



ILLINOIS
FAMILIES
STUDY

Work,
Welfare, and
Well-Being:

An independent look
at welfare reform
in Illinois

Summary of First-Year Report

University Consortium on Welfare Reform
November 2000

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Purpose of this study

In 1997 the Illinois state legislature mandated that the Illinois Department of Human Services (IDHS) seek out university researchers to design and conduct a six-year panel study of welfare reform. The Illinois Families Study (IFS) is being conducted by a consortium of researchers from four Illinois universities in response to that legislative mandate.

The goal of the study is to inform policymakers about how Illinois families have been faring since the implementation of Temporary Assistance to Needy Families (TANF) and other welfare reform policies. This report to the state legislature describes findings from interviews conducted during the first phase of the study.

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Methods

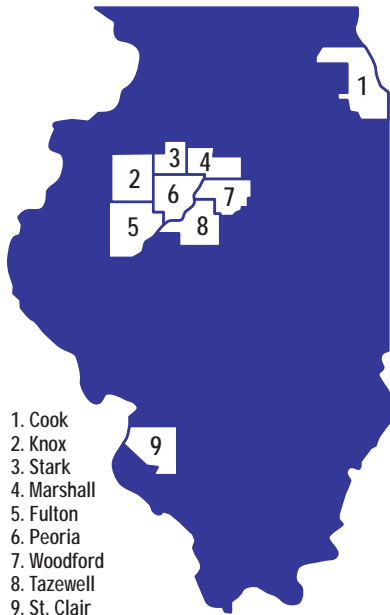
The Illinois Families Study is longitudinal and tracks the same families over a six-year period. The study has two primary components:

- Annual in-person surveys of a random sample of adults who were primary TANF grantees in the fall of 1998, a little more than a year after TANF was first implemented
- Administrative data from several Illinois state agencies about the same sample of families

IDHS administrative data were used to select a random sample of TANF recipients from nine counties, stratified along two geographic regions:

- Cook County
- Selected “downstate” counties (St. Clair, Peoria, Tazewell, Fulton, Knox, Marshall, Woodford, and Stark)

Illinois Families Study Counties



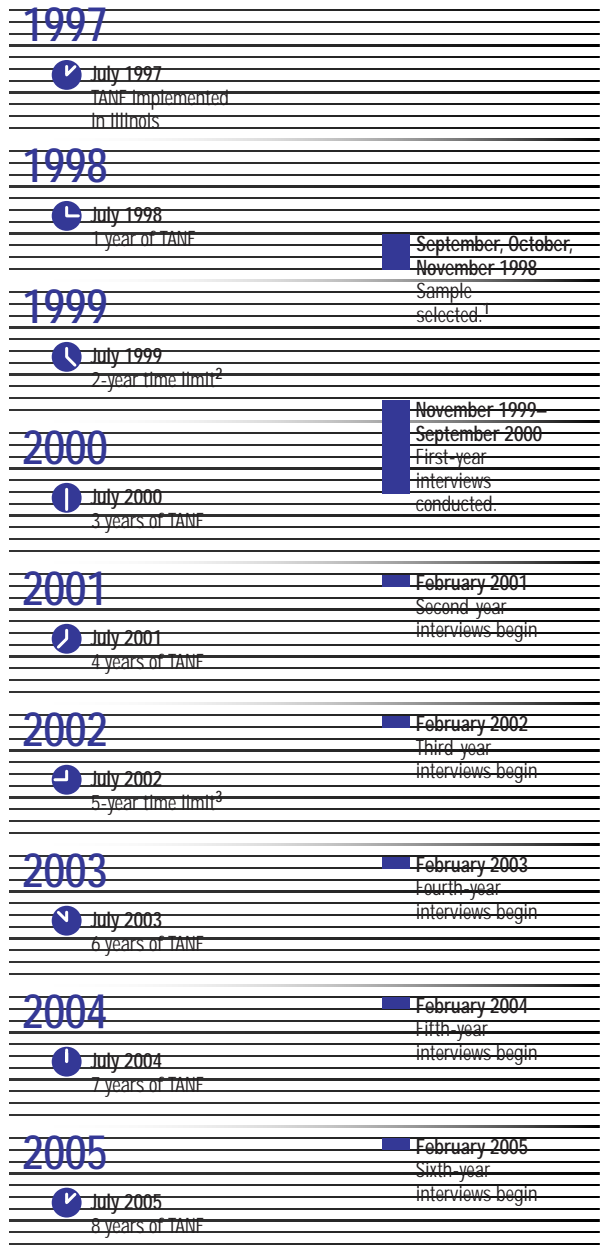
Together, these nine counties represent 75% of the state TANF case-load. They also represent cities and towns of varying sizes and demographic makeup, affording important comparisons across subgroups of recipients. The six counties surrounding Peoria are grouped together under the heading “rural counties” in this report.

