

**WHAT HAPPENS TO FAMILIES UNDER W-2
IN MILWAUKEE COUNTY, WISCONSIN?
Report from Wave 2 of the Milwaukee
TANF Applicant Study**

**Irving Piliavin
Amy Dworsky
Mark E. Courtney**

Chapin Hall Center for Children
at the University of Chicago

and

Institute for Research on Poverty
University of Wisconsin, Madison

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@2003 Chapin Hall Center for Children at the University of Chicago

Chapin Hall Center for Children at the University of Chicago
1313 East 60th Street
Chicago, IL 60637
773-753-5900 (phone) 773-753-5940 (fax)

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CHAPTER 1 INTRODUCTION

This three-wave panel study was originally designed to examine the experiences of 800 Milwaukee County families applying for assistance from Wisconsin’s TANF program, Wisconsin Works or W-2. The families were to be equally distributed across four of the six service regions into which Milwaukee has been divided for the purpose of administering W-2. With the assistance of officials from the State of Wisconsin Department of Workforce Development (DWD), the principal investigators received additional funding from the Office of the Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services, to increase the sample size to 1,200 families and to expand the sampling frame to include all six of Milwaukee’s W-2 service regions.

The first report, entitled *What Happens to Families under W-2 in Milwaukee County, Wisconsin?* was issued in May 2001. It was based on survey data collected between March and August 1999 from 1,179 W-2 applicants. That report focused on the demographic characteristics and background attributes of the applicants and their families at the time they applied for assistance.

This second report is based on both the second wave of survey data collected from the applicant sample that had been interviewed at wave one and from state administrative data. It examines the relationship between the wave one attributes of applicants and their families and their experiences over the next 16 to 24 months. The third and final report will be prepared after the third wave of survey data is collected.

Table 1.1 summarizes the major questions this study will address.

**Table 1.1
Questions to Be Addressed**

Questions	Report
1. What are the characteristics of sample members and their families at the time they applied for assistance?	First
2. What individual and/or family characteristics distinguish the W-2 applicants who become program participants from those who do not?	First
3. How do the applicants in our sample who become W-2 participants compare with AFDC recipients whose cases were opened in 1996 (the last full year of AFDC in Wisconsin)?	First
4. How are individual and/or family characteristics at the time of application related to differences in outcomes at waves two and three?	Second and third
5. How do the outcomes of W-2 applicants who become program participants differ from those who do not?	Second and third

Table 1.1 continued
Questions to Be Addressed

6. How common are physical or mental disabilities, domestic violence, and substance abuse problems among applicant families?	First
7. To what extent do applicants' physical or mental disabilities, domestic violence, or substance abuse problems explain their outcomes at waves two and three?	Second and third
8. What are the labor market outcomes of W-2 applicants (e.g., wages, hours worked, job stability)? How do those who find jobs differ from those who do not?	Second and third
9. To what extent do W-2 applicants experience child-care, transportation, or other employment-related problems? Are applicants who participate in W-2 more likely, less likely, or equally likely to experience these problems as applicants who do not participate?	Second and third
10. How do families who leave the W-2 program differ from those who do not, and under what circumstances do leavers withdraw from the program? How are these circumstances related to what happens to leaver families after they have left the program?	Second and third
11. How much variation is there in the program experiences of participant families? Are these differences related to individual and/or family characteristics?	Second and third
12. To what extent do the services families receive vary across W-2 agencies? Do these differences in services have consequences for the outcomes families experience?	Second and third
13. How do the children of W-2 applicants fare over time and how are these child-level outcomes related to the program experiences of their parents?	Second and third

CHAPTER 2 A BRIEF OVERVIEW OF WISCONSIN WORKS

In the late 1980s, Wisconsin began implementing what became a total of 11 waiver-based welfare demonstrations.¹ These demonstrations, which were authorized by the U.S. Department of Health and Human Services, allowed the state to experiment with its traditional AFDC program.² During this same period, Wisconsin experienced a significant reduction in its public assistance caseloads: 98,295 families received AFDC in January 1987 as compared to 43,888 families in January 1997, a caseload reduction of 55.4 percent (Mary Jo Larson, Wisconsin Department of Workforce Development, February 23, 2001, personal communication).³ Beginning in September 1997, the remaining state waiver-based welfare demonstrations were gradually replaced by Wisconsin Works (W-2), the successor to AFDC in Wisconsin.

The trend in caseload reductions that had begun in the late 1980s accelerated under W-2. In August 1997, the month before implementation of W-2 began, 34,491 Wisconsin families were receiving AFDC.⁴ By August 2000, the state's W-2 cash assistance caseload was 6,756 families (Mary Jo Larson, Wisconsin Department of Workforce Development, February 23, 2001, personal communication).⁵ This caseload reduction of 80.4 percent was one of the largest experienced by any state.⁶

More recently, the number of families receiving cash assistance from the W-2 program has increased.⁷ From a low of 6,669 families in February 2001, the state's cash assistance caseload

¹Wisconsin's waiver-based welfare demonstrations included Learnfare, Bridefare, and Work Not Welfare. Some of these demonstrations operated only in select counties or involved a small percentage of the total AFDC caseload (Corbett, 1995).

²By the time President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act in 1996, the U.S. Department of Health and Human Services had approved waiver applications for welfare demonstrations in 43 states (including Wisconsin) and the District of Columbia. The welfare demonstrations, which waived certain statutory requirements, had to be consistent with program goals, cost neutral, and rigorously evaluated (Wiseman, 1996).

³These figures include both AFDC-Regular and AFDC-Unemployed Parent cases.

⁴The 1997 figure includes not only regular AFDC cases, but also the 3,593 NLRR (non-legally-responsible relative) and 5,600 SSI "child-only" cases that were not eligible for conversion to W-2 (Mary Jo Larson, Wisconsin Department of Workforce Development, February 23, 2001, personal communication). The NLRR cases were converted to W-2 Kinship Care cases and SSI cases were converted to Caretaker Supplement cases.

⁵The total W-2 caseload for August 2000, including families receiving various services but not cash assistance, was 11,067 (Wisconsin Department of Workforce Development, 2002).

⁶Just how much of the marked decline in Wisconsin's cash assistance caseload is a consequence of W-2 and how much is the result of a prosperous economy is unclear.

⁷Although 29 states, including Wisconsin, reported increases in their TANF caseloads between June 2001 and June 2002, the total TANF caseload for all states was 2 percent lower in June 2002 than in June 2001. This is smaller than the reductions reported in past years and reflects, at least in part, greater fluctuation in state TANF caseloads from one quarter to the next. See Center for Law and Social Policy (2002). *TANF caseloads declined in most states in second quarter, but most states saw increases over the last year*. Retrieved on November 4, 2002 from http://www.clasp.org/DMS/Documents/1033487945.66/view_html.

grew to 9,701 families in July 2002 (Wisconsin Department of Workforce Development, 2002).⁸ However, it is still well below the August 1997 level.

Wisconsin Works is a work-based program with a goal of self-sufficiency. There is no entitlement to assistance and participants are expected to work or engage in work-related activities to the extent that their abilities permit. However, the program provides participants and their families with a variety of supportive services to help them find and maintain employment (Wisconsin Department of Workforce Development, 1998).

With the exception of parents caring for newborn infants, each W-2 participant is placed in one of four “employment ladder” tiers by a Financial and Employment Planner (FEP) based on an assessment of the participant’s job readiness.⁹ Custodial parents of newborns are not placed in one of the four tiers until their infant is 12 weeks old.¹⁰ The four employment ladder tiers are the following:

Case Management Only (unsubsidized employment), for W-2 participants who either (1) already have a job when they enter the program, (2) have previous work experience, or (3) move up from a lower tier upon becoming employed.

Trial Job (subsidized employment), for W-2 participants who have basic job readiness skills but lack work experience. The W-2 agency contracts with employers to hire participants for jobs that pay at least the minimum wage and to provide participants with support services during a three- to six-month trial period. Employers receive a subsidy (a maximum of \$300 per month) to help defray training and other costs with the expectation that the jobs will become permanent positions when the trial period has ended.

Community Service Job (CSJ), for W-2 participants who need to develop job-readiness skills and appropriate workplace behaviors. CSJ participants are assigned to work activities for up to 30 hours per week and to education or training activities for up to 10 hours per week and are eligible to receive a maximum monthly grant of \$673.

W-2 Transition (W-2 T), for W-2 participants who face significant barriers to employment, such as a disability or other problem that limits their capacity to work, or who are needed at home to care for an ill or disabled family member. W-2 T participants can be assigned to counseling, rehabilitation, or other treatment activities for up to 28

⁸The total caseload, both cash assistance and noncash assistance cases, has increased as well, from 10,853 in February 2001 to 13,087 in July 2002.

⁹Although FEPs and local agencies have some discretion, the state has issued guidelines as to the kinds of factors that should be considered when tier placements are made.

¹⁰In Chapter 5, we treat “caretaker of a newborn” status as if it were a distinct tier because custodial parents of infants are not placed in one of the formal employment ladder tiers until their child is 12 weeks old.

hours per week and to education or training activities for up to 12 hours per week, and they are eligible to receive a maximum monthly grant of \$628.

In addition to tier placements, FEPs also determine the activities to which participants are assigned and the number of hours of each activity they are required to complete. These activities are intended to prepare participants for unsubsidized employment and can include a variety of employment, education, and rehabilitative services. Moreover, despite the program's emphasis on workforce attachment, it does provide opportunities for human capital development through education or training in conjunction with participation in work activities (Governor's Wisconsin Works Education and Training Committee, 1998).

W-2 is similar to other state TANF programs in that eligible families are no longer legally entitled to cash assistance as they were under AFDC. However, families may receive a maximum of \$628 per month if the W-2 participant is placed in the W-2 Transition tier and a maximum of \$673 per month if the W-2 participant is placed in the Community Service Job tier. With the exception of parents caring for newborn infants, receipt of these cash benefits is contingent upon participation in assigned work activities; monthly cash benefits are reduced by \$5.15 for each hour of assigned activities that participants fail to complete without good cause. During the first 12 weeks after their child is born, custodial parents of infants are eligible to receive monthly cash benefits of \$673 without participating in any assigned activities.

The receipt of cash assistance under W-2 is different not only from the receipt of cash assistance under AFDC but also from the receipt of cash assistance under TANF programs in many other states. One difference is that the maximum amount of cash assistance families can receive under W-2 is not based on family size. Another is that because of the way the program is structured (i.e., families with earnings from employment are not eligible for cash assistance), W-2 does not include an earnings disregard provision.¹¹ However, regardless of whether families receive cash assistance, they may be eligible for food stamps, medical assistance, child-care subsidies, case management services, or other benefits.

Wisconsin's TANF program also provides cash assistance for two categories of child-only cases: children whose parents are receiving Supplemental Security Income (SSI), and children cared for by non-legally-responsible relatives (NLRR). A Caretaker Supplement provides parents who receive SSI, and who are therefore not eligible for W-2, with a monthly cash payment of \$250 for the first eligible child and \$150 for each additional eligible child.¹² The Kinship Care program provides non-legally-responsible relative caretakers (grandparents, aunts, uncles, etc.) of minor children with a monthly cash payment of \$215 per child. A determination must be made that the child needs to be placed with the relative and that placement is in the best interest of the child. Both programs are administered by the state's Department of Health and Family Services.

¹¹In contrast, under AFDC as well as TANF programs in most other states, families with earnings from employment were allowed to keep some of their cash benefits as a work incentive.

¹² In two-parent households, both parents must receive SSI. Parents are not eligible to receive a Caretaker Supplement for any child who also receives SSI.

Significance of Milwaukee

With a population of 940,164, or 17.5 percent of the state's population, Milwaukee is the most populous county in Wisconsin (U.S. Census Bureau, 2002). As Wisconsin began to experiment with changes in its welfare program in the late 1980s, the county started to account for a disproportionate share of the state's cash assistance caseload. This pattern became more pronounced after implementation of W-2. In August 1997, the month before implementation of W-2 began, 66.5 percent of Wisconsin's AFDC recipient families were living in Milwaukee County. By July 2002, Milwaukee County accounted for 78.0 percent of the state's total W-2 caseload and 79.7 percent of the state's cash assistance caseload (Wisconsin Department of Workforce Development, 2002).

Milwaukee County is unique in that it was divided into six geographic regions, each with its own W-2 agency. Until January 2002, the W-2 program in each region was administered by one of five private agencies that were awarded contracts by the state.¹³ Although each agency is governed by the same statutory regulations, there are differences among them. Most notably, three of the five agencies were operating under the aegis of nonprofit organizations, whereas the other two were operating under the aegis of for-profit organizations.¹⁴ As a result of these differences, there may be variation across agencies in regard to the range or quality of the services they provide, either directly or through purchase of service contracts, the percentage of applicants who participate in the program, or the distribution of tier assignments among program participants. Importantly, these differences permit us to examine the possibility that there may be interagency variations in the outcomes of W-2 applicants, and if so, whether these differences are correlated with agency characteristics. Although the nonexperimental design of our study precludes causal inferences about these agency factors, we believe that the study can provide valuable information to policymakers and W-2 administrators.

¹³Those five agencies were Employment Solutions, Maximus, Opportunities Industrialization Center of Greater Milwaukee (OIC-GM), United Migrant Opportunity Service (UMOS), and YW Works. Employment Solutions administered the program in two of the six regions; each of the other four agencies administered the program in one. At the end of 2001, the state did not renew its contract with that agency, and the regions it previously served were reassigned to two of the other agencies. Consequently, there are now four agencies administering W-2 in Milwaukee. Two administer the program in two regions apiece; the other two each administer the program in one. Because the data on which this report is based were collected prior to the transition from five agencies to four, we include the two Employment Solutions sites in our cross-agency analyses.

¹⁴Employment Solutions, Opportunities Industrialization Center of Greater Milwaukee (OIC-GM), and the United Migrant Opportunity Service (UMOS) were the three nonprofits. Maximus and YW Works were the two for-profits. YW Works has since become a nonprofit.

CHAPTER 3 DATA AND METHODOLOGY

This chapter begins with a description of the two types of data on which this report is based: survey data from the first two waves of a three-wave panel study and administrative data from two state databases. This is followed by a discussion of several problems that arose in the course of integrating the survey and administrative data as well as an explanation of how those problems were resolved.

Wave One Sampling and Data Collection

As part of the standard intake procedure, potential W-2 applicants meet with a Resource Specialist who makes an initial assessment as to whether applicants should be referred to a Financial and Employment Planner (FEP) for eligibility determination. The survey sample was selected from among those applicants for whom a referral was made at each of the five agencies administering the W-2 program in Milwaukee County between March 1999 and August 1999.¹⁵ Specifically, applicants were informed about the study by the Resource Specialist and directed to a survey interviewer stationed at the agency from the Institute for Survey and Policy Research at the University of Wisconsin–Milwaukee. Fewer than 2 percent of the applicants who were informed about the study declined to participate.¹⁶

Each interview was expected to take about an hour to complete, and only one or two interviewers could be stationed at an agency on a given day. Because potential study participants might decide not to participate if they had to wait to be interviewed, thereby biasing the composition of the sample, applicants were informed about the study only if an interviewer was immediately available to conduct the interview. Although this excluded some potential study participants from the sample, there is no reason to believe that W-2 applicants who finished meeting with the Resource Specialist when an interviewer was available were any different from W-2 applicants who finished meeting with the Resource Specialist when no interviewer was available.

A total of 1,207 W-2 applicants were interviewed between mid-March and mid-August 1999, approximately 200 from each of the six agency sites. More than 95 percent of the wave one interviews, which typically lasted about an hour, were completed in person at the agency on the day of application in office space provided by the agency. The remaining interviews were conducted by phone within the next week. Although the survey instruments were in English, Spanish-speaking interviewers were available to conduct interviews with Spanish-speaking applicants.

¹⁵Applicants who were pregnant but did not have any children were excluded from the sample because questions about a selected focal child comprised a significant portion of the wave one interview. A study conducted by the Manpower Development Research Corporation found that approximately 1.8 percent of W-2 applicants in Milwaukee County were pregnant but did not have any children.

¹⁶It seems likely that several factors contributed to this extremely high rate of participation. First, the vast majority of interviews were conducted at the agencies at the time of application. Second, child-care was provided at no charge while the applicants were being interviewed. Third, study participants received a \$25 payment immediately upon completing the interview.

During preliminary data analysis, we discovered that 28 of the study participants from one of the agencies were not legitimate applicants.¹⁷ Dropping them from the sample reduced the sample size to 1,179 W-2 applicants, approximately 200 from each of five sites and 173 from the sixth.

The wave one interview included items about the following topics:

1. Respondent demographics
2. Household members' demographics
3. Resident and nonresident children demographics
4. Employment histories of family members
5. Child-care use and problems
6. Education and training of respondent
7. Family housing history and problems
8. Family government program participation
9. W-2 participation
10. Household income
11. Respondent parenting practices and problems
12. Child health and development
13. Child school and recreation: achievements and problems
14. Child behavior problems
15. Respondent health and well-being
16. Respondent use of drugs and alcohol

The majority of child-related questions focused on a particular (i.e., focal) child randomly selected from among the children living with respondent at wave one.

Wave Two Data Collection

The second wave of interviews began in July 2000 and continued through May 2001. Although we tried to interview sample members in approximately the same order in which they had been interviewed at wave one, this was not possible in many cases because sample members were difficult to locate. As a result, the interval between first- and second-wave interviews ranged from a minimum of almost 16 months to a maximum of almost 24 months, with a median of almost 18 months (535 days).

Wave two interviews were completed with 939, or 79.6 percent, of the 1,179 sample members who comprised the wave one sample.¹⁸ Sample members were generally interviewed in person at their residence.¹⁹ However, a small percentage were interviewed by phone, primarily because sample members had moved outside of Wisconsin or to another part of the state.

¹⁷These individuals had been recruited by an intake worker and an interviewer at OIC to pose as applicants in order to participate in the study.

¹⁸The issue of sample attrition will be taken up in detail later in this report.

¹⁹A few sample members were interviewed at a correctional facility where they were incarcerated.

The wave two survey instrument was similar in content to the wave one instrument, but it included fewer questions about child development and more questions about W-2 participation and employment. Most of the questions focused on the experiences of sample members and their families since the wave one data were collected.

Administrative Data

In addition to the survey data collected from sample members, this report is also based on administrative data from three sources:

1. CARES (Client Assistance for Re-employment and Economic Support)

This statewide data collection system contains client-specific information about the public assistance benefits provided by state, county, and, in some cases, private agencies to individuals and families in Wisconsin. Among other things, CARES includes information about the receipt of TANF, food stamp, Medicaid, and child-care benefits.

2. Unemployment Insurance

This database provides information about quarterly earnings from employment covered under the state's unemployment insurance law. Approximately 94 percent of Wisconsin workers are covered.²⁰

3. WiSACWIS (Wisconsin Statewide Automated Child Welfare Information System)

This system contains information about the provision of child welfare services, including initial assessments, family reunification and support services, foster care, kinship care, and adoption assistance.

An extract was prepared from the CARES and UI databases by programmers at the Institute for Research on Poverty using our sample members' self-reported social security numbers.²¹

Matching on social security number yielded CARES and UI data for 1,165 and 1,095 sample members, respectively. The CARES extract covered the period from September 1997, the first month in which W-2 was implemented, to May 2001, the last month in which wave two data were collected. The UI extract covered the period from the first quarter of 1997 through the second quarter of 2001, the last quarter for which data were available. The WiSACWIS extract included investigated reports of child abuse and/or neglect made to the Milwaukee CPS agency and foster care placements in Milwaukee from June 1989 through September 2001. We linked

²⁰ Approximately 94 percent of Wisconsin workers are engaged in covered employment (Terry Ludeman, Wisconsin Department of Workforce Development, personal communication, June 10, 2002). Although Unemployment Insurance wage data may underestimate earnings by 10 to 14 percent, and as much as 30 to 50 percent for some subpopulations of youth, compared to survey data, the discrepancy between employment rates based on UI data and employment rates based on survey data is usually not as large (Hotz & Scholz, 2001).

²¹ Sample members who did not participate in W-2 would have been included in the CARES extract if they received other benefits such as food stamps or child-care assistance during this period.

our survey data to the child welfare data using the respondents' social security number and/or last name, first name, and date of birth.

Integration of CARES Data and Survey Data: Problems and Resolution

We had initially planned to use the CARES data to supplement the information sample members provided about their W-2 participation. In particular, the CARES data would include more detailed information about dates of participation, tier placements, benefits or services received, and sanctions imposed. We also planned to assess the reliability of sample members' self-reports about their participation in W-2. Although we expected to find some discrepancies between the survey and administrative data due to recall problems or misunderstandings about the program, the number of nontrivial discrepancies we found was far greater than we had anticipated.

Most disconcerting were the discrepancies between the CARES data and sample members' self-reports of their W-2 participation. Altogether, 142 sample members for whom there was no record of participation in CARES reported that they had participated in W-2 between their first and second interviews. Another 91 sample members reported no W-2 participation, but CARES indicated that they had participated during the period in question.

We spent several weeks trying to resolve these discrepancies on a case-by-case basis, but we were only able to arrive at a plausible explanation for 77 percent. Although we were able to find support for some of these explanations in the survey data, none could be empirically verified. In some cases, it appeared that sample members thought they had participated in W-2 because they had received food stamps, child-care assistance, or other benefits that do not require W-2 participation.²² In other cases, it appeared that sample members thought that they had not participated in W-2 because they did not receive any cash benefits from the program.²³ After consulting with DWD administrators about the discrepancies for which there was no apparent explanation, we decided to operate under the assumption that the CARES data were correct, and by implication, that the survey data regarding W-2 participation were not reliable.

The CARES data also revealed a more serious problem. Specifically, 96 of the initial interviewees, including more than 20 percent of those interviewed at OIC, could not have been W-2 applicants because they already had an open W-2 case on their wave one interview date.²⁴

²²It is also possible that some sample members had confused pre-wave one participation with post-wave one participation.

²³As explained in Chapter 2, only participants who are assigned to the lower two tiers are eligible for cash benefits.

²⁴More than 80 percent of these sample members had initially been interviewed at one of three agencies: Maximus, OIC, and YWW.

Dropping these “nonapplicants” reduced the sample size to 1,082.²⁵ Of these, 856, or 79.1 percent, were interviewed at wave two.

Table 3.1 shows the distribution of completed wave one and wave two interviews for each of the six agency sites. The rate of attrition was highest among the UMOS applicants.²⁶

Table 3.1
Distribution of Wave One and Wave Two Interviews by Agency

Agency	Wave One		Wave Two		Wave Two as a
	Frequency	Percentage (%)	Frequency	Percentage (%)	Percentage of Wave One (%)
YWW	178	16.5	133	15.5	74.7
UMOS	192	17.7	129	15.1	67.2
OIC	138	12.7	116	13.5	84.1
ESN	196	18.1	173	20.2	88.3
ESW	195	18.0	165	19.5	84.6
Maximus	183	16.9	140	16.3	76.5
Total	1082	100.0	856	100.0	79.1

Although this report focuses on the 856 sample members who were interviewed at both waves one and two, Chapters 5, 6, and 7 present some findings based on all of the sample members for whom CARES and/or UI data were obtained.

The final wave of survey data collection is now nearly complete. The data from this third wave will be merged with both the first two waves of survey data and updated CARES, UI, and WiSACWIS data extracts.

Presentation of Results

In Chapter 4 through Chapter 7, we compare the outcomes of sample members with different attributes. In some cases, we found differences across groups that were greater than would be expected by chance. These statistically significant differences are noted with asterisks. However, we did not test the statistical significance of all pair-wise comparisons between groups. Rather, we identify the group at the low end and the group at the high end of the range for each outcome.

²⁵We have not been able to determine whether the wave one interviewers knew these individuals were not eligible for the study or whether the interviews resulted from confusion about the selection criteria.

²⁶The UMOS applicant sample is disproportionately Hispanic, and Hispanic sample members had a higher rate of attrition (35.2 %) than either white sample members (28.9%) or African American sample members (17.8%). See Table 4.3. However, we do not know whether the differences in attrition rates that we observed represent an agency effect or a race/ethnicity effect.

CHAPTER 4 ATTRIBUTES OF SAMPLE MEMBERS

This chapter begins with a brief description of the demographic and other background characteristics of the 1,082 W-2 applicants who comprise our sample.²⁷ We then compare the demographic and background characteristics of sample members who applied for assistance at the six different agency sites. We next address the issue of attrition by examining the relationship between the wave one attributes of sample members and their likelihood of completing a wave two interview. This is followed by an examination of the relationship between the wave one attributes of sample members and their likelihood of post-wave one W-2 participation. We conclude the chapter by comparing the attributes of the W-2 participants with the attributes of the nonparticipants.

