly more likely to report that they were in regular contact with a staff person from a contractor or partner organization, such as Curtis and Associates (36 percent, compared with 26 percent of urban clients) (Figure III.2). These findings suggest that rural clients were better connected with the Employment First program than were their urban counterparts. Hence, it is not surprising that rural clients were more likely than urban ones to participate in employment preparation activities (as shown above) and more likely to receive certain supportive services (to be discussed below).

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**FIGURE III.2**

CLIENTS’ REPORTED FREQUENCY OF CONTACT WITH CASE MANAGERS AND OTHER KEY STAFF DURING THE PAST YEAR

![Bar chart showing percentage of clients who talk with EF case manager or regular contact with EF partner organization by type of client and all clients.](chart)

Source: Nebraska Client Survey. Tabulations are weighted.

Note: EF = Employment First Program.

We conducted a chi-squared test for the first variable (a categorical variable) and a t-test for the second variable (a continuous variable) to test for the differences between urban and rural clients for these characteristics:

* Significantly different from zero at the .10 level.
** Significantly different from zero at the .05 level.
*** Significantly different from zero at the .01 level.

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7In February 2002, after data collection for the evaluation was completed, the senior management of Curtis and Associates changed, as did its name. At that time, the organization became Concera Corporation. In June 2002, the senior management and name changed again, to Affiliated Computer Services (ACS), Inc. For purposes of this report, we refer to this organization as Curtis and Associates, since that was its name at the time of the evaluation's data collection.
TANF clients who were not working were less frequently in touch with their case manager than other clients. Twenty-five percent of TANF clients who were not working were in touch with their case manager at least once every two weeks, compared with 37 percent of other clients. However, TANF clients who were not working were no less likely to be satisfied with the Employment First program or with their case manager. In addition, they were no less likely to be in regular contact with a staff person from a contractor or partner organization. They were, however, less likely to participate in Employment First activities (as shown earlier). Although it is difficult to draw conclusions from these findings, it is plausible that program efforts to increase case manager contact with these difficult-to-serve clients may help increase their chances of receiving necessary services and participating in activities that will allow them to progress toward work.

**USE OF AVAILABLE SUPPORTIVE SERVICES AND BENEFITS**

Supportive services can be critical in helping clients overcome barriers and make a successful transition off welfare. Reliable transportation and child care are important logistical supports that enable many parents to work. Services related to mental health, substance abuse, and domestic violence can help clients address serious personal and family needs that, in turn, can promote positive employment outcomes over time. A broad range of supportive services and transitional benefits are available through the Employment First program. By understanding clients’ use of these services and benefits, the program will be better positioned to target assessment, outreach, and service delivery strategies to needy clients. In this section, we examine the extent to which clients—particularly those with identifiable barriers—receive available supportive services and transitional benefits. We also highlight key differences between Nebraska’s urban and rural clients.

- **Most clients who worked or participated in work-related activities made use of child care subsidies.**

Reliable child care is important for working parents and for parents who participate in work-related activities. To improve the affordability and stability of child care, Nebraska offers subsidies to welfare clients and other working families with young children.8 We examined subsidy use rates among clients with young children who were working or participating in a work activity at the time of the survey.9

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8At the time the evaluation was conducted, low-income families with children under age 13 could receive a child care subsidy on a sliding fee scale for as long as their countable income was less than 185 percent of the federal poverty level (as it is for the vast majority of Nebraska’s TANF clients). As of July 2002, after the evaluation was conducted, child care benefits were limited to 24 consecutive months for transitional TANF clients, as long as their income remained equal to or below 185 percent of the federal poverty level. In any case, during the time clients receive TANF, the cost of their child care can be fully reimbursed. In addition, subsidies can be applied to formal or informal care arrangements.

9We examined child care subsidy usage rates among the 54 percent of the sample that had children under age 6 living at home and were working or participating at the time of the survey. (Seventy-three percent of the sample had children under age 6 living at home and 72 percent were working or participating at the time of the survey.) Although it would have been more appropriate to examine clients with children under age 13, such data were not available.
Many clients who worked or participated in work activities made use of child care subsidies. Over half (56 percent) of clients who had young children and were working or participating at the time of the survey reported that they were currently receiving a subsidy or assistance from the state to help pay for their child care costs (Figure III.3). More generally, 70 percent of these clients reported that they had received some type of help with child care through the Employment First program over the past year. This help included not only the receipt of a child care subsidy, but also nonmonetary assistance, such as help finding a provider. Child care subsidy usage rates were somewhat higher in the urban areas, compared with the rural areas, 59 percent compared with 49 percent (Figure III.3). Moreover, a somewhat higher fraction of urban clients reported receiving some type of child care assistance over the past year (74 percent, compared with 62 percent of rural clients).

![Figure III.3](image-url)

Source: Nebraska Client Survey. Tabulations are weighted.

We conducted a t-test for the difference between the urban and rural clients. The difference for this characteristic was not significant at the .10 level.

\(^a\)Calculated for clients who had children under age 6 living at home and who were working or participating in work activities at the time of the survey.

The use of subsidies among Nebraska clients was high compared with clients in other states. One study reviewed welfare leavers’ data from 15 states (collected during the late 1990s) and concluded that, in most states, 30 percent or less of working former TANF clients received assistance paying for child care (Schumacher and Greenberg 1999). This compares to 58 percent of working TANF leavers in Nebraska.
One in three clients who worked or participated in work activities received transportation assistance through the Employment First program.

Reliable and affordable transportation helps many clients get and keep jobs. To help clients with their transportation needs, Employment First makes assistance available while clients participate in the program and for six months after they leave TANF. Transportation assistance may include payments to cover car repairs, gasoline, and bus passes; help obtaining a driver’s license; and, in some cases, funds to help purchase a car.

The great majority of Nebraska’s welfare clients relied on cars to get to work. Nearly 9 in 10 clients in rural areas and 8 in 10 in urban areas reported that they either drove to work or got a ride with a friend or coworker (not shown). Compared with urban clients, significantly more rural clients drove themselves to work (70 percent compared with 51 percent). In contrast, it was more common for urban clients to get rides with friends or coworkers (26 percent compared with 18 percent of rural clients). In addition, a small proportion of clients reported using public transportation to get to work, 14 percent of urban clients, compared with 1 percent of rural clients. Findings from the evaluation’s process study suggest that some clients do not use public transportation because bus routes often are not compatible with job locations and bus times often are not compatible with clients’ job schedules.

A minority of clients who were working or participating in a work activity at the time of the survey received assistance with transportation. Less than 3 in 10 of these clients reported that they had received help with transportation during the past year (Figure III.4). There was no significant difference between urban and rural clients (27 percent for urban clients and 28 percent for rural ones). Among those clients who were also identified as having a transportation barrier, still only 30 percent reported receiving assistance (not shown).10

There may be substantial variation by case manager in the extent to which clients received help with transportation. Among clients currently working or participating in a work activity, close to 3 in 10 reported that their case manager was very helpful in addressing their transportation needs, while about 4 in 10 said their case manager was not at all helpful.

Two in five clients with mental health, substance abuse, or domestic violence barriers received treatment or services to address their needs.

Clients can access specialized services to address mental health, substance abuse, and domestic violence issues through Employment First and through local service providers that collaborate with the program. In particular, mental health treatment and services are funded through Nebraska’s Medicaid program and are generally available through community-based mental health providers. Substance abuse treatment and services are also available through community providers, but they are generally funded using TANF supportive service funds.

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10A client was considered to have a transportation barrier if she either did not have access to a car or did not have a valid driver’s license and if she reported that she lived in an area that did not have a bus, van, or shuttle service.
Likewise, domestic violence assistance is available through community service providers and, if necessary, can be paid for with TANF supportive service funds. Although specialized services are generally available for needy clients, it is often difficult to connect clients with them. For example, clients may be reluctant to talk about sensitive topics, which can make barriers very difficult to identify and address, or they may be reluctant to participate in specialized services.

Many clients who were identified as having serious personal or family barriers did not receive treatment or services to address these barriers, especially in the urban areas. Among clients identified as having major depressive disorder or a substance abuse problem, 39 percent reported that they received treatment during the past year. Rates of treatment were substantially higher among rural clients with these barriers—52 percent of rural clients received treatment or services, compared with 30 percent of urban ones (Figure III.5). In addition, rates of treatment were slightly lower among clients who were still receiving TANF, 37 percent of TANF stayers who had a mental health or substance abuse barrier.
received treatment during the past year, compared with 42 percent of their counterparts who had left TANF.

Most clients with personal or family barriers did not talk with their Employment First case manager about them. Only about one-quarter of clients identified as having major depressive disorder, a substance abuse problem, or a domestic violence issue reported talking with their case manager about them (Figure III.5). Rural clients were significantly more likely to talk with their case managers about these serious barriers: 2 in 5, compared with 1 in 5 urban clients. And, TANF clients who were not working were somewhat less likely to talk with their case manager, less than 1 in 4, compared with more than 1 in 3 other clients. In addition, a small fraction (18 percent) of clients with serious personal or family barriers reported that they wanted, but did not receive, specialized services to address the barriers. However, among these clients, only about one-third also reported that they talked with their case manager about the barrier. This suggests that these clients did not actively seek treatment or services.

