Preserving the gains, rethinking the losses:

Welfare in Illinois five years after reform

Summary of Third Annual Report
University Consortium on Welfare Reform
April 2003
Purpose of this report

Like most other states in the nation, Illinois is now more than five years into the major welfare reforms that were passed in 1996 and implemented in 1997. The state currently faces uncertain policy changes at the federal level, a shrinking state budget, and a weak economic climate.

The purpose of this report is to help Illinois policymakers assess the value of these welfare reforms and prioritize services for families affected by them. By identifying the strengths and weaknesses of Illinois welfare reform programs and prioritizing them, we hope to help policymakers make the most of limited state resources.

Background

Last year's Illinois Families Study (IFS) annual report to the legislature, based on surveys conducted in the “boom years” of 1999 through 2001, concluded that Illinois’ moderate approach to reform helped to make work “pay” and was associated with slightly improved family well-being. The report concluded that work supports—especially the “stopped clock” for employed TANF recipients, child care subsidies, Medicaid, and KidCare—were critical for promoting work and self-sufficiency. In this year's report, we will reexamine these conclusions, adding data from 2002, to determine whether these findings still held true during the recent economic downturn. (See page 18 for a description of the study.)

Figure 1 displays the AFD C/TANF caseload trends, along with the child poverty and unemployment rates in Illinois during the period prior to and after TANF was first implemented in the state. The timeline below shows key policy events and the dates when the Illinois Families Study surveys were conducted.
Figure 1: Child Poverty, AFDC/TANF Caseloads, and Unemployment in Illinois, 1992-2002

**Child Poverty Rate** (left scale)
Source: Current Population Survey, U.S. Census Bureau

**AFDC/TANF Caseload** (right scale, as of September)
Source: Illinois Department of Human Services
(calculations by Chapin Hall Center for Children)

**Unemployment Rate** (left scale, as of December 2002)
Source: Illinois Department of Employment Security

Welfare reform waivers begin in Illinois, including Work Pays income disregards
PRWORA enacted
TANF implemented in Illinois
July 2002: 5-year time limit in Illinois

Summary of Third Annual Report, University Consortium on Welfare Reform, April 2003
Key Features of Welfare Reform in Illinois

- **Time limits**: 60-month lifetime limit on TANF cash assistance, with some exceptions
- **“Stopped clock”**: time limit clock stops for recipients who work 30 hours per week (35 for two-parent families) and still qualify for assistance or meet other requirements (e.g., participation in post-secondary education or care for a sick or disabled child or spouse)
- **Income disregards (Work Pays program)**: two-thirds of earned income is disregarded when determining benefit levels (for example, a parent earning $300 monthly receives a $100 decrease in her monthly TANF grant)
- **Sanctions**: three-step sanction process ending in full-grant sanction after three occurrences of noncompliance or after three months in a first- or second-step sanction
- **Family cap**: no additional cash benefits for children born ten months or more after initial enrollment
- **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 post-secondary education
- **Cash benefits**: maximum monthly cash benefit of $396 for a family of three in urban areas (increased from $377 in July 2002)
- **Child care subsidies**: for all families at or below 50% of 1997 state median income, regardless of TANF status; parent co-pay sometimes required
- **Medical benefits**: Family Assist (Medicaid), Parent Assist (Medicaid), Transitional Medical Assistance (Medicaid), KidCare (Medicaid and SCHIP), and FamilyCare (Medicaid and SCHIP HIFA waiver, for adults)

Have the main goals of PRWORA been realized in Illinois?

The primary goals of PRWORA were to promote work and marriage and to decrease welfare dependence and births to unmarried women. In Illinois, the goal to decrease welfare dependence was clearly met. Efforts to increase work were moderately successful, although early success appears to be leveling off. Progress was also made towards the family formation goals, although it is unclear to what extent welfare reform was responsible for observed changes in marriage and childbearing.