Sample Description

Table 4.1 shows the attributes of the 1,082 W-2 applicants who comprise our sample.

Table 4.1
Attributes of Applicant Sample at Wave One
N = 1,082

Wave One Attributes	Frequency	Percentage (%)
Gender		
Female	1,038	95.9
Male	44	4.1
Race/Ethnicity		
White	114	10.5
African American	815	75.3
Hispanic	122	11.3
Native American	18	1.7
Other	13	1.2
Marital Status		
Married	54	5.0
Divorced	69	6.4
Separated	79	7.3
Never married	860	79.5
Other	20	1.8

²⁷Although sample members provided most of the information about their demographic and other background characteristics, data on their W-2 participation were obtained from CARES.

Table 4.1 continued
Attributes of Applicant Sample at Wave One

Wave One Attributes	Frequency	Percentage (%)
Age in Years		
17-19	141	13
20-24	289	26.8
25-29	228	21.1
30-34	168	15.5
35-44	215	19.9
45 and older	26	2.4
Missing	5	0.5
Median age		27
Education		
Grades 0-8	45	4.2
Grades 9-11	569	52.6
High school graduate	358	33.1
GED	82	7.6
College graduate (associate's or bachelor's degree)	28	2.6
Number of Resident Family Children		
1	447	41.3
2	278	25.8
3	179	16.5
4 or more	178	16.4
Median number of resident children		2
Employment Status		
Currently employed	133	12.3
Not employed, but employed within the past 2 years	806	74.5
Not employed, but employed more than 2 years ago	42	3.9
Never employed	100	9.2
Missing	1	0.1
Prior Welfare Experience		
AFDC only	307	28.4
W-2 only	100	9.2
AFDC and W-2	368	34.0
Neither AFDC nor W-2	307	28.4
W-2 Participation Between Wave One and Wave Two		
Participated	726	67
Did not participate	356	33

Our sample is predominantly female, African American, and never married. The median age at wave one was 27 years. More than half of our sample members do not have a high school diploma or a GED. The median number of resident children was two. Only 12 percent of our sample reported that they were employed at wave one, although another three-quarters reported

that they had been employed within the past two years. Sixty-two percent reported prior AFDC receipts and the CARES data indicated that 43 percent had previously participated in W-2.²⁸

Wave One Agency Samples

Table 4.2 compares the attributes of sample members across the six agency sites.

Table 4.2
Attributes of Applicant Sample at Wave One, Percentages by Agency

Wave One Attributes	Agencies						Total
	ESN	ESW	Maximus	OIC	UMOS	YWW	
Gender							
Female	94.9	98.5	98.1	95.7	94.8	96.7	95.9
Male	5.1	1.5	4.9	4.4	5.2	3.4	4.1
Race/Ethnicity*							
White	4.6	4.6	16.9	2.2	28.7	3.9	10.5
African American	91.3	91.3	71.0	95.7	15.6	93.3	75.4
Hispanic	1.5	2.1	8.2	0	50	2.2	11.3
Native American	0	0.5	2.7	1.5	4.7	0.6	1.7
Other	2.6	1.5	1.1	0.7	1.0	0	1.2
Marital Status*							
Married	5.1	2.6	4.9	5.1	8.3	3.9	5.0
Divorced	3.1	6.7	8.2	4.4	9.9	5.6	6.4
Separated	4.1	5.6	7.7	6.5	14.1	5.6	7.3
Never married	86.7	84.6	76	82.6	65.1	82.7	79.5
Other	1.0	0.5	3.3	1.5	2.6	2.2	1.9
Age in Years*							
17-19	14.3	12.3	12	14.5	13.5	11.7	13.0
20-24	30.1	25.6	22.4	22.5	23.4	35.8	26.8
25-29	23.5	22.1	19.1	17.4	24.0	19.0	21.1
30-34	9.2	19.0	18.0	12.3	18.2	15.6	15.5
35-44	20.4	20.0	23.0	31.2	16.7	16.2	20.8
45 and older	1.0	1.0	4.4	2.2	4.2	1.7	2.4
Missing	1.5	0	1.1	0	0	0	0.5
Median age	26	28	28	27.5	26.5	25	27
Education*							
Grades 0-8	1.0	2.6	4.4	2.2	8.9	5.6	4.2
Grades 9-12	49.0	56.9	48.6	56.5	53.1	52.3	52.6
High school graduate	36.7	31.8	38.3	30.4	27.6	33	33.1
GED	12.2	5.1	7.7	7.3	6.3	6.7	7.6
College graduate	1.0	3.6	1.1	3.6	4.2	2.3	2.6

²⁸We did not have CARES data prior to September 1997, the month in which W-2 was first implemented. Hence, our measure of AFDC receipt is based on sample members' self-reports. It is possible that the distribution of AFDC recipients and nonrecipients would have been different had we used administrative data.

Table 4.2 continued
Attributes of Applicant Sample at Wave One, Percentages by Agency

Wave One Attributes	Agencies						Total
	ESN	ESW	Maximus	OIC	UMOS	YWW	
Resident Family Children*							
1	45.4	30.3	47.5	37.7	40.6	45.8	41.3
2	27.0	26.7	23.0	23.9	29.2	24.0	25.8
3	12.8	19.5	16.4	18.1	17.2	15.7	16.5
4 or more	14.8	23.6	13.1	20.3	13.0	14.6	16.5
Median number of resident children	2	2	2	2	2	2	2
Employment Status*							
Employed	12.2	11.3	12.0	14.5	10.4	14.0	12.3
Not employed, employed within past 2 years	77.0	79.5	77.6	70.3	75.9	64.8	74.5
Not employed, employed more than 2 years ago	3.1	3.6	5.5	8.7	1.6	2.2	3.9
Never employed	7.7	5.6	4.9	6.5	12.0	19.0	9.3
Prior Welfare Experience*							
AFDC only	26.5	31.3	31.7	34.1	24.5	23.6	28.4
W-2 only	7.7	3.6	5.5	13.0	15.6	11.2	9.2
AFDC and W-2	38.3	47.7	38.3	30.4	12.5	36.0	34.0
No experience	27.6	17.4	24.6	22.5	47.4	29.2	28.4
W-2 Participation Between Waves One and Two*							
Participated	73.0	72.3	67.2	63.0	58.3	67.0	67.0
Did not participate	27.0	27.7	33.8	37.0	41.7	33.0	33.0
Agency totals	196	195	183	138	192	178	1,082

*Indicates statistically significant differences across agencies at $p < .05$.

There were several differences across the agency samples, and the UMOS applicants were the most distinct. Whereas the other agency samples were predominantly African American, 50 percent of the UMOS sample was Hispanic and more than a quarter was white. In addition, the UMOS sample included the lowest percentage of never-married applicants, the highest percentage of applicants without a high school diploma or GED, the lowest percentage of applicants who had prior welfare experience, and the lowest percentage of applicants who subsequently participated in W-2. A number of differences not involving UMOS were also observed. For example, the YWW sample included the highest percentage of never-employed applicants, and the ESN sample included the highest percentage of applicants with at least a high school diploma or GED. Clearly, these differences in demographic and background characteristics must be taken into account when the outcomes of the agency samples are compared, especially when the comparison involves the UMOS applicants.

Attrition

Table 4.3 compares the attrition rates of sample members with different attributes.

Table 4.3
Attributes of Applicant Sample at Wave One, by Attrition at Wave Two
N = 1,082

Wave One Attributes	Respondents Interviewed at Wave Two		Respondents Not Interviewed at Wave Two	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Total	856	79.1	226	20.9
Gender*				
Female	827	79.7	211	20.3
Male	29	65.9	15	34.1
Race/Ethnicity*				
White	81	71.1	33	28.9
African American	673	82.6	142	17.8
Hispanic	79	64.8	43	35.2
Native American	12	66.7	6	33.3
Other	11	84.6	2	15.4
Marital Status				
Married	42	77.8	12	22.2
Divorced	49	71	20	29.0
Separated	56	70.9	23	29.1
Never married	693	80.6	167	19.4
Other	16	80	4	20
Age in Years				
17-19	119	84.4	22	15.6
20-24	226	77.9	64	22.1
25-29	173	75.9	55	24.1
30-34	128	76.2	40	23.8
35-44	186	82.7	39	17.3
45 and older	20	76.9	6	23.1
Missing	5		0	
Median age		26.5		25.7
Education				
Grades 0-8	30	66.7	15	33.3
Grades 9-11	458	80.5	111	19.5
High school graduate	281	78.5	77	21.5
GED	67	81.7	15	18.3
College graduate	20	71.4	8	28.6
Resident Family Children				
1	363	81.2	84	19.8
2	219	78.9	59	21.1
3	140	78.2	39	19.9
4 or more	134	75.3	44	24.7
Median number of resident children		2		2

Table 4.3 continued
Attributes of Applicant Sample at Wave One, by Attrition at Wave Two

Wave One Attributes	Respondents Interviewed at Wave Two		Respondents Not Interviewed at Wave Two	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Employment Status*				
Currently employed	120	90.2	13	9.8
Not employed, but employed within the past 2 years	636	78.9	169	21.1
Not employed, but employed more than 2 years ago	27	64.3	15	35.7
Never employed	72	71.6	28	28.4
Missing	1	50.0	1	50.0
Prior Welfare Experience*				
AFDC only	233	75.9	74	24.1
W-2 only	88	88.0	12	12.0
AFDC and W-2	298	81.0	70	19.0
Neither AFDC nor W-2	237	77.2	70	22.8
Agency*				
ESN	173	88.3	23	11.7
ESW	165	84.6	30	15.4
Maximus	140	76.5	43	23.5
OIC	116	84.1	22	15.9
UMOS	129	67.2	63	32.8
YWW	133	74.9	45	25.1
W-2 Participation Between Waves 1 and 2*				
Participated	593	81.6	133	18.4
Did not participate	263	74.3	93	25.7

*Indicates statistically significant differences across groups at $p < 05$.

There were statistically significant differences in the likelihood of attrition with respect to several attributes:

- Gender: Attrition rates were higher among male than among female sample members.
- Race/ethnicity: Attrition rates ranged from a low of 15 percent among sample members categorized as “other” to a high of 35 percent among Hispanic sample members.
- Employment status: Attrition rates ranged from a low of 10 percent among sample members who were employed at wave one to a high of 36 percent among sample members who had last been employed more than two years before their wave one interview.²⁹
- Prior welfare experience: Attrition rates ranged from a low of 12 percent among sample members who had been W-2 participants but not AFDC recipients to a high of 24 percent among sample members who had been AFDC recipients but not W-2 participants.

²⁹This excludes the sample members whose employment status could not be determined.

- Agency: Attrition rates ranged from a low of 12 percent among ESN applicants to a high of 33 percent among UMOS applicants.
- Post-wave one W-2 participation: Attrition rates were higher among sample members who did not participate in W-2 between their wave one and wave two interviews than among sample members who did participate.³⁰

W-2 Participation

According to the CARES administrative data, 67 percent of our sample members participated in the W-2 program between their wave one and wave two interviews.³¹ Table 4.4 examines the relationship between the attributes of sample members at wave one and their likelihood of post-wave one W-2 participation.

Table 4.4
Attributes of Applicant Sample at Wave One,
by W-2 Participation Between Wave One and Wave Two
(N = 1,082)

Wave One Attributes	W-2 Participants		Nonparticipants	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Total	726	67.1	356	32.9
Gender*				
Female	703	67.7	335	32.3
Male	23	52.3	21	47.7
Race/Ethnicity				
White	82	71.9	32	28.1
African American	551	67.6	264	32.4
Hispanic	73	59.8	49	40.2
Native American	11	61.1	7	38.9
Other	9	69.2	4	30.8
Marital Status				
Married	31	57.4	23	42.6
Divorced	42	60.9	27	39.1
Separated	53	67.1	26	32.9
Never married	585	68.0	276	32.0
Other	15	75.0	5	25.0

³⁰This probably reflects the fact that we used CARES data to help locate sample members for the second interview.

³¹We assigned a second-wave interview date to the 226 sample members who were not interviewed at wave two equal to the date of their first interview plus 562 days—the median length of time between the wave one and wave two interviews of the sample members who were interviewed at both waves.

Table 4.4 continued
Attributes of Applicant Sample at Wave One,
by W-2 Participation Between Wave One and Wave Two

Wave One Attributes	W-2 Participants		Nonparticipants	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Age in Years				
17-19	88	62.4	53	37.6
20-24	196	67.8	93	32.2
25-29	158	69.3	70	30.7
30-34	110	65.5	58	34.5
35-44	156	69.3	69	30.7
45 and older	13	50.0	13	50.0
Missing	5		0	
Median age		27		26
Education				
Grades 0-8	31	68.9	14	31.1
Grades 9-11	372	65.4	197	34.6
High school graduate	242	67.6	116	32.4
GED	63	76.8	19	23.2
College graduate	18	64.3	10	35.7
Resident Family Children				
1	311	69.6	136	30.4
2	184	66.2	95	33.8
3	120	67.0	59	33.0
4 or more	111	62.4	67	37.6
Median number of children		2		2
Employment Status				
Currently employed	83	62.4	50	37.6
Not employed, but employed within the past 2 years	553	68.6	253	31.4
Not employed, but employed more than 2 years ago	31	73.8	11	26.2
Never employed	59	59.0	42	41.0
Missing			1	
Prior Welfare Experience*				
AFDC only	160	52.1	147	47.9
W-2 only	89	89.0	11	11.0
AFDC and W-2	316	85.9	52	14.1
Neither AFDC nor W-2	161	52.4	146	47.6

Table 4.4 continued
Attributes of Applicant Sample at Wave One,
by W-2 Participation Between Wave One and Wave Two

Wave One Attributes	W-2 Participants		Nonparticipants	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Agency*				
ESN	143	73.0	53	27.0
ESW	141	72.3	54	27.7
Maximus	123	67.2	60	32.8
OIC	87	63.0	51	37.0
UMOS	112	58.3	80	41.7
YWW	120	67.4	58	32.6

*Indicates statistically significant differences across groups at $p < .05$.

There were statistically significant differences in the likelihood of post-wave one W-2 participation with respect to three attributes:

- Gender: Female sample members were more likely to participate in W-2 than male sample members between their wave one and wave two interviews.
- Prior welfare experience: Post-wave one W-2 participation ranged from a low of 52 percent among sample members who had experience with AFDC but not W-2 *or* no prior welfare experience to a high of 89 percent among sample members who had experience with W-2 but not AFDC.
- Agency: Post-wave one W-2 participation ranged from a low of 58 percent among UMOS applicants to a high of 73 percent among ESN applicants.

There is another way of looking at the data in Table 4.4. Rather than examining the relationship between the attributes of sample members at wave one and their likelihood of participating in W-2, Table 4.5 compares the attributes of sample members who became W-2 participants with those of sample members who did not become participants.

Table 4.5
Wave One Attributes of W-2 Participants and Nonparticipants

Wave One Attributes	W-2 Participants		Nonparticipants	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Total	726	67.1	356	32.9
Gender				
Female	703	96.8	335	94.1
Male	23	3.2	21	5.9
Race/Ethnicity				
White	82	11.3	32	9.0
African American	551	75.9	264	74.2
Hispanic	73	10.1	49	13.8
Native American	11	1.5	7	2
Other	9	1.2	4	1.1

Table 4.5 continued
Wave One Attributes of W-2 Participants and Nonparticipants

Wave One Attributes	W-2 Participants		Nonparticipants	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Marital Status				
Married	31	4.3	23	6.5
Divorced	42	5.8	27	7.6
Separated	53	7.3	26	7.3
Never married	585	80.6	276	77.3
Other	15	2.1	5	1.4
Age in Years				
17-19	88	12.1	53	14.9
20-24	196	27	93	26.1
25-29	158	21.8	70	19.7
30-34	110	15.2	58	16.3
35-44	156	21.5	69	19.4
45 and older	13	1.8	13	3.7
Missing	5	0.7	0	0
Median age		27		26
Education				
Grades 0-8	31	4.3	14	3.9
Grades 9-11	372	51.2	197	55.3
High school graduate	242	33.3	116	32.6
GED	63	8.7	19	5.3
College graduate	18	2.5	10	2.8
Resident Family Children				
1	311	42.8	136	38.2
2	184	25.3	95	26.4
3	120	16.5	59	16.6
4 or more	111	15.3	67	18.8
Median number of children		2		2
Employment Status				
Currently employed	83	11.4	50	14
Not employed, but employed within the past 2 years	553	76.2	253	71.1
Not employed, but employed more than 2 years ago	31	4.3	11	3.1
Never employed	59	8.1	42	11.5
Missing			1	0.3
Prior Welfare Experience				
AFDC only	160	22.0	147	41.3
W-2 only	89	12.3	11	3.1
AFDC and W-2	316	43.5	52	14.6
Neither AFDC nor W-2	161	22.2	146	41.0

Table 4.5 continued
Wave One Attributes of W-2 Participants and Nonparticipants

Wave One Attributes	W-2 Participants		Nonparticipants	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Agency				
ESN	143	19.7	53	14.9
ESW	141	19.4	54	15.2
Maximus	123	16.9	60	16.9
OIC	87	12.0	51	14.3
UMOS	112	15.4	80	22.5
YWW	120	16.5	58	16.3

Perhaps the most striking finding to emerge from this comparison is how few differences there are between those sample members who participated in the W-2 program and those sample members who did not. It is certainly possible, however, that there are differences between the W-2 participant and nonparticipant groups that we did not measure.^{32, 33}

Several of the attributes that we measured at wave one were related to sample attrition and/or to W-2 program participation. In the following chapters, we examine the relationship between the wave one attributes and outcomes in a number of different domains.

³²At the time this report was being written, the CARES system could only provide reasons for why W-2 cases were not opened for 12 of the nonparticipants. We do not know how many applicants were ineligible for financial or other reasons. It is also possible that some of these nonparticipants simply decided they did not want to participate in the program or did not need assistance any longer.

³³As we report in Chapter 6, W-2 participants were more likely to have been employed in each of the four quarters prior to the quarter of their wave one interview than were the nonparticipants. However, there were no differences in quarterly earnings between the groups during any of those four quarters. Nor, as we report in Chapter 9, did W-2 participants and nonparticipants differ with respect to the number or types of economic hardships they experienced in the year prior to their wave one interview.

CHAPTER 5

THE W-2 EXPERIENCE: SPELLS, TIERS, SERVICES, AND SANCTIONS

Introduction

The private agencies that administer W-2 in Milwaukee County under contract with the state's Department of Workforce Development have considerable discretion with respect to the tiers in which participants are placed, the activities to which they are assigned, the services they receive and the sanctions that are imposed.³⁴ Moreover, although the state determines the maximum monthly cash benefit for which W-2 participants are potentially eligible, the agencies decide whether participants are placed in a cash assistance tier (i.e., CSJ, W2T, Caretaker of Newborn). This discretion, as well as differences in the attributes of the clients each agency serves, may result in significant cross-agency variation in the experiences of W-2 participants.³⁵

In this chapter, we examine this potential variation using data drawn almost exclusively from CARES. We focus on the interval between sample members' wave one and wave two interviews. However, because there was so much variation in the length of the interval between the wave one and wave two interviews (i.e., 16 to 24 months), we also report some measures for the year prior to the second interview.

In order to include in our analyses the 226 sample members who did not complete a second interview, and hence, did not have a second-wave interview date, we assigned them a wave two interview date such that the length of time between their first and second interview dates would be equal to the median length of time between the wave one and wave two interviews of the sample members who were interviewed at wave two (562 days).

W-2 Spells

According to the CARES data, 67 percent of the applicants had an open W-2 case for at least some period of time between their wave one and wave two interviews. Table 5.1 shows the number and duration of the W-2 spells experienced by the 726 sample members who participated in the program between their wave one and wave two interviews.³⁶

³⁴In practice, agency discretion is limited by the fact that all of the agencies are subject to the same performance standards. Agencies that adopt a different approach run the risk that their contract with the state will not be renewed if they fail to meet those standards.

³⁵As explained in Chapter 2, there were five W-2 agencies in Milwaukee County but six agency sites at the time these data were collected because ESN and ESW belonged to the same parent organization (i.e., Goodwill Services). However, for the purpose of this chapter, ESN and ESW are treated as separate agencies.

³⁶A *spell* refers to any episode of W-2 participation, including episodes during which participants received no cash assistance. Each case opening date was treated as the beginning of a new spell.

Table 5.1**Characteristics of W-2 Spells Between Wave One and Wave Two Interviews**

Measure	N	Mean	Maximum
Number of spells between wave one and wave two	726	1.46	7
Number of days on W-2 between wave one and wave two	726	307	693
Number of tier placements between wave one and wave two	726	3.4	12
Number of days on W-2 during first post-wave one spell	726	243	693
Number of tier placements during first post-wave one spell	726	2.4	12
Number of participants still in first post-wave one spell at wave two	726	120	–
Number of spells in 12 months prior to wave two	576	1.29	4
Number of days on W-2 in 12 months prior to wave two	576	216	365

Although the mean number of spells between the wave one and wave two interviews was 1.5, the number of spells ranged as high as seven. Likewise, although the mean number of tier placements between the wave one and wave two interviews was 3.4, the number of tier placements ranged as high as 12.³⁷ Participants had an open W-2 case for a mean of 307 days between their wave one and wave two interviews. Their first post-wave one spells lasted a mean of 243 days. This includes the 120 W-2 participants who were still in their first spell at wave two.

More than a third of the W-2 participants in our sample experienced a second spell before their wave two interview. The mean length of this second spell was 151 days. Again, this includes W-2 participants who were still in their second spell when they were interviewed at wave two. Finally, 576 of our sample members participated in W-2 at some point during the 12 months prior to their wave two interview. During that 12-month period, the mean number of spells they experienced was 1.3 and the mean number of days they were on W-2 was 216.

Table 5.2 shows how the number and duration of spells varied across the agency samples of W-2 participants.³⁸

³⁷Technically, there are six different case management placements: Case Management Follow-Up for Employed Individuals (CMF); Case Management for Minor Parents (CMM); Case Management for Noncustodial Parents (CMN); Case Management for Pregnant Women (CMP); Case Management for Job Ready Individuals (CMS); and Case Management for Working Individuals (CMU). However, for the purpose of this report, we do not distinguish among these placements. This means that if the tier placement of a W-2 participant was changed from one CM category to another, this was not counted as a transition. In addition, we did not count lateral moves from one CSJ placement to another CSJ as transitions.

³⁸It is important to note that W-2 participants who had applied for assistance at a given agency just prior to their wave one interview did not necessarily receive services from that agency throughout the observation period. In some cases, W-2 participants received services during their first post-wave one spell from the agency at which they

Table 5.2

Characteristics of W-2 Spells Between Wave One and Wave Two Interviews, by Agency

Measure	Agency					
	ESN	ESW	Maximus	OIC	UMOS	YWW
Number of spells between wave one and wave two*	1.73	1.58	1.34	1.51	1.16	1.37
Number of days on W-2 between wave one and wave two*	289	232	332	339	361	315
Number of tier placements between wave one and wave two*	3.6	3.0	3.3	3.5	3.5	3.4
Number of days on W-2 during 1 st post-wave one spell*	193	170	277	255	336	260
Number of tier placements during 1 st post-wave one spell	2.1	1.9	2.6	2.5	3.1	2.6
Percent of cases still in 1 st post-wave one spell at wave two*	11.9	7.1	16.3	16.1	32.1	19.2
Number of spells in 12 months prior to wave two*	1.44	1.42	1.25	1.28	1.11	1.23
Number of days on W-2 in 12 months prior to wave two*	207	176	210	220	273	218

*Indicates statistically significant differences across the agencies at $p < .05$.

There were statistically significant differences across agencies with respect to both the number and duration of spells. These differences were most pronounced between the two Employment Solutions samples and the UMOS sample. W-2 participants in the ESN and ESW samples tended to experience the greatest number of spells and the shortest initial post-wave one spell, whereas W-2 participants in the UMOS sample tended to experience the fewest number of spells and the longest initial post-wave one spell. Furthermore, the UMOS sample included the highest percentage of W-2 participants who were still in their first post-wave one spell when they were interviewed at wave two. Interestingly, although there was relatively little variation across agencies with respect to the total number of placements participants experienced between their wave one and wave two interviews, participants in the UMOS sample experienced more placements during their first post-wave one spell than participants in the other agency samples. What is not clear from Table 5.2 is whether these differences reflect differences in agency practice or differences in the attributes of the clients each agency serves.

had applied, but from a different agency during subsequent spells. In other cases, W-2 participants were denied assistance by the agency at which they had applied prior to their wave one interview and received services from a different agency during their first post-wave one spell. However, a preliminary analysis indicated that most W-2 participants received services from the agency at which they had applied for assistance just prior to their wave one interview.