Although few clients with these serious barriers turned to their case manager, those who did found their case manager to be helpful. That is, over four in five of the clients who spoke with their case manager about these issues reported that their case manager was helpful. Moreover, clients with serious barriers who reported talking with their case manager were more than twice as likely as clients who did not talk with their case manager to receive services over the past year to address their barrier.
FIGURE III.5
USE OF SUPPORTIVE SERVICES DURING THE PAST YEAR AMONG CLIENTS WITH MENTAL HEALTH, SUBSTANCE ABUSE, OR DOMESTIC VIOLENCE BARRIERS

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Clients Who Received Mental Health or Substance Abuse Services&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Clients Who Talked with Case Manager About a Mental Health, Substance Abuse, or Domestic Violence Issue&lt;sup&gt;b&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban Clients</td>
<td>Rural Clients</td>
</tr>
<tr>
<td>30</td>
<td>52***</td>
<td>39</td>
</tr>
</tbody>
</table>

Source: Nebraska Client Survey. Tabulations are weighted.

We conducted a t-test for the difference between the urban and rural clients. The difference for these characteristics:

* Significantly different from zero at the .10 level.
** Significantly different from zero at the .05 level.
*** Significantly different from zero at the .01 level.

<sup>a</sup>This variable includes only clients identified as having a mental health or substance abuse barrier during the past year.

<sup>b</sup>This variable includes only clients identified as having a mental health, substance abuse, or domestic violence barrier during the past year.
he overall life quality of Nebraska’s TANF clients does not depend only on their earnings and welfare receipt. Clients seeking to make the transition from welfare to work have access to a variety of government programs other than cash welfare, and some may receive income from other sources, such as child support from noncustodial fathers, earnings of spouses or other adult household members, or money from family or friends outside the household. It is therefore important that we consider broader issues if we seek a fuller profile of clients’ lives. For instance, what are clients’ current living arrangements? To what extent do clients rely on assistance from government programs and other sources? How much household income do clients have, and how does it compare to the federal poverty level? How many former and current clients have health insurance coverage for themselves and their children? Are clients’ families having difficulty meeting their basic need for food or are they having housing problems? What are clients’ perceptions of their overall standard of living?

In this chapter, we examine the well-being and quality of life of Nebraska’s recent TANF recipients and their families. We assess these issues for the full set of clients examined for this report—single mothers who were TANF recipients in January 2000. We also report variation in well-being and quality-of-life measures by clients’ urban versus rural residence, and by their TANF and employment status at the time of the survey. This broad look at the well-being of recent TANF clients in these different groups provides evidence on how those who live in urban versus rural locations of the state and those with different employment and welfare statuses are faring, as well as guidance for areas of possible policy intervention.
**Clients’ Living Arrangements**

Under the study’s design, all clients in the research sample were female heads of mother-only TANF households at the time of sampling, January 2000. These households could include other adults, but not spouses (that is, two-parent households were excluded from the initial sample). Here we profile living arrangements and household composition at the time clients were surveyed, approximately one year later.

- Most clients were still in single-parent households. Rural clients were more likely than urban ones to report living with their spouse or partner one year later.

Eighty-three percent of the single mothers receiving TANF in January 2000 remained in single-parent households that included one or more children under age 18 at the time of the survey one year later. Sixty-two percent were in single-parent households with no other adults, and 21 percent were single-parent, with other adults but not a spouse or partner (Figure IV.1). The typical household one year later involved the client living with two other people—usually two children, with one under the age of 6, although many clients lived with one other adult, sometimes a spouse or partner.

![Figure IV.1](image)

**Figure IV.1**

**Household Composition at Time of Survey**

<table>
<thead>
<tr>
<th>Category</th>
<th>Urban Clients</th>
<th>Rural Clients</th>
<th>All Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Parent, Children (No Other Adults)</td>
<td>63%</td>
<td>60%</td>
<td>62%</td>
</tr>
<tr>
<td>Single Parent, Children, Other Adults (Not Spouse or Partner)</td>
<td>23%</td>
<td>17%</td>
<td>21%</td>
</tr>
<tr>
<td>Single Parent, No Children</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Two-Parent, Children</td>
<td>13%</td>
<td>21%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: Nebraska Client Survey. Tabulations are weighted.

*Differences between urban and rural clients on household composition were statistically significant from zero at the .10 level, using a two-tailed chi-squared test.*
Sixteen percent of clients reported living with a spouse or partner at the time of the survey one year later.\(^1\) Rural clients were more likely than urban ones to contain a spouse or partner (21 percent versus 13 percent). Urban and rural clients differed significantly on marital status (results not shown). For instance, two-thirds of urban clients reported having never been married compared with approximately one-half of rural clients.

Most clients rent their housing (results not shown). Eighty-nine percent of urban and 79 percent of rural clients rented their homes. Approximately 10 percent of clients overall were living rent free, often with friends or relatives. Twelve percent of rural clients own their homes or live with someone who owns, compared with just 5 percent of urban clients.

**Clients’ Income and Poverty Levels**

A primary goal of Nebraska’s Employment First program is to increase clients’ economic independence by enabling them to find sustained employment and exit TANF. In Chapter II we examined clients’ employment and earnings and welfare receipt. In this section we assess clients’ progress toward achieving economic independence by examining their sources of income, total household income, and overall standards of living.

Our measure of income is total household income received from four major sources—client’s own earnings, earnings of other adults in the household, TANF, and food stamps—in the month prior to the survey.\(^2\) These sources have been shown in other studies to represent more than 85 percent of the total income of current and former welfare clients (Rangarajan and Wood 1999). Nonetheless, the measure will understate income received last month for some clients, because it does not include income from all sources.\(^3\) The poverty levels we report are based on U.S. Department of Health and Human Services (DHHS) federal poverty guidelines.

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\(^1\)The data suggest that one in six clients formed “two-parent” families during the past year, that is, either married, reunited with spouses, or moved in with their partners. This finding should be treated with caution, however. Information on clients’ current household composition comes from the client survey, whereas household composition at the time of sampling one year earlier comes from N-FOCUS administrative records data. It is likely that, in order to participate in TANF or receive larger benefits, some clients did not report the presence of a spouse or partner to Nebraska eligibility workers or case managers. Because it is based on a comparison of two different data sources, our estimate probably overstates the extent of family formation occurring between the time of sampling and the follow-up interview.

\(^2\)Clients were also asked to report total household income received during the 12 months preceding the survey. They were asked to consider family income from all sources, such as earnings, government assistance, child support, and other income, from all household members— from clients themselves, their children, and others living with them and sharing resources. Amounts reported by clients seemed very low. For instance, over 20 percent of clients reported having annualized household incomes less than $5,000, although the period covered by the survey refers to a time when many clients were still receiving welfare and food stamps, and many were employed. Because of problems with respondent recall, we decided that it was not possible to use the survey’s annual income measure.

\(^3\)For instance, our measure of monthly household income does not include the value of any earned income tax credits (prorated on a monthly basis) that families may have been eligible to receive, nor does it include income from child support payments. Approximately half the clients reported receiving the Earned Income Tax Credit in the tax year prior to the survey, and about one-fifth received child support payments.
poverty guidelines for year 2000. For instance, based on these guidelines, a family of three is considered to be in poverty if its monthly income is below $1,145 ($13,738 on annual basis); and a family of four is poor if its monthly income is below $1,467 ($17,603 annually).

- Clients had household incomes of about $1,193, on average, in the month prior to the survey. Over two-thirds were in households whose monthly income was below the federal poverty guidelines.

On average, clients reported monthly household income from earnings (their own and earnings of other adults), TANF, and food stamps of $1,193 during the month prior to the survey (Figure IV.2). Median monthly household income from these four sources equaled $934 (results not shown). About 1 in 10 clients reported household incomes from these four sources in the month prior to the survey to be less than $417 (which translates into an annual income of $5,000), and 4 in 10 reported incomes less than $833 ($10,000 when annualized, Figure IV.3). The monthly household income of urban clients was on average $140 more than for rural clients ($1,245 versus $1,105), but not statistically significant.

Over two-thirds of clients reported monthly income from earnings, TANF, and food stamps in the month prior to the survey to be below the DHHS poverty guidelines for the size of their household (Figure IV.4). Many clients were in extremely poor households: over one-quarter overall were in households with incomes less than 50 percent of the poverty level.

There are two slightly different versions of the federal poverty measure: (1) the poverty thresholds, and (2) the poverty guidelines. Both measures establish money income thresholds that vary by characteristics of the family. The family's income is then compared to the threshold to determine who is poor. If a family's total income is less than that family's threshold, then that family, and every individual in it, is considered poor. The poverty thresholds are the official measure of poverty updated each year by the U.S. Census Bureau; the poverty thresholds take into account both family size and composition (presence and number of children under age 18) when setting a money income threshold for poverty. The poverty guidelines are the other version of the federal poverty measure. They are issued each year in the Federal Register by the Department of Health and Human Services (DHHS). The poverty guidelines are a simplification of the poverty thresholds in that they take into account family size but not composition to establish poverty thresholds. In general, the poverty thresholds do not differ from the poverty guidelines by more than $100 or $200 dollars for a given family size. Our analysis of poverty in this report is based on the DHHS poverty guidelines. We also conducted the poverty analyses using the poverty thresholds—the results were essentially the same.

The poverty guidelines are based on annual, not monthly, income. Because the poverty statistics presented in this chapter are based on monthly income, which is more sensitive to short-term fluctuations than annual measures, they may not accurately reflect the poverty status of clients' families in the past year. However, as mentioned earlier, because of recall error, it was not possible to use the survey’s measure of annual income.

Median household income from these sources during the month prior to the survey for urban and rural clients was $941 and $927, respectively.