A total of 1,362 phase I interviews were conducted between November 1999 and September 2000. The overall response rate was 72%.

Timeline

Temporary Assistance for Needy Families (TANF)

Illinois Families Study (IFS)



1. All Illinois Families Study respondents were receiving TANF at some point between September and November 1998.
2. Families are no longer eligible for TANF if the adult does not participate in any work activities for two years.
3. Families who work less than 30-35 hours per week and continue to receive TANF are no longer eligible for assistance after five years. The clock stops for single-parent families who work at least 30 hours per week (35 hours for two-parent families). The 30-35 hour work requirement went into effect in October 1999, increasing from 20 hours per week before October 1998 and 25 hours per week before October 1999.

Key Features of Welfare Reform in Illinois

- **Time limits:** 60-month lifetime limit on TANF cash assistance, although clock stops for single-parent families who work at least 30 hours per week and still qualify for assistance (35 hours per week for two-parent families); 24-month lifetime limit for those whose youngest child is age 13-18 (unless participating in a work activity)
- **Sanctions:** three-step sanction process ending in full-grant sanction after three occurrences of noncompliance
- **Family cap:** no additional cash benefits for children born nine months or more after initial enrollment
- **Child care subsidies:** for families at or below 50% of 1997 state median income
- **Transitional Medicaid:** for 6-12 months after leaving TANF (depending on income)
- **Income disregards:** two-thirds of earned income is disregarded when determining benefit levels (a family of three in Cook County, for example, must exit TANF when gross monthly earnings exceed approximately \$1,130)
- **Work requirements:** 30-35 hours per week; broad definition of work-related activities, including community service, substance abuse treatment, domestic violence counseling, foster parenting, and postsecondary education
- **Cash benefits:** maximum monthly cash benefit of \$377 for a family of three (unchanged from AFDC)

Figure 1 Demographic Characteristics of Respondents at Baseline, by Region

	All* (n=1362)	Cook County (n=673)	St. Clair County (n=386)	Peoria County (n=203)	Rural Counties (n=100)
Average age	31.6	31.7	30.9	29.9	30.1
Average number of children	2.5	2.5	2.6	2.7	2.1
Average age of children	7.4	7.3	7.8	7.6	7.0
Female	97%	97%	98%	98%	96%
Never married	65%	67%	39%	57%	31%
High school graduate	59%	58%	60%	64%	87%
Race:					
African American	80%	81%	82%	71%	5%
White	10%	8%	17%	28%	91%
Other	10%	11%	1%	1%	4%
Hispanic/Latino/Chicano	12%	13%	1%	2%	2%
Response rate	72%	71%	71%	78%	68%

*sample weighted to adjust for the oversampling of non-Cook County respondents

Results

Respondent characteristics

The vast majority of respondents were female (97%) and their average age was 31.6. Nearly two-thirds had never been married (65%) and only 59% had a high school diploma at the time of the baseline interview. Respondents had an average of 2.5 children. The majority of respondents were African American (80%) and 12% were Hispanic, Latino, or Chicano (See Figure 1).

Work status and welfare use

Half of the respondents were working; half were still on TANF. Many were combining work and welfare.

About half of those surveyed (53%) were employed at the time of the first interview (see Figure 2), including 38% of the entire sample who were working full time (30+ hours per week). Similarly, half of the respondents (55%) were still receiving TANF (see Figure 3), including 42% who had been continuously receiving TANF over the past 12 months.

Among those who were no longer receiving TANF, 65% were working, while 43% of those still on TANF were working (see Figure 4). Overall, 23% of the total sample were combining work with TANF (not shown).

Figure 5 displays regional differences in two of the key goals of welfare reform—work and leaving TANF. Peoria County had the highest proportion of employed respondents (73%), while the rural counties had the largest proportion of respondents who were no longer receiving TANF (61%).

