

The Project on Devolution and Urban Change

Welfare Reform in Miami

**Implementation, Effects, and Experiences
of Poor Families and Neighborhoods**

**Thomas Brock, Isaac Kwakye, Judy C. Polyné,
Lashawn Richburg-Hayes, David Seith, Alex Stepick,
Carol Dutton Stepick**

with Tara Cullen and Sarah Rich



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Overview

The 1996 national welfare reform law introduced a five-year time limit on federally funded cash assistance, imposed tough new work requirements, restricted benefits for noncitizens, and gave states more flexibility to design their welfare programs than in the past. Anticipating that the law might pose particular challenges for urban areas — where poverty and welfare receipt are concentrated — MDRC launched a study to examine its implementation and effects in four big cities. This report focuses on trends in Miami-Dade County between 1996 and 2002.

Key Findings

- **Miami-Dade implemented a stringent program.** Florida's welfare reform went beyond federal law by imposing a relatively short, two- or three-year time limit on benefit receipt and by cutting off all cash assistance when adults failed to comply with work requirements or other rules. However, to encourage work, Florida's reform also allowed welfare recipients to keep more of their earnings without losing welfare eligibility. Miami-Dade enforced the work requirements strictly, despite recurring problems in managing and delivering services to help people become employed. Far more families were cut off welfare because of noncompliance with work rules than because of time limits.
- **Miami-Dade's welfare rolls fell sharply, but how much of the decline was due to welfare reform is unclear.** Between 1993 and 2002, Miami-Dade's welfare caseload dropped by 75 percent as families both left welfare at a faster rate and came onto the rolls more slowly. A review of county welfare records found that these trends began well before 1996 and continued unabated thereafter, making it difficult to discern whether welfare reform had any effect. It may have reinforced trends that were already in place, or it may have affected people's behavior in new ways that the research could not detect.
- **Welfare reform appears to have led to an increase in employment among welfare recipients.** An analysis of welfare and employment data revealed that, after 1996, there was a sudden and significant increase both in the percentage of welfare recipients who became employed and in the duration of their employment. The county's heavy reliance on financial penalties to enforce work rules, along with the state's policy to allow welfare recipients to keep more of their earnings when they went to work, seemed to be driving these results. The finding on increased employment is more reliable in the years just after 1996 than in later years, when it is less clear what would have happened if welfare reform had not occurred.
- **Over time, welfare recipients' employment and economic circumstances generally improved.** A sample of nearly 600 women who received welfare shortly before the implementation of welfare reform was interviewed in 1998 and again in 2001. Most reported that they had exited welfare, started working, and increased their income — a pattern that might be the result of women and their children getting older, a strong economy, welfare reform, or all three. In general, the women earned low wages. Only one in four had a job that paid \$7.50 or more per hour and provided health insurance. Nevertheless, the women tended to be better off financially than they were on welfare, particularly if they took advantage of the Earned Income Credit. Ethnographic interviews with 42 women suggest that they struggled to stay employed despite personal problems and poor work conditions, but the women often felt that even a bad job was better than a welfare system that they felt was punitive and disorganized.
- **Neighborhood conditions remained stable or improved.** Many critics of welfare reform feared that restrictions on welfare benefits would devastate poor communities, but an analysis of social and economic indicators in Miami-Dade from 1992 through 2001 does not support this conclusion. Both countywide and in the poorest neighborhoods, there were substantial declines in the teen birthrate, infant deaths, child abuse and neglect, and violent crime. Property crime declined slightly. The number of babies born with a low birth weight remained stable. These trends generally predated welfare reform and did not show major changes after 1996.

MDRC has released reports on welfare reform in Cleveland and Philadelphia and will publish a report on Los Angeles by early 2005.

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Preface

Welfare Reform in Miami is the third in a series of MDRC reports from the Project on Devolution and Urban Change, examining how the lives of low-income families and neighborhoods — and the government programs that serve them — have changed since Congress passed the landmark 1996 welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). Like the Cleveland and Philadelphia reports that preceded it, the Miami report tells a largely positive story. Welfare rolls are down, employment rates are up, and most people who left welfare for work appear to be doing better financially. Conditions in Miami's poorest neighborhoods have generally remained stable or improved. In short, the social devastation that many critics of welfare reform feared would take place in urban communities like Miami did not occur.

If there is a negative side to the Miami story, it concerns the poor quality of services that were offered to help welfare recipients prepare for work. A decision by state and local policymakers to create a completely new agency to run the welfare-to-work program did not consider the managerial and technical skills needed to build an effective service network, train and oversee staff, and monitor clients' progress toward employment. This decision also led to confusion and a breakdown in coordination between the welfare function, on the one hand, and employment services, on the other, and there was a lack of accountability overall. Welfare recipients in Miami often found themselves in the difficult position of choosing between attending assigned activities that were poorly run or having their cash assistance cut off for failing to attend. In an era in which cash benefits are time-limited, it is incumbent on government agencies to prepare recipients for self-sufficiency as effectively and quickly as possible.

One of the goals of the Urban Change studies was to derive an estimate of the *impact* of PRWORA on welfare receipt and employment — that is, to measure the changes in people's behavior that could be attributed to the implementation of the new law. Most MDRC studies derive such estimates by randomly assigning individuals to a program group that receives an intervention (such as employment services and time limits on receipt of welfare benefits) and comparing their outcomes with outcomes for a control group that does not receive the intervention. This methodology is often described as the “gold standard” of evaluation, because it ensures that the individuals in the program and control groups are similar in all respects but one: their exposure to the intervention. If program and control group outcomes differ over time — if, for example, the groups have different rates of welfare receipt or employment — researchers can be fairly certain that the intervention caused the results.

Because the 1996 law was widely communicated and applied to all welfare recipients, a random assignment design involving a control group was not deemed feasible. To estimate pro-

gram effects, MDRC instead examined the patterns of welfare receipt and employment for all welfare recipients who came onto the rolls from 1992 through 2001 and used the behavior of recipients *before* the 1996 law was passed to establish a trend line to predict recipients' behavior *after* 1996. If the behavior of the latter group differed from the prediction, this was taken to mean that welfare reform had an impact. The analysis was based on an assumption that pre-1996 trends would have continued in the absence of welfare reform. This assumption is reasonable in the near term, but it becomes increasingly less reliable the longer it is carried out. Thus, it is certainly plausible that welfare reform played a role in sustaining the caseload decline, but the trend analysis would not be able to capture this. Readers should therefore interpret the impact results produced by the Urban Change studies with greater caution than they would for most MDRC reports. Whenever possible, random assignment remains a far preferable methodology for measuring the difference that programs make in people's lives.

If the Miami report does not provide the definitive answer to questions about welfare reform's effects, it does offer a rich portrait of how Miami responded to the challenges of PRWORA and how its low-income families and neighborhoods fared during this transitional period in the nation's welfare policy. MDRC hopes that this report helps inform future discussions on how to improve the 1996 law and how public officials might operate programs to serve low-income families and neighborhoods more effectively.

Gordon Berlin
Executive Vice President

Acknowledgments

This report, representing the culmination of several years of research, would not have happened without the support of many people. We especially want to thank the families — predominantly low-income women with children — whose lives are represented in the statistics and stories throughout this volume. We hope that the report reflects their experiences and contributes to policy decisions that will improve their lives and opportunities.

We are indebted to the many public officials in Florida who allowed us to conduct the study and provided full access to welfare offices and information. At the Department of Children and Families (DCF) in Tallahassee, Don Winstead, Bill Hudgens, and Pat Brown supported the research and permitted access to welfare and food stamp records. Royce Harrison at the Florida Education and Training Placement Information Program likewise assisted with employment records. In the Miami-Dade DCF office, Charles Hood, Gilda Ferradaz, and Jennifer Lange provided critical support for the study. Ms. Lange deserves special thanks for acting as research liaison throughout the project and answering numerous questions. Dwight Danie, Andrew Dickman, and Sifu Zhou at DCF and Oliver Kerr at the Miami-Dade Department of Planning and Zoning assembled the social indicators data used in this report. Neighborhood DCF office managers Cathi George, Carmen Senti, and Valerie Thomas helped us arrange visits and interview welfare staff on several occasions. Finally, we are grateful to the many program administrators, case managers, instructors, and advocates in DCF and other organizations who consented to interviews and observations.

As noted at the beginning of the report, a consortium of foundations and federal agencies provided the financial support for MDRC's Project on Devolution and Urban Change. We particularly want to thank staff at the John S. and James L. Knight and W. K. Kellogg Foundations for their interest and active involvement in the Miami study.

We received helpful written feedback on a draft of the report from Jennifer Lange at DCF and from Elizabeth Lower-Basch and Audrey Mirskey-Ashby at the U.S. Department of Health and Human Services. In addition, three members of MDRC's Income Studies Advisory Committee — Rebecca Blank, David Ellwood, and Mark Greenberg — reviewed and commented on a draft of the Summary Report. Within MDRC, we received substantive advice on several drafts from Gordon Berlin, Judy Gueron, Charles Michalopoulos, and Louis Richman.

A number of individuals working in organizations other than MDRC participated in data collection and analysis. Stan Bowie, currently at the University of Tennessee in Knoxville, was a principal investigator on the ethnographic team and recruited and interviewed the African-American sample. Isa Soler, a graduate student at Florida International University, recruited and interviewed the Hispanic ethnographic sample; a fellow graduate student, Noemi Baez, did the

final round of interviews. Louise Hanson and Carolyn Rahe at the Institute for Survey Research at Temple University oversaw the fielding of the client survey and the preparation of its data files.

Numerous MDRC staff assisted the report's authors with data collection and analysis, including Jo Anna Hunter, Rebecca Widom, Herbert Collado, Dov Grossman, Tara Cullen, Nikita Hunter, Jack Mendoza, Lindsay Moore, and Sarah Rich. Ms. Cullen and Ms. Rich provided valuable assistance as report coordinators. Robert Weber edited the report, and Stephanie Cowell prepared it for publication.

The Authors

Summary Report

The 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), introduced profound changes in America's welfare system. It eliminated Aid to Families with Dependent Children (AFDC) — the major cash assistance program for low-income families — and replaced it with a time-limited program called Temporary Assistance for Needy Families (TANF). It also imposed tougher work requirements on welfare recipients and gave states much more flexibility in the design and operation of their welfare programs. In turn, many states have “devolved” much of the responsibility for their welfare programs to local governments and other entities.

Anticipating that welfare reform might pose particular challenges to urban areas — where poverty and welfare receipt are most concentrated — MDRC launched the Project on Devolution and Urban Change (Urban Change, for short). The project is examining the implementation and effects of TANF in four urban counties: Cuyahoga (Cleveland), Los Angeles, Miami-Dade, and Philadelphia. In 2002 and 2003, MDRC released comprehensive reports examining the particular ways in which reform unfolded in Cuyahoga and Philadelphia Counties.¹ This report focuses on Miami-Dade County, and it addresses questions similar to those posed for the other study sites:

- How did Florida change its welfare law, and how did officials in Miami-Dade implement those changes? What “messages” and services were put in place? How were work requirements and time limits implemented?
- What were the effects of welfare reform on the county's welfare caseloads? Did reform alter patterns of welfare and employment?
- How did low-income families in the county adapt to work requirements and other dimensions of welfare reform? What were their experiences in the labor market? Were they better or worse off economically?
- What were the conditions of neighborhoods in Miami-Dade before and after welfare reform? Were poor neighborhoods better or worse off after reform?

¹See Thomas Brock, Claudia Coulton, Andrew London, Denise Polit, Lashawn Richburg-Hayes, Ellen Scott, and Nandita Verma, *Welfare Reform in Cleveland: Implementation, Effects, and Experiences of Poor Families and Neighborhoods* (New York: MDRC, 2002); and Charles Michalopoulos, Kathryn Edin, Barbara Fink, Mirella Landriscina, Denise F. Polit, Judy C. Polyne, Lashawn Richburg-Hayes, David Seith, and Nandita Verma, *Welfare Reform in Philadelphia: Implementation, Effects, and Experiences of Poor Families and Neighborhoods* (New York: MDRC, 2003).

In many ways, the Urban Change project captures the best of times and the most challenging of places for welfare reform. The study's focal period of the late 1990s through the early 2000s was one of prolonged economic expansion and unprecedented decline in unemployment. In addition, states and local areas had unprecedented amounts of money to spend on each welfare recipient, due to a combination of stable TANF funding (a five-year block grant based on pre-TANF spending levels) and a rapid decline in welfare caseloads. The study thus captures the most promising context for welfare reform: one of high labor market demand and ample resources to support families in the process of moving from welfare to work. At the same time, it focuses on big-city welfare agencies — institutions that have tended to resist change in the past — and on the experiences of the poorest people and places within each county.

To assess TANF's implementation and effects in Miami-Dade, the study uses several research methods and data sources:

- **Field research.** Researchers visited welfare offices to observe program operations and to interview staff.
- **Analysis of administrative records.** Welfare and employment records were examined for everyone who received cash assistance and food stamps between 1992 and 2001.
- **Surveys of welfare recipients.** A longitudinal survey was administered to nearly 600 women who had a history of welfare receipt and lived in high-poverty neighborhoods.
- **Ethnographic interviews with welfare recipients.** Researchers conducted a series of open-ended interviews with 42 current or former welfare families in poor neighborhoods to understand their perspectives and experiences.
- **Analysis of social and economic indicators at the county and neighborhood levels.** Data on prenatal care and childbirths, child well-being, crime, and housing values were examined.

These data were gathered at different points to capture changes over time. In some instances, data were obtained as far back as 1990, to establish a trend line that could help determine whether TANF contributed to significant changes in patterns of welfare receipt or employment and to changes in neighborhood conditions. The study therefore provides an unusually comprehensive look at what happened with welfare reform and whether, on balance, low-income people and neighborhoods became better or worse off over a several-year period. Nevertheless, it is worth stressing that the effects of welfare reform cannot be disentangled from other changes that took place during the study period, including the strengthening national economy, the expanded federal Earned Income Credit (EIC), and changes in population characteristics.

This Summary Report — like the full report on which it is based — describes the social and economic environment of Miami-Dade during the study period. It analyzes how TANF was implemented, examines changes in welfare receipt and employment, describes the experiences of low-income families, and examines county and neighborhood conditions before and after welfare reform. To provide context for what happened in Miami-Dade, a later section of the summary compares results in the county with results from Philadelphia and Cuyahoga Counties. (Researchers used the same methods and data elements in all four counties included in the Urban Change study.) The summary concludes with a discussion of policy implications.

Findings in Brief

Florida's welfare reform law was tougher on families than federal law required. It imposed interim time limits of two or three years and a lifetime limit of four years on cash assistance, and it cut off all cash assistance to families when adults failed to comply with work requirements or other rules. To provide an incentive to work, Florida also increased the earned income disregard — making it easier for welfare recipients to increase their monthly income by combining welfare and work — and it expanded some transitional benefits for families who left welfare for employment.

In Miami-Dade, the welfare agency developed procedures to administer cash benefits under the new rules, and separate organizations administered the welfare-to-work program. Owing to leadership changes and contractor turnover, the welfare-to-work program generally did a poor job of delivering employment services to clients. Nevertheless, clients who did not show up for assigned welfare-to-work activities were often sanctioned, and sanctions — far more than time limits — became a defining characteristic of Miami-Dade's welfare reform effort.

Between 1993 and 2002, the size of Miami-Dade's welfare caseload fell from approximately 55,000 to 14,000 — a 75 percent drop. This analysis shows that the decline was due to families coming onto welfare at a decreasing rate and — once on the rolls — exiting at an increasing rate. Importantly, these trends predated welfare reform and did not accelerate afterward, suggesting that the 1996 law produced little change in the behavior of welfare applicants and recipients soon after it was passed. The longer-term effects of the 1996 law on the welfare caseload are less clear, though it appears that the trends toward fewer entries and faster exits continued unabated through 2001. The analysis cannot determine whether the trends would have been the same or different in the absence of welfare reform.

In contrast to the findings on welfare entries and exits — which show that patterns beginning before 1996 generally were unchanged — the employment findings suggest that a larger percentage of welfare recipients went to work after the law was implemented and that the length of time that they worked increased. Though the county's welfare-to-work program was

often in disarray, its heavy use of sanctions for noncompliance would appear to be a principal factor responsible for this change in behavior. The policy allowing welfare recipients to keep more of their earnings before losing eligibility may have also helped, as it appears that a larger percentage of welfare recipients combined welfare and work after 1996 than before. (This may explain why welfare reform seems to have led to a greater change in employment than in welfare receipt.) Finally, the analysis found that noncitizens — who make up a large percentage of Miami's caseload — went to work and stayed employed at higher rates than U.S.-born citizens, perhaps in response to restrictions on benefits to noncitizens that were introduced in 1996. As with the welfare analysis, the estimates of employment effects are most reliable in detecting changes in behavior soon after welfare reform was implemented. It is less clear whether long-term trends would have continued if welfare reform had not occurred.

A longitudinal survey of women who received welfare in Miami-Dade in May 1995 and who lived in low-income neighborhoods found general improvements in their employment and economic circumstances. (Such changes usually happen as women and their children get older, and the changes are not necessarily due to welfare reform.) The survey also found that most respondents earned low wages and did not receive health care benefits from their employers. Because Florida's welfare grant is very low, most women who worked did better financially than on welfare, particularly if they continued to receive food stamps and Medicaid and took advantage of the federal EIC.

A longitudinal analysis of conditions in the county's poorest neighborhoods detected increasing rates of employment and stable or improving conditions on a number of measures, including teen birthrates, child abuse and neglect, and property crime. While the economy and other factors undoubtedly contributed to these trends, the findings suggest that the harsher aspects of welfare reform — including time limits and sanctions — did not lead to the social disintegration that some critics of reform feared. Moreover, the analysis found that welfare recipients who lived in the poorest neighborhoods went to work at the same rates as recipients who lived in better neighborhoods.

Ethnographic interviews with families living in poor neighborhoods suggest that many women often struggled to stay employed despite personal problems and adverse work conditions, but they often felt that even a bad job was better than dealing with a welfare system that they viewed as punitive, unfair, and — due to time limits and sanctions — increasingly unavailable. As one respondent said in a 1998 interview: "I would rather work 20 times more than receive assistance, because I would get rid of all those problems welfare makes for me, and besides I would have a stable salary."

Miami-Dade's Demography and Economic Environment

Before drawing inferences from a study that focuses on one metropolitan area, some appreciation of the urban context is useful.

- **Miami-Dade is a county of immigrants, with over half its residents having been born outside the United States — mostly in Caribbean and Latin American countries.**

Miami-Dade has the highest proportion of Hispanics and the highest proportion of foreign-born residents of any urban region in the United States. In the 2000 census, the county population was 57 percent Hispanic, 21 percent white (not of Hispanic/Latino origin), and 20 percent African-American or black. Cubans represent a large segment of the Hispanic population, but recently they have been joined by increasing numbers of immigrants from Central and South America and other countries in the Caribbean. Though the county's black population has also increased in recent decades, the rate of growth is much slower than for its Hispanic population. In the past two decades, the growth in the black population is due to immigrants from Haiti, Jamaica, and the Bahamas. U.S.-born African-Americans have been slowly leaving the county, much as white Americans had done in previous decades.

- **Immigration has had a profound influence on Miami-Dade's economic and cultural climate. Spanish is the primary language, though residents who are fluent in both English and Spanish tend to have the most job opportunities.**

Much of Miami-Dade's economy is based on services to tourists and retirees, though the region is also a hub for goods and services going between the United States and Latin America and, increasingly, between Latin America and Europe. More than 300 multinational companies have offices or manufacturing facilities in Miami-Dade. Less than one-third of the county's residents speak only English at home, while nearly 60 percent speak Spanish. In Miami-Dade, unlike in most of the United States, Spanish is spoken not only among unskilled workers but also among middle- and high-level workers in both the private and the public sector. Nevertheless, fluency in both English and Spanish is usually a requirement for higher-paying jobs.

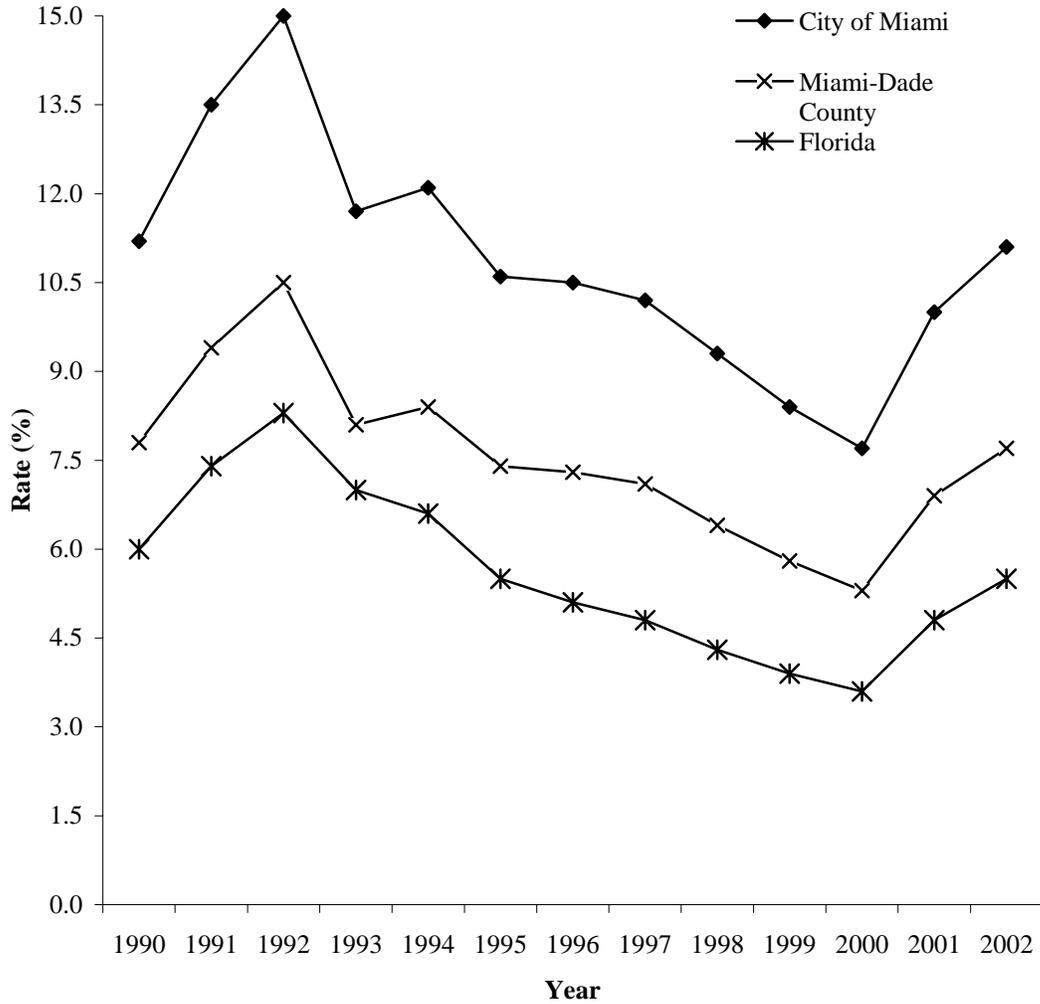
- **As in many other metropolitan areas in the United States, unemployment rates in the City of Miami are much higher than in the county or region. Job opportunities tend to be concentrated at the high and low ends of the wage scale.**

Though Miami's employment picture generally improved throughout the study period, unemployment in the city was approximately 3 percentage points higher than in the county and approximately 5 percentage points higher than in the state (Figure 1). After peaking at about 15

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Figure 1

Unemployment Rates in Greater Miami and Florida



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, 2003. Web site: www.bls.gov.

percent in 1992, the city's unemployment rate dropped to less than 8 percent in 2000; then the city's economy weakened, and unemployment rose to approximately 11 percent in 2002. Primarily because of its large tourism industry and retiree population, Miami-Dade has an unusually high number of service sectors jobs that tend to offer low wages and benefits.

The Implementation of Welfare Reform

In May 1996, shortly before the passage of PRWORA by Congress, the Florida legislature enacted a welfare reform bill known as Work and Gain Economic Self-Sufficiency, or WAGES. The new law — which went into effect in October 1996 — was unusually complex and imposed shorter time limits and more rules on welfare recipients than federal law required. It also featured some work incentives. In Miami-Dade, WAGES implementation ran into numerous problems, particularly in the welfare-to-work program. Some services appeared to be low quality, and the program had the highest sanctioning rate for noncompliance that MDRC has ever observed in a welfare-to-work program. At the same time, the welfare department fairly readily granted time-limit extensions to families hitting their time limits, as long as the families complied with work rules and other requirements.

The Major Features of Florida's 1996 Welfare Reform

- **WAGES introduced a 48-month lifetime limit on cash assistance and an interim time limit of either 24 or 36 months, depending on the characteristics of the case.**

Florida's welfare reform law was tougher than required by PRWORA in placing a four-year (rather than a five-year) lifetime limit on cash assistance. It also limited spells of welfare receipt to 36 cumulative months in any 72-month period for long-term recipients and applicants under 24 years of age, and it limited receipt to 24 cumulative months in any 60-month period for everyone else. The timetable that the law established meant that families began reaching their interim time limits in October 1998 and their *lifetime* limits in October 2003.

- **WAGES established tough work requirements for welfare recipients and imposed full-family sanctions for noncompliance. At the same time, it provided a work incentive by increasing the amount of money that recipients could earn before losing welfare eligibility.**

Prior to 1996, adults on welfare were required to attend job search, education, job training, or work experience programs for 20 hours per week in order to keep their full welfare check. In the event of noncompliance, the adult was taken off the case, and the family's cash grant was reduced by that amount. Under WAGES, adults were required to attend job search or

work-related activities for 30 hours per week, and no more than 10 of these hours could be spent in education classes. The penalty for noncompliance also became much more severe: termination of the family's entire cash grant. As a work incentive, the state increased the amount of money that a family could earn each month before losing welfare eligibility (a policy known as the *earned income disregard*). Prior to 1996, a family of three was no longer eligible for cash assistance when its earnings reached \$575; under WAGES, the cutoff was raised to \$787. Finally, WAGES allowed families to retain Medicaid coverage for 12 months after leaving welfare for employment.

- **WAGES contained numerous provisions intended to influence welfare recipients' parenting behaviors.**

Prior to welfare reform, a family's welfare benefits would be increased whenever a new child was born. WAGES changed the law so that the first child born after a family was on welfare would receive only half the usual amount per child, and any children born after that would qualify for no additional payments. WAGES also made it mandatory for parents to cooperate with the Child Support Enforcement agency or else lose the family's cash grant. Finally, WAGES required parents to provide proof of children's immunizations and school attendance in order to maintain eligibility.

- **Welfare benefits to noncitizens were restricted.**

When PRWORA was first enacted, noncitizens became ineligible for food stamps, Medicaid, and Social Security regardless of age, physical ability, income, or arrival date. With some exceptions,² noncitizens who arrived in the United States since August 1996 were also made ineligible for TANF. Ultimately, Congress ended up restoring food stamps and Medicaid benefits to most groups, but working-age adults who arrived since PRWORA was enacted are required to establish that they have lived in the United States for five years in order to be eligible for TANF, food stamps, or Medicaid.

The Administration of Benefits and Services in Miami-Dade

- **Separate organizations were responsible for administering welfare benefits and the welfare-to-work program.**

²Cuban or Haitian entrants, refugees, Amerasians, asylees, people with deportation withheld or stayed, and certain parolees remained eligible for cash assistance for the first seven years in the United States. There was a five-year ban on cash assistance and Medicaid for other lawful permanent residents, conditional entrants, and battered spouses and children. Military veterans and lawful permanent residents with 40 quarters of work history remained eligible for all welfare programs.

When welfare reform was launched, state and local policymakers felt that it would be better to separate the responsibilities of processing welfare applications and payments from those of delivering employment services, in order to shrink the size of the welfare agency and give local officials more control over preparing welfare recipients for work. In Miami-Dade, welfare benefits were processed by District 11 of the Department of Children and Families (DCF). A new organization, called the WAGES Coalition, was formed to administer the welfare-to-work program. The WAGES Coalition remained in charge until 2000, when the state legislature transferred welfare-to-work responsibilities to the state's newly established Workforce Development Boards, which operated the One-Stop employment and training centers. In Miami-Dade, the One-Stops were managed by the South Florida Training and Employment Council (TEC).

- **Miami-Dade's welfare-to-work program suffered numerous administrative problems that weakened the quality of services.**

Miami-Dade's welfare-to-work program fell victim to political maneuvering and internal management problems from the start. Between 1997 and 2001, five separate individuals held the Executive Director's position. The major contracts for case management and job search services were shifted three times — first to a for-profit entity (Lockheed Martin IMS), then to a partnership between the community colleges and public schools, and finally to a group of 28 organizations responsible for managing the One-Stops. Administrators and staff in both the welfare agency and the welfare-to-work program complained about service disruptions and insufficient monitoring of contractors.

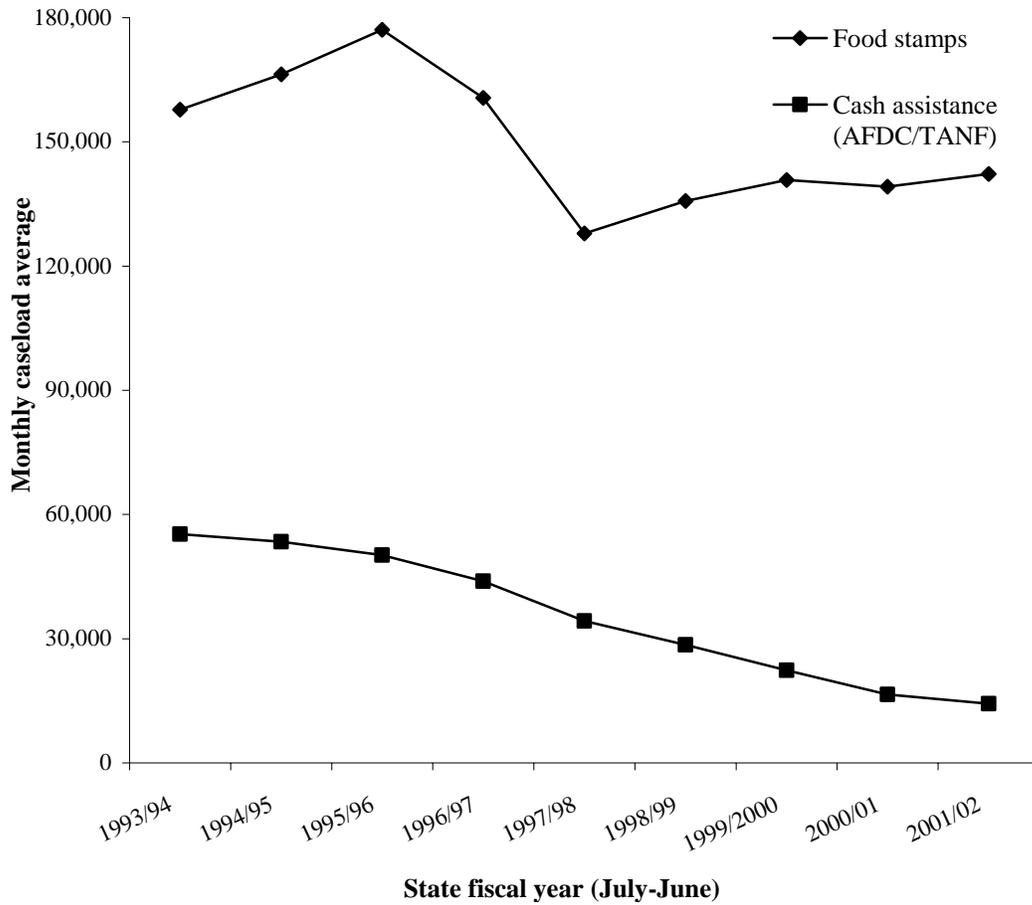
- **In contrast to the welfare-to-work program, Miami-Dade's welfare agency maintained relatively stable operations. As the number of families receiving cash assistance dropped, the agency became principally focused on administering food stamps and Medicaid.**

Figure 2 shows the changes in cash assistance and food stamp rolls in Miami-Dade County from fiscal year 1993/94 through 2001/02. Cash assistance rolls fell sharply and steadily, from approximately 55,000 cases in 1993/94 to 14,000 cases in 2001/02 — a 75 percent drop. Food stamp cases, meanwhile, dropped sharply in the mid-1990s but started increasing after 1997/98, rising to approximately 140,000 in 2001/02. Not surprisingly, DCF's daily operations during this period became much more focused on food stamps and Medicaid and much less focused on TANF. Because DCF was not directly involved in the welfare-to-work program, staff concentrated more on processing benefits according to the rules and less on promoting self-sufficiency.

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Figure 2

**Monthly Cash Assistance and Food Stamp Caseloads
in Miami, Fiscal Years 1993/94 to 2001/02**



SOURCE: Florida Department of Children and Families.

NOTE: A case represents any configuration of household members who receive benefits together, which may include adults and children together or children only.

Case Management and Service Delivery

- **Miami-Dade’s welfare-to-work program mainly emphasized job search activities. Some clients were assigned to short-term vocational training and Community Work Experience Programs (CWEPs).**

Welfare-to-work case managers generally encouraged clients to go to work as quickly as possible, and they often assigned clients to individual or group job search activities. Some clients received training in customer service, data entry, work as nursing assistants, or other occupations. CWEP positions — which were unpaid — were typically located in schools and child care centers. Though some welfare-to-work case managers said that they encouraged clients to complete a high school diploma or to acquire English language skills, such classes could account for no more than 10 hours of a 30-hour-per week assignment, and relatively few clients pursued this option.

- **Sanctions for nonparticipation in welfare-to-work activities were strictly enforced, despite the welfare-to-work program’s administrative problems. Miami-Dade’s sanctioning rates were the highest ever observed in MDRC studies of welfare-to-work programs.**

Although DCF and welfare-to-work staff criticized the quality of services delivered by the welfare-to-work program, case managers in the welfare-to-work offices consistently took attendance and notified DCF eligibility workers when clients failed to show up as assigned. When this occurred, DCF staff quickly followed up with sanctions. As noted earlier, sanctions resulted in termination of cash benefits for the entire family. A first sanction could be lifted in 10 days if the client returned to the welfare-to-work program, but a second sanction lasted 30 days, and a third lasted 90 days. State records show that the percentage of “mandatory” welfare-to-work participants who were referred to or receiving a sanction in an average month climbed from 24 percent in 1996/97 to 61 percent in 1999/2000, underscoring the toughness of Miami-Dade’s program. Sanctioning rates also tended to be erratic, with the “peaks” and “valleys” roughly corresponding to transitions between contractors (Figure 3).

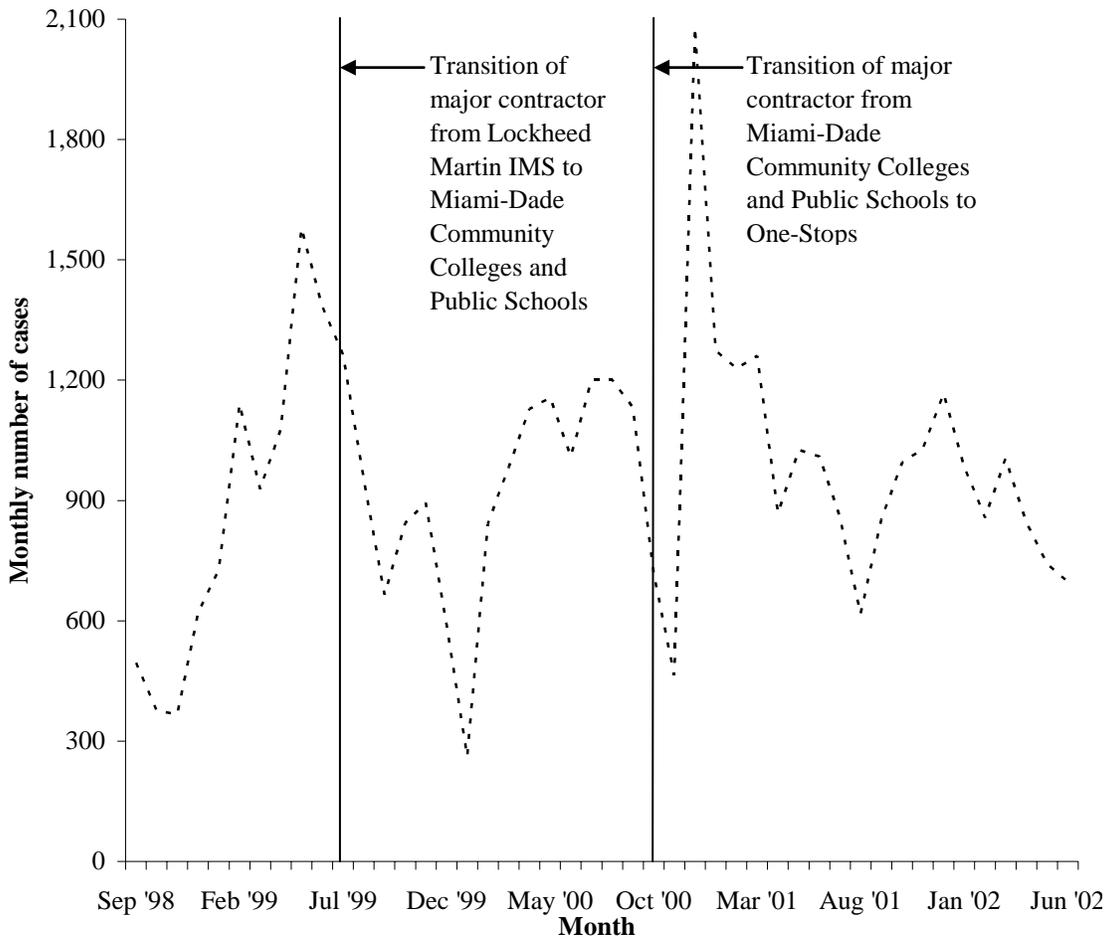
- **The computer system ensured that most welfare recipients who went to work received benefits to which they were entitled, including food stamps and transitional Medicaid. Staff did not always understand or explain these benefits, however.**

Surveys and field interviews with DCF and welfare-to-work staff indicate that neither group had a deep understanding of the policy that allowed welfare recipients to keep part of their earnings if they went to work and that neither group marketed it strongly. Nevertheless, as long as clients reported their earnings to their eligibility worker, the benefit was calculated automatically.

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Figure 3

Number of Families Whose Cash Benefits Were Terminated Due to Sanctions, by Month, in Miami-Dade County, September 1998 to June 2002



SOURCE: Florida Department of Children and Families.

NOTE: A case represents any configuration of household members who receive benefits together, which may include adults and children together or children only.

As some eligibility staff noted, however, the policy was a double-edged sword: In the short run, it increased a family's income; but in the long run, it could use up months that counted toward the family's lifetime limit on cash assistance. Eligibility staff generally did a better job of emphasizing the importance of food stamps and transitional Medicaid for working families, and they tried to make sure that clients kept these benefits when they went to work. Some welfare recipients who found employment also obtained help with child care and transportation expenses, though this required that they maintain contact with the welfare-to-work program.

- **In October 1998, DCF began terminating cash assistance for families who reached the interim time limit. Families who were in compliance with welfare-to-work requirements generally received time-limit extensions.**

Both DCF and welfare-to-work staff assumed responsibility for informing clients about interim and lifetime limits on cash assistance. In contrast to the firmness with which sanctions were applied, extensions of the interim time limit were readily granted to clients who were in compliance with work requirements and other conditions of eligibility. Just under 3,000 cases were terminated because of time limits between October 1998 (when interim time limits began to be enforced) and June 2002 (when data collection for this study ended). This averages to roughly 65 cases closed per month. During this same period, about 43,000 cases were terminated due to sanctions — or approximately 960 cases per month. The numbers suggest that sanctions were a more salient factor than time limits in pushing families off welfare, though some sanctioned cases returned to the rolls after regaining compliance.

- **Although the restrictions on benefits to noncitizens were cumbersome to administer and troubled many staff, they were enforced.**

DCF and the Immigration and Naturalization Service (INS) developed automated systems to help eligibility workers navigate the complicated policies surrounding benefit eligibility for noncitizens; the systems considered such factors as date of arrival in the United States, country of origin, and other personal characteristics.³ Staff reported that the systems generally worked, though the size and diversity of Miami's immigrant population resulted in literally hundreds of codes. A number of staff — who themselves were often from immigrant families — felt that the rules were unfair and needlessly complex.

³In 2003, the responsibility for providing immigration-related services and benefits was transferred from the INS to the U.S. Citizenship and Immigration Services (USCIS).

The Perceptions and Experiences of Welfare Recipients

- **A survey of former and ongoing welfare recipients reveals that their knowledge of welfare reform policies generally improved over time. However, survey respondents gave low marks to welfare staff.**

Nearly 600 women who received welfare in Miami-Dade County in May 1995 (roughly a year before TANF was introduced) were interviewed about their knowledge of welfare rules in 1998 and again in 2001. The Urban Change Respondent Survey found that the women's awareness of several key features of welfare reform — including time limits and transitional benefits for work — improved over time. If one portion of the law eluded most respondents, it was the exact length of the time limit; this uncertainty was perhaps a reflection of the state's complicated rules on interim and lifetime limits. A subsample of respondents who had been on welfare within 12 months of each interview was asked about their experiences with welfare staff and programs. Approximately half of this subsample indicated that welfare staff had pushed them to get a job before they felt ready or before a good job came along, and roughly 60 percent felt that staff “just wanted to enforce the rules.”

- **The Urban Change ethnographic study of women on welfare in Miami reveals complaints about the lack of coordination among caseworkers, poorly run job search classes, and harsh sanctioning policies.**

To complement the survey, ethnographic interviews were conducted with 42 current and former welfare recipients. A number of the women described a “revolving door” of case managers and encounters with uninformed, rude, or uncaring staff. Some of the women complained about being repeatedly assigned to job clubs that did not help them find jobs (see Box 1). Nearly all the women in the ethnographic sample received at least one sanction for noncompliance with work activities. However, as the women themselves noted, these negative experiences could motivate them to try to find work and gain economic independence.

The Estimated Effects of Reform on Welfare Receipt and Employment

One goal of TANF is to move people from welfare to work. As a first step in exploring the likely effects of Florida's 1996 reforms on welfare receipt and employment, administrative records were assembled for the 1.3 million individuals who received cash assistance or food stamps for at least one month in Miami-Dade County from January 1992 through December 2001. Because information is available only through the end of 2001, this analysis focuses on the period when few families had reached the state's 48-month lifetime limit — though it includes many families who reached the 24- or 36-month interim time limits. The analysis excludes child-only cases.

Box 1

Women in the Ethnographic Sample Comment on Welfare Reform

Women who were interviewed as part of the Urban Change ethnographic study in Miami described their experiences with welfare reform and their interactions with welfare staff. The comments below reflect some major themes that emerged but are not representative of all women in the study.

On time limits

“Well, to me, in a way I think it’s better, because you got so many people that got on the system and then got stuck in the same spot.” — Linda, 1997

“They’ve told me that the aid is not going to be forever, but they haven’t been too specific as to when they are going to take it away.” — Mercy, 1997

On dealing with the welfare office

“...I get there and they don’t know what they talking about, and I’m tired of walking backward and forward, backward and forward, ain’t get no help yet. They’re very uncoordinated. It took them awhile to find my name in the computer. They don’t know what they doing down there.” — Sandi, 1998

“I start a job, I leave assistance, I get laid off. They have cut my check and my Medicaid. They’ve stopped my food stamps, but then the next week I get fired from the job. You have to return to apply again for assistance, they see if you qualify and why you were fired — then, you have to wait a month before the check arrives. Then, I find another job and it starts all over again.” — Rosa, 1997

On work requirements

“I told them I wanted to go to school or to a vocational training. No, they told me, I had to work. They said I had to work at least 20 or 25 hours a week.” — Connie, 1998

“You have to go to the first meeting of job club, but because I didn’t know that, I thought it wasn’t required. So, I didn’t go that week. I didn’t know what happened, and the check for November didn’t come. Then, I went and asked them, and it’s because, they told me, that you have to be in job club, it’s not optional... and this happened to a lot of people.” — Rosario, 1997

Much of the analysis summarized below compares groups of cases in which adults received welfare payments between January 1993 and September 1996 with groups of cases in which adults received welfare between October 1996 and December 2001. The pre-October 1996 data are used to establish a trend line to predict welfare recipients' behavior post-October 1996, when welfare reform was implemented in Miami. If the behavior of the later groups differs markedly from the prediction, this suggests that TANF had an effect. For example, if the reforms contributed to the decrease in caseloads after October 1996, then either people should have left welfare faster than expected after that point or fewer people than expected should have begun receiving welfare. An important caveat is that the credibility of the estimates depends on the underlying assumption that trends observed prior to 1996 would have continued unabated in the absence of TANF reforms. If that assumption is not correct, then the estimates of the effects of welfare reform are also incorrect.

The main findings of the analysis are summarized in Table 1. Although welfare recipients left welfare and fewer people came onto the rolls in 2001 than they did in 1993, the analysis suggests that the trend lines for welfare exits and entries both *before* and *after* the reforms were implemented were quite similar. By comparison, the analysis suggests that a greater percentage of welfare recipients became employed immediately after 1996 than was predicted by their pre-1996 behavior and that the average length of their employment also increased.

Readers should bear in mind the limitations of the study's ability to estimate the effects of welfare reform. First, it is better suited to capturing large, sudden changes in policy and behavior than small, gradual ones. It is also better able to detect behavioral changes soon after the 1996 law was implemented than in later years, when assumptions based on historical trends become less reliable. Finally, the analysis cannot separate the effects of welfare reform from other factors, such as the growing economy, the expanded federal EIC, a reduction in out-of-wedlock births among teenagers, and the aging of the population. In sum, while the study can accurately describe long-term trends in welfare and employment, it lacks the precision of a controlled experiment in determining whether or not any changes in people's behavior were caused by welfare reform.

- **Between 1992 and 2001, the length of time that people stayed on welfare in Miami-Dade grew steadily shorter, which helps explain why caseloads in the county dropped so sharply. The number of welfare applications also decreased.**

Over time, welfare recipients in Miami-Dade had briefer stays on welfare (Figure 4). For example, 23 percent of cases that opened in January 1993 closed within a six-month time frame; and 70 percent of cases that opened in April 2001 closed within six months. Likewise, the number of new cases coming onto welfare each month steadily declined over time, from 2,200 in January 1993 to approximately 800 in December 2001 (Figure 5). These downward

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Table 1

**Trends and Estimated Effects of TANF:
Welfare Exits, Welfare Entry, and Employment**

Outcome	Trend Before Welfare Reform (1992 to 1996)	Trend After Welfare Reform (1996 to 2001)
<u>Welfare exits</u>		
New welfare recipients	Rate of exit increased steadily	Rate of exit increased steadily and may have accelerated slightly compared with before welfare reform.
Long-term welfare recipients	Rate of exit increased steadily	Rate of exit increased steadily, but the trend does not appear different than before welfare reform.
<u>Welfare entry</u>		
New welfare recipients	Entry declined throughout the period	Rate of entry declined steadily, but the trend does not appear different than before welfare reform.
Returning welfare recipients	Recidivism decreased slightly	Rate of recidivism decreased, but at a slower rate than before welfare reform.
<u>Employment among new welfare recipients</u>		
All employment	Employment rates were steady	Employment rates appear to have increased after welfare reform. Length of employment also appears to have increased.

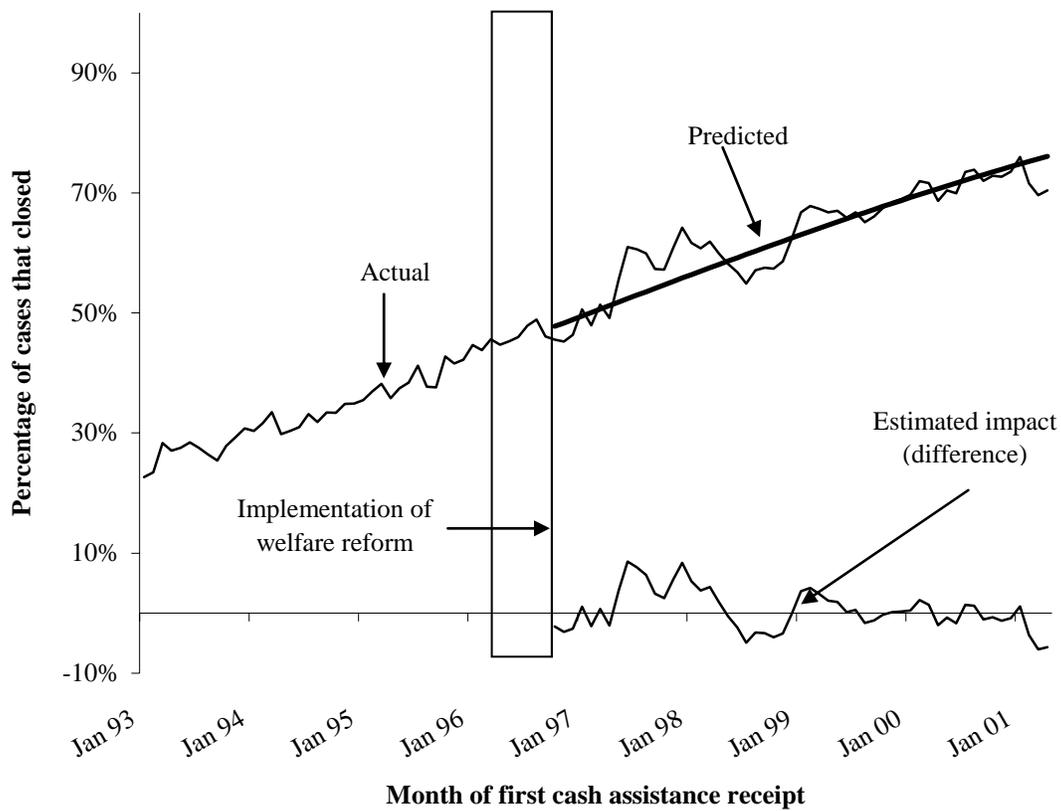
trends are consistent with the sharp drop in welfare caseloads that was observed in Miami-Dade during the 1990s and early 2000s. For this analysis, however, it is important to recognize that these trends were established well before the 1996 reforms were introduced.

- **WAGES appears to have slightly increased the rate at which new welfare recipients left the rolls. However, the analysis suggests that long-term welfare recipients continued to leave welfare at about the same rate that they did before welfare reform. Similarly, the rate at which families came onto welfare — though declining — was about the same before and after the 1996 reforms.**

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Figure 4

Percentage of New Welfare Cases That Closed Within Six Months of Going on Welfare, January 1993 Through April 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

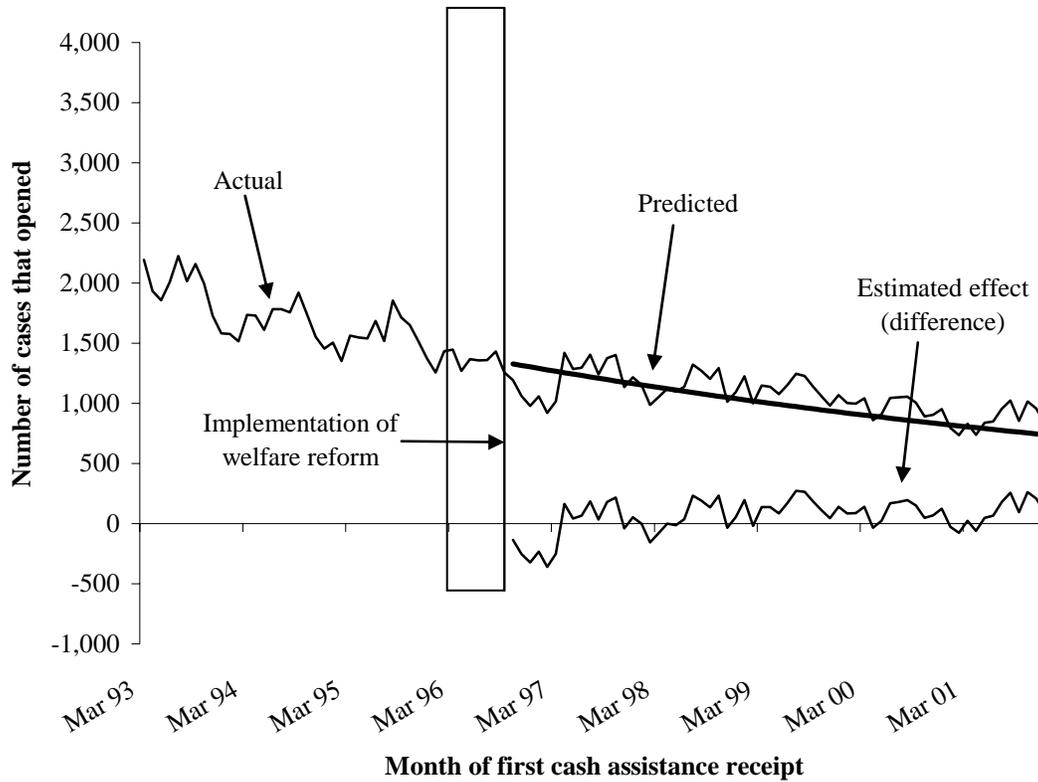
The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would close and the estimated effect of welfare reform are based on the semi-log model for the pre-reform trend.

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Figure 5

Number of New Welfare Cases That Opened Each Month, March 1993 Through December 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would open and the estimated effect of welfare reform are based on the semi-log model for the pre-reform trend.

Prior to October 1996, there was a steady rise in the percentage of welfare recipients whose cases closed within six months of going on welfare (Figure 4). This trend continued more or less unchanged after 1996. WAGES appears to have introduced a small but statistically significant increase in the rate of case closures within one year after going on welfare. However, among long-term recipients — those receiving benefits for at least 18 out of 24 months — there was no difference in the trend lines before and after welfare reform. Similarly, the number of new cases coming onto welfare continued to decline at roughly the same rate after 1996 as before.

- **The rate at which welfare recipients left the rolls and subsequently returned to welfare (known as “recidivism”) declined, but not by as much as predicted.**

The analysis of pre-1996 trends predicted that 13.8 percent of cases that left welfare for at least two months would return to the rolls within a six-month period. After 1996, the actual recidivism rate was 16.0 percent. One explanation for this finding is that the participation mandates, sanctions, and time limits that WAGES introduced may have forced some people to leave welfare before they had steady employment or other reliable means of support. When these families ran short of money, they returned to welfare. The policy allowing welfare recipients to keep more of their earnings before losing eligibility may also have made it easier for some families who left welfare to come back onto the rolls.

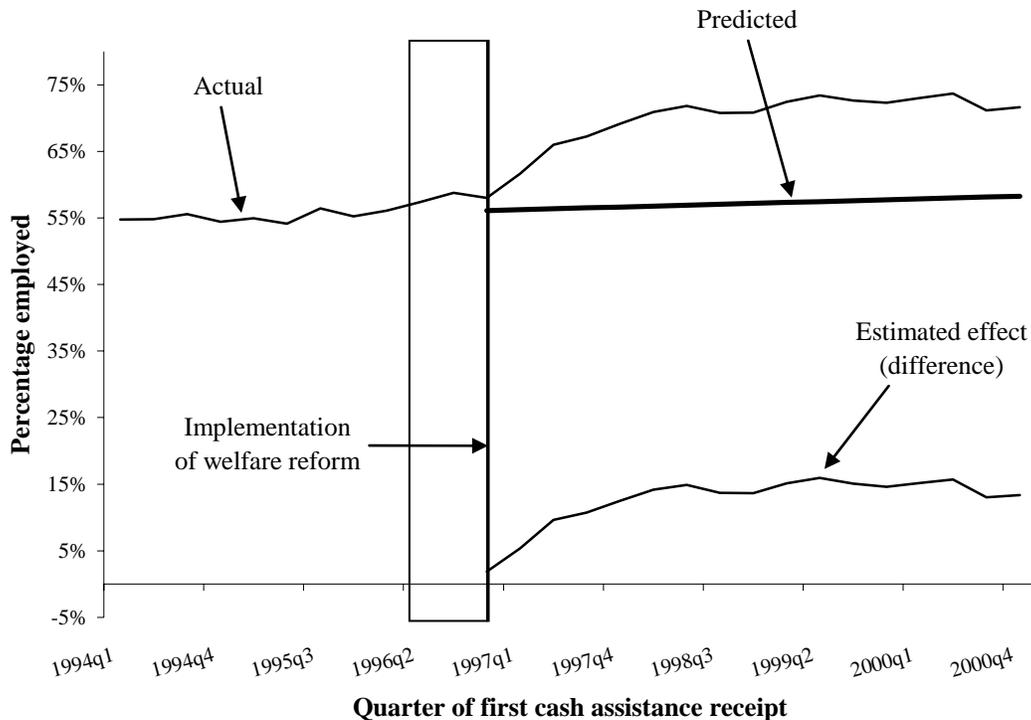
- **In contrast to the findings on welfare receipt, employment trends suggest that a greater percentage of welfare recipients began working soon after the 1996 law went into effect. The trends also suggest that there was an increase in the length of time that welfare recipients stayed unemployed.**

Prior to October 1996, the proportion of welfare cases that had at least one member of the case employed within one year of going on welfare stayed fairly constant, at about 55 percent. The analysis predicted that the employment rate would stay close to this level after October 1996, rising modestly to 57.2 percent (Figure 6). In fact, after WAGES was introduced, 69.8 percent of new cases had a working member within 12 months of going on welfare — a statistically significant increase of 12.6 percentage points. The analysis also found that the percentage of welfare recipients who were “steadily employed” (defined as working four or more consecutive quarters) increased significantly after WAGES began. For example, about 43 percent of cases that first received welfare in early 2000 worked steadily for a year or more, compared with roughly 28 percent of cases that first received welfare in early 1994. It seems likely that these results are attributable to the county’s exceptionally tough use of sanctions for noncompliance with welfare-to-work requirements, which may have convinced many welfare recipients that it was better to get a job and stay employed if at all possible. Some welfare recipients may

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Figure 6

Percentage of Cases That Had at Least One Member Employed Within Four Quarters of Going on Welfare, January 1994, Quarter 1, Through December 2000, Quarter 4



SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: The sample is limited to adults.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage employed and the estimated effect of welfare reform are based on the linear model for the pre-reform period.

have also been motivated by the fact that they could combine work and welfare more easily after 1996 than before. (Indeed, over time, the analysis shows that a growing proportion of welfare recipients worked while receiving welfare, possibly explaining why the analysis detected a significant large effect on employment without a correspondingly large effect on welfare entries and exits.) Finally, the growing economy may also have enabled welfare recipients to find steady work more easily in the period after 1996 than before.

- **WAGES appears to have led to a larger change in the employment of noncitizens than of U.S.-born citizens.**

Almost 30 percent of the cases analyzed for this study were headed by noncitizens. The analysis found that, after welfare reform, noncitizens were significantly more likely to become employed within one year of going on welfare than U.S.-born citizens: 74.4 percent versus 67.5 percent, respectively. Perhaps noncitizens felt under greater pressure than citizens to become self-supporting and to find and keep work. As noted earlier, some noncitizens became ineligible for welfare benefits after 1996; others who technically remained eligible may have been frightened or confused by the restrictions. Differences in education levels and other personal characteristics may also have contributed to the higher employment rates detected among noncitizens after welfare reform.

The Experiences of Former and Ongoing Welfare Recipients

One of the Urban Change project's principal objectives is to understand how the well-being of low-income families has evolved since welfare reform. The experiences of 581 single mothers who were on welfare in May 1995 and who were mostly living in Miami-Dade's poorest neighborhoods were studied through survey interviews conducted after welfare reform got under way, first in 1998 and again in 2001. The two waves of surveys were supplemented by ethnographic interviews with 42 welfare mothers in three poor neighborhoods from 1997 through 2001. Readers should keep in mind that observed changes in the survey and ethnographic samples are not necessarily attributable to welfare reform but are likely to reflect a combination of factors, including the aging of these women and their children, the strong economy, and the effect of other policies like the Earned Income Credit.

In summary, data from this study indicate that, overall, there were real improvements with regard to the employment and economic well-being of survey respondents in Miami-Dade who had been welfare recipients in 1995. However, most of these women were in jobs that continued to leave them poor or near poor, and improvements in material well-being often were accompanied by increases in the amount of money that they owed. Many women in the ethnographic interviews spoke about their struggles with low-wage jobs and with a seemingly uncarving and disorganized welfare system (see Box 2).

Box 2

Women in the Ethnographic Sample Comment on Their Employment Experiences

Women who were interviewed as part of the Urban Change ethnographic study described their experiences in the job market. The comments below reflect some major themes that emerged but are not representative of all women in the study.

On looking for work

“I have applied everywhere. It is not because I do not want to work; people think that is the reason. ... I have looked in Burger King, McDonald’s, Taco Bell, and many factories around here, and none of them have called me. Since I don’t know English, it is difficult.” — Dulce, 2001

“It is hard to find a job when you have no experience. With no education it’s hard to find something. The first thing they ask you, ‘Do you have a high school diploma or a GED?’” — Connie, 1998

On starting work

“At work, we make \$5.15, minimum wage, and you don’t get benefits. You don’t get them because we are temporary. Welfare took away Medicaid for me. I’m lucky they still give Medicaid to my daughter.” — Rosa, 1999

“At the beginning they were paying me \$5.15 hourly, \$5.25 afterwards, and now I have the great salary of \$5.83. It’s really bad compensation for all the work I have to do. — Helena, 2001

On leaving welfare for work

“It’s better this year than last year. I’m glad I’m off [the welfare] system. Glad to be working. I feel very happy, very great and very pleased. They cut my check off. They gave me my stamps back and my Medicaid for me and the kids.” — Lorraine, 1998

“I would rather work 20 times more than receive assistance, because I would get rid of all those problems welfare makes for me, and besides I would have a stable salary.” — Sonia, 1998

Welfare and Employment Experiences

- **Almost all respondents had worked for pay after welfare reform, and most were working without receiving welfare in 2001.**

Among women in the survey, welfare receipt declined sharply — from 100 percent in May 1995 (baseline) to 51 percent in 1998 and to only 14 percent at the time of the 2001 interview. At that second interview, 60 percent were employed and not receiving cash assistance. However, the percentage of women who had neither work nor welfare as a source of income nearly doubled, from 16 percent in 1998 to 29 percent in 2001. Survey and ethnographic data suggest that this group was sometimes supported by spouses or partners or relied on family members, friends, and charities. A few ethnographic sample members revealed that they had illicit sources of income (exchanging sex for money, for example) or that they returned to homes outside the United States.

- **Though many respondents worked steadily, they changed jobs often.**

The survey, like the administrative records analysis, indicates that many respondents who entered the labor market worked steadily, though there was considerable variation within the sample. Slightly more than a third of the women worked in 36 or more months out of a 48-month period. About half of them worked between 1 month and 35 months, and 14 percent did not work at all. The survey also reveals that even the steady workers changed jobs often. Thirty-five percent of survey respondents in 2001 held three or more jobs in a 48-month time frame. The ethnographic study suggests that the women changed jobs often because their positions were temporary and paid low wages.

- **Over time, most respondents reported increases in earnings, though only a minority had good-paying jobs with benefits.**

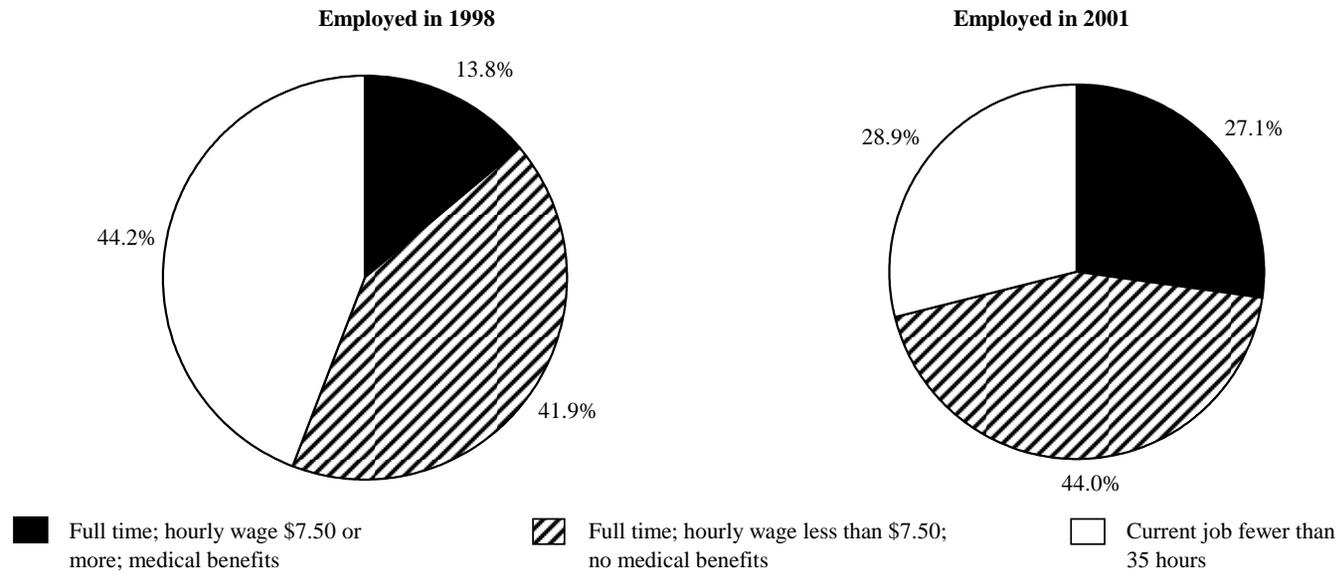
In both 1998 and 2001, most of the survey respondents who worked had full-time jobs. Average hourly wages for their current or most recent job increased from \$6.80 in 1998 to \$8.05 in 2001, and the proportion of women who were working at jobs that paid the minimum wage or less fell by nearly half. The result was an increase in average weekly earnings, from \$236 to \$306. Respondents were also more likely to be in jobs with fringe benefits (such as sick leave, vacation pay, and health insurance). Nevertheless, only about one out of four women who worked in 2001 had a full-time job that paid \$7.50 per hour or more and that offered employer-provided health insurance (Figure 7).

- **Although many respondents moved off welfare into work, the majority faced multiple barriers to employment, and the barriers were substantially worse among women who were not working.**

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Figure 7

Job Characteristics for Those Currently Employed in 1998 and in 2001



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Calculations for 1998 are based on 260 of the 284 respondents who were working for whom wage and benefit information was available.

Calculations for 2001 are based on 339 of the 363 respondents who were working for whom wage and benefit information was available.

Most women in the study had barriers that could constrain their ability to get a job or limit the kinds of jobs for which they qualified. For example, in 1998 and 2001, over 40 percent of the women had three or more children at home, or had at least one child with special needs or behavior problems. About one in four gave indications that they were at high risk of depression, and one in ten had difficulty conversing in English. The frequency with which these barriers were reported remained fairly constant between the 1998 and 2001 interviews. Predictably, the more barriers that respondents reported, the less likely they were to be working. Reflecting the maturation of the sample, there was also a significant decline over time in the percentage of women who reported that they had a child under age 6 or that they lacked a high school diploma or General Educational Development (GED) certificate.

- **Ethnicity, English language ability, and education levels were associated with different employment and economic outcomes.**

At the time of the 2001 interview, English-speaking Hispanic respondents were the most likely to be employed and had the highest monthly household income (\$1,763). Non-English-speaking Hispanics were the least likely to be employed and had the lowest monthly household income (\$1,381); African-Americans fared only slightly better. Non-English-speaking Hispanics were also less likely than the other two groups to have a job that offered medical benefits, and they tended to have more health problems and be at higher risk of depression. Sample members who lacked a high school diploma or GED in 1995 were also much less likely to be employed, and they earned lower wages in their current or most recent job than sample members who had a credential.

Economic Circumstances and Material Hardship

- **Over time, the composition of respondents' total household income changed substantially. Food stamps and Medicaid emerged as the primary safety net programs.**

From 1998 to 2001, there was a large reduction in the percentage of families who received TANF, and there were significant increases in the percentage of households that had income from earnings, child support, and Supplemental Security Income (SSI). Although only 14 percent of the families were in households that received TANF in 2001, more than half continued to receive food stamps. Nearly half the respondents in 2001 said that they had Medicaid coverage for themselves, and 61 percent said that they had Medicaid coverage for their children.

- **On average, families in the survey were better off economically in 2001 than they had been in 1998, but most of them continued to be poor.**

Overall, average total monthly household income increased from \$1,130 in 1998 to \$1,489 in 2001 — corresponding to an average annualized income of \$17,868 in 2001 (not including the estimated value of the EIC, which would have added \$3,000 to the annual income for a household of three). The percentage of survey respondent households below the official poverty line consequently declined, from 76 percent of the sample in 1998 to 62 percent in 2001 (not counting the estimated EIC). With the EIC included, household poverty decreased from 66 percent in 1998 to 54 percent in 2001. While the decline in poverty is clearly good news, the vast majority of families still had low wages, and many shifted from being welfare poor to working poor.

- **Over time, respondents' assets increased, but so did their debt.**

Many more women in the study owned cars in 2001 (56 percent) than in 1998 (36 percent). In the ethnographic sample, many women talked about the importance of car ownership in a city that is spread out and lacks good public transportation. Home ownership also increased — to 11 percent in 2001, compared with 5 percent in 1998 — and more families had savings in excess of \$500 (9 percent, compared with 3 percent). Along with increased assets, however, came increased debt: 29 percent of households owed more than \$2,000 in 2001 (not including car loans and mortgages), compared with 23 percent in 1998. The percentage of women who said that they were “very satisfied” with their standard of living increased to 28 percent from 21 percent. Despite some improvements in economic status, however, the ethnographic interviews suggest that, to get by, many women had to juggle expenses, rely on contributions from romantic partners or extended family members, and scour the stores for sale items (see Box 3).

Welfare Reform and Neighborhoods

As legislation to reform welfare took shape in Florida, questions were raised about the effects of reform in the state's largest city, especially in its low-income communities. Given that low-income families are often concentrated in poor neighborhoods, both the opponents and the advocates of welfare reform agreed that its effects would be disproportionately concentrated among families in low-income neighborhoods. Critics of welfare reform feared that concentrated declines in family income, increases in the proportion of unsupervised children, and growing despair would translate into increasing levels of substance abuse and associated crime, teen birthrates, and other problems. Proponents of welfare reform anticipated that as families returned to work, their increased earnings, income, and collective sense of efficacy would translate into stronger communities and reductions in social ills.

This section summarizes findings from the Urban Change project's neighborhood indicators component, which asked: What were the conditions of Miami's neighborhoods before and after welfare reform, and did poor neighborhoods get better or worse after reform? The

Box 3

Women in the Ethnographic Sample Comment on Material Hardship and Economic Circumstances

Women who were interviewed as part of the Urban Change ethnographic study described their economic circumstances and well-being. The comments below reflect some major themes that emerged but are not representative of all women in the study.

