Institute for Research on Poverty
Discussion Paper no. 1282-04

How Do Welfare Sanctions Work?

Chi-Fang Wu
Institute for Research on Poverty
University of Wisconsin–Madison
E-mail: cwu@ssc.wsc.edu

Maria Cancian
La Follette School of Public Affairs
Institute for Research on Poverty
University of Wisconsin–Madison
E-mail: cancian@lafollette.wisc.edu

Daniel R. Meyer
School of Social Work
Institute for Research on Poverty
University of Wisconsin–Madison
E-mail: drmeyer1@wisc.edu

Geoffrey Wallace
La Follette School of Public Affairs
Institute for Research on Poverty
University of Wisconsin–Madison
E-mail: wallace@lafollette.wisc.edu

June 2004

This report was prepared using data collected under Contract C-680 between the Wisconsin Department of Workforce Development and the Institute for Research on Poverty. Any views expressed in this report are those of the authors and not necessarily those of the sponsoring institutions.

Abstract

Under Temporary Assistance for Needy Families (TANF), families are subject to greater work requirements, and the severity of sanction for noncompliance has increased. Utilizing Wisconsin longitudinal administrative data, we employ event history analysis to examine the dynamic patterns of sanctioning and the patterns of benefits following a sanction. We find very high rates of sanctioning (especially partial sanctions). Multiple sanctions are fairly common but sanction spells are quite short. The most common transition from a sanction is back to full benefit receipt. We also examine the factors associated with being sanctioned and the severity of sanctions by comparing a traditional model with an event history model. We find that it is important to estimate a model that takes into account the period of risk. Many results are similar, confirming that those who may be least able to succeed in the labor market are most likely to be sanctioned. But important differences also emerge, relationships that were hidden by the more traditional analysis.

How Do Welfare Sanctions Work?

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 ended the federal guarantee of cash assistance for single-parent families with children and replaced the entitlement program, Aid to Families with Dependent Children (AFDC), with the Temporary Assistance for Needy Families (TANF) block grant. Work requirements were a key component of the legislation, and sanctions for noncompliance were an important part of the policy design. Under TANF, sanctions have taken on much greater significance, both because fewer families are exempt from work requirements and because the new policy of full-family sanctions means that failure to comply with those requirements can result in the loss of a family's entire cash grant (Pavetti and Bloom, 2001; Pavetti et al., 2003), as well as the loss of food stamps and Medicaid (Cherlin et al., 2001; U.S. General Accounting Office [GAO], 2000).

The number of people no longer receiving benefits because they have been sanctioned has increased concern about how often sanctions are used, who is at risk of being sanctioned, and the effects of sanctions on welfare recipients. A number of studies have examined the characteristics of sanctioned families, the reasons these families did not meet their participation requirements, and the later consequences to them. Most of these studies did not focus on sanctions but looked more generally at families who had left welfare ("leavers"; see Colville et al., 1997; Westra and Routley, 2000) or were conducted under the old AFDC system (Colville et al., 1997; Fraker et al., 1997; Kornfeld et al., 1999; U.S. GAO, 1997). Less is known about the use of sanctions under TANF.

Most of the early studies of sanctions were exploratory and descriptive, assessing the characteristics and describing the experiences of sanctioned recipients or sanctioned leavers. Furthermore, much sanction research has measured a sanction as a simple dichotomous variable (sanction, nonsanction) at a particular point in time. Relatively few studies have examined the severity of sanctions or the timing and duration of sanctions. In this paper, we utilize Wisconsin longitudinal administrative data. These data include detailed information on the timing and severity of sanctions, enabling us to examine the dynamic

patterns of sanctioning, factors associated with being sanctioned, and the relationship between sanctioning and subsequent outcomes.

I. POLICY CONTEXT

States have broad authority and flexibility regarding the design and use of sanctions. The triggers for sanctions and the amounts of reduction in the grant vary from state to state.[1] Most states have chosen to implement sanction policies that are much stricter and more extensive than the minimum required under TANF. As outlined in Kaplan (1999), sanction policies can be broadly characterized as consisting of *partial sanctions*, which may include reductions in the portion of the grant designated as benefiting the noncompliant adult; *full-family sanctions*, under which the full benefit, including the amount designated as benefiting children, may be eliminated; and *pay for performance*, characterized by sanctions closely tied to the number of hours of noncompliance with, for example, work requirements (U.S. GAO, 1997; Kaplan, 1999). Under TANF, most state sanction policies allow for full-family sanctions in cases in which the adult participants fail to meet work requirements in the absence of an exemption "for good cause." Few states retained the sanction policies installed under the earlier JOBS programs, in which only the adult portion of the grant was eliminated in cases of noncompliance (Goldberg and Schott, 2000).

Along a number of dimensions, sanction policies under TANF are more severe. Not only are benefit reductions larger but sanctions are imposed sooner and are in effect longer than under JOBS (Loprest et al., 2001). In addition, AFDC welfare recipients were "protected against unwarranted benefit terminations by an extensive conciliation process" before sanctions were imposed (U.S. GAO, 1998). Under TANF, there is often no such process. Many states adopted tougher sanctions in response to the

[1]There are various types of sanctions tied to work requirements, child support enforcement, and, for teens receiving welfare, the requirements to attend school and live with parents. Given that the majority of sanctions involve work requirements (U.S. GAO, 1997; Fein and Lee, 1999), we focus primarily on work-related sanctions in this paper. In our sample, 90 percent of all sanctions during the 4-year period after entry were work-related; 9 percent were for failure to cooperate with child support enforcement, and 1 percent were because a child was not attending school. Only 8 cases (less than 0.05 percent) had experienced sanctions related to substance abuse.

perception that the previous policies did not provide strong enough motivations for participation in work activities and penalties for noncompliance (Holcomb et al., 1998).

TANF and Sanctions in Wisconsin

In September 1997, Wisconsin replaced the AFDC program with the Wisconsin Works (W-2) program. In brief, W-2 emphasizes immediate work and is designed to provide no cash unless a participant is engaged in work or a work-like activity (or has a child younger than 13 weeks). W-2 has four tiers of support for adults with children: Unsubsidized Employment, Trial Jobs, Community Service Jobs (CSJ), and W-2 Transition (W-2T). Work requirements and benefit levels vary across the tiers. Those with children under 13 weeks old receive benefits through a Caretaker of Newborn (CNB) tier. In most Wisconsin counties, W-2 is administered by the counties themselves; in Milwaukee County, where most W-2 participants reside, several agencies provide services to designated geographic regions. (For a detailed discussion of W-2, see Kaplan, 2000.)

The W-2 program is unique in that its welfare benefits are based on the welfare participant's hours of participation and tier on the W-2 employment ladder; there is no adjustment in benefits for family size (Kaplan, 2000). Those who fail to participate in assigned activities can be fully or partially sanctioned; cash benefits are reduced by the minimum wage ($5.15 per hour) for each hour of nonparticipation without good cause.[2] In addition, the concept of "strikes" is used in W-2 as a more severe penalty for nonparticipation. Participants who do not take part in an activity at all, without good cause, may receive a strike. Three strikes in any W-2 activity render the participant ineligible to receive

[2]Good cause includes "domestic abuse, unavailable child care arrangements or other circumstances beyond the control of the participants." If claiming good cause, W-2 participants must supply documentation to demonstrate their case. However, when deciding whether good cause is warranted or sanctions should be imposed, W-2 agencies and caseworkers generally have a high degree of discretion (Wisconsin Department of Workforce Development, 2003).

benefits for life (Wisconsin Department of Workforce Development, 2003). Thus far, strikes have been relatively rarely imposed.

Monitoring the attendance of W-2 participants was a challenge in implementing sanction policies (Wisconsin Legislative Audit Bureau, 2001, 2002). The design of W-2 required the state to establish systems to accurately track the hours each participant was required to work and the actual hours worked, and to notify recipients if they were being sanctioned (U.S. GAO, 1997; Robles et al., 2003). These administrative difficulties were not faced by other states, which were not trying to sanction on an hourly basis. But the next round of welfare reform is likely to increase federal work requirements further. Thus, sanction policies similar to Wisconsin's and other tools for increasing work participation may be considered necessary by other states.

