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**Changes in Child Social Program Participation in the 1990s:
Initial Findings from Illinois**

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Introduction

This study is designed to illuminate the effects of social policy changes on low-income children and families by monitoring changes in the utilization of social programs among those children who entered AFDC or TANF during the 1990s. Its primary focus is to use individual-level administrative data to document the service outcomes that children experience as they move through multiple statuses or events within the welfare and human service systems. The study examines variation within Illinois, both in terms of socioeconomic and demographic composition and policy implementation.

By focusing on the interrelations between programs currently experiencing substantial change--namely income assistance (AFDC/TANF), Medicaid, Food Stamps, child protection, and foster care--from the early 1990s through the entire decade, this study intends to provide state and federal policymakers and administrators with information on the effects of welfare reform on service receipt and child and family well-being. Unique to this study is its focus on the child rather than a family's program utilization patterns. Using individual-level administrative data that span the period both before and after welfare reform, we follow children who entered AFDC/TANF for the first time and describe their foster care placement and abuse and neglect report experiences. We also examine their patterns of exit from AFDC/TANF into the Medicaid and Food Stamp programs.

During the 1990s, both federal and state governments dramatically altered social policies affecting children and their families. States and communities have implemented many changes in human services and continue to redesign policies in areas such as health care, social services for abused and neglected children, and services to children with disabilities--to name a few. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of August 1996 also significantly altered the basic safety net programs for poor families with children; its changes are likely to affect the well being of children and families in different ways. This paper rests on the conviction that monitoring trends over time in the pathways that children follow between human services and social benefit programs is critical to understanding the impact of welfare reform on children and their families. By focusing on specific outcomes among the programs undergoing

significant changes (namely, AFDC/TANF, Medicaid, Food Stamps, and child welfare systems), we can contribute to a better understanding of the effects of reform on children's well being.

One could hypothesize that welfare reform will result in many positive outcomes. In addition to increased employment and reduced dependency on cash assistance, reform may result in increased self-sufficiency among welfare recipients as reflected in declining use of other programs, such as the Medicaid and Food Stamps programs, child abuse and neglect protection services, and out-of-home placement. As parents' self-esteem builds through success in employment and supporting their families, their relationships with their children will improve and their ability to provide necessary supervision and supports will increase. Their frustration with not being able to be a role model for their children will decrease. We also expect that parents will be less likely to abuse drugs, which is a major factor in the maltreatment of children. As parents' self-sufficiency increases, they will also move from unsafe neighborhoods to those that provide more support for their children.

Although some expect to see positive effects, most of the discussion in public forums has been on the potential negative effects. Reform may also, however, have many unintended consequences for the well being of children and their families and for state finance. Although time limits and work requirements may lead to increased self-sufficiency among certain families, for others, reform may lead to more intensive use of other public assistance and human service programs. Coupled with the new welfare law, which limits families to five years of public assistance over a lifetime, there are rising concerns over whether the child welfare system will become a putative safety net, not unlike in the past when mothers, unable to afford to feed and clothe their children, left them in the care of orphanages. If not quite so dramatic, effects of welfare reform may severely strain an already stretched child welfare system. The impact of ending the longstanding tradition of guaranteed support to poor children and families could further impair the ability of families to care for and nurture their children. If decreased public assistance is not offset by increased earnings from employment or other sources, the number of families unable to provide basic food and shelter for their children may increase, with long-term consequences for children. TANF may also increase the number of children being cared for by relatives and the

number of different living arrangements experienced by a child. Additionally, TANF may create new pressures on kinship care if willing caregivers have themselves reached time limits, and do not have the resources to care for relatives. This could lead to increased placement of children in state-supervised substitute care arrangements involving either non-relative or kinship foster family care placements, group care, specialized foster care, or residential care (Courtney, 1994; Knitzer & Bernard, 1996).

Additional pressures on foster care systems, which are already stretched to the limit in most states, may come from the higher incidence of abuse and neglect that may accompany reform, with obvious implications for the well-being of children. The potential effect of PRWORA reforms on the size and nature of the child welfare populations--and the significant human costs in disrupted family lives--is a major topic of discussion in the nation's capitol as well as in every state capitol (Brady & Snow, 1996). These effects include significant fiscal implications for the federal government and individual states, which may see the fiscal gains from TANF caseload reductions offset by increased expenses for child protection and child welfare (Brady & Snow, 1996).

Our research rests on the premise that individual, family, and community-level socioeconomic and demographic characteristics, along with the policies and practices, will contribute to the outcomes of reform for children. Given the availability of this kind of administrative data for research purposes in more and more states, we hope that our study is a key first step toward building a more nationally representative set of results.

