

EXECUTIVE SUMMARY

This report presents the results of follow-up surveys of 1,878 families who left the Work First program in North Carolina between December 1998 and April 1999. The objective of the surveys was to determine the status of the families in terms of the following outcomes:

- employment and earnings;
- work hours, types of jobs held, and employer health insurance;
- pay increases, job satisfaction, and opportunities for advancement;
- reasons for not working if unemployed;
- receipt of child support and other non-wage income;
- employment and earnings of other household members;
- continued use of public assistance;
- food situation;
- housing situation;
- health insurance and health care access;
- child care arrangements and use of subsidized child care;
- children's school attendance and performance;
- anticipated need for services in the near future; and
- factors associated with returns to welfare (recidivism).

Under the study design, the surveys were limited to eight counties where site visits were also conducted by MAXIMUS. Two of these counties were very small rural counties and had few respondents in the sample. Therefore, most of the findings presented in the report are for the remaining six counties. These six counties included three large urban counties, two medium-size counties with largely urban caseloads, and one small-to-medium-size rural county. Given this fact, the results of the surveys cannot necessarily be generalized to North Carolina as a whole. However, the surveys provide a valuable picture of what is happening to families who leave Work First in some of the state's major urban areas.

The surveys were conducted by telephone from the MAXIMUS Survey Research Center in McLean, Virginia. Most of the surveys were conducted between June 1999 and February 2000. A response rate of 70.1 percent was achieved on the surveys. The names of individual counties are not identified in the report. Instead, code names are used, such as County A and County B.

A. SUMMARY OF KEY FINDINGS

Approximately 80 percent of the respondents who were surveyed were still off welfare at the time of the surveys. In Sections 1 to 5 below, we present findings on the status of the respondents who were still off welfare. In Section 6, we present findings on families who had returned to welfare.

1. CHARACTERISTICS AND WELFARE HISTORY OF RESPONDENTS

This section describes the demographic characteristics and welfare history of the respondents who were still off welfare at the time of the surveys.

Respondent Characteristics

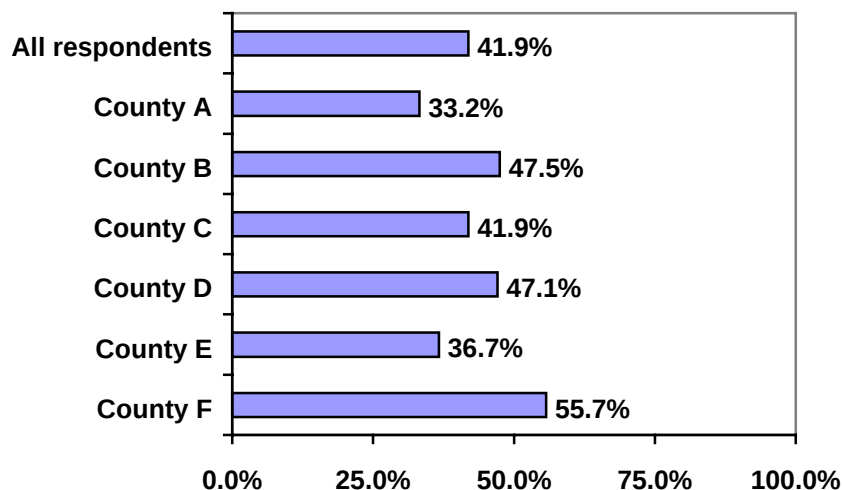
- Approximately 96 percent of the respondents were female.
- In terms of ethnicity, 64 percent of the respondents were black, 32 percent were white, and 4 percent were “other.”
- 31 percent of the respondents did not have a high school diploma or GED. Almost 29 percent had attended a two-year or four-year college but only 7.4 percent of all respondents had graduated.
- As shown in Exhibit ES-1, about 42 percent of the respondents had another adult living in the home. The percentage was highest in County F, County B and County D.
- Of those respondents living with another adult, a little over half were living with a parent.
- About 9.5 percent of all respondents were living with a spouse, including almost 15 percent in County C and 14 percent in County F. Another 5.4 percent were living with a partner.
- 32 percent of the respondents had three or more children. About half of the respondents had children under age 4, and 64 percent had children under age 6.