II. PRIOR LITERATURE

Numbers of Families Affected by Sanctions

Given substantial variation in sanction policies and implementation, and limited comparable cross-state data, accurate national estimates of the number of families affected by sanctions are not available. Estimating monthly sanction rates, and including those for whom benefits were reduced or eliminated in 1998, the U.S. GAO (2000) estimated that about 5 percent of the caseload, or 135,800 families, was sanctioned each month. Of course, some families may have left welfare altogether because of sanctions, and would not be included in these estimates. Taking cases that had left the rolls into account, Goldberg and Schott (2000) estimate that between 1997 and 1999 over half a million families lost welfare benefits because of sanctions. This accounts for about a quarter of the total reduction in cash assistance over the period (Kalil et al., 2003).

The variation in sanctioning rates across states is high. In the first year of TANF implementation in Delaware, almost half of the families receiving cash assistance were sanctioned. In South Carolina, by contrast, fewer than 4 percent of cases were closed because of sanctions (Burke and Gish, 1998). In

Maryland (University of Maryland, School of Social Work, 1999) fewer than 5 percent of those leaving welfare had been sanctioned for noncompliance, whereas more than 20 percent of the caseload decline in Montana may have been associated with sanctions for noncompliance (Coping with Block Grants, 1998). One exceptional study that examined the dynamics of sanctions in Delaware found that monthly sanction rates had increased from 8 percent to 18 percent between December 1996 and December 1997. The level remained at 18 percent through June 1998 (Fein and Lee, 1999).

Several potential explanations may account for cross-state variation in these measures of sanctioning. One source is difference in the time period over which sanctions are measured. Some states report the percentage of the caseload sanctioned in a month, others the percentage of recipients sanctioned over longer time periods (Kaplan, 1999). Variation may also result from differences in how sanction rates are defined, particularly in the case of families that have left welfare—either those leaving after a sanction, or those who might have been sanctioned had they not left (Pavetti and Bloom, 2001).

One of the most important reasons for cross-state differences is the tremendous variation among states in terms of sanction policies and implementation of sanctions (Pavetti et al., 2003; U.S. GAO, 1997). Recipients in some areas are sanctioned rather quickly after failing to comply with requirements whereas recipients in other areas must demonstrate a sustained pattern of nonparticipation before sanctions come into play (Derr, 1999). It is, moreover, difficult to clearly identify a sanction and compare sanction rates across states, since sanctions are tracked in different ways. For example, if a woman is told at an initial visit with a worker that she must participate in work-related activities before she can receive any benefits, she would not typically be counted as sanctioned if, failing to follow work requirements, she never enters the system. But in a state that requires work activities to begin only after 2 months of receiving benefits, the same person might receive benefits for 2 months and then would typically count as being sanctioned if she did not follow work requirements.

Characteristics of Sanctioned Recipients

Research on the characteristics of sanctioned clients has resulted in several common findings. Sanctioned welfare recipients have greater barriers to employment (e.g., low education and little work experience) than nonsanctioned recipients (Cherlin et al., 2001; Coping with Block Grants, 1998; Fein and Lee, 1999; Hasenfeld et al., forthcoming; Kalil et al., 2003; Pavetti and Bloom, 2001; Westra and Routley, 2000). For example, after controlling for a number of personal and family background variables and motivation, attitudes, or expectations about work, Kalil et al. (2003), using data from the Women's Employment Study in Michigan, found that women with little education were more than twice as likely to be sanctioned as those with a high school diploma. Recipients who are sanctioned are much more likely than nonsanctioned recipients to have experienced personal and family challenges. Those who have physical and mental health problems, histories of domestic violence, lack of child care, or inadequate transportation are more likely to be sanctioned (e.g., Cherlin et al., 2002; Coping with Block Grants, 1998; Goldberg and Schott, 2000; Oggins and Fleming, 2001; Strawn, 1997). Sanctioned recipients are more likely to be African American than are nonsanctioned recipients. For example, in a multivariate analysis, Kalil et al. (2003) found that African American mothers were almost twice as likely to be sanctioned as white mothers.

Several studies indicate other characteristics of welfare recipients that may place them at higher risk of being sanctioned. Sanction rates were found to be higher for participants who were younger (Hasenfeld et al., forthcoming; Kalil et al., 2003), had more children (Cherlin et al., 2002), were native English speakers (Hasenfeld et al., forthcoming), were not cohabiting or living with other adults (Kalil et al., 2003), or were long-term recipients (Pavetti and Bloom, 2001).

Many prior studies on sanctions showed only the mean or percentage difference between two groups and did not use multivariate statistical methods to control for other characteristics (e.g., Cherlin et al., 2001; Derr, 1999; Colville et al., 1997; Fraker et al., 1997; Lindhorst et al., 2000; Nixon et al., 1999; Westra and Routley, 2000). Other studies (Fein and Lee, 1999; Kalil et al., 2003; Hasenfeld et al.,

forthcoming; Oggins and Fleming, 1999) mainly used multivariate statistical models (such as logistic regression or a probit model) to measure differences between sanctioned and nonsanctioned groups. An exceptional piece of research conducted by Kalil et al. (2003) controlled not only for a wide range of demographics, human capital, and family background characteristics but also for some variables that are often ignored in other studies (such as psychosocial, mental health characteristics, motivation, and attitudes and expectations about the world of work). But very few of these studies have explicitly considered the interrelated dynamics of benefit receipt and sanctioning, accounting for the period of benefit receipt during which women are at risk of being sanctioned. As we show here, accounting for these dynamics has important implications for the results.

Measures of Sanctions

There are at least two ways to conceptualize sanctions: the threat of sanctions and their actual imposition.[3] Most studies define sanctions as benefit reductions imposed for noncompliance with program requirements. However, data limitations often make it difficult or impossible for researchers to distinguish declines in cash assistance associated with sanctions from those that are due to increased income or earnings (Kalil et al., 2003; Shook, 1999), changes in family composition, or errors (Shook, 1999). These measurement issues pose challenges for measuring the use and the effects of sanctions.

A related problem, if survey data are used, is that self-reported information on sanctions may be wrong. Some participants may report that they were sanctioned for noncompliance with program requirements, even if they were not, while others may not report sanctions that actually occurred. For example, Kalil et al. (2003) indicated that respondents considered any benefit reduction a sanction even

[3]The threat of losing benefits may serve as a strong enough deterrent that welfare recipients fully comply. Ideally, welfare recipients, therefore, would never be sanctioned (Fein and Lee, 1999). However, the effect of the threat of sanctions is difficult to measure and very few studies have done so (for exceptions see Fraker et al., 1997; Lee et al., 2003).

though check amounts may have been reduced for other reasons, such as increased earnings or income from other sources.

Much of the sanction research literature (e.g., Cherlin et al., 2001; Fraker et al., 1997; Nixon et al., 1999; Oggins and Fleming, 2001) measures a sanction as a simple dichotomous variable (sanction, nonsanction) at a particular point in time. With a single assessment point, it is impossible for researchers to consider the level of change, the duration of sanctions, and their effects. Limited research (e.g., Fein and Lee, 1999) has explored effects, and these studies have used a very short time period after a sanction was imposed. A very different picture may emerge through a longer-term examination.

Very few studies have measured the severity, timing, and duration of sanctions. Several studies (e.g. Colville et al., 1997; Fein and Lee, 1999) measured the duration of sanctions, often during the first 6 months after the sanctions were imposed. Yet, to observe patterns of sanctioning over time, even 6 months may be too short. Measuring the levels of change and the timing/duration of sanctions over a longer period is important to fully understand their dynamics. In an important recent study, Wood and Clark (2003) examined the pattern of sanctioning in New Jersey over an 18-month period and found that many partially sanctioned participants were sanctioned for a very short period; most of them (over 80 percent) for 3 months or less. About half of fully sanctioned participants returned to cash assistance within 3 months; 63 percent returned within the first year. Our research complements this New Jersey research, examining levels and patterns of sanctioning over a longer period and presenting results from Wisconsin, a state that may be the most frequent user of sanctions.