Data and Methods

As indicated above, we are concerned here with the foster care placement and abuse and neglect report experiences of children who receive AFDC/TANF, as well as their patterns of exit from AFDC/TANF into Medicaid and the Food Stamps program. Unlike most other welfare reform evaluations currently being conducted, this study focuses on the child as opposed to the adult or family. It is clear that certain children often experience quite different programs than their parents or other family members. For example, one of the children in a family may enter foster care while other children remain with the parents in an open AFDC/TANF case. Another example

is that a child could be born into a family where children are already in foster care. This study focuses on the experiences of the children—at least initially the focus of welfare policies—and does not rely on the parent’s experiences (or AFDC/TANF “cases”) as an automatic proxy for the child’s experience.

Data

The primary data are drawn from the Illinois Integrated Database on Children and Family Services (IDB). The IDB is a state-level, longitudinal database constructed from administrative data gathered by public agencies that serve children and families in Illinois (Goerge, Van Voorhis, and Lee, 1994). Specifically, we use individual-level longitudinal service records that were constructed from AFDC/TANF, Medicaid, and Food Stamp data from the Illinois Department of Human Services Client Database; child abuse and neglect investigation data from the Illinois Department of Children and Family Services Child Abuse and Neglect Tracking System; and foster care placement data from the Illinois Department of Children and Family Services Child and Youth Centered Information System. The individual-level AFDC/TANF, Medicaid, Food Stamp, foster care placement, and abuse and neglect report records were linked by child in order to develop “spells” that corresponded to the transitions of interest.¹

Because the original data used for this study come from three different agency information systems that do not share a common ID, linking data records reliably and accurately across different data sources (foster care, abuse/neglect, and public assistance databases) is an important issue. We used a process called probabilistic record matching to link individual service records. Probabilistic record matching is based on the assumption that no single match between variables common to the source databases will identify a client with complete reliability. Instead, probabilistic record matching calculates the probability that two records belong to the same client using multiple pieces of identifying information. These “weights” will vary based on the distribution of values of the identifiers. We used full name, Social Security number, birth date, gender, race and ethnicity, and origin of residence in matching. The method was first developed

by researchers in the fields of demography and epidemiology (Newcombe, 1988; Winkler, 1988; Jaro, 1985, 1989).

The Study Population

The study population is all Illinois children who entered AFDC/TANF for the first time between 1991 and 1998.² Although federal welfare reform was implemented July 1, 1997, Illinois had instituted many policy and program changes in both welfare and child welfare programs prior to reform. For example, Illinois instituted the Work Pays program in 1994, which implemented a generous income disregard policy as an effort to “make work pay.” Under the Work Pays program, a client’s TANF grant is reduced by \$1 for every \$3 of gross income earned, and clients continue to be eligible for some cash grant until their gross incomes reach the federal poverty line. In child welfare area, Illinois implemented the Home of Relative reform plan in 1995. Under the reform, the state abandoned the requirement of taking custody of children in informal kinship care even absent a protective need; prior to this policy change, the state took custody of children whose circumstances required relatives to assume temporary guardianship. Because these changes occurred at various points in time during the 1990s, one must examine the long-term trends to detect any “gradual” changes in the patterns of the transitions that might be due to policy and program changes. Thus, our approach is to examine the experiences of children who entered AFDC/TANF from 1991 to 1998 and follow them through the end of 1998.

We also selected a study population that shared similar AFDC/TANF experiences. Such shared experiences, such as entry into AFDC/TANF during the same time period, allow us to control for factors that might affect outcomes. Choosing a point-in-time population, in contrast, would have included children with widely varying durations or histories of AFDC/TANF receipt. A population of children with different AFDC/TANF entry dates, such as that of a point-in-time population, could also fundamentally change the potential distribution of the likelihood of the events occurring. In such cases, interpreting the findings would be difficult. Another possible study population might be an exit cohort. An exit cohort, however, excludes those children who

had not formally left the programs, but who were nevertheless at risk of being placed in foster care or being reported for abuse or neglect.³

In an entry cohort study such as the one used here, it is imperative to control for any possible effects of the study population's experiences before they entered the observation period. In studies that use similar longitudinal methods such as ours, it is well documented that experiences of the new-entry cohorts (those who enter a particular state for the first time) are often quite different from those who had previous service experiences (i.e., re-entries). Thus, we limit our analysis to those children who entered AFDC/TANF for the first time during the study period and who had not received AFDC/TANF at least in the previous two years.⁴ Our definition of the new-entry cohorts allows us to follow experiences of children from their "initial" entry to AFDC/TANF as they move in and out of cash assistance.⁵ This is particularly important for than analysis of foster care placement and abuse/neglect report experiences because we are interested in the interaction between being on cash assistance and having child welfare events in the study (see Study Design section for further discussion of the approach).