Between 1998 and 2002, work remained stable and earnings increased substantially while TANF use dropped sharply. About half of the IFS sample was working in 2002, while about one-fifth was still receiving TANF (see Figures 2 and 4).

**Figure 2: Work and Welfare**

<table>
<thead>
<tr>
<th>Year</th>
<th>Currently Working</th>
<th>Currently on TANF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-00</td>
<td>53%</td>
<td>49%</td>
</tr>
<tr>
<td>2001</td>
<td>50%</td>
<td>31%</td>
</tr>
<tr>
<td>2002</td>
<td>52%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: IFS survey data

1Significant difference from 1999-00 estimate at .05 level;
2Significant difference from 2001 estimate at .05 level
(Statistical significance for differences between time periods, T-test.)

**Figure 3: Work/Welfare Status**

<table>
<thead>
<tr>
<th>Year</th>
<th>Work only</th>
<th>No work/no TANF</th>
<th>TANF only</th>
<th>Work and TANF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-00</td>
<td>33%</td>
<td>30%</td>
<td>17%</td>
<td>21%</td>
</tr>
<tr>
<td>2001</td>
<td>41%</td>
<td>28%</td>
<td>11%</td>
<td>28%</td>
</tr>
<tr>
<td>2002</td>
<td>45%</td>
<td>37%</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: IFS survey data

1Significant difference from 1999-00 estimate at .05 level;
2Significant difference from 2001 estimate at .05 level
Overall, large declines in TANF use were not matched by comparable increases in work, resulting in a large and growing group of families who were left with neither work nor TANF. By 2002, 37% of respondents were in the “no-work/no-TANF” group. The largest group, however, was the “work-only” group, making up almost half of the sample (45%) in 2002 (see Figure 3).

Between 2001 and 2002, there was a significant increase in marriage and a significant decrease in births to unmarried parents (see Figure 5). Marriage was still relatively rare, however; only 12% of respondents were currently married in 2002.
How are families doing?

Looking across a broad range of indicators of well-being, families appeared to be making steady progress from 1999-00 to 2002. Although the overall group improved significantly in many areas, poverty and hardship were still prevalent.

Overall, income and earnings for these families have been rising steadily, although incomes continued to be very low. Combining earnings and all benefits (e.g., TANF and food stamps), the average family income in 2001 was $14,145, up from $7,475 in 1998. Sixty-seven percent of the families were living below the poverty line in 2001, down from 75% in 1999-00 (see Figure 6).

Between 1999-00 and 2002, there was an overall decrease in the number of families who experienced material hardship, although about half (49%) still reported some hardship (see Figure 7). Housing affordability problems spiked upward in 2001, but returned to lower levels in 2002 (not shown). Homelessness and food insecurity saw modest declines (see Figure 8). Homelessness fell from 7% in 1999-00 to 2% in 2002. This includes families who stayed in a shelter, car, abandoned building, “on the streets,” or temporarily (less than two weeks) doubled up with a friend or relative. Seven percent of respondents in 2002 said they “sometimes” or “often” didn’t have enough food.
Despite increases in work and earnings, most respondents perceived their financial situation to be about the same over the three-year period. In 2002, about two-thirds (64%) said they “somewhat” or “strongly” agreed that they can generally afford to buy the things they need. Eighty-five percent of respondents in 1999-00 and 2002, however, said they “worry a lot about having enough money in the future.”

Between 1999-00 and 2002, respondents made significant gains in their hourly wages and in employer-sponsored benefits, although wages still remained fairly low and most working respondents did not receive benefits from their employers (see Figures 9 and 10). The median wage in 2002 was $8.30 per hour, and 27% of working respondents said they received health insurance from their employer for themselves. In 2002, 46% of workers said they had received a pay raise or promotion in the past year.

In 2002, employed respondents worked an average of 33 hours per week, unchanged from 1999-00. Seventy-six percent of all employed respondents were working full time (30+ hours per week) in 2002, also unchanged from 1999-00.

