

**Monitoring Outcomes for Cuyahoga County's Welfare Leavers:  
How Are They Faring?**

**Prepared for**

**Cuyahoga Work and Training  
and  
U.S. Department of Health and Human Services  
Office of the Assistant Secretary for Planning and Evaluation**

**April 2001**

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This research was funded by the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, under grant 98ASPE305A. The findings and conclusions presented in this report do not represent the official positions of any federal or state agency.

## Executive Summary

Over the past few decades, welfare and other public policies for welfare-dependent families have focused on increasing employment and economic self-sufficiency by encouraging and supporting work. The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which ended the federal entitlement to cash assistance for families with children and created the Temporary Assistance for Needy Families (TANF) program, places an even greater emphasis on work as a primary means of ending dependence on government assistance. The new legislation limits the amount of time that families can receive federal cash assistance and requires most families to be engaged in employment-related activities to receive cash benefits. In conjunction with a greater emphasis on work, federal and state welfare policies are also doing more to encourage work among low-income families, especially those on welfare: the earned income credit, child care assistance, and other transitional benefits have all been expanded to encourage and promote work outside the welfare system. This combination of strict work requirements and increased benefits and supports for working parents provides an important context for studying welfare leavers.

The number of individuals receiving welfare has been declining since the mid 1990s; however, welfare caseloads have declined sharply since the passage of PRWORA. While welfare caseloads have always been dynamic, with families entering and leaving assistance programs each month, the unprecedented declines have led many to raise questions about what the rapid drop in caseloads means for states and families. National and local interest in this phenomenon has resulted in a number of studies of welfare leavers.

The study of Cuyahoga County welfare leavers was undertaken by Cuyahoga Work and Training as part of a grant from the Office of the Assistant Secretary for Planning and Evaluation of the U.S. Department of Health and Human Services (HHS). The Manpower Demonstration Research Corporation, in collaboration with Case Western Reserve University, conducted the research and analysis and prepared this final report. The Cuyahoga study was designed to inform local administrators and policy analysts about the circumstances of families leaving welfare. Specifically, the study was designed to address the following key questions:

- Who are the welfare leavers, and what are their background characteristics? How do pre-TANF leavers compare with Post-TANF leavers?
- What are the earnings and employment experiences of pre- and post-TANF welfare leavers?
- To what extent do pre- and post-TANF leavers return to welfare? What public and other supports do leavers rely on after they stop receiving cash assistance?

- What is the level of material well-being of post-TANF welfare leavers? What are their income sources, and what types of hardship do they experience?

To address these questions, the research focused on the post-exit experiences of two groups of welfare leavers: a *pre-TANF* group of leavers who exited welfare in quarter 3 of 1996 and a *post-TANF* group who exited welfare in quarter 3 of 1998. Cases of all single, female adult parents that closed in quarter 3 of 1996 and 1998 and did not reopen within two consecutive months of closing were included in this study. This definition of a welfare leaver was adopted by most of the grantees funded by HHS to undertake leavers studies.

Outcomes were examined for approximately 6,151 adult welfare leavers. Administrative data were used to track welfare leavers for a total of nine quarters, including four quarters pre- exit, the quarter of exit, and four quarters post-exit. The welfare administrative records were the main source of data for selected background characteristics of welfare leavers, as well as monthly AFDC/TANF, Food Stamp, and Medicaid receipt. Wage files were obtained to examine pre- and post-exit employment rates and earnings patterns for the leavers.

To supplement the administrative records analysis, in-depth interviews were conducted with a sample of 306 TANF leavers who left cash assistance in quarter 3 of 1998. These interviews were conducted approximately 14 to 21 months after sample members exited welfare in 1998. The survey focused on topics that cannot be examined from administrative records alone. For example, the survey data on reasons for leaving welfare and reasons for returning to welfare supplement the administrative records analysis of welfare exits and returns. Further, the survey also provides detailed information on leavers' job characteristics, income sources, housing circumstances, and material well-being. An 80 percent response rate was achieved on the survey.