Welfare History, Reasons for Leaving Welfare, and Time Clocks

- About 22 percent of the respondents had first received welfare in North Carolina before 1990 and 58 percent had first received welfare before 1996.
- Almost 64 percent of the respondents left welfare for employment-related reasons. Specifically, 59.2 percent left Work First because they found a job or returned to work. Another 4.4 percent left welfare because they got a higher paying job or began working more hours.
- According to administrative records data, very few of the respondents were near the end of their 24-month time limit on welfare when they left. About 36 percent of the respondents had never been activated on the time clocks, and another 51 percent had used up 10 or fewer months. Only 3.6 percent had used up more than 20 months when they left.

- The percentage of respondents who had not been activated on their time clocks was highest in County B (53.4 percent) and County E (45.5 percent).

EXHIBIT ES-1
PERCENTAGE OF RESPONDENTS LIVING WITH OTHER ADULTS
(PERSONS STILL OFF WELFARE)



2. EMPLOYMENT AND EARNINGS OF RESPONDENTS

This section presents the survey results on the employment and earnings of respondents who were still off welfare when surveyed.

Employment Status at the Time of the Surveys

- Of the respondents who were still off welfare, 69.3 percent were working for pay at the time of the surveys.
- As shown in Exhibit ES-2, the percentage of respondents who were working was highest in County B and lowest in County F.
- As indicated in Exhibit ES-3, the rate of employment was lowest for persons who had not completed high school or a GED (58.5 percent) and for persons who had completed only a GED (62.9 percent). Of those who had attended college, 76.3 percent were employed. Of those who had completed high school or a GED only, 74.7 percent were working.

EXHIBIT ES-2
PERCENTAGE OF PERSONS WORKING FOR PAY
(PERSONS STILL OFF WELFARE)

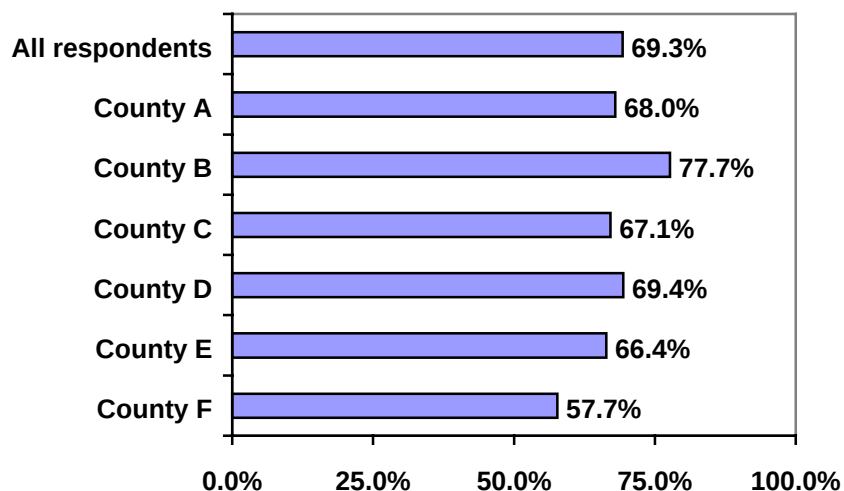
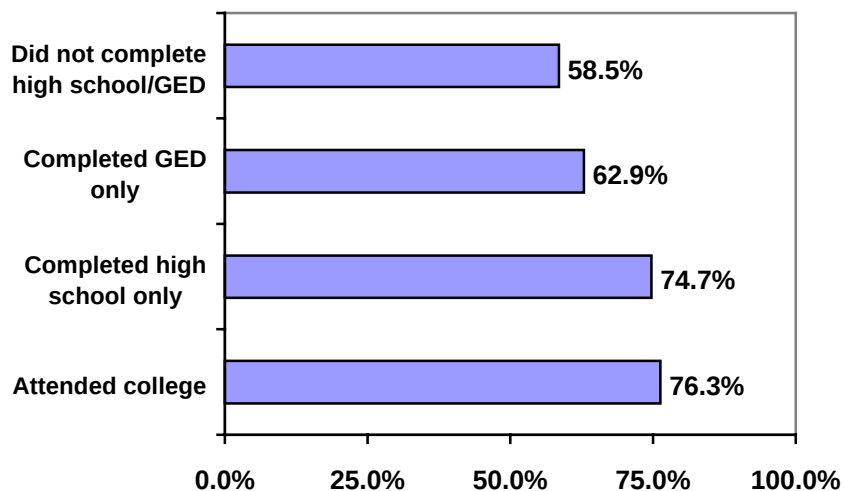


