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

***Work First New Jersey Evaluation***

**Current and Former  
WFNJ Clients: How  
Are They and Their  
Children Faring  
40 Months Later?**

***Final Report***

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## EXECUTIVE SUMMARY

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

This report, the third in a series tracking the progress of a representative statewide sample of current and former WFNJ clients, focuses on two main questions. First, how have clients progressed with respect to employment, income, and other indicators of quality of life during the two-year period since the first survey was conducted, in 1999? Second, how are they doing in other key areas, such as their knowledge of time limits, how they make child care arrangements, and how their children are faring?

### **OVERALL TRENDS SHOW MANY CLIENT OUTCOMES ARE IMPROVING, BUT SOME CLIENTS CONTINUE TO STRUGGLE**

- TANF receipt continues to fall, and only 24 percent of clients remain on TANF.
- The fraction of clients employed and off TANF has increased from 34 percent at the time of the first survey, in 1999, to 48 percent two years later.
- Income has increased by 30 percent since the first survey, and the percentage living in poverty has fallen from 64 percent to 49 percent.
- Employed clients' hourly wages have increased from an average of \$7.80 to \$8.70 during the two-year period, and more clients have jobs offering fringe benefits.
- The overall prevalence of serious hardships (such as extreme poverty or severe housing problems) has declined over time.
- Despite this progress, nearly one in four do not have health insurance coverage; however, the reductions in health insurance coverage observed between the first and the second survey have tapered off.
- The prevalence of food insecurity remains the same, with slightly more than one in ten reporting food insufficiency with hunger.
- The fraction of clients with health problems—slightly fewer than one in three—remains the same over time.

## **CLIENTS' EXPERIENCES IN OTHER KEY AREAS**

### **Understanding of TANF Time Limits**

- Most clients know about time limits and believe the State will impose them, but they are less clear about the time they have left. Most believe they will find a job when their time runs out, but many have health problems or other barriers that may make it difficult to do so.

### **Use of Child Care**

- Most children are in full-time care, and many have more than one care giver. A considerable number of children are in informal arrangements, such as family or relative care. Parents report that convenience of child care arrangements, such as provider location and flexibility of hours, are major factors influencing their choices.
- Slightly fewer than one in three TANF leavers with a child younger than age 6 receives child care subsidies, a slight increase from the year before.

### **Children's Well-Being**

- Most parents report that their children are well supervised, and that they have structured routines and activities.
- Most (six out of seven) children do not live with their biological fathers, and many of them do not have any contact with their biological fathers.
- More than half the parents report that their child has a health problem, and nearly one-third report a behavioral problem.
- Children of nonemployed parents or in single-parent households fare worse on many measures of child well-being. On nearly all measures, the extent of risk increases for older children.

## **RESEARCH METHODS**

This study tracks, over a five-year period, a representative statewide sample of WFNJ families who participated in the program between July 1997 and December 1998, the first 18 months of program implementation.<sup>1</sup> A total of five rounds of longitudinal surveys will be conducted with a statewide representative sample of as many as 2,000 WFNJ clients at approximately 12-month intervals. The first and second client surveys were completed in spring 1999 and spring 2000, respectively.

This report relies primarily on data from the third survey. More than 1,600 clients completed interviews in spring 2001, approximately 40 months after their WFNJ entry. This represents a response rate of just over 80 percent. The survey asked about clients' employment histories, income sources, quality-of-life measures (including health, food, and housing security), child care choices, and child well-being measures. We also use state administrative data on monthly TANF and food stamp benefits. To document the

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<sup>1</sup>The sample includes clients who entered WFNJ from the Aid to Families with Dependent Children (AFDC) caseload in June 1997 and continued to receive Temporary Assistance for Needy Families (TANF) in July 1997 and clients who were not on the AFDC caseload when WFNJ was implemented but who started receiving TANF between July 1997 and December 1998.

changing circumstances of sample members, the report draws on data from the first and second client surveys (conducted approximately two and one years earlier).

## KEY FINDINGS

### After 40 Months, How Are WFNJ Clients Faring?

- *Clients continue to progress toward self-sufficiency by leaving welfare for work. Those who work are in better jobs.*

The percentage of clients remaining on TANF has declined steadily, and the percentage working has increased steadily. After about 40 months of participation in WFNJ, 48 percent of clients were employed and off TANF, an increase from 34 percent at the time of the first survey, two years before (Figure 1). Aided by a strong economy, employed clients' real wages increased 15 percent during the two-year period since the first survey, with average earnings of \$8.70 per hour in their jobs (Table 1). Employed clients also were more likely to be in jobs that offered fringe benefits. For example, substantially more than half held jobs that offered health insurance, whereas only 40 percent held such jobs at the time of the first survey.

- *Income has increased steadily and poverty has decreased steadily, particularly for employed clients.*

Clients' total income has increased almost 30 percent since the time of the first survey, partly due to an increase in working clients' earnings, and partly to an increase in

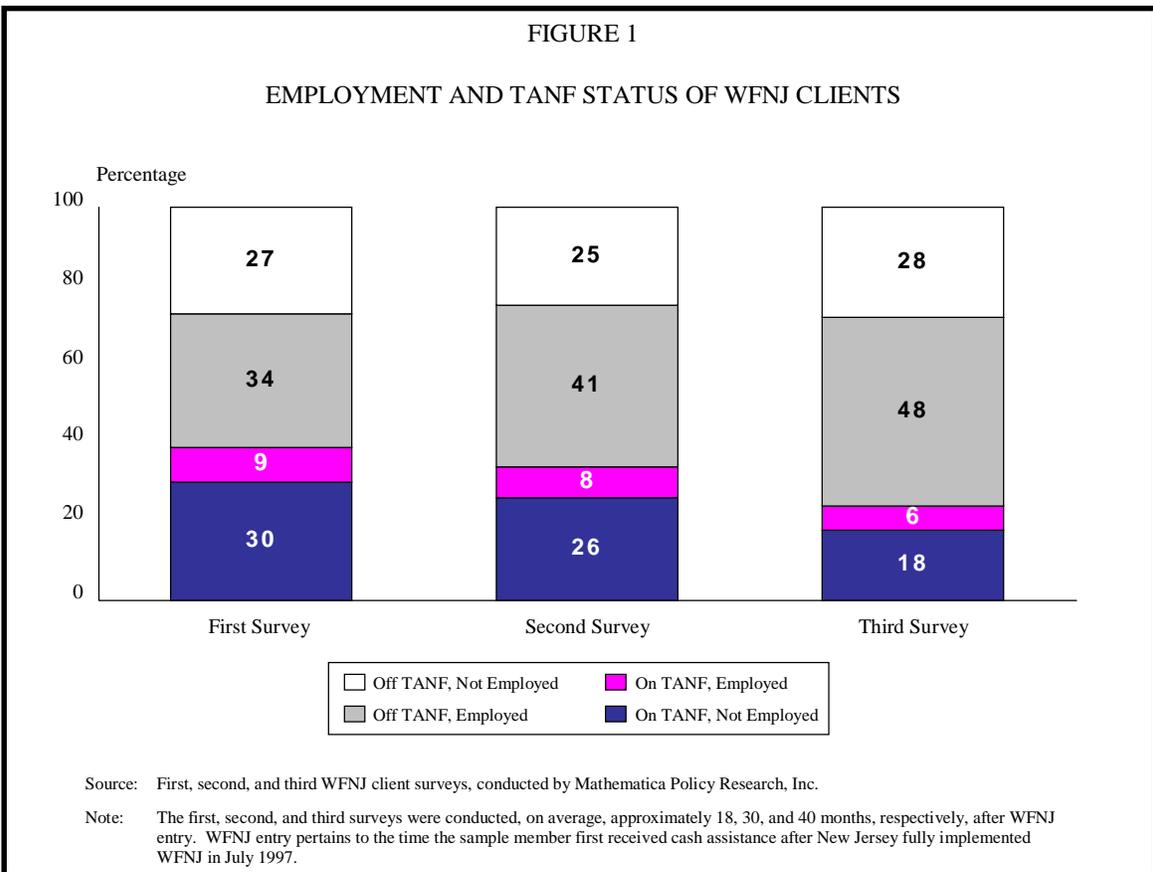


TABLE 1  
CHARACTERISTICS OF CURRENT OR MOST RECENT JOB

	Jobs Held Between WFNJ Entry and First Survey	Jobs Held Between First and Second Survey	Jobs Held Between Second and Third Survey
Hourly Wages (in 2001 Dollars)	\$7.80	\$8.40	\$8.70
Hours Worked per Week	34	35	36
Monthly Earnings (in 2001 Dollars)	\$1,160	\$1,310	\$1,389
Jobs Offering Benefit (in Percentages)			
Health insurance	40	49	53
Paid vacation	44	53	56
Paid sick leave	36	44	45
<b>Sample Size</b>	<b>1,098</b>	<b>1,144</b>	<b>1,215</b>

SOURCE: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

NOTE: The first, second, and third surveys were conducted, on average, approximately 18, 30, and 40 months, respectively, after WFNJ entry.

the number employed. At the time of the third survey, average monthly income from all sources was slightly less than \$1,500. Employed clients had monthly incomes that were more than twice as high as the incomes of those on TANF and not working—\$2,051 versus \$906. Working clients also experienced the greatest increases in income; their incomes grew by more than 20 percent, whereas those on TANF and not working saw income growth of only 8 percent.

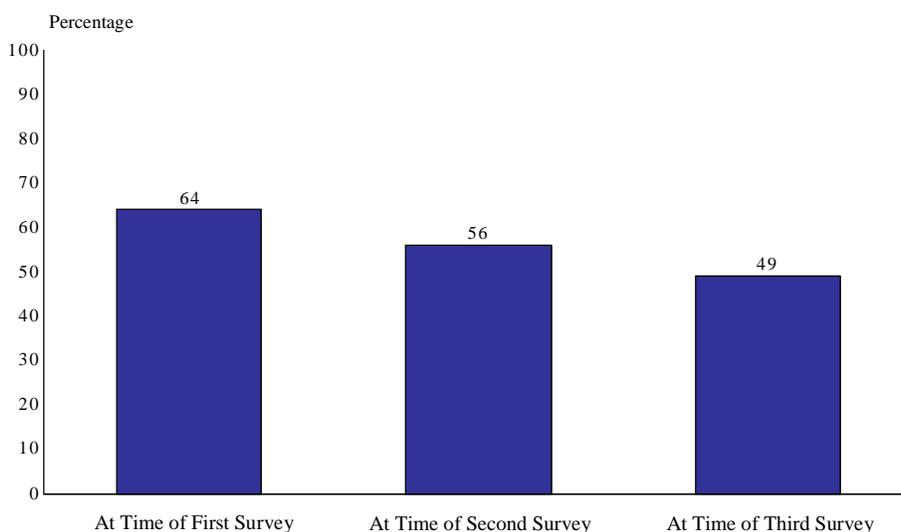
The percentage of clients living in poverty has decreased by nearly 25 percent since the time of the first survey, from 64 to 49 percent (Figure 2). Those off TANF and employed were less likely to have income below the poverty level than were those on TANF and not working. At the time of the third survey, only about 21 percent of those off TANF and employed had income below the poverty level, compared with 87 percent of those on TANF and not employed. The percentage of clients with income below poverty decreased for all groups between the first and third surveys; however, employed clients (whether on or off TANF) experienced the largest improvements. For example, employed clients experienced a 30 to 45 percent reduction in poverty, compared with a 3 to 8 percent reduction in poverty among those not employed.

- *The prevalence of serious hardships has decreased but continues to pose a challenge.*

Between the first and third surveys, the fraction of clients reporting a serious hardship dropped by 24 percent (from 58 to 44 percent; Figure 3). The reductions in the incidence of extreme poverty (income below 50 percent of the poverty level), the fraction who were evicted or experienced homelessness, and the fraction victimized by a violent

FIGURE 2

PERCENTAGE OF WFNJ CLIENTS WITH INCOME BELOW POVERTY



Source: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

Note: On average, the first, second, and third surveys were conducted approximately 18, 30, and 40 months after WFNJ entry, respectively.

crime were especially large (more than 35 percent).<sup>2</sup> Nonemployed clients, whether on or off TANF, experienced the most serious hardships. Seventy percent of nonemployed clients who were off TANF and 61 percent of nonemployed clients on TANF reported experiencing a serious hardship, compared with fewer than one-third of employed clients.

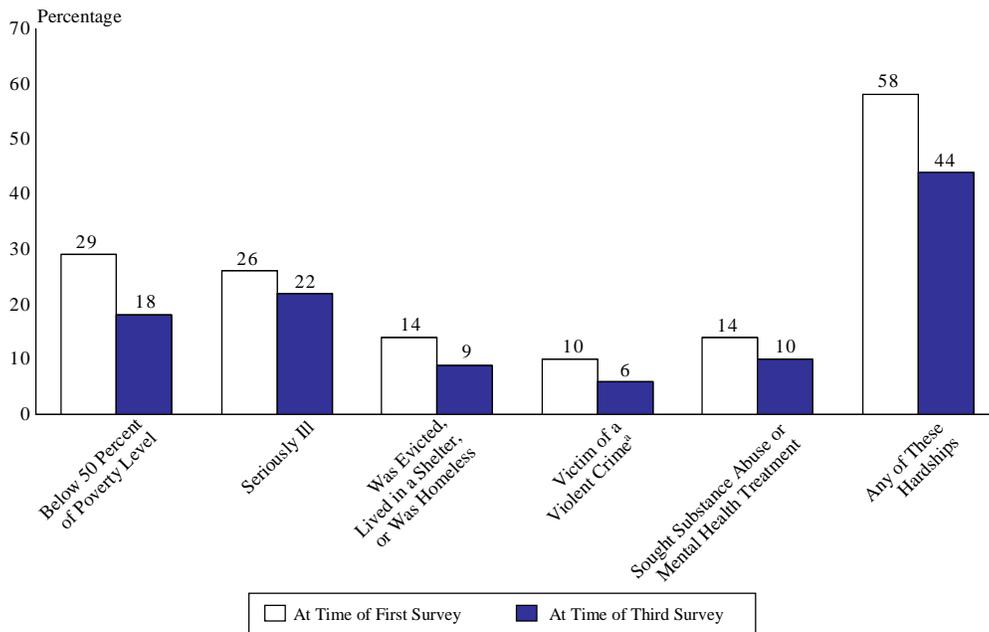
Reductions in health insurance coverage observed between the first and the second surveys had tapered off by the time of the third survey. Although the percentage of all clients with any type of health insurance had dropped between the first and second surveys, from 82 to 74 percent, it remained at 74 percent at the time of the third survey. The availability of Family Care, launched in October 2000, may be a factor in halting the trend over time toward lower insurance among those off TANF. The increase in the number of clients with jobs that offer health insurance, shown in Table 1, may also be a factor.

Despite this overall improvement, certain WFNJ clients continue to face hardships. As with poor households nationally, one in ten clients reported food insufficiency with hunger. Slightly fewer than one in three reports having a serious health problem; one in four experienced a serious hardship in the past year, such as domestic or other violence, having a seriously ill child, or having sought treatment for substance abuse or a mental

<sup>2</sup>We also observed reductions in other housing problems, including water or electric power shut-offs and having to move in with others to save on rent. For example, the fraction reporting any housing problem fell from 30 percent at the time of the first survey to 20 percent at the time of the third survey, a reduction of 50 percent.

FIGURE 3

PREVALENCE OF SERIOUS HARDSHIPS AMONG WFNJ CLIENTS



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

Note: The first and third surveys were conducted, on average, approximately 18 and 40 months after WFNJ entry.

\*In this figure, victim of a violent crime includes those who experience physical abuse from a spouse or partner.

health problem. The prevalence of these problems is much greater for those not employed, whether on or off TANF.

- ***Job turnover is considerable, and many clients still face challenges to sustaining employment.***

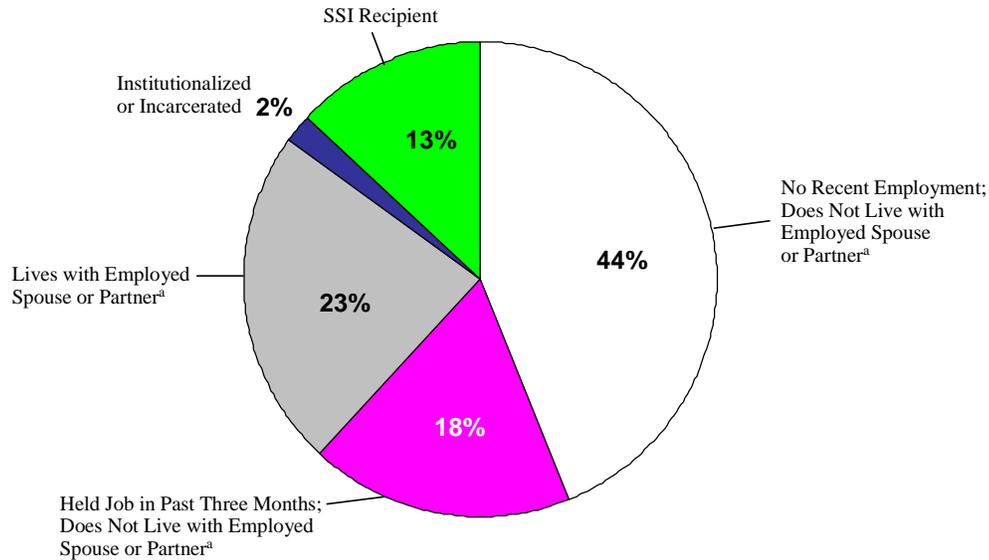
About one-third of clients who had ever worked since WFNJ entry maintained continuous employment since their initial job start. Clients experiencing nonemployment spells reported problems on the job (job schedule, job stress, poor benefits, or problems with coworkers or boss) and outside work (with child care, transportation, or their own or other family members' health). A health problem was the most commonly reported reason for having missed work on the most recent occasion, reported by 44 percent of clients. More than one-third of clients reported having arrived late to work or having to leave work early, primarily because of a child care problem (reported by nearly 40 percent of clients who arrived late or left early). Transportation was the second most common reason for tardiness, reported by one in four clients.

- ***Clients who have left TANF but are not employed are a diverse group; many of those with the least stable financial resources return to welfare or to work.***

The number of clients off TANF and not employed has remained fairly stable; at the time of the third survey, 28 percent were in this group. The group is diverse; some of its members live with an employed spouse or partner, some have recent employment, some

FIGURE 4

STATUS OF WFNJ CLIENTS WHO ARE OFF TANF AND NOT EMPLOYED



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

Note: The third survey was conducted, on average, approximately 40 months after WFNJ entry.

<sup>a</sup>Excludes SSI recipients and those who are incarcerated or institutionalized.

receive Supplemental Security Income (SSI), and some have none of these arrangements (Figure 4). SSI recipients constitute 13 percent of those off TANF and not employed, compared with 9 percent one year before (an increase of 45 percent).<sup>3</sup>

The least financially stable group of clients off TANF and not working appears to be those not on SSI, with no spouse or partner, and with no recent employment. They comprise 44 percent of the group that is off TANF and not employed (and 12 percent of the full sample). Many clients do not stay in this least stable group for long, however. Only about one-third of clients in this group at the time of the second survey, one year before (four percent of the full sample), remained in it one year later. Nearly 37 percent had become employed, and another 16 percent had returned to TANF with no employment. Those who remain, however, are generally without a stable source of support and continue to rely heavily on family, friends, and income patched together from a variety of sources. Although a small fraction of the caseload, they continue to be at high risk of poverty and other adverse outcomes.

<sup>3</sup>The increase in the number receiving SSI may be driven partly by the NJDHS collaboration with Legal Services of New Jersey, which provides services to help TANF clients who have disabilities navigate the SSI application process.

## **To What Extent Do Clients Receive TANF and Understand Time Limits?**

- *TANF receipt continues to fall over time.*

TANF receipt declined between the second and third years after WFNJ entry, although more gradually than during the first year after entry. At the time of the third survey, 24 percent remained on TANF, down from 36 percent the year before.

As in previous years, people left welfare primarily for employment. However, the most recent leavers were somewhat less likely to leave for employment-related reasons than were earlier leavers; 43 percent of those who had left during the year before the third interview left for these reasons, compared with 58 percent of earlier TANF leavers. In contrast, the more recent TANF leavers were considerably more likely to report leaving because of sanctions (33 percent, compared with 21 percent of earlier leavers).

- *Most clients know about time limits, and most believe the State will impose them.*

We asked current and recent TANF recipients whether people could receive welfare continuously as long as they have a child younger than 18 or whether the State could cut off cash assistance for good. More than 80 percent of them said that the State could cut off welfare assistance for good, and only 4 percent said they could continue receiving benefits indefinitely; 16 percent said did not know. Clients also believed the State would implement time limits; nearly 90 percent of those who knew about the lifetime limit on cash welfare said the State would cut people off from assistance when they reached their time limits. Clients are less clear about the actual time they themselves have left, however. Most clients on TANF reported having a plan they would implement when they reached their time limits—usually to find a job or participate in an education or training activity. However, many of these individuals also reported a serious health problem or other barrier, which may make it difficult for them to fulfill their plans.

## **How Are Clients Using Post-TANF Food Stamps and Child Care Benefits?**

- *Food stamp receipt continues to be low for those who appear to be eligible for benefits.*

At the time of the third survey, slightly fewer than 40 percent of the clients were receiving food stamps. Sixty percent of clients appear to be eligible for food stamps at the time of the third survey, down from 66 percent a year earlier; this estimate is consistent with clients having higher incomes than they did one year ago. Similar to findings from the second WFNJ client survey, only about half those off welfare and who appeared to be eligible were receiving food stamps. Only 27 percent of the clients whom we estimated to be eligible reported knowing they were eligible.

- *Many preschoolers are in nonparental care; clients tend to rely on family and home care for infants and toddlers.*

Nearly three of four WFNJ clients had some nonparental arrangement for their children younger than 6. Center care was the most common type of primary arrangement. Parents tend to rely more on center care for their preschoolers, and more on informal care for their infants and toddlers. For example, nearly half the preschoolers

ages 3 to 5 were most likely to be in center-based care, compared with only 15 percent of infants and toddlers.

Children in care received an average of nearly 35 hours per week of care. About 60 percent of children younger than 6 were in full-time care. Clients were considerably more likely to have multiple arrangements for their preschoolers ages 3 to 5 than for their infants and toddlers.

Around 70 percent of WFNJ clients had some type of nonparental care for their school-age children ages 6 to 12. Overall, seven percent of clients reported that their 6- to 12-year-olds were regularly in self-care; this arrangement is more common among school-age children living in single-parent households with no other adults than among those in two-parent or multiple-adult households.

- ***Parents choose child care providers based on convenience, including location, flexibility of arrangement, and the provider's hours of operation.***

Location is the most common influence on clients' choice of provider, with nearly two-thirds of the clients reporting this factor. Other major influences were flexibility of drop-off and pick-up times and the provider's hours of operation. The social or instructional benefits of the program were major factors for parents of preschoolers in center care. Cost, although a major influence for about one-third of the parents, was generally less important than were most other factors.

- ***Slightly fewer than one-third of working parents off TANF who have children younger than 6 receive child care subsidies. The fraction paying for care has declined over time.***

At the time of the third survey, 32 percent of employed families off welfare and with children younger than 6 received child care subsidies, a slight increase from the 27 percent receiving these subsidies one year before. Slightly fewer than 40 percent were paying for care and receiving no subsidy, down from 46 percent the year before.

### **How Are Children Faring Under Welfare Reform?**

- ***Most parents report that their children are well supervised and are engaged in activities and routines that provide structure to their lives.***

At least three-quarters of all WFNJ clients with children between ages 6 and 17 reported generally knowing where their children were, who they were with, whether they arrived home when expected, what their homework assignments were, and whether they finished their homework. Not surprisingly, parental supervision of older children went down across the board on the outcomes we examined. For example, only 7 percent of parents with children ages 6 to 12 reported that their child spent some time unsupervised, compared with 39 percent of those with children ages 13 to 17. Younger school-age children were more likely to go to bed at a regular time six or more days per week than were older children (59 versus 53 percent, respectively).

- ***Risk factors for children clearly exist.***

Although parents' reports indicate that their children have routine and structure in their lives, some children are at risk with respect to certain indicators of child well-being. For example, fewer than one in seven children live with their biological fathers, and more than half of them have no contact with this parent. Contact with the noncustodial parent markedly declined with the age of the child. For example, mothers reported that about 40 percent of children younger than age 6 had no contact with their biological fathers, compared with more than 60 percent for older children.

Children's health also is a concern. Slightly more than half the sample members have a child in the household with a health problem; a considerable number reported having more than one child with a health problem. The most commonly reported health problem was asthma or wheezing; one-third of all parents reported that one or more of their children had this problem. Between 10 and 15 percent of parents had children with a physical disability, a learning disability, a speech problem, attention deficit disorder (ADD), or an emotional or mental health problem. Most children were receiving help with some of these problems, but many were not. For example, in 70 percent of households, children with a learning disability or speech problem were receiving special help, but in 30 percent of households, they were not. Half the households with children with an emotional or mental health problem or ADD were not receiving professional help or medication.

Almost one-third of parents reported having a school-age child with a behavioral problem. The most common indication of problem behavior was suspension or expulsion from school: 22 percent of clients reported that this had occurred in the past year. Seven percent of parents reported that a child had skipped school in the past month. On nearly all measures, the extent of risk increases for older children.

- ***Children of parents who do not work or who live in single-parent households fare worse than other children.***

Nonemployed parents are more likely to have a child with a health problem, who is enrolled in special education, or who has a high level of emotional and social problems. These factors may have contributed to the nonemployment in the first place. Single-parent households are more likely than two-parent or multiple-adult households to have a child with a high level of emotional and social problems, a lower level of educational engagement, and a higher rate of behavioral problems.

## **WHAT ARE THE IMPLICATIONS FOR POLICY?**

The WFNJ clients tracked in this study continue to move toward self-sufficiency by leaving welfare for work. Their income levels have increased, and poverty levels have fallen. Despite employment and wage growth, however, many have modest incomes. In addition, many employed clients do not use available post-TANF supports. Finally, many of those still on TANF have health problems and face multiple barriers.

In response to these concerns, the State has launched a number of initiatives to assess the needs of the long-term stayers, and to provide supplemental work supports to those leaving welfare for work (see the text box, Recent State Initiatives for Current and Former TANF Recipients). Because many individuals in our study left welfare as long as

## RECENT STATE INITIATIVES FOR CURRENT AND FORMER TANF RECIPIENTS

**Family Care.** In October 2000, the State launched Family Care, a state-sponsored health insurance program for low-income working adults.

**Comprehensive Case Assessments.** In November 2000, county staff began administering a comprehensive social assessment to all clients on TANF for 34 months or longer. Through the assessment, workers are expected to determine appropriate referrals and services for clients, such as referrals to the State Department of Labor's Division of Vocational Rehabilitation Services or to the State's Substance Abuse Initiative or Mental Health Initiative.

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

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

**Housing Subsidy Program.** This program, which began in January 2001, helps employed current and former clients in several counties with housing costs. (Current clients must close their cases to enroll in the program.)

**Outreach and Marketing Efforts.** The State also recently developed a faith- and community-based collaborative to market available support programs and benefits, such as food stamps, to former TANF recipients. Letters and in-person visits are the marketing tools used.

several years ago, the more recent WFNJ initiatives are unlikely to have a direct effect on this group.<sup>4</sup> As these initiatives are implemented, it will be important for the State to assess how well they meet their intended goals. For example, are the new services reaching the intended population, or must staff conduct additional outreach and expand marketing efforts? Are program staff able to deliver these new work support services to clients effectively, or is further staff training necessary? How are staff using case assessments to help those who have been unable to exit the welfare rolls? Do the postemployment work supports enable people to keep and advance in their jobs?

In addition to having to ensure the initiatives are well implemented, program staff are likely to encounter two major challenges in the upcoming year: (1) time limits, and (2) an economic recession. Our study findings suggest that most TANF recipients know about time limits and believe they will be imposed, but they are less certain about the time they themselves have left. Most clients have plans to work or participate in education or training programs when the time limits hit them; however, given the high prevalence of personal barriers and clients' inability to find jobs despite previously strong economic conditions, it is unclear how tangible these plans are or whether clients will be able to make these plans materialize. The State is working with Legal Services of New Jersey to move those with severe disabilities into the SSI program, but some may not qualify for SSI. The State will have to decide what to do about other long-term recipients

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<sup>4</sup>Future studies, which will include a sample of more recently enrolled clients to be interviewed in spring 2002, will enable us to assess clients' knowledge and use of the latest available programs and services. In addition, the 2002 round of program study will address issues related to the implementation of some of the newer post-TANF initiatives.

with multiple barriers, who may be unable to find and keep jobs. What criteria should it use for the exemptions allowable under the federal regulations? What should it do about clients who might not meet the criteria but who have been unable to get off welfare?

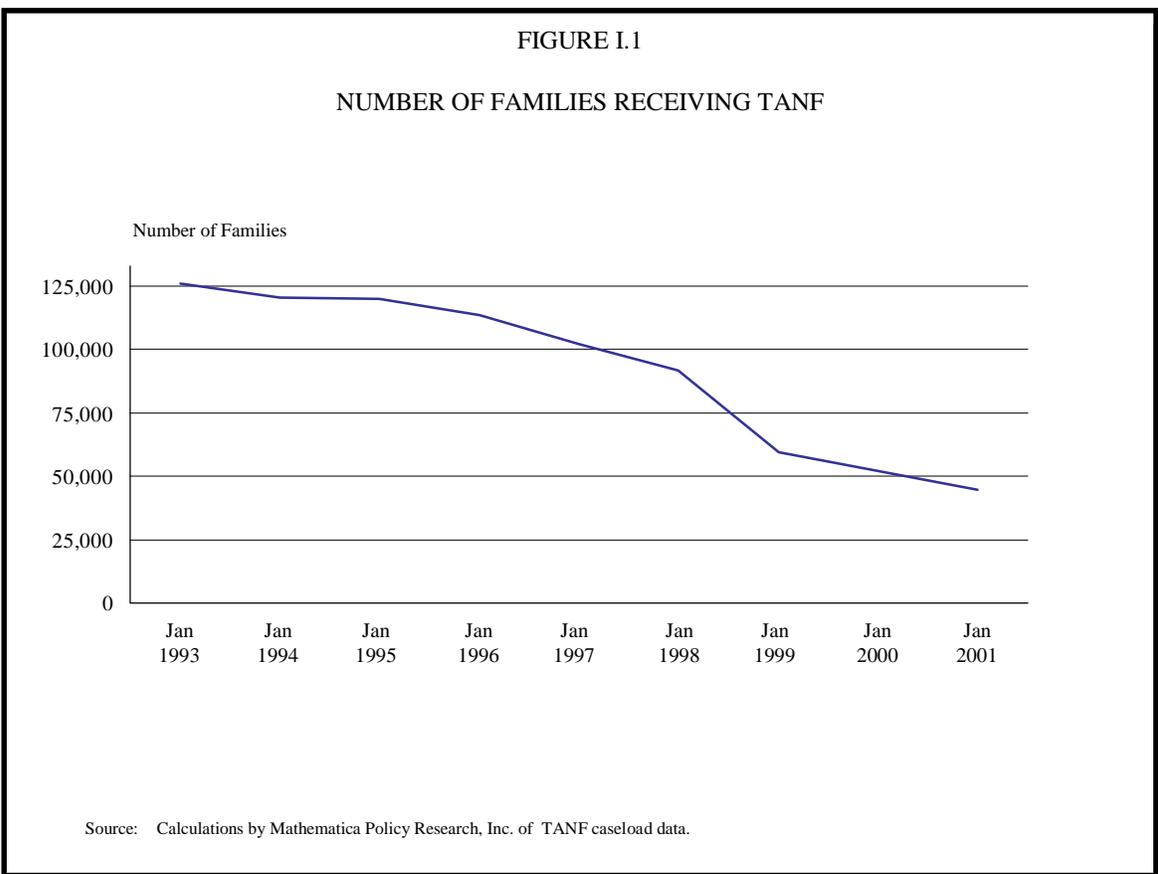
The second issue—what may happen if the country enters a severe economic recession—also will be of great concern. Even in a strong economy, we observed high job turnover among welfare recipients as they build attachment to the labor force. Furthermore, former welfare clients are heavily concentrated in service sector jobs, such as in hotel industries, which may be particularly affected by the current recession. If these former welfare recipients lose their jobs, it will be important to assess the available safety nets. Some former clients may qualify for Unemployment Insurance benefits, but many may return to TANF. Program staff, who are beginning to turn their attention to hard-to-employ clients who have multiple barriers, soon may have to resume serving a broader set of clients. The State will likely need to continue assessing programmatic decisions about whom to serve and what services to provide.

# I

## INTRODUCTION

In 1997, New Jersey implemented its new welfare initiative, Work First New Jersey (WFNJ), which includes a five-year time limit on cash assistance, immediate work requirements for most clients, and expanded support services. During the past four years under WFNJ and in the context of a strong economy, New Jersey has experienced an unprecedented reduction in its welfare caseload. The size of the caseload declined by more than 50 percent from July 1997 (the time WFNJ was fully implemented) through January 2001 (Figure I.1).

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



## **MPR'S EVALUATION OF WFNJ: FOUR INTERRELATED STUDIES**

- The *Client Study* is tracking a statewide sample of WFNJ families over a five-year period to establish what happens to them before and after they leave welfare. Focusing on clients who participated in WFNJ during its first 18 months of operation, this study is documenting the welfare receipt, employment levels, income, health, housing arrangements, and other indicators of WFNJ clients' general well-being and quality of life. It will identify factors affecting individuals' success in moving from welfare to work and will document changes in the welfare caseload over time. The study uses three main types of data: (1) a series of five longitudinal surveys with a statewide sample of as many as 2,000 WFNJ clients, conducted at 12-month intervals; (2) information from state administrative data systems on a larger sample of 10,000 WFNJ clients, documenting such outcomes as their welfare receipt, employment levels, and earnings; and (3) three rounds of in-depth, in-person interviews with a subset of WFNJ clients, designed to gather more detailed, qualitative information about their lives. In addition, the study will include a survey of a more recent cohort of WFNJ clients, to examine how the characteristics and outcomes of clients have changed over time.
- The *Program Study* is exploring operational challenges and promising strategies for overcoming them, to help state and county staff identify and address key implementation issues. It also will help the state develop performance indicators to guide program improvement efforts. The analysis draws on state administrative data and three rounds of site visits to 10 of the state's 21 counties. During these visits, site visitors interview a variety of county staff members, conduct case file reviews, and observe key program activities.
- The *Community Study* is conducting case studies in three areas—Newark, Camden City, and Cumberland County—to understand local opportunities and challenges facing welfare reform. The case studies focus on the employment patterns and service needs of low-income parents, the jobs available in local labor markets, and the local institutional response to welfare reform. The analysis draws on a survey of low-income residents, an employer survey, and interviews with local service providers and other stakeholders.
- The *Child-Only Study* is examining a statewide sample of New Jersey families receiving child-only TANF grants. Child-only TANF families are diverse and include those headed by nonparent caretakers (typically, grandparents), as well as those headed by parents who are ineligible for TANF because they are on SSI or because of their immigration status. The study includes a survey of more than 500 adult caretakers of children on these cases, supplemented by detailed qualitative interviews with a subsample of these cases and by an analysis of state administrative records data. The study is focusing on the characteristics and origins of these cases, as well as on the stability and economic security of these households.

### **A. OVERVIEW OF THE REPORT**

The Client Study is designed to track how current and former WFNJ clients are faring over time under the new reforms. This report, the third in a series, draws on data from the most recent survey completed in spring 2001 to provide an updated profile of clients' progress in the areas of employment, income, health, housing, and general quality of life. We examine how clients are faring on these various measures approximately

three-and-a-half years after they entered the WFNJ program. In particular, we compare them with what we observed for clients on these measures during the first and second surveys, conducted approximately one-and-a-half and two-and-a-half years, respectively, after WFNJ entry. We also examine reductions in welfare over time, what recent TANF recipients know about time limits, and what they are doing to prepare for these limits.

In addition, and distinct from previous reports in this series, we examine several issues related to clients' children, specifically, child care and child well-being. With its work requirements and time limits, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) makes it critical that welfare recipients find reliable, affordable child care for their young children in order to be able to participate in the labor market. Even for school-age children, before- and after-school arrangements are important. The types of arrangements welfare recipients make for their children can affect their employment. For example, informal care sometimes can be unreliable and may lead mothers to take time off from work more frequently, affecting their ability to sustain jobs. In addition, the affordability of arrangements is of concern to welfare recipients, as child care expenses can consume a large fraction of their budget. Under the new reforms, transitional child care subsidies are available to help welfare recipients with this expense; however, use of these benefits often is low, and many clients spend out of pocket for child care.

Few would consider welfare policy successful if it has an indirect but adverse effect on the well-being of children. For example, if work requirements lead children's school engagement to decline or problem behaviors to increase because parents are unable to provide important supervision of their child's activities, policymakers would want to understand such consequences. Conversely, an assessment of measures of child well-being may find that parents who are employed are better able to provide personal and financial resources such that children actually improve in many of these important areas. Understanding this association will add to our understanding of whether improving parental outcomes might lead to improvement in outcomes for children.

This report addresses the following five broad research questions:

- 1. What are WFNJ clients' employment experiences during the three-and-a-half year period after they enter the program?*
- 2. How many clients are still receiving welfare, and what do recent TANF recipients know about time limits?*
- 3. What is the life quality of clients, as measured by their incomes, health status, hunger, housing arrangements, and measures of hardship?*
- 4. What child care arrangements do clients use, how do they make their choices, and what does child care cost them?*
- 5. How are clients' children faring under welfare reform?*

Each of the next five chapters of the report focuses on one of these main questions.

On the basis of our analysis, we find that WFNJ clients continue to progress toward self-sufficiency. Clients continue to steadily exit welfare for work, and the fraction of clients employed and off TANF has increased. Total income and real wages have increased; measures of job and life quality show improvements; and the overall

prevalence of serious hardships has decreased. The use of child care subsidies has increased, and, according to reports from parents, most children are well supervised, with structured routines to their daily lives. However, some findings indicate the persistence of challenges. A substantial fraction of clients remains food insecure, has a serious health problem, or has experienced a serious hardship in the past year, such as extreme poverty; some have experienced more than one of these conditions. Many have a child with a health or behavioral problem. Gaps in awareness about benefits and time limits remain.

Our findings provide a useful indication of the broad trends concerning clients' progression during the past three years. However, it is important to acknowledge that we cannot necessarily discern whether these trends are attributable to changes in New Jersey welfare policy, the strong economic conditions that prevailed during this period, personal maturation, or some other factor. Future analyses, which will include a new sample of more recently enrolled clients, will enable us to compare these two cohorts. This comparison should provide greater insight into the relationship between WFNJ policy changes and client outcomes.

## **B. WELFARE REFORM IN NEW JERSEY**

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

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

Under WFNJ, the state introduced substantial changes to its welfare program. Important policies under WFNJ at the time of the new program implementation included:

- ***Work Requirements for TANF Recipients.*** WFNJ emphasizes work and imposes an immediate work requirement, rather than the two-year maximum time limit that the federal law permits. All WFNJ applicants must register for work with the county Employment Service and must participate in a four-

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<sup>1</sup>If this family also receives food stamps, its combined TANF and food stamp benefits would be \$672. Income from these two sources would put the family at 57 percent of the federal poverty level (Table I.1).

TABLE I.1  
MAXIMUM TANF AND FOOD STAMP BENEFITS,  
BY FAMILY SIZE

Family Size	Maximum TANF Grant (in Dollars)	Combined TANF and Food Stamp Benefits <sup>a</sup> (in Dollars)	Federal Poverty Levels <sup>b</sup> (in Dollars)	Combined Benefits as a Percentage of Poverty Level
2	322	499	937	53
3	424	672	1,179	57
4	488	807	1,421	57
5	522	932	1,663	56
6	616	1,078	1,904	57

SOURCE: Adapted from the Committee on Ways and Means, U.S. House of Representatives (1998) by Mathematica Policy Research, Inc.

<sup>a</sup>Food stamp calculations assume that the family does not receive an excess shelter deduction.

<sup>b</sup>Federal poverty levels are for 2000 and are divided by 12 to obtain monthly levels.

week job search class. Those who do not find jobs must participate in training, basic education, or work experience activities. Recipients who refuse to cooperate with these requirements are subject to grant reductions and, after extended noncompliance, case closure.

- ***Time Limits on TANF Benefits.*** In accordance with federal requirements, New Jersey has imposed a five-year time limit on TANF benefits. However, certain WFNJ cases (such as the elderly, people with disabilities, and victims of domestic violence) are exempt. Under some circumstances, other hardship cases may receive extended cash benefits for as long as 12 months after the five-year limit.
- ***Expanded Child Care Benefits.*** Under WFNJ, clients who exit TANF for employment can receive transitional child care subsidies for as long as two years after they leave cash assistance.

In addition, the state also has launched a number of new initiatives for current and former TANF recipients. These include:

- ***Family Care.*** In October 2000, the state launched Family Care, a state-sponsored health insurance program for low-income working adults.
- ***Comprehensive Case Assessments.*** In November 2000, county staff began administering a comprehensive social assessment to all clients who have been on TANF for 34 months or longer. Through the assessment, workers are expected to determine appropriate referrals and services for clients (for example, referrals to the state Department of Labor's Division of Vocational Rehabilitation Services or to the state's Substance Abuse Initiative or Mental Health Initiative).