Figure 2: Work Status

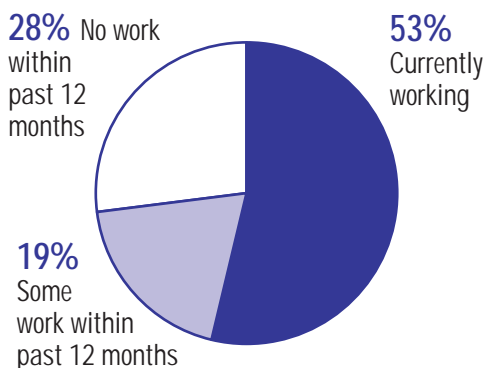
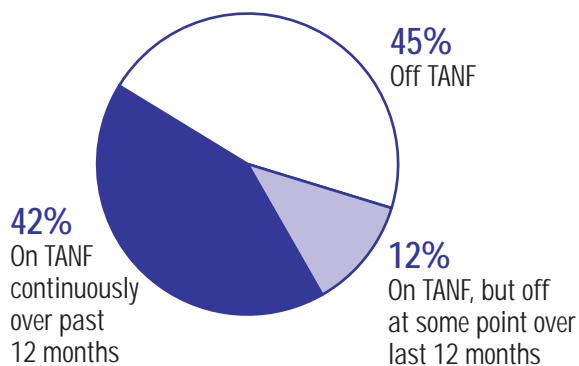


Figure 3: TANF Status



Note: Does not equal 100% due to rounding

“Many people are going from welfare to work and they’re doing great... I like to work. I have been on [public aid] for too long.”

—Illinois Families Study respondent

“If they tried to help more instead of punishing more people would want to work and... be off public assistance. I don’t think stopping welfare completely will help. It will only make it worse.”

—Illinois Families Study respondent

Figure 4: Work & Welfare Status

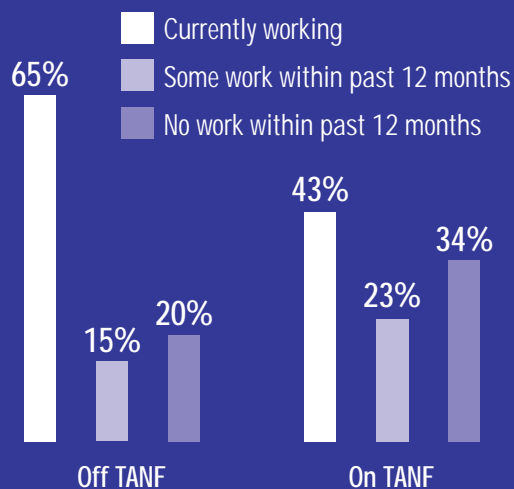


Figure 5: Work & Welfare Status, by Region

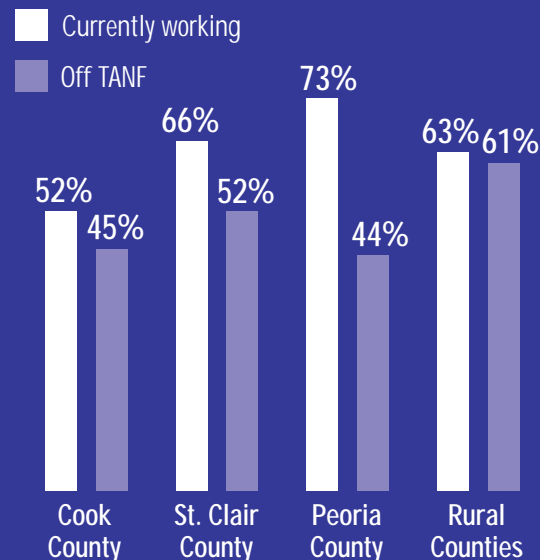
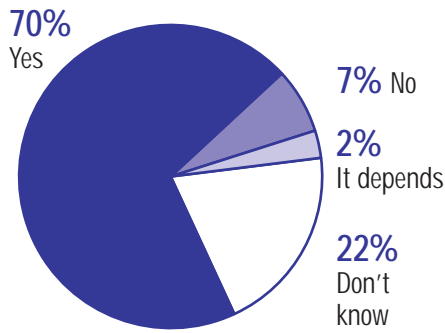
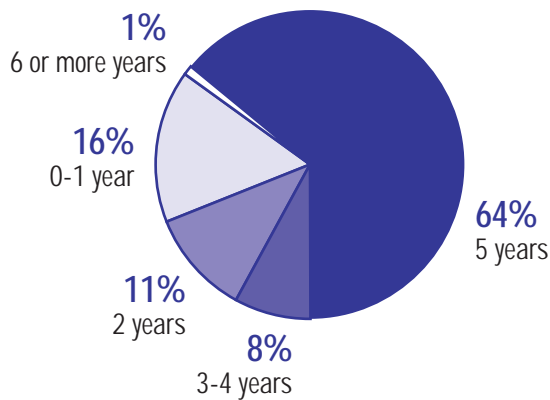


Figure 6: "Is there a limit on the amount of time that most parents can be on welfare?"