On struggling to pay bills

“In 1997, I applied for Section 8 [housing], but I still haven’t gotten it. I would love to get it. It would be better because, with the little money I have, sometimes I can barely pay the rent.” — Candida, 2001

“Because I lost my job and was behind, so I got into trouble with loans and bills and all that. I am financially worse off now than when I was working before.” — Elda, 1999

“My light and my gas once was cut a couple months ago ’cause I didn’t pay it in time. I paid it when I got the money.” — Shirley, 2000

“In the case of the medication for my heart, I just cannot afford it. It is too expensive, about one hundred-and-something dollars.” — Magaly, 2001

On using the Earned Income Credit to get ahead

“I bought me a car now! I got the car like the end of January. I used part of my income tax [refund] and I bought it. I paid for it by cash. No payments.” — Tamika, 2000

“With \$1,800 on tax return I have paid my bills. I am always worrying about what I am going to do next month. Well, I can’t complain; at least now I have the chance to go out once a month with my son to eat out.” — Helena, 2001

overall conclusion is that neighborhood conditions generally improved from 1992 through 2000. In absolute terms, however, conditions in the city’s poorest neighborhoods started and ended much worse off than in the rest of the county.

The Geographic Concentration of Welfare and Poverty

- **During the period of this study, the number of neighborhoods with high rates of welfare decreased.**

In many cities in the Northeast and Midwest, welfare recipients are often clustered in neighborhoods where poverty rates are greater than 20 percent and where more than one out of five households are on welfare. In Miami-Dade during the period of this study, welfare recipi-

ents tended to be much more dispersed throughout the county. Moreover, even these relatively modest levels of welfare concentration were nearly eliminated by the end of the 1990s. For example, the number of “high-welfare neighborhoods” (defined as census tracts in which 20 percent or more of residents receive public assistance) decreased from 33 in 1994 to only 1 in 2000. This trend reflects the large drop in the county’s welfare caseload during this period.

- **Despite the drop in welfare concentration, there was a slight *increase* in the number of neighborhoods with high rates of poverty.**

Miami was unusual among U.S. cities during the 1990s in that the number of “high-poverty neighborhoods” (defined as census tracts in which 20 percent or more of the residents are below the poverty line) increased slightly from 1990 to 2000. During this period, 86 tracts were consistently high poverty, and another 22 tracts crossed the threshold into high poverty (Figure 8). Ten tracts declined in poverty concentration and were no longer considered high poverty in 2000. Many neighborhoods — particularly in the northeastern and southern tip of the county — remained poor throughout the study period.

- **The ethnic and demographic composition of Miami-Dade’s neighborhoods varied by poverty and welfare status.**

Miami-Dade’s low-poverty, low-welfare neighborhoods are predominantly Hispanic and have significant numbers of non-Hispanic white and foreign-born residents. The county’s high-poverty, low-welfare neighborhoods are also predominantly Hispanic and have large numbers of non-Hispanic black and foreign-born residents. High-poverty, high-welfare tracts have predominantly non-Hispanic black residents. Compared with the other tracts, these last neighborhoods also have a higher proportion of children, lower rates of labor force participation, and lower ratios of employed men to employed women and of working adults to children.

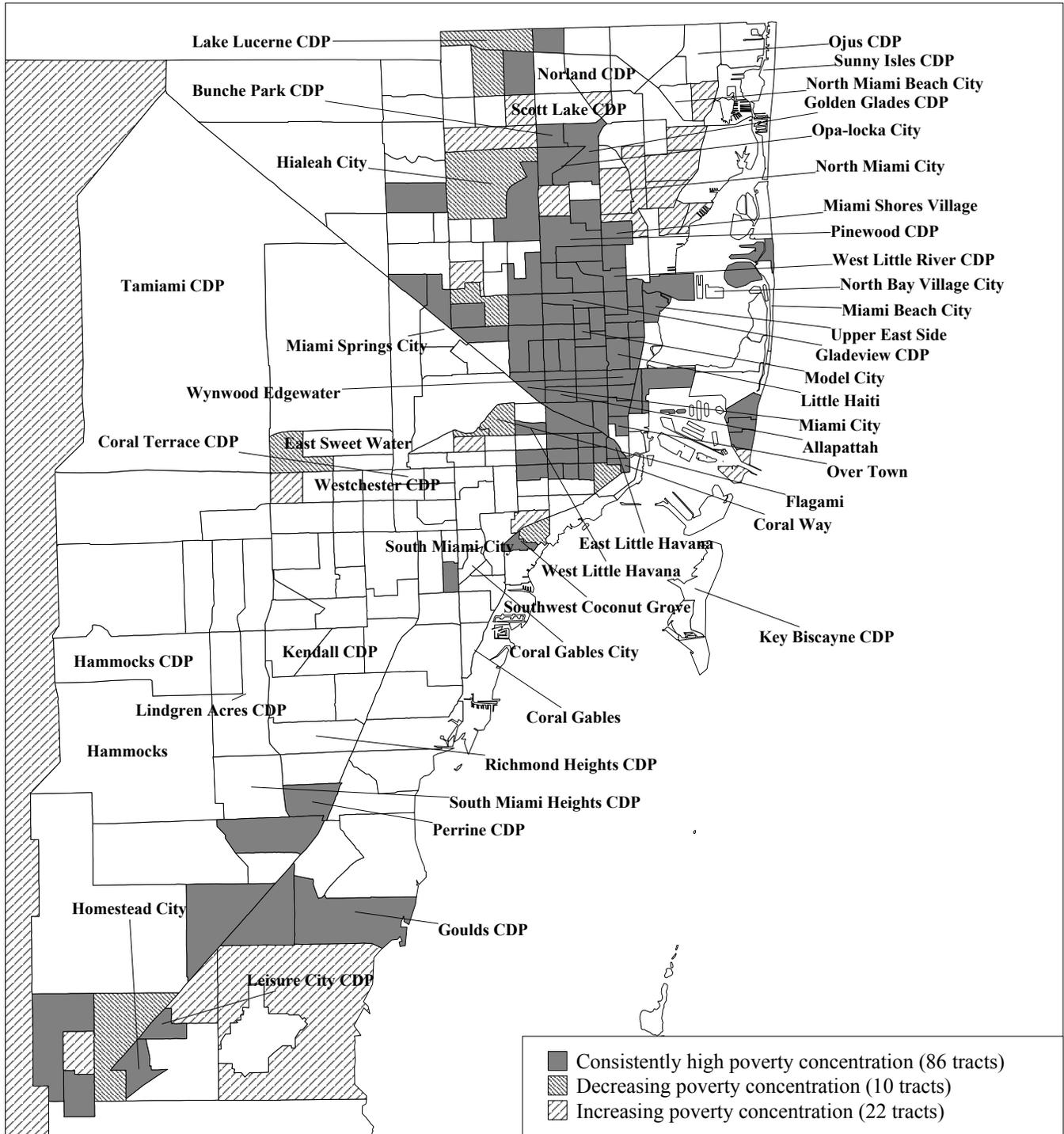
Conditions of Poor Neighborhoods

The Urban Change study divided Miami-Dade’s neighborhoods into three groups: (1) those with low levels of poverty and low levels of welfare receipt; (2) those with high levels of poverty but low levels of welfare receipt; and (3) those with high levels of poverty and high levels of welfare receipt. (In all cases, 20 percent was used as the threshold to distinguish low from high.) Conditions in these neighborhoods before and after 1996 were analyzed to determine whether trends stayed the same or changed after WAGES was introduced. Unlike the earlier discussion that tries to determine whether changes in welfare receipt and employment can be attributed to welfare reform, this analysis is purely descriptive of trends from 1992 through 2000.

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Figure 8

Changes in the Concentration of Poverty,
by Census Tract, Miami-Dade County, 1990-2000



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: The high-poverty receipt threshold is 20 percent.

"CDP" refers to Census-designated places (CDPs), communities unincorporated into formal municipalities.

- **Over a nine-year tracking period, most indicators of neighborhood conditions were either stable or improved. Some of the biggest improvements occurred in high-poverty, high-welfare neighborhoods.**

A primary motivation for the neighborhood indicators analysis was to determine whether the conditions of poor neighborhoods changed, either for better or worse, after the new work requirements, time limits, and other features of the welfare reform law were put into place. Overall, social and economic conditions either remained constant or improved in Miami-Dade's neighborhoods (Table 2). There were substantial declines in teen birthrates, infant deaths, child abuse and neglect, and violent crime. All these trends were most pronounced in high-poverty or high-welfare tracts. There was a slight decline in property crime rates countywide. Out-of-wedlock births increased slightly in low-welfare tracts. The number of babies born with a low birth weight remained stable throughout the decade. In general, the observed trends predated welfare reform and did not show major jumps or reversals after 1996.

- **Fewer of Miami-Dade's neighborhoods were highly distressed at the end of the study period than at the beginning, and a smaller proportion of welfare recipients lived in highly distressed neighborhoods.**

For this analysis, a neighborhood was considered highly distressed if it was more than twice as bad as the county median on six of nine social and economic indicators. In Miami-Dade, the number of distressed tracts declined over the course of the study. The proportion of welfare recipients living in distressed tracts decreased from 14 percent in the pre-WAGES period to 10 percent in the post-WAGES period.

- **Although social trends in high-welfare neighborhoods were generally stable or improving throughout the study period, the absolute levels of distress in such neighborhoods were consistently higher than in other neighborhoods.**

On every social indicator examined, conditions in the county's poorest neighborhoods were less favorable than in other areas. For example, throughout the study period, teen birthrates in the neighborhoods with the highest rates of poverty and welfare receipt were about twice as high as in the neighborhoods with the lowest rates of poverty and welfare receipt. Similarly, the incidence of violent crime was at least five times greater in high-welfare, high-poverty tracts than in other parts of the county.

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Table 2

Summary of Trends in Neighborhood Conditions

Indicator	Trend from 1992 to 2000
<u>Births</u>	
Teen births	Substantial declines countywide and particularly in high-poverty, high-welfare neighborhoods
Nonmarital birth ratio	Stable in high-welfare tracts, slight increases in low-welfare tracts
Adequacy of prenatal care	Substantial increases countywide and particularly in high-welfare neighborhoods
Low-birth-weight births as a percentage of all births	Stable throughout the decade
Rate of infant deaths per 1,000 live births	Substantial declines countywide and particularly in high-poverty neighborhoods
<u>Child well-being</u>	
Child abuse and neglect	Substantial declines countywide and particularly in high-welfare neighborhood
<u>Crime</u>	
Violent crime	Substantial declines countywide and particularly in high-poverty neighborhoods
Property crime	Slight declines countywide
<u>Economic factors</u>	
Median housing values	Slight increases countywide

Welfare-to-Work Transitions and Neighborhood

- **Welfare recipients living in neighborhoods with high rates of poverty and welfare receipt were just as likely to go to work as welfare recipients who lived in better neighborhoods.**

The disparity in social indicators between high-poverty, high welfare neighborhoods and low-poverty, low-welfare neighborhoods might presuppose that welfare recipients living in the former tracts would be less likely to find or keep employment. This analysis reveals that the

employment rates of welfare recipients in all types of neighborhoods in Miami-Dade were roughly similar.

Comparisons with Cuyahoga and Philadelphia Counties

To provide context for what happened after welfare reform was implemented in Miami-Dade County, this section draws contrasts with Cuyahoga County, Ohio, and Philadelphia County, Pennsylvania, which are the subjects of earlier Urban Change reports that used the same methods and data elements as this report. Table 3 provides a summary description of the characteristics of each county and the principal findings on TANF's implementation and outcomes in each.

Cuyahoga, Philadelphia, and Miami-Dade are the largest counties in their respective states and are home to a disproportionate share of their state's welfare caseload.⁴ Although unemployment rates in all three counties started to fall in 1992, the rates remained consistently higher in the central cities than in the surrounding suburbs. However, Cuyahoga County and Philadelphia County are old, industrial, northeastern cities that have suffered through 30 years of declining manufacturing bases and the movement of jobs to the suburbs, while Miami-Dade is a fast-growing county located in the Sunbelt region. Cuyahoga's and Philadelphia's labor markets generally offer higher-paying jobs than are available in Miami's tourism and service sector economy. The other two counties also have sizable African-American populations and relatively few immigrants. In comparison, Miami-Dade is heavily populated by Hispanics and immigrants.

The essential features of welfare reform are similar in all three counties. Cuyahoga, Philadelphia, and Miami implemented welfare programs with time limits and a strong emphasis on moving recipients into work. Welfare systems that had emphasized relatively voluntary job search and education programs before 1996 were transformed to systems with a stronger emphasis on work and stricter program participation requirements. Each state also increased the amount of money that welfare recipients could keep when they went to work. While all three counties imposed financial sanctions for noncompliance with the welfare-to-work requirements, Miami-Dade used sanctions far more often than did Cuyahoga or Philadelphia. Cuyahoga, however, was the strictest county in enforcing time limits.

Welfare recipients in all three counties showed signs of confusion about the details of welfare reform, especially about the exact length of the time limits and whether or not they

⁴See Brock et al. (2002) and Michalopoulos et al. (2003), cited earlier. Miami-Dade had almost 31 percent of Florida's welfare recipients in 2000, even though it contained just 14 percent of the state's population. Cuyahoga and Philadelphia Counties accounted for 25 percent and 49 percent, respectively, of Ohio's and Pennsylvania's caseloads.

The Project on Devolution and Urban Change

Table 3

**Description of Welfare Reform and Welfare-Related Outcomes
in Cuyahoga (Ohio), Philadelphia, and Miami-Dade Counties**

Descriptor	Cuyahoga	Philadelphia	Miami-Dade
<u>Context</u>			
Local economy	Government and civic center; large health care industry; declining manufacturing base; increasing service sector; movement of businesses to the suburbs.	Government and civic center; major industrial center, particularly for textiles; large health care industry; declining manufacturing base; movement of businesses to the suburbs.	Government and civic center; large tourism and service industries; large health care industry; trading hub between the United States and Latin America.
Unemployment rate	Fell from 7.4% in 1992 to 4.2% in 2000; rose to 5.2% in 2001.	Fell from 9.4% in 1992 to 6.1% in 1999; rose to 6.4% in 2001.	Fell from 10.5% in 1992 to 5.3% in 2000; rose to 7.7% in 2002.
Poverty rate	13.1% in 2000.	22.2% in 2000.	17.6% in 2000.
Population characteristics	Roughly equal division of African-Americans and whites in central city. Mostly white in the suburbs.	Mostly African-American and white.	Diverse population of Hispanics, whites, and African-Americans. Large numbers of foreign-born residents.
<u>Implementation of TANF</u>			
Policies	Five-year lifetime limit; three-year interim time limit; work-focused welfare-to-work program; full-family sanctions for noncompliance; expanded earned income disregard.	Five-year lifetime limit; two-year work-trigger time limit; work-focused welfare-to-work program; simplified and expanded earned income disregard.	Four-year lifetime limit; interim time limit of 24 or 36 months; work-focused welfare-to-work program; full-family sanctions for noncompliance; expanded earned income disregard.
Execution	Widespread organizational change; rigorous enforcement of time limits and work requirements; home visits and safety net services for families reaching time limit.	Initial use of independent job search; many extensions for families reaching time limits; subsidized work for families reaching two-year time limit.	Recurring administrative problems; extremely high use of sanctions; extensions on time limits for families fulfilling work requirements.
<u>Changes in welfare receipt and employment trends after TANF was introduced</u>			
Welfare entry	Entry rates declined from 1992 to 1996 and continued to decline after 1996. There was no significant change in the trend after 1996.	Entry rates declined from 1992 to 1996. Entry rates continued to decline after 1996, but less than predicted by past trends.	Entry rates declined from 1992 to 1996 and continued to decline from 1996 to 2001. There was no significant change in the trend after 1996.

(continued)

Table 3 (continued)

Descriptor	Cuyahoga	Philadelphia	Miami-Dade
Welfare exits	Exit rates increased from 1992 to 1996. After 1996, exit rates slowed for the overall caseload but accelerated for long-term recipients.	Exit rates increased from 1992 to 1996. After 1996, exit rates slowed for new recipients, but accelerated for long-term recipients, especially after the two-year time limit.	Exit rates increased steadily from 1992 to 1996. After 1996, exit rates increased at a slightly faster pace for new recipients. There was no change in the trend for long-term recipients.
Welfare recidivism	Recidivism increased slightly from 1992 to 1996 and continued to increase slightly after 1996. There was no significant change in the trend after 1996.	Recidivism decreased slightly from 1992 to 1996 and continued to decrease after 1996 but at a slower pace.	Recidivism decreased slightly from 1992 to 1996 and continued to decrease after 1996 but at a slower pace.
Employment	Employment rates increased slightly from 1992 to 1996 and continued to increase slightly after 1996. There was no significant change in the trend after 1996.	Employment rates were steady from 1992 to 1996. After 1996, the employment rates began to increase, but many unemployment spells were short.	Employment rates were steady from 1992 to 1996. There was a significant increase in the employment rates after 1996, and the length of employment spells increased.

The experiences of welfare recipients surveyed in 1998 and 2001 (longitudinal sample)

Economic outcomes	Earnings and income increased. In 2001, the average hourly wage was \$8.67. However, the percentage of women with neither work nor welfare increased from 10.7 percent to 20.2 percent.	Earnings and income increased. In 2001, the average hourly wage was \$8.59. However, the percentage of women with neither work nor welfare increased from 10.6 percent to 18.7 percent.	Earnings and income increased. In 2001, the average hourly wage was \$8.11. However, the percentage of women with neither work nor welfare increased from 16.4 percent to 28.7 percent.
Material hardship	Food and health care hardships were largely unchanged over time. Most indicators of housing hardships declined over time. Use of food stamps decreased, but there was no change in use of Medicaid.	Hunger declined, but food insecurity overall showed little change over time. Health care hardships were low overall and remained stable. Housing hardships were high but some measures showed improvement. Use of food stamps and Medicaid decreased.	Most food, health care, and housing hardships declined or remained stable over time. Use of food stamps and Medicaid decreased.

(continued)

Table 3 (continued)

Descriptor	Cuyahoga	Philadelphia	Miami-Dade
<u>Neighborhood indicators</u>			
Concentration and segregation of welfare recipients	Welfare recipients tended to live in a few neighborhoods. The number of high-welfare neighborhoods declined substantially over time.	Welfare recipients tended to live in a few neighborhoods. The number of high-welfare neighborhoods remained steady over time.	Welfare recipients were more evenly distributed across neighborhoods than in Cuyahoga and Philadelphia, and the number of high-welfare neighborhoods declined over time.
Social indicators	Most remained stable or improved over time. High-welfare neighborhoods had much higher levels of distress than other neighborhoods.	Most improved over time, especially in high-welfare neighborhoods. High-welfare neighborhoods had much higher levels of distress than other neighborhoods.	Most remained stable or improved over time, especially in high-welfare neighborhoods. High-welfare neighborhoods had much higher levels of distress than other neighborhoods.

could keep part of their grant if they started working. Although recipients' knowledge increased over time in all three places, recipients in Miami generally displayed the least understanding of the new policies. The extent to which clients understood the reforms might have been affected by the simplicity or complexity of policies and messages. Miami's policies were arguably the most complicated, and the administrative problems in the welfare-to-work program may have hampered good communication between staff and clients (particularly with regard to transitional benefits).

All three counties experienced rapid declines in welfare caseloads between the early 1990s and early 2000s. Fewer families were coming onto welfare, but the patterns generally did not change after welfare reform was implemented. In Cuyahoga and Philadelphia, welfare reform appears to have sped up the rate at which long-term recipients exited welfare. Average welfare spells for Miami-Dade's long-term recipients were already fairly brief before 1996, and they did not change afterward. It also appears that some welfare reform policies in Miami-Dade may have offset each other: Tough sanctioning caused some families to exit welfare sooner, but new rules making it easier to combine work and welfare seem to have extended welfare spells for some families. As discussed earlier, the estimates of program effects in all the counties are based on the assumption that pre-1996 trends would have continued in the absence of welfare reform. Accordingly, the estimates are more reliable for the period immediately following the 1996 reforms than for later years.

Of the three counties, Miami-Dade seems to have had the largest increase in employment among welfare recipients after welfare reform. Philadelphia's welfare reform efforts appear to have had a modest effect on employment, but many of the jobs that welfare recipients found did not last long. Cuyahoga's program did not seem to change welfare recipients' employment patterns. Miami's much tougher sanctioning practices would appear to be an important explanation for the changes that were observed in employment trends in this county. (Its work incentives were similar to the other counties and, therefore, would not seem to account for the differences in effects.) The large number of noncitizens on Miami-Dade's caseload also may have helped drive the employment trends, in that noncitizens went to work at higher rates than their U.S.-born counterparts; in the other counties, noncitizens were not such a large presence. Once again, the estimates of welfare reform's effects are predicated on the assumption that pre-1996 trends would have continued without welfare reform and that they are more reliable in the period shortly after welfare reform was implemented than in later years.

Longitudinal surveys and ethnographic research with women in the three counties generally showed signs of improvement in employment and economic circumstances, though individual experiences varied. The women who were surveyed in Miami-Dade both started and ended behind respondents in Cuyahoga and Philadelphia on many key economic indicators, including average monthly income and the proportion of families with incomes below the poverty line. Similarly, all three counties showed relatively similar improvements in neighborhood indicators over the period of the study, though Miami-Dade consistently lagged behind the other two counties on some measures of violence and crime. The concentration of poverty and welfare receipt in Miami also distinguishes it from the other two counties: Its low-income population is relatively dispersed, while similar populations in Cuyahoga and Philadelphia are more concentrated in the city centers.

Conclusions and Policy Implications

When the Project on Devolution and Urban Change began, both supporters and critics of welfare reform envisioned striking changes in benefits and services and in the well-being of poor families at risk of receiving welfare benefits. Proponents believed that the 1996 law would spur innovation among states and localities; that tougher work requirements and time limits would induce more welfare recipients to find jobs; and that ending the welfare "culture" of low-income communities would lead to the revitalization of those communities. Critics, by contrast, feared that states would slash benefits and try to make their programs less attractive than those of neighboring states. They worried that sanctions and time limits would deprive needy families of essential income and would cause suffering, leading to increases in crime, homelessness, and other social problems.

The Urban Change project can now draw on evidence from three places — Cuyahoga, Miami-Dade, and Philadelphia Counties — to assess whether these expectations of big change have come to pass. The counties' experiences fall somewhere between the two extremes. What lessons are policymakers to draw, and how does Miami-Dade's experience contribute to those lessons? Though the answers depend largely on the goals that policymakers want welfare reform to achieve, the following key observations and recommendations can be made.

- **Many of the trends that were observed in welfare receipt, employment, family well-being, and neighborhood conditions were similar in the three counties. This finding underscores the important role that the economy and other forces — in addition to welfare reform — may have played in influencing people's behavior.**

Though they differ on many details, the big “headlines” from all three counties are the same. Welfare rolls are down. Employment among welfare recipients is up. Conditions in poor neighborhoods — though worse than in more affluent neighborhoods — have held stable or improved. People leaving welfare for work are still poor but generally are not worse off, and many show some signs of progress. These similarities were found despite important differences in the demographic characteristics, labor markets, and implementation of welfare policies in the three counties, suggesting that larger social and economic forces played as much a role or more in shaping these trends as anything that the county welfare offices did. It is important to remember that the Urban Change study took place during a period of unprecedented economic expansion in the United States and that data collection ended before families reached their lifetime limits on cash assistance.

- **Although most former welfare recipients in Miami-Dade are working, they are struggling financially. Welfare and education policymakers may need to devise new strategies to help them gain the language and job skills that are needed to advance.**

Even in boom times, most families in the survey sample were living below poverty, and the women who were in both the survey and the ethnographic sample described many of the challenges that they faced in going to work. Non-English-speaking Hispanics tended to be the worst off economically, as were women of all racial and ethnic groups who lacked a high school diploma or GED. While current policy allows welfare recipients to spend up to 10 hours of their 30-hour weekly work requirement in education, very few clients do so — perhaps because staff do not encourage it or perhaps because it is difficult to combine education classes with 20 hours of work-related activities. One option that would allow welfare recipients to fulfill work requirements while upgrading their skills would be to develop programs that integrate English as a Second Language (ESL) or basic education instruction into occupational training courses. An-

other option would be for education providers to create partnerships with employers to allow release time for lower-paid employees to attend English language or other classes during the workweek. Even though employers would incur some costs in terms of lost staff time, this could bring returns in the forms of a higher-skilled workforce and reduced employee turnover.

- **Food stamps, Medicaid, and the Earned Income Credit (EIC) played an important role in supporting the incomes of former welfare recipients and helping them to stay employed. Greater emphasis could be placed on advertising these benefits.**

The service sector economy is characterized by low wages and benefits — a fact that is unlikely to change anytime soon. Many of the women in the Urban Change survey and ethnographic samples indicated that they would not have been able to make it without the help they received from food stamps and Medicaid. In addition, some women said that they used the EIC (which they usually received as a lump sum) to pay off bills or make large purchases that enhanced their employability, such as buying or fixing an automobile. The survey suggests that more families were eligible for these benefits than received them. DCF and welfare-to-work staff — together with local foundations, advocacy groups, and community organizations — might consider ways to step up efforts to inform low-income families about the supports that are available. It helps when such information is communicated consistently, frequently, and in multiple locations. In Cuyahoga, for instance, the county welfare department developed colorful, easy-to-read brochures on the panoply of nonwelfare benefits available to working families: food stamps, children’s health insurance, child care assistance, home heating assistance, and the EIC. The brochures are available in welfare offices and are handed out in public schools, government offices, and community-based organizations. In Miami-Dade, a similar campaign could increase take-up among low-income families and could clear up misconceptions, such as the mistaken view — voiced by some ethnographic sample members — that Medicaid benefits are subject to sanctions and time limits.

- **Miami-Dade’s exceptionally high rate of sanctioning in its welfare-to-work program was as much a sign of administrative failure as program toughness.**

Many policymakers believe that welfare recipients who do not comply with work requirements should face significant consequences. Nevertheless, when more clients are undergoing sanctions than are participating in program activities — as was true in Miami-Dade — something is out of balance. The unevenness of sanctioning rates over time also suggests that the program failed to deliver a consistent message about attendance and that clients’ participation was not regularly monitored. Moreover, the fact that so many clients did not attend their assigned activities suggests that the program did not deliver services that they found valuable —

an impression that was reinforced by MDRC's visits to welfare-to-work offices and interviews with Urban Change survey and ethnographic sample members. Unusually high sanctioning should trigger scrutiny of the program by government officials and, if necessary, corrective administrative action.

- **The managerial problems in Miami-Dade's welfare-to-work program underscore the limits of devolution and the need for independent oversight.**

When Florida and Miami-Dade officials began implementing TANF, one of their early decisions was to remove the welfare-to-work program from the welfare agency and to put it in the hands of local coalitions. Unfortunately, Miami-Dade's coalition did not have the capacity to manage the program effectively. The state legislature's decision in 2000 to abolish the coalition and transfer authority to the Workforce Investment Act system was intended to address this problem. An obvious but important lesson from Miami's experience is that successful devolution requires sufficient infrastructure, staffing, and commitment at the local level. It also points to the need for careful monitoring from the outside. State auditors eventually played this role in Miami, but welfare recipients used up months toward their time limits while welfare-to-work services were in disarray.

- **The Urban Change study suggests that legislative proposals to increase welfare-to-work participation rates above 50 percent may not be realistic. Moreover, some of the data that states use to calculate participation rates may not be reliable.**

The 1996 federal law set participation targets that were much higher than in the past, but it also gave states credit for reducing welfare caseloads. Some federal lawmakers have recently expressed support for revisions that would raise participation requirements and eliminate the caseload reduction credit. Miami-Dade's participation data were unreliable, owing to problems in the management information system (MIS) and contractor turnover, but Cuyahoga's and Philadelphia's data provide some insight into participation levels that may be achieved by urban welfare departments. Cuyahoga achieved a participation rate of 49 percent in fiscal year 1999/2000; similarly, Philadelphia attained a top participation rate of 47 percent in fiscal year 1997/98. (Note that these figures include clients who were working as well as those who were attending traditional program activities.) Though some policymakers question why all welfare recipients cannot be engaged in work activities, MDRC's research suggests that the participation rate will never approach 100 percent because of the constant opening and closing of cases, the time lapse involved in assigning clients to activities and monitoring their attendance, and the personal and situational problems that many welfare recipients face (including illness and child care problems). MDRC's research also suggests that states and counties that report unusually high levels of participation often do not stand up to scrutiny. They may be counting assignments

to activities rather than actual attendance, for example, or may be double-counting welfare recipients who attend more than one activity. Greater investment in and monitoring of MIS data may be needed at the federal, state, and local levels if policymakers want to have confidence in the accuracy of the data.

- **Simpler welfare policies may help welfare staff send clearer messages to clients and strengthen program implementation.**

Relative to the other states in the Urban Change study, Florida's welfare reform law was complex. Not only did it feature work requirements and time limits, but it also included provisions designed to ease the transition to work, influence parenting behavior, and divert applicants from going on cash assistance. Even the state's time-limit policy was unusually complicated, in that it set different time limits for cases with various characteristics. Welfare staff in Miami-Dade did an admirable job of trying to communicate the rules, and clients' understanding of several key policy provisions appeared to improve over time. Compared with similar groups of respondents in Cuyahoga and Philadelphia, however, the women in Miami were generally less certain about the amount of time that they could receive cash assistance, the existence of the earned income disregard, or that transitional benefits were available. As one welfare administrator pointed out, every new "message" dilutes the effectiveness of the last one. Florida's policymakers might consider simplifying some aspects of the welfare law or, at the least, might refrain from adding new layers on top of an already complicated law.

- **Conditions in Miami-Dade's poorest neighborhoods improved overall during the 1990s, but many neighborhoods remain highly distressed. Revitalizing these communities will likely require the involvement of other public and private sector partners.**

On a number of social and economic indicators, Miami-Dade's poorest neighborhoods improved during the 1990s. Nevertheless, many welfare recipients continue to live in distressed conditions. Addressing such inequalities may require a two-pronged approach: on the one hand, promoting development in poor neighborhoods and, on the other hand, rigorously enforcing existing antidiscrimination and fair labor laws to ensure that everyone has equal access to employment, housing, education, and other opportunities. Such enforcement is particularly important in places like Miami, where large numbers of immigrants may be intimidated into accepting substandard work or housing out of economic need, lack of knowledge, or fear of deportation.

Chapter 1

Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed by Congress and signed into law by President Clinton in 1996, revolutionized social welfare policy and fostered profound changes in the ways that government agencies address the needs of the poor. PRWORA abolished welfare “as we knew it” and created a time-limited cash assistance program called Temporary Assistance for Needy Families (TANF). The legislation also established strict work requirements for TANF recipients, eliminated federal funding for certain groups of legal immigrants, and transferred the administrative authority for welfare programs from the federal government to the states. In turn, many states have “devolved” much of the responsibility for welfare to local governments and other entities.

The anticipation that welfare reform might face particular challenges in urban areas — where poverty and welfare receipt are most concentrated — prompted MDRC to launch the Project on Devolution and Urban Change (Urban Change, for short). Begun in 1997, the project uses multiple research methods and perspectives to examine the implementation and effects of this landmark legislation in big cities. It has sought answers to four major sets of questions:

- How would welfare agencies respond to the new law? What “messages” and services would they put in place? How would they implement time limits?
- What would be the effects of TANF on welfare caseloads? How would it alter patterns of welfare receipt and employment?
- How would low-income families adapt to time limits and other dimensions of welfare reform? What would be their experiences in the labor market? Would they be better or worse off economically?
- How would welfare reform affect social conditions in big cities? In particular, would conditions in poor neighborhoods improve or worsen?

Miami-Dade County is one of four metropolitan areas included in this multifaceted study.¹

The Miami-Dade study took place within a specific place and time and, in some ways, represents both the best of times and the most challenging of places for welfare reform. On the one hand, the study period of 1992 through 2000 was a time of prolonged economic expansion

¹Final reports on Cleveland (Brock et al., 2002) and Philadelphia (Michalopoulos et al., 2003) have been published, and a report on Los Angeles is forthcoming.

and unprecedented decline in unemployment, both nationally and locally. Moreover, in the latter 1990s, an influx of TANF funds allowed for massive expansion of employment training and related services. Thus, the study captures the most promising context for welfare reform implementation — one of high labor demand and full funding of programs to support families in the process of moving from welfare to work. On the other hand, the study focuses on populations who are most vulnerable and places that face significant difficulties in moving families from welfare to work before they exhaust their time limits. In Miami-Dade County, the study examines people and conditions in the poorest neighborhoods, where the most severe barriers to successful implementation of welfare reform might be found.

The Policy Context

This nation has been reforming welfare for almost as long as there has been a welfare program. The fundamental struggle has been how to find ways to ensure that children’s basic needs are covered without encouraging dependence on public benefits. PRWORA can be viewed as a radical “fix” for problems that previous reforms, like the 1988 Family Support Act, failed to bring under control. Perhaps the greatest concern was the sharp rise in caseloads that occurred in the early 1990s, although this trend had already started downward by the time PRWORA was passed (Figure 1.1).²

PRWORA ended the 60-year-old Aid to Families with Dependent Children (AFDC) program, under which the federal government had helped support poor families. In its place, it established Temporary Assistance for Needy Families (TANF), whose very name expresses the intention that welfare assistance be considered *temporary*. The legislation places a five-year lifetime limit on federally assisted cash benefits for most families — both adults and their dependent children — and it authorizes states to impose shorter time limits if they choose.³ While a state may grant exemptions from the federal time limit, the number of exempted families may not exceed 20 percent of the state’s average monthly caseload.

Under AFDC, states received open-ended federal funding for benefit payments, at “matching” rates that were inversely related to the states’ per capita income. States were required to pay a percentage of benefit costs (ranging from 22 percent to 50 percent in 1996) as well as 50 percent of administrative costs. Federal funding for AFDC came with many strings attached. Uniform federal regulations determined, for example, who was eligible for assistance, how income and resources were to be treated, what basic services and activities would be avail-

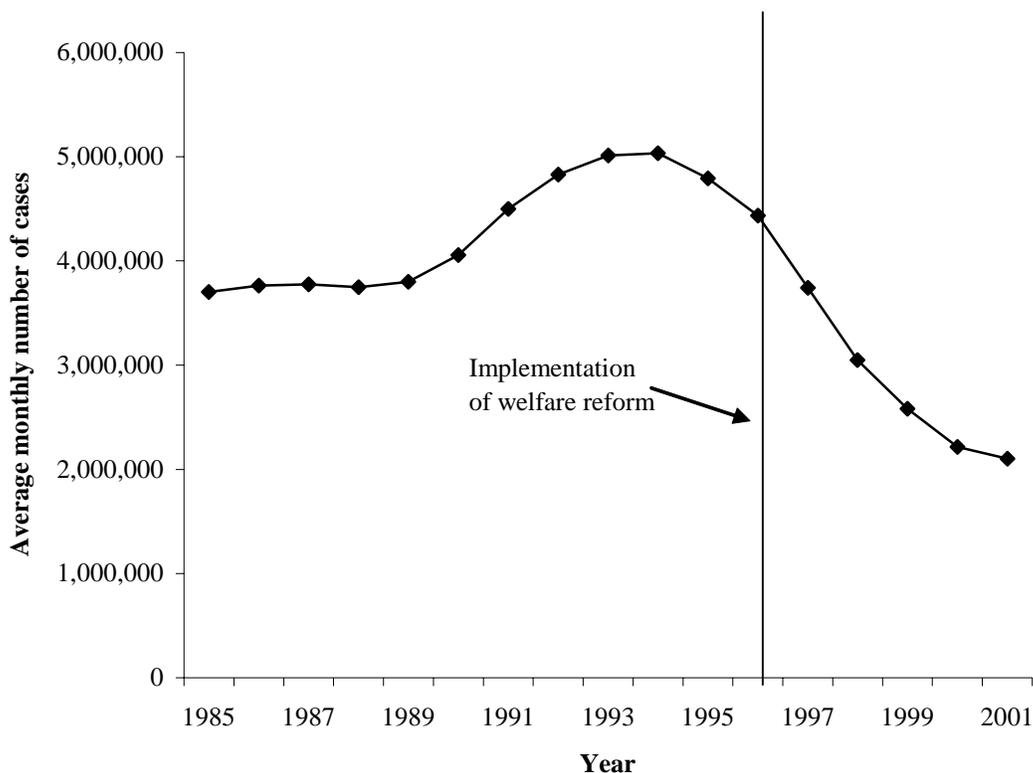
²The remainder of this section is adapted from Quint et al., 1999.

³The five-year federal time limit for recipients started on the date that a state implemented its block grant program. The time limit is not retroactive.

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Figure 1.1

National AFDC/TANF Caseload Trends (Number of Families), 1985-2001



SOURCE: U.S. Department of Health and Human Services, Administration for Children and Families, 2002.

able to welfare-to-work program participants, and which families qualified for assistance under the AFDC-Unemployed Parent (AFDC-UP) program. States could deviate from the regulations only if they received special waivers. In the years immediately preceding the passage of PRWORA, the U.S. Department of Health and Human Services (DHHS) granted waivers to 43 states so that they could experiment with new policies and programs for welfare recipients.

PRWORA consolidated and dramatically extended the decision-making power that the federal government had given to states under AFDC waivers. And many of the policies implemented under PRWORA — including time limits — had previously been implemented under state welfare waiver experiments. States generally implemented changes in a limited number of

areas under their waivers, but PRWORA empowered them to implement much bigger reforms and to change everything at once.

Under the funding provisions established by PRWORA, states are entitled to receive federal block grants in a lump-sum amount in federal fiscal years 1997 through 2002. The amount of block grant funding that each state is eligible to receive depends on the state's pre-TANF spending for AFDC benefits and administration, for the Job Opportunities and Basic Skills Training (JOBS) program, and for Emergency Assistance. Because the block grants are tied to past spending levels — and because welfare caseloads have declined so sharply — most states have experienced a substantial windfall; that is, states have gotten much more funding per recipient under the block grants than they would have received under the AFDC system. PRWORA's maintenance-of-effort provisions require the states to maintain spending of at least 80 percent of their former spending level (or 75 percent, if the state meets the federal work participation rates, discussed below).

Together, the federal block grants and the state maintenance-of-effort funds, combined with falling caseloads, meant that most states had unprecedented amounts of money to spend on behalf of poor people — and unprecedented freedom in deciding how to spend it. Thus, states could determine how to allocate their TANF block grants between cash benefits and services. Within broad federal parameters, they were free to set eligibility standards and work program requirements.⁴ They could also determine how much of recipients' earnings to disregard in calculating benefit amounts; establish diversion programs to keep families from going on aid; institute "family caps" (that is, eliminate or curtail grant increases for additional children born to mothers on welfare); mandate participation in substance abuse treatment; and impose sanctions (that is, financial penalties) on recipients who lacked "good cause" for noncompliance.

Indeed, the federal government's ability to exercise control over the states was explicitly limited to the imposition of financial penalties — reductions in the TANF block grants — on states that used their block grants to pay the welfare benefits of families who exceeded their time limits, failed to meet work program participation requirements established in PRWORA, or otherwise did not abide by regulations. There were few constraints on how states spent their maintenance-of-effort funds, apart from the requirement that the funds be spent on a broad range of services that were "reasonably calculated" to accomplish the purposes of the block grants. Hence, if states chose, they could use maintenance-of-effort funds to pay benefits for families who had been on the rolls longer than five years. Two important issues, then, are how

⁴For example, while federal legislation does not allow states to use TANF funds to support households without a minor child, states may set more narrow eligibility criteria. Similarly, while the federal law requires work participation of adult recipients whose youngest child is age 1 or older, states may require participation of adults whose youngest child is less than 1 year old.

PRWORA actually got implemented by states and what the ensuing effects were on the welfare-reliant population.

The Urban Context of Welfare Reform

However welfare reform eventually plays out, the fate of recipients living in large urban areas will be critical in determining the impact of the new devolution policies nationwide. In recent decades, poverty and other social problems have become increasingly concentrated in central cities.⁵ If the new approach triggers dramatic changes in public assistance programs, it is the residents of large urban areas who will feel the impacts — positive or negative — in greatest numbers.

One of the key challenges that big cities and counties face is the concentration of poverty and welfare receipt within their borders. This disparity has been exacerbated over the last several years as urban county caseloads have fallen more slowly than the nation's caseload as a whole. A recent study of large cities and urban counties found that although the 89 urban counties that were studied accounted for 32.6 percent of the U.S. population, their share of the national welfare population went from 47.5 percent in 1994 to 58.1 percent in 1999.⁶ During the same period, the caseload decline in the urban counties was 10 percentage points lower than in the nation as a whole. This means that, over time, increased proportions of these states' welfare populations have become concentrated in the states' biggest cities — a fact that tends to broaden the political divide between state legislators from the big cities and those from suburban and rural areas. Miami-Dade County is no exception to this trend. With only 14 percent of Florida's population, its disproportionate share of the welfare caseload went from approximately 20 percent in 1993 to almost 31 percent in 2000.

In terms of recipients' characteristics, environmental conditions, TANF policies, and program implementation, the big cities are disadvantaged on several counts. The personal characteristics of poor people living in the cities suggest that many of them will face difficulties. Immigrants — whose access to benefits has been curtailed under PRWORA — are much more likely to live in big cities than in rural areas. Long-term welfare recipients are also disproportionately concentrated in big cities. These are the recipients who have had the least success in securing employment or otherwise getting off welfare, and they are the most likely to be affected by PRWORA's participation requirements and time limits.

Even in the healthy U.S. economy of the late 1990s, the majority of job growth occurred in the suburbs rather than in the central cities, and cities suffered from higher rates of

⁵Jargowsky, 1997.

⁶Allen and Kirby, 2000.

unemployment than their surrounding areas. In particular, in many urban areas, employment prospects for workers with little education either declined sharply or failed to keep pace with employment for better-educated workers.⁷ One study has broken down unemployment rates in 20 cities by gender, race, age, and education level.⁸ The findings suggest that unemployment has been especially high for the populations who are most likely to turn to welfare and to be affected by welfare reform. Thus, between 1994 and 1996, more than one-fifth of African-American women with less than a high school diploma were unemployed, and more than one-third were underemployed (a category that includes those working part time who want to work full time; those who want to work but are discouraged by their inability to find jobs; and those who are neither working nor seeking employment but who want to work and have looked for a job in the prior 12 months).

Increasing employment and reducing welfare receipt among inner-city residents may therefore depend in large part on their securing access to more plentiful jobs in the suburbs. Problematically, though, the kinds of job openings for which welfare recipients are qualified in suburban locations present formidable barriers related to space and race. For example, recent employer surveys in Chicago, Cleveland, Los Angeles, and Milwaukee found that the majority of job openings for which welfare recipients were qualified were in suburban firms that had little experience in employing African-American workers and were located far from public transit stops.⁹ In these surveys, even though most job openings were in the suburbs, most of the recently hired welfare recipients were working for inner-city, not suburban, employers. Thus, obtaining the more plentiful suburban jobs requires that adequate public transit systems (or transportation assistance) be in place and that the agencies that are charged with helping recipients find employment keep them informed about job opportunities in suburban areas and help them to overcome racial discrimination. This kind of help may be especially important for inner-city welfare recipients, whose social networks are less likely to include stably employed neighbors who can act as informal sources of job referrals.¹⁰

Big-city welfare agencies often face particular implementation challenges related to the size of their caseloads, constraints imposed by union or civil service rules, and aging physical plants. It is especially notable that in implementing their pre-TANF waiver plans, some states exempted large urban areas from coverage, “effectively excluding them from the early innovation that took place in other parts of the state.”¹¹ Rightly or wrongly, big-city welfare departments are often perceived as bureaucratic institutions that are resistant to change.

⁷Kasarda, 1993.

⁸Bernstein, 1997.

⁹Holzer, 1999; Holzer and Stoll, 2000.

¹⁰Wilson, 1996.

¹¹Allen and Kirby, 2000, p. 16.

Thus, understanding how welfare reform unfolds in the big cities is crucial to understanding the future of poor families in this country. At the same time, however, metropolitan America is not monolithic. Indeed, recent studies have shown that the opportunities and barriers for welfare recipients vary markedly depending on local labor markets,¹² transportation routes,¹³ and demographic characteristics of the population and housing.¹⁴ Moreover, devolution of program decisions to the local level means that important differences in implementation need to be studied and taken into account. Studies such as Urban Change that are specific to place can be sensitive to the particular timing or steps in the policy implementation process, since these are apt to differ across locales — even within the same state. This report on Miami-Dade County and reports on the other Urban Change counties provide a view of how local decisions and the urban context have affected the implementation and results of welfare reform.

Economic and Social Trends in the Miami Metropolitan Area

As the largest urban area in Florida, Miami-Dade County has the most of nearly everything in the state. It has not only the most people but also the most immigrants, the most Hispanics, and the most jobs, along with the most unemployed and the most people on welfare. It has America's most successful Hispanic community while it retains a legacy of legal racism in formerly officially segregated neighborhoods and African-Americans' relative lack of economic and political power. Employment in the county is skewed toward low wages,¹⁶ and poverty is significantly higher than the state or national averages.

Miami-Dade County was the first significant growth center in the State of Florida. The City of Miami was founded just over a century ago, prompted by the establishment of rail links to the Northeast. Miami's greatest asset has always been its semitropical location. In the beginning, it was the source of fruits and winter vegetables. Later, the winter warmth and beaches attracted tourists, retirees, and others.

The railroad link was built primarily by blacks who migrated to Miami from northern Florida and southern Georgia to join a small, already-established community of blacks from the

¹²Holzer and Danziger, 2001.

¹³Holzer and Stoll, 2000.

¹⁴Coulton, Leete, and Bania, 1999.

¹⁵The term "African-American" in referring to those who are black is contentious in Miami. Many who are classified under this term in Miami are first- or second-generation immigrants from the Caribbean, who usually prefer to emphasize their national origin, such as Jamaica or Haiti. They generally accept being called black but still want to distinguish themselves from African-Americans. In this report, however, to maintain consistency with other MDRC reports, "African-American" refers both to blacks born in the United States and to those who were born in the Caribbean or are of Caribbean descent.

¹⁶Nissen, 1998, 2002.

Bahamas. From the 1920s forward, migrants have poured into the county. Through 1960, they came primarily from the Northeast and Midwest, with a few added from eastern Canada. Since 1960, they have come from the Caribbean and Latin America. To outsiders, the local black population frequently seems to be all alike. But residents are well aware of the different national origins and subcommunities that often struggle with each other as much as with the more powerful Hispanic and non-Hispanic white communities.

The flows of migrants have created a constantly changing demographic profile. Hundreds of thousands of Cuban refugees migrated to South Florida from the early 1960s on. Ever since, Miami has had the largest concentration of Cuban immigrants in the United States. In response, non-Hispanic whites began leaving the county in the mid-1960s. In the 1980s, increasing numbers of immigrants from Central and South America and the Caribbean joined the Cuban immigration stream to Miami. By the 1980s, the continually increasing Hispanic population outnumbered non-Hispanic whites. In the 1990s, Hispanics achieved an absolute majority in the county; by 2000, they constituted over 57 percent of its population (Table 1.1). Miami-Dade County has the highest proportion of Hispanics of any urban region in the United States. Similarly, in 2000, it had the highest proportion of foreign-born residents, with just over 50 percent of its population having been born outside the United States (Table 1.1) and another 25 percent who were born in the country but whose parents were born abroad. Of residents who were born abroad, over 90 percent came from Latin America and the Caribbean.

The black population in the county has increased relatively slowly, growing from 15.0 percent in 1970 to 20.3 percent in 2000 (Table 1.1).¹⁷ The composition of the black population, however, has changed as it increasingly included those with roots in the Caribbean, particularly immigrants from Haiti, Jamaica, and the Bahamas. From 1980 onward, the growth in the black population was attributable to immigration, and there was some evidence that U.S.-born African-Americans were beginning to leave the county, as white Americans had done earlier. In 2000, Miami-Dade's foreign-born black population stood at 28.5 percent, with most coming from Haiti, the Dominican Republic, and Jamaica.¹⁸ By 2000, South Florida had bypassed the New York area to attain the highest U.S. concentrations of Haitians and other West Indians.

As in other U.S. Sunbelt cities, Miami's population growth has burgeoned in the suburbs rather than in the central city. As reflected in Table 1.1, the City of Miami's population has increased minimally, whereas the county and the broader urban area (the consolidated metropolitan statistical area, or CMSA) continue to grow rapidly, fueled almost entirely by immigration from Latin America and the Caribbean. This area includes Hialeah, the second-largest municipality in the county. Hialeah has a high concentration of working-class Hispanics and is one

¹⁷Dunn, 1997.

¹⁸U.S. Department of Commerce, Bureau of the Census, 2000f .

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Table 1.1

Demographic and Economic Trends, Miami Metropolitan Area

Trend	1970	1980	1990	2000
Population				
CMSA	1,887,892	2,643,981	3,192,582	3,876,380
Miami-Dade County	1,267,792	1,625,781	1,937,094	2,253,362
Miami City	334,859	346,865	358,548	362,470
Hialeah City	102,297	145,254	188,004	226,419
Percentage of CMSA population in central city (%)				
	17.7	13.1	11.2	9.4
Poverty rate (%)				
CMSA	12.9	12.2	14.6	15.0
Miami-Dade County	14.0	14.8	17.6	17.6
Miami City	20.4	24.1	30.6	27.7
Hialeah City	8.5	13.1	18.0	18.3
Percentage who are African-American (%) ^a				
CMSA	14.1	14.9	18.5	20.4
Miami-Dade County	15.0	17.3	20.6	20.3
Miami City	22.7	25.1	27.3	22.3
Hialeah City	1.1	1.6	2.0	2.4
Percentage who are Hispanic (%)				
CMSA	16.7	23.5	33.1	40.3
Miami-Dade County	23.6	35.7	49.0	57.3
Miami City	45.4	56.0	62.3	65.8
Hialeah City	44.4	74.3	87.6	90.3
Percentage who are foreign born (%)				
CMSA	18.9	26.1	33.6	40.2
Miami-Dade County	24.2	35.6	45.1	50.9
Miami City	41.9	53.7	59.7	59.5
Hialeah City	36.0	61.9	70.4	72.1
Total employment				
CMSA	741,867	1,083,779	1,507,489	1,683,041
Miami-Dade County	513,164	678,468	907,265	922,717
Miami City	149,435	138,111	151,605	130,136
Hialeah City	47,222	64,290	89,807	82,277
Percentage employed in manufacturing (%)				
CMSA	13.9	14.6	10.6	6.9
Miami-Dade County	14.8	15.7	11.3	7.0
Miami City	19.9	21.5	14.4	7.4
Hialeah City	28.7	37.5	27.3	17.4

(continued)

Table 1.1 (continued)

SOURCES: U.S. Department of Commerce, Bureau of the Census, Census of Population and Housing, 1970, 1980, 1990, 2000.

NOTES: In the case of Miami, the CMSA (consolidated metropolitan statistical area) includes two counties, Miami-Dade and Broward.

^aThe term "African-American" was used only in the 2000 Census. The 1980 and 1990 Census used the category "Black," and the 1970 Census used the category "Negro."

of the communities that receives special focus in this study. Unlike cities in the Northeast but like other Sunbelt cities, Miami-Dade's residential development is dispersed, with most housing being single- or two-story. It has relatively few blighted areas that are burned out or abandoned.

Immigration has fundamentally altered the economic focus of the Miami-Dade area. Before 1960, the county looked northward for tourism and retirees, but its economic base gradually shifted southward. While tourism remains important, the region's most significant economic activity now — apart from providing services to local residents — is as a hub for goods and services going between the United States and Latin America (including the Caribbean) and, increasingly, between Latin America and Europe. The county still entertains more than 4 million international visitors a year, but it also hosts more than 300 multinational companies that have opened world, regional, and Latin American sales, service, administrative, research, training, and manufacturing facilities. Over 70 percent of the region's trade is with Latin America and the Caribbean. The Miami Free Zone is the largest privately operated trade zone in the world.¹⁹ Greater Miami is also the printing and publishing hub for the Americas, with a thriving industry in English-language and Spanish-language publications.²⁰ The primary economic focus is services, a sector that can offer entry-level opportunities to recent immigrants but that also tends to offer low wages and requires bilingual skills for advancement.

¹⁹The Miami Free Zone was founded in 1979, coming out of a 1976 initiative of the Greater Miami Chamber of Commerce. The Miami Free Zone, which is in the suburbs west of the airport and downtown Miami, is privately owned and operates under a license from the U.S. Department of Commerce to provide international companies with a facility that acts, for U.S. customs purposes, as if it were outside the United States (see <http://www.miamizone.com/home.html>). The person behind its creation was an immigrant from Colombia. In the 1990s, local government leaders attempted to establish a second free trade zone in a distressed neighborhood near downtown Miami. The second zone was to be not-for-profit, operated by a community development agency, and backed by a \$5.5 million loan from the U.S. Department of Housing and Urban Development. The Miami Free Zone, however — supported by significant local business leaders — resisted the establishment of a second zone, and the project eventually closed.

²⁰South Florida Regional Planning Council, 2002a.

Not surprisingly, English is not the dominant language in the area. Fewer than one-third (32.1 percent) of the county's residents speak only English at home, while nearly twice as many (59.2 percent) speak Spanish at home.²¹ Language issues constantly evoke tension. Miami gave birth to the national English-Only Movement in 1980, with a countywide referendum opposing bilingualism.²² Many English-only speakers claim that Spanish is required to get a job in Miami or even to conduct day-to-day affairs. Indeed, there are large sections of Miami where one hears far more Spanish than English. Spanish is not spoken just among unskilled workers, however, as it is primarily in the Southwest. Supervisors, managers, business owners, bankers, lawyers, doctors, and college presidents all speak Spanish. While Miami has over 10 percent of the Hispanic businesses in the United States, it has only 3.7 percent of the country's Hispanic population. Los Angeles County has many more Hispanic residents but only slightly more Hispanic businesses.²³ In contrast, Miami-Dade County has only 16,918 black-owned businesses, which represent barely 2 percent of the national total.²⁴

Speaking Spanish is undoubtedly helpful in Miami, both in day-to-day interactions and in the job market. Nevertheless, Spanish speakers find that it is difficult to get a job — especially one that pays more than the minimum wage — without speaking English. Spanish helps, especially for entry-level jobs in the service and retail sectors and in the local garment industry. Being fluently bilingual in Spanish and English, however, yields far wider employment opportunities. Unfortunately, few recent Hispanic immigrants or African-Americans are truly bilingual.

Haitian Creole is also widely spoken in Miami. County government and Miami-Dade Public Schools publish materials in English, Spanish, and Haitian Creole. At the Miami airport, too, security messages on television monitors are displayed in all three languages. Yet while Haitian Creole is prominent in Little Haiti — the primary Haitian immigrant neighborhood — speaking it is not generally an advantage in Miami-Dade's labor market.

The political and economic dominance of Hispanics, and particularly of Cubans, is commonly perceived as having come at the expense of blacks. Hispanics do own 10 times as many locally based businesses as blacks, and many of those Hispanic businesses are prominent (whereas few residents can name a locally prominent black-owned business). Most high-profile local politicians are also Hispanic, although blacks do have approximately proportionate representation in congressional and state legislative delegations, on county and city commissions,

²¹U.S. Department of Commerce, Bureau of the Census, 2000a.

²²Castro, Haun, and Roca, 1990; Tarver, 1989; Tatalovich, 1995.

²³Because of its larger population base, Los Angeles has a smaller proportion of Hispanics than Miami but a larger absolute number.

²⁴U.S. Department of Commerce, Bureau of the Census, 2001a.

and on the county school board. Nevertheless, the perception that Hispanics have leaped over blacks on their way to success causes considerable tension.²⁵

The dramatic growth in Hispanic economic and political power is at least partly attributable to the class composition of Hispanics who settle in the area. The first Cubans disproportionately tended to be the economic and political elite who were most threatened by Fidel Castro's revolution in their home country. They brought with them business skills and expertise. Many already had business ties to the United States. Moreover, the U.S. government created a Cuban refugee program that gave more benefits to Cubans per capita than to any other immigrant or ethnic group in the history of the country.²⁶ Particularly targeted were business people and professionals who needed to retool their skills for the U.S. economy. Not only were many of these Cuban refugees soon running successful businesses, but they also reoriented Miami toward Latin America and soon attracted other business people and professionals from other Latin American countries. When their own societies became less stable, they came and continue to come to Miami — to shop, establish second homes, invest, and settle.

Not all Hispanics in Miami, however, come with business or professional expertise and skills. The socioeconomic background of all immigrant flows broadens with time. By the 1980s, the flow of Cuban immigrants into Miami had broadened. In 1980 alone, over 125,000 Cubans came to Miami from the Port of Mariel; they were primarily working class.²⁷ In the late 1980s, Nicaraguans fleeing civil war poured into Miami. This flow contained both business and professional elites and working-class immigrants.²⁸ At the same time, Miami became a focal point for other Latin American immigrants from a broad base of sending countries (including Puerto Rico, although Puerto Ricans are not technically immigrants, since they are U.S. citizens).

The result is a diverse Hispanic population. Cubans are still the largest group, making up just over 50 percent of the Hispanic population in Miami, but Nicaraguans and Colombians each make up 10 percent to 15 percent, and the rest of the Hispanic population is divided among all the other Latin American and Hispanic Caribbean nations.²⁹ Miami's Hispanics are also very diverse in terms of socioeconomic characteristics. While over 8 percent of Hispanic families had incomes of \$100,000 or more in 1999, another 18 percent had incomes below the poverty level.³⁰ In other words, although the dominant image of Hispanics in Miami is one of success, being poor and Hispanic is more common in Miami. Table 1.1 reveals that the poverty rate in the area has been increasing and that it is especially high in the city. In fact, the City of Miami

²⁵Portes and Stepick, 1993.

²⁶Pedraza-Bailey, 1985; Stepick and Grenier, 1993.

²⁷Portes and Clark, 1987; Portes and Stepick, 1985; Skop, 2001.

²⁸Konczal, 2001; Rodríguez, 1999.

²⁹U.S. Department of Commerce, Bureau of the Census, 2000e.

³⁰U.S. Department of Commerce, Bureau of the Census, 2000b.

has the highest poverty rate of any city in the United States. It contains both the most recent immigrants — those who are likely to be monolingual Spanish or Haitian Creole speakers — and the poorest concentrations of African-Americans.

The municipality of Hialeah contains one of the largest concentrations of working-class Hispanics in Miami-Dade County or the country. Hialeah was the first significant municipality in the county to have a Hispanic majority population and to elect Hispanic representatives. It became the site not only of numerous small Hispanic businesses but also of light industry. During the late 1960s and 1970s, many apparel firms that were based in New York City established assembly plants in Hialeah. The workers were overwhelmingly Hispanic.³¹ Although the work was generally low-paid, it provided easy entry to Spanish speakers. The industry flourished until the late 1980s, when competition from offshore apparel producers closed many of the local firms. As seen in Table 1.1, employment dropped significantly in Hialeah between 1990 and 2000, and the most dramatic drop was in manufacturing.

As a city of the South — a region that emphasizes low taxes over services — Miami's growth has not engendered concomitant investment in infrastructure. A growing population constantly calls for a better transportation infrastructure, more schools, and the means to pay for them. Miami's public transportation system is typical of post-World War II Sunbelt cities. With low-density housing spread over a vast area, mass transit is difficult to realize. The county has a single elevated rail line that was initiated 20 years ago and serves only a small fraction of the population. County bus service is extensive but unreliable and slow.

Miami also has some of the lowest-performing schools in Florida. Reading and math scores on the statewide standardized tests are dramatically low in poor and immigrant schools. As in many urban school districts in the nation, too many of Miami's students drop out, and even many of those who do graduate are functionally illiterate. The worst-performing schools almost all are in predominantly black neighborhoods.³²

Miami's economic focus has exacerbated an employment trend seen in the rest of the country — simultaneous growth of high-skill, high-wage jobs and of low-skill, low-wage jobs but very little employment growth in the middle. Due to its large tourism industry and its large retiree population, Miami-Dade, along with the rest of Florida, has an unusually high number of service sector jobs: personal services, private household services, and entertainment and recreation services. In Miami-Dade, earnings from wages have been lower than the national average and have fallen since 1970.³³ The State of Florida and Miami-Dade County, in particular, are

³¹Grenier, Stepick, and LaBorwit. 1994.

³²Stepick and Stepick, 1999.

³³Calculated from U.S. Department of Labor, Bureau of Labor Statistics, unpublished data from the Current Population Survey (reported in Nissen, 2000). This calculation includes salaries and professional fees and
(continued)

highly reliant on industries that pay below-average wages. In fact, retail trade with an average annual salary of \$17,836 pays 38.6 percent below the state's average rate, and the service sector with an average annual salary of \$27,980 pays 3.7 percent below the state's average.³⁴ Moreover, the figure for services is misleading, because the category covers everything from high-priced employment (such as legal and medical services) to low-priced employment (such as housecleaning and yard work).

Not only do many jobs pay little, but there are not enough of them. Since 1981, Miami-Dade County's unemployment rates have always been the highest in South Florida, and they have been higher than the state average since 1988 (Figure 1.2). Even during the boom years of the 1990s, the county's unemployment rate never fell below 5.8 percent, and it averaged 7.6 percent.³⁵ As Table 1.1 reflects, between 1990 and 2000, the number of jobs declined in both Hialeah and the City of Miami — the two largest municipalities in the county and the location of the ethnographic research for this study.

Given the low pay and high unemployment, it is not surprising that the percentage of families below the poverty level in 1989 was much higher in Miami-Dade County (14 percent) than the state average (9 percent). For families with children, the rate was near 20 percent.³⁶ More than 28 percent of black families were below the poverty line, as were 17 percent of Hispanic families.³⁷

Occupation and income statistics are also related to ethnic differences. For example, African-Americans have lower incomes and higher unemployment rates and are significantly overrepresented among lower-paid unskilled laborers than white or Hispanics. Hispanics — though generally having a higher unemployment rate than whites — have a much lower unemployment rate than African-Americans.

In summary, Miami-Dade County is the most thoroughly Hispanic urban area in the United States. Many of its Hispanic residents are skilled and are middle class at least, but their presence often obscures compatriots who are less skilled, recently arrived, and monolingual in Spanish. Knowledge of Spanish is helpful in the job market, but being a monolingual Spanish

is net of taxes. Lower earnings have been compensated by a significantly higher share for dividends, interest, and rent in total income in South Florida and the state when compared with the national average. In 1990, more than \$1 in every \$4 of personal income derived from this category, which is based to a significant degree on the holdings of the retiree population in the region.

³⁴Nissen, 2000.

³⁵South Florida Regional Planning Council, 2002b.

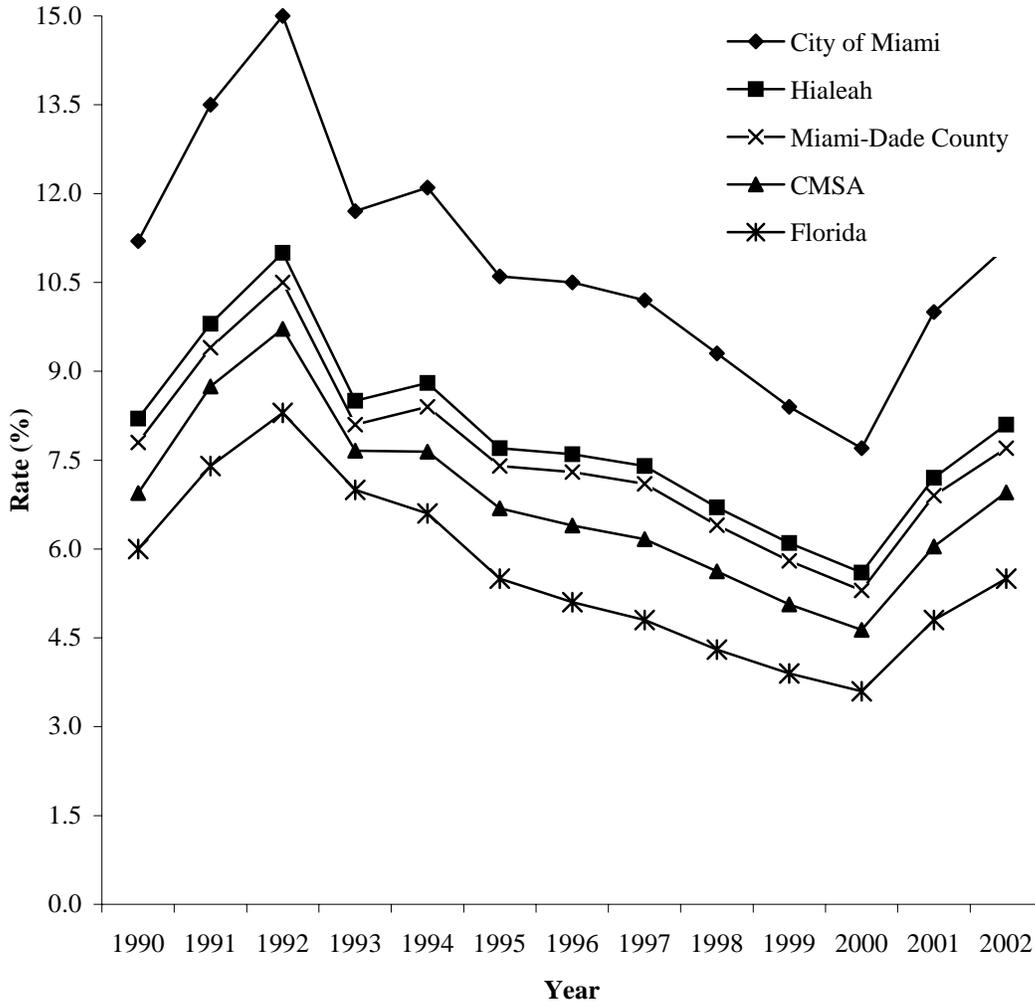
³⁶The Miami-Dade poverty rate was 19.3 percent for those with children under 18, and it was 21.7 percent for those with children under 21.

³⁷U.S. Department of Commerce, Bureau of the Census, 2000c, 2000d.

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Figure 1.2

Unemployment Rates in Greater Miami and Florida



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, 2003.

NOTE: In the case of Miami, the CMSA (consolidated metropolitan statistical area) includes Miami-Dade and Broward Counties.

speaker is not sufficient for obtaining a job above minimum wage. The region's economic connections to Latin America and its multitude of Hispanic businesses also make things especially difficult for low-skilled, monolingual English speakers — a disproportionate number of whom are non-Hispanic blacks. With employment being disproportionately in low-wage services and retail occupations, even monolingual Spanish speakers who have few skills face difficulties in the job market. Moreover, the education system appears to be failing many, especially in black neighborhoods. Finally, the public transit system is typical of post–World War II Sunbelt cities, making it difficult for the poor to get to the jobs that are available.

Immigration has become increasingly important to urban communities throughout the United States, and not only in traditional gateway cities like Miami, New York, and Los Angeles. Miami is likely to be a harbinger of the changes that immigration portends for other places and how it affects not only what the population looks and sounds like but also how the labor market operates. Additionally, the workplace and the social environment more generally become infused with tensions and resentment among the U.S.-born — especially the poor and unskilled, who see themselves in competition for jobs and benefits.

Components of the Study

To provide a comprehensive analysis of the recent welfare policy changes and resulting effects, the Urban Change project includes five major components that build on and complement each other:

1. *An implementation study* to describe the policies and programs that each county welfare agency put into place and the successes and obstacles that local agencies experienced in delivering benefits and services. As noted earlier, welfare reform gave state and local governments considerable flexibility in how they administer programs. The implementation study involves extensive field research in each county, combined with surveys of welfare staff and analysis of program participation and expenditure data, to understand how local TANF programs operated and evolved — and how such programs were perceived by welfare staff and clients.
2. *An analysis of state and county administrative records data* to measure the effects of welfare reform on welfare receipt, employment, and earnings. The study collected records for the universe of food stamp and cash assistance recipients in the study counties between 1992 and 2001. The research methodology, known as a “multiple cohort comparison,” involves comparing outcomes for similar groups of welfare recipients before and after welfare re-

form went into effect, to see whether the new policies led to significant changes in behavior.

3. ***A longitudinal survey*** to gather detailed information on changes over time in low-income families' employment and income, economic hardship, quality and stability of living arrangements, marriage and childbearing, health, and receipt of services. In each county, a random sample of approximately 1,000 women between the ages of 18 and 45 who were single parents and who lived mostly in high-poverty neighborhoods was drawn from the May 1995 AFDC and food stamp caseload. These mothers were first interviewed in 1998 and were interviewed again in 2001.
4. ***An ethnographic study*** to provide an in-depth look over time at the experiences of approximately 30 or 40 low-income families in each county. While the longitudinal survey was designed to yield aggregate statistical information, the ethnographic study was intended to provide qualitative data on the same array of topics. During a series of interviews conducted between 1997 and 2001, ethnographic respondents were asked to discuss their welfare, employment, and other life experiences.
5. ***A neighborhood indicators study*** to develop statistical profiles of the counties as a whole and of low-income neighborhoods within the counties, and to determine whether conditions in low-income neighborhoods changed over time as a result of welfare reform. The major indicators include employment, poverty, residential mobility, births to unmarried women, births to teenagers, child maltreatment, infant mortality, access to health care, property values, and crime rates. The study has investigated trends in neighborhoods with high concentrations of welfare receipt as well as overall city and county trends from 1992 through 2001.

Table 1.2 summarizes the data sources used for this report. The combination of individual-level and neighborhood-specific data provides a comprehensive and rich description of how welfare agencies, low-income families, and poor communities have adapted to welfare reform. The longitudinal data offer insights into changes over time — and whether welfare reform may have contributed to these changes.

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Table 1.2

Data Used for the Miami Study

Data Type	Data Source	Sample	Time Period and Coverage	Chapter Relying on Data
Program implementation	Field/observational research	Interviews and observations conducted in 3 neighborhoods and in central administrative offices for the county.	Five rounds of field research conducted between October 1997 and April 2002.	2
	Survey of Public Assistance Specialists	Surveyed staffing in 6 offices. Eligible staff completing survey: 79% in 1999 (n = 63) and 89% in 2001 (n = 48). ^a	Staff were surveyed twice: in 1999 and 2001.	2
	Survey of welfare-to-work staff	Surveyed staffing in 8 offices. Eligible staff completing survey: 85% in 1999 (n = 45), 96% in 2000 (n = 53), and 76% in 2001 (n = 38). ^b	Staff were surveyed three times: 1999, 2000 and 2001.	2
County and state administrative records: cash assistance, food stamps, and unemployment insurance records	Florida Department of Children and Families; Florida Department of Education	The universe of recipients who received food stamps or AFDC/TANF in Miami between January 1992 and December 2001 (754,672 individuals in 198,004 cases).	Eligibility and payment records for the period January 1992 to December 2001; unemployment insurance records for the period January 1992 to December 2001.	3
Longitudinal surveys	Two waves of in-person interviews with current and former welfare recipients, conducted by the Institute for Survey Research, Temple University	Randomly selected recipients of cash assistance or food stamps in Miami-Dade County in May 1995 who were single mothers, between the ages of 18 and 45, and resided in neighborhoods where either the poverty rate exceeded 30% or the rate of welfare receipt exceeded 20%. In Wave 1, 79% of the sample completed a survey; in Wave 2, 81% of Wave 1 respondents completed a survey; 793 respondents completed both surveys.	Wave 1 completed between March 1998 and March 1999; Wave 2 completed between March and October 2001.	2, 4, 5

(continued)

Table 1.2 (continued)

Data Type	Data Source	Sample	Time Period and Coverage	Chapter Relying on Data
Ethnography	Four rounds of in-depth, in-person interviews with current and former welfare recipients. Conducted by on-site researchers from Florida International University	Forty-two women residing in two areas varying in ethnic composition and poverty: Hialeah and Liberty City.	Interviews conducted from 1997 to 2001.	2, 4, 5
Aggregate neighborhood indicators	Social and economic indicators from administrative agency records, prepared by the Department of Children and Families	Census-tract-level annual indicators for 1992 to 2000.	All residential census tracts in Miami-Dade County.	6
	Work and welfare participation indicators	Vital records, tax assessor's property files, child welfare, crime, and welfare and wage records.		