Job satisfaction remained fairly stable during the three-year study period. The majority of respondents (79%) reported they were “very” or “somewhat” satisfied with their job in 2002.

Self-reported physical and mental health improved steadily from 1999-00 to 2002 for adults and children (see Figure 11). By 2002, 81% of adults and 96% of children were reportedly in “good,” “very good,” or “excellent” health. The proportion of adults reporting depressive symptoms dropped from 24% in 1999-00 to 18% in 2002.
Health insurance for adults is one indicator of family well-being that did not improve over the three-year study period. The proportion of adults without health insurance coverage peaked in 2001 at 24%, improving slightly in 2002 to 21%—still higher than it had been in 1999-00 (see Figure 12). Steady gains in employer-sponsored health insurance were not enough to offset the large declines in Medicaid receipt adults experienced from 1999-00 to 2001, leaving many working adults without coverage.

Changes in health insurance status were more positive for children. Modest increases in Medicaid, KidCare, and employer-sponsored coverage helped to decrease the number of uninsured children in 2001 and 2002 (see Figure 13). By 2002, 7% of respondents had at least one child who was uninsured.

**Figure 12: Current Health Insurance: Adult (Respondent) n=1,065–1,072**

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid</th>
<th>No Coverage</th>
<th>Spouse/Partner</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>73%</td>
<td>18%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>2001</td>
<td>63%</td>
<td>24%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>2002</td>
<td>63%</td>
<td>21%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: IFS survey data

1 Significant difference from 1999-00 estimate at .05 level;
2 Significant difference from 2001 estimate at .05 level

**Figure 13: Current Health Insurance: Child n=1,025**

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid</th>
<th>No Coverage</th>
<th>Spouse/Partner</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>79%</td>
<td>12%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>2001</td>
<td>79%</td>
<td>8%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>2002</td>
<td>81%</td>
<td>7%</td>
<td>1%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: IFS survey data

1 Significant difference from 1999-00 estimate at .05 level;
2 Significant difference from 2001 estimate at .05 level

Note: Respondents were asked if any of their children were covered by these health insurance options. Respondents were not asked about coverage through the child’s father in 1999-2000.
Use of formal child care arrangements, such as child care centers and Head Start, started off quite low in 1999-00 and continued to decline; by 2002, only 5% of children were in these types of formal arrangements (see Figure 14). Care by a relative or some other family member was the most common type of child care; by 2002, 59% of the children under age 12 in the sample were in this informal arrangement. A high degree of stability among child care arrangements was maintained over time, with 90% of children having only 0-1 child care arrangements within the 12 months prior to the 2002 interview. Child care concerns dropped sharply over the three-year period. In 2002, 11% of respondents said they had one or more child care problems, down from 36% in 1999-00.

Most respondents continued to express positive feelings about their welfare worker and specified welfare policies (time limits and work requirements). Satisfaction with these welfare policies increased from 1999-00 to 2002 (see Figure 15). Fully 95% said they “somewhat” or “strongly” agreed that “it is a good idea to require people on welfare to work” in 2002.

Figure 14: Main Type of Child Care Arrangement Used Last Week

<table>
<thead>
<tr>
<th></th>
<th>1999-2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extended family member or sibling (in child’s home or relative’s home)</td>
<td>42%</td>
<td>44%</td>
<td>59%</td>
</tr>
<tr>
<td>Daycare center, preschool, Head Start or after-school program</td>
<td>7%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Non-relative (in child’s home or other home)</td>
<td>8%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Respondent’s partner or spouse</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Child always with respondent</td>
<td>38%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: IFS survey data
1Significant difference from 1999-00 estimate at .05 level;
2Significant difference from 2001 estimate at .05 level

Figure 15: Attitudes towards Welfare
(Percent who “somewhat” or “strongly” agree)