III. DATA AND METHODS

Data and Sample

In this paper, we document dynamic patterns of sanctioning, the factors associated with sanctions, and the patterns of benefits following a sanction. We use Wisconsin administrative data from the Client Assistance for Re-employment and Economic Support (CARES) and Unemployment Insurance (UI)

systems for the period from September 1997 to June 2003. CARES data provide monthly information on the timing and severity of sanctions over time and have extensive information on program participation, welfare status and welfare history (e.g., tier placement, application status, number of months receiving AFDC benefits prior to TANF participation), and demographic information (e.g., work experience, earnings, education, marital status, race, number of children, and family composition). UI data contain quarterly earnings records for individually covered workers that allow tracking of the work records and earnings of W-2 participants over time.[4]

The sample used for this study includes all female participants (N=17,119) who entered cash tiers in Wisconsin and received TANF benefits during the first year W-2 was implemented (from September 1, 1997, to August 31, 1998). Given that only cases receiving cash benefits face the risk of being sanctioned, for some analyses we excluded cases when they moved off the W-2 program, as described below.

Measures

Sanctions Variables

In this study, we conceptualize sanctions as the actual imposition instead of merely the threat of sanctions.[5] We define sanctions as benefit reductions imposed for noncompliance with work-related requirements of W-2 (i.e., participating in work activities), allowing for good-cause exemptions. Because CARES data contain information about both specific W-2 work program activities for which nonparticipants may be subject to sanctions and good-cause exemptions, we are able to separate sanctions

[4]UI data include the majority (over 90 percent) of Wisconsin workers, but they do not cover those who are self-employed, federal employees, commission sales workers, farmers, church employees, and employees of not-for-profit organizations with fewer than four workers. Moreover, these data do not consistently include information on those who are employed outside of Wisconsin (Cancian and Meyer, 2002).

[5]As stated by the Wisconsin Legislative Audit Bureau (2001, 2002), some participants may be inaccurately sanctioned. The administrative records we use allow us to track actual sanctions accurately, but do not allow us to independently determine whether sanctions were imposed correctly.

from other causes of benefit reductions. This may overcome measurement difficulties experienced in prior research.

The literature on sanctions generally does not consider the duration and severity of sanctions. In this study we measure sanctions in two different ways: by a simple dichotomous variable (sanction, nonsanction) and by the severity of sanctions (i.e., the actual benefit reduction amount for noncompliance with W-2 work activities). We further test the sensitivity of alternative measures of sanctions by comparing the key results obtained using the severity of sanction variable to results obtained with the simple measure.

Explanatory Variables

We measure four sets of explanatory variables in this study: (1) individual characteristics—age, race, education, language, employment experience, county of residence; (2) family characteristics—number of children, age of youngest child, household structure; (3) welfare history and current welfare status—number of months of AFDC recipiency in the 2 years before entry, entry cohort, initial W-2 tiers; and (4) unemployment rates in the county of residence.

Data Analysis

Most of the empirical studies that examine factors associated with sanctions use regression models with a dichotomous dependent variable (being sanctioned in a given period of time). However, traditional regression approaches using cross-sectional data do not take into account the length of time sanctioned, nor do they account for whether the participant remains at risk of being sanctioned. In this paper, we employ event history analysis[6] to examine the dynamics of sanctions, predictors of being

[6]For a detailed discussion of event history analysis, see Allision (1984, 1995), Cox and Oakes (1984), Hosmer and Lemeshow (1999), Tuma and Hanna (1984), and Yamaguchi (1991). Event history also has an

sanctioned, and the severity of sanctions. The primary advantage to using event history analysis in this context is that it enables us to capture the timing of benefit receipt and sanctioning. More specifically, we can limit our analysis to the cases that are at risk of being sanctioned, that is, cases that remain on the program during the period examined. We thus avoid confounding those who avoid sanctions while receiving benefits with those who leave welfare altogether (and are therefore not at risk of being sanctioned).

In this paper, we document patterns of sanctioning over the 48 months after participants enter a W-2 tier that provides cash benefits. Among our descriptive analyses, we present information on the "hazard" rate of being sanctioned, that is, the probability that a woman is sanctioned given that she is still receiving benefits and has not yet been sanctioned. We then examine the severity of sanctions, differentiating between those who experience full and partial sanctions.

To examine the characteristics of those sanctioned, we conduct two analyses. First, we use a traditional logistic regression, examining whether a woman was sanctioned or not during her first spell of welfare receipt. (The average length of first cash spell is 10 months and the median length is 8 months.[7]) We then contrast these results with a discrete-time event history analysis. In this analysis, we examine each month in the first spell of welfare receipt to determine whether a woman stayed in full benefit receipt, was sanctioned, or moved off welfare. To estimate this model, we construct a person-month file that contains records for each individual for each month, beginning the month in which she first received W-2 cash benefits and ending the month in which she was first sanctioned or left welfare. In total, we identified 105,926 person-month records among the 17,119 W-2 participants.

advantage in that it is able to treat cases that are censored (that is, do not experience the event within the time period) differently from cases that are observed but do not experience the event.

[7]A spell of cash benefit receipt is defined as a length of time during which a welfare recipient "continuously" receives cash benefits. A single month without benefits between 2 months in which benefits were received is not treated as an exit.

We then examine whether the characteristics of those who received full sanctions differ from those who receive partial sanctions. Again we begin with a traditional logistical regression approach, examining the first spell of welfare receipt and differentiating those who first had a partial sanction from those who had a full sanction and those who went off welfare without being sanctioned. We then conduct an event history analysis, again examining the first spell of cash assistance, but examining each month until a woman was sanctioned or went off benefits.

For both analyses—being sanctioned and severity of sanctions—we calculate the estimated probabilities of being sanctioned for W-2 participants with a set of prototypical characteristics for both the traditional regression analyses and event history analyses. Finally, we present limited information on what happened after a sanction, examining the extent to which women stayed in a sanction status, returned to full benefit participation, or left welfare.

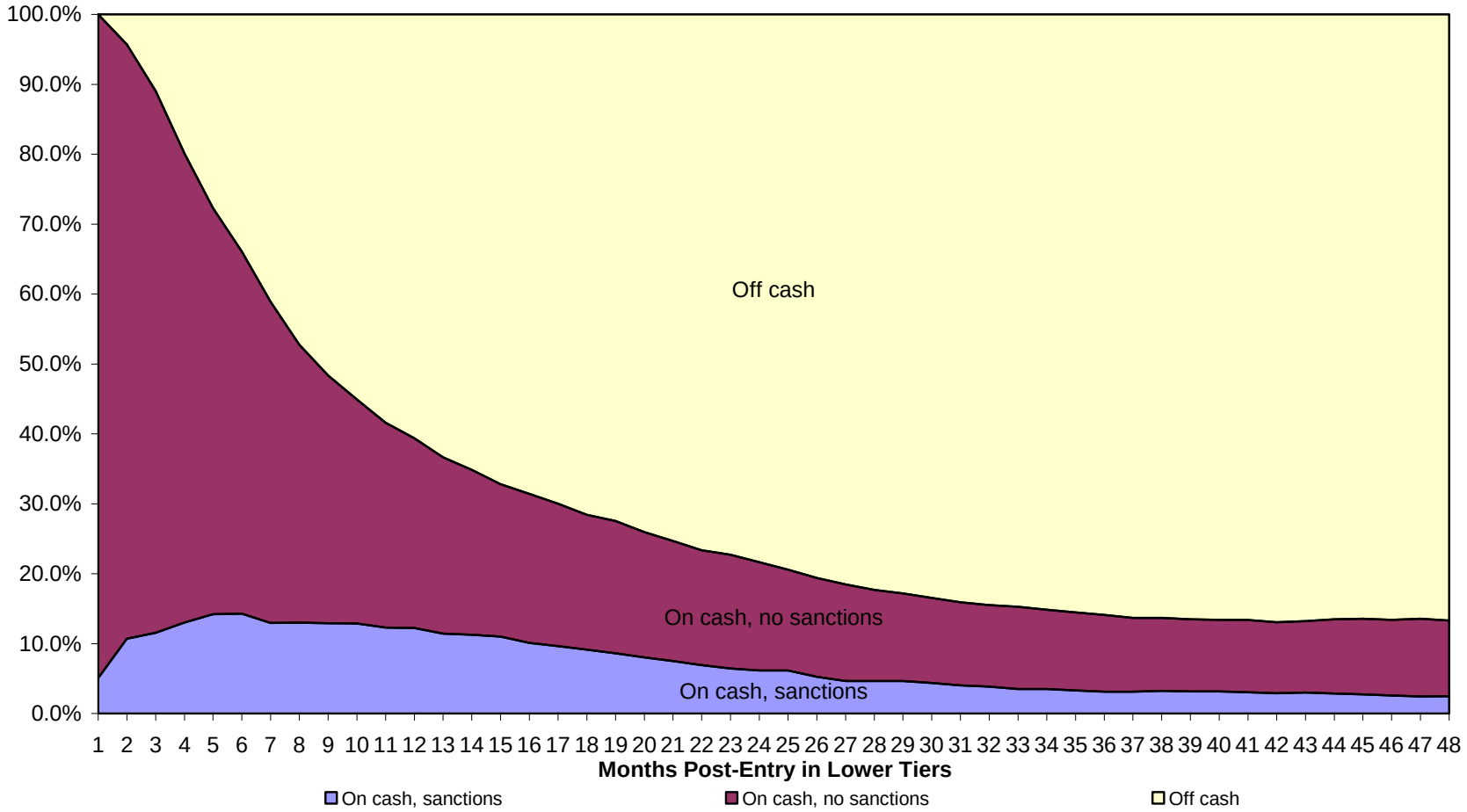
IV. RESULTS

How Frequent Are Sanctions?