NOTES:

^aThese offices were Caleb, Hialeah North, Hialeah South, Juanita Mann, North Central, and Northeast.

^bThese offices were Caleb, Hialeah North, Hialeah South, Juanita Mann, North Central, Northeast, Perrine, and Quail Roast.

The Organization of This Report

This report is organized into six chapters, each of which provides a different view of how welfare reform was put into effect in Miami-Dade County and what happened subsequently or as a result:

- Chapter 2 focuses on the policy and program changes introduced after welfare reform and the experiences of former and ongoing welfare recipients.

Drawing on documents, observations, and key informant and client interviews, it addresses the question: *How has welfare reform been implemented in Miami-Dade County?*

- Chapter 3 uses administrative records on welfare participants between 1992 and 2000 to examine how their patterns of employment and welfare use changed over this period. Using a carefully constructed cohort design, the chapter addresses the question: *Did welfare reform have a measurable effect on rates of entering or leaving welfare and becoming employed?*
- Chapter 4 draws on surveys and ethnographic interviews with welfare recipients who resided in poor neighborhoods and were interviewed at several points during the study period. It addresses the question: *How did welfare families' employment situations change during welfare reform implementation and what barriers did they have to overcome to move from welfare to work?*
- Chapter 5 uses the same survey and ethnographic data as Chapter 4. It focuses on answering: *What were the material and social circumstances of welfare families and how did these circumstances change as families moved from welfare to work or reached time limits on their benefits?*
- Chapter 6 shifts attention from individuals to the neighborhoods in which they live. By comparing trends in the neighborhoods where welfare recipients reside with trends in the balance of the county, it addresses the question: *How did conditions in low-income neighborhoods change during the implementation of welfare reform?*

The study's overall conclusions and a discussion of policy implications are located in the Summary Report at the front of this volume.

Chapter 2

The Implementation of Welfare Reform in Miami-Dade County

As described in Chapter 1, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 set the parameters for welfare reform, but it left considerable flexibility to state and local governments. For example, cash assistance — covered by the block grant Temporary Assistance for Needy Families (TANF) — was limited to five years for most families, yet states were allowed to set shorter time limits and to determine exemption policies. Some aspects of the federal law were also subject to state and local prioritization. For instance, TANF was ascribed four purposes: aiding poor families, ending dependence on government benefits, preventing out-of-wedlock pregnancies, and encouraging the formation and maintenance of two-parent families. States and localities could emphasize each of these objectives equally or could give some objectives more attention than others.

This chapter examines how welfare reform played out in Miami-Dade County between 1997 and 2002. Recognizing the role that Florida's legislature played in shaping welfare reform, the chapter begins with an overview of the state's response to PRWORA. This is followed by a two-part discussion of implementation in Miami-Dade, covering (1) the changes that took place in the organizations responsible for administering TANF benefits, services, and requirements; and (2) the implementation of several key features of the county's welfare reform program, including welfare-to-work services, the earned income disregard and transitional benefits for work, time limits, welfare diversion, various provisions designed to influence welfare recipients' parenting behaviors, and provisions for noncitizens. The chapter concludes with an analysis of how former and ongoing welfare recipients in the county experienced welfare reform. The data sources include five rounds of field research conducted in county welfare offices, surveys of welfare and employment services staff, a longitudinal survey of past and current welfare recipients conducted at two points in time, and four rounds of ethnographic interviews with past and current welfare recipients.¹ It is important to note that welfare policies and programs in Miami-Dade underwent many changes during the study period and will likely evolve in the future; this chapter captures only the five-year period after PRWORA was passed.

¹Table 1.2 in Chapter 1 presents the details about each of these data sources.

Summary of Findings

- Florida's welfare reform program, known as WAGES, introduced a complicated and tough set of rules for welfare recipients, including interim and lifetime limits on cash assistance and strict work requirements that could lead to termination of the family's cash grant if the adult did not comply. As a work incentive, the law increased the amount of earnings that welfare recipients could have before their grant would be reduced, and it offered transitional Medicaid and other benefits to help support employment. The law also introduced provisions to try to divert applicants from going onto welfare, enforce child support collections, and influence parenting behavior. Finally, it introduced restrictions on cash assistance, food stamps, and Medicaid for some categories of noncitizens.
- The WAGES program was administered by two separate organizations in Miami-Dade County. The Department of Children and Families (DCF) handled welfare eligibility functions, while the WAGES Coalition — and, later, the South Florida Training and Employment Council, or TEC — managed the welfare-to-work program. During the period of this study, the welfare-to-work program encountered numerous problems, including rapid turnover at the executive level, three major changes in the contractors responsible for service delivery, and a poor management information system. These problems severely compromised the quality of services delivered to clients. By comparison, DCF maintained relatively stable operations. Over the course of the study, the sharp declines in the number of cases receiving cash assistance meant that TANF-related functions occupied an increasingly small percentage of DCF staff time.
- Miami-Dade's welfare-to-work program mainly emphasized job club and job search activities. Some clients were assigned to short-term vocational training and Community Work Experience Programs; very few were assigned to basic education or English as a Second Language programs. Sanctions for nonparticipation in assigned activities were strictly enforced. Between 1996/97 and 1999/2000, the percentage of the "mandatory" population who were referred to or receiving a financial sanction in an average month climbed from 24 percent to 61 percent — the highest ever observed in MDRC studies of welfare-to-work programs.
- Welfare families began hitting the 24-month interim time limit in the fall of 1998. Some families were cut off, but those who complied with welfare-to-work and other rules usually received extensions. During the period of this

study, far more families were terminated from welfare because of sanctions than because of time limits, though no one had yet reached the 48-month lifetime limit when the study ended.

- Miami-Dade's welfare staff had mixed views about whether to encourage welfare recipients to combine work and welfare, noting that families who received small cash grants while they were employed also used up months toward their lifetime limit. Staff generally made sure, however, that families who left welfare for employment received transitional Medicaid and — if they kept up their redetermination appointments — maintained food stamp benefits. Families could also receive transitional child care and transportation assistance through the welfare-to-work program, as long as they maintained contact with their case managers.
- Miami-Dade's welfare diversion program offered \$1,000 to applicants who agreed to stay off welfare for three months, but few applicants took advantage of it. The diversion program was procedurally cumbersome — requiring applicants to make visits to both the DCF and the welfare-to-work office — and, in the opinion of many staff, the diversion program was not sufficiently generous to provide a realistic alternative to welfare.
- The restrictions on benefits to many noncitizens created an initial shock to the welfare system, owing to the large size of Miami-Dade's legal immigrant population. Over time, legislators restored benefits to children, elderly, and disabled noncitizens, but, with some exceptions — including refugees and Cuban or Haitian entrants — working-age adults were required to live in the United States for five years to receive TANF, food stamps, and Medicaid. Working-age adults who established residency prior to 1996 could receive TANF and Medicaid — but not food stamps — without a waiting period. DCF and the Department of Immigration and Naturalization (INS) developed computer codes to help workers sort through the various eligibility categories. Despite the complicated rules, welfare staff felt that they were able to implement them as policymakers intended. Some staff feared that the restrictions made noncitizens afraid to apply for benefits that they might qualify for, and some staff also questioned the fairness of tying benefits to date of entry into the country and other personal characteristics.
- A survey of former and ongoing welfare recipients revealed that their knowledge of welfare reform policies improved significantly between 1998 and 2001. In general, however, survey respondents gave low marks to welfare

staff. About half said that they felt pushed to get a job before they felt ready or before a good job came along, possibly reflecting the strong work-first emphasis of Miami-Dade's program and the strict sanctioning that was in place. Only about one-third of survey respondents felt that staff took the time to get to know them or would help them with problems affecting their participation in program activities.

- Many of the 42 women who participated in ethnographic interviews complained about the lack of coordination among caseworkers, about being cycled through job clubs that did not lead to jobs, and about being sanctioned when they felt unprepared for it or did not think that they deserved it. Most ethnographic sample members who hit time limits received extensions of their cash aid, but they worried about what would happen to them when their extensions ended.

Rewriting the Rules: Florida's Welfare Reform Policies

Even before the federal welfare reform legislation was passed in 1996, Florida was known as a low-grant state with tough work requirements. As early as 1987, Florida launched one of the first welfare programs in the nation to require mothers to work if their child were age 3 or older. Project Independence, as its name suggests, was billed as a work-first program with tough participation mandates. But an unexpected economic downturn and a related state budget shortfall limited Florida's capacity to provide the required employment and work support services, particularly child care. As a result, Project Independence became largely voluntary. Two-year earnings impacts for the program's full sample were only 4 percent higher (\$227 higher per program group member) than for the control group, although impacts were higher for an early cohort of women without preschool-age children.²

Because Project Independence was viewed as falling short of its objectives, consensus for stronger reforms was growing by the early 1990s. The Study Commission on Economic Opportunities and Self-Sufficiency — commissioned in 1992 by Governor Lawton Chiles — exhorted the legislature to fundamentally restructure the welfare system and change it from an income support of last resort to a package of time-limited services aimed at moving clients toward employment and self-reliance.

The Family Transition Act of 1993 acted on those recommendations, requesting federal waivers to launch the first national experimental evaluation of the effects of time limits on welfare receipt. Launched as an demonstration in Escambia County between 1994 and 1999, the

²For MDRC's final report on Project Independence, see Kemple, Friedlander, and Fellerath (1995).

Family Transition Program (FTP) tested many of the elements that would be implemented in Florida's statewide welfare reform, including a time limit, a more generous earned income disregard, mandatory work requirements, and generously funded work support services. Welfare savings did not offset these up-front costs, and the program's impacts were modest. On the one hand, FTP seemed to accelerate the transition from welfare to work for the most work-ready participants; but on the other hand, by the end of the evaluation period, most of the participants in the Aid to Families with Dependent Children (AFDC) group "caught up" with the program group members on measures of employment and income. FTP did substantially reduce long-term welfare receipt, and although the fraction of FTP participants who reached the time limit were struggling after losing their benefits, there is no evidence that they were worse off than similar families in the control group. Policymakers in Tallahassee were satisfied that the benefits of time limits outweighed the risks.³

When PRWORA devolved greater decision-making authority to the states, Florida enacted a complicated and unusually tough series of reforms. Work and Gain Economic Self-Sufficiency (WAGES), as Florida's newest welfare reform program was called, was enacted in May 1996 — three months prior to the federal legislation. WAGES introduced several significant program changes, which are summarized in Table 2.1 and described below.

- **Time limits.** The 1996 WAGES legislation made welfare time-limited throughout Florida for the first time in the state's history. The policy was strict, stipulating a 48-month lifetime limit. It was also complicated, limiting spells of welfare receipt to 24 cumulative months in any 60-month period for most recipients, and to 36 cumulative months in any 72-month period for long-term recipients and applicants under 24 years of age. The time-limit "clock" started ticking on October 1, 1996, which meant that the less disadvantaged families would hit the two-year time limit as early as October 1998, with others hitting the time limit a year later. Families who returned to the rolls after the interim time limit would begin reaching their *lifetime* limit in October 2003.
- **Work requirements.** The WAGES legislation ratcheted up the requirements to participate in job search, training, and other work-related activities. Whereas AFDC exempted mothers who had children younger than 3 years old, WAGES exempted only those whose children were younger than 6 months old. The weekly participation requirement in work-related activities increased from 20 hours per week to 30 hours per week.

³Bloom et al., 2000.

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Table 2.1

Changes in Welfare Policies in Florida Since Welfare Reform

Benefit Type	Pre-Welfare Reform (1993-1997)	Post-Welfare Reform (1997-2001)
<u>Cash assistance (AFDC or TANF)</u>		
Maximum grant, family of 3 (\$)	\$303	\$303
Time-limit policy	none	36 months in a 72-month period for certain recipients; 24 months in a 60-month period for other recipients; 48-month lifetime limit ^a
Diversion policy	none	Up to \$1,000 if applicants demonstrate an emergency and agree not to apply for TANF for at least 3 months
Earnings disregard policy	\$90 work expense plus \$30 and 33 percent of earnings in first four months	\$200 of income earned in a month plus 50% of the remainder
Income levels at which eligibility ends, family of 3 (\$)		
First 4 months	\$575	\$787
After 12 months	\$393	\$787
Work requirements		
Age of youngest child for "mandatory" recipients	3 years	6 months
Number of hours of work activities required each week	20 hours	30 hours
Penalty for noncompliance	Termination of adult portion of grant	Termination of family cash grant
Child support enforcement		
Proof of cooperation required prior to opening a grant	no	yes ^b
Penalty for noncompliance once grant is in effect	Termination of adult portion of grant	Termination of family cash grant
Amount of child support collections "passed through" to recipient (\$)	\$50	\$0

(continued)

Table 2.1 (continued)

Benefit Type	Pre-Welfare Reform (1993-1997)	Post-Welfare Reform (1997-2001)
Behavioral provisions		
Family caps to discourage new births while on welfare	no	yes ^c
Proof of immunization for preschool-aged children	no	yes
Proof of school attendance for school-aged children	no	yes
<u>Food stamps</u>		
Maximum grant, family of 3 (\$)	\$292-\$321 ^d	\$321-\$335 ^d
Income levels at which eligibility ends, family of 3 (\$)	\$1,254-\$1,445 ^e	\$1,445-\$1,504 ^e
Penalty for noncompliance with work requirement or child support enforcement	Noncompliant adult removed from food stamp grant	Termination of family benefits ^f
<u>Medicaid</u>		
Coverage of children in poverty	Children under age 6 in households with income at or below 133 percent of federal poverty level, and children ages 6 through 18 in households with income at or below 100 percent of federal poverty level	Children's Medical Services for children under 19 with income at or below 200 percent of federal poverty level; MediKids for children under 5 at 133 to 200 percent of the poverty level; Florida Healthy Kid for ages 5 to 6 at 133 to 200 percent of the poverty level and for ages 6 to 18 at 100 to 200 percent of the poverty level

(continued)

Table 2.1 (continued)

SOURCES: Bernard, 1998; Cohen, 1997; Rosenbaum, 1996; Quint et al., 1999; Brock, Nelson, and Reiter, 2002; U.S. House of Representatives, 1993, 1994, 1998, 2000; State of Florida, Department of Health and Human Services, 2002; site contacts.

NOTES:

^aRecipients who qualify for the 36-out-of-72-month time limit are custodial parents under age 24 who have not completed high school or have no work experience and long-term recipients (defined as those who have received assistance for at least 36 of the last 60 months).

^bPolicy went into effect in January 2001.

^cFor the first child born after the family is on welfare, the grant is increased by 50 percent of the standard allotment per child. There are no subsequent increases in the grant for additional children born after the family is on welfare.

^d\$321 was the maximum food stamp allotment for a family of 3 in fiscal year 1998.

^e\$1,445 was the income cutoff for food stamps for a family of 3 in fiscal year 1998.

^fThe policy went into effect in October 1998 for noncompliance with work requirements. The policy for noncompliance with child support enforcement went into effect in January 2001.

- **Full-family sanctions.** WAGES was a mandatory work-first program, enforced with strict, full-family sanctions. Whereas AFDC sanctioned just the parent for failure to comply with work requirements, noncompliance with WAGES resulted in termination of the entire family's cash grant.
- **Earnings disregard.** To encourage work, WAGES generously expanded the amount of earned income that would not be counted in determining a working recipient's benefit levels. But because Florida's grant levels remained low (\$303 for a family of three), the eligibility cutoff also remained relatively low (\$787 for a family of three).
- **Family caps.** Under WAGES, the first child born after a mother was receiving welfare would be eligible for only half the regular child payment. Second and subsequent children born while the family was on welfare would be ineligible for benefits.
- **Child support.** WAGES made cooperation with the Florida Child Support Enforcement Agency a prerequisite for receiving welfare. In order to be eligible, a family had to register paternity information for all children listed on the grant application. Unlike AFDC, which allowed \$50 per month of child support that was collected from the father to be "passed through" to the family, WAGES retained all child support payments until the amount collected exceeded the value of the family's cash grant.
- **Learnfare and child immunization.** As a condition of eligibility, WAGES required parents to provide proof of their children's immunization and school attendance and to participate in regular conferences with the children's teachers regarding school performance.
- **Welfare diversion policy.** WAGES established a number of policies to dissuade applicants from coming onto the rolls. The general "up-front" diversion policy offered a one-time, lump-sum payment of \$1,000 to women who met welfare eligibility criteria and could demonstrate an emergency but agreed not to receive cash assistance for three months. The state offered similar programs targeted to women in need of assistance for relocation, domestic violence, family preservation, teenage pregnancy, substance abuse, or mental illness.
- **Eligibility of noncitizens.** When PRWORA was first enacted, noncitizens became ineligible for food stamps and Medicaid regardless of age, physical ability, income, or date of arrival in the United States. With a few categorical

exceptions,⁴ noncitizens arriving since August 1996 were also made ineligible for TANF. Ultimately, Congress ended up restoring food stamps and Medicaid to most groups, but working-age adults who arrived since PRWORA was enacted are required to establish that they have lived in the United States for five years, in order to be eligible for TANF, food stamps, or Medicaid.

In short, as the federal PRWORA legislation of 1996 devolved welfare policymaking to the states, Florida had already embarked on an ambitious, complicated, and relatively strict set of reforms. In the words of a top state welfare administrator: “We’re not moving things a notch or two on the dial. These are major changes, but nobody is satisfied with the status quo. Not the people that get welfare, not the people that administer it and certainly not the taxpayers who pay for it.”⁵ Taken together, the time limits, work requirements, and full-family sanctions transformed Florida’s welfare system from an income entitlement to a relatively short-term, employment-focused program, with strict participation requirements and severe penalties. Family caps, child support, learnfare, and child immunization policies put parents on notice that eligibility workers would be monitoring these aspects of their parenting. The increased earnings disregard and diversion policies offered some financial incentives for recipients to leave or avoid welfare entirely. New eligibility restrictions withheld benefits from working-age noncitizens.

After WAGES was passed, food stamps became increasingly important to low-income families, both because this benefit was not subject to time limits and because it was inflation-adjusted. (Florida’s cash grant, by contrast, remained fixed at 1992 levels.) However, to reinforce the new WAGES work participation requirements, adults who failed to comply would have their portion of the food stamp benefit closed. (After October 1998, children on the case also lost their food stamp benefits.) As mentioned above, under PRWORA, working-age noncitizens who did not meet exceptions were no longer eligible for food stamps, regardless of income or arrival date.

While eligibility criteria became more stringent for welfare and food stamps, access to health care and health insurance was expanded in Miami-Dade County after welfare reform. The county provides health care to low-income residents through Jackson Memorial Hospital. This relatively universal health care coverage is funded by a half-penny county sales tax enacted in 1991. The federal passage of the State Children’s Health Insurance Program (SCHIP) in 1998

⁴Cuban or Haitian entrants, refugees, Amerasians, asylees, people with deportation withheld or stayed, and certain parolees remained eligible for cash assistance for the first seven years in the United States. There was a five-year ban on cash assistance and Medicaid for other lawful permanent residents, conditional entrants, and battered spouses and children. Military veterans and lawful permanent residents with 40 quarters of work history remained eligible for all welfare programs.

⁵Pugh, 1996.

extended eligibility to all children under age 19 in households with income at or below 150 percent of the poverty level. Florida further increased the eligibility threshold to 200 percent of the poverty level. Importantly, unlike cash assistance and food stamps, Medicaid is not subject to sanctioning in Florida.

The Administration of TANF: Organizational Challenges and Changes

Florida's welfare system is state-administered, and thus most key decisions on how TANF would be delivered were made in Tallahassee rather than in Miami-Dade County. One of the most consequential decisions was to separate the agency responsible for administering welfare benefits — namely, TANF, food stamps, and Medicaid — from the entity responsible for administering employment-related services. (Prior to 1996, the welfare agency ran both.) After 1996, employment services for welfare recipients were decentralized and put under the control of 24 locally controlled WAGES Coalitions. The rationale for the separation was partly to shrink the size of the state welfare agency and partly to give local communities more say in how employment-related funds for welfare recipients would be spent and how services would be delivered. A state WAGES Board was created to oversee and coordinate the statewide program.

Throughout most of Florida, local Jobs and Education Partnership (JEP) Boards — the administrative entities responsible for Job Training Partnership Act (JTPA) programs — took on the role of managing the WAGES Coalitions.⁶ In Miami-Dade County, however, Mayor Alex Penelas and other local leaders urged the creation of a separate administrative structure based on the view that the workforce development emphasis of the JEP Board did not align with the goals and challenges of welfare reform. There was also a view, as one welfare official put it, that “if WAGES was going to be something different [than JTPA], you needed a different Board.” A 38-member council — including representatives from government, business, and the nonprofit sector — was appointed to govern the Miami-Dade/Monroe WAGES Coalition.⁷ Staff from the county offices of the labor and welfare departments were brought in to support the coalition and help it design an implementation plan.

By May 1997, after holding forums to seek public input, Miami-Dade's WAGES Coalition had put together an implementation plan that reflected the work-first tenor of the state legislation, emphasizing short-term job search and training activities to move welfare recipients quickly into employment. At the same time, the plan made provisions for more intensive ser-

⁶The federal Job Training Partnership Act (JTPA) was the predecessor to the 1998 Workforce Investment Act (WIA). Both programs provided funds for employment and training services to low-income people.

⁷The service area for the coalition also encompassed Monroe County, which borders Miami-Dade County to the west and south.

vices to individuals who had more significant barriers to employment, such as criminal records or substance abuse. Performance-based contracts would be issued to qualified service providers, and contractor payments would be tied to employment rates and other outcomes. Following a competitive bidding process, the coalition selected Lockheed Martin IMS (Lockheed, for short) to deliver the majority of employment services to welfare recipients, including case management, job search, vocational training, and various support services. Lockheed, in turn, partnered with a group of community-based organizations to provide the full range of services.

The coalition's plans fell victim to outside political maneuvering and internal management problems almost from the start. The large contract to Lockheed, for example, drew the attention (or ire) of other providers who either were left out or received a smaller piece of the pie. Some of the coalition's board members also felt uncomfortable with Lockheed's philosophical orientation and for-profit status, and they expressed concerns about its early performance. Consequently, after another round of competitive bidding in the spring of 1999, the coalition curtailed Lockheed's role and awarded a contract to the Miami-Dade Community College District and Miami-Dade County Public Schools to provide the bulk of case management and employment-related services. This decision was also not without controversy, in that the Lockheed proposal cost less (\$9.2 million versus \$12.8 million) and promised to make twice as many job placements as the bid from the community colleges and public schools. In response to questions at a public forum, the chair of the coalition's Board of Directors noted that it had never taken the position that the contract would go to the lowest bidder and that the vision reflected in the new proposal more closely resembled its own.⁸

Other problems rocked the coalition from the inside. The position of Executive Director proved to be a revolving door, with five individuals holding the title between 1997 and 2001. Welfare-to-work expenditures increased exponentially — increasing from \$8.9 million in 1996/97 to \$63.7 million in 1999/2000 — but the coalition was unable to meet the participation rates expected by the state WAGES Board (a problem that coalition administrators attributed to a faulty management information system rather than to a lack of services). The board ultimately threatened to revoke the coalition's charter if its performance did not improve within one year. A story in the *Miami Herald* in late 1999 reported that the coalition had “lost” as many as 11,000 clients because it had no clear record of their activities or current employment status.⁹ In early 2000, more negative publicity occurred when a *Sun-Sentinel* investigation found evidence that one of the coalition's primary contractors, Miami-Dade Public Schools, allowed unquali-

⁸Lockheed did not disappear from the scene entirely, but it received a much smaller contract to work with sanctioned welfare recipients and bring them into compliance.

⁹Brock, Nelson, and Reiter, 2002, Figure 3.8.

fied relatives and friends of influential school officials to be hired for WAGES administrative and counseling positions.¹⁰

In fairness to Miami-Dade, other WAGES Coalitions in Florida also came under scrutiny for poor performance. The Chief Inspector General for the Governor issued a report in February 2000 that highlighted shortcomings of the state WAGES Board and called for improvements in statewide monitoring and oversight, contracting procedures, and database systems.¹¹ In the same month, the Florida legislature's Office of Program Policy Analysis and Government Accountability issued a report recommending the elimination of the WAGES Board to streamline the state's workforce development system and to improve services to WAGES customers.¹² By the end of May 2000, the legislature passed the Workforce Innovation Act (WIA) — Florida's response to the federal Workforce Investment Act — which abolished the WAGES Coalitions and created a new vision for the state's employment and training system. A new entity, called Workforce Florida, Inc, was established to oversee a wide array of federal and state employment programs serving welfare recipients, unemployed and dislocated workers, veterans, and youth. At the local level, these programs were to be colocated in the "One-Stop" service centers run by workforce development (formerly JEP) boards.

In Miami-Dade County, the state legislature's decision resulted in the transfer of the WAGES Coalition's functions to the South Florida Training and Employment Council (TEC) — the same organization that the mayor and others initially did not want to run the WAGES Coalition. Former coalition employees were brought into TEC to help plan and administer the welfare-to-work component, now known as Welfare Transition. As TEC's executive director explained, it was not an easy transition, given that the agency had not formerly played a role in WAGES and that the two organizations had, in his words, "different cultures."

To prevent an interruption in services to welfare recipients, TEC briefly extended the WAGES contracts — including the contracts with the community college and public schools — and issued a Request-for-Proposals for organizations to run the new, multiservice One-Stops. By early 2001, TEC had issued contracts to 28 organizations to function as One-Stop service providers. As a TEC administrator explained:

We are looking at providing all the services under one roof. If an individual comes into the One-Stop and applies for TANF, there is a DCF worker there who can do that. They can also do diversion and all the other programs available to the TANF recipient. We've brought in child care. We have domestic violence counselors on site. Our goal is to have all the services in one place.

¹⁰Acle, 1999.

¹¹Yanez, 2000.

¹²Office of the Chief Inspector General for the State of Florida, 2000.

We have a new contract for assessment for people with disabilities, so we can refer people who need it to vocational rehabilitation. If they are severely disabled, we can walk them through this system. All the services a customer may need are under one roof.

The One-Stops were fully implemented by the time data collection for this study ended in 2002, though it appeared that some of the administrative problems experienced by the WAGES Coalition did not go away entirely. The executive director's position turned over yet again, and a number of One-Stops failed in the first year to meet state standards for job placements and wage rates. In the final set of interviews conducted in the spring of 2002, TEC administrators said they planned to reduce the number of One-Stop contractors by at least half to weed out the poor performers. One staff member lamented:

We're still in transition. We still don't know what will happen next. Now they're talking about transitioning from 28 offices to 8 offices with satellites. The program has remained virtually the same, but the administrative structure keeps changing around us. The customers are tired of the disruptive changes and poor communication, tired of not knowing where to go when catchment districts change.

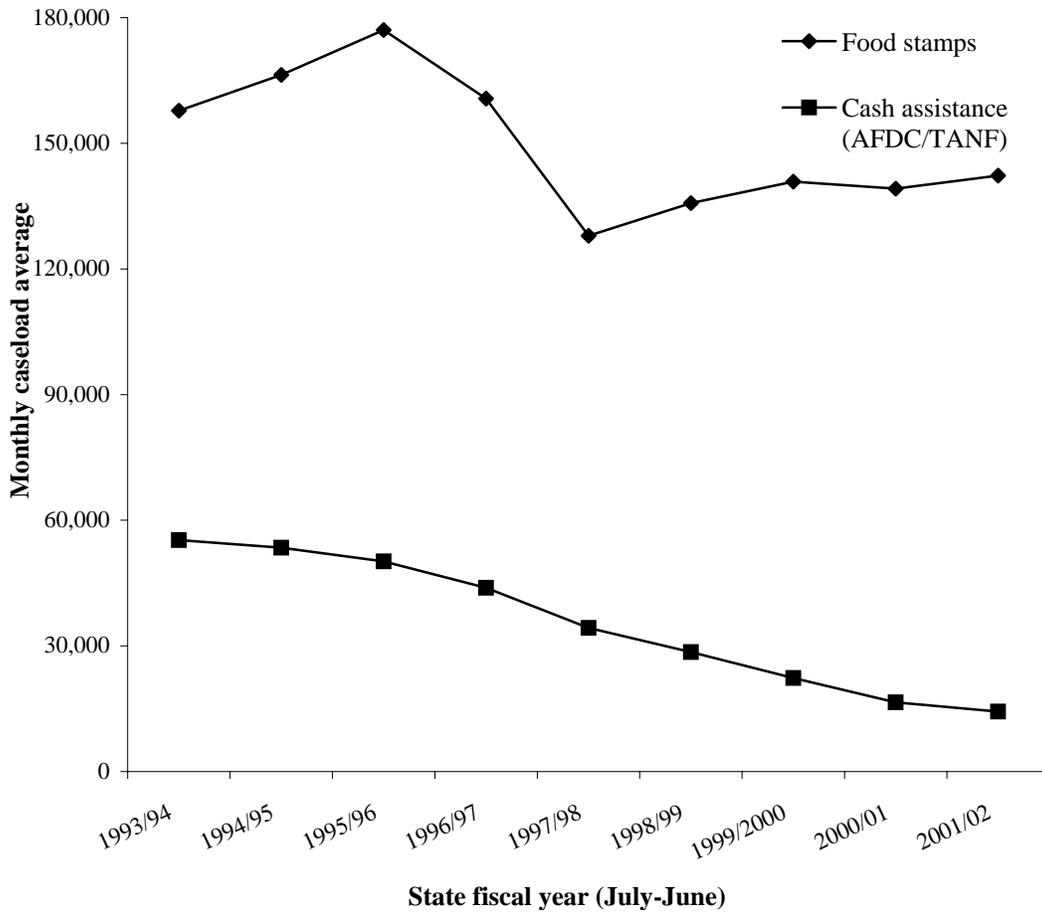
In contrast to the administrative problems experienced under the welfare-to-work program, Miami-Dade's welfare agency, known as District 11 of the Florida Department of Children and Families (DCF), was relatively stable. As noted earlier, DCF's primary function after the 1996 welfare reform law was to administer TANF, food stamps, and Medicaid benefits and to enforce such key provisions as time limits and sanctions for noncompliance. Over the five-year period of this study, however, a subtle yet important shift took place in DCF's operations. In Miami-Dade — as in other counties throughout the state and across the country — the number of families receiving TANF dropped precipitously: from an average of roughly 44,000 in 1996/97 to nearly 14,000 in 2001/02. Meanwhile, the food stamp rolls, after falling in the mid-1990s, began to increase in 1997/98 (Figure 2.1). As a result, TANF-related procedures became an increasingly small part of the agency's business, and food stamps and Medicaid assumed greater prominence. Caseworkers who handled TANF benefits were moved into specialized units and became a minority of DCF staff.

Over time, it also became clear that the state's decision to locate welfare-to-work services outside DCF extracted a toll on the agency. First and foremost were the problems of coordination: Given the constant changes on the welfare-to-work side, it was not easy for DCF staff to establish relationships or procedures with their counterparts in WAGES and in Welfare Transition. A more subtle cost was registered in the mood or culture of the agency. Whereas other welfare agencies around the country took advantage of welfare reform to adopt new messages

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Figure 2.1

Monthly Cash Assistance and Food Stamp Caseloads
in Miami, Fiscal Years 1993/94 to 2001/02



SOURCE: Florida Department of Children and Families.

NOTE: A case represents any configuration of household members who receive benefits together, which may include adults and children together or children only.

and services designed to move welfare recipients quickly into employment,¹³ DCF maintained a relatively narrow focus on the procedural aspects of administering benefits: making timely determinations of eligibility, not overpaying benefits, applying sanctions in a timely way, and so forth. Individual offices and caseworkers were recognized for low error rates but not for outcomes related to self-sufficiency. In sum, the administrative structure that was adopted under welfare reform limited DCF's role and the opportunity to fully transform the mission and operations of the welfare agency.

Case Management and Service Delivery Under Welfare Reform

The pace and scale of the welfare policy changes in Miami-Dade County posed an enormous implementation challenge, requiring new training for staff and clear messages for clients about exactly who was eligible for which services, under what conditions, and for how long. This section describes how staff performed their jobs in several key areas and presents their perspectives on how the system operated. Because of the division between DCF and welfare-to-work functions, most of the clients in Miami-Dade's welfare system dealt with two sets of workers: a DCF caseworker (known as a Public Assistance Specialist) and either a WAGES or a Welfare Transition case manager. Tables 2.2 and 2.3 summarize the knowledge, practices, and characteristics of these two groups of workers, respectively, drawing from a survey conducted in local branch offices.

Characteristics of DCF staff. The survey of Public Assistance Specialists was conducted in 1999 and again in 2001, after DCF created specialized units of workers handling TANF cases. In both years, the majority of Public Assistance Specialists were women, either black or Hispanic, and were college-educated (Table 2.2). In the latter year — after TANF workers became specialized — average caseload sizes dropped from 203 to 164.

Characteristics of welfare-to-work staff. The survey of welfare-to-work case managers was conducted three times: in 1999, when Lockheed held the contract; again in 2000, when the community college and public schools staff were involved; and finally in 2001, after the One-Stops had been created. Like their counterparts in the welfare offices, most of the case managers in the welfare-to-work program were women and were either black or Hispanic (Table 2.3). Most were college-educated. Caseloads for Lockheed staff, however, were significantly larger than for the community college/public schools or One-Stop staff: an average of 146, versus an average of 74 and 72, respectively.

¹³See, for example, MDRC's studies of welfare reform in Cleveland (Brock et al., 2002) and Philadelphia (Michalopoulos et al., 2003).

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Table 2.2

Knowledge, Practices, and Characteristics of Public Assistance Specialists

	First Interview (1999)	Second Interview (2001)	Difference
<u>Knowledge of welfare policies</u>			
Staff who correctly reported that the county (%)			
Has a diversion program	49.2	72.7	23.6 *
Requires adult recipients to work or participate in an approved activity	100.0	93.5	-6.5
Has a lifetime limit on cash assistance	83.6	97.9	14.3 *
Has an earnings disregard policy, but is unsure of the details	71.1	80.6	9.5
Has an earnings disregard policy, and understands the details	28.9	19.4	-9.5
<u>Discretion in case management</u>			
Staff who report that agency rules, rather than personal judgment, guide the following decisions (%)			
When to exempt clients from participation	88.1	93.6	5.5
When to sanction clients	91.7	91.7	0.0
When to provide transitional benefits	87.0	84.4	-2.6
Staff who report that... (%)			
They had proper training to do their work	62.9	74.5	11.6
Their job functions were clearly described	51.7	66.0	14.3
<u>Monitoring and sanctioning</u>			
Average percentage of clients whom staff report			
Are contacted each month	57.4	42.6	-14.8 ***
Have been verbally warned about sanctions	32.4	25.2	-7.2
Have had sanctions imposed	62.4	57.4	-5.0
Are working in part-time or full-time jobs	29.1	31.0	2.0 **
<u>Interactions with clients</u>			
Number of hours staff reported orienting new clients to TANF policies	6.3	6.0	-0.3
Staff who said giving individualized attention to clients was a high priority (%)	69.6	64.4	-5.2 *
Staff who reported that activities and program participation of clients are closely monitored (%)	81.5	81.6	0.1
Average amount of time needed to check how many months clients have left on welfare (minutes)	11.0	15.0	4.0

(continued)

Table 2.2 (continued)

	First Interview (1999)	Second Interview (2001)	Difference
<u>Staff characteristics</u>			
Gender (%)			
Female	73.3	69.6	-3.8
Male	26.7	30.4	3.8
Race/ethnicity (%)			
Black, non-Hispanic	58.6	55.6	-3.1
White, non-Hispanic	5.2	4.4	-0.8
Hispanic	27.6	35.6	8.0
Other	8.6	4.4	-4.2
Education (%)			
High school diploma/GED	4.8	2.1	-2.7
Some college	8.1	8.5	0.4
Technical/two-year college degree	8.1	10.6	2.6
Four-year college degree	61.3	51.1	-10.2
Graduate coursework or degree	16.1	25.5	9.4
Years employed by the agency (average)	7.5	6.2	-1.2
Caseload size (average)	202.7	163.7	-39.0
Sample size	63	48	

SOURCE: MDRC calculations using data from staff surveys in Miami, administered in July 1999 and June 2001.

NOTES: Rounding may cause slight discrepancies in sums and differences.

Statistical significance levels are indicated as: *** = 0.1 percent; ** = 1 percent; and * = 5 percent.

^aA test of statistical significance was not performed due to changes in question wording and response categories in the first and second surveys.

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Table 2.3

Knowledge, Practices, and Characteristics of Welfare-to-Work Case Managers

	Lockheed Martin (1999)	Community Colleges/ Public Schools (2000)	WIA One-Stops (2001)
<u>Knowledge of welfare policies</u>			
Staff who correctly reported that the county (%)			
Has a diversion program	27.3	40.4	82.4 ***
Requires adult recipients to work or participate in an approved activity	95.6	96.2	97.4
Has a lifetime limit on cash assistance	86.7	92.3	80.6
Has an earnings disregard policy, but is unsure of the details	100.0	55.6	80.0
Has an earnings disregard policy, and understands the details	0.0	44.4	20.0
<u>Discretion in case management</u>			
Staff who report that agency rules, rather than personal judgment, guide the following decisions (%)			
What initial program or activity to assign a client	61.4	64.2	55.6
What <u>subsequent</u> program or activity to assign a client	42.2	45.3	43.2
When to exempt clients from participation	77.5	88.9	82.9
When to sanction clients	66.7	67.3	89.2 *
Staff who report that... (%)			
They had proper training to do their work	62.2	43.4	55.3
Their job functions were clearly described	46.7	38.5	60.5
<u>Assignments to work activities</u>			
Staff recommendations for clients <u>without</u> a high school diploma or GED (%) ^a			
Get a job as quickly as possible	13.6	9.4	2.6
Get more education or training	75.0	88.7	94.7
Staff recommendation for clients <u>with</u> a high school diploma or GED (%) ^a			
Get a job as quickly as possible	90.9	64.2	57.9 **
Get more education or training	6.8	30.2	34.2 **
<u>Monitoring and sanctioning</u>			
Average percentage of clients whom staff report...			
Are contacted each month	66.8	63.1	66.9
Have been verbally warned about sanctions	44.5	78.7	39.4
Have had sanctions imposed	49.1	52.4	38.2
Are working in part-time or full-time jobs	25.9	23.6	32.5
Are assigned to job search/job club	49.4	29.7	23.2 ***
Are in school or training	22.6	30.4	27.8

(continued)

Table 2.3 (continued)

	Lockheed Martin (1999)	Community Colleges/ Public Schools (2000)	WIA One-Stops (2001)
Staff who said giving individualized attention to clients was a high priority	90.7	71.2	78.4
Staff who reported that activities and program participation of clients is closely monitored	84.1	86.0	77.1
Staff who said clients have a lot of choice in choosing activities	43.2	64.2	83.8 ***
Staff who reported that before imposing sanctions, they gave clients			
no chances	18.9	12.5	2.9
1-2 chances	75.7	81.3	94.1
3 or more chances	5.4	6.3	2.9
Staff who reported a total level of certainty that sanctions would be imposed on clients in noncompliance (%)	84.5	75.5	94.7 *
<u>Staff characteristics</u>			
Gender (%)			
Female	79.6	72.9	68.4
Male	20.5	27.1	31.6
Race/ethnicity (%)			
Black, non-Hispanic	39.0	34.0	36.8
White, non-Hispanic	9.8	14.9	7.9
Hispanic	46.3	48.9	44.7
Other	4.9	2.1	10.5
Education (%)			
Some college	15.9	7.8	23.7
4-year college degree	40.9	35.3	39.5
Graduate coursework or degree	43.2	56.9	34.2
Years employed by the current organization (average)	3.3	6.2	2.7
Caseload size (average)	146.2	74.0	71.9 ***
Sample size	45.0	53.0	38.0

SOURCE: MDRC calculations using data from staff surveys in Miami, administered in May 1999, April 2000, and June 2001.

NOTE: Analysis of variance and chi-square tests were applied to determine the significance of group differences.

Rounding may cause slight discrepancies in sums and differences.

Statistical significance levels are indicated as: *** = 0.1 percent; ** = 1 percent; and * = 5 percent.

^aStaff who indicated that they recommended both "get a job as quickly as possible" and "get more education or training" equally are not shown on the table.

Welfare-to-Work Services

Despite the series of changes that took place in the *administration* of Miami-Dade’s welfare-to-work program,¹⁴ the *content* and *sequence* of the welfare-to-work program stayed fairly constant — although, as discussed later on, the quality of services and the level of sanctioning were inconsistent. After being referred to the welfare-to-work program by DCF staff, clients typically received an individual or group orientation to hear about the 30-hour-per-week work participation requirement, the services available, and the penalties for nonparticipation. Following this, most clients were assigned to a job club to receive basic instruction in how to look for and interview for a job, followed by a period of individualized job search. If the job club and job search activities failed to lead to employment, clients were usually assigned either to short-term vocational training or to Community Work Experience Programs (CWEPs). Clients in need of a high school diploma or English language instruction might be assigned to educational classes, but usually for no more than 10 hours a week so that the other 20 hours required could be satisfied by activities that were more directly tied to work.

MDRC’s field research and staff survey indicate that welfare-to-work staff sent different “messages” about employment, depending on clients’ educational status. For clients who already possessed a high school diploma or General Educational Development (GED) certificate, the majority of case managers said that they would encourage a job search right away — though significantly more Lockheed staff held this view than community college, public schools, and One-Stop staff (Table 2.3). For clients who lacked a high school diploma or GED, a large majority of case managers said that they encouraged more education and training but not before the client attended a job club. One case manager — when asked how she would handle a client who lacked a high school diploma or GED — responded as follows:

Like I said, the first thing is, get them referred to employment prep [job club]. Try to keep them there four weeks. It usually works out pretty well, but if they don’t get a job, the first thing is to go back to high school. See how many credits she has left so she could finish high school. Try to find her a job. It may be [in fast food] or a factory, but at least it is a job. Tell her to get a high school diploma.

¹⁴For ease of discussion, “welfare-to-work” (lowercase) is used to refer to all employment-related services provided to welfare recipients under the auspices of the WAGES Coalition and the One-Stops in Miami-Dade. The local JEP Board also administered a program known as the Welfare-To-Work Grant (uppercase), funded through the U.S. Department of Labor. In Miami-Dade, most of the funds from the Welfare-To-Work Grant were unspent, and relatively few welfare recipients received services. For a discussion of this grant and its implementation in Miami-Dade County, see Brock, Nelson, and Reiter (2002, Chapter 5).

As the foregoing quotation illustrates, there was a strong expectation that clients should be working even while they pursued education and training options. In fact, participation data provided by the State of Florida indicate that less than 5 percent of welfare recipients in Miami-Dade were ever assigned to basic education programs between 1997/98 and 1999/2000 (the years that the WAGES Coalition was in charge). Job club and job search were by far the most common assignments during this period, followed by CWEPs and vocational training.¹⁵ Field interviews with welfare-to-work program administrators and staff in 2001 and 2002 indicated that assignments made by One-Stops were similar.

A host of nonprofit and for-profit organizations throughout the county were involved in running vocational training and CWEPs. In keeping with Florida's work-first philosophy, nearly all the assignments to these programs were short term — rarely exceeding six months in length — so that clients could resume their job search as quickly as possible. The training included offerings in such careers as customer service, data entry, and nursing assistants. The major CWEP sites were schools and child care agencies, which mainly offered positions as classroom assistants, crossing guards, or food workers. Both the WAGES Coalition and the One-Stops also had contracts with agencies offering specialized services for hard-to-employ clients, including treatment for substance abusers and assistance to clients who had criminal records.

Despite the various program options that were available, there was a pervasive sense among welfare-to-work and DCF staff that many of the contractors were “only in it for the money” and were not sufficiently monitored. Many also felt that education and training options were too limited. For their own part, many welfare-to-work case managers expressed concern that they did not have proper training to do their work and that their job functions were not clearly described (Table 2.3). One WAGES Coalition administrator summed up the difficulties as follows:

We have too many players, too many workers; customers are referred to too many places — and usually not around the corner. Workers who are serving the WAGES customers are often ill-equipped. They don't know the law or the services they should be providing.

Similarly, a DCF administrator commented:

[The welfare-to-work program] is a mess, and clients are not well served. They don't tell us when clients go to work. They tell us sometimes, but not reliably. . . . I hate to cut people off because of time limits when people don't get the services they need.

¹⁵Brock, Nelson, and Reiter, 2002, Table 3.4.

In field visits by MDRC researchers to local welfare-to-work offices, a lack of guidance or oversight of contractors and staff was readily apparent. A visit to a welfare-to-work program office in 2000, for example, revealed a sign taped to the front door, telling clients that the office would be closed between noon and 1:30 while staff had their lunch; the first staff members did not return until 1:45. Meanwhile, several working clients who had come by the office on their lunch hour to pick up transportation vouchers or see a case manager either waited or left in disgust. In other offices, MDRC researchers noted wide variation in the kinds of information presented during orientation sessions, and they observed job club classes in which instructors grappled for ways to use the time productively. In one job club, an instructor read aloud from Whoopi Goldberg's biography for more than a half-hour and seemed unable to draw any clear lesson for clients to take away; in another, clients spent a couple of hours doing grammar exercises that had no obvious connection to finding or keeping a job.¹⁶

If the welfare-to-work program fell short on the quality of services that were offered, it never faltered in its enforcement of the participation mandate. A large majority of welfare-to-work case managers said that they closely monitored clients' participation, and they expressed certainty that sanctions would be imposed on clients who failed to comply (Table 2.3). Despite problems with the management information system, case managers knew when clients failed to show for scheduled appointments, and they devised "low-tech" strategies — such as instituting sign-in sheets for job clubs and making phone calls to service providers — to determine whether clients attended assigned activities. Unexplained absences were quickly followed up by a warning and, after one "second chance," a sanction. Clients' dissatisfaction with program activities was not an acceptable excuse for nonattendance. Unless clients could document an illness or other significant problem, they were penalized.

As noted earlier, the consequences for noncompliance in Miami were severe: termination of the family's cash grant and the removal of the adult from the calculation of the family's food stamp benefit. Assuming that clients came back into compliance, a first-time sanction could be lifted in just 10 days, but a second instance of noncompliance resulted in at least a 30-day sanction, and a third instance of noncompliance led to a minimum 90-day sanction. DCF staff took sanctioning requests seriously and rarely hesitated to impose them, as timeliness of sanctions was included among the department's performance indicators.

According to data from the WAGES database, the percentage of "mandatory" welfare-to-work participants who were referred to or receiving a sanction in an average month climbed

¹⁶While the examples cited may not be typical, field researchers generally assume that program staff will try to put forward their best image when they are being observed — particularly when the observations are prearranged with program administrators, as these were.

from 24 percent in 1996/97 to 61 percent in 1999/2000.¹⁷ The latter figure is by far the highest observed in any MDRC study of a state or county welfare-to-work program, underscoring the seriousness with which the county enforced work participation rules.¹⁸ As Figure 2.2 shows, the sanctioning rates tended to be somewhat erratic, with the “peaks” and “valleys” roughly corresponding to transitions between contractors. This suggests that the high sanctioning was to some degree a reflection of administrative problems and inconsistent case management practices among Lockheed, the community colleges and public schools, and One-Stop staff.

The Earned Income Disregard and Transitional Benefits to Work

Welfare recipients who either came onto the rolls already employed or subsequently found a job benefited from Florida’s expanded earned income disregard, which allowed them to combine welfare and earned income and bring home more money each month than they could on welfare alone. As noted in Table 2.1, a family of three could keep \$200 of earned income plus half of its remaining earnings until the monthly household income exceeded \$787, at which point the family would no longer qualify for cash assistance. Given that the cash grant to a family of three was only \$303, this policy potentially offered a strong incentive to work. The state’s computer system determined the amount of the earned income disregard automatically, suggesting that clients who reported their earnings to their DCF caseworkers were sure to receive it.

Whether caseworkers ever told clients about the earned income disregard or marketed it to clients was another matter. The staff surveys show that most DCF and welfare-to-work staff were aware of the policy but did not have a very good understanding of the details (Tables 2.2 and 2.3). Few staff said that they discussed the earned income disregard with clients. As one DCF caseworker explained:

No, I don’t talk to clients about [the disregard]. Honestly, the clients aren’t concerned. They want to know how to get my cash, food stamps, Medicaid. To them, that is like jargon.

Some DCF administrators and staff pointed out that the earned income disregard was in some ways a double-edged sword: Though it helped clients financially in the short-term, it could hurt them in the long run by using up months toward their lifetime limit on TANF. Rather than encourage employed welfare recipients to take what often amounted to small cash grants, some staff indicated that they urged clients to “bank” their months for the future, when they might have greater need for assistance.

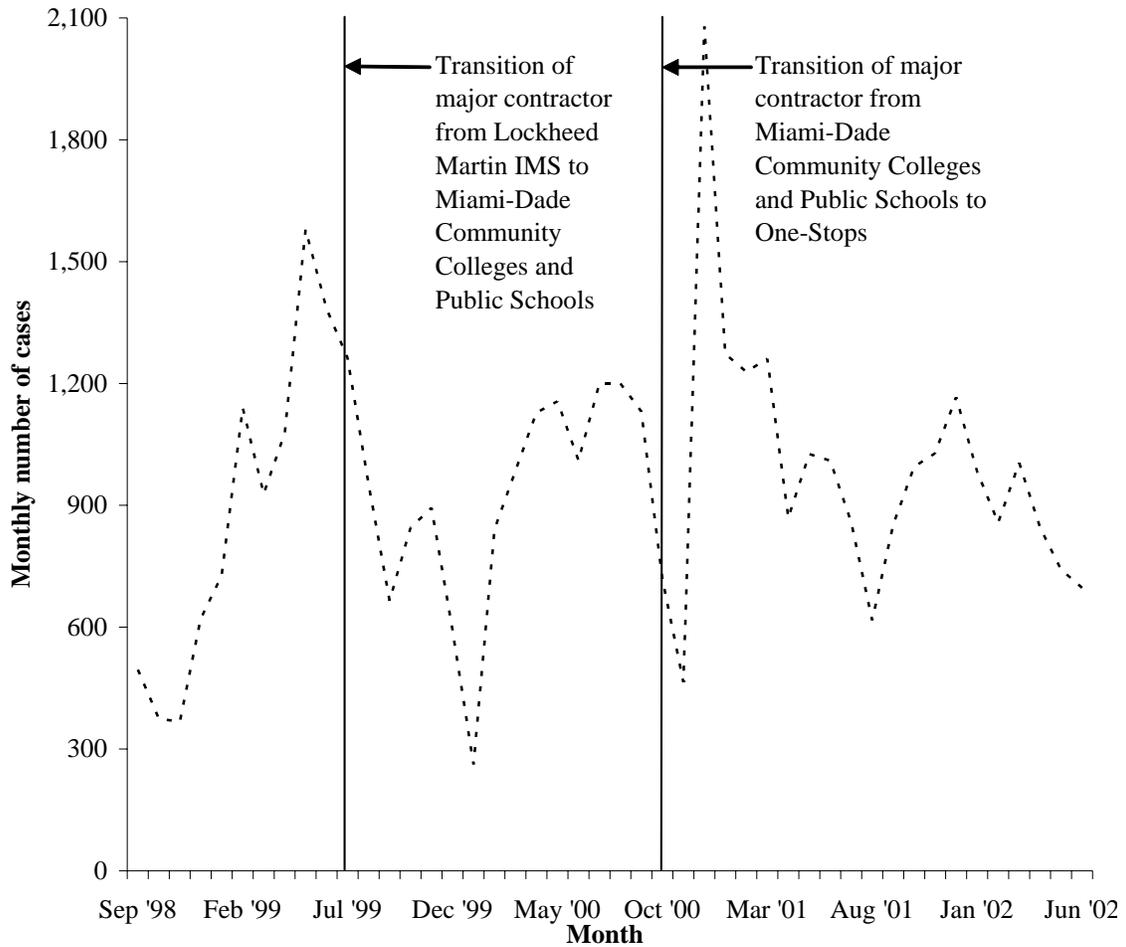
¹⁷Brock, Nelson, and Reiter, 2002, Table 3.4. Field research and the staff survey suggest that the rate of sanctioning declined under the One-Stops but remained high.

¹⁸Personal communication with Gayle Hamilton, July 28, 2003.

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Figure 2.2

Number of Families Whose Cash Benefits Were Terminated Due to Sanctions, by Month, in Miami-Dade County, September 1998 to June 2002



SOURCE: Florida Department of Children and Families.

NOTE: A case represents any configuration of household members who receive benefits together, which may include adults and children together or children only.

Welfare recipients who left welfare for work were eligible for transitional benefits to help them stay employed. One of the most important benefits was transitional Medicaid, which enabled welfare recipients to maintain their health insurance for 12 months after leaving cash assistance.¹⁹ A second important benefit was food stamps, which were provided to low-income families based on income (though with much a much higher cutoff point than for cash assistance, as shown in Table 2.1). Transitional Medicaid and food stamps were authorized on the computer by DCF staff. In field interviews, most DCF staff felt that they had clear guidelines on when to provide transitional benefits and were confident that most clients received transitional benefits even if they did not know to ask for them. As one DCF caseworker explained:

What I always tell people . . . is just because you have a job, that doesn't mean you should close your case. You might still receive TANF, Medicaid, food stamps even while you are working. I never tell them to close their case. Many times clients will say, "Close my case," when they don't even have a paycheck yet. A lot of times they are overanxious to close their case. They often haven't looked ahead to know they can't support their household. We have a standard set of information we are supposed to ask, such as how much they are making. We ask for pay stubs. It all goes into the computer.

One significant problem in keeping transitional benefits was that clients who left welfare for work often failed to keep their redetermination appointments at the welfare office, either because they were too busy to come in or they wrongly assumed that they were ineligible. Failure to keep redetermination appointments would always result in termination of their food stamp benefits. (For clients who were working, these appointments are typically scheduled every three months.) Medicaid benefits, on the other hand, required less frequent recertification and would normally stay open 6 to 12 months from the time the TANF case was closed, even if the closure was related to failure to keep a redetermination appointment.²⁰

In addition to transitional Medicaid and food stamps, clients leaving welfare for employment could obtain child care benefits through the welfare-to-work program. The amount of child care benefits was adjusted on a sliding scale based on family size and household income up to 200 percent of federal poverty level. While nonwelfare families could also qualify for child care subsidies, they normally had to wait 6 to 12 months to qualify; former welfare recipients — after obtaining authorization from their welfare-to-work case managers — had no waiting list. Welfare-to-work case managers also could help former welfare clients obtain monthly transportation vouchers or bus passes and could provide reimbursement for fees associated with

¹⁹After transitional Medicaid ended, families could continue to receive Medicaid and the State Children's Health Insurance Program (CHIP) benefits based on income.

²⁰For more details on transitional Medicaid and food stamps, see Quint and Widom (2001).

work permits or licenses. In 2001, the One-Stops also introduced a policy whereby welfare recipients who went to work and held a job for at least six months could receive a one-time bonus of \$250 for part-time work and \$500 for full-time employment. Importantly, none of the benefits available through the welfare-to-work program was automatic but, rather, required welfare recipients to notify their case managers about their employment and, in the case of transportation vouchers or bonuses, to make return visits to the welfare-to-work offices to pick up the benefits. Perhaps as a result, staff indicated that many more clients were presumed eligible for these benefits than actually received them, though they predicted that usage would increase as word got out about the benefits' availability.

Time Limits

As discussed earlier, Florida's time-limit policy was complicated, with varying *interim* time limits (24 months or 36 months, depending on the case characteristics) and a *lifetime* limit of 48 months. Both DCF and welfare-to-work staff assumed responsibility for communicating the time limits to clients, but they said that they generally tried to keep to the "big picture" rather than delving into the details of the policy. The leader of a welfare-to-work orientation session offered this explanation to clients:

The first thing is very important: the time limits. People are only eligible to receive the benefits for four years in a lifetime. This only applies to the cash; it does not apply to the food stamps or the Medicaid. . . . Every month you get of cash, you lose that in eligibility. We want you to save your months.

While not every staff member explained time limits this clearly, most DCF and welfare-to-work case managers conveyed that welfare was temporary and that it was in clients' best interest to leave cash assistance as soon as possible.

During individual meetings with clients, DCF staff used their computers to figure out how many months a client had remaining on welfare. Unlike some states, however, Florida did not set up its system to flash the number of months a client used up (or had remaining) on the screen. Rather, staff had to go back through the client's welfare history and count how many months of assistance had been received. To complicate matters further, caseworkers had to determine whether the client was subject to a 24-month or a 36-month limit and whether there were any mitigating factors that could extend the time limit.²¹ Because of these complications, DCF caseworkers reported that it took 11 to 15 minutes, on average, to determine how many months a client had remaining on her "clock" (Table 2.2). Consequently, they did not usually go

²¹For instance, clients who worked 30 hours or more per week while on welfare could "earn back" months toward the interim time limit, although these months still counted toward the lifetime limit.

through the process of counting months at every redetermination meeting but said that they did so periodically or when asked by the client.

During the years covered by this study, no families had yet reached their lifetime limit on cash assistance. Interim time limits, however, began to be enforced in the fall of 1998. As of June 2002, a total of 2,922 cases had been cut off because of time limits in Miami-Dade, or an average of about 65 cases per month. During this same period, the county closed a total of 43,385 cases due to sanctions, or an average of 964 cases per month (Figure 2.2). While these numbers contain duplication — a case could be sanctioned, regain compliance, and then be sanctioned again — they underscore how much more important sanctions were than time limits in forcing some families off welfare. In fact, the only families who faced time limits were the compliant ones: those who satisfied TANF's eligibility rules, including work requirements, for at least two years.

Welfare recipients who stayed in compliance often received hardship extensions when they reached their time limit. Hardship extensions could be granted for such reasons as illness or personal crisis or simply for being unable to find employment. Case managers in the welfare-to-work office approved the extensions, which were then entered into the computer system by DCF staff. The extensions typically lasted three to six months but could easily be renewed, as long as welfare recipients remained unemployed and followed other rules. While staff acknowledged that their approach to time limits was relatively “soft” compared with other welfare rules, they believed that the extensions served as a “wake up call” or “last chance” for clients who either did not understand that the time limits were real or did not seriously pursue work opportunities. Staff also noted that the extensions were not “free,” in that any additional months granted to clients counted toward the 48-month lifetime limit on cash assistance.

As shown in Figure 2.3, the number of families receiving benefits due to an extension increased slightly over time, peaking at 1,015 families in December 2001. During this same month, Miami-Dade registered approximately 14,700 total cases on its welfare rolls. In sum, cases that received extensions on cash assistance accounted for a relatively small percentage of the overall TANF caseload.

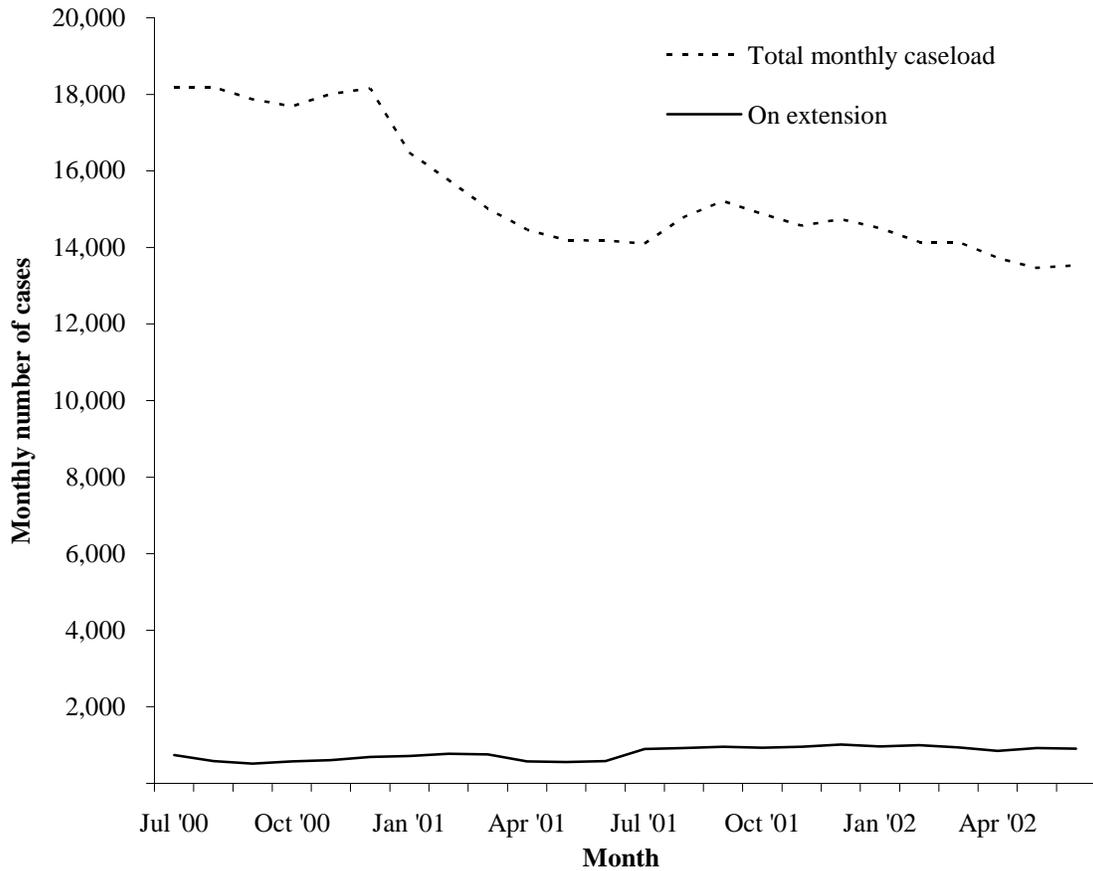
Welfare Diversion

The county's formal welfare diversion program — in which welfare applicants could receive a one-time payment of \$1,000 if they could demonstrate an emergency and agreed not to apply for TANF for at least three months — proved difficult to implement; as a result, very few applicants ever received it. The main reason for the low take-up was the way that the diversion program was structured. Rather than make the diversion payment available to applicants at

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Figure 2.3

Total Monthly Cash Assistance Caseload and Number of Families Receiving Extensions on Cash Assistance in Miami-Dade County, July 2000 to June 2002



SOURCE: Florida Department of Children and Families.

NOTE: A case represents any configuration of household members who receive benefits together, which may include adults and children together or children only.

the first point of contact with DCF staff, state policy required that clients be referred to the welfare-to-work office and that the case manager there provide authorization for the payment. While in theory this process could link the individual to employment and other services, it was also lengthier and more uncertain for the client than simply applying for welfare. Consequently, few applicants ever took advantage of the diversion program.

The staff surveys revealed that, prior to 2001, a majority of DCF and welfare-to-work staff were not even aware of the diversion program. Staff who knew about the policy questioned why clients would choose a diversion payment over standard welfare benefits. A case manager in a One-Stop office put it this way:

Diversion is rarely acceptable to our clients. Most need Medicaid, monthly checks, and all of the related supportive services. A one-time payment is not enough.

While the formal diversion payment was not emphasized, it seems likely that the work requirements, time limits, and other rules may have dissuaded some clients from completing their welfare applications. In this regard, the tough nature of Miami's welfare reform program may have functioned as a greater deterrent than the formal diversion program.²²

Behavioral Provisions

Florida's welfare reform legislation contains a number of provisions designed to influence welfare recipients' parenting behaviors, including requirements that they cooperate with the state's child support enforcement agency, have their children immunized against infectious diseases, and monitor their children's school attendance. Failure to comply with any of these requirements could result in termination of the family's cash assistance grant (and, in the case of child support enforcement, their food stamps and Medicaid). Interviews with DCF staff indicate that staff understood the policies, generally supported them, and felt that adequate procedures were in place to make the policies work. With regard to child support enforcement, for example, DCF and the state child support enforcement agency established an automated system whereby TANF, food stamp, and Medicaid applications would be pended until cooperation with the child support enforcement system was established. In most instances, clients could satisfy the requirement by calling a toll-free number and providing information about the absentee parent

²²In contrast to Miami-Dade County, the welfare agency in Cuyahoga County (Cleveland, Ohio) placed a strong emphasis on welfare diversion, and 97 percent of welfare staff knew about the policy. Applicants for cash assistance were encouraged to consider other benefits offered by the welfare agency, including food stamps, Medicaid, and child care. Short-term or one-time grants were offered to help adults maintain or find work or meet emergency needs that threatened the well-being of adults or children.

over the telephone. Once this call was completed, the child support enforcement agency entered the information into the computer system that authorized DCF staff to approve clients' benefits.

The immunization policy required clients to bring in proof that their children were current in their vaccination schedule. As one DCF caseworker explained, there was no ambiguity about how to enforce this policy:

Like having a birth certificate, it's a must. The only time we don't enforce it is when the baby is a newborn being added, because the baby can't have [immunizations] yet. But three months later, we ask for it.

The policy to require school attendance for school-age children (known as "learnfare") met with more resistance, in part because staff felt less comfortable about penalizing parents for their children's behavior and in part because DCF and the public schools were unable to create a system whereby attendance information could be easily checked by DCF workers. The school attendance policy ended up being suspended, but then it was revised so that clients only had to provide proof that they attended parent-teacher conferences.

In addition to the above provisions, the Florida law contained a "family cap" that limited the amount of additional funds that families could collect on TANF for any new children born while the family was on welfare (Table 2.1). DCF staff who were interviewed by MDRC expressed strong support for the policy, saying it sent the "right message" not to reward clients for having more children than they could support on their own. Importantly, the family cap only applied to TANF; every child born on welfare still qualified for an additional food stamp allotment and Medicaid. DCF's computer system automatically determined eligibility as new children were added to the case.

While some policymakers may have hoped that the behavioral provisions contained in the welfare law would encourage welfare staff to enter into deeper conversations with clients about their obligations as parents, interviews with DCF caseworkers suggest that they generally steered clear of sensitive topics like childbearing and marriage. As one DCF caseworker explained:

I think that's morally wrong for me to step in and tell them what they should or shouldn't do. I can ask, "Is the relationship serious? Do you think about getting married?" But I can't promote marriage.

A number of DCF staff also commented that they could cover only so many topics during a welfare application or redetermination interview. Many staff felt that they had already passed the point of "topic fatigue" by discussing time limits, work requirements, and all the other information that they were supposed to cover. One DCF administrator expressed the problem succinctly:

The [behavioral] policies are well meaning, but it is not fair to put all of that on the worker. I am not your parent; I am your eligibility worker. Every time you add one [policy], it dilutes the effectiveness of the last one.

Benefits for Noncitizens

The noncitizen provisions of PRWORA initially shocked and strained the welfare system. Regardless of age or physical ability, noncitizens were no longer eligible for food stamps and Medicaid. With just a few categorical exceptions,²³ noncitizens who arrived in the United States since August 1996 were ineligible for TANF for five years. In Miami-Dade — where more than 70 percent of residents are first- or second-generation immigrants — these new rules were met with outspoken and bipartisan criticism. DCF officials estimated that more than 70,000 legal immigrants — many of them older immigrants receiving food stamps — would be affected by the cutoffs.

In response to public protests and a 9- to 12-month backlog in processing citizenship applications at the Department of Immigration and Naturalization (INS), politicians at both the federal and the state level took steps to restore benefits to various groups of noncitizens, particularly children, the elderly, and the disabled. In 1997, Florida began providing food stamps to children, elderly, and disabled noncitizens who received or were eligible for benefits prior to the enactment of PRWORA; the federal government followed suit by restoring benefits to these groups in June 1998. Congress restored Medicaid benefits to immigrants who arrived prior to PRWORA in the Balanced Budget Act of 1997. Finally, the 2002 federal Farm Bill restored food stamp eligibility to all legal immigrants receiving disability benefits in October 2002; to noncitizens who have lived in the United States for five years, in April 2003; and to all children — without a waiting period — in October 2003.²⁴ Although food stamp benefits were ultimately restored to almost all children, elderly, and disabled noncitizens, working-age noncitizens were still required to establish that they had lived in the United States for five years in order to be eligible for food stamps or TANF or Medicaid.²⁵

For DCF case workers, the noncitizens provisions meant that they had to make eligibility determinations based not only on family needs and resources but also (for noncitizens) on

²³As mentioned earlier in this chapter, Cuban or Haitian entrants, refugees, Amerasians, asylees, people with deportation withheld or stayed, and certain parolees remained eligible for cash assistance for the first seven years in the United States. There was a five-year ban on cash assistance and Medicaid for other lawful permanent residents, conditional entrants, and battered spouses and children. Military veterans and lawful permanent residents with 40 quarters of work history remained eligible for all welfare programs.

²⁴See U.S. Department of Agriculture, 2003.

²⁵Working-age adults who established residency prior to August 1996 are eligible for TANF and Medicaid without a waiting period.

factors such as country of origin and date of entry into the United States. Procedurally, the eligibility distinctions were cumbersome. Nothing conveys this complexity as strikingly as the 300 categories of citizenship that are defined in Florida policy manuals and technical documentation, as shown in Figure 2.4. Eligibility workers had to verify applicants' citizenship status based on the INS automated dial-up system, which provided information that DCF's workers converted to computer codes used to calculate eligibility for benefits. According to DCF administrators and staff, however, determinations of citizenship status were not always obvious or computer-driven. As one administrator commented:

There is nothing easy about the rules. We spend three months in training about general policy, but it is not about things you deal with on the job. Miami has a high immigrant population, with aliens in different statuses. There are special benefits for certain kinds of refugees. There is nothing in our training or in the online manual that tells you how to handle all these different kinds of cases. I have a lot of trouble with alien issues. The computer will generate the benefits if you plug it in, but if you don't know what you're plugging in, you have a problem. A lot depends on how you code alien statuses.

A supervisor from another office agreed:

This is very difficult. There are 300-plus codes, and this is a particularly confusing office because it serves such a diverse client base. . . . The process is not computer-driven; the worker has to be knowledgeable enough to select the most appropriate code for a given client from the manual.