- ***Supplemental Work Support Program.*** Launched in spring 2001, this program encourages working welfare recipients to close their cases in exchange for a work support payment of \$200, regardless of the amount of their cash benefit. Clients who agree to do so are eligible for other post-TANF benefits.
- ***Career Advancement Vouchers.*** Initiated in January 2001, these vouchers provide employed former clients with as much as \$4,000 toward program tuition to pursue additional training while they are working.
- ***Housing Subsidy Program.*** This program began in January 2001 and helps employed current and former clients in several counties with housing costs. (Current clients must close their cases to enroll in the program.)
- ***Outreach and Marketing Efforts.*** The state also recently developed a faith- and community-based collaborative to market available support programs and benefits, such as food stamps, to former TANF recipients.

### C. THE SAMPLE AND DATA FOR THIS REPORT

This report examines the experiences of WFNJ clients who entered the program during the first year and a half of its implementation—July 1997 to December 1998. The sample selected for this study includes two main groups: (1) the July 1997 caseload sample, and (2) the new entrants sample. The July 1997 caseload sample represents those who entered WFNJ from the ongoing AFDC caseload when WFNJ was fully implemented in July 1997. Thus, it consists of people who were receiving AFDC as case heads in June 1997 and who continued to receive TANF as case heads in July 1997. The new entrants sample represents those who were not part of the AFDC caseload when WFNJ was implemented but who subsequently entered the program sometime during its first year and a half.<sup>2</sup> To ensure adequate sample sizes for key subgroup analyses, WFNJ clients from the new entrants group and those from rural counties were oversampled. All figures in this report are weighted so the figures represent the full statewide population of WFNJ clients who entered the program between July 1997 and December 1998.<sup>3</sup>

The primary data source for this report is the third WFNJ client survey. MPR began conducting the third follow-up survey with clients in February 2001 and, by mid-June 2001, had completed interviews with 1,609 clients (out of a survey sample of 2,000

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<sup>2</sup>The July 1997 caseload sample represents 65 percent of clients who participated in WFNJ during its first 18 months, and the new entrants sample represents 35 percent. We selected 50 percent from each group for this study.

<sup>3</sup>Because the WFNJ experiences and the socioeconomic characteristics of new WFNJ entrants may differ from those of clients who were part of the existing welfare caseload when the program was first implemented, we had originally conducted the analysis of welfare and employment patterns separately for the two subgroups. Although the subgroups had slightly different experiences with respect to welfare receipt and employment outcomes during the first year after WFNJ entry, results from later analyses were broadly similar when conducted separately for the two groups of clients. For simplicity and clarity, all analyses presented in this report combine the two subgroups.

TABLE I.2  
SURVEY SAMPLE SIZES AND RESPONSE RATES

	All WFNJ Clients
Fielded Survey Sample	2,000
Number Who Completed Third Survey (Percentage Who Completed Third Survey)	1,609 (80)
Number Who Completed Second Survey (Percentage Who Completed Second Survey)	1,621 (81)
Number Who Completed First Survey (Percentage Who Completed First Survey)	1,607 (81)
Number Who Completed All Three Surveys (Percentage Who Completed All Three Surveys)	1,320 (66)
Number Who Completed Any of the Three Surveys (Percentage Who Completed Any of the Three Surveys)	1,866 (93)

SOURCE: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

clients), yielding an 80 percent response rate (Table I.2).<sup>4</sup> The average length of followup from WFNJ entry to the survey date was about 40 months. The third round of the client survey included questions about clients' employment histories since the second survey, income from various sources at the time of the survey, other measures of hardship (such as poor health and food and housing insecurity), potential employment barriers, and clients' knowledge of time limits and their plans to prepare for them.<sup>5</sup>

As mentioned, one focus of this report is an examination of issues related to parents' child care choices and the well-being of WFNJ clients' children. To study these issues, we asked parents for detailed information on the types of child care arrangements they made for their children and on the factors important to them as they made these choices. In addition, we obtained information on measures of child behavior, extent of parental supervision, and family routines.

One approach to understanding issues related to children is to ask a parent for this information for each of his or her children. However, many clients had more than one young child in the household, and it would place a great burden on the respondent to

<sup>4</sup>Although we started with 2,000 clients, 18 clients had died at some time between WFNJ entry and the time of the third interview. Excluding the deceased from the sample brings the response rate to 81 percent.

<sup>5</sup>For some analyses, we also use administrative data on TANF and food stamp benefits, obtained from the Family Assistance Management Information System (FAMIS) maintained by the Division of Family Development of NJDHS.

provide detailed information for each of these children. Another approach to obtain the relevant information is to randomly select a “focal child” for each household, and to ask the client detailed questions about that child. This approach is an effective way to obtaining information about how a particular child is doing within a family and well represents the entire sample of children. Furthermore, by asking about fewer children, the information we collect is often more precise than when asking about all the children in the family.<sup>6</sup>

The focal child chosen in each household was a child younger than age 18 who was selected at random from among all children in a household. This child may have been the sample member’s own child or a custodial child for whom the sample member had primary responsibility. In selecting the focal child, we slightly oversampled focal children younger than age six, as we wanted to make sure that we had a large enough sample size of children younger than that age in order to be able to conduct separate analyses with this group.<sup>7</sup> About 170 respondents no longer had their own or a custodial child younger than age 18 living in the household at the time of the survey; consequently, we have information on focal children for 1,439 respondents. Among the households with a child younger than age 18, we selected 43 percent who had a focal child younger than age 6. Another 38 percent had a focal child between ages 6 and 12, and about 19 percent had a focal child between ages 13 and 17.

Because many questions are appropriate only for children in certain age ranges, we asked separate sets of questions about focal children ages 0 to 5, ages 6 to 12, and ages 13 to 17. For example, questions about day care providers are more relevant for preschool-age children, whereas questions about after-school supervision are more relevant for those of school age. Similarly, some questions related to child emotional and behavior problems are not appropriate for children younger than age six, as these items become reliable only at older child ages. In addition to questions designed to be asked about focal children, we included some questions designed to be asked about “any child.” These questions, which include such items as child health, school risk behaviors (dropping out, expulsion, or suspensions), and other risk behaviors (for example, substance abuse or contact with the criminal justice system), are designed to obtain information about less frequent events that have a higher probability of being observed if examined across all children in the household.

#### **D. METHODOLOGICAL APPROACH**

Most of the analysis in this report is based on the sample of 1,609 clients who completed the third survey. Some analyses examine changes in client outcomes over time (beginning with program entry), whereas others focus on client outcomes at the time

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<sup>6</sup>This method is used in the National Survey of America’s Families (NSAF), and is the method recommended by the Assistant Secretary for Program and Evaluation (APSE) for state TANF leaver studies to obtain information on child well-being.

<sup>7</sup>If a household had children younger than age six only, the focal child was randomly selected from among those children. If a household had children between the ages of 6 and 17 only, the focal child was randomly selected from among them. If a household had one or more child in each of the age groups, a random child was selected from each group, and then the focal child was selected at random from among the two children. This approach slightly oversamples children younger than age six relative to the number of children younger than age six in these client households.

of the third client survey. In some analyses, we compare broad outcomes for clients at the time of the third survey with their outcomes at the time of the first survey. In such instances, we use information from all clients who completed each of the surveys. In some other types of analyses, where we may want to examine changes in some outcomes for individuals between the first and the third surveys, we include only clients who completed the first and the third surveys.<sup>8</sup> Because many individuals in our study had left welfare as long as several years previously, the more recent WFNJ initiatives described earlier are unlikely to have a direct effect on this group. Future studies will enable us to assess clients' knowledge and use of these more recently available programs and services.

Most of the numbers and figures presented in the rest of this report are based on descriptive, tabular analysis.<sup>9</sup> Sample weights are used throughout the report to keep the sample representative of all WFNJ clients who participated in the program during the first 18 months of program implementation. All income and earnings figures are adjusted for inflation and are presented in year 2001 dollars.

Table I.3 shows WFNJ clients' characteristics at the time they entered the WFNJ program. These clients are a fairly diverse group; some face significant barriers to self-sufficiency, whereas others are less disadvantaged and face fewer obstacles. For instance, 57 percent of WFNJ clients had at least a high school diploma or GED. Although many had worked recently prior to program entry, about 43 percent had no work experience during the two-year period prior to entry. More than 1 in 10 spoke a language other than English at home, and seven percent were not U.S. citizens. One in 10 had a household member receiving Supplemental Security Income (SSI). At the time of program entry, clients had an average of two children. Also at that time, the average age of their youngest child was slightly less than five years; more than 40 percent had a child younger than three years. Nearly 80 percent were in single-parent households, with no other adults present.

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<sup>8</sup>The total number of respondents who completed both the first and third surveys is 1,416.

<sup>9</sup>The analysis in Chapter V that examines factors related to child care choices and utilization of child care subsidies is based on a multivariate model, which includes a variety of background socioeconomic and demographic characteristics.

TABLE I.3  
CHARACTERISTICS OF WFNJ CLIENTS AT THE TIME OF WFNJ ENTRY

	Percentages
Female	96
Average Age (in Years)	30.3
Educational Attainment	
Less than high school diploma or GED	43
High school diploma or GED	44
More than high school diploma or GED	13
Employed in Two-Year Period Prior to WFNJ Entry	55
Race/Ethnicity	
African American	54
Hispanic	24
White	21
Other	2
Does Not Speak English at Home	13
Is a U.S. Citizen	93
Average Number of Children Younger than Age 18 in Household	1.9
Age of Youngest Child	
Younger than 3 years	42
3 to 5 years	25
6 years or older	33
Household Type	
Single parent	79
Two parent	9
Other multiple adult	8
Other single adult	4
Marital Status	
Never married	70
Married	7
Separated/widowed/divorced	23
Household Member Receiving SSI	10
Lived in Two-Parent Household as a Child	51
Family Received Welfare When Growing Up	36
County of Residence <sup>a</sup>	
High density	51
Medium density	29
Low density	20
<b>Sample Size</b>	<b>1,609</b>

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

<sup>a</sup> High-population-density counties include Camden, Essex, and Hudson. Medium-population-density counties include Bergen, Mercer, Middlesex, Monmouth, Passaic, and Union. Low-population-density counties include Atlantic, Burlington, Cape May, Cumberland, Gloucester, Hunterdon, Morris, Ocean, Salem, Somerset, Sussex, and Warren.

## II

### EMPLOYMENT EXPERIENCES OF WFNJ CLIENTS

A major goal of the welfare reform legislation in New Jersey has been to enable welfare recipients to exit the welfare rolls by finding sustained employment. To this end, the WFNJ program imposes work requirements on clients and limits how long they can receive cash welfare over their lifetime. To facilitate the transition from welfare to work, the program also provides supportive services, such as life skills and other job readiness workshops, job search assistance, and transitional child care and health care assistance. A measure of how well the program is meeting the goal of moving clients to self-sufficiency is the extent to which WFNJ clients leave public assistance and move into stable, well-paying jobs.

This chapter focuses on the employment experiences of WFNJ clients during the three-and-a-half-year period after WFNJ entry. We begin by examining clients' employment and TANF receipt at various points since WFNJ entry to see how clients combine work and welfare, and how their work and welfare status has changed over time. Next, we examine clients' employment experiences to answer a range of questions about these experiences. For example, how many WFNJ clients are employed in any given month? What kinds of jobs do they find? Do they find better jobs over time? What challenges do WFNJ clients face in sustaining employment? Finally, to find better jobs and advance in their jobs, clients may have to improve their skills and obtain further education and training. In the last section of this chapter, we examine the extent to which

#### KEY FINDINGS FROM THIS CHAPTER

- ***WFNJ clients continue to progress toward self-sufficiency by leaving welfare for work.*** About 40 months after WFNJ entry, 48 percent of clients were employed and off TANF, up from 34 percent at the time of the first survey, conducted two years earlier.
- ***Employed clients experience an increase in real wages over time.*** At the time of the third survey, clients earned \$8.70 per hour in their jobs, up from \$7.80 two years before—a 15 percent increase in real wages. They also were more likely to be in jobs that offered fringe benefits.
- ***Job turnover is considerable, however, and many clients still face challenges to sustaining employment.*** Despite improvements in jobs, many clients experience a break in employment. Clients attribute this break to problems on the job (the schedule, stress, poor benefits, and conflicts with coworkers or boss), and to problems outside work (child care, transportation, and their own/others' health).
- ***Many clients have participated in education and training programs, and many more would like to do so.*** Thirty percent of clients had participated in some education or training activity during the two years prior to the survey, mostly in vocational or technical training programs. Many clients would like to, or would like to continue to, participate in these programs, especially in the health and computer information sectors.

clients are participating in education and training programs, the nature of these programs, and clients' aspirations for further education and training.

#### **A. WHAT IS THE EMPLOYMENT AND WELFARE RECEIPT STATUS OF WFNJ CLIENTS?**

The long-term goal of the WFNJ program is to promote economic self-sufficiency and reduce welfare dependency. As the first two client study reports showed, the number of clients receiving welfare declined steadily during the first two to three years after WFNJ entry. Some clients leave TANF and find jobs; however, others leave but do not work. Some combine work and welfare, whereas others remain on TANF without finding employment. To learn the extent to which WFNJ is meeting its goals, it is important to understand the size and characteristics of these groups and the ways they have changed over time.

- *WFNJ clients continue to progress toward self-sufficiency by leaving welfare for work. Approximately 40 months after WFNJ entry, nearly half the clients were working and no longer receiving TANF; fewer than 20 percent were on TANF and not employed.*

Across the three survey periods, the fraction of clients on TANF and not employed has declined steadily, and the fraction of clients off welfare and working has increased steadily. For example, 72 percent of clients were on TANF and not employed two months after entering WFNJ (not shown). This proportion had dropped to 30 percent at the time of the first survey, conducted approximately 18 months after WFNJ entry, and to 18 percent at the time of the third survey, 40 months after WFNJ entry (Figure II.1). There was a corresponding increase in the number of clients who had left TANF for employment. This number increased from 3 percent two months after WFNJ entry (not shown) to 34 percent at the time of the first survey, and to 48 percent at the time of the third survey. The fraction of those off welfare and not working has stayed fairly constant (between 25 and 28 percent) over the three survey periods.

- *Most clients who were employed and off TANF at the time of the first survey continued to remain employed and off TANF at the time of the third survey.*

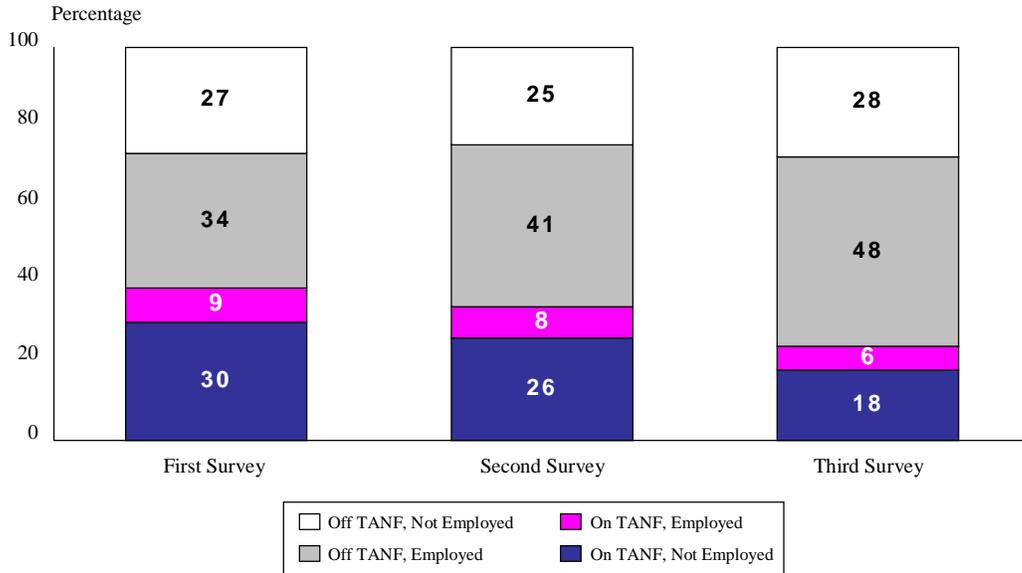
Many clients who found jobs maintained employment over time. For example, nearly three-quarters of those who reported being off TANF and working at the time of the first interview remained employed at the time of the third survey, two years later (Figure II.2).<sup>1</sup> In addition, a considerable number of clients (between 31 and 52 percent) with other work-welfare statuses at the time of the first survey had moved off welfare and were working at the time of the third survey. About 44 percent of clients off TANF and not employed at the time of the first survey had the same status two years later; about one

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<sup>1</sup>Figure II.2 shows the current work and welfare status of WFNJ clients by their status at the time of the first survey. For example, the first bar shows that, of the 31 percent who were on TANF and not working at the time of the first survey, 33 percent remained on TANF and were not employed at the time of the third survey, 9 percent had combined work and welfare, 31 percent had exited welfare and were working, and 27 percent had left welfare and were not working.

FIGURE II.1

EMPLOYMENT AND TANF STATUS AT THE TIME OF THE FIRST, SECOND, AND THIRD SURVEYS

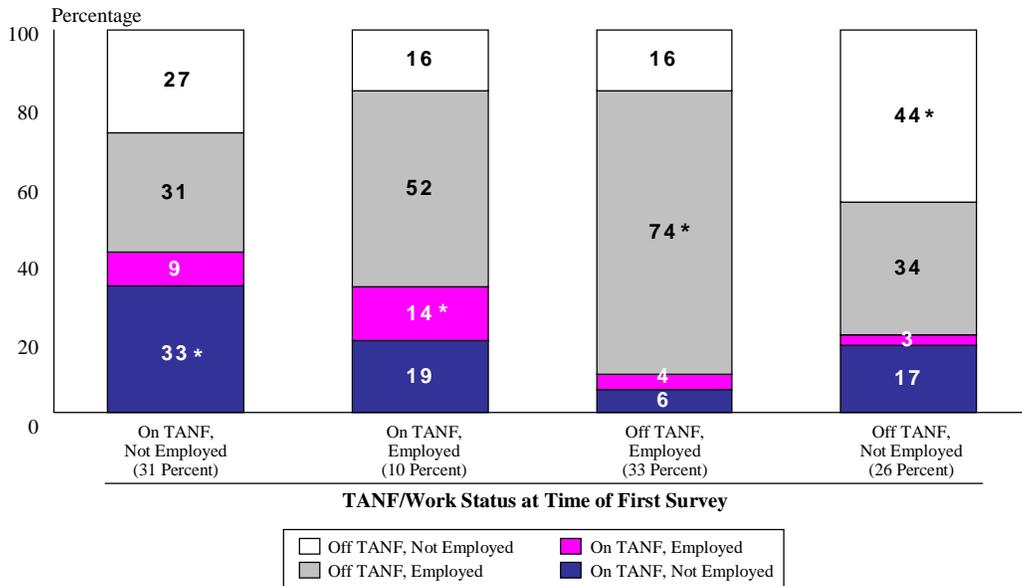


Source: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

Note: The first, second, and third surveys were conducted, on average, approximately 18, 30, and 40 months, respectively, after WFNJ entry. WFNJ entry pertains to the time the sample member first received cash assistance after New Jersey fully implemented WFNJ in July 1997.

FIGURE II.2

TANF AND WORK STATUS AT THE TIME OF THE THIRD SURVEY, BY STATUS AT THE TIME OF THE FIRST SURVEY



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

Note: The boxes with the stars reflect the proportion of clients in a group at the time of the first survey who were in the same group at the time of the third survey. The first and third surveys were conducted, on average, approximately 18 and 40 months, respectively, after WFNJ entry. WFNJ entry pertains to the time the sample member first received cash assistance after New Jersey fully implemented WFNJ in July 1997. Sample includes only those who completed the first and third surveys.

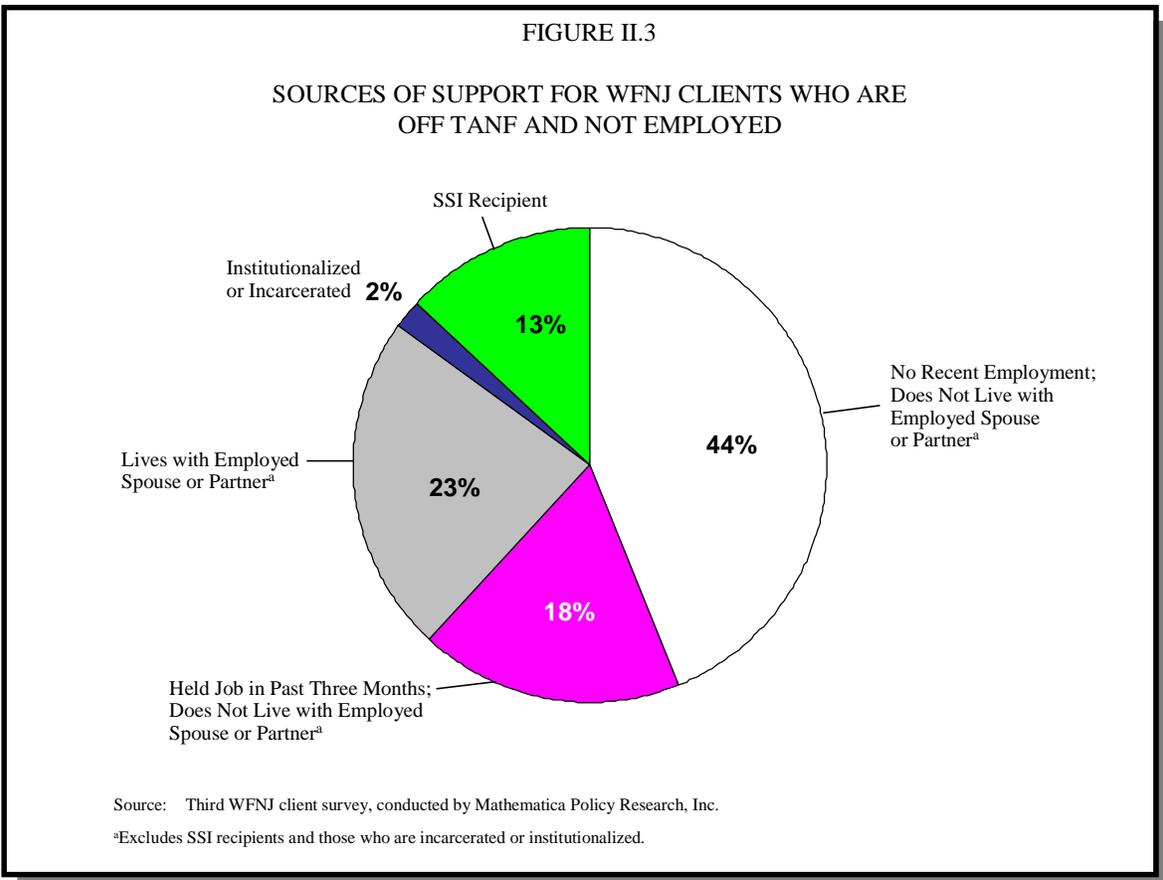
in five had returned to TANF, whereas more than one in three had found jobs and remained off welfare.

- ***Those who are off welfare and are not employed comprise a diverse group, with many lacking a stable source of support.***

Clients who have left welfare and are not employed are a group that are of concern to policymakers. As seen earlier, about 28 percent of clients were off welfare and not employed at the time of the third survey. How do these clients support themselves?

Nonemployed TANF leavers are a diverse set of clients. About 23 percent were living with employed spouses or partners (Figure II.3). The welfare literature has shown that marriage typically leads to a stable transition off welfare (Ellwood 1986; and Bane and Ellwood 1983). Consequently, these clients may not be a group causing policy concern. About 13 percent of nonemployed leavers are disabled and have gone on SSI—up from 9 percent at the time of the second survey. Another 18 percent had been employed within the past three months and had only recently lost jobs. Some in this group may find other employment fairly soon; others may return to TANF.

Overall, 44 percent of clients who had exited TANF and who were not currently employed had not worked for pay in the past three months, were not on SSI, and did not live with an employed spouse or partner. This group (12 percent of the WFNJ clients we are tracking) have no stable source of support. As the second client study report discussed, this group relies heavily on family and friends for support, patches together



income from a variety of sources, and is generally at high risk of poverty and other poor outcomes.<sup>2</sup>

Interestingly, we find that most clients who are in the least stable group (those off TANF, not employed and with no stable source of support) at a point in time do not stay in the same group for long periods. For example, of those in this least stable group at the time of the second survey, only about one-third remained in the same group at the time of the third survey a year later (not shown). Nearly 37 percent were employed, and another 16 percent had returned to TANF with no employment.

## **B. WHAT ARE WFNJ CLIENTS' EMPLOYMENT EXPERIENCES?**

Sustained employment is the primary route to self-sufficiency for TANF recipients. To help TANF recipients who find jobs keep them, welfare agencies must know how many welfare recipients find jobs, what kinds of jobs they find, and how many hours per week they work. These characteristics can indicate whether the jobs welfare recipients find have the potential to lead to sustained employment. This section describes clients' employment experiences and the kinds of jobs they find; the next section examines the challenges to sustained employment they face.

- *Employment rates continue to increase through the third year after program entry although at a somewhat slower pace than during the first two years.*

Spurred by welfare reform and the strong economic conditions in New Jersey, employment rates of WFNJ clients increased steadily over time. Three years after entering WFNJ, 57 percent of clients were employed (Figure II.4). Nearly 20 percent of clients began their time in WFNJ with a job, and monthly employment rates steadily increased during the following three years. By the end of the first year after WFNJ entry, 42 percent of all clients were working. During the second and third years, monthly employment rates increased more slowly, to slightly more than 50 percent by the time of the second year, and to 57 percent three years after WFNJ entry.

Only 18 percent of WFNJ clients had no employment during the three-year period after WFNJ entry (Figure II.5). On average, WFNJ clients as a group were employed for about 45 percent of the time during the three-year period (not shown). Nearly one in four clients worked more than three-quarters of the time and therefore had relatively steady employment during the three years after WFNJ entry. The median employment spell length was around 16 months, considerably longer than employment spell lengths found in previous studies based on rates from previous time periods.<sup>3</sup>

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<sup>2</sup>We examine this group's total income and other sources of support in Chapter IV, where we examine the quality of life and hardships experienced by WFNJ clients.

<sup>3</sup>For example, employment spell lengths from the NLSY data, which covered the period from the 1970s through the 1980s, show median spell lengths of about five to six months (Rangarajan, Schochet and Chu 1998). Data from four states in the PESD study showed median spell lengths of nine months in 1996 (Rangarajan 1996). Holzer, who used data from a survey of employers in four cities finds spell lengths of longer than one year (Holzer, Stoll and Wissoker 2001).

FIGURE II.4

AVERAGE MONTHLY EMPLOYMENT RATES

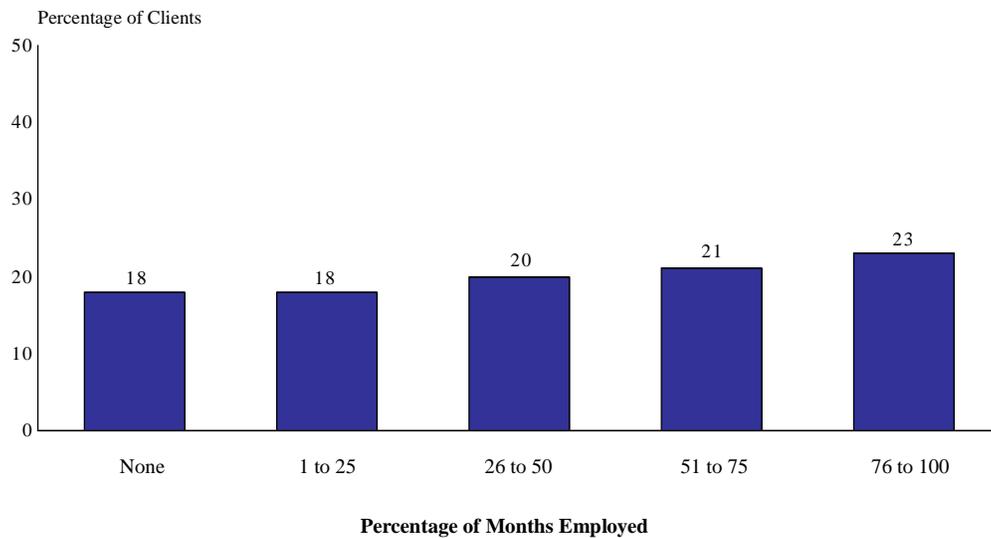


Source: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

Note: WFNJ entry pertains to the time the sample member first received cash assistance after New Jersey fully implemented WFNJ in July 1997.

FIGURE II.5

PROPORTION OF MONTHS EMPLOYED DURING THE THREE-YEAR PERIOD AFTER WFNJ ENTRY



Source: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

Note: WFNJ entry pertains to the time the sample member first received cash assistance after New Jersey fully implemented WFNJ in July 1997.

- ***WFNJ clients who found jobs earned about \$8.70 per hour; average monthly earnings were slightly less than \$1,400.***

As a group, WFNJ clients who had worked at any time between the second and third surveys (approximately 30 to 40 months after WFNJ entry) earned about \$8.70 per hour (Table II.1). About 13 percent worked in jobs that paid \$6 or less, and 22 percent worked in jobs that paid more than \$10 per hour. Nearly 70 percent of these clients worked full-time (35 hours or more per week); only 7 percent worked fewer than 20 hours per week. The average monthly earnings of clients who worked at any time between the second and third surveys were slightly less than \$1,400. The most frequently held jobs were in service, sales, and administrative support.

Slightly more than half those who worked had jobs that offered fringe benefits, such as health insurance, paid vacation, or sick leave. A little less than half the clients offered health insurance actually participated in the employer's health insurance program (not shown). Fewer than one in three chose not participate because they did not need insurance; most reported not participating because they had not worked long enough to qualify (nearly 50 percent) or because the cost was too high (20 percent).<sup>4</sup> About one in four clients worked in temporary or seasonal jobs, and nearly three-quarters worked in regular day shift jobs (Table II.1).

- ***As a group, WFNJ clients are in better jobs than they were a year or two years ago.***

Although many WFNJ clients continued to work in low-paying, entry-level jobs, these jobs were better than the jobs reported by clients at the time of the first and second surveys, approximately two years and one year prior to the third survey, respectively. For example, clients' reported hourly wages for the current or most recent job at the time of the third survey was \$8.70, compared with \$7.80 (in year 2001 dollars) at the time of the first survey, an increase of 15 percent in real hourly wages during the two-year period (Table II.1). Similarly, clients' monthly earnings were around \$1,390 at the time of the third survey, compared with earnings of around \$1,160 (in year 2001 dollars) at the time of the first survey, an increase of nearly 20 percent during this two-year period.

At the time of the third survey, WFNJ clients also were more likely to have jobs that offered fringe benefits, such as health insurance or paid vacation. For example, 53 percent were in jobs that offered health insurance at the time of the third survey, compared with only 40 percent reporting in the first survey that these benefits were offered. Our data do not enable us to determine how much of the movement into better jobs is attributable to economic conditions, and how much to WFNJ clients gaining experience and human capital on their jobs. However, the fact that real wages and earnings have continued to grow despite the somewhat slower economy in late 2000 and early 2001 suggests that at least some clients are gaining human capital and moving to better jobs.

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<sup>4</sup>Roughly 40 percent of those who reported that the cost was too high also had no other form of insurance. Clients with low income can use Family Care to pay the premium to buy employer health insurance. It is not clear from our study how many clients are aware of this option.

TABLE II.1  
CHARACTERISTICS OF CURRENT OR MOST RECENT JOB  
(Percentages)

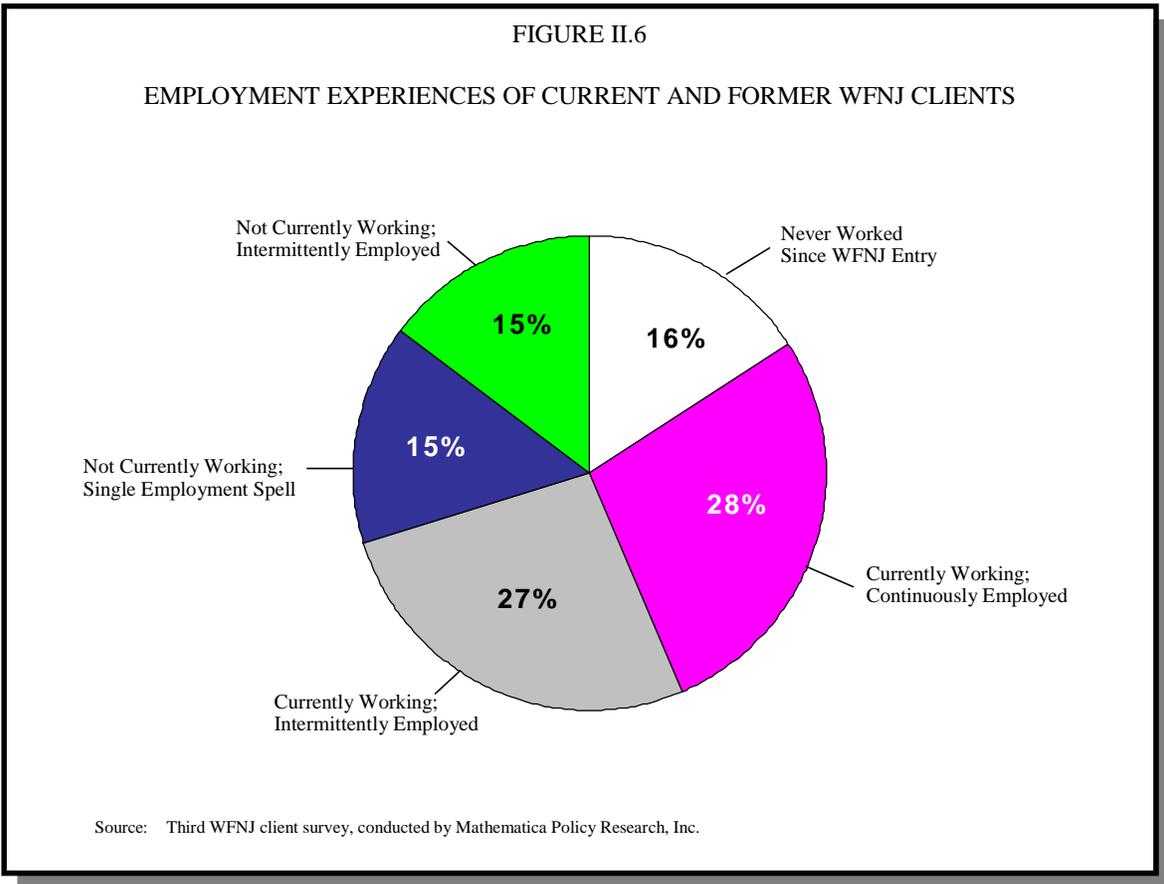
	Jobs Held Between WFNJ Entry and First Survey	Jobs Held Between First and Second Surveys	Jobs Held Between Second and Third Surveys
<b>Hourly Wages (in 2001 Dollars)</b>			
\$6.00 or less	25	17	13
\$6.01 to 7.00	20	19	23
\$7.01 to 8.00	13	17	15
\$8.01 to 9.00	17	16	17
\$9.01 to 10.00	9	9	11
More than \$10.00	17	22	22
(Mean)	(\$7.80)	(\$8.40)	(\$8.70)
<b>Hours Worked per Week</b>			
Fewer than 20	11	9	7
20 to 34	31	28	24
35 to 39	10	9	9
40 or more	48	54	59
(Average)	(34)	(35)	(36)
<b>Monthly Earnings (in 2001 Dollars)</b>			
Less than \$600	18	14	11
\$601 to \$1,000	24	22	19
\$1,001 to \$1,400	29	29	31
\$1,401 to \$1,800	15	20	19
More than \$1,800	14	17	20
(Average)	(\$1,160)	(\$1,310)	(\$1,389)
<b>Benefits Offered</b>			
Health	40	49	53
Vacation	44	53	56
Sick leave	36	44	45
Seasonal/Temporary Job	35	30	26
<b>Shift Worked</b>			
Regular	67	76	76
Evening/graveyard	24	14	16
Weekend/variable shift	9	10	7
<b>Occupation</b>			
Manager/professional/technical	6	6	6
Sales	15	15	17
Administrative support	23	24	25
Private household services	12	3	2
Other services	29	33	35
Transportation	8	11	9
Construction/production/other	7	8	7
<b>Sample Size</b>	<b>1,098</b>	<b>1,144</b>	<b>1,215</b>

SOURCE: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

NOTE: The first, second, and third surveys were conducted, on average, approximately 18, 30, and 40 months, respectively, after WFNJ entry. WFNJ entry pertains to the time the sample member first received cash assistance after New Jersey fully implemented WFNJ in July 1997.

### C. WHAT CHALLENGES TO SUSTAINED EMPLOYMENT DO WFNJ CLIENTS FACE?

The majority of WFNJ clients had worked at some point during the 40-month period since WFNJ entry (Figure II.6); however, only 28 percent had worked continuously since the time they had started working.<sup>5</sup> Slightly more than 15 percent had never worked, and 30 percent had worked at some point since WFNJ entry but were no longer working at the time of the third survey. Another 27 percent were employed at the time of the third survey but had worked intermittently, moving in and out of jobs. Thus, although many clients were able to find jobs, they had a more difficult time holding on to them. If the current welfare reform effort is to help clients make the transition from welfare to economic self-sufficiency, it is important to understand the difficulties clients must cope with to keep their jobs and to succeed in the labor market, as well as the reasons why some clients are not working for pay.



<sup>5</sup>The numbers in this figure refer to employment spells, not job spells. In other words, clients who moved directly from one job into another are included in the group that is continuously employed. To be included in the group of those intermittently employed, clients had to have had at least one month of no work.

## 1. What Difficulties Do Employed WFNJ Clients Experience on Their Jobs?

Developing appropriate job retention services for employed welfare recipients requires an understanding of the factors that can make working difficult for them. We begin this section by examining the problems that employed WFNJ clients identified as interfering with their ability to keep their jobs, and the frequency and causes of absences from work. Because child care and transportation are often cited as factors that make working difficult, we then examine the types of child care and transportation arrangements that employed WFNJ clients make.

- *When asked what makes working difficult, clients cite problems both on the job and outside of work.*

Many factors, both on the job and outside of work, affect the ability of WFNJ clients to stay employed. Overall, half the clients who had worked during the year before the third survey reported a problem on the job that made working difficult (Figure II.7). They reported such difficulties as problems getting along with their coworkers and boss, stressful jobs, unpleasant work environments, and inconvenient work schedules.

Slightly more than 60 percent of clients reported problems outside of work that made working difficult (Figure II.7). Clients were most likely to report child care and transportation, physical health, and budgeting issues as problems outside of work that made working difficult. Other reasons reported by 10 percent of clients or more included mental health problems, other household members' health problems, housing issues, and lack of support from family and friends. A study examining the first-year employment experiences of 1,200 newly employed welfare recipients in four states in 1996 found similar difficulties; child care, finances, health, transportation, and housing were the most commonly reported problems outside of work that made holding a job difficult (Rangarajan 1998).