Table 5.3 shows the total number of days participants had an open W-2 case between their wave one and wave two interviews.

Table 5.3

Total Number of Days on W-2 Between Wave One and Wave Two

Wave One Attributes	<i>N</i>	Median	Mean
Total	726	301	306.8
Race/Ethnicity			
Hispanic	73	385	348.9
White	82	348.5	322.8
African American	551	294	299.7
Native American	11	292	323.5
Other	9	206	234.4
Gender			
Female	703	302	307
Male	23	271	300.3
Education			
Grades 0-8	31	247	293.7
Grades 9-11	372	323	323.3
High school graduate	242	290	284.7
GED	63	309	304.6
College graduate	18	279.5	294.5
Agency*			
ESN	143	276	289.1
ESW	141	209	232.6
MAXIMUS	123	330	332.9
OIC	87	338	337.8
UMOS	112	391.5	361.1
YWW	120	301	315.2
Marital Status			
Married	31	180	222.2
Divorced	42	309.5	335.5
Separated	53	260	289.1
Never married	585	314	309.5
Other	15	416	357.5
Age in Years			
17-19	88	340	332
20-24	196	324.5	312.8
25-29	158	276.5	293.1
30-34	110	300	297.7
35-44	156	283.5	303.7
45+ and older	13	264	292.8
Missing	5	321	392.2

Table 5.3 continued

Total Number of Days on W-2 Between Wave One and Wave Two			
Wave One Attributes	N	Median	Mean
Prior Welfare Experience*			
No prior experience	161	324	316.6
AFDC only	160	273	290.1
W-2 only	89	382	346.5
Both AFDC and W-2	316	290.5	299.0
Number of Resident Children			
1	311	316	311.4
2	184	302	304
3	120	301	305.7
4	111	300	277
Employment Status			
Currently employed	83	270	279.3
Employed within past 2 years	553	303	311.2
Employed more than 2 years ago	31	266	273.8
Never employed	59	345	321.1

*Indicates statistically significant differences across groups at $p < .05$.

Overall, W-2 participants had an open case for a total of approximately 10 months between their wave one and wave two interviews. There were significant differences in the total number of days participants had an open W-2 case between waves one and two with respect to two attributes:

- Agency: Mean number of days with an open W-2 case ranged from a low of 289 days among ESN applicants to a high of 361 days among UMOS applicants.
- Prior welfare experience: Mean number of days with an open W-2 case ranged from a low of 290 days among participants who had experience with AFDC but not W-2 to a high of 347 days among participants who had experience with W-2 but not AFDC.

Initial Tier Placements

Fifty-seven percent of W-2 participants were initially placed in the Community Service Job tier, 17.5 percent in the Case Management Only tier, and 12.7 percent in the W-2 Transition tier. Another 12.8 percent of W-2 participants were caring for a newborn when their cases were opened and thus were not initially placed in one of the official tiers. Table 5.4 shows the initial post-wave one tier placements of the W-2 participants in each agency sample.³⁹

³⁹As noted in Chapter 2, Caretaker of Newborn is not a formal W-2 tier. However, we treat it as if it were a tier for the purpose of this analysis because custodial parents of infants are still considered W-2 participants during the first 12 weeks after their child's birth.

Table 5.4
Initial Tier Placement, by Agency

Tier	Percentage (%) Assigned to Tier						Total N = 726
	ESN N = 143	ESW N = 141	MAXIMUS N = 123	OIC N = 87	UMOS N = 112	YWW N = 120	
Case Management Only*	4.9	17.0	12.2	66.7	8.9	10.8	17.5
Trial Jobs	0	0	0	0	0	0	0
Community Service Job*	61.5	57.5	63.4	14.9	71.4	61.7	57.0
W-2 Transition	16.1	9.2	14.6	9.2	8.0	17.5	12.7
Caretaker of Newborn	17.5	16.3	9.8	9.2	11.6	10.0	12.8

* Indicates significant differences across agencies at $p < .05$.

In the case of every agency except OIC, the majority of W-2 participants were initially placed in the Community Service Job tier, and no more than 17 percent were initially placed in the Case Management Only tier. For OIC participants, the pattern was just the reverse. Two-thirds of the participants in the OIC sample were initially placed in the Case Management Only tier, and only 15 percent were initially placed in the Community Service Job tier. The percentage of W-2 participants who were initially placed in the W-2 Transition tier or caretaker of a Newborn did not differ significantly across the agencies.⁴⁰

Table 5.5 shows the mean number of days W-2 participants remained in their initial tier placement before they were placed in another tier, left the W-2 program, or completed their wave two interview—whichever came first.

⁴⁰None of the W-2 participants in our sample were initially placed in the Trial Jobs tier.

Table 5.5
Mean Number of Days in Initial Tier Placement, by Agency

Tier	Agency					
	ESN	ESW	MAX	OIC	UMS	YWW
Case Management Only*	106	72	79	59	157	100
Trial Jobs	0	0	0	0	0	0
Community Service Job*	87	80	150	150	125	112
W-2 Transition	123	157	102	253	198	116
Caretaker of Newborn	53	53	60	74	61	58
Total	88	82	125	92	126	106

* Indicates statistically significant differences across agencies at $p < .05$.

The mean duration of the initial tier placement ranged from a low of 82 days among W-2 participants in the ESW sample to a high of 126 days among W-2 participants in the UMS sample. However, there was an interaction between the agency at which participants had applied for assistance and the tier in which they were initially placed. Initial placements in the Case Management Only tier were shortest among W-2 participants in the OIC sample and longest among W-2 participants in the UMS sample; initial placements in the Community Service Job tier were shortest among W-2 participants in the ESN and ESW samples and longest among W-2 participants in the Maximus and OIC samples. There was relatively little variation among W-2 participants who were caring for a newborn because participants are placed in one of the formal tiers once their child is 12 weeks old. Moreover, although there was considerable variation in the length of the first placement across the agencies among the W-2 participants who were initially placed in the W-2 Transition tier, the sample sizes were too small for the differences to be significant.

Subsequent Transitions During the First Post-Wave One Spell

Table 5.6 shows what happened to W-2 participants after their initial placement.

Table 5.6
Experiences Subsequent to Initial Placement During First Post-Wave One Spell

Initial Tier	N	Percent Exiting Program from Initial Placement (%)	Percent Still in Initial Placement (%)	Percent Placed in at Least One Other Tier (%)
Case Management Only	127	45.7	14.2	40.1
Trial Jobs	0	N/A	N/A	N/A
Community Service Job	414	25.4	13.3	61.3
W-2 Transitions	92	30.4	14.1	54.5
Caretaker of Newborn	93	18.3	4.3	77.4
Total	726	28.7	12.4	59.0

Of the 726 sample members who participated in W-2 between their wave one and wave two interviews, 28.7 percent left the program from their initial placement, 12.4 percent were still in their initial tier placement at wave two, and 59.0 percent were placed in at least one other tier during their first post-wave one spell.

Table 5.7 shows the distribution of second tier placements among those W-2 participants who were placed in at least one additional tier during their first post-wave one spell.

Table 5.7
Second Tier Placements of W-2 Participants Who Experienced at Least One Placement Change During Their First Post-Wave One Spell
(N = 726)

Initial Tier Placement	Second Tier Placement					
	N	Percent Placed in Case Management Only (%)	Percent Placed in Community Service Job (%)	Percent Placed in Trial Job (%)	Percent Placed in W-2 Transition (%)	Percent Placed in Caretaker of Newborn (%)
Case Management Only	51	–	70.6	0	23.5	5.9
Trial Jobs	0	N/A	N/A	N/A	N/A	N/A
Community Service Job	254	57.5	–	2.8	24.8	15.0
W-2 Transition	51	29.4	31.4	0	–	39.2
Caretaker of Newborn	72	25.0	72.2	0	2.8	–
Total Number	428	197	159	7	90	65

As noted above, W-2 participants are expected to move up the tier ladder toward increasing self-sufficiency. In some cases, this appears to have happened. Sixty percent of the W-2 participants who were moved from an initial placement in the Community Service Job tier were subsequently placed in either the Case Management Only or the Trial Job tier. A similar percentage of the W-2 participants who were moved from an initial placement in the W-2 Transition tier were subsequently placed in the Case Management Only or Community Service Job tier.

The downward moves from initial placements in the Case Management Only tier to either the Community Service Job or W-2 Transition tier were not anticipated. One explanation for these downward moves is that participants were initially assessed to be more “job ready” than they actually were. Another possibility is that participants’ job readiness was accurately assessed but their circumstances or their family’s circumstances changed. For example, a participant may have become disabled or may have needed to care for another family member who became ill. A third possibility is that the Case Management Only tier may have been used as the default placement for the initial placement when there was no obvious reason to place participants in a different tier. Presumably, because participants in the Case Management Only tier are not eligible for cash benefits, this would provide a strong incentive to find employment. Finally, participants who appeared to be “job ready” but were unable to find employment may have been moved to a lower tier in order to make them eligible for cash benefits until they became employed. Inaccurate initial assessments or changed circumstances could also explain why nearly a quarter of the W-2 participants who were initially placed in the Community Service Job tier and experienced a second placement were placed in the W-2 T tier.

To get a better sense of the extent to which participants moved up the W-2 tier ladder toward increasing self-sufficiency, we examined the entire sequence of tier placements participants experienced during their first post-wave one spell. As many participants moved down the W-2 ladder as moved up the ladder, and many changed directions more than once. As already noted, these transitions could reflect the fact that initial assessments of job readiness were revised as FEPs learned more about participants or participants’ circumstances changed over time. It could also indicate that tier placements were influenced by factors other than perceived “job readiness.”

Table 5.7 also raises the question of why participants’ cases were closed. Note that 46 percent of the W-2 participants who were initially placed in the Case Management Only tier left the program from their initial placement, as did a significant minority of the participants who were initially placed in one of the lower tiers.⁴¹ One explanation for these case closures is that participants’ initial placements provided them with the services they needed to find employment (in the case of participants who were initially placed in the Case Management Only tier) or to become job ready (in the case of participants who were initially placed in the Community

⁴¹The low percentage of families remaining in their initial Caretaker of Newborn placement at wave two largely reflects the W-2 program rule that Caretaker of Newborn placements are limited to the first 12 weeks after participants give birth.

Service Job or W-2 Transition tiers). However, it is possible that at least some of these cases closed for reasons unrelated to employment.

Although CARES includes a field for the reason a case was closed, we do not yet have those data. However, we do have survey data regarding the reasons W-2 participants left the program from 438 respondents.⁴² Table 5.8 shows the 10 most common reasons these respondents gave for leaving their first post-wave one W-2 spell.⁴³

Table 5.8
10 Most Common Reasons Cited for Leaving First Post-Wave One W-2 Spell*
N = 438

	Frequency	Percentage (%)
Became employed	241	55.0
Program too much of a hassle	42	9.6
Program not helpful or benefits inadequate	27	6.2
Noncompliance with program rules	24	5.5
Missed appointment or failed to turn in paperwork	17	3.9
Increased earnings due to raise or more hours of work	14	3.2
Reached a time limit	13	3.0
Problem with FEP or agency	12	2.7
No longer living in Wisconsin	11	2.5
No longer living with a minor child	9	2.1
Other	34	7.8
Don't know	4	0.9

*Respondents could give more than one reason

By far, the most common reason respondents gave for leaving their first post-wave one W-2 spell was that they became employed. Only three other reasons were given by more than 5 percent of the respondents: perception of the program as too much of a hassle; perception of the program as being not helpful or as not providing adequate benefits; and failure to comply with program rules.⁴⁴

⁴² The reasons for case closure cited by respondents could be different from the “official” reasons coded by the FEPs when the case was closed.

⁴³ These data include both participants who left the program from their initial placement and those who left from a subsequent placement. Respondents were not provided with a list of reasons from which to choose, but interviewers selected the category that best fit respondents’ answers.

⁴⁴ Many other responses were given by fewer than 1 percent of the respondents who answered the survey question. These included: started receiving benefits from SSI or other government program; married or spouse/partner became employed; wanted to bank time on clock; moved to a different county; was incarcerated.

W-2 Service Provision

As part of their employability plan, W-2 participants are required to participate in one or more of 20 activities intended to prepare them for and remove barriers to employment.⁴⁵ These activities include a variety of employment, education, and rehabilitative services. Table 5.9 shows the percentage of the W-2 participants in our sample who were assigned to these activities during their first post-wave one W-2 spell.⁴⁶

Table 5.9
Percentage of Participants Assigned to W-2 Activities

Activities	Agency							Total
	ESN	ESW	MAXIMUS	OIC	UMOS	YWW		
<i>N</i>	143	141	123	87	112	120	726	
Work Experience	84.6	82.3	89.4	89.7	85.7	93.3	87.2	
Employment Search	79	70.9	88.6	66.7	70.5	65.8	74.1	
AODA Counseling	1.4	5.7	4.9	13.8	2.7	5.8	5.2	
Basic Education	32.2	27	71.5	64.4	24.1	30	40.1	
Caring for Disabled Child	1.4	3.6	3.3	2.3	0.9	0.8	2.1	
Caring for Family Member	17.5	12.1	8.9	1.1	3.6	5.8	9.0	
Disability Assessment	6.3	8.5	7.3	16.1	10.7	4.2	8.4	
Drivers Education	0	0	0.8	0	0	10.3	1.9	
Employment Counseling	4.2	0.7	15.4	1.2	71.4	3.3	15.3	
English as a Second Language	0	0	0	0	9.8	1.7	1.8	
GED or High School Equivalency	23.8	27.7	22.0	32.2	55.4	54.2	35.1	
Job Skill Training	24.5	24.1	36.6	28.7	38.4	16.7	7.8	
Literary Skill Training	1.4	4.3	3.3	1.1	2.7	16.7	5.0	
Mental Health Counseling	2.8	6.4	13	4.6	7.1	12.5	7.7	
Motivational Training	17.5	14.2	65	64.4	21.4	71.7	40.1	
Occupational Assessment	12.6	9.2	68.3	57.5	17	27.5	29.9	
Parenting or Life Skills Training	4.9	10.6	58.5	16.1	10.7	6.7	17.6	
Physical Rehabilitation	13.4	6.4	14.6	4.6	12.5	10	10.6	
Regular School	2.1	1.4	2.4	0	0	1.7	1.4	

⁴⁵Although CARES indicates which activities participants were assigned to each month, it provides no information about the quality of any services they received.

⁴⁶The percentages in Table 5.8 reflect the percentage of participants who were assigned to each activity, not the percentage of participants who actually engaged in each activity. Although it is possible to determine the number of hours of an activity participants completed each month, we have not analyzed those data yet.

The percentage of participants who were assigned to each activity varied according to both the activity in question and the agency at which they had applied for assistance. More than 80 percent of the W-2 participants in each of the agency samples were assigned to work experience and at least two-thirds were assigned to employment search during their first post-wave one spell. This is not surprising given that W-2 is a work program. In contrast, there were several activities to which participants were rarely assigned regardless of the agency at which they had applied for assistance. Overall, participants in the ESN and ESW samples were assigned to fewer activities than participants in the other agency samples.

During wave one interviews, respondents were asked about a number of problems that might adversely affect their ability to work, including limited formal education, mental health problems, substance abuse problems, or disabilities.⁴⁷ We examined the relationship between the problems W-2 participants reported and the activities to which they were assigned. The results of this analysis are shown in Table 5.10.

Table 5.10
Percentage of W-2 Participants Assigned to Activity for Self-Reported Problems

Problem	Percent Reporting Problem at Wave One (%)	Activity	Percent w/ Problem Assigned to Activity (%)	Percent of All Participants Assigned to Activity (%)
Less than 9 th grade education	6.1	Adult basic education, high school equivalency, GED, or regular school	83.8	60.3
9 th - 11 th grade education	44.2		79.6	
Mental health problem	21.1	Mental health counseling	16.3	7.7
Alcohol or drug abuse	5.4	AODA counseling	43.6	5.2
Disability limiting work	20.0	Disability assessment or physical rehabilitation	34.2	16.0

Approximately 80 percent of the participants without a high school diploma or GED were assigned to educational services compared to 60 percent of the total sample of program participants. Although only a third of those who reported that a disability limited their ability to work were assigned to disability assessment or rehabilitation services, this was twice the percentage of the total sample of program participants who were assigned to these activities. Similarly, although only 16 percent of the participants who had experienced a mental health problem during the prior 12 months were assigned to mental health counseling, this was 2 times the percentage of the total sample of program participants who were assigned to mental health counseling. Finally, although fewer than half of the participants who had experienced a problem with alcohol or other drugs during the same 12-month period were assigned to AODA

⁴⁷The questions about mental health and substance abuse problems referred to the 12 months prior to the wave one interview.

counseling, this was 8 times the percentage of the total sample of program participants who were assigned to AODA counseling. Thus, despite the fact that these data suggest that some W-2 participants may have had unmet service needs, W-2 participants who reported specific problems were more likely to be assigned to activities related to that problem than W-2 participants in general.⁴⁸ Moreover, it is possible that some participants were receiving services from other service providers or that they were no longer experiencing their problem by the time they began participating in the program.⁴⁹

Receipt of Cash Assistance

As noted in Chapter 2, W-2 participants are only eligible for cash benefits if they are placed in the Community Service Job, W-2 Transition, or Caretaker of Newborn tier. Of the 726 W-2 participants in our sample, 94 percent ($N = 672$) received cash assistance in at least one month between their wave one and wave two interviews. Table 5.11 shows the total number of days participants were placed in a cash assistance tier between their wave one and wave two interviews, as well as the percentage of days they were placed in a cash assistance tier while participating in the program.

Table 5.11
Days in Cash Assistance Tier Between Wave One and Wave Two Interviews

Wave One Attributes	N	Median	Mean	Days in Cash Assistance Tier as a Percentage of Days on W-2 (%)
Total	726	157.5	199.7	71
Race/Ethnicity				
Hispanic	73	196	234.4	75
White	82	150	209.8	71
African American	551	149	194.4	70
Native American	11	185	202.6	65
Other	9	52	151.3	59
Gender				
Female	703	158	199.6	70
Male	23	147	203.9	77
Education*				
Grades 0-8	31	151	212.6	76
Grades 9-11	372	191	227.2	76
High school graduate	242	114	158.8	62
GED	63	118	198.8	71
College graduate	18	128	163.1	69
Agency*				
ESN	143	145	189.2	70
ESW	141	112	155.7	74
MAXIMUS	123	171	220.0	66
OIC	87	182	217.7	70
UMOS	112	198	227.7	74
YWW	120	166	204.2	70

⁴⁸We did not have the CARES data we would need to determine whether the problems participants reported in the survey interviews had also been reported to their FEPs.

⁴⁹According to the Department of Workforce Development, changes in the assessment and screening process have been implemented that might increase the percentage of participants whose problems are identified and addressed.

Table 5.11 continued
Days in Cash Assistance Tier Between Wave One and Wave Two Interviews

Wave One Attributes	N	Median	Mean	Days in Cash Assistance Tier as a Percentage of Days on W-2 (%)
Marital Status				
Married	31	114	148	80
Divorced	42	96.5	191.8	62
Separated	53	132	154.7	66
Never married	585	166	206	71
Other	15	204	243.4	70
Age in Years*				
17-19	88	248	254.4	79
20-24	196	158	186.4	64
25-29	158	148.5	199.6	75
30-34	110	117	183.7	71
35-44	156	140	193.1	70
45+ and older	13	188	246.2	86
Missing	5	144	202.4	45
Prior Welfare Experience				
No prior experience	161	176	220.1	75
AFDC only	160	130.5	179.3	69
W-2 only	89	168	214.1	68
AFDC and W-2	316	154.5	195.7	70
Number of Resident Children				
1	311	160	209.2	72
2	184	147	188.1	67
3	120	145.5	189.7	70
4 or more	111	179	203.5	74
Employment Status*				
Currently employed	83	89	124.7	54
Employed within past 2 years	553	166	203	70
Employed more than 2 years ago	31	177	225.1	84
Never employed	59	246	268.1	87

*Indicates statistically significant differences across groups at $p < .05$.

On average, participants were placed in a cash assistance tier for a mean of nearly 200 days and a median of 157.5 days between their wave one and wave two interviews. However, there were significant differences in the mean number of days participants were placed in a cash assistance tier with respect to four attributes:

- Education: Mean number of days participants were placed in a cash assistance tier ranged from a low of 163 days among college graduates to a high of 227 days among participants who had completed 9th to 11th grade.
- Agency: Mean number of days participants were placed in a cash assistance tier ranged from a low of 156 days among ESW applicants to a high of 228 days among UMOS applicants.
- Employment status: Mean number of days participants were placed in a cash assistance tier ranged from a low of 125 days among those who were employed at wave one to a high of 268 days among those who had never been employed before.
- Age: Mean number of days participants were placed in a cash assistance tier ranged from a low of 184 days among 30- to 34-year-olds to a high of 254 days among 17- to 19-year-

olds.⁵⁰

Overall, participants were placed in a cash assistance tier 71 percent of the days their W-2 case was open.⁵¹ Although there were no significant differences across the agency samples, there were significant differences with respect to three other attributes:

- Education: Percentage of days placed in a cash assistance tier ranged from a low of 54 percent among high school graduates to a high of 76 percent among participants without a high school diploma or GED.
- Age: Percentage of days placed in a cash assistance tier ranged from a low of 64 percent among 20- to 24-year-olds to a high of 86 percent among participants age 45 and older.⁵²
- Employment status: Percentage of days placed in a cash assistance tier ranged from a low of 54 percent among participants who were employed at wave one to a high of 87 percent among participants who had never been employed before.

Mean and median W-2 cash benefits were \$545 per month and \$548 per month, respectively. This is noticeably less than the \$628 for which participants in the W-2 Transition tier are potentially eligible or the \$673 for which participants in the Community Service Job tier are potentially eligible. In part, the difference between the maximum benefit for which participants were eligible and the amount they actually received reflects the effects of sanctions—the topic to which we now turn.⁵³

Sanctions

As noted in Chapter 2, W-2 participants are sanctioned for each hour of assigned activities they fail to complete.⁵⁴ Because sanctioning involves a reduction in cash benefits, participants are only at risk of being sanctioned while they are placed in one of the two cash assistance tiers (i.e., Community Service Job or W-2 Transition).⁵⁵ Among the 672 respondents in our sample who were placed in a cash assistance tier, 69 percent ($N = 465$) were sanctioned in at least one month between their wave one and wave two interviews. Table 5.12 shows the percentage of W-2 participants in our sample who were sanctioned in at least one month.

⁵⁰This excludes the five sample members whose age could not be determined.

⁵¹This figure was derived by dividing the mean number of days in a cash assistance tier (i.e., 200) by the mean number of days on W-2 (i.e., 307).

⁵²This excludes the five sample members whose age could not be determined.

⁵³We do not analyze the relationship between wave one attributes and the amount of W-2 cash benefits participants received each month because the latter will be inversely related to the amount that participants were sanctioned. It is also a function of the tier in which they were placed.

⁵⁴Specifically, participants' monthly cash benefit is reduced by an amount equal to the minimum wage multiplied by the number of hours of activity they missed.

⁵⁵Because parents who are caring for a newborn infant are not required to participate in work activities, they are not subject to sanctions.

Table 5.12
Participants Sanctioned Between Wave One and Wave Two

Wave One Attributes	N	Frequency	Percentage (%)
Total	672	465	69.2
Race/Ethnicity*			
Hispanic	70	44	62.9
White	74	35	47.3
African American	508	377	74.2
Native American	11	6	54.6
Other	9	3	33.3
Gender			
Female	652	450	69.0
Male	20	15	75.0
Education*			
Grades 0-8	31	19	61.3
Grades 9-11	350	275	78.6
High school graduate	220	125	56.9
GED	57	36	63.2
College graduate	14	10	71.4
Employment Status*			
Currently employed	72	36	50.0
Employed within past 2 years	514	358	69.7
Employed more than 2 years ago	29	24	82.8
Never employed	57	47	82.5
Agency*			
ESN	143	98	68.5
ESW	141	93	66.0
MAXIMUS	123	70	56.9
OIC	87	56	64.4
UMOS	112	56	50.0
YWW	120	101	84.2
Marital Status			
Married	28	17	60.7
Divorced	38	20	52.6
Separated	48	31	64.6
Never married	543	388	71.5
Other	15	9	60

Table 5.12 continued
Ever Sanctioned Between Wave One and Wave Two

Wave One Attributes	N	Median	Mean
Age in Years*			
17-19	87	70	80.5
20-24	188	129	68.6
25-29	144	97	67.4
30-34	97	66	68.0
35-44	140	96	68.6
45+ and older	11	5	45.5
Missing	5	2	40.0
Prior Welfare Experience*			
No prior experience	154	99	64.3
AFDC only	146	91	62.3
W-2 only	84	62	73.8
AFDC and W-2	288	213	74.0
Number of Resident Children*			
1	295	192	65.1
2	168	121	72.0
3	107	71	66.4
4 or more	102	81	79.4

* Indicates statistically significant differences across groups at $p < .05$.