Table 1 presents selected characteristics of each AFDC/TANF entry cohort between 1991 and 1998. There has been almost a linear decline in the number of new AFDC/TANF entrants during the study period (Table 1). The number of new entrants during the early 1990s stood at about 100,000. By 1998, the number had declined to about 35,000, representing an approximate 65 percent reduction in the number of new entrants.⁶ The biggest decline in the number of new entrants occurred from 1996 to 1997. The majority of children who entered AFDC/TANF for the first time were children birth to age 4. Of the 644,570 entrants during this period, roughly 74 percent were children between the ages of birth and 4. About 43 percent of all children were from Chicago, approximately 45 percent were African American, and one-third lived in communities in which 30 percent or more children lived in poverty.

Study Design

It is important to note that the reliability of the estimated impact of policy reforms depends on whether a researcher has access to data on the characteristics and outcomes of the recipients both prior to and during the new programs. The Integrated Database on Children's Services in Illinois is an ideal database for such a study design because it stores longitudinal data covering a sufficiently long period both prior to the beginning of new programs and during program operation. Longitudinal data date back eight years prior to the implementation of federal welfare reform in Illinois.

The overall effect of policies and programs on the key outcome measures depends on several distinct factors: the characteristics of AFDC/TANF recipients, area and community characteristics, and the relative effectiveness of the new policies and programs. The major challenge of the study is to develop an analytic model that can be used to isolate the effect of new policies and programs on the outcome measures while controlling for the characteristics of recipients and communities.

We employ proportional hazards modeling to examine the effects of time of entry to AFDC/TANF and on the transitions of interest.⁷ Entry-cohort variables representing the year of first entrance to AFDC/TANF are defined as a set of 7 dummy variables, using 1991 as the contrast year.

Transitions from AFDC/TANF to Medicaid, Food Stamps, and child welfare services obviously depend on family demographic and socioeconomic characteristics, such as neighborhood residence and race. Controlling for such influences when determining the effect of policies is critical. Therefore, in addition to using entry dates as proxies for policy effects, we also examine the effect of the characteristics of children, families, and communities on the likelihood of making a transition. The covariates describing the individual child's characteristics include age at the time of AFDC/TANF entry, gender, and race/ethnicity. Characteristics of families are largely measured by sociodemographic characteristics of mothers recorded in the AFDC/TANF agency administrative data. They include education, age at the birth of first child, and work experience.

We also examine the effects of neighborhood poverty and living in a major city (Chicago) on the likelihood of making a transition.

Child's age at time of AFDC/TANF entry was divided into four categories: age 4 and under, 5-9, 10-14, and 15-17. Race and ethnicity were coded as non-Hispanic white, African American, Hispanic, and other. Child poverty rate was calculated at the zip code level using 1990 census data. The results were divided into four levels of community poverty: fewer than 10 percent of the child population living below the poverty line, 10-20 percent, 20-30 percent, and 30 percent or more living below the poverty line. Once communities were characterized, we assigned a poverty status to all AFDC/TANF entrants in a particular community.⁸ Region and gender variables were classified as either Chicago or rest of state and male or female. With the division between Chicago and "rest of state," we capture urban and rural differences generally. Each of mother's characteristic variables, mother's education, work experience, and age at first birth, was coded into two categories; high school graduate and less than high school graduate, some work experience and no work experience, and age 20 or over and less than 20, respectively.

For the transitions to Medicaid and Food Stamps, we use a competing risks hazard model to show how AFDC/TANF entry year, and characteristics of children, their families, and their neighborhoods affect the likelihood of making two different transitions. These transitions are: exit from AFDC/TANF to Medicaid or Food Stamps, and exit to no services. For foster care placement, we compare differences in the likelihood of placement to foster care between the periods of the child being on and off AFDC/TANF. We employ the same method for abuse/neglect reports. The variable "being on AFDC/TANF", is defined as a time-varying covariate, taking the value of 1 for the periods the child is receiving AFDC/TANF and the value of 0 for when the child is not receiving AFDC/TANF. This variable measures the differences in the likelihood of being placed in foster care or having an indicated abuse neglect report between the states of receiving and not receiving AFDC/TANF after the child's first entry to AFDC/TANF.