- *Many WFNJ clients missed work or arrived late on their current or most recent job; on average, WFNJ clients missed a day and a half of work each month.*

WFNJ clients were asked how often they missed work and the number of days they had arrived late or left early in the past month.<sup>6</sup> Slightly fewer than half the clients reported some absenteeism, and, on average, WFNJ clients missed a day and a half of work during the past month (Table II.2).<sup>7</sup> These rates of absenteeism are comparable to those found among other samples of welfare recipients who have obtained jobs. For example, using employer data on absenteeism for newly employed welfare recipients, Holzer and Stoll (2001) report absenteeism rates of about 40 percent. Using data on employed welfare recipients in Pennsylvania, Wood and Paulsell (2000) report

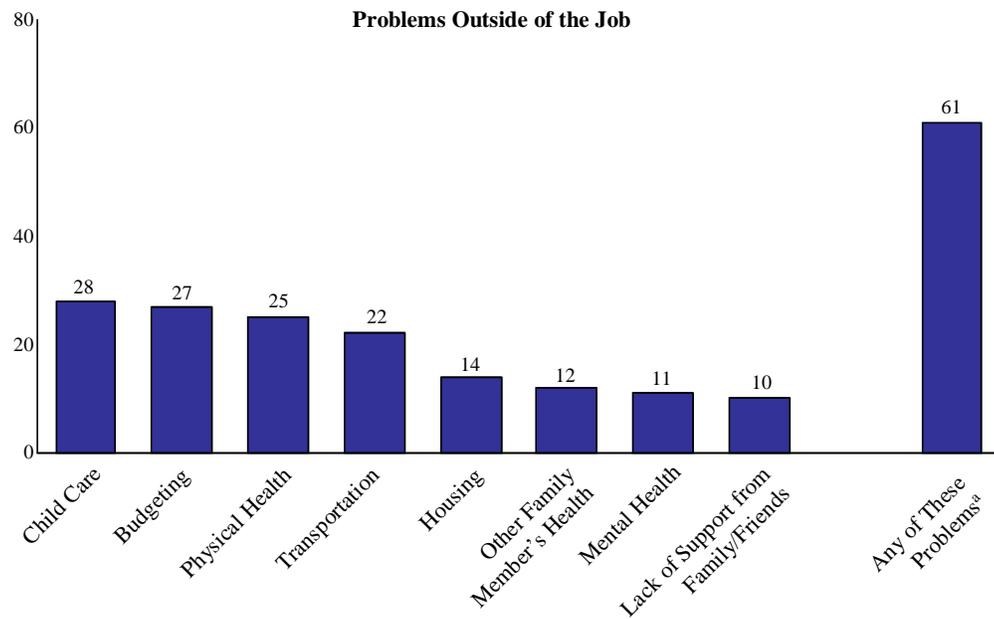
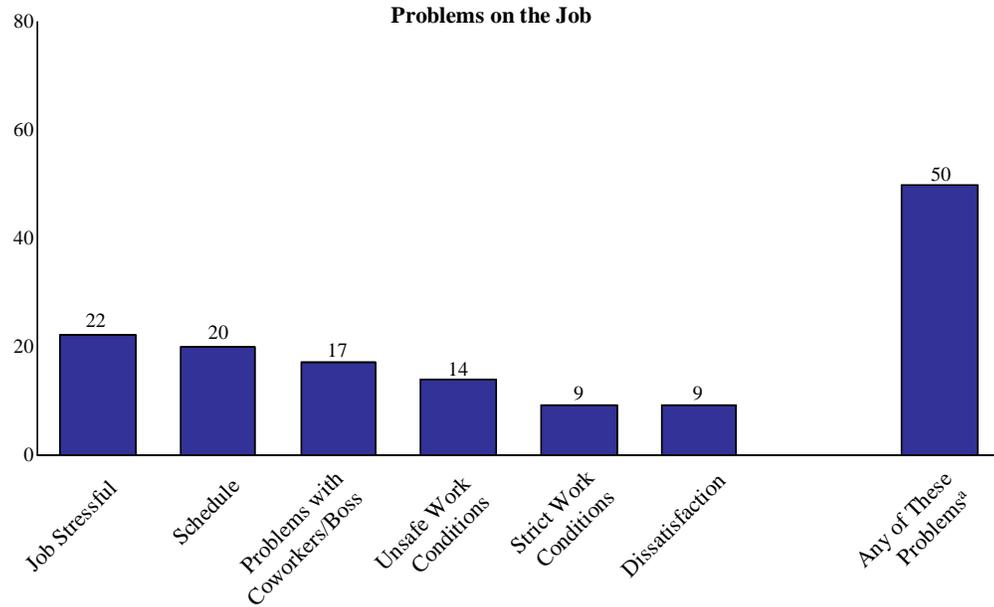
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<sup>6</sup>Those not working at the time of the interview were asked about the absences during the last month of their most recent job.

<sup>7</sup>Those who missed work missed about 3.5 days over the past month.

FIGURE II.7

WFNJ CLIENTS' PROBLEMS IN CURRENT OR MOST RECENT JOB



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

Note: Figures include those who had worked at some time between the second and third surveys.

<sup>a</sup> The sum of the specific problems adds up to more than the total number who reported a problem, as respondents were asked specifically about each type of problem and could report having more than one type of problem.

TABLE II.2

DAYS MISSED AND TARDINESS IN CURRENT OR MOST RECENT JOB

	Percentage
Percentage Who Lost Any Full Days from Work in Past Month	44
Average Number of Days Lost in Past Month	1.6
Reason for Most Recent Day Missed	
Health problem	44
Child care	29
Transportation	4
Other	23
Percentage Arrived Late/Left Early from Work in Past Month	35
Average Number of Days Arrived Late/Left Early in Past Month	0.9
Reason for Most Recent Day Late/Early	
Child care	38
Health	20
Transportation	25
Not enough work	2
Other	15
<b>Sample Size</b>	<b>1,215</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

NOTE: Figures refer to the past month on the current job for those working, and to the past month on the most recent job for those not working, at the time of the third survey.

absenteeism rates of 1.6 days.<sup>8</sup> The most common reason clients reported for most recently missing work was a health problem (reported by 44 percent); the second most common reason was child care.

More than one-third of clients reported arriving late at work or having to leave work early. In contrast to the reasons for absenteeism, the primary reason for arriving at work late or having to leave early was related to child care, with nearly 40 percent reporting this reason. Transportation was the next most common reason, with one in four citing a transportation problem.

<sup>8</sup>However, these rates are considerably higher than absenteeism rates among all women working full-time in the United States; it is possible that they reflect the greater challenges to employment faced by working current and former welfare recipients. According to figures from *Employment and Earnings January 2000*, women working full-time in the United States missed 0.6 work days (U.S. Department of Labor 2000).

- *Many WFNJ clients rely on informal child care arrangements while they are at work; these arrangements may be more prone to breaking down and make it difficult for clients to keep their jobs.*

At the time of the third follow-up survey, nearly 80 percent of clients were in single-parent households, and nearly half had a child younger than age 6. To maintain full-time employment, most clients will require child care arrangements for their young children.<sup>9</sup>

Nearly half of employed WFNJ clients with children younger than age 6 had relatives care for their youngest child while they were at work (Table II.3). Another 18 percent relied on another type of informal provider, such as family day care or nonrelative care. Slightly fewer than 40 percent reported that their youngest child was cared for in a day care center, kindergarten, or other group care. For infants and toddlers,

TABLE II.3  
CHILD CARE AND TRANSPORTATION ARRANGEMENTS  
FOR CURRENT OR MOST RECENT JOB

	Percentage
<b>Child Care Arrangement for Youngest Child<sup>a</sup></b>	
Care by relatives	47
Nonrelative care/family day care	18
Day care center/kindergarten	37
Other	3
<b>Commuting Methods</b>	
Public transportation	
Bus	31
Train	3
Drives	35
Walks	13
Rides	13
Other	5
<b>Commute Time (in Minutes)</b>	
Fewer than 15	33
15 to 30	36
30 to 60	23
60 to 120	7
More than 120	1
(Average)	(33)
<b>Average Commute Time, by Mode of Transportation (in Minutes)</b>	
Public transportation	47
Drives	27
Walks	20
Rides	25
Other	31
<b>Sample Size</b>	<b>1,215</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

<sup>a</sup>This sample includes only those who had a child younger than age 6. Percentages add up to more than 100, as respondents could report multiple arrangements.

<sup>9</sup>Chapter V discusses in greater detail parents' child care choices and use of subsidies.

relative caretakers were particularly common. For example, 60 percent of employed WFNJ clients relied on relatives to watch their infants while they worked, and nearly 20 percent relied on other informal providers (not shown).

Parents have many reasons for choosing informal providers to care for their very young children. At the same time, although many parents prefer relatives and other home-based providers to center-based care, research suggests that these arrangements are more prone to break down than are center-based arrangements, and that they therefore lead to more lost work time (Gilbert et al. 1992; Hofferth 1995; Presser and Cox 1997; and Ross and Paulsell 1998). The combination of many WFNJ clients having informal arrangements and many reporting child care as a factor that makes work difficult suggests the importance of emphasizing back-up child care arrangements for newly employed clients who plan to rely on informal providers. It also suggests that it may be important to give clients information and referrals to appropriate group care programs in the areas in which they live.

- ***Many WFNJ clients rely on public transportation and on rides from others to get to work; those relying on public transportation have the longest commutes, averaging more than 45 minutes.***

At the time of the third survey, only about 40 percent of WFNJ clients owned a car (not shown), and only a modest fraction (35 percent) drove themselves to work. A similar number (34 percent) relied on public transportation, with most taking the bus. Another 13 percent each relied on rides from friends or relatives or walked to work. Clients living in high-density counties were considerably more likely than those in low-density counties to use public transportation (44 percent versus 15 percent), and considerably less likely to drive to work (36 percent versus 67 percent; not shown). In contrast, nearly 60 percent of those in low-density counties drove themselves to work.

Employed WFNJ clients took considerable time getting to and from work—on average, commuting 33 minutes each way (more than one-and-a-half times the average commute time of slightly more than 20 minutes nationally [U.S. Census Bureau 2001]). Nearly 1 in 10 WFNJ clients had commutes lasting longer than one hour. Those who relied on public transportation had the longest commutes, averaging 47 minutes, compared with 20 to 30 minutes for other forms of commute.

## **2. Why Are Some Clients Not Working?**

Slightly fewer than half the WFNJ clients were not working at the time of the time of the third survey. About two-thirds of these clients had not worked at all during the year prior to the survey; the remaining third had worked during the past year, but not during the three months prior to the survey. In this section, we start our discussion by examining the reasons for the most recent job loss among clients who were not working at the time of the survey. We then examine the reasons nonemployed clients gave for not working.

- ***Quitting a job is the most common reason for job separation, although many also get laid off or are in temporary jobs that end.***

One in four clients who had worked at some point during the year prior to the third survey were not working at the time of the survey. The most commonly reported reason for their job separation was having quit their jobs (42 percent; Table II.4). Another 16

TABLE II.4  
REASONS FOR MOST RECENT JOB LOSS

	Percentage
<b>Reasons for Job Loss</b>	
Quit	42
Fired	16
Laid off	20
Temp job ended	23
<b>Reasons Quit (Among Those Who Quit)<sup>a</sup></b>	
Work-related situation	36
Health	33
Child care	12
Transportation	8
Returned to school	3
Other	18
<b>Reasons Fired (Among Those Who Were Fired)<sup>a</sup></b>	
Late/missed work	53
Job performance	18
Problems with coworkers/boss	12
Inappropriate conduct	5
Other	11
<b>Sample Size</b>	<b>331</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

NOTE: The sample includes those who had experienced a job separation during the year prior to the survey.

<sup>a</sup>Percentages may add up to more than 100, as respondents could report more than one reason.

percent reported being fired, and 20 and 23 percent, respectively, reported being laid off or having held a temporary job that ended.

The most common reasons for quitting their jobs related to a workplace situation or health problem, with one-third each reporting these reasons (Table II.4). The most common workplace situations were disliking the job or work conditions and disliking the wages/benefits and wanting a better job. Slightly more than 1 in 10 reported a problem related to child care as their main reason for quitting their job. The most common reason for being fired was tardiness or absenteeism, with more than half the clients reporting this reason as the main one for being fired. Other common reasons for being fired were poor job performance and problems with coworkers or bosses.

- *Clients who had not worked at all during the year prior to the interview cited health as a major factor for not working.*

More than half the clients who had not worked at all during the year prior to the survey reported that their own health or the health of another household member was the

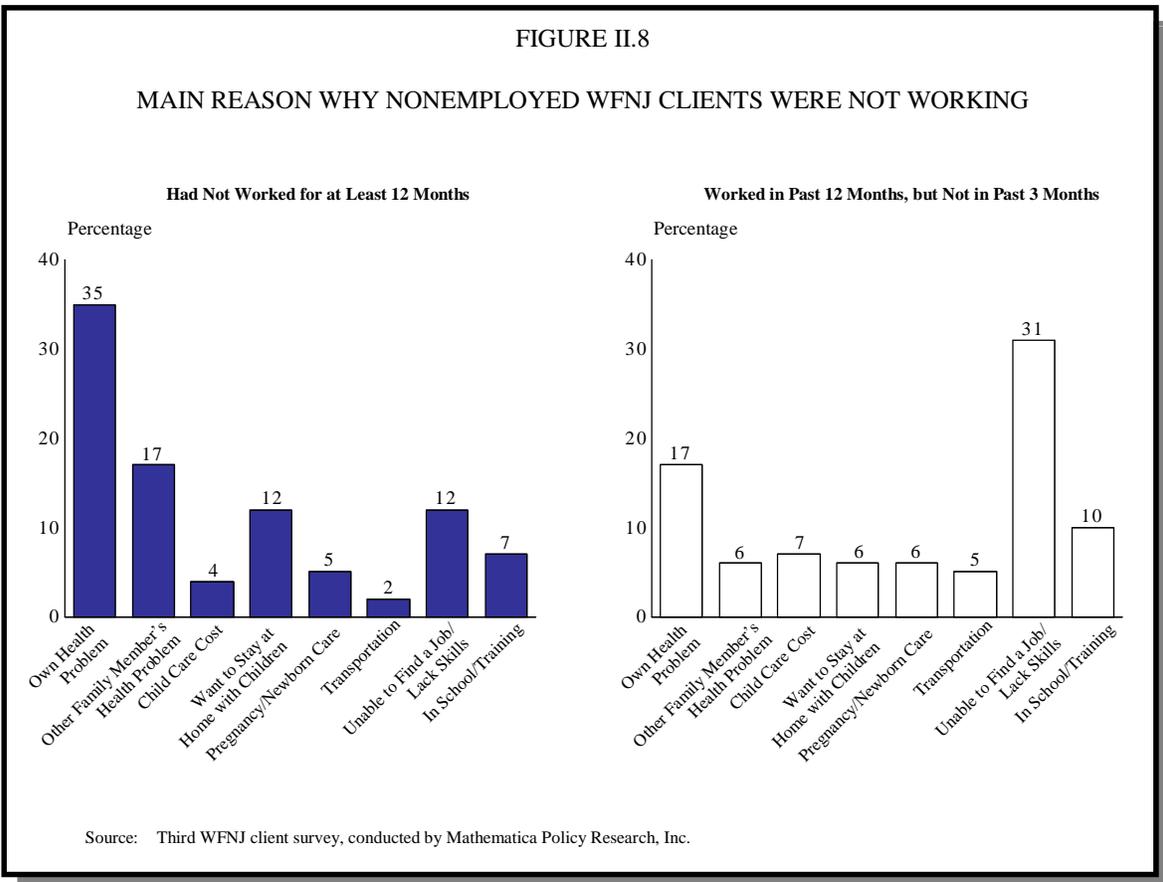
main reason they had not worked during the year (35 percent and 17 percent, respectively; Figure II.8). About 12 percent wanted to stay at home with their children, and another 12 percent said they were unable to find a job.

- *Many who had worked at some point in the past year, but not in the past three months, cited inability to find jobs and lack of skills as the main reasons they were not employed.*

Nearly one in three clients who had worked at all in the past year, but had not recently worked, reported that they were unable to find a job or that they lacked the skills to find a job as their main reasons for not working (Figure II.8). Another 10 percent reported that they were in a school or training program. Although less likely to cite health problems than those who had no employment at all, nearly 25 percent also cited their own health or the health of a family member as the main reason they had not worked during the past three months.

#### D. ARE WFNJ CLIENTS PARTICIPATING IN TRAINING PROGRAMS?

Some welfare recipients might lack basic skills and therefore may need education and/or training if they are to find decent jobs. Others, finding low-paying, entry-level jobs, may want to enhance their skills to advance in their jobs or move into higher-paying ones. In this section, we examine the extent to which WFNJ clients participate in education and training programs, the types of programs in which they participate, and whether they have aspirations to further enhance their skills.



- *Nearly one in three WFNJ clients participated in some type of education/training program during the two-year period prior to the survey.*

In the survey, we asked WFNJ clients whether they had participated in any education or training programs during the two years prior to the survey and, if so, how long they had spent in these programs. About 30 percent reported participating in some type of education or training program, and slightly fewer than 1 in 10 were in an education or training program during the month prior to the survey (Table II.5). On average, those in

TABLE II.5  
PARTICIPATION IN EDUCATION AND TRAINING DURING THE TWO YEARS  
PRIOR TO THE SURVEY, BY TANF STATUS  
(Percentages)

	By TANF Status			
	All	On TANF	Off TANF, Employed	Off TANF, Not Employed
Currently Participating in an Education or Training Program	8	11	7	8
Percentage Participating During the Two Years Prior to the Survey	30	42	29	22
Percentage of Time in Any Education or Training Program During the Two-Year Period (Among Those who Participated)	29	28	30	28
Hours/Week in Current/Most Recent Program				
Fewer than 10	25	10	35	25
10 to 19	23	21	21	29
20 to 34	31	38	24	33
35 or more	22	31	20	14
(Average)	(21)	(25)	(19)	(25)
Type of Training Program				
GED	17	22	11	24
Job readiness	13	18	9	11
Vocational/technical training program	28	27	31	21
Home health aide	11	16	7	13
College	19	11	24	19
Other	13	5	18	12
Who Pays for Cost of Program?				
Sample member	27	11	38	30
State	41	64	24	42
Free program	17	19	15	17
Employer	10	<1	17	8
Other	8	6	9	8
<b>Sample Size</b>	<b>1,601</b>	<b>363</b>	<b>788</b>	<b>450</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

a program spent about 20 hours per week in their program, and the average education or training program lasted about eight months. Those in job readiness programs spent the shortest time in their programs (about 3 months, on average), and those in vocational training or college spent longer (about 6 months for vocational programs, and about 16 months for college, on average). More than two-thirds of those who were not currently in a training program but who had attended one during the past two years reported having completed it; more than 80 percent of these completers reported having received a diploma or certificate on completion (not shown).

Consistent with the program participation requirements as well as with having more time available, those on TANF were more likely than those off TANF to have participated in a training program (42 percent versus about 25 percent, respectively). Interestingly, those off TANF and working were somewhat more likely than those off TANF and not working to have participated in a training program at any point during the two-year period prior to the third survey (29 versus 22 percent). Overall, about eight percent of those off TANF and not working reported currently participating in an education or training program at the time of the third survey.

- ***Clients are most likely to participate in vocational or technical training programs.***

Overall, 28 percent of clients who had participated in a training program were in vocational or technical training programs (Table II.5). Many clients also were in GED programs or attended a two- or four-year college. Clients on TANF as well as those off TANF and not employed, groups that typically have lower basic skills than do employed clients, were considerably more likely to be in a GED program than were employed clients (22 and 24 percent versus 11 percent). In contrast, those off TANF and employed were more likely than others to have participated in a two- or four-year college program. Clients on TANF also were more likely to have attended a job readiness program, most likely as part of the WFNJ work requirements.

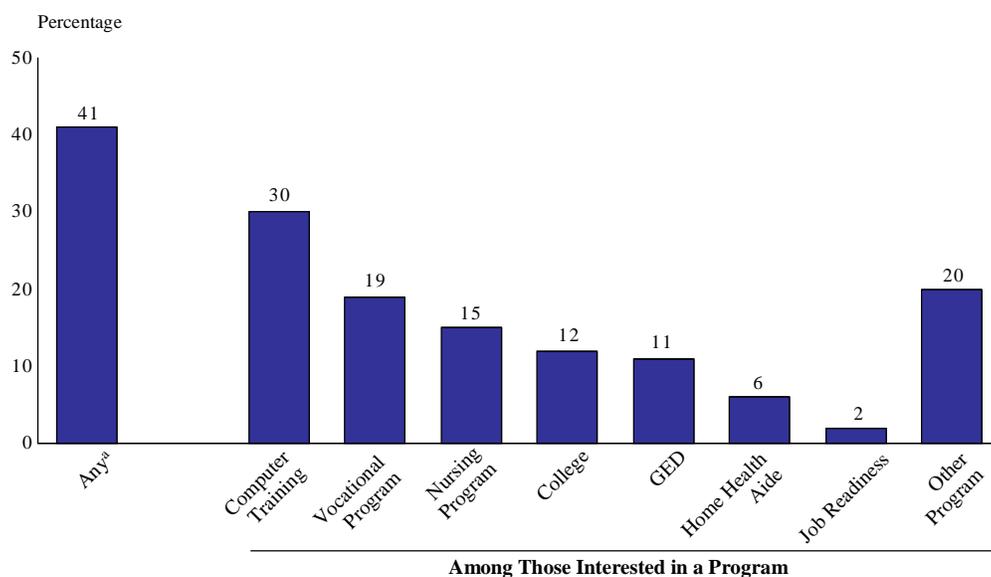
Clients off TANF were more likely than those on TANF to pay for their program. Only 11 percent of those on TANF reported paying for their training program—they were most likely to report having the state pay for their training (64 percent) or attending a free program (19 percent). In contrast, substantially more than one in three of those off TANF were likely to have paid for the program themselves.

- ***Many clients would like to participate in an education or training program.***

A substantial fraction of current and former WFNJ clients (41 percent) said they would like to attend additional education or training that they currently were unable to attend (Figure II.9). Many of these clients (30 percent) wanted to receive computer training. Many clients also wanted training (or additional training) in the health profession; 15 percent wanted to enter a nursing program, and 6 percent wanted to become home health aides. One in 5 wanted to go to some other vocational program or trade school, and slightly more than 1 in 10 each wanted to obtain a GED or go to college. Among those off TANF, the most common reasons for not being able to participate were the cost of the program and having to juggle child care arrangements (not shown). Those on TANF reported health problems as the main reason they were unable to attend.

FIGURE II.9

EDUCATION/TRAINING PROGRAM IN WHICH CURRENT AND FORMER  
WFNJ CLIENTS WOULD LIKE TO PARTICIPATE



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

<sup>a</sup>The sum of the programs adds up to more than the total number who reported wanting to participate in any program, as each respondent could report on multiple training programs.

- ***Only a handful of clients are aware of the recently announced education subsidy programs offered by the state.***

In fall 2000, as part of its career advancement strategy for welfare recipients, the state of New Jersey launched an initiative that provides education vouchers for former WFNJ recipients who are working. Because the initiative is relatively recent, and because many of the WFNJ clients we are tracking in this study are likely to have been off welfare for some time, it is unlikely that many of them would know about these vouchers. In our surveys, we asked clients whether they were aware of any programs in New Jersey that offer money or vouchers to those who have left welfare so they can pay for educational programs to improve their skills. Overall, about 27 percent of the clients reported having heard about such programs (not shown). Interestingly, there were no differences in the numbers who reported having heard about this by whether they were on or off TANF at the time of the third survey.



### III

## WELFARE EXPERIENCES OF CURRENT AND FORMER WFNJ CLIENTS

Welfare reform and its associated time limits and work requirements have made it particularly important for state policymakers to understand the patterns of TANF receipt among WFNJ clients. As welfare caseloads fall and clients continue to get off welfare, it is important to understand their reasons for leaving welfare. In addition, as noted in previous client study reports, food stamp participation and child care subsidy use by WFNJ clients who have left welfare is low, suggesting that people may not be using all the post-TANF supports available to them. For WFNJ to be successfully implemented, and for the new policies and services to have their intended effects, it will be important to ensure that clients are aware of the program changes and services available, and that they use the services if necessary.

In this chapter, we examine the trends in TANF receipt and food stamp receipt during the three-year period after WFNJ entry. In particular, we seek to answer such questions as, how many clients in our study have received TANF at different points in time since WFNJ entry? What reasons do clients give for exiting welfare? How many clients receive food stamps at various points in time? To what extent do clients who have exited TANF and who might be eligible for food stamps receive these benefits? This chapter also includes a description of clients' knowledge of and plans for the time limits. In particular, among the clients we are tracking, what do current and recent TANF recipients know about time limits? What are they doing to prepare for these limits?

#### KEY FINDINGS FROM THIS CHAPTER

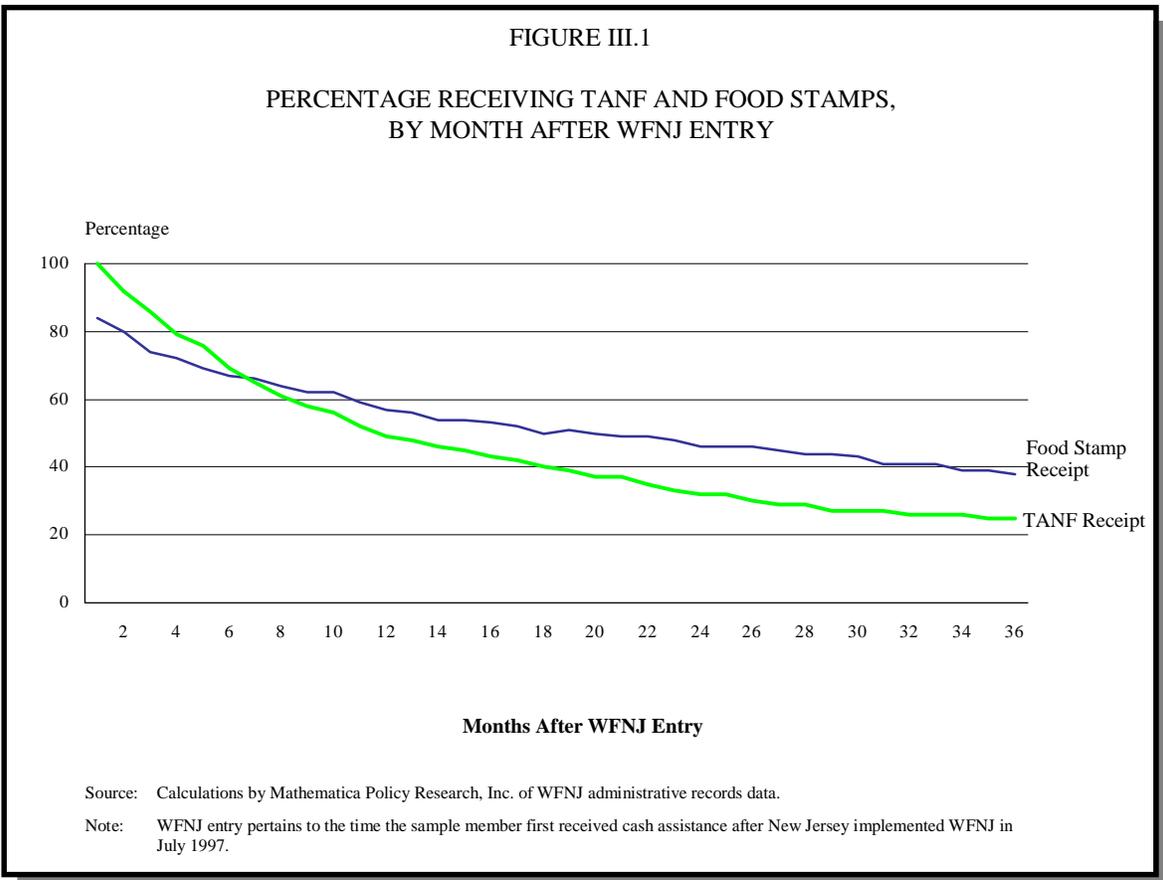
- ***TANF receipt continues to fall over time.*** At the time of the third survey, fewer than one in four clients remained on TANF, down from 36 percent the year before.
- ***Food stamp receipt continues to remain low among those off welfare and who appear to be eligible for food stamps.*** Similar to findings from the second WFNJ client survey, only about half of those off welfare who seem to be eligible were receiving food stamps. Many report not knowing whether they are eligible. Eligible clients who were not using food stamps report not wanting to deal with the hassles of getting food stamps or simply not wanting these benefits.
- ***Most clients know about time limits, and most believe the state will impose them.*** They are less certain about the actual number of months remaining, however. Most clients remaining on TANF report planning to find a job or participate in an education or training program when they reach their time limits, but many may find these plans difficult to implement, given their health limitations and other barriers.

## A. WHAT ARE THE PATTERNS OF TANF RECEIPT OVER TIME?

The long-term goal of the WFNJ program is to promote economic self-sufficiency, which means reducing welfare dependency. As described in the previous chapter of this report, many clients are continuing to leave welfare over time after WFNJ entry. Here, we describe the trends in TANF receipt during the three-year period after WFNJ entry and then describe the reasons recent TANF leavers give for exiting welfare.

- *TANF receipt among WFNJ clients tracked by the study continues to decline over time; however, the rate of decline during the third year is slower than the rate of decline during the first year after TANF entry.*

Clients who began receiving TANF during the first year and a half of WFNJ implementation in New Jersey continued to exit the welfare rolls over time. By the end of the third year after WFNJ entry, 23 percent of clients were receiving TANF (Figure III.1). Although not as steep as the declines in the rates of TANF receipt during the first year after WFNJ entry, TANF receipt continued to decline between the second and third years after WFNJ entry. For example, monthly rates of TANF receipt among all WFNJ clients fell from 100 percent in the month after program entry to 49 percent one year later (a 51 percent reduction in monthly TANF receipt during this period). During the second year, the proportion of clients receiving TANF in a month fell from 49 percent to 32 percent (a somewhat lower reduction of 35 percent). During the third year, the proportion of clients receiving TANF fell from 34 percent to 23 percent (a 33 percent reduction).

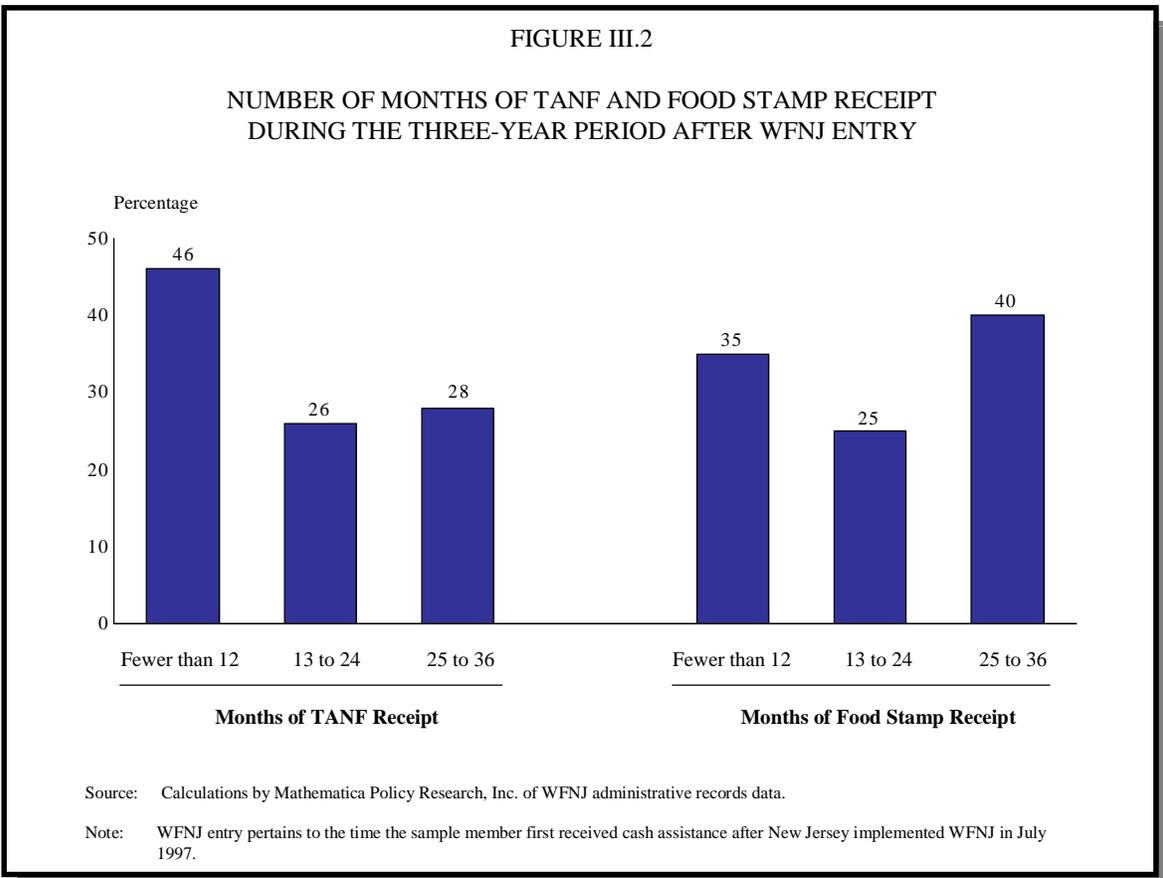


Some clients received TANF for only a short time during the three-year period, whereas others continued to receive it for longer periods. For example, nearly half the clients had received TANF for fewer than 12 months during the three-year period, and fewer than 30 percent had received TANF for longer than two years (Figure III.2). On average, clients received TANF for about 16 months during the three-year period (not shown). While clients were on TANF, they received monthly TANF benefits of approximately \$363, on average.

- *Among the “later” TANF leavers, the most common reason for leaving welfare continues to be employment, although many also leave because of sanctions.*

Many WFNJ clients had already left welfare during the first and second years after WFNJ entry; the most common reason for leaving was employment (Rangarajan and Wood 2000). Because the least disadvantaged of clients are most likely to have exited welfare earliest, we wanted to determine why clients left welfare at later points in time after program entry, and whether these reasons were different from reasons given by those who had left welfare earlier. We therefore asked clients who had exited TANF during the year prior to the third survey to give us their reasons for leaving TANF.

Employment continued to be the primary reason that people left welfare, although these later leavers were less likely to leave for employment-related reasons than were those who left earlier. For example, 43 percent of those who had left during the year prior to the third interview left for employment-related reasons; in contrast, 58 percent of



those who had left TANF earlier reported leaving for employment-related reasons (Figure III.3). In contrast, more recent TANF leavers were considerably more likely than earlier leavers to report leaving because of sanctions (33 percent, compared with 21 percent of those who had left earlier).

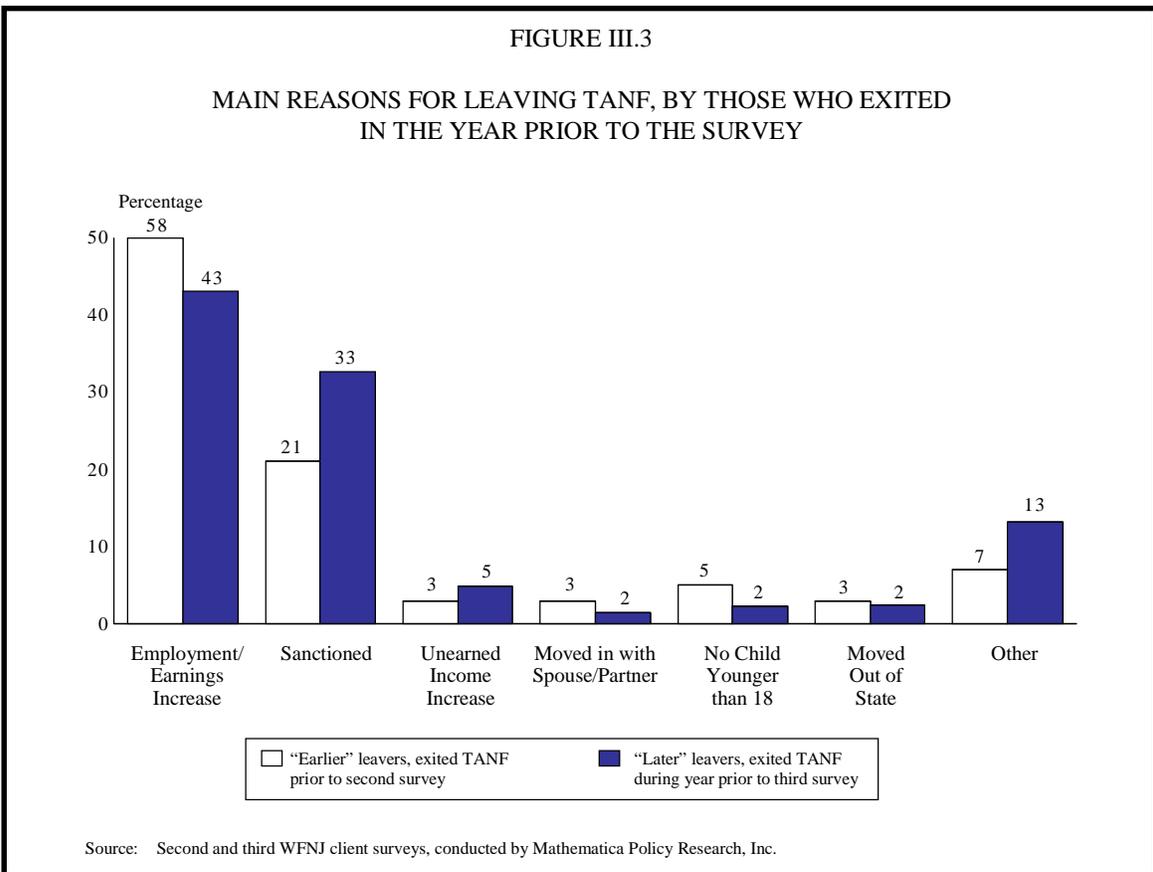
## B. WHAT ARE THE PATTERNS OF FOOD STAMP RECEIPT OVER TIME?

Although most TANF recipients automatically receive food stamp benefits, they may or may not continue to receive food stamps after they leave TANF. For example, individuals who leave welfare for work and have high earnings may no longer be eligible for food stamps. However, those who have low earnings or who leave TANF for reasons other than work may be able to continue to receive food stamps. Thus, as individuals get off TANF, we would expect them to get off food stamps as well, although at a more moderate pace. We start this section by describing food stamp receipt among the WFNJ clients we are tracking in this study and then examine the extent to which those who have left TANF and appear to be eligible for food stamps are using them.

### 1. What Are the Patterns of Food Stamp Receipt over Time?

- *Food stamp receipt among WFNJ clients declined during the three-year period after WFNJ entry, although not as rapidly as TANF receipt.*

As with TANF receipt, the proportion of clients receiving food stamps also declined over time (Figure III.1). About 85 percent of clients were receiving food stamps at the time they entered the WFNJ program; this fraction fell to 59 percent one year after WFNJ



entry. As with TANF receipt, monthly food stamp receipt by WFNJ clients declined more quickly during the first year than during the second and third years after WFNJ entry. At the end of three years, only about 37 percent were receiving food stamps. A fairly large fraction of clients received food stamps for only a short amount of time. For example, about one-third of clients had received food stamps for fewer than 12 months during the three-year period after WFNJ entry (Figure III.2). At the same time, 40 percent of clients received food stamps for at least two years during that period.

## **2. Why Are Many Former TANF Recipients Not Receiving Food Stamps?**

Some former recipients may not receive food stamps because they are ineligible for this benefit, whereas some who are eligible may not use the benefit. For example, given that many clients leave welfare for work, it is possible that high earnings cause some clients to lose eligibility for food stamps. However, other factors, such as lack of knowledge or not wanting to continue to contend with the system, also may drive the decision to leave the Food Stamp Program (FSP). Furthermore, some clients may be unaware of their eligibility for food stamps. Recent WFNJ initiatives to provide in-person food stamp benefit information to cases closed for three months may help to address some of these problems.

Determining household eligibility for food stamps from survey data can be difficult, as program rules are fairly complicated, and surveys do not typically include all the necessary information. Using gross income alone (information that is typically available in most surveys) can lead to the incorrect assumption that some households that are ineligible for food stamp receipt are eligible for this benefit. However, errors in predicting eligibility can be minimized by using information on all household assets, vehicles owned, and the presence in the household of elderly adults (McConnell 1997). In the third WFNJ survey, we asked clients for information on their financial assets, as well as on vehicles they owned. Based on this information, a nonelderly household was determined to be eligible for the FSP if its gross income did not exceed 130 percent of the federal poverty level, its financial assets did not exceed \$2,000, and it owned no vehicle newer than five years old. For elderly households, financial assets could not exceed \$3,000, but the vehicle and gross income criteria were the same.

Two additional difficulties in calculating food stamp eligibility are (1) obtaining accurate information on household income, and (2) identifying the members of the food stamp unit. In our surveys, we have information on income sources for the sample member, her spouse or partner, and their children. However, we do not have good information on the income of other household members. In addition, for households with other adults, we do not know who belongs in the food stamp unit. As a result, we are most sure about our eligibility calculations for single- and two-parent households (with no other adults present); in the following discussion, we focus on eligibility and participation rates for these households.<sup>1</sup>

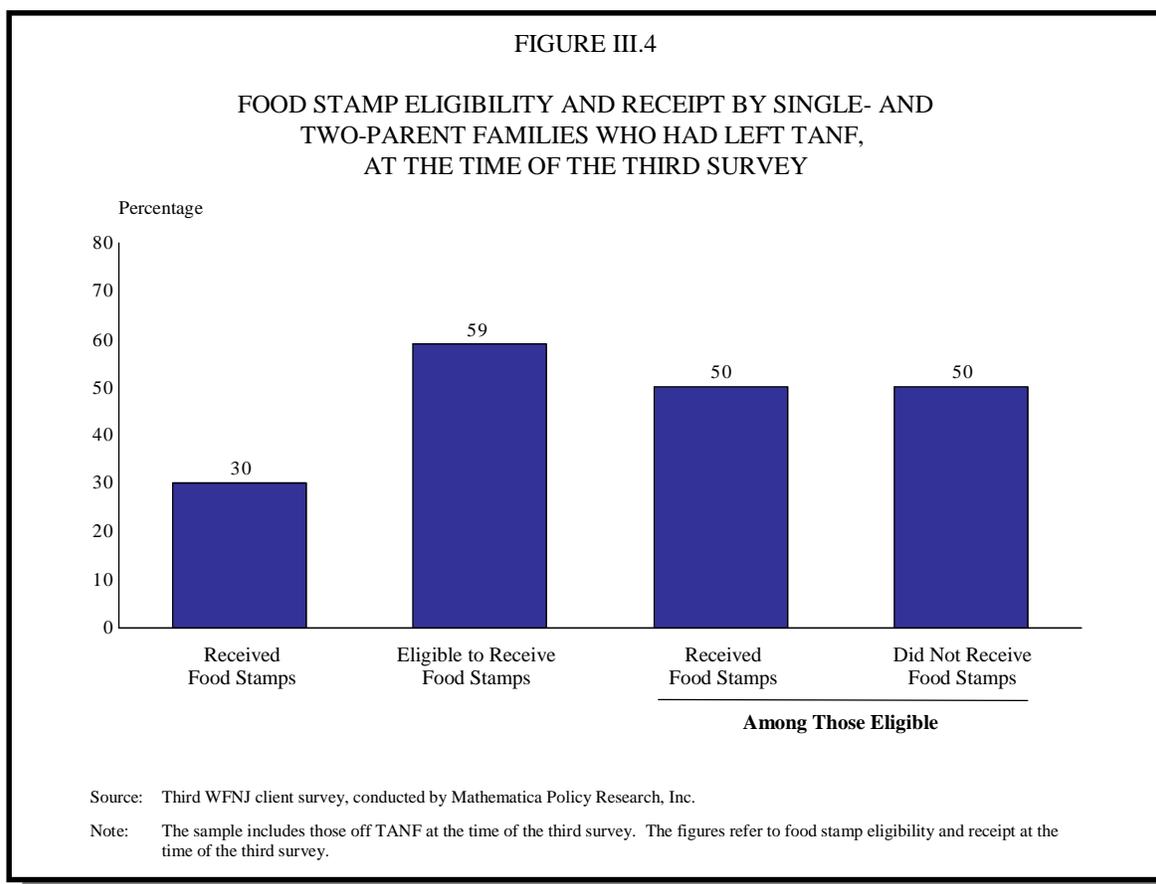
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<sup>1</sup>Slightly more than 70 percent of households off TANF and not receiving food stamps are single- or two-parent families with no other adults; 21 percent are other multiple-adult households, and 8 percent are households with an elderly person.