Figure 1 examines the frequency of sanctions, dividing the sample into three groups: those who were sanctioned, those who were receiving cash benefits but not sanctioned, and those who were off the cash program. The figure shows a dramatic decline in the receipt of cash benefits over time. At the end of the first year, fewer than half of the original participants were receiving cash benefits, and after 4 years only one-fifth were receiving benefits . In the first month, only 5 percent of the sample was sanctioned; this percentage increased to 14 percent in the fifth and sixth months, then gradually declined.

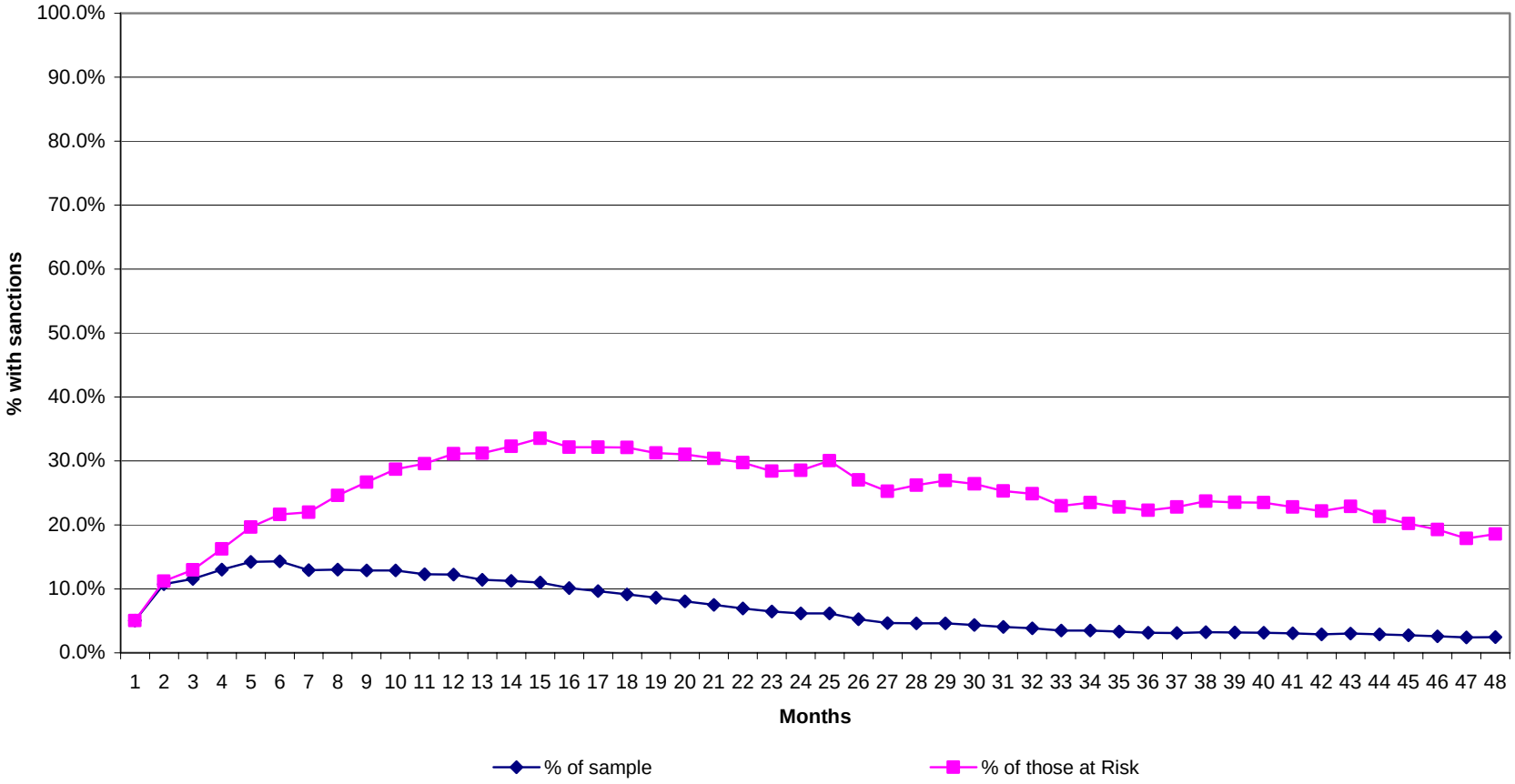
The sanction rate shown in Figure 1 ignores the fact that some women were no longer at risk of being sanctioned because they no longer received cash benefits. Figure 2 contrasts the simple sanction rate (the lower line, which is identical to that shown in Figure 1) with the sanction rate among the at-risk sample (those still receiving benefits). The highest rate of sanctions was in month 15, in which 34 percent of women who were in a cash status were sanctioned. The percentage declined over time, but even by

Figure 1
Change in Welfare and Sanction Status



Sample: 17,119 W-2 participants who entered in lower tiers and received TANF benefits during the first year of implementation. This figure includes all spells.

Figure 2
Frequency of Sanctions



Overall sample: 17,119 W-2 participants who entered in lower tiers and received TANF benefits during the first year of implementation. This figure includes all spells.
Those at risk: W-2 participants who entered in lower tiers in first year of implementation and received cash benefits in each month after entry.

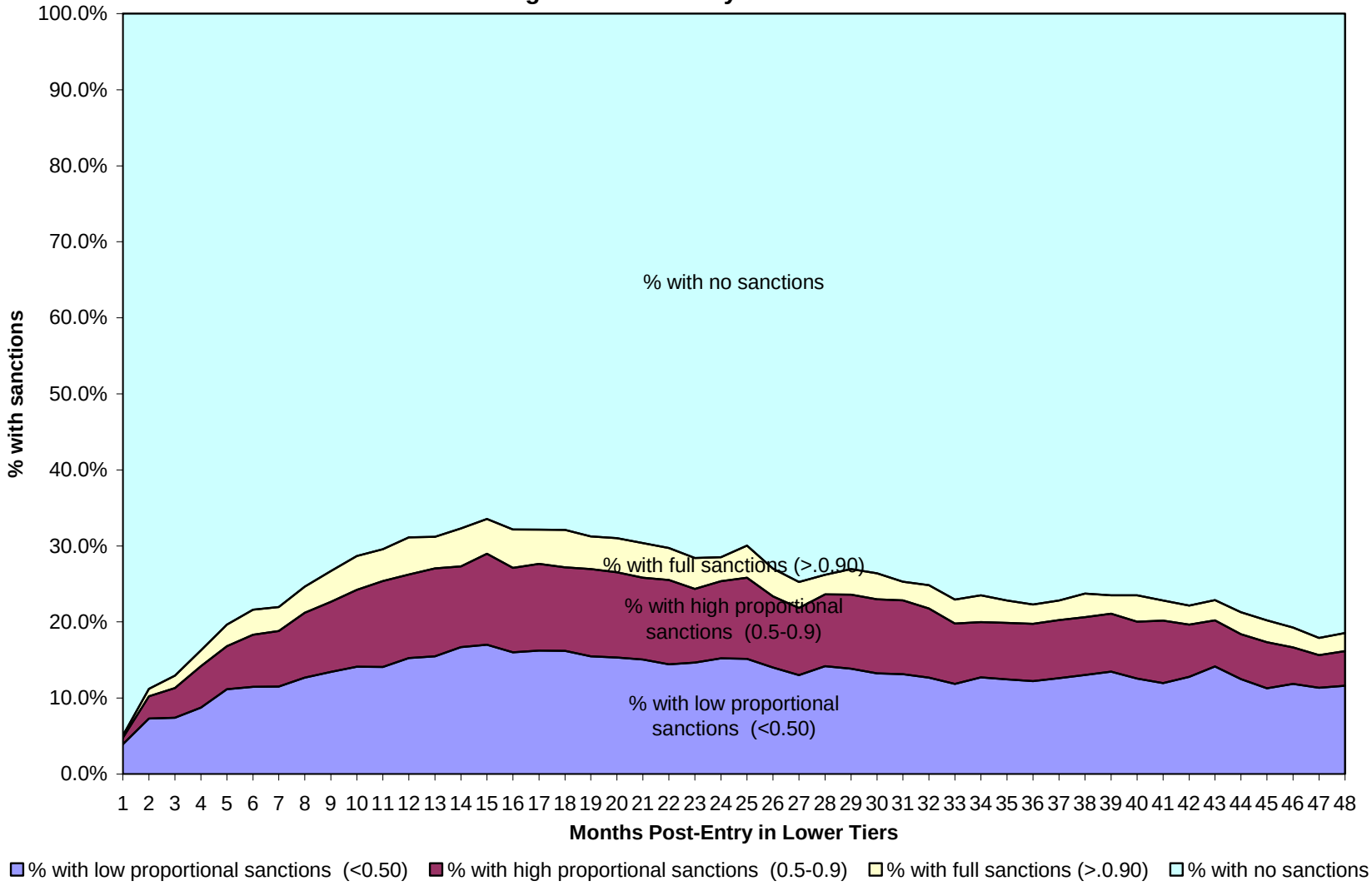
month 48, 19 percent of those in a cash benefit tier were being sanctioned. We calculate the hazard rate of being sanctioned, and this analysis shows similar results. Sanctioning was fairly common in the first 14 months of benefit receipt, dropping in frequency if a woman was on benefits for more than 14 months without having been sanctioned.