Findings

Descriptive Analysis

The occurrence of a substantiated abuse/neglect report after initial receipt of AFDC/TANF—

An abuse or neglect report is typically made by a teacher, medical professional, law enforcement official, family member, or neighbor when they believe that a child has been maltreated. The public child welfare agency then investigates the report and determines whether to substantiate that report. Subsequent service for a substantiated report could range from placement of the child into foster care to no service if the agency determines that the child is not at risk.

What is most notable about the rate of substantiated reports for children in the income maintenance program is a decrease for the 1997 and 1998 cohorts. For the entire age range of AFDC/TANF entries, the substantiation rates after 6 months and one year upon entering AFDC/TANF are stable for the 1994, 1995, and 1996 cohorts (Table 2).⁹ The rates drop by at least 10 percent for the 1997 cohort, and we do not anticipate that the rates for the 1998 entry cohorts will be higher than those for the 1997 cohorts. For all children who entered AFDC or TANF during 1994, the rate of substantiated maltreatment approached nearly 8 of every 100 at five years after their date of entry.

The highest six-month rate of substantiated reports is for children under the age of 5, with around 20/1,000. This rate decreases steadily from just over 24/1,000 for the 1994 entries to just under 20 for the 1997 entries. The one-year rates show a similar pattern. The highest likelihood of substantiated reports occurs in the first year compared with subsequent years. For children ages birth to 4 years who entered AFDC or TANF during 1994, the rate of substantiated maltreatment approaches nearly 1 out of every 10 by five years after their date of entry. We do forecast, however, based on the early experiences of the 1995-1998 cohorts, that this rate will fall with later cohorts.

The occurrence of a foster care placement after initial receipt of AFDC/TANF— Entry into temporary foster care occurs when the court, in consultation with the public child welfare agency, determines that, because of risk of additional abuse or neglect, a child should not live with his or her parents. A placement typically happens after an abuse or neglect report, which we analyze

below. In the late 80's and early 90's in Illinois, there has been an increase in the foster care caseload, which has only begun to decrease in recent years.¹⁰

In general, there has been a sharp decrease in children entering foster care after their entry into AFDC or TANF since 1994. The rate of children entering foster care within six months of entry into AFDC or TANF was just below 8/1000 between 1991-93, increasing to a high of 10.25/1000 in 1994, before decreasing to 7.95/1000 in 1997 (Table 3). This pattern was driven predominantly by the youngest group (ages birth to 4 years old), who made up nearly three-quarters of child entrants to AFDC/TANF between 1991-98. For this group, the highest six-month entry rate was also seen in 1994 (12/1000); it decreased, to 9.3, by 1997. The other 25 percent of entries show no notable patterns over the time period.

The 1994 cohort and those children who were at risk during 1994 seem to have increased risk of entering foster care. 1994 coincides with the first year of full implementation of the Work Pays program in Illinois, as well as the year before significant reform in how children were placed with relatives in the foster care system (described above). The patterns for the cumulative rates of entry into foster care from 1 to 5 or more years after entering AFDC/TANF are similar to the first six months, but at a quite lower magnitude. While the first-year rate remains above 12/1000, in subsequent years, the incremental percentage of children who enter foster care is lower than 12/1000, with a few exceptions. These exceptions appear to be for those children who were at risk of entry into foster care during 1994.

AFDC/TANF to Medicaid transitions— Table 4 shows the patterns of exits from the first AFDC/TANF spells to either Medicaid or leaving AFDC/TANF without Medicaid. The “all exit” rows in Table 4 show that the majority of children who entered AFDC/TANF during the study period left the program relatively quickly. Throughout the period, more than 30 percent of the children left AFDC/TANF within 6 months. Within a year, about one-half of the children left AFDC/TANF. For those children for whom we can examine exit patterns for at least five years (those who entered AFDC/TANF between 1991 and 1993), and thus avoiding the censored observation problem, we find that about 85 percent left AFDC/TANF within 5 years. These are

shorter durations than found in previous research using survey designs. This difference might be due to differences in how the spells were constructed. Because we use administrative data on monthly AFDC/TANF receipt, our data capture any interruptions in spells that are longer than two months as exit from AFDC/TANF. In contrast, most survey data in previous AFDC duration studies used yearly spells, which might miss exit from AFDC in between yearly observation points.

When duration of initial AFDC/TANF spells is examined across entry cohorts, we find a steady decline in duration among the post-1993 entry cohorts. The proportion of children leaving income assistance within a year increased 45 percent, from 45 percent of the 1993 entry cohort to 65 percent of the 1997 entry cohort. The data also suggest that the largest increase in the proportion of children leaving the program within a year occurred among the 1996 and 1997 cohorts. Although about 55 percent of the 1996 entry cohort left the program within a year, approximately 65 percent of the children who entered in 1997 did so.