- *Many clients who leave TANF are not receiving food stamps. Nearly 60 percent of those off TANF appear to be eligible for food stamps; about half of them receive food stamps.*

In general, many clients who leave the TANF program also exit the FSP; overall only about 30 percent of those off TANF were receiving food stamps at the time of the third survey. To what extent are these low rates driven by ineligibility for this benefit, and to what extent are they driven by other factors, such as lack of knowledge or reluctance to contend with the system?

We estimate that nearly 60 percent of single- and two-parent households that are off TANF are eligible to receive food stamps (Figure III.4). The fraction estimated to be eligible for food stamps has decreased somewhat, from 66 percent at the time of the second survey; this estimate is consistent with clients having somewhat higher incomes now than they had one year ago. Similar to last year, about half of those eligible are receiving food stamps.<sup>2</sup> The number of estimated eligible households and participation by those who are eligible are consistent with what is observed among former welfare recipients nationally (Zedlewski and Brauner 1999).



<sup>2</sup>These eligibility estimates do not take into account the benefit amounts that people might be eligible for. To the extent that some people might qualify only for small amounts, they might be less inclined to participate.

- *Many clients eligible for food stamps are unaware of their eligibility for this benefit.*

In the surveys, we asked clients who were off TANF and not receiving food stamps whether they knew if they were eligible for food stamps. Only about 17 percent of all TANF leavers not receiving food stamps thought they were eligible. More than half thought they were not eligible, and another 30 percent reported not knowing whether they were eligible.

Among those we estimated to be eligible for the FSP, 27 percent of clients reported knowing that they were eligible for the FSP (not shown). More than one-third (36 percent) of those we estimated to be eligible thought they were ineligible, and another 37 percent did not know whether or not they were eligible. Hence, lack of knowledge among those who appear to be eligible might partially explain low participation rates, although we do not know whether these people would receive food stamps if they knew they were eligible. In fact, among those who thought they were eligible and were not receiving food stamps, the most common reason for not receiving food stamps is not wanting to deal with the hassles (36 percent) (not shown). Another 21 percent said they simply did not want these benefits.

### **C. WHAT DO RECENT RECIPIENTS KNOW ABOUT TIME LIMITS, AND WHAT ARE THEY DOING TO PREPARE?**

New Jersey implemented the TANF program in April 1997, as required by the PRWORA legislation. New Jersey chose to keep the five-year time limit option, so that the first impact of time limits will be felt in April 2002. Like other states, New Jersey also has the option to exempt as much as 20 percent of its caseload from the five-year limit for cases that experience hardships. As the state approaches the time when the first set of clients are likely to reach the time limits, it would be useful for state policymakers to have a better understanding of what clients know about time limits, and what they are doing to prepare for them.

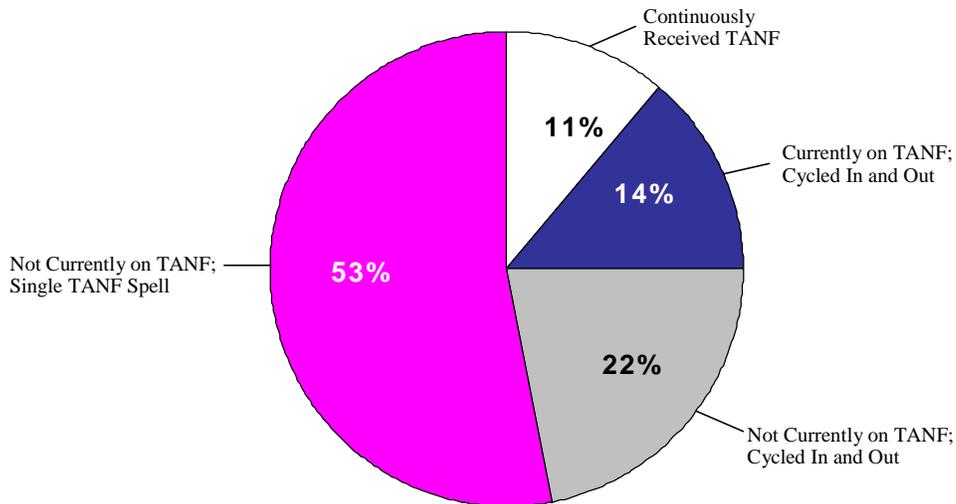
In this study, we are tracking clients who entered WFNJ between July 1997 and December 1998. More than three-quarters of these clients were off welfare at the time of the third survey, and the majority had experienced only one spell and had been off welfare for some time (Figure III.5). However, a small minority of clients (11 percent) had received TANF benefits continuously during the three-and-a-half-year follow-up period, and another one-third of the clients had cycled in and out of welfare since WFNJ entry. Many clients in the last two groups are likely to be at high risk of reaching the time limits. In the third WFNJ survey, we asked all clients “at risk” of reaching the time limits—*those who either were currently receiving TANF at the time of the survey or had received TANF at some time during the year prior to the survey*—what they knew about time limits, and what they planned to do when they reached them.

- *The majority of current and recent TANF recipients know about TANF time limits, and most believe that the state will implement them.*

We asked current and recent TANF recipients whether people could receive welfare continuously as long as they have a child younger than age 18, or whether the state could cut cash assistance off for good. More than 80 percent of the current or recent TANF recipients in our sample said the state could cut assistance off for good, and another 14

FIGURE III.5

PATTERNS OF TANF RECEIPT SINCE WFNJ ENTRY



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

Note: WFNJ entry pertains to the time the sample member first received cash assistance after New Jersey fully implemented WFNJ in July 1997.

percent said they did not know (Figure III.6). Only four percent said they could continuously receive benefits. Clients also believe that the state will implement these time limits. Most (nearly 90 percent) of those who knew there was a lifetime limit on cash welfare said they believed the state would cut people off cash welfare when they reached their time limits.

- *However, clients are confused or lack the knowledge about what does and what does not count toward the time limits.*

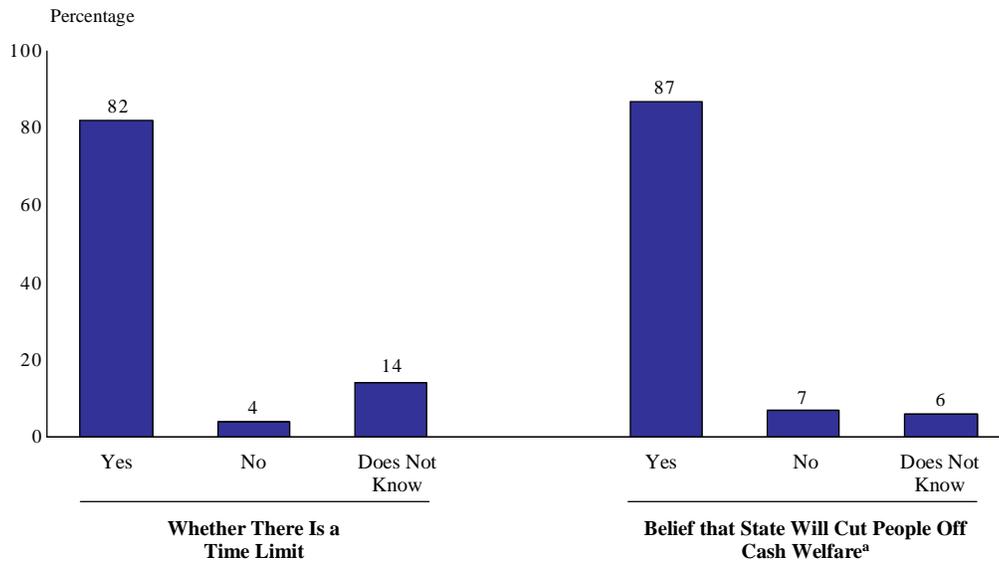
Although most current and recent TANF recipients knew about the existence of time limits, they were less certain about what does and what does not count toward them. For example, WFNJ clients were least certain about whether months they were sanctioned and months they received TANF while they had a health problem that made it difficult to work count toward their TANF time limits (Figure III.7). They were most likely to believe that months in which they received TANF while pregnant or while searching for a job and were unable to find one will count toward time limits.

- *Many still do not know what their own time limits are. Of those who report knowing, many who are likely to reach time limits soon think it is farther away than it is, and others who have a while think it is sooner than it really may be.*

Clients who had received TANF during the year prior to the survey and who knew that there were time limits were asked how many months remained until they reached

FIGURE III.6

KNOWLEDGE OF TIME LIMITS

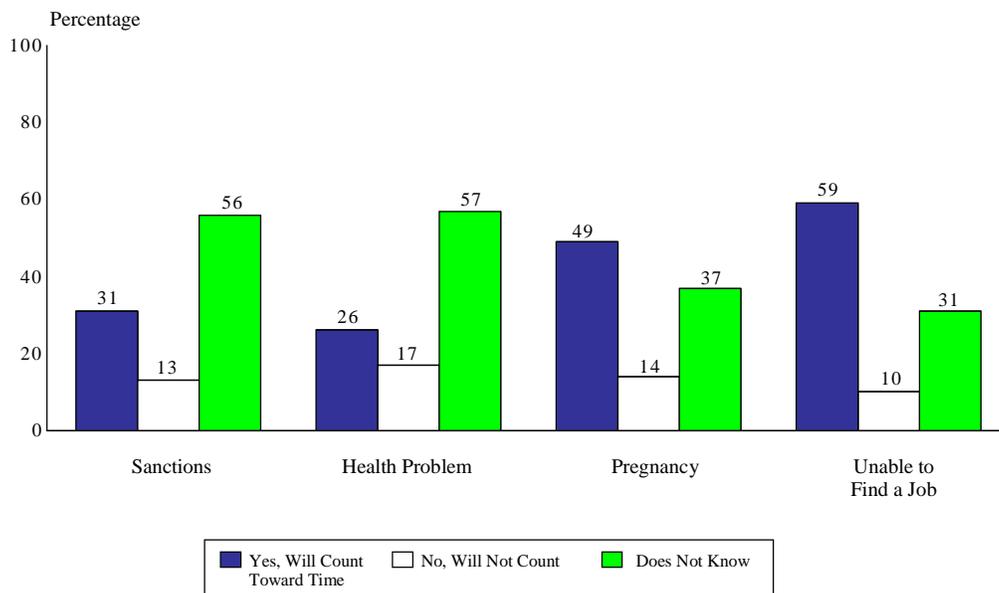


Source: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

<sup>a</sup>Sample includes only those who report knowing there is a time limit.

FIGURE III.7

KNOWLEDGE OF WHETHER SPECIFIC FACTORS COUNT TOWARD TIME LIMITS



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

their time limits. Forty-one percent of current or recent recipients did not know this figure (Table III.1). Most of the nearly 60 percent who reported knowing how much time they had left believed they will reach their time limits within two years.

Using data from administrative welfare data, we calculated approximate “upper-bound” estimates of potential time used up from the 60-month lifetime limit. We made this calculation by counting the number of months that the client had received TANF since April 1997, when the time limit clock started ticking in New Jersey.<sup>3</sup> We then compared the estimated time left with clients’ self-reports of the time they believed was left before the time limits were reached.

Our estimates suggest that about 12 percent of clients who reported not knowing how many months they had left on welfare are likely to reach their time limits within the year (based on administrative records data counts), and that another 20 percent are likely to

TABLE III.1  
RECENT TANF RECIPIENTS’ KNOWLEDGE OF OWN TIME LEFT  
UNTIL THEY REACH THE TIME LIMITS

	Percentage
<b>Number of Months Until Time Limit</b>	
Don’t know	41
Fewer than 6 months	9
7 to 12 months	14
13 to 24 months	19
25 to 36 months	12
37 to 48 months	2
49 to 60 months	2
More than 60 months	1
(Mean, among those who report knowing)	(22.3)
<b>Found Out About Time Limit from:</b>	
Caseworker/agency staff	87
Letter	6
Other	6
<b>Among Those Who Don’t Know, Whether Case Worker or Agency Staff Talked with Them</b>	
Yes	32
No	64
Don’t know	4
<b>Sample Size</b>	<b>560</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

NOTE: The sample includes clients who had received TANF at any time during the year prior to the survey.

<sup>3</sup>To the extent that some months of a client’s TANF receipt may not count toward the time limits, our counts are likely to overstate the number of months that clients have used up.

reach their time limits within one to two years (not shown). Fewer than one-quarter of clients who reported knowing how many months they had left reported a number that was within three months of the number we calculated using administrative data. Interestingly, those who had little time remaining according to administrative data were more likely to think they had more time left, and those who had seemed to have more time remaining were likely to think they had less time left (Figure III.8). For example, between one-half and two-thirds of those who were likely to reach their time limits between 7 and 18 months from the time of the survey actually thought they had more time left than our calculations indicated. In contrast, around 50 to 80 percent who had two years or more left thought they had less time left than we estimated according to administrative data. Recent WFNJ efforts to inform clients when they have only six more months of TANF receipt may help to address these knowledge gaps.

- ***Most clients remaining on welfare have a plan for when they reach the time limits; given clients' situations, some of these plans may be difficult to implement.***

Clients remaining on welfare were asked whether they had already done something to prepare for the time limits, and if not, whether they expected to make a plan to prepare for when they reached the time limits. Nearly 60 percent of the clients said they had done something to prepare for when they reached their time limits, and another 30 percent said they expected to make a plan (Figure III.9). Overall, slightly more than 1 in 10 had not done anything to prepare, nor did they have a plan; these clients typically were the ones who reported serious health problems. More than two-thirds of those who said they had

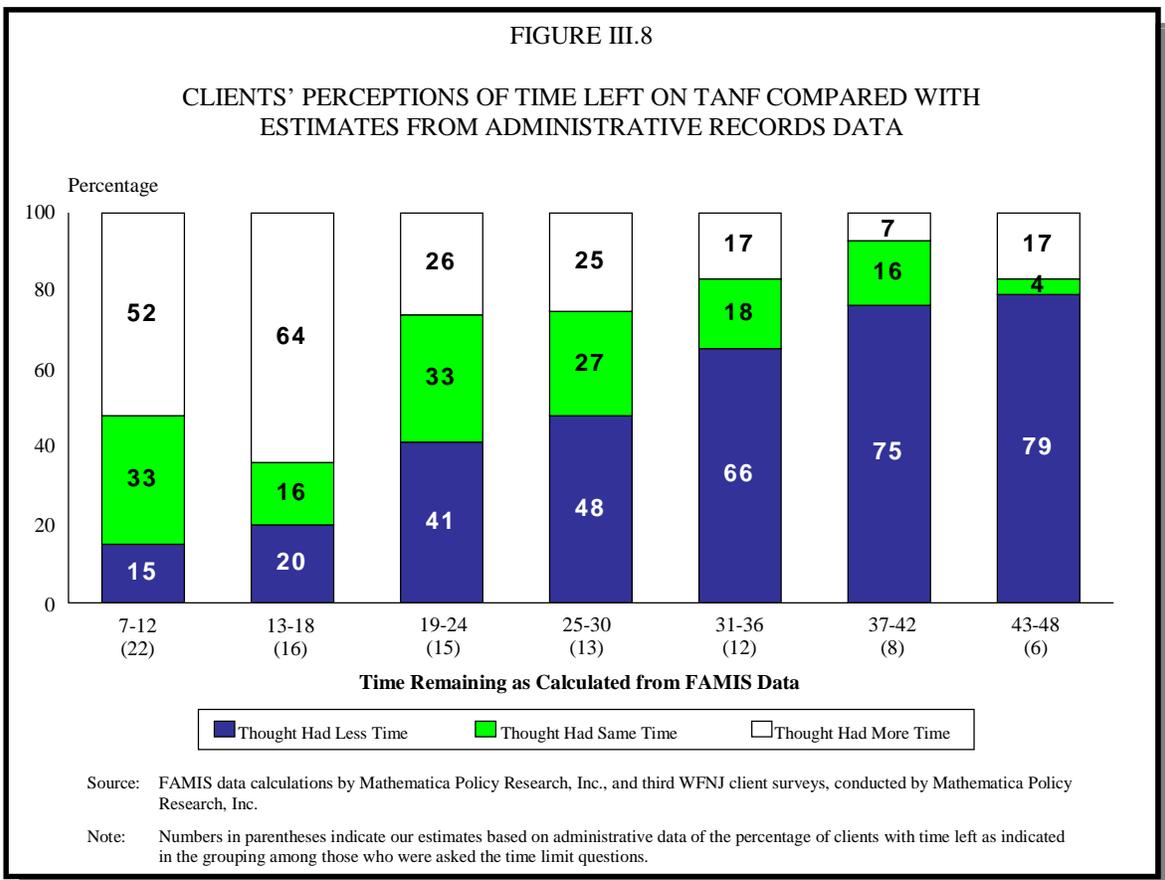
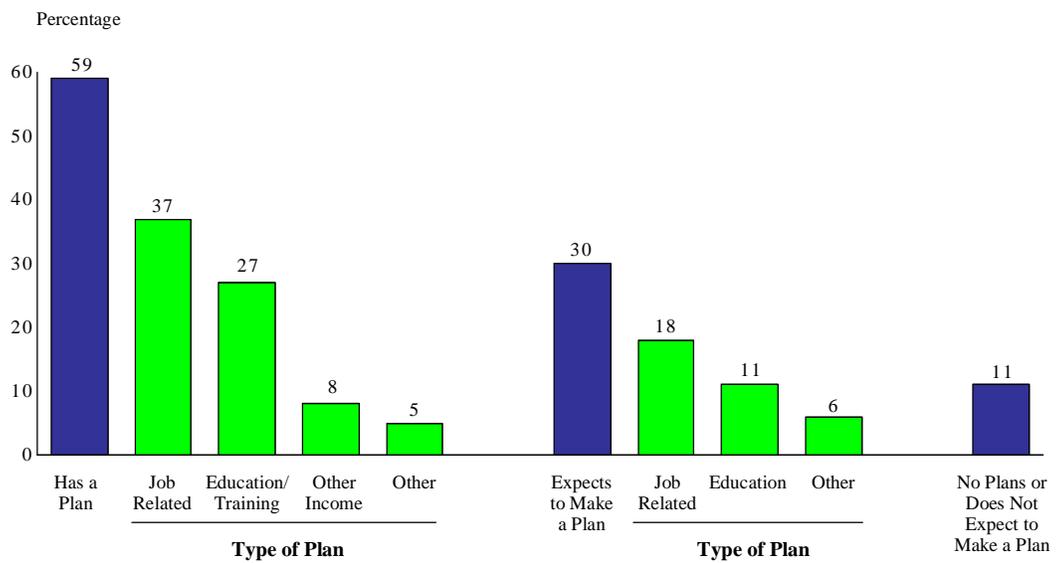


FIGURE III.9

PLANNING FOR TIME LIMITS AMONG RECENT TANF RECIPIENTS



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

Note: The sum of those with specific plan adds up to more than the total number who had a plan or people who report multiple activities to prepare for time limits.

done something to prepare reported that they were searching for a job or had found a job; half reported that they would participate in further education and training. Among the 30 percent who expected to make a plan to prepare for time limits, two-thirds reported they would look for a job. Although many clients reported they would plan by finding a job, nearly half also had reported a serious health problem, which may make it difficult for them to find or keep a job.

## IV

### THE QUALITY OF LIFE OF WFNJ CLIENTS

In addition to measures of welfare receipt and employment, many other indicators help determine how well clients are faring under welfare reform. These indicators, which we refer to as “quality-of-life” indicators, provide important additional detail on clients’ lives. For example, they can answer such questions as, how much income do current and former WFNJ clients have, and how do their incomes compare with the federal poverty level? How common are health problems? How many current and former clients have health insurance coverage? Do many clients have problems with housing? How prevalent are other serious hardships, such as the illness of a child or food insufficiency? Finally, and importantly, has the quality of life for WFNJ clients, when examined by these measures, been improving over time?

In this chapter, we study these issues for the full set of WFNJ clients examined for this report, as they represent all clients who headed a TANF case in New Jersey during the first 18 months of WFNJ implementation. We also examine differences according to clients’ TANF and employment status at the time of the third survey, and, where informative, by the diverse subset of individuals who are off TANF and not employed. When comparable information was collected across surveys, we also examine changes over time, by comparing the most recent figures with those from the first and/or second surveys.

#### KEY FINDINGS FROM THIS CHAPTER

- ***Clients’ incomes continue to rise steadily during the period after WFNJ entry, and poverty levels continue to fall.*** WFNJ clients have experienced an increase in total income of almost 30 percent since the time of the first survey, two years ago. The percentage of clients living in poverty over this same time period has declined by about 25 percent. Employed clients account for much of this progress.
- ***We observe improvements in indicators of life quality measures over time.*** The fraction of clients reporting a housing problem fell from 30 percent to 20 percent between the first and third surveys. The prevalence of other serious hardships, such as illness and crime victimization, fell as well. The reduction in health insurance coverage observed between the first and the second surveys has tapered off, partly driven by the increased use of Family Care, and partly due to people moving to jobs that offer health insurance.
- ***Other challenges remain, however.*** Similar to poor households nationally, more than one-third of clients remain food insecure. Similarly, some clients face serious hardships, such as domestic or other violence or having a seriously ill child in the household. The prevalence of these hardships is much greater for those not employed, whether or not they are receiving TANF.

## A. WHAT ARE THE INCOME AND POVERTY LEVELS OF WFNJ CLIENTS?

A primary goal of welfare reform in New Jersey is to increase the economic self-sufficiency of clients by enabling them to find jobs and exit welfare. Beyond simply reducing welfare receipt, the reform aims to increase earnings and improve clients' overall standards of living. To better understand how WFNJ clients are faring, we examine their levels of income and rates of poverty approximately three-and-a-half years after entering the program, as well as changes in these outcomes over time.

The income figures we report in this section are calculated by adding together income received from earnings, public assistance, and other sources during the month prior to the survey. The figures represent family income and include the income of clients, their children, and, if clients are married or living with someone, their spouses or partners. Annual income figures are generated by multiplying income from the month prior to the survey by 12.<sup>1</sup>

Monthly income includes most major income sources, such as the client's pretax earnings, earnings of spouse or partner, TANF and food stamp benefits, child care subsidies, other public assistance, child support, unemployment insurance, and money from friends and relatives. However, the main set of income figures does not include the Earned Income Tax Credit (EITC), because this information is not obtained directly from clients. To understand the effects of the EITC on income and poverty levels, we estimate the tax credits that WFNJ clients are likely to have received, based on their income and family sizes, and report estimated income and poverty levels with the estimated EITC included. The poverty levels we report are based on federal poverty guidelines for 2001. Based on these guidelines, a family of three is considered to be living in poverty if its annual income is less than \$14,630. In comparisons with income at the time of the first or second survey, the earlier income figures are adjusted to account for inflation.

- *Although income levels are relatively low overall, clients' incomes continue to rise steadily during the period after WFNJ entry, and poverty levels continue to fall.*

Three-and-a-half years after entering WFNJ, clients' average monthly incomes approached \$1,500 per month. As a group, WFNJ clients experienced nearly a 30 percent increase in total income between the first and the third surveys. At the time of the first survey (on average, about 18 months since WFNJ entry), total income was almost \$1,150; this number had gone up by nearly \$350 two years later, at the time of the third survey, to \$1,485 (Table IV.1).

These monthly income figures translate into annualized incomes of slightly less than \$14,000 at the time of the first survey, and to slightly less than \$18,000 at the time of the third survey. In this most recent period, slightly more than one in three clients had an annualized income higher than \$20,000. At the same time, however, a similar number of clients had annual income of less than \$10,000 (Figure IV.1).

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<sup>1</sup>This method may overstate income during the previous 12 months for some clients and may understate it for others, because earnings levels, as well as levels of income from other sources, may change over time.

TABLE IV.1

AVERAGE MONTHLY INCOME, BY SOURCES AMONG ALL WFNJ CLIENTS  
AT THE TIME OF THE FOLLOW-UP SURVEYS  
(in 2001 Dollars)

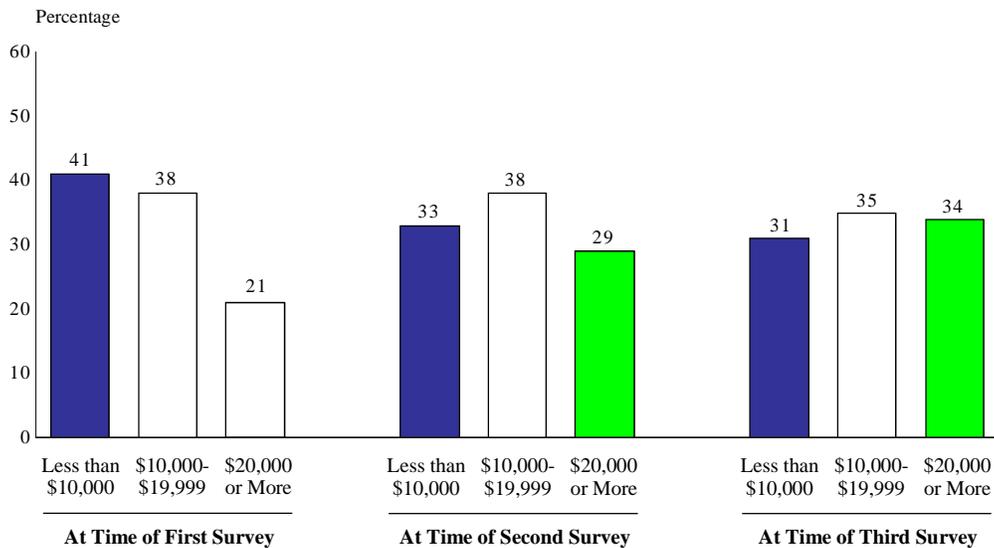
	Average Amount from Source Among All WFNJ Clients		
	At the Time of the First Survey	At the Time of the Second Survey	At the Time of the Third Survey
Own Earnings	<b>505</b>	<b>666</b>	<b>783</b>
Total Public Assistance	<b>398</b>	<b>412</b>	<b>349</b>
TANF	138	113	82
Food stamps	148	130	111
SSI	73	89	95
Child care subsidy	30	62	40
Other public assistance	10	18	22
Other Unearned Income	<b>241</b>	<b>294</b>	<b>352</b>
Child support	37	43	55
Spouse's/partner's earnings	159	173	203
Unemployment insurance	15	23	30
Friends/relatives	18	20	27
Other sources	12	36	38
Total Income	<b>1,143</b>	<b>1,353</b>	<b>1,485</b>
Estimated EITC	—	—	<b>69</b>
Total Income with Estimated EITC	—	—	<b>1,554</b>
<b>Sample Size</b>	<b>1,621</b>	<b>1,607</b>	<b>1,609</b>

SOURCE: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

NOTES: On average, the first, second, and third surveys were conducted approximately 18, 30, and 40 months after WFNJ entry, respectively. Income is measured for the months prior to the survey and is reported in year 2001 dollars. The monthly EITC amount is based on an annual estimation, divided by 12.

FIGURE IV.1

CLIENTS' ANNUAL INCOME AT THE TIME OF THE FOLLOW-UP SURVEYS



Source: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

Note: On average, the first, second, and third surveys were conducted approximately 18, 30, and 40 months after WFNJ entry, respectively. In all surveys, income is measured for the month prior to the survey and is transformed to an annual income figure by multiplying by 12. Income for all years is in year 2001 dollars.

Among all clients, poverty levels have decreased by about one-quarter, from 64 percent in poverty at the time of the first survey to about 49 percent at the time of the third survey (Figure IV.2). The fraction of clients in extreme or deep poverty—those living below 50 percent of the poverty level—has fallen by one-third; 26 percent of all clients were in extreme poverty at the time of the first survey, and this number had dropped to 18 percent of all clients by the time of the third survey.

- ***Clients who have left welfare for work have higher incomes and are less likely to be in poverty than are those who remain on TANF.***

As the previous WFNJ reports showed, income and poverty levels varied substantially by whether or not clients were employed, and by whether or not they still were receiving TANF at the time of the survey. At the time of the third survey, clients who were working, regardless of their TANF status, had monthly income well over twice the income of those on TANF and not working. For example, monthly incomes were \$1,826 for those on TANF and working and \$2,051 for those off TANF and working, compared with \$906 for those on TANF and not working (Figure IV.3). In addition, the growth in income between the time of the first and third surveys was quite different for the different groups. Clients who were on TANF and not working experienced the lowest income growth over time relative to the growth in income among those working and off TANF. Monthly income in the former group grew only 8 percent (from \$837 to \$906), compared with more than 20 percent in the latter group (from \$1,672 to \$2,051).

At the time of the third survey, only 21 percent of those off TANF and employed had incomes below the poverty level, compared with 87 percent of those on TANF and not employed (Figure IV.4). The percentage of clients in all groups with incomes below the poverty level decreased between the first and third surveys; those who were employed experienced the largest decreases in the proportion below poverty. For example, those employed and off TANF experienced a 30 percent reduction in poverty (from 30 percent below poverty at the time of the first survey to 21 percent below poverty at the time of the third survey), and those on TANF and working experienced a 43 percent reduction in poverty (from 51 to 29 percent).<sup>2</sup> In comparison, poverty reductions among those not employed was between 3 and 7 percent.

- ***Earnings are the most common source of income for WFNJ clients, although food stamps, TANF, and child support remain important sources of support.***

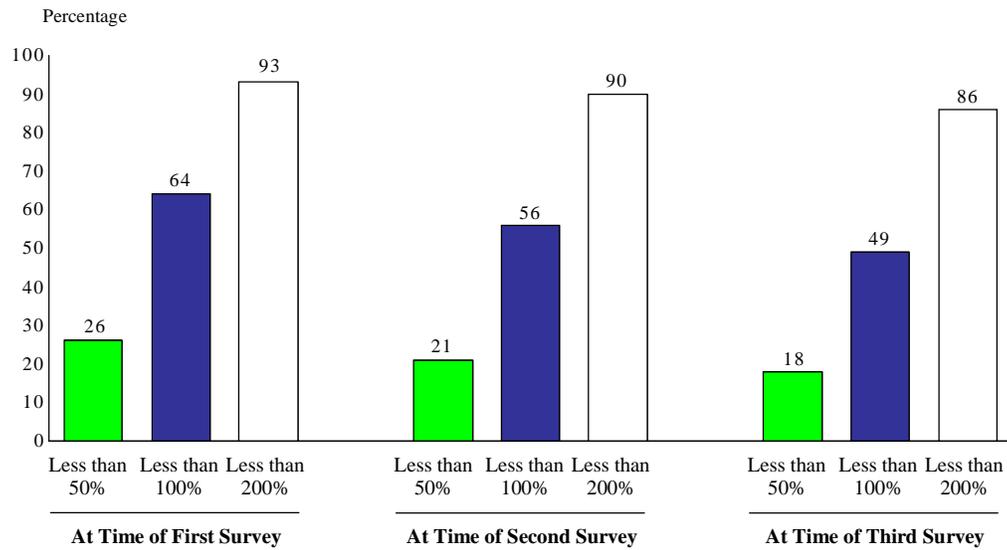
Over time, clients continued to move toward self-sufficiency by increasing their reliance on earnings and reducing their reliance on public assistance. For example, we observed an increase in the fraction of clients who relied on earnings as a source of support, from 46 percent at the time of the first survey to 56 percent at the time of the third survey (Table IV.2). During this period, reliance on TANF decreased from 40 to 25 percent, and reliance on food stamps fell from 55 to 44 percent. We also observed an increase in the number of clients relying on SSI as a source of income. For example, 16

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<sup>2</sup>Only nine and six percent of WFNJ clients were on TANF and working at the time of the first and third surveys, respectively. The increases in income (and the consequent reductions in poverty) over time for these clients is partly the result of increased earnings and partly the result of a larger fraction of group members receiving child care subsidies.

FIGURE IV.2

WFNJ CLIENTS' INCOME AT THE TIME OF THE FOLLOW-UP SURVEYS  
RELATIVE TO THE FEDERAL POVERTY LEVEL

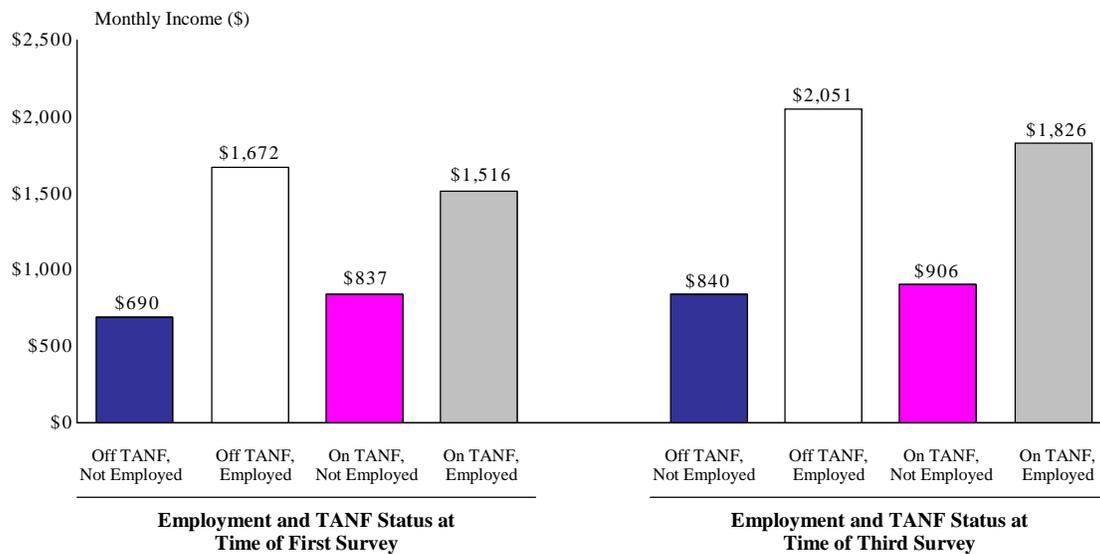


Source: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

Note: On average, the first, second, and third surveys were conducted approximately 18, 30, and 40 months after WFNJ entry, respectively. In all surveys, income is measured for the month prior to the survey and is transformed to an annual income figure by multiplying by 12. Income for all years is in year 2001 dollars.

FIGURE IV.3

MONTHLY INCOME OVER TIME, BY TANF AND EMPLOYMENT STATUS

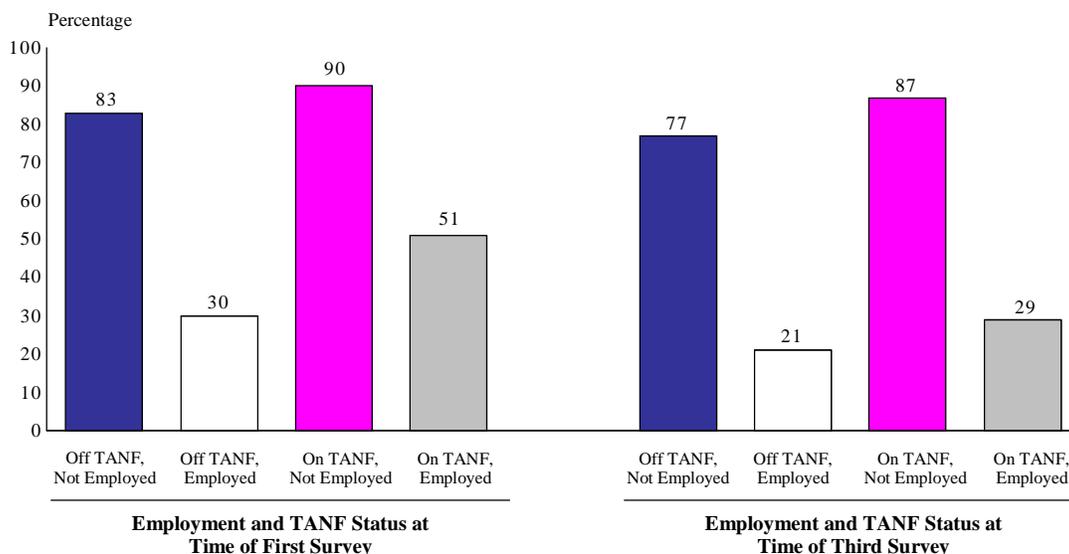


Source: First and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

Note: On average, the first and third surveys were conducted approximately 18 and 40 months after WFNJ entry, respectively. In both surveys, income is measured for the month prior to the survey and is transformed to an annual income figure by multiplying by 12. Income for all years is in year 2001 dollars.

FIGURE IV.4

PERCENTAGE WITH INCOME BELOW POVERTY,  
BY TANF AND EMPLOYMENT STATUS



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

Note: On average, the first and third surveys were conducted approximately 18 and 40 months after WFNJ entry, respectively. In both surveys, income is measured for the month prior to the survey and is transformed to an annual income figure by multiplying by 12.

percent of clients reported receiving income from SSI at the time of the third survey, and the average benefit amount received from this source was close to \$600 per month.

As discussed previously, the EITC is an important potential source of additional income for low-income working families. This refundable tax credit available from the federal government can make a sizable contribution to the limited incomes of employed welfare recipients and their families. Similar to last year, we estimate that slightly fewer than 40 percent of WFNJ clients received federal EITC during the year prior to the third survey.<sup>3</sup> Those who received EITC received an average of about \$2,250 per year (almost \$200 per month).<sup>4</sup>

Figure IV.5 examines differences in poverty levels based on alternative definitions of income. For example, food stamps and child care subsidies often are omitted from calculations of poverty rates, as these benefits are considered “noncash” sources of income. When food stamps and child care subsidies are excluded, 55 percent of clients had incomes below the poverty level, compared with 49 percent with incomes below this level when benefits from the two sources are included. Similarly, if we add in the EITC,

<sup>3</sup>About 29 percent reported directly on the survey that they had received the EITC, and an additional 8 percent are “likely EITC recipients.” We defined likely EITC recipients as those who (1) were eligible for an EITC credit of more than \$500 based on their income and families size, (2) had someone else prepare their taxes, and (3) received a tax refund of more than \$500.

<sup>4</sup>As shown in Table IV.1, the average EITC amount estimated for all WFNJ clients is around \$70. This amount would increase overall monthly income amounts from slightly less than \$1,500 to about \$1,550.

TABLE IV.2  
PERCENTAGE RECEIVING INCOME, BY SOURCE, AND MONTHLY AMOUNTS  
AMONG THOSE RECEIVING INCOME FROM SOURCE

	At the Time of the First Survey		At the Time of the Second Survey		At the Time of the Third Survey	
	Percentage Receiving Income from Source	Average Amount Among Those Receiving Income from Source (in Dollars)	Percentage Receiving Income from Source	Average Amount Among Those Receiving Income from Source (in Dollars))	Percentage Receiving Income from Source	Average Amount Among Those Receiving Income from Source (in Dollars)
Own Earnings	<b>46</b>	<b>1,105</b>	<b>51</b>	<b>1,286</b>	<b>56</b>	<b>1,407</b>
Total Public Assistance	<b>66</b>	<b>603</b>	<b>64</b>	<b>649</b>	<b>57</b>	<b>609</b>
TANF	40	349	34	336	25	333
Food stamps	55	269	51	253	44	252
SSI	13	576	14	616	16	597
Child care subsidy	9	339	13	475	11	394
Other	4	276	7	281	7	327
Other Unearned Income	<b>44</b>	<b>551</b>	<b>48</b>	<b>611</b>	<b>52</b>	<b>673</b>
Child support	21	180	22	191	23	249
Spouse's/partner's earnings	12	1,281	12	1,495	15	1,383
Unemployment insurance	3	568	4	557	5	599
Friends/relatives	8	231	11	175	14	194
Other sources	11	123	9	381	10	377
EITC	—	—	—	—	<b>37</b>	<b>187</b>
<b>Sample Size</b>	<b>1,621</b>		<b>1,607</b>		<b>1,609</b>	

SOURCE: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

NOTE: On average, the first, second, and third surveys were conducted approximately 18, 30, and 40 months after WFNJ entry, respectively. Income is measured for the months prior to the survey and is reported in year 2001 dollars.

those with incomes below poverty drops further, to 45 percent. The supplemental support from these three sources (food stamps, child care subsidies, and EITC) appears to be the greatest for those who are in extreme poverty; including these benefits decreases the fraction of clients who have incomes below 50 percent of the poverty level by more than 40 percent (from 29 percent to 17 percent).