Note: Does not equal 100% due to rounding

Figure 7: "How long is the time limit?"



Note: Asked only of respondents who knew of time limit (n=866)

Experiences with welfare

Less than half of respondents (42%) attributed leaving TANF to getting a job or earning more money.

The remaining respondents said they lost TANF because they missed an appointment or did not file necessary paperwork (27%), failed to meet work requirements (8%), reached a time limit (2%), or because of case-worker error (3%) or other reasons (18%).

Forty-one percent of respondents reported that they had lost their Food Stamps and/or Medicaid coverage at some point during the previous year. Fifteen percent reported losing only Food Stamps, while 8% reported losing only Medicaid and 18% reported losing both benefits.

An estimated 28% of respondents reported losing TANF cash benefits due to a rule violation. This group includes respondents who experienced a partial grant reduction resulting from a self-reported rule violation, as well as respondents who lost all benefits because they missed appointments, did not file paperwork, did not participate in required work activities, or failed to cooperate with child support enforcement.

Questions designed to assess knowledge of the welfare rules revealed some confusion about income disregards and time limits among recipients:

- More than one-third (39%) mistakenly believed people cannot keep any cash assistance if they are working.
- About one-quarter of respondents (29%) did not know there were time limits on TANF benefits (22% did not know if there was a time limit and 7% said there was no time limit) (see Figure 6).

There also was some confusion about eligibility for Medicaid and Food Stamps:

- 27% of respondents did not know it was possible to continue getting Food Stamps while working.
- 23% did not know it was possible to continue getting Medicaid while working.

Respondents were largely positive about the Illinois TANF program. Most described positive interactions with caseworkers, although a significant minority were not satisfied with the service they received (see Figure 8):

- 73% reported that their most recent welfare worker treated them with dignity and respect.
- 68% said their worker took time to explain the program rules.
- 31%, however, “strongly agreed” that their worker “only cares about getting forms filled out,” and 20% “strongly disagreed” that their worker treated them with dignity and respect.

Respondents generally were optimistic about the future and supportive of work requirements:

- 93% expect to be working one year from now and 78% do not expect to be receiving welfare benefits at that time.
- 88% of respondents “somewhat” or “strongly” agreed that it is a good idea to require people on welfare to work.
- 60% said they “somewhat” or “strongly” agreed that it is a good idea to limit the amount of time people can stay on welfare.
- If money and medical coverage were the same, 95% said they would prefer to work rather than receive welfare.
- 36% percent of working respondents reported being “very satisfied” with their current main job, and another 44% reported being “somewhat satisfied.”

Medicaid or free health coverage was identified by half of all respondents (49%) as the benefit most important to their family’s well-being. Housing assistance (20%), Food Stamps (14%), and cash assistance (12%) were also cited as important supports for many families. Child care assistance (4%) and transportation assistance (1%) were critical to fewer respondents (see Figure 9).

“My [welfare] worker really helps me and is a strong motivator to me. Most workers should be like that.”

—Illinois Families Study respondent

“[DHS should] eliminate some of the paper-work. Stop trying to sanction clients for every little thing. Re-do welfare so that those of us who work won’t have it so bad.”

—Illinois Families Study respondent

Figure 8: Attitudes Toward Welfare
Percent Who “Strongly” or “Somewhat” Agree

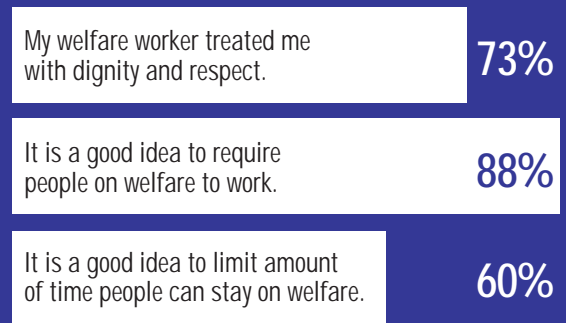


Figure 9:
“If you could pick one thing, what would you say is most important to your family’s well-being?”