<table>
<thead>
<tr>
<th></th>
<th>1999-00</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is a good idea to require people on welfare to work</td>
<td>92%</td>
<td>92%</td>
<td>95%</td>
</tr>
<tr>
<td>It is a good idea to limit the amount of time people can stay on welfare</td>
<td>79%</td>
<td>79%</td>
<td>79%</td>
</tr>
<tr>
<td>My welfare worker treated me with dignity and respect</td>
<td>60%</td>
<td>72%</td>
<td>74%</td>
</tr>
</tbody>
</table>

Source: IFS survey data
1Significant difference from 1999-00 estimate at .05 level;
2Significant difference from 2001 estimate at .05 level
Making work pay in Illinois: Use of work supports and other services

Work does indeed “pay” in Illinois. Those who worked were less likely to experience poverty or material hardship than those who did not work.

Despite fairly high rates of awareness of work support policies, many respondents were not receiving the work support benefits available in Illinois. For the most part, use of work supports and other services declined or remained stable from 1999-00 to 2002.

The majority of respondents (86%) had their TANF clocks stopped at some point between July 1997 and June 2002. (TANF recipients have their clocks stopped when they are in compliance with work requirements or meet other specific criteria.)

Overall, food stamp and Medicaid use dropped considerably from 1998 to 2002, although the declines slowed in 2001 (see Figure 16). Slightly more than half of the sample was still receiving each of these benefits in 2002.

The overall use of child care subsidies increased between 1999 and 2000, and then decreased from 2000 to 2001 (see Figure 17). Only 37% of workers with a child under age 12 were receiving this benefit in June 2001.
Receipt of housing subsidies remained fairly stable during the three-year period. About one-quarter of respondents (27%) reported receiving some kind of housing subsidy in 2002. Sixteen percent of those interviewed in 2002 were living in a public housing development and 18% said they received a rent voucher, such as Section 8.

Receipt of formal child support fell slightly from 1999-00 to 2002. Fifteen percent of respondents received formal child support payments in the year prior to their 2002 interview. More than half (60%), however, said they received informal child support from their child(ren)'s other parent, usually the father.

Participation in job readiness, job training, work experience, basic education, and secondary education programs saw consistent and significant declines between 1999-00 and 2001 (see Figure 18). By 2002, only 12% of respondents said they had participated in a job readiness or job training program since their last interview, and only 1% had participated in a post-secondary education program.

The majority of respondents were aware of earnings disregards, transitional Medicaid, and continuing food stamps, while slightly less than half said they knew that the months when they work at least 30 hours per week do not count toward the time limit (“stopped clock” policy). Knowledge of these benefits increased significantly between 1999-00 and 2001 and then increased moderately or remained stable between 2001 and 2002.

Looking at the relationship between work and welfare status in 1999-00 and poverty one to two years later, we find that work does indeed “pay.” That is, those who were working in 1999-00 were less likely to be living below the poverty line in 2000 or 2001 than those who were not working (see Figure 19). Similarly, work seems to ameliorate material hardship. Those who were working in 2001 were less likely to experience hardship in 2002 than those who were not working in 2001 (see Figure 20).

Although work seems to prevent some material hardship, levels of poverty and hardship were still high even among those who were working and off welfare; 38% of the 1999-00 work-only group was living below the poverty line in 2001.
How are the most vulnerable families faring?

There was a troubling and steady increase in the proportion of families who were relying upon neither work nor TANF. Most families were not very close to reaching the 60-month lifetime limit on TANF. About one-quarter of the families had been sanctioned, though the third-level “full family sanctions” were extremely rare. Sanctions and time limits appear to be disproportionately affecting the more vulnerable respondents in this study, such as those with low levels of education and family health problems.

By 2002, over one-third of the sample (37%) had neither work nor TANF to rely upon. Although many in this group make use of informal sources of support and government benefits other than TANF, they were still much more likely to experience material hardship than other families and had high rates of health problems. These respondents seem to have very tenuous relationships with formal employment. Although they no longer rely upon TANF, many are still “connected to the system” by receiving food stamps and Medicaid.