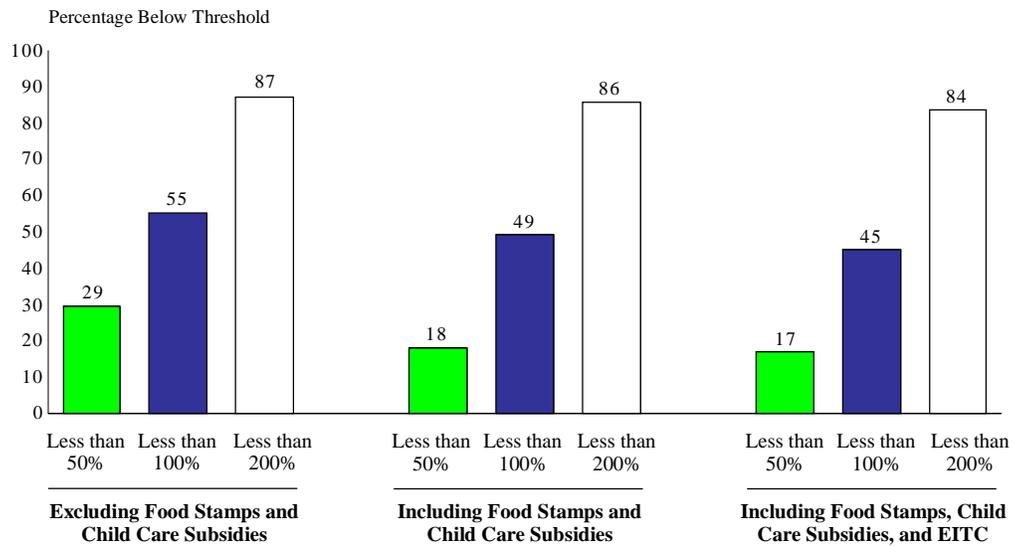
In addition to the sources of support described previously, clients also relied on other types of financial support. For example, nearly one in three received housing subsidies, and nearly one in four received in-kind help from friends or relatives or from a community-based organization or church (Figure IV.6). More than half the sample relied on free or reduced-price school meals for their children.

- ***Among those off TANF and not employed, clients with employed spouses do relatively well financially. Others off TANF and not employed have low incomes and experience high poverty levels.***

As discussed in Chapter II, clients who are off TANF and not employed comprise a diverse group consisting of those who live with an employed spouse or partner; who are on SSI; who had been employed within the past three months and had only recently lost jobs; and who were not recently employed and did not have support from a spouse/partner or SSI. Examining quality-of-life measures separately for these groups reveals which groups pose the greatest policy concern.

FIGURE IV.5

WFNJ CLIENTS' INCOME RELATIVE TO THE FEDERAL POVERTY LEVEL,  
WITH AND WITHOUT OTHER FEDERAL SOURCES OF INCOME

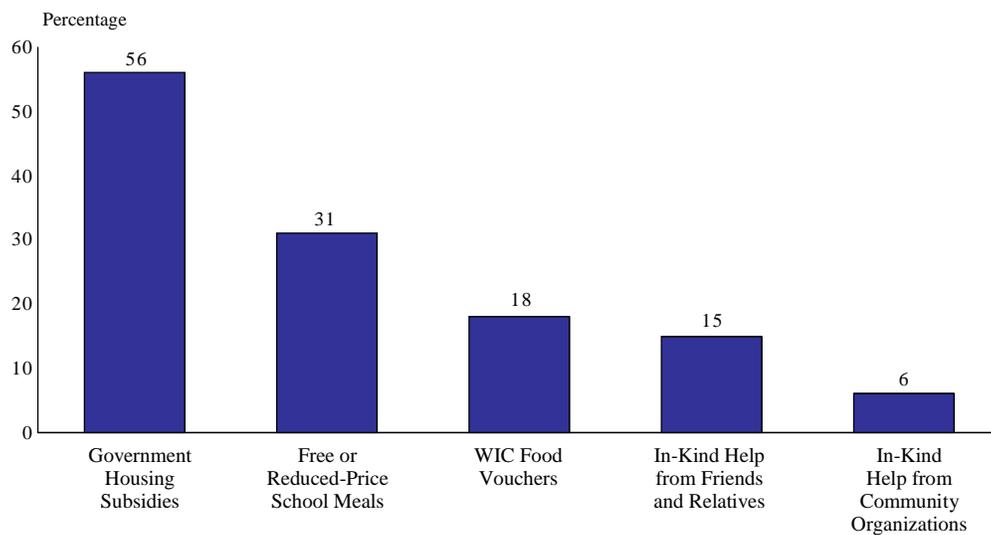


Source: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

Note: Income is measured for the month prior to the survey and is transformed to an annual income figure by multiplying by 12.

FIGURE IV.6

OTHER FINANCIAL SUPPORTS USED BY WFNJ CLIENTS  
AT THE TIME OF THE THIRD SURVEY

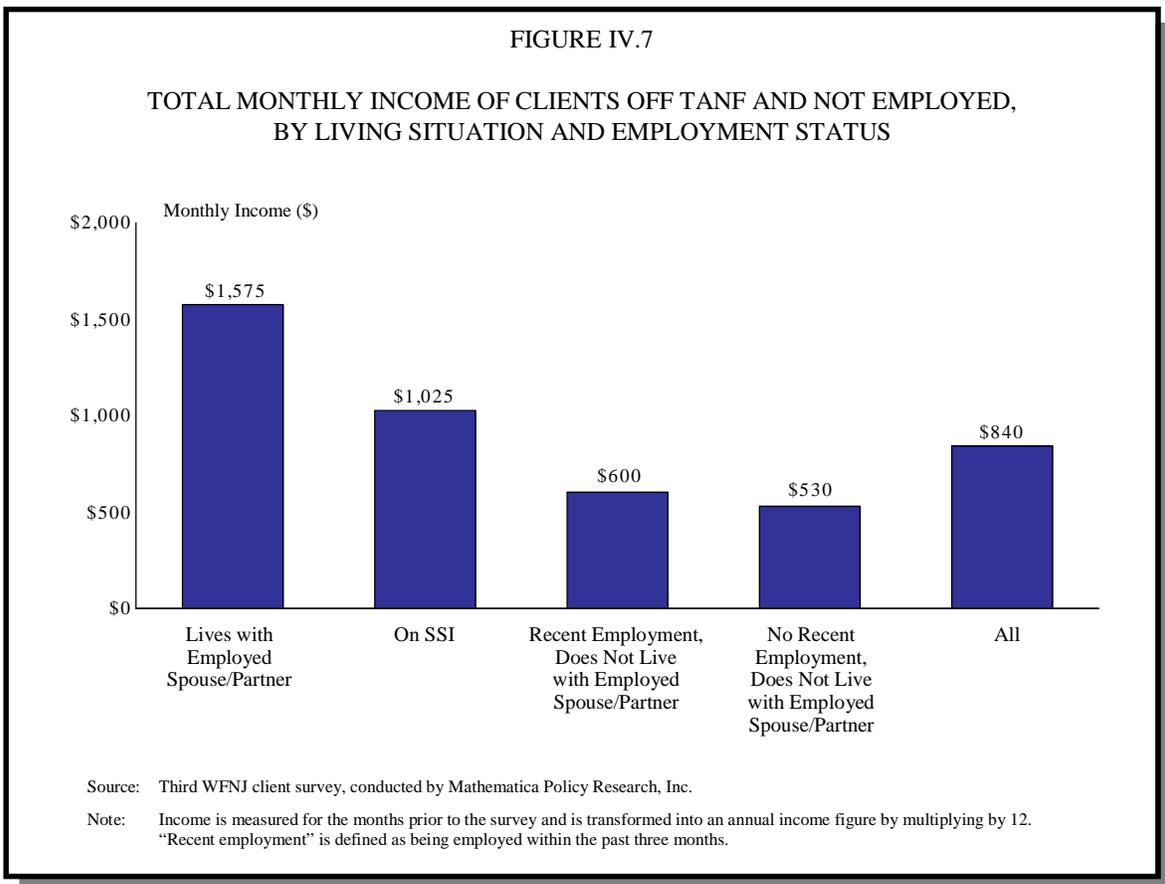


Source: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

In the group consisting of those off TANF and not employed, monthly income was three times as large for those who lived with an employed spouse or partner as it was for those with no recent employment (\$1,575 versus \$530, respectively; Figure IV.7). The monthly income of the 13 percent of clients who received SSI—\$1,025—fell between these amounts. The monthly income for those who had employment within the three months prior to the survey, but no current employment, was \$600—only slightly higher than the monthly income of unemployed clients without recent work.<sup>5</sup>

An examination of the changes in monthly income between the time of the first and third surveys also reveals large differences in the subgroups. Overall, clients off TANF and not employed experienced an 18 percent increase in monthly income during the two-year period between the two surveys. However, this increase ranged from a slight decrease in monthly income during this period for those with recent employment, to an increase of almost 30 percent for those with an employed spouse or partner (not shown).

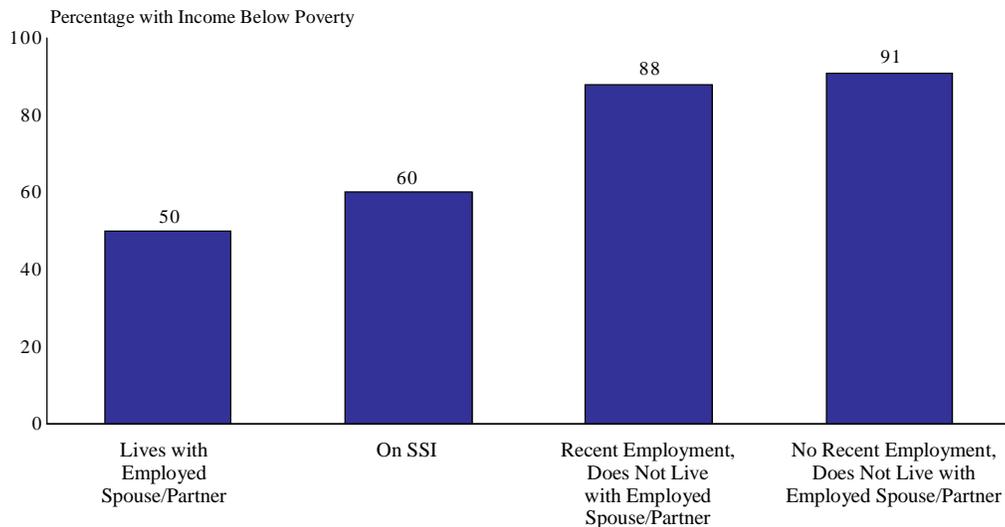
Consistent with the variations in income, poverty levels also varied. Those with an employed spouse or partner and those on SSI tended to have lower poverty rates (50 percent to 60 percent) than did those in other groups (about 90 percent; Figure IV.8). Those with an employed spouse or partner also experienced the greatest reduction in poverty levels over time, with 22 percent fewer in poverty at the time of the third survey than at the time of the first survey (not shown).



<sup>5</sup>Because these clients were not working at the time of the survey but had worked recently, average monthly income at this point in time will very likely understate their actual annual income.

FIGURE IV.8

POVERTY LEVELS OF CLIENTS OFF TANF AND NOT EMPLOYED,  
AT THE TIME OF THE THIRD SURVEY



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

Note: Income is measured for the months prior to the survey and is transformed into an annual income figure by multiplying by 12. "Recent employment" is defined as being employed within the past three months.

**B. WHAT IS THE HEALTH AND HEALTH INSURANCE STATUS OF WFNJ CLIENTS?**

Good health can be a crucial factor in a successful transition from welfare to work. Conversely, health problems may discourage welfare recipients from seeking employment and can lead to job loss among those who are employed. In addition, concern over losing health insurance coverage may discourage some TANF recipients from leaving welfare.

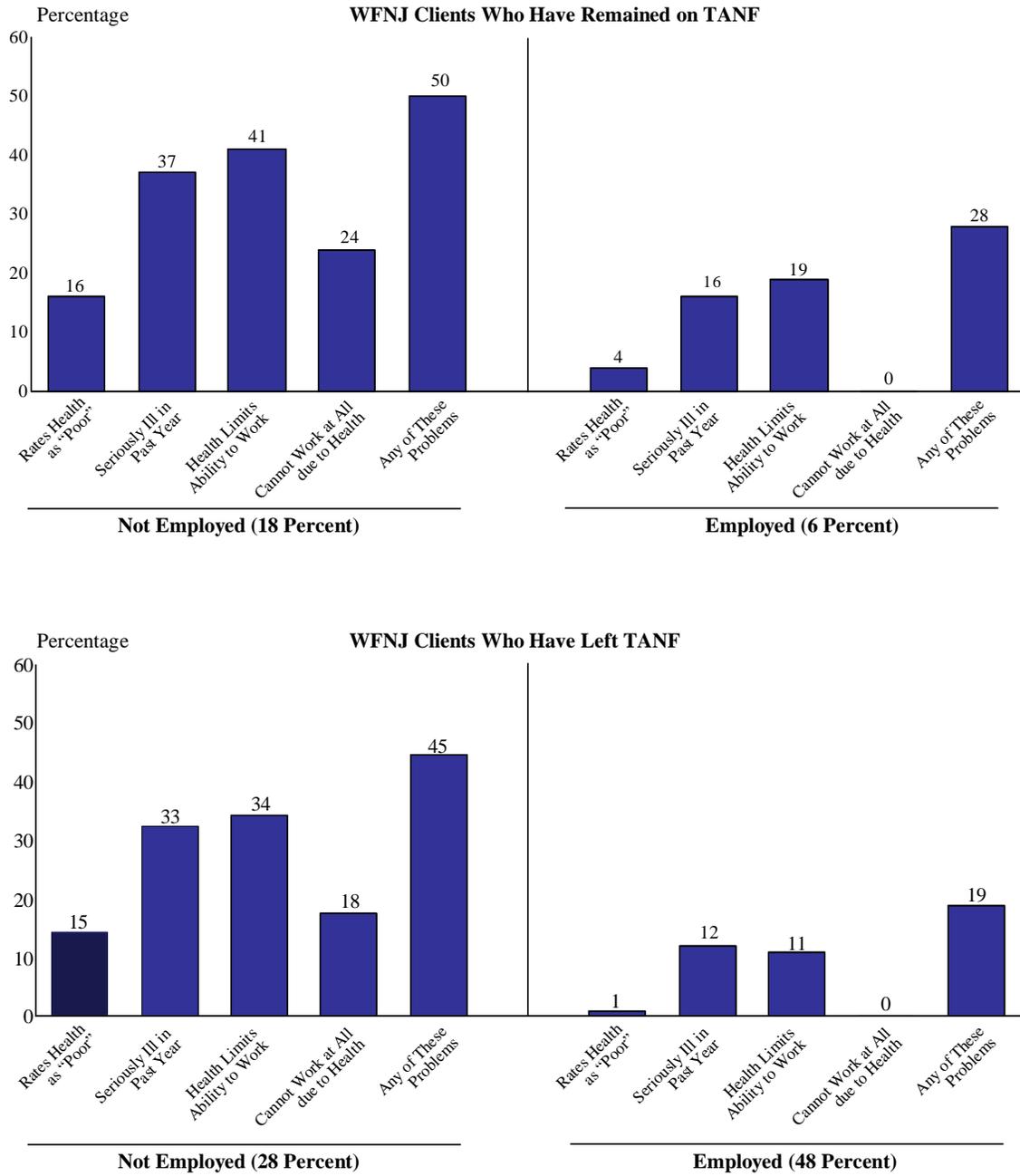
**1. What Is the Health Status of WFNJ Clients?**

- *Reports of health problems remain common among those who are not working.*

Overall, slightly fewer than one in three WFNJ clients reported having a serious health problem. However, those who were not employed consistently reported more health problems than did employed clients, whether on or off TANF. About half the clients who were not employed reported having some health problem, compared with 19 percent of those who were working and off welfare and 28 percent of those working but receiving TANF (Figure IV.9). Although around 15 percent of the nonemployed clients rated their health as "poor," only 1 to 4 percent of those employed gave such a low

FIGURE IV.9

HEALTH PROBLEMS AMONG WFNJ CLIENTS AT THE TIME OF THE THIRD SURVEY



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

rating.<sup>6</sup> There are no major changes over time in the fraction of clients reporting health problems by these groups (not shown).

- ***Among those off TANF and not employed, health problems are most common among SSI recipients and those with no recent earnings or spouse or partner.***

As we would expect, almost all SSI recipients have health limitations. Among the remaining clients off TANF and not working, the “least stable” group (those who had neither recent employment nor spouse or partner at the time of the third survey) were most likely to report that they had health problems. Forty-three percent of these clients reported health problems, compared with 28 percent of those not currently employed but with recent employment (not shown).

## **2. Are WFNJ Clients Maintaining Health Insurance?**

- ***The proportion of clients with health insurance decreased between the first and the second surveys but has remained stable between the second and third surveys. Overall, three-quarters of WFNJ clients had insurance at the time of the third survey.***

Seventy-four percent of all clients had some type of health insurance at the time of the third survey, down from 82 percent at the time of the first survey (Figure IV.10).<sup>7</sup> The fraction with public health insurance decreased between the first and third surveys, from 76 to 57 percent, and the fraction with private health insurance coverage increased, from 10 to 19 percent. At the time of the third survey, about 7 percent of clients (or about 12 percent of those with public health insurance) reported having Family Care (not shown).

- ***Those off TANF are less likely than those remaining on TANF to have health insurance coverage.***

Only two-thirds of clients who were off TANF had health insurance coverage at the time of the third survey, compared with 94 percent of those remaining on TANF (Figure IV.11). Although these figures are lower than the coverage rates at the time of the first survey, the fraction of clients off TANF with health insurance increased somewhat between the second and the third survey periods, especially among those off TANF and not employed. The availability of Family Care, which was launched in October 2000, may be a factor in halting and, to some extent, reversing the trend toward lower insurance coverage among those off TANF.

Those off TANF and not working look much less diverse on the measure of health insurance coverage than on many other quality-of-life measures. Other than the SSI

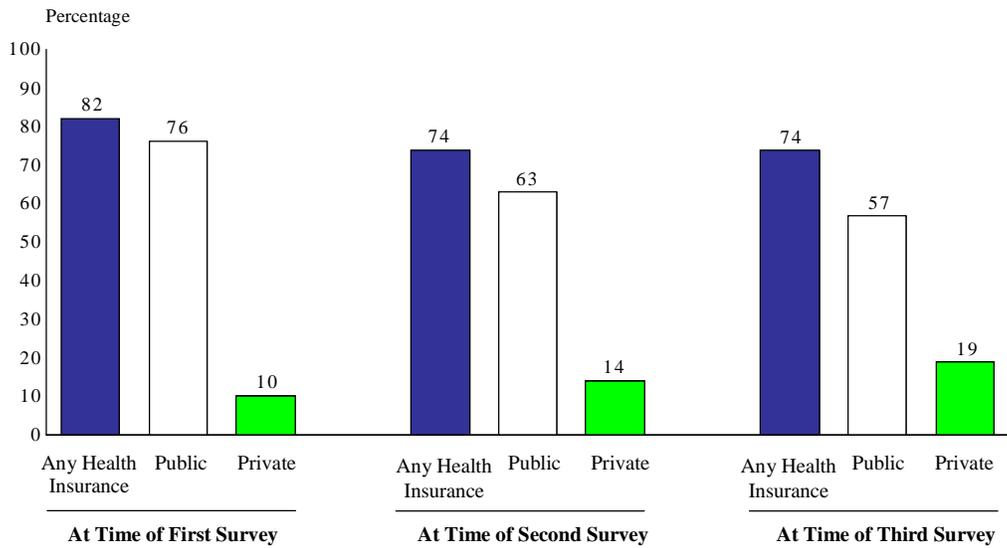
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<sup>6</sup>Self-assessed health is a broad indicator of health and well-being and incorporates a variety of physical, emotional, and personal components of health. Several studies have shown self-assessed health to be a valid and reliable indicator of a person’s overall health status, and a powerful predictor of mortality and of changes in physical functioning (National Center for Health Statistics 1998).

<sup>7</sup>However, there was no decrease between the second and the third surveys in the fraction that receives health insurance, with 74 percent having health insurance coverage at the time of these surveys.

FIGURE IV.10

PERCENTAGE OF CLIENTS WITH HEALTH INSURANCE AT THE TIME OF THE FOLLOW-UP SURVEYS

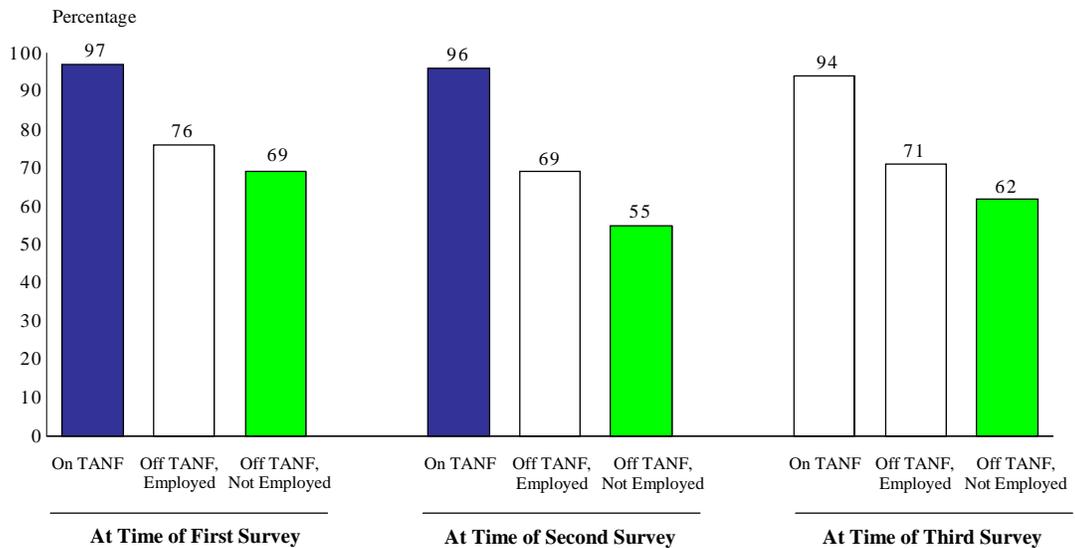


Source: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

Note: On average, the first, second, and third surveys were conducted approximately 18, 30, and 40 months after WFNJ entry, respectively.

FIGURE IV.11

PERCENTAGE OF CLIENTS WHO HAVE HEALTH INSURANCE, BY TANF AND EMPLOYMENT STATUS



Source: First, second, and third WFNJ client surveys, conducted by Mathematica Policy Research, Inc.

Note: On average, the first, second, and third surveys were conducted approximately 18, 30, and 40 months after WFNJ entry, respectively.

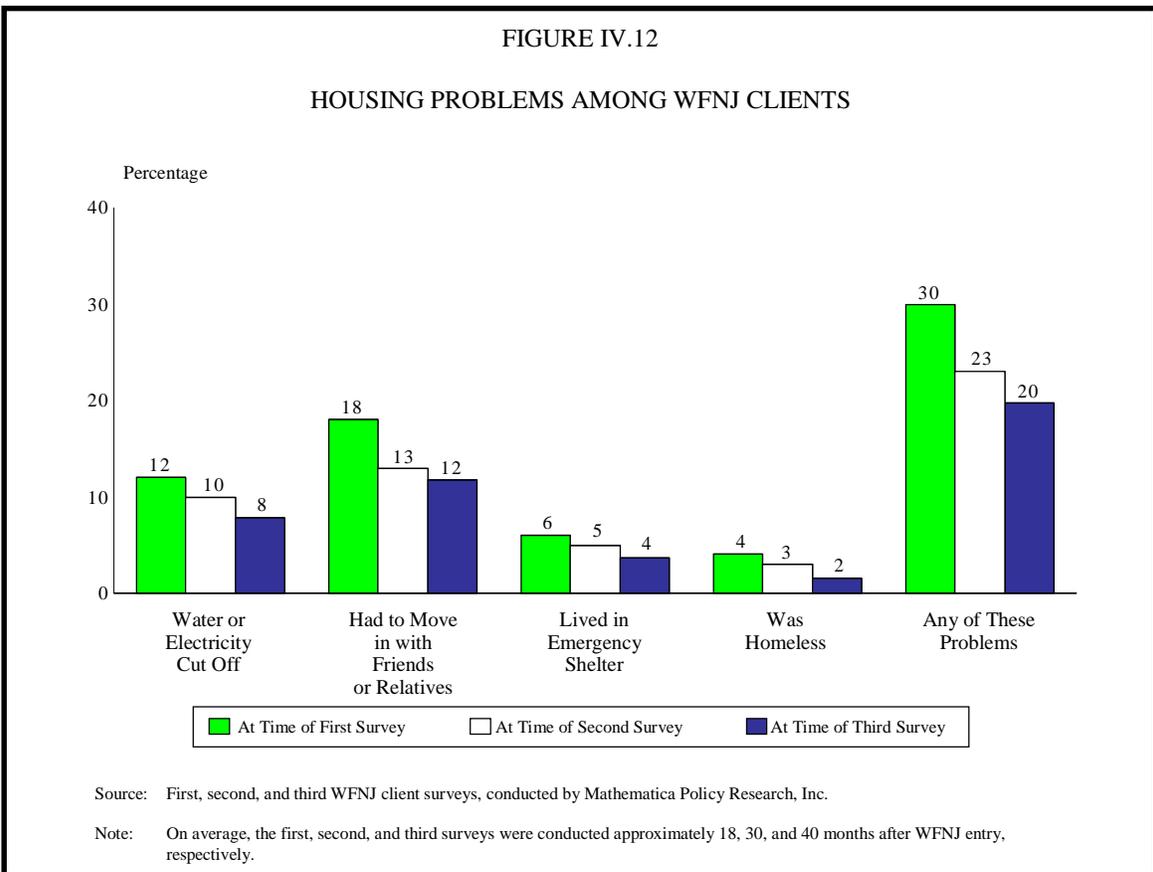
recipients, 90 percent of whom had health insurance at the time of the third survey, all others were equally—and much less—likely to have insurance. About 60 percent of those with an employed spouse or partner, as well as those with and without recent employment but not a spouse or partner, had coverage.

### C. WHAT HOUSING PROBLEMS DO WFNJ CLIENTS FACE?

Having safe, affordable housing and maintaining a stable living arrangement are important indicators of one’s quality of life. Too often, however, achieving these goals poses substantial challenges for low-income families. As was true at the time of the second survey, the majority of clients (85 percent) were renters at the time of the third survey, although a small but growing fraction owned their homes (6 percent at the time of the third survey, compared with 4 percent one year before; not shown). Because housing often is a major expense for this population, limited resources can lead to housing problems, such as having water or electricity cut off, or having to double up with friends or family. In this section, we examine the housing problems facing WFNJ clients at the time of the third survey and changes in these problems over time.

- *The fraction reporting a housing problem has decreased over time; about one in five clients reported having a housing problem in the past year.*

At the time of the first survey, 30 percent of WFNJ clients reported having a housing problem; this number had decreased to 20 percent by the time of the third survey, almost two years later (Figure IV.12). The percentage of clients facing each type of housing problem we examined decreased by one-third or more between the first and the third



surveys. For example, doubling up or moving in with relatives decreased from 18 percent to 12 percent. Extreme housing problems, such as living in an emergency shelter or being homeless, affected only a relatively small fraction of clients at the time of the first survey, and these hardships declined over time as well. For example, six percent had reported living in an emergency shelter, and four percent were homeless at the time of the first survey. These figures dropped to four percent and two percent, respectively, at the time of the third survey.

The number of clients living in overcrowded conditions (in a household with more than one person per room) also decreased slightly. The frequency of overcrowding declined from 21 percent at the time of the first survey, to 17 percent at the time of the second survey, to 16 percent at the time of the third survey (not shown).

- ***Clients who were off TANF and employed were least likely to report housing problems at the time of the third survey, although differences between the groups of clients are small.***

Overall, 16 percent of those employed and off TANF reported a housing problem, compared with 21 to 25 percent of those in the three other groups (Figure IV.13). Those employed and off TANF were less likely than clients in the other groups to report each of the housing problems examined. In contrast, clients off TANF and not employed were most likely to face housing problems, with 25 percent reporting a housing problem. Within this group, those on SSI faced the least housing problems (18 percent reported any housing problems), compared with 25 to 26 percent of those with an employed spouse or partner and those with and without recent employment (not shown).

#### **D. DO WFNJ CLIENTS AND THEIR FAMILIES HAVE ENOUGH TO EAT?**

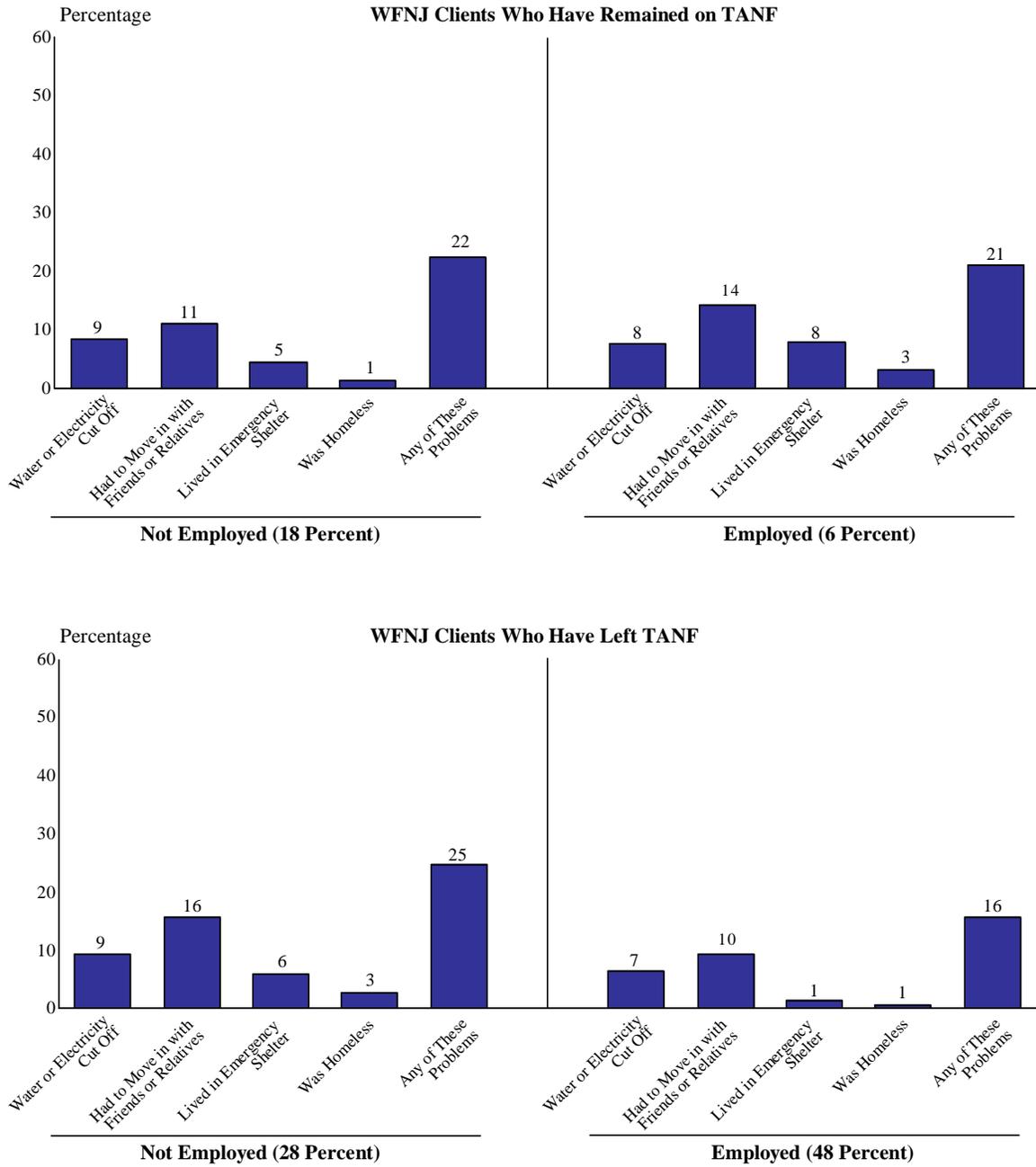
One important measure of WFNJ clients' quality of life is whether they and their families have access to enough food to meet their basic needs, as severe food insufficiency can lead to hunger and malnutrition. In the third survey, we asked clients to describe the food eaten during the three months preceding the survey by indicating whether they had enough of the kinds of food they wanted to eat (food sufficient); enough but not always the kind they wanted to eat (food insufficient, no hunger); or sometimes/often did not have enough to eat (food insufficient with hunger). The food sufficiency measure in the third client survey is slightly different from the measure used in the second client survey, so we do not attempt to show changes in food sufficiency measures over time.

- ***Similar to poor households nationally, slightly more than one in three WFNJ clients and their families report food insufficiency. Slightly more than 1 in 10 report food insufficiency with hunger.***

About two-thirds of clients reported having sufficient food at the time of the third survey, 22 percent reported insufficient food but no hunger, and 13 percent reported insufficient food with hunger (Figure IV.14). These rates are fairly similar to those for all poor U.S. households, based on data from the 1998 Current Population Survey. A larger percentage of WFNJ clients than of all poor households reported food sufficiency (65 versus 61 percent, respectively), but a slightly larger number also reported food insufficiency with hunger (13 versus 10 percent).

FIGURE IV.13

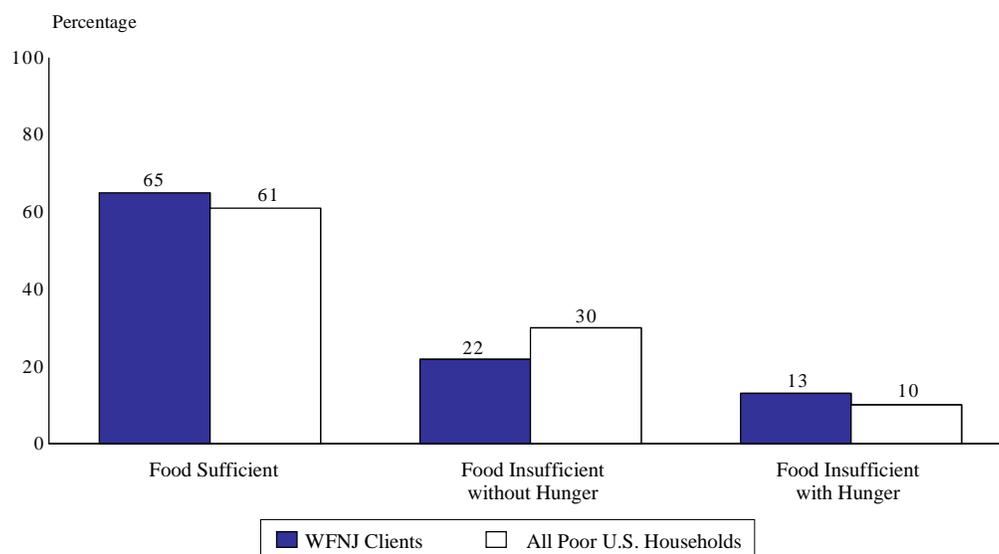
HOUSING PROBLEMS, BY EMPLOYMENT AND TANF STATUS



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

FIGURE IV.14

PREVALENCE OF FOOD INSUFFICIENCY AMONG WFNJ CLIENTS  
AND AMONG ALL POOR U.S. HOUSEHOLDS



Source: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc. Data for all poor U.S. households tabulated by MPR from the 1998 Current Population Survey.

- ***Food insufficiency with hunger is most common among WFNJ clients who are not employed, whether or not they have exited TANF.***

Clients who were not working reported the highest levels of food insufficiency, regardless of whether or not they were receiving TANF (Figure IV.15). Between six and eight percent of working clients reported food insufficiency with hunger, and another 22 percent reported food insufficiency without hunger. In contrast, among those not employed, 14 percent of those on TANF and 22 percent of those off TANF reported food insufficiency with hunger, and another 22 to 24 percent of this group reported food insufficiency without hunger.

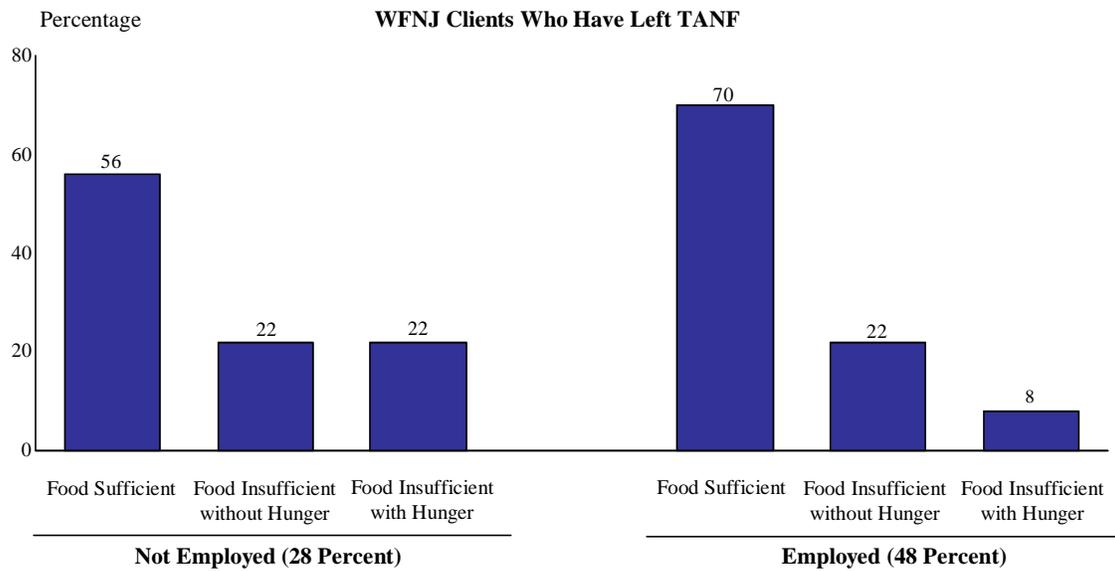
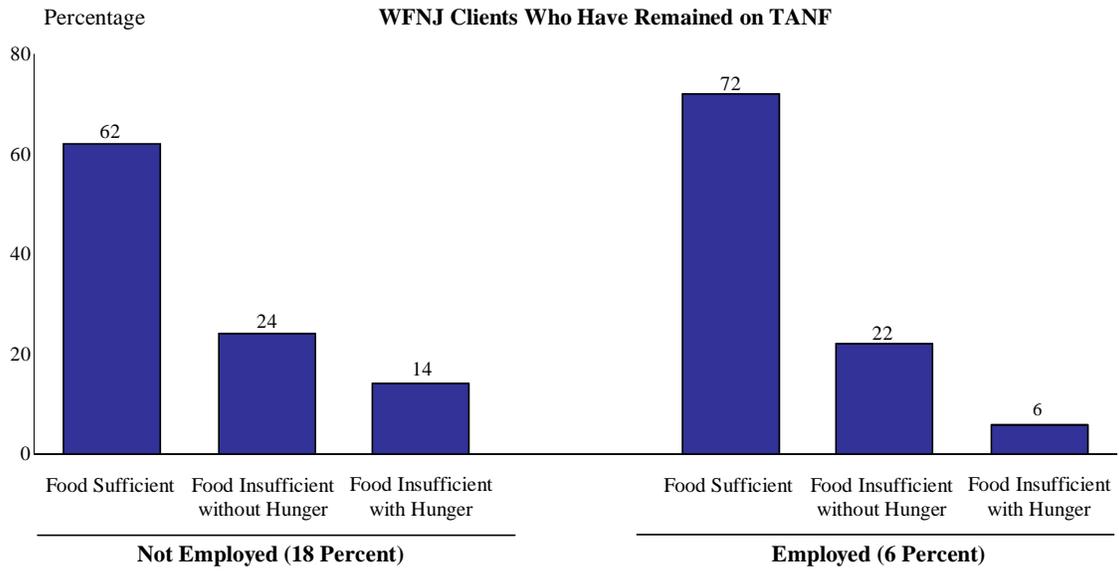
Among the clients off TANF and not working, there were modest differences between the four subgroups of clients in the reported prevalence of food insufficiency. Those with a spouse or partner were least likely to experience food insufficiency with hunger, and those with recent employment were most likely to do so (19 and 28 percent, respectively; not shown). Fluctuations in income for clients within these groups may create budgeting challenges that contribute to the higher percentage with hunger. Overall, however, food sufficiency remains a problem for this group.