Despite the complications, most DCF administrators and staff felt that they were able to implement the rules as policymakers intended. Nevertheless, many were troubled by whether the rules were fair, and they worried about the consequences for families. Moreover, some immigrant advocacy groups in Miami-Dade noted that errors in the INS database on details like the date on which families entered the United States sometimes occurred and wrongly led to some families' being denied benefits. Some welfare officials and advocates also believed that the noncitizen provisions had a "chilling effect." For example, some noncitizens who were eligible for assistance might not apply because they feared that they would jeopardize work and citizenship applications or because they did not understand that children, elderly, and disabled family members might qualify for benefits even if able-bodied adults did not.

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Figure 2.4

Eligibility Criteria for Cash Assistance, Medicaid, and Food Stamps Among Noncitizens

Current Non-Citizen Status	FLORIDA AICZ Code ^a		Cash and Medicaid		Food Stamps
	Before 8/22/96	After 8/22/96	Before 8/22/96	After 8/22/96	
Lawful Permanent Resident <u>with</u> prior Refugee code under Section 207	39	39	Eligible.	Eligible.	Eligible indefinitely from the <u>date of entry</u> .
Lawful Permanent Resident <u>without</u> prior Refugee, Asylee, Amerasian or Cuban/Haitian Entrant code	40	41	Eligible.	Must wait 5 years from date <u>status acquired</u> to be eligible.	If less than 5 yrs. with status:- Eligible if can be credited with 40 quarters. If 5 or more yrs. with status: Eligible indefinitely. 40 quarters of work history not necessary. NOTE: Special provisions apply for sponsored non-citizens.
Military: (See policy manual for detailed information) ⇒ Active duty military for other than training purposes, their spouses and unmarried dependent children. ⇒ Veterans who meet the minimum active-duty service requirements (24 months or period for which called to active duty), their spouses and unmarried dependent children. ⇒ Surviving spouses and unmarried dependent children of deceased active duty military personnel.	42 Veteran 43 Spouse or Child	42 Veteran 43 Spouse or Child	Eligible.	Eligible.	Eligible indefinitely if meet a qualified status.
Battered spouses, abused children & non-abuser parent(s)	44	45	Eligible.	Must wait 5 years from date <u>status acquired</u> to be eligible.	Not eligible based only on this status. If meets another qualified status, may be eligible indefinitely after 5 years in the US or if can be credited with 40 quarters, depending on specific status.
American Indians born outside the US	46	46	Eligible.	Eligible.	Eligible indefinitely if a member of a federally recognized Indian tribe or subject to section 289.
Conditional Entrants under section 203(a)(7)	47	48	Eligible.	Must wait 5 years from date <u>status acquired</u> to be eligible.	Eligible indefinitely after 5 years in the US with this status.
Paroled under section 212(d)(5) for at least one year	49	50	Eligible.	Must wait 5 years from date <u>status acquired</u> to be eligible.	Eligible indefinitely after 5 years in the US with this status.
Refugee under section 207/Victims of Human Trafficking	52	52	Eligible.	Eligible.	Refugees under Section 207: Eligible indefinitely from the <u>date of entry</u> .
					Victims of Human Trafficking: Eligible indefinitely from the <u>date of certification</u> .
Granted Asylum under section 208	53	53	Eligible.	Eligible.	Eligible indefinitely from the <u>date the asylum was granted</u> .
Cuban/Haitian Entrant per INS documentation or as defined in section 501(e)	54 See codes 62-66	54 See codes 62-66	Eligible.	Eligible.	Eligible indefinitely from the <u>date the status was acquired</u> .

(continued)

Figure 2.4 (continued)

Current Non-Citizen Status	FLORIDA AICZ Code		Cash and Medicaid		Food Stamps
	Before 8/22/96	After 8/22/96	Before 8/22/96	After 8/22/96	
Deportation withheld under section 243(h) or 241(b)(3)	56	56	Eligible.	Eligible.	Eligible indefinitely from the <u>date the deportation is withheld.</u>
Amerasian	57	57	Eligible.	Eligible.	Eligible indefinitely from the <u>date of entry.</u>
No qualified or eligible status	58	58	Eligible for EMA only.	Eligible for EMA only.	Not eligible.
Other INS status	59	59	Not eligible. If INS document expired, they would meet residence requirement for EMA.	Not eligible. If INS document expired, they would meet residence requirement for EMA.	Not eligible.
Lawful Permanent Resident <u>with</u> prior Asylee code under section 208	60	60	Eligible.	Eligible.	Eligible indefinitely from the <u>date the asylum was granted.</u>
Lawful Permanent Resident <u>with</u> Amerasian code	61	61	Eligible.	Eligible.	Eligible indefinitely from the <u>date of entry.</u>
Lawful Permanent Resident <u>with</u> prior Cuban/Haitian Entrant code	62	62	Eligible.	Eligible.	Eligible indefinitely from the <u>date Cuban/Haitian status was acquired.</u>
National of Cuba or Haiti Paroled under section 212(d)(5) (regardless of the length of the parole)	63	63	Eligible.	Eligible.	Eligible indefinitely from the <u>date the status acquired.</u>
National of Cuba or Haiti who is an asylum applicant	64	64	Eligible.	Eligible.	Eligible indefinitely from the <u>date asylum application was filed.</u>
National of Cuba or Haiti with an Indefinite Stay of Deportation	65	65	Eligible.	Eligible.	Eligible indefinitely from the <u>date the stay of deportation was granted.</u>
National of Cuba or Haiti whose Deportation is Withheld	66	66	Eligible.	Eligible.	Eligible indefinitely from the <u>date the deportation is withheld.</u>
Qualified child under 18 who was lawfully residing in the US on 8/22/96 Beginning 10/01/03: Qualified child under 18 (regardless of the date of entry)	67	67	Eligible.		Eligible until child reaches 18 years old. NOTE: Beginning 10/01/03 deeming of income and assets from sponsor does not apply to children.
Qualified non-citizen who was 65 and lawfully residing in the US on 8/22/96	68	68	Eligible.		Eligible indefinitely.
Qualified blind or disabled non-citizen (regardless of date of entry)	69	69	Eligible.	Depending on the specific status, some non-citizens must have to wait 5 years from <u>date status acquired</u> to be eligible.	Eligible indefinitely.
Hmong or Highland Laotians, spouses, dependent children, unmarried surviving spouse	70	70	Not eligible.	Not eligible.	Eligible indefinitely if they were tribal members during Vietnam era.

SOURCE: State of Florida, Economic Self-Sufficiency Program Office, 2003.

NOTES: This chart has been updated to reflect food stamp policy changes effective April 1, 2003, and October 1, 2003.

^aAICZ Code refers to Alien Information case number. It displays the date of entry for refugees.

Perceptions and Experiences of Former and Ongoing Welfare Recipients

To this point, the chapter has described the implementation of welfare reform in Miami-Dade County chiefly from the standpoint of program administrators and staff. This section turns to the people who were the main targets of the state's new policies — current and former welfare recipients — to understand their perceptions and experiences. It draws on two independent data sources:

- A survey of nearly 800 randomly selected women who, in May 1995, were single mothers between the ages of 18 and 45 and received cash assistance in Miami-Dade County and mostly lived in high-poverty neighborhoods. These women were interviewed at two points after welfare reform began — in 1998 and 2001 — to capture changes in their situations and experiences over time.
- Ethnographic interviews with 42 low-income, single-parent families, conducted over three and a half years starting in 1997. At the time of the first interview, all the families who participated in the ethnography received cash assistance, were headed by women, and lived in the low-income communities of Hialeah and Liberty City.

The methodologies used for the survey and ethnography and the characteristics of both groups of respondents are explained in detail in Chapter 4. For the following discussion, readers should be aware that although respondents in the two samples received cash assistance at the point when they were selected for the study, the majority left welfare over the course of the follow-up period. As a result, survey and ethnographic respondents had varying levels of “exposure” to welfare reform. Nonetheless, as former and ongoing welfare recipients who resided in poor sections of Miami-Dade County, they offer an important perspective on how welfare policies were communicated and how programs were operated.

Knowledge of Welfare Rules

One of the main topics addressed by both the survey and the ethnography was the respondents' level of knowledge about several major features of Florida's welfare reform program, including time limits and transitional benefits intended to help welfare recipients move into the workforce. In Miami-Dade, DCF caseworkers and welfare-to-work case managers were primarily responsible for making sure that clients understood the new rules and were preparing for time limits. Of course, clients could pick up information — accurate or not — from a variety of other sources, including relatives, friends, service providers, and news media. Table 2.4 shows

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Table 2.4

**Changes in Knowledge of Welfare Rules
Among Former and Ongoing Welfare Recipients**

	First Interview (1998)	Second Interview (2001)	Difference
<u>Understanding of welfare rules</u>			
Percentage of clients who reported that the time limit on cash assistance is:			
24 months	33.2	29.9	-3.3
36 months	5.2	12.0	6.8 ***
48 months	1.5	2.6	1.1
Percentage of clients who knew that:			
There is a time limit on cash assistance (length of time unspecified).	88.0	93.3	5.2 *
They could keep part of their grant even if they got a job.	43.5	51.6	8.1 *
If they left welfare to work, they would continue getting medical benefits.	60.8	70.4	9.6 ***
If they left welfare to work, they would get help paying for child care.	44.0	55.2	11.2 ***
If they left welfare for work, they would continue to get food stamps. ^a	n/a	66.3	n/a
Sample size	581	581	

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Rounding may cause slight discrepancies in sums and differences.

Statistical significance levels are indicated as: *** = 0.1 percent; ** = 1 percent; and * = 5 percent.

^aThis question item was not included in the first interview.

the percentages of survey respondents who had a *correct* understanding of several major policies in 1998 and 2001. The principal finding is that clients' knowledge of almost every item included in the survey improved over time.²⁶

²⁶MDRC conducted identical surveys of current and former welfare recipients as part of the Urban Change study in Cleveland and Philadelphia. In Cleveland, researchers detected significant increases in clients' knowledge of welfare rules on every topic except the earned income disregard, which registered a decline in knowl-
(continued)

Time Limits

If there was a single message that national and state policymakers wanted to get across after welfare reform, it was that cash assistance is not intended to be long term. On this point, the survey reveals a high level of awareness: 88 percent of respondents in 1998 and 93 percent in 2001 were aware of the time limit. When asked to specify how long the time limit lasted, however, no more than 45 percent of respondents in the 1998 or 2001 interview could specify either the interim time limits (24 months or 36 months) or the lifetime limit (48 months). This likely reflects the complicated nature of Florida's time-limit policy and the tendency of DCF and welfare-to-work staff not to dwell on the details when discussing time limits with clients. It may also reflect the fact that extensions were granted fairly easily to clients who actually hit the time limits, thereby making the number of months technically allowed under the policy less relevant.

Within the ethnographic sample, the awareness of time limits was also high, though a number of respondents made a point of saying that they learned about the limits from their friends or through letters from the welfare department rather than directly from their caseworkers. A Spanish-speaking respondent named Rosario²⁷ told an interviewer in 1997:

I learned mostly from talking among ourselves, the girls that are on welfare. They say, "Look, they are going to cut off the assistance."

Similar to respondents in the survey sample, many ethnographic sample members were unable to distinguish between interim and lifetime limits on cash assistance, and they were generally uncertain about how long they would remain eligible. For example, when a Hispanic woman named Mercy was asked how much time she still had on welfare, she responded:

They've told me that the aid is not going to be forever, but they haven't been too specific as to when they are going to take it away.

Some of the ethnographic respondents also indicated confusion over which benefits are time-limited. A Hispanic woman named Maria wrongly assumed that medical benefits would be affected:

They've told me that, after October '98, my son was not going to receive any more help. No Medicaid, no nothing.

edge (Brock et al., 2002). In Philadelphia, clients' knowledge about time limits increased, but their knowledge of other welfare rules was unchanged from 1998 to 2001 (Michalopoulos et al., 2003).

²⁷Throughout, the names used for ethnographic sample members are pseudonyms. Spanish-language interviews like this one have been translated into English. Translation was supervised by Carol Stepick.

Like members of the survey sample, women in the ethnographic sample got the message that welfare benefits are time-limited, but they were not always clear about the details.

The Earned Income Disregard

Florida's simplified and expanded earned income disregard policy was intended to provide a financial incentive for welfare recipients to go to work. As noted earlier, DCF and welfare-to-work staff did not tend to market this policy, but DCF's computer system calculated the amount automatically for clients who reported their earnings. The survey reveals that 44 percent of respondents in 1998 and 52 percent of respondents in 2001 were aware that they could keep part of their welfare grant even if they got a job. These percentages are considerably smaller than the percentages of respondents who knew about time limits, perhaps reflecting the relatively low emphasis that the disregard received from DCF and welfare-to-work staff.

Transitional Benefits

The survey reveals that somewhat higher awareness of transitional benefits was provided by the DCF offices than by the welfare-to-work offices. Specifically, by 2001, roughly two-thirds of survey respondents were aware that they could keep medical benefits and food stamps when they left welfare for work. Likewise, among the ethnographic sample, most women knew that they would be eligible at least for Medicaid if they were employed. On this point, ethnographic sample members' awareness seemed to increase over time. In contrast, just over half the survey respondents in 2001 knew that they could get help paying for child care when they went to work. Many ethnographic sample members similarly expressed confusion about whether and how they could access child care and transportation assistance when they were working.

Use of Services and Interactions with Welfare Staff

A second set of topics addressed by the survey and the ethnographic interviews includes sample members' interactions with welfare staff, their use of work-related services, and their experiences with sanctions and time limits. The survey results for these questions are presented in Table 2.5. Unlike the items reported in the previous table, many of these questions were asked only of sample members who were currently on welfare or had been on welfare within 12 months of each interview. This subgroup — 119 cases out of a total sample of 793 — represents women who had the most contact with welfare programs and staff after the new rules went into effect and who, presumably, had the most difficulty finding employment. To avoid confusion with the full sample, the following discussion refers to these women as “ongoing recipients.”

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Table 2.5

**Changes in Use of Services and Welfare Experiences
Among Ongoing Recipients**

	First Interview (1998)	Second Interview (2001)	Difference
<u>Interactions with welfare staff</u>			
Percentage of clients who report that welfare staff: ^a			
Took the time to get to know them and their situation.	28.2	34.2	6.0
Would help them deal with problems affecting their participation in welfare program activities.	28.0	30.5	2.5
Pushed them to get a job quickly even before they felt ready or a good job came along.	55.2	51.7	-3.4
Urged them to get education or training to improve their skills.	39.0	42.4	3.4
Just wanted to enforce the rules.	62.9	59.5	-3.4
Helped them to find or keep a job.	23.9	33.3	9.4
Urged them to save up their months of welfare for when they need/needed them the most.	9.5	17.2	7.8
<u>Work-related activities</u>			
Percentage of clients who, in the last 12 months, attended:			
At least 1 work-related activity	71.4	51.3	-20.2 ***
Job club	35.3	30.3	-5.0
Independent job search	49.6	38.7	-10.9 *
Unpaid work	24.4	12.6	-11.8 **
On-the-job training	5.9	1.7	-4.2
Vocational training	15.1	12.6	-2.5
GED, ABE, ESL	6.7	8.4	1.7
College	1.7	0.8	-0.8
<u>Sanctions, disputes, and time limits</u>			
Percentage of clients who said that:			
They were sanctioned in the last 12 months.	36.4	50.0	13.6 *
They had a dispute with the welfare agency in the last 12 months.	23.5	29.4	5.9
They were cut off welfare due to time limits. ^b	n/a	17.2	n/a
They received an extension after reaching their time limit. ^{b,c}	n/a	49.0	n/a
Sample size	119	119	

(continued)

Table 2.5 (continued)

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: The sample was narrowed to respondents who were currently receiving welfare or had received welfare within 12 months of interview for both the first and the second interview.

Rounding may cause slight discrepancies in sums and differences.

Statistical significance levels are indicated as: *** = 0.1 percent; ** = 1 percent; and * = 5 percent.

^aQuestions were based on a "how much" scale. The scale ranged from 0 to 10, where 0 meant "not at all" and 10 meant "the most possible." Data presented in this table are based on the percentages of respondents answering between 7 and 10 on each question.

^bThe first families hit the 24-month time limit in October 1998. One year later, the first families hit the 36-month time limit. Recipients who qualify for the 36-out-of-72-month time limit are custodial parents under age 24 who have not completed high school or have no work experience and long-term recipients (defined as those who have received assistance for at least 36 of the last 60 months).

^cThis question was asked of respondents who said that there is a time limit on how long a person can get cash welfare and also who were currently receiving welfare or had received welfare within 12 months of the interview.

Interactions with Welfare Staff

In general, ongoing recipients did not speak positively about their interactions with welfare staff. Only about one-third of the survey respondents reported that welfare staff took the time to get to know them and their situation or felt that welfare staff would help them deal with problems affecting their participation in welfare program activities. (It is important to note that clients in the ethnographic sample often had trouble distinguishing between their DCF case-worker and their welfare-to-work case manager, which suggests that the survey findings reflect the women's opinions about both staff members.) About six out of ten respondents agreed with the statement that welfare staff "just wanted to enforce the rules."

With regard to employment preparation, about half the ongoing recipients said that welfare staff pushed them to get a job before they felt ready or before a good job came along — reflecting, no doubt, the strong work-first emphasis of Miami's welfare reform. Only about four in ten sample members said that welfare staff urged them to get education or training to improve their skills, and roughly three in ten (in 2001) reported that welfare staff helped them to find or keep a job. Relatively few sample members indicated that they had been urged to save up their months of welfare for the future, when they might have greater need for assistance.²⁸

²⁸A comparable sample of survey respondents in Cleveland gave similar answers to the Miami sample on these questions, though higher percentages of the Cleveland group said in 2001 that welfare staff pushed them
(continued)

When asked about their interactions with caseworkers, a number of ethnographic respondents expressed resentment toward staff, whom they perceived as uncaring, rude, and poorly informed. For example, a Hispanic sample member named Helena told an interviewer:

I have had to fight a lot with the welfare. Most of the employees are rude. I never complain of what the government gives me; I complain about the employees' attitude toward to us. They think they have the right to treat us as bad as they want. If you go to ask a question or for help, they treat you disrespectfully.

Some of the women's comments suggest that the problems they experienced were tied to the changes in welfare-to-work contractors and to the gaps in the management information system. Many of the women, for example, complained about the "revolving door" of case managers to whom they were assigned. An African-American respondent named Connie relayed her experience:

Oh yeah. They change the caseworkers. Like, now I get recertified again in June. It seem like every time I go I have a different worker. The last worker I had messed up my whole case, and they owe me some money, but they claim I can't get it. And this worker I had last week said that everything that was in the computer about me and my kids was wrong. He had to correct everything, which caused me not to get the income I was supposed to.

Other ethnographic sample members complained about the lack of coordination between DCF and welfare-to-work staff or about being asked to repeat activities to which they had already been assigned. Sandi, an African-American woman who tried repeatedly to get child care assistance from the program, described her frustrations in a 1998 interview:

[I] go to the Joseph Caleb Building,²⁹ and I get there, and they don't know what they talking about, and I'm tired of walking backward and forward, backward and forward, ain't get no help yet. They're very uncoordinated. It took them awhile to find my name in the computer. They don't know what they doing down there.

to get a job before they felt ready and that welfare staff urged them to save up their months on welfare for when they needed them most (Brock et al., 2002). In Philadelphia, the survey sample gave lower marks to staff for taking the time to get to know them or helping them deal with personal problems than either the Miami or the Cleveland samples. The Philadelphia sample also had many more respondents who agreed that staff "just wanted to enforce the rules" than either Miami or Cleveland (Michalopoulos et al., 2003).

²⁹The Joseph Caleb Community Center serves Miami's Liberty City neighborhood. Both DCF and welfare-to-work program offices are located in the building.

Many of the ethnographic sample members indicated that their frustrations with welfare staff and the system — rather than the advice or services they received — were the driving force in making them try to get a job and attain financial self-sufficiency.

Work-Related Activities

Just over two-thirds of ongoing recipients in 1998 and one-half in 2001 said that they had attended at least one work-related activity in the past 12 months.³⁰ Given that the emphasis on enforcing work requirements was strong throughout the study period, this statistically significant decrease seems surprising. The explanation may lie partly in the bottom panel of Table 2.5, which shows that the percentage of ongoing recipients who were sanctioned in the past 12 months increased from 36 percent in 1998 to 50 percent in 2001. This subgroup of the survey sample, in other words, appears to have included many individuals who were noncompliant. It is also possible that the 2001 survey picked up some of the disruption that occurred in program services when the case management role was shifted from the community colleges/public schools to the One-Stops. (The 1998 survey was conducted while Lockheed was still in charge.)

There are no surprises in the types of activities that survey respondents indicated they attended. Job club and independent job search were mentioned most often. A modest percentage of respondents (less than 13 percent in 2001) said that they participated in unpaid work or vocational training; even fewer reported that they attended on-the-job training, basic education classes, or college.

At the beginning of the ethnographic study, about three-fourths of the Hispanic women and one-half of the African-American women reported spending a significant amount of their time in job club, volunteer work, and applying for work — all arranged through and required by the welfare-to-work program. Few respondents indicated that they derived much value from the activities they attended. For example, a Hispanic woman named Miriam described this experience:

I already took the English and computing classes and passed them. I passed a course about Day Care and got my diploma, a course about Nutrition and got a diploma. I was going to the courses to be able to get money. It was two years. I was forced to go Monday to Thursday, 9 to 2, and you learn nothing there. If you did not show proof you needed to, you could not take the day off or they'd punish you. It's a waste of time. If you speak English well, it might be useful because they can get you jobs. But they teach you to say

³⁰By comparison, a similar sample of survey respondents in Cleveland reported significant increases in attending work-related activities (Brock et al., 2002). The Philadelphia sample, however, reported decreasing attendance similar to respondents in Miami (Michalopoulos et al., 2003).

“Good morning,” “Good afternoon,” and silly things like that, that you learn in a few days. I got out because the time was up.

In the latter half of the ethnographic study, many of the women who were still on welfare found themselves repeating the same activities they had done previously. In an interview conducted in 2001, a Spanish-speaking woman named Estela told an interviewer how she kept attending job club classes but never found a job:

Oh, I have about four or five certificates. . . . They give them to you when you pass each class, they give you a certificate. Classes like how to dress to look for employment, how to behave to look for work, what you have to do, how to complete applications. . . . I have done so many of those courses that I could be teaching them. . . . They last about, I believe like two weeks, or from two to four weeks, I think. And during that time you are looking for work, they look for places where you can work, or for you to go to interview. . . . Much of it was repetition. Look, I would finish, then they would give me more or less the same time to find work. If during that time I would not find employment, you would have to go back and repeat the classes again.

When this interview took place, Estela had already reached her interim time limit and received two extensions on her cash assistance. Although the ethnographic research indicates that Estela’s main barrier to employment was that she spoke only Spanish, she was never assigned to a class that would help her learn English.

Several other women in the ethnographic sample indicated that they had tried to attend classes on their own to attain certification as nurse’s or dietary aides but had ended up quitting because of difficulties balancing their responsibilities at home with their school hours and job search or CWEP assignments. Some of the women who were assigned to volunteer work positions spoke positively about their assignments at first, oftentimes thinking that the positions might turn into paid employment. The women later became disillusioned when they realized that there was no possibility that they would be hired. Only a couple of women in the ethnographic sample reported that they ever found a paying job through the welfare-to-work program; most said that they had better luck on their own or relying on their own networks of friends and family.

Sanctions, Disputes, and Time Limits

It is striking that almost as many ongoing recipients on the 2001 survey indicated that they were sanctioned (50 percent) as participated in work activities (51 percent). More than a quarter of the sample indicated that they had a dispute with the welfare agency in the past 12 months. Far fewer sample members reported that they were cut off welfare because of time

limits: only 17 percent in 2001. Of those who got cut off, 49 percent said that they received an extension.³¹

In the ethnographic sample, nearly all the women reported that they were sanctioned at least once over the course of the study. At first, some of the women in the sample indicated that they were caught off-guard by the increased emphasis on enforcement. Rosario, for example, recounted her experience with the tougher mandate in a 1997 interview:

You have to go to the first meeting of job club, but because I didn't know that, I thought it wasn't required. So I didn't go that week. I didn't know what happened, and the check for November didn't come. Then I went and asked them, and it's because, they told me, that you have to be in job club, it's not optional . . . and this happened to a lot of people.

As in Rosario's case, most of the sanctions were due to noncompliance with work requirements, although at least one woman in the ethnographic sample was sanctioned for failing to cooperate with child support enforcement.

A number of the ethnographic sample members stayed on welfare long enough to reach the interim time limit, and most who did so received extensions. Nonetheless, a number of the women expressed fear about what would happen when their extensions ended. A few women who had problems with their physical health — such as chronic migraines or high blood pressure — attempted to get disability payments, with varying success. Chapters 4 and 5 present some of their stories, along with details about their employment patterns, income sources, and material hardship or well-being.

Summary and Conclusions

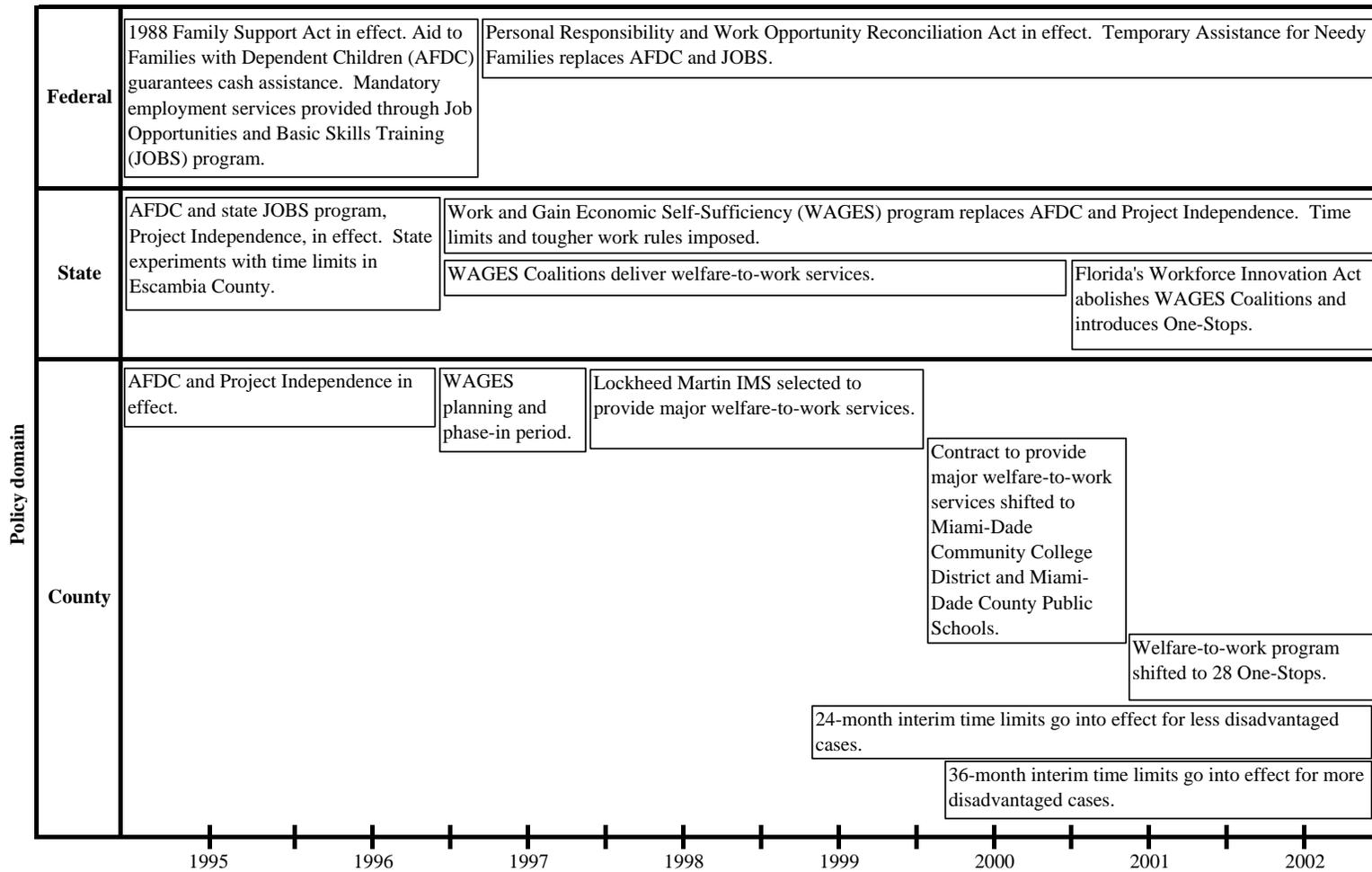
There is no question that welfare reform resulted in major changes in the way cash assistance programs were operated in Miami-Dade. Figure 2.5 presents a time line demarcating some of the major shifts that occurred in program policies and administrative practices over the course of the study at the federal, state, and local levels. The main dividing line between the old

³¹By comparison, less than 30 percent of a similar subsample of survey respondents in Cleveland and Philadelphia reported that they were sanctioned. Cleveland had a higher percentage of respondents who said they were cut off due to time limits (39 percent) and fewer who said that they received an extension (17 percent). Philadelphia's five-year time limit had not yet gone into effect when the 2001 survey was conducted (Brock et al., 2002; Michalopoulos et al., 2003).

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Figure 2.5

Welfare Reform Time Line in Miami-Dade County



and new eras is the passage of the PRWORA and WAGES legislation in 1996, but other important changes occurred later, including shifts in the major contractors responsible for administering welfare-to-work activities and, in late 1998, the first imposition of interim time limits. Less apparent from the time line — but no less important — are the changes in rules, messages, and procedures that ended any notion of welfare as an entitlement. For most low-income families in Miami-Dade, cash assistance became no more than a short-term means of support. Food stamps and Medicaid, meanwhile, gradually assumed greater importance as the more dependable strands of the safety net.

The beginning of the chapter describes the complicated nature of Florida's welfare reform policy. DCF staff in Miami-Dade deserve substantial credit for trying to communicate the intricacies of the policy to clients and for developing procedures to ensure that the law was carried out as intended. Given the numerous rules and provisions, however, it was perhaps inevitable that some aspects would be simplified or de-prioritized. The cumbersome language surrounding interim and lifetime limits on cash assistance, for instance, was generally boiled down to a more basic message that welfare is temporary. Staff gave heavy emphasis to work requirements and sanctions for noncompliance; they devoted less attention to the earned income disregard and welfare diversion. Staff implemented the behavioral provisions that could be easily verified and automated — cooperation with child support enforcement, reduced assistance for new babies born while on welfare, providing proof of children's immunizations — but they set aside the policy of documenting children's school attendance.³² For policymakers, the cautionary lesson is that there are limits to what welfare workers can do during an application or re-determination interview and to the amount of information that clients can absorb.

Another cautionary lesson is that successful devolution requires sufficient organizational capacity to handle new administrative responsibilities. Policymakers in Tallahassee and Miami may have had legitimate reasons for creating an independent, decentralized welfare-to-work program, but they did not anticipate the full consequences of turning over such major responsibilities to a state board and a local coalition that lacked the necessary infrastructure and experience. The situation was worsened when the Miami program reassigned the major contracts for service delivery to new service providers every couple of years. While hindsight is always 20/20, it now seems clear that an initial decision to have kept the welfare-to-work program inside the welfare agency — or to have based it in the existing employment and training system — would have led to greater stability and higher-quality services than was actually achieved during the study period.

³²As described earlier in the chapter, the policy was later modified to documenting whether clients attended parent-teacher conferences.

In summation, the implementation of welfare reform in Miami-Dade did not always go smoothly but nonetheless may have succeeded in making welfare less attractive than work. Clearly, the new policies and programs did not create a “user-friendly” system that made people want to prolong their stay on cash assistance. Chapter 3 examines how welfare reform actually impacted patterns of welfare receipt and employment among Miami’s welfare population. Later chapters explore how low-income families and neighborhoods fared on a wider array of outcomes, including job quality and stability, material hardship, and numerous indicators of health and well-being.

Chapter 3

Did Welfare Reform in Miami Have an Effect? An Analysis of Entry, Exits, and Employment

Both proponents and opponents of the 1996 federal welfare reform expected it to produce extraordinary changes. Proponents predicted a dramatic decrease in welfare receipt and a corresponding increase in employment among current and former recipients. Opponents conjectured that many people would be pushed into poverty without a safety net. This chapter explores whether the Temporary Assistance for Needy Families (TANF) program in Miami is likely to have caused either set of changes.

Miami's welfare caseloads did decline dramatically after 1993 (see Figure 2.1 in Chapter 2), but the declines began before TANF was implemented, which suggests that factors other than welfare reform are at least partly responsible. The growing economy might have made it easier for current and potential welfare recipients to find jobs. The expansion of the federal Earned Income Credit (EIC) may have encouraged many people to leave welfare for work or to go to work instead of applying for welfare.¹ An aging population and declines in out-of-wedlock childbearing may have resulted in fewer families' being eligible for cash assistance.²

The presence of these other factors makes it difficult to identify the independent effect of welfare reform. All the factors mentioned above would be expected to reduce caseloads, and all were present both before and after October 1996, when welfare reform was implemented in Miami. Nevertheless, the introduction of TANF — known in Florida as Work and Gain Economic Self-Sufficiency (WAGES) — represented an important turning point in welfare policies and practices. Using that fact, this chapter investigates the effects of WAGES by comparing patterns of welfare receipt and employment over time.³ If WAGES had an effect, the patterns after October 1996 should look different from the patterns before reform.⁴

¹Meyer and Rosenbaum, 2001.

²Sawhill, 2001.

³For a detailed discussion and evaluation of this method, which is called “multiple cohort design,” see Michalopoulos, Bos, Lalonde, and Verma, 2000.

⁴Some people consider the “gold standard” of policy evaluation to be randomly assigning people to either a program group, which is subject to the rules of the new policy (in this case, WAGES), or a control group, which is subject to the old policy (in this case, Aid to Families with Dependent Children [AFDC]). In a random assignment study, the control group represents what would have happened in the absence of the new policy. Unfortunately, a random assignment study of welfare reform was not practical, because the reforms were so well publicized that they might have influenced the behavior of control group members.

WAGES could have affected many outcomes, but this chapter focuses on only a few: how quickly cases closed, whether cases were deterred from receiving cash assistance, and whether employment and employment stability increased. These outcomes represent some of the express goals of welfare reform. The employment outcomes are of particular interest, because they underscore the ability of recipients to support themselves and their families with work. This has become increasingly important in light of federal lifetime limits on cash assistance receipt.

The data used in this chapter include information up to the end of 2001 and cover the period after families began reaching the “interim” time limit (24 or 36 months). It is possible that time limits had effects in this early period by encouraging parents to put greater effort into finding work or to leave welfare in order to preserve their eligibility for benefits at a later time. In Miami, however, the number of cases that were terminated because of time limits was never very large, because most recipients left on their own, or had their case closed because of sanctions before hitting the time limit, or — if they hit the time limit and were otherwise compliant — received an extension. Thus, large changes also might not be expected when families reach the time limit.

Summary of Findings

- **Trends during the 1990s.** The behavior of welfare cases in Miami changed over time in ways that were consistent with reduced caseloads. Cases closed faster in 2001 than in 1993; fewer people came onto the rolls by 2001; and recidivism was lower during 2001 than before. However, all these trends began before Miami began implementing WAGES in October 1996.
- **Estimated effects on welfare receipt.** The rate at which welfare cases closed increased steadily both before and after 1996. Because there was a small change in this trend after the introduction of WAGES in 1996, it can be concluded that people left the rolls slightly faster than they had left in the past. Based on the same logic, WAGES did not appear to change the rate at which long-term recipients left the rolls, nor the rate at which new applicants came onto welfare. These results may seem surprising, given the large drop in the caseload that occurred from 1993 to 2001. However, some features of WAGES may have had counterbalancing effects: Time limits and sanctions may have pushed some welfare recipients off the rolls sooner, while the increased earned income disregard (which made it easier for welfare recipients to maintain eligibility for benefits after going to work) may have led some welfare recipients to stay on the rolls longer. In addition, it is important to remember that nonexperimental methods like the ones used in this chapter

carry a great deal of uncertainty. In particular, the methods used in this chapter assume that trends observed prior to 1996 would have continued unabated in the absence of WAGES. This assumption seems plausible for the period soon after WAGES was introduced. Further away from 1996, however, its plausibility decreases, and the interpretations are less meaningful.

- **Estimated effects on welfare recipients' employment.** In contrast to the findings on welfare receipt, employment among current and recent welfare recipients was fairly steady prior to 1996 but increased markedly when WAGES was introduced. This suggests that the introduction of WAGES led to a significant increase in employment among welfare recipients. More important, it also led to a significant increase in stable employment. Given the problems in the implementation of the welfare-to-work program described in Chapter 2, it seems likely that welfare recipients were motivated to go to work more by the tough enforcement of work participation rules, the increase in the earnings disregard, and their awareness of time limits than by the quality of the employment services they received. Factors other than welfare reform, such as changes in the economy or in the characteristics of welfare recipients, also might be responsible for some of the increase in employment.
- **Effects on noncitizens.** Because the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) restricted benefits to noncitizens — and because Miami has a large immigrant population — an in-depth look at employment trends reveals an important difference between citizens and noncitizens. Specifically, after WAGES was introduced, employment increased much more among noncitizens than among citizens. The length of employment spells also increased more for noncitizens than for citizens. One possible explanation for this is that noncitizens felt that the stakes were higher for them to become self-supporting after the 1996 law restricted benefits to many immigrant groups, and so they were more motivated to look for work than their U.S.-born counterparts.
- **Effects of the interim time limit.** The number of cases that were terminated because of the 24- or 36-month time limits was never very large. Most recipients left on their own, or had their case closed because of sanctions before hitting the time limit, or — if they hit the time limit and were otherwise compliant — received an extension, making the effects of time limits difficult to discern. The effects might be larger with a longer follow-up period, particularly after October 2003, when clients began hitting their lifetime limit.

The Expected Effects of Miami's Reforms

The early implementation of WAGES might have affected behavior in several ways. Strict sanctioning programs and services should have encouraged people to move to work and go off welfare faster. Anticipation of the time limits might also have encouraged some people to leave welfare faster.⁵ Also, the enhanced earned income disregard might have encouraged welfare recipients to work, though it would also have allowed more people to begin receiving welfare or to stay longer on the rolls.⁶ The diversion policy that paid applicants to stay off cash assistance for six months could have reduced entry to welfare. Finally, the behavioral provisions (such as the child support enforcement policies and family caps) and restrictions on aid to certain groups of noncitizens may have discouraged some applicants and recipients from receiving aid.

Random assignment studies of welfare-to-work programs shed some light on the likely effects of some of these policies.⁷ Perhaps the most relevant information comes from the evaluation of Florida's Family Transition Program (FTP), which was a pilot version of TANF policies studied in Escambia County (Pensacola).⁸ FTP had the same time-limit policy and the same earnings disregard as WAGES, and during the second half of the pilot phase, it enforced participation requirements using full-family sanctions.⁹ FTP increased employment and earnings, and its effects on employment and earnings were similar before and after families began reaching the time limit. In the period before any parent could hit the time limit, FTP neither increased nor decreased welfare use. However, welfare savings increased substantially after families began reaching the time limit, and the program's effects on income became smaller (but were never negative).

The evaluation of the Minnesota Family Investment Program (MFIP) sheds light on why TANF-like reforms might increase cash assistance use or leave it unchanged.¹⁰ MFIP did not have a time limit on welfare receipt, but its other policies were similar to those in FTP. The program's earned income disregard allowed people to stay on welfare with earnings up to 140 percent of the federal poverty threshold. Many families who went to work under MFIP were consequently able to continue receiving cash assistance, while many of their control group counterparts who went to work under the Aid to Families with Dependent Children (AFDC) program lost their eligibility for benefits. As a result, more families received cash assistance under MFIP than under AFDC.

⁵Grogger and Michalopoulos, 2003.

⁶Moffitt, 1992.

⁷Bloom and Michalopoulos, 2001.

⁸Bloom et al., 2000.

⁹During the early part of the pilot study, partial-family sanctions were used.

¹⁰Miller et al., 2000.

The random assignment studies suggest that the effects of WAGES on welfare receipt are likely to be small during most of the period covered in this chapter. For example, while tougher work requirements and sanctions would encourage or force more welfare recipients to leave the rolls, the expansion in the earned income disregard would have the opposite effect. More families would be expected to go off welfare when they began reaching the interim time limits in the fall of 1998, but the lifetime limits did not come into effect until after this analysis was completed. In short, the full story of TANF's effects in Miami can be told only after more information has been gathered.

Data and Outcomes

The analysis in this chapter uses administrative records for all families in Miami-Dade County who received cash assistance or food stamps between January 1992 and December 2001. This includes 754,672 recipients in 198,004 cases that began with both an adult and children.¹¹ The records contain information on food stamps and cash assistance eligibility and estimated payments, as well as on earnings reported to Florida's unemployment insurance (UI) system. Because work requirements, time limits, and other WAGES policies apply only to welfare cases headed by adults, the analysis in this chapter is limited to cases that contain an adult.¹²

Administrative data contain accurate information, but they have several limitations. First, they are limited to activity in Florida. If welfare recipients move to another state, they will be counted as though they did not receive public assistance and did not work. Second, the UI data do not include information on workers who are self-employed, such as those who provide informal child care or do work that is "off the books." Third, UI records report earnings by calendar quarter and therefore provide only rough measures of employment duration and stability. For instance, people who began working or who changed jobs during a calendar quarter probably experienced weeks of joblessness that UI records do not capture. Finally, UI records report total earnings, not hours worked per week, weeks worked per quarter, or hourly wages.

Although a range of issues could be addressed in this analysis, this chapter focuses on the following questions.

- Did WAGES in Miami alter the likelihood that a case received cash assistance? This question is further divided into two parts:
 - Did the 1996 WAGES program cause welfare cases to close faster?

¹¹There were 152,092 cases headed by U.S. citizens and 45,912 cases headed by noncitizens.

¹²Note that all analyses exclude child-only cases. See Appendix Table A.1 for descriptive statistics of the individual-level sample (which is limited to adult recipients).

- Did the 1996 WAGES program cause fewer cases to open or reopen (return to welfare) once they had left?
- Did WAGES in Miami increase employment, and did it result in stable employment?

Did WAGES Alter the Likelihood That a Case Received Cash Assistance?

Welfare caseloads could have declined in Miami for two reasons: People could have left the rolls in greater numbers or they could have come onto the rolls in smaller numbers. This section analyzes the two explanations separately. Some components of WAGES were designed to affect one group more than the other. For example, the employment programs and services were primarily intended to help people leave welfare, while diversion polices and strict work rules might have deterred people from coming onto welfare. Another reason to examine welfare exits and entry separately is because increased exits and reduced entry have different implications for how the caseload changes over time.¹³

Descriptive Results

This section begins by looking descriptively at what happened to Miami's welfare caseload and welfare exits over time. Figure 3.1 shows the number of open welfare cases with an adult each month and the number of unemployed individuals each month.¹⁴ The figure confirms what was shown in Chapter 2: Welfare caseloads peaked in the middle of 1994 and declined thereafter. In fact, welfare caseloads have dropped dramatically in Florida as a whole since 1996. For example, between January 1996 and March 1998, the caseload dropped by 49 percent in Florida, compared with 30 percent for the nation.¹⁵ For this same time period, Miami's welfare caseloads dropped by about 35 percent.

Figure 3.1 also shows that the unemployment trend declined slightly until early 2000. The decline in the number of unemployed people between 1993 and 1999 was followed a few months later by a decline in the number of open welfare cases. It is noteworthy that the caseload continued to decline even when the number of unemployed people began to increase in 2000.

The vertical line at the center of Figure 3.1 represents October 1996, when WAGES began in Miami. Points to the right of the line represent the caseload and unemployment level

¹³Klerman and Haider, 2001.

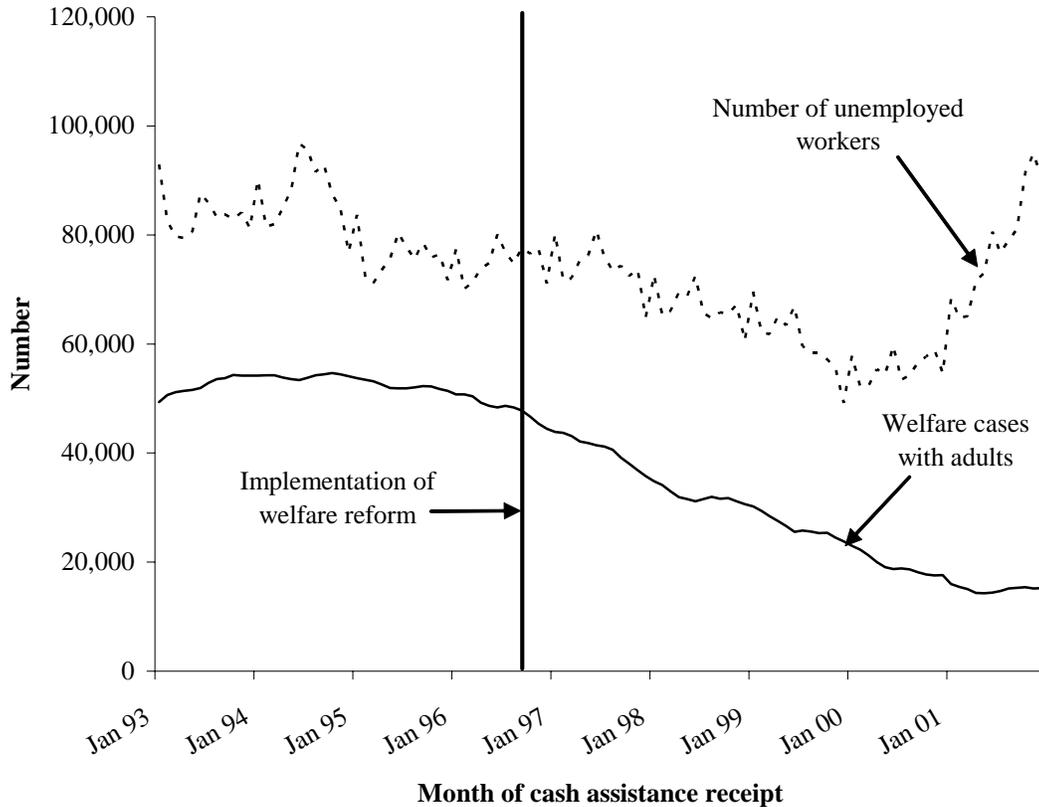
¹⁴Unemployment data are from the U.S. Department of Labor, Bureau of Labor Statistics.

¹⁵Holcomb et al., 1999.

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Figure 3.1

Number of Open Welfare Cases Each Month and Number of Unemployed Workers, January 1993 Through December 2001



SOURCES: MDRC calculations using Florida welfare administrative records and unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics.

NOTES: Family cases include cases that contain an adult and children. The sample of family cases excludes those cases that opened as child-only cases.

Monthly unemployment data are for Miami Dade County.

after WAGES began, and points to the left of the line represent the caseload and unemployment level before WAGES began. Note that the welfare caseload started declining long before WAGES was implemented in Miami. Actually, between January 1993 and January 1996, the

number of AFDC families receiving cash assistance declined by 16 percent in Florida, compared with 7 percent nationally.¹⁶

Caseloads might have declined because more people were exiting welfare or because fewer people were coming onto the rolls. For the period between January 1993 and October 2001, Figure 3.2 shows exits in Miami, defined as the proportion of adult-headed welfare cases that closed each month. Consistent with the decline in caseloads, the likelihood that a case closed gradually increased over time, from about 1 percent of cases in January 1993 to nearly 2 percent of cases in August 1997. However, by October 2001, the likelihood that a case closed had declined again to about 1 percent.

Why might exits have peaked in 1997? There are several possible explanations. The growing economy — which probably contributed to the increase in exit rates prior to 1997 — had begun to peak as well. Florida's job growth during fiscal year 1997/98 was projected to be 2.9 percent, more than double the national rate of 1.3 percent.¹⁷ The number of unemployed people reached its lowest point near the end of 1999 and had risen sharply by the end of 2001.

Alternatively, Miami's policies may also be responsible for the peak in exits in 1997. The tough sanctioning policies for not complying with work and participation requirements were intended to encourage families to engage in activities before they reached the time limit.¹⁸ Recall from Chapter 2 that families were limited to 24 to 36 cumulative months of cash assistance, out of a lifetime limit of 48 months. This could have caused more welfare cases to close after 1996.

This last alternative points out a key concern with Figure 3.2. The issue is that the characteristics of the caseload might have changed substantially over time, affecting monthly exit rates. If the caseload comprised a greater number of long-term recipients in 2001 than in 1997, for example, this may explain why a smaller proportion of cases were closing.

Did WAGES Encourage New Welfare Cases to Close Faster?

As discussed above, looking at results for the overall caseload might be misleading, because the composition of Miami's caseload may have changed over time. Figure 3.3 attempts to diminish this problem by showing exit rates for new cash assistance cases that were headed by adults. The figure also demonstrates how the impacts of WAGES are inferred in this chapter. The line extending from January 1993 to April 2001 shows the proportion of new cases that closed within six months of first receiving benefits. For example, the point at the far left of the diagram indicates that 23 percent of cases that opened in January 1993 had closed by July 1993

¹⁶Holcomb et al., 1999.

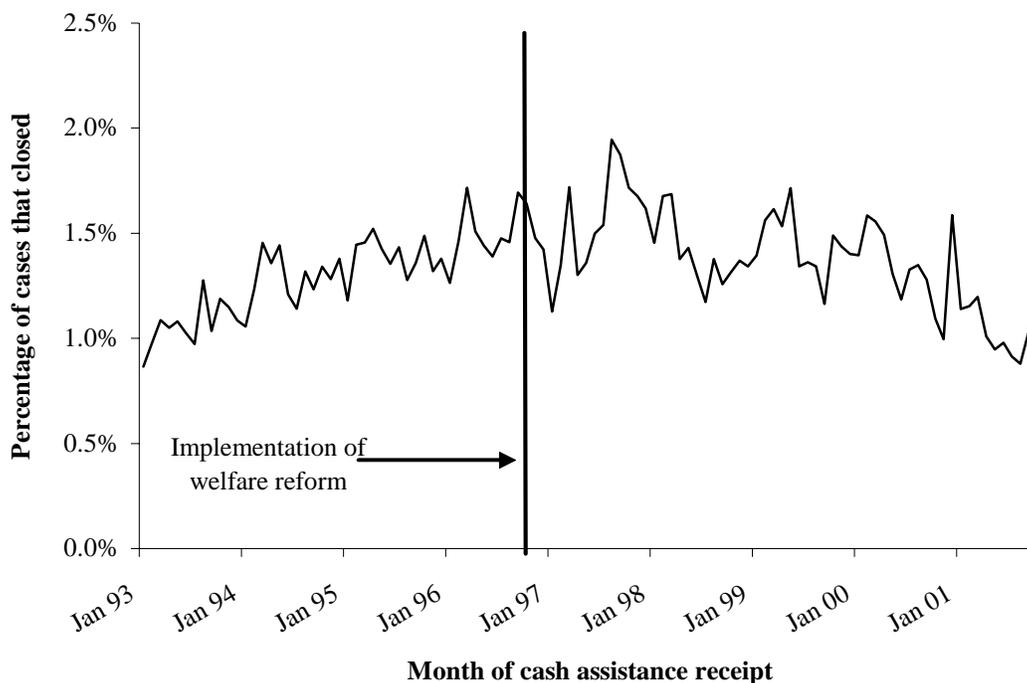
¹⁷State of Florida, Governor's Office, 1997.

¹⁸Holcomb et al., 1999.

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Figure 3.2

Percentage of Adult-Headed Welfare Cases That Closed Each Month, January 1993 Through October 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

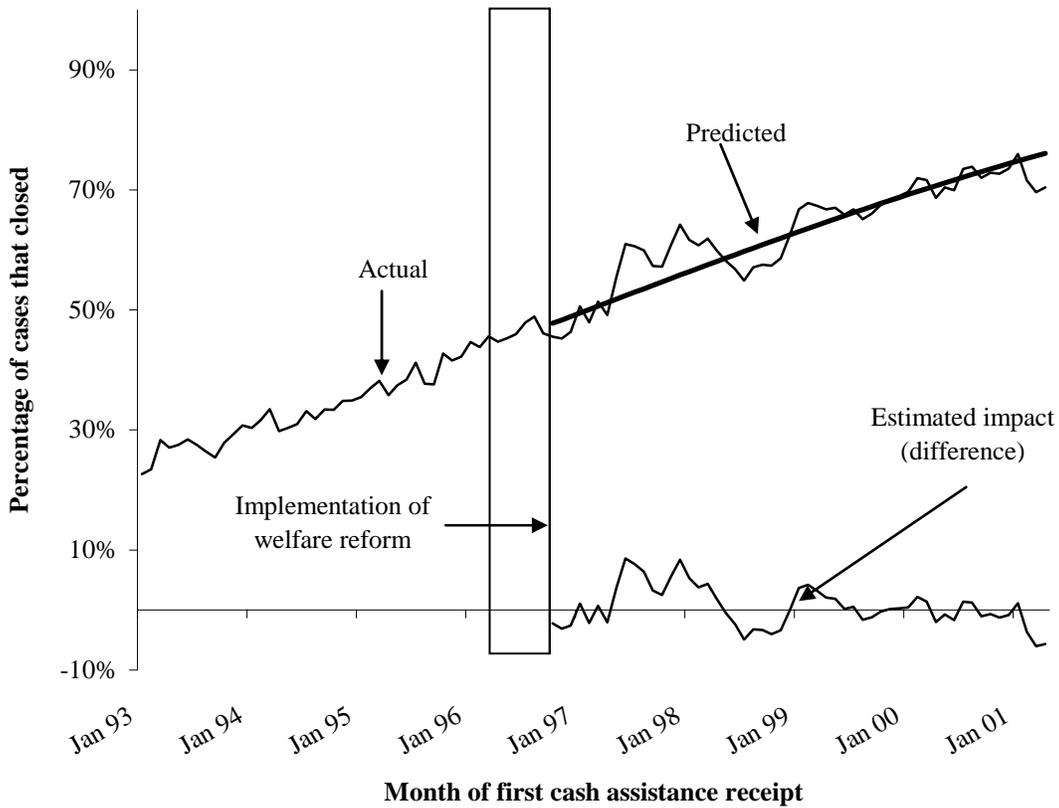
(six months later). The point to the far right shows that 70 percent of adult-headed cases that opened in April 2001 closed within the next six months.¹⁹ In these calculations, a case that starts

¹⁹Because the data extend back only to January 1992, there is no way to know whether a case received benefits prior to January 1992. A case is therefore defined as new if it had not received benefits since January 1992. New welfare cases in January 1993 might have received benefits as recently as 13 months prior (in December 1991), while new welfare cases in January 1999 had not received benefits for at least seven years. Earlier groups of “new” welfare cases might therefore contain a fair number of relatively recent welfare cases. To diminish problems that might arise from this data limitation — and because cases that received benefits in 1992 had substantially different characteristics from other cases (that is, the average sizes of these groups are much larger, indicating that many cases may, in fact, have started earlier) — the analysis excludes cases that received benefits in 1992.

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Figure 3.3

Percentage of New Welfare Cases That Closed Within Six Months of Going on Welfare, January 1993 Through April 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would close and the estimated effect of welfare reform are based on the semi-log model for the pre-reform trend. See text for details.

with an adult is considered closed only when the case as a whole stops receiving payments. It is not considered closed if it becomes a child-only case.

The boxed area in the center of Figure 3.3 represents the period when WAGES may have first affected behavior in Miami.²⁰ The vertical line on the right side of the box represents October 1996, when WAGES began in Miami. Points to the right of the boxed area represent the cases that opened after WAGES began; points to the left of the boxed area represent the cases that opened before WAGES was implemented.

Figure 3.3 shows a clear increase in the proportion of cases that closed within six months, but was the 1996 implementation of WAGES in Miami responsible for some of that trend? Addressing this issue requires a *counterfactual*, which is an estimate of what would have happened if WAGES had not been passed or implemented. In a random assignment study, the counterfactual is inferred from what the control group does, and the effect of an intervention is measured as the difference between outcomes for the program and control groups. Likewise, once the counterfactual is identified here, the effect of Miami's WAGES program is estimated as the difference between what actually happened and what the counterfactual indicates would have happened without WAGES.

Because the impact of WAGES is estimated as the difference between actual outcomes and the counterfactual, determining the most likely counterfactual is a crucial step in the analysis. To determine the counterfactual, two assumptions are made. The first assumption is that the trend prior to WAGES would have continued if WAGES had not been implemented. This is a reasonable premise, because economic growth was strong both before and after 1996. In addition, other analyses of the effects of TANF indicate that the economy was responsible for a large chunk of national caseload reductions after 1996.²¹ The second assumption is that the relevant trend is the one that best fits data from the pre-WAGES period.²² This is also a reasonable premise, especially for the period shortly after WAGES was implemented. It might not be the case, however, if another important policy or economic change happened prior to WAGES. Because the resulting estimates are only as good as these assumptions, the chapter includes a num-

²⁰Welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's WAGES program.

²¹Blank and Schoeni, 2000.

²²Several steps were involved in finding the best scenario. First, a linear trend was compared statistically with a quadratic trend to determine whether the trend was nonlinear. If a statistical test rejected the hypothesis that the trend was linear, then the trend was assumed to be semi-logarithmic; that is, the natural logarithm of the outcome was assumed to change linearly with time. A semi-logarithmic trend was assumed rather than a quadratic trend because the quadratic trend forces the counterfactual to change direction at some point, and this seemed implausible for most outcomes.

ber of figures like Figure 3.3, to help the reader judge how plausible the assumptions and resulting conclusions are.

The counterfactual shown in Figure 3.3 is the straight line extending from October 1996 until the end of the period.²³ From October 1996 until the middle of 1999, the actual exit rates roughly followed the predicted exit rates. After 1999, the actual and predicted exit rates were especially close.

The estimated effect of WAGES is illustrated in the lower right corner of Figure 3.3. The points are all fairly close to zero. This indicates that the predicted outcomes and the actual outcomes are very similar, suggesting that WAGES may not have affected cases closing within six months of opening. Table 3.1 presents estimated effects of WAGES on exits by new welfare cases for three different periods of time: three months, six months, and a year after first receiving benefits. For each outcome, the table shows the actual value of the outcome, the predicted counterfactual, and the estimated impact.²⁴ For example, 32.7 percent of new adult-headed cash assistance cases closed within three months of receiving benefits in the post-WAGES period, but the counterfactual implies that 26.8 percent of cases would have closed in an average month if WAGES had not been implemented. WAGES is consequently estimated to have increased the likelihood that a case would close within three months by 5.9 percentage points. The estimates likewise imply that WAGES increased the likelihood that a case would close within a year by 2.8 percentage points. However, WAGES did not significantly alter the likelihood that a case would close within six months (the outcome shown on Figure 3.3).

These mixed results might seem surprising: Miami's WAGES program was supposed to encourage people to leave welfare faster, particularly because of its tough sanctions and time limits. As noted earlier, however, the expanded earned income disregard might have increased welfare stays for some people. Moreover, welfare cases were being closed rapidly even before WAGES was implemented. The data show that WAGES did not stop this trend but that it also did not significantly improve on it.²⁵

²³Some of the trend from 1993 to 1996 might be due not only to the economy but also to earlier welfare reform efforts and to national discussion about "ending welfare as we know it."

²⁴Appendix Table A.3 presents exit rates for this analysis and for similar analyses published in the literature. The table reveals that this study's estimates are similar to (albeit slightly lower than) estimates published using various data sources and over various time periods. The lower magnitude of these estimates may reflect that the unit of analysis in this study is a case rather than an individual.

²⁵Additional analyses were conducted to determine whether cases headed by citizens and noncitizens showed similar or different patterns. Appendix Figures A.1 and A.2 and Appendix Table A.4 suggest that the trends in exit rates of citizens and noncitizens are not markedly different.

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Table 3.1

**Estimated Effect of 1996 Welfare Reform on Cases Exiting
Cash Assistance Within a Specified Period of Time**

Outcome	Actual Outcome for Post-Reform Period	Counterfactual Outcome	Difference	
<u>Cases exiting welfare</u>				
Percentage of welfare cases closing in:				
3 months	32.7	26.8	5.9	***
6 months	63.1	62.7	0.5	
12 months	84.8	82.0	2.8	***
<u>Long-term cases exiting welfare</u>				
Percentage of long-term welfare cases closing in:				
3 months	38.5	35.0	3.5	
6 months	54.4	52.2	2.2	
12 months	73.9	71.1	2.8	

SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis. See Appendix Table A.2 for sample sizes of first-stage regressions.

The estimated effect of TANF is the average post-reform difference from the best estimated pre-reform trend. See text for more information.

A "long-term case" is defined as receiving cash assistance in 18 out of 24 months from the start of first cash assistance receipt. The percentage of long-term cases that closed is calculated as the proportion that closed within a specified period of time after the base period of 24 months.

Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in sums and differences.

Did WAGES Reform Encourage Long-Term Cases to Close Faster?

Perhaps WAGES had little effect on the behavior of new welfare cases in Miami because many cases closed too quickly to be subject to the messages and rules introduced under welfare reform. This section focuses on a group of recipients who were more likely to have been exposed to WAGES policies — long-term recipients — and it shows that the estimated effects of reform were still small.

Long-term welfare cases are defined as cases that received cash assistance for 18 of the first 24 months after first opening. Parents in these cases may have faced barriers to employment that prevented them from leaving welfare. Because they had received welfare for a long time, they might have been more aware of the changes in the message and culture at the welfare office and might have participated the longest in welfare-to-work activities. They also would have been the cases most likely to hit the interim time limits. For these and other reasons, the effects of WAGES on long-term cases might be expected to be larger than the effects on new cases.

Figure 3.4 shows the proportion of cases that closed within six months of becoming long term. For example, the point at the far left of the diagram, which is labeled January 1995, represents the outcome for cases that opened in February 1993 and received benefits for at least 18 of the 24 months between those two dates. It indicates that nearly 23 percent of this group left welfare within the next six months, that is, between February 1995 and July 1995. The point at the far right of the diagram represents the outcome for welfare cases that began receiving benefits in May 1999 and received welfare for 18 of the 24 months that followed.²⁶ About 60 percent of this group left within six months.

Figure 3.4 shows that welfare exits for long-term cases steadily increased during the pre-WAGES period. For example, the proportion of long-term cases that closed within six months varied from about 25 percent at the beginning of 1995 to about 40 percent in the fall of 1996. The counterfactual, therefore, indicates that the proportion of long-term cases that closed would have continued to increase steadily in the absence of WAGES.²⁷ In fact, this is precisely what occurred, suggesting that WAGES in Miami had no effect on exits of long-term welfare cases. By definition, these cases were not terminated due to noncompliance with work requirements or other rules for at least 18 months, and presumably these recipients were participating in welfare-to-work activities. The implication is that the services they received did not provide enough of a boost to help them leave welfare faster than they would have in the absence of WAGES.

The bottom panel of Table 3.1 shows the estimated effects of WAGES on the likelihood that long-term cases closed within three, six, or twelve months of becoming long term. In all three different time periods, long-term cases did not appear to close any sooner after WAGES was implemented.

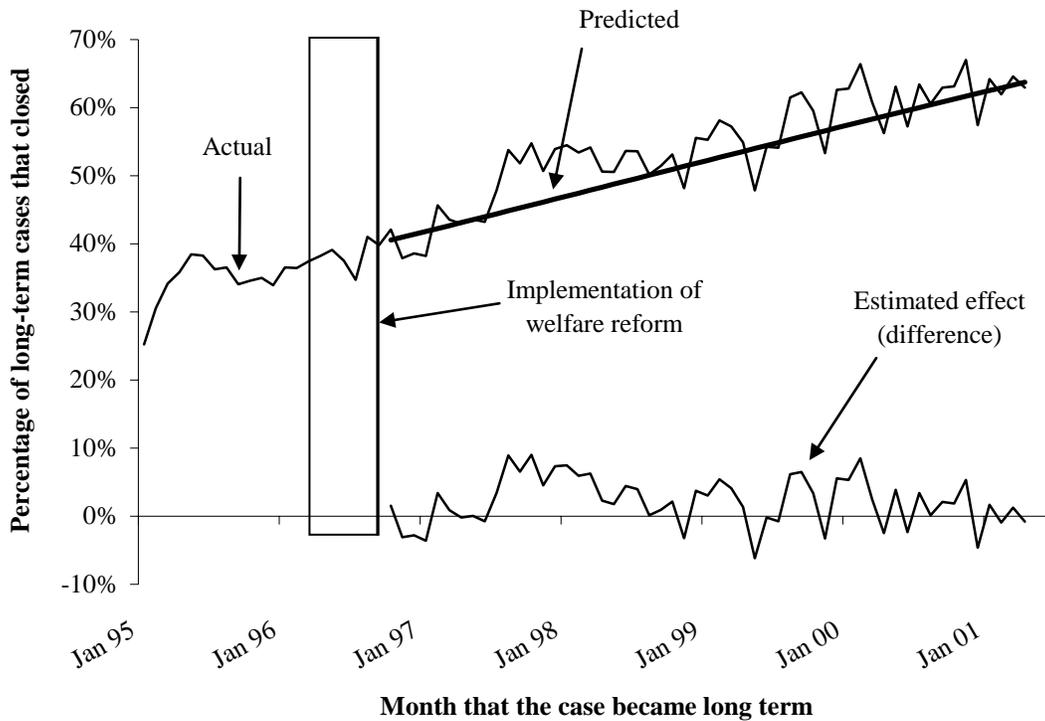
²⁶There were 78 groups of cash assistance cases that became long term between January 1995 and June 2001. See Appendix Table A.2 for the number of cases in each annual group.

²⁷Figure 3.4 depicts a situation where it is particularly hard to model a counterfactual, due both to lack of enough data points and to variation in the pre-1996 trend.

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Figure 3.4

Percentage of New Long-Term Welfare Cases That Closed Within Six Months of Becoming Long Term, January 1995 Through April 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

A "long-term case" is defined as a case that received cash assistance in 18 out of 24 months from the start of first cash assistance receipt. The percentage of long-term cases that closed is calculated as the proportion of long-term cases that closed within 6 months after the base period of 24 months.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would close and the estimated effect of welfare reform are based on the semi-log model for the pre-reform trend. See text for details.

Did People Who Were Most Likely to Come onto the Welfare Rolls Do So Less Frequently After the 1996 WAGES Program?

The previous section suggests that WAGES in Miami did not help reduce caseloads by encouraging long-term cases to close faster.²⁸ This section explores whether the 1996 WAGES program affected the number of cases that opened. The question is examined in three parts: (1) Did WAGES reduce the number of welfare cases opening for the first time (new entrants)? (2) Did WAGES reduce the number of cases returning to welfare (recidivists)? (3) Did WAGES result in fewer new welfare cases being opened by individuals who initially received food stamps without cash assistance?

New Entrants

The analysis of WAGES effects on welfare entry is again based on multiple cohorts. Looking at whether WAGES changed the number of new entrants, for example, requires three essential steps: (1) counting the number of new cases that opened each month, (2) predicting a counterfactual from the pre-WAGES trend, and (3) estimating the effect of WAGES as the difference between the actual and the predicted outcomes after October 1996.

The trends for new welfare cases from January 1993 through December 2001 are shown in Figure 3.5. The number of new entrants declined substantially over time, from about 2,200 cases that opened in January 1993 to fewer than 1,200 cases that opened in October 1996, the first month of WAGES in Miami. After WAGES began, however, the number of new cases continued to gradually decline each month to about 800 new cases in December 2001.

Because the number of new welfare cases declined over time prior to WAGES, the counterfactual (the solid line labeled “Predicted” in Figure 3.5) indicates that this decline would have continued. Because the actual number of new welfare cases did decline over time, the results imply that WAGES may not have had an impact as expected. This conclusion is verified by the top row of Table 3.2, which shows that there is no statistically significant difference between the number of cases that opened in an average month after WAGES and the number of cases that were predicted to open.

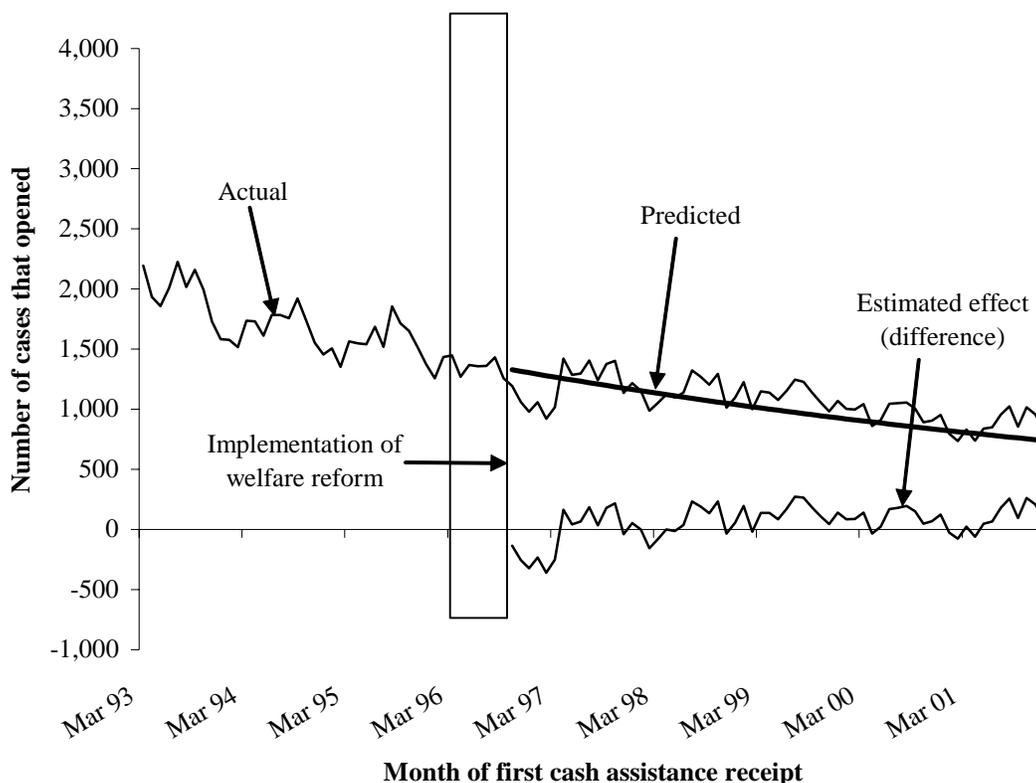
The suggestion that WAGES reforms did not affect the number of new cases may seem surprising. Once again, it is important to remember that the number of new cases was declining

²⁸In other words, while increased exits are consistent with a declining caseload, the results suggest that WAGES may not be responsible for the decline.

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Figure 3.5

Number of New Welfare Cases That Opened Each Month,
March 1993 Through December 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would open and the estimated effect of welfare reform are based on the semi-log model for the pre-reform trend. See text for details.