The income figures and poverty measures reported in this chapter include income from food stamps. Poverty rates are sometimes calculated excluding food stamps. Excluding food stamps, average household income among clients was $1,021, and 74 percent of clients were below 100 percent of poverty, based on income received from earnings (clients' and earnings of other adults in the household) and TANF in the month prior to the survey.
FIGURE IV.2
AVERAGE MONTHLY INCOME FROM EARNINGS, TANF, AND FOOD STAMPS
(Month Prior to Survey)

Monthly Income

$0
$100
$200
$300
$400
$500
$600
$700
$800
$900
$1,000
$1,100
$1,200
$1,300
$1,400
$1,500
$1,600

$1,105
$1,245
$1,193
$1,436

$0

All Clients
Urban Clients
Rural Clients
Employed, Off TANF
Not Employed, On TANF

Source: Nebraska Client Survey. Tabulations are weighted.

Differences between employed, off TANF and not employed, on TANF groups for monthly income were statistically significant from zero at the .01 level, using a two-tailed test. Rural-urban difference was not statistically significant.

FIGURE IV.3
MONTHLY HOUSEHOLD INCOME AMONG CLIENTS

Percentage

0 10 20 30 40

Less than $417 417 to $833 833 to $1,250 1,250 to $1,667 1,667 to $2,500 $2,500 or More

12 32 24 13 13 6

Source: Nebraska Client Survey. Tabulations are weighted.

Note: Figures refer to the average household income from clients' own earnings, earnings of other adults, TANF, and food stamps, in the month prior to the survey.
FIGURE IV.4

HOUSEHOLD INCOME RELATIVE TO POVERTY GUIDELINES

Source: Nebraska Client Survey. Tabulations are weighted.

Note: Figures refer to the household income from clients’ own earnings, earnings of other adults, TANF, and food stamps, in the month prior to the survey.
Overall, about 12 percent of clients reported incomes that in the month prior to the survey were 150 percent of the poverty level or above. Poverty is prevalent for both urban and rural clients (Figure IV.4). However, urban clients were somewhat more likely than rural ones to be in households with incomes that were 150 percent of poverty or above (14 percent versus 9 percent).

- **Clients who had left TANF and were employed at the time of the survey had higher household incomes and were less likely to be in poverty than those who still received TANF.**

Clients who had left TANF and were working at the time of the survey had incomes substantially above those of clients who remained on TANF. Their average income in the month prior to the survey equaled $1,436 (Figure IV.2). In contrast, clients who received TANF but were not working had average household income equal to $903. Although many were poor, based on income reported during the prior month, a significantly smaller fraction of clients who were employed and off TANF than still on TANF and not employed were poor. For instance, 51 percent of employed clients off TANF were poor, compared with 89 percent of clients still on TANF and not employed.

- **Earnings, TANF, and food stamps were important sources of income for most clients’ households.**

Clients reported receiving income or in-kind support from several sources during the month prior to the survey. Many clients received income from earnings, TANF, or food stamps. Seventy-two percent received income from earnings (their own or those of other adults in the household), 72 percent received food stamps, and 52 percent received TANF (Table IV.1).

Nine in 10 clients received income from public sources. In addition to TANF and food stamps, other types of public assistance were important for many clients. Nearly half the clients lived in public housing or received rent subsidies; 40 percent received subsidies for child care through Nebraska’s state child care subsidy program; and more than one-third received food vouchers through the Special Supplemental Nutrition program for Women, Infants, and Children (WIC). Urban clients were significantly more likely than rural clients to rely on TANF, food stamps, and rent subsidies.

Nearly 7 in 10 clients received income from other sources. Twenty-one percent received child support income during the month prior to the survey. Rural clients were more likely to receive child support (28 percent versus 17 percent for urban clients).
Over half of eligible clients took advantage of the Earned Income Tax Credit, with participation higher among rural clients.

The federal Earned Income Tax Credit (EITC) is an important source of assistance for working families, because it increases the amount of income that families can keep. In examining participation in the EITC among welfare clients in Nebraska, it is useful to focus only on clients who family's earned income is below the income eligibility threshold for the EITC ("likely eligible clients"). Most eligible clients took advantage of the EITC; however,

<p>| TABLE IV.1 |
| INCOME SOURCES AMONG CLIENTS |
| Percent of Clients Receiving Income from Source Last Month a |</p>
<table>
<thead>
<tr>
<th></th>
<th>Urban</th>
<th>Rural</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td>69</td>
<td>77*</td>
<td>72</td>
</tr>
<tr>
<td>Client’s earnings</td>
<td>60</td>
<td>64</td>
<td>61</td>
</tr>
<tr>
<td>Earnings of other adults in the household</td>
<td>24</td>
<td>27</td>
<td>25</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>93</td>
<td>89</td>
<td>92</td>
</tr>
<tr>
<td>TANF</td>
<td>59</td>
<td>40***</td>
<td>52</td>
</tr>
<tr>
<td>Food stamps</td>
<td>77</td>
<td>63***</td>
<td>72</td>
</tr>
<tr>
<td>Women, Infant, and Children (WIC) benefits</td>
<td>38</td>
<td>34</td>
<td>37</td>
</tr>
<tr>
<td>Nebraska child care subsidy</td>
<td>41</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>SSI or Social Security</td>
<td>14</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Rent subsidy</td>
<td>50</td>
<td>41*</td>
<td>47</td>
</tr>
<tr>
<td>Other Sources</td>
<td>62</td>
<td>71*</td>
<td>65</td>
</tr>
<tr>
<td>Earned Income Tax Credit (EITC)</td>
<td>45</td>
<td>58**</td>
<td>50</td>
</tr>
<tr>
<td>Child support</td>
<td>17</td>
<td>28</td>
<td>21</td>
</tr>
<tr>
<td>Unemployment Insurance/Worker's Comp</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Money from friends or relatives</td>
<td>16</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Sample Size</td>
<td>200</td>
<td>212</td>
<td>412</td>
</tr>
</tbody>
</table>

SOURCE: Nebraska Client Survey. Tabulations are weighted.

*Income sources refer to the month prior to the survey.

We conducted t-tests to test for differences between urban and rural clients. Differences between urban and rural clients for this characteristic:

*Significantly different from zero at the .10 level, two-tailed test
**Significantly different from zero at the .05 level, two-tailed test.
***Significantly different from zero at the .01 level, two-tailed test.

For tax year 1999, the maximum tax credit was $2,312 for families with one child and $3,816 for families with two children.

We estimated that 78 percent of Nebraska’s welfare clients were likely to be eligible for the EITC. Eligibility for the EITC depends primarily on the amount of a family’s earned income. Based on income, working families qualified for the EITC for tax year 1999 (the year relevant for the Nebraska client survey) if they earned income and met one of the following conditions: (1) they had no qualifying children, and their earned income and modified adjusted gross income (AGI) totaled less than $10,200; (2) they had one qualifying child, and their earned income and modified AGI totaled less than $26,928; or (3) they had more than one qualifying child, and their earned income and modified AGI totaled less than $30,580. The survey collected information on the monthly earned income of both clients and other adult household members. It also asked clients how many months they worked during the past year and what the hours worked and wages were of their current or most recent job. Using all this information, we were able to estimate total annual earned income for clients who worked during the past year and for the other adult members of their household. Then (footnote continued)
many who may have been able to benefit from it did not apply for or receive it. Over half (56 percent) of Nebraska’s welfare clients who are likely eligible for the EITC reported that they applied for or received it during the most recent tax year (Figure IV.5). A significantly greater proportion of rural clients than urban ones applied for or received the EITC (64 percent versus 51 percent). This difference may reflect greater efforts by Employment First program staff in rural areas to promote awareness of the EITC among their clients.

THE PREVALENCE OF SERIOUS HARDSHIPS AMONG CLIENTS

The frequency with which serious hardships occur in clients’ lives is another indicator of their well-being and quality of life. We examined four hardships that clients could have experienced during the past 12 months—(1) difficulty living off their household’s income;

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FIGURE IV.5
USE OF THE EARNED INCOME TAX CREDIT DURING THE PAST YEAR

![Bar Chart]

Source: Nebraska Client Survey. Tabulations are weighted.

Note: EITC = Earned Income Tax Credit.

We conducted a t-test for the difference between the urban and rural clients. The difference for this characteristic: **Significantly different from zero at the .05 level.

The EITC usage rate is calculated only for clients likely to be eligible for the EITC.

---

we used this information, along with the EITC eligibility guidelines by family size, to estimate the proportion of clients who were likely to be eligible for the EITC.

10 This estimate may undercount the proportion of likely eligible families who received the EITC. Because many low-income workers do not prepare their own taxes, some EITC recipients may not be aware that they received the tax credit. For example, recent estimates of the proportion of TANF clients in New Jersey who received the EITC adjusted for this type of undercounting and found that EITC participation increased by 9 percentage points as a result (Rangarajan and Wood 2000).
(2) housing-related crises; (3) food insecurity; and (4) lack of health insurance (for either the client or her children, or for both).

- **A substantial number of clients reported difficulty living off their household’s income at the time of the survey.**

  Nearly 6 in 10 clients reported that at the time of the survey it was either extremely difficult or very difficult to live on their household's income (Figure IV.6). This attitude was equally prevalent among urban and rural clients. Not surprising, clients in households with lower incomes were more likely to report this hardship. For instance, 69 percent of clients still receiving TANF and not working stated it was either extremely or very difficult to live on their household’s income, compared with 49 percent of employed clients off TANF.

![FIGURE IV.6](image)

**CLIENT PERCEPTIONS ABOUT ADEQUACY OF HOUSEHOLD INCOME:**

**Proportion of clients reporting that it is extremely or very difficult to live on household income right now**

Source: Nebraska Client Survey. Tabulations are weighted.