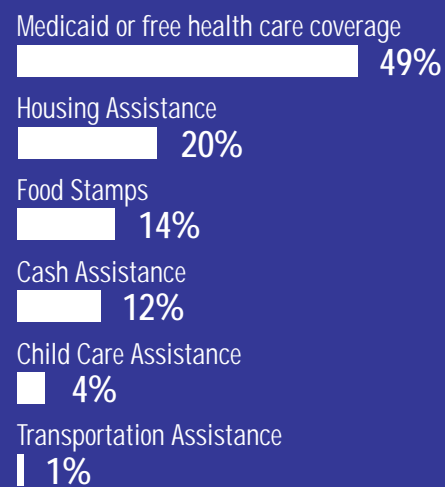


Figure 10: Median Hourly Wage
(Currently employed respondents)



Figure 11: Median Monthly Earnings
(Currently employed respondents, includes part- and full-time workers)

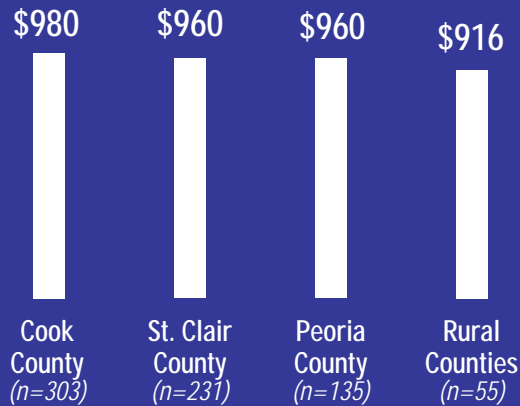
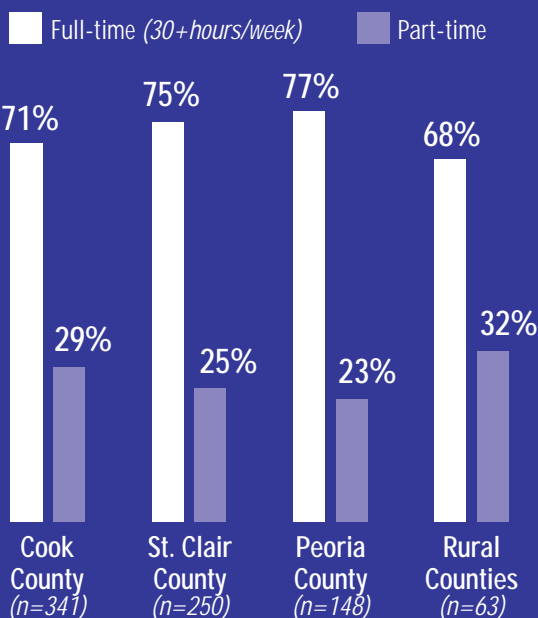


Figure 12: Full-Time and Part-Time Work
(Currently employed respondents)



Respondents offered their suggestions for improving the TANF program. The following areas were cited most frequently by respondents as those in greatest need of improvement:

- Improve TANF service delivery (more respectful case-workers, more convenient office hours, explain rules better, consider individual differences and needs, etc.) (37%)
- Revise the rules (end time limits and sanctions, simplify paperwork, improve child support enforcement, etc.) (20%)
- Provide better access to training and education (18%)
- Provide more help with job searches/improve employment services (13%)
- Change the system (more monitoring, fewer requirements, etc.) (9%)
- Provide more help with child care (7%)
- Make income disregards more generous and gradual (7%)

Workforce participation

As mentioned earlier, 53% of the IFS sample were working at the time of their interview. Employed respondents worked an average of 33 hours per week, and 57% said they preferred to work more hours if their employer would allow it. Most workers were in regular positions (86%), as opposed to temporary (12%) or seasonal (2%) jobs.

The median hourly wage for working respondents was \$7.00. The median monthly earnings for working respondents were \$960 (see Figures 10 and 11).

Nearly all respondents (94%) reported that they had worked for pay at some point in their lives. Forty-five percent had more than three years of full-time work experience.

Fifteen percent of respondents were receiving health insurance through their employer, although 45% said medical coverage was available through their job immediately (11%) or after a waiting period (34%). Paid sick days were the most common employer benefit respondents received, although only 25% were getting this benefit. Very few respondents were participating in a retirement program (13%) or receiving dental insurance for their children (13%) through their employer (see Figure 13).

One-third of respondents (33%) said it takes them one hour or more to get to work, including the time it takes to drop off children at child care. Nearly one-fourth (21%) said their workplace was located more than 20 miles from their home.

Among those who were not working at the time of the interview, 41% reported that they had held at least one job in the past 12 months; 46% said they had looked for a job but could not find one; and 12% did not look for employment during this time period.

Informal networks (45%) and self-initiated contacts (31%) were by far the most common way respondents found their current jobs. Fourteen percent said they learned of their job through the welfare office, WorkFirst, or some other job program (see Figure 14).