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Table 3.2

Estimated Effect of 1996 Welfare Reform on Cases Starting Cash Assistance Within a Specified Period of Time

Outcome	Actual Outcome for Post-Reform Period	Counterfactual Outcome	Difference
<u>Starting welfare</u>			
Number of cases starting welfare each month	1,069.0	1,006.0	63.0
Percentage of cases reopening within 6 months (recidivist cases)	16.0	13.8	2.3 **
<u>Food stamp recipients starting welfare</u>			
Percentage of food stamp cases that opened welfare cases within			
3 months	14.5	11.0	3.5 ***
6 months	17.1	12.0	5.1 ***
12 months	19.9	13.8	6.1 ***
24 months	22.8	14.7	8.1 ***
<u>For citizens</u>			
3 months	14.3	20.1	-5.8 ***
6 months	17.0	18.7	-1.7 *
12 months	20.0	20.4	-0.4
24 months	23.2	21.3	1.9
<u>For noncitizens</u>			
3 months	14.2	6.5	7.8 ***
6 months	16.5	7.0	9.6 ***
12 months	18.6	9.0	9.6 ***
24 months	20.4	10.0	10.4 ***

SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: See Appendix Table A.2 for sample sizes of first-stage regressions.

The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

The estimated effect of 1996 welfare reforms is the average post-reform difference from the best estimated pre-reform trend. See text for more information.

The percentage of cases reopening each month is calculated as the proportion of cases in each at-risk group who returned to welfare within 6 months. See text for details.

Food stamp case results exclude single (adult) recipients, who were subject to different eligibility rules since 1996. The percentage of food stamp cases that open a welfare case refers to the proportion of cases receiving food stamps, but not cash assistance, that open a cash assistance case within a specified period of time.

Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in sums and differences.

even before the WAGES program began, providing little room for WAGES to significantly alter this trend.²⁹ And, once again, it is important to remember that the estimated effect of WAGES assumes that the pre-WAGES trend would have continued. If that is wrong, then WAGES might have provided a substantial deterrent to receiving welfare that is not apparent using nonexperimental methods.

The decline predicted by the counterfactual might also be too steep because of how new entrants are defined. Because data were collected beginning in January 1992, cases that are defined as new might have received benefits prior to January 1992. That is, cases that are identified as new in January 1993 could have received benefits as recently as 13 months earlier, in December 1991. Cases that are identified as new in January 1999, by contrast, were definitely off the cash assistance rolls for at least seven years. In each month, the number of new entrants may be overstated, but this problem is likely to be most severe early in the follow-up period. As a result, the pre-WAGES decline may be overstated, and the decline predicted by the counterfactual may likewise be too steep.

Recidivism

Caseloads can decline not only if the number of new entrants declines but also if fewer people return to welfare after they have left. It is unclear what effect Miami's WAGES policies would have on recidivism. Policies such as participation mandates and time limits not only should encourage people to leave welfare but also should discourage them from returning to the rolls. Countering these effects is the possibility that participation mandates, sanctioning, and time limits might have encouraged some people to leave welfare before they were able to obtain sustainable employment.

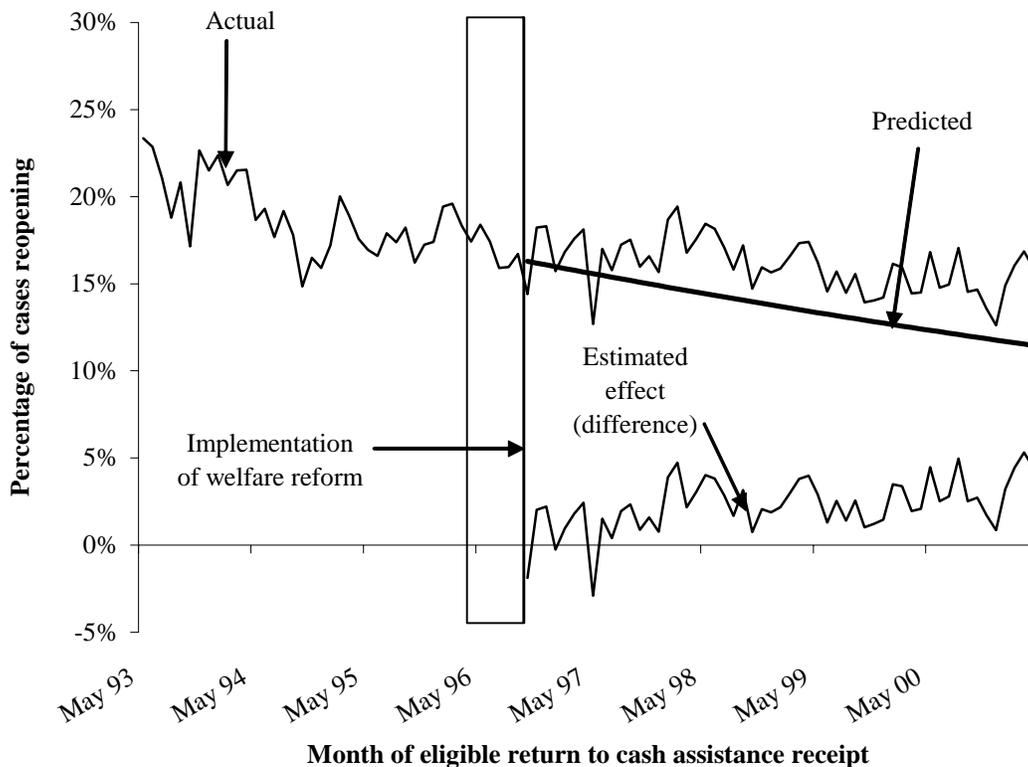
Figure 3.6 shows what actually happened with regard to recidivism. In this analysis, a recidivist case is one that closed for at least two months but returned to the rolls within six months of leaving. For example, a welfare case that opened in January 1993 and that closed in January 1994 would have been at risk of recidivism in March 1994 (having been closed for January and February 1994) and would be counted as a recidivist if the case began receiving cash assistance again before August 1994 — six months after it became at risk of returning to welfare. If a case cycled on and off welfare several times, then only its first welfare exit and only its first return to welfare are included in this analysis. By this definition, 16 percent of all former welfare cases in Miami reopened at some point during the period described in this chapter. A six-month period was chosen because most cases that reopen do so within a few months

²⁹The counterfactual assumes that pre-WAGES trends would have continued in the absence of the WAGES program. In this case, it assumes that the 50 percent decline in new entrants from 1993 to 1996 would have continued unabated in the absence of reform. Since the number of new entrants cannot decline below zero, this might be a case in which the trend would have leveled out more than predicted mechanically by the counterfactual.

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Figure 3.6

Percentage of Closed Welfare Cases That Reopened Within Six Months, May 1993 Through April 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would reopen and the estimated effect of welfare reform are based on the semi-log model for the pre-reform trend. See text for details.

of closing and because a relatively short period was needed in order to observe enough cohorts for the analysis.³⁰

According to Figure 3.6, there was a decline in the rate of recidivism before WAGES was implemented. For example, the leftmost point indicates that among welfare cases that closed in March 1993 (and therefore became at risk for reopening in May 1993), about 23 percent reopened within six months of becoming at risk of returning. By October 1996, this rate had declined to about 14 percent.

The counterfactual indicates that the gradual pre-WAGES decline would have continued in the absence of WAGES. Instead, the rate at which cases actually returned to the welfare rolls was greater than predicted. This implies that the 1996 WAGES program produced greater recidivism than was expected, which suggests that reform encouraged more individuals to leave welfare before they were able to sustain employment. The effect of WAGES on the number of cases reopening within six months is verified by the second row of Table 3.2. According to the table, 16.0 percent of closed cases returned to the rolls within six months in the period after October 1996, compared with a predicted recidivist rate of 13.8 percent. The difference implies that the WAGES program resulted in a recidivism rate that was almost 2.3 percentage points greater than expected — a small but significant increase.

Welfare Entry Among Food Stamp Recipients

Results reported earlier suggest that Miami's WAGES program probably had no effect on the number of new cases opening. One difficulty with that analysis, however, is that it does not account for the number of families who were at risk of becoming welfare recipients, which may have changed over time.³¹ As a result, the actual decline in new entrants might confound decreases in the *number* of at-risk families with decreases in the *likelihood* that an at-risk family began receiving welfare. Although reform was designed to directly affect the likelihood that an at-risk family would receive benefits, it could lead to changes in the number of at-risk families only over a very long period.

This section explores welfare entry among at-risk families by examining whether individuals who initially received food stamps without cash assistance subsequently began receiving cash assistance. The analysis examines only food stamp cases that include both adults and children. This group is probably composed of working people whose income was too high to

³⁰Coulton, Chow, Wang, and Su, 1996.

³¹Sawhill, 2001.

qualify for cash assistance benefits but who were at the risk of receiving cash assistance if they had a modest decrease in income.³²

Figure 3.7 shows the percentage of new food stamp-only recipients who began receiving cash assistance within six months of first receiving food stamps. For example, the leftmost point indicates that about 7 percent of people who began receiving food stamps without cash assistance in January 1993 had begun receiving cash assistance by July 1993. As in other figures in this chapter, points to the right of the rectangular area represent people who first began receiving food stamps after the 1996 WAGES program was implemented in Miami; points to the left of the rectangular area represent people who began receiving food stamps before the 1996 WAGES program was implemented; and points within the rectangular area represent people who began receiving food stamps shortly before the 1996 WAGES program was implemented.

Figure 3.7 shows that the predicted percentage of new food stamp-only recipients who received cash assistance within six months increased very gradually from 1993 until WAGES was implemented. However, the proportion moving onto cash assistance increased sharply from 1996 until April 1999, but then dropped gradually during the last few months of the period. The difference between the counterfactual (a slight increase after 1997) and what actually happened (a sharp increase with a gradual decline in 1999) implies that the 1996 WAGES program caused more people than expected to move from food stamps to welfare.

The lower portion of Table 3.2 shows the average effect of WAGES on the likelihood of food stamp recipients' opening cash assistance cases. Results are shown for four different outcomes: receiving cash assistance within three months, within six months, within a year, and within two years of first receiving food stamps. In each case, the results imply that the 1996 WAGES program increased the number of food stamp-only families who subsequently received cash assistance, with effects ranging from as high as an increase of 8.1 percentage points within two years to 3.5 percentage points within three months. For the outcome shown in Figure 3.7, the table indicates that 17.1 percent of food stamp recipients moved to cash assistance within six months in the period after WAGES began, compared with a predicted rate of 12.0 percent. The difference implies that WAGES increased the likelihood (by 5.1 percentage points) that a food stamp recipient would open a cash assistance case within six months.

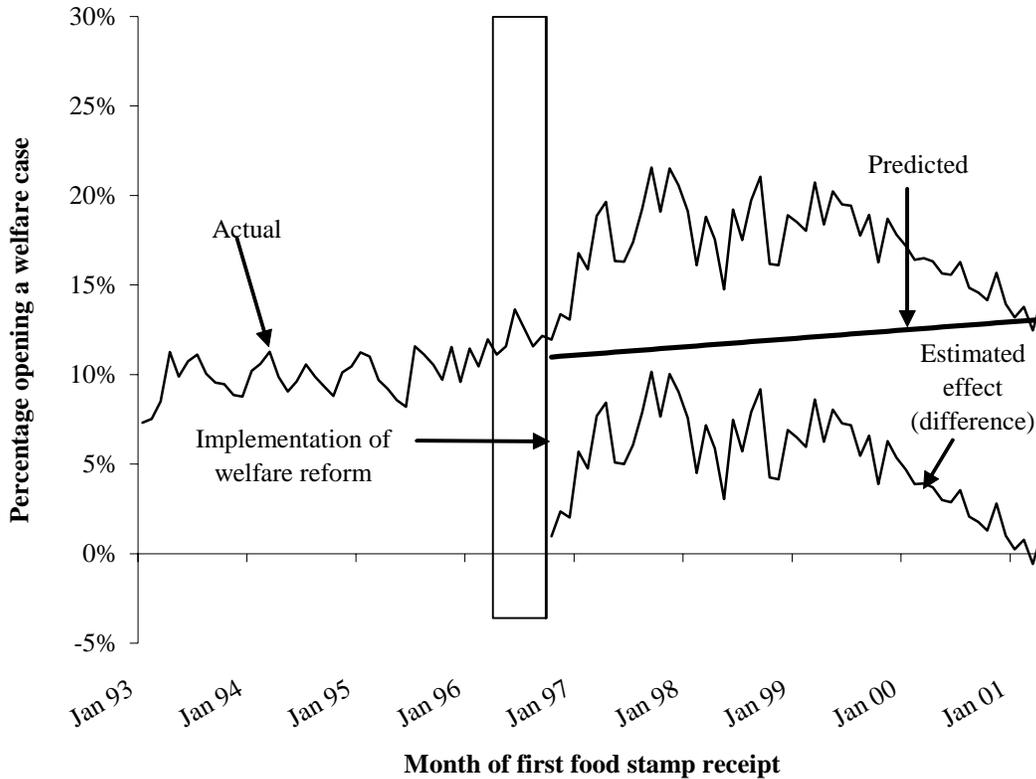
The idea that WAGES moved new food stamps recipients without cash assistance to open a cash assistance case seems somewhat surprising. One reason could be the issue of citizenship. PRWORA's policies affecting noncitizens may have had large effects in Miami because the county has a large population of immigrants. With respect to the current analysis, PRWORA made many adult noncitizens ineligible for food stamps, regardless of income or arrival date. This

³²See Appendix Table A.2 for the size of this group and its change over time.

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Figure 3.7

Percentage of New Food Stamp Recipients That Opened Welfare Cases Within Six Months of Opening a Food Stamp Case, January 1993 Through April 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

Results exclude single, adult recipients, who were subject to different eligibility rules since 1996. The calculation examines the proportion of individuals receiving food stamps, but not cash assistance, that opened a cash assistance case within a specified period of time.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would open and the estimated effect of welfare reform are based on the linear model for the pre-reform trend. See text for details.

would have affected the composition of new food stamp recipients over time and the likelihood that citizens and noncitizens would have moved to cash assistance after August 1996.

To further investigate the effect of citizenship on the estimated impact of WAGES on welfare entry among food stamp recipients, the analysis was performed separately for citizens and noncitizens. For citizens, WAGES should have reduced the likelihood that someone would move from food stamps to cash assistance, for reasons discussed above. For noncitizens, the effect of WAGES on movement from food stamps to cash assistance is less clear; working-age noncitizens became ineligible for food stamps regardless of their arrival date, but they could continue to receive cash assistance if they arrived before 1996.

Consider Figure 3.8, which shows the percentage of new food stamp-only recipients who were citizens and who began receiving cash assistance within six months of first receiving food stamps. For example, the leftmost point indicates that about 9 percent of people who began receiving food stamps without cash assistance in January 1993 had begun receiving cash assistance by July 1993. Figure 3.8 shows that the predicted percentage of new food stamp-only recipients who were citizens and who received cash assistance within six months increased gradually from 1993 until the end of 1997. But the proportion moving onto cash assistance decreased during the last few years of the period starting in 1998. The difference between the counterfactual and what actually happened implies that WAGES caused fewer citizens than predicted to move from food stamps to welfare.

For noncitizens, WAGES seems to have had the opposite effect. Figure 3.9 shows the percentage of new food stamp-only recipients who were noncitizens and who began receiving cash assistance within six months of first receiving food stamps. The trend before WAGES was fairly flat, and the counterfactual implies that the proportion moving onto cash assistance would have remained flat in the absence of WAGES. In fact, the actual rate at which new food stamp-only recipients who were noncitizens moved onto cash assistance increased dramatically, though there was considerable variation. The difference between the counterfactual and what actually happened implies that WAGES may have caused more noncitizens than expected to move from food stamps to welfare.³³

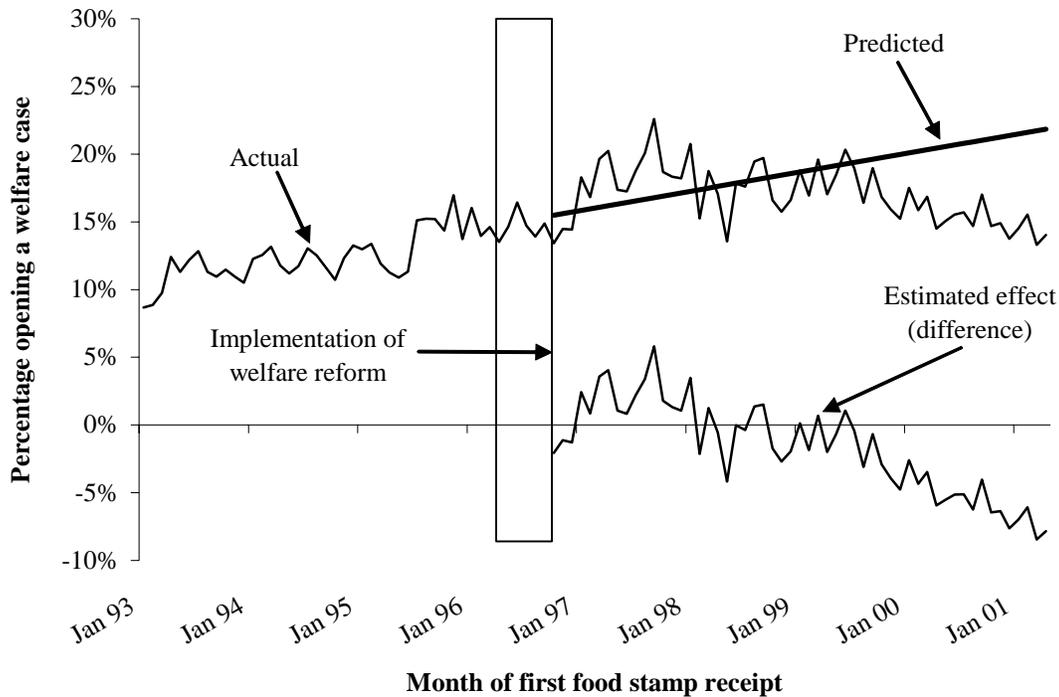
Although this analysis suggests that WAGES affected the behavior of noncitizen food stamp recipients, readers should be aware that the composition of the noncitizen food stamp population changed after 1996, when federal policy limited food stamp benefits for noncitizens to refugees and asylees. Because of this change, the number of noncitizen food stamp recipients

³³An analysis of the profile of noncitizen-headed cases shows that the noncitizen subgroup is a fairly constant proportion of the caseload. This indicates that noncitizens' behavior was truly different and not an artifact of certain compositional changes.

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Figure 3.8

Percentage of Citizens Who Were New Food Stamp Recipients That Opened Welfare Cases Within Six Months of Opening a Food Stamp Case, January 1993 Through April 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

Results are limited to individuals who are citizens and exclude single, adult recipients, who were subject to different eligibility rules since 1996. The calculation examines the proportion of individuals receiving food stamps, but not cash assistance, that opened a cash assistance case within a specified period of time.

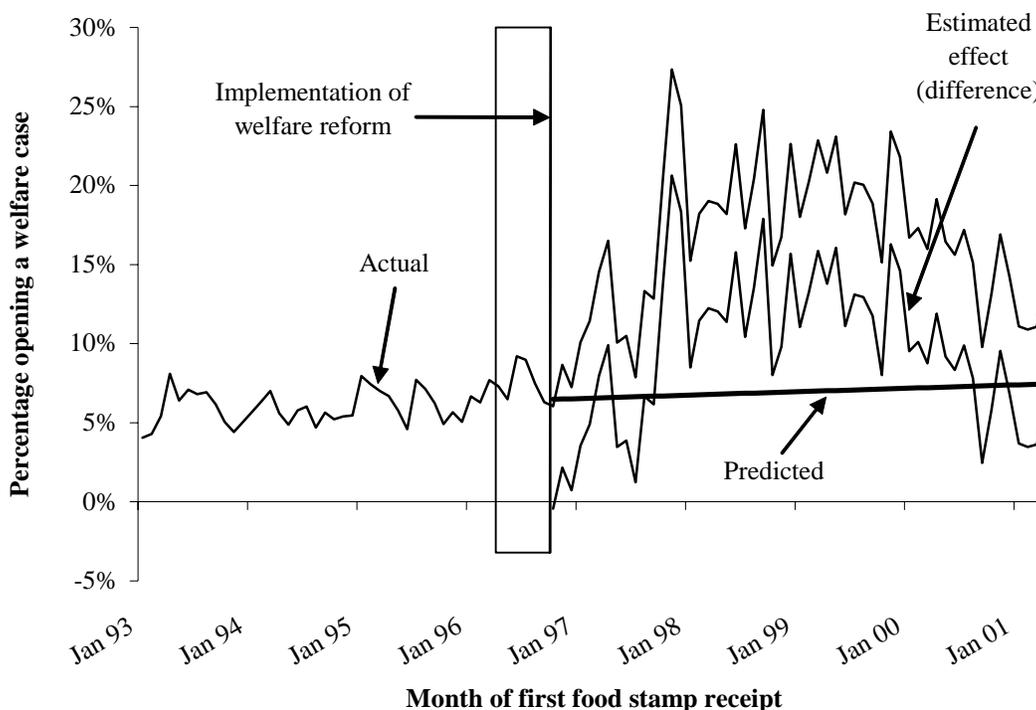
The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would open and the estimated effect of welfare reform are based on the linear model for the pre-reform trend. See text for details.

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Figure 3.9

Percentage of Noncitizens Who Were New Food Stamp Recipients That Opened Welfare Cases Within Six Months of Opening a Food Stamp Case, January 1993 Through April 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

Results are limited to individuals who were noncitizens and exclude single, adult recipients, who were subject to different eligibility rules since 1996. The calculation examines the proportion of individuals receiving food stamps, but not cash assistance, that opened a cash assistance case within a specified period of time.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would open and the estimated effect of welfare reform are based on the linear model for the pre-reform trend. See text for details.

decreased by more than half in Miami-Dade between September and November 1996. Noncitizens who remained on the rolls presumably had different characteristics than those who received food stamps prior to 1996. This compositional change probably is responsible for much of the observed change in the proportion of noncitizen food stamp recipients who began receiving cash assistance.

Effects of Miami's WAGES Program on Employment

So far, the chapter has provided mixed results regarding the effects of WAGES on Miami's caseload. The program appears to have moved people off the rolls slightly faster while increasing recidivism by a small but significant amount. However, the reforms seem to have had no effect on the number of new cash assistance cases that opened. In addition, long-term welfare cases do not appear to have closed any sooner after the reforms were implemented.

Although different policies might have had different effects on welfare receipt, all the policies were designed to increase employment. This section investigates the effects of Miami's 1996 reforms on employment among welfare recipients. This section also analyzes employment by citizenship status. Using employment and earnings data as reported to Florida's unemployment insurance (UI) system, the section examines two outcomes: employment and employment stability. Overall, the results suggest that the WAGES had large effects on short-term employment and employment stability.

Did Miami's WAGES Program Increase Employment?

This section explores whether WAGES in Miami increased the likelihood that any individual who was associated with a new welfare case worked within four quarters of first receiving cash assistance. As in the other analyses in this chapter, the choice of four quarters is somewhat arbitrary. However, results from the National Evaluation of Welfare-to-Work Strategies and other random assignment evaluations imply that mandatory job search programs have immediate effects on employment, while results from studies of financial work incentives indicate that they also tend to have immediate effects on employment.³⁴ Therefore, if WAGES affected employment, it seems reasonable to expect that its effects would have occurred within a year.

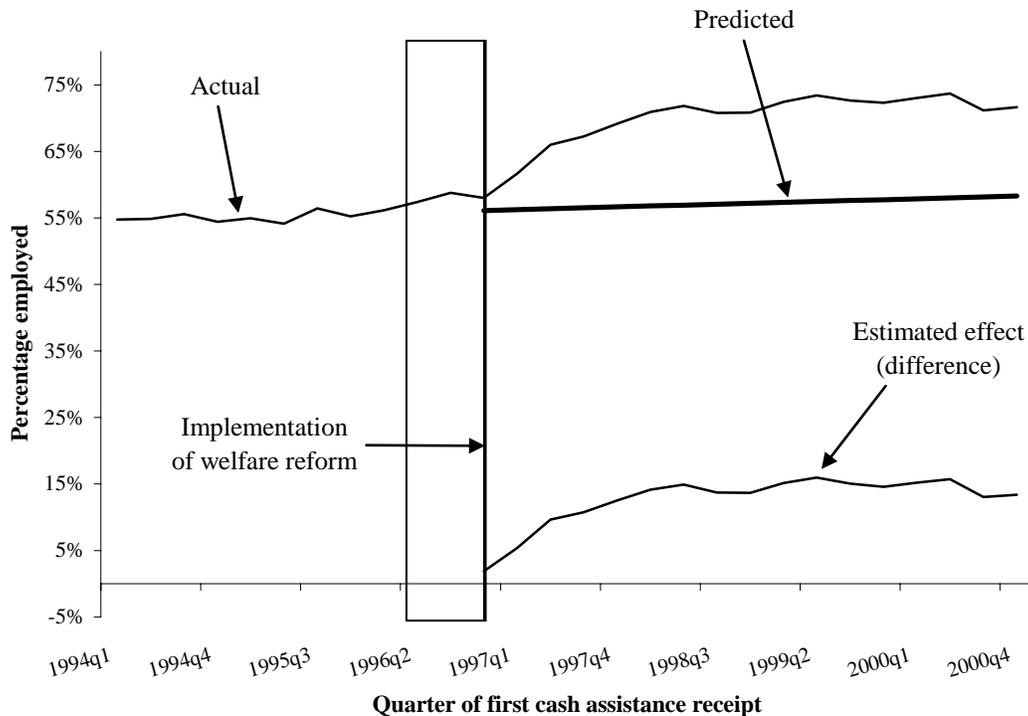
Figure 3.10 shows the proportion of each group of new welfare cases that contained at least one member who worked within four quarters of receiving cash assistance. The figure shows that employment among new welfare recipients increased over time. For example, about 55 percent of cases that began receiving cash assistance in the first quarter of 1994 contained at least one member who worked before the first quarter of 1995. Similarly, about 56 percent of

³⁴Hamilton et al., 2001; Bloom and Michalopoulos, 2001.

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Figure 3.10

Percentage of Cases That Had at Least One Member Employed Within Four Quarters of Starting AFDC/TANF, January 1994, Quarter 1, Through December 2000, Quarter 4



SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: The sample is limited to adults.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage employed and the estimated effect of welfare reform are based on the linear model for the pre-reform period. See text for details.

cases that began receiving cash assistance in the second quarter of 1996 contained at least one member who worked before the second quarter of 1997. In contrast, just under 72 percent of cases that began receiving cash assistance in the fourth quarter of 2000 contained a member who worked before the fourth quarter of 2001.

Because employment was fairly flat before WAGES, the counterfactual implies that employment would have remained flat in the absence of WAGES. In fact, the actual rate of employment increased dramatically, suggesting that the 1996 reforms had a large effect on employment among recent welfare recipients. Table 3.3 confirms this result. According to the first row of the table, 69.8 percent of new cases in the post-WAGES period had a working member within four quarters of receiving cash assistance, compared with a predicted rate of 57.2 percent. The difference of 12.6 percentage points is fairly large and statistically significant.

The increase in employment is consistent with a work-first policy combined with a strict participation mandate. Although Chapter 2 detailed a number of problems with the implementation of Miami's welfare-to-work program, it also indicated that enforcement of the participation mandate was extremely tough. It is possible that the administrative confusion and poor quality of services in the welfare-to-work program motivated some clients to go out and find a job rather than attend case management appointments and other assigned activities. It also seems as though high sanctioning rates may have created a strong incentive for Miami's welfare recipients to look for work as soon as possible.

Did Miami's WAGES Program Increase Employment Stability?

Employment is likely to provide greater benefits if it is stable. For example, earnings grow faster among people who work regularly than among people who work sporadically.³⁵ On the one hand, the job search assistance that Miami gave welfare recipients may have helped recipients find more stable employment. On the other hand, requiring recipients to look for work may have encouraged many of them to take any job just to fulfill the requirement.

Figure 3.11 shows the proportion of new welfare cases that had at least one member who found work within a year and who then worked for four or more consecutive quarters.³⁶ (Note that this definition captures individuals who worked steadily in one job as well as individuals who held

³⁵Gladden and Taber, 1999.

³⁶Following Freedman (2000), short-term employment stability is defined as the first employment spell (after starting cash assistance receipt) that lasts four quarters or more. Employment spells that last for fewer than four quarters are deemed unstable, short-term employment. This is a fairly complex definition intended to capture the fact that many recipients leave employment within the first year after they begin working (Rangarajan, Schochet, and Chu, 1998, pp. 15-23; findings cited in Strawn and Martinson, 2000, pp. 11-12).

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Table 3.3

**Estimated Effect of 1996 Welfare Reforms on Employment
and Employment Stability**

Outcome	Actual Outcome for Post-Reform Period	Counterfactual Outcome	Difference
Percentage employed 4 quarters after start of cash assistance	69.8	57.2	12.6 ***
Percentage with first employment spell lasting (short-term stability): 1 to 3 quarters	30.4	25.8	4.5 ***
lasting (long-term stability): 4 quarters or more	39.4	31.4	8.1 ***

SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: See Appendix Table A.2 for sample sizes of first-stage regression.

The estimated effect of 1996 welfare reforms is the average post-reform difference from the best estimated pre-reform trend. See text for more information.

Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

Rounding may cause slight discrepancies in sums and differences.

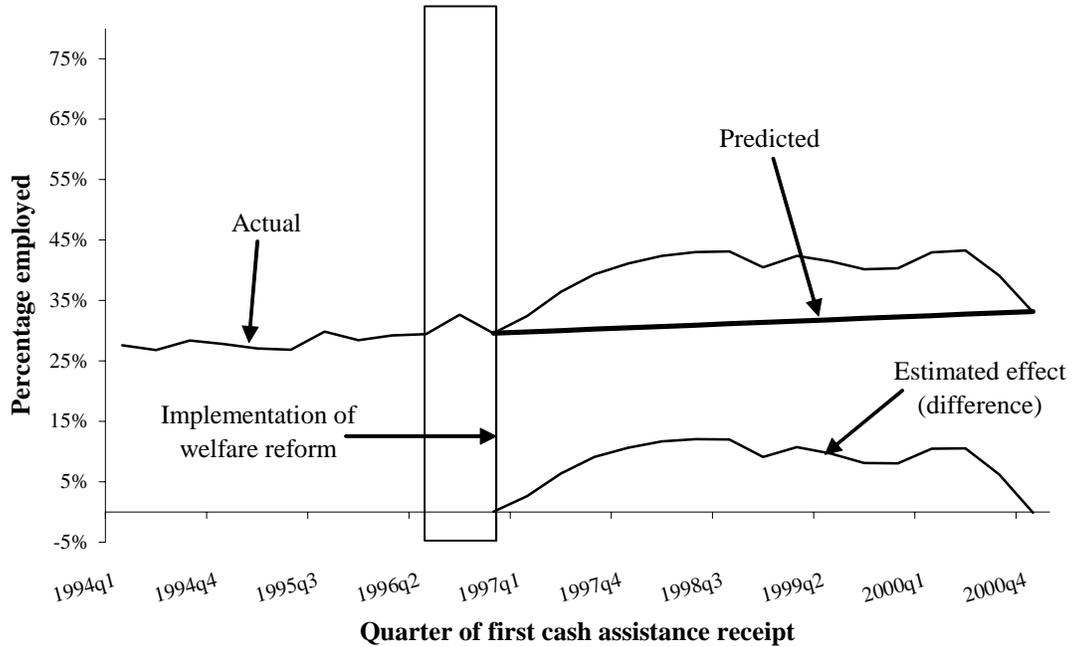
a series of short-term jobs during the follow-up period.) The figure shows that stable short-term employment increased over time. For example, about 28 percent of cases that received welfare for the first time in the first quarter of 1994 had at least one member working steadily for a year or more, compared with about 43 percent of cases that first received welfare in the first quarter of 2000. The increase in stable employment began after WAGES was implemented, and it continued. Because employment was fairly flat before WAGES, the counterfactual implies that the WAGES program in Miami did have a substantial effect on employment stability.

Table 3.3 provides greater detail. The second row of the table indicates that short-term employment stability increased after the implementation of WAGES. The table shows that the actual percentage of cases with at least one member engaged in short-term employment was 30.4 percent, compared with the predicted amount of 25.8 percent. As a result, short-term employment increased by over 4.5 percent after the implementation of WAGES. This indicates that less than half the increase in employment within four quarters of starting welfare occurred as a result of an increase in short-term employment.

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Figure 3.11

Percentage of Cases That Opened with at Least One First Spell of Employment That Lasted Four Quarters or More (Stable Employment), January 1994, Quarter 1, Through December 2000, Quarter 4



SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: The sample is limited to adults.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage employed and the estimated effect of welfare reform are based on the linear model for the pre-reform period. See text for details.

The third row of Table 3.3 indicates that the percentage of cases with at least one member engaged in long-term employment was 39.4 percent, compared with the predicted amount of 31.4 percent. Hence, long-term employment increased by almost 8.1 percent after the implementation of WAGES. A possible explanation for this increase in employment stability could be the transi-

tional benefits to families who left welfare for work, which included Medicaid, food stamps, and child care assistance. Also, clients may have been encouraged to work steadily because the alternative was to return to a welfare system that was extremely tough in enforcing work requirements and other rules and that offered a low cash grant, as well as the threat of the time limit.

An investigation into whether citizenship status was associated with different patterns of employment revealed that the impact was greater for noncitizens. Specifically, the likelihood of becoming employed within four quarters and having stable employment after WAGES was implemented was greater for noncitizens than citizens.³⁷ This could reflect either that the stakes are higher for noncitizens (who might fear deportation, for example, or worry that their noncitizen status will make it difficult to get welfare benefits) or that changes in their personal characteristics (possibly owing to changing eligibility rules) after 1996 made them more employable than in the past.

Did Miami's WAGES Program Increase Welfare-and-Work Cases?

One reason why welfare cases may not have closed faster after Miami's welfare reform is because more cases combined welfare and work. Although Chapter 2 indicates that the earned income disregard was not strongly promoted, it would have extended eligibility for some welfare recipients who reported their earnings to their caseworkers. The analysis reveals that WAGES increased the number of cases receiving benefits with at least one person working.³⁸ This helps explain why WAGES did not have as large an effect on welfare exits as it did on employment.

Summary and Conclusions

The findings in this chapter suggest that Miami's welfare reforms moved people off the rolls slightly faster but increased recidivism by a small amount. The reforms seem to have had no effect on the rate at which new cash assistance cases opened and the rate at which long-term welfare cases closed. Finally, the results suggest that Miami's reforms substantially increased employment among welfare recipients. Cases headed by U.S. citizens and by noncitizens appear to have had significantly different patterns in certain outcomes — notably, the movement of food stamp recipients onto cash assistance and the movement of welfare recipients off cash assistance and into stable employment.

³⁷See Appendix Figures A.3, A.4, A.5, and A.6 and Appendix Table A.5 for the employment patterns of citizens and noncitizens.

³⁸See Appendix Table A.6 for the estimated effect of WAGES on welfare cases with at least one person working.

Though the nonexperimental methodology used for this analysis produces less certain results than a controlled experiment, the findings presented in this chapter are plausible. The effects of WAGES on overall welfare exits in Miami might have been small because of the fact that welfare cases were being closed rapidly before WAGES began. Stated differently, there was not much room for the new policies to make a difference, given that most clients were exiting welfare quickly before WAGES was introduced. It is also worth noting that some features of WAGES may have had counterbalancing effects: Time limits and sanctions might have pushed some welfare recipients off the rolls sooner, while the increased earned income disregard made it easier for some welfare recipients to combine work and welfare and stay on the rolls longer.

In contrast to the welfare findings, this analysis suggests that WAGES increased employment significantly. Employment stability also increased after WAGES, suggesting that the “work-first” message and services, as well as the strict enforcement of the work participation mandates, affected welfare recipients in Miami. The threat of sanctions and time limits, combined with the instability of the welfare-to-work program, may have influenced the large increase in employment and the small increase in recidivism.

Readers should view the results with caution because they are based on a number of assumptions. The effects were estimated by comparing what actually happened after the 1996 WAGES program and what would have been expected to happen based on pre-WAGES trends. The predicted counterfactual will be accurate only if the factors causing change prior to 1996 continued to cause similar change after 1996 and only if the preexisting trend was modeled correctly. If those assumptions are wrong, then the inferred impacts presented in this chapter are also wrong. In addition, if the effects of WAGES began before 1996 — for example, during the 1992 presidential campaign, when Bill Clinton promised to “end welfare as we know it” — then an examination of trends after 1996 starts too late to pick up the full effects of WAGES. Finally, the study will understate the effects of welfare reform because it does not capture the effects of lifetime limits on cash assistance that were scheduled to begin in fall 2003, after this analysis was completed.

Chapter 4

Employment Patterns and Barriers to Employment: Findings from the Longitudinal Survey and Ethnography

One of the fundamental goals of welfare reform was to place women in the labor market and move them toward self-sufficiency. Reports from welfare recipients about their own experiences offer insights about the success and complexity of attempting to achieve this goal. Using data from surveys and ethnographic observations, this chapter reports on recipients' actual experiences. The survey was conducted with a random sample of women who had been receiving welfare benefits in 1995, before the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was implemented, and who lived primarily in high-poverty or high-welfare neighborhoods. The women were interviewed in 1998 and again in 2001. The ethnographic research was conducted from 1997 through 2001 with samples of 23 Hispanic and 19 African-American women living in Hialeah and Liberty City, respectively.

This chapter and Chapter 5 follow the National Research Council's key question for monitoring the effects of welfare reform: "How has the well-being of the low-income population and key subgroups evolved since welfare reform?"¹ This chapter specifically addresses experiences in the labor market:

- How successful were women in finding work and what were the employment conditions of the jobs they found?
- How did employment experiences and challenges vary among welfare recipients with different backgrounds? What variables made the most difference in women's experiences in the labor market?

When PRWORA was enacted in 1996, there were widely divergent hypotheses about how poor families would be affected. On the one hand, supporters of welfare reform expected that time limits in conjunction with enhanced but temporary assistance would promote employment and thereby improve the financial situation of poor families in the long run. On the other hand, critics predicted devastating effects on low-income families — that the loss of cash benefits combined with difficulties in finding steady, adequate employment would result in increased poverty, more homelessness and housing problems, greater food insecurity and hunger, and loss of health insurance and health care access.

¹Moffitt, 2001.

The data presented here from the Urban Change survey and ethnography cannot be used to rigorously test such hypotheses about welfare reform's effects. The circumstances of poor families would have changed over time even in the absence of the 1996 welfare reform, particularly because its implementation coincided with a strengthening economy. Thus, if the situations of poor families improve, it cannot be concluded that welfare reform caused the improvements. Improvements, however, would offer some evidence that the new policies did not result in devastation, at least during good economic times. Conversely, if poor families are worse off than they were previously, it cannot be concluded that welfare reform caused the decline; but, given improving economic conditions, worsening situations would undermine the hypothesis that welfare reform had beneficial effects.

Summary of Findings

According to women in Miami who had been receiving welfare before PRWORA, welfare reform has definitely pushed them off welfare and into the labor market, but it has done less to move them into full self-sufficiency. Among the survey sample:

- Nearly three out of five respondents were working and no longer getting welfare at the time of the 2001 interview. Only 12 percent of survey respondents were still receiving cash benefits.
- The vast majority of the survey sample (86 percent) had worked for pay at least some time in the 48 months prior to being interviewed in 2001.
- Most survey respondents who worked did not receive a wage that lifted their family above the poverty line, nor did their employer provide benefits. Among the women who worked in 2001, only 27 percent had jobs that both paid \$7.50 or more per hour and also offered medical benefits.
- Non-English-speaking Hispanics had the lowest employment rates and lowest earnings — compared with English-speaking Hispanics, who had the highest rates, and African-Americans.² Non-English-speaking Hispanics were also less likely than the other two groups to have a job that offered medical benefits, and they tended to have more health problems and be at higher risk of depression.

²The term “African-American” is used to refer to blacks born in the United States and to those who were born in the Caribbean or are of Caribbean descent.

Data Sources

This chapter and Chapter 5 report data from the Urban Change longitudinal survey interviews and from longitudinal in-depth ethnographic interviews and observations.

Survey Data

The Urban Change survey targeted census tracts where either the poverty rate exceeded 30 percent or the rate of welfare receipt exceeded 20 percent — that is, the most economically disadvantaged neighborhoods in Miami-Dade County. The survey population consisted of single women ages 18 to 45 who were on cash assistance or who received food stamps in May 1995. Based on administrative records files, 1,020 cases were randomly selected for the survey sample from the high-poverty and high-welfare census tracts, and 255 cases were selected from the remainder of the county. The first round of interviews was completed between March 1998 and March 1999 and, for convenience sake, is referred to as the 1998 survey.⁴ The 1998 survey interviewed 979 women of the 1,275 randomly selected, representing a response rate of nearly 79 percent.⁵ Between March and October 2001, a second survey was completed, and attempts were made to reinterview the respondents from the first survey. A total of 793 women (81 percent of those who were interviewed in 1998 and 1999) completed the second survey.⁶ In both rounds of in-person survey interviews, researchers questioned respondents on a wide range of topics, including employment, family circumstances, household income, health and material hardship, and the use of support and safety net services.⁷

³Of the original Miami survey sample, 80 percent were women whose most recent address was in a high-poverty or high-welfare census tract; 20 percent were living in other census tracts. The high-poverty and high-welfare census tracts are shown on the map in Figure 6.5 (Chapter 6). Respondents remained in the survey sample even if they subsequently moved.

⁴Ninety-four interviews were completed in early 1999.

⁵Survey response rates for state-initiated welfare leaver studies are generally under 75 percent and sometimes are as low as 51 percent (Acs and Loprest, 2001).

⁶An analysis of attrition bias revealed that those who participated in the 2001 survey interview were significantly different from those who did not participate (p -value = .0016) in terms of demographic characteristics measured in 1998, including race and ethnicity, age, marital status, educational attainment, gender, and welfare status. In particular, whites and Hispanics were less likely to respond to the Wave II survey than blacks; persons under the age of 25 were less likely to respond than persons over the age of 25; and widows were less likely to respond than single women. However, although response bias was found, it is not a major concern for the descriptive analysis presented in this chapter.

⁷Survey data were collected in 1998 and 2001 in the four Urban Change sites: Cleveland, Los Angeles, Miami, and Philadelphia. Data from the 1998 interviews in all four sites have been analyzed, and several reports have made site comparisons (for example, see Polit, London, and Martinez, 2001; and Polit et al., 2001). However, at the time this report was written, only data from the 2001 interviews in Cleveland and Philadelphia had been analyzed and reported (in, respectively, Brock et al., 2002; Michalopoulos et al., 2003).

This chapter and Chapter 5 focus on the 581 survey respondents who were welfare recipients at “baseline” (that is, in May 1995) and who completed both rounds of surveys.⁸ Table 4.1 shows that these 581 single mothers are mostly African-American (69.0 percent) or Hispanic (28.3 percent) and that they were, on average, just over 30 years old in May 1995. They had an average of 2.7 children living with them at baseline, and the average age of the youngest child was about 5 years. Nearly half the women had a high school diploma or GED certificate at baseline. In 2001, when the second survey interview was conducted, 13.3 percent of the women were currently married, while more than half of them said that they had never been married. Still, nearly one-third of the survey respondents had a preschool-age child in the household at the time of the second interview.

Ethnographic Data

The Urban Change ethnographic study in Miami involved repeated in-depth, semi-structured, in-person interviews, collected over a four-year period, with a sample of 42 families. All ethnographic study participants were welfare-reliant at the first interview in 1997. Subjects were recruited from two neighborhoods that varied in terms of ethnic composition and poverty: Liberty City (predominantly African-American, with high poverty) and Hialeah (predominantly Hispanic, with low poverty).⁹

The ethnographic interviews explored many of the same issues as the survey, but ethnographic respondents were engaged in open-ended discussions of each topic. Thus, the ethnographic interviews yielded rich narrative data about how the families were coping with the new welfare rules and policies and how the mothers were managing as they attempted to combine work with their parenting responsibilities.

The survey and ethnographic samples were drawn from overlapping but not identical populations (no women were in both the ethnography and the survey). Both samples include women who had already left welfare by 1998. Survey respondents are a more heterogeneous group and represent a broader segment of the low-income population than the ethnographic sample. Both samples, however, were drawn from the poorer neighborhoods of Miami-Dade County, where the economic challenges for low-skilled single mothers are likely to be formidable.¹⁰

⁸The remaining 212 women in the full 2001 survey sample in Miami-Dade who completed both rounds of interviews were excluded from these analyses in order to narrow the sample to women who received cash assistance in May 1995. The 212 excluded cases were women who received food stamp benefits but no cash.

⁹Hispanic residents living in poverty in Miami-Dade County tend to live in neighborhoods with mixed levels of income. The Hialeah area was selected to allow adequate representation of Hispanic families receiving Temporary Assistance for Needy Families (TANF).

¹⁰Although the two samples' neighborhoods overlapped, the ethnographic sample's neighborhoods were among the poorest.

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Table 4.1

Demographic Characteristics of Survey Sample and Ethnographic Sample

Characteristic	Survey Sample	Ethnographic Sample
Average age at baseline (years)	30.2	35.8
Racial or ethnic group		
African-American (%)	69.0	45.2
White (%)	2.1	0.0
Hispanic (%)	28.3	54.8
Other (%)	0.7	0.0
Average number of children at baseline	2.7	3.0
Average age of youngest child at baseline (years)	4.9	6.0
Had a high school diploma or GED at baseline (%)	48.9	42.9
Had UI earnings, April 1994 to March 1995 (%)	39.9	n/a
Sample size	581	42

SOURCES: Calculations from the Urban Change Respondent Survey and ethnographic interviews.

NOTES: Baseline is May 1995 for the survey sample and December 1997 for the ethnographic sample.

The final interviews were conducted between March and October 2001 for the survey sample and in October 2001 for the ethnographic sample.

Rounding may cause slight discrepancies when adding sums and differences.

The ethnographic samples were especially similar to subgroups that emerged as significant within the survey sample: non-English-speaking Hispanics and African-Americans with or without a high school diploma or GED. The women in the Hispanic ethnographic sample were virtually exclusively monolingual Spanish speakers. As reflected in Table 4.1, among the Hispanic women, 7 out of 23 had the equivalent of a high school diploma from their home country or had earned a GED in the United States. One-half of the Hispanic women had at least one child under age 5, and one-third had at least one teenager in the household in 1997. The women's ages ranged from 24 to 58, with an average age of 37. Nearly the entire Hispanic ethnographic sample (20 out of 23) had some work experience from low-skilled factory jobs.

The African-American ethnographic sample had a narrower age range (from 23 to 48) and a lower average age (33). These women had attained a higher level of education than the Hispanic ethnographic sample; 10 out of 19 had attained a high school diploma or GED. Eleven

of the African-American households had children under age 5, and nine households had one or more teenagers. At least 13 women in this ethnographic sample had some white-collar work experience that required light clerical or beautician skills. The work experience of the other five was limited to unskilled work — for example, in the fast-food industry or housecleaning.

The ethnographic data follow the lives of families over three to four years. The qualitative analysis sheds light on processes that cannot be understood from the available survey data. Whereas the survey data are representative of female welfare recipients living in poor neighborhoods in Miami, no similar claims can be made about the ethnographic data. Instead, the longitudinal ethnographic design permitted a monitoring of changes and provided opportunities to ask directly about such changes as they occurred. The ethnographic examples provide detail and help explain the process of trends observed in the survey data.

The Good News

Noteworthy areas of apparent success of welfare reform in Miami-Dade County are the recipients' desire to work, their leaving the welfare rolls, and their absorption into the labor market. For example:

- The proportion of survey respondents who were on welfare dropped from 100 percent in 1995 to only about 12 percent in 2001.
- About 86 percent had some paid employment between 1998 and 2001.

Exiting Welfare and Finding Work

All studies of welfare reform indicate that since the onset of reform, the short-term goal of reducing welfare rolls and increasing employment has been largely attained.¹¹ In Miami, the number of people receiving welfare benefits declined dramatically, and most welfare recipients also found paying jobs. Cash assistance decreased from 100.0 percent of survey respondents in 1995 (at baseline, when the survey population was defined as having access to benefits) to 50.4 percent in 1998 (the time of the first survey) and to 11.6 percent in 2001 (the time of the second survey) (Figure 4.1).

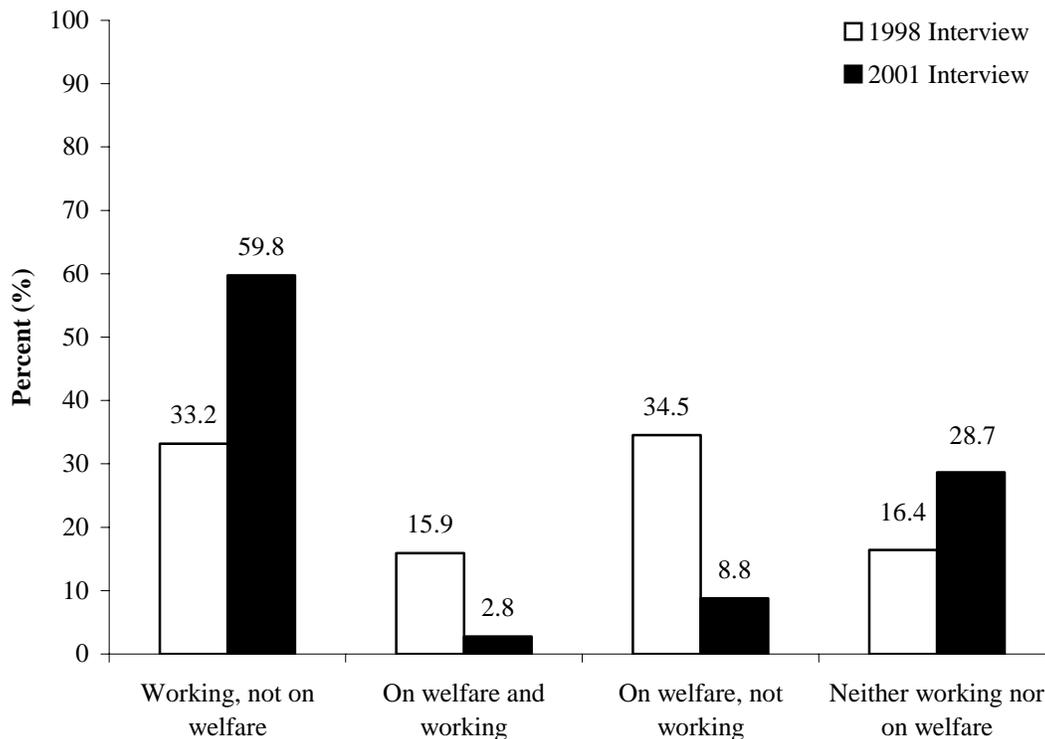
Correspondingly, the percentage of survey respondents who were on welfare and not working dropped from 34.5 percent in 1998 to 8.8 percent in 2001 (Figure 4.1). Consistent with the findings on policy and program changes described in Chapter 2, very few women who were surveyed combined welfare and work: 15.9 percent did so in 1998, compared with only 2.8 percent in 2001.

¹¹See, for example, Harris, 1996; Acs and Loprest, 2001.

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Figure 4.1

Sources of Personal Income at 1998 and 2001 Survey Interviews



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTE: Rounding may cause slight discrepancies in calculating sums and differences.

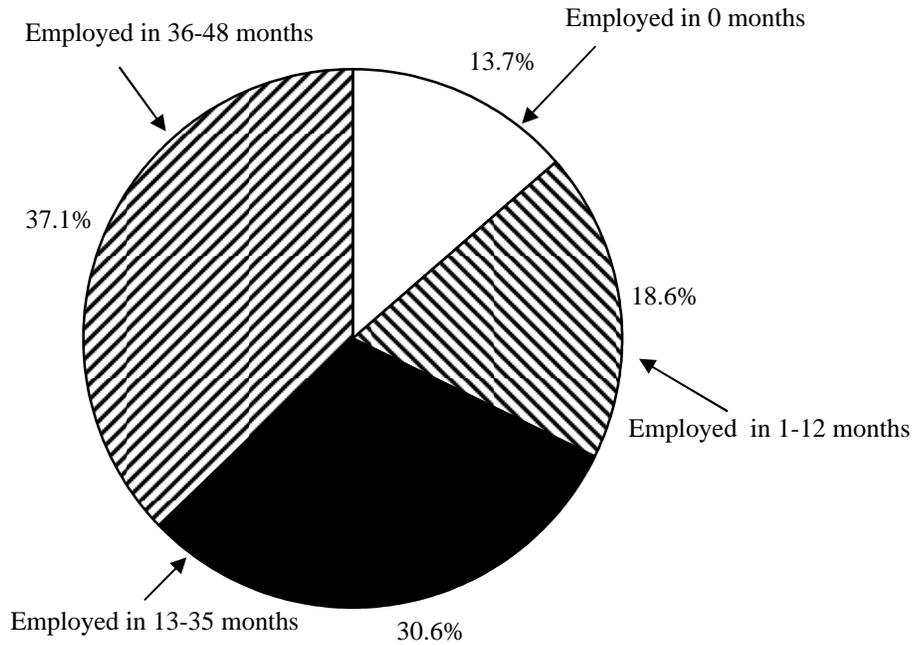
Almost all survey respondents who left welfare went into the labor market, at least part time. Seventy-three percent of the survey sample had worked in the two-year period before the 1998 interview (a rate consistent with rates generally reported in other studies of women who have been on welfare), and 86 percent had paid employment between 1998 and 2001 (a higher rate than in other studies).¹² Figure 4.2 reflects that only 14 percent had not worked at all in the 48 months before the 2001 survey, while 37 percent had been working from 36 to 48 months.

¹²For example, data from 15 welfare leaver studies indicate that about 75 percent of leavers worked at some point after leaving welfare (in one to two years of follow-up) and that about 60 percent were employed at any given time after exiting (Acs and Loprest, 2001).

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Figure 4.2

Number of Months in Which Employed in the 48 Months Before the 2001 Survey Interview



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTE: Rounding may cause slight discrepancies in calculating sums and differences.

The survey also indicates that, on average, the jobs that these women found paid more than the minimum wage. As reflected in Table 4.2, only about 11 percent earned the minimum wage (\$5.15 per hour) or less in 2001, and the average wage was \$8.05 — up from \$6.80 three years earlier.¹³ Nearly one out of five of the women were paid \$10.00 per hour or more in 2001.¹⁴ According to the survey as summarized in Figure 4.3, in both 1998 and 2001, the majority of the women were also working full time (defined as 35 hours a week or more). By 2001, nearly three-quarters (71 percent) had jobs that were defined as full time. Over a quarter of them (27 percent) had a full-time job that paid an hourly wage of \$7.50 or more and that offered medical benefits. During the time of the research, the proportion of women holding jobs that offered fringe benefits such as health insurance increased from 26 percent in 1998 to 31 percent in 2001. (These results are not shown in the exhibits.) Survey respondents who worked and received sick pay also increased, from about 25 percent to nearly 40 percent (Table 4.2). Slightly more than one out of three women surveyed (37 percent) worked for at least 36 months of the 48-month period (Figure 4.2). This percentage of women in Miami-Dade County who had high employment stability is greater than was found in other studies of similar samples.¹⁵

The Desire to Work

Seemingly no one disagrees with the short-term goal of welfare reform: getting people off welfare and into the labor market. The welfare recipients who were interviewed and observed for this research themselves heartily endorsed both getting off welfare and finding work. Even in the absence of welfare reform, most recipients would have traded their welfare check for a paycheck. The survey sample demonstrated their willingness to work through the statistically impressive percentage who left welfare to work.

The ethnographic sample had the opportunity to directly express their opinions and motivations. In the early stages of the ethnographic research, about half the Hispanic sample members talked about both their personal support of system reform and their preference to work rather than receive welfare. In 1998, Sonia was 26 and had two children under age 4 living with her when she offered the assessment of welfare reform that appears on page 114:

¹³In order to look at advancement and wage growth from 1998 to 2001, the sample was narrowed to women who were working during both interview periods, and their current or most recent jobs were compared. Table 4.2 displays the changes in job characteristics of the 399 women in the sample who held jobs at both rounds of the survey.

¹⁴Nationally, the median hourly wage of former TANF recipients in 1999 was \$7.15 (Loprest, 2001).

¹⁵For example, in the National Evaluation of Welfare-to-Work Strategies (NEWS) study — which similarly examined the employment history of welfare recipients, — only 26 percent of the women who had worked during the four-year study period had been employed in more than 75 percent of the quarters (Martinson, 2000).

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Table 4.2

**Changes in Job Characteristics of Current or Most Recent Job
Among Survey Respondents Who Had Held Jobs in Both Survey Periods^a**

Outcome	First Interview (1998)	Second Interview (2001)	Difference
Median weekly work hours	40.0	40.0	
Average weekly work hours	34.5	37.4	2.9 ***
Less than 35 hours (%)	39.8	26.2	-13.6 ***
35 hours or more (%)	60.2	73.8	13.6 ***
Median hourly wage (\$)	6.25	7.25	
Average hourly wage (\$)	6.80	8.05	1.25 ***
Less than or equal to \$5.15 (%)	22.1	11.2	-10.9 ***
\$5.16 to \$7.49 (%)	47.9	42.6	-5.3
\$7.50 to \$9.99 (%)	20.6	27.4	6.8 *
\$10.00 or more (%)	9.4	18.8	9.4 ***
Median weekly earnings (\$)	223.50	279.07	
Average weekly earnings (\$)	235.57	305.62	70.05 ***
Less than \$250 (%)	60.2	40.4	-19.9 ***
\$250 to \$400 (%)	33.4	42.8	9.3 **
Greater than \$400 (%)	6.3	16.9	10.5 ***
Job has/had:			
Sick days with pay (%) ^b	24.9	39.7	14.9 ***
Paid vacation (%) ^b	30.4	40.2	9.8 ***
Medical benefits for self (%) ^b	25.7	33.6	7.9 **
Medical benefits for children (%) ^b	15.6	19.5	3.8
Tuition/training benefits (%) ^b	11.8	25.7	13.9 ***
None of above 5 benefits (%) ^b	61.3	50.1	-11.1 ***
Sample size	399	399	

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Statistical significance levels are indicated as *** = 0.1 percent; ** = 1 percent; * = 5 percent.

Rounding may cause slight discrepancies when adding sums and differences.

^aSample size is 399 respondents (out of 581) for those currently or most recently employed in 1998 (Wave 1) and 2001 (Wave 2).

^bSelf-employed women are assumed not to have these benefits.

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Figure 4.3

Job Characteristics for Those Currently Employed in 1998 and in 2001



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Calculations for 1998 are based on 260 of the 284 respondents who were working for whom wage and benefit information was available.

Calculations for 2001 are based on 339 of the 363 respondents who were working for whom wage and benefit information was available.

I believe that they think that things will get better for people under the new system. It's true that there's going to be a lot of people that are left out in the street, people with four or five kids and unable to support them. But there are a lot of people that are stealing the money and abusing the system. I see a lot of ladies covered in jewelry and driving new cars while receiving assistance. That's why I think the new system has its reasons for being the way it is. I agree with it.¹⁶

Typical of the attitude of the Hispanic ethnographic sample, Sonia added that her personal preference was to have a job:

I would rather work 20 times more than receive assistance, because I would get rid of all of those problems welfare makes for me and besides that I would have a stable salary.

All but two of the African-American ethnographic sample expressed the belief that the reformed system would somehow be better. However, they peppered their support of reform with their resentment of how difficult it was to survive on welfare; in the late stages of the study, they added their resentment of how poorly treated they were by the welfare system. Linda — an African-American who at 48 had resorted to welfare after many years of supporting herself and two daughters with nursing-home jobs that paid less than \$5.00 per hour — put the most positive spin on her feelings about reform during a 1997 interview:

Well, to me, in a way I think it's better because you got so many people that got on the system and then got stuck in the same spot. They haven't did anything for all those years. They haven't went back to school. I'm not saying that the welfare system is not good, but I think it should be there for people that really need it. Hopefully the new system will make me stronger. It'll make me go out and do what I wanted to do, go back to school and go a little further so this [welfare situation] will never have to happen to me again.

Gwen exemplified the general attitude toward working among the African-American ethnographic sample when she told an interviewer in 1998:

If I could find a job, I would prefer working. You can make more money, and you don't have to tell them welfare people all your business.

¹⁶Throughout, the names used for the ethnographic sample members are pseudonyms. Spanish-language interviews like this one have been translated into English, under the supervision of Carol Stepick.

Both the survey and the ethnographic sample demonstrated a striving to achieve the short-term goal of welfare reform, to leave welfare and find work. As might be expected, some women more easily found work than others.

Who Fared Best?

The survey also revealed which welfare recipients were the most successful in obtaining employment. Having a high school diploma or GED certificate was the single most important factor in determining whether these women found work and the conditions of the work they found. Table 4.3 compares respondents who had a high school diploma or GED certificate at baseline (May 1995) with those who did not, in terms of selected employment experiences and challenges. On average, the women with a diploma or GED certificate at baseline worked significantly more months than those without the credential (28.6 months versus 21.8 months, respectively); they were less likely not to have worked at all (8.8 percent versus 15.8 percent); and they were more likely to be working at the time of the second interview in 2001 (72.9 percent versus 52.5 percent). Moreover, although the respondents in both groups typically worked full time, the women who had a basic high school credential tended to be in better jobs: They had substantially better average hourly wages (\$8.89 versus \$7.29) and higher average weekly earnings (\$337 versus \$259), and they were more likely to have jobs with medical benefits (37.1 percent versus 23.7 percent).

Despite Miami's WAGES reform seemingly reinforcing the barrier to gaining higher levels of education, a significant number of survey respondents did manage to obtain a high school diploma or GED in the midst of welfare reform. As reflected in Table 4.4, over 11 percent of the women obtained a high school credential between 1998 and 2001.

English-speaking Hispanic respondents were another group that fared well in leaving welfare and entering the labor market. Table 4.5 indicates that English-speaking Hispanics were the most likely to be working in 2001 and that they had higher hourly wages and weekly earnings than either monolingual Spanish speakers or African-Americans. Their positive experiences reflect the peculiarities of Miami's labor market, as described in Chapter 1. With its demographic Hispanic majority and many Hispanic-owned businesses, the city has a significant demand for workers who can speak Spanish. Yet, given that Miami is part of the United States, employers prefer bilingual over monolingual Spanish-speaking employees. Table 4.5 also indicates that African-Americans were the group most likely to have a job with medical benefits.

In sum, consistent with Miami's administrative welfare records, the Urban Change survey reveals a massive movement off welfare and into the labor market. Virtually all survey respondents found some work after welfare reform, and they were likely to be paid at least above the minimum wage. Those who fared the best had a high school diploma or GED. English-speaking

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Table 4.3

Selected Employment Experiences and Challenges,
by Education at Baseline

Outcome	All Women in Survey Sample	No High School Credential at Baseline	Diploma or GED at Baseline
Average number of months in which employed, 48 months before 2001 interview	25.2	21.8	28.6 ***
Average number of jobs held, 48 months before 2001 interview	2.2	2.1	2.2
Held 0 jobs (%)	12.4	15.8	8.8 *
Held 3 or more jobs (%)	34.9	34.3	35.6
Working at time of 2001 interview (%)	62.5	52.5	72.9 ***
Neither working nor on welfare at 2001 interview (%)	28.6	34.7	22.2 ***
<u>Among those who had worked in the time between the two interviews: Characteristics of current/most recent job</u>			
Average weekly work hours	37.0	36.6	37.4
Average hourly wage (\$)	8.11	7.29	8.89 ***
Average weekly earnings (\$)	299.58	259.14	336.74 ***
Job has/had medical benefits for self (%)	30.6	23.7	37.1 **
<u>Selected barriers to employment, 2001 interview</u>			
Has 1 or more child with illness/disability (%)	16.9	19.1	14.7
Has health problems that limit ability to work (%)	21.3	25.3	17.1 *
Is at high risk of depression (%) ^a	25.8	28.5	22.9
Has been physically abused (%) ^b	5.8	6.3	5.3
Used a hard drug in past month (%)	1.9	2.2	1.5
Sample size	581	297	284

(continued)

Table 4.3 (continued)

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Statistical significance levels are indicated as *** = 0.1 percent; ** = 1 percent; * = 5 percent.

^aRisk of depression was assessed utilizing standard criteria for the Center for Epidemiological Studies-Depression (CES-D) scale. CES-D scores range from 0 to 60. Women with scores of 23 or higher on the CES-D scale were considered at high risk of depression.

^bRespondent reported she was hit, slapped, kicked, or otherwise physically harmed during the 12 months prior to the interview.

Hispanic respondents were also more successful in the labor market than either Hispanics who did not speak English or African-Americans.

The Troubling News

At the same time that women in Miami-Dade County were abandoning welfare and making gains in the labor market, the Urban Change survey suggests that the majority of respondents remained far from self-sufficiency, which is the longer-term goal of welfare reform. For example:

- In 2001, 29 percent of the survey sample were neither working nor receiving welfare.
- Over the 48 months before the 2001 survey, 35 percent of respondents held three or more jobs, and only 23 percent held a single job.
- Over the 48 months before the 2001 survey, 32 percent of the sample were employed 12 months or less.
- At the second interview, 54 percent of the survey sample earned less than \$7.50 an hour, including 11 percent who earned the minimum wage or less.
- Only 27 percent of the survey sample in 2001 reported having a job that was full time, that paid \$7.50 per hour or more, and that offered medical benefits.
- Respondents without a high school diploma or GED, who did not speak English, or who confronted multiple employment barriers fared the worst.

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Table 4.4

Changes in Employment Barriers of Survey Respondents
Between First and Second Interviews

Outcome (%)	First Interview (1998)	Second Interview (2001)	Difference
Has no diploma or GED	48.8	37.4	-11.4 ***
Has difficulty comprehending English	10.5	11.4	0.9
Has 3 or more children at home	43.5	43.7	0.2
Youngest child is under age 6	50.9	30.4	-20.4 ***
Has 1 or more children with an illness or disability that constrains work	21.1	17.3	-3.8 *
Has 1 or more children with special needs or behavior problems ^a	40.2	42.1	1.9
Has a health problem that limits ability to work	25.3	21.4	-4.0 *
Is at high risk of depression	28.7	26.4	-2.2
Has been physically abused, prior 12 months ^b	7.4	5.8	-1.6
Used a hard drug, past month	2.1	1.9	-0.2
Has been homeless, past 12 months	1.0	0.7	-0.3
<u>Multiple barriers^c</u>			
Average number of barriers	2.7	2.3	-0.4 ***
None (%)	5.0	11.0	6.0 ***
One to two (%)	42.9	47.7	4.8
Three or more (%)	52.2	41.3	-10.8 ***
Sample size	581	581	

(continued)

Table 4.4 (continued)

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Statistical significance levels are indicated as *** = 0.1 percent; ** = 1 percent; * = 5 percent.

^aIncludes respondents' children who had special needs, were ever suspended or expelled from school, or were ever in trouble with the police.

^bIncludes respondents who were hit, slapped, kicked, or otherwise physically harmed during the past 12 months. It does not include those who were threatened or had every move controlled.

^cThe 11 barriers that were counted included: no high school diploma or GED, unable to converse in English, has three or more children, youngest child under age 6, has one or more child with an illness/disability affecting ability to work, has a child with special needs or behavior problems, has a health condition that limits ability to work, at high risk of depression, has been physically abused in past 12 months, used a hard drug in the past month, was homeless in past 12 months.

Neither Welfare nor Work

Between the two survey interviews, there was a sizable increase in the number of respondents neither working nor on welfare — from 16.4 percent in 1998 to 28.7 percent in 2001 (Figure 4.1). Although the survey does not reveal what was happening to these women, from the ethnographic sample it is clear that those who could not find work and who lost their welfare benefits typically experienced extreme hardship. Their utilities were cut off, and they were served with eviction notices. Two families became homeless. Others became dependent on relatives. For example, one woman returned to family in Puerto Rico, and another went to her family in the Dominican Republic, while a third fled to distant relatives in Georgia. These women seem likely to have fared the worst under welfare reform, although additional longitudinal data are needed to understand the circumstances of the 28.7 percent of survey respondents who lost welfare and could not find work. Even the women who were able to find some work, however, do not appear to have found stable work.

Job Stability

Although survey respondents found work, job stability was especially elusive. Using administrative records, Chapter 3 reveals that the women had high employment activity; that is, they were frequently working. The survey and the ethnographic data reveal that few women

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Table 4.5

Selected Employment Experiences and Challenges,
by Race, Ethnicity, and Language

Outcome	All Women in Survey Sample ^a	Hispanic English Speaker ^b	Hispanic Non-English Speaker	African- American ^c
Average number of months in which employed, 48 months before 2001 interview	24.8	23.5	25.8	25.1
Average number of jobs held, 48 months before 2001 interview	2.1	2.1	1.6	2.2 **
Held 0 jobs (%)	13.2	11.2	19.4	12.7
Held 3 or more jobs (%)	34.1	30.6	16.1	38.0 **
Working at time of 2001 interview (%)	61.2	64.3	54.8	61.5
Neither working nor on welfare at 2001 interview (%)	29.3	22.4	37.1	29.8
<u>Among those who had worked in the time between the two interviews:</u>				
<u>Characteristics of current/most recent job</u>				
Average weekly work hours	36.9	37.8	37.6	36.6
Average hourly wage (\$)	8.02	8.55	6.73	8.08 *
Average weekly earnings (\$)	295.63	325.71	240.40	296.23 *
Job has/had medical benefits for self (%)	30.9	27.5	12.8	34.4 **
<u>Selected barriers to employment, 2001 interview</u>				
Has no diploma/GED (%)	38.2	36.7	56.5	35.6 **
Has 1 or more child with illness/disability (%)	17.6	25.5	21.1	14.9 *
Has health problems that limit ability to work (%)	22.7	16.3	34.4	22.5 *
Is at high risk of depression (%) ^d	26.9	27.5	40.0	24.6 *
Has been physically abused (%) ^e	6.3	2.2	3.5	7.8
Used a hard drug in past month (%)	2.0	1.1	0.0	2.6
Sample size	539	98	62	379

(continued)

Table 4.5 (continued)

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Statistical significance levels are indicated as *** = 0.1 percent; ** = 1 percent; * = 5 percent.

^a42 respondents did not fit into these race/ethnicity and language categories.

^bWomen were categorized as English speaking if they said in 1998 that they could carry on a conversation in English “very well” or “well.” Non-English speakers said they could converse “some,” “a little,” or “not at all.”

^cU.S. born, not Hispanic.

^dRisk of depression was assessed utilizing standard criteria for the Center for Epidemiological Studies-Depression (CES-D) scale. CES-D scores range from 0 to 60. Women with scores of 23 or higher on the CES-D scale were considered at high risk of depression.