Considering information on the first year only, the simple rate of sanctions is 51 percent; adding a second year brings the percentage of women ever sanctioned to 60 percent, a third year to 62 percent, and a fourth year to 64 percent. Even using only the first year of data, we would conclude that being sanctioned was a common experience; the longer timeframe demonstrates that nearly two-thirds of recipients faced a sanction. In much of the following analysis we focus only on the first spell of cash receipt, for which the sanction rate is 52 percent.

How Severe Are Sanctions?

In Wisconsin, a woman's benefit level may be affected (that is, she may be sanctioned) if she has an unexcused absence of a day (or even an hour) from a work assignment. In Figure 3, we examine the level of sanctions among those receiving benefits, differentiating among those with a "low" sanction (that is, less than 50 percent of their benefit), a "high" sanction (between 50 and 90 percent of their benefit), and "full" sanction, in which they received either nothing or less than 10 percent of the benefit. Most sanctions were "low"; the percentage with low sanctions increased over the first 15 months, reaching a maximum of 17 percent before leveling at 11–13 percent. The rate of high sanctions also increased over time, to 12 percent, and then gradually declined. The proportion with full sanction never exceeded 5 percent, and generally followed a similar pattern. In sum, most sanctions in this sample of Wisconsin women represented a benefit reduction of less than 50 percent and only very few were "full" sanctions. This finding is similar to the results from the Work First New Jersey Evaluation study (Wood and Clark, 2003), which also found that full sanctions were less common than partial sanctions.

Figure 3
Change in The Severity of Sanctions



Sample: W-2 participants who entered in lower tiers in first year of implementation and received cash benefits in each month after entry.

When we examine the pattern over each woman's 48-month experience, the two most common patterns were no sanction (36 percent) or one or more partial sanctions, without ever a full sanction (38 percent). Almost one-fourth experienced both partial and full sanctions; a small percentage had only full sanctions.

What Are the Characteristics of Those Sanctioned?

Traditional Model of Those Sanctioned

We now examine the characteristics of those more likely to be sanctioned. Our first approach replicates the simple model used in some prior studies. We examine the first spell of benefit receipt in our 4-year period, differentiating between those ever sanctioned and those never sanctioned during this period.[8] The first columns of Table 1 show that those more likely to be sanctioned were women of color, those with less education, those whose primary language was English, and those who had a longer history of welfare receipt and less formal employment history. Distinguishing Milwaukee County (the largest urban county in the state) from other urban and from rural counties, we find that participants in Milwaukee County were most likely to be sanctioned,[9] those in rural counties least likely. Those who lived alone or with other adults were more likely to be sanctioned than those who lived with a husband. Sanction rates were no different for those with more children or those in counties with higher unemployment.

A woman's initial placement tier has the expected relationship with her likelihood of being sanctioned. Those in CSJs were more likely to be sanctioned than those in W-2T, perhaps in part because

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[8]We also considered an even simpler model, in which we differentiate between those ever sanctioned and those never sanctioned over the full 4-year period. The results of this alternative analysis are quite similar to those shown here.

[9]In Milwaukee County, six agencies provide services to participants. We also considered adding Milwaukee agencies in the multivariate analysis and found some significant differences among agencies. However, we present the simple results here because the coefficients on the other variables are quite similar.

TABLE 1
Multivariate Analysis of Predictors of Being Sanctioned

	Traditional Logistic Model on Sanctions in First Spell (Compared to No Sanctions)[a]		Discrete-Time Logistic Model on Sanctions in First Spell (Compared to No Sanctions, On Welfare)[b]			
	Being Sanctioned		On Welfare Sanctioned		Off Welfare	
	Coeff.	S. E.	Coeff.	S. E.	Coeff.	S. E.
Age of Mother (compared to 16–25 years)						
26–30	-0.030	0.051	0.008	0.036	0.003	0.035
31–40	0.084	0.053	-0.033	0.037	-0.168 ***	0.037
41+	0.123	0.082	-0.160 **	0.056	-0.309 ***	0.056
Race of Mother (compared to white)						
African American	0.488 ***	0.051	0.338 ***	0.040	-0.137 ***	0.034
Hispanic	0.076	0.080	0.168 **	0.062	0.078	0.052
Other	-0.187	0.108	-0.269 **	0.093	-0.018	0.065
Education of Mother (compared to less than HS)						
High school diploma or equivalent	-0.380 ***	0.037	-0.151 ***	0.027	0.203 ***	0.026
Beyond high school	-0.599 ***	0.064	-0.363 ***	0.050	0.246 ***	0.041
Language of Mother (compared to non-English)						
English	0.279 **	0.105	0.280 ***	0.084	0.143 *	0.067
Age of Youngest Child at Entry (compared to 1–2)						
Unborn child at entry	-0.047	0.056	-0.258 ***	0.041	-0.152 ***	0.036
3–5	0.027	0.050	0.065	0.034	0.002	0.036
6–12	0.125 *	0.055	0.114 **	0.038	-0.003	0.039
13–17	-0.152	0.083	0.064	0.058	0.273 ***	0.057
Number of Children at Entry (compared to 0 or 1)						
2 children	-0.055	0.046	0.010	0.032	0.060	0.031
3+	-0.035	0.047	0.094 **	0.033	0.112 ***	0.033
Household Structure at Entry (compared to mother is only adult)						
Live with husband	-0.392 ***	0.073	-0.299 ***	0.060	0.074	0.043
Live with other adults	0.069	0.038	0.099 ***	0.027	0.014	0.027
AFDC Receipt in the 24 Months before Entry (compared to 0)						
1–6 months	0.133	0.076	0.148 *	0.059	0.058	0.046
7–18 months	0.234 ***	0.062	0.271 ***	0.047	0.005	0.039
19–24 months	0.326 ***	0.062	0.222 ***	0.046	-0.164 ***	0.041

(table continues)