---

11Clients who reported that it was extremely or very difficult to live off their household’s income were considered to have this hardship. We also examined the results using a more objective measure of extreme poverty: the percentage of clients with family income less than 50 percent of poverty guidelines. The results were essentially the same.
Many clients struggled to cover the cost of housing and critical utilities or at some point needed temporary or emergency shelter during the past year.

Approximately 6 in 10 clients reported that at some point during the past 12 months they needed help paying rent (or mortgage) or utility bills, or needed emergency or temporary shelter as a result of problems with their housing situation (Figure IV.7). Urban and rural clients did not differ in the incidence of housing-related crises during the past year. Again, clients receiving welfare and not working were most likely to experience a housing-related crisis during the past year (63 percent of clients receiving TANF and not employed in the month prior to the survey reported such a hardship).

Most clients were able to meet their basic need for food during the past year.

When asked to characterize their household’s food situation, approximately two-thirds reported that their household generally had enough to eat during the past 12 months (Figure IV.7).

---

**FIGURE IV.7**

HOUSING SECURITY: PROPORTION OF CLIENTS EXPERIENCING HOUSING-RELATED HARDSHIP

Source: Nebraska Client Survey. Tabulations are weighted.

Note: Client has hardship if during past 12 months needed help paying rent or utilities or needed emergency or temporary shelter.

---

12Clients experienced a housing crisis if they needed help paying rent (or mortgage) or utilities or needed emergency or temporary shelter during the 12 months prior to the interview.
Slightly more than one-third reported that there were occasions during the past year in which their household did not have enough to eat. Twenty-nine percent of clients reported that they sometimes did not have enough food to eat during the past year; and 7 percent reported that their household often did not have enough food to eat. Similar proportions of urban and rural clients reported that their household often did not have enough to eat (approximately 7 to 8 percent). Clients in urban areas were more likely than rural clients, however, to report that their household sometimes did not have enough to eat (33 percent versus 24 percent). Clients who were not working were more likely than those who were working to report food insecurity. For instance, 11 percent of clients on TANF but not working reported that their household often did not have enough to eat during the past year. In contrast, less than 5 percent of employed clients off TANF reported often not having enough to eat.

Clients were categorized as being food insecure if they reported in a single question that their household often did not have enough to eat. The U.S. Department of Agriculture (USDA) has developed an 18-question scale that has been tested and used in national and other surveys. USDA and its collaborators have also used a 6-item module that may be used in place of the full scale. Because of constraints on its length, we could not include either the full scale or even the shorter 6-item question sequence in the survey. Our measure based on a single question will probably underestimate the prevalence of food insecurity among Nebraska’s clients.
The vast majority of clients and their children were covered by health insurance. However, some clients who were off welfare or who had health barriers were uninsured.

Health insurance allows clients to access needed health care, including care to help address physical and mental health barriers. As shown in Chapter II (Table II.2), many clients who left welfare did not get jobs that offered health insurance. These clients needed to rely on public health insurance for themselves and their families. To provide health insurance for low-income people, Nebraska offers Medicaid coverage for TANF recipients and certain other low-income, working adults. Also, through Kids Connection, Nebraska’s Medicaid expansion program (State Children’s Health Insurance Program), it offers coverage for all children in families with income up to 185 percent of the federal poverty level.

The vast majority of Nebraska’s welfare clients and their children were covered by some type of health insurance. Eighty-five percent of clients reported that they were covered by some type of insurance, and 97 percent reported that their children were covered (Figure IV.9). There were no significant differences between urban and rural clients regarding insurance coverage.

Despite high overall health insurance coverage rates, there were unmet needs among important subgroups (Figure IV.9). First, a substantial minority of TANF leavers were not insured. Among all clients who had left TANF at the time of the survey, 24 percent reported that they were uninsured, compared with 7 percent of clients who were still on TANF. Second, 17 percent of clients with mental and physical health barriers—who may need health insurance the most—were not insured. Although some gaps remain, a review of findings from other studies suggests that Nebraska, compared to many other states, has been successful at keeping most of its TANF clients insured. For instance, a study of former clients nationwide who had been off welfare a short time (from a few months to about a year) showed that 59 percent were covered by insurance in 1997 (Loprest 1999). This compares with 76 percent of all former clients in Nebraska. Moreover, using an example from a neighboring rural state, a recent study of Iowa TANF recipients showed that 63 percent of recipients who left the rolls during spring 1999 were insured (Kauff et al. 2001).

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14 Working former TANF clients can receive transitional Medicaid for 6 months without regard to income and for an additional 18 months as long as their income remains below 185 percent of the federal poverty line. The vast majority of clients in the sample met the income eligibility criteria.

15 The survey did not ask respondents about the source of health insurance. Hence, we are able to report only the proportion of clients covered by any type of health insurance.

16 Eighty-six percent of urban clients reported that they were covered by some type of insurance compared with 83 percent of rural clients. Ninety-seven percent of both urban and rural clients reported that their children had health insurance.

17 In particular, among clients who had left welfare but were not working, nearly half were uninsured. The rate of noncoverage among their children was much lower (around one-fifth), but still higher than among other children of welfare parents. These findings should be interpreted with some caution, however, as they are based on a sample of 49 cases.
Overall, serious hardships were pervasive.

We examined the proportion of clients who faced four serious hardships during the past year, defined as: (1) extremely or very difficult to live on the household’s income; (2) occurrence of housing-related crisis; (3) the household often did not have enough food to eat; and (4) the client or her children did not have health insurance. Nearly 8 in 10 clients experienced at least one of the four in the past year (Table IV.2). On average, clients faced between one and two serious hardships during the past 12 months, the most common being housing-related crises and inadequate incomes. Clients in urban and rural areas were equally likely to experience severe hardships. Clients who were not employed were more likely than employed clients to experience multiple hardships (results not shown). For instance, nearly one-quarter of clients off TANF and not working experienced three or more of the four hardships, compared with less than one-tenth of employed clients on TANF and less than one-tenth of employed clients off TANF.
### TABLE IV.2
PREVALENCE OF SERIOUS HARDSHIPS AMONG CLIENTS

<table>
<thead>
<tr>
<th>Serious Hardships During the Past Year</th>
<th>Urban</th>
<th>Rural</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely or very difficult to live on household income</td>
<td>59</td>
<td>58</td>
<td>59</td>
</tr>
<tr>
<td>Housing-related crises</td>
<td>54</td>
<td>57</td>
<td>55</td>
</tr>
<tr>
<td>Household often did not have enough food to eat</td>
<td>7</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>No health insurance</td>
<td>14</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Number of Serious Hardships</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>22</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>1</td>
<td>32</td>
<td>35</td>
<td>33</td>
</tr>
<tr>
<td>2</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>a</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>(Average)</td>
<td>(1.3)</td>
<td>(1.4)</td>
<td>(1.4)</td>
</tr>
</tbody>
</table>

**Sample Size**

200 212 412

**Source:** Nebraska Client Survey. Tabulations are weighted.

aLess than 0.5 percent.
CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

This report provides a snapshot of how a recent cohort of Nebraska's welfare clients and their families are faring under the Employment First welfare reform program. The focus is on clients' welfare and employment experiences, barriers to work, program participation and service usage, and overall quality of life. Many clients were progressing toward economic independence by leaving welfare for work; many others still on the caseload faced substantial barriers to employment and were struggling to obtain work and leave cash assistance. Client participation and use of supportive services were high in Nebraska; but gaps remained among important subgroups. In this concluding chapter, we summarize key characteristics of Nebraska's TANF population, highlight important differences between the experiences of urban and rural clients, put the findings in the context of other welfare studies, and identify priorities for improving the Employment First program and addressing the barriers that clients continue to face.

KEY FINDINGS

The Employability and Well-Being of Clients

Nebraska's clients have diverse work and welfare experiences. As in other states, Nebraska's caseload comprises various types of clients, including recent entrants who may stay only for short periods of time, longer-term clients who may have substantial barriers to employment, and others who cycle in and out. These clients are likely to take different paths off welfare. In early 2000, we find that in examining a cohort of single-mother TANF clients in the Nebraska caseload, a year later over one-third had left TANF and were working. These clients earned substantially more than other clients, although many worked in jobs that were typical for newly employed welfare recipients—jobs that paid low wages and offered few fringe benefits. About half the caseload continued to receive TANF a year later. However, nearly half the remaining clients combined welfare with work, a higher fraction compared with welfare clients nationwide. The remaining one-tenth of clients were neither working nor receiving TANF a year later.
Clients had varying levels of need, but many faced multiple barriers to employment. Low skills, mental health difficulties, problems with child care, and having dependent care responsibilities for a child with special needs or for an elderly, sick, or disabled person were the most common barriers facing Nebraska’s clients, each affecting about one-third of the caseload. Smaller but still significant fractions of clients also faced transportation problems and serious personal needs, such as alcohol or drug problems, physical domestic abuse, learning disabilities, and physical health issues. Overall, over three in five clients faced at least one serious personal or family barrier, and nearly one in four had low skills and at least one serious personal or family barrier. In general, the prevalence of serious employment barriers among Nebraska’s welfare clients was quite comparable to that of welfare clients in other states.

Clients who were working a year later were significantly less likely to have employment barriers. Moreover, clients who remained on TANF and were not working a year later faced more barriers than other clients, especially those who had left welfare for work. These findings suggest that those clients still on TANF, especially those not working, may have a difficult time successfully leaving welfare for work unless their skill deficiencies and other barriers are addressed.

