

## CHAPTER III: WELFARE PARTICIPATION AMONG THE ENTRY COHORTS

This chapter examines welfare participation patterns over time among the AFDC and Work First entry cohorts. The longitudinal file maintained by the Jordan Institute provides reliable and comprehensive information on whether or not a family participated in the AFDC and Work First programs each month.

### A. WELFARE PARTICIPATION RATES

Participation data were examined for the four entry cohorts: those entering AFDC in February 1995,<sup>1</sup> and those entering Work First in September 1996, June 1997, and June 1998.<sup>2</sup> We analyzed 36 months of data for the AFDC cohort and the September 1996 cohort, 24 months for the June 1997 cohort, and 12 months for the June 1998 cohort. For each cohort, we calculated the percent of cases that received benefits in each subsequent month without regard to whether they had experienced an interruption in benefits or had received benefits continuously.

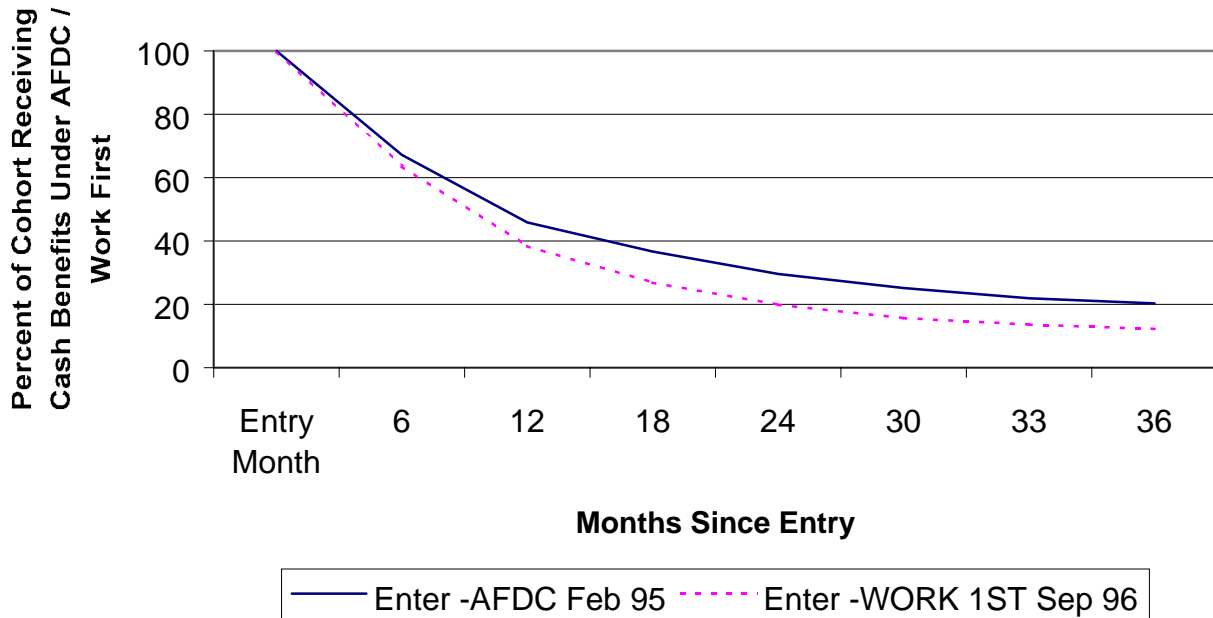
*Exhibit III-1: Welfare Participation Among the February 1995 and September 1996 Cohorts*, shows that both cohorts experienced a significant decline in the percentage of cases receiving benefits during the first six months, followed by a slower decline thereafter. However, the Work First entry cohort experienced a more rapid decline in welfare participation than did the AFDC entry cohort. The most recent data for this report show that, at 36 months after entry, 20.3 percent of the AFDC entry cohort was receiving welfare, compared to only 12.3 percent of the Work First cohort.

*Exhibit III-2: Welfare Participation at Specific Follow-Up Intervals*, shows the portion of each of the **four entry cohorts** receiving cash payments at various months after entry. The data indicate that the **rate of welfare participation dropped more rapidly among the two new entry cohorts, compared to the September 1996 entry cohort**. For example, six months after entering welfare, only 57.4 percent of the June 1997 cohort and 57.2 percent of the June 1998 cohort were still receiving welfare, compared to 63.6 percent of the September 1996 cohort. This may reflect the fact that not all of the counties had fully implemented Work First in 1996. **The 57.2 percent for the June 1998 cohort is considerably lower than the percentage for the AFDC cohort (67.2 percent) at the same follow-up interval**. Likewise, at 12 months after entry, 45.9 percent of the AFDC cohort was still on welfare, compared to only 34.3 percent of the June 1998 entry cohort. This helps to illustrate the true impact of Work First when fully implemented, especially since the AFDC cohort was still subject to the pre-Work First program for the first 12 months after entering welfare and was not affected by the Work First provision during this time. Finally, the data indicate that, at 24 months after entry onto welfare, there was less of a difference between the September 1996 and the June 1997 entry cohort in the percentage of persons still on welfare.