### **E. HOW COMMON ARE PERSONAL HARDSHIPS AMONG WFNJ CLIENTS?**

An important measure of the quality of life of WFNJ clients is the prevalence of serious personal hardships. In this section, we examine the proportion of clients who have faced seven serious personal hardships during the past year: (1) physical abuse from a spouse or partner; (2) being the victim of a serious violent crime other than abuse;

FIGURE IV.15

PREVALENCE OF FOOD INSUFFICIENCY AMONG WFNJ CLIENTS,  
BY EMPLOYMENT AND TANF STATUS

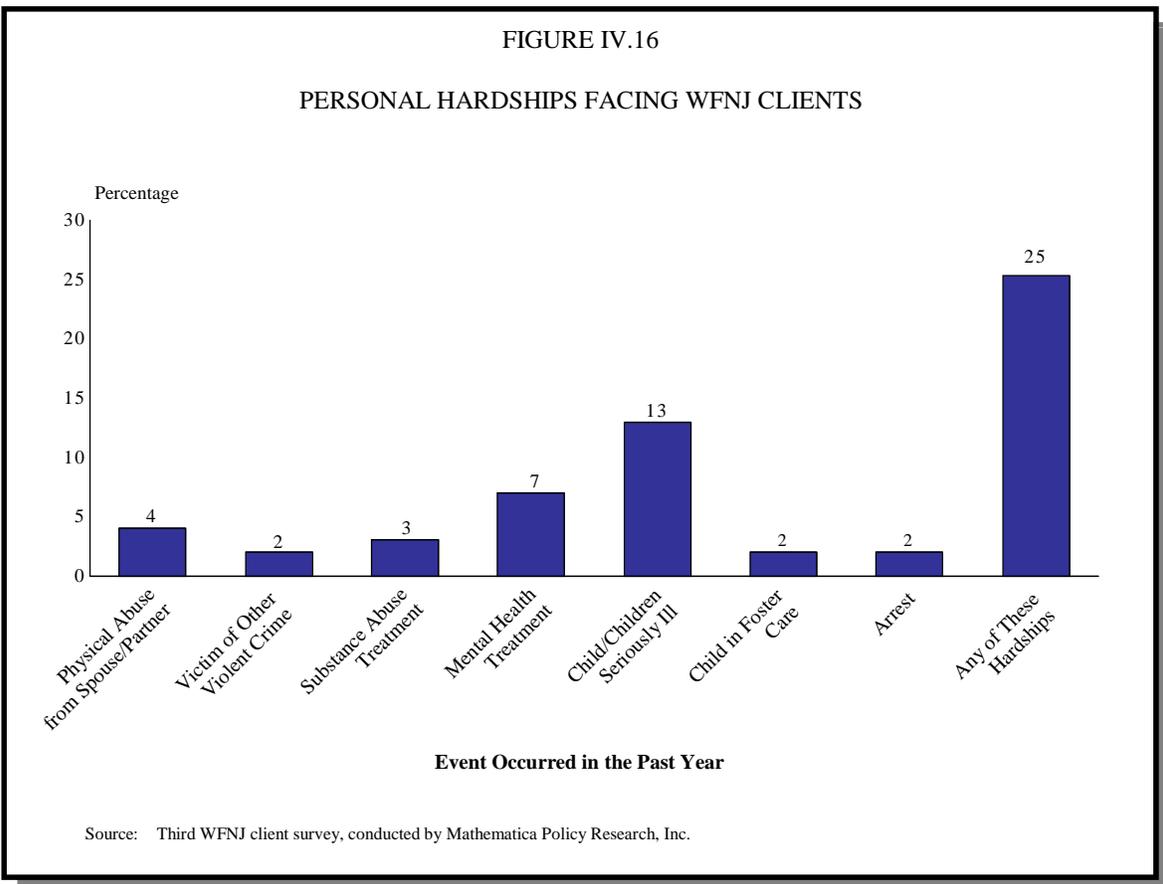


Source: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

(3) substance abuse, as measured by those who sought treatment; (4) a mental health problem, as measured by those who sought treatment; (5) having a seriously ill child; (6) having a child in foster care; and (7) being arrested. Examining the prevalence of these personal hardships and how they are concentrated among certain groups of WFNJ clients enables us to better understand the challenges some clients face.

- ***One-quarter of WFNJ clients report experiencing personal hardships in the past year, such as domestic violence or a seriously ill child.***

Twenty-five percent of clients faced at least one of the seven personal hardships. The most commonly reported of seven personal hardships we measured were having a child that had been seriously ill during the year prior to the survey (13 percent) and having sought mental health treatment (7 percent) (Figure IV.16). Reported rates for the other measures (physical abuse from a spouse or partner; victim of another violent crime; substance abuse treatment; children in foster care; or being arrested) were less than five percent.<sup>8</sup> These numbers did not change substantially over time.



<sup>8</sup>Rates of these types of hardships are generally underreported in surveys, so the figures are likely to be an underestimation of the fraction of clients facing these problems.

- *The prevalence of these problems is the highest among those not employed, regardless of their TANF status.*

Thirty-three percent of those not employed and off TANF and 38 percent of those not employed and on TANF faced at least one of these personal hardships, compared with 16 to 23 percent of employed clients off TANF and on TANF, respectively (Figure IV.17). Across the seven personal hardships we measured, those not employed had the highest reported rates in each area except being a victim of a violent crime. For example, whereas 11 and 13 percent of those not employed (off TANF and on TANF, respectively) sought mental health treatment in the past year, 4 and 2 percent of their respective employed counterparts did so. These differences by employment status suggest the extent to which personal hardships may constitute barriers to employment and the extent to which clients require continued support to help deal with their hardships.

## **F. HOW PREVALENT ARE THE MOST SERIOUS HARDSHIPS AMONG WFNJ CLIENTS?**

In this section, we bring together the various indicators of quality of life to examine the prevalence of each of the major hardships discussed previously: (1) living in extreme poverty (below 50 percent of the poverty level); (2) having been seriously ill in the past year; (3) facing a serious housing crisis (eviction, living in a shelter, or homelessness); (4) being the victim of a violent crime, including domestic violence; and (5) experiencing substance abuse or a problem with mental health, as measured by those who sought treatment for either of these. Examining the frequency of occurrence of these problems, how they are concentrated among certain groups of WFNJ clients, and whether and how they have changed over time can enable us to better understand future WFNJ policy challenges and the deployment of resources appropriate for dealing with these challenges.

- *Many WFNJ clients continue to face serious hardships; however, we observe consistent reductions in the prevalence of each of these hardships over time.*

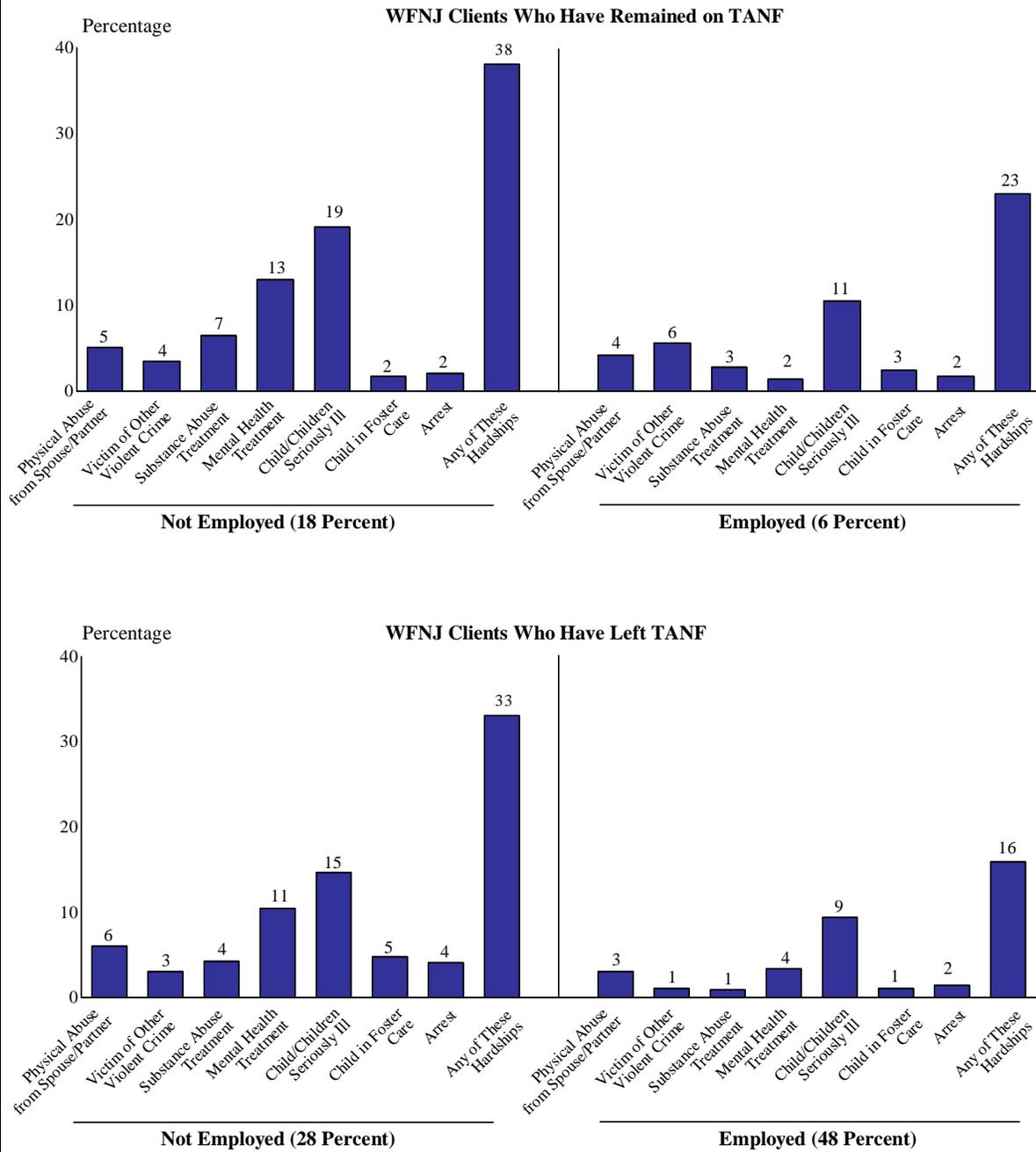
Although nearly 60 percent of clients reported a serious hardship at the time of the first survey, this number had dropped to 44 percent by the time of the third survey (Figure IV.18). Reductions in each type of serious hardship were reported, with the largest changes occurring in the fraction living in extreme poverty (that is, had incomes below 50 percent of the poverty level) and in the fraction that had been a victim of a violent crime. The fraction in extreme poverty fell from 29 percent to 18 percent during this two-year period, and the fraction that had been the victim of a violent crime fell from 10 percent to 6 percent.

- *Nonemployed clients as a group, regardless of their TANF status, were considerably more likely than employed clients to experience serious hardships during the year prior to the survey.*

The group experiencing the most serious hardships included those not employed, whether they were on or off TANF (Figure IV.19). Overall, between 60 percent of nonemployed clients on TANF and 70 percent of nonemployed clients off TANF experienced serious hardships, compared with around 31 percent and 23 percent of their employed counterparts. Similarly, those not employed were also more likely to report

FIGURE IV.17

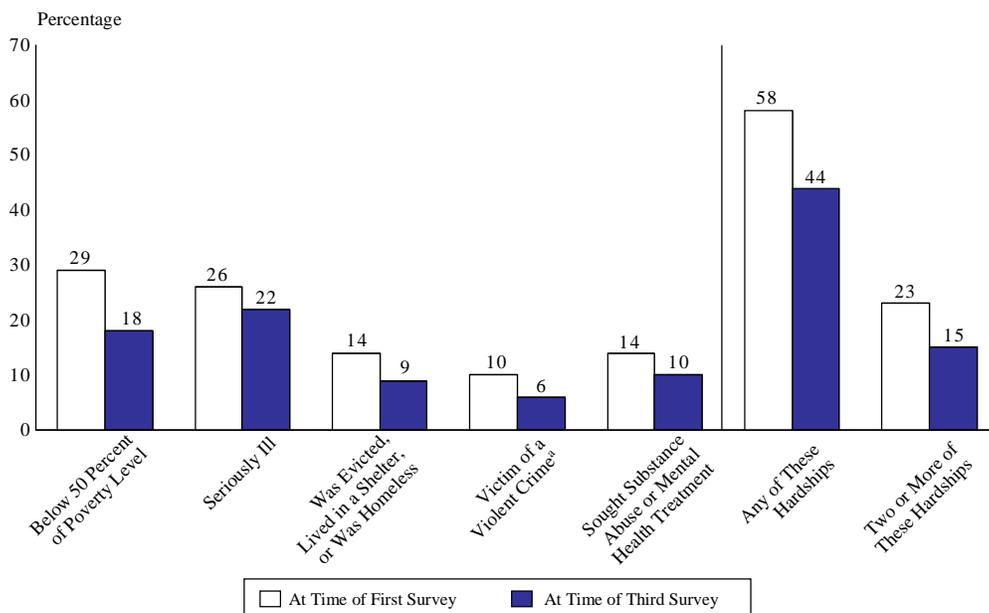
PREVALENCE OF PERSONAL HARDSHIPS,  
BY TANF AND EMPLOYMENT STATUS



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

FIGURE IV.18

PREVALENCE OF SERIOUS HARDSHIPS AMONG WFNJ CLIENTS



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

Note: On average, the first and third surveys were conducted approximately 18 and 40 months after WFNJ entry, respectively.

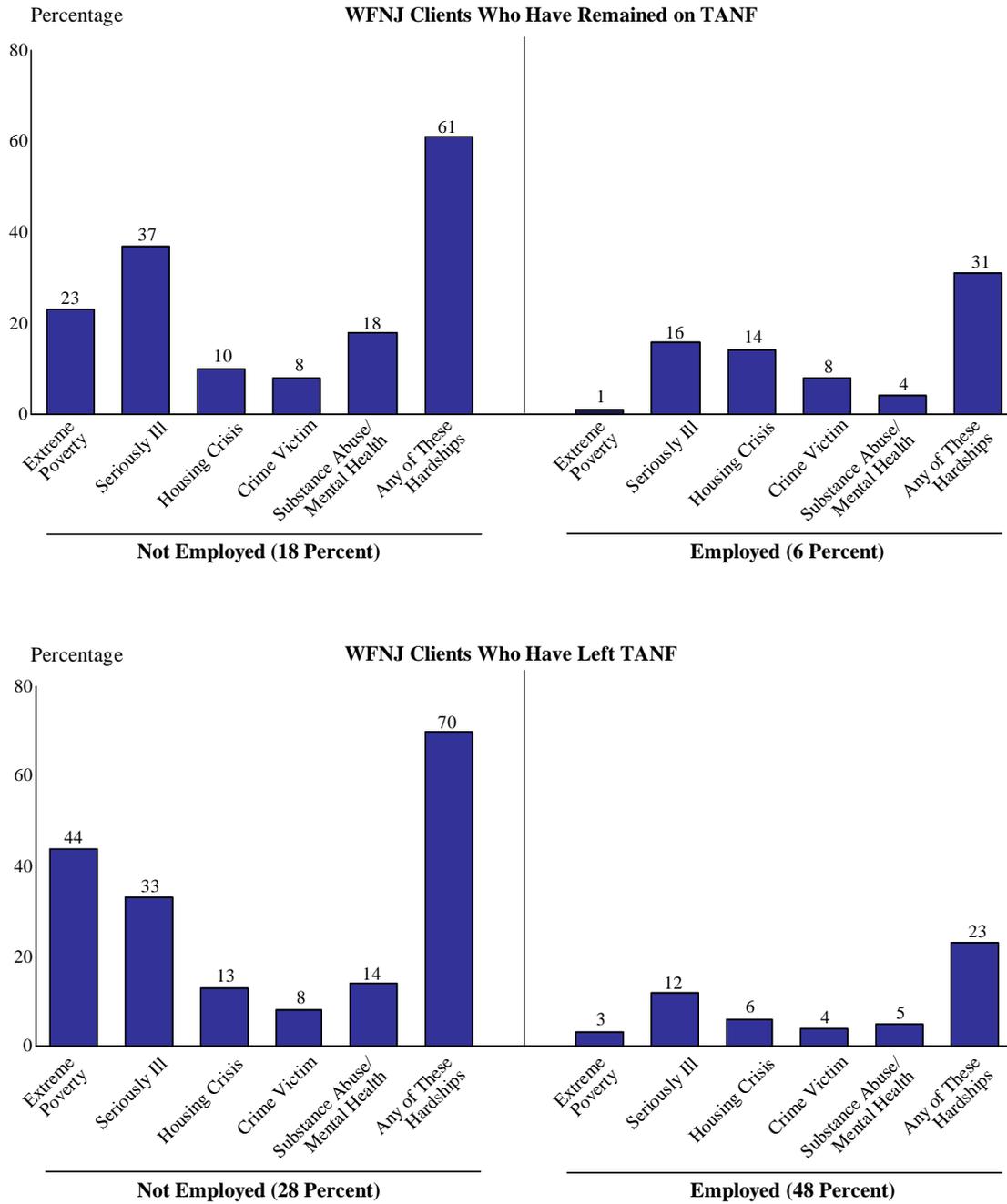
<sup>a</sup>In this figure, victim of a violent crime includes those who experience physical abuse from a spouse or partner.

each serious hardship, with the greatest difference being in the fraction experiencing extreme poverty: 23 and 44 percent versus fewer than 5 percent for those employed. More than one-third of those not employed reported having been seriously ill during the year prior to the survey, compared with about half as many among those employed. About 15 percent of nonemployed clients reported that they had sought treatment for mental health or substance abuse, compared with about 5 percent of those employed.

Among clients who were off TANF and not working, those who had a spouse or partner faced the fewest serious hardships. While slightly fewer than half those with a spouse or partner faced any of the serious hardships we measured, at least 70 percent of the other clients off TANF and not employed—those on SSI and those with and without recent employment—faced at least one of these serious hardships (not shown). Those with and without recent employment were substantially more likely to be living in severe poverty (less than 50 percent of the poverty level). As we would expect and saw previously in this chapter, those on SSI were substantially more likely to face a serious illness in the past year and also were more likely to seek treatment for a mental health problem or for substance abuse.

FIGURE IV.19

SERIOUS HARDSHIPS DURING THE PAST YEAR,  
BY EMPLOYMENT AND TANF STATUS



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



## V

### CHILD CARE USE AND COSTS

Given the work requirements and time limits of the PRWORA legislation, it is critical that welfare recipients find reliable, affordable child care for their young children so they can work in the labor market. Furthermore, before- and after-school arrangements are important even for school-age children. The types of arrangements welfare recipients make for their children can affect their employment. For example, informal care sometimes can be unreliable and may force mothers to take time off from work, which affects their ability to sustain jobs. In addition, the affordability of arrangements is a concern to welfare recipients, as child care expenses can consume a large fraction of their budget. To help with this expense, states have made transitional child care subsidies available to welfare recipients; however, use of these benefits often is low, so many clients spend out of pocket for child care. Interest in child care also stems from a growing body of research focusing on the importance of a child's early years in setting a strong foundation for the child's future learning and success. Developmental psychologists have identified factors in nonparental arrangements that relate to child outcomes. These factors include the type of care, number of arrangements the child is in, number of children in the arrangement, and staff-child ratio.

#### KEY FINDINGS FROM THIS CHAPTER

- ***Nonparental care is fairly common for preschoolers; WFNJ clients are most likely to rely on family and home care for their infants and toddlers.*** Nearly three of four WFNJ clients had some nonparental arrangement for their children who were younger than age 6. Parents participating in an out-of-home activity were most likely to place the children in full-time care, and multiple arrangements were fairly common for preschool-age children.
- ***Factors related to convenience, such as location, flexibility of arrangement, and the provider's hours, tend to influence parents' choice of providers.*** More than two-thirds of clients reported that convenience had a major influence on their choice of provider, compared with only one-third who reported cost as a major factor.
- ***Most school-age children, especially children of parents involved in some type of activity, have some form of nonparental care.*** Modest amounts of self-care exist for school-age children younger than 13, especially for those between the ages of 10 and 12; 15 percent of parents reported regular self-care for their children in this age group.
- ***Fewer than one in three TANF leavers with children younger than age 6 receive child care subsidies; however, the fraction that pays for care has decreased over time.*** Forty-six percent of clients reported receiving no subsidy but paying for care at the time of the second survey; this number had fallen to 36 percent at the time of the third survey, one year later. These reductions are driven by increases in the fraction receiving subsidies as well as in the fraction receiving free care. Those who receive subsidies are likely to spend much less out of pocket on child care (6 percent of earnings) than those without a subsidy (20 percent of earnings).

We begin this chapter by examining child care patterns for preschool-age children. In particular, we seek to answer such questions as: What types of arrangements do parents use for their preschool children? What are the characteristics of their current arrangements? How do parents choose their child care arrangements, and what factors are most likely to explain their choices of arrangement? We then examine the patterns of child care for school-age children in order to answer questions about child care for this group. For example, what types of supervised arrangements do parents use for their school-age children? How much time do school-age children spend without supervision or in “self-care”? We end the chapter by examining the financial burden of child care: how much do families pay out of pocket for child care? How many families receive subsidies for child care? What factors are associated with subsidy receipt?

Before turning to these questions, we discuss how many WFNJ clients had young children, and how we obtained the data on their child care arrangements and choice. Overall, nearly 80 percent of welfare recipients in our study had children younger than age 13 at the time of the third survey and thus are highly likely to need child care. Ten percent reported no longer having a child in the household at the time of the survey, and another 10 percent had children only age 13 or older in their household. About 50 percent had a child younger than age 6 in the household; these families would be most likely to need care for their young children while working or participating in a work-related activity.

One approach to understanding clients’ child care arrangements and choices is to ask for this information for each child. Because many clients had more than one young child in the household, however, obtaining detailed information on child care arrangements for each child would impose a substantial burden on the clients. Another approach to obtaining the relevant information is to randomly select a “focal child” for each household, and to ask detailed questions about that child. This method is an effective way to obtain information on how a particular child is doing within a family and well represents the entire sample of children. Furthermore, asking about fewer children often results in more precise information than when asking about all the children in a family.<sup>1</sup>

To learn about child care choices and child-well being among children of WFNJ clients, we randomly selected a focal child between ages 0 and 5 or between ages 6 and 17 for each household in which the sample member had a custodial child younger than 18.<sup>2</sup> Among these households, 43 percent of the families had a focal child younger than age 6 (4 percent of the children were infants, 12 percent toddlers, and 27 percent preschoolers). Another 38 percent had a focal child between ages 6 and 12, and 19 percent of families had a focal child between ages 13 and 17.

For the selected focal child, the sample member was asked to report on issues related to child care and child well-being, with the items selected to be appropriate to the age of the focal child. For example, many of the child care questions for children younger than age 6 relate to the types of arrangements parents make for these children, and how they

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<sup>1</sup>This method is used in the National Survey of America’s Families (NSAF) and is recommended by APSE for the state TANF leaver studies to obtain information on child well-being.

<sup>2</sup>In selecting focal children, we slightly oversampled focal children younger than age 6, as we wanted to ensure we had a large enough sample size of children younger than age 6 to be able to conduct analysis with this group.

made their child care choices. For children between ages 6 and 12, the focus is on before- and after-school programs and on the extent of unsupervised care. In addition to questions designed to be asked specifically about focal children, we asked sample members some questions about any or all children in the household. For example, we asked them about the child care costs for all children younger than age 13.<sup>3</sup>

## **A. WHAT ARE THE CHILD CARE PATTERNS AND CHOICES FOR PRESCHOOL-AGE CHILDREN YOUNGER THAN AGE 6?**

The child care choices of low-income parents are the focus of increased policy attention because finding reliable care—a challenge for all parents—can be particularly difficult for welfare recipients, who also are likely to be single parents. In addition, as young children increasingly spend more time in settings outside their homes, researchers have started to focus on the types and characteristics of nonparental care arrangements for children, as these arrangements might have implications for the development of the child.

In this section, we examine the extent to which WFNJ clients with young children made nonparental arrangements for their children, the types of arrangements, the characteristics of these arrangements, and how clients make their choices. At the time of the survey, 61 percent of WFNJ clients were working, participating in training, or receiving education, so we also examine these issues separately for clients engaged in an out-of-home activity.

### **1. What Types of Arrangements Do Parents Use for Their Preschool-Age Children?**

- *Nonparental care is fairly common for preschool-age children; parents are more likely to have nonparental care for their preschoolers ages 3 to 5 than for infants and toddlers.*

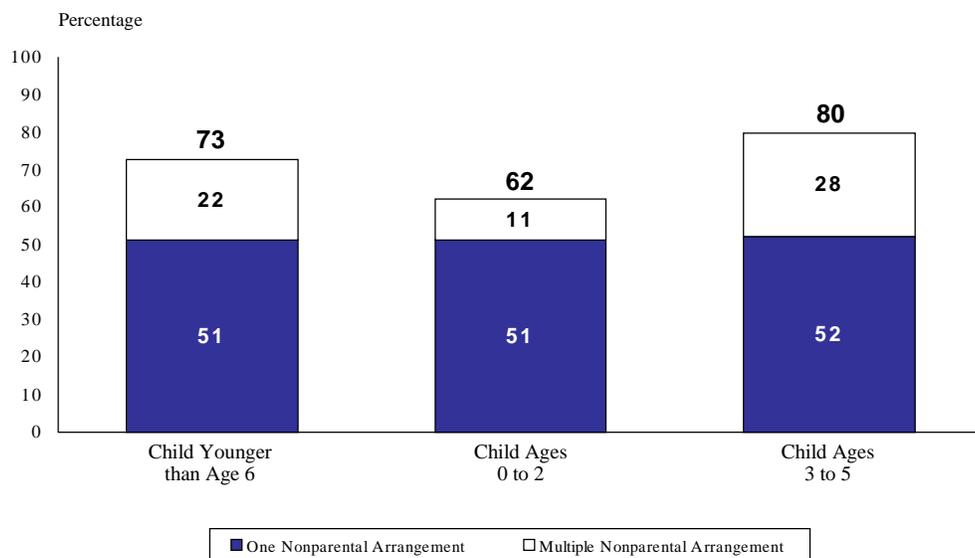
Slightly fewer than three-quarters of WFNJ clients used some type of nonparental care for their children (Figure V.1). Clients were more likely to obtain nonparental care for their preschoolers ages 3 to 5 than for their infants and toddlers (80 versus 62 percent, respectively). Given that the majority of clients are single parents, and most must work, WFNJ clients may be more likely than families nationally to need to make nonparental arrangements for their children. WFNJ clients were indeed somewhat more likely than parents nationally to have nonparental care for children younger than age 3 (62 percent of these children, compared with 51 percent nationally); however, rates of nonparental care were more comparable for older preschool age children (80 percent versus 77 percent nationally) (Federal Interagency Forum on Child and Family Statistics 2001).

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<sup>3</sup>Parents also were asked a variety of questions related to measures of well-being, such as child routines, school engagement, and behavioral problems. Similarly, we asked about the health situations of the focal child and about a variety of risk behaviors for all children in the household. These outcomes are described in the next chapter.

FIGURE V.1

NUMBER OF NONPARENTAL ARRANGEMENTS,  
BY AGE OF FOCAL CHILD



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

“Packaging”—having more than one provider care for young children—also is fairly common among WFNJ clients; 22 percent reported having more than one provider take care of their children. In comparison, about 12 percent of preschoolers nationally had two or more arrangements (Hofferth et al. 1998).<sup>4</sup> Clients were considerably more likely to have multiple arrangements for their preschoolers ages 3 to 5 than for their infants and toddlers. For example, nearly 30 percent of preschoolers ages 3 to 5 were in more than one arrangement, compared with about 11 percent of infants and toddlers (Figure V.1). Nearly 70 percent of the clients combine center-based care with family-based care or home-based care for their young children (not shown).

<sup>4</sup>The Hofferth et al. study uses the 1995 National Household Education Survey data. Although some evidence suggests use of nonparental care nationally has increased somewhat over time, the increase is not large; for example, between 1995 and 1999, the fraction of children younger than age 3 in nonparental care increased from 50 to 51 percent, and the number ages 3 to 6 in nonparental care increased from 74 to 77 percent (Federal Interagency Forum on Child and Family Statistics 2001). In addition, the Hofferth numbers pertain to preschoolers nationally; these children are more likely to be in two-parent households and less likely to be in multiple child care arrangements than are the children of current and former welfare recipients, who are more likely to be in single-parent households.

- *Center care is a fairly common primary arrangement for children younger than age 6, although parents are most likely to rely on family- and home-based care for their infants and toddlers.*

WFNJ clients were asked to report on all the types of care in which their preschool-age focal child participated regularly at least once per week during the month before the survey. The arrangements included various forms of care, ranging from less formal relationships, such as relatives caring for the child at home, to other informal arrangements, such as family-based care at some other relative or nonrelative provider's home, to more formal arrangements, such as child care centers or preschool programs.

Figure V.2 shows the primary arrangements that WFNJ parents reported for their preschool-age children. Center care was the most common type of primary arrangement. Substantially more than one-third of WFNJ clients used center-based care for their young children, with more than half the clients reporting that their child was in a Head Start program (not shown). Family care was the next most common form of primary nonparental arrangement, with 20 percent of children in this arrangement. (Slightly more than 60 percent of the family-based care was provided by relatives; not shown.) Not surprisingly, preschoolers ages 3 to 5 were most likely to be in center-based care (50 percent), compared with only 15 percent of infants and toddlers (Figure V.2). Most commonly, infants and toddlers were cared for by their parents; among nonparental arrangements, family-based care was most frequently used as the primary arrangement.

The majority of young children who were in some type of nonparental care were likely to be in care full-time (Table V.1). Young children received an average of nearly 35 hours of care per week, and about 60 percent of children younger than age 6 receiving

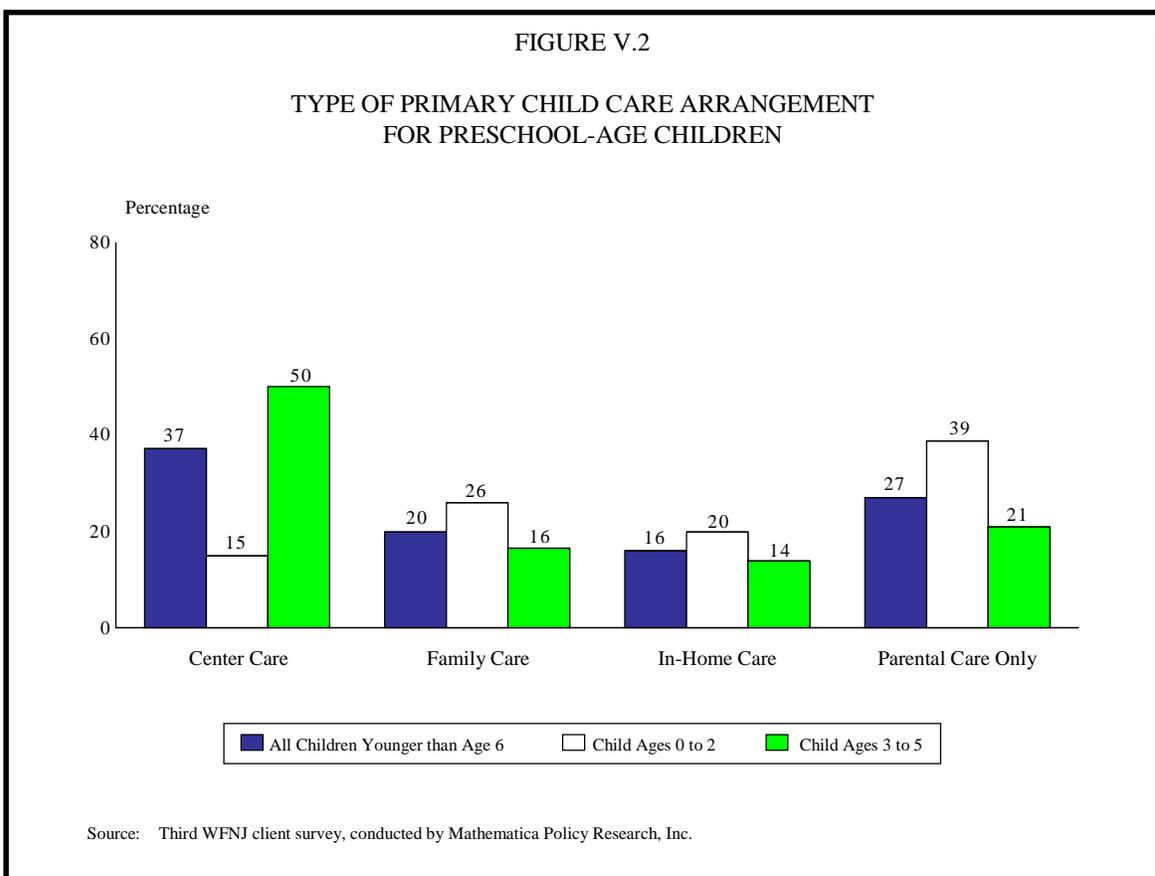


TABLE V.1  
WEEKLY HOURS IN CHILD CARE FOR PRESCHOOL-AGE CHILDREN  
(Percentages)

	All Children Younger than Age 6	Children Ages 0 to 2	Children Ages 3 to 5
Weekly Hours in Nonparental Care			
0	27	39	21
1 to 19	18	22	16
20 to 34	11	9	13
35 or more	43	30	51
(Average hours)	(24.9)	(18.0)	(28.6)
(Average hours, among those in care)	(34.2)	(29.8)	(36.1)
Percentage in Full-Time Care Among Those in Care			
	60	50	64
<b>Sample Size</b>	<b>616</b>	<b>233</b>	<b>384</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

nonparental care were in full-time care (defined as 35 hours or more per week). For children in care, we did not observe large differences in the number of hours of care for infants and toddlers compared with preschoolers age 3 to 5.

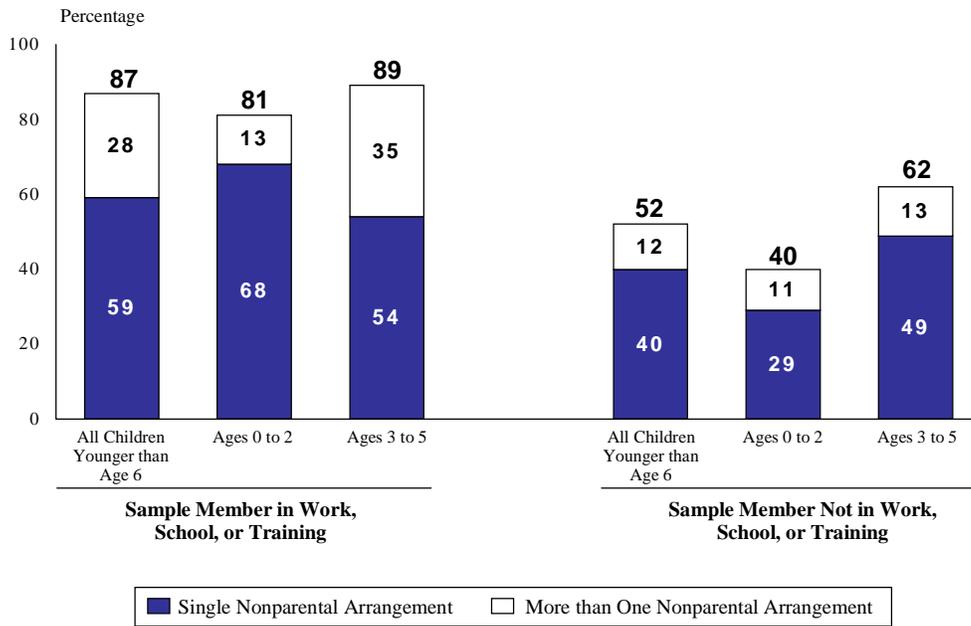
- *WFNJ clients who participate in work, school, or training are considerably more likely than those who are not in these activities to have some type of nonparental care for their young children.*

At the time of the third survey, slightly more than 60 percent of clients with preschoolers were engaged in an out-of-home activity, such as work, school, or training. Overall, 87 percent of these clients had used nonparental care for their young children, compared with slightly more than half the clients not in any activity (Figure V.3). Interestingly, more than 60 percent of clients not engaged in any activity at the time of the survey had used regular nonparental child care for their preschoolers ages 3 to 5 during the month prior to the survey.

The prevalence of multiple arrangements was common for children of clients engaged in some activity, especially for preschoolers ages 3 to 5. Although similar numbers of children in that age range had a single nonparental arrangement, regardless of parental participation in some out-of-home activity (54 percent for those with parents in activities versus 49 percent for those with parents not in activities), the prevalence of multiple arrangements was nearly three times as high among clients engaged in an out-of-home activity than among those not in any activity at the time of the survey (35 percent versus 13 percent). In addition to being more likely to have some type of nonparental care, preschool-age children of clients engaged in some activity were also more likely than the children of clients not engaged in some activity to spend more hours in care, and more likely to be in full-time care (Table V.2).

FIGURE V.3

CHILD CARE ARRANGEMENTS, BY SAMPLE MEMBER'S PARTICIPATION IN WORK, SCHOOL, OR TRAINING



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

TABLE V.2

WEEKLY HOURS IN CHILD CARE, BY SAMPLE MEMBER'S PARTICIPATION IN WORK, SCHOOL, OR TRAINING

	Child Younger than Age 6	Child Age 0-2	Child Age 3-5
<b>In School/Work/Training</b>			
Percentage with any nonparental care	87	81	89
Average weekly hours <sup>a</sup>	(36.2)	(32.4)	(37.8)
Percentage in full-time care <sup>a</sup>	57	44	62
<b>Not in School/Work/Training</b>			
Percentage with any nonparental care	52	40	62
Average weekly hours <sup>a</sup>	(28.8)	(23.2)	(31.5)
Percentage in full-time care <sup>a</sup>	45	37	48
<b>Sample Size</b>			
<b>In School/Work/Training</b>	<b>380</b>	<b>127</b>	<b>253</b>
<b>Not in School/Work/Training</b>	<b>232</b>	<b>104</b>	<b>128</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

<sup>a</sup>Includes only those in some type of nonparental care.

- ***Many clients use center care for their preschoolers ages 3 to 5, whether or not they are engaged in an out-of-home activity.***

With Head Start and prekindergarten increasingly common sources of care for children between ages 3 and 5, more than half of WFNJ clients in some out-of-home activity and nearly 40 percent of clients not in any activity had their preschoolers ages 3 to 5 in center-based care (Figure V.4). In contrast, the use of family care was much more common among infants and toddlers of clients engaged in an out-of-home activity than among families of clients not in an activity.

## **2. What Are the Characteristics of the Child Care Arrangements?**

- ***Clients report fairly low child-staff ratios for their young children; clients with children in center care report higher child-staff ratios than do those with children in other types of care.***

Clients with children in center-based care reported child-staff ratios of 5.4, compared with 2.7 for family child care and 1.8 for home care (Figure V.5).<sup>5</sup> Parents were likely to report smaller child-staff ratios for their infants and toddlers who were in center care than for their preschoolers ages 3 to 5. These findings are consistent with state requirements that younger children receive care in settings that have smaller child-adult ratios.

Relative to national/state guidelines for child-staff ratios for preschool-age children, as well as those reported by providers, parents report fairly low child-staff ratios, especially for children in center care. In New Jersey, for example, the child-staff ratio is 4 to 1 for infants, around 7 to 1 for toddlers, and between 10 and 15 to 1 for children ages 3 to 5; these numbers are considerably higher than those reported by clients. Similarly, child-staff ratios reported by center-based programs for preschool children ages 3 to 5 also are much higher (10 to 1 in 1990; Willier et al. 1991). Thus WFNJ clients reported child-staff ratios that are smaller than the actual ratios. These findings suggest that many WFNJ clients do not know how many children are in their child's group or center, and that some may have reported the total number of staff they know to be at the center, rather than the number who might be in their child's classroom at a given time.<sup>6</sup>

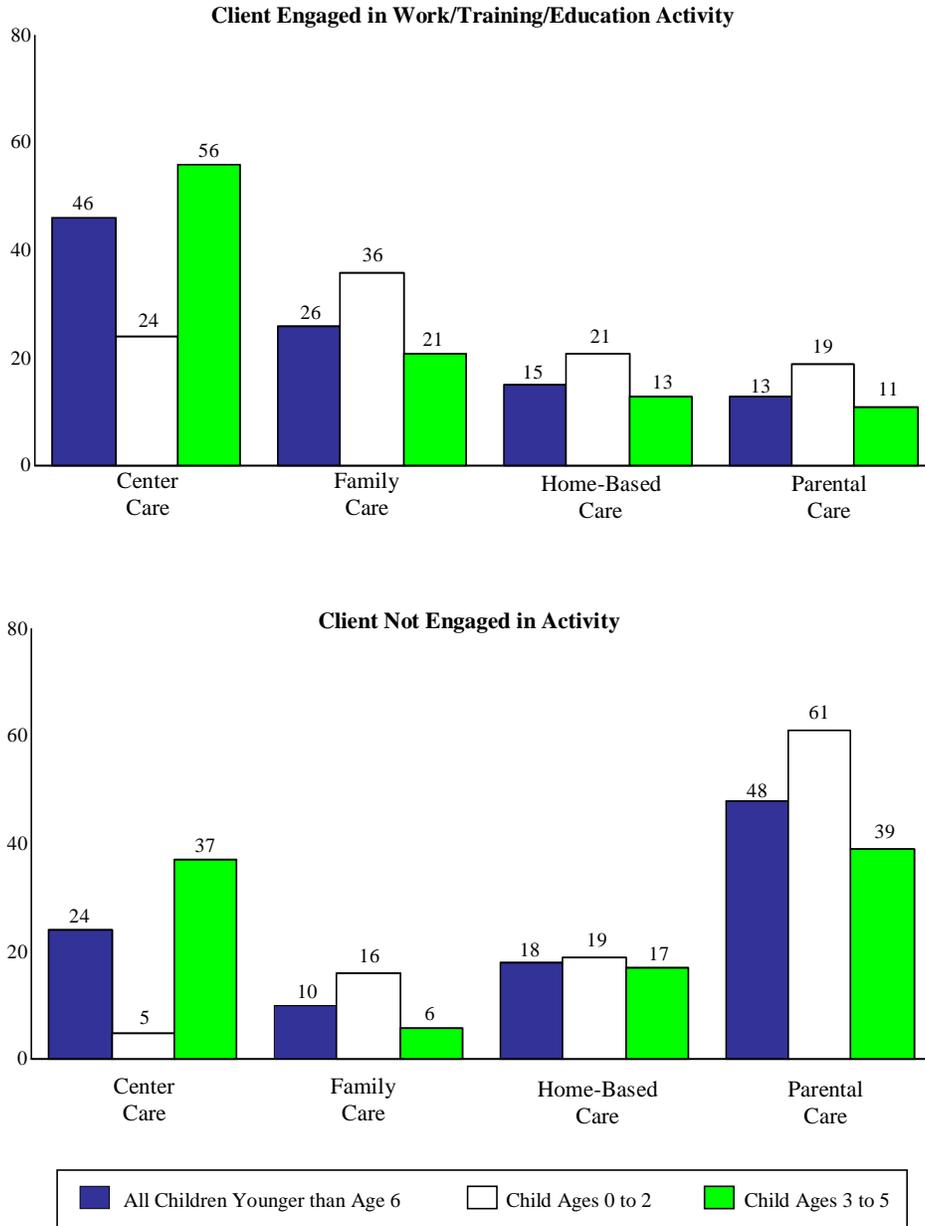
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<sup>5</sup>For home and family care, we asked only about the number of children whom the provider cared for. To the extent that some providers, especially family-based ones, may have had help from someone, these child-staff ratios may be slightly overstated. In most cases, however, sample members reported that a relative was caring for the child; consequently, we do not believe the estimates are overstated to a large degree.