Although 69 percent of the cash assistance recipients were sanctioned in at least one month, there were statistically significant differences in the likelihood of being sanctioned with respect to several attributes.

- Race/ethnicity: Sanctioning rates ranged from a low of 47 percent among white sample members to a high of 74 percent among African Americans.⁵⁶
- Age: Sanctioning rates ranged from a low of 46 percent among sample members who were at least 45 years old to a high of 86 percent among 17- to 19-year-old sample members.⁵⁷
- Employment status: Sanctioning rates ranged from a low of 50 percent among sample members who were employed at wave one to a high of 83 percent among sample members who had last been employed more than two years before their wave one interview.
- Education: Sanctioning rates ranged from a low of 57 percent among high school graduates to a high of 79 percent among sample members who had completed 9th to 11th grade.⁵⁸

⁵⁶This excludes the nine participants categorized as “other.”

⁵⁷This excludes the five participants whose age could not be determined.

⁵⁸One explanation for why more than half of the participants with college degrees were sanctioned is that these individuals may have found employment and stopped participating in the program without informing their FEP. In any case, the sample size is too small for the estimate to be reliable.

- Number of resident children: Sanctioning rates ranged from a low of 65 percent among sample members with one resident child to a high of 79 percent among sample members with four or more resident children.
- Prior welfare experience: Sanctioning rates ranged from a low of 62 percent among sample members who had experience with AFDC but not W-2 to a high of 74 percent among sample members who had experience with both W-2 and AFDC.
- Agency: Sanctioning rates ranged from a low of 50 percent among UMOS applicants to a high of 84 percent among YWW applicants.

Because sanctions vary depending on the number of hours of assigned activities participants fail to complete, it is important to consider not only whether participants were sanctioned but also how much. Table 5.13 examines the relationship between the amount participants were sanctioned for each post-wave one month they were in a cash assistance tier and their wave one attributes.

Table 5.13
Amount Sanctioned per Month in Cash Assistance Tier Between Wave One and Wave Two

Wave One Attributes	N	Median (\$)	Mean (\$)
Total	465	135	187
Race/Ethnicity*			
Hispanic	44	101	158
White	35	82	122
African American	377	153	197
Native American	6	67	111
Other	3	348	259
Gender*			
Female	450	132	185
Male	15	204	257
Education*			
Grades 0-8	19	135	153
Grades 9-11	275	155	201
High school graduate	125	116	152
GED	36	128	208
College graduate	10	133	236
Employment Status			
Never employed	36	93	146
Employed more than 2 years ago	358	140	189
Employed within past 2 years	24	140	253
Currently employed	47	105	168

Table 5.13 continued

Amount Sanctioned per Month in Cash Assistance Tier Between Wave One and Wave Two

Wave One Attributes	N	Median (\$)	Mean (\$)
Agency*			
ESN	98	137	193
ESW	88	169	226
MAXIMUS	68	112	172
OIC	54	100	152
UMOS	56	18	112
YWW	101	201	218
Marital Status			
Married	17	116	204
Divorced	20	121	184
Separated	31	212	227
Never married	588	134	184
Other	9	87	142
Age in Years			
17-19	70	97	150
20-24	129	135	174
25-29	97	128	192
30-34	66	140	187
35-44	96	189	226
45+ and older	5	140	164
Missing	2	234	234
Prior Welfare Experience			
No prior experience	99	103	151
AFDC only	91	122	185
W-2 only	62	120	169
AFDC and W-2	213	173	210
Number of Resident Children			
1	192	138	189
2	121	130	181
3	71	159	194
4 or more	81	129	186

* Indicates statistically significant differences across groups at $p < .05$.

Among participants who were sanctioned at least once, the mean and median monthly sanction amounts were \$187 and \$135, respectively. There were significant differences in the mean amount participants were sanctioned associated with three attributes.

- Gender: Mean monthly sanctions were higher for male participants than female participants.
- Race/ethnicity: Mean monthly sanctions ranged from a low of \$111 among Native American participants to a high of \$197 among African American participants.⁵⁹

⁵⁹This excludes the three participants categorized as “other.”

- Agency: Mean monthly sanctions ranged from a low of \$112 among UMOS applicants to a high of \$226 among ESW applicants.

Summary

Perhaps the most important finding reported in this chapter is the cross-agency variation in the experiences of the W-2 participants in our sample. The length of time participants remained on W-2, their initial tier placements, the activities to which they were assigned, the number of days they were eligible for cash assistance, their likelihood of being sanctioned, and the amount their cash benefits were reduced because of sanctions was related to the W-2 agency at which they had applied for assistance. What is not clear from our data is whether this variation is due to differences in the way W-2 is administered by different agencies or to differences in the attributes of the participants each agency serves.

CHAPTER 6 EMPLOYMENT AND EARNINGS

Introduction

This chapter focuses on sample members' employment and earnings following their wave one interview. We examine the relationship between respondent attributes at wave one and our employment and earnings measures. We also compare the employment and earnings of the 726 sample members who participated in W-2 with the employment and earnings of the 356 who did not.

Although our wave two survey instrument included questions dealing with employment and earnings, the results we report in this chapter are based primarily on our analysis of Unemployment Insurance (UI) data.⁶⁰ Because all Wisconsin employers who are covered under the state's unemployment insurance law are required to report, on a quarterly basis, the total amount of wages paid to each of their employees, UI data are a reliable source of information about earnings from covered employment. However, the UI data are limited in two important respects. First, Wisconsin's UI data file provides no information about earnings from employment that is not covered under the state's unemployment insurance laws or from employers in other states.⁶¹ To the extent that sample members were engaged in uncovered employment and/or were employed outside of Wisconsin, the UI data will underestimate both the percentage of sample members who were employed and the amount they earned.^{62, 63} Second, the UI data file provides no information about the hourly wages, the number of hours worked, or the dates of employment. Although it is possible to determine the number of quarters in which sample members were employed, this is, at best, a crude measure of employment.

⁶⁰We had initially intended to use both the self-reported data from the wave two interviews and the Unemployment Insurance data in our analysis of employment and earnings, and we expected to find some discrepancies between the two data sources. We assumed that respondents would be as likely to overreport as to underreport their earnings, and that we could use the self-reported data to estimate respondents' earnings from uncovered employment. However, a preliminary analysis indicated that the earnings reported by respondents were consistently less than those provided by the UI data. This is contrary to what one would expect if respondents were reporting wages from uncovered employment that the UI data did not capture.

⁶¹As noted in Chapter 2, approximately 94 percent of Wisconsin workers are engaged in covered employment (Terry Ludeman, Wisconsin Department of Workforce Development, personal communication, June 10, 2002). The percentage of workers engaged in uncovered employment could differ across particular subgroups, such as the one with which this study is concerned.

⁶²Thirty-two of the wave two respondents who reported that they had been employed during the 12 months prior to their wave two interview had nonzero earnings for the four quarters prior to the quarter of their wave two interview according to the UI data. However, this does not necessarily mean that only 32 wave two respondents were engaged in uncovered employment. In addition to the fact that the UI and survey data refer to somewhat different periods, some respondents may have been engaged in both covered and uncovered employment. Others may have chosen not to disclose their uncovered employment to the survey interviewers.

⁶³More difficult to explain is why 246 of the wave two respondents who said that they had not worked at all during the 12 months prior to their wave two interview had nonzero earnings for the four quarters prior to their wave two interview according to the UI data.

Employment

Table 6.1 shows the percentage of sample members who were employed in at least one of the four quarters following the quarter of their wave one interview.

Table 6.1
Employment During the Four Quarters Following the Quarter of the Wave One Interview

Wave One Attributes	N	Percentage Employed (%)
Total	1,082	76.7
Race		
Hispanic	122	68.9
White	114	73.7
African American	815	78.2
Native American	18	88.9
Other	13	69.2
Gender		
Female	1,038	76.8
Male	44	75
Education		
Grades 0-8	45	68.9
Grades 9-11	569	75
High school graduate	358	79.6
GED	82	78.1
College graduate	28	82.1
Agency		
ESN	196	76.5
ESW	195	79.5
MAXIMUS	183	76
OIC	138	81.9
UMOS	192	73.4
YWW	178	74.2
Marital Status		
Married	54	72.2
Divorced	69	71
Separated	79	78.5
Never married	860	77.3
Other	20	75
Age in Years		
17-19	141	77.3
20-24	289	82.4
25-29	228	74.1
30-34	168	74.4
35-44	225	73.8
45+ and older	26	69.2
Missing	5	100

Table 6.1 continued
Employment During the Four Quarters Following the Quarter of the Wave One Interview

Wave One Attributes	<i>N</i>	Percentage Employed (%)
Prior Welfare Experience		
Neither	307	75.9
AFDC only	307	75.6
W-2 only	100	80
AFDC and W-2	368	77.5
Number of Resident Children*		
1	447	80.3
2	278	73.7
3	179	79.9
4 or more	178	69.1
Employment Status*		
Currently employed	133	87.2
Employed within past 2 years	806	79.4
Employed more than 2 years ago	42	47.6
Never employed	100	53.0
Missing	1	100

* Indicates statistically significant differences across groups at $p < .05$.

Nearly 77 percent of the respondents in our sample were employed in at least one of the four quarters following the quarter of their wave one interview. However, there were statistically significant differences in the likelihood of being employed with respect to two attributes.

- Number of resident children: Employment rates ranged from a low of 69 percent among sample members with four or more children to a high of 80 percent among sample members with only one child.
- Employment status: Employment rates ranged from a low of 48 percent among sample members who had last been employed more than two years before their wave one interview to a high of 87 percent among sample members who were employed at wave one.

Table 6.2 compares the employment of sample members who participated in W-2 between their wave one and wave two interviews with the employment of sample members who did not participate in the program.⁶⁴

⁶⁴Because this report is primarily descriptive in nature, we do not deal with the problems of sample selection that arise due to unobservable differences between the W-2 participants and nonparticipants that may also affect employment outcomes.

Table 6.2
Employment During the Four Quarters Following the Quarter of the Wave One Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes	W-2 Participants		Nonparticipants	
	N	Percentage Employed (%)	N	Percentage Employed (%)
Total	726	78.1	356	73.9
Race*				
Hispanic	73	75.3	49	59.2
White	82	79.3	32	59.4
African American	551	77.9	264	78.8
Native American	11	90.9	7	85.7
Other	9	88.9	4	25.0
Gender				
Female	703	78.2	335	73.7
Male	23	73.9	21	76.2
Education				
Grades 0-8	31	67.7	14	71.4
Grades 9-11	372	75.5	197	74.1
High school graduate	242	82.2	116	74.1
GED	63	79.4	19	73.7
College graduate	18	88.9	10	70
Agency*				
ESN	143	76.9	53	75.5
ESW	141	77.3	54	85.2
MAXIMUS	123	78.1	60	71.7
OIC	87	78.2	51	88.2
UMOS	112	81.3	80	62.5
YWW	120	77.5	58	67.2
Marital Status				
Married	31	74.2	23	69.6
Divorced	42	73.8	27	66.7
Separated	53	83	26	69.2
Never married	585	78	275	76
Other	15	86.7	5	40
Age in Years				
17-19	88	79.6	53	73.6
20-24	196	85.7	93	75.3
25-29	158	75.3	70	71.4
30-34	110	76.4	58	70.7
35-44	156	71.8	69	78.3
45+ and older	13	69.2	13	69.2
Missing				
Prior Welfare Experience				
Neither	161	82	146	69.2
AFDC only	160	76.3	147	74.8
W-2 only	89	78.7	11	90.9
AFDC and W-2	316	76.9	52	80.8

Table 6.2 continued
Employment During the Four Quarters Following the Quarter of the Wave One Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes	W-2 Participants		Nonparticipants	
	<i>N</i>	Percentage Employed (%)	<i>N</i>	Percentage Employed (%)
Number of Resident Children				
1	311	83	136	74.3
2	184	76.6	94	68.1
3	120	78.3	59	83.1
4 or more	111	66.7	67	73.1
Employment Status				
Currently employed	83	94	50	76
Employed within past 2 years	553	79.9	253	78.3
Employed more than 2 years ago	31	45.2	11	54.6
Never employed	59	55.9	41	48.8
Missing	0		1	100

* Indicates statistically significant differences across groups at $p < .05$.

Although a greater percentage of W-2 participants than nonparticipants was employed, the difference was not statistically significant. There were, however, interactions involving two of the attributes we measured at wave one.

- Agency: Employment rates for nonparticipants ranged from 63 percent among UMOS applicants to 88 percent among OIC applicants. For W-2 participants, employment rates ranged from 77 percent among ESN applicants to 81 percent among UMOS applicants. Whether this relationship reflects some sort of selection effect or whether it is an agency effect cannot be determined from this analysis.
- Race/ethnicity: For nonparticipants, employment rates ranged from a low of 59 percent among Hispanic and white sample members to a high of 79 percent among African American sample members. For W-2 participants, employment rates ranged from a low of 75 percent among Hispanic sample members to a high of 91 percent among Native American sample members.⁶⁵

Earnings

Table 6.3 shows total earnings for the four quarters following the quarter of the wave one interview. These data are limited to the 830 sample members who were employed in at least one of the four quarters following their wave one interview.

⁶⁵This excludes the four nonparticipants categorized as “other.”

Table 6.3
Total Earnings for the Four Quarters Following the Quarter of the Wave One Interview

Wave One Attributes	N	Median (\$)	Mean (\$)
Total	830	4,130.5	6,183
Race/Ethnicity			
Hispanic	84	4,767.5	6,283
White	84	4,712.5	6,729
African American	637	3,995	6,091
Native American	16	3,178.5	6,990
Other	9	5,651	5,205
Gender*			
Female	797	4,058	6,076
Male	33	6,466	8,775
Education*			
Grades 0-8	31	2,793	4,275
Grades 9-11	427	2,797	4,507
High school graduate	285	7,834	8,806
GED	64	3,846	4,751
College graduate	23	8,139	11,349
Agency			
ESN	150	3,825	5,892
ESW	155	5,005	6,548
MAXIMUS	139	3,975	6,157
OIC	113	3,032	5,292
UMOS	141	4,216	6,453
YWW	132	4,589.5	6,586
Marital Status*			
Married	39	7,026	7,844
Divorced	49	7,453	8,933
Separated	62	4,472.5	6,400
Never married	655	3,931	5,940
Other	15	2,669	2,740
Age in Years*			
17-19	109	2,186	3,511
20-24	238	3,889.5	5,973
25-29	169	5,143	6,432
30-34	125	5,444	7,197
35-44	166	5,202	7,042
45+ and older	18	6,589.5	7,234
Missing	5	9,866	8,351

Table 6.3 continued
Total Earnings for the Four Quarters Following the Quarter of the Wave One Interview

Wave One Attributes	<i>N</i>	Median (\$)	Mean (\$)
Prior Welfare Experience			
Neither	233	3,565	6,012
AFDC only	232	4,235.5	6,613
W-2 only	80	4,395	6,152
AFDC and W-2	285	4,383	5,982
Number of Resident Children			
1	359	4,399	6,257
2	205	4,314	6,437
3	143	3,749	6,444
4 or more	123	3,563	5,239
Employment Status*			
Currently employed	116	8,001.5	9,780
Employed within past 2 years	640	4,000.5	5,820
Employed more than 2 years ago	20	679	3,781
Never employed	53	1,028	3,525
Missing	1	9,934	9,934

* Indicates statistically significant differences across groups at $p < .05$.

Both the mean and median earnings of this sample were very low—\$6,183 and \$4,131, respectively. There were, however, statistically significant differences in mean earnings with respect to several attributes.

- Gender: Male sample members earned more than female sample members.
- Marital status: Mean earnings ranged from a low of \$2,740 among sample members whose marital status was categorized as “other” to a high of \$8,933 among divorced sample members.
- Age: Mean earnings ranged from a low of \$3,511 among 17- to 19-year-old sample members to a high of \$7,234 among sample members who were at least 45 years old.⁶⁶
- Educational attainment: Mean earnings ranged from a low of \$4,275 among sample members who had completed less than ninth grade to a high of \$11,349 among college graduates.⁶⁷
- Employment status: Mean earnings ranged from a low of \$3,525 among sample members who had never been employed to a high of \$9,780 among sample members who were employed at wave one.

It is possible that the earnings data shown in Table 6.3 significantly underestimate the earnings of the respondents in our sample because we did not take earnings from uncovered employment into account. However, it is unlikely that the percentage of sample members engaged in un-

⁶⁶This excludes the five sample members whose age could not be determined.

⁶⁷Although we did not test the statistical significance of the difference in earnings between groups, it is worth noting that high school graduates earned considerably more than those who did not have a high school diploma but did have a GED.

covered employment was very high. First, as noted above, 94 percent of Wisconsin workers are engaged in covered employment. Although this percentage may be lower among some subgroups in the population—including the low-income population with which we are concerned—we have some evidence from our survey data that this is not the case. Specifically, our UI data included earnings for every sample member who indicated that she or he had been employed between their wave one and wave two interview. Of course, some sample members may have had earnings from both covered and uncovered employment. However, even if they earned as much from uncovered employment as from covered employment, their total earnings for the four quarters would still be very low.

Table 6.4 compares the earnings of sample members who participated in W-2 between their wave one and wave two interviews with the earnings of sample members who did not participate in the program.

Table 6.4
Earnings for the Four Quarters Following the Quarter of the Wave One Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes	W-2 Participants			Nonparticipants		
	N	Median (\$)	Mean (\$)	N	Median (\$)	Mean (\$)
Total	567	4,187	6,117	263	3,975	6,326
Race/Ethnicity						
Hispanic	55	4,893	6,350	29	3,848	6,155
White	65	4,561	688	19	5,143	6,186
African American	429	4,044	5,955	208	3,924	6,372
Native American	10	3,178.5	7,176	6	4,025	6,681
Other	8	5,830.5	5,576	1	2,235	2,235
Gender						
Female	550	4,096.5	6,006	247	3,975	6,231
Male	17	7,219	9,698	16	4,724	7,794
Education						
Grades 0-8	21	2,956	4,577	10	1,411.5	3,642
Grades 9-11	281	2,868	4,473	146	2,628.5	4,574
High school graduate	199	7,383	8,492	86	9,012.5	9,532
GED	50	3,935.5	1,553	14	2,972	5,456
College graduate	16	8,586.5	12,349	7	7,783	9,061
Agency						
ESN	110	3,935.5	6,000	40	2,598.5	3,518
ESW	109	4,437	6,360	46	7,139.5	5,911
MAXIMUS	96	4,523	6,139	43	3,347	7,539
OIC	68	3,196.5	5,021	45	2,820	7,584
UMOS	91	4,457	6,819	50	774	6,876
YWW	93	3,931	6,060	39	6,806	5,957
Marital Status						
Married	23	6,352	7,301	16	7,712.5	8,624
Divorced	31	5,211	8,637	18	8,683	9,442
Separated	44	6,137.5	7,157	18	2,062.5	4,548
Never married	456	3,993	5,873	209	3,848	6,088
Other	13	2,988	3,045	2	757.5	758

Table 6.4 continued
Earnings for the Four Quarters Following the Quarter of the Wave One Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes	W-2 Participants			Nonparticipants		
	N	Median (\$)	Mean (\$)	N	Median (\$)	Mean (\$)
Age in Years						
17-19	70	2,210	3,507	39	1,892	3,518
20-24	168	3,973.5	5,999	70	3,831.5	5,911
25-29	119	4,561	5,967	50	7,151	7,539
30-34	84	5,489.5	7,007	41	4,006	7,584
35-44	112	4,994.5	7,122	54	5,517	6,876
45+ and older	9	9,253	8,510	9	2,464	5,957
Missing	5	9,866	8,351	0		
Prior Welfare Experience						
Neither	132	3,316.5	5,749	101	4,455	6,356
AFDC only	122	5,457.5	7,353	110	3,169	5,792
W-2 only	70	4,395	6,001	10	5,748.5	7,206
AFDC and W-2	243	4,135	5,729	42	6,717	7,445
Number of Resident Children						
1	258	4,360.5	6,138	101	4,568	6,561
2	141	5,213	6,752	64	3,399	5,742
3	94	3,677	6,521	49	3,879	6,297
4 or more	74	3,174	4,316	49	5,174	6,633
Employment Status						
Currently employed	78	8,002	9,634	38	8,156	10,079
Employed within past 2 years	442	4,030	5,878	198	3,790	5,691
Employed more than 2 years ago	14	593	2,662	6	704	6,390
Never employed	33	829	2,457	20	1,297	5,285
Missing	0			1	9,934	9,934

* Indicates statistically significant differences across groups at $p < .05$.

Although W-2 participants earned approximately \$200 less over the four quarters than non-participants, this difference was not statistically significant. Moreover, there were no interactions involving the attributes we measured at wave one. It could be argued that our finding of no difference between W-2 participants and nonparticipants is an artifact of selection. That is, if W-2 participants were selected into the program because their employment prospects were so poor, then our results could indicate a positive program effect. In other words, W-2 participants might have had even lower earnings had they not participated in the program. At this stage in our analysis, we cannot rule out this possibility.

An obvious question to ask is whether there was any increase in sample members' earnings over time. To address this question, we compared their total earnings for the four quarters prior to the quarter of their wave one interview with their total earnings for the four quarters prior to the quarter of their wave two interview. This comparison is shown in Table 6.5.⁶⁸

⁶⁸Our categorization of sample members as "currently employed," "last employed within the past two years," "last employed more than two years ago," and "never employed" was based on survey data from wave one—not on UI data. We had almost completed the analyses for this chapter when we decided to use the UI data to compare earnings prior to wave one with earnings prior to wave two. At that point we discovered that 29 of the respondents

Table 6.5
Earnings for the Four Quarters Prior to the Quarter of the Wave One Interview
Compared with Earnings for the Four Quarters Prior to the Quarter of the Wave Two Interview

Wave One Attributes	<i>N</i>	Four Quarters Prior to Quarter of Wave One Interview		Four Quarters Prior to Quarter of Wave Two Interview	
		Median (\$)	Mean (\$)	Median (\$)	Mean (\$)
Total*	1082	2,617	4,718	2,312.5	5,107
Race/Ethnicity*					
Hispanic	122	1,381.5	4,210	1,745.5	4,652
White	114	4,016	5,732	2,272.5	4,810
African American	815	2,531	4,700	2,458	5,207
Native American	18	1,360.5	3,043	3,027	6,599
Other	13	3,783	4,009	2,235	3,658
Gender					
Female	1038	2,551	4,649	2,274	5,063
Male	44	3,764	6,341	3,118.5	6,151
Education					
Grades 0-8	45	200	3,034	631	3,407
Grades 9-11	569	1,312	3,545	1,380	3,642
High school graduate	358	5,293	6,687	5,940	7,593
GED	82	2,602	4,302	2,121.5	3,986
College graduate	28	5,586.5	7,314	4,361	9,116
Agency					
ESN	196	3,134.5	4,933	2,302.5	5,052
ESW	195	3,886	5,277	3,333	5,694
MAXIMUS	183	2,584	4,790	2,501	5,166
OIC	138	1,477.5	3,735	2,102	4,837
UMOS	192	2,250.5	4,654	2,067.5	4,771
YWW	178	3,264.5	4,628	1,902.5	5,038
Marital Status					
Married	54	3,866	5,911	5,042.5	6,600
Divorced	69	4,288	5,972	2,880	5,987
Separated	79	2,619	4,540	3,036	5,126
Never married	860	2,514	4,602	2,213	4,997
Other	20	311.5	2,851	988	2,722

who had told us at wave one that they had either never been employed or had last been employed more than two years ago had earnings in at least one of the four quarters prior to their wave one interview, according to the UI data. One possible explanation for the discrepancy between the UI and survey data is that respondents thought that current or former employment might jeopardize their eligibility for benefits. However, we have no data to support this. We will continue to investigate this discrepancy and may change our categorization of these 29 respondents in future reports.