^eRespondent reported she was hit, slapped, kicked, or otherwise physically harmed during the 12 months prior to the interview.

remained in the same jobs for long periods; that is, they were frequently changing jobs.¹⁷ As reflected in Figure 4.2, by 2001, nearly 20 percent of the women surveyed had worked from one month to 12 months in the preceding four years, and another 14 percent had not worked at all. Overall, the respondents worked only about half the time between 1998 and 2001, that is, 25 out of 48 months. Figure 4.4 indicates that 17 percent held four jobs or more during this time and that 18 percent held three jobs; only 23 percent held one job, and it is unclear for how long they held that job in the 48 months before the 2001 survey.¹⁸ The women in the ethnographic sample said that they felt compelled by WAGES to take whatever job they could find. Often that meant taking a temporary job. Connie, from the African-American ethnographic sample, offers an example of unstable employment experience during a 1998 interview:

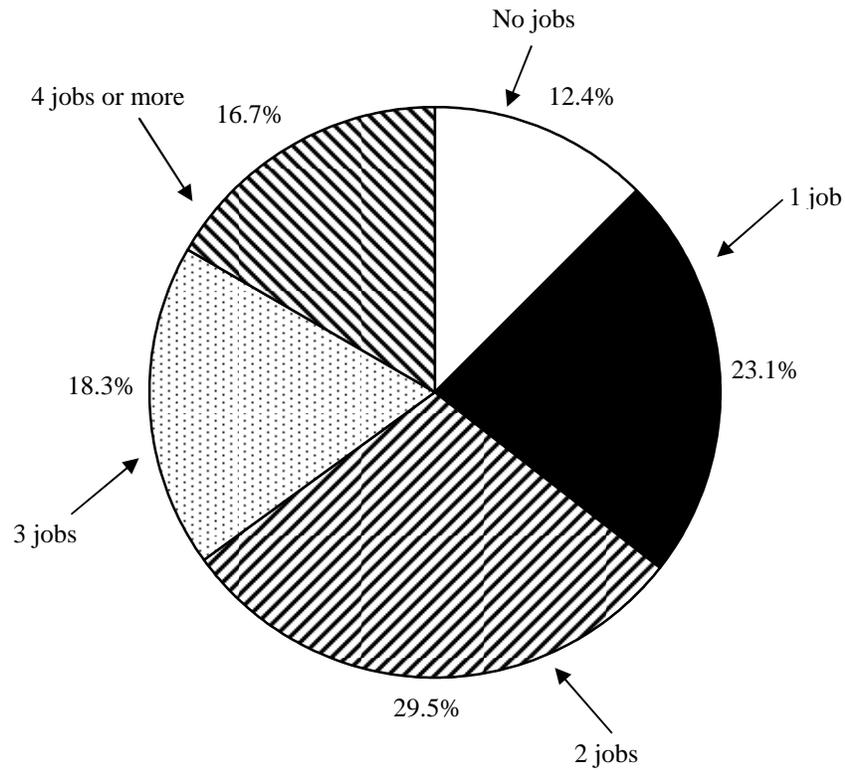
¹⁷The Urban Change survey included an employment history section that asked respondents detailed information about their current and most recent jobs. Specifically, respondents were asked two questions to determine paid employment: (1) “Since (Date), have you worked for pay at any regular job at all? Please don’t count unpaid work experience, but do include any paid jobs, including paid community service jobs or paid on-the-job training”; and (2) “A lot of people have irregular or temporary jobs on the side to make ends meet. This would include odd jobs like babysitting, doing hair, or other paid work at home, or other occasional jobs like cleaning houses or doing day labor. Have you done any job like that for pay since (Date)?” Respondents who answered “yes” to either question were counted as having had paid employment in the period covered. The “Date” in 1998 was two years prior to the interview, and the “Date” in 2001 was the date of the 1998 interview.

¹⁸Job instability could be positive if, for example, a worker voluntarily left one job for a better job. The survey does not have direct information on whether changing jobs was voluntary or not. For the ethnographic sample, the overwhelming number of job changes were not voluntary and did not reflect an improvement in working conditions.

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Figure 4.4

Number of Jobs Worked in the 48 Months Before the 2001 Survey Interview



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTE: Rounding may cause slight discrepancies in calculating sums and differences.

I worked at a grocery store about a year and six months, a hotel about six months, and the last one was a building service cleaning the mall. I worked there on and off almost two years. Sometimes they need you and sometimes they don't. I left those jobs 'cause the store closed down. The hotel job 'cause that was temporary. The cleaning service was a transportation thing. They switched the hours, and I was getting there late just about every day.

Rosa, from the Hispanic ethnographic sample, offers another example of a revolving door of temporary, low-paying jobs. In 1997, she explained what happened to her earnings:

I start a job, I leave assistance, I get laid off. They have cut my check and my Medicaid. They've stopped my food stamps, but then the next week I get fired from the job. You have to return to apply again for assistance, they see if you qualify and why you were fired — then you have to wait a month before the check arrives. Then I find another job, and it starts all over again.

Bouncing from one temporary job to another and back and forth from a job to welfare created extreme financial hardship for some of the women. During a 1998 interview, Rosa explained how she managed one time:

Well, my brother-in-law lives here in Miami, and he saved me, along with a little help from my mother [who lives in New York]. I spoke to my landlord, and he didn't push me. The telephone was cut [off].

The survey, the ethnography, and the administrative records all concur that most women in the study could not find stable employment. On top of that, the women also had difficulty finding well-paid work.

Wages

Consistent with other research,¹⁹ while most of the survey respondents found work, it tended to be low-wage work, without benefits and lacking prospects for advancement. Although the hourly wage of respondents who worked in both survey periods increased from 1998 to 2001, wage levels remained low overall, even in 2001. Table 4.2 shows that 40.4 percent of the survey sample earned less than \$250 per week in 2001, and the median hourly wage was \$7.25 (a statistically significant increase from \$6.25 in 1998). Only 18.8 percent earned \$10.00 an hour or more. Although most women saw an increase in their hourly wages over the three-year period, 29.0 percent experienced a decrease in their hourly wage (not shown in the table). The

¹⁹Studies of welfare recipients have consistently found that those who leave welfare for work typically move into low-paying jobs without fringe benefits. See, for example, Acs and Loprest, 2001.

proportion of respondents earning \$5.15 or less per hour dropped from 22.1 percent in 1998 to 11.2 percent in 2001.

Helena, a Colombian who was interviewed in 2001, explained her wage increases (with a note of sarcasm) after three years on and off the same part-time job:

At the beginning they were paying me \$5.15 hourly, \$5.25 afterwards, and now I have the great salary of \$5.83. It's really bad compensation for all the work I have to do. My job at the after-school program is a huge responsibility, and nowadays kids are brats, and I have to put up with them — insults, kicks, everything. And I can't complain, because that's my job.

When a Cuban-American named Magaly found work, she also found herself financially stranded, as she described in a 1998 interview:

Yes, they [welfare officials] told me that I had to look for a job, and if I looked for a job and only earned the minimum, they would keep on giving me the assistance; but when I informed them that I was working, they took away my check and most of my food stamps. I decided to stop working because with what I was earning and what I paid for my daughter's child care, I wasn't earning anything.

Although Magaly did retain some food stamps and Medicaid, she cleared only \$60 per week from this 40-hour-per-week factory job, after paying for child care. Her hourly wage was \$4.75.

Tamika, from the African-American ethnographic sample, offers the example of someone whose wages dropped during the course of the research. Early in the ethnographic study, Tamika found a 40-hour-per-week, steady job as a certified dietary aid at a local hospital, and she liked the work very much. At first, she was a per diem employee, but later she was offered a promotion to a full-time position at the hospital. With the promotion, however, she experienced a decrease in salary at the same time that she qualified to pay into a medical insurance benefit program. As she explained to an interviewer in 1999:

When I get on full time, they are talking about dropping the pay. Yes, they drop the salary, like \$1.50 per hour. Yeah, taking it back! Say like I am making \$7.50, they are talking about like \$6.00 per hour or something like that. Then they are talking about taking \$92.00 plus whatever else it is for medical for me and the kids each [from every paycheck]. That's a lot of money!

Tamika expected to be required to pay nearly \$200 per month for a basic medical insurance plan excluding dental, vision, and life insurance for herself and her two children. Because neither she nor either child was covered by Medicaid, she expected that she would have no

choice but to buy into her employer's medical insurance plan at the same time that she was taking a pay cut.

Although wages increased during the study for most survey respondents, 11.2 percent of the women were earning \$5.15 per hour or less, and the median hourly wage was \$7.25 (Table 4.2). Such wages make it difficult for a family to become self-supporting, especially considering the small proportion of working respondents who received job benefits.

Benefits

Half of the women in the survey sample who were working in 2001 had jobs that provided no benefits (Table 4.2). Slightly more than 10 percent indicated that they went from having at least one of the five benefits listed in the table to having none (not shown in exhibits). When asked about the relevance of benefits, the women in the ethnographic sample virtually unanimously agreed that medical benefits were of paramount first for their children and then for themselves. The survey reveals that in 2001 slightly over one-third of the respondents had jobs with medical benefits for themselves but that less than one-fifth had jobs with medical benefits for their children. Helena, from the ethnographic sample, explained why not having access to medical benefits was so important to her in a 1999 interview:

Now that I am working, I do not get a [TANF] check. If you make more than \$200 [per week], they stop giving it to you. I still have food stamps. I still have Medicaid — thank God, because my job does not offer medical — but I heard something about a person who called the social worker, and they told her that they were taking the Medicaid away. If they take my Medicaid away, then I really will be in trouble, because I suffer from hypertension and I need my medicines; if not, my blood pressure goes up to the sky.

Many of the women worried about medical insurance coverage for their children. After working 40 hours per week at the same factory job for a year and a half, Rosa similarly reported in a 1999 interview:

At work we make \$5.15, minimum wage, and you don't get benefits. You don't get them because we are temporary. Welfare took away Medicaid for me. I'm lucky they still give Medicaid to my daughter. Otherwise I would stop working, because right now she is asthmatic. Health insurance, I cannot pay because, imagine, I make just \$5.15 an hour. Since I started this job, they raised my Plan Ocho [Section 8 housing] rent to \$200 per month, and I also have to pay for water, electricity, phone. On the one hand, it's okay; but on the other, what good is working if I myself don't have Medicaid?

While a few respondents found jobs that paid decent wages *and* provided benefits, the majority clearly fared worse in the labor market. What distinguishes women who did relatively well from those who did not?

Who Fared Worst?

Monolingual Spanish Speakers

Those who had the most difficulties in the labor market lacked precisely the skills of those who encountered the most success. Monolingual Spanish speakers (that is, Hispanic non-English speakers)²⁰ and those without a high school credential had the greatest difficulties. As reflected in Table 4.5, Hispanic non-English speakers had a significantly lower hourly wage (\$6.73) than African-Americans (\$8.08) and Hispanic English speakers (\$8.55). In addition, very few Hispanic non-English speakers held jobs that provided medical benefits (12.8 percent, compared with 27.5 percent for Hispanic English speakers and 34.4 percent for African-Americans). They were also much more likely than the other two groups not to have had a high school credential (56.5 percent), to have had a health problem that limited their ability to work (34.4 percent), and to have been at high risk of depression (40 percent).

Elda summed up the impressions expressed by the other non-English-speaking Hispanic women in the ethnographic sample when she said to an interviewer in 1998:

I've been told that it's not easy to get a job. If you don't know English, [you can only get] the worst job, in a factory. They say that in the factory English isn't necessary, but even there it helps. Those who only know English also lose because . . . well, they have a little more advantage because they know how to get around, but those who don't know English are at a bit of a disadvantage. I am at zero, zero, zero, zero with English. Only a few words, so I don't know how to get around, and that is very important because once it's time for an interview, what are you going to say? I don't know how to get there. That says it all. . . . I can't choose what kind of job I want, because like I told you, I don't know English. I have two daughters. Whatever they [welfare and WAGES] make me do, I have to do it.

²⁰Women were categorized as English-speaking if, in 1998, they said that they could carry on a conversation in English "very well" or "well." Non-English speakers said they could converse "some," "a little," or "not at all."

No High School Credential

Lack of a high school credential also made it more likely that a survey respondent would not find work. As reflected in Table 4.3, this group had a higher proportion (34.7 percent) who were neither working nor receiving welfare in 2001. Those without a high school credential who did find work also earned less and had a significantly smaller likelihood of having a job with medical benefits.

Connie, an African-American woman in the ethnographic sample, had her first child when she was 14 and, in January 1998, had eight children and one grandchild who were dependent on her. She described her experiences looking for a job:

It is hard to find a job when you have no experience. With no education it's hard to find something. The first thing they ask you, "Do you have a high school diploma or a GED?" If you going for a hotel job or a job at Burger King or McDonald's or maybe some convenience store, you can get a job like that with no education. But if you want to work in the mall, somewhere like in a department store, you gotta have some kind of education. You can easily get a job at Burger King. I can go fill out an application and just get a job. If they hiring, they going to hire you if you never worked there before. But a decent job — you can't get it.

Many women in the ethnographic sample expressed intense frustration that WAGES was designed more to push them into the labor market than to give them the skills that they felt they needed to succeed in finding a decent job. As noted in Chapter 2, GED instruction was rarely allowed to count toward a welfare recipient's participation requirements. Most women recognized that they were lacking the skills and credentials needed to find a job. In a 2001 interview, Awilda, who is Puerto Rican, said: "I would like to take English classes, but I haven't been able to." Connie — who knew that she faced the prospect of working at a low-wage, low-skilled job — claimed in 1998: "I told them I wanted to go to school or to a vocational training. No, they told me I had to work. They said I had to work at least 20 or 25 hours a week."

Multiple Barriers to Employment

Many of the women in the survey sample had numerous other barriers to employment. There is growing evidence that such barriers and challenges often co-occur among poor women and that having multiple barriers is especially detrimental to employment.²¹ Many women in the survey sample had strong reasons to remain at home to care for their children. As shown in Ta-

²¹See, for example, Danziger, Corcoran, Danziger, and Heflin, 2000; Polit, London, and Martinez, 2001; and London, Scott, and Hunter, 2002.

ble 4.4, in 2001 almost one-third of the survey sample (30.4 percent) had at least one child under age 6, and 43.7 percent had three children or more at home; 42.1 percent had a child who had special needs or a behavioral problem.

The ethnographic sample offers examples of how family crises — especially deaths and health problems — interfered with a woman’s ability to maintain her employment status. For example, one mother’s child suddenly needed her full time. Sonia had been employed for exactly a year when she received a call at work from her daughter’s daycare, telling her that the child was sick and vomiting. Within 48 hours, Sonia learned that her 5-year-old daughter had kidney cancer and that it had metastasized into the girl’s lungs and stomach. The welfare system nonetheless put the family into bureaucratic limbo for over three months. In 1999, Sonia explained:

I am not working. I stopped working because my daughter is ill. She has cancer. Now the doctors have said I have to be at her side, but I would also like to work because it’s the only way that we can subsist. As soon as my daughter got sick in June of ’99, I went there to welfare, but it wasn’t until September that they started to help me out, because they wanted me to collect unemployment, but I couldn’t because I resigned from my job when my daughter was in the hospital. I found a friend that lent me some money, which I am still paying back. My friends gave me rice and things like that. Now I am receiving benefits, and I go recertify every six months. I was sanctioned for like a month. They took the [food] stamps away. They said that they sent me an appointment letter, which I never got. I took them all of the papers from my daughter’s doctor saying that she needs 100 percent care. So they lifted the sanction. At this time they are keeping up with what they should give us.

In January 2000, Sonia reported that her daughter’s cancer was in remission and that the child would return to school in a couple months. Sonia hoped to be rehired.

Even when the women in the study could find a way to care for their children, many of them faced personal barriers to employment. As reflected in Table 4.4, 21.4 percent of the women surveyed in 2001 indicated that they had a health problem that limited their ability to work, and 26.4 percent were also considered to be at high risk of depression.

The one employment barrier that was experienced by very few women in the survey sample is the birth of a new baby. The survey indirectly indicates that these women understood the welfare department’s message about not having more children. There was more than a 20 percentage point drop between the two surveys in the proportion of women whose youngest child was under age 6 (Table 4.4). It is obvious that many children who were under 6 in 1998 would be older than 6 in 2001. What is more significant is that most of their mothers did not have more children between 1998 and 2001. From the ethnographic sample, it appears that, at

least in 1999, the women were well informed about the new rules concerning adding a child to the family's assistance. Miriam, who came to Miami in 1992 as a political refugee from Cuba, stated: "They have told me that even those children who are born here [in the United States] will not receive assistance." Connie, the African-American woman who was supporting eight children and one grandchild, reported the following about her knowledge of and experience with the new rules:

The only thing I understand is that . . . OK, my daughter had a baby, and I was going to add the baby on because the father was under age and she was under age . . . she was 15 at the time; now she's 16. And they don't give the baby no assistance — only Medicaid. And if you have a baby now, you can't get no kind of assistance for that child. No, no way you get more assistance. None at all, 'cause that's what happened with my last baby, no help. You can't get no help.

Two barriers of special concern among advocates for the "hard-to-employ" are drug use and domestic violence. As seen in Table 4.4, the reported rates of these problems were fairly low in the survey sample; moreover, the rates did not change over time. About 2 percent of the sample at both interviews reported using hard drugs in the past month, and less than 8 percent of the women at either interview reported that they had been physically abused in the prior 12 months. Three women in the ethnographic sample reported knowing other women who sometimes sold drugs or resorted to occasional informal prostitution to make a few extra dollars to get through the month. One woman had a felony record that she believed was a barrier to her attempts to find a job.

While any single one of these barriers can make finding and keeping a job difficult, having more than one is likely to make it much more difficult. In fact, the majority of the women in the survey did face multiple barriers. As shown in Table 4.4, the women on average had more than two barriers; in 1998, they averaged 2.7 barriers per person, which declined to an average of 2.3 barriers in 2001. Moreover, 41.3 percent of the women in 2001 reported having three or more barriers. Did this mean that they were less likely to find work? Yes: More than 90 percent of the women who had no barriers were working in 2001, compared with less than 44 percent of those who had three barriers or more (Table 4.6).

Each employment barrier deterred some survey respondents from working, but some barriers were higher than others. For example, in 2001, more than 60 percent of the women with at least one child younger than age 6 were not working, as were about 45 percent of those who had no high school credential. Another 45 percent who did not have access to a car or a driver's license were not working, and 50 percent of the women who were at high risk of depression were unemployed.

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Table 4.6

**Employment Rates in 2001 Among Survey Respondents
with Specific Challenges to Work in 2001**

Challenge	Percentage Employed at 2001 Interview
<u>Individual challenges</u>	
Has no diploma or GED	44.8
Has difficulty comprehending English	59.1
Has 3 or more children at home	60.2
Youngest child is under age 6	62.9
Has no access to a vehicle or no valid license	44.7
Has 1 or more children with an illness or disability that constrains work	54.4
Has 1 or more children with special needs or behavior problems ^a	52.4
Has caretaking responsibility for other sick or frail person	48.9
Has a health problem that limits ability to work	24.4
Is at high risk of depression	50.0
Has been physically abused in prior 12 months ^b	48.4
Has used a hard drug in past month	50.0
Has had a criminal conviction	46.2
Has been homeless in past 12 months	25.0
<u>Multiple challenges^c</u>	
None (%)	90.6
One to two (%)	72.2
Three or more (%)	43.8
Sample size	363

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES:

^aThis item includes respondent's children who had special needs, were ever suspended or expelled from school, or were ever in trouble with the police.

^bThis only includes respondents who were hit, slapped, kicked, or otherwise physically harmed during the past 12 months. It does not include those who were threatened or had every move controlled.

^cThe 11 challenges that were counted included: no high school diploma or GED, unable to converse in English, has three or more children, youngest child under age 6, has 1 or more child with an illness/disability affecting ability to work, has a child with special needs or behavior problems, has a health condition that limits ability to work, at high risk of depression, has been physically abused in past 12 months, used a hard drug in the past month, was homeless in past 12 months.

The ethnographic research similarly indicates that personal barriers impeded the women's entry into the labor force. Dulce, who dropped out of sixth grade in Cuba, speaks no English and does not have a GED, and she also never learned to drive. In a 2001 interview she said:

I have applied everywhere. It is not because I do not want to work; people think that is the reason. On the 26th, I begin a 30-hour daycare class at Miami Dade [Community College], which will allow me to work in daycares. I hope that maybe with such a certificate I will have some luck. I have looked in Burger King, McDonald's, Taco Bell, and many factories around here, and none of them have called me. Since I don't know English, it is difficult. Even the bakery where my son works, I have applied three times to see if they will let me do the cleaning, at least. I spoke to the boss, but she said that things are slow right now but when something comes up she will tell my son. Even if it is not full time, I would be happy with that.

After 15 years of factory jobs, and at age 51, Dulce found herself out of work with three children to support.

The Effects of Sanctioning

As discussed in Chapter 2, Miami-Dade County terminated far more families' welfare benefits because of sanctions than because of time limits. What differences did being sanctioned (or not) make on the survey sample's experiences in the labor market? Analysis not reported in the exhibits reveals that, for the 2001 survey respondents, there are few statistically significant differences in employment experiences and challenges between the women who were sanctioned in the year prior to the survey and those who were not. The lack of statistically significant differences might reflect that only a small number of respondents were still receiving welfare in 2001 and, thus, could answer sanctioning-related questions. One significant difference that was observed was that sanctioned women were more likely to have more employment challenges. Although there were slight (but not statistically significant) trends for the women who were sanctioned to have worked fewer months, those women who were sanctioned were also slightly more likely to be working at the time of the 2001 interview. Respondents who were sanctioned were more likely to have one or more children with an illness or disability, to be at high risk of depression, or to have been physically abused. Although it appears that sanctioning was not a statistically significant obstacle to employment, the survey hints that sanctions presented challenges. Chapter 5 discusses the relationship between sanctions and material hardships.

Summary and Conclusions

According to the Urban Change survey and ethnographic data, many of the women who had previously been on welfare in Miami-Dade County definitely moved off it and into the workplace in the wake of PRWORA and WAGES reforms. The vast majority of these women worked at some job for some time between the implementation of welfare reform and 2001. Such changes in income sources are consistent with the intentions of welfare reform. The ethnographic evidence presented in Chapter 2 indicates that the welfare-to-work initiatives were of little or no help in finding women employment. The initiatives did, however, convey to women — via new messages and sanctions — that they were expected to work. Moreover, the county's economy was doing relatively well as the unemployment rate declined fairly consistently from 1992 to 2000.

At the same time, the jobs that the majority of women in the survey sample could find were not great jobs, and most were unstable. When the women were working, few of them received a wage that lifted their family above the poverty line, even though wages generally increased between 1998 and 2001. Only one-quarter of the respondents who were working in 2001 had jobs that both paid \$7.50 or more per hour and offered medical benefits.

Some women in the study also encountered less success than others in the job market. In particular, those without a high school credential faced difficulties in finding work, keeping jobs, and receiving better wages and benefits. It is not surprising that women with higher levels of education would do better in the job market, but this may suggest that welfare-to-work programs should place greater emphasis on helping welfare recipients who lack a high school credential to participate in programs that will increase their educational attainment and basic math and literacy skills, perhaps in combination with other work-related activities.

English-speaking Hispanic women had the greatest success in Miami's labor market. Perhaps surprisingly to those who think that the region has become dominated by the Spanish language, the Urban Change survey reveals that monolingual Spanish speakers had the greatest difficulty finding jobs. African-Americans more readily found jobs and had higher wages when they were working than did monolingual Spanish speakers. As indicated in Chapter 1, the development of Miami's economy provides many entry-level positions for Spanish speakers; to get ahead, however, it is best to know both English and Spanish. The data suggest the importance of targeting those who do not speak English and developing specialized services for them. At the very least, more emphasis should be placed on English as a Second Language (ESL) instruction.

The findings on employment for the Urban Change survey and ethnographic samples refresh the hackneyed analogy of a glass half full and a glass half empty. The glass may appear half full, particularly for those who have at least a high school credential and can speak English. But the glass may also be deemed half empty, especially for those whose material well-being is declining — the topic of Chapter 5.

Chapter 5

Economic Circumstances and Material Hardships: Findings from the Longitudinal Survey and Ethnography

Chapter 4 indicates overwhelmingly that the Urban Change survey respondents in Miami-Dade County who had been receiving welfare before reform were vigorously thrust into the labor force by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. Not surprisingly, the women had different experiences and varying degrees of success in the labor market. Did working enhance the well-being of these women and their families? Did it improve their economic circumstances and mean that they were becoming self-sufficient? Chapter 4 reveals that many of the women's jobs were temporary and had relatively low wages with few fringe benefits. Given that, did material hardships diminish for these families? This chapter addresses these questions using data from the Urban Change survey and ethnography.

As described in Chapter 4, the survey and ethnographic data cannot be used to draw causal inferences about the effects of welfare reform on respondents' economic circumstances. Welfare reform was not the only factor influencing their lives. Most notably, from the mid-1990s through 2000, the U.S. economy was growing, and Miami-Dade's unemployment rate was declining. Beyond that, individual circumstances were undoubtedly changing as, for example, the women and children in the sample aged, as marriages or other partnerships were contracted or ended, and as respondents gave birth to additional children or had children age-out or otherwise exit their households. Nevertheless, the Urban Change data can be suggestive. If positive changes are seen, perhaps welfare reform was not catastrophic and even had beneficial effects for these women. If negative changes occur, it may be that welfare reform diminished the women's already-poor material circumstances. Even if the data are insufficient to establish causality, however, they are critically important because they help establish the range of possible effects that welfare reform might be having.

Summary of Findings

The Urban Change survey in Miami does not tell a singular, dramatic story about respondents' economic circumstances and material hardships. Although many people were better off, they were still in or near poverty. Others experienced minimal or no changes in material circumstances. A few people were worse off. Everyone seems to have experienced some economic changes. Instead of a single story, then, there is both good news and troubling news. On the one hand, average income shifted upward and moved families away from reliance on welfare, while material hardships showed decline. On the other hand, most families continued to live in or near poverty, and the least educated and the non-English-speaking appeared to be worse off. More specifically:

- Many families' economic circumstances appeared to be better in 2001 than when the women were first interviewed in 1998. Not only were most respondents working, but they also had higher incomes, and fewer were below the poverty line.
 - As reliance on cash welfare benefits declined dramatically, average total monthly household income rose from \$1,130 in 1998 to \$1,489 in 2001 (not including the Earned Income Credit [EIC]).
 - The use of such safety net programs as food stamps, Medicaid, and Women, Infants, and Children (WIC) declined significantly between 1998 and 2001, although 53 percent of respondents still received food stamps, and 61 percent had Medicaid for at least one child.
 - Other forms of income — especially the EIC, child support, and Supplemental Security Income (SSI) — enhanced the wage earnings of some households.
 - Some families' savings increased a small amount.
 - More families owned automobiles, and a few were able to purchase homes.
 - Health care hardships declined modestly.
- Poverty was certainly not banished, and a significant minority of respondents were worse off.
 - About 62 percent of the families were poor or near poor in 2001. The percentage drops to 54 percent when the EIC is taken into account.
 - A decreased in income was experienced by 37 percent of respondents.
 - Of those who were not below the poverty line in 1998, 10 percent did move into poverty by 2001.
- Those households with some debt increased from 54 percent in 1998 to 66 percent in 2001, and the amount of debt increased for many.
- Some measures of material hardship improved slightly, although others remained largely unchanged.
 - A modestly significant increase was found in the percentage of women who indicated that they were very satisfied with their standard of living.
 - Over time, all measures of housing hardships, except evictions, declined.

- Measures of food insecurity and hardship declined; 28 percent were food insecure without hunger in 2001, and another 12 percent were food insecure with moderate or severe hunger.
- The women who fared the best were those with a high school credential or Hispanics who spoke English.
- Respondents who had a high school credential earned nearly \$400 a month more than those who lacked a credential.
- Just over half of those who had a high school credential were below the official poverty line, compared with more than two-thirds of those who lacked a credential.
- While average household size held steady from 1998 to 2001, household composition shifted. Women living only with their children dropped by 11 percentage points, with a corresponding rise in those living with their children and a husband or partner or in extended family households. Marriage rates increased by nearly 6 percentage points between 1998 and 2001.

The Good News: Improvements in Economic Circumstances

Rising Earned Income and Falling Welfare Benefits

As reported in Chapter 4, the women in the survey sample were thrust into the labor market at the same time that many left the welfare rolls. Despite receiving fewer welfare benefits, some survey respondents experienced substantial increases in average total monthly household income, which includes food stamps but not the EIC.¹ As reported in Table 5.1, average

¹In the Urban Change study, total household income in the prior month includes income of all family members from any of the following sources: earned income, welfare benefits, food stamp benefits, child support, disability income (for example, SSI), pensions, cash assistance from someone outside the household, and such other sources as rental income and unemployment benefits. Not included in this calculation are housing subsidies and the cash value of Medicaid or other health insurance. Note that caution must be used in comparing Urban Change incomes with those reported in the findings from welfare leaver studies funded by the Office of the Assistant Secretary for Planning and Evaluation (ASPE) of the U.S. Department of Health and Human Services. The ASPE-funded leaver studies do not include the value of food stamps in the computation of household income (Acs and Loprest, 2001).

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Table 5.1

**Changes in Income Sources, Use of Noncash Benefits,
and Poverty Levels from 1998 to 2001**

	First Interview (1998)	Second Interview (2001)	Difference
Sources of household income in prior month (%)			
TANF	51.3	13.6	-37.7 ***
Work	51.6	63.9	12.2 ***
Child support	11.8	15.9	4.0 *
SSI	12.7	20.8	8.1 ***
Other sources	1.7	3.6	1.9 *
No source of income	1.7	2.1	0.3
Noncash benefits used in prior month (%)			
Received food stamps	74.2	52.8	-21.3 ***
Received WIC	22.1	14.8	-7.2 ***
Received Medicaid for self	61.6	48.4	-13.1 ***
Received Medicaid for any child	72.7	61.0	-11.7 ***
Is living in subsidized housing	38.9	37.7	-1.2
Received energy assistance	5.1	3.3	-1.8
Average total monthly household income (\$)			
(EIC not included)	1,129.97	1,488.94	358.97 ***
Less than \$1,000	55.8	37.9	-17.8 ***
\$1,000 to \$1,500	23.1	24.3	1.2
\$1,501 to \$2,000	11.2	15.6	4.5 *
Greater than \$2,000	9.9	22.1	12.2 ***
Average total monthly household income (\$)			
(EIC included) ^a	1,247.37	1,649.00	401.63 ***
Percentage below official poverty line			
EIC not included	75.5	61.9	-13.6 ***
EIC included ^a	66.0	53.7	-12.3 ***
Percentage below 185% of official poverty line			
EIC not included	94.7	89.9	-4.9 **
EIC included ^a	93.6	87.5	-6.1 ***
Sample size	581	581	

(continued)

Table 5.1 (continued)

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Rounding may cause slight discrepancies in sums and differences.

Statistical significance levels are indicated as *** = 0.1 percent; ** = 1 percent; * = 5 percent.

^aThe calculation takes the estimated EIC payment and divides by 12 to get a monthly figure; the estimated federal income taxes paid in 2001 are then subtracted from this value. (Florida has no state income tax.) The resulting value is then added to the total monthly household income. To remain consistent, the estimated taxes paid were also subtracted from the total monthly household income of respondents who were not eligible to receive an EIC payment because their earnings were too high.

monthly household income increased from \$1,130 to \$1,489 — or by \$359 — between the 1998 interview and the 2001 interview. For the sample as a whole, average monthly household income increased by 31.8 percent. Those whose income was below the official poverty line declined from 75.5 percent to 61.9 percent.

A revised estimate of total monthly household income was calculated for each respondent, using the estimated EIC payment.² This would increase the average total monthly household income for respondents in 2001 from \$1,489 to \$1,649 — an average increase of \$160 per month. This additional income would decrease the percentage of respondents who were below the official poverty line in 2001, from 61.9 percent to 53.7 percent.

Consistent with the data reported in Chapter 4, more of the women were working by 2001, and fewer were receiving cash assistance. The percentage who reported household income from work in the month prior to the survey increased from 51.6 percent in 1998 to 63.9 percent in 2001 (Table 5.1).³ Meanwhile, those who had income from Temporary Assistance for Needy Families (TANF) plummeted from 51.3 percent in 1998 to 13.6 percent in 2001. More-

²The calculation takes the estimated monthly EIC payment and subtracts the estimated federal income taxes paid in 2001. (Florida has no state income tax.) The resulting value is then added to the total monthly household income. To remain consistent, the estimated taxes paid were also subtracted from the total monthly household income of respondents who were not eligible to receive an EIC payment because their earnings were too high.

³A recent review of findings from 15 ASPE-funded welfare leaver studies reports that, 6 to 34 months after leaving welfare, between 60 percent and 65 percent of former welfare recipients had income from their own earnings; 21 percent had income from another household members' earnings; between 11 percent and 31 percent had income from child support; and between 2 percent and 12 percent had income from SSI. For a variety of reasons, not all 15 of the ASPE-funded leaver studies measured the same outcomes or used the same measurement instruments. Thus, there is substantial variability in the number of studies that provide data on each of the outcomes reported in this chapter. For details, see Acs and Loprest, 2001.

over, noncash benefits also decreased dramatically.⁴ Between 1998 and 2001, respondents' use of food stamps, WIC, Medicaid for themselves, and Medicaid for their children all tumbled. Food stamp receipt, for example, declined from 74.2 percent in 1998 to 52.8 percent in 2001.⁵ The women's use of the WIC program also dropped significantly, from 22.1 percent in 1998 to 14.8 percent in 2001. Table 5.1 further displays sizable reductions in the percentage of women who received Medicaid for themselves⁶ (down from 61.6 percent in 1998 to 48.4 percent in 2001) or for any child (down from 72.7 percent in 1998 to 61.0 percent in 2001). Nevertheless, the use of noncash benefits remains significant, as 52.8 percent still received food stamps, and 61.0 percent had Medicaid for at least one child.

Figure 5.1 presents the average percentages of total household income that survey respondents obtained from various sources in 1998 and in 2001.

Other Income Sources

Tax Refunds: The Earned Income Credit

While most survey respondents increased their income from wages, their other sources of income also increased. Probably the most significant source was the Earned Income Credit (EIC): 72 percent of the survey sample claimed that they had received an EIC from their previous year's federal income tax filing. The average estimated EIC payment for the survey sample — including those who received nothing — was \$1,564. (Most EIC recipients choose to receive the EIC in a lump sum.) The ethnographic study reveals that the EIC could make a big difference for families. Helena and her teenage son, for example, supported themselves with the combined income from their part-time factory jobs in 2001; Helena explained how the EIC pulled her out of debt:

⁴Other studies have found varied use of noncash benefits. Evidence from the ASPE-funded leaver studies indicates that participation in government assistance programs was common but varied by program and location. For example, in the fourth quarter after leaving cash assistance, between 21 percent and 63 percent of leavers reported receiving food stamps; between 35 percent and 76 percent reported receiving Medicaid for themselves; and between 34 percent and 86 percent reported that their children received Medicaid.

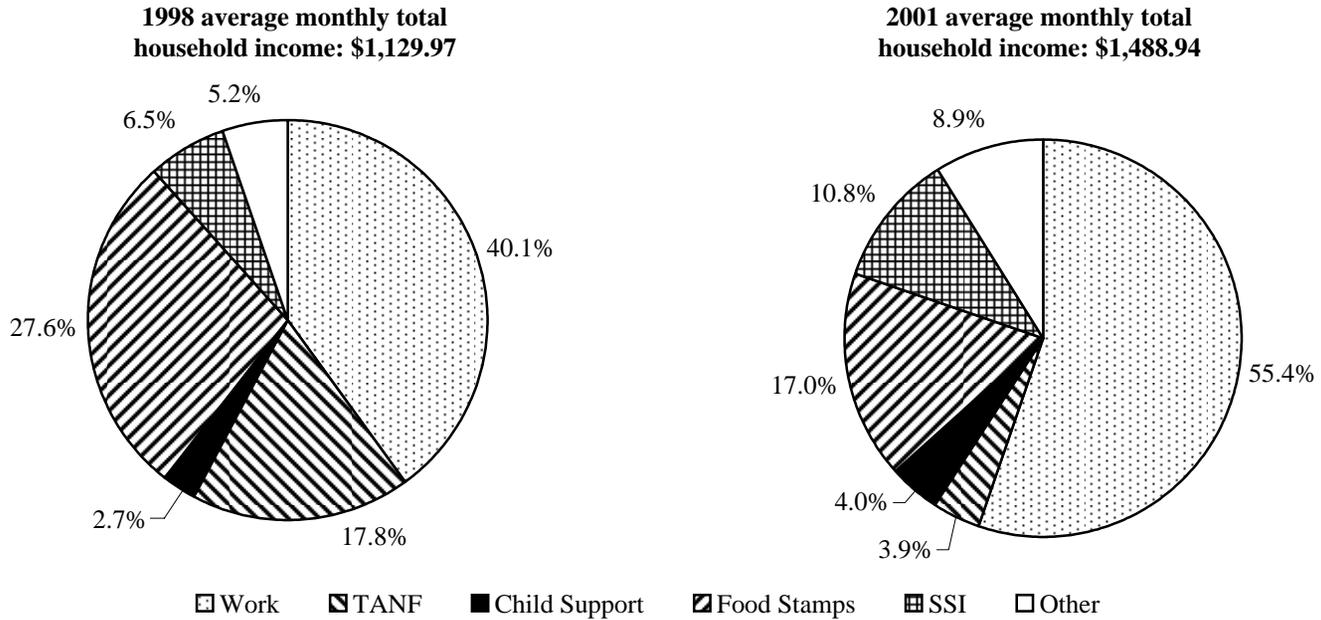
⁵The question specifically asked whether the respondent had received food stamps in the month preceding the interview.

⁶The rate in 2001 is within the range of what has been observed in other welfare leaver studies. For example, in the fourth quarter after leaving cash assistance, the percentage of leavers who reported receiving Medicaid for themselves in the 15 welfare leaver studies ranged from 35 percent to 76 percent (Acs and Loprest, 2001).

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Figure 5.1

Average Percentage of Total Household Income Obtained from Various Sources, 1998 and 2001



SOURCES: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Sample size is 517 respondents in 1998 and 527 respondents in 2001.

Rounding may cause slight discrepancies in calculating sums and differences.

"Other" income comprises pensions, income from friends and family, and income listed as other by respondent.

With \$1,800 on [my] tax return, I have paid my bills. I am always worrying about what am I going to do next month. Well, I can't complain; at least now I have the chance to go out once a month with my son to eat out. I save \$10 from this paycheck, and he saves \$10 from his.⁷

Child Support and Disability Payments (Supplemental Security Income)

Survey respondents' income from child support rose from 11.8 percent in 1998 to 15.9 percent in 2001. All the women in the ethnographic sample claimed that they fully disclosed everything they knew about the fathers of their children. They also reported that child support enforcement seemed to be a consistent and vigorous part of their dealings with welfare workers.

While the general trend from 1998 to 2001 was a decline in the receipt of TANF cash benefits, there was a significant increase in Supplemental Security Income (SSI) between 1998 and 2001. The proportion of households in the survey that received SSI benefits rose from 12.7 percent to 20.8 percent between the two interviews. The importance of this income source is illustrated in a 1998 interview with Gloria, from the African-American ethnographic sample, who was looking for work in the course of this research but experienced kidney failure and thus qualified for SSI:

I don't know why [no one hired me, but] really at that time when I was talking to you, I was sick and I didn't know it. Shortly after I saw you, I went into the hospital for six-seven days. My kidney had failed. My liver wasn't working. You see, since me and you talked last, I had my kidneys that failed and all like that. So then I got eligible for SSI. So I got SSI for myself and welfare for my son. So I've heard that they can't cut him off because of my disability. I heard that other people going to be cut off, but they still send me \$95 for my son, and they give me \$70 [food] stamps.

Since Gloria was the sole wage-earner in her household, qualifying for disability income literally meant the survival of her household. For some households, SSI income may have contributed significantly to basic survival. The research on Miami's implementation of welfare reform reveals that some administrators and staff at the Department of Children and Families said that they encouraged clients who might qualify for SSI to apply for it. Yet this was not an orchestrated or consistent campaign throughout the county. Some administrators and staff recognized that moving clients onto SSI was a "win-win" proposition, because it reduced the county's TANF rolls and provided much higher monthly payments than welfare for those cli-

⁷Throughout, the names used for ethnographic sample members are pseudonyms. Spanish-language interviews like this one have been translated into English. Translation was supervised by Carol Stepick.

ents who qualified. Sometimes the tough sanctioning process or time limits helped bring to the surface physical disabilities or mental problems that previously had gone unrecognized. It is possible that this happened often enough that the Urban Change survey detected a significant increase in SSI income between the 1998 and the 2001 interviews.

Juggling Income Sources

While household income increased for most survey respondents, the ethnographic sample reveals that the women had to become adept at juggling varying income sources in order to make ends meet. In the midst of a long series of temporary, mostly factory jobs, Candida offers an example of how a household might use multiple sources of income to survive. In a 1997 interview, she explained the evolution of her circumstances over nearly four years of temporary jobs:

There isn't much work out there. The factories are cutting back. They only have two or three people. They rarely hire anybody, but I hope to get me one of those jobs. Yeah, they're always temporary. Sometimes two or three weeks go by, then they call you for three or four days. What they pay you is the minimum.

One year later:

I started working and never went back to welfare. They stopped giving me assistance because I started working.

About six months later:

No, now I am collecting unemployment. Unemployment has a limit, up to six months, but I hope to be working again before six months.

Finally, in 2001:

I have changed jobs. I paint children's clothes in a factory. It's very hot inside with the equipment. No A/C [air-conditioner], just fans.

Although her jobs were not stable, Candida was able to supplement her wages with unemployment benefits between jobs. She also figured out how to apply for a tax refund of \$3,000 in 2000. In 2001, Candida reported another income strategy:

In 1997, I applied for Section 8, but I still haven't gotten it. I would love to get it. It would be better, because with the little money I have, sometimes I can barely pay the rent.

On average, income significantly increased for the survey sample from 1998 to 2001, although over one-half of the women still supplemented their income with noncash benefits, particularly food stamps and Medicaid. A significant minority of the ethnographic sample also juggled numerous sources of income to cover the gaps in a series of low-paying temporary jobs, as described in Chapter 4.

Increases in Assets

With increases in income, the women in the survey sample also acquired more savings and assets, as reflected in Table 5.2. Nearly three times as many respondents said that they had more than \$500 in savings in 2001 as in 1998 — increasing from 3.2 percent to 8.6 percent over the three-year period. Home ownership also increased over time. In 1998, only 5.3 percent of the survey sample owned a home, but 11.4 percent had become homeowners by 2001.

The biggest leap in assets, however, was in owning a car: While 36.4 percent of the survey sample in 1998 reported owning a car, the figure climbed to 56.2 percent by 2001. Many women in the ethnographic sample talked about the importance of transportation, the difficulty of public transportation in a city that is so dispersed, and the corresponding importance of owning a car. Before buying a car, for example, Tamika's transportation dilemma was similar to other women's in the ethnographic sample — they sometimes had to transfer two or three times or had to wait an hour or longer in tropical heat or rain for a bus connection. Tamika explained her particular problem in a 1998 interview:

It's just, I have problems getting home from work on the weekends because the bus that I catch to work — the last one comes by the hospital about 7:15. I don't get off until after 8:00. Then I have to catch a cab home because I'm stuck.

Just over a year later, Tamika was elated to report:

I bought me a car now! I got the car, like, the end of January. I used part of my income tax [return], and I bought it. I paid for it by cash. No payments.

While a small but significant proportion of women in the study were able to add to their families' assets — especially car ownership — it is still critical to ask whether this led to appreciable improvements in the material hardships experienced by households participating in the survey, because rising economic circumstances do not necessarily translate into improved well-being for a family.

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Table 5.2

Changes in Assets and Debts from First to Second Interview

Outcome (%)	First Interview (1998)	Second Interview (2001)	Difference
<u>Assets</u>			
Owens a car	36.4	56.2	19.8 ***
Owens a home	5.3	11.4	6.0 ***
Amount family has in savings			
None	86.4	82.4	-3.9 *
Less than \$200	7.0	4.5	-2.5
\$200 to \$500	3.4	4.5	1.1
More than \$500	3.2	8.6	5.4 ***
<u>Debts</u>			
Owes money on a car	10.5	16.8	6.2 ***
Amount family owes in debt			
None	46.3	34.3	-12.0 ***
Less than \$500	12.0	8.1	-3.9 *
\$500 to \$1,000	11.4	18.8	7.3 ***
\$1,001 to \$2,000	7.5	9.5	2.0
More than \$2,000	22.7	29.3	6.6 **
Sample size	581	581	

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Rounding may cause slight discrepancies in sums and differences.

Statistical significance levels are indicated as *** = 0.1 percent; ** = 1 percent; * = 5 percent.

Material Hardships

As survey respondents' income, assets, and savings increased, on average, various material hardships declined for many people in the sample. It is widely recognized that measurements of household income and related statistics are inadequate for characterizing a family's material conditions.⁸ A consensus has emerged that poverty and material hardship are conceptu-

⁸Mayer and Jencks (1989) found poverty and material hardship to be correlated, but a family's income-to-needs ratio explains only about a quarter of the variance in material hardship. A family's income-to-needs ratio

(continued)

ally distinct and that efforts are needed to better measure and monitor directly the extent of material hardships in low-income families.⁹ The survey incorporated such measures, including those related to housing, food, health, and neighborhood. It also incorporated separate measures for adult and child hardships.¹⁰

Greater Food Security and Less Hunger

As reported in Table 5.3, the proportion of women in the survey who reported food insecurity without hunger declined from 39.3 percent in 1998 to 27.7 percent in 2001.¹¹ There was also a small but significant decrease in the proportion of families who were food insecure with moderate or severe hunger, from 15.9 percent in 1998 to 11.8 percent in 2001.

Housing

On at least two measures of housing-related hardship, the survey sample experienced some relief. The proportion of women in the survey who reported living in a crowded house¹²

is the total cash income from all sources divided by the family's official poverty threshold, as established by the U.S. Bureau of the Census, in the relevant year. Also see Beverly, 2001; Federman et al., 1996.

⁹Edin and Lein, 1997; Bauman, 1998.

¹⁰The set of ASPE-funded studies of TANF leavers used a variety of indicators to measure food, housing, and health care hardships (Acs and Loprest, 2001). Overall, levels of material hardship remained high among leavers, although there are notable differences across studies. Some studies show that leavers experienced the same or lower levels of food and housing hardships as when they were on cash assistance, while other studies indicate that hardships increased after exit from welfare. In all the studies that assessed subjective well-being, the majority of participants perceived that their material circumstances were improved or unchanged. However, in all studies, a noteworthy minority (ranging from 13 percent to 28 percent) reported that they were worse off than they had been while on cash assistance. Generally, studies that compared working and nonworking leavers found that hardships were lower among working leavers. See also Coulton, Bania, Leete, and Cook, 2001; Danziger, Corcoran, Danziger, and Heflin, 2000.

¹¹Using data from the two surveys, four indicators of food hardship were examined: food insecure without hunger, food insecure with moderate or severe hunger, child with hunger, and use of a food bank in the prior month. The Household Food Security Scale (HFSS) was used to measure respondents' level of food security. The U.S. Bureau of the Census, in its Current Population Survey, has administered this scale each year since 1995, and it is the benchmark measure of food security in the United States (Carlson, Andrews, and Bickel, 1999). The HFSS is an 18-item self-report scale that can be used to classify households into four categories: food secure, food insecure without hunger, food insecure with moderate hunger, and food insecure with severe hunger. The HFSS is reliable and valid for population- and individual-level measurement (Frongillo, 1999). The Urban Change survey respondents' households were classified into one of three child-hunger categories (no child hunger nor reduced-quality diet, child with reduced-quality diet, and child with hunger), based on maternal responses to the eight items in the HFSS that concern the nutritional status of children under age 18 (Nord and Bickel, 1999).

¹²Families were classified as living in a crowded household if there was less than one room per person (not including bathrooms).

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Table 5.3

Changes in Material Hardship and Family Well-Being
from First to Second Interview

Outcome	First Interview (1998)	Second Interview (2001)	Difference
<u>Food hardships (%)</u>			
Food insecure without hunger ^a	39.3	27.7	-11.6 ***
Food insecure with moderate or severe hunger ^a	15.9	11.8	-4.1 *
Child with hunger ^b	4.4	3.8	-0.6
Used a food bank in prior month	5.5	5.0	-0.5
<u>Housing/neighborhood hardships (%)</u>			
Had worse-case housing in prior month ^c	28.4	24.9	-3.5
Is living in a crowded house	28.4	23.7	-4.7 *
Had two or more housing problems ^d	32.6	30.6	-2.1
Gas or electricity was turned off one or more times in prior year	21.6	16.4	-5.2 *
Had to move in with another family because needed a place to live	9.2	7.6	-1.6
Was evicted in past year	2.4	2.9	0.5
Is living in a dangerous neighborhood ^e	33.8	21.7	-12.2 ***
Witnessed a violent crime in neighborhood	13.6	9.3	-4.3 *
<u>Health care hardships (%)</u>			
Respondent uninsured in prior month	26.0	26.0	0.0
Any child uninsured in prior month ^f	17.7	14.5	-3.2
Respondent ever uninsured in prior year	36.9	32.5	-4.4
Family unmet need for medical care in prior year	29.1	22.3	-6.7 **
Family unmet need for dental care in prior year	35.6	29.2	-6.4 **
Compared with one year ago, access to needed health care is harder	30.4	27.9	-2.5
<u>Adult/household hardships^g</u>			
Average number of hardships	2.4	1.9	-0.5 ***
None (%)	11.5	19.6	8.1 ***
One to two (%)	42.9	47.8	5.0
Three or more (%)	45.6	32.5	-13.1 ***

(continued)

Table 5.3 (continued)

	First Interview (1998)	Second Interview (2001)	Difference
<u>Child hardships^h</u>			
Average number of hardships	0.3	0.2	-0.1 **
None (%)	74.2	81.2	7.0 **
One to two (%)	25.6	18.8	-6.8 **
Three or more (%)	0.2	0.0	-0.2
<u>Average rating of standard of living (%)</u>			
Very satisfied	20.8	27.6	6.8 **
Satisfied	48.7	48.2	-0.6
Dissatisfied	21.9	17.3	-4.7 *
Very dissatisfied	8.5	7.0	-1.6
Sample size	581	581	

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Statistical significance levels are indicated as *** = 0.1 percent; ** = 1 percent; * = 5 percent.

^aRespondents were placed in one of four food insecurity categories (secure, insecure without hunger, insecure with moderate hunger, or insecure with severe hunger) based on their scores on the 18 item Household Food Security Scale.

^bRespondents were placed in one of three child hunger categories (child with hunger, child with reduced-quality diet, or no child hunger) based on responses to the eight items on the Household Food Security Scale that concern nutritional status of children under age 18 in the household.

^cFamilies have worst-case housing needs if they pay more than 50 percent of their income on rent and utilities and receive no housing assistance.

^dRespondents indicated whether they had any of the following housing problems: broken windows, leaky roof/ceilings, roaches/vermin, and problems with wiring, plumbing, heating, and appliances.

^eRespondent or child was robbed, mugged, or attacked or witnessed a violent crime, or reported gang violence in neighborhood.

^fThis item does not take into account those who did not have children at either survey.

^gThe eight hardships used in this index include: food insecurity, receipt of emergency food in prior month, spends more than 50 percent of income (including food stamps) on housing, has two or more housing problems, lives in a dangerous neighborhood, witnessed a violent crime in the neighborhood, respondent ever uninsured in prior year, and family unmet need for medical or dental care.

^hThe three hardships used in this index include: child with hunger, any child uninsured in prior month, and any child under 18 living elsewhere.

declined a small but significant amount, from 28.4 percent in 1998 to 23.7 percent in 2001. The proportion who had gas or electricity turned off one or more times in the prior year also fell, from 21.6 percent in 1998 to 16.4 percent in 2001.

Improved Neighborhoods

The proportion of women who were classified as living in a dangerous neighborhood¹³ decreased from 33.8 percent in 1998 to 21.7 percent in 2001. Similarly, the proportion who witnessed a violent crime in their neighborhood declined slightly, but significantly, from 13.6 percent in 1998 to 9.3 percent in 2001. Both of these measures may reflect the overall decline in crime that is reported in Chapter 6.

Adult and Child Hardship Indices

For the survey sample as a whole, the average number of adult, or household, hardships declined significantly, from 2.4 in 1998 to 1.9 in 2001. Moreover, the proportion of respondents who experienced none of these hardships increased significantly, from 11.5 percent in 1998 to 19.6 percent in 2001, while the proportion with three or more hardships declined from 45.6 percent to 32.5 percent.

For child hardships, the survey measured whether any child experienced hunger; whether any child was uninsured in the month prior to the survey; and whether any minor child lived away from home. For this index as well, there was a modest but significant decline from 1998 to 2001. There was a significant increase in the proportion of families who experienced none of these child hardships (up from 74.2 percent in 1998 to 81.2 percent in 2001). The proportion of families who had one or two child hardships decreased significantly, from 25.6 percent to 18.8 percent over the three-year period.

Health Care

Health care hardships were among the factors that improved modestly for women in the survey sample between 1998 and 2001 (Table 5.3). There were significant but modest decreases in the proportion of the survey sample whose families had an unmet need for medical care in the prior year (down from 29.1 percent in 1998 to 22.3 percent in 2001) and in the proportion who indicated that their families had an unmet need for dental care in the prior year (down from 35.6 percent in 1998 to 29.2 percent in 2001). There were no significant changes in the percentage of

¹³The respondent was classified as living in a dangerous neighborhood if she was robbed, mugged, or attacked or witnessed a violent crime in the neighborhood, or if gang violence was reported in the neighborhood.

respondents who were uninsured in the prior year, the percentage of women who had an uninsured child in the prior month, the percentage of women who were ever uninsured in the prior year, and the percentage of women who said that their access to needed health care was harder than a year ago.

When Tina, from the ethnographic sample, lost all her benefits after being hired as a casual worker by the U.S. Postal Service, she needed medical care for her three children. In a 1999 interview, she explained:

I had to take them to the hospital. They had this bad cold, and the lady asked me if I had Medicaid, and I told her, “No.” And she told me to fill out some forms and maybe I can get Medipass — you know, they pay every month. And then they put me back on Medicaid for the kids.

Tina’s problem was resolved when — thanks to help from an alert social worker at the hospital — the children’s Medicaid was reinstated.

Satisfaction with Standard of Living

Given the improvements observed in the survey sample’s economic and material circumstances, it is expected that the women would perceive themselves to be better off. In fact, there *was* a significant increase from 1998 to 2001 in the percentage of survey respondents who reported that they were very satisfied with their standard of living; more than one out of four women fell into this category by 2001. As a result, a modest decrease was seen in the percentage of respondents who said that they were dissatisfied or very dissatisfied with their standard of living.

By concentrating on the positive statistical changes in measures of economic circumstances and measures of material well-being, this analysis has revealed encouraging news for the Urban Change survey sample. However, an important follow-up question must also be asked: How good are the positive trends that were found? Since the initiation of welfare reform, what has been the evolution of well-being for this low-income population — especially for the key subgroups identified in Chapter 4?

The Troubling News: Constant or Deteriorating Conditions

In the wake of welfare reform, not everyone in the survey sample saw life improve — at least not in terms of working, income, assets, or material hardships. For many survey respondents, welfare reform brought little change: 37 percent had a decrease in income, and 90 percent were poor or near poor (that is, below 185 percent of the federal poverty level). For some, things got worse: 10 percent who were not below the poverty line in 1998 moved into poverty by 2001, and

a small minority of respondents (2 percent) had no source of income at all (Table 5.1). That was the case for Dulce, from the ethnographic sample. In 1998, she was working at a temporary job and earning the minimum wage. In 2001, she reported: “I am without a job. I am not receiving anything. My mother is the one who is helping me with the food, and my children work.”

Economic Circumstances

Even given a 31.8 percent rise in average income for the survey sample, by the time of the 2001 interview, 61.9 percent of the women still fell below the official poverty line, and another 28.0 percent were near poor (above the official poverty line but with an income of less than 185 percent of it). There is considerable evidence from recent studies that the incomes of welfare leavers are, on average, low in the years after welfare exit,¹⁴ and this survey sample conforms to that finding.

Given that earned income was so low, it is not surprising that many survey respondents in 2001 were still using noncash benefits: 52.8 percent of the survey sample still received food stamps (Table 5.1). Moreover, the proportion of households that appeared to be eligible for food stamps but did not receive them (based on self-reports) increased from 14.8 percent in 1998 to 28.2 percent in 2001. Also, 48.4 percent of the women received Medicaid for themselves, and 61.0 percent received it for their children. Nearly 37.7 percent of the survey sample lived in subsidized housing. Besides earned income and noncash benefits, some of the women were able to rely on other sources of income.

Child Support Income

In 2001, nearly 16 percent of the survey sample of mostly single mothers reported receiving child support — a significant number but not nearly as many as needed or deserved it. As discussed in Chapter 2, WAGES made cooperation with the Florida Child Support Enforcement Agency a prerequisite for receiving welfare. As has been found in other locations, the fathers of these mothers’ children are not necessarily irresponsible. Instead, they are facing the same difficult labor market as the women.¹⁵ The ethnographic sample reveals the circumstances both of fathers who were unable to contribute and of fathers who evaded their responsibilities. Some fathers were

¹⁴A synthesis of findings from the ASPE-funded leaver studies reports that the average incomes of welfare leavers after 6 to 34 months of follow-up ranged from \$1,054 to \$1,440 (not including a cash value for food stamps) and that leavers’ incomes in all the studies hovered near the poverty line, regardless of the sources of income or the time period over which income was measured (Acs and Loprest, 2001). In another leaver study in Cuyahoga County, Ohio, it was estimated that 58 percent of families had total incomes below the poverty threshold six months after leaving cash assistance (Coulton, Bania, Leete, and Cook, 2001).

¹⁵Johnson and Doolittle, 1999.

out of the country or otherwise beyond the reach of child support enforcement. Irma's husband, for example, abandoned her with three children under age 5 to return to his native Guatemala and evangelize his religious beliefs there. Connie's former husband was also beyond reach, and, in a 1998 interview, she explained how he had helped when he was able:

I had a bank account, when my husband was here. He went to jail, like it would be a year last year, October. So when he was here, even though we were separated, . . . he used to help with the bills and the money when I needed it. When he left, that's when it got hard for me. Before that [most recent jail term], he got arrested for drug trafficking, and he was deported back to his country [Jamaica].

Connie added, about the fathers of her other children, who had never helped her or their children financially:

No. I don't want them around me! They sorry! I tried child support through the welfare system — it was working like three or four years ago, but now it's not doing anything. I had put my daughter's father on child support through the welfare system, but if he was making a penny, you could put him in jail. Now . . . I went and got recertified not even two months now, and she asked me about the fathers, and I gave them all the information because I don't want them around me — they won't help me with the kids. She put their information in the computer, and she can't find nothing on none of them. Usually if you put something on somebody with the Social Security number, you find something, but not them.

Elda's experience — recounted in a 2001 interview — was similar:

Yes, the father of the oldest one of my daughters has an order to pay. But he does not work. The case is open, but if he doesn't work, how are they going to force him to pay?

Most of the 50 percent of the sample survey who were single mothers living without a partner found that, even with vigorous state enforcement, they were unable to rely on child support from their children's fathers to improve the economic and material well-being of their households.

Assets and Debt

As Table 5.2 shows, 82.4 percent of the women in the survey sample reported not having any savings in 2001, a decline of only 4 percentage points from 1998. Instead, for the majority of the surveyed women, debt increased. In 2001, significantly fewer survey respondents re-

ported having no debt at all — 34.3 percent, compared with 46.3 percent in 1998. The percentage of respondents who had debts (excluding any amounts owed on a mortgage or vehicle) correspondingly increased from 1998 to 2001. For example, the proportion who reported owing \$500 to \$1,000 went up from 11.4 percent to 18.8 percent, and the proportion who owed more than \$2,000 went up from 22.7 percent to 29.3 percent. And while more survey respondents owned cars in 2001 than in 1998, the proportion who reported that they owed money on a car grew from 10.5 percent to 16.8 percent.

The increase in debt among survey respondents might actually signal better economic circumstances, since the women were being approved for more credit. Debt can easily become a burden, however, as the economy slows and unemployment rises. A 1998 ethnographic interview with Elda illustrates this point, showing how she was thrown into debt when she lost a job:

Because I lost my job and was behind, so I got into trouble with loans and bills and all that. I am financially worse off now than when I was working before.

In 2000, Elda had found a full-time job that paid \$5.25 per hour working in the house-keeping department of a hotel. With part of an income tax refund of \$3,953, she bought a car to drive to work. She also had a promising new relationship with a boyfriend who was proving to be a good stepfather to her young son and who contributed to the household income with part-time work as an auto mechanic as he was recovering from cancer therapy. Partly to help him with uninsured medical expenses and partly to pay household bills, Elda had accumulated credit card debt:

Yes, I took out some credit cards, and I owe them. I owe, like, \$18,000. They call me a lot. I am trying to work out a payment plan with some with the income tax [refund]. I pay, like, \$25 or something, and they have accepted it. I can't with all of them. Of course, I don't tell welfare that because they aren't going to pay for it no matter what. On the contrary, they will give me a hard time about it.

For some survey respondents, the apparent increases in assets were often outweighed by increases in debts. If these women had been able to maintain employment and earn a decent wage, most of them might have been able to pay off their debts. Undoubtedly, some had taken on too much debt. More important, the widespread assumption of debt reflects their vulnerability — especially given their relatively low wages and frequent employment instability, as described in Chapter 4.

Material Hardships

Although the average number of hardships declined from 1998 to 2001 among the survey respondents (Table 5.3), their households continued to experience various material hardships. The ethnography records some of the coping strategies that some women used to keep hardships from mounting. Juggling bills — that is, by paying bills late or letting one bill slide one month and paying it the next month by letting a different bill slide — was a prominent strategy, as illustrated by Rosa's handling of her finances. She lost phone service several times during the study and lost electricity at least once. She sometimes had to ask a neighbor or friend for a couple cups of rice because she didn't have money for food. Although she had a car for nearly two years of the study, she frequently had to ask friends for a loan of \$15 or \$20 dollars to buy gas. In December 1999, the car broke down, and Rosa could not afford to fix it, relying instead on coworkers for rides to and from work. She usually paid back her small loans and the utility bills by juggling them. Juggling was a common strategy for the ethnographic sample, whether the women were still receiving welfare benefits or had moved into the labor market.

Food Security and Hunger

While food insecurity for most survey respondents improved overall, it remained high in 2001, with 39.5 percent of the women experiencing it in some form (Table 5.3). This rate of food insecurity is higher than the national rate for households with income below the poverty level (36 percent) and substantially higher than the national rate for nonpoor households (14 percent).¹⁶

With the exception of a few women in the ethnographic sample who found themselves homeless for some part of the study period, most of the other women in the ethnographic sample felt able to feed their family by scrimping and scouring for sale items. Food was only one of the shortages that the women experienced as they juggled monthly expenses. Other material hardships also remained high and unchanged over time.

Housing

By 2001, one-quarter of the women in the survey sample (24.9 percent) had worst-case housing in the prior month, and nearly one-third (30.6 percent) reported having two or more housing problems (Table 5.3).¹⁷ Thus, housing hardships remained persistent for many of the families in the study. The sample members experienced no statistically significant changes over time with regard to having worst-case housing in the prior month, being evicted in the past year,

¹⁶Bickel, Carlson, and Nord, 1999.

¹⁷Families had worst-case housing needs if they had no rental assistance and paid more than 50 percent of their income (not including food stamps) for rent and utilities. In 1999, more than 7 percent of U.S. households had worst-case housing needs (U.S. Department of Housing and Urban Development, 1999).

having two or more housing problems, and having to move in with another family because they needed a place to live.

The housing problems reported by women in the ethnographic sample generally resulted from not being able to meet rent or utility bills. Still unable to find a steady job, for example, Shirley described her circumstances in a 2000 interview:

My light and my gas once was cut a couple months ago 'cause I didn't pay it in time. I paid it when I got the money.

Shirley lived in Section 8 housing, and her apartment had structural problems, which she tried to downplay:

Just some plaster falling. And I think my ceiling is leaking. They have done an inspection. But no work has been done as of yet. It could be they are dragging their feet, but I think it's more of the overwhelming response of all the units that need work done . . . , and they don't have that many workers.

Some women in the ethnographic sample lived in intolerable conditions. In Tajmar's apartment, for example, roaches were literally crawling on the children. And in a 1998 interview, Connie offered this description of her housing problems and efforts to solve them:

Just before we moved here, we were living in North Miami; it was about four months ago, and my daughter had a baby, and I had a problem with [the child protection agency] because the baby's father's mother called saying the baby was too small. But the baby was born premature. Where we were living, the building wasn't fit to live in. We were going to move, and [the child protection agency] ordered us to move 'cause . . . the kids couldn't live there. We were living in a hotel since then. We paid \$210 a week, and we just moved here from the hotel. That rent at that hotel was way too much. And I paid that rent over there for three months. I could do that with my check and food stamps and my savings, and my grandma helped us.

The interim stay in the hotel depleted the savings that Connie had scraped together and left her slightly in debt.

Housing was one of many factors that affected Rosa's economic life. She was living in Section 8 housing, so her costs rose and fell depending on whether she was employed at one of her many temporary jobs. Her housing costs rose from \$9 per month at the beginning of the study to \$200 per month at midpoint and then dipped to \$125 per month at the end of the study. Then Rosa learned that her landlord was in danger of losing his Section 8 contract because he

had not made repairs and that she would have to move. Unable to imagine having the money to pay a deposit for a new place, she said in 2000:

Then, that is another expense . . . imagine, a deposit payment! That is why I could not move before, but now I am going to have to move. I don't know how I am going to look for a place . . . and I don't have a car. . . . And they closed him [the landlord] up . . . they cut [him off] . . . they have to give me time to move. . . . Where would I go? Around here, because my job is close by, my daughter's school . . . you know . . . I cannot go too far.

Health Care

The women in the ethnographic sample repeatedly and unanimously reported that access to health care was a prime concern. Similarly concerned, the State of Florida does not make Medicaid subject to sanctions for any reason. Evidence from the implementation component of this project indicates that the state and the county have worked hard to ensure that this one thread of the safety net stays in place, no matter what. Nevertheless, in the month prior to the 2001 survey, 26.0 percent of the respondents and 14.5 percent of their children lacked medical insurance of any kind (Table 5.3).

Some women in the ethnographic sample perceived that time limits on welfare benefits caused them to lose access to health care, despite state policy. Magaly, from the ethnographic sample, reported that she lost all of her medical benefits because of interim time limits, and she was surviving with the help of a son. She explained in 2001 that she was forced to forgo certain medications:

The medication I am taking lately is the one for the high blood pressure, and that costs only about twenty dollars monthly. In the case of the medication for my heart, I just cannot afford it. It is too expensive — about one hundred and something dollars.

Lorraine, also from the ethnographic sample, said that she lost Medicaid after hitting the time limits. At first she found a job as a maid at a hotel — and lost all welfare benefits for about two months — but then she happily announced in 1998:

It's better this year than last year. I'm glad I'm off [the welfare] system. Glad to be working. I feel very happy, very great and very pleased. They cut my check off. They gave me my [food] stamps back and my Medicaid for me and the kids.

Almost a year later, in October 1999, Lorraine was notified that she had reached her interim time limits and would no longer receive any benefits. She exclaimed:

Food stamps cut off; Medicaid cut off. Everything cut off. Oh yeah! I have to pay doctor bills now, Honey! Ain't nothing free now. I gotta pay cash money!

Although Lorraine loved her job, the hotel where she worked was for sale, and she was unsure whether the new owners would employ her. She had worked 40 to 42 hours per week steadily for just over two years and had earned \$7.50 per hour without benefits.

Some women reported losing Medicaid even when, under Florida's rules, they should have continued receiving it. More than one person in the ethnographic sample adamantly maintained that she had lost Medicaid at least temporarily because of sanctioning. Rosa, for example, described the penalty she had received for not reporting employment in a 2000 interview:

I had been working, but I waited five months to tell them. I had two temporary jobs before I got this job, and I knew I was going to lose those. They took away my Medicaid and my daughter's. Now I don't have anything. Now I have to pay all that money back because they found out from the computer [about the temporary jobs] before I notified them. They sent me a letter. I have to pay a thousand and something, and they just sent me a letter to say I can pay them back. I told them I can pay \$20 a month because I pay the electricity, the water, the garbage, and my job is just \$5.15 per hour. It was my mistake that I did not notify them.

According to the correspondence that Rosa had received from the welfare department, only her food stamp allotment was reinstated, after three months and for a reduced amount. She was forced to sell her car to pay basic bills, and then her transportation became more tenuous at the same time that her debt to the state rose. She lost all medical insurance coverage, at least temporarily.

The mixed results that the survey reveals about respondents' material hardships — combined with the ethnographic sample's juggling of resources — document that the women remained on the edge of poverty even as their economic circumstances improved. While at least some of them might have become more self-sufficient after welfare reform, their circumstances have remained precarious, and some of them are more likely than others to move toward self-sufficiency.

The Economic Circumstances and Material Hardships of Different Groups of Women

Chapter 4 reports that the English-speaking Hispanic women in the survey sample and those with a high school credential had the highest wages in 2001. The following sections look

at the economic circumstances of various groups of respondents. Again, the women who had a high school credential at baseline and English-speaking Hispanics fared the best. However, material hardships persisted and cut across educational lines and ethnic groups in a more dispersed pattern than Chapter 4 describes for labor market outcomes.

Different Educational Groups

Table 5.4 indicates that the women in the survey sample who had a high school diploma or GED certificate at baseline (May 1995) were significantly more likely than those without this credential to be in a household with earnings income. The average monthly household income of better-educated women was 30.3 percent higher (at \$1,700 per month) than the income of women without a basic credential (\$1,305 per month), and thus the former group was far less likely to be living below the poverty line (54.4 percent) than the latter (69.6 percent). Women who had a diploma or GED at baseline were also less likely to receive food stamps or Medicaid in 2001 than women without the credential.

Although Table 5.4 indicates that many of the education-related differences in material hardship are not statistically significant, it also shows that the trend was for those women who had a high school credential to have fewer hardships. For example, the better-educated women were slightly less food insecure and were less likely to be living in a dangerous neighborhood or to have been uninsured in the month before the interview. They were also statistically significantly less likely than the women without a credential to have to move in with another family member because they needed a place to live, to be living in housing with multiple problems (such as electrical and plumbing problems), and to report feeling highly stressed much or all of the time. Overall, the average number of hardships faced was slightly lower for the women with a high school credential than for those without it. Better-educated women were also significantly more likely to have reported no hardships in 2001.

Different Racial and Ethnic Groups

Table 5.5 shows that Hispanic English speakers¹⁸ in the survey sample were more likely than respondents in the other two groups to have had income from work in the prior month. Hispanic English speakers were also less likely than Hispanic non-English speakers and African-Americans to have received food stamps in the prior month. Notably, average total monthly

¹⁸Women were categorized as English-speaking if, in 1998, they said that they could carry on a conversation in English “very well” or “well.” Non-English speakers said they could converse “some,” “a little,” or “not at all.”