TABLE 1, continued

	Traditional Logistic Model on Sanctions in First Spell (Compared to No Sanctions)[a]		Discrete-Time Logistic Model on Sanctions in First Spell (Compared to No Sanctions, On Welfare)[b]			
	Being Sanctioned		On Welfare Sanctioned		Off Welfare	
	Coeff.	S. E.	Coeff.	S. E.	Coeff.	S. E.
Employment Experience in the 8 Quarters before Entry (compared to no work)						
1–4 quarters	-0.176 ***	0.045	0.025	0.029	0.257 ***	0.033
5–7 quarters	-0.638 ***	0.051	-0.172 ***	0.036	0.489 ***	0.036
8 quarters	-0.984 ***	0.070	-0.315 ***	0.055	0.609 ***	0.044
Initial W-2 Assignment (compared to W-2 Transition)						
Community Service Jobs	0.612 ***	0.051	0.970 ***	0.041	0.453 ***	0.034
Caretaker of Newborn	-0.525 ***	0.076	0.193 **	0.065	0.764 ***	0.043
Location (compared to rural counties)						
Milwaukee County	0.588 ***	0.098	-0.267 **	0.089	-0.905 ***	0.052
Other urban counties	0.387 ***	0.103	0.518 ***	0.095	0.055	0.054
Unemployment Rate in 2000 (compared to low)						
Middle (3.1–5.0)	0.134	0.083	0.305 ***	0.073	0.098 *	0.049
High (5.1+)	0.123	0.184	0.131	0.171	-0.047	0.096
Duration of Event (compared to month 1–3)						
Month 4–6			0.380 ***	0.029	0.750 ***	0.029
Month 7–9			0.586 ***	0.035	0.887 ***	0.035
Month 10–12			0.699 ***	0.044	0.867 ***	0.046
Month 13–18			0.598 ***	0.051	0.601 ***	0.054
Month 19–24			0.371 ***	0.090	0.657 ***	0.081
Month 25–36			0.141	0.133	0.789 ***	0.099
Month 37–48			-0.128	0.326	0.656 **	0.222
Intercept	-1.412 ***	0.169	-4.487 ***	0.145	-3.131 ***	0.105

[a]Traditional logistic mode on sanctions in the first spell: Dependent variable ('0'=no sanctions (N=8,135), '1'= ever sanctioned (N=8,984) in the first spell of cash benefit receipt). * p .< .05, **p. <.01, ***p. < .001.

[b]Discrete-time logistical model - multiple observations per case. Dependent variable "0'=On welfare/no sanctions (N=88,819), '1'= On welfare/, sanctioned (N=8,375), '2'=Off welfare (N=8,732) in the first spell of cash benefit receipt, considering time since getting cash benefits to event.

Model also controls for entry cohort, unknown education, and unknown race.

Sample: 17,119 W-2 participants who entered in lower tiers and received TANF benefits during the first year of implementation.

some of those in W-2T were caring for their own child with a disability or because caseworkers are less likely to sanction those least able to work. Those who were placed in a CNB tier, with no formal work obligation until their child was 13 weeks old, were least likely to be sanctioned.[10] These results are generally consistent with research from other states that have different types of sanction policy.

Event History Model of Those Sanctioned

A key disadvantage of the simple logistic model shown in the first columns of Table 1 is that it does not account for variation in the length of time participants were receiving benefits. Long-term recipients had a greater period in which they could be sanctioned. The simple model does not distinguish factors that may be associated with a higher probability of being sanctioned in a given month of receipt from those factors that may simply be associated with a higher probability of remaining on cash assistance longer (with no increase in the probability of sanction in a given month). It may be particularly important to make this distinction because the characteristics associated with a higher likelihood of being sanctioned are also the characteristics that prior research has found to be associated with long-term welfare receipt. In the remainder of Table 1 we use an event history model to consider the factors associated with being sanctioned, in a context that explicitly accounts for whether a woman was still at risk of being sanctioned (that is, whether she continued to receive benefits).

In these columns, we again examine the first spell of receipt, but in this case we explicitly consider three potential outcomes for a woman receiving cash: she could be sanctioned, she could continue to receive her full cash benefit, or she could go off cash benefits. In this analysis, we examine each woman only until she either is sanctioned or goes off benefits.

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[10]As a matter of policy, participants cannot be sanctioned while in this tier. However, they can be sanctioned if they transition from the CNB tier to another tier providing cash assistance. In this study we found 37 percent of those who entered in CNB moved to a cash tier. More than half (54 percent) of these women were sanctioned. These women tend to be sanctioned very quickly after a transition from CNB tier to a cash tier.

Holding other characteristics constant, the risk of being sanctioned increased as a woman's time on welfare increased through her first year of benefit receipt, as seen in the last panel. It then began to decline, until by the third year she was no more likely to be sanctioned than she was in the first 3 months of her spell.

The event history analysis allows us to estimate the relationships between a woman's characteristics and the time for which she was receiving benefits (and therefore at risk of sanctions), as well as between those same characteristics and the likelihood of being sanctioned. In a number of cases, this approach yields substantially different results from those reported previously. For example, the traditional logistic model estimates suggest that African Americans were more likely than whites to be sanctioned in their first spell; there was no discernible difference in the probability of sanctions for whites or Hispanics. The event history estimates suggest that part of the higher sanction rate for African Americans is associated with their slower rate of exit from welfare, which left them at risk of sanction over a longer period; in panel 2 of Table 1 ("Race of Mother") this is reflected in the negative coefficient estimate for African Americans in the "off welfare" column and the positive coefficient in the "on welfare, sanctioned" column. In contrast, Hispanic participants left welfare more quickly than African Americans and somewhat more quickly than whites (though the white/Hispanic difference is not statistically significant at conventional levels). When we take into account the lower exposure of Hispanics, however, we find that they, like African Americans, were also more likely to be sanctioned than whites. Similarly, the event history analysis reveals that lower sanction rates for those with at least a high school diploma can be attributed to the fact that more educated participants left welfare more quickly and were less likely to be sanctioned while receiving cash benefits.

In some cases, the event history analysis reveals relationships obscured by the simpler approach. For example, those with three or more children were more likely to be sanctioned once the period at risk is controlled, but because they were also more likely to move off benefits quickly, their higher rate of sanctioning is hidden in the simple analysis. Those who were pregnant when they entered W-2 were less

likely to be sanctioned than those with toddlers, but were also less likely to go off welfare quickly; the simple analysis misses this complexity. Similarly, those who entered W-2 in the CNB tier, available to mothers with newborns, were actually *more* likely to be sanctioned than those who entered in W-2T, once we account for their shorter period of participation. Those in Milwaukee County were actually *less* likely to be sanctioned than those in rural counties, but because they were on welfare much longer, the simple sanction rate is higher.

Traditional Model of Severity of Sanctions

In Table 2, we examine the characteristics associated with partial versus full sanctions. In the first model, we examine the first spell of benefit receipt and contrast those not sanctioned during the spell, those whose first sanction was partial, and those whose first sanction was full. In general, those more likely to receive partial sanctions first were also more likely to receive full sanctions first, so the results are on the whole similar to the previous table. For example, African American women were more likely to receive both partial and full sanctions, as were those with less education, longer AFDC history, less formal employment, and those in Milwaukee County. As in our previous results, those who entered in the CSJ tier were most likely to receive both partial and full sanctions, followed by those who entered in W-2T and then those who entered the CNB tier. In general, these results show few differences between those who began with a partial sanction and those who began with a full sanction.

Event History Model of Severity of Sanctions

Again, the previous analysis ignores the different risk periods for women with different characteristics. In the final columns of Table 2, we show the results of an event history model of a woman's first spell of cash benefits, examining transitions to partial sanctions, full sanctions, and off benefits altogether. As with Table 1, the event history analysis reveals patterns not seen in the simple analysis. For example, those who were pregnant at entry were less likely to be sanctioned (either partially or fully) than those with toddlers, once the period at risk is controlled. This could not be seen in the