Many clients reported participating in Nebraska’s Employment First program and receiving supportive services. About 7 in 10 clients signed a Self-Sufficiency Contract, and, at the time of the survey, close to 6 in 10 were either working or participating in work activities for at least 20 hours a week. A majority made use of available supportive services and benefits, including child care subsidies, public health insurance, food stamps, and the EITC. Smaller but still substantial fractions received help with transportation and services to address mental health, substance abuse, and domestic violence. Client participation in employment preparation activities and receipt of supportive services was high in Nebraska compared to other states. In particular, Nebraska’s clients were more likely to participate in education and training activities. These findings may partly reflect Nebraska’s assessment-choice model of service delivery, which uses individualized case management and encourages education and training for clients.

Many clients faced hardships despite their employment efforts and service use. A year later over two-thirds were still living in poverty and 8 in 10 faced at least one serious hardship, such as a housing crisis, often not having enough food to eat, or lacking health insurance. Working allowed many former TANF recipients to escape poverty; still, one-half of those off TANF and working were poor. The hardships and employment barriers among Nebraska’s welfare population point to opportunities (discussed below) for improving the program and targeting services to clients with the most severe employment barriers.

**Urban and Rural Differences**

Urban and rural areas each offer opportunities and challenges for clients in finding jobs and getting off welfare. Clients in Nebraska’s urban areas—Omaha and Lincoln—were more dependent on TANF than clients in the other, more rural parts of the state. At the time of sampling in January 2000, two in five urban clients had received welfare four or more years since 1992, compared with one in five rural clients. Although the background characteristics of both urban and rural clients—including level of education and work
experience—were very similar, rural clients were significantly more likely to be off TANF a year later: 6 in 10, compared with 4 in 10 urban clients. Overall, findings about Nebraska's rural clients were generally consistent with those of other studies of welfare clients in rural places.

Despite their higher probability of finding employment, rural clients worked in jobs that paid significantly less and offered fewer fringe benefits than the jobs held by urban clients. Consequently, rural clients had lower monthly earnings, which made them more likely to remain in poverty even when they were working. Rural clients were just as likely to work in full-time jobs, but more likely than urban clients to have jobs with irregular, split, or rotating shifts. Although some clients may prefer these nonstandard shifts (for example, because of child care reasons), other clients may face greater difficulties in obtaining services such as child care and transportation during these times.

Program participation and service use rates were higher among rural clients than urban ones, though the prevalence of barriers between the two groups was quite comparable. Nearly two-thirds of rural clients reported that they participated in employment-related or educational services over the past year, compared with just over half of urban clients. In particular, rural clients were significantly more likely to receive job search assistance, participate in job readiness training, and receive help finding or paying for education or training. Rural clients were also in more frequent contact with their case manager, which may help to explain why they were more likely to receive certain types of supportive services and benefits. Although there were not significant differences between urban and rural clients in the use of child care subsidies, receipt of transportation assistance, and health insurance coverage, rural clients were more likely to receive the EITC, and rural clients with serious mental health and substance abuse problems were more likely to receive specialized treatment or services than their urban counterparts.

Although a greater number of education and training options and specialized service providers were generally available in the urban areas, rural clients appeared to be better connected with the Employment First program and the services it offers. This can be explained, in part, by several key factors. First, because of the closer-knit and less transient nature of rural communities, rural staff may be able to develop more effective partnerships with other service providers and closer relationships with clients, two factors that allow staff to address clients' needs better. Second, the service delivery systems in rural areas are less complex, which may make it easier and less time-consuming for staff to develop strong collaborative partnerships and to connect clients with available services and resources. Third, preliminary findings from the process study suggest that, in general, case managers in rural areas may be more experienced and skilled than their counterparts in the urban areas. This is partly because there are fewer competing job opportunities in rural areas, which, in turn, makes it easier for rural welfare offices to hire and retain experienced staff and to help staff develop their skills over time. More experienced and higher skilled staff, in turn, are better equipped to help clients address their barriers and service needs.
PROGRAM AND POLICY IMPLICATIONS

Nebraska’s Employment First program has done well—a year later over one-third of single-mother clients who were receiving TANF in January 2000 had left welfare for work. Moreover, a large fraction—about one-quarter—were combining welfare with work. A small fraction—about one-tenth—had left welfare without a job. The remaining one-quarter continued to receive welfare but did not work. Nebraska has implemented many important program strategies to address clients’ needs and prepare them for work; these findings, however, suggest a variety of additional action steps. These steps, described next, are designed to target services and opportunities to address unmet needs and improve the employment and economic prospects of Nebraska’s welfare clients.

Suggestions for how program administrators and policymakers might respond to the survey findings are highlighted below. These will be further developed as part of the evaluation’s synthesis report, which will examine the survey findings in the context of the qualitative assessment of Employment First program implementation that is being conducted through the evaluation’s process study.

- **Target new program initiatives to hard-to-employ clients in urban areas, where most of Nebraska’s long-term TANF clients live.**

Clients who remained on TANF and were not working at the time of the survey were more disadvantaged than other clients. These clients faced a variety of barriers to employment (such as low education and limited work experience, poor mental and physical health, other personal difficulties, and child care and transportation issues). Because of the variety of challenges facing clients who have not yet found jobs, program staff may need to focus additional attention on their needs.

To address the needs of longer-term welfare clients, staff should make a special effort to identify current clients who have received TANF for long periods of time and then reassess their needs for services and employment preparation. Although this strategy is relevant for both urban and rural clients, it demands greater attention in Nebraska’s urban areas, which contain the greater proportion of long-term TANF recipients. Urban clients in Nebraska generally received welfare for longer periods of time and exited welfare more slowly than rural clients. In many of Nebraska’s rural areas, the Building Nebraska Families (BNF) Initiative is a recent innovative strategy that provides intensive and individualized home-based case management and life skills training to high-risk rural families. Nebraska might consider adapting this initiative to its urban areas or developing new initiatives to address the needs of its hardest-to-employ urban clients.

- **Help clients with limited education and work history take advantage of work experience, on-the-job training, and educational opportunities.**

A substantial minority of Nebraska’s welfare clients have limited education and work experience. Providing appropriate services to them is important, since they are significantly less likely to work than their better-educated and more experienced counterparts. It is these clients who may be most likely to benefit from specialized employment preparation activities.
like remedial education, GED preparation, job readiness (and life skills) training, work experience, and on-the-job training. More generally, some of these clients (as well as others) may benefit from vocational skills training—training that in the end may be important in helping them get better jobs and advance in the labor market.

To promote job placement and, ultimately, job retention and advancement, program staff might better target specialized employment preparation activities to clients with limited education and work experience. This might involve, for example, requiring all clients without a high school education or with limited work experience to participate in an intensive job readiness training class that covers workplace behavior and requirements, problem-solving, and social and other life skills. It might also involve improving efforts to connect these clients with work experience and on-the-job training opportunities and to develop supported work opportunities. More generally, since Nebraska’s Employment First program is supportive of clients who are building their skills as they prepare for employment, staff might also identify clients who have the potential for further education and vocational training and encourage them to take advantage of available opportunities.

- Develop a systematic process for identifying and addressing serious personal and family barriers.

In addition to low skills, many in Nebraska’s welfare caseload face personal barriers such as mental health problems, substance abuse, domestic violence, and learning disabilities. These can be very difficult to identify, since clients are often reluctant to talk about such sensitive issues and, in some cases, may not know or acknowledge that they have a problem. Addressing these barriers is challenging also because specialized services, treatment, and, in some cases, workplace accommodations are required. However, since these barriers may prevent clients from participating in work activities or from finding or keeping a job, it is important to improve strategies to address them. Preliminary findings from the evaluation’s process study suggest that Nebraska has already taken initial steps to improve services to clients who face these barriers. However, more is needed. Building on what has been done already, program administrators and policymakers might consider:

- Improving training and ongoing technical assistance to increase case managers’ knowledge of personal and family barriers and build their comfort level in working with clients who face them.

- Developing better tools for identifying personal and family barriers. The new assessment form that the Central Office is developing represents an important step in the right direction.

- Further developing collaborative relationships with local service providers who offer specialized services and actively involving staff from these organizations in Employment First program efforts.

- Disseminating additional information to staff on what services and resources are available locally and how they can help clients access and pay for them.

- Expanding the list of allowable TANF work activities in Nebraska to include participation in mental health and substance abuse treatment.
- Targeting specialized employment preparation activities—such as job readiness training, work experience, and supported work opportunities—to these clients, some of whom may benefit from them.

- **Improve transitional employment support to help clients manage the transition to work and promote job retention and advancement over time.**

  Many of Nebraska’s TANF clients find low-paying, entry-level jobs. The low wages that these jobs pay, combined with the high cost of work, can make it difficult for welfare clients to maintain employment. In addition, clients who find work must adjust to the demands of the workplace and make reliable child care and transportation arrangements. Some must also deal with health problems—their own or a family member’s—that may make it difficult for them to work at all. Many clients also struggle to provide financially for their families. These concerns can all compound to make the transition from welfare to work difficult.

  Stronger transitional employment supports may promote job placement, retention, and ultimately, advancement, by helping clients to cope with workplace issues and to develop the skills and experience that will help them advance in the labor market over time. These supports may involve intensive case management for clients at high risk of job loss, workplace mentoring and coaching, financial incentives for low earners, and education vouchers to help clients develop their skills while they work. In addition, the many clients who have little work experience may benefit from training and assistance on dealing with workplace stress and getting along with others on the job. Developing closer ties with key employers in local communities might also help facilitate the transition to work for many clients. Finally, it is important to ensure that clients are using available services and supports, such as child care subsidies, transportation assistance, food stamps, health insurance, and specialized services for personal and family barriers.