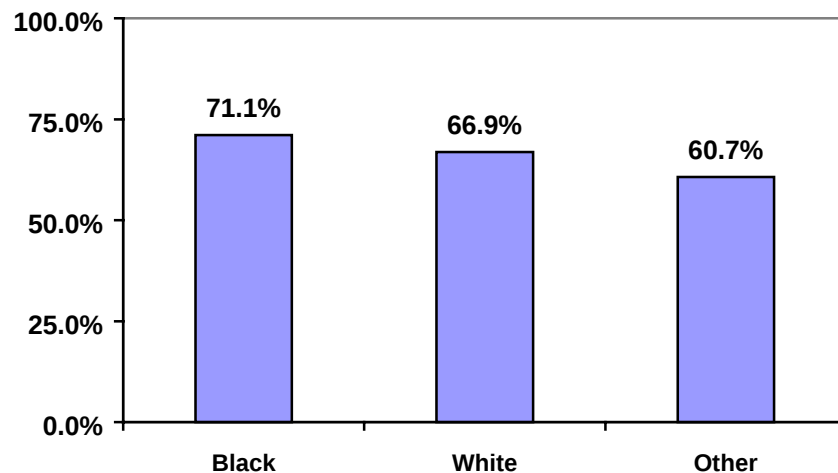
EXHIBIT ES-3
PERCENTAGE OF PERSONS WORKING FOR PAY,
BY EDUCATION



- Rates of employment varied by ethnicity, as indicated in Exhibit ES-4. More than 71 percent of blacks were working, compared to 66.9 percent of whites and 60.7 percent of “other” respondents.

- Rates of employment were highest among respondents in the 25-29 year age group (75.1 percent), followed by the 30-34 year age group (70.2 percent).
- The rate of employment was very high among respondents who left Work First for employment-related reasons (84 percent), and relatively low among respondents who had left for reasons unrelated to employment (44.1 percent).
- Persons who did not have another adult in the household were more likely to be employed (73.4 percent) than persons who were living with another adult (62.0 percent).
- Employment status did not vary by the year when respondents first began receiving welfare in North Carolina.

EXHIBIT ES-4
PERCENTAGE OF PERSONS WORKING FOR PAY,
BY ETHNICITY



Employment Experiences of Those Not Working

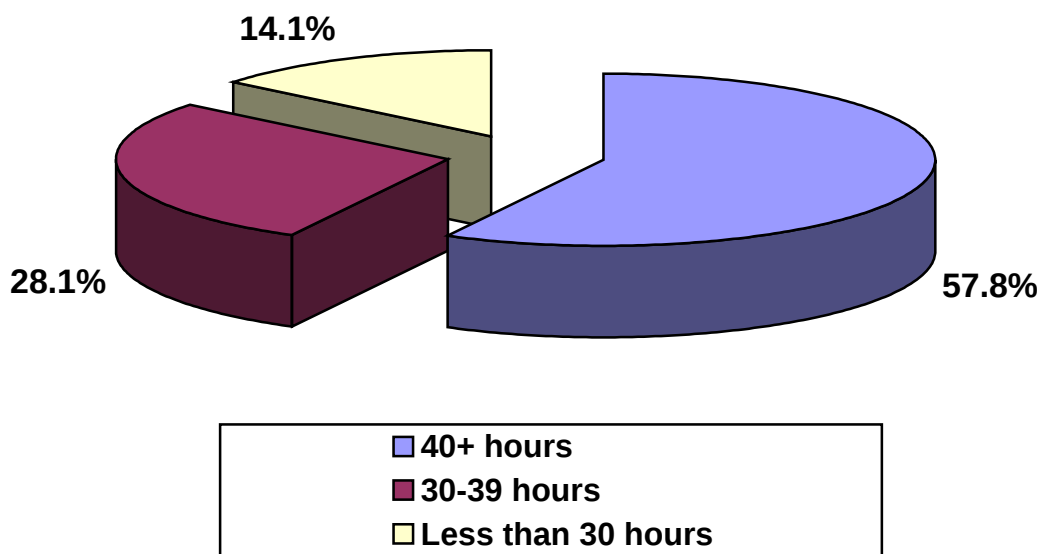
- Of the respondents who were **not** working, about 65 percent had worked at some time since they left Work First.
- About half had been working when they left Work First.
- The most common reason given by unemployed respondents for not currently working was disability or illness (17.6 percent). Another 5.2 percent cited the disability or illness of a family member.