TABLE 2
Multivariate Analysis of Predictors of Severity of Sanctions

	Multinominal Model on Sanctions in First Spell (Compared to No Sanctions)[a]				Discrete-Time Logistic Model on Sanctions in First Spell (Compared to No Sanctions, On Welfare)[b]					
	Partial Sanctions		Full Sanctions		Partial Sanctions		Full Sanctions		Off Welfare	
	Coeff.	S. E.	Coeff.	S. E.	Coeff.	S. E.	Coeff.	S. E.	Coeff.	S. E.
Age of Mother (compared to 16–25 years)										
26–30	-0.020	0.052	-0.128	0.112	0.019	0.037	-0.107	0.111	0.003	0.035
31–40	0.088	0.054	0.046	0.115	-0.027	0.038	-0.085	0.113	-0.141 *	0.059
41+	0.137	0.083	-0.034	0.191	-0.168 ***	0.037	-0.375 *	0.191	-0.309 ***	0.056
Race of Mother (compared to white)										
African American	0.481 ***	0.052	0.566 ***	0.130	0.337 ***	0.042	0.350 **	0.133	-0.137 ***	0.034
Hispanic	0.068	0.082	0.171	0.202	0.169 **	0.064	0.161	0.203	0.078	0.052
Other	-0.245	0.112	0.371	0.263	-0.326 ***	0.099	0.249	0.274	-0.018	0.065
Education of Mother (compared to less than HS)										
High school diploma or equivalent	-0.385 ***	0.038	-0.337 ***	0.084	-0.154 ***	0.028	-0.126	0.084	0.203 ***	0.026
Beyond high school	-0.606 ***	0.065	-0.527 ***	0.153	-0.367 ***	0.052	-0.320 *	0.157	0.246 ***	0.041
Language of Mother (compared to non-English)										
English	0.264 *	0.108	0.453	0.286	0.261 **	0.087	0.494	0.294	0.143 *	0.067
Age of Youngest Child at Entry (compared to 1–2)										
Unborn child at entry	-0.034	0.057	-0.182	0.134	-0.244 ***	0.042	-0.396 **	0.131	-0.152 ***	0.036
3–5	0.019	0.051	0.092	0.104	0.055	0.036	0.154	0.102	0.002	0.036
6–12	0.134 *	0.056	0.010	0.122	0.122 **	0.039	0.028	0.120	-0.003	0.039
13–17	-0.157	0.085	-0.107	0.188	0.049	0.061	0.227	0.182	0.273 ***	0.057
Number of Children at Entry (compared to 0 or 1)										
2 children	-0.046	0.047	-0.139	0.104	0.019	0.034	-0.076	0.103	0.060	0.031
3+	-0.041	0.048	0.029	0.104	0.086 *	0.034	0.170	0.102	0.112 ***	0.033
Household Structure at Entry (compared to mother is only adult)										
Live with husband	-0.363 ***	0.074	-0.738 ***	0.215	-0.277 ***	0.062	-0.550 *	0.216	0.074	0.043
Live with other adults	0.080 *	0.039	-0.051	0.086	0.110 ***	0.028	-0.011	0.084	0.014	0.027
AFDC Receipt in the 24 Months before Entry (compared to 0)										
1–6 months	0.109	0.077	0.359 *	0.181	0.135 *	0.062	0.269	0.188	0.058	0.046
17–18 months	0.215 ***	0.063	0.416 **	0.148	0.249 ***	0.049	0.470 ***	0.147	0.005	0.039
19–24 months	0.316 ***	0.063	0.410 **	0.147	0.215 ***	0.048	0.278	0.148	-0.163 ***	0.041

(table continues)

TABLE 2, continued

	Multinominal Model on Sanctions in First Spell (Compared to No Sanctions)[a]				Discrete-Time Logistic Model on Sanctions in First Spell (Compared to No Sanctions, On Welfare)[b]					
	Partial Sanctions		Full Sanctions		Partial Sanctions		Full Sanctions		Off Welfare	
	Coeff.	S. E.	Coeff.	S. E.	Coeff.	S. E.	Coeff.	S. E.	Coeff.	S. E.
Employment Experience in the 8 Quarters before Entry (compared to no work)										
1–4 quarters	-0.185 ***	0.045	-0.077	0.096	0.017	0.030	0.113	0.093	0.257 ***	0.033
5–7 quarters	-0.638 ***	0.052	-0.627 ***	0.115	-0.171 ***	0.037	-0.171	0.114	0.489 ***	0.036
8 quarters	-0.998 ***	0.072	-0.847 ***	0.164	-0.327 ***	0.058	-0.203	0.168	0.609 ***	0.044
Initial W-2 Assignment (compared to W-2 Transition)										
Community Service Jobs	0.587 ***	0.052	0.908 ***	0.145	0.937 ***	0.042	1.379 ***	0.156	0.453 ***	0.034
Caretaker of Newborn	-0.545 ***	0.078	-0.257	0.217	0.158 *	0.068	0.634 **	0.226	0.764 ***	0.043
Location (compared to rural counties)										
Milwaukee County	0.526 ***	0.099	1.710 ***	0.433	-0.331 ***	0.091	1.036 *	0.519	-0.905 ***	0.052
Other urban counties	0.373 ***	0.105	0.793	0.451	0.500 ***	0.097	1.081 *	0.545	0.055	0.054
Unemployment Rate in 2000 (compared to low)										
Middle (3.1–5.0)	0.189 *	0.085	-0.690 *	0.272	0.349 ***	0.075	-0.436	0.304	0.098 *	0.049
High (5.1+)	0.087	0.191	0.621	0.581	0.083	0.180	0.849	0.671	-0.047	0.096
Duration of Event (compared to month 1–3)										
Month 4–6					0.352 ***	0.030	0.663 ***	0.092	0.750 ***	0.029
Month 7–9					0.548 ***	0.037	0.956 ***	0.106	0.887 ***	0.035
Month 10–12					0.671 ***	0.046	0.986 ***	0.138	0.867 ***	0.046
Month 13–18					0.587 ***	0.053	0.708 ***	0.172	0.602 ***	0.054
Month 19–24					0.314 ***	0.095	0.936 ***	0.256	0.657 ***	0.081
Month 25–48					0.133	0.126	-0.745	0.713	0.767	0.091
Intercept	-1.439 ***	0.173	-4.838 ***	0.571	-4.473 ***	0.150	-8.483 ***	0.662	-3.132 ***	0.105

[a] Multinominal logistic model: Dependent variable ('0'=no sanctions (N=8,135), '1'= partial sanctions (N=8,141), '2'=full sanctions (N=843) in the first spell of cash benefit).
[b] Discrete-time logistical model - multiple observations per case. Dependent variable '0'=On welfare/no sanctions (N=88,819), '1'= Partial sanctions (N=7,603), '2'=Full sanctions (N=772), '3'=Off welfare (N=8,732) in the first spell of cash benefits, considering time since getting cash benefits to event.
*p. < .05, **p. < .01, *** p. < .001
Model also controls for entry cohort, unknown education, and unknown race.
Sample: 17,119 W-2 participants who entered in lower tiers and received TANF benefits during the first year of implementation.

simple model because pregnant women were also less likely to leave benefits; their longer exposure hid their lower likelihood of being sanctioned. Similarly, those who entered in the CNB tier were more likely to have either type of sanction than those who entered in W-2T, once the period at risk is controlled.

Complex patterns emerge when we examine counties. The simple model shows that those in Milwaukee County were most likely to receive both partial and full sanctions, and those in other urban counties were more likely to receive sanctions than those in rural areas. Once exposure is controlled, however, those in Milwaukee County were less likely than those in rural areas to receive a partial sanction and more likely to receive a full sanction. This result was hidden in the first columns because the spells in Milwaukee were longer. Those in other urban areas (excluding Milwaukee) were more likely than those in rural areas to receive both partial and full sanctions.

Estimated Probabilities of Sanctions and Severity of Sanctions

The coefficient estimates shown in Tables 1 and 2 can be transformed into estimated probabilities of being sanctioned for women with different characteristics. We present estimated probabilities for a set of prototypical cases in Table 3. In the first row we examine the estimated probability of being sanctioned if a woman had no work experience, was a long-term AFDC recipient, had low education, was African American, and lived in Milwaukee County. All other characteristics (for example, the number and ages of children) are set at the mean. In our simple model (column 1), we estimate that this woman had a 71.9 percent likelihood of being sanctioned at some point in her first spell. We then change characteristics one at a time and recalculate the estimated probabilities. All the variations in characteristics are quite important; as shown in the final column, the estimated probability of being sanctioned for a woman with substantial work history, no AFDC history, high education, who is white, and living in a rural area was only 11.5 percent. The largest percentage-point reductions occur when we postulate substantial work experience (8 quarters) instead of no formal work experience (a decline of 23.0 percentage points) and when we change educational status from “less than a high school education” to “more than a high school diploma” (a decline of 13.4 percentage points).