The exit patterns to Medicaid reveal a steady increase in the likelihood of a transition to Medicaid during the study period. Only 12 percent of the 1991 entry cohort who left AFDC within a year claimed Medicaid on exit, while about 42 percent of the 1997 entry cohort made the transition to Medicaid. The increases in the likelihood among recent cohorts of receiving Medicaid on exit from AFDC/TANF may be due to the state's effort to increase Medicaid coverage for poor children through the Children's Health Insurance Program (CHIP), known as Kidcare in Illinois. The increasing likelihood may also be due to state efforts to extend transitional Medicaid coverage to families that leave income assistance program with earnings.

AFDC/TANF to Food Stamp transitions— Although the findings on transitions to Medicaid clearly point to increases in Medicaid coverage for those who leave income assistance, changes in the transition to Food Stamps are more difficult to interpret. The proportion of those who continue to receive Food Stamps when leaving AFDC within a year stood around 18 percent for 1991 and 1992 entry cohorts (table 5). That proportion reached approximately 13 percent for the 1994 entry cohort, nearly a 5 percent decrease from the earlier cohorts. Since 1994, the proportion has

steadily increased, to approximately 15 percent of the 1997 entry cohort—although still lower than among cohorts in the early part of the decade.

Although there has been increasing attention paid to the importance of health care coverage for poor children, Food Stamps have not seen the same attention. The program is generally regarded and operated somewhat independently from the income maintenance program at the state level. The decline, or at best no change, in the likelihood of children continuing to receive Food Stamps and the relatively low participation in Food Stamps on exit from AFDC/TANF is somewhat difficult to interpret. On the one hand, if children are leaving income assistance because of improved family income, and that income leaves them ineligible for Food Stamps, the findings can be interpreted as “good” outcomes. On the other hand, if family income still leaves them eligible for Food Stamps (income below 130% of the poverty line) and yet they forgo Food Stamps because of either the stigma associated with “welfare” or because of administrative discontinuity at the local welfare office level, the Food Stamp program might be underserving children in need.

Multivariate Analysis

AFDC/TANF to substantiated abuse/neglect report— The entry cohort and age at entry effects found in the descriptive analysis remain when we control for characteristics of the child, being on and off AFDC or TANF, community poverty level, and mother’s characteristics. While none of the entry years are significantly different from the baseline 1994 cohort after we control for characteristics of child, family, and community, the direction of the risk change is consistent with the descriptive findings. (Table 6, Model 5). Also, children under age 5 are more likely to experience a substantiated report than are older children.

Model 1, with year of entry, race, gender and age at entry, shows that African-American, Hispanic, and children of “other” races are significantly less like to be substantiated. This may be a result of the fact that the children we are studying are already receiving AFDC or TANF. If one looked at the general population of children, that the findings are somewhat different (Goerge & Lee, 1997).

When we add the region variable (Model 2), we see that children on AFDC/TANF in Chicago are less likely to be substantiated and that this accounts for the lower likelihood of African-American children compared to white children. Model 3 shows that children are more likely to have a substantiated report of abuse or neglect while they are receiving AFDC/TANF. With this addition, African-American children are again less likely to be substantiated. This may be a result of African-American children being on AFDC/TANF longer than children of other races. In Model 4, we add community poverty level and as one would expect children in poorer communities are more likely to be substantiated over and above racial and regional characteristics. This may be a result of significantly more surveillance by mandated reporters of abuse and neglect in poor communities of how parents are caring for their children.

Finally, in model 5, we add mother's education, work experience, and age at first birth to the model.¹¹ Including the mother's characteristics in the model does not significantly change the effects of the other covariates. While we do not find a significant effect for mother's work experience and age at first birth, children of mothers with high school diploma are significantly less likely to have an indicated abuse/neglect report than those of mothers with less than high school education. While controlling for the other covariates, we find that children with mothers who graduated from high school are about 40 percent less likely to have a substantiated abuse/neglect report than those with mothers having less than high school education.

AFDC/TANF to foster care placement— Like substantiated abuse and neglect reports, the entry cohort and age at entry effects found in the descriptive analysis remain when we control for characteristics of the child, being on and off AFDC or TANF, community poverty level, and mother's characteristics. The fully saturated model (Model 5, Table 7) shows that the risk of entry into foster care decreases with later cohorts. While there is only one entry year that is significantly different from the baseline 1991 cohort, the direction of the risk change is consistent with the descriptive findings. Models 1 and 2, which do not contain variables on whether or not the child is still receiving AFDC/TANF or community poverty level, show a stronger entry year effect.