- The next most common reason for not working was “can’t get a job” (16.1 percent). Child care problems were cited by 12.7 percent of respondents who were not working.
- About two-thirds of the respondents who were not currently working said that they were looking for work, while the other third were not looking. The percentage who were **not** looking for work varied from 46.2 percent in County C to 24.5 percent in County A.

Work Hours and Non-Traditional Schedules

- Of the respondents who were working at the time of the survey, 57.8 percent were working 40 or more hours per week, and 85.9 percent were working 30 or more hours per week, as shown in Exhibit ES-5.
- Among employed persons, those who had attended college were more likely to be working full-time (65.7 percent) than persons who had not completed high school (51.0 percent)

EXHIBIT ES-5
HOURS PER WEEK WORKED BY EMPLOYED RESPONDENTS



- About 26 percent of employed respondents reported that they had to work non-traditional hours during the week, mostly in the evenings.
- About 55 percent of the employed respondents reported that they usually or always worked on weekends. The percentage was especially high in County D (72.6 percent). Persons with less education were more likely to have to work weekends.
- Persons employed in clerical/office jobs were less likely to have to work evenings or weekends than persons employed in retail sales, restaurant work, or other service occupations.

Earnings and Pay Increases

- As shown in Exhibit ES-6, a relatively large percentage of employed respondents (61.3 percent) were working in jobs that paid \$7 per hour or higher.
- As indicated in Exhibit ES-7, about 51 percent of all employed respondents were earning more than \$1,200 per month. Median monthly earnings were \$1,190.
- Monthly earnings were \$1,386 for those who had attended college, compared to \$1,039 for those who had not completed high school. Earnings did not vary significantly between blacks and whites.
- Earnings were typically much higher among respondents employed in office/clerical jobs than among respondents working in retail or service jobs.
- About 38 percent of employed respondents had received a raise in their current job.

EXHIBIT ES-6 HOURLY WAGE RATES OF EMPLOYED RESPONDENTS (PERSONS STILL OFF WELFARE)

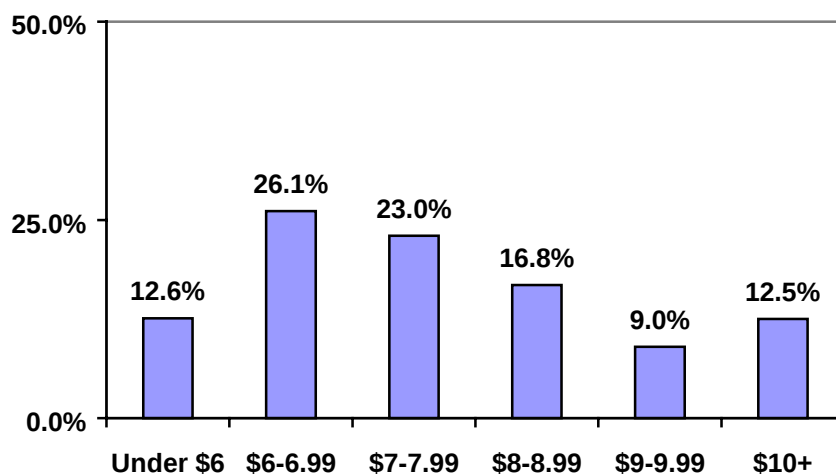
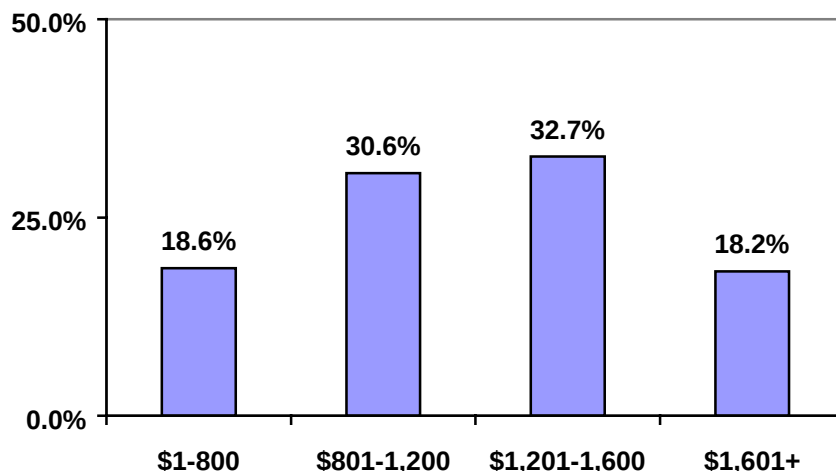