Almost all of the families in the IFS sample have “saved” some of their TANF months by leaving welfare temporarily or permanently and/or by using the “stopped clock” option. For this reason, none of the families in this sample had reached their lifetime limit five years after TANF was implemented in Illinois. It is possible, however, to identify groups of families who are most at risk of reaching the time limit at some point within the next few years. Those with chronic health problems, more children, and a child with a limiting health condition appear to be most at risk of hitting the time limit. The unemployed, the unmarried, and those without a high school degree also appear to be more vulnerable.

Over one-fourth of the IFS sample (27%) received a sanction between 1999 and 2002. Most were first-level sanctions, while third-level sanctions (“full family sanction”) were extremely rare. Sanctioned respondents had, on average, more children, less education, and were more likely than other respondents to have a child with a health problem, indicating that the more vulnerable families are being sanctioned (see Figure 21). After controlling for several demographic characteristics, sanctions were associated with material hardship and continued TANF receipt. Being sanctioned does not appear to promote work or decrease welfare dependence.
Putting it all together: What helps families attain self-sufficiency?

Work, work supports, and education seem to promote positive outcomes, while sanctions were associated with negative outcomes.

Employer-sponsored health insurance, child care subsidies, the “stopped clock” option, and higher educational attainment appear to help families to get and/or keep jobs. Those who work, in turn, were less likely to experience material hardship, whereas those who were sanctioned were more likely to experience material hardship and still be receiving TANF.

Even after controlling for work status in 2001, respondents with the following characteristics in 2001 were significantly more likely to be working in 2002:
- Had a job with employer-sponsored health insurance
- Received a child care subsidy
- Used the “stopped clock” (even after controlling for number of months on welfare)
- Had a high school degree or GED

Respondents with the following characteristics were significantly more likely to be earning higher hourly wages relative to others who were working in 2002:
- Had a job with employer-sponsored health insurance
- Received formal child support for one or more children
- Had a high school degree or GED

Respondents with the following characteristics were significantly less likely to lose their jobs in 2002:
- Had a job with employer-sponsored health insurance
- Used the “stopped clock”
- Received formal child support for one or more children
- Had a high school degree or GED

Respondents with the following characteristics in 2001 were significantly less likely to be on welfare in 2002:
- Received child care subsidies
- Had a high school degree or GED
- Were working

Respondents who received a partial or full grant sanction in 2001 were significantly more likely to be receiving TANF in 2002.

Respondents with the following characteristics were significantly less likely to experience material hardship in 2002:
- Had employer-sponsored health insurance
- Were working
- Received government subsidized housing

Respondents with the following characteristics were significantly more likely to experience material hardship in 2002:
- Experienced a partial or full-grant sanction in 2001
- Participated in job search/job training
Conclusions and policy implications

In our last annual report, we concluded that Illinois’ moderate approach to welfare reform had been largely successful. After updating those findings with data collected in 2002 during an economic downturn, we are still able to conclude that the overall impact of welfare reform in Illinois has been positive.

Illinois’ moderate policies and the provision of several strong work supports have helped to make work “pay” for many families. For about half of the families in this study, employment—often supported by resources such as child care subsidies, health insurance, and food stamps—has given many families a boost in earnings and well-being. The other half, however, was not employed in 2002. Coupled with the overall levelling off of employment in recent years, the rising proportion of families who were relying on neither work nor TANF is troubling. For those reasons, any reductions in workforce support could harm poor families in Illinois.

Work supports are key to the success of welfare reform.

Policymakers have an obligation to insure that working and leaving welfare are sustainable and translate into concrete gains for parents and their children. A comprehensive network of work supports for low-income families is the key to meeting this state obligation.