Table 6.5 continued
Earnings for the Four Quarters Prior to the Quarter of the Wave One Interview
Compared with Earnings for the Four Quarters Prior to the Quarter of the Wave Two Interview

Wave One Attributes	N	Four Quarters Prior to Quarter of Wave One Interview		Four Quarters Prior to Quarter of Wave Two Interview	
		Median (\$)	Mean (\$)	Median (\$)	Mean (\$)
Age in Years					
17-19	141	633	2,089	1,233	3,093
20-24	289	2,790	4,575	2,666	5,431
25-29	228	3,778	5,139	2,517.5	5,173
30-34	168	3,800	5,589	2,953.5	5,745
35-44	225	3,535	5,467	2,487	5,386
45+ and older	26	2,706	4,396	707	4,807
Missing	5	3,762	6,578	9,334	7,787
Prior Welfare Experience					
Neither	307	1,950	4,363	1,979	4,737
AFDC only	307	2,564	5,251	2,455	5,565
W-2 only	100	4,228.5	4,708	3,113	5,266
AFDC and W-2	368	3,275.5	4,573	2,448.5	4,992
Number of Resident Children					
1	447	3,338	5,151	3,046	5,365
2	278	2,224.5	4,450	2,212.5	5,182
3	179	2,916	5,150	2,165	5,504
4 or more	178	1,476	3,615	1,329.5	3,945
Employment Status					
Currently employed	133	7,152	8,530	7,831	8,934
Employed within past 2 years	806	3,253	4,802	2,644.5	4,994
Employed more than 2 years ago	42	0	47	15.5	2,189
Never employed	100	0	947	58.5	2,107
Missing	1	3,340	3,340	9,934	9,934

* Indicates statistically significant differences across groups at $p < .05$.

Mean total earnings for the four quarters prior to the quarter of the wave two interview (\$5,107) were significantly higher than for the four quarters prior to the quarter of the wave one interview (\$4,718).⁶⁹ In addition, there was an interaction involving race/ethnicity. Specifically, mean total earnings for the four quarters prior to the quarter of the wave one interview ranged from a low of \$3,043 among Native American sample members to a high of \$5,732 among sample members categorized as “other.” By contrast, mean total earnings for the four quarters prior to the quarter of the wave two interview ranged from a low of \$3,658 among sample members categorized as “other” to a high of \$6,599 among Native American sample members.

We then examined whether the difference between total earnings for the four quarters prior to the quarter of the wave one interview and total earnings for the four quarters prior to the quarter of

⁶⁹Note, however, that median total earnings were actually lower during the post-wave one period. This reflects the fact that more than twice as many respondents had earnings of at least \$25,000 during the four quarters following the quarter of the wave one interview ($N = 7$) than during the four quarters prior to the quarter of the wave two interview ($N = 18$).

the wave two interview was the same for sample members who had participated in W-2 as for those who had not. Table 6.6 shows the difference between total earnings for the four quarters prior to the quarter of the wave one interview and total earnings for the four quarters prior to the quarter of the wave two interview for W-2 participants and nonparticipants.

Table 6.6
Difference Between Total Earnings for the Four Quarters Prior to the Quarter of the Wave One Interview
and Total Earnings for the Four Quarters Prior to the Quarter of the Wave Two Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes	W-2 Participants		Nonparticipants	
	N	Mean Difference (\$)	N	Mean Difference (\$)
Total*	726	9.2	356	1,164.6
Race/Ethnicity				
Hispanic	73	88.3	49	969.9
White	82	-1,386.5	32	257.7
African American	551	129.3	264	1,295.8
Native American	11	3,824.2	7	3,135.3
Other	9	73.1	4	-1,307
Gender				
Female	703	13.9	335	1,253.4
Male	23	-132.1	21	-252.9
Education				
Grades 0-8	31	267.3	14	608.4
Grades 9-11	372	-122.7	197	513.2
High school graduate	242	211.9	116	2,355.3
GED	63	-619.5	19	689.6
College graduate	18	1,766	10	1,865.9
Agency				
ESN	143	-287.2	53	1,216.2
ESW	141	225.8	54	917.7
MAXIMUS	123	54.8	60	1,035.3
OIC	87	403.6	51	2,293.3
UMOS	112	-439.5	80	896.7
YWW	120	194.2	58	857.9
Marital Status				
Married	31	923.8	23	373
Divorced	42	-1,860.4	27	2,934.6
Separated	53	757.2	26	238.3
Never married	585	31.6	275	1,166.4
Other	15	-160.5	5	-35.6
Age in Years				
17-19	88	871.1	53	1,225.1
20-24	196	591.1	93	1,412.8
25-29	158	-428.6	70	1,078.6
30-34	110	-285	58	992.4
35-44	156	.707.8	69	1,335.3
45+ and older	13	1,355.8	13	-533.5
Missing	5	1,209	0	

Table 6.6 continued
Difference Between Total Earnings for the Four Quarters Prior to the Quarter of the Wave One Interview
and Total Earnings for the Four Quarters Prior to the Quarter of the Wave Two Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes	W-2 Participants		Nonparticipants	
	N	Mean Difference (\$)	N	Mean Difference (\$)
Prior Welfare Experience				
Neither	161	-61.9	146	854.9
AFDC only	160	-523.2	147	1,225.1
W-2 only	89	423	11	1,650.2
AFDC and W-2	316	198.5	52	1,760.2
Number of Resident Children				
1	311	-311.5	136	1,413.2
2	184	777.2	94	644.8
3	120	-64.6	59	1,208.2
4 or more	111	-285.4	67	1,350.6
Employment Status				
Currently employed	83	226.8	50	697.1
Employed within past 2 years	553	-192.3	253	1,033.5
Employed more than 2 years ago	31	1154	11	4,926.6
Never employed	59	990.7	41	1,401.6
Missing	0		1	6,594

* Indicates statistically significant differences across groups at $p < .05$.

The increase in earnings between the four quarters prior to the quarter of the wave one and the wave two interviews was significantly higher among the nonparticipants than among the W-2 participants. In part, this reflects the fact that W-2 participants would not have been employed during the period of time they were receiving cash assistance. However, there were no interactions involving the attributes we measured at wave one.

Aggregating employment or earnings over four quarters may obscure important changes over time. To deal with this potential problem, we examined employment and quarterly earnings in each quarter beginning with the fourth quarter prior to the quarter of the wave one interview through the fourth quarter following the quarter of the wave one interview. We also examined whether the changes in employment and/or earnings among W-2 participants were the same as or different from the changes in employment and/or earnings among nonparticipants.

Table 6.7 shows the percentage of sample members who were employed in each of the four quarters prior to the quarter of the wave one interview, the percentage who were employed in the quarter of the wave one interview, and the percentage who were employed in each of the four quarters following the quarter of the wave one interview. These results are also presented separately for W-2 participants and nonparticipants.

Table 6.7
Pre- and Post-Wave One Employment by Quarter
Percentage Employed (%)

	4th Quarter Prior to Quarter of Wave 1 Interview	3rd Quarter Prior to Quarter of Wave 1 Interview	2nd Quarter Prior to Quarter of Wave 1 Interview	1st Quarter Prior to Quarter of Wave 1 Interview	Quarter of Wave 1 Interview	1st Quarter After Quarter of Wave 1 Interview	2nd Quarter After Quarter of Wave 1 Interview	3rd Quarter After Quarter of Wave 1 Interview	4th Quarter After Quarter of Wave 1 Interview
Total Sample	53.5	57.3	59.3	56.5	55.3	54.1	57.4	56.1	56.1
W-2 Participants	58.1	61.4	63.4	59.4	56.2	53.4	59.2	57.4	57.3
Nonparticipants	44.1	48.9	51.1	50.6	53.4	55.3	53.7	53.4	53.7

There were no consistent trends in the percentage of sample members who were employed over these nine quarters. The percentage employed ranged from a low of 53.5 percent four quarters prior to the quarter of the wave one interview to a high of 59.3 percent two quarters following the quarter of the wave one interview. With the exception of the first quarter following the quarter of the wave one interview, W-2 participants were more likely to be employed in any given quarter than were respondents who did not participate. However, this difference was only significant in the four quarters prior to the quarter of the wave one interview. In this respect, and contrary to what one might expect, the W-2 participants appear to have been a more advantaged group prior to their wave one interview than the nonparticipants.

Table 6.8 shows the median quarterly earnings of sample members who were employed in each of the four quarters prior to the quarter of the wave one interview, the mean quarterly earnings of sample members who were employed in the quarter of their wave one interview, and the mean quarterly earnings of sample members who were employed in each of the four quarters following the quarter of the wave one interview. As before, the results are also presented separately for W-2 participants and nonparticipants.

Table 6.8
Pre- and Post-Wave One Earnings by Quarter
 Median Quarterly Earnings (\$)

	4th Quarter prior to Quarter of Wave 1 Interview	3 rd Quarter prior to Quarter of Wave 1 Interview	2nd Quarter prior to Quarter of Wave 1 Interview	1st Quarter prior to Quarter of Wave 1 Interview	Quarter of Wave 1 Interview	1st Quarter after Quarter of Wave 1 Interview	2nd Quarter after Quarter of Wave 1 Interview	3rd Quarter after Quarter of Wave 1 Interview	4th Quarter after Quarter of Wave 1 Interview
Total Sample	1,769 <i>N</i> = 579	1,723 <i>N</i> = 620	1,817 <i>N</i> = 642	1,519 <i>N</i> = 611	816.5 <i>N</i> = 598	1,110 <i>N</i> = 585	1,819 <i>N</i> = 621	1,771 <i>N</i> = 607	1,954 <i>N</i> = 607
W-2 Participants	1,778.5 <i>N</i> = 422	1,725 <i>N</i> = 446	1,812.5 <i>N</i> = 460	1,508 <i>N</i> = 431	760 <i>N</i> = 408	1,182 <i>N</i> = 388	1,754.5 <i>N</i> = 430	1,664 <i>N</i> = 417	1,948.5 <i>N</i> = 416
Nonparticipants	1,696 <i>N</i> = 157	1,700 <i>N</i> = 174	1,842.5 <i>N</i> = 182	1,661.5 <i>N</i> = 180	1,092.5 <i>N</i> = 190	940 <i>N</i> = 197	2,009 <i>N</i> = 191	1,984.5 <i>N</i> = 190	2,069 <i>N</i> = 191

Although a consistent change in the quarterly employment was not observed, quarterly earnings did vary systematically. Specifically, quarterly earnings were relatively constant until the quarter prior to the quarter of wave one, when they declined in two consecutive quarters. The drop was especially precipitous between the quarter prior to the quarter of the wave one interview and the quarter of the wave one interview. This is what one would expect if sample members were at their lowest point when they applied for assistance. Quarterly earnings then rose for two consecutive quarters, returning to the level they had been at two quarters prior to the wave one interview.

In no quarter was the difference in quarterly earnings between W-2 participants and non-participants significant. However, their quarterly earnings followed somewhat different trajectories. Although both groups experienced a drop in earnings beginning in the quarter prior to the quarter of their wave one interview, the earnings of the W-2 participants dropped more precipitously between the quarter prior to the quarter of their wave one interview and the quarter of their wave one interview than the earnings of the nonparticipants. However, the earnings of the nonparticipants continued to fall between the quarter of their wave one interview and the quarter following their wave one interview, while the earnings of the W-2 participants began to rise. Earnings rose for both groups between the first and second quarters following their wave one interview, but the increase was more substantial among the nonparticipants.

Table 6.9 is identical to Table 6.8 except that it shows mean, rather than median, quarterly earnings. Once again, the results are also presented separately for W-2 participants and non-participants.

Table 6.9
Pre- and Post- Wave One Earnings by Quarter
Mean Quarterly Earnings (\$)

	4th Quarter prior to Quarter of Wave 1 Interview	3rd Quarter prior to Quarter of Wave 1 Interview	2nd Quarter prior to Quarter of Wave 1 Interview	1st Quarter prior to Quarter of Wave 1 Interview	Quarter of Wave 1 Interview	1st Quarter after Quarter of Wave 1 Interview	2nd Quarter after Quarter of Wave 1 Interview	3rd Quarter after Quarter of Wave 1 Interview	4th Quarter after Quarter of Wave 1 Interview
Total Sample	2,093.7 <i>N</i> = 579	2,106 <i>N</i> = 620	2,208.9 <i>N</i> = 642	1,912.9 <i>N</i> = 611	1,236.2 <i>N</i> = 598	1,672 <i>N</i> = 585	2,253.3 <i>N</i> = 621	2,235.1 <i>N</i> = 607	2,302.6 <i>N</i> = 607
W-2 Participants	2,131.3 <i>N</i> = 422	2,154.5 <i>N</i> = 446	2,224.3 <i>N</i> = 460	1,907.4 <i>N</i> = 431	1,210.8 <i>N</i> = 408	1,717 <i>N</i> = 388	2,189.5 <i>N</i> = 430	2,194.4 <i>N</i> = 417	2,272.3 <i>N</i> = 416
Non Participants	1,992.5 <i>N</i> = 157	1,981.6 <i>N</i> = 174	2,170.1 <i>N</i> = 182	1,926 <i>N</i> = 180	1,290.6 <i>N</i> = 190	1,583.4 <i>N</i> = 197	2,397 <i>N</i> = 191	2,324.4 <i>N</i> = 190	2,368.7 <i>N</i> = 191

Mean quarterly earnings were relatively constant until the quarter of the wave one interview, at which point there was a marked drop. Again, this is what one would expect if sample members were at their lowest point when they applied for assistance. Quarterly earnings rose in both the first and second post-wave one quarters and then remained at that level. Interestingly, despite the different trajectories in median earnings discussed above, there were no statistically significant differences between the mean quarterly earnings of W-2 participants and nonparticipants.

Summary

Although 77 percent of the respondents in our sample were employed in at least one of the four quarters following the quarter of their wave one interview, their total earnings for those four quarters were very low, with a mean of \$6,183 and a median of \$4,131. Contrary to what one might expect, sample members who had at least a high school diploma were no more likely to have been employed than those who had not graduated from high school. However, the former had significantly higher earnings even if the latter had a GED.

Although a higher proportion of W-2 participants than nonparticipants were employed, the difference was not statistically significant. Nor was there a statistically significant difference in total earnings between W-2 participants and nonparticipants. As noted above, our finding of no difference between W-2 participants and nonparticipants should not be interpreted as evidence of an absence of program effects. Although we did not find any differences between W-2 participants and nonparticipants that would suggest the former were a more disadvantaged group, it is possible that their earnings would have been even lower had they not participated in the program. Additional analyses that control for selection are needed before this possibility can be ruled out.

There was evidence of a small (\$389) increase in total earnings between the four quarters prior to the quarter of the wave one interview and the four quarters prior to the quarter of the wave two interview, and W-2 participants experienced less of an increase than nonparticipants.

Chapter 7 Income

This chapter examines income, defined as earnings plus government benefits, using two different measures—one based exclusively on administrative data and one based on both administrative and survey data. For both measures, we compared the incomes of W-2 participants with those of non-participants as well as the relationship between income and attributes at wave one.

Income Measure I: Administrative Data Only

The income measure based exclusively on administrative data includes earnings from covered employment, W-2 cash payments, and food stamps for the four quarters following the quarter of the wave one interview. Table 7.1 shows the relationship between this measure of total income and respondent attributes at wave one.⁷⁰

Table 7.1
Total Income as Measured by Administrative Data for the
Four Quarters Following the Quarter of the Wave One Interview

Wave One Attributes	N	Median (\$)	Mean (\$)
Total	1,071	7,501	8,133
Race/Ethnicity			
Hispanic	122	7,860.5	7,798
White	111	8,251	8,597
African American	807	7,411	8,118
Native American	18	7,018.5	9,564
Other	13	6,779	6,295
Gender			
Female	1,027	7,523	8,096
Male	44	7,239.5	8,998
Education*			
Grades 0-8	44	6,079.5	6,719
Grades 9-11	564	6,710.5	6,950
High school graduate	355	9,683	10,059
GED	81	8,025	7,515
College graduate	27	8,470	11,675
Agency			
ESN	196	6,814.5	7,807
ESW	190	8,002	8,646
MAXIMUS	181	7,457	8,039
OIC	136	7,587.5	7,727
UMOS	191	7,911	8,246
YWW	177	7,423	8,230

⁷⁰Eleven sample members were excluded from this analysis because the amount of W-2 cash assistance they received during these four quarters could not be determined.

Table 7.1 continued
Total Income as Measured by Administrative Data for the
Four Quarters Following the Quarter of the Wave One Interview

Wave One Attributes	N	Median (\$)	Mean (\$)
Marital Status			
Married	52	8,090	8,403
Divorced	68	8,942.5	8,685
Separated	78	7,172	8,298
Never married	853	7,404	8,014
Other	20	7,326.5	6,576
Age in Years*			
17-19	140	6,211.5	5,875
20-24	288	7,128.5	8,166
25-29	227	8,681	8,567
30-34	165	8,028	8,829
35-44	220	7,689	8,519
45+ and older	26	7,048.5	7,608
Missing	5	13,264	12,554
Prior Welfare Experience*			
No prior experience	305	6,544	7,191
AFDC only	304	6,747	7,531
W-2 only	99	8,991	9,372
AFDC and W-2	363	8,583	9,090
Number of Resident Children			
1	442	7,300	8,029
2	275	7,474	7,937
3	179	7,885	8,833
4 or more	175	8,011	7,987
Employment Status*			
Currently employed	133	10,549	11,111
Employed within past 2 years	796	7,558.5	8,085
Employed more than 2 years ago	42	5,297.5	5,691
Never employed	99	4,860	5,536
Missing	1	9,934	9,934

* Indicates statistically significant differences across groups at $p < .05$.

Consistent with the results presented in Chapter 6, total income from respondent's earnings combined with the family's W-2 cash payments and food stamp benefits was very low. Mean income and median income from these sources were \$8,133 and \$7,501, respectively. However, there were statistically significant differences in mean income with respect to four attributes.

- Education: Mean income ranged from a low of \$6,719 among sample members with less than a ninth-grade education to a high of \$11,675 among college graduates.
- Age: Mean income ranged from a low of \$5,875 among 17- to 19-year-old sample

members to a high of \$8,829 among sample members who were 30 to 34 years old.⁷¹

- Prior welfare experience: Mean income ranged from a low of \$7,531 among sample members who had experience with AFDC but not W-2 to a high of \$9,372 among sample members who had experience with W-2 but not AFDC.
- Employment status at wave one: Mean income ranged from a low of \$5,536 among sample members who had never been employed to a high of \$11,111 among sample members who were employed at wave one.

As noted in Chapter 6, we found no difference in earnings between sample members who had participated in W-2 and those who had not. However, only participants would have been eligible for W-2 cash benefits. Thus, an interesting question is whether there was a difference in income between W-2 participants and nonparticipants, and whether there were interactions between W-2 participation and any of the wave one attributes. Table 7.2 compares the total income of W-2 participants with that of nonparticipants using the administrative data measure.

Table 7.2
Total Income as Measured by Administrative Data for the
Four Quarters Following the Quarter of the Wave One Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes	W-2 Participants			Nonparticipants		
	<i>N</i>	Median (\$)	Mean (\$)	<i>N</i>	Median (\$)	Mean (\$)
Total*	717	8,583	9,331	354	3,379.5	5,707
Race/Ethnicity*						
Hispanic	73	10,124	10,011	49	1,659	4,502
White	79	9,073	10,333	32	2,234	4,313
African American	545	8,244	9,070	262	3,734.5	6,136
Native American	11	7,594	1,130	7	5,671	6,945
Other	9	8,709	8,471	4	1,117.5	1,399
Gender						
Female	694	8,530.5	9,282	333	3,362	5,624
Male	23	8,914	10,794	21	8,972	7,030
Education						
Grades 0-8	31	6,757	8,032	13	863	3,589
Grades 9-11	367	7,641	8,279	197	2,711	4,475
High school graduate	240	10,342	11,018	115	7,026	8,059
GED	62	8,757.5	8,353	19	2,194	4,780
College graduate	17	8,914	4,157	10	3,715	7,455
Agency*						
ESN	143	7,685	8,777	53	3,316	5,189
ESW	136	8,522	9,218	54	6,529	7,205
MAXIMUS	121	8,673	9,463	60	2,537.5	5,168
OIC	86	8,277	8,759	50	3,746.5	5,952
UMOS	111	9,680	10,933	80	2,604.5	4,517
YWW	120	8,321.5	8,914	57	5,082	6,792

⁷¹This excludes the five sample members whose ages could not be determined.

Table 7.2 continued
Total Income as Measured by Administrative Data for the
Four Quarters Following the Quarter of the Wave One Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes	W-2 Participants			Nonparticipants		
	N	Median (\$)	Mean (\$)	N	Median (\$)	Mean (\$)
Marital Status						
Married	29	8,251	9,487	23	6,057	7,036
Divorced	41	9,073	11,083	27	7,381	7,562
Separated	52	10,171.5	1,0441	26	1,920	4,013
Never married	580	8,398	9,121	273	3,362	5,664
Other	15	8,272	8,514	5	947	763
Age in Years*						
17-19	88	6,755	7,166	53	2,424	3,673
20-24	196	8,593.5	9,485	92	3,103	5,356
25-29	157	9,032	9,432	70	4,264.5	6,401
30-34	107	8,991	10,078	58	3,808.5	6,525
35-44	151	8,470	9,446	69	3,563	6,491
45+ and older	13	10,124	10,502	13	2,194	4,715
Missing	5	13,264	12,554	0		
Prior Welfare Experience*						
No prior experience	160	8,017.5	8,968	145	3,273	5,231
AFDC only	157	8,604	9,844	147	2,578	5,061
W-2 only	89	8,991	9,346	10	10,028.5	9,603
AFDC and W-2	311	8,665	9,254	52	6,840	8,114
Number of Resident Children						
1	308	8,075.5	9,073	134	2,890	5,628
2	181	8,977	9,616	94	2,230	4,705
3	120	8,986	9,928	59	5,082	6,608
4 or more	108	9,019.5	8,924	67	4,021	6,478
Employment Status						
Currently employed	83	11,911	12,615	50	5,555	8,615
Employed within past 2 years	544	8,465.5	9,293	252	3,535	5,478
Employed more than 2 years ago	31	6,716	6,203	11	723	4,249
Never employed	59	6,276	6,706	40	572	3,811
Missing				1	9,934	9,934

* Indicates statistically significant differences across groups at $p < .05$.

Overall, W-2 participants had significantly higher incomes than nonparticipants. However, there were significant interactions involving three attributes.

- Race/ethnicity: For nonparticipants, mean income ranged from a low of \$4,313 among white sample members to a high of \$6,945 among Native American sample members.⁷² For W-2 participants, mean income ranged from a low of \$1,130 among Native American sample members to a high of \$10,333 among white sample members.
- Prior welfare experience: For nonparticipants, mean income ranged from a low of \$5,061 among sample members who had experience with AFDC but not W-2 to a high of \$9,603 among sample members who had experience with W-2 but not AFDC. For W-2 participants,

⁷²This excludes the four nonparticipants categorized as "other."

mean income ranged from a low of \$8,968 among sample members with no prior welfare experience to a high of \$9,844 among sample members who had experience with AFDC but not W-2.

- Agency: For nonparticipants, mean income ranged from a low of \$4,517 among UMOs applicants to a high of \$7,205 among ESW applicants. For W-2 participants, mean income ranged from a low of \$8,759 among OIC applicants to a high of \$10,933 among UMOs applicants.

We repeated this comparison between the incomes of W-2 participants and nonparticipants for the 830 sample members who were employed in at least one of the four quarters following the quarter of their wave one interview. As was the case with the comparison that included sample members who were not employed, W-2 participants had higher incomes than nonparticipants. However, the only significant interaction was between W-2 participation and prior welfare experience. Once again, those nonparticipants who had had at least one W-2 spell prior to their wave one interview had higher incomes than other nonparticipants; among participants, income was not related to prior welfare experience.

Income Measure II: Administrative and Survey Data

An obvious limitation of the income measure based exclusively on administrative data is that it fails to include several potential income sources, such as cash benefits from other government programs, the Earned Income Tax Credit (EITC), earnings from a spouse or partner, and child support payments. Because of this limitation, we also constructed a second and more inclusive income measure using information we collected from sample members at wave two. Like the administrative data measure, this second measure includes respondents' earnings from covered employment, W-2 cash payments, and food stamps. However, it also takes income from other government programs (i.e., SSI, Social Security disability or survivor insurance, unemployment insurance, and worker compensation), the EITC, spouse or partner earnings, and child support into account.