Model 1, with year of entry, race, gender and age at entry, shows that African-American children are more likely to enter foster care and Hispanic children are less likely to enter foster care than white children. It also shows that children under 5 are much more likely to enter foster care placement than older children. We see no gender effect.

Model 2 adds the region effect of living in Chicago. Given the greater numbers and rates of children being placed in Chicago from the general population, one would expect a significant effect. However, there is no effect. Furthermore, the addition of this covariate changes none of the other risk ratios for the other covariates.

In Model 3, we add the effect of whether or not a child is still receiving AFDC or TANF. Because we continue to track children after they have exited AFDC/TANF, this is an important indicator of whether the possible additional surveillance of AFDC/TANF cases by the welfare or related agencies affects entry to foster care or whether lower income and assets associated with AFDC/TANF affect entry into foster care. We do see a significant effect among children who are in an active AFDC or TANF case; they are two times as likely to enter foster care, as are those children who are not in an active case. This covariate does decrease the magnitude of race effects slightly, but not enough to make it a statistically non-significant. As to which of the two hypotheses—heightened surveillance or lower income--would explain this effect, it is difficult to determine. However, during our study period, if families are off of AFDC or TANF, it is quite likely that this indicates an increase in their economic status. Even during TANF implementation (since time limits have not yet been reached), it is still likely that leaving TANF is a signal of improved economic status of families. Therefore, while families are on cash assistance, it is likely that they are poorer—thereby affecting their ability to keep the child in their home.

Model 4 adds community poverty level. A child who resides in a community with greater than 30 percent of children living in poverty has a 27 percent greater likelihood of entering foster care than a child who lives in a community where fewer than 10 percent of children live in poverty. There is also greater likelihood of placement in communities with between 10 and 30 percent child poverty. Adding these covariates reduces the race effect slightly and makes the effect of region significant, but in the opposite direction one would typically expect. We find that children in

Chicago are less likely to enter foster care than in the balance of the state. However, it is common that community-level poverty and race account for much of the effect of living in Chicago because of the high concentration of child poverty in Chicago as well as the high concentration of African American children.

Finally, model 5 adds mother's characteristics to the model. Like substantiated abuse and neglect reports, mother's education is a significant factor determining the likelihood of a child being placed in foster care. Children of mothers who finished high school are about 50 percent less likely to be placed in foster care than those of mothers who did not finish high school. Again, including mother's characteristics do not change the effects of other covariates in any significant way.

The race effect is always difficult to interpret. Especially when looking at entry into foster care, explaining why African American children are more likely to enter foster care has been a constant challenge for child welfare researchers. As the results in Table 7 show, controlling for factors other than individual child's characteristics such as region, being on AFDC/TANF, community poverty, and mother's characteristics reduce the size of the race effect from the odds ratio of 1.95 (in Model 1) to 1.55 (in Model 5). However, as the results in model 5 indicate, even after controlling for the effect of the other covariates, we find that African American children are about 55 percent more likely to be placed in foster care than white children. One possible explanation is the fact that there are essentially two types of foster children—one that is placed with relatives and another that is placed with strangers. Traditionally, it is more likely that African American children are placed with relatives. When the analysis was done separately for kin and nonkin placements, as shown in Table 8, we find that the race effect is substantially stronger for transitions to kinship placements. Table 8 shows that African American children are 2.13 times as likely to be placed with relatives as white children, while they are only 28 percent more likely than white children to be placed with non-relatives. We believe that the remaining difference in the likelihood of being placed in nonkin foster care placements between African American children and white children is largely due to other characteristics of mothers (such as mother's substance

abuse problem) and characteristics of caseworkers who play a key role in making placement decisions in child welfare.

AFDC/TANF to Medicaid transitions— Table 9 presents the estimated coefficients from Cox regression models that predict exit from AFDC/TANF to Medicaid and to no services, treating the two distinct events as “competing” events.¹² In general, this modeling technique is known as competing risks model (Yamaguchi, 1991; Allison, 1995). We present estimated coefficients for the two competing events and *t*-tests of the differences in the two coefficients. We employ *t*-tests to examine the null hypothesis that the coefficients for a given variable are the same across the two distinct event types.¹³