TABLE 3
Simulations of Estimated Probabilities[a] of Being Sanctioned and Severity of Sanctions

Prototype Groups	Estimated Probabilities of Being Sanctioned in First Spell		Estimated Probabilities of Severity of Sanctions in First Spell			
			Traditional Logistic Model		Discrete-Time Model	
	Traditional Logistic Model	Discrete-Time Model	Partial Sanctions	Full Sanctions	Partial Sanctions	Full Sanctions
1.No work experience, long-term AFDC recipient, education less than HS, African American, lives in Milwaukee	0.719	0.737	0.654	0.065	0.699	0.114
2. Same as 1 except 8 quarters work experience	0.489	0.612	0.438	0.051	0.569	0.093
3. Same as 2 except no long-term AFDC recipiency	0.409	0.528	0.369	0.039	0.490	0.071
4. Same as 3 except HS graduate	0.275	0.400	0.247	0.028	0.367	0.051
5. Same as 4 except white	0.189	0.302	0.171	0.018	0.275	0.036
6. Same as 5 except lives in urban area other than Milwaukee	0.160	0.462	0.152	0.007	0.440	0.029
7. Same as 6 except lives in rural area	0.115	0.316	0.110	0.004	0.304	0.010

Note: The sample includes all women who received TANF cash benefits in Wisconsin during the first year W-2 was implemented, September 1, 1997, to August 31, 1998.

[a]Use mean values for mother's age, mother's language, age of youngest child, number of children, household structure, entry cohort, initial W-2 assignment, and unemployment rate.

[b]The predicted probabilities for the discrete-time logistic model reflect probability of being sanctioned within first 12 months. Traditional logistic model does not include the spell length.

Column 2 shows probabilities from the event history model; we calculate the probability of being sanctioned within the first 12 months of a spell of cash receipt. As in column 1, the estimated probability of being sanctioned for a woman with the base characteristics is quite high, but drops dramatically as characteristics change. One difference in this model is that, having constrained all cases to being at risk for 12 months, the probability of being sanctioned is at least 30 percent for all combinations of characteristics shown here. Another difference is that the estimated probability for white women in urban counties other than Milwaukee not only is higher than for white women in Milwaukee or in rural areas, but is also higher than the estimate for African American women in Milwaukee. This difference reflects the different estimates of sanction probabilities once we account for differences in time receiving benefits.[11]

Columns 3–6 in Table 3 show the estimated probability of receiving a partial sanction and a full sanction. These estimates follow a similar pattern to that of our earlier analysis: a very high likelihood of a partial sanction (65.4 percent, column 3) among African American women in Milwaukee County with low education, little formal work experience, and long welfare histories. The probability declines as each characteristic changes. The estimated probability of beginning with a full sanction is fairly low, 6.5 percent (column 4), even for the prototypical woman in the first row. Once exposure is controlled, and we fix the time period to one year, the estimated probability of both partial and full sanctions increases (columns 5 and 6). One difference from the simple model is that the estimated probability of partial sanctions among white women with high education and work history and low welfare history is highest in other urban areas, then in rural areas, then in Milwaukee, whereas the estimates for full sanctions for these characteristics, which are quite low, are highest in Milwaukee.

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[11]The event history estimates show differences in probability of being sanctioned given the same period of receipt.

What Happens after a Sanction?

Our focus in this analysis is on patterns of sanctioning, rather than models of the consequences of sanctions. Thus, we limit our analysis of postsanction outcomes to measures of subsequent benefit receipt (and associated sanctions). In particular, we examine the 8,375 women who were sanctioned during their first spell of cash benefits. We find that nearly three-quarters (71percent) of women who were sanctioned returned to a full benefit after a sanction. Spells of sanctioning tended to be short; most of the women who were sanctioned transitioned to a full benefit in the next month. The probability that full benefits would be restored then declined as the months in sanction status continued. Overall, 29 percent moved off the program completely following a sanction, though only about one-fifth of those sanctioned moved off benefits altogether in the first month after a sanction. If women continued to be sanctioned for 2 months, the likelihood of leaving benefits altogether was still about 20 percent, and this stayed roughly constant over the period. Thus the most common pattern was a month of sanction followed by a return to full benefits.

In the next two analyses, we explore whether patterns of postsanction benefit receipt varied for those with partial and full sanctions. We examine the 7,603 participants who first received a partial sanction in their first spell of cash benefits. The most common pattern is a transition back to full benefits, and this occurs quite quickly, usually the next month. The probability of moving off benefits completely was about one in five and stayed relatively constant over the period. The risk of moving from partial to full sanctions was quite low (less than 10 percent) and remained fairly stable over time.

Among the 772 women who first experienced a full sanction in their first spell of cash welfare, patterns were relatively similar. Nearly half of these women (44 percent) returned to full benefits, generally in the next month. In fact, only 123 women experienced 2 months of full sanctions in a row, and even for them, the most common pattern was restoration of full benefits. Among those who first experienced a full sanction, 30 percent transitioned from full to partial sanctions, and one-fourth of the women moved from full sanctions to being off welfare.

Much of our analysis has focused on the first spell of cash receipt. As we noted above, 52 percent of the women were sanctioned during their first spell of cash receipt and another 12 percent during a later spell. Being sanctioned once is not necessarily related to being sanctioned again. For example, 64 percent of our sample were sanctioned at least once. Of those sanctioned once, 63 percent were sanctioned a second time, and of those sanctioned twice, 62 percent were sanctioned a third time. Multiple sanctions were fairly common: 40 percent of the women were sanctioned more than once, and 14 percent of the women were sanctioned four or more times.

V. SUMMARY AND FUTURE RESEARCH

Welfare reform initiated several important policy changes. One of these is the imposition of sanctions upon those not meeting work requirements. The early research on sanctions found a wide variety of estimates of their frequency, in part because different researchers used different definitions of sanctions, in part because different time periods were analyzed, and in part because some states (or counties, or even workers) used sanctions more often than did others. In this analysis, we found very high rates of sanctioning: nearly two-thirds of those who entered Wisconsin's TANF program in its first year were sanctioned at some point during the next 4 years. Recall that our sample consists of those who entered in W-2's first year. Sanction rates did decline for later entrants. In our base results, 51 percent of those who entered in the first year of W-2 were sanctioned. When we examine later entrants, 44 percent of those who entered in the second year of W-2 were sanctioned during their first year, and 37 percent of those who entered in the third year were sanctioned during their first year.[12]

As we have shown in our analysis, even within a given cohort the precise definition of "sanction" is important in determining the frequency of sanctions. For example, the maximum one-month sanction

[12]Despite these differences in rates, the characteristics of those sanctioned among the second-year entrants are similar to those of the first-year entrants shown in our base results.

rate is 14 percent when we examine the entire sample; limiting the sample to those at risk of being sanctioned leads to a maximum of 34 percent. Expanding the time period is also quite important. In the first 6 months after entering W-2, about 35 percent of the sample were sanctioned, a rate that rises to 64 percent when we consider 4 years. Finally, the severity of sanctions is important. If we limit our definition to only those with "full sanctions," the 4-year rate is only 25 instead of 64 percent. Comparisons with other states are difficult because of these different approaches. Nonetheless, it appears that Wisconsin is more likely to use sanctions, especially partial sanctions, a finding consistent with its emphasis on imposing sanctions for short periods of missed work.

Prior research has found that those more likely to be sanctioned are those with more employment barriers. We find similar results in our simple models. But the characteristics associated with being sanctioned are also the characteristics associated with long-term welfare use, and thus we argue that it is important to estimate a model that takes into account the period of risk. Many results are similar, confirming that those who may be least able to succeed in the labor market are most likely to be sanctioned. But important differences emerge. Once we accounted for the shorter exposure of Hispanics, we found that both they and African Americans were more likely to be sanctioned than whites. Those who were pregnant at entry and those who entered the CNB tier were actually more likely to be sanctioned than others, a difference hidden in the simple analysis. Perhaps most striking, we see a different picture of the relationship between location and sanctioning: Milwaukee County, the largest urban area in Wisconsin, actually had a *lower* rate of sanctioning once we accounted for the typically longer period of participation.

Do sanctions work? This research has only begun to examine this critically important question. We have found that sanction spells are quite short, and the most common transition from a sanction is back to full benefit receipt. Even among those with full sanctions, only 16 percent continued to have a full sanction in the second month. The fact that sanction spells are short and that the most common pattern is back to full benefits could be interpreted as suggesting that sanctions are having their desired effect of

changing behavior toward compliance with program requirements. (Of course, even if this is true, an important question is whether the sanction caused significant hardship, and whether another mechanism for increasing compliance could have achieved a similar result with less hardship.) Moreover, an important minority of those sanctioned moved off the program altogether, and more research is needed on whether these women tended to be off the program because they had employment and moderate levels of earnings, or whether they and their children faced serious economic distress.

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