Although this second measure is more inclusive than the one based exclusively on administrative data, it has three shortcomings. First, because it is based in part on survey data, our analysis is limited to the 856 wave two respondents. Second, we do not know how reliable the self-reported data are. This is particularly important given the inconsistencies between respondents' self-reports of their W-2 participation and the CARES data, as well as the discrepancies between their self-reported earnings and the UI data. And third, whereas the administrative data measure is based on the four quarters following the quarter of the wave one interview, our survey questions referred to the 12 months prior to the wave two interview. Although the two periods overlap, they are not the same. Nevertheless, they both cover a 12-month period, and combining the survey and administrative data allows us to take a broader range of income sources into account.

Table 7.3 shows the relationship between the more inclusive income measure and respondent attributes at wave one.⁷³ It also shows the amount by which the survey data increased our estimates of respondents' mean income as measured by the administrative data.

⁷³Although 856 respondents completed a wave two interview, data were missing for 7 respondents on one or more of the survey items that were used to compute income.

Table 7.3
Total Income as Measured by Survey and Administrative Data for
the Four Quarters Following the Quarter of the Wave One Interview

	<i>N</i>	Mean Income from Earnings, W-2 and Food Stamps (\$)	Mean Income from Spouse/Partner's Earnings, Other Government Benefits and Child Support (\$)	Mean Total Income (\$)	Median Total Income (\$)
Wave One Attributes					
Total	840	8,557	1,991	10,548	9,430
Race/Ethnicity					
Hispanic	78	8,344	2,211	10,555	10,229
White	77	9,240	2,804	12,044	10,027
African American	662	8,477	1,902	10,379	9,282
Native American	12	11,144	679	11,823	7,690.5
Other	11	7,323	1,488	8,811	10,379
Gender					
Female	811	8,541	1,987	10,499	9,430
Male	29	9,858	2,082	11,940	9,576
Education*					
Grades 0-8	29	6,478	2,498	8,976	8,795
Grades 9-11	450	7,081	1,800	8,880	8,056
High school graduate	275	10,991	2,210	13,201	12,283
GED	67	7,642	2,031	9,673	9,634
College graduate	19	14,707	2,400	17,107	10,093
Agency					
ESN	172	7,859	1,760	9,619	8,610
ESW	161	9,168	2,292	11,460	10,622
MAXIMUS	138	8,408	2,435	10,845	9,530
OIC	113	7,801	1,648	9,450	8,681
UMOS	125	9,434	1,753	11,187	9,749
YWW	131	8,696	1,977	10,673	9,053
Marital Status*					
Married	39	7,528	4,178	11,706	10,107
Divorced	49	10,766	2,697	13,462	11,844
Separated	52	9,766	2,308	12,074	12,168
Never married	649	8,407	1,774	10,181	9,216.5
Other	16	6,814	2,712	9,526	8,533.5
Age in Years*					
17-19	118	6,096	728	6,824	6,630
20-24	220	8,492	1,696	10,189	9,015
25-29	169	9,121	2,354	11,475	10,168
30-34	125	9,741	2,018	11,759	10,803
35-44	183	8,847	2,691	11,538	10,558
45+ and older	20	7,977	1,930	9,907	10,089
Missing	5	12,554	6,370	18,924	14,361

Table 7.3 continued
Total Income as Measured by Survey and Administrative Data for
the Four Quarters Following the Quarter of the Wave One Interview

Wave One Attributes	N	Mean Income from Earnings, W-2 and Food Stamps (\$)	Mean Income from Spouse/Partner's Earnings, Other Government Benefits and Child Support (\$)	Mean Total Income (\$)	Median Total Income (\$)
Prior Welfare Experience*					
No prior experience	234	7,775	1,691	9,466	8,014
AFDC only	229	7,905	2,064	9,969	9,008
W-2 only	87	9,580	1,722	11,302	10,038
AFDC and W-2	290	9,397	2,254	11,651	10,561.5
Number of Resident Children*					
1	359	8,328	1,601	9,930	8,821
2	212	8,582	1,706	10,288	9,143.5
3	138	9,111	2,949	12,060	10,969
4 or more	131	8,561	2,508	11,070	11,063
Employment Status*					
Currently employed	117	10,981	2,618	13,600	13,235
Employed within past 2 years	624	8,555	1,816	10,371	9,334.5
Employed more than 2 years ago	27	5,651	2,695	8,346	8,787
Never employed	71	5,668	2,250	7,918	6,343
Missing	1	9,934	0	9,934	9,934

*Indicates statistically significant differences in mean income across groups at $p < .05$.

On average, mean and median income from all of the sources included in this second measure were \$10,549 and \$9,430, respectively. Although these amounts are necessarily higher than the values we obtained when only the administrative data were used, total income was still very low. There were also statistically significant differences in mean income with respect to several attributes.

- Education: Mean income ranged from a low of \$8,880 among sample members who had completed 9th to 11th grade to a high of \$17,107 among college graduates.
- Age: Mean income ranged from a low of \$6,824 among 17- to 19-year-old sample members to a high of \$11,759 among sample members who were 30 to 34 years old.⁷⁴
- Prior welfare experience: Mean income ranged from a low of \$9,466 among sample members who had no prior welfare experience to a high of \$11,651 among sample members who had experience with both AFDC and W-2.
- Employment status: Mean income ranged from a low of \$7,918 among sample members who had never been employed to a high of \$13,600 among sample members who were employed at wave one.
- Marital status: Mean income ranged from a low of \$9,526 among sample members whose marital status was categorized as “other” to a high of \$13,462 among divorced sample members.
- Number of resident children: Mean income ranged from a low of \$9,930 among sample members who had one resident child to a high of \$12,060 among sample members who had

⁷⁴This excludes the five sample members whose age could not be determined.

three resident children.

As before, we also compared the income of respondents who participated in W-2 with the income of those who did not. Table 7.4 shows the results of this comparison.

Table 7.4
Total Income as Measured by Survey and Administrative Data for the Four Quarters Following the Quarter of the Wave One Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes	N	W-2 Participants			Nonparticipants					
		Mean Income from Earnings, W-2, and Food Stamps (\$)	Mean Income from Spouse/Partner's Earnings, Other Government Benefits, and Child Support (\$)	Mean Total Income (\$)	Mean Income from Spouse/Partner's Earnings, Other Government Benefits, and Child Support (\$)	Mean Total Income (\$)	Median Total Income (\$)			
Total*	582	9,737	1,888	11,625	10,181.5	258	5,895	2,223	8,118	6,632
Race/Ethnicity										
Hispanic	51	10,489	2,119	1,2607	11,750	27	4,294	2,386	6,680	5,546
White	59	10,331	2,042	12,372	10,633	18	5,665	5,302	10,968	8,046.5
African American	456	9,535.6	1,867	11,403	10,046	267	6,132	1,979	8,111	6,885.5
Native American	8	12,431	456	12,886	8,511.5	4	8,571	1,126	9,696	6,805.5
Other	8	9,370	1,875	11,245	10,881.5	3	9,370	456	2,322	2,450
Gender										
Female	565	9,685	1,851	11,536	10,244	246	5,813	2,301	8,114	6,676.5
Male	17	11463	3,117	14,580	10,054	12	7,585	616	8,200	6,052
Education										
Grades 0-8	21	7,639	2,465	10,104	9,029	8	3,430	2,585	6,015	3,411.5
Grades 9-11	302	8,439	1,581	10,019	9,157.5	148	4,310	2,247	6,557	4,920.5
High school graduate	194	11,910	2,173	14,084	13,341.5	81	8,789	2,299	11,088	10,400
GED	51	8,319	2,134	10,454	9,940	16	5,481	1,702	7,184	3,713.5
College graduate	15	15,953	2,777	18,730	12,393.5	5	11,218	1,344	12,562	9,749
Agency										
ESN	124	8,998	1,561	10,559	9,591.5	48	4,918	2,272	7,190	5,451.5
ESW	115	9,658	2,315	11,973	1,1063	46	7,942	2,234	10,176	8,990
MAXIMUS	95	10,169	2,346	12,515	11,193	43	4,517	2,630	7,147	3,789
OIC	71	8,969	1,501	10,470	9,036	42	5,828	1,898	7,726	7,043.5
UMOS	82	11,597	1,544	13,141	10,893.5	43	5,309	2,152	7,461	6,591
YWW	95	9,334	1,924	11,258	9,560	36	7,011	2,119	9,129	6,965

Table 7.4 continued
Total Income as Measured by Survey and Administrative Data for the Four Quarters Following the Quarter of the Wave One Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes	W-2 Participants				Nonparticipants					
	N	Mean Income from Earnings, W-2, and Food Stamps (\$)	Mean Income from Spouse/Partner's Earnings, Other Government Benefits, and Child Support (\$)	Mean Total Income (\$)	Median Total Income (\$)	N	Mean Income from Earnings, W-2, and Food Stamps (\$)	Mean Income from Spouse/Partner's Earnings, Other Government Benefits, and Child Support (\$)	Mean Total Income (\$)	Median Total Income (\$)
Marital Status										
Married	22	8,299	4,969	13,267	10,647	17	6,531	3,156	9,687	9,749
Divorced	31	12,262	2,871	15,133	11,998	18	8,188	2,398	10,586	9,853.5
Separated	37	11,483	1,357	12,840	13,035	15	5,529	4,655	10,185	7,006
Never married	480	9,528	1,708	11,236	9,934.5	204	5,769	1,930	7,698	5,867
Other	12	8,846	2,521	11,367	10,193	4	717	3,285	4,002	1,434
Age in Years*										
17-19	79	7,314	653	7,967	7,501	39	3,630	880	4,510	3,252
20-24	154	9,839	1,837	11,676	10,091.5	66	5,350	1,368	6,718	5,120
25-29	121	9,980	2,253	12,233	11,187	48	6,957	2,607	9,564	7,531
30-34	84	11,012	1,824	12,836	11,899.5	41	7,137	2,416	9,553	9,076
35-44	128	9,809	2,236	12,046	10,455.5	55	6,608	3,750	10,358	11,657
45+ and older	11	11,197	1,837	13,034	11,310	9	4,041	2,044	6,085	4,327
Missing	5	12,554	6,370	18,924	14,361					
Prior Welfare Experience*										
No prior experience	131	9,425	1,741	11,166	8,872	103	5,676	1,629	7,304	5,409
AFDC only	121	10,442	1,678	12,120	10,195	108	5,062	2,497	7,559	5,119.5
W-2 only	79	9,693	1,543	11,236	10,038	8	8,463	3,493	11,956	11,448
AFDC and W-2	251	9,574	2,174	11,749	10,500	39	8,256	2,771	11,027	10,803

Table 7.4 continued
Total Income as Measured by Survey and Administrative Data for the Four Quarters Following the Quarter of the Wave One Interview:
W-2 Participants Compared with Nonparticipants

Wave One Attributes Number of Resident Children	N	W-2 Participants			Nonparticipants			
		Mean Income from Earnings, W-2, and Food Stamps (\$)	Mean Income from Spouse/Partner's Earnings, Other Government Benefits, and Child Support (\$)	Mean Total Income (\$)	Mean Income from Earnings, W-2, and Food Stamps (\$)	Mean Income from Spouse/Partner's Earnings, Other Government Benefits, and Child Support (\$)	Mean Total Income (\$)	Median Total Income (\$)
1	254	9,395	1,470	10,865	5,747	1,920	7,667	6,672
2	149	10,061	1,470	11,530	5,084	2,265	7,350	5,577
3	97	10,172	3,057	13,229	6,601	2,692	9,294	7,856
4 or more	82	9,693	2,559	12,253	6,667	2,423	9,090	7,381
Employment Status								
Currently employed	76	12,543	2,440	14,983	8,087	2,950	11,037	10,522
Employed within past 2 years	439	9,732	1,788	11,520	5,762	1,884	7,645	6,207
Employed more than 2 years ago	22	6,206	2,583	8,790	3,209	3,183	6,392	2,188
Never employed	45	6,774	1,593	8,367	3,753	3,388	7,141	5,247
Missing	1	9,934	0	9,934	9,934	0	9,934	9,934

Indicates statistically significant differences across groups at $p < .05$.

Consistent with the results presented in Table 7.2, wave two respondents who participated in W-2 had higher incomes than those who did not participate. There was also an interaction involving prior welfare experience. For nonparticipants, mean income ranged from a low of \$7,304 among sample members who had no prior welfare experience to a high of \$11,956 among sample members who had experience with W-2 but not AFDC. For W-2 participants, mean income ranged from a low of \$11,166 among sample members who had no prior welfare experience to a high of \$12,120 among sample members who had experience with AFDC but not W-2.

Summary

For the 1,071 sample members for whom we have complete data, mean and median total income from earnings, W-2 cash benefits, and food stamps were \$8,133 and \$7,501, respectively. Although including other government benefits, EITC, spouse or partner's earnings, and child support payments increased mean and median income to \$10,549 and \$9,430, respectively, total income remained very low.

Despite the fact that we found no difference in earnings between the two groups, W-2 participants had significantly higher incomes than nonparticipants regardless of which income measure we used. In other words, it appears that the difference in income was due to a difference in the amount of public assistance the two groups received. Only the W-2 participants received W-2 cash benefits, and the food stamp benefits nonparticipants received did not compensate for this difference.

One of the questions this chapter raises is how those families with especially low incomes were managing to survive. It is possible that some had income from sources that we did not take into account, such as money from family or friends. Although our survey data indicate that nearly a third of the families in our sample ($N = 281$) received money from family or friends, the median amount of money they had received over the past 12 months was just \$300.⁷⁵ Another possibility is that families were doubling up in order to reduce their housing and other costs. Consistent with this hypothesis, 20 percent of the wave two respondents were living doubled up at wave two. In any case, it is a question that merits further attention.

⁷⁵In contrast, only 3 percent indicated that they had received money from churches, community agencies, or charitable organizations. However, 21 percent of the wave two respondents had received goods such as food or clothing from one of these sources.

Chapter 8 Government Program Participation

We asked wave two respondents if their families had received benefits, either during the past month or during the past year, from any of the following government programs: Medicaid, Healthy Start or Badger Care; Food Stamps; the Supplemental Nutrition Program for Women, Infants, and Children (WIC); Supplemental Security Income (SSI); Social Security; Unemployment Insurance; Section 8 or public housing; child-care assistance; and the Earned Income Tax Credit (EITC). For each program, Table 8.1 shows the percentage of families that had received benefits at any time during the past 12 months and the percentage of families that had received benefits during the month prior to their wave two interview. It also shows the mean and median amount of benefits families received during the month prior to their wave two interviews if they received benefits.⁷⁶

Table 8.1
Recent Government Program Participation
N = 856

Government Program	Family Member Received Benefit During the Past 12 Months		Family Member Received Benefit During the Past Month		Amount of Benefit Received	
	Frequency	Percentage (%)	Frequency	Percentage (%)	Mean (\$)	Median (\$)
Food Stamps	722	84.4	558	65.2	241	233
WIC	391	45.6	334	39	–	–
SSI	83	9.7	72	8.4	616	590
Caretaker Supplement	5	0.6	3	0.4	250	250
Unemployment Insurance	77	9	18	2.1	505	475.5
Social Security	49	5.7	42	4.9	553	508.5
Section 8 housing	125	14.6	103	12	–	–
Public housing	91	10.6	77	9	–	–
Child-care assistance	–	–	179	20.9	–	–
EITC	315	36.8	–	–	1,000	1,535
Medicaid, Healthy Start, or Badger Care	–	–	735	85.9	–	–

⁷⁶It is possible that the results would have been different had we used administrative data. See footnote 80.

Eighty-four percent of our wave two respondents reported that their families had received food stamps, and 46 percent reported that their families were enrolled in the WIC program during the past year.⁷⁷ Approximately 10 percent reported that a family member had received SSI. Even fewer reported that a family member had received benefits from either of the two social insurance programs, Social Security and Unemployment Insurance. A quarter of our sample reported that their family had lived in subsidized housing (Section 8 or public housing) at some point during the past year, and 37 percent said they had received the Earned Income Tax Credit.

As would be expected, government program participation was lower during the month before the wave two interview than during the past year. According to respondents' self-reports, nearly two-thirds of the families in our sample received food stamps and 39 percent were enrolled in the WIC program during the past month. Approximately 8 percent reported that a family member had received SSI benefits. Even fewer reported that a family member had received benefits from either of the two social insurance programs, Social Security and Unemployment Insurance. Twenty-one percent of the respondents in our sample reported that their family was living in subsidized housing (Section 8 or public housing). A similar percentage reported that they had received child-care assistance during the past month.

Eighty-six percent of our sample members reported that at least one family member was covered by Medicaid, Healthy Start, or Badger Care during the past month. However, nearly one-quarter ($N = 198$) also indicated that at least one of their children had been without health insurance coverage, including Medicaid, Badger Care, or Healthy Start, at some point during the previous 12 months. In fact, 66 respondents reported that at least one child was currently lacking health insurance coverage. More than a quarter ($N = 233$) of our sample members said that they themselves had been without health insurance at some point during the past 12 months, including 132 who were currently uninsured.

Table 8.2 compares the government program participation of the W-2 participants in our sample with the government program participation of the nonparticipants. Like Table 8.1, it shows the percentage of participants and nonparticipants whose families received benefits from each program during the past 12 months and the percentage of sample members whose families received benefits from each program during the month prior to their wave two interview.

⁷⁷In contrast, the administrative data indicate that the percentage of respondents whose families received food stamps was 83.1 percent.

Table 8.2
Participation in Other Government Programs:
W-2 Participants Compared with Nonparticipants

Government Program	W-2 participants with at Least One Family Member Who Received Benefit N = 593			Nonparticipants with at Least One Family Member Who Received Benefit N = 263		
	Past Year	Past Month	Past Year	Past Year	Past Month	Past Year
	Frequency	Percentage (%)	Frequency	Percentage (%)	Frequency	Percentage (%)
Food Stamps*	512	86.3	397	66.8	210	79.9
WIC*	286	48.2	247	41.6	104	39.5
SSI	53	8.9	47	7.9	30	11.4
Caretaker Supplement ⁺	2		1		3	1.1
Unemployment Insurance	52	8.8	12	2	25	9.5
Social Security	33	5.6	27	4.5	16	6.1
Section 8 housing	88	14.8	71	12	37	14.1
Public housing	71	12	60	10.1	20	7.6
Child-care assistance*	–	–	137	23.1	–	–
EITC	223	37.6	–	–	92	35
Medicaid, Healthy Start, or Badger Care*	–	–	520	87.2	–	–
					215	81.8

*Indicates differences between participants and nonparticipants are statistically significant at $p < .05$.
⁺Only the children of nonparticipants would have been eligible for C-Supp payments, so it is not clear what these respondents were referring to.

There were only a few statistically significant differences between W-2 participants and nonparticipants in terms of their receipt of other government benefits. W-2 participants were more likely to have received food stamps or to have been enrolled in WIC during the past year than were nonparticipants. They were also more likely to have received child-care assistance and to have had at least one family member covered by Medicaid, Healthy Start, or Badger Care during the past month.⁷⁸ Whether their higher rate of benefit receipt is a consequence of W-2 participation is not a question we can answer at this point.

Table 8.3 compares the government program participation of sample members during the month prior to their wave one interview with their government program participation during the month prior to their wave two interview.

⁷⁸However, as we report in Chapter 12, there is no difference between W-2 participants and nonparticipants in the receipt of child-care assistance when the analysis is limited to those respondents who used child-care during the past month.

Table 8.3
Participation in Other Government Programs:
Month Prior to Wave One Compared with Month Prior to Wave Two
N = 856

	Family Member Received Benefit During Month Prior to Wave One Interview		Family Member Received Benefit During Month Prior to Wave Two Interview	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Food Stamps	519	60.6	558	65.2
WIC	371	43.3	334	39.0
SSI	86	10.1	72	8.4
Caretaker Supplement ⁺	–	–	3	0.4
Unemployment Insurance	25	2.9	18	2.1
Social Security*	19	2.2	42	4.9
Section 8 housing*	77	9.0	103	12.0
Public housing	88	10.3	77	9.0
Child-care assistance*	92	10.7	179	20.9
EITC (past year)	321	37.5	315	36.8
Medicaid, Healthy Start, or Badger Care*	659	77.0	735	85.9

*Indicates statistically significant differences at $p < .05$.

+The wave one survey instrument did not include questions about the Caretaker Supplement.

There were statistically significant increases in the percentage of families receiving social security benefits, the percentage of families living in Section 8 housing, the percentage of families with at least one member covered by Medicaid, Healthy Start, or Badger Care, and the percentage of families receiving child-care assistance in the month prior to the wave two interview as compared with the month prior to the wave one interview.

Chapter 9 Economic Hardships

Wave two respondents were asked a series of questions about economic hardships they may have experienced during the 12 months prior to their wave two interview. We also asked respondents 15 of the 18 questions that comprise the USDA measure of food insecurity.⁷⁹ Table 9.1 shows the percentage of respondents who experienced each of these economic hardships.

Table 9.1
Selected Economic Hardships Experienced During the Past 12 Months
N = 856

Economic Hardships	Frequency	Percentage (%)
Food insecure	444	52.4*
Obtained food from pantry or ate at meal program	239	27.9
Not enough money to pay rent or mortgage	400	46.7
Not enough money to buy clothes	433	50.6
Utilities shut off	208	19.2
Phone disconnected	406	47.4
Evicted or lost home	120	14.0
Doubled up because family could not afford housing	207	24.2
Homeless	101	11.8

*Nine respondents did not answer 1 or more of the 15 items that comprised our food security scale.

Fifty-two percent of our wave two respondents could be categorized as food insecure—38.3 percent without hunger and 14.2 percent with hunger.⁸⁰ Twenty-eight percent had obtained food from a pantry or ate at a meal program. Half reported that they did not have enough money to buy clothes. Nineteen percent had had their utilities shut off, and 47 percent had had their phone disconnected. A similar percentage had not had enough money to pay their rent or mortgage, and 14 percent had been evicted or lost a home. Nearly a quarter had doubled up because they could not afford housing, and nearly 12 percent had been homeless at some point.

⁷⁹The full food security measure consists of 18 items. Three of these items are only asked if an affirmative response is given to the preceding question. Households are categorized as either food secure, food insecure without hunger, or food insecure with hunger based on the number of affirmative responses given to the 18 items. See Bickel et al. (2000) for a discussion of the measure and how it is scored. Because the three follow-up items had been omitted from our survey, the estimates of food insecurity we report below should be viewed as lower bounds. That is, respondents' scores could only have been higher if the three follow-up items had been included.

⁸⁰In accordance with Bickel et al. (2000), respondents were categorized as food secure if they have less than three affirmative responses; food insecure without hunger if they gave at least three but no more than seven affirmative responses; and food insecure with hunger if they gave eight or more affirmative responses. However, as explained in footnote 81, the percentage of respondents whose families were food insecure is best viewed as a lower bound because only 15 out of the 18 items were used.

Table 9.2 shows the distribution of the number of the hardships listed in Table 9.1 experienced by wave two respondents.

Table 9.2
Number of Hardships Experienced in the 12 Months prior to Wave Two Interview
N = 856

	Frequency	Percentage (%)
0	150	17.5
1	138	16.1
2	114	13.3
3	123	14.4
4	105	12.3
5	83	9.7
6	68	7.9
7	34	4.0
8	27	3.2
9	14	1.6

Although 17.5 percent of our respondents indicated that they had not experienced any of these hardships, 29.4 percent had experienced one or two, 26.7 percent had experienced three or four, and 26.4 percent had experienced five or more. The mean number of hardships was 3.0.

Table 9.3 compares the percentage of W-2 participants who experienced each economic hardship during the year prior to their wave two interview with the percentage of nonparticipants who experienced each economic hardship.

Table 9.3
Selected Economic Hardships Experienced During the Past 12 Months:
W-2 Participants Compared with Nonparticipants

Economic Hardships	W-2 Participants		Nonparticipants	
	<i>N</i> = 593		<i>N</i> = 263	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Food insecure	311	52.5	133	50.6
Obtained food from pantry or ate at meal program	159	26.8	80	30.4
Not enough money to pay rent or mortgage	277	46.7	123	46.8
Not enough money to buy clothes	303	51.1	130	49.4
Utilities shut off	143	24.1	65	24.7
Phone disconnected	285	48.1	121	46.0
Evicted or lost home	80	13.5	40	15.2
Doubled up because family could not afford housing	138	23.3	69	26.2
Homeless	68	11.5	33	12.6
Mean number of hardships		2.97		3.02

There were no statistically significant differences between the percentage of W-2 participants and the percentage of nonparticipants who experienced any of the economic hardships. Nor was there a statistically significant difference in the mean number of hardships between W-2 participants and nonparticipants.