The findings of the cohort effect confirm the findings in the descriptive analysis. There has been an increase over time in the Medicaid coverage of those leaving AFDC/TANF during the 1990s. The *t*-test results show that the increased likelihood of transition to Medicaid across entry cohorts is statistically significant. We also find that transitions to Medicaid are more common than those transitions to no services across all entry cohorts. The results presented in Table 9 also show that minority children, younger children, those of a mother with no high school diploma and no work experiences, and those living in Chicago and in poor communities are generally less likely to exit from AFDC/TANF compared with their counterparts, a finding consistent with past research. The coefficients for both types of exits generally are negative and statistically significant (positive for older children and mothers with high school diploma and work experiences). When the two events are compared, we find that minority children, older children, those living in Chicago, and those with a mother who had their first child as a teen are less likely to make transitions to Medicaid when they leave AFDC/TANF. The results show that transitions to Medicaid are more common for younger children, those living outside Chicago, those living in relatively high poverty areas, and those with mothers having high school diploma and work experiences compared with older children, those in Chicago, those living in very low poverty areas, and those with mothers without high school diploma or work experiences.

AFDC/TANF to Food Stamp transitions— Table 10 presents the multivariate analysis predicting exit to Food Stamps using the same method we described in the above section.¹⁴ Again, the results on the effect of entry cohort year confirm our findings in the descriptive analysis. Children are more likely to leave AFDC/TANF without Food Stamps. There also appears to be a decline, or at best no change, in the likelihood of children continuing to receive Food Stamps when they leave AFDC/TANF across cohort years.

When the coefficients between the two types of events (exit to Food Stamps and exit to no Food Stamps) are compared, the results on the region and race-ethnicity variables are similar to patterns of exits to Medicaid. We find that minority children and those living in Chicago are less likely to make transitions to Food Stamps. In terms of age, we find that although children ages 5-9 and 10-14 are more likely to make transitions to Food Stamps, the oldest group (those ages 15-17) is less likely to make transitions compared with the 0-4 age group. Areas of high poverty, again, have an effect on the transition rates to Food Stamps, although the effects are noticeably stronger than in transitions to Medicaid. Children who live in high poverty areas are significantly more likely to continue to receive Food Stamps when they leave AFDC/TANF. In terms of mother's characteristics, we find that those with mothers having graduated from high school are more likely to make transitions to Food Stamps when they leave AFDC/TANF than those with mothers who did not graduate high school.

Conclusion

The general finding of this study is that children who have participated in income maintenance programs have not fared worse since the implementation of various reforms in Illinois over the 1990s. What has not yet been factored into our model is the rather dramatic changes in the economy over this period of time. Many have made the argument that much of the success of welfare reform (measured by decline in TANF caseloads) has been a result of the long lasting economic growth in the United States where unemployment is extremely low. However, what one would expect is that as the income maintenance caseload size decreases, the remaining families would be those who are needier and more vulnerable and that the rate of negative outcomes would

increase, even while the numbers may decrease. Because we have not seen an increase in negative outcomes, it is either the case that children entering income maintenance programs are, in the least, not faring worse now than they were in the past or that the programs are operating more effectively than they have in the past. Either explanation is good news.

Also, one might think that welfare reform and child welfare reform might be at odds since child welfare interventions are attempting to protect children and strengthen families, while welfare reform works at making poor families more self-sufficient—a potentially stressful process. However, our findings suggest that “income assistance” welfare reform in Illinois, at least, has not hindered the intent of child welfare reform to reduce children’s placement in foster care. It is clear that our findings must continue to be analyzed and our analyses must be expanded in order to better understand the multiple processes underway for poor families in this time of multiple reforms.

Much of the evaluation of the small-scale and focused policy changes implemented by states during the 1980s and 1990s under the waiver system have been experimental in design. Although the new law allows states to continue their welfare demonstrations, initial reports suggest that many will not do so (Wiseman, 1996; Hollister, 1997). Beyond the practical problems of implementation and ensuing contamination that have always been of central concern with experimental designs, states will want to implement programs, previously permitted only under waivers, as widely as possible. If we are to understand the implications of “the veritable explosion in innovation and social policy” (Corbett, 1997), it is imperative that we develop effective monitoring and evaluation strategies that do not depend on experimental methods. Policy is itself in flux, and programs will only gradually be put in place and will continue to evolve with the changing political winds within and across states over the next few years (Moffitt, 1997; Corbett, 1997). Evaluation with a clean “before” and “after” will therefore be difficult, and methods must be developed that allow us to incorporate this evolving policy environment. We hope this study is a contribution toward such a model.

We have attempted to work collaboratively and consistently with policymakers and managers in Illinois and believe that an ongoing participatory collaboration with state leaders will

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benefit all parties. The results in this paper have been discussed with state welfare and child welfare agency leaders in order to properly interpret the findings and assure that the data was used correctly.