Illinois should build on its success thus far by strengthening work supports. Four work supports stand out as being particularly critical for promoting work and self-sufficiency: 1) health insurance, 2) child care subsidies, 3) the “stopped clock”, and 4) child support. Other supports, such as food stamps, the EITC, earnings disregards, and housing assistance are also important. Given limited resources, the top priorities where the state of Illinois can have the greatest impact are:

- Public health insurance (Medicaid, KidCare, and FamilyCare)
- Child care subsidies

These programs benefit large numbers of low-income families—both on and off TANF—and should be maintained or expanded as the foundation of Illinois’ comprehensive work support system.

Family well-being has improved for many, but some are being left behind.

More than five years after the implementation of welfare reform, Illinois has seen a significant decrease in welfare receipt without an accompanying rise in material hardship.

According to most indicators of well-being, families appeared to be making steady progress from 1999 to 2002, despite the unstable economy towards the end of this period.

By 2002, however, a troubling pattern had emerged—a mismatch between the sharp decline in TANF use on one hand, and the moderate increase in work and persistence of poverty on the other hand. There appears to be a widening gap between successful and struggling TANF leavers. There is a large group of families who have successfully left TANF for jobs, while there is another group of almost equal size that relies upon neither work nor TANF.

Evidence of the success of welfare reform in Illinois includes:

- Increased earnings and income
- High levels of job satisfaction and few complaints about child care
- Declines in poverty, material hardship, food insecurity, and homelessness
- Improvements in self-reported physical and mental health
- High levels of approval for welfare workers and the changes brought about by welfare reform
The following problems, however, stand out as obstacles to work, self-sufficiency, and well-being:

- Persistence of high levels of poverty, even for workers
- Lack of health insurance coverage, especially for adults
- Persistence of relatively high levels of perceived financial strain
- Despite improvements, persistence of physical and mental health problems for many adults
- Low educational attainment, declining participation in job training and education programs, and the apparent ineffectiveness of job training programs
- Declines in or the levelling off of the use of key work supports such as food stamps, child care subsidies, child support payments, the “stopped clock” option, and employer-sponsored health insurance
- Slowed growth in hourly wages and workforce participation

“Getting tough” has unintended consequences.

The 1996 welfare reform “ended welfare as we knew it” by creating real costs for those who did not follow the new rules. Sanctions and time limits are two examples of the “get tough” approach to welfare reform. The intended purpose of sanctions was to decrease welfare dependency and increase work effort. Sanctions do not, however, appear to be producing the desired outcomes, and the most vulnerable families seem to be disproportionately affected by these policies.
**Recommendations to Illinois policymakers**

Illinois has implemented a moderate welfare reform strategy that “makes work pay,” reduces welfare dependency, and provides the foundation for a comprehensive system of work supports for low-income families. We therefore recommend that Illinois stay the course by preserving the gains made thus far.

The state is currently facing a large budget deficit. There is pressure to cut the very services that have made welfare reform successful in Illinois. The success of the “Illinois example” suggests that reductions in services to current and former welfare recipients would be short-sighted, possibly resulting in declines in labor force participation and increases in hardship.

**Preserve the gains: Maintain or expand existing work supports**

**Expand public health insurance**
- Expand FamilyCare to cover more low-income parents, and/or
- Expand income eligibility cutoffs for Medicaid coverage for adults and extend the provision of Transitional Medicaid Assistance to at least 12 months, if not longer, for TANF leavers. (Eliminate the six-month re-certification.)
- Increase take-up for KidCare, FamilyCare, and Medicaid.

**Maintain child care subsidies**
- Maintain child care subsidies as a high spending priority.
- Increase take-up of the child care subsidy.

**Provide other work supports**
- Maintain or increase funding for child support enforcement and the EITC.
- Continue the “stopped clock” and earnings disregards policies.
Rethink the losses: Provide intensive help for those who have been left behind

Reexamine job training and education
- Determine why so few current and former welfare recipients take advantage of existing job training and education programs.
- Improve the effectiveness of job training and education programs.