<sup>6</sup>Other studies also show that parents' reports of child-staff ratios are much lower than those reported by providers. For example, parents nationally reported child-staff ratios of 6.5 for center-based programs, 3.5 for family-based care, and 2.0 for in-home care (Hofferth et al. 1998).

FIGURE V.4

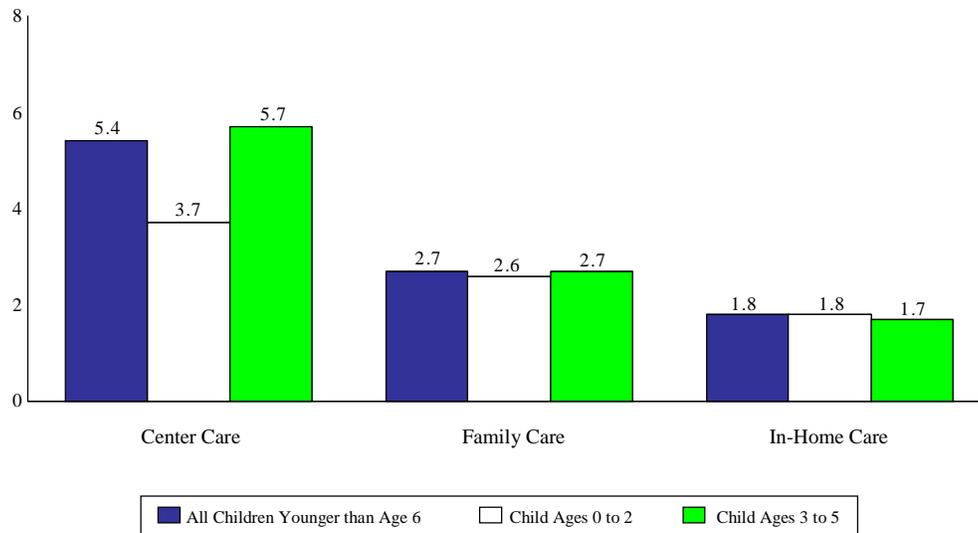
TYPE OF PRIMARY ARRANGEMENT FOR PRESCHOOL-AGE CHILDREN,  
BY CLIENTS' ENGAGEMENT IN ACTIVITY



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

FIGURE V.5

CHILD-ADULT RATIO AMONG THOSE WITH CHILD CARE,  
BY TYPE OF ARRANGEMENT



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

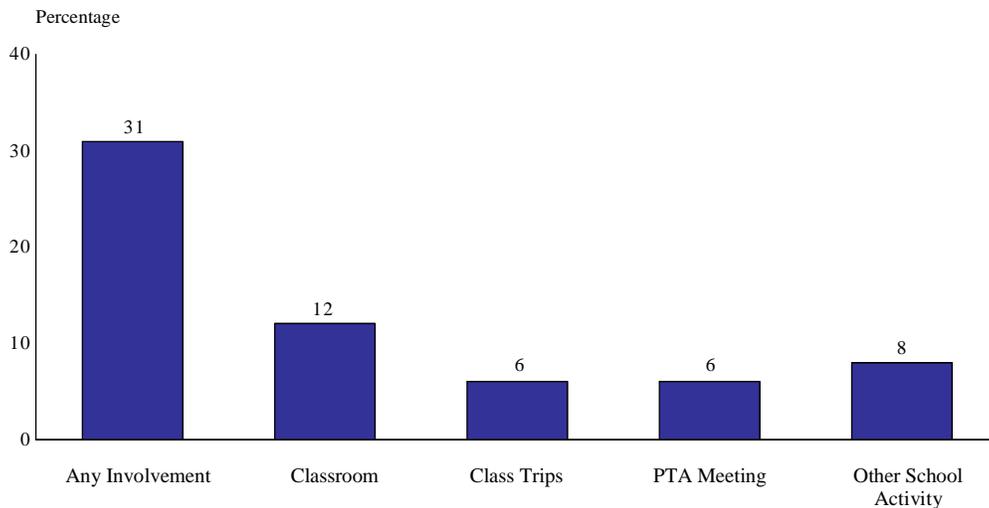
- ***About 30 percent of the clients whose children were in center care had some type of involvement with the center; they helped mainly with classroom activities and class trips.***

Parental involvement in early childhood programs has been associated with improved classroom behavior and higher learning skills among children (Taylor and Machida 1994). For example, Head Start believes that parental involvement is beneficial to both parents and children and strongly encourages parents to be involved with all aspects of its programs. Despite these potential benefits, however, single parents and other low-income workers may not have the time or the opportunity to be involved with their child's programs.

Around one in three clients whose children were in center-based care reported that they were involved in their child's center-based activities (Figure V.6). The most common form of involvement was help in the classroom, reported by 12 percent of the clients. Another six percent each reported helping out with class trips and attending PTA meetings; another eight percent were involved in some other type of school activity. Clients whose children were in a Head Start program were more likely than clients whose children were in other centers to be involved (about 37 percent for Head Start and about 28 percent for non-Head Start center care; not shown). These findings are consistent with the greater encouragement placed by Head Start programs on parents' involvement in center activities.

FIGURE V.6

MOTHER'S INVOLVEMENT IN CENTER-BASED-CARE ACTIVITIES



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

### 3. How Do Parents Make Their Child Care Choices?

Many welfare recipients and other low-income workers often use informal types of care, which sometimes may be less reliable than formal arrangements. In this section, we examine parents' child care choices; we obtained our data by asking the parents what factors are important to them as they make their child care choices. We then estimated a model to determine whether we could identify individual and child characteristics that might be related to parental choice of arrangements.

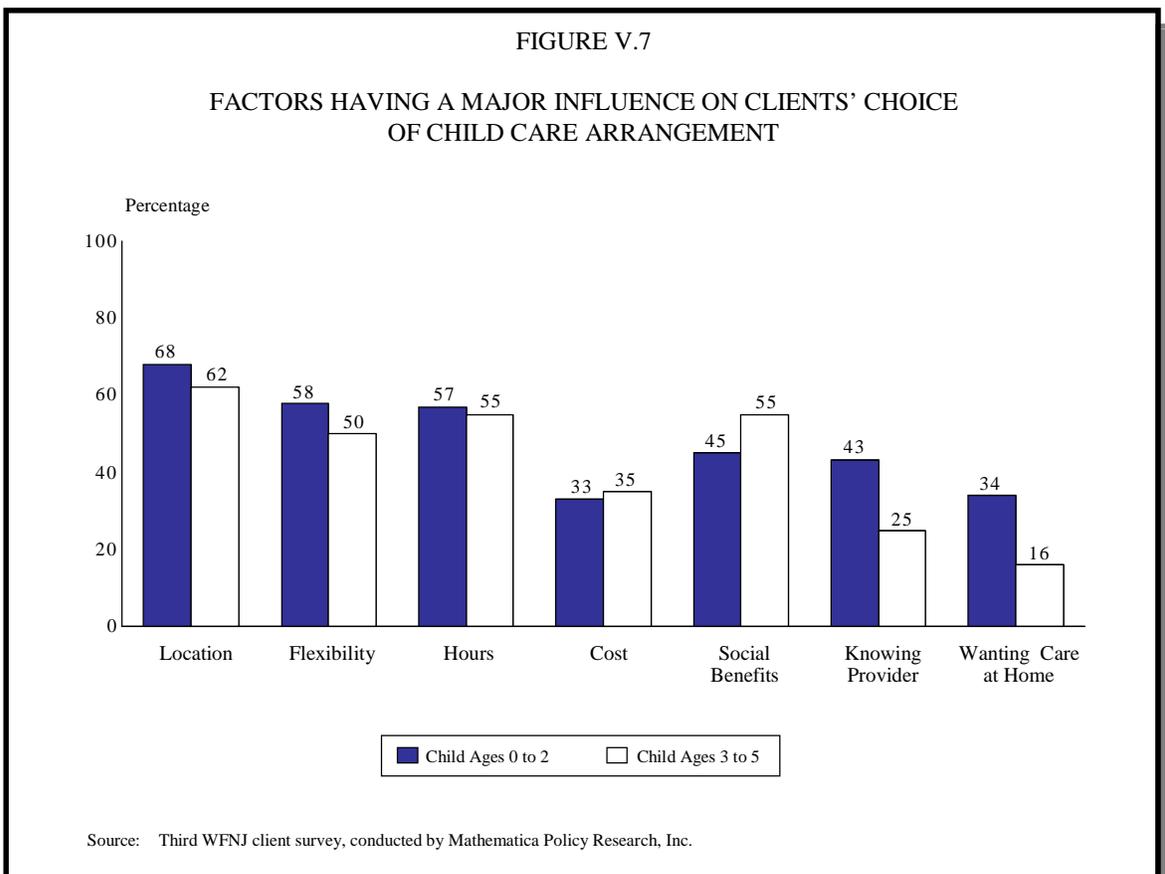
- *Factors related to convenience, such as location, flexibility, and the providers' hours of operation are major factors affecting parents' choice of provider.*

In the third survey, clients whose children were in some form of nonparental care were asked about factors that might have influenced their choice of child care arrangement. These factors included location of provider, flexibility of drop-off and pick-up hours, the provider's hours of operation, and cost. Clients most frequently reported location of provider as having a major influence on their choice of provider, with roughly two-thirds of the clients reporting this factor (Figure V.7). Other major factors were flexibility of drop-off and pick-up times and the hours of operation. In addition, for children in center care, the social or instructional benefits of the program were considered major factors for preschoolers ages 3 to 5. Although cost was a major influence in the choice of arrangement for about one-third of the clients, it was generally less important than were most of the other factors.

The relative importance of these factors does not vary much by whether a client was making arrangements for infants and toddlers or for preschoolers ages 3 to 5. We found two exceptions, however: (1) clients who had home-based care reported that knowing the provider and wanting their children to receive care at home had a bigger influence on their infants' and toddlers' care arrangements than on those of their preschoolers, and (2) flexibility of drop-off and pick-up hours and the hours of operation were considerably more important for clients engaged in an out-of-home activity than for those not engaged in one of these activities (not shown).

- *Consistent with the importance of convenience, most clients choose providers who live nearby; the average commute time to the provider is about 12 minutes.*

In three of four households with a nonparental arrangement outside the home, the sample member took the child to the provider. More than half the clients drove their child to the provider, and another quarter walked their child to the provider; fewer than one in five relied on public transportation. The average commute time to the provider was fairly short; on average, it took clients about 12 minutes to travel from their home to the provider, and roughly 40 percent of clients lived within 5 minutes of their provider



(Table V.3). Clients who walked or drove their children had shorter commutes than did those who took public transportation (10 minutes versus 22 minutes; not shown).

Centers and nonrelative family-based providers usually were located within 10 minutes of the clients' home, suggesting that many clients considered proximity of these providers to be important. Interestingly, clients who left their children at a family-based provider who was a relative typically had longer commutes (17 minutes on average, compared with 10 minutes to other providers; not shown), indicating that people were willing to travel further to obtain a relative's care for their children.

- *Demographic factors, such as household type, age of the child, and the number of children in the household, are important determinants of type of child care arrangement.*

To understand what factors are associated with the choice of nonparental care, we examined whether any of a number of individual and child characteristics were related to the type of arrangement chosen. To determine the child care chosen, we examined a set of risk factors, such as household income, clients' education attainment, and clients' health status; various demographic variables and household composition variables; child characteristics; and clients' work status.<sup>7</sup> For each variable, we examined the extent to which these factors were related to clients' choice of center care, family-based care, and in-home care.

TABLE V.3  
DISTANCE AND METHOD OF COMMUTE TO CHILD CARE ARRANGEMENT

	Percentage
Percentage of Households in Which Sample Member Took Child to Provider	76
Method of Commute	
Drive	53
Walk	27
Public Transportation	18
Average Length of Commute (in Minutes)	
Less than 5	37
5 to 15	43
More than 15	20
(Average)	(12.1)
<b>Sample Size</b>	<b>617</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

<sup>7</sup>Because many child and family characteristics, such as low income and low education levels, may be interrelated, we estimated regression models that enabled us to hold all other factors constant as we examined the effects of each variable.

In general, only a few variables had an effect on the choice of arrangement, including age of the child, household type, clients' education attainment, and clients' current employment status.<sup>8</sup> As Figure V.8 shows, parents were considerably more likely to send their preschoolers ages 3 to 5 to center-based care than they were their infants and toddlers (63 percent, versus 15 and 27 percent, respectively). Similarly, they were much less likely to use family-based care for their preschoolers ages 3 to 5 than they were for their infants and toddlers. Clients in single-parent households with no other adults and clients in two-parent households were more likely than those in other multiple-adult households to send their children to family-based care. In contrast, those in multiple-adult households were more likely to have home-based care; presumably, these other adults could care for the children at home.<sup>9</sup>

Clients' education levels and current employment status also were related to choice of provider. For example, clients with a high school diploma or GED were more likely to use center-based care and were less likely to use home-based care (after controlling for work status and income). Consistent with the fact that many nonemployed clients send their preschoolers ages 3 to 5 to center-based care, we do not observe any significant differences in the use of center-based care by clients' employment status. However, those working full-time were considerably more likely to use family-based care for their young children than were those who were not working or who were working part-time. Conversely, clients who were not working or were working part-time were more likely to have home-based care than were those working full-time.

Most other factors, including clients' household income levels, residence in a high-density-population county, sex of the focal child, and clients' health status, did not affect the choice of child care provider for young children. The only significant difference we observed was that African American clients were somewhat less likely to use family-based care and more likely to use center-based care for children younger than age 6 than were clients in other racial/ethnic groups (not shown).

## **B. WHAT ARE THE PATTERNS OF CHILD CARE FOR SCHOOL-AGE CHILDREN BETWEEN AGES 6 AND 12?**

Arranging care for school-age children can be important. Although children may spend time in school in a supervised environment for a significant number of hours per day, they also may participate in a variety of other activities. For working parents, finding supervised care for these children can pose challenges, as they must fill the gaps between the child's school hours and their own work hours. In some cases, children may have to be left unsupervised or use "self-care" while parents are at work or are participating in some other activity. In this section, we examine the extent to which

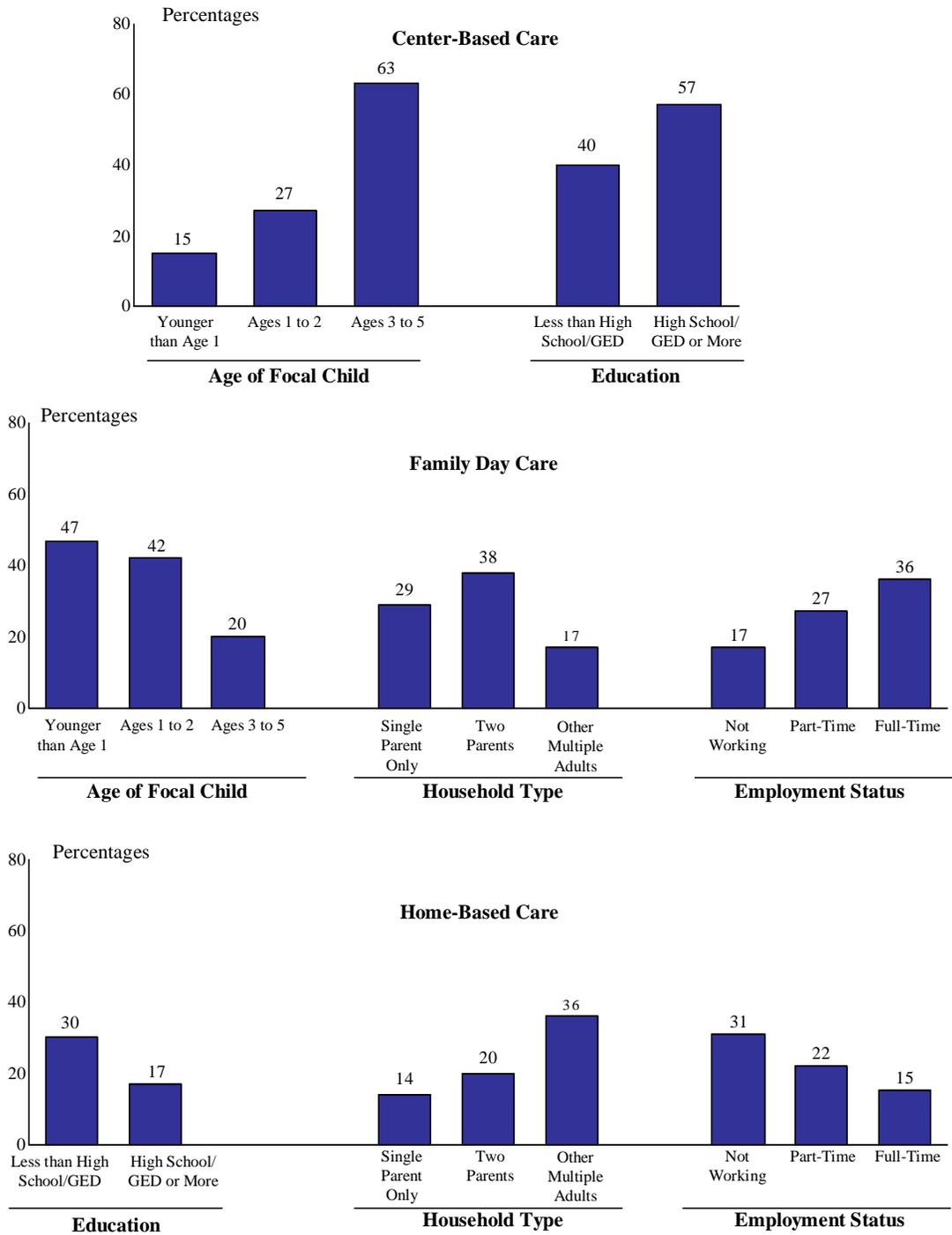
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<sup>8</sup>Other variables included in the models are sample member's age, whether the sample member has a health problem, whether the household has another employed adult (other than the client), the age of the youngest child in the household, race/ethnicity, and county of residence.

<sup>9</sup>In a separate analysis that included nonparental arrangement as a choice, we found that clients in two-parent households were more likely than those in other types of households to have nonparental care for their child.

FIGURE V.8

FACTORS INFLUENCING CHOICE OF PROVIDER AMONG WFNJ CLIENTS WITH PRESCHOOL-AGE CHILDREN

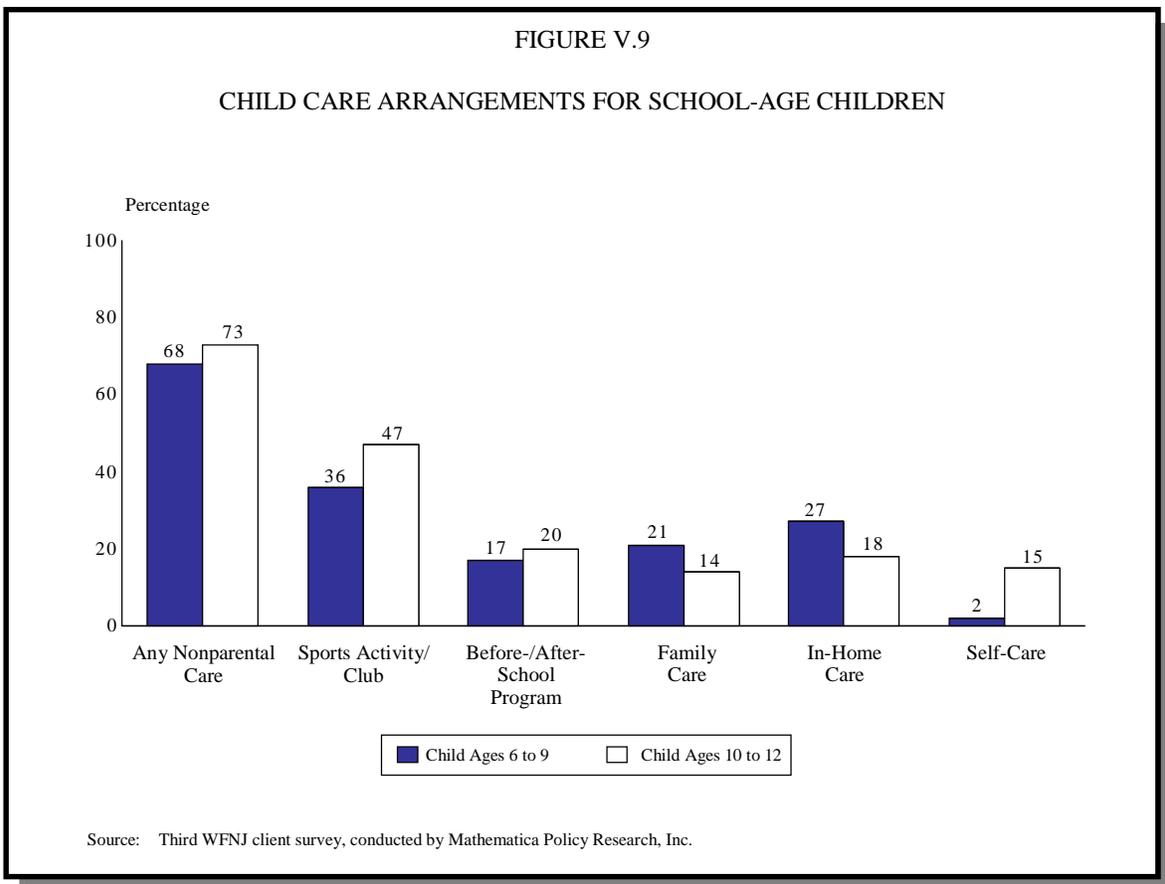


Source: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

parents use nonparental arrangements (outside of school) for their school-age children, what types of arrangements they make, how the choice of arrangement varies by the age of the child, and how it varies by clients' engagement in any out-of-home activity.<sup>10</sup>

- ***In addition to school, most school-age children had some other form of nonparental child care.***

Around 70 percent of WFNJ clients had some type of nonparental care for their school-age children between ages 6 and 12 (Figure V.9). The most common arrangement was participation in a sports activity or club, with 36 percent of 6- to 9-year-olds and 47 percent of 10- to 12-year-olds in these activities. Other forms of care included before- and after-school care/activities, family-based care, and home-based care. Clients were somewhat more likely to use a sports activity/club or before- or after-school program for their 10- to 12-year-olds and more likely to use family care or home-based care for their 6- to 9-year-olds. The average number of hours per week in nonparental care (not including school) among those who had some care was around 14 hours (Table V.4).



<sup>10</sup> About 62 percent of clients with a school-age child between ages 6 and 12 were engaged in some type of work, education, or training activity at the time of the third survey.

- *School-age children have modest amounts of regular self-care; however, these numbers are lower than the numbers reported for children of a similar age range nationally.*

Overall, seven percent of clients reported that their 6- to 12-year-olds were regularly in self-care (Table V.4). Self-care increases with the age of the child. It was relatively rare among 6- to 9-year-olds, with only two percent of parents reporting regular self-care for these children. In contrast, 15 percent of children ages 10 to 12 regularly spent some time in unsupervised care (Figure V.9). Self-care also is more common among school-age children living in single-parent households with no other adults than it is among two-parent or multiple-adult households. Children who had regular self-care spent an average of about four hours per week in self-care (Table V.4).

TABLE V.4  
WEEKLY HOURS IN CHILD CARE FOR CHILDREN AGES 6 TO 12

	All Children Ages 6 to 12	Children Ages 6 to 9	Children Ages 10 to 12
<b>Supervised Care</b>			
Percentage receiving care	70	68	73
Average weekly hours among those with supervised care	13.5	14.2	12.5
<b>Percentage Receiving Care</b>			
Working	79	79	80
Not working	56	50	64
<b>Average Weekly Hours Among Those with Supervised Care</b>			
Working	15.6	16.5	14.1
Not working	8.6	7.5	9.9
<b>Self-Care</b>			
Percentage with any self-care	7	2	15
Average weekly hours among those with self-care	3.9	3.7	4.0
<b>Percentage with Self-Care</b>			
Working	8	3	17
Not working	6	2	12
<b>Average Weekly Hours Among Those with Self-Care</b>			
Working	4.2	4.5	4.1
Not working	3.2	1.5	3.6
<b>Sample Size</b>	<b>550</b>	<b>343</b>	<b>207</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

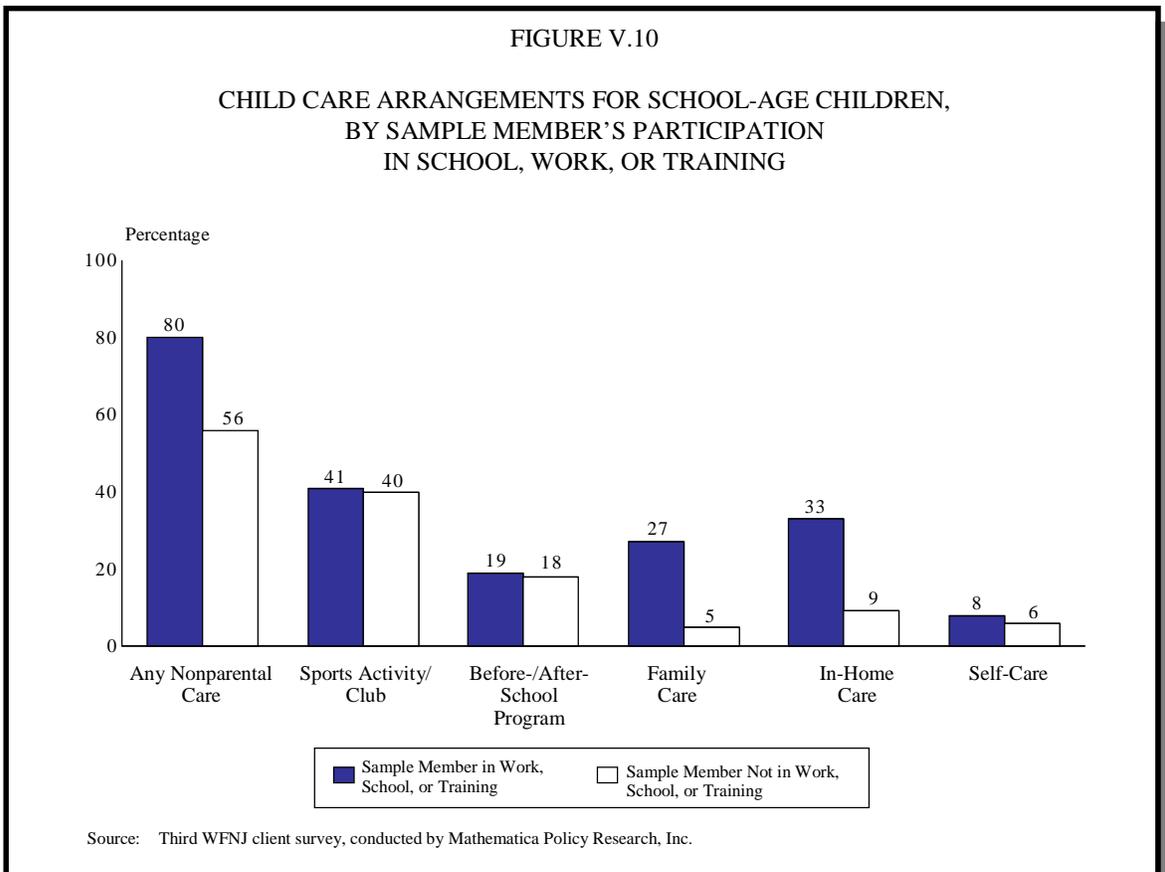
- *Parents engaged in school, work, or training were more likely than parents not engaged in these activities to have nonparental care for school-age children younger than age 13.*

Not surprisingly, parents of school-age children who were engaged in work, school, or training were considerably more likely to have nonparental care than were those who were not engaged in any activity (80 percent versus 56 percent, respectively). There were no differences in children’s participation in sports activities and clubs, or in before- or after-school programs, by clients’ engagement in out-of-home activities. However, clients engaged in out-of-home activities were considerably more likely than those not engaged in these activities to have family-based care or other home-based care for their school-age children (Figure V.10).

School-age children of clients engaged in work, school, or training spent more hours in care than did the children of clients who were not in these activities (about 16 hours per week in some type of supervised care other than school compared with about 9 hours, respectively; not shown). The extent of self-care and the hours in self-care did not differ substantially by clients’ engagement in out-of-home activities.

### C. WHAT ARE THE CHILD CARE COSTS FOR WFNJ CLIENTS?

Child care costs can be a major expense for low-income workers and use up a high fraction of their earnings. Although WFNJ clients who leave welfare for work can receive transitional child care subsidies for as long as two years, our previous client study reports have shown that many of these clients do not take advantage of these benefits.

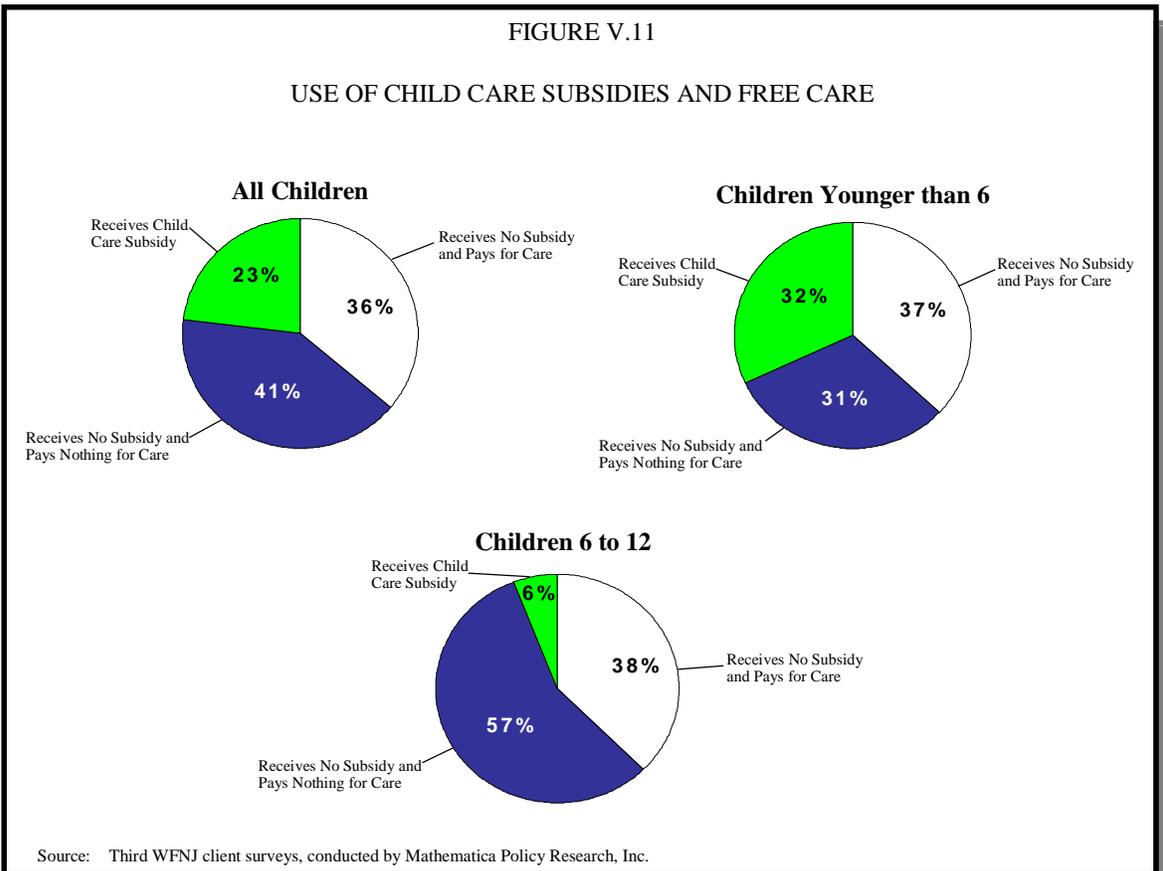


This section examines employed former WFNJ clients' child care costs and use of child care subsidies.

- ***Fewer than one in four employed TANF leavers with young children receive child care subsidies. Another 40 percent do not receive subsidies but also pay nothing for child care. The fraction of clients who receive no subsidy but pay for care has decreased over time.***

Thirty-two percent of employed former WFNJ clients with children younger than age 6 reported receiving government child care assistance at the time of the third survey (Figure V.11). Clients with older children had considerably lower subsidy utilization rates. For example, only six percent of employed TANF leavers with children ages 6 to 12 were receiving a subsidy at the time of the third survey. Many clients who did not receive subsidies paid nothing for child care; overall, slightly more than 40 percent were neither receiving a subsidy nor paying for care. This is especially true for clients whose youngest child was between ages 6 and 12 (57 percent, compared with 31 percent for those whose youngest child was younger than age 6).

Overall, about 41 percent of clients had some out-of-pocket costs; 36 percent of clients with children younger than age 13 had no subsidy and paid for child care, and another 5 percent reported having out-of-pocket costs even though they received a subsidy (not shown). The fraction of WFNJ clients who reported out-of-pocket costs is



fairly comparable to the fraction of low-earning working families nationally, 40 percent of which reported having child care expenses (Giannrelli and Barsimantov 2000).<sup>11</sup>

The percentage of families with a child younger than age six that received no subsidy and paid for care decreased somewhat during the past year (from 46 percent of clients at the time of the second survey to 36 percent at the time of the third survey). This change was partly the result of an increase in the fraction receiving subsidies (from 27 to 32 percent), and partly the result of an increase in the fraction not receiving subsidies but also not paying for care (from 27 to 31 percent; not shown).

- *Clients receiving subsidies tend to have considerably smaller out-of-pocket costs and spend a smaller fraction of their earnings on child care than do those who pay out of pocket but receive no subsidies.*

Clients who received subsidies paid on average \$118 per month for child care, compared with an average cost of \$307 by those with no subsidies. Although clients who paid for care without receiving subsidies had higher monthly earnings than did those who received subsidies, the differences were small (Table V.5). As a result, child care costs as a fraction of earnings were considerably larger for those who paid out of pocket than

TABLE V.5  
WFNJ CLIENTS' CHILD CARE COSTS

	Has Any Out-of- Pocket Cost	Receives Child Care Subsidy	No Subsidy, Has Out-of- Pocket Cost	No Subsidy, Has No Out-of- Pocket Cost (Free Care)
Percentage of All Clients	—	23	36	41
Among those employed	—	22	38	40
Among those in school/training	—	28	9	63
Average Monthly Out-of-Pocket Costs	\$278	\$118	\$307	\$0
Monthly Earnings	\$1,533	\$1,314	\$1,589	\$1,351
Cost as a Percentage of Earnings	21	9.7	25.7	—
Monthly Income	\$2,131	\$2,051	\$2,085	\$1,912
Cost as a Percentage of Income	16	5.8	19.9	—
<b>Sample Size</b>	<b>478</b>	<b>268</b>	<b>420</b>	<b>478</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

<sup>11</sup>Low-income families are defined as those with incomes below 200 percent of the poverty level.

for those receiving subsidies (nearly 26 percent for those who paid out of pocket, compared with about 10 percent for those receiving subsidies).

Clients who had child care costs (including clients with subsidies and those without subsidies) had total monthly out-of-pocket costs of about \$280. These costs are higher than the monthly cost of \$217 reported by low-earning families with incomes below 200 percent of the poverty level nationally, as reported in the NSAF data (Giannrelli and Barsimantov 2000). Similarly, child care costs as a fraction of earnings were nearly 21 percent of WFNJ clients' earnings, compared with about 16 percent of earnings reported by low-income families in the NSAF.

- *The presence of a young child in the household, whether the sample member lived in a two-parent household, and income were significant determinants of whether a client received a subsidy.*

We estimated regression models to determine whether particular factors or child characteristics were associated with subsidy receipt. We examined risk factors, such as household income, clients' education attainment, and clients' health status; various demographic variables; and household composition variables.

In general, only a few variables were related to subsidy receipt. We found that clients in two-parent households were considerably less likely to receive subsidies than were those in single-parent or other multiple-adult households (9 percent versus 26 and 28 percent; not shown). Similarly, as discussed previously, clients whose youngest child was younger than age 6 were considerably more likely to receive child care subsidies than were those whose youngest child was between ages 6 and 12 (between 31 to 35 percent for those with infants, toddlers, and preschoolers, compared with 7 percent among those with older children). Finally, income was a significant determinant of whether clients received subsidies; clients with monthly incomes of less than \$2,000 were considerably more likely to use subsidies than were those whose monthly incomes were higher than that amount (around 28 percent versus about 7 percent, respectively).



# VI

## CHILD WELL-BEING

**F**indings from previous chapters show that many WFNJ clients are moving toward economic self-sufficiency. Although still relatively low overall, incomes have continued to rise over time, the fraction of clients living in poverty has decreased, and clients have steadily increased their reliance on earnings, rather than public assistance, as a source of support. At the same time, however, these trends might also affect parents' allocation of time, the availability of material resources, and personal stress levels. Given this possibility, it is important to determine whether changes in economic self-sufficiency are, in turn, affecting clients' children. For example, do increases in employment rates translate into more opportunities for children, or do they reduce parents' ability to supervise their children's activities? Are working mothers positive role models for their children? Do jobs increase maternal stress and negatively affect children's emotional well-being? Is a schedule of regular employment associated with more or less structure to family routines?

We explore these questions by examining a diverse set of measures of child well-being, many of which have been shown to be adversely affected by poverty, welfare dependence, and living in a single-parent household (see, for example, Moore et al.

### KEY FINDINGS FROM THIS CHAPTER

- ***According to parents' reports, most children are well supervised and are engaged in activities and routines that provide structure in their lives.*** Most parents say they know about their child's whereabouts and homework responsibilities. They report very few children younger than age 13 spend time unsupervised. More than half of all parents reported providing regular routines for evening meals, help with homework, and scheduled bedtimes for their children.
- ***Certain measures suggest that children's well-being is at risk, however.*** Fewer than one in seven children lives with their biological father, and more than half of these children have no contact with their father. Health continues to be a major issue; more than half the clients reported that their child had a health problem of some type. Almost one-third of parents reported that a school-age child had at least one behavioral problem, such as being suspended from school or skipping school. On nearly all measures, the extent of risk increases for older children.
- ***Children of nonemployed parents or in single-parent households fare worse on many of the measures of child well-being.*** Nonemployed parents are more likely to have a child with a health problem, who is enrolled in special education, or who has a high level of emotional and social problems—factors which may contribute to the parents' nonemployment. Single-parent households also are more likely to have a child with a high level of emotional and social problems, a lower level of educational engagement, and a higher rate of involvement in risk behaviors.

1995). The set of child well-being measures we examine encompasses six broad areas: (1) health, (2) problem behaviors, (3) educational engagement, (4) parental supervision and structure in family routines, (5) supplemental opportunities, and (6) emotional and social adjustment. For our analysis, we asked clients a new set of questions in the third survey, such as: Do any children in the household have certain health problems? How often are children read to? How often do parents know who their children are with when they are away from home? How much television do children watch?

As noted, to minimize respondent burden and to obtain more precise information on child measures, we selected at random a focal child younger than age 18 for each household. In some cases, we examine measures of child well-being for this set of focal children; in other cases, we examine measures for all WFNJ client households with children up to age 18. Well-being measures for focal children stem from such questions as: Does [focal child's] father live in the household? Does [focal child] go to bed at a regular time? Well-being measures for all households with children stem from such questions as: Do *any* of your children have a problem with substance abuse? Have *any* of your children skipped school in the past year? It is important to recognize that responses to these types of questions give us descriptions of "households with children," rather than descriptions of all children in the sample.