<sup>1</sup> A case was defined as entering in February 1995 if a cash benefit payment was made to the case in February 1995 but not in January 1995.

<sup>2</sup> A case was defined as entering in September 1996 if a cash benefit payment was made to the case in September 1996 but had not been made between January 1995 and August 1996.

**Exhibit III-1  
WELFARE PARTICIPATION AMONG THE FEBRUARY 1995  
AND SEPTEMBER 1996 COHORTS**



**Exhibit III-2  
WELFARE PARTICIPATION AT SPECIFIC FOLLOW-UP INTERVALS  
(PERCENT OF COHORTS RECEIVING CASH BENEFITS)**

MONTHS SINCE ENTRY	AFDC COHORT FEB 95 (N=5841)	WORK FIRST COHORT SEP 96 (N=3795)	WORK FIRST COHORT JUN 97 (N=3148)	WORK FIRST COHORT JUN 98 (N=2369)
Entry Month	100.0%	100.0%	100.0%	100.0%
6	67.2%	63.6%	57.4%	57.2%
12	45.9%	38.4%	35.3%	34.3%
18	36.6%	26.9%	23.0%	
24	29.6%	19.9%	18.9%	
30	25.1%	15.7%		
36	20.3%	12.3%		

The experience of individual families within the entry cohorts is shown in *Exhibit III-3: Number of Months Individual Families Participated in Welfare in the First 36 Months After Program Entry*. This table shows the number of months during the first 36 months after entering AFDC or Work First that a family received cash benefits. Some of the families may have left

AFDC or Work First, and then re-entered the program once or multiple times after they first entered these programs. Among the AFDC families, 17.6 percent received cash assistance for at least 34 months during the 36 months after entry, compared to only 8.6 percent of the Work First entry cohort

**Exhibit III-3  
NUMBER OF MONTHS INDIVIDUAL FAMILIES PARTICIPATED  
IN WELFARE IN THE FIRST 36 MONTHS AFTER PROGRAM ENTRY**

<b>MONTHS PARTICIPATING</b>	<b>AFDC COHORT FEB 95</b>	<b>WORK FIRST COHORT SEP 96</b>	<b>WORK FIRST COHORT JUN 97</b>	<b>WORK FIRST COHORT JUN 98</b>
1 – 3	11.4%	17.0%	19.5%	21.4%
4 – 6	17.7%	22.7%	25.5%	26.2%
7 – 9	10.4%	11.5%	11.0%	12.5%
10 – 12	9.2%	11.1%	10.8%	11.1%
13 – 15	6.9%	6.9%	7.0%	10.2%
16 – 18	6.2%	5.9%	5.9%	18.6%
19 – 21	5.2%	4.1%	3.6%	
22 – 24	4.7%	4.5%	4.2%	
25 – 27	4.1%	3.0%	4.0%	
28 – 30	3.4%	2.5%	8.4%	
31 – 33	3.0%	2.2%		
34 – 36	17.6%	8.6%		
Total	100.0% (N=5841)	100.0% (N=3795)	100.0% (N=3148)	100.0% (N=2369)

Exhibit III-3 also shows the data for the two new cohorts. However, since we did not have a full 36 months of data for these cohorts, the percentages are not directly comparable to the percentages for the two original cohorts.

To standardize the follow-up period for all the four cohorts, Exhibit III-4 shows the number of months that families received welfare for the first 15 months after program entry. *The data show that 37.2 percent of the AFDC cohort was on welfare for at least 13 of the 15 months, compared to only 30.5 percent of the September 1996 entry cohort, 27.8 percent of the June 1997 entry cohort, and 27.6 percent of the June 1998 entry cohort.*

**Exhibit III-4  
NUMBER OF MONTHS INDIVIDUAL FAMILIES PARTICIPATED  
IN WELFARE IN THE FIRST 15 MONTHS AFTER PROGRAM ENTRY**

MONTHS PARTICIPATING	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98
1 – 3	13.4%	18.7%	20.6%	21.5%
4 – 6	22.1%	24.5%	27.4%	26.3%
7 – 9	13.6%	13.1%	11.9%	13.0%
10 – 12	13.7%	13.1%	12.3%	11.6%
13 – 15	37.2%	30.5%	27.8%	27.6%
Total	100.0% (N=5841)	100.0% (N=3795)	100.0% (N=3148)	100.0% (N=2369)

**B. CASES WITH ADULTS VERSUS CHILD-ONLY CASES**

Some of the cases receiving cash benefits consist solely of children. Typically, these are cases where a child who is eligible for benefits (based on family income) is in the care of an adult relative who is not eligible for cash assistance. The child-only cases have been little affected by the new policies of Work First. For example, the cases are not subject to work requirements or time limits.

*Exhibit III-5: Welfare Participation at Various Follow-Up Intervals by Case Type*, shows the percentage of each cohort who received cash assistance at different months after program entry, by whether the cases were child-only or included a child and an adult<sup>3</sup>.