Table 9.4 compares the percentage of wave two respondents who experienced each economic hardship during the year prior to their wave one interview with the percentage who experienced each economic hardship during the year prior to their wave two interview.⁸¹

Table 9.4
Selected Economic Hardships Experienced During the Past 12 Months:
Pre-Wave One Compared with Pre-Wave Two
N = 856

	Percentage Reporting Hardship			
	Wave One		Wave Two	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Obtained food from pantry or ate at meal program	255	29.8	239	27.9
Not enough money to pay rent or mortgage	381	44.5	400	46.7
Not enough money to buy clothes*	350	40.9	433	50.6
Utilities shut off*	133	15.5	208	24.3
Phone disconnected*	291	34.0	406	47.4
Evicted or lost home*	92	10.8	120	14.0
Doubled up because family could not afford housing	208	24.3	207	24.2
Homeless	127	14.8	101	11.8
Mean number of hardships	2.13		2.47	

* Indicates statistically significant differences across groups at $p < .05$.

Sample members were more likely to report not having enough money to buy clothes, having their utilities shut off, having their phone disconnected, and being evicted or losing their home during the year prior to their wave two interview than during the year prior to their wave one interview. Sample members also experienced significantly more hardships in the year prior to their wave two interview than in the year prior to their wave one interview.

Although we found no statistically significant differences between W-2 participants and nonparticipants with respect to the percentage of respondents who experienced economic hardships during the 12 months prior to their wave two interview, it is possible that there was a relationship between W-2 participation and economic hardships experienced prior to wave one. To examine this possibility, we compared the percentage of W-2 participants who experienced each economic hardship during the year prior to their wave one interview with the percentage of

⁸¹There were some differences between the hardship questions asked at wave one and the hardship questions asked at wave two. Most notably, the wave one survey did not include the food insecurity measure items. Consequently, the comparison below is limited to the nine items the two surveys had in common.

nonparticipants who experienced each economic hardship during the year prior to their wave one interview.⁸²

Table 9.5
Selected Economic Hardships Experienced During the 12 Months prior to Wave One
W-2 Participants Compared with Nonparticipants

	Percentage Reporting Hardship			
	W-2 Participants		Nonparticipants	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Obtained food from pantry or ate at meal program	185	31.2	70	26.6
Not had enough money to buy food	232	39.1	111	42.2
Not had enough food to feed family	215	36.3	98	37.3
Not enough money to pay rent or mortgage	265	44.7	116	44.1
Not enough money to buy clothes	233	39.3	117	44.9
Utilities shut off	88	14.8	45	17.1
Phone disconnected	197	33.2	94	35.7
Evicted or lost home	66	11.1	26	9.9
Doubled up because family could not afford housing	141	23.8	70	26.6
Homeless	77	13.0	35	12.9
Mean number of hardships		2.87		2.97

There were no statistically significant differences between the percentage of W-2 participants and nonparticipants who experienced these economic hardships in the year prior to their wave one interview. Nor was there a statistically significant difference in the mean number of hardships W-2 participants and nonparticipants experienced. Once again, this analysis provides no evidence that W-2 participants were more disadvantaged than nonparticipants when they applied for assistance at wave one.

⁸²The two items “not had enough money to buy food” and “not enough money to pay rent or mortgage” were included in the wave one survey. They were replaced in the wave two survey by the food insecurity scale.

Chapter 10 Parental Well-Being

We asked wave two respondents a series of questions about a number of problems that could adversely affect their ability to work and/or parent their children. Table 10.1 shows the number and percentage of respondents who reported each of these problems.

Table 10.1
Problems with Implications for the Ability to Work or to Parent
N = 856

Problem	Frequency	Percentage (%)
Ability to work limited by own disability	164	19.2
Ability to work limited by disability of family member	52	6.1
Poor or fair health	220	25.7
Problem with alcohol during past year	19	2.2
Problem with other drugs during past year	28	3.3
Involved in “unsafe” relationship during the past year	70	8.2
Involved in physically abusive relationship during the past year	58	6.8
Experienced a mental health problem during the past year	226	26.4
Depressive symptomatology (CES-D score of 16 or above)	262	30.6
Mean CES-D score		12.6

Altogether, 22.4 percent of our respondents ($N = 192$) reported that their ability to work was limited by their own disability and/or the disability of another family member.⁸³ A quarter of the sample described their health as “poor” or “fair.” Fewer than 5 percent of our respondents ($N = 40$) reported that they had experienced a problem with alcohol and/or other drugs since their wave one interview. However, of those who did report a problem, 45 percent ($N = 18$) indicated that they had missed work, lost a job, and/or failed a drug test due to their use of alcohol or other drugs. Eight percent of the respondents reported that they had been involved in an “unsafe” relationship between their wave one and wave two interviews, and most of those respondents characterized their “unsafe” relationship as physically abusive. More than a quarter of our respondents reported that they had experienced a mental health problem, such as depression or anxiety, since their wave one interview, and nearly a third had a wave two score on the Center for Epidemiological Studies Depression Scale (CES-D) in the range that is generally regarded as indicative of depression.⁸⁴

⁸³Of the 164 respondents who indicated that they had a disability, 51.8 percent ($N = 85$) described themselves as having a physical disability, 18.3 percent ($N = 38$) described themselves as having a chronic illness or disease, and 12.2 percent ($N = 20$) described themselves as having a mental disorder.

⁸⁴This 20-item scale, which has been used to measure depressive symptomatology in the general population, asks respondents to indicate the number of times they have experienced particular moods or exhibited particular behaviors during the preceding week. Scores can range from 0 to 60, and a score of 16 or higher is generally regarded as indicative of depression (Radloff & Locke, 1986).

What is not clear from Table 10.1 is the extent to which the same respondents had experienced multiple problems. Table 10.2 shows the frequency distribution for the cumulative number of problems reported by respondents.⁸⁵

Table 10.2
Cumulative Number of Problems with Implications for the Ability to Work or to Parent

Total Number of Problems	Frequency	Percentage (%)
0	373	43.6
1	198	23.1
2	134	15.7
3	72	8.4
4	46	5.4
5	26	3
6	7	0.8

Although two-thirds of the wave two respondents reported that they had experienced no more than one of the problems about which we asked, nearly 18 percent had experienced at least three. Whether experiencing multiple problems has either an additive or multiplicative effect on the outcomes of these sample members is a question we will address through further analyses.

Table 10.3 compares the frequency of problems among the W-2 participants in our sample with the frequency of problems among the nonparticipants.

⁸⁵Being involved in an unsafe and physically abusive relationship was counted as one problem.

Table 10.3
Problems with Implications for the Ability to Work or to Parent:
W-2 Participants Compared with Nonparticipants

Problem	W-2 Participants		Nonparticipants	
	<i>N</i> = 593		<i>N</i> = 263	
	Number	Percentage (%)	Number	Percentage (%)
Ability to work limited by own disability	114	19.2	50	19
Ability to work limited by disability of family member	36	6.1	16	6.1
Poor or fair health	152	25.6	68	25.9
Problem with alcohol during past year	15	2.5	4	1.5
Problem with other drugs during past year	20	3.4	8	3
Involved in “unsafe” relationship during the past year	45	7.6	25	9.5
Involved in physically abusive relationship during the past year	38	6.4	20	7.6
Experienced a mental health problem during the past year	161	27.2	65	24.7
Depressive symptomatology (CES-D score of 16 or above)	182	30.7	80	30.4
Mean CES-D score		12.8		12.3

* Indicates statistically significant differences across groups at $p < .05$.

There were no significant differences between W-2 participants and nonparticipants with respect to the problems they reported. Nor was there a significant difference in mean CES-D scores or the percentage of respondents with CES-D scores of 16 or above.

Table 10.4 compares the frequency of problems wave two respondents experienced in the year prior to their wave one interview with the frequency of problems they experienced in the year prior to their wave two interview.

Table 10.4
Problems with Implications for the Ability to Work or to Parent:
Wave One Compared to Wave Two
N = 856

Problem	Wave One		Wave Two	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Ability to work limited by own disability	178	20.8	164	19.2
Ability to work limited by disability of family member	70	8.2	52	6.1
Poor or fair health	398	46.5	220	25.7
Problem with alcohol during past year	28	3.3	19	2.2
Problem with other drugs during past year	27	3.2	28	3.3
Involved in “unsafe” relationship during the past year*	117	13.7	70	8.2
Involved in physically abusive relationship during the past year	77	9	58	6.8
Experienced a mental health problem during the past year*	186	21.7	226	26.4
Depressive symptomatology (CES-D score of 16 or above) *	406	47.4	262	30.6
Mean CES-D score*		17.5		12.6

* Indicates statistically significant differences across groups at $p < .05$.

The percentage of respondents who described themselves as being involved in an unsafe relationship was significantly lower at wave two than at wave one—although the percentage who described themselves as being in an abusive relationship was not. Respondents were less likely to report having experienced a mental health problem during the past year at wave two than at wave one. This difference is consistent with the fact that both mean CES-D scores and the percentage of respondents with a CES-D score of 16 or above were significantly lower at wave two than at wave one.^{86, 87}

There was also evidence that some of our wave two respondents had not received treatment for physical and/or mental health problems they had experienced since wave one. Table 10.5 shows

⁸⁶This difference in CES-D scores could reflect a regression toward the mean. That is, respondents may have been feeling particularly depressed at wave one because of whatever problems had brought them to apply for assistance at the W-2 agency.

⁸⁷We also investigated the possibility of differential attrition. That is, it could be that respondents who were feeling particularly depressed at wave one did not complete a wave two interview. However, there was no difference between the wave one CES-D scores of sample members who were interviewed at wave two and the wave one CES-D scores of sample members who were not.

the number of respondents who reported that they had experienced a problem and the percentage of those respondents who reported receiving help.

Table 10.5
Receipt of Needed Services Between Wave One and Wave Two Interviews

Problem	Number Reporting Problem	Percentage Who Received Help (%)
Problem with alcohol or other drugs	40	80
Involved in “unsafe” or physically abusive relationship	70	62.9
Mental health problem	226	45.6

Respondents were most likely to receive help if they had experienced a problem with alcohol or other drugs and least likely to receive help if they had experienced a mental health problem. In addition to these problems, 12 percent of our respondents ($N = 103$) reported that they had not received medical treatment they had needed, and more than three-quarters of these respondents ($N = 80$) attributed this to a lack of health insurance or an inability to pay for care.⁸⁸

A potential benefit of participating in W-2 is that it may facilitate access to services when participants experience a problem. Hence, we compared the percentage of W-2 participants with a problem who received help for that problem with the percentage of nonparticipants with a problem who received help. This comparison is shown in Table 10.6.

Table 10.6
Receipt of Needed Services Between Wave One and Wave Two Interviews
Comparison of W-2 Participants with Nonparticipants

Problem	W-2 Participants <i>N</i> = 593		Nonparticipants <i>N</i> = 263	
	Number Reporting Problem	Percentage Receiving Help (%)	Number Reporting Problem	Percentage Receiving Help (%)
Problem with alcohol or other drugs	30	86.6	10	60
Involved in “unsafe” or physically abusive relationship	45	62.2	25	64
Mental health problem	161	44.1	65	49.2

W-2 participants were about as likely to receive help for a mental health problem or an unsafe/physically abusive relationship as nonparticipants. In addition, although the percentage of sample members with an alcohol or drug problem who received help was higher among participants than nonparticipants, this difference was not statistically significant.

⁸⁸We asked respondents if there had ever been a time since their wave one interview when they had needed medical treatment that they did not receive. However, we did not ask respondents if there had ever been a time when they needed treatment for a medical condition.

Finally, we asked respondents a series of questions about a number of traumatic events they may have experienced, either during their lifetime or during the past year. Table 10.7 shows the number and percentage of respondents who experienced each of these events.

Table 10.7
Experience of Traumatic Events
N = 856

Traumatic Event	Number Ever Experiencing Event	Percentage Ever Experienced Event (%)	Number Experienced Event During Past Year	Percentage Experienced Event During Past Year (%)
Raped	169	19.7	9	1.1
Physically assaulted	200	23.4	38	4.4
Physically abused as a child	97	11.3	–	–
Seriously neglected as a child	65	7.6	–	–
Threatened with a weapon, held captive, or kidnapped	144	16.8	19	2.2
Seriously thought about committing suicide	158	18.5	66	7.7
Attempted to commit suicide	89	10.4	17	2.0

Nearly a quarter of our wave two respondents reported having been physically assaulted and nearly 20 percent reported having been raped. Almost as many reported having contemplated suicide, and more than half of those respondents who contemplated suicide had made a suicide attempt, including 17 respondents who attempted suicide between their wave one and wave two interviews. Fourteen percent of our respondents (*N* = 121) reported having been physically abused and/or seriously neglected during childhood. No more than a small minority of respondents had experienced such traumatic events during the past year.

Table 10.8 shows the number of these traumatic events wave two respondents had experienced ever during their lifetime and during the past year.

Table 10.8
Number of Traumatic Events Experienced
N = 856

	Ever Experienced		Experienced During Past Year	
	Frequency	Percentage (%)	Frequency	Percentage (%)
0	501	58.5	752	87.9
1	140	16.4	75	8.8
2	104	12.2	23	2.7
3	59	6.9	5	0.6
4	33	3.9	1	0.1
5	18	2.1	0	0
6	1	0.1	–	–

More than 40 percent of our wave two respondents had experienced at least one of these traumatic events during their lifetime, including more than 20 percent who had experienced two or more. In contrast, 12 percent had experienced at least one of these traumatic events during the past year.

Finally, we compared the percentage of W-2 participants with the percentage of nonparticipants who experienced each of these traumatic events since their wave one interview.

Table 10.9
Experience of Traumatic Events

Traumatic Event	W-2 Participants <i>N</i> = 593		Nonparticipants <i>N</i> = 263	
	Percentage Ever Experienced Event (%)	Percentage Experienced Event During Past Year (%)	Percentage Ever Experienced Event (%)	Percentage Experienced Event During Past Year (%)
Raped	20.9	1.1	17.1	1.1
Physically assaulted	24.6	4.6	20.5	4.2
Physically abused as a child	11.6	–	10.7	–
Seriously neglected as a child	7.6	–	7.6	–
Threatened with a weapon, held captive, or kidnapped	17.2	1.9	16.0	3.0
Seriously thought about committing suicide	18.9	7.8	17.5	7.6
Attempted to commit suicide	11.3	2.9	8.4	0

Although W-2 participants were no more or less likely to have experienced these events during their lifetime than nonparticipants, W-2 participants were more likely to have attempted suicide in the past year than were nonparticipants

Chapter 11 Child Well-Being

We asked each respondent a series of questions about the *focal child* who had been randomly selected at wave one.⁸⁹ We also asked a more limited set of questions about other children in the family. Although this chapter looks most closely at the focal child, it does include some information about the other children as well. In addition, we present results from an analysis of administrative data regarding child welfare services involvement.

Children's Living Arrangements

Of the 856 respondents who were interviewed at wave two, 828 had at least one child under the age of 18 living in their household, and all but 12 of these respondents were living with at least one child who was theirs by birth or adoption. The total number of children living with respondents at wave two was 2,185; respondents were related by birth or adoption to 1,905 of these children.

One hundred ninety-two of the wave two respondents were living with a child who had not been living with them at wave one. Altogether, there were 255 “new” resident children. Fifty-five percent of these children ($N = 140$) were respondents' children who had been born since wave one. Of the other 115 “new” resident children, 25 were the children of parents with whom respondents were living; 11 were children respondents had regained custody of; 9 were children who had been living with relatives or friends no longer able to care for them; 5 were children respondents could not support at wave one but could support at wave two; 3 were children released from a juvenile detention facility; 2 were children born to respondents' minor children; and 1 child had been returned home from foster care.^{90, 91}

Twelve percent of the wave two respondents ($N = 103$) reported having at least one child under the age of 18 who was not living with them at wave two. Altogether, there were 184 non-resident children, including 76 children who had been living with respondents at wave one.⁹² Table 11.1 shows the living arrangements of these nonresident children.^{93, 94}

⁸⁹As explained in our first report, the focal child had to be related to respondent by birth or adoption, be under 18 years old, and be living with respondent at the time of the wave one interview.

⁹⁰These respondents had a total of 16 children in foster care and 3 children in juvenile detention at wave one.

⁹¹“Other” was the explanation given for why 56 of the new resident children were now living with respondent and “Don't Know” was the reason given for 3.

⁹²These 76 six children were the children of 49 respondents.

⁹³Wave two respondents were asked if any of the children who had been living with them at wave one were no longer living with them. Because we knew the number and living arrangements of all the nonresident children at wave one and the number of children who had not been living with respondent at wave one but were living with respondent at wave two, we assumed that we would be able to determine the number and living arrangements of the nonresident children at wave two who had not been living with respondents at wave one. Unfortunately, this

Table 11.1
Living Arrangements of Wave Two Nonresident Children
N = 184

Child's Living Arrangement	Children Not Living with Respondent at Wave One	Children Living with Respondent at Wave One	All Wave Two Nonresident Children
Lives with other parent	29	22	51
Lives with grandparent or other relative	26	9	35
Lives in a foster home	3	9	12
Juvenile detention facility	0	3	3
Lives on own	0	6	6
Lives with adoptive parents	2	0	2
Deceased	0	1	1
Do not know	1	1	2
Other	0	25	25
Cannot be determined from information provided	2	0	2
Not reported as nonresident child at wave one	45	–	45
Total Number of Children	108	76	184

Age of Focal Children

Table 11.2 shows the age distribution of the focal children at wave two.

assumption proved to be false. In some cases, respondents reported more nonresident children at wave two than at wave one yet said that all of their nonresident children at wave two had also been nonresident children at wave one. This includes 25 respondents who reported no nonresident children at wave one. For these respondents, we have no information about the living arrangements of their nonresident children at wave two. There were also three respondents who reported fewer nonresident children at wave two than at wave one but said that all of the children living with them at wave two had also been living with them at wave one. Hence, it was not clear which of their nonresident children from wave one were now living with them at wave two and which were still living somewhere else.

⁹⁴We assumed that the living arrangements of the nonresident children at wave two who had also been nonresident children at wave one had not changed. We recognize the problems with this assumption, but it seemed the best strategy for dealing with these cases.

Table 11.2
Ages of Focal Children at Wave Two
N = 856

Focal Child's Age	Number of Focal Children	Percentage of Focal Children (%)
Under 3 years old	166	19.4
3 through 5 years old	200	23.4
6 through 8 years old	176	20.6
10 through 12 years old	135	15.8
At least 13 years old	179	20.9

The mean age and median age at wave two were 8.1 years old and 6.9 years old, respectively.

Health Problems of Focal Children

One quarter of the wave two respondents (*N* = 295) described their focal child's health as either "fair" or "poor," and 21.4 percent reported that their focal child had one or more health problems that "either last a long time or come back again and again" (*N* = 183).⁹⁵ A similar percentage of respondents with more than one child reported that at least one of their other children had a chronic health problem, bringing the total percentage of respondents with a child who had a chronic health problem to 31 percent (*N* = 262). Table 11.3 shows the most common of the focal children's chronic health problems.

Table 11.3
Most Commonly Reported Health Problems of Focal Children*

Health Problem	Frequency	Percentage of All Focal Children (%) (<i>N</i> = 856)	Percentage of Focal Children with Chronic Health Problem (%) (<i>N</i> = 262)
Asthma	75	8.8	28.6
Allergies	19	2.2	7.3
Other respiratory problem	15	1.8	5.7
Ear infections	16	1.9	6.1
Skin disease	13	1.5	5.0
High lead levels	15	1.8	5.7
Epilepsy or seizures	10	1.2	3.8
Heart condition	7	0.8	2.7

*Respondents could report more than one health problem.

Asthma was by far the most common chronic health problem affecting this population.

A small percentage of the wave two respondents reported that their focal child (*N* = 36) and/or one of their other children (*N* = 18) had not received medical treatment when it was needed at

⁹⁵The comparable figures for wave one were 21 percent and 23.3 percent, respectively.

least once since the wave one interview. Sixty-two percent of these respondents attributed this to a lack of health insurance.⁹⁶

Disabilities and Special Needs

Nearly 16 percent of the wave two respondents were caring for one or more special needs children. This includes 56 respondents who reported that their focal child had a disability and 89 who reported that at least one of their other children had a disability.⁹⁷ Table 11.4 shows the distribution of disabilities among the focal children.

Table 11.4
Most Common Disabilities of Focal Children Reported by Respondents

Disability	Frequency	Percentage of All Focal Children (%)	Percentage of Focal Children w/ Disability (%)
Learning disability	20	2.3	35.7
Speech impairment	15	1.8	26.8
Hyperactivity/attention deficit disorder	14	1.6	25.0
Physical disability	14	1.6	25.0
Mental disorder	6	0.7	10.7
Emotional disturbance	8	0.9	14.3
Language impairment	2	0.2	3.6
Chronic illness or disease	5	0.6	8.9
Developmental disorder	6	0.7	10.7
Vision impairment	2	0.2	3.6
Neurological disorder	2	0.2	3.6

Eighty-one percent of the focal children with a disability ($N = 57$) received services for their special needs, and more than one-third ($N = 24$) had received SSI since wave one.

School Performance

Two-thirds of the respondents in our sample ($N = 568$) reported that their focal child was attending school.⁹⁸ Another 35 reported that their focal child had attended school at some point since wave one but was no longer attending. Of the 285 focal children who were not attending and had not attended school, 88 percent were not yet school age and 2.5 percent had dropped out prior to wave one.⁹⁹ Table 11.5 shows the percentage of school-aged focal children who had experienced various school-related problems since the wave one interview.

⁹⁶The comparable figures for wave one were 7.9 percent and 70.6 percent, respectively.

⁹⁷The comparable figure for wave one was 14.4 percent.

⁹⁸This includes three focal children who were being home-schooled.

⁹⁹“Other,” “don’t know,” and “refused” were the responses given by the remaining respondents.

Table 11.5
School-Related Problems Experienced by School-Aged Focal Children
N = 603

	Frequency	Percentage (%)
Problems with schoolwork	101	16.8
Placed in special education class	70	11.6
Failed a grade	92	15.3
Suspended from school	135	22.5
Expelled from school	21	3.5
Dropped out of school*	10	4.8

*Asked only of respondents whose focal child was at least 12 years old.

The most common school-related problem reported by respondents was being suspended. This was followed by experiencing difficulties with schoolwork, failing a grade, and being placed in special education.

Table 11.6 compares the percentage of W-2 participants whose school-aged focal child experienced various school-related problems with the percentage of nonparticipants whose school-aged child experienced those problems.

Table 11.6
Post-Wave One School-Related Problems Experienced by School-Aged Focal Children:
Comparison Between W-2 Participants and Nonparticipants

	W-2 Participants		Nonparticipants	
	<i>N</i> = 593		<i>N</i> = 263	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Problems with school work	63	14.9	38	20.3
Placed in special education class	46	11	24	13.2
Failed a grade	62	14.8	30	16.5
Suspended from school	90	21.4	45	24.2
Expelled from school	11	2.6	10	5.4
Dropped out of school ⁺	4	2.8	6	8.8

+Asked only of respondents whose focal child was at least 12 years old.

The percentage of school-aged focal children who experienced each problem was lower for W-2 participants than for nonparticipants. However, none of these differences were statistically significant.

Table 11.7 compares the percentage of school-aged focal children who experienced various school-related problems in the year prior to the wave one interview to the percentage who experienced those problems between waves one and two.¹⁰⁰

Table 11.7
Post-Wave One School-Related Problems Experienced by School-Aged Focal Children Who Attended School prior to Wave One and prior to Wave Two
N = 402

	Wave One		Wave Two	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Difficulties with schoolwork*	149	37.1	87	21.6
Placed in a special education class*	71	17.7	54	13.4
Failed a grade	96	23.9	81	20.2
Suspended from school*	149	37.1	122	30.4
Expelled from school	21	5.2	18	4.5

* Indicates statistically significant differences across groups at $p < .05$.

Focal children were less likely to have had difficulties with schoolwork, to have been placed in a special class, or to have been suspended from school between the first and second wave than during the 12 months prior to the wave one interview.¹⁰¹ However, with the exception of difficulties with schoolwork, the differences were generally not large.