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Table 5.4

**Economic Circumstances, Material Hardship, and Family Well-Being in 2001,
by Education at Baseline**

Outcome	All Women in Survey Sample	No High School Credential at Baseline	Diploma or GED at Baseline
<u>Economic circumstances</u>			
Had income from work in prior month (%)	63.9	56.2	71.8 ***
Had income from child support in prior month (%)	15.9	15.3	16.7
Had income from SSI in prior month (%)	20.8	22.6	19.0
Received food stamps in prior month (%)	52.8	58.6	46.8 **
Receives Medicaid for self (%)	48.4	54.9	41.7 **
Average total monthly household income in prior month (\$)	1,498.01	1,305.06	1,700.49 ***
Percentage below official poverty line	62.2	69.6	54.4 ***
Family has more than \$500 in savings (%)	8.7	7.5	9.9
Family has more than \$500 in debts (%)	63.2	59.2	67.3
<u>Material hardships</u>			
Food insecure (with and without hunger combined) ^a	39.3	43.0	35.6
Child with hunger ^b	3.7	4.3	3.1
Had 2 or more housing problems ^c	30.6	38.0	22.9 ***
Went 2 or more weeks in the prior year without a phone	26.6	30.2	23.0
Had to move in with another family because needed a place to live	7.8	11.5	3.9 ***
Was evicted in past year	2.9	4.0	1.8
Is living in a dangerous neighborhood ^d	22.0	24.8	19.0

(continued)

Table 5.4 (continued)

Outcome	All Women in Survey Sample	No High School Credential at Baseline	Diploma or GED at Baseline
Any child uninsured in prior month ^c	14.8	14.8	14.8
Respondent ever uninsured in prior year	32.5	33.3	31.7
Family had unmet need for medical care and dental care (combined) in prior year	33.4	33.1	33.8
<u>Other indicators of family well-being</u>			
Respondent highly stressed much or all of the time	39.9	45.1	34.5 **
Contacted by child protective services	3.9	4.3	3.4
Any child under age 18 living elsewhere	5.0	5.5	4.6
<u>Adult/household hardships^f</u>			
Average number of hardships	1.7	1.8	1.5 *
None (%)	24.8	21.2	28.5 *
One to two (%)	49.1	50.2	47.9
Three or more (%)	26.2	28.6	23.6
<u>Child hardships^g</u>			
Average number of hardships	0.2	0.2	0.2
None (%)	81.1	81.0	81.3
One to two (%)	18.9	19.0	18.7
Sample size	581	297	284

(continued)

Table 5.4 (continued)

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Statistical significance levels are indicated as *** = 0.1 percent; ** = 1 percent; * = 5 percent.

^aRespondents were placed in one of four food insecurity categories (secure, insecure without hunger, insecure with moderate hunger, or insecure with severe hunger) based on their scores on the 18-item Household Food Security Scale.

^bRespondents were placed in one of three child hunger categories (child with hunger, child with reduced-quality diet, or no child hunger) based on responses to the eight items on the Household Food Security Scale that concern nutritional status of children under age 18 in the household.

^cRespondents indicated whether they had any of the following housing problems: broken windows, leaky roof/ceilings, roaches/vermin, and problems with wiring, plumbing, heating, and appliances.

^dRespondent or child was robbed, mugged, or attacked or witnessed a violent crime, or reported gang violence in neighborhood.

^eThis item does not take into account those who did not have children at either survey.

^fThe eight hardships used in this index include: food insecurity, receipt of emergency food in prior month, spends more than 50 percent of income (including food stamps) on housing, has two or more housing problems, lives in a dangerous neighborhood, witnessed a violent crime in the neighborhood, respondent ever uninsured in prior year, and family unmet need for medical or dental care.

^gThe three hardships used in this index include: child with hunger, any child uninsured in prior month, and any child under 18 living elsewhere. None of the respondents reported all three child hardships.

household income was significantly higher for Hispanic English speakers (\$1,763) than for Hispanic non-English speakers (\$1,381) or African-Americans (\$1,409).

The lower income of Hispanic non-English speakers was reflected in their health care hardships. Hispanic non-English speakers were statistically more likely than African-Americans and Hispanic English speakers to have had an uninsured child in the prior month, to ever have been uninsured in the prior year, and to have had an unmet family need for medical and dental care in the prior year. Moreover, Hispanic non-English speakers had a statistically significantly higher average number of child hardships (0.4) than Hispanic English speakers (0.2) or African-Americans (0.2), and they were significantly more likely to report one or two of the three child hardships: “child with hunger,” “any child uninsured in prior month,” and “any child under 18 living elsewhere.” Hispanic non-English speakers were also more likely to report feeling stressed much or all of the time.

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Table 5.5

Economic Circumstances, Material Hardship, and Family Well-Being in 2001,
by Race, Ethnicity, and Language

Outcome	All Women in Survey Sample ^a	Hispanic English Speaker ^b	Hispanic Non-English Speaker	African- American ^c
<u>Economic circumstances</u>				
Had income from work in prior month (%)	63.9	73.5	67.7	59.1 *
Had income from child support in prior month (%)	15.9	13.4	17.7	16.2
Had income from SSI in prior month (%)	20.8	22.4	24.2	21.1
Received food stamps in prior month (%)	52.8	43.9	54.8	57.8 *
Receives Medicaid for self (%)	48.4	43.9	54.8	50.8
Average total monthly household income in prior month (\$)	1,498.01	1,762.66	1,380.63	1,409.25 *
Percentage below official poverty line	62.2	52.7	64.9	66.1
Family has more than \$500 in savings (%)	8.7	11.6	4.8	6.8
Family has more than \$500 in debts (%)	63.2	60.2	70.4	63.0
<u>Material hardships</u>				
Food insecure (with and without hunger combined) ^d	39.3	44.2	55.7	36.1 **
Child with hunger ^e	3.7	4.5	7.4	3.0
Had 2 or more housing problems ^f	30.6	18.4	29.0	34.6 **
Went 2 or more weeks in the prior year without a phone	26.6	20.4	19.4	28.6

(continued)

Table 5.5 (continued)

Outcome	All Women in Survey Sample ^a	Hispanic English Speaker ^b	Hispanic Non-English Speaker	African- American ^c
Had to move in with another family because needed a place to live	7.8	3.1	6.5	9.3
Was evicted in past year	2.9	3.1	3.2	2.6
Is living in a dangerous neighborhood ^e	22.0	20.9	11.7	24.6
Any child uninsured in prior month ^h	14.8	13.6	25.5	12.4 *
Respondent ever uninsured in prior year	32.5	39.2	46.8	27.8 **
Family had unmet need for medical care and dental care (combined) in prior year	33.4	38.8	61.3	27.8 ***
<u>Other indicators of family well-being</u>				
Respondent highly stressed much or all of the time	39.9	46.9	62.9	34.6 ***
Contacted by child protective services	3.9	0.0	1.7	5.4 *
Any child under age 18 living elsewhere	5.0	4.1	8.2	4.5
<u>Adult/household hardshipsⁱ</u>				
Average number of hardships	1.7	1.7	2.1	1.6
None (%)	24.8	22.4	14.5	26.9
One to two (%)	49.1	51.0	46.8	48.0
Three or more (%)	26.2	26.5	38.7	25.1
<u>Child hardships^j</u>				
Average number of hardships	0.2	0.2	0.4	0.2 **
None (%)	81.1	82.7	68.9	83.6 *
One to two (%)	18.9	17.3	31.1	16.4 *
Sample size	581	98	62	379

(continued)

Table 5.5 (continued)

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Statistical significance levels are indicated as *** = 0.1 percent; ** = 1 percent; * = 5 percent.

^a60 respondents did not fit into these race/ethnicity and language categories. Three respondents refused to reply to the race question, and two respondents replied, "Don't know."

^bWomen were categorized as English speaking if they said in 1998 that they could carry on a conversation in English "very well" or "well." Non-English speakers said they could converse "some," "a little," or "not at all."

^cU.S. born, not Hispanic.

^dRespondents were placed in one of four food insecurity categories (secure, insecure without hunger, insecure with moderate hunger, or insecure with severe hunger) based on their scores on the 18-item Household Food Security Scale.

^eRespondents were placed in one of three child hunger categories (child with hunger, child with reduced-quality diet, or no child hunger) based on responses to the eight items on the Household Food Security Scale that concern nutritional status of children under age 18 in the household.

^fRespondents indicated whether they had any of the following housing problems: broken windows, leaky roof/ceilings, roaches/vermin, and problems with wiring, plumbing, heating, and appliances.

^gRespondent or child was robbed, mugged, or attacked or witnessed a violent crime, or reported gang violence in neighborhood.

^hThis item does not take into account those who did not have children at either survey.

ⁱThe eight hardships used in this index include: food insecurity, receipt of emergency food in prior month, spends more than 50 percent of income (including food stamps) on housing, has two or more housing problems, lives in a dangerous neighborhood, witnessed a violent crime in the neighborhood, respondent ever uninsured in prior year, and family unmet need for medical or dental care.

^jThe three hardships used in this index include: child with hunger, any child uninsured in prior month, and any child under 18 living elsewhere.

However, African-American survey respondents were statistically significantly the most likely to have reported two or more housing problems. They were also more likely to report "being contacted by child protective services" than either of the Hispanic groups. On the other hand, the data show that African-American respondents were the least likely to be food insecure, compared with the other two groups. Further, African-American respondents were the least likely to have experienced any of the health care hardships (having an uninsured child in the prior month, ever having been uninsured in the prior year, and having an unmet family need for medical and dental care in the prior year).

These differential outcomes are not related to U.S. citizenship. Analysis not reported in the tables indicates that there are virtually no statistically significant differences in outcomes between U.S. citizens and noncitizens. Those differences that are statistically significant are counterintuitive: U.S. citizens were more likely to have three or more adult or household hardships, and they were more likely to feel highly stressed much or all of the time.

In short, language and ethnicity need to be considered jointly. Hispanic English speakers in the survey sample appear to have been doing significantly better than Hispanic non-English speakers in terms of not only income but also hardships. Along with the lack of differences based on citizenship, these differences based on language and ethnicity indicate that the local labor market — with its particular opportunities for bilingual workers — plays a more important role in distinguishing between the poor and the near poor than citizenship does. Race appears to play an important role in matters related to housing, however, as African-American respondents reported the greatest hardships in securing that basic need. The lack of a statistically significant difference in the average number of adult and household hardships is a reminder, though, that all the women in the survey sample — even those who are doing better — remain poor and that many of them are suffering the hardships that are typically associated with poverty.

The Effects of Sanctioning

As discussed in Chapter 2, Miami-Dade County sanctioned welfare recipients at an extraordinarily high rate. What differences did being sanctioned (or not) make in the survey sample's economic circumstances, material hardships, and family well-being? Analysis not reported in the exhibits reveals that sanctioning had surprisingly little impact for the women who were surveyed in 2001. There are almost no statistically significant differences in outcomes for the respondents who were sanctioned in the year prior to the survey and those who were not. As noted in Chapter 4, this may reflect that relatively few members of the survey sample remained on welfare in 2001 and, thus, could respond to sanctioning-related questions. There was a trend, nevertheless, for those who were sanctioned in the year prior to the 2001 interview to be more likely to have a lower income, to be below the poverty line, to have greater debt, and to experience more material hardships than those who were not sanctioned. The only highly statistically significant relationship is that the women who were sanctioned in the year prior to the 2001 survey were much more likely to have been without phone service for two or more weeks in the prior year (47.4 percent, compared with 17.9 percent of those who were not sanctioned). The women in the ethnographic sample mentioned that being without a phone made it especially difficult to find a job, because potential employers could not call them or return their calls.

Marriage, Childbearing, and Household Structure

Household structure and family relationships are important components of an individual's life circumstances and well-being. They also logically could be profoundly affected by changing economic circumstances and material hardship. Moreover, the structure of households and families has become a focal point of further welfare reform. As discussed in Chapter 2, Florida's welfare reform legislation contained a number of provisions designed to influence welfare recipients' family life. The two rounds of survey interviews for this study captured changes in marital status, childbearing, and household structure. The respondents' families and their living arrangements did change as some women found partners. Table 5.6 shows that the proportion of the survey sample who were married nearly doubled between interviews, rising from 7.6 percent in 1998 to 13.3 percent in 2001. The number of respondents who were living in an extended family arrangement grew by 5 percent, reaching 29.8 percent in 2001; half the sample continued to live alone with their children.

Nearly one out of three women in the sample (31.4 percent) gave birth after May 1995. However, the average number of children in the household over time remained the same at 2.5. Overall, one out of three women lived in a household that stayed the same size between 1998 and 2001. While 32.0 percent of the households increased in size, 29.4 percent decreased — leaving the average number of people living in a household stable at 4.3.

These shifts were echoed among the ethnographic sample, which suggests a nearly continuous juggling of household structure. Magaly, the mother of young adult and teenage children, offers an example of how shifts in household structure served to overcome potential homelessness in the wake of unemployment. Unable to find work and cut off from welfare benefits by interim time limits, Magaly depended on her 24-year-old son. Although he had moved into his own apartment after finishing college and finding a job, he returned to live with and support his mother. Two daughters — one in college, and one still in high school — also worked at part-time jobs to help cover household expenses. In 2001, here's how Magaly described her unsuccessful search for steady work — and the reason that the composition of her household changed:

I have been unable to get a steady job. Sometimes I clean houses. I have nursed sick people. I am a nurse's assistant, but I cannot renew my license without paying for classes. I graduated about 30 years ago. Recently I had a job I liked working with exceptional children. It was on and off for a year. Now, my son helps me.

The ethnographic sample includes other examples of changing household structure. Following his treatment for cancer, Elda's boyfriend moved in with her permanently and contributed to the household's income. When Tajmar left welfare for work, she was able to move

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Table 5.6

**Marriage, Fertility, and Household Structure
of Survey Respondents in 1998 and 2001**

Outcome	All Women in Survey Sample in 1998	All Women in Survey Sample in 2001
Never married (%)	61.6	54.7
Currently married (%)	7.6	13.3
Currently divorced / separated / widowed (%)	30.8	31.8
<u>Childbearing</u>		
Currently pregnant (%)	3.8	1.7
Had a birth after May 1995 (%)	23.0	31.4
<u>Household structure</u>		
Average number of people in household	4.3	4.3
Average number of children in household	2.5	2.5
Has child under age 6	50.2	30.8
Respondent's living arrangements:		
Lives with children only (%)	60.3	49.5
Lives with husband / partner and children only (%)	13.0	18.1
Lives alone (%)	2.1	2.6
Lives in some other arrangement ^a (%)	24.4	29.8
Sample size	581	581

SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTE: Average change in household size between first and second interviews: -0.002 less people.

Change in household size between first and second interviews:

None (%)	38.6
Decreased (%)	29.4
Increased (%)	32.0

^aMultigenerational and other types of extended households, for example, a woman who lives with her husband, kids, and his mother. Percentage of respondents in "lives in some other arrangement" category who live with a husband/partner: 19.7.

out of her mother's Section 8 apartment and establish her own household with her boyfriend, who also found a job. Connie's household added two new babies in 2000, when both she and her teenage daughter gave birth. A final example is Myrna, whose son was released from juvenile boot camp and rejoined her household after a two-year absence.

Summary and Conclusions

The National Research Council recommends that the effects of welfare reform be assessed by focusing on the well-being of the individuals who are affected by it.¹⁹ This chapter looks specifically at the well-being of the Urban Change survey and ethnographic respondents in Miami in terms of changes in their economic circumstances and their experiences with material hardship. Assuredly, most of these women worked, and many were somewhat better off economically in 2001 than they were in 1998, when they were first interviewed. Over time, there were significant increases in average monthly incomes; savings increased for some; more families owned automobiles; and significantly fewer of them lived in or near poverty. The percentage of survey respondents who reported that they were very satisfied with their standard of living increased modestly between 1998 and 2001. Hardships related to food, housing, health care, and neighborhood characteristics also generally declined, although not dramatically.

These average improvements are significant and promising. Nevertheless, 90 percent of the survey sample were still poor or near poor in 2001. The circumstances of some families had even gotten worse over time, as 10 percent of the survey respondents who started out above the official poverty line had moved below it during the research. Although the survey indicates that the women's use of welfare benefits declined dramatically, about 48 percent of respondents in 2001 were still receiving Medicaid for themselves, and about 53 percent were receiving food stamps. Moreover, the ethnographic accounts suggest that frequently the use of benefits declined not because the families did not need them but because the benefits were too hard to get (see Chapter 2). Some women did not know about the availability of benefits, but even those who did often could not afford to take time off from work to go to the welfare office and apply for them. Some survey respondents were sanctioned and lost benefits because they missed appointments due to work commitments. The decline in food stamp use was accompanied by lingering food insecurity and hunger. The reduction in Medicaid use was troubling in light of the sample members' stagnant rates of access to medical insurance and the decreasing but still sizable number of families with unmet health care needs. Making transitional benefits more readily available could ease the hunger and health care hardships of many women in the survey sample — and others like them.

¹⁹Moffitt, 2001.

While significantly more women in the survey sample managed to own their own homes over time, serious housing problems continued to challenge many in 2001, especially African-Americans. The ethnographic research reveals that some of the women cycled through living with other family members, getting new boyfriends, borrowing money, and juggling the payment of rent, electricity, and phone bills. Those in the ethnographic sample who were in Section 8 housing viewed it as a lifesaver, although vacillating monthly payments kept them from feeling that they were getting ahead when they found a job, because their rent increased. In the ethnographic sample, a few families had periods of homelessness, and some others gave up on Miami and moved away. With a full quarter of the survey sample still experiencing worst-case housing at the time of the 2001 survey interview, many could be helped by a focus on housing assistance and on making transitional benefits more accessible.

Clearly, not all survey respondents fared equally well or equally poorly under welfare reform. Those with a high school credential were likely to improve their lives — even if tenuously and even if they remained near poor. As mentioned in Chapter 4, providing assistance to allow welfare recipients to obtain at least a high school credential could be very helpful. Miami's unusual characteristics are revealed in the mixed results for Hispanics; monolingual Spanish speakers fared poorly, while Hispanic English speakers did better than African-Americans.

The Urban Change survey in Miami suggests that, indeed, for women primarily in poor neighborhoods, welfare reform has not been catastrophic and may have contributed to some positive changes. Nevertheless, the data presented in this chapter indicate that most women in the study remained poor or near poor. Chapter 6 examines the conditions of the neighborhoods where the women resided.

Chapter 6

Neighborhoods and Welfare Reform

Because an increasing majority of welfare recipients live in urban areas, many observers have suggested that the effects of the 1996 welfare reforms would be felt most acutely in neighborhoods with large numbers of welfare recipients. Miami-Dade County, like the other metropolitan counties included in the Urban Change study, is home to a disproportionate number of low-income and welfare-reliant households, and many welfare recipients live in the county's poor neighborhoods. Given this residential concentration of vulnerable families in high-poverty neighborhoods, the consequences of welfare reform may be greater than the sum of individual household outcomes. The preceding chapters have described how welfare reform was implemented in Miami-Dade welfare offices and how families responded to those reforms. This chapter assesses how Miami-Dade's neighborhoods fared.

Questions Examined in This Chapter

Drawing on a variety of aggregate indicators for the period from 1992 to 2000, this chapter addresses three sets of questions:

- **Concentration and isolation.** What is the spatial distribution of poverty and welfare in Miami-Dade County? Are welfare recipients concentrated in particular neighborhoods? Did the implementation of welfare reform increase or reduce their isolation from the rest of the community?
- **Social and economic trends.** Did social and economic indicators for Miami-Dade's high-poverty, high-welfare neighborhoods improve or worsen over the study period? How have trends in high-poverty, high-welfare neighborhoods differed from trends in the rest of the county?
- **Neighborhoods and welfare-to-work transitions.** Were welfare recipients in some of Miami-Dade's neighborhoods more likely to go to work than recipients in other neighborhoods?

Summary of Findings

- When limited affordable housing opportunities consign poor families to poor neighborhoods, the social dislocations associated with poverty are also concentrated in those neighborhoods. Compared with low-income families in older cities of the Northeast and Midwest, poor families in Miami-Dade are

less residentially concentrated. The economic prosperity and population growth of Miami-Dade throughout the 1990s further diluted the residential concentration of poverty and welfare receipt.

- Characterizing the neighborhoods of Miami-Dade by their levels of poverty and welfare receipt before Temporary Assistance for Needy Families (pre-TANF levels) reveals that 63 percent were low-poverty, low-welfare neighborhoods; 28 percent were high-poverty, low-welfare neighborhoods; and the remaining 9 percent were high-poverty, high-welfare neighborhoods. The three types of neighborhoods differed in composition and outcomes. High-poverty, high-welfare neighborhoods had a higher proportion of children, lower labor force participation rates, and — partially as a consequence — a lower ratio of employed males to females and a lower ratio of working adults to children.
- As in other big cities across the country, the 1990s brought historically unprecedented declines in Miami-Dade's teen birthrate and the incidence of violent crime. Each year, fewer children were abused or neglected, and more expectant mothers received adequate prenatal care. These improving trends were concentrated in the high-poverty, high-welfare neighborhoods, where teen birthrates, violent crime, child maltreatment, and inadequate prenatal care were highest. Nevertheless, the absolute levels of social distress in high-poverty, high-welfare neighborhoods — and the disparities between those neighborhoods and the balance of the county — remained alarmingly high.
- Trends in Miami-Dade's social and economic indicators remained relatively stable in the years immediately preceding and following the welfare reforms of 1996, suggesting that the reforms did not result in the dramatic neighborhood changes that many predicted.
- Indicators of social distress — crime, child maltreatment, domestic violence, teen birthrates, nonmarital birth ratios — tend to co-occur in low-income neighborhoods. Neighborhoods where levels of social distress are more than twice as high as the countywide median are defined as distressed. As conditions improved throughout Miami-Dade County, the distribution of social distress also narrowed, such that the number of distressed neighborhoods decreased from 16 to 11, and the proportion of welfare recipients living in these tracts declined from 14 percent to 10 percent.
- Despite higher levels of social distress, recipients living in Miami-Dade's high-poverty, high-welfare neighborhoods were about as likely as those liv-

ing in the balance of the county to combine welfare and work, to leave welfare, and to become employed.

The Rationale for Looking at Neighborhoods¹

A study of neighborhoods can address issues that are beyond the scope of studies focusing on families. One such issue is the possibility that the 1996 welfare reform might have unintended consequences for places with high concentrations of welfare recipients. At the outset of the 1996 welfare changes, some critics conjectured that its provisions would result in worsening conditions for low-income children, families, and neighborhoods. Public officials and policy analysts worried that welfare reform might undercut progress that was being made on such urban problems as housing deterioration, crime, and drug trafficking. Some analysts anticipated that a paradoxical effect of reduced caseloads could be that those recipients who remain on welfare might become increasingly isolated in the urban areas of greatest disadvantage. Under such circumstances, they might be harder to serve, and their distress might spill over to the rest of their neighborhood and beyond.

Those who anticipated positive neighborhood outcomes from welfare reform believed that reform would dramatically increase employment, earnings, and income, which would translate into community benefits in several ways. If pervasive joblessness in concentrated-poverty communities inhibits mechanisms of social control, it stands to reason that increased employment would enhance these mechanisms.² Some expected that time limits on cash assistance and more stringent requirements for child support enforcement would reduce teenage and nonmarital childbearing outside the welfare caseload. Research suggests that teenage childbearing is inversely correlated with labor force attachment and social organization within the neighborhood.³

Neighborhoods might also play an important role in welfare reform because of what are commonly known as “neighborhood effects.” A growing number of researchers contend that neighborhoods that lack economic and social resources constrain the ability of families to succeed economically and can inhibit economic success in the next generation.⁴ While there is debate about how and why neighborhood effects occur⁵ — and uneven and contradictory evidence

¹This description has been adapted from the report on Urban Change in Cleveland (Brock et al., 2002, Chapter 6).

²Wilson, 1996.

³Hogan and Kitagawa, 1985.

⁴Wilson, 1987, 1996; Brooks-Gunn, Duncan, Klebanov, and Sealand, 1993; Duncan, 1993.

⁵Jencks and Mayer, 1990; Ellen and Turner, 1997.

about how neighborhoods affect employment outcomes⁶ — it is warranted to explore neighborhood differences in outcomes related to welfare reform.

Spillover effects at the neighborhood level may also bear on the success of welfare reform in large cities. As dynamic and complex social and geographic units, neighborhoods' fortunes are bound up in many ways with the fortunes of their residents. And the prospects for large cities — especially cities with considerable poverty — are linked with the degree to which welfare reform advances rather than diminishes the health and viability of their neighborhoods and residents. Thus, questions about the effects of welfare reform on neighborhoods and residents are of long-term policy interest.

Study Methods

This chapter examines Miami-Dade's neighborhoods from 1990 through 2000. The focus is on trends over time, with special attention on differences in neighborhood conditions before and after the implementation of TANF.⁷ Although federal legislation was passed in 1996, it is not a clear demarcation of policy change. The processes through which welfare changes may affect neighborhoods and their residents are likely to have a time lag and may not become apparent in this study. The period studied here therefore represents a particular window on welfare reform and neighborhood trends.

Examining trends in social and economic indicators is an established method of monitoring progress in societies. While the causes of these trends are multiple and difficult to verify, comparing trends across places or groups can be informative. When several indicators move in a similar direction, inferences can be drawn more confidently.⁸

The Miami-Dade Department of Child and Family Services collaborated with MDRC to obtain administrative agency data and to prepare the social and economic indicators. The unit of observation for this study is the census tract, which is a geographic unit defined by the U.S. Bureau of the Census in collaboration with local advisors. Although not "real" neighborhoods, census tracts are relatively small and homogenous and are commonly used in research to represent neighborhoods. All data were geocoded using the address of the incident or property and aggregated to the census-tract level.

⁶Coulton, Bania, Leete, and Cook, 2001.

⁷Claudia Coulton, at Case Western Reserve University, developed the research design for the neighborhood indicators component of the Project on Devolution and Urban Change. For further information, see Coulton and Verma (1997).

⁸Appendix B discusses some advantages and limitations of using existing administrative agency records data in creating neighborhood indicators for research.

Many of the indicators are expressed as a proportion of the residential population. Census tract populations were calculated for inter-census years using a commercial vendor's estimates that were benchmarked to the decennial counts for 1990 and 2000.

Table 6.1 presents the indicators used in this chapter. These indicators were selected because they are related to concerns about the potential effects of welfare reform on children, families, and neighborhoods. Rates of child maltreatment and violent and property crime speak to the safety and security of neighborhood residents. The teen birthrate and the nonmarital birth ratio inform the larger national debate about family formation and income maintenance policies. The adequacy of prenatal care and the rates of low-birth-weight births and infant deaths were chosen as indicators of maternal and child health and access to medical care. The median value of single-family homes reflects changes in neighborhoods' real estate markets and housing conditions.

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Table 6.1

Neighborhood Indicators and Data Sources

Domain	Indicators	Data Source
Economic	Median value of single-family dwellings	County tax assessor database
Births	Percentage of births with adequate prenatal care Percentage of births to unmarried mothers Rate of birth to teens, ages 10-17, per 1,000 Percentage of low-birth-weight births Rate of infant deaths per 1,000 live births	Vital records data
Child maltreatment	Rate of substantiated child maltreatment per 1,000 children	County Department of Family and Children's Services
Crime and violence	Violent crime rate per 100,000 Property rate crime per 100,000	Part I crime records
Work and welfare	Welfare participation rate Work participation among welfare recipients Welfare exit rate Welfare-to-work transition rate Employment rate among welfare leavers	Welfare and UI wage records

Miami-Dade's Neighborhoods

As discussed in Chapter 1, Miami is a diverse and growing Sunbelt city. In fact, as this report goes to press, Miami-Dade is the most diverse county in the United States. In 2002, more than half of its residents were foreign-born.⁹ In 2000, the overwhelming majority (92.7 percent) of Miami's 1,147,765 foreign-born residents came from the Caribbean (688,760), South America (196,571), and Central America (179,105).¹⁰ Most came from Cuba (525,841), Nicaragua (86,108), Colombia (81,377), and Haiti (71,054).¹¹ As in other times and places, Miami's new Americans have helped revitalize urban culture, cuisine, and commerce by repopulating neighborhoods, renovating houses, and replenishing the tax base. In 2002, 70.2 percent of Miami's residents spoke a language other than English — the second-highest percentage among the largest cities in the United States.¹²

The City of Miami is also one of the most economically disadvantaged cities. Among the largest 69 cities in the United States in 2002, Miami had the highest poverty rate (31.2 percent),¹³ the lowest median family income (\$27,383),¹⁴ the second-highest percentage of adults without a high school diploma (37.6 percent),¹⁵ and the fourth-lowest homeownership rate (34.2 percent).¹⁶ Of the 51 metropolitan areas with a population of one million or more, Miami consistently ranked among the top five in unemployment throughout 2002.¹⁷ Higher rates of poverty and lower rates of income, education, homeownership, and employment would raise the challenges and risks of welfare reform in Miami. Figure 6.1 illustrates the residential distribution of family income, and Figure 6.2 shows educational attainment in Miami-Dade in 1990, the beginning of the analysis period.

Findings

The Changing Geography of Welfare and Poverty: Concentration, Isolation, and Segregation

In large urban areas, low-income families cluster in neighborhoods that are largely contiguous. This has led to concerns about how welfare recipients and the poor are affected by their

⁹U.S. Department of Commerce, Bureau of the Census, Continuous Measurement Office, 2002e.

¹⁰U.S. Department of Commerce, Bureau of the Census, 2000e.

¹¹U.S. Department of Commerce, Bureau of the Census, 2000e.

¹²U.S. Department of Commerce, Bureau of the Census, Continuous Measurement Office, 2002f.

¹³U.S. Department of Commerce, Bureau of the Census, Continuous Measurement Office, 2002d.

¹⁴U.S. Department of Commerce, Bureau of the Census, Continuous Measurement Office, 2002a.

¹⁵U.S. Department of Commerce, Bureau of the Census, Continuous Measurement Office, 2002b.

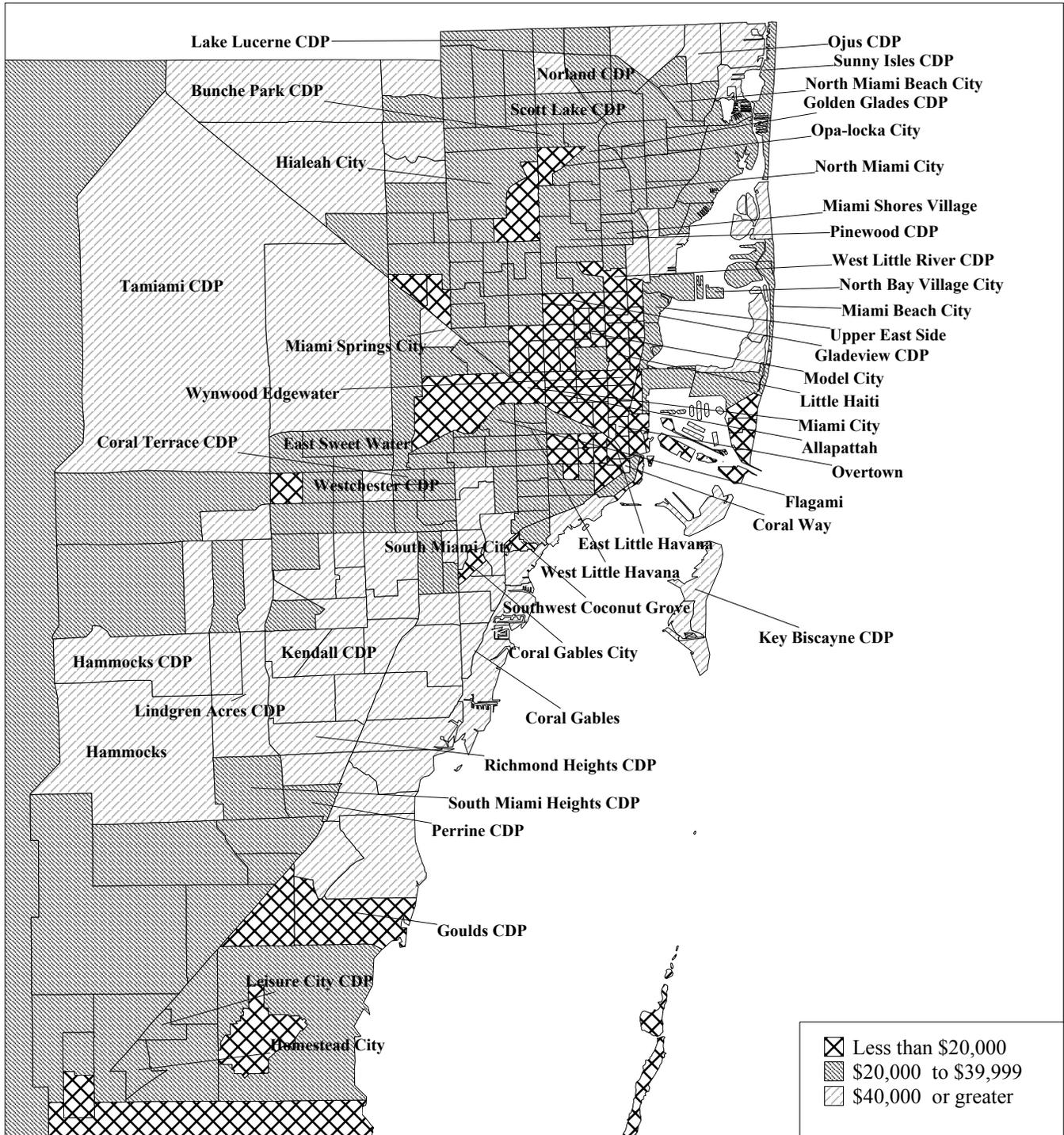
¹⁶U.S. Department of Commerce, Bureau of the Census, Continuous Measurement Office, 2002c.

¹⁷U.S. Department of Labor, Bureau of Labor Statistics, 2002.

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Figure 6.1

Median Family Income,
by Census Tract, Miami-Dade County, 1990



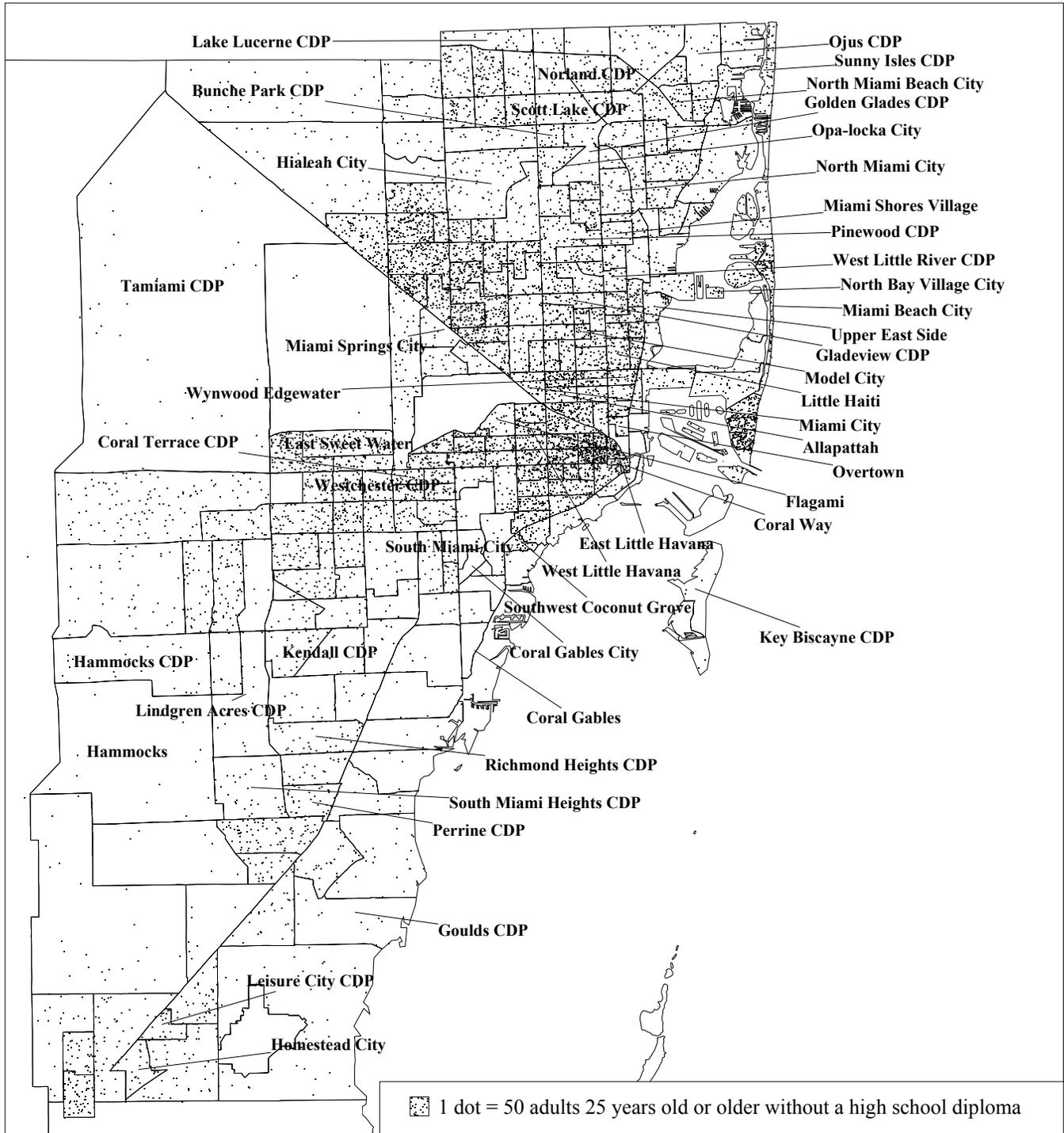
SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTE: "CDP" refers to Census-designated places (CDPs), communities unincorporated into formal municipalities.

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Figure 6.2

Adults Without a High School Diploma,
by Census Tract, Miami-Dade County, 1990



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTE: "CDP" refers to Census-designated places (CDPs), communities unincorporated into formal municipalities.

concentration and isolation in certain neighborhoods. An important question is whether the isolation of welfare recipients and the poor — as well as their concentration in certain neighborhoods — changed after the 1996 welfare reforms were implemented.

To assess changes in patterns of residential concentration in Miami-Dade County, this chapter uses three commonly used indices.¹⁸ These indices are compared for all poor people in 1990 and 2000 and for welfare recipients from 1992 to 1999. Since the census counts the number of poor people every 10 years, annual changes in the poverty concentration indices could not be determined.

The three indices used to analyze residential concentration are described as follows:

1. *The concentration index.* When limited affordable housing opportunities consign poor families to poor neighborhoods, the social problems associated with poverty are also concentrated in those neighborhoods. This index reflects the percentage of a group residing in areas of high concentration of a particular characteristic. For poverty, the index reflects the proportion of poor people living in census tracts that exceed a 40 percent poverty rate.¹⁹ Similarly, when applied to welfare, the concentration index shows the proportion of welfare recipients living in neighborhoods that have welfare receipt rates greater than or equal to 20 percent. This index is sensitive to the number of tracts that exceed the particular threshold.
2. *The dissimilarity index.* How constrained were housing opportunities for low-income families and welfare recipients in Miami-Dade County over the course of the decade studied? Could low-income residents afford to live wherever they wanted, or were they more or less consigned to certain sectors of the metropolis? Did their housing opportunities become more constrained or less constrained over time? One way to operationalize these questions is to consider the evenness of the residential distribution of poor and nonpoor, and of recipient and nonrecipient, households. The dissimilarity index indicates what share of the county's poor or welfare population would have to move to another census tract in order to have equal representation in each census tract.^{20,21} The index ranges from 0 to 100, with a dissimilarity of 100 indicating maximum segregation. When a group is evenly distributed throughout a metropolitan area, each

¹⁸Coulton, Chow, Wang, and Su, 1996; Massey and Eggers, 1993; Massey and Denton, 1988.

¹⁹Jargowsky, 1997.

²⁰Massey and Denton, 1988; Abramson, Tobin, and VanderGoot, 1995; Jargowsky, 1997.

²¹The formula to calculate the dissimilarity index is presented in Appendix B.

neighborhood has the same proportion of group members as the metropolitan area as a whole.

3. *The isolation index.* One reason why it matters where a person lives is that it affects who lives nearby; that is, the neighborhood defines the cast of neighbors — the informal networks of babysitters, job contacts, information sharers, and friends that one meets in church or runs into at the laundromat or grocery store — as well as children’s playmates and, most important, classmates. What proportion of welfare recipients’ neighbors are also welfare recipients? What proportion of low-income residents’ neighbors are also poor? This index represents the chance that individuals from one group will live in census tracts that have many individuals from other groups. In this case, it is the probability that a poor person will not encounter a nonpoor person or that a welfare recipient will not be exposed to a nonrecipient in the tract of residence.^{22,23} This index also ranges between 0 and 100, with higher values indicating a higher degree of isolation.

Beginning the analysis with the concentration index, it was found that low-income families in Miami-Dade County were far less residentially concentrated in high-poverty or high-welfare neighborhoods than their counterparts in the older cities of the Northeast and Midwest. If *extremely high-poverty neighborhoods* are defined as those with poverty rates greater than or equal to 40 percent, Table 6.2 shows that the proportion of poor individuals living in such neighborhoods in Miami-Dade declined from 20.1 percent in 1990 to 13.3 percent in 2000. Compared with their counterparts in Philadelphia — where poverty concentration decreased from 30.0 percent in 1990 to 28.3 percent in 2000 — poor people in Miami-Dade were substantially less concentrated in poor neighborhoods. The same was true of welfare concentration. As shown in Figure 6.3, less than 7 percent of Miami-Dade’s welfare recipients lived in neighborhoods with welfare receipt greater than or equal to 20 percent in 1992, and although concentration increased fourfold due to rapid caseload increases in the following year, less than 2 percent of all welfare recipients lived in high-welfare neighborhoods at the end of the decade. Indeed, the number of high-welfare neighborhoods in Miami-Dade decreased from 33 in 1994 to only 1 in 2000 (not shown in table), driven by a 62 percent countywide reduction in welfare caseloads from the highest level of the decade in 1994 to the lowest level in 2000. Clearly, poverty and welfare receipt in Miami-Dade County were far less concentrated throughout the 1990s than they were in the older cities of the Northeast and Midwest, and what little residential concentration did exist was nearly eliminated by the end of the decade. This would seem to suggest that the concentration effects of poverty — the social dislocations prevalent in high-poverty neigh-

²²Lieberson, 1980; Massey and Eggers, 1993.

²³The formula to calculate the isolation index is presented in Appendix B.

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Table 6.2

Poverty Concentration and Isolation, Miami-Dade County, 1990 and 2000

	Concentration ^a	Isolation ^b	Segregation ^c
1990	20.1	26.5	32.4
2000	13.3	24.7	29.1

SOURCE: MDRC calculations from U.S. Census, 1990 and 2000.

NOTES: ^aThe concentration index shows the percentage of poor people living in census tracts with poverty rates greater than or equal to 20 percent.

^bThe isolation index shows the percentage of a poor person's neighbors who are also poor.

^cThe dissimilarity index shows what percentage of the county's population would have to move to another census tract in order to achieve an equal representation of poor and nonpoor residents in each census tract.

borhoods — would also be less acute in Miami-Dade than in cities of the Northeast and Midwest, a consideration that is addressed below.

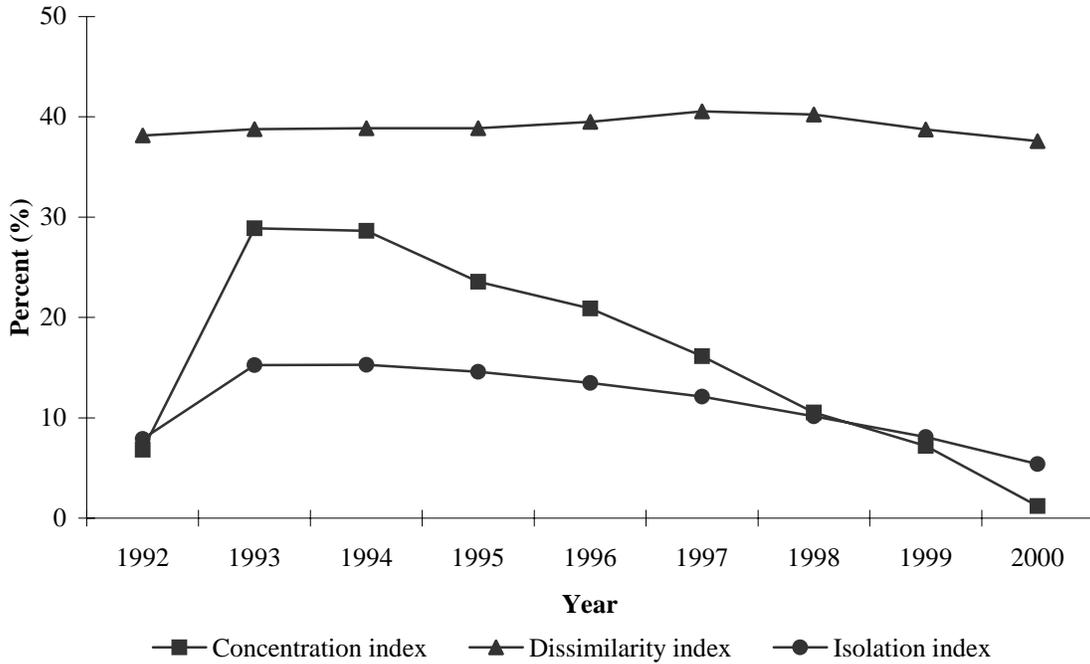
Next, the dissimilarity index shows fairly stable and moderate segregation between poor families and nonpoor families. As shown in Table 6.2, almost a third of Miami-Dade's residents would need to move in order to achieve an equitable distribution of poor and nonpoor households, and that proportion declined only slightly over the decade. Similarly, nearly 40 percent of county residents would need to move in order to achieve an equitable distribution of welfare recipients and nonrecipients (Figure 6.3). As mentioned above, the dissimilarity index measures segregation, or the degree of inequality of housing opportunity. These indices show that welfare recipients in Miami-Dade experienced levels of housing segregation similar to their counterparts in Cleveland and Philadelphia. And, as in those cities, caseload declines did not result in more equitable housing opportunities for low-income families.

Finally, the isolation indices show modest but fairly stable isolation between poor and nonpoor residents of Miami-Dade. As shown in Table 6.2, the average poor resident in Miami-Dade would find that about one out of four neighbors were also receiving welfare. Welfare recipients were less isolated, in part because of their smaller and declining share of the county population. Figure 6.3 shows that, like welfare concentration, isolation among welfare recipients increased between 1992 and 1993 as caseloads increased, and then isolation declined dramatically by the end of the decade.

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Figure 6.3

Annual Welfare Concentration and Isolation,
Miami-Dade County, 1992-2000



SOURCE: MDRC calculations from Miami-Dade County administrative welfare records.

NOTES:

^aThe concentration index shows the proportion of poor people living in census tracts with poverty rates greater than or equal to 20 percent.

^bThe isolation index shows the proportion of a poor person's neighbors who are also poor.

^cThe dissimilarity index shows what percentage of the county's population would have to move to another census tract in order to achieve an equal representation of poor and nonpoor residents in each census tract.

The isolation index declined as caseloads fell from 1993 to 2000. This trend suggests that welfare recipients are now more likely to live near people who are not receiving welfare, which might provide them with more opportunities to interact with neighbors who do not rely on cash assistance. Thus, in 1992, less than 10 percent of the average welfare recipient's neighbors were also welfare recipients — a proportion that rose to 15 percent in the mid-1990s and then declined

to 5 percent by the end of the decade. Welfare recipients were less isolated from other families in Miami-Dade than their counterparts in cities like Philadelphia and Cleveland.

While these three indices of segregation offer insight into the assignment of people to places, the remainder of this chapter examines where low-income families and welfare recipients lived and how social and economic conditions in those neighborhoods have changed. Figure 6.4 shows where low-income families and welfare recipients lived before welfare reform. In Miami-Dade, there were two principal clusters of high poverty and welfare receipt: one that encompasses the downtown Miami City neighborhoods of Model City, Overtown, and Little Haiti; and another in the southwest suburbs that encompasses Goulds CDP (“Census-designated place”) and Homestead City.

To better understand the relationship between poverty and welfare receipt at the neighborhood level, the county is divided into three different types of neighborhoods according to their pre-TANF levels of poverty and welfare concentration. Census tracts with 1990 poverty rates greater than or equal to 20 percent are characterized as *high-poverty neighborhoods*.²⁴ Similarly, census tracts with average 1992-1995 welfare receipt rates greater than or equal to 20 percent are characterized as *high-welfare neighborhoods*.

Two-thirds of the neighborhoods in Miami-Dade evidenced low levels of poverty and welfare receipt. Primarily suburban, these neighborhoods are home to two-thirds of Miami-Dade’s residents. Seventy-two census tracts were characterized as high-poverty, low-welfare tracts.²⁵ Primarily located within the City of Miami and the southwest suburbs, these tracts account for about 27 percent of the tracts in Miami-Dade and are home to a similar proportion of its residents. The remaining 24 residential tracts evidenced high levels of poverty and welfare receipt. Approximately 6 percent of Miami-Dade’s residents lived in these tracts.²⁶

In order to understand the differences in neighborhood indicators among these three groups of neighborhoods, it is important to consider a few of the ways in which they are compositionally distinct. First, as shown in Table 6.3, the tracts differ in their ethnic composition. Low-poverty, low-welfare neighborhoods are predominantly Hispanic with significant non-Hispanic white and foreign-born constituencies. High-poverty, low-welfare tracts are also pre-

²⁴Following Jargowsky and Bane (1991), who validated neighborhood poverty thresholds against observable neighborhood characteristics, extremely high-poverty neighborhoods are defined as those with poverty rates greater than or equal to 40 percent, and high-poverty neighborhoods as those with poverty rates greater than or equal to 20 percent.

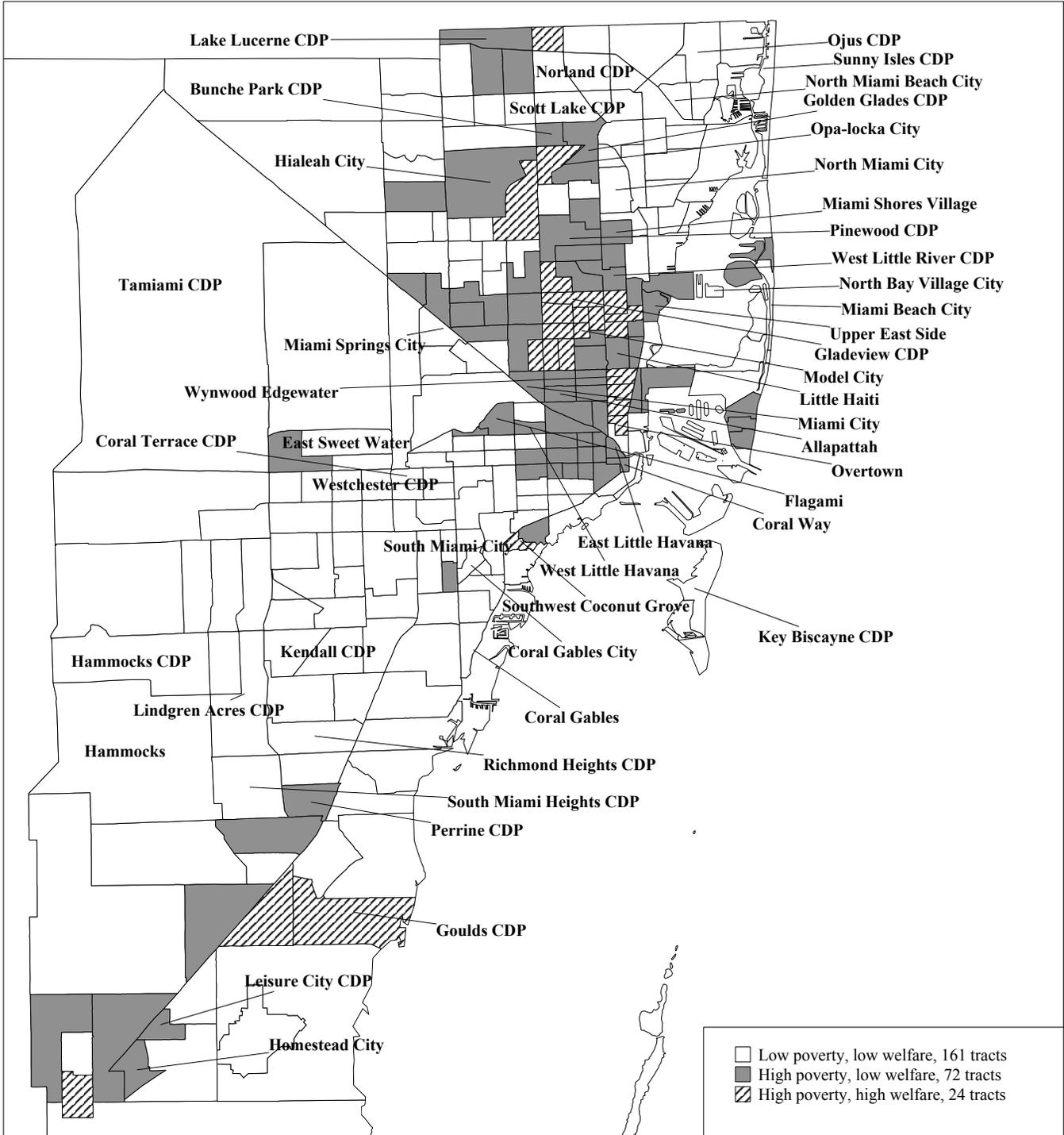
²⁵The proportion of female-headed families below the poverty level who receive TANF benefits is lower in Miami-Dade (32.2 percent) than in the other metropolitan counties of the Urban Change study: Cuyahoga, Ohio (43.6 percent), Philadelphia (47.3 percent), or Los Angeles (46.4 percent). As a result, a higher proportion of census tracts in Miami-Dade are characterized as high-poverty, low-welfare neighborhoods.

²⁶None of the neighborhoods were characterized as low-poverty, low-welfare.

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Figure 6.4

Concentration of Poverty and Welfare Receipt Before Welfare Reform,
by Census Tract, Miami-Dade County, 1992-1995



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High poverty and welfare receipt thresholds are 20 percent.

"CDP" refers to Census-designated places (CDPs), communities unincorporated into formal municipalities.

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Table 6.3

**Demographic Composition and Labor Force Participation Among Neighborhoods,
by Poverty and Welfare Concentration,
Miami-Dade County, 1990**

	Low-Poverty, Low-Welfare Neighborhoods (N= 161)	High-Poverty, Low-Welfare Neighborhoods (N= 72)	High-Poverty, High-Welfare Neighborhoods (N= 24)
<u>Age composition (%)</u>			
Children (ages 0-17)	22.8	25.0 ***	36.2 ***
Teens (ages 12-19)	10.1	10.8 **	13.4 ***
Adults (ages 18-61)	60.3	57.1 ***	53.2 ***
Seniors (ages 62 and up)	16.9	17.8	10.6 ***
<u>Ethnic composition and nativity (%)</u>			
Hispanic	47.0	57.5 **	12.8 ***
Non-Hispanic black	10.3	25.5 ***	85.6 ***
Non-Hispanic white	36.8	15.4 ***	3.0 ***
Foreign-born	44.2	54.5 **	16.7 ***
<u>Labor force participation (%)</u>			
Male labor force participation rate	76.3	70.5 ***	64.8 ***
Female labor force participation rate	58.1	52.3 ***	50.3 **
Total labor force participation rate	66.6	60.9 ***	56.8 ***
<u>Partner and provider ratios (%)</u>			
Male marriageable pool index	0.66	0.64	0.52 **
Ratio of working adults to children	2.32	1.89 ***	1.05 ***

SOURCE: MDRC calculations from the Urban Change Neighborhood Indicators Database.

NOTE: Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

dominantly Hispanic, with substantial non-Hispanic black and foreign-born constituencies. High-poverty, high-welfare tracts are predominantly non-Hispanic black with relatively small Hispanic, non-Hispanic white, and foreign-born constituencies. As TANF's policies adversely affected noncitizens, one might expect high-poverty, low-welfare neighborhoods — with their high concentrations of foreign-born residents — to be most vulnerable. As non-Hispanic black residents in Miami-Dade face higher levels of employment and housing discrimination, the effects of that discrimination may be more concentrated among the high-poverty, high-welfare neighborhoods.

Second, age composition differs across the three types of neighborhoods. High-poverty, high-welfare neighborhoods have significantly higher proportions of children, slightly higher proportions of teens, and lower proportions of working-age adults. The age composition of high-poverty, low-welfare neighborhoods more closely resembles that of low-poverty, low-welfare neighborhoods. Third, labor force participation rates vary by poverty and welfare concentration, with the lowest rates being found in the high-poverty, high-welfare tracts. Fourth, the ratio of employed men to women — what Wilson has called the “male marriageable pool index” — varies substantially with neighborhood poverty and welfare rates. Finally, in part because of these differences in age and labor force participation rates, the ratio of working adults to children varies substantially with poverty and welfare rates. While the low-poverty, low-welfare neighborhoods have more than two working adults for every child, the high-poverty, high-welfare neighborhoods have only one working adult for every child.

Figure 6.5 shows changes in Miami-Dade's residential patterns of poverty and welfare receipt in the years following reform. Welfare concentration rates declined countywide. Neighborhoods with high levels of welfare receipt prior to reform experienced the largest declines in welfare receipt. As mentioned above, residents of these neighborhoods were disproportionately young and African-American. No neighborhood experienced a sizable increase in welfare concentration. The poverty rate remained stable countywide. Poverty rates decreased in some municipalities, while increasing in others, for reasons that are not entirely clear.

Neighborhood Trends in Social and Economic Indicators

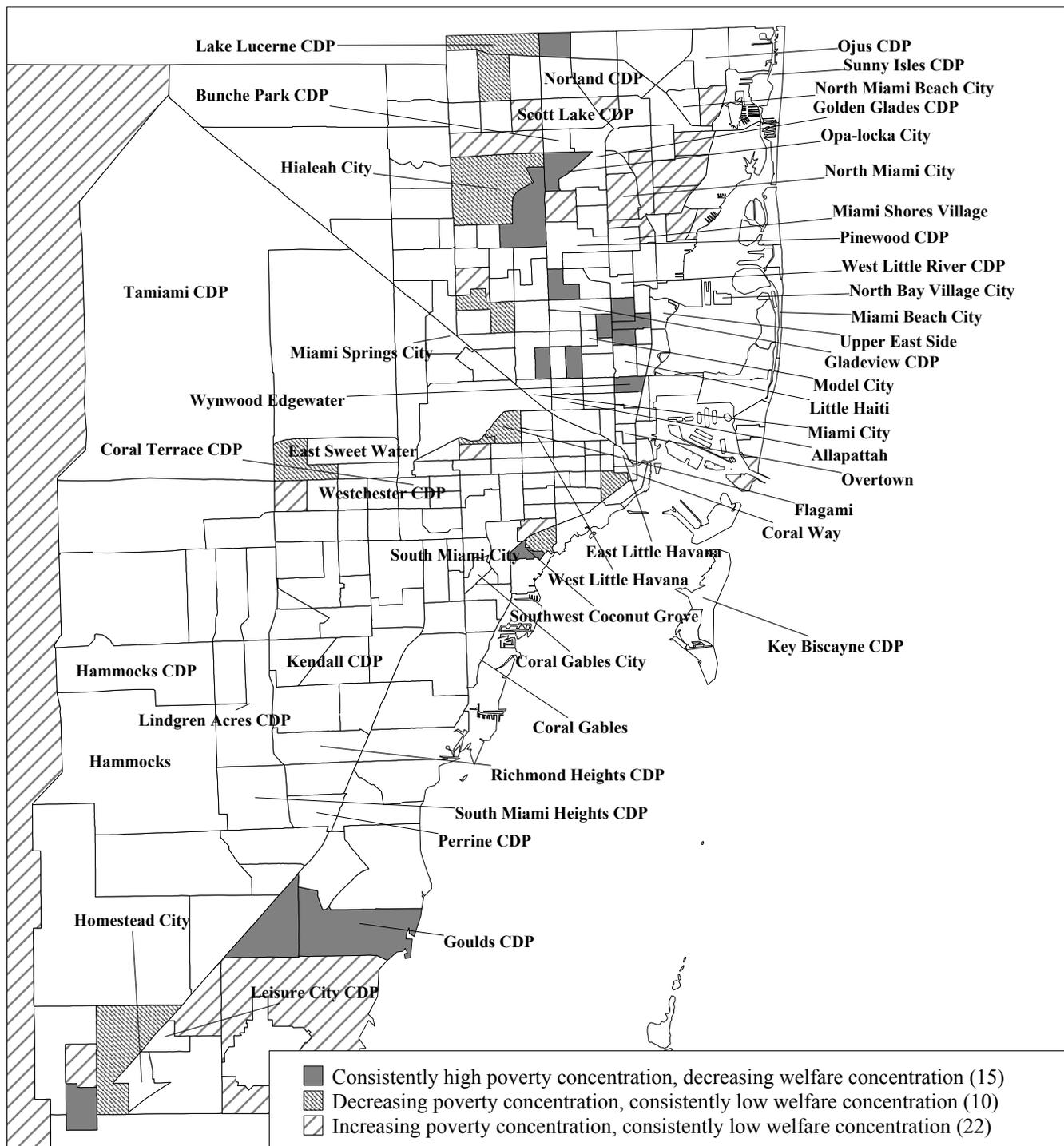
The unintended consequences and spillover effects of welfare reform are most likely to occur in the neighborhoods where welfare recipients are concentrated. New programs and policies would directly affect many families in those neighborhoods and might influence the options or behavior of other low-income families in the neighborhoods.²⁷

²⁷This is an ecological analysis that takes as its unit the neighborhood population at a point in time. Because of population turnover, the individuals and families are not necessarily the same from year to year.

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Figure 6.5

Changes in the Concentration of Poverty and Welfare Receipt After Welfare Reform, by Census Tract, Miami-Dade County, 1992-2000



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTE: High poverty and welfare receipt thresholds are 20 percent.

"CDP" refers to Census-designated places (CDPs), communities unincorporated into formal municipalities.

Several analyses are presented here to examine how neighborhood conditions in Miami-Dade County have changed and whether welfare reform appears linked to those changes. This section begins by comparing trends for high-welfare neighborhoods (those that exceeded an average welfare concentration of 20 percent for the period from 1992 to 1995) and for the balance of the county.²⁸ Annual indicators are compared for the years 1992 to 2000 to assess whether the trends differed over time by neighborhood classification.

Using the same data, trends for pre-TANF high-welfare neighborhoods are centered on 1996 — the year when TANF was created by federal law — to investigate whether undesirable neighborhood conditions have become more prevalent since then in high-welfare neighborhoods. The section ends with a look at the degree to which these indicators are related to one another and to the size of Miami-Dade’s welfare caseload.

Trends in High-Welfare Neighborhoods and the Balance of the County

Figures 6.6 to 6.14 show a number of indicators for the three different types of neighborhoods defined here: (1) high-poverty, high-welfare neighborhoods; (2) high-poverty, low-welfare neighborhoods; and (3) low-poverty, low-welfare neighborhoods.

Nonmarital birth ratio. Figure 6.6 shows the percentage of births to unmarried women — a common summary measure of the absolute prevalence of nonmarital births and its implications for the social and health needs of newborn.²⁹ Unmarried mothers and their children are at significantly higher risk of birth-related health disorders and of sustained single parenthood and its associated poverty.³⁰ Nationally, the nonmarital birth ratio held relatively stable throughout the 1990s at 33 percent.³¹ In fact, the nonmarital birthrate actually declined between 1994 and 2000, but not as sharply as the declining birthrate among married women.³² In Miami-Dade County, as in the nation, the percentage of nonmarital births was relatively stable throughout the 1990s. In fact, the nonmarital birth ratio increased slightly in the low-welfare tracts.

Rate of births to teens ages 10 to 17. One of the most positive national trends related to the poverty of mothers and children has been the decline from 1992 to 2000 in the teen birth-

²⁸The balance of the county area includes census tracts located within Miami-Dade that do not exceed the welfare concentration threshold of 20 percent.

²⁹Note that the preferred indicator of trends in births to unmarried women is the rate of birth to unmarried women, which unfortunately cannot be calculated annually at the local level, where the number of unmarried women is difficult to estimate correctly. It is well known that changes in the percentage of nonmarital births — reported here instead — are often driven by changes in the aggregate birthrate.

³⁰Ventura, 1995.

³¹National Center for Health Statistics, 2000.

³²National Center for Health Statistics, 2000.

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Figure 6.6

Births to Unmarried Women as a Percentage of All Births,
by Pre-TANF (1992-1995) Welfare Concentration

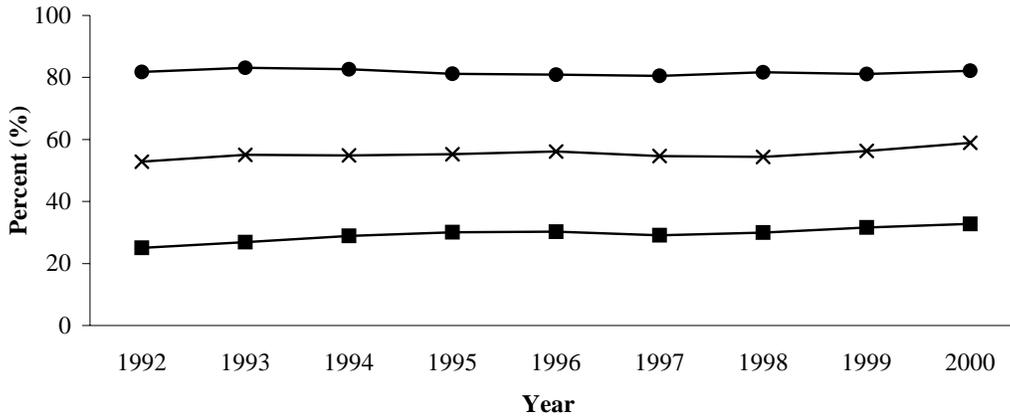
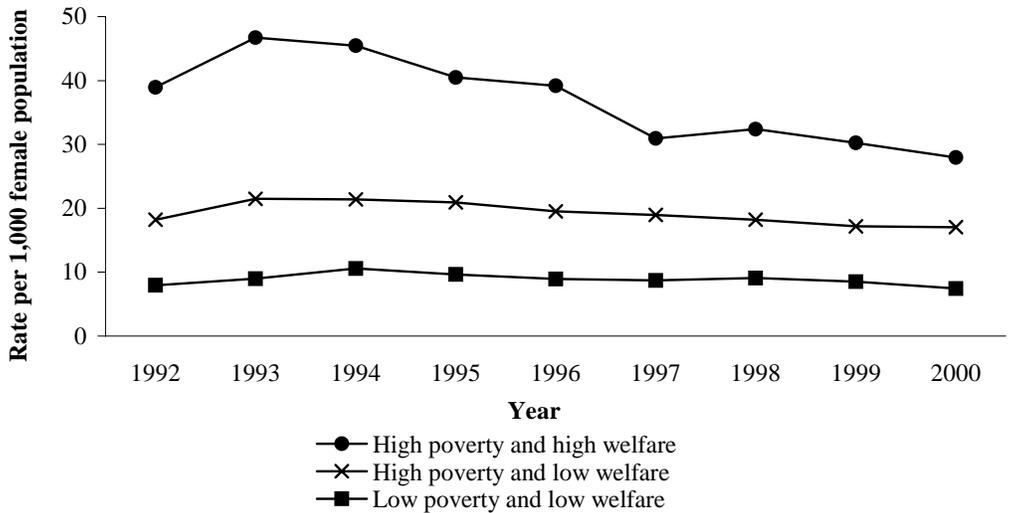


Figure 6.7

Births to Females Aged 10 to 17,
by Pre-TANF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-poverty neighborhoods are those with welfare receipt rates of at least 20 percent. High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

24 neighborhoods are defined as high poverty, high welfare, pre-TANF (1992-1995).

72 neighborhoods are defined as high poverty, low welfare, pre-TANF (1992-1995).

161 neighborhoods are defined as low poverty, low welfare, pre-TANF (1992-1995).

rate.³³ Nationally, the rate of birth to teens ages 15 to 19 fell by 20 percent over the 1990s, and it dropped by 26 percent in large cities.³⁴ Children born to teen mothers are at increased risk of birth and health disorders in infancy, and with their mothers are at greater risk of poverty and unplanned pregnancy well into adulthood.³⁵ Only about a third of teen mothers obtain a high school diploma, and their children are twice as likely to drop out of high school and to have a child before age 20.³⁶ Although the teen birthrate measures the prevalence of birth to teenage mothers, more than half the fathers are in their twenties, and sexual abuse often contributes to teen pregnancy.³⁷ National surveys of youth have found that fewer teens are having sex and that, among those who are, more are using birth control.³⁸

The rate of birth to teens ages 10 to 17 decreased countywide in Miami-Dade, but it fell most sharply in high-poverty, high-welfare tracts (Figure 6.7). Nevertheless, teen birthrates in 2000 were higher in Miami than in any of the 50 largest cities in the United States.³⁹

Percentage of women receiving adequate prenatal care. One important indicator of health services to pregnant women and newborn children is the percentage of births with adequate care — a summary measure based on the month of the first prenatal medical visit and the number of subsequent visits. The National Center for Health Statistics has set a national goal for 2000 of bringing the proportion of all women receiving adequate prenatal care to 90 percent. While the percentage of women receiving adequate prenatal care in Miami-Dade increased substantially over the decade, only the low-poverty, low-welfare tracts achieved the national goal (Figure 6.8).

Low-birth-weight births as a percentage of all births. Infants who weigh less than 5 pounds, 8 ounces at birth are at increased risk of serious health and developmental problems. Nationally, the percentage of low-birth-weight infants increased from 7.0 percent in 1990 to 7.6 percent in 2000. In Miami-Dade, the percentage of low-birth-weight births remained relatively stable throughout the decade at around 7.7 percent (Figure 6.9).

Rate of infant deaths per 1,000 live births. Nationally, the rate of infant deaths per 1,000 live births declined from 9.2 in 1990 to 6.9 in 2000. In Miami-Dade, the countywide rate

³³The teen birthrate is most often reported nationally as the rate of births per 1,000 women ages 15 to 19. The Urban Change Neighborhood Indicators database does not include information on that age range. Nationally, the birthrate is three times higher among teens ages 18 to 19 than among those ages 15 to 17, and the rate is negligible among teens ages 10 to 14.

³⁴Annie E. Casey Foundation, 2003.

³⁵Maynard, 1997; cited by the Child Trends online databank. Web site: www.childtrends.databank.org.

³⁶Annie E. Casey Foundation, 2003.