EXHIBIT ES-7
MONTHLY EARNINGS OF EMPLOYED RESPONDENTS
(PERSONS STILL OFF WELFARE)



Employer Health Insurance

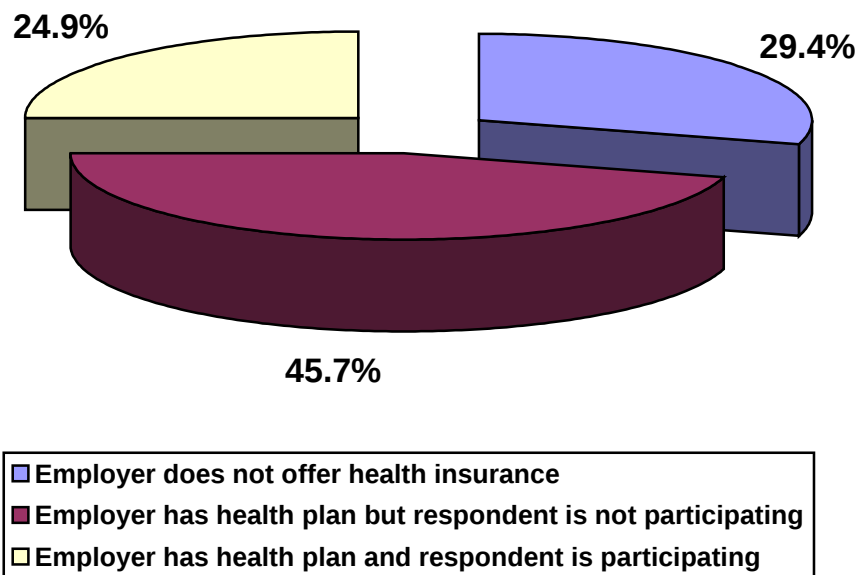
- As shown in Exhibit ES-8, about 29 percent of employed respondents were working for employers who did not have health insurance plans. Another 45.7 percent were working for employers who had health plans but the respondents were not participating. The remaining 24.9 percent were participating in an employer health plan.
- The percentage of employed respondents whose employer had a health plan was highest in County B (75.5 percent) and County D (69.2 percent) and lowest in County F (59.5 percent).
- About 35 percent of employed respondents were participating in an employer health plan if their employer offered such a plan.
- The most common reasons for not participating in an employer health plan if available were that the respondent had not worked for the employer long enough and that the cost was too high. Full-time employees were much more likely to be covered by an employer health plan (32.6 percent) than persons working 30-39 hours per week (15.2 percent) or persons working less than 30 hours per week (6 percent).
- About 65 percent of the employed respondents were still receiving benefits through the Medicaid or Health Choice programs.

- Among the major occupations in which respondents were employed, office jobs and assembly/production jobs were more likely to come with employer health insurance than jobs in restaurants, child care, housekeeping, janitor work, or trades.

Job Satisfaction and Opportunities for Advancement

- About 81 percent of employed respondents were very satisfied or somewhat satisfied with their current jobs. Job satisfaction was influenced significantly by monthly earnings and work hours (full-time v. part-time).
- Job satisfaction was higher among whites (88 percent) than among blacks (78 percent).
- Almost 61 percent of the employed respondents saw opportunities for advancement in their current jobs. Persons in office jobs were generally more likely to see opportunities for advancement than persons in service jobs.
- About 75 percent of employed respondents thought it “very likely” or “probable” that they would stay in their current jobs. The likelihood of staying was strongly correlated with earnings and work hours.

EXHIBIT ES-8 EMPLOYER HEALTH INSURANCE AMONG EMPLOYED RESPONDENTS



3. OVERALL INCOME, BENEFITS, AND POVERTY LEVEL OF RESPONDENTS

This section presents findings on the overall financial situation of the families who were still off welfare when surveyed, including non-wage income, earnings of other household members, and continued receipt of public assistance.

Receipt of Child Support

- Of the respondents who were not living with their spouse, 26.2 percent reported that they were receiving child support.
- Of those who were not working, 25.8 percent were receiving child support.
- About 30 percent of those who had attended college were receiving child support, compared to only 21 percent of those who had not completed high school.

SSI and Other Cash Income

- Almost 8 percent of respondents reported receiving cash income through the SSI program. Very few respondents reported any other non-wage cash income received directly.

Employment and Earnings of Other Household Members