We examine variations in indicators by the standard client characteristics we have used throughout this report—clients' TANF and employment status. We also examine variations in indicators by the age of the child, since pre-school-age children, young school-age children, and adolescents can exhibit very different behaviors and needs. Finally, we examine variations in indicators by household composition. Household composition can play an important role in child well-being, and the majority of WFNJ clients' children are in single-parent households. Children from single-parent households are much more likely to face health risks and inadequate health care, largely because these households have fewer economic resources than other households (Cherlin 1982). Single mothers have been found to experience increased stress levels, and children living with a single parent are more likely than those living with two biological parents to be reported as having developmental delays, learning disabilities, or emotional or behavioral problems (Coiro et al. 1994).

In many cases, we find no differences in populations, particularly in those that distinguish clients by employment or TANF status. Where variation in indicators does occur, whether by such characteristics as the child's age, parents' employment status, or household composition, we report on the finding. However, reported differences by client characteristics do not imply causality. For example, although we find that children in single-parent households have lower levels of educational engagement relative to children in other households, we cannot conclude that single-parenting *causes* poorer educational engagement. The reported relationships between client characteristics and measures of child well-being are exploratory and intended to be a starting point for possible further investigation of the effects of WFNJ on children.

We begin the chapter by discussing measures of child well-being for all households with children, followed by more detailed questions that pertain to the set of focal children. All measures are based on parents' reported answers to questions and frequently reflect perceptions about their children. To the extent that self-reports reflecting their own behavior or that of a specific child bias parents' responses, estimates

may be different than expected. Where available, we include relevant comparisons with national figures of the same or similar well-being measures as a benchmark.

## **A. WHAT IS THE HEALTH AND HEALTH INSURANCE STATUS OF CLIENTS' CHILDREN?**

Good health is basic to children's well-being and optimal development (Federal Interagency Forum on Child and Family Statistics 2001). Poor health can cause children to miss school or limit their ability to participate in many activities. Children in poor health may require more specialized care, and their medical costs may be higher than the medical costs of healthier children. Lack of health insurance poses a barrier to receipt of this care. By reducing clients' costs for health care, health insurance can increase access to preventive care, such as immunizations, and to care for other health problems, including injuries and chronic diseases.

### **1. What Is the Prevalence of Health Problems Among Children of WFNJ Clients?**

WFNJ clients were asked about the health status of all the children in their households. They also were asked about the prevalence of particular health problems among these children, including a physical disability or illness, emotional or mental health problem, attention deficit disorder (ADD), a learning disability, asthma or wheezing, a speech problem, and "other" health problems not listed here.

- *Health problems among the children of WFNJ clients are common and higher than the national norm.*

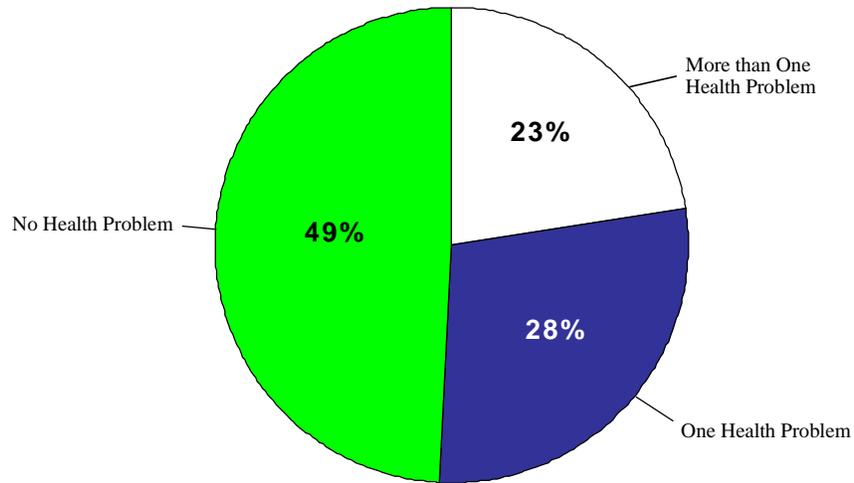
Slightly more than half the clients had a child with a health problem (Figure VI.1). Twenty-eight percent of the sample had a child with one health problem, and nearly one-quarter had a child or children with more than one problem. The most commonly reported health problem was asthma or wheezing; one-third of all parents cited this problem among one or more of their children (Figure VI.2). This rate is much higher than that for children nationally: in 1998, five percent of all children were reported to have asthma (Federal Interagency Forum on Child Care and Family Statistics 2001).

Physical disability also is more common among the TANF population than among the general U.S. population. About 14 percent of parents had a child with a physical disability, and only slightly fewer reported a child with a learning disability or a speech problem. Nationally, seven percent of all children ages 3 to 17 were reported to have a learning disability in 1988 (Coiro et al. 1994). As family income declines and in single-parent households, the fraction of children with learning disabilities increases to eight percent. However, these national estimates of 8 percent for those below the poverty level and for those in single-parent households remain below the rates for the WFNJ sample.

Ten percent of WFNJ clients reported a child in the household with ADD, a figure comparable to national estimates for attention deficit/hyperactivity disorder of 5 to 10 percent (National Mental Health Association 2000). Eight percent of WFNJ clients reported having a child with an emotional or mental health problem.

FIGURE VI.1

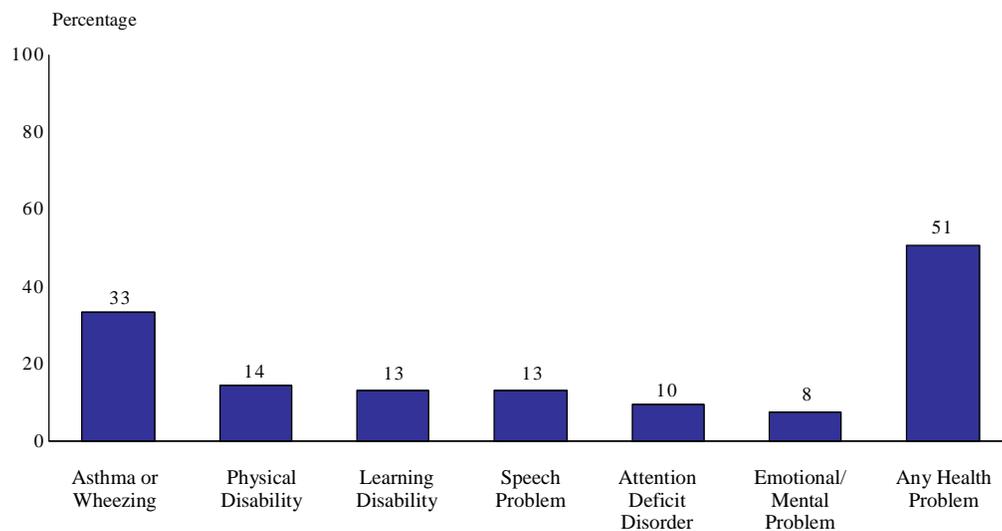
PREVALENCE OF HEALTH PROBLEMS AMONG CHILDREN  
IN THE HOUSEHOLD



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

FIGURE VI.2

PREVALENCE OF SPECIFIC HEALTH PROBLEMS AMONG CHILDREN



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

Note: Figures include children with no health problems.

Some children were receiving help with some of these problems, but many were not. Seventy percent of the children who had a learning disability or speech problem were receiving special help, but 30 percent were not (not shown). Fifty percent of those who had an emotional or mental health problem or ADD were receiving professional help or medication, but 50 percent were not.

Consistent with self-reported reasons for not working, WFNJ clients who were not employed at the time of the third follow-up survey were slightly more likely than employed WFNJ clients to have a child with a health problem. Fifty-three percent of unemployed clients had a child with any health problem, compared with 49 percent of those employed. This difference increased in the case of children with multiple health problems; 27 percent of unemployed clients had children with two or more health problems, compared with 19 percent of employed clients (not shown).

## **2. Do Many Children Lack Health Insurance Coverage?**

- *Children are more likely to have health insurance coverage than are their parents, although one in five remains uninsured.*

Slightly more than one-quarter of WFNJ clients had no health insurance. A slightly smaller percentage of children had no health insurance, although the percentage of uninsured children has increased from 19 to 21 percent between the second and third surveys. At the time of the third survey, 62 percent of children had public health insurance, and 17 percent were covered by a private health insurance policy (Figure VI.3). Forty-four percent of all children, or 70 percent of those with public health insurance, were covered by Medicaid. Slightly less than 10 percent of all children were covered by New Jersey KidCare, 5 percent by Family Care, and the rest by Medicare and other publicly funded insurance options. These figures are similar to 1998 national comparisons of poor children. In 1998, 75 percent of all poor children nationally had health insurance coverage; 59 percent of all children had coverage from a public health insurance policy, and 23 percent had coverage from private health insurance (U.S. Department of Health and Human Services 2000).

## **B. WHAT IS THE PREVALENCE OF BEHAVIORAL PROBLEMS?**

Because behavioral problems are closely associated with one another (for example, substance abuse by adolescents is closely associated with increased risk of teen pregnancy), a measure of participation in risk activities provides an important indicator of child well-being (Moore et al. 1995). Here, we examine the prevalence of certain behavior problems among all children in a household. These behaviors include skipping school, dropping out of school, being suspended or expelled from school, abusing drugs or alcohol, and getting into trouble with the police.

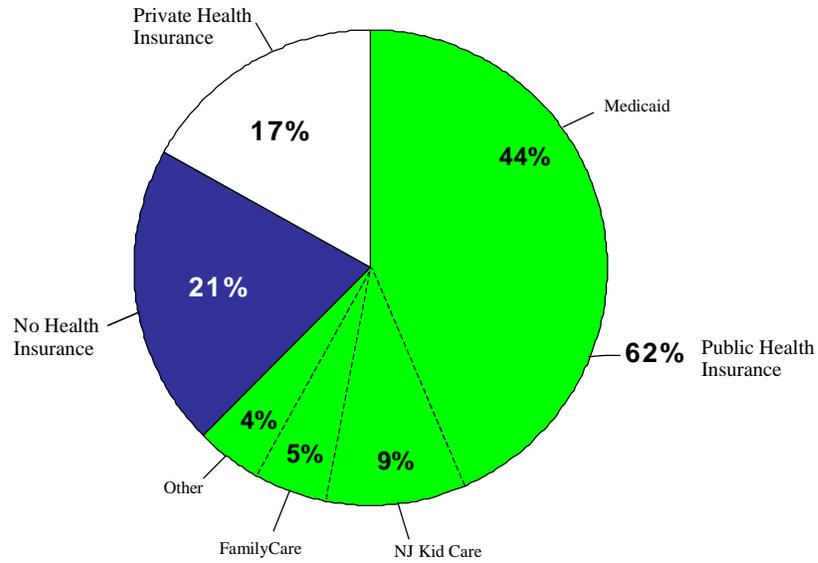
### **1. How Many Families Have Children Who Exhibit Behavioral Problems?**

- *A sizable minority of children exhibit behavioral problems.*

Almost one-third of WFNJ parents with any school-age child in the household (those ages 6 to 17) reported a child's participation in at least one problem behavior (Figure VI.4). The most common problem behavior was suspension or expulsion from school,

FIGURE VI.3

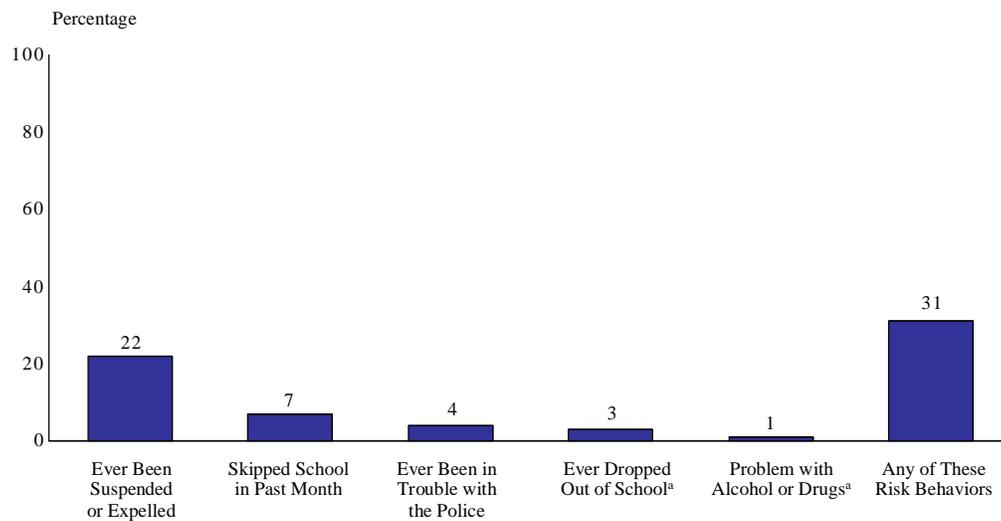
TYPES OF COVERAGE FOR CHILDREN'S HEALTH INSURANCE



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

FIGURE VI.4

RISK BEHAVIORS BY SCHOOL-AGE CHILDREN



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

<sup>a</sup>Figures refer to children age 10 or older.

with 22 percent of clients reporting that this action had ever occurred. Among households with adolescents (children 12 to 17 years of age), 23 percent reported a child ever having been suspended or expelled. These figures are quite consistent with national estimates showing that 22 percent of poor children have been suspended or expelled during the previous school year (Moore et al. 1999).<sup>1</sup>

Seven percent of WFNJ clients reported that a child age 6 to 17 had skipped school in the past month; the rate was eight percent for households with a child age 12 to 17. Fewer than five percent of WFNJ clients reported that a child had been in trouble with the police or had dropped out of school, and only one percent reported a child who abused drugs or alcohol. The WFNJ reported rates of drug or alcohol abuse were substantially lower than national rates. In 2000, 14 percent of eighth-grade students reported having had five or more alcoholic beverages in a row during the previous two weeks (Federal Interagency Forum on Child and Family Statistics 2001). These national figures increase to 30 percent for 12th grade students. The large differences in the figures may derive from the wording of the questions asked (“drug or alcohol abuse” versus the number of drinks) or from respondent bias (parent reported versus adolescents’ self-reports).

Among WFNJ households, children in two-parent households had the lowest reported rates of behavior problems. For example, 19 percent of children from two-parent households were suspended or expelled, compared with about 23 percent for those from single-parent households (not shown). Furthermore, although four percent of parents in single-parent households reported that a child had dropped out of school, those in two-parent households reported a rate that was half that (two percent).

## **2. What Proportion of Children Participate in Special Education Programs?**

- *Almost one-quarter of WFNJ households have had a child enrolled in special education. Proportionally fewer are enrolled in gifted programs.*

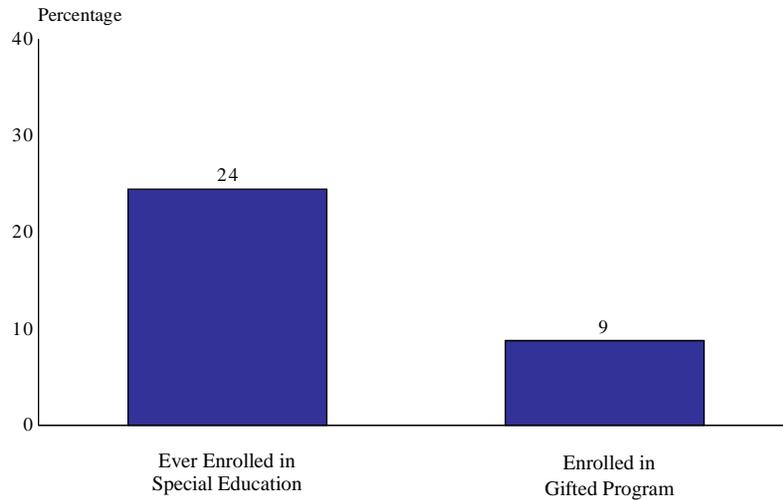
Almost one-quarter of the WFNJ sample reported that a child in the household was ever enrolled in a special education program (Figure VI.5). Nine percent reported that a child in their household was currently enrolled in a program for gifted students in school. Employed parents off TANF were least likely to have a child enrolled in a special education program and were most likely to have a child enrolled in a gifted program (not shown). Although 21 percent of this group had a child enrolled in special education, 26 and 29 percent of all others—those employed and on TANF and all nonemployed clients, respectively—had a child enrolled in such a program. Similarly, 11 percent of employed parents off TANF had a child enrolled in a gifted program, as did 7 percent of those not employed; only 1 percent of employed clients on TANF had a child enrolled in this type of program.

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<sup>1</sup>The NSAF defines “poor” as income below 200 percent of the poverty level.

FIGURE VI.5

PERCENTAGE OF HOUSEHOLDS WITH ANY CHILD ENROLLED IN A SPECIAL EDUCATION OR GIFTED PROGRAM



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

### C. WHAT ARE THE EDUCATIONAL CHARACTERISTICS OF THE SCHOOL-AGE CHILDREN?

We now turn to measures of child well-being that pertain to the focal child, rather than to all households with children. We begin by examining educational engagement, an important indicator of child well-being. Educational engagement has a strong association with many other important long-term outcomes for children, such as school performance and attainment, labor force participation, and fertility patterns (Manlove 1998).

#### 1. How Are Clients' Children Performing in School?

- *Most children have high levels of engagement in school. Younger children and those from two-parent households are the most engaged.*

More than three-quarters of parents of school-age children reported that their child cared about doing well in school. An even higher percentage reported that their child always did his or her homework (Table VI.1). Slightly fewer than three-quarters reported their child was doing well or very well overall in school. The percentages pertaining to more specific behaviors were slightly lower than the percentages for these general measures. When asked whether a particular situation was true, fewer than two-thirds of parents said it was not true that their child worked on schoolwork only when forced to or did just enough to get by. Four in five had not repeated a grade. Tardiness was the most commonly reported problem. Fewer than one in five parents said their child was *never* late for school in the past four weeks, although most reported only one or two

TABLE VI.1  
EDUCATIONAL ENGAGEMENT, BY AGE OF FOCAL CHILD  
(Percentages)

	Focal Child's Age		
	6 to 17	6 to 12	13 to 17
Often True that Focal Child:			
Cares about doing well in school	76	78	72
Always does his or her homework	83	86	76
Is Doing Well or Very Well Overall in School	72	77	61
Not True that Focal Child:			
Only works on schoolwork when forced to	64	65	61
Does just enough schoolwork to get by	57	60	49
Is disobedient in school	67	67	66
Has trouble getting along with teachers	76	80	68
Was Never Late for School in Past Four Weeks	19	20	18
Has Not Repeated Any Grades	81	85	71
<b>Sample Size</b>	<b>804</b>	<b>547</b>	<b>257</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

occurrences. These generally favorable impressions of school performance are consistent with views held by welfare recipients in Minnesota. Whereas nearly 6 percent of WFNJ clients reported that their child (6 to 12 years of age) was performing below average in school, between 5 percent and 12 percent of Minnesota welfare recipients reported this behavior (Gennettian and Miller 2000).<sup>2</sup>

Children's engagement in education diminished slightly but consistently with age. Slightly fewer older children fell into each category of positive measures, and slightly more of negative measures. For example, older children were more likely to be late for school, to do just enough schoolwork to get by, and to have trouble getting along with teachers (Table VI.1). They also were less likely to do well or very well in school overall. This decline in engagement as age increases is consistent with national data (Moore et al. 1999).

Children from two-parent households had consistently better levels of engagement in all areas measured. For example, 84 percent of those from a two-parent household often cared about doing well in school, compared with 74 percent of those in single-parent households (not shown).

<sup>2</sup>The 5 percent and 12 percent refer to recent applicants and long-term AFDC recipients, respectively. The Minnesota sample consists of focal children ages 5 to 12, as opposed to the age range of 6 to 12 years in our sample.

## D. WHAT IS THE EXTENT OF SUPERVISION AND STRUCTURE IN FAMILY ROUTINES?

Parents' participation in their children's lives is strongly associated with child well-being. In particular, many studies show that parent-child connectedness or closeness is related to reduced risk of teenage pregnancy (Miller 1998). In addition, many risk-taking behaviors are reported to occur during unsupervised hours after school (Miller 1998). Thus, parental supervision is important for limiting children's exposure to risk-taking situations. Here, we examine parents' knowledge of their children's activities, as well as their involvement in several key areas, including meals and homework.

### 1. What Do Parents Know About Their Child's Activities?

- *Most children of WFNJ clients are well supervised by their parents, although homework receives the least attention.*

At least three-quarters of all WFNJ clients with children between ages 6 and 17 reported that they always or almost always knew where their child was, who their child was with, whether their child arrived home when expected, what their child's homework assignments were, and whether their child finished his or her homework (Table VI.2). As many as 89 percent reported that they always or almost always knew whether their child arrived home when expected. Parental oversight was lowest for the two measures of homework supervision: only 75 percent reported that they always or almost always knew

TABLE VI.2  
PARENTAL SUPERVISION, BY AGE OF FOCAL CHILD  
AND CLIENTS' WORK SHIFT  
(Percentages)

	Focal Child's Age			Work Shift at Current Job	
	6 to 17	6 to 12	13 to 17	Not Regular	Regular
<b>Knowledge of Child's Activities</b>					
Percentage of Parents Who Always or Almost Always Know:					
Where child is	86	89	79	79	87
Who child is with	85	91	73	84	86
Whether child arrives home when expected	89	92	82	88	91
What child's homework assignments are	75	84	57	69	75
Whether child finishes homework	77	86	60	71	76
<b>Unsupervised Time</b>					
Percentage of Children Who Spend Time Unsupervised					
	17	7	39	27	19
<b>Sample Size</b>	<b>820</b>	<b>549</b>	<b>271</b>	<b>114</b>	<b>353</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

what the homework assignments were, and only 77 percent knew whether their child finished his or her homework.

Not surprisingly, the extent of parental supervision of older children went down across the board. For example, although 89 percent of parents with a focal child between ages 6 and 12 almost or always knew where their child was, this was true for 79 percent of those with a focal child between ages 13 and 17. Similarly, 84 percent and 57 percent, respectively, knew what their child's homework assignments were. Seventeen percent of clients reported that a child ages 6 to 17 spent some time unsupervised. However, only 7 percent of those with younger school-age children reported unsupervised time, compared with 39 percent of those with older school-age children.<sup>3</sup>

- *A nontraditional work schedule may reduce a parent's opportunity to supervise.*

Across all measures, parents who worked a regular shift were slightly, but consistently, more likely than parents working an irregular shift to report that they almost or always knew about their child's activities (Table VI.2). About 87 percent of those who worked a regular shift almost or always knew where their child was, compared with 79 percent of those who worked nontraditional hours. In addition, although 19 percent of those who worked a regular shift reported that their child spent some time unsupervised on a regular basis, more than one-quarter of those who worked nontraditional hours reported the regular occurrence of unsupervised time.

## **2. What Are the Routines for Homework, Reading, Bedtime, Meals, and Television?**

- *Most children are engaged in activities and routines that provide structure and opportunities for interaction with their parents. With increasing age, however, this interaction decreases.*

Slightly more than half of all families reported that they ate their evening meal together six or more days each week (Table VI.3). As children got older (and perhaps more self-sufficient), however, a smaller percentage of clients reported gatherings of this frequency. Although 59 percent of those with a focal child ages 0 to 5 said they ate together this often, 56 percent of those with a child ages 6 to 12 and only 43 percent of those with a child ages 13 to 17 reported this frequency.

The frequency of evening meals eaten together also varied by clients' employment status. Children whose parents were not employed at the time of the third follow-up survey were more likely than children whose parents were employed to eat the evening meal together as frequently as six days per week (63 percent and 49 percent, respectively; not shown). Whether the client worked a regular shift seemed to contribute to this difference: although 52 percent of those who worked a regular shift reported eating together this regularly, only 40 percent of those who worked nontraditional hours reported doing so.

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<sup>3</sup>Unsupervised time reflects time spent on a regular basis alone or with other children age 13 or younger (for those 6 to 12 years old) and age 18 or younger (for those 13 to 17 years old).

TABLE VI.3  
FAMILY ACTIVITIES AND ROUTINES, BY AGE OF FOCAL CHILD  
(Percentages)

	Focal Child's Age			
	All	0 to 5	6 to 12	13 to 17
<b>Parent-Centered Activities</b>				
Eat Evening Meals Together Six or More Times per Week	55	59	56	43
Helped with Homework in the Week Prior to Survey	75	n.a.	88	48
Read or Tell Stories				
(Average number of days)	n.a.	4	3	n.a.
(Average number among those who read or told stories)	n.a.	5	4	n.a.
<b>Child's Routines</b>				
Goes to Bed at a Regular Time Six or More Days per Week	57	n.a.	59	53
Goes to Bed				
By 8:00 P.M.	16	n.a.	22	3
Between 8:00 P.M. and 9:00 P.M.	42	n.a.	52	20
After 9:00 P.M.	43	n.a.	27	77
Average Number of Hours of Television				
On weekdays, per day	3	n.a.	3	3
On weekends, per day	5	n.a.	5	4
<b>Sample Size</b>	<b>1,435</b>	<b>614</b>	<b>549</b>	<b>272</b>

SOURCE: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

n.a. = not applicable.

- ***Educational interactions are more frequent with younger children than with older ones.***

Younger school-age children were much more likely than older ones to receive help from their parents with homework (Table VI.3). Eighty-eight percent of parents of children ages 6 to 12 reported helping their child with homework during the week prior to the survey, compared with 48 percent of those with children ages 13 to 17.

On average, all children, regardless of age, were read to about the same number of days. Parents of the youngest children (ages 0 to 5) read or told stories four days per week, compared with three days per week for those with children ages 6 to 12. However, a sizable minority of children, particularly older children, were not read to at all: 15 percent of parents of children ages 0 to 5 did not read to their child, and 30 percent of those with children ages 6 to 12 did not do so. (Children older than age 12 were excluded from this measure.)

- *Bedtime schedules follow age-appropriate patterns.*

Children ages 6 to 12 were more likely to go to bed at a regular time six or more days per week than were children ages 13 to 17 (59 percent and 53 percent, respectively; Table VI.3). Only 3 percent of younger children never went to bed at a regular time, but 11 percent of older children had no regular bedtime schedule (not shown). Nationally, in 1988, almost 13 percent of children ages 12 to 17 were reported to lack a regular bedtime (Coiro et al. 1994). For the WFNJ sample, children ages 6 to 12 typically went to bed between 8 and 9 p.m., whereas more than three-quarters of those ages 13 to 17 went to bed sometime after 9 p.m.

- *All children spend substantial time watching television.*

Whether the client was employed or not or on or off TANF, there was little difference in the amount of television that children watched. Children watched an average of three hours of television per day during the week (Monday through Friday). They watched more television on weekends: an average of five hours of daily television watching by children ages 6 to 12, and four hours by those ages 13 to 17. A sizable percentage of children watched a considerable amount of television: nearly 10 percent watched six or more hours per day during weekdays, and almost one-third watched that much television on weekend days (not shown). The weekday rates are comparable to national figures from 1996: 18 percent of all 9-year-olds, 13 percent of all 13-year-olds, and 7 percent of all 17-year-olds watched six or more hours of television per day (U.S. Department of Health and Human Services 2000).

### **3. How Involved Are Absent Fathers?**

- *A substantial minority of children have no contact with their fathers, and contact declines markedly as children get older.*

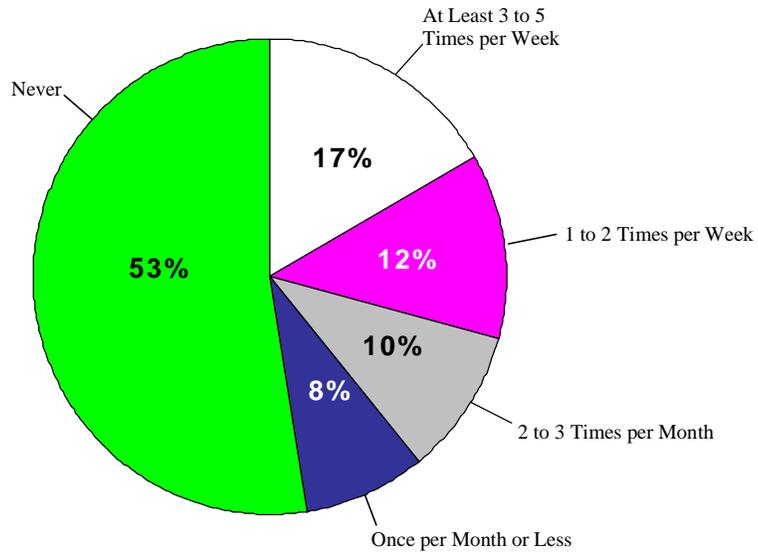
Fewer than one in seven children lived with their biological fathers. In addition, of the 86 percent whose fathers did not live in the household, 53 percent had no contact at all with that parent (Figure VI.6). Examining the frequency of contact by age shows a clear pattern related to the age of the focal child: the older the focal child, the less contact with their biological father. Twenty-six percent of those ages 0 to 5 saw their father at least three to five times per week, compared with 12 percent of children ages 13 to 17 (Figure VI.7). Moreover, although 40 percent of the younger children reportedly never saw their fathers, an even higher percentage in the oldest age bracket (63 percent) never saw their fathers. This finding is consistent with findings from other studies that show older children of welfare parents have less contact with fathers than do younger ones (see, for example, Rangarajan and Gleason 1998).

## **E. WHAT SUPPLEMENTAL OPPORTUNITIES DO CHILDREN HAVE?**

As computer literacy becomes increasingly vital, access to and use of a computer is an important measure of children's preparedness in the many personal and professional areas that will require technological competence as they get older. Furthermore, participation in extracurricular activities has been shown to predict both school performance and engagement in risk behaviors, including dropping out of school, involvement in criminal activity, and early sexual activity (Moore et al. 1995).

FIGURE VI.6

FREQUENCY OF CONTACT BETWEEN FOCAL CHILD AND BIOLOGICAL FATHER

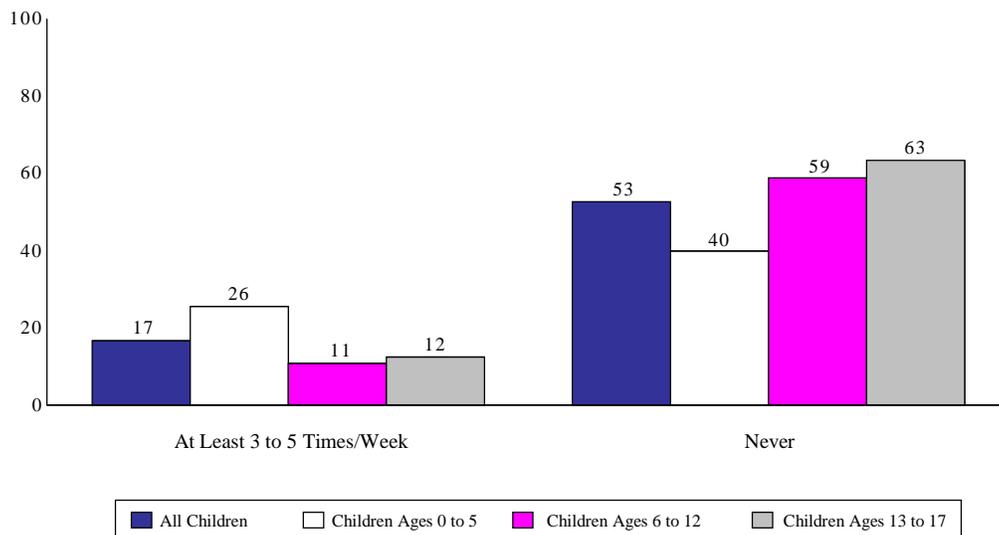


Source: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

Note: Includes only households in which the biological father is absent.

FIGURE VI.7

FREQUENCY OF CONTACT BETWEEN FOCAL CHILD AND BIOLOGICAL FATHER, BY AGE OF FOCAL CHILD

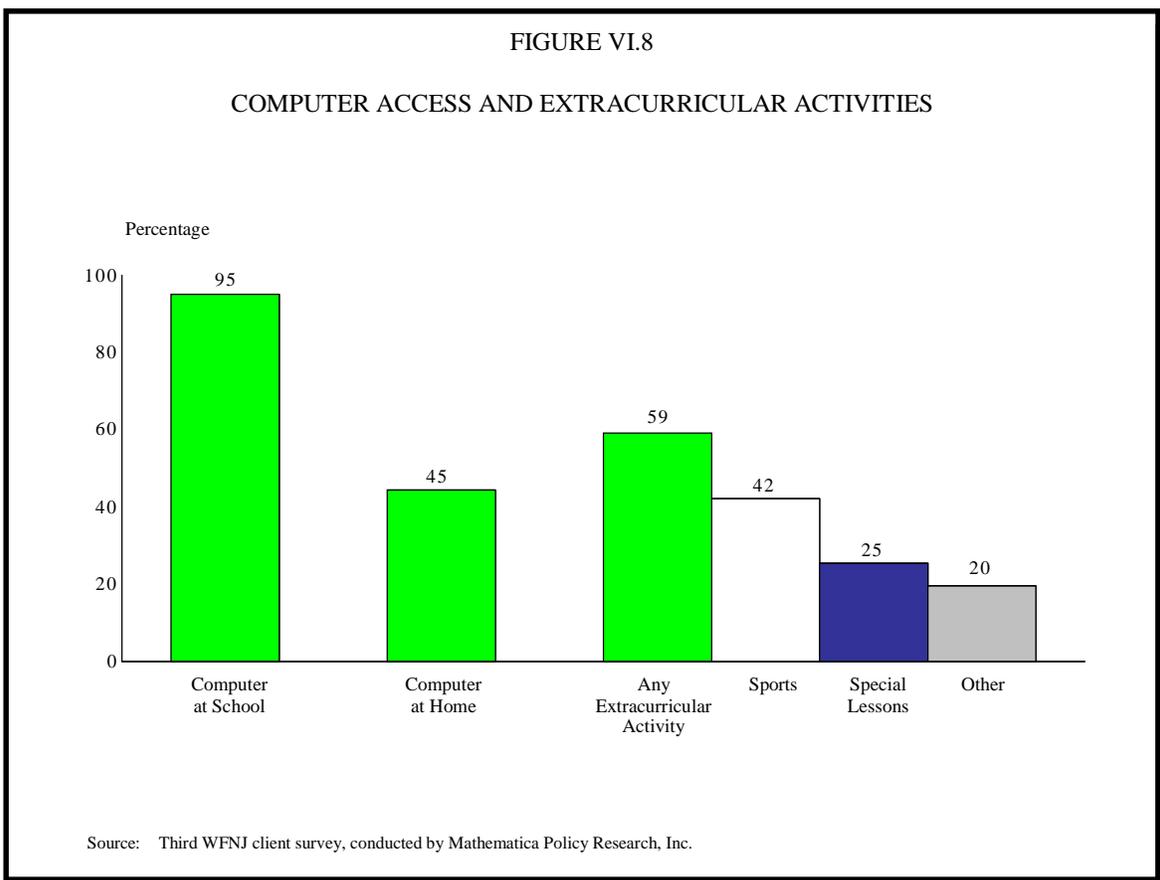


Source: Third WFNJ client survey, conducted by Mathematica Policy Research, Inc.

- *Children’s access to a computer is much greater at school than at home. The home is more likely to have a computer if a child’s parent is employed or if it is a two-parent household.*

Ninety-five percent of parents reported that their school-age child had access to a computer at school; only 45 percent reported access to a computer at home (Figure VI.8). The children of clients who were employed at the time of the third follow-up survey were more likely than the children of unemployed clients to have a computer at home (49 and 39 percent, respectively; not shown). Children from two-parent families were more likely to have a computer at home: 58 percent of focal children from two-parent families had access to a computer at home, compared with about 40 percent of those from other household types.

Almost 60 percent of school-age children were engaged in an extracurricular activity, including sports and special lessons, such as art, dance, music, or computer. The most common area of activity was sports, with 42 percent participating. Nationally, 67 percent of children ages 6 to 11 in families below 200 percent of the poverty level and 73 percent of those ages 12 to 17 in these families participated in sports, a club, or other after-school activities (Moore et al. 1999). About 55 percent of 5- to 12-year-old children of a sample of Minnesota families receiving welfare were engaged in extracurricular activities (Gennettian and Miller 2000).

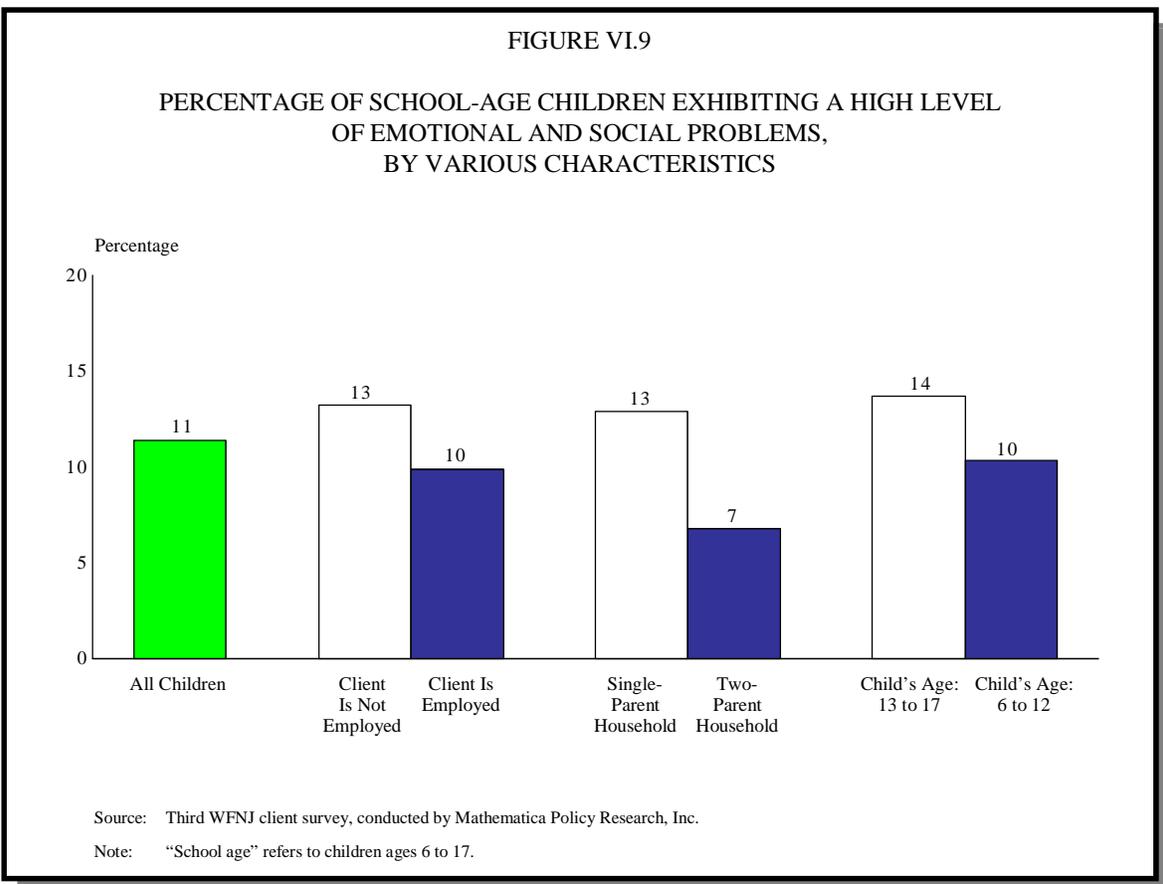


## F. HOW ARE THE CHILDREN ADJUSTING EMOTIONALLY AND SOCIALLY?

Children’s emotional and social well-being is an important indicator of their future success. For example, problems with emotional and social adjustment are associated with greater likelihood of criminal activity, lower literacy rates, and persistent long-term behavioral problems (Mahoney 2000). Furthermore, in many cases, reported rates of poor adjustment are much lower than the actual prevalence because so many children remain undiagnosed for a wide range of mental health problems. (For example, many parents do not recognize the symptoms of depression.) WFNJ clients were asked about different emotional and social characteristics of the focal child, including the extent to which the child did not get along with other children; could not concentrate; was unhappy, sad, or depressed; felt worthless or inferior; and was nervous, high strung, or tense. They also were asked whether the child often, sometimes, or never exhibited each characteristic. From all the responses, we created a scale to indicate whether each focal child had a high level of emotional and social problems.

- *Clients’ reports of emotional or social problems are consistent with other reported rates. Single parents and parents of older children are more likely to report emotional or social problems among their children.*

Nearly 90 percent of parents reported, at most, a low level of emotional or social problems, with the remaining 11 percent reporting a high level of emotional and social problems (Figure VI.9). Children from single-parent households were more likely to have a high level of these problems than were those from two-parent households (13



percent and 7 percent, respectively). The focal child's age also was a factor. Fourteen percent of those ages 13 to 17 fell into this category, compared with 10 percent of those ages 6 to 12. Nationally, 10 percent of children ages 12 to 17 and 9 percent of those ages 6 to 11 were reported to have serious emotional or social problems (Moore et al. 1999). Children of nonemployed WFNJ parents were slightly more likely to be considered as having a high level of emotional and social problems than were those whose parents were employed (13 percent and 10 percent, respectively).



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