³⁷Annie E. Casey Foundation, 2003.

³⁸Annie E. Casey Foundation, 2003.

³⁹Annie E. Casey Foundation, 2003.

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Figure 6.8

Percentage of Births with Adequate Prenatal Care, by Pre-TANF (1992-1995) Welfare Concentration

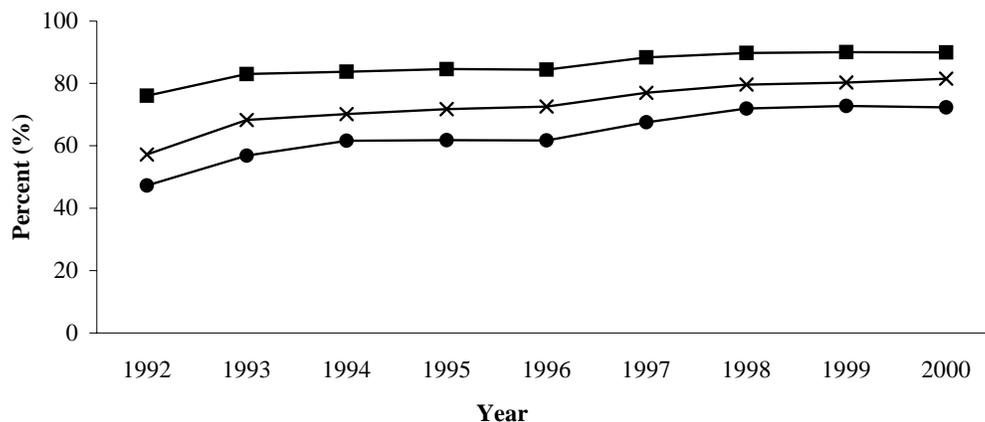
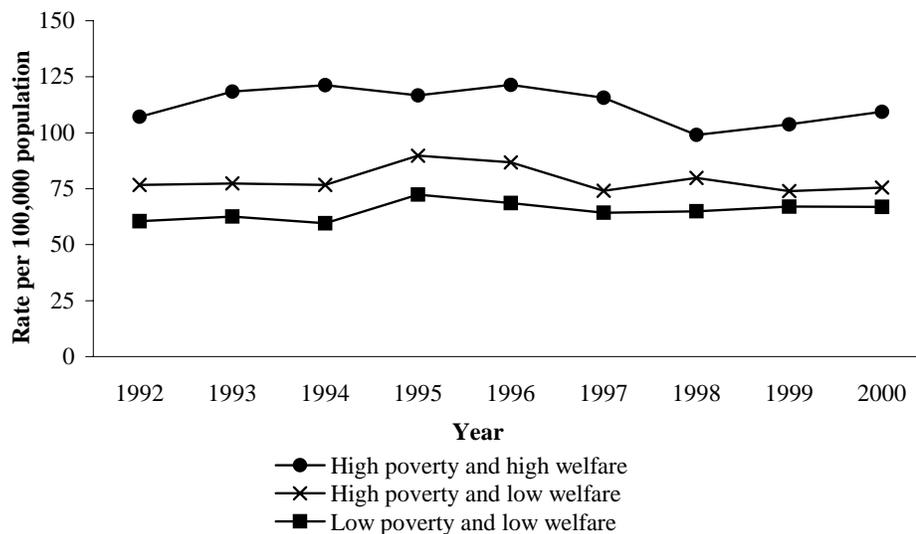


Figure 6.9

Incidence of Low Birth Weight per 100,000 Population, by Pre-TANF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-poverty neighborhoods are those with welfare receipt rates of at least 20 percent. High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

24 neighborhoods are defined as high poverty, high welfare, pre-TANF (1992-1995).

72 neighborhoods are defined as high poverty, low welfare, pre-TANF (1992-1995).

161 neighborhoods are defined as low poverty, low welfare, pre-TANF (1992-1995).

of infant deaths declined from 7.6 in the pre-TANF (1992-1995) period to 5.7 in the post-TANF (1996-2000) period. Comparing the period before TANF with the period after TANF shows that the rate of infant deaths declined across all three types of neighborhoods (Figure 6.10).

Substantiated reports of child maltreatment per 1,000 children. National reports of child maltreatment were substantiated for 860,577 children in 1990 and for 879,000 children in 2000 — a fairly stable rate of 13.4 to 12.2 per 1,000 children.⁴⁰ Nationally, the percentage of substantiated cases that were characterized as physical or sexual abuse declined over the decade, while the percentage of substantiated cases that were characterized as neglect increased. In Miami-Dade, the child maltreatment rate declined dramatically in high-poverty, high-welfare tracts (Figure 6.11).

Crime. Figures 6.12 and 6.13 show two indicators of crime for the three types of neighborhoods: incidence of violent crime and incidence of property crime.

Incidence of violent crime per 100,000. According to the National Crime Victimization Survey (NCVS) of the Bureau of Justice Statistics, violent crime declined from 51.2 incidents per 1,000 citizens in 1994 to a record low of 27.4 incidents per 1,000 citizens in 2000 (Figure 6.12).⁴¹ According to available data from municipal police reports, violent crime declined countywide. Across all subgroups, the incidence of violent crime declined by about 25 percent. Nevertheless, throughout the 1990s, rates of violent crime remained more than seven times as high in high-poverty, high-welfare tracts than in low-poverty, low-welfare tracts.

Incidence of property crime per 100,000. According to the NCVS, the national rate of property crime has been declining since 1975 to a record low of 178 victims per 1,000 citizens in 2000 (Figure 6.13).⁴² According to available data from municipal police reports, although the incidence of property crime declined countywide, rates of property crime were considerably higher in high-poverty, high-welfare tracts than in low-poverty, low-welfare tracts.

Median value of single-family homes. Figure 6.14 displays trends in the assessed value of single-family homes, as reported in Miami-Dade's tax assessment files. Average median property values were more than twice as high in low-poverty, low-welfare neighborhoods as in high-poverty, high-welfare neighborhoods, but they increased gradually between the pre-TANF and the post-TANF periods for all three types of neighborhoods.

⁴⁰For current information on national trends in child maltreatment, see the Child Trends online databank. Web site: www.childtrends.databank.org.

⁴¹U.S. Department of Justice, Bureau of Justice Statistics, 2002.

⁴²U.S. Department of Justice, Bureau of Justice Statistics, 2002.

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Figure 6.10

Rate of Infant Deaths per 1,000 Live Births,
by Pre-TANF (1992-1995) Welfare Concentration

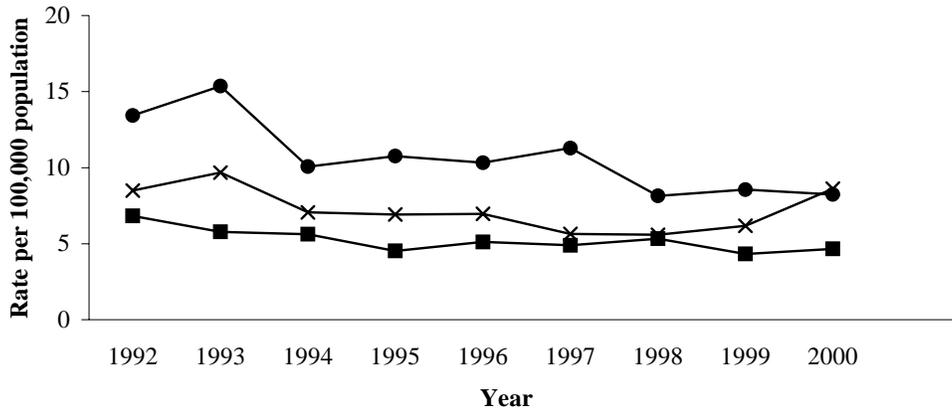
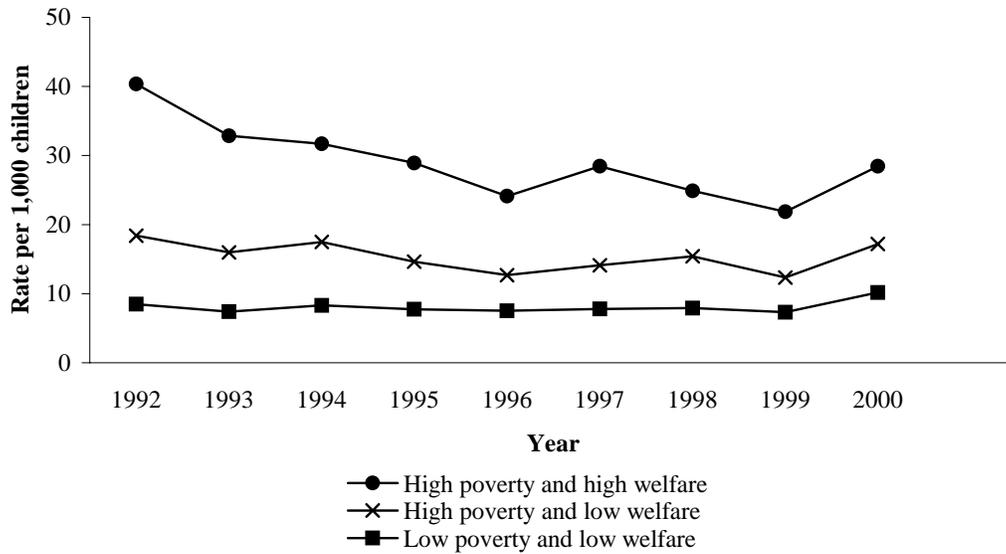


Figure 6.11

Child Maltreatment Rate per 1,000 Children,
by Pre-TANF (1992-1995) Welfare Concentration



NOTES: High-poverty neighborhoods are those with welfare receipt rates of at least 20 percent. High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

24 neighborhoods are defined as high poverty, high welfare, pre-TANF (1992-1995).

72 neighborhoods are defined as high poverty, low welfare, pre-TANF (1992-1995).

161 neighborhoods are defined as low poverty, low welfare, pre-TANF (1992-1995).

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Figure 6.12

Incidence of Violent Crime per 100,000 Population, by Pre-TANF (1992-1995) Welfare Concentration

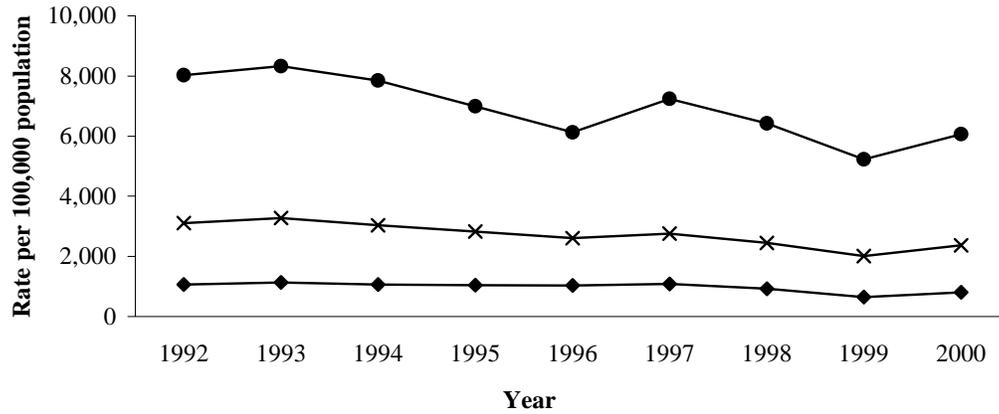
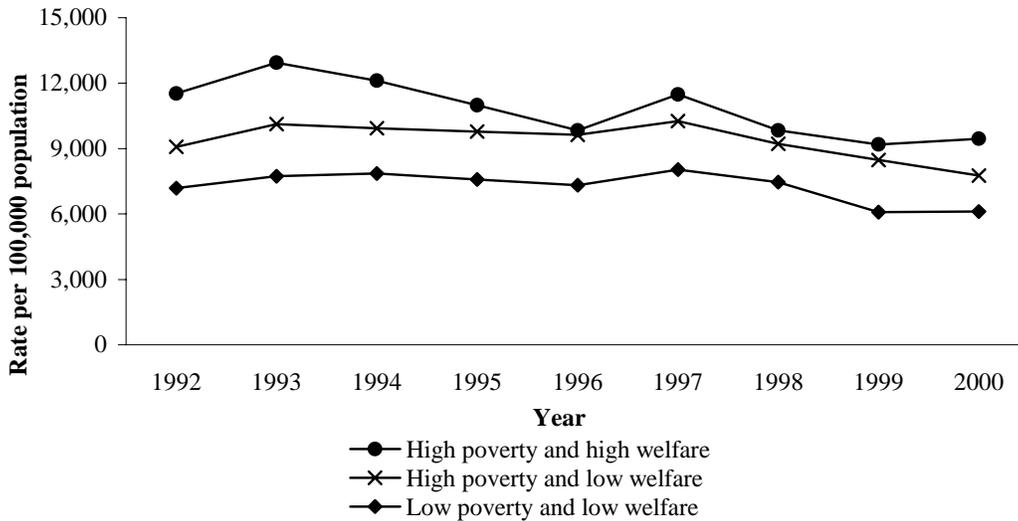


Figure 6.13

Incidence of Property Crime per 100,000 Population, by Pre-TANF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-poverty neighborhoods are those with welfare receipt rates of at least 20 percent. High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

24 neighborhoods are defined as high poverty, high welfare, pre-TANF (1992-1995).

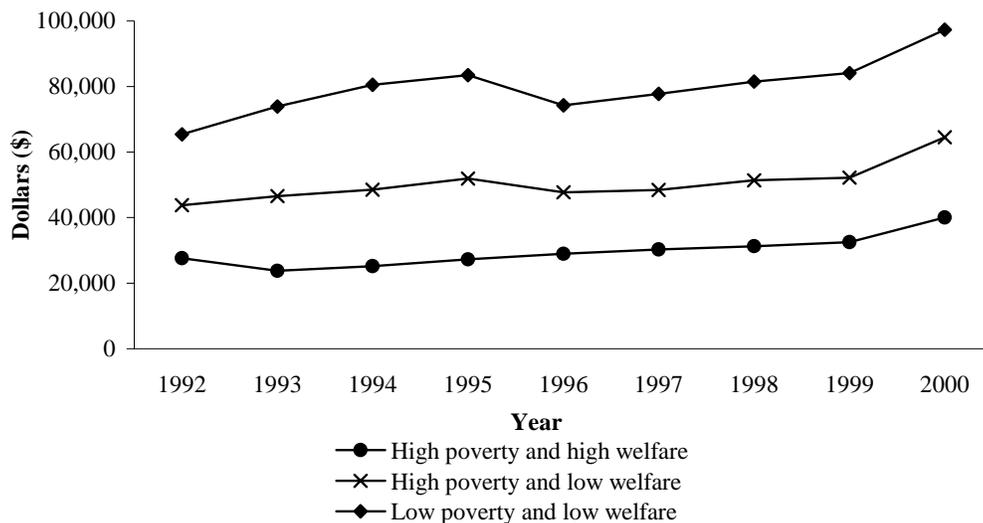
72 neighborhoods are defined as high poverty, low welfare, pre-TANF (1992-1995).

161 neighborhoods are defined as low poverty, low welfare, pre-TANF (1992-1995).

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Figure 6.14

Median Value of Single-Family Homes,
by Pre-TANF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-poverty neighborhoods are those with welfare receipt rates of at least 20 percent. High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

24 neighborhoods are defined as high poverty, high welfare, pre-TANF (1992-1995).

72 neighborhoods are defined as high poverty, low welfare, pre-TANF (1992-1995).

161 neighborhoods are defined as low poverty, low welfare, pre-TANF (1992-1995).

Concentrated Distress, Persistent Inequalities, Gradual Improvement

Three conclusions emerge from this review of trends in Miami-Dade’s neighborhoods as analyzed by poverty and welfare receipt. First, the rates of social dislocations were disproportionately high in the small subset of high-welfare, high-poverty tracts; low-income families who lived in these tracts experienced disproportionate levels of social disadvantage and risk of victimization. The high-poverty, low-welfare neighborhoods evidenced moderately high levels of social distress. Second, throughout the 1990s, gross disparities between low-income neighborhoods and the balance of the county persisted. Third, across all three types of neighborhoods, most indicators gradually improved or remained stable. (Table 6.4 assesses the statistical significance of trends in neighborhood conditions.) Declines in violent crime and in the teen birth-rate bode particularly well for welfare families and their children.

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Table 6.4

Summary of Trends in Neighborhood Conditions

Indicator	Trend from 1992 to 2000	Significance of Change ^a
<u>Births</u>		
Teen births	Substantial declines countywide and particularly in high-poverty, high-welfare neighborhoods	Significant
Nonmarital birth ratio	Slight increases in low-welfare tracts	Significant
Adequacy of prenatal care	Substantial increases countywide and particularly in high-welfare neighborhoods	Significant
Percentage of low-birth-weight births	Stable throughout the decade	Not significant
Rate of infant deaths per 1,000 live births	Substantial declines countywide and particularly in high-poverty neighborhoods	Significant
<u>Child well-being</u>		
Child abuse and neglect	Substantial declines countywide and particularly in high-welfare neighborhoods	Significant
<u>Crime</u>		
Violent crime	Substantial declines countywide and particularly in high-poverty neighborhoods	Significant
Property crime	Slight declines countywide	Significant
<u>Economic factors</u>		
Median housing values	Slight increases countywide	Not significant

NOTE: ^aTo compare trends in neighborhood indicators by poverty/welfare concentration, average pre-TANF (1992-1995) levels of each indicator were compared to average post-TANF (1996-2000) levels countywide and for each of the poverty/welfare subgroups. Statistical tests were performed to determine whether changes in pre- and post-1996 trends were significant.

Trends Relative to 1996

Beyond these three conclusions is the central question that motivates this analysis: Were there apparent deviations from these trends following the implementation of federal welfare reform in 1996? To address this question, Figure 6.15 presents the trends relative to the implementation of reform; each year in the time series is expressed as a percentage change in the rate from the base year of 1996. Although some indicators — crime, teen birthrate, and child maltreatment — gradually improved, the implementation of welfare reform was not associated with dramatic discontinuities.

Neighborhood Disparity and Welfare Concentration

The foregoing indicators were generally far worse in Miami-Dade's high-poverty, high-welfare neighborhoods than in the balance of the county. This section explores whether neighborhoods that were extreme on one indicator were extreme on other indicators as well. The analysis combines several indicators into an index of social disparity and discusses its pattern of change across space and time. A tract was considered distressed if it was more than twice as unfavorable as the county's median on six of the following nine indicators: nonmarital birth ratio, teen birthrate, adequacy of prenatal care, percentage of low-birth-weight births, rate of infant deaths, rate of child maltreatment, incidence of violent crime, incidence of property crime, and median value of single-family homes.⁴³ Social scientists have used similar relative measures of social distress for some time to identify neighborhoods of concentrated social distress relative to the prevailing norms of the metropolitan context.⁴⁴

Figure 6.16 shows the number of Miami-Dade tracts characterized as distressed in the pre-TANF (1992-1995) and post-TANF (1996-1999) periods. The number of distressed tracts declined from 16 in the pre-TANF period to 11 in the post-TANF period. Conditions improved in 9 of the 16 initially distressed tracts but remained high in 7. The percentage of welfare recipients living in distressed tracts decreased from 14 percent in the pre-TANF period to 10 percent in the post-TANF period, suggesting that conditions were improving over time in the neighborhoods where welfare recipients lived. Four tracts, however, became distressed in the post-TANF period.

⁴³The median value of single-family homes was considered "twice as unfavorable" in a tract if the value was less than half as high as for the county as a whole.

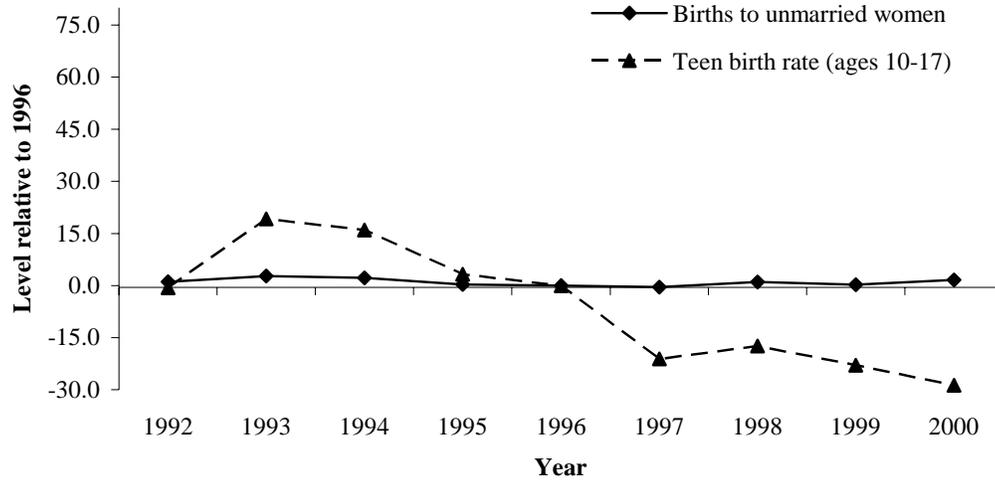
⁴⁴Pendall (2000) argues that using twice the region's median is a reasonable method to identify tracts with conditions that are clearly worse off than others. Similarly, to identify distressed neighborhoods, Hughes (1989) employs twice the median in rates of female-headed families, male labor force nonparticipation, welfare receipt, and high school dropouts. Jargowsky (1997), on the other hand, makes the point that because the median is a locational rather than a distributional measure — that is, it is not sensitive to the extremes — and because of the inherent ceilings of certain percentages and rates, it is preferable to employ thresholds that have an established face validity rather than thresholds that are based on twice the median.

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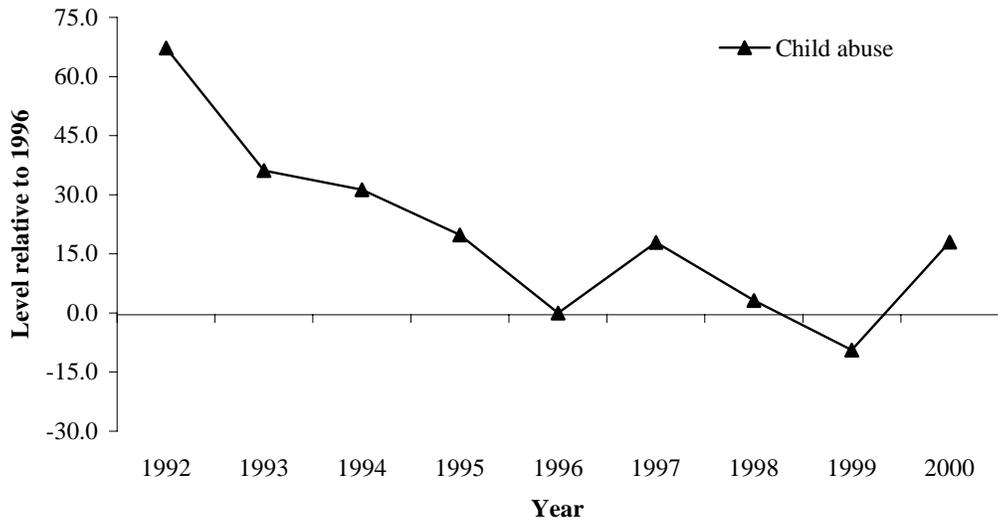
Figure 6.15

Percentage Change in Selected Trends, 1992-2000,
in Pre-TANF (1992-1995) High-Poverty, High-Welfare Neighborhoods

Birth Trends

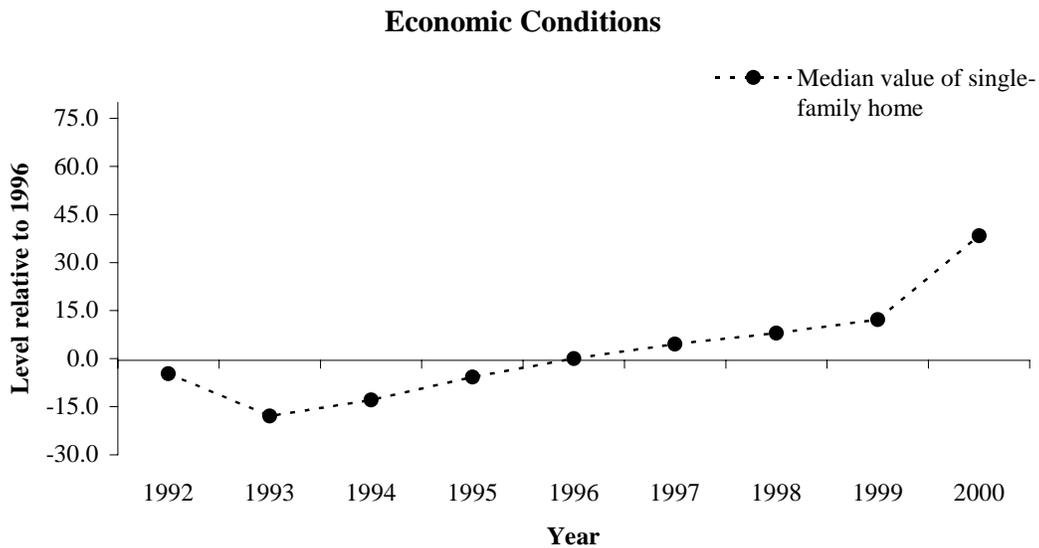
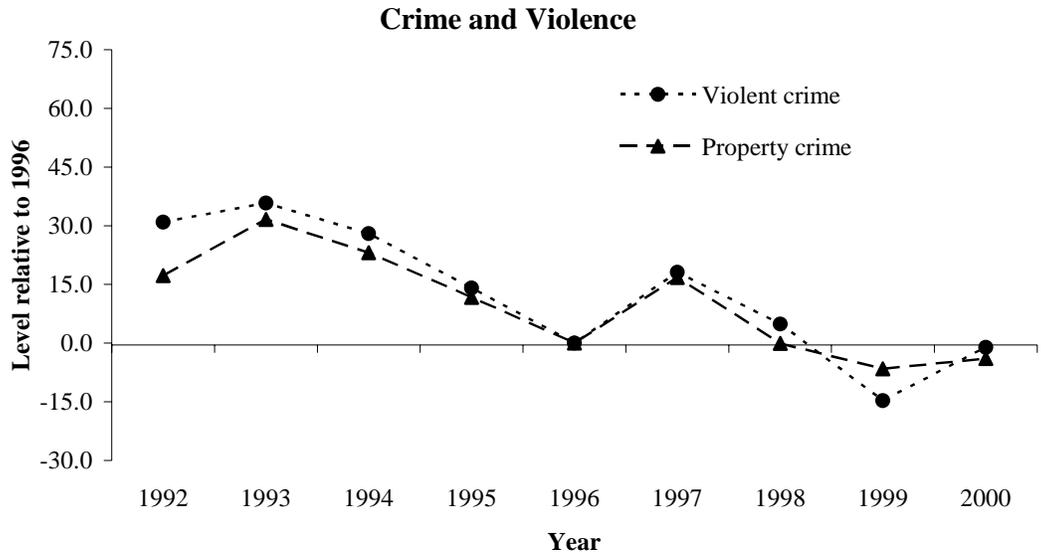


Child Maltreatment



(continued)

Figure 6.15 (continued)



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

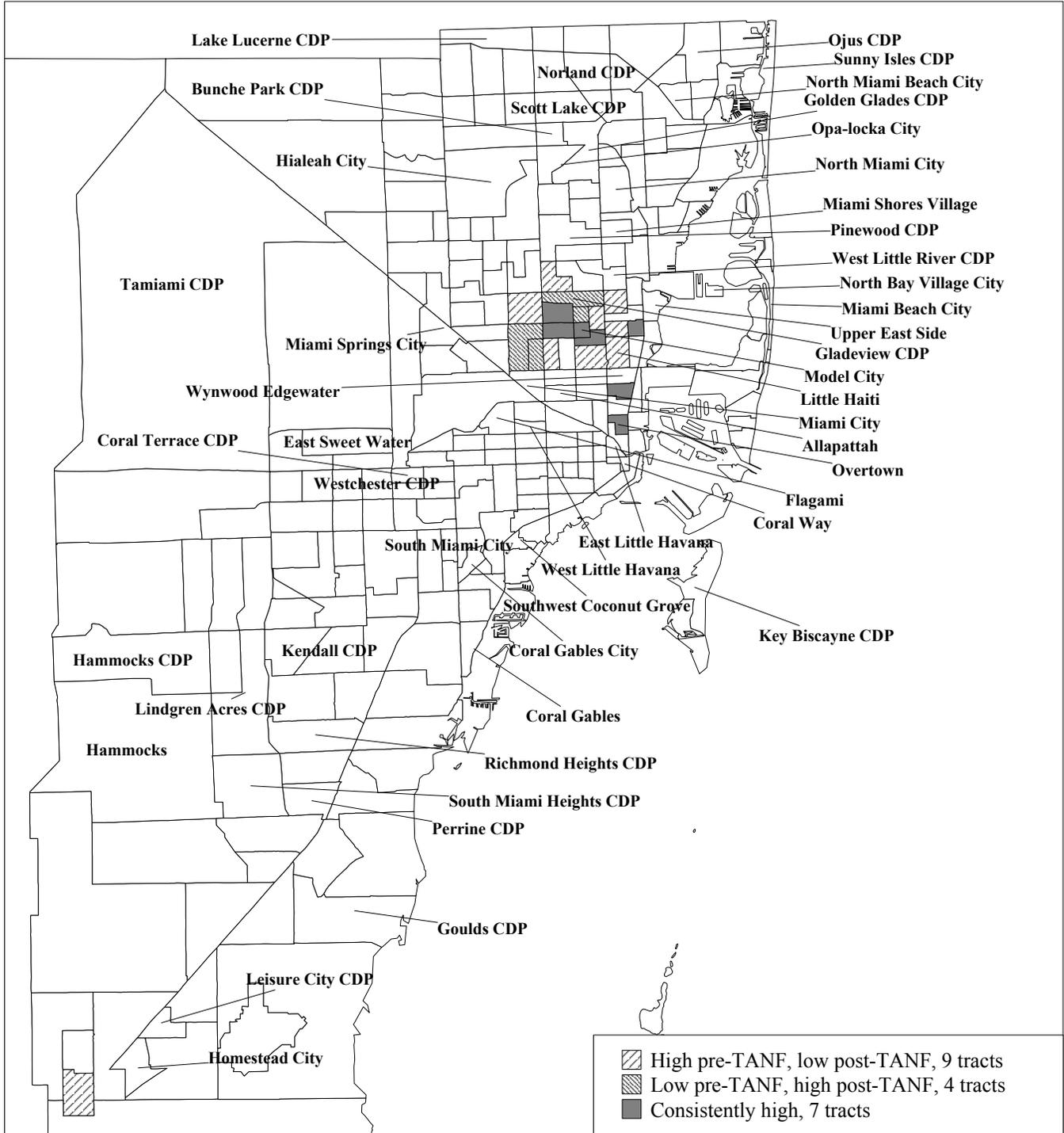
NOTES: High-poverty neighborhoods are those with welfare receipt rates of at least 20 percent. High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

24 neighborhoods are defined as high poverty, high welfare, pre-TANF (1992-1995).

72 neighborhoods are defined as high poverty, low welfare, pre-TANF (1992-1995).

161 neighborhoods are defined as low poverty, low welfare, pre-TANF (1992-1995).

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Figure 6.16
Neighborhood Disparity,
by Census Tract, Miami-Dade County, 1992-2000



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: Neighborhoods with disparate conditions are those more than twice as unfavorable as the county median on six of nine indicators described in the text.

"CDP" refers to Census-designated places (CDPs), communities unincorporated into formal municipalities.

Welfare-to-Work Transitions and Types of Neighborhoods

Concentrations of joblessness and welfare receipt within metropolitan regions of employment growth have puzzled social scientists and policy analysts for decades. Some point to the transportation barriers between the neighborhoods that have high rates of joblessness and the suburbs that have entry-level employment opportunities. Others suggest that there is an increasing skills mismatch between the rising educational requirements of postindustrial jobs and the declining performance of urban schools. Still others suggest that social networks, shared information, and experiences mediate between the opportunities themselves and individuals' knowledge of and responses to the opportunities. Although this study cannot resolve these important debates, given its access to universal, geocoded benefit and employment records, it can describe and compare the welfare and work behaviors among high-poverty, high-welfare neighborhoods; high-poverty, low-welfare neighborhoods; and low-poverty, low-welfare neighborhoods.

First, the study compares work participation rates, defined as the average annual percentage of welfare recipients who were employed in a given quarter.⁴⁵ Florida's earned income disregard and work participation requirements were explicitly implemented to encourage welfare recipients toward self-sufficiency by encouraging them to combine work and welfare. Figure 6.17 compares the work participation rates for Miami-Dade's three types of neighborhoods and shows that welfare recipients from each type were equally likely to combine work and welfare. Over the course of the decade the proportion of employed recipients increased from 27 percent to 32 percent.

The second comparison explores whether welfare recipients living in high-poverty, high-welfare neighborhoods were less likely to leave welfare. Figure 6.18 compares annual exit rates for recipients living in each of the three types of neighborhood. Annual exit rates are defined here as the average annual percentage of welfare recipients who received welfare for at least one month and did not receive welfare in the two subsequent months. The three trends were very similar throughout the decade, beginning at about 3 percent in 1992 and increasing to about 26 percent by 2001.

The third comparison explores whether welfare leavers from high-poverty, high-welfare neighborhoods were less likely to work within two quarters (six months) of exit. Figure 6.19 shows this outcome over time. As before, welfare leavers in all three types of neighborhoods were equally likely to go to work. Across the three groups, nearly half of those who left welfare

⁴⁵Importantly, employment in this analysis is based on unemployment insurance (UI) wage records and does not include unreported employment or participation in education, training, or other welfare-to-work activities encouraged by the Department of Public Welfare.

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Figure 6.17

Annual Employment Rate for Welfare Recipients,
by Pre-TANF (1992-1995) Welfare Concentration

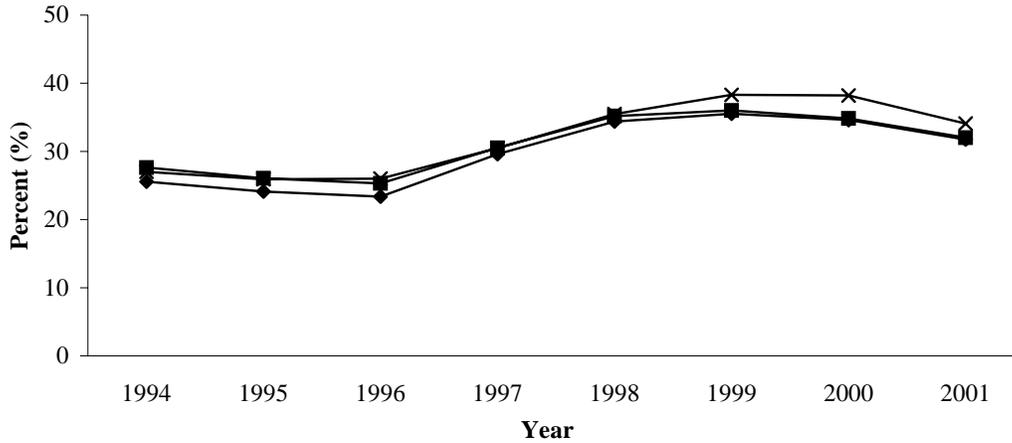
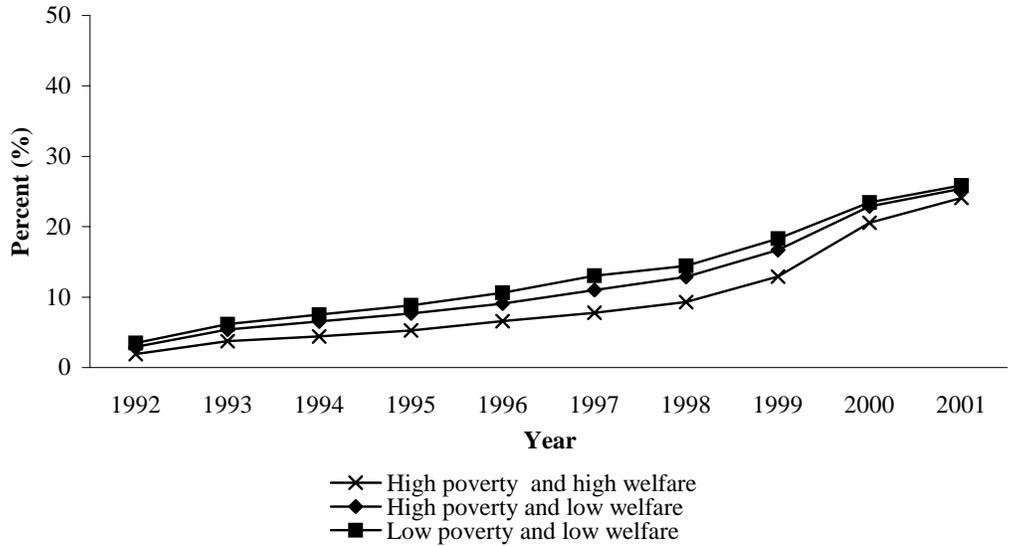


Figure 6.18

Annual Welfare Exit Rate,
by Pre-TANF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-poverty neighborhoods are those with welfare receipt rates of at least 20 percent. High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

24 neighborhoods are defined as high poverty, high welfare, pre-TANF (1992-1995).

72 neighborhoods are defined as high poverty, low welfare, pre-TANF (1992-1995).

161 neighborhoods are defined as low poverty, low welfare, pre-TANF (1992-1995).

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Figure 6.19

Percentage of Welfare Leavers Employed Within Two Quarters of Exit,
by Pre-TANF (1992-1995) Welfare Concentration

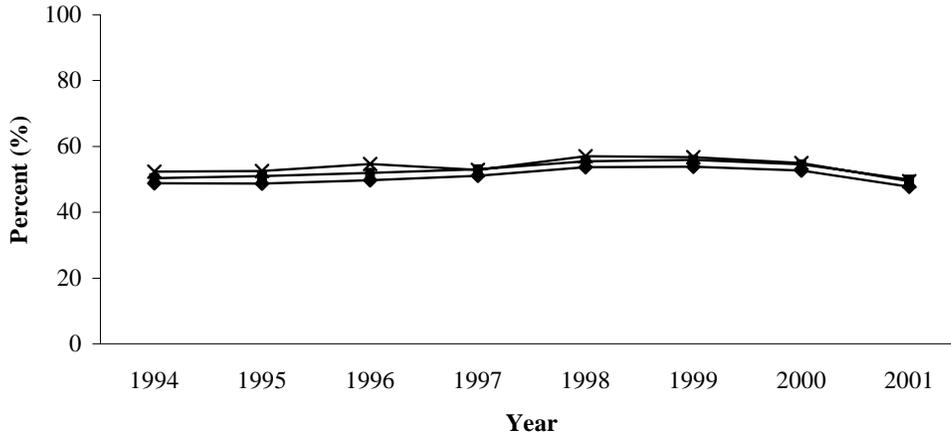
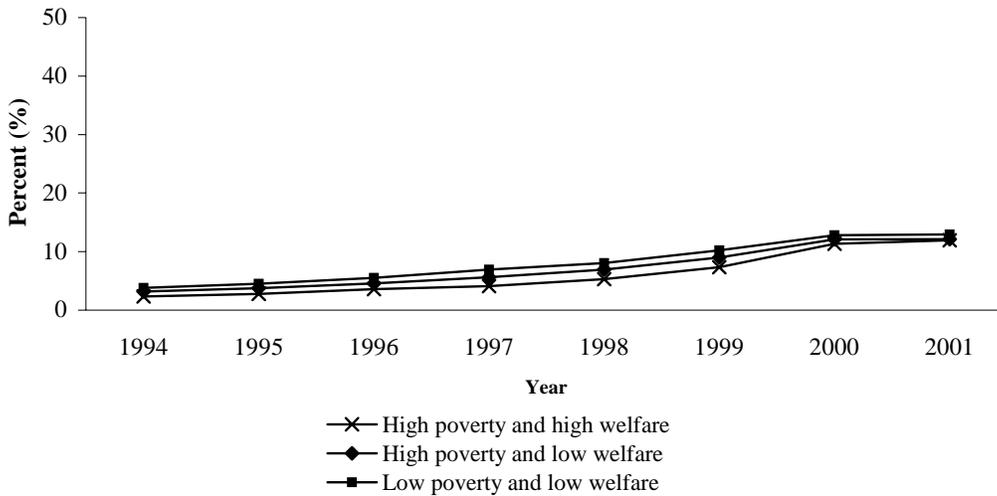


Figure 6.20

Annual Welfare-to-Work Rate,
by Pre-TANF (1992-1995) Welfare Concentration



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: High-poverty neighborhoods are those with welfare receipt rates of at least 20 percent. High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

24 neighborhoods are defined as high poverty, high welfare, pre-TANF (1992-1995).

72 neighborhoods are defined as high poverty, low welfare, pre-TANF (1992-1995).

161 neighborhoods are defined as low poverty, low welfare, pre-TANF (1992-1995).

worked within two quarters of leaving welfare. Employment rates among leavers remained remarkably stable throughout the 1990s.

The fourth comparison explores whether welfare recipients in high-poverty, high-welfare neighborhoods were less likely to leave welfare for work. Defining a welfare-to-work rate as the average annual percentage of recipients who left welfare for two months or more and who worked within two quarters of leaving welfare, Figure 6.20 shows that the welfare-to-work rate did not vary by neighborhood poverty or welfare concentration. Across all three groups of neighborhoods, the rate began close to 3 percent in 1992 and increased to 12 percent by 2001.

The striking disparity in the levels of neighborhood indicators among the three types of neighborhoods might have led one to expect that welfare recipients living in high-poverty, high-welfare neighborhoods would be less likely to go to work than those living in the other neighborhoods. The analysis suggests that this was not the case.

Summary and Conclusions

Large urban areas are at the center of the welfare reform debate and the Miami-Dade neighborhood indicators study provide a spatial lens on how the places in which welfare recipients lived changed as welfare reform took shape in the county. Aggregate analysis of the social and economic trends in the high-welfare neighborhoods of Miami-Dade suggests that the most dire predictions about the effects of welfare reform on low-income families and neighborhoods did not materialize during the study period. No sudden or devastating departure in trends was detected following the onset of TANF. The gradual changes in the trends from 1992 to 2000 are mainly consistent with the overall economic improvement during the study period, with secular trends that have occurred nationwide.

All the indicators tracked in this study have a well-established correlation with poverty, and the number of poor residents living in Miami-Dade continues to increase along with the population. Inasmuch as the period studied was a time of economic growth and expansion of employment-related services under TANF, it perhaps represents the best-case scenario with respect to the well-being of the county's neighborhoods and their residents. The recent rises in unemployment, the effects of impending time limits, and the potential cuts in TANF allocations to the county suggest the need to continue monitoring neighborhood conditions. The county population that remains on welfare continues to be geographically clustered and exposed to conditions that have implications for the well-being of children and families. Such neighborhood disparities can be overcome only as part of an urban policy agenda that is directed toward overcoming place-based disparities.

Finally, looking ahead, much of the debate surrounding the reauthorization of TANF's welfare reforms is likely to focus on state, local, and federal strategies for promoting and sustaining work among welfare recipients. The Miami-Dade neighborhood indicators study illustrates the conditions and environments of "places" that are home to a significant portion of the county's current welfare caseload. Policymakers debating TANF reauthorization should promote solutions that take into consideration the geography of welfare concentration and the spatial realities of welfare and work opportunities.

Appendix A

Supplemental Tables to Chapter 3

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Appendix Table A.1

**Descriptive Statistics of New Monthly Cash Assistance
Individual Entrant Groups (in Quarters)**

	1993	1994	1995	1996	1997	1998	1999	2000
	Quarter 4							
Proportion female	0.88 (0.33)	0.84 (0.36)	0.85 (0.36)	0.84 (0.37)	0.67 (0.47)	0.68 (0.47)	0.68 (0.46)	0.68 (0.47)
Age at First AFDC/TANF spell	31.99 (8.95)	32.13 (9.48)	32.49 (9.42)	31.68 (9.27)	32.98 (9.16)	33.48 (9.24)	33.59 (9.40)	33.74 (9.09)
Proportion having a second spell of welfare receipt	0.43 (0.49)	0.40 (0.49)	0.39 (0.49)	0.37 (0.48)	0.28 (0.45)	0.23 (0.42)	0.20 (0.40)	0.13 (0.33)
Earnings 4 quarters before first AFDC/TANF spell (\$)	808 (1,526)	995 (1,632)	927 (1,612)	909 (1,589)	845 (1,636)	858 (1,750)	863 (1,800)	866 (1,761)
Number of quarters employed 4 quarters before first AFDC/TANF spell	0.36 (0.48)	1.50 (1.67)	1.35 (1.64)	1.36 (1.62)	1.16 (1.57)	1.12 (1.55)	1.04 (1.54)	1.04 (1.49)
Sample size	4,584	3,952	3,587	2,349	3,355	2,990	2,661	2,462

SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: The demographic characteristics are estimated using the individual recipients on the cases represented in the chapter. As a result, the sample sizes reported above for individuals in each group will not correspond to the sample sizes for cases reported in Appendix Table A.3. Average earnings and employment are for all new quarterly individual entrants to AFDC/TANF who are 18 years and over. Quarterly entrants are used in the employment and earnings analysis because earnings data are reported quarterly.

Standard deviations are listed in parentheses.

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Appendix Table A.2

**Sample Sizes for New Entrant Groups, by Year of
First Cash Assistance Receipt**

Year	Observations for cases starting AFDC/ TANF (1)	Observations for new long-term cases (AFDC/TANF) (2)	Observations for recidivist cases reopening within 6 months (3)	Observations for individuals starting food stamps who opened AFDC/TANF cases within 6 months (4)
1993	19,693	---	5,223	10,459
1994	20,161	---	15,060	8,958
1995	18,823	10,246	18,717	9,444
1996	15,415	6,346	19,126	7,824
1997	14,772	5,059	18,781	7,236
1998	13,744	2,935	17,330	7,847
1999	13,454	2,047	16,711	9,051
2000	11,714	1,462	14,515	7,679
2001	10,430	987	6,253	2,122
Total	138,206	29,082	131,716	70,620

SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

Long-term cases are cases that open for the first time and then go on to receive benefits 18 months out of a 24-month period. As a result of the 24-month base period, the first long-term case group occurred in 1995.

Food stamp case results exclude single (adult) recipients, who were subject to different eligibility rules since 1996. The percentage of individuals receiving food stamps who open a welfare case refers to the proportion of individuals who receive food stamps, but not cash assistance, who open a cash assistance case within a specified period of time.

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Appendix Table A.3

**Estimates of the Proportion Leaving AFDC/TANF, from Recent Studies
That Use Monthly Data**

Variable	Data Set	Proportion Leaving AFDC/TANF in:		
		6 Months or Less	12 Months or Less	24 Months or Less
This study	Admin. Records			
Family cases ^a	1993-2001	0.49	0.72	0.87
This study - pre-reform period	Admin. Records			
Family cases	1993-2001	0.34	0.60	0.81
This study - post-reform period	Admin. Records			
Family cases	1993-2001	0.63	0.85	0.95
This study - long-term cases	Admin. Records			
Family cases	1993-2001	0.43	0.60	---
Philadelphia study	Admin. Records			
Family cases ^a	1992-1999	0.22	0.41	0.58
Philadelphia study - pre-reform period	Admin. Records			
Family cases	1992-1999	0.21	0.38	0.58
Philadelphia study - post-reform period	Admin. Records			
Family cases	1992-1999	0.25	0.48	0.71
Philadelphia study - long-term cases	Admin. Records			
Family cases	1992-1999	0.26	0.17	---
UC Cleveland	Ohio IMF			
All recipients ^b	1992-2000	0.37	0.56	0.75
Adults		0.45	0.66	0.84
UC Cleveland - pre-reform period	Ohio IMF			
All recipients	1992-2000	0.35	0.54	0.73
Adults		0.43	0.64	0.82
UC Cleveland - post-reform period	Ohio IMF			
All recipients	1992-2000	0.47	0.68	0.87
Adults		0.55	0.78	0.93
UC Cleveland - long-term recipients ^c	Ohio IMF			
All recipients	1992-2000	0.32	0.47	---
Adults		0.40	0.57	---
Hoynes (2000)	California LDB 1987-1992	0.28	0.48	0.62
Blank and Ruggles (1996)	SIPP 1986, 1987	---	0.55	0.75
Fitzgerald (1995) ^d	SIPP 1984, 1985	0.35	0.52	0.70
Gritz and MaCurdy (1992)	NLSY 1979-1987	0.36	0.55	0.68
Pavetti (1993)	NLSY 1979-1989	---	0.56	0.70
Harris (1993)	PSID 1984-1989	0.24	0.44	0.64

(continued)

Appendix Table A.3 (continued)

SOURCES: MDRC calculations using Florida welfare administrative records, Philadelphia welfare administrative records, and Cuyahoga County's Income Maintenance System records; Hoynes, 2000; Blank and Ruggles, 1996; Fitzgerald, 1995; Gritz and MaCurdy, 1992; Pavetti, 1993; and Harris, 1993.

NOTES: For this study, the "pre-reform period" refers to the period before the implementation of Miami's welfare reform program in October 1997. The "post-reform" period refers to dates after October 1997. For UC Philadelphia, the "pre-reform period" refers to the period before the implementation of Philadelphia's welfare reform program in March 1997. The "post-reform" period refers to dates after March 1997. For UC Cleveland, the "pre-reform period" refers to the period before the implementation of Cuyahoga County's TANF program in October 1997. The "post-reform period" refers to dates after October 1997.

IMF = Income Maintenance Files.

LBD = Longitudinal Database of Cases.

SIPP = Survey of Income and Program Participation.

NLSY = National Longitudinal Survey of Youth.

PSID = Panel Study of Income Dynamics.

^a"Family cases" include adults and children. Accordingly, children on child-only cases, which are not subject to the restrictions imposed by Ohio Works First, are excluded from the analysis.

^b"All recipients" includes adults and children. Accordingly, children on child-only cases, which were not subject to the restrictions imposed by welfare reform, are included in this calculation.

^c"Long-term recipients" are defined as receiving cash assistance 18 out of 24 months. The proportion of long-term recipients leaving AFDC within 3 months after the base period is 0.217. For this study, long-term cases are defined similarly.

^dThe calculations from Fitzgerald (1995) measure the proportion that a spell lasts less than the specified time period, whereas the remaining studies measure the proportion that a spell lasts less than or equal to the given time period.

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Appendix Table A.4

Estimated Effect of 1996 Welfare Reforms on Citizens and Noncitizens
Exiting Cash Assistance Within a Specified Period of Time

Outcome	Actual Outcome for Post-Reform Period	Counterfactual Outcome	Difference	
<u>Cases exiting welfare</u>				
Citizens				
3 months	31.1	27.7	3.5	*
6 months	60.7	62.1	-1.4	
12 months	82.8	81.7	1.1	
Noncitizens				
3 months	35.6	24.3	11.4	***
6 months	67.8	63.5	4.4	*
12 months	89.0	81.5	7.5	***

SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis. See Appendix Table A.2 for sample sizes of first-stage regressions.

The estimated effect of TANF is the average post-reform difference from the best estimated pre-reform trend. See text for more information.

Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

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Appendix Table A.5

**Estimated Effect of 1996 Welfare Reforms on Employment
and Employment Stability for Citizens and Noncitizens**

Outcome	Actual Outcome for Post-Reform Period	Counterfactual Outcome	Difference
<u>Citizens</u>			
Percentage employed 4 quarters after start of cash assistance for citizens	67.5	57.6	10.0 ***
Percentage with first employment spell lasting (short-term stability):			
1 to 3 quarters	32.0	26.7	5.3 ***
lasting (long-term stability):			
4 quarters or more	35.5	30.8	4.7 *
<u>Noncitizens</u>			
Percentage employed 4 quarters after start of cash assistance for noncitizens	74.4	57.1	17.3 ***
Percentage with first employment spell lasting (short-term stability):			
1 to 3 quarters	27.2	24.9	2.3
lasting (long-term stability):			
4 quarters or more	47.2	32.3	14.9 ***

SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: See Appendix Table A.2 for sample sizes of first-stage regression.

The estimated effect of 1996 welfare reforms is the average post-reform difference from the best estimated pre-reform trend. See text for more information.

Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

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Appendix Table A.6

**Estimated Effect of 1996 Welfare Reforms on Welfare Cases
with at Least One Person on the Case Working**

Outcome	Actual Outcome for Post-Reform Period	Counterfactual Outcome	Difference
Percentage of cases combining welfare and no work 4 quarters after starting cash assistance	15.1	25.3	-10.2 ***
Percentage of cases with no welfare and no work 4 quarters after starting cash assistance	31.6	31.8	-0.3
Percentage of cases combining welfare and work 4 quarters after starting cash assistance	14.5	10.6	3.9 *
Percentage of cases with no welfare and work 4 quarters after starting cash assistance	42.5	36.5	6.0 ***

SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

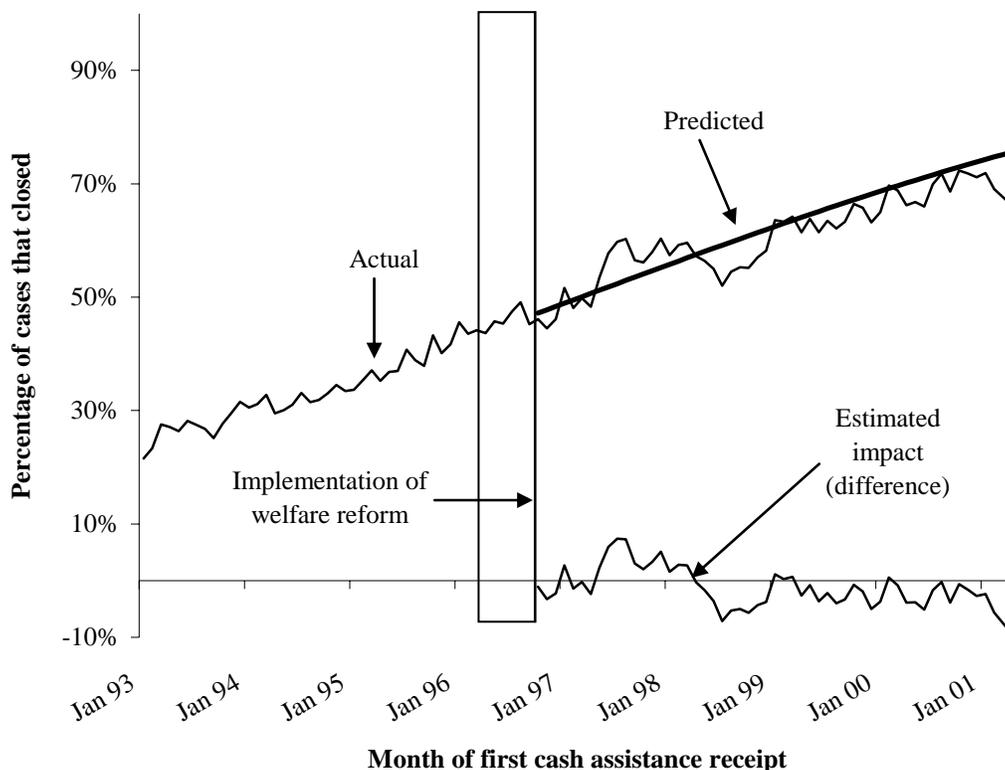
NOTES: The estimated effect of 1996 welfare reforms is the average post-reform difference from the best estimated pre-reform trend. See text for more information.

Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

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Appendix Figure A.1

Percentage of Citizen-Headed New Welfare Cases That Closed Within Six Months of Going on Welfare, January 1993 Through April 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

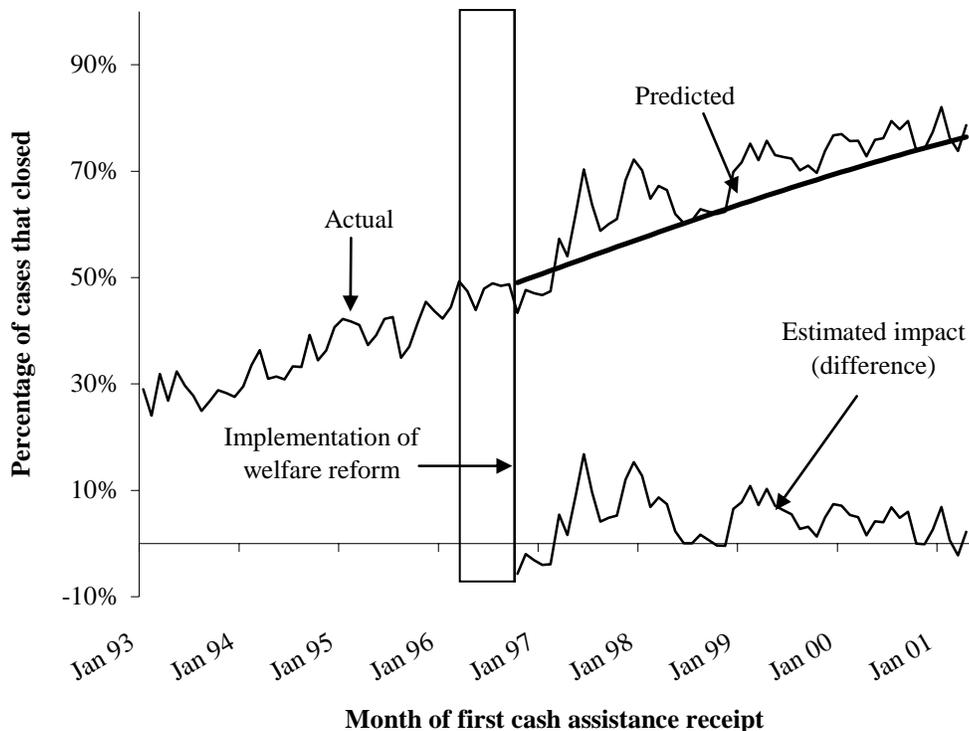
The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that close and the estimated effect of welfare reform are based on the semi-log model for the pre-reform trend. See text for details.

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Appendix Figure A.2

Percentage of Noncitizen-Headed New Welfare Cases That Closed Within Six Months of Going on Welfare, January 1993 Through April 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

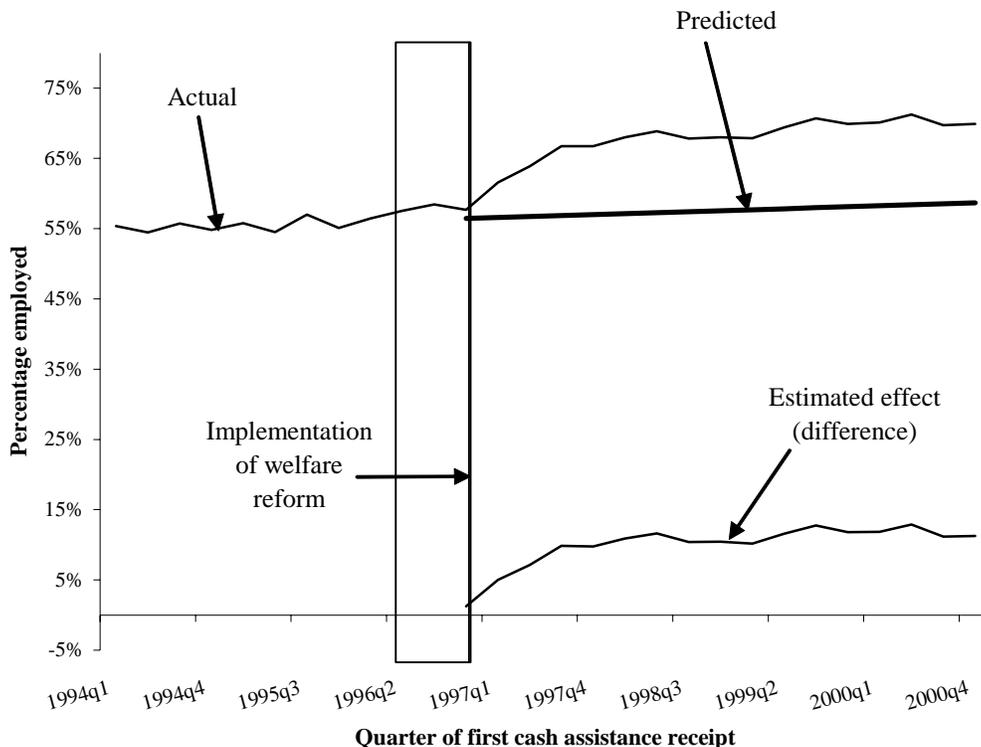
The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that close and the estimated effect of welfare reform are based on the semi-log model for the pre-reform trend. See text for details.

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Appendix Figure A.3

Percentage of Citizen-Headed Cases That Had at Least One Member Employed Within Four Quarters of Starting AFDC/TANF, January 1994, Quarter 1, Through December 2000, Quarter 4



SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: The sample is limited to adults.

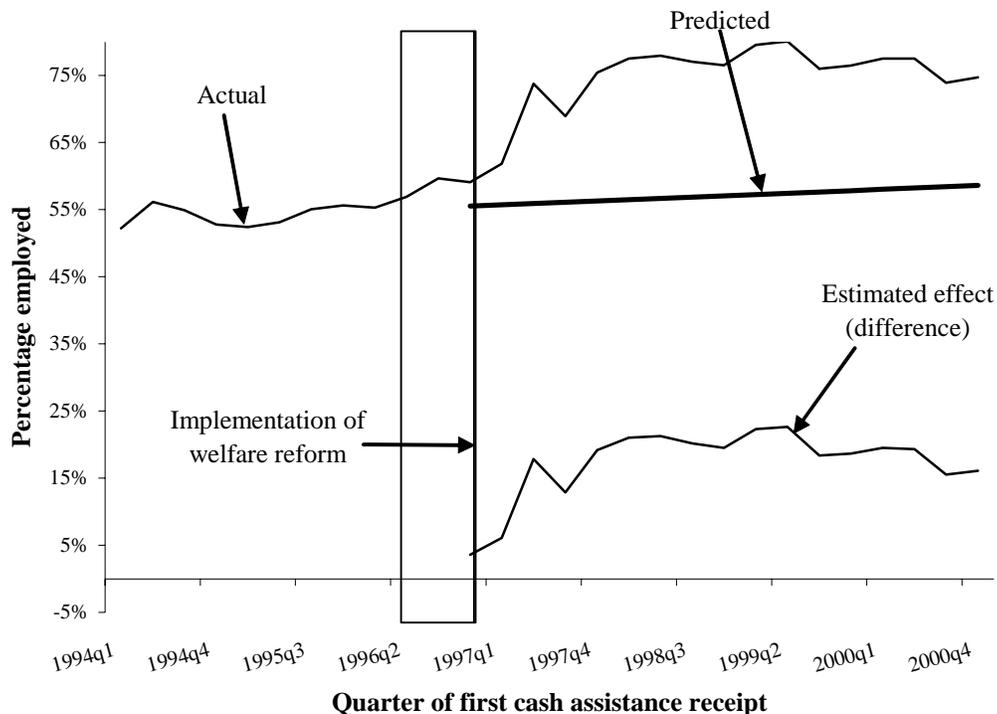
The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage employed and estimated effect of welfare are calculated based on the linear model for the pre-reform period. See text for details.

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Appendix Figure A.4

Percentage of Noncitizen-Headed Cases That Had at Least One Member Employed Within Four Quarters of Starting AFDC/TANF, January 1994, Quarter 1, Through December 2000, Quarter 4



SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: The sample is limited to adults.

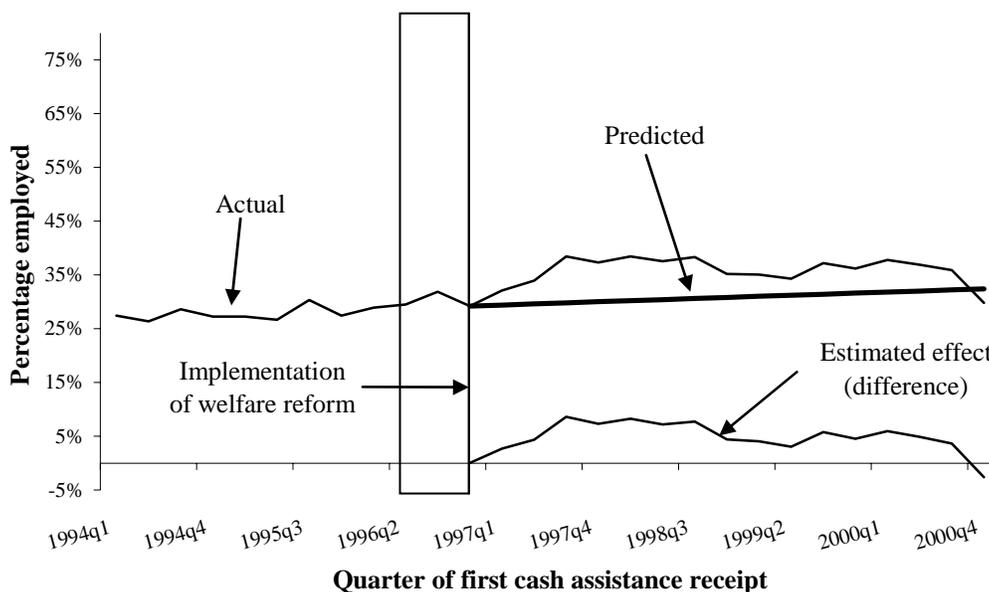
The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage employed and estimated effect of welfare are calculated based on the linear model for the pre-reform period. See text for details.

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Appendix Figure A.5

Percentage of Citizen-Headed Cases That Opened with at Least One First Spell of Employment That Lasted Four Quarters or More (Stable Employment), January 1994, Quarter 1, Through December 2000, Quarter 4



SOURCE: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: The sample is limited to adults.

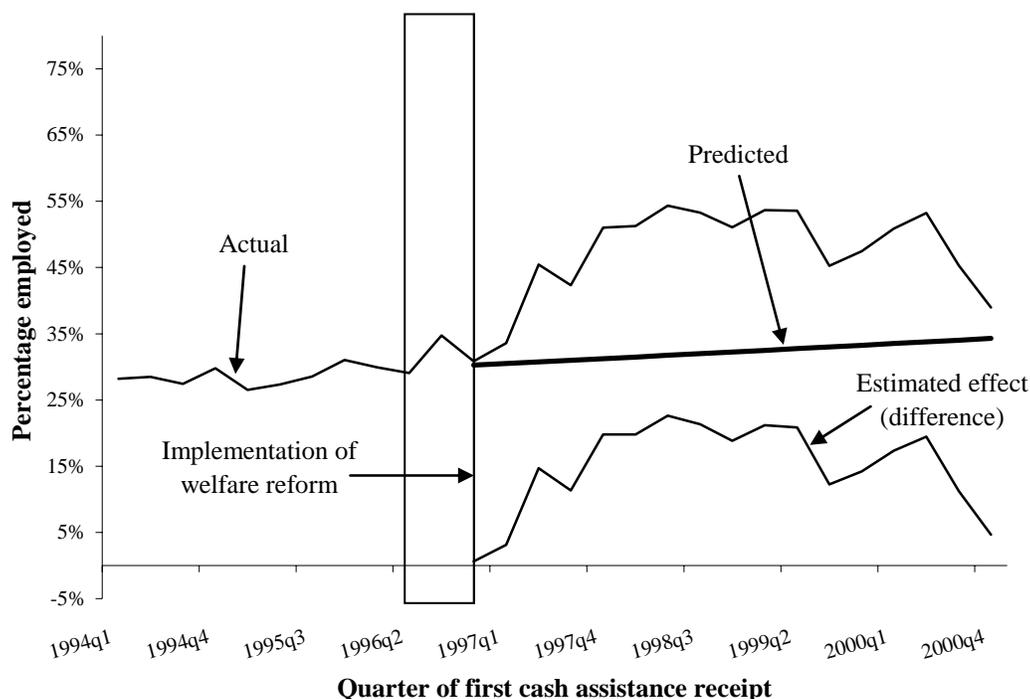
The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage employed and estimated effect of welfare are calculated based on the linear model for the pre-reform period. See text for details.

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Appendix Figure A.6

Percentage of Noncitizen-Headed Cases That Opened with at Least One First Spell of Employment That Lasted Four Quarters or More (Stable Employment), January 1994, Quarter 1, Through December 2000, Quarter 4



SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: The sample is limited to adults.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage employed and estimated effect of welfare are calculated based on the semi-log model for the pre-reform period. See text for details.

Appendix B

Methodological Notes

Using Neighborhood Indicators for Research: Strengths and Limitations

The advantages of using aggregate indicators to measure change in neighborhoods and the population residing therein are several.¹ First, since welfare policy changes were under way before the study began, indicators created from data that have already been collected provide a retrospective baseline. Second, the availability of statistical indicators allows many neighborhoods to be studied, because the data sources cover the entire city and county. Third, the use of Geographic Information System (GIS) technology makes it practical to manipulate this sort of data and to build up to the desired units of geography through aggregation. Fourth, the data can be subjected both to traditional time-trend analyses and also to spatial and ecological analyses.²

Several limitations arise as well from using available indicators. Indicators are typically constructed from data collected for administrative, not research, purposes. Thus, they may be proxies only for the concepts of interest. The use of administrative data could also be a potential source for bias. For example, crimes are known to be underreported to the police,³ law enforcement jurisdictions differ in their response to crime reports,⁴ and practices within jurisdictions change over time. These factors can affect whether a crime record is generated and how the crime is classified. Child abuse and neglect reports are vulnerable to similar problems.⁵

The Calculation of Concentration Indices

The Dissimilarity Index

The dissimilarity index is calculated as shown below:

$$D = .5 \sum_i |q_i - r_i|$$

where q_i is the welfare population and r_i represents the share of all persons not on welfare living in the census tract.

¹Coulton, 1997.

²Neighborhood indicators are calculated through aggregations of people, houses, businesses, streets, buildings, and so on; they are limited in the degree to which they can be used to draw conclusions about individuals. Aggregate variables are legitimate measures of ecological phenomena, such as neighborhood conditions and characteristics of neighborhood residents. It is important, however, that the theory and hypotheses that drive the analyses be pertinent to the aggregate units rather than to the individual cases that go into the aggregate measure.

³O'Brien, 1985.

⁴Sherman, Gartin, and Buerger, 1989.

⁵O'Toole, Turbett, and Nalpeka, 1983.

The Isolation Index

The Isolation index is calculated as shown below. In this case, it is 1 minus the probability that a cash welfare recipient will encounter a nonwelfare recipient. It is calculated as:

$$P = \sum_i q_i [y_i / t_i]$$

where q_i represents the share of a given subpopulation (for example, all welfare recipients) living in census tract i ; y_i is the number of persons not in the specified subpopulation living in census tract i ; and t_i is the total population of census tract i . The P-index “is the minority-weighted average of each census tract’s majority proportion”;⁶ the $1 - P$ can be interpreted as an index of isolation, with a higher value meaning more isolation. This index is sensitive to the relative size of the minority group.

⁶Massey and Denton, 1998.

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