“It’s hard to find a job with enough money to take care of your children, rent, light, gas. Most of the jobs pay \$6.00 hourly and they may give you 12 hours weekly. What can you do with that?”

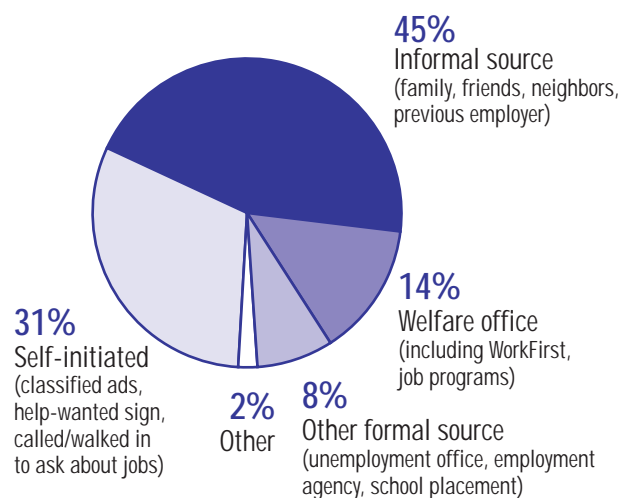
—Illinois Families Study respondent

Figure 13:
Benefits Received from Employers



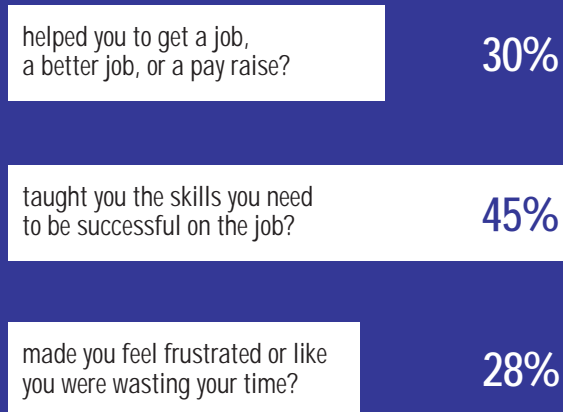
Note: Includes currently working respondents only (n=663-677)

Figure 14: “How did you learn about your current main job?”



Note: Asked of working respondents only (n=686)

Figure 15:
**Satisfaction with Job Search,
 Job Readiness, and Skills
 Training Programs**
 (Percent who agree “a lot” or “pretty much”)
 “How much has this program...”



Note: Asked of respondents who participated in a job training/ job readiness program (n=428, 428, 426, respectively)

Training, education, and support services

About one-third of respondents (35%) participated in a job search/job readiness, job skills training, and/or self-employment training or technical assistance program within the past 12 months. This includes 50% of those who reported that they asked their welfare worker for more help with job skills and training. Excluding respondents who had been off TANF continuously for the past 12 months, 38% of Cook County residents had participated in these activities, followed by St. Clair County (32%), Peoria County (20%), and the rural counties (17%).

About half of the participants in these job search/job readiness and training programs (52%) said someone from the program had explained the EITC (Earned Income Tax Credit) to them; 58% said the Work Pays program was explained to them; and 38% were advised about budgeting and paying bills.

These job programs received mixed reviews from respondents. About half said the program had taught them skills to be successful in a job (45%) or gave them more confidence to succeed (51%) “pretty much” or “a lot.” Twenty-eight percent, however, felt their participation in the program was “pretty much” or “very much” a waste of their time (see Figure 15).

Ten percent of the sample had participated in an educational program within the past 12 months, and 43% of these respondents said someone from the welfare office helped them enroll in classes. This included 17% of those who had told someone from the welfare office that they needed more education.

Only 20 respondents (less than 2%) reported that they asked the welfare office for help with mental health, substance abuse, or domestic violence. Few findings about these services can be reported at this time.

Housing and neighborhood context

Twenty-seven percent of respondents said they were receiving a government housing subsidy or living in public housing. The average monthly rent for the sample was \$316. One-third of respondents (33%) reported housing problems within the past year (e.g., presence of rodents or insects, faulty plumbing, leaky roof or ceiling). Eighteen percent of the sample were living in crowded conditions at the time of the baseline interview (more than two persons per bedroom).

Overall, respondents had relatively stable housing conditions:

- Three-quarters of those interviewed reported living in the same residence over the past 12 months. Half of the respondents had lived in their current residence for less than 1.5 years.
- Overall, 7% of the sample had experienced homelessness or precarious housing within the past year. Three percent said they had to stay in a homeless shelter, car, or abandoned building, or on the streets during the past 12 months. Six percent said they had “doubled up” with a friend or relative for less than two weeks.