- **Increase knowledge and use of the EITC to increase the amount of take-home pay for working families.**

  The EITC is an important source of financial assistance for low-income working families. Although most eligible clients in Nebraska do take advantage of the EITC, many more could benefit. Receiving the EITC would give low-income working parents a better chance to lift their families out of poverty and achieve economic independence. Future program efforts might focus on increasing knowledge and awareness of the EITC among clients, and on helping clients claim the credit on their tax return. Moreover, encouraging clients who claim the credit also to use the EITC’s advanced pay option will help to increase the amount of pay that working clients can take home each week. Although these issues are critical in the urban areas, where EITC participation is relatively low, it is relevant for Nebraska’s rural areas as well. Current Nebraska HHSS plans related to promoting the EITC represent an important step in the right direction.
Identify clients who leave TANF without a stable source of financial support and reassess their needs for and use of available services.

A small fraction of Nebraska’s clients left welfare and were not working. This was a mixed group with diverse needs. Some of these clients were living with other employed adults or had recent work experience. Others, however, did not have such supports, and, like clients who remained on TANF, many experienced serious employment barriers. In particular, many clients who left welfare without a job were sanctioned over the past year. While some of these sanctioned clients may not have participated in program activities because they had other sources of income and did not want to participate, others may not have been able to comply with program requirements because of the barriers that they faced.

To assist former clients who may leave welfare without a job or other source of support, including those clients who were sanctioned, program staff may need to understand better the reasons these clients exited TANF, what their needs are, and what supports would be useful to them to improve their ability to work and support their families. Although case managers are already in contact with many of these clients relatively frequently, they may need to make additional efforts to reach out to these clients, reassess their need for supportive services and employment preparation support, and help them obtain additional services or participate in employment preparation activities. Close coordination with community-based organizations that can reach out to these clients might be useful.


APPENDIX A

SURVEY AND DATA WEIGHTING METHODS

This appendix describes the methodology for the telephone survey and the weighting procedures used in the study.

Survey Methodology

In this section we present the methods used to design and conduct the client survey. We discuss sample selection and release, questionnaire design and pretesting, interviewer training, data collection procedures, and final completion rates and survey non-response.

Sample Design

The sampling frame for the survey of Nebraska TANF clients consisted of female-headed single parent families that, according to Nebraska HHSS administrative records, received TANF benefits in January 2000. Our goal was to complete interviews with 400 clients from a sampling frame of 6,077 mother-only TANF cases.

To be eligible for the survey, clients had to meet the following criteria: (1) be single mothers between the ages of 18 and 54; (2) be living with at least one child less than 18 years of age; and (3) receive TANF in January 2000. We selected the sample for the study from the state’s N-FOCUS database. We implemented a stratified sample design with sample placed in two strata, based upon the urban and rural designation of Nebraska counties. Clients in Lancaster, Sarpy and Douglas counties were considered urban, and the remaining counties in the state were considered rural. We selected a sample size of 1,600 (800 in each stratum) and randomly divided the sample within each stratum into 32 replicates. Each replicate consisted of 25 cases (32 replicates of 25 in each stratum) and represented a

1This appendix was co-authored by Martha Kovac and Bidisha Ghosh. Martha Kovac authored the survey methodology section and Bidisha Ghosh the data weighting procedures section.
statistically valid mini-sample from the study population. The first two replicates in each stratum were used in the pre-test sample.

Ultimately, we released a total of 549 cases. The 549 cases were released in three waves, so as to control for the overall response rate. We released the first wave of 300 cases on October 31, 2000. We released a second wave of 100 cases on November 15, 2000. A third and final wave of 149 cases was released on December 8, 2000.

Questionnaire Design and Pretest

We developed the survey instrument in consultation with the Nebraska HHSS. The survey was designed for paper-and-pencil administration over the telephone and was designed to take 35 minutes. Several questions were taken from the Michigan Barriers Survey (WES, Wave 2) and MPR's Work First New Jersey client survey (Waves 1 and 2). Specific scales covering the topics of learning disabilities, mental health and depression, domestic abuse, alcohol and drug abuse were taken from Washington State's Learning Disabilities screener, the Composite International Diagnostic Interview (CIDI), the Minnesota Welfare Evaluation, and the modified CAGE, respectively.

We drafted the questionnaire in August 2000 and submitted it to HHSS for review. We then revised the questionnaire in September based on feedback from HHSS staff. MPR conducted a pretest of the survey instrument and procedures to identify ways to improve the administration procedures, adjust the length of the survey, improve the flow and sequencing of the questions, clarify question wording for the sample members, and clarify instructions for the interviewers. We pretested the instrument in early October 2000 on five respondents. We trained two interviewers on the specifics of the sample population and the study, and on how to administer the questionnaire. The five pretest interviews averaged 54 minutes. We modified the instrument in an iterative fashion based on information obtained through monitoring by MPR staff and debriefings with interviewers. We cut several questions from the instrument based upon the longer than anticipated interview length. Pretesting resumed during the middle of October 2000. We completed another five pretest interviews. These interviews had an average interview length of 35 minutes. All ten pretest interviews were taped.

Data Collection

Data collection began on November 1, 2000 and telephone interviews ran through January 31, 2001. Our field period ran for 13 weeks. The survey averaged 45 minutes in length. No in-person follow-up was employed on this study.

Immediately prior to conducting interviews we held two interviewer training sessions, one on October 30th and the second on 31st, 2000. The survey director led both training sessions. In attendance were the survey director's assistant, the telephone supervisor, the locating supervisor, and the telephone interviewers and quality control monitors to be trained. One of the study's researchers was also present at each training session. Each training session lasted approximately 4 hours.
We contacted sample members by mail and by telephone to participate in the survey. We mailed advance letters to all sample members prior to the first telephone contact. The letters introduced the study, identified the study sponsor and ourselves, and invited the sample member to call us on our toll-free line and participate in the survey at their earliest convenience. The letter explained that participation was voluntary and that the identities and responses of all participants would be kept confidential. The letter offered sample members $35 if they would call and complete the survey within two weeks of receiving the letter. Otherwise they would receive $20 for completing the survey after that. We timed our first telephone calls to begin after sample members should have received the advance letter.

Our next step was to call every sample member who was included in the wave of released cases. This helped to quickly identify all cases in the sample with either no phone number or a wrong number that would need additional searching efforts. The advance letters also served to identify cases that required additional searching. Some of the advance letters were returned to us by mail if the addresses we received from the HHSS data file were old. If a returned advance letter came back in an envelope marked with forwarding address, we remailed the letter to the new address. Those envelopes that were returned without a forwarding address required additional searching.

The searching efforts we used consisted of running sample member’s identifying information (name, date of birth, last known address and phone number) through a database owned by Lexis-Nexis, a personal database search company. These searches generated potential new addresses and phone numbers that HHSS then sent letters to or called, respectively. We also employed the assistance of HHSS staff by sending them lists of cases we were having difficulty locating. HHSS staff checked their database records and asked their local caseworkers to check their personal files for any updated address and telephone information. HHSS then returned any of their subsequent address and/or telephone information to us. Their assistance was invaluable to the success of the study.

We continued mailing letters and postcards to sample members with whom we had not completed interviews with throughout the 13-week field period. The format and content of the letters and postcards changed every few weeks, as well as the size and appearance of the envelope and method of mailing (regular first class mail vs. priority mail). This was done to spark the sample member’s interest in opening and reading the letter. However, the most salient information remained the same in each version of the letter or postcard.

A small number of sample members refused initially to participate in the survey. For these cases, we waited approximately one month from the telephone contact in which the refusal occurred and then mailed them a specially crafted letter. The letter reiterated the importance of the study and of their participation. We again invited them to call our toll-free number to participate and reminded them that we would pay $35 if they completed the interview within 2 weeks of receiving the letter (otherwise they would receive $20 for completing the interview). We waited until we were confident they received the letter, and then a specially trained refusal conversion interviewer called to attempt to gain the sample member’s cooperation. If the result of these steps was a second refusal, we ceased all attempts to contact the sample member from that point forward. Near the end of the field period, we chose to increase the incentive payment to $50 to ensure that our response rate achieved 75 percent.
Data Preparation

As each interview was completed, it was reviewed for completeness, consistency, and accuracy. Based on guidelines developed by MPR, interviewers called back respondents to obtain information or clarify contradictory answers. Reviewers back-coded “other-specify” responses to prelisted choices where appropriate, or assigned new codes if responses were common enough to warrant the additions. They also assigned numeric codes to open-ended questions.

After completed interviews were reviewed and coded, they were sent through the data entry process. The data entry program was written to restrict entries to allowable ranges as well as to adhere to skip patterns in the survey instrument. The data were entered two times by two different people to verify that the data were entered correctly. After data entry was verified, a file of initial frequencies was produced and reviewed for inconsistencies and out-of-range data. Inconsistent data were reconciled based on review of the source data and, in some cases, callbacks to sample members. Following this process, a final data file was produced for analysis.

Sample Disposition and Completion Rate

We completed interviews with 412 of the total 549 cases released for an overall completion rate of 75 percent. Of the 412 completes, 200 interviews were conducted with clients from urban areas and 212 with clients from rural areas. Only two percent of the overall sample refused to complete an interview. Less than one percent failed to complete an interview once they started. Table A.1 shows all cases released for the survey and their final disposition status, by urban and rural designation, and combined.