Reconsider “get tough” policies
- Use sanctions and time limits as a “red flag” for identifying and helping struggling families.
- Continue to provide exemptions to work requirements for families who struggle with health problems.
- Given the demands of single parenting and the leveling off of employment in this sample, requiring a 40-hour work week is not recommended. The current requirement of 30-35 hours per week appears to be working well and should be maintained. Requiring a full 40-hour week may discourage some recipients and could be counterproductive.

Provide intensive wrap-around services
- Provide intensive services for those who remain on TANF, including counseling and opportunities to participate in supported work environments.
- Reach out to families who are relying on neither work nor TANF. Many of these families are still “in the system” since they receive Medicaid or food stamps.
About this study

The Illinois Families Study is longitudinal and will follow the same group of families for six years. The core of the study is an annual in-person survey 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 implemented. Participants were selected from nine Illinois counties that were stratified by two regions (see Figure 23):

- Cook County (including the city of Chicago)
- Eight Downstate counties (including the cities of East St. Louis and Peoria, and rural counties surrounding Peoria)

Together, these nine counties represent approximately 75% of the state TANF caseload. They also represent cities and towns of varying sizes and demographic makeup.

This report draws upon two sources of data:

- Survey data: results of three annual in-person interviews, one conducted between November 1999 and September 2000, a second interview conducted between February 2001 and September 2001, and a third interview conducted between February 2002 and September 2002
- Administrative records: information about the use of TANF, Medicaid, food stamps, and child care subsidies, and employment and wage records (linked to the same families who were interviewed)

A total of 1,072 respondents were interviewed all three times—in 1999-00, 2001, and 2002. The response rate in 1999-00 was 72% (1,363 respondents), 87% in 2001 (1,183 respondents) and 91% in 2002 (1,072 respondents) (see Figure 24). Ninety-three percent of respondents consented to allow IFS researchers to access their individual administrative records. All analyses of survey data presented here are weighted to adjust for regional stratification and non-response. Figure 25 displays selected demographic characteristics of IFS respondents at the baseline interview (1999-00).
Figure 24: **IFS Survey Response Rates**

<table>
<thead>
<tr>
<th>Survey Year</th>
<th>Number of completed interviews</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>1,363</td>
<td>72%</td>
</tr>
<tr>
<td>2001</td>
<td>1,183</td>
<td>87%</td>
</tr>
<tr>
<td>2002</td>
<td>1,072</td>
<td>91%</td>
</tr>
</tbody>
</table>

Figure 25: **Demographic Characteristics of Respondents at Baseline** (characteristics of 2002 sample in 1999-2000), by region*

<table>
<thead>
<tr>
<th></th>
<th>All (n=1,072)</th>
<th>Cook County (n=970)</th>
<th>Downstate (n=102)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average age</strong></td>
<td>31.7</td>
<td>31.8</td>
<td>30.5</td>
</tr>
<tr>
<td><strong>Female</strong></td>
<td>97%</td>
<td>97%</td>
<td>98%</td>
</tr>
<tr>
<td><strong>Average number of children</strong></td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Average age of children</strong></td>
<td>7.5</td>
<td>7.4</td>
<td>7.7</td>
</tr>
<tr>
<td><strong>Never married</strong></td>
<td>63%</td>
<td>66%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>High school graduate (incl. GED)</strong></td>
<td>59%</td>
<td>59%</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Race:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>African American</td>
<td>86%</td>
<td>88%</td>
<td>68%</td>
</tr>
<tr>
<td>White</td>
<td>12%</td>
<td>10%</td>
<td>32%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Hispanic/Latino/Chicano</strong></td>
<td>13%</td>
<td>14%</td>
<td>1%</td>
</tr>
</tbody>
</table>

*Sample weighted to adjust for regional stratification and non-response.*

All interviews were conducted by **Metro Chicago Information Center (MCIC)**.

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- The National Institute of Justice
For a copy of the full report, go to
www.northwestern.edu/ipr/research/IFS.html

To order free printed copies of the summary or the full report, please contact:

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Preserving the gains, rethinking the losses: Welfare in Illinois five years after reform

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