In addition to answering key research questions around the impacts of welfare reform, the ongoing development and use of administrative data to monitor and evaluate the effects of reform will provide a model for other states and may promote the investment necessary to develop administrative data into a more readily available resource for effective monitoring. Although there is a critical role for surveys, ethnographic studies and other data collection, none allows the quick-turnaround analyses possible with well-designed integrated administrative databases.

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Endnotes

¹ The monthly AFDC/TANF, Medicaid, and Food Stamp receipt information is used to construct the spell of service receipt. In constructing the welfare service spells, we treat periods of welfare receipt that include one-month periods off welfare as continuous spells of program receipt.

² For the proportional hazard models, we use 10 percent random sample for the analyses.

³ Our study is in contrast to the TANF exiter evaluations (“closed case” studies) that are currently being conducted by many states. In these studies, a case is followed for various outcomes typically if an adult exited the TANF program in a particular month. In these studies, one will “miss” individual-level child outcomes such as foster care placement or abuse and neglect reports that happen while the AFDC/TANF case is open.

⁴ Because of the lack of the data extending back a sufficient period, we could not apply the same non-participation time for all entry cohorts. The monthly AFDC/TANF administrative data we used for this study only date to 1989. This allows us to define new entrants in 1991 as those who have not participated in AFDC/TANF for the previous two years, while later cohorts are defined by nonparticipation since 1989. Therefore, the 1998 entry cohorts have 9 years of nonparticipation. This will present somewhat overestimated new entrant numbers for the earlier cohort years. By applying the same two-year nonparticipation rule, we find that there were about 5,000 additional new 1998 entrants to the 35,098 entrants we included in the study.

⁵ An alternative way of defining the entry cohorts is to apply the same 2 year non-participation time for all entry cohorts. However, this method does not allow us to “continuously” follow the experiences of the entry cohorts as they move in and out of AFDC/TANF. Let’s take an example of a child who enters AFDC for the first time in 1991, leaves the assistance in 1992, reenters in 1996, and finally enters foster care after the 1996 entry. Our method allows us to characterize the experience of the child as entering AFDC for the first time in 1991 and being placed in foster care after leaving and returning to AFDC. The alternative definition of the entry cohorts would treat the 1996 entry to AFDC as the second “first” entry to AFDC for the same child because the child was off AFDC for more than two years since his/her exit from AFDC in 1992. Obvious concern for the entry cohort definition we use in the study is whether having cohorts with different length of non-participation periods affect the results in the transition rates we examine. We examined the transition patterns with the cohorts with the same 2-year definition and found the results are very consistent with the results presented in the paper.

⁶ Again, the decline is somewhat overestimated due to our data limitation discussed in footnote 3. When applying the same two year non-participation rule, the decline from 1991 to 1998 is about 60 percent.

⁷ In separate analyses, we also examined the “period” effects of the year the subjects were in during the study period to discern any differences between the cohort effect and the calendar year effect in terms of the transition patterns. We defined calendar variables as time-varying covariates representing the year the subjects were in. We found very similar results between the two methods. It indicates that the transition patterns across different entry cohorts are not substantially different from the patterns of the “cross-sectional” population across years.

⁸ We used address information at the time of the first AFDC/TANF entry to identify the zip code of the child.

⁹ Since the substantiated abuse/neglect report data are expunged in the DCFS database after five years when there are no subsequent reports made, our analysis of abuse/neglect report is limited to the AFDC/TANF entry cohorts from 1994 to 1998.

¹⁰ Changes in entry into foster care is only one possible outcome. In order to get a complete picture, one must look at exits from foster care. One might hypothesize that once families are cut-off from cash assistance, they may have a reduced chance of being reunified with their child since they have fewer resources to care for him or her.

¹¹ Model 5 is estimated only for children who had mothers recorded in their AFDC/TANF cases in the data. In the study population, we found that about 74% of children had mothers identified in the data. The rest of the AFDC/TANF cases (about 26%) are most likely “child-only” cases. As shown in Table 6, the size and significance of the child and community characteristics are very similar between the results of all children and those of children with mothers.

¹² We only present models for children with mothers. The findings in the entry cohort effects, which is the main purpose of the study, are very similar between all children and only those with mothers. The results for all children are available from the authors upon request.

¹³ For further discussion of statistical properties of this particular method, refer to Allison (1995).

¹⁴ Like Medicaid transition results, we only present the findings for children with mothers. Again, the findings on the effects of the other covariates are very similar between all children and only those with mothers.