<table>
<thead>
<tr>
<th>Final Status</th>
<th>Urban Number (%)</th>
<th>Rural Number (%)</th>
<th>Total Number (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete</td>
<td>200 (36.4)</td>
<td>212 (38.6)</td>
<td>412 (75.0)</td>
</tr>
<tr>
<td>Refusal</td>
<td>6 (1.1)</td>
<td>5 (0.9)</td>
<td>11 (2.0)</td>
</tr>
<tr>
<td>Break-Off</td>
<td>1 (0.2)</td>
<td>2 (0.4)</td>
<td>3 (0.5)</td>
</tr>
<tr>
<td>Language Barrier</td>
<td>6 (1.1)</td>
<td>4 (0.7)</td>
<td>10 (1.8)</td>
</tr>
<tr>
<td>Located, Effort Ended</td>
<td>8 (1.5)</td>
<td>10 (1.8)</td>
<td>18 (3.3)</td>
</tr>
<tr>
<td>Unlocatable</td>
<td>52 (9.5)</td>
<td>42 (7.7)</td>
<td>94 (17.1)</td>
</tr>
<tr>
<td>Ineligible</td>
<td>1 (0.2)</td>
<td>0 (0.0)</td>
<td>1 (0.2)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>274 (49.9)</strong></td>
<td><strong>275 (50.1)</strong></td>
<td><strong>549 (100.0)</strong></td>
</tr>
</tbody>
</table>
The majority of non-response to this survey was because sample members could not be located (68 percent of non-responders; 17 percent of all sample members). These were sample members whose address and phone number were old or incorrect on the HHSS file and we were unable to locate them through our searching database, through assistance from HHSS staff and caseworkers, or from forwarding address information attached to returned letters we mailed. A much smaller percent of non-response was individuals who did not respond to the survey (13 percent of nonresponders; 3.3 percent of overall sample). These were sample members who did not call MPR in response to our letters, did not answer their telephone, or a member of the household answered the phone but the sample respondent was never home or never available to participate in the survey.

An even smaller percentage of non-response was because of lack of English-language proficiency (1.8 percent). The primary language these non-responders spoke was Spanish (62 percent), although some spoke either Vietnamese, Chinese or Arabic. There were not enough Spanish only cases to warrant the cost of translating the survey into Spanish. And since the survey contained questions on sensitive topics, we chose not to interview these sample members using a translator from the sample member’s home.

**DATA WEIGHTING PROCEDURES**

**Components of the Survey Weights**

The survey weights were computed using five components. The components are summarized in Table A.2. The product of these five factors are the final sampling weight.

**Nonresponse Patterns**

The primary cause of non-response is unavailability of phone numbers (17.3 percent) and the secondary cause was the refusal to cooperate (7.7 percent). We considered two separate models, one to account for non-located phone numbers and the other to account for the refusals once we were able to locate the phone number. The model based adjustments are discussed in detail in the sections below.

Overall, the key factors related to our ability to locate a phone number were stratum membership, ethnicity (white versus other), one or two children in a household and persons in the age group of 25 to 34. We also saw some significant interaction terms, like urban households in the age group of 25 to 34 and whites in the urban area. Other characteristics like households with persons in the age group of 18 to 25 and those with one or two children in the urban area showed little variation with respect to locating the telephone number for the person.

For response among located persons, the primary relationships were still associated with ethnicity, stratum membership and number of children in the household. The indicator of being in the Lincoln service area was a significant factor affecting the participation rate. Apart from these, two children households in the urban area was a significant interaction term in determining the participation status. We observed little or no variation in terms of
other characteristics like age category, and interaction terms like white households in the urban area and urban households in age groups of 18 to 24 and 25 to 34.

**Computation of the Weighting Components**

**Factor 1: Inverse Probability of Selection**

The initial weight for each sample member accounts for the number of persons they represent in the sampling frame based on the selection procedure. As indicated earlier, we selected a stratified sample of households in which we slightly over-sampled the rural households to meet the analytical objectives. This factor is the inverse probability of selecting a particular case.

**Factor 2: Adjustments for Partial Use of the Full Sample**

The interviews were attempted on a portion of the sampled records. In each stratum, the original sample was divided into random subsets (called waves or replicates), each containing 25 cases. There were 32 replicates in the urban stratum and 32 in the rural stratum. We released the first two waves in each stratum (100 cases in total) for the pretest sample. For the actual survey, we released 11 waves in each stratum from the remaining 30

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### TABLE A.2

**COMPONENTS OF SURVEY WEIGHTS**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Initial sampling weight: The inverse probability of selection of the person based on the sample design</td>
</tr>
<tr>
<td>2</td>
<td>Adjustment factor for the partial release of the total set of replicates</td>
</tr>
<tr>
<td>3</td>
<td>Location Adjustment: A model-based factor used to adjust the sample weight from factors 1-2 among the attempted cases to account for demographic and socio-economic differences between cases which could and could not be located</td>
</tr>
<tr>
<td>4</td>
<td>Response Adjustment: A model-based factor that adjusts the sample weight from factors 1-3 among the locatable respondents to account for demographic and socio-economic differences between non-respondents and respondents</td>
</tr>
<tr>
<td>5</td>
<td>Post-stratification: A post-stratification adjustment using a raking procedure to adjust the weighted counts using factors 1-4 to the total number of persons in the population</td>
</tr>
</tbody>
</table>
waves to get the desired number of completed interviews. The second adjustment factor is a wave release adjustment, equal to the number of waves created divided by the number released for the main survey sample (that is 32/11). In summary, the second factor compensates for the reduction in the sample due to cases for which the screening was not attempted.

**Factor 3: Adjustment for Differences Between Locatable and Unlocatable Cases**

This factor compensates for the reduction in the sample due to cases that we were not able to locate. This adjustment factor is designed to reduce the potential for bias in survey estimates from cases that could not be located. We developed a weighted logistic regression model to predict the location rate from the various demographic and socio-economic characteristics available from the frame for the selected persons. The inverse value of the resulting predicted probabilities, known as “propensity score” was the third weighting factor adjustment. A key determinant in developing these models is the availability of information for both respondents and non-respondents. In many surveys limited information is available, but for this survey we had sufficient data available to use this approach.

The propensity score method is equivalent to the weighting cell approach in the sense that we inflate the weights among the located cases to compensate for cases that were not located. In the weighting class non-response adjustment procedure, mutually exclusive weighting classes are formed and each would need to have sufficient number of cases in each cell so as to get sufficiently stable estimates for the adjustment factor. However, if the adjustment factor values obtained from the weighting class method are large (e.g. more than 2), we would need to subjectively collapse some cells. The combining of the weighting classes may reduce some of the value of this approach as well as being labor intensive. Weighting classes are also combined if a small number (less than 20) of cases are in a class.

The propensity score method has some advantages over the weighting class approach. The logistic model can use both categorical and continuous independent variables. We can also include interaction effects in the model. A limitation of the propensity score method is that the predicted value can be small leading to high propensity score value. In such situations, we may have to trim the weights to avoid making large adjustments to the survey weights and possibly decreasing precision from the survey estimates.

For this survey, we used two weighted logistic regression models, one for location and the other for the interview cooperation. We describe the main findings from the location model in the remainder of this section. In the following sections, we describe the response analysis and post-stratification adjustments.

The first weighted regression model adjusts the weights for the 17% of cases who were not located. In the logistic regression model to adjust for unlocatables, we selected the following set of variables in our analysis.
- Urban versus rural
- Ethnicity (white versus other)
- Number of children in the household
- Age

We also considered some interaction terms: Number of children in the urban area; and particular age group in the urban area.

A weighted logistic regression model with these factors was used to compute the propensity score values. Each located case gets a different propensity score value. Persons having characteristics similar to persons harder to locate received a higher value. The logistic regression model was computed using SUDAAN to account for the sample design. The weight for each person was the product of the first two weighting factors. We prepared an initial model using all the factors and then eliminated those with p-value greater than 0.15. If the interaction effect was significant, we also included the corresponding main effect terms in the model whether significant or not. Table A.3 shows the weighted logistic regression results for location status.

In the location model, the significant factors were one child or two children households. Ages between 25 and 35 years were also significant predictors of location rate. Apart from these main effects, there were two significant interaction effects. We found that it was harder to locate whites in the urban area as compared to the rural area. Cases in the age group of 25 to 35 were easier to locate in the urban area as compared to the rural areas.

<table>
<thead>
<tr>
<th>Description</th>
<th>SAS Variable</th>
<th>Coefficients</th>
<th>Standard Error</th>
<th>T-Test</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>Intercept</td>
<td>1.108</td>
<td>0.421</td>
<td>2.63</td>
<td>0.0088</td>
</tr>
<tr>
<td>Urban</td>
<td>URBLVL1</td>
<td>-0.094</td>
<td>0.451</td>
<td>-0.21</td>
<td>0.8351</td>
</tr>
<tr>
<td>Race-White</td>
<td>RACELVL1</td>
<td>0.34</td>
<td>0.369</td>
<td>0.92</td>
<td>0.3563</td>
</tr>
<tr>
<td>One Child</td>
<td>CHLDLVL1</td>
<td>0.77</td>
<td>0.305</td>
<td>2.53</td>
<td>0.0118</td>
</tr>
<tr>
<td>Two Children</td>
<td>CHLDLVL2</td>
<td>0.594</td>
<td>0.313</td>
<td>1.9</td>
<td>0.0582</td>
</tr>
<tr>
<td>Age 25 to 35</td>
<td>AGELVL2</td>
<td>-0.285</td>
<td>0.354</td>
<td>-0.8</td>
<td>0.4214</td>
</tr>
<tr>
<td>Whites in Urban Strata</td>
<td>URBRAC1</td>
<td>-0.953</td>
<td>0.482</td>
<td>-1.98</td>
<td>0.0487</td>
</tr>
</tbody>
</table>
Factor 4: Adjustment for Differences in Cooperation Rates

This factor compensates for the reduction in the sample due to cases that did not cooperate once located. We developed a weighted logistic regression model to predict the cooperation rate from the various demographic and socio-economic characteristics available from the frame for the selected persons. The inverse value of the resulting probabilities was used as the fourth adjustment factor.