Behavior Problems

We asked our wave two respondents a number of questions about various other behavior problems their focal child may have experienced since wave one. Table 11.8 shows the frequency of these problems among the focal children.¹⁰²

Table 11.8
Selected Problems Experienced by Focal Children

Problem	<i>N</i>	Frequency	Percentage (%)	Age Range
Emotional or behavioral problem	615	100	16.3	Children 4+
Ran away from home	281	18	2.8	Children 10+
Delinquent activity	281	29	10.3	Children 10+
Arrested for crime	281	26	9.3	Children 10+
Problem with alcohol or other drugs	243	7	2.9	Children 11+
Became pregnant or a parent	210	22	10.5	Children 12+

¹⁰⁰This comparison was limited to the 402 respondents whose focal child had attended school prior to wave one and between waves one and two.

¹⁰¹Dropping out of school was excluded from this analysis because focal children who dropped out at wave one would not have been at risk of dropping out at wave two.

¹⁰²Respondents were only asked questions appropriate to their child's age.

Among respondents with a focal child age 4 or older, 18 percent reported that their focal child had an emotional or behavioral problem. Among respondents whose focal child was at least 10 years old, 10 percent reported that their focal child had been involved in juvenile delinquency; nearly as many reported that their focal child had been arrested. In fact, being arrested appears to have been more common than running away. Among respondents whose focal child was at least 12 years old, 10.5 percent reported that their focal child had experienced pregnancy or parenthood.

Table 11.9 compares the percentage of W-2 participants whose focal child experienced various problems with the percentage of nonparticipants whose focal child experienced those problems.

Table 11.9
Selected Problems Experienced by Focal Children:
Comparison Between W-2 Participants and Nonparticipants

Problem	W-2 Participants			Nonparticipants			Age Range
	<i>N</i>	Frequency	Percentage (%)	<i>N</i>	Frequency	Percentage (%)	
Emotional or behavioral problem	424	79	18.6	191	32	12.2	Children 4+
Ran away from home	193	11	5.7	88	7	8	Children 10+
Delinquent activity	193	16	8.3	88	13	14.8	Children 10+
Arrested for crime	193	14	7.3	88	12	13.6	Children 10+
Problem with alcohol or other drugs	161	6	3.7	82	1	1.2	Children 11+
Became pregnant or a parent	142	14	9.9	68	8	11.8	Children 12+

None of the differences between the percentage of W-2 participants who reported that their focal child had experienced a problem and the percentage of nonparticipants who reported that their focal child had experienced the same problem were statistically significant.

Table 11.10 compares the percentage of focal children who experienced various problems in the 12 months prior to the wave one interview with the percentage of focal children who experienced those problems between waves one and two among children who were in the appropriate age range at both waves.

Table 11.10
Selected Problems Experienced by Focal Children
Prior to Wave One Compared with Prior to Wave Two

Problem	Wave One			Wave Two		Age Range
	N	Frequency	Percentage (%)	Frequency	Percentage (%)	
Emotional or behavioral problem*	503	132	26.2	91	18.1	Children 4+
Ran away from home	214	16	7.5	13	6.1	Children 10+
Delinquent activity	214	32	15	28	13.1	Children 10+
Arrested for crime	214	26	12.2	25	11.7	Children 10+
Problem with alcohol or other drugs	192	12	6.4	7	3.7	Children 11+
Became pregnant or a parent	159	7	4.4	16	10.1	Children 12+

* Indicates statistically significant differences across groups at $p < .05$.

In general, the percentage of focal children who had experienced a problem during the 12 months prior to the wave one interview was higher than the percentage who had experienced that problem between waves one and two. However, with the exception of emotional or behavioral problems, the differences tended to be small and not statistically significant. The only problem more commonly reported at wave two was teen pregnancy or parenthood. This probably reflects the fact that the focal children were one to two years older at wave two. Yet even this difference was not statistically significant.

Child Welfare Services Involvement

We linked our survey data to information from the Wisconsin Statewide Automated Child Welfare Information System (WiSACWIS) using the respondents' social security number and/or last name, first name, and date of birth. Because WiSACWIS maintains records of all investigated child protective services reports, the results of such investigations, child welfare services provided to families, and the out-of-home care placement histories of children removed from home, these data can be used to examine the child welfare services involvement of our applicant families.¹⁰³ Table 11.11 shows the number and percentage of respondents who had some involvement with the Milwaukee County child welfare agency both prior to and following their wave one interview.

¹⁰³No identifying information is maintained in WiSACWIS for reports that are "screened out" by CPS intake workers as inappropriate for CPS investigation.

Table 11.11
Involvement with the Child Welfare System
N = 1,082

Type of involvement	Frequency	Percentage (%)
Any CPS investigation in Milwaukee County since 1989	511	47.2
Number of CPS investigations (respondents with at least one investigation)	Mean = 3.51	Median = 2
CPS investigation in Milwaukee County prior to wave one interview	429	39.6
CPS investigation in Milwaukee County following wave one interview	251	23.2
CPS investigation in Milwaukee County following wave one interview and <i>prior history</i> of CPS involvement	169	15.6
CPS investigation in Milwaukee County following wave one interview and <i>no prior history</i> of CPS involvement	82	7.6
Court-ordered placement of one or more children at any point since 1989	163	15.1
Court-ordered placement of one or more children prior to wave one interview	101	9.3
Court-ordered placement of one or more children following wave one interview	126	11.6

Forty-seven percent of our respondents were the subject of at least one CPS investigation between June 1989 and September 2001.¹⁰⁴ Forty percent had been investigated at least once prior to their wave one interview, and 23 percent were investigated between their wave one interview and September 2001.¹⁰⁵

Among respondents who were the subject of at least one CPS investigation, the mean and median number of investigations were 3.54 and 3, respectively. In fact, only 31 percent of the respondents in our sample with a history of CPS involvement had only one investigation since 1989.¹⁰⁶

Fifteen percent of our sample, or nearly one-third of the respondents who had been the subject of a CPS investigation between June 1989 and September 2001, had had at least one child removed from home since June 1989. Nine percent had had a child placed in out-of-home care at least once prior to their wave one interview, and 12 percent had had a child placed in out-of-home care at least once between their wave one interview and September 2001.

¹⁰⁴This figure includes all investigated reports, not only those that were “substantiated” as indicative of abuse or neglect. One reason for including all investigated reports is that information about substantiation is only available for reports made beginning in January 2000. Consequently, we could not restrict our analysis to substantiated reports for the first nine months of our study. Another reason is that even if some of these reports were not substantiated, they were deemed significant enough to send out a child welfare worker to investigate the risk to child safety. This is important because, particularly in cases of neglect, several reports and investigations may be required before a child is identified as maltreated, and even more before a child is removed from home.

¹⁰⁵The average amount of time that sample members could be tracked after their interview (i.e., until the end of September 2001) was approximately 28 months.

¹⁰⁶Although we do not yet know what percentage of the investigated reports were substantiated, the substantiation rate for all investigated reports in 2000 was 32 percent statewide (U.S. Department of Health and Human Services, 2002) and about 38 percent in Milwaukee County (State of Wisconsin Department of Health and Social Services, 1994). The rate for our sample is undoubtedly higher because later reports are, on average, more likely to be substantiated than initial reports and many of the reports on our sample are repeat reports on the same family.

We believe that these figures underestimate the prevalence of CPS involvement and out-of-home care placement among our sample members for at least two reasons. First, only 72 percent of the case heads in the CPS data have social security numbers. Our match may have missed other sample members who had been investigated by CPS investigation but whose social security numbers were not in the WiSACWIS database and whose names and/or birth dates were not recorded identically in both WiSACWIS and our survey data. Second, some of our sample members lived outside of Milwaukee County for some of the period in question.

Although we know of no data that are strictly comparable to ours, the post-wave one investigation rate of 23 percent is significantly higher than might be expected based on other studies. For example, Needell et al. (1999) found an investigation rate of 6.7 percent for a sample of AFDC applicants in California over an 18-month period, while Goerge and Lee (2001) found a substantiation rate of 2.9 percent over a one-year period for a sample of new AFDC/TANF entrants in Illinois.¹⁰⁷ Similarly, our out-of-home placement rate is several times higher than that reported in other studies of transitions between AFDC and out-of-home care (Goerge & Lee, 2001; Needell et al., 1999; U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 2000).

Because the investigation rate we found among our applicant sample was so much higher than other studies have reported, we wanted to know whether this difference reflected an increase in CPS involvement under W-2. To address this question, we used the CARES data to identify all of the Milwaukee County AFDC cases that were opened between March 1996, three years prior to the start of our wave one data collection, and July 1996, three years prior to the end of our wave one data collection, and then we linked the CARES data for this AFDC entry cohort to the WiSACWIS data using social security numbers or last name, first name, and date of birth. Table 11.12 compares the investigation rate among our sample of 1999 W-2 applicants to the investigation rate among the 2,995 1996 AFDC entrants who comprised our comparison group.¹⁰⁸ Because the length of the pre-application/post-application periods for our W-2 applicant sample is different from the length of the pre-entry/post-entry periods for the AFDC entry cohort, comparable rates are shown for one- and two-year follow-ups.

¹⁰⁷This figure, calculated from data presented in Needell et al. (1999), represents the average for the 1990 through 1994 AFDC entry cohorts of the sum of the investigation rate observed during the year of AFDC entry and half the figure for the following year.

¹⁰⁸In order to make this comparison group as comparable as possible to our W-2 applicant sample, we included only cases where at least one child in the AFDC case was related to the case head and excluded child-only cases and cases where the case head received Supplemental Security Income (SSI). We also excluded AFDC entrants who had received cash assistance less than three months prior to their March through July 1996 case opening.

Table 11.12
Involvement with Child Welfare System:
1999 W-2 Applicant Sample Compared with 1996 AFDC Entry Cohort

Type of Involvement	W-2 Sample N = 1,082		AFDC Entrants N = 2,955	
	N	Percentage (%)	N	Percentage (%)
Any CPS investigation in Milwaukee County since 1989	511	47.2	1,056	35.7
CPS investigation in Milwaukee prior to wave one interview in 1999	429	39.6		NA
CPS investigation in Milwaukee prior to start of AFDC spell in 1996		NA	661	22.4
CPS investigation in Milwaukee following wave one interview	251	23.2		NA
CPS investigation in Milwaukee following start of AFDC spell in 1996		NA	724	24.5
CPS investigation within 1 year of wave one interview or start of AFDC spell	149	13.8	302	10.2
CPS investigation within 2 years of wave one interview or start of AFDC spell	231	21.3	461	15.6

The rates of CPS involvement were higher among the W-2 applicant sample than among the AFDC entry cohort. Nevertheless, the latter experienced CPS involvement at rates higher than those reported in other studies (Goerge & Lee, 2001; Needell et al., 1999; U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 2000).

Finally, we also estimated a Cox proportional hazard model to examine the relationship between the attributes of our applicant sample and their hazard of experiencing a CPS investigation following their wave one interview.¹⁰⁹ Two hundred seventy-nine respondents experienced a CPS investigation between their wave one interview and September 21, 2001, the last date for which we had CPS data at the time of our analysis.¹¹⁰ The other 803 respondents were treated as censored observations.

Not surprisingly, a history of CPS involvement prior to wave one was associated with a more than threefold increase in the risk of subsequent investigation. Several other factors were also associated with an increased risk. Respondents with more resident children and respondents with at least one nonresident child were at an increased risk compared with respondents with fewer resident children and respondents with no nonresident child. Respondents who reported having a

¹⁰⁹The hazard being estimated can be thought of as the risk of experiencing a CPS investigation at time t given that an investigation had not occurred prior to time t and $t = 0$ is the wave one interview. Although most of the covariates in the hazard model were measured at wave one, we allowed for the possibility that the value of some variables would change at the time of the wave two interview.

¹¹⁰Although some of our sample members were investigated more than once subsequent to our interview, we have only modeled the first post-wave one investigation here.

problem with alcohol or other drugs and respondents who reported more parenting stress were also at increased risk. Being homeless at wave one nearly doubled the risk of a subsequent investigation. The risk was also higher with each additional economic hardship respondents had experienced during the previous year.

Chapter 12 Child-care

Of the 653 wave two respondents whose focal child was under age 13 and living with respondent at wave two, 46.6 percent reported that their focal child had been cared for by someone other than themselves during the month prior to their wave two interview while they were working or participating in W-2 activities.¹¹¹ Table 12.1 shows the types of child-care respondents used to care for their focal child during that month.¹¹²

Table 12.1
Type of Child-care Used for Focal Children
under Age 13 During the Previous Month

Type of Care	All Respondents Living with a Focal Child < 13 Years Old (N = 652)			Respondents Living with a Focal Child < 13 Years Old Who Were Employed in the Past Month (N = 395)		
	Frequency	Percentage (%)	Percentage of Child- care Users (%)	Frequency	Percentage (%)	Percentage of Employed Child-care Users (%)
Any type of child care	303	46.5	–	243	61.5	–
Head Start	28	4.3	9.2	22	5.6	9.0
Day care center	151	23.2	49.8	118	29.9	48.4
Care in own home	107	16.4	35.3	92	23.3	37.7
Care in provider’s home	99	15.2	32.7	83	21.0	34.0
Before- or after- school care	20	3.1	6.6	19	4.8	7.8

Child-care centers provided care to half of the focal children who had been cared for by someone other than respondent. More than a third of the focal children who had been cared for by someone other than respondent were cared for in their own homes. Nearly as many were cared for in someone else’s home. Eighty percent of the focal children who were cared for in their own home and 60 percent of the focal children who were cared for in the home of someone else were cared for by a relative. Although respondents who were employed in the past month were more likely to use any type of child-care than respondents who were not employed, the

¹¹¹Three percent of the respondents whose focal child was under age 13 were not living with their focal child.

¹¹²Although 11 percent of the respondents whose focal child was cared for by someone other than themselves did not report the type or types of child-care they used, the percentages still sum to more than 100 percent because 36 percent of the respondents used more than one type of care.

percentages of child-care users who used each type of child-care changes very little even when the analysis is limited to those respondents who were employed during the past month.

Thus far, this discussion of child-care has focused on the focal children. However, 755 of the wave two respondents had at least one child under the age of 13, including the focal child. Of these respondents, 47.5 percent ($N = 359$) used some type of child-care during the month before their wave two interview. Table 12.2 shows the types of child-care respondents used.¹¹³

Table 12.2
Type of Child-care Used for All Children Under Age 13 During the Previous Month

	All Respondents with at Least One Child < 13 Years Old ($N = 755$)			Respondents with at Least One Child < 13 Years Old Who Were Employed in the Past Month ($N = 448$)		
Type of Care	Frequency	Percentage (%)	Percentage of Child-care Users (%)	Frequency	Percentage (%)	Percentage of Employed Child-care Users (%)

	All Respondents with at Least One Child < 13 Years Old ($N = 755$)			Respondents with at Least One Child < 13 Years Old Who Were Employed in the Past Month ($N = 448$)		
Type of Care	Frequency	Percentage (%)	Percentage of Child-care Users (%)	Frequency	Percentage (%)	Percentage of Employed Child-care Users (%)
Any type of child care	359	47.6	–	286	63.8	–
Head Start	54	7.2	15.0	42	9.4	14.7
Day care center	184	24.5	51.3	147	32.8	51.4
Care in own home	141	18.7	39.3	117	26.1	40.9
Care in provider's home	132	17.5	36.8	111	24.8	38.8
Before- or after-school care	40	5.3	11.1	36	8.0	12.6

Consistent with the results presented in Table 12.1, half of the respondents whose child or children had been cared for by someone other than themselves indicated that their child or children had been cared for in a child-care center. Thirty-eight percent reported that their child or children had been cared for in their own home, and more than a third reported that their child or children had been cared for in someone else's home. Once again, although respondents who were employed in the past month were more likely to use any type of child-care than respondents who were not employed, the percentages of child-care users who used each type of child-care changes very little even when the analysis is limited to those respondents who were employed during the past month.

In addition to questions about the child-care they used, we also asked respondents about their

¹¹³Eleven percent of the respondents who indicated that their child or children were cared for by someone other than themselves did not report the type or types of child-care they used.

preference for formal versus informal child-care.¹¹⁴ Interestingly, despite the fact that center-based care was used more commonly than any other type, respondents whose child or children were cared for by someone other than themselves seemed to prefer informal care (54.8 percent) over formal care (33.9 percent).

Just over half ($N = 185$) of the respondents whose child or children were cared for by someone other than themselves indicated that they had received help paying for their child-care. Ninety-seven percent ($N = 179$) of those who received help paying for their child-care received child-care assistance from a W-2 or county social service agency. Among respondents who used child-care, the likelihood of receiving child-care assistance was slightly higher among W-2 participants (53.7%) than nonparticipants (43.8%), but this difference was not statistically significant. Table 12.3 shows the percentage of respondents who used a particular type of child-care and received child-care assistance.¹¹⁵

Table 12.3
Receipt of Child-care Assistance, by Type of Child-care Used

Type of Care	Number Who Used Child-care	Number Who Received Child-care Assistance	Percentage Who Received Child-care Assistance (%)
Any child-care	359	173	48.1
Head Start	28	16	57.1
Day care center	151	131	86.8
Care in own home	107	35	32.7
Care in provider's home	99	50	50.5
Before- or after-school care	20	13	65

Respondents whose child or children were cared for in a child-care center were more likely to have received child-care assistance than were respondents whose child or children were cared for in their own or someone else's home. One explanation for this difference is that children who were cared for in their own or someone else's home were being cared for by a relative who did not charge for their services. Consistent with this hypothesis, three-quarters of those who used center-based child-care had out-of-pocket child-care costs compared with less than a quarter of those whose focal child was cared for in their own homes and less than 30 percent of those whose focal child was cared for in someone else's home.

Table 12.4 shows the mean weekly out-of-pocket child-care costs among those respondents who used child-care during the past month.

¹¹⁴We defined formal child-care as day care centers or family day care homes and informal child-care as family, friends, or neighbors.

¹¹⁵Children attend Head Start free of charge, but more than 90 percent of the respondents whose child or children attended Head Start also used at least one other type of child-care.

Table 12.4
Mean Weekly Out-of-pocket Child-care Costs

	All Child-care Users		Child-care Users Who Received Child-care Assistance		Child-care Users Who Did Not Receive Child-care Assistance	
	<i>N</i>	Mean Weekly Cost (\$)	<i>N</i>	Mean Weekly Cost (\$)	<i>N</i>	Mean Weekly Cost (\$)
All child-care users	345	48.0	177	67.4	168	27.6
Child-care users with nonzero out-of-pocket child-care costs	278	53.9	140	76.0	1,380	31.6

The mean weekly out-of-pocket child-care costs among those respondents whose children were cared for by a child-care provider were \$48-\$97 when only respondents with nonzero out-of-pocket child-care costs are included.¹¹⁶ Interestingly, the mean weekly out-of-pocket child-care costs of the 177 respondents who received child-care assistance (\$67.4) were higher than the mean weekly out-of-pocket child-care costs of the 168 who did not receive child-care assistance (\$27.6). The same was true when the analysis was limited to those respondents who had nonzero out-of-pocket child-care costs. However, in neither case was this difference statistically significant. In part, the difference in out-of-pocket child-care costs reflects the fact that respondents who received a subsidy were more likely to use center-based care (87 percent compared to 16 percent) and less likely to use care provided in their own home (29 percent compared to 53 percent) than respondents who did not receive a subsidy.¹¹⁷

Eleven percent of the respondents who used child-care during the past month reported that they had changed child-care providers at least once during the preceding six months. A quarter of those who changed providers did so two or three times. The two most common reasons given for changing child-care providers were a change in job or work hours (23 percent) and being unhappy with the child-care (13 percent).

Child-care Problems with Implications for Employment

We asked respondents about a variety of employment-related child-care problems they may have encountered during the past month. Table 12.5 shows the percentage of respondents who experienced each of these problems.

¹¹⁶ Fourteen respondents either refused to answer the question or did not know what their out-of-pocket child-care costs were.

¹¹⁷ These data are ambiguous as to the direction of the causal relationship. Respondents who want to use center-based care may be more likely to apply for child-care assistance than respondents who wanted their children cared for by a relative in their own home. Alternatively, respondents who are not receiving child-care assistance may be more likely to have their child-care for in their own home by a relative than to use center-based care, particularly if the former charges little or nothing for providing the service.

**Table 12.5
Employment-related Child-care Problems Experienced During the Past Month**

Problem	Number at Risk of Experiencing Problem	Frequency	Percentage (%)
Trouble finding evening or weekend child-care	204 respondents with a child < 13 worked evenings or weekends*	37	18.1
Trouble finding care because work schedule varies	128 respondents with a child < 13 worked different hours different days*	31	24.2
Late for work due to child-care problem	369 respondents with a child < 13 worked at some point during the past month*	55	14.9
Missed work due to child-care problem	369 respondents with a child < 13 worked at some point during the past month*	38	10.3
Missed work due to a lack of sick-child-care	369 respondents with a child < 13 worked at some point during the past month*	51	13.8
Trouble finding infant care	94 respondents who worked at some point during the past month needed child-care for a child < 2*	33	35.1
Trouble finding care before/after school	85 respondents who worked at some point during the past month needed before- or after- school care*	30	35.3
Trouble finding care for a child with a disability or special needs	14 respondents who worked at some point during the past month needed care for a child with special needs*	5	35.7
Quit or refused a job due to lack of child-care or other child-care problems	755 respondents with a child < 13	32	4.2

* Data were missing for 39 respondents.

+ Data were missing for 92 respondents.

Fourteen percent of the wave two respondents who were employed and had at least one child under the age of 15 were late for work, and 10 percent missed work because of child-care problems. Fourteen percent also missed work because they did not have care for a sick child. Eighteen percent of those who worked evening or weekend hours and nearly a quarter of those who worked different hours on different days experienced child-care problems because of their work schedules. Thirty-five percent of those who needed care for a child under 2, 35 percent of those who needed before- or after- school care, and 36 percent of those who needed care for a child with special needs had difficulty finding child-care. Although only 4 percent of our respondents had either quit or refused a job during the past month due to a lack of child-care or other child-care problems, it is quite likely that the percentage would have been higher if a longer time frame had been used.

We then compared the employment-related child-care problems experienced by wave two respondents who participated in W-2 with those of wave two respondents who did not participate in the program. The results of this comparison are shown in Table 12.6.

Table 12.6
Employment-related Child-care Problems Experienced During the Past Month:
W-2 Participants Compared with Nonparticipants

Problem	Number of W-2 Participants at Risk of Experiencing Problem	Percentage of W-2 Participants Who Experienced Problem (%)	Number of Nonparticipants at Risk of Experiencing Problem	Percentage of Nonparticipants Who Experienced Problem (%)
Trouble finding evening or weekend child-care	137 respondents with a child < 13 worked evenings or weekends*	20.4	67 respondents with a child < 13 worked evenings or weekends*	13.4
Trouble finding care because work schedule varies	88 respondents with a child < 13 worked different hours different days*	27.3	40 respondents with a child < 13 worked different hours different days*	17.5
Late for work due to child-care problem	254 respondents with a child < 13 worked at some point during the past month*	16.5	115 respondents with a child < 13 worked at some point during the past month*	11.3
Missed work due to child-care problem	254 respondents with a child < 13 worked at some point during the past month*	10.6	115 respondents with a child < 13 worked at some point during the past month*	9.6
Missed work due to a lack of sick-child-care	254 respondents with a child < 13 worked at some point during the past month*	13.8	115 respondents with a child < 13 worked at some point during the past month*	13.9
Trouble finding infant care	79 respondents who worked at some point during the past month needed child-care for a child < 2*	32.9	15 respondents who worked at some point during the past month needed child-care for a child < 2*	46.7
Trouble finding care before/after school	65 respondents who worked at some point during the past month needed before- or after-school care*	33.9	20 respondents who worked at some point during the past month needed before- or after- school care*	40.0

In no case was the difference between the percentage of W-2 participants and the percentage of nonparticipants who experienced a child-care problem statistically significant.

Finally, we asked those wave two respondents who had participated in W-2 during the month prior to their wave two interview about child-care problems that caused them to miss hours of their assigned activities. These results are presented in Table 12.7.

Table 12.7
Child-care Problems Experienced by W-2 Participants During the Past Month*
N = 88

Problem	Frequency	Percentage (%)
Unable to find child-care	24	27.3
Unable to pay for child-care	10	11.4
No care for sick child	21	23.9

*Analysis limited to W-2 participants with at least one child under the age of 13.

Altogether, 36.4 (*N* = 32) of the wave two respondents who had participated in W-2 during the month prior to their wave two interview missed assigned activities due to one or more of these child-care problems.

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