Most respondents were fairly satisfied with their neighborhood. Sixty-eight percent were “somewhat” or “very” satisfied that their neighborhood was a good place to live and raise children. Residents of Peoria County and the surrounding rural counties were more likely than Cook County residents to describe their neighborhoods as safe and cohesive.

“A lot of women are on welfare not because they want to be, but if you get off and get a job it’s like they take everything from you. There are a lot of women afraid to get off, especially the Food Stamps. The [cash] grant is minute. It’s small. It helps, but when you are working you can deal with not receiving the money part. But if you are trying to provide food plus pay rent, plus buy food, it’s kind of hard.”

—Illinois Families Study respondent

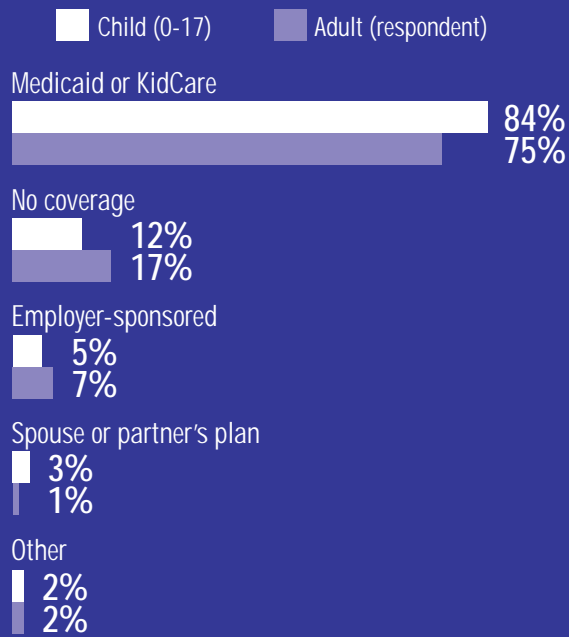
“Basically the job training is pretty good and it’s a very positive thing... Welfare should be a stepping stone in your time of troubles.”

—Illinois Families Study respondent

“The key word is education. Without education you cannot make it... [but] they force work over school.”

—Illinois Families Study respondent

Figure 16: Health Insurance Coverage



Respondents were asked if any of their children were covered by these health insurance options.

Family health and well-being

Most families had health insurance, although significant gaps remain and employer-sponsored coverage is rare (see Figure 16):

- 83% of respondents said they had health insurance at the time of the baseline interview. Most were covered by Medicaid (75%), and 7% received employer-sponsored coverage. One-quarter (26%) reported that they had gone uninsured for one or more months at some point over the past year.
- 88% of respondents reported that their children had health coverage when interviewed. Most had children who were covered by Medicaid or KidCare (84%), or an employer-sponsored plan (5%). Twenty-one percent of interviewees had at least one child who was uninsured for one or more months over the past year.

One-fifth of respondents rated their overall health as “fair” or “poor.” Twenty-four percent said they had a chronic health condition and 16% reported one or more symptoms of depression in the past week. Nearly one quarter (22%) said they had been physically abused by a spouse or partner at some point during their lives. Just under 5% reported physical abuse by a current or former spouse or partner within the past 12 months.

Approximately one-third of respondents stated they often felt they had too little time for themselves (33%), or that they were worn out or exhausted from raising their family (36%).

Overall, nearly half of respondents were relying on some form of informal child care arrangement (e.g., relative, friend, or other home-based care) for one or more children (47%), and 10% were relying on some type of formal child care arrangement (e.g., day care center, Head Start program). Thirty-two percent of respondents had one or more child care concerns during the previous year. The most common complaints were concern over the quality of available child care (18%), the cost of care (18%), and difficulty finding child care during work hours (16%). Less than half (42%) of those who either needed or were receiving child care were getting help from the welfare office to pay for that care.

One-quarter of respondents (24%) had at least one child covered by a child support order. More than half of these families (55%) actually received this support each month. Overall, 41% of all respondents said they receive some form of informal support from one or more of their children's fathers in lieu of or in addition to the formal child support they receive.

Material hardship

Families were optimistic about their financial situations, although most still worry a lot about money:

- 52% said their financial situation was better than it had been in a long time
- 72% “somewhat” or “strongly” agreed that they worry about having enough money in the future

Fifty-nine percent of respondents had experienced some type of material hardship within the past 12 months, including:

- 41% had their phone service disconnected for one or more months
- 23% could not pay their full rent or mortgage
- 15% had a family member who needed to see a dentist but could not afford to go
- 13% had their gas or electricity shut off
- 12% needed to fill a prescription for a family member but could not afford it.