This weighted regression model adjusts the weights for cases among those located that did not complete the interview (about 10 percent). The variables used in this model were the same as those in the location model. In addition, we included an extra variable to denote whether a case belonged to Lincoln area or not. This regression model was also computed using SUDAAN to account for the sample design. For this adjustment, the weight for each person was the product of the first three weighting factors. The final model selection process was similar to that in the location model. Table A.4 shows the weighted logistic regression results for the cooperation status. Being located in Lincoln service area was a significant factor in predicting cooperation status. Whites, households with one or two children were also significant predictors of cooperation status. There was an influential significant interaction term. Persons in two children household in the urban strata showed a higher participation rate as compared to the rural strata. The 413 completed cases received a fourth factor that reflected the inverse estimated probability of responding based on the modeling process.

<table>
<thead>
<tr>
<th>Description</th>
<th>SAS Variable</th>
<th>Coefficients</th>
<th>Standard Error</th>
<th>T-value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>Intercept</td>
<td>2.776</td>
<td>0.575</td>
<td>4.82</td>
<td>0.0000</td>
</tr>
<tr>
<td>Lincoln Indicator</td>
<td>LINCOLN1</td>
<td>-1.109</td>
<td>0.574</td>
<td>-1.93</td>
<td>0.0542</td>
</tr>
<tr>
<td>Urban</td>
<td>URBLVL1</td>
<td>-0.095</td>
<td>0.502</td>
<td>-0.19</td>
<td>0.8507</td>
</tr>
<tr>
<td>Whites</td>
<td>RACELVL1</td>
<td>0.773</td>
<td>0.403</td>
<td>1.92</td>
<td>0.0559</td>
</tr>
<tr>
<td>One Child</td>
<td>CHLDLVL1</td>
<td>-0.764</td>
<td>0.547</td>
<td>-1.41</td>
<td>0.1632</td>
</tr>
<tr>
<td>Two Children</td>
<td>CHLDLVL2</td>
<td>-1.642</td>
<td>0.617</td>
<td>-2.66</td>
<td>0.008</td>
</tr>
<tr>
<td>Two Children in the Urban Strata</td>
<td>URBCLD2</td>
<td>1.459</td>
<td>0.72</td>
<td>2.03</td>
<td>0.0433</td>
</tr>
</tbody>
</table>
Factor 5: Post Stratification Adjustments

The final adjustment factor post-stratifies the weights to sum to the population values. We used five post-stratification variables: urban or rural status, age categories, number of children in the household, race categories and finally, an indicator of Lincoln service area. The adjustments made in the post-stratification step were generally very small.

We did not uncover any sampling weights that were especially large. Thus, there was no need to trim any of the weights. Table A.5 shows the post-stratification adjustments in each cell.

<table>
<thead>
<tr>
<th>Raking Variable</th>
<th>Frame Count</th>
<th>Pre-Raked Count</th>
<th>Adjustment Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age Category</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 to 25</td>
<td>2,354</td>
<td>2,225</td>
<td>1.0580</td>
</tr>
<tr>
<td>26 to 34</td>
<td>2,383</td>
<td>2,483</td>
<td>0.9597</td>
</tr>
<tr>
<td>35 to 54</td>
<td>1,340</td>
<td>1,372</td>
<td>0.9767</td>
</tr>
<tr>
<td><strong>Urban/ Rural Status</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>3,872</td>
<td>3,878</td>
<td>0.9985</td>
</tr>
<tr>
<td>Rural</td>
<td>2,205</td>
<td>2,202</td>
<td>1.0014</td>
</tr>
<tr>
<td><strong>Ethnicity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>3,286</td>
<td>3,311</td>
<td>0.9924</td>
</tr>
<tr>
<td>Black/ Other</td>
<td>2,791</td>
<td>2,769</td>
<td>1.0079</td>
</tr>
<tr>
<td><strong>Child Category</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Child</td>
<td>2,638</td>
<td>2,724</td>
<td>0.9684</td>
</tr>
<tr>
<td>Two Children</td>
<td>1,849</td>
<td>1,832</td>
<td>1.0093</td>
</tr>
<tr>
<td>Three Children</td>
<td>955</td>
<td>1,013</td>
<td>0.9427</td>
</tr>
<tr>
<td>4 or More Children</td>
<td>635</td>
<td>511</td>
<td>1.2427</td>
</tr>
<tr>
<td><strong>Lincoln Status</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lincoln</td>
<td>683</td>
<td>676</td>
<td>1.0104</td>
</tr>
<tr>
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APPENDIX B

MEASURES OF POTENTIAL EMPLOYMENT BARRIERS$^1$

We used data collected in the client survey to form measures of 11 potential barriers to employment. These measures were defined as follows:

1. **Low Skills**: A respondent is considered to have low skills if she neither graduated from high school nor received a GED (see Questions J10 and J11), or if she worked for pay in less than one-quarter of the years since she turned age 18 (see Question C2).

2. **Learning Disabilities**: We used the Washington State Learning Disabilities Screener to measure the possible presence of learning disabilities among respondents (see Questions J9a to J9m). If a respondent scored 12 or more out of a possible 30 points, then she is considered to have a learning disability.$^2$

3. **Major Depression**: We used the World Health Organization’s Composite International Diagnostic Interview Short-Form (CIDI-SF) to measure the prevalence of major depression (major depressive disorder) during the past 12 months (see Questions H5 through H39). There are two ways in which a respondent may screen positive for major depression: If the respondent endorses all questions about one of two types of depression [(H5,H6, and H7) or (H24, H25, and H26)] and the respondent either exhibits three of seven symptoms for the first type of depression or three of six symptoms for the

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$^1$This appendix was co-authored by Jennifer Faerber and Michael Ponza.

$^2$The screener is a validated screening tool that has been well-tested on welfare populations in different settings. The scoring algorithm is as follows: Each “yes” response to Question J9a through J9e receives a score of “1” point. Each “yes” response to Question J9f and J9g receives a score of “2” points. Each “yes” response to Question J9h through J9j receives a score of “3” points. And each “yes” response to Question J9k through J9m receives a score of “4” points.
second type, then she screens positive for major depression.3 A positive screen indicates that the respondent meets the criteria for probable major depression during the past year, suggesting that if she were administered the CIDI long-form she would likely meet the full diagnostic criteria for major depression.

4. Alcohol or Drug Abuse Problems. We used the CAGE Drug and Alcohol Abuse screener to measure alcoholism and/or drug abuse currently or in the past (see Questions H44 through H47). The CAGE was originally developed and validated to detect alcoholism, but it has also been modified and used to detect either alcoholism or drug abuse. The respondent is considered to have had a substance abuse problem if she answered two or more of Questions H44 through H47 in the affirmative.4

5. Poor Physical Health. A respondent is considered to have a physical health barrier if she reported her health as “poor” (see Question H1).

6. Domestic Physical Abuse. We used an adaptation of a series of questions from the Minnesota Welfare Reform Evaluation to measure domestic physical violence (Questions H61 through H64). A respondent is considered to have this barrier if she reported that physical abuse occurred during the past 12 months.

7. Low Self-Efficacy/ Self-Control. To examine self-efficacy/ control we asked respondents three questions (see Questions H42a, H42b, H42c) that we developed for the survey about their ability to manage and control the direction of their lives and their capacity to adjust if things go wrong. Respondents could answer “often,” “sometimes,” “rarely,” or “never” about these traits. Two of the questions were phrased in a “positive” context, and one in a “negative” context. Respondents answering “rarely” or “never” on the positive context questions were scored as lacking control over that dimension; those answering “often” or “sometimes” on the one negative context question were scored as lacking control over that dimension. A respondent is considered to have low efficacy/ self-control if they had two or more responses on the three individual items that indicated “low” control.

8. Past Criminal Record. Respondents have this barrier if they responded “yes” to Question D6d which asked the respondent whether she has a criminal record.

9. Child or Other Dependent with a Health Problem or Special Need. A respondent reporting during the past year that she has a child with a health, behavioral, or other special needs (Question D6a), or is caring for an elderly, disabled, or sick family member or friend (D6b), was considered to have this barrier.

If the respondent endorses all three initial questions about the first type of depression (H5, H6, H7), then she is skipped out of the questions that ask about the second type of depression (H24, H25, H26). If she does not endorse all three initial questions about the first type of depression, then she essentially gets a “second chance” to meet the requirements for major depression and she is asked the second set of questions.

If two of the four key questions (H44, H45, H46, H47) are answered “yes,” then there is about an 82 percent probability that the respondent has a problem with addiction.
10. **Transportation Problem.** A respondent who either does not have access to a car (Question J3) or does not have a valid driver’s license (J2) and lives in an area that does not have bus, van, or shuttle services (J5) is considered to have a transportation barrier.\(^5\)

11. **Child Care Problems.** We asked respondents about two child care issues: (1) child care provider is too far away; and (2) unable to find child care during the time of day or day of week needed. A respondent was considered to have a child care problem during the past 12 months if she reported that one or both of these issues was a concern to her.

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\(^5\)This measure probably understates the prevalence of clients with transportation barriers since respondents may live in communities with public transportation and other transportation services but these modes may not be accessible to clients for commuting to potential jobs.