Within each cohort, the child-only cases received benefits for a longer period of time on average than did cases with adults and children. About 32.4 percent of the child-only cases in the AFDC entry cohort, and 29.1 percent in the September 1996 Work First entry cohort were receiving benefits 36 months after program entry. The figures for the adult-child cases were much lower — 18.5 percent for the AFDC cohort, and 8.9 percent for the Work First cohort. The data indicate that the Work First program has had far less impact on child only cases than on other cases.

The data show a similar pattern for the two new cohorts, except that the child only cases in the June 1998 cohort seem to be leaving welfare more rapidly than in the earlier cohorts. For example, among the June 1998 cohort, only 48.1 percent of the child only cases were still on welfare after one year, compared to 55.9 percent for the AFDC cohort, 58.8 percent for the September 1996 cohort, and 53.6 percent for the June 1997 cohort.

<sup>3</sup> We excluded some cases for which it could not be determined whether the case was a child-only case. These included 89 cases from the AFDC entry cohort, and 70 cases from the Work First cohort.

**Exhibit III-5  
WELFARE PARTICIPATION  
AT VARIOUS FOLLOW-UP INTERVALS BY CASE TYPE**

MONTHS SINCE ENTRY	AFDC COHORT FEB 95		WORK FIRST COHORT SEP 96	
	CHILD AND ADULT (N=5113)	CHILD ONLY (N=639)	CHILD AND ADULT (N=3162)	CHILD ONLY (N=563)
ENTRY MONTH	100.0%	100.0%	100.0%	100.0%
6	66.0%	76.2%	60.5%	79.9%
12	44.5%	55.9%	34.5%	58.8%
18	35.0%	47.3%	23.0%	46.5%
24	28.1%	39.6%	16.2%	39.1%
30	23.5%	36.0%	12.0%	34.3%
36	18.5%	32.4%	8.9%	29.1%

MONTHS SINCE ENTRY	WORK FIRST COHORT JUN 97		WORK FIRST COHORT JUN 98	
	CHILD AND ADULT (N=2598)	CHILD ONLY (N=487)	CHILD AND ADULT (N=1793)	CHILD ONLY (N=497)
ENTRY MONTH	100.0%	100.0%	100.0%	100.0%
6	54.1%	73.5%	53.5%	69.2%
12	31.3%	53.6%	29.8%	48.1%
18	18.4%	44.8%		
24	14.8%	38.2%		

**C. CASH PAYMENT AMOUNTS**

*Exhibit III-6: Total Cash Payments*, shows the distribution of families in the four cohorts, by payment level. For the AFDC and September 1996 Work First entry cohort, we examined data for the first 36 months after entry. For the two later Work First cohorts, we examined payment patterns for the first 12 months after entry. Because of the differences in follow-up periods, the data for the two new cohorts cannot be compared with the data for the two original cohorts. As indicated in the exhibit, Work First families in the September 1996 entry cohort had lower payment levels than families in the AFDC entry cohort. For example, about 24.6 percent of the AFDC cohort had payments of \$5,000 or more, compared to only 17.1 percent of the September 1996 Work First cohort. Among the two new entry cohorts, payment patterns were about the same during the 12 months after entry. About 27 percent of the families in each cohort had total payments of less than \$750, while 19 percent had payments of \$2,500 or more.

**Exhibit III-6**  
**TOTAL CASH PAYMENTS**  
**FIRST 36 MONTHS (FEB 95 & SEP 96 COHORTS) AFTER ENTRY**  
**FIRST 12 MONTHS (JUN 97 & JUN 98 COHORTS) AFTER ENTRY**

TOTAL PAYMENT AMOUNT	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98
Under \$750	18.3%	22.8%	27.2%	26.9%
\$751 to \$1,499	18.7%	21.5%	27.0%	28.8%
\$1,500 to \$2,499	15.0%	16.9%	26.4%	25.4%
\$2,500 to \$4,999	23.4%	21.7%	19.5%	18.9%
\$5,000 and Over	24.6%	17.1%	0.0%	0.0%
Total	100.0% (N=5841)	100.0% (N=3795)	100.0% (N=3148)	100.0% (N=2369)

To standardize the follow-up periods, Exhibit III-7 presents data on total cash payments received by families in the four entry cohorts during the first 12 months after entry. As indicated, *52.7 percent of the AFDC cohort had cash payments of \$1,500 or more during their first 12 months on welfare, compared to only 44.3 percent of families in the June 1998 entry cohort.*

**Exhibit III-7**  
**TOTAL CASH PAYMENTS**  
**FIRST 12 MONTHS AFTER ENTRY**

TOTAL PAYMENT AMOUNT	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98
Under \$750	22.5%	25.2%	27.2%	26.9%
\$751 to \$1,499	24.7%	25.6%	27.0%	28.8%
\$1,500 to \$2,499	29.9%	28.5%	26.4%	25.4%
\$2,500 to \$4,999	22.8%	20.7%	19.5%	18.9%
\$5,000 and Over	0.0%	0.0%	0.0%	0.0%
Total	100.0% (N=5841)	100.0% (N=3795)	100.0% (N=3148)	100.0% (N=2369)