Overall, families who took advantage of income disregards and transitional supports by combining work and welfare had fewer hardships.

Most respondents were able to feed their families, although 10% said they had to cut the size of their children's meals because they did not have enough money for food. Twelve percent said they were “sometimes” or “often” unable to feed children a balanced meal due to lack of money.

“If I am trying to split my time between my daughter, my schoolwork, and a job, something is not going to be what I want it to be. When I work, I want to do a good job. Especially with my daughter, I want to make sure she is getting what she needs and I want to do good in school.”

—Illinois Families Study respondent

“We as parents are supposed to work; that is part of our responsibility. But it would be nice if we could get something from the dads.”

—Illinois Families Study respondent

“The cost of living is high because it's hard to buy clothes, food, and pay bills. People think it is easier because you work, but it gets harder. We still need a little help, because it gets harder before it gets better.”

—Illinois Families Study respondent

“With the job I have, if they were to take away public aid, I would have a difficult time trying to take care of my kids. The medical card helps a lot. . . . With my job and the money I make I could not buy groceries without Food Stamps.”

—Illinois Families Study respondent

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Other contributing organizations include:

- Chapin Hall Center for Children, University of Chicago
- Metro Chicago Information Center

Conclusions

- Many current and former TANF recipients are finding work, but their earnings in general are very low and many do not receive employer-sponsored benefits. The majority of respondents (more than two-thirds) had worked within the past year, although only half were employed at the time of the interview. These findings indicate that merely getting a job cannot be equated with self-sufficiency.
- Many respondents approve of the changes brought by welfare reform, particularly the implementation of work requirements and improved work supports. Confusion about welfare rules, problems with TANF service delivery, gaps in training and education programs, and limited access to health insurance, however, remain as major stumbling blocks for some Illinois families.
- Existing training and education programs may not be meeting the needs of some recipients. Many who said they requested this kind of help did not receive it, and those who did participate in job search and job training programs gave them mixed reviews.
- Some families experienced instability and hardship over the past year, such as temporary loss of health insurance or phone service. There was little evidence, however, of major ongoing threats to the health and well-being of most people interviewed for this study. Employment alone does not appear to make families immune from material hardship; those who combined work and welfare were least affected by these problems.
- Future reports from the Illinois Families Study will draw upon state administrative data, follow-up surveys, and in-depth qualitative interviews to provide more detailed evidence on workforce attachment, service use, child well-being, and the relationships between these and other aspects of welfare reform.

Future reporting from the Illinois Families Study

This first-year report sets the stage for future reports that will be made available to policy-makers over the next six years. While this report draws exclusively upon survey data gathered in 1999 and 2000, future reporting will integrate information from a rich combination of sources. Most important, future research will link survey data with the following state administrative records:

- The Illinois Department of Human Services client database will provide monthly reports on TANF, Food Stamps, and Medicaid use.
- The Illinois Department of Employment Security will provide quarterly reports on Unemployment Insurance use and wages.
- The Illinois Department of Children and Family Services will provide monthly information on child abuse and neglect reports and child welfare intervention.

The Illinois Families Study also has been implementing a variety of sub-studies that will provide a deeper understanding of welfare reform in Illinois:

- The Child Well-Being Supplement uses additional survey data and medical records to examine the relationships between child neglect and employment, income, and health care coverage.
- The Qualitative Component draws upon in-depth interviews and participant observation to better understand the processes families undergo as they move toward self-sufficiency.
- Additional analyses will examine topics such as access to higher education for parents, academic outcomes for children, gaps in service delivery, and interactions between the TANF and child protection systems.

In summary, the ongoing surveys with the same group of families over six years, combined with administrative records and supplementary studies of special topics, will allow the Illinois Families Study to answer many key policy questions in coming years, including:

- What factors are associated with successful workforce attachment and self-sufficiency?
- What services and work supports are most needed to help people get off welfare? What supports are most valuable in the long run? Who needs more help?
- What state services are most effective for different populations?
- What are the service needs of families who are exempt from TANF work requirements?
- What happens to families when they reach the five-year time limit?
- How do employment and well-being outcomes differ for respondents who take advantage of income disregards and transitional Food Stamps and Medicaid, compared to those who leave welfare more abruptly?
- How do changes in parental welfare use and employment affect children's outcomes over time?
- What is the impact of local economic conditions on labor market participation among current and former welfare recipients?
- What are the intended and unintended consequences of state programs on family health and well-being?

For a copy of the full report, go to

www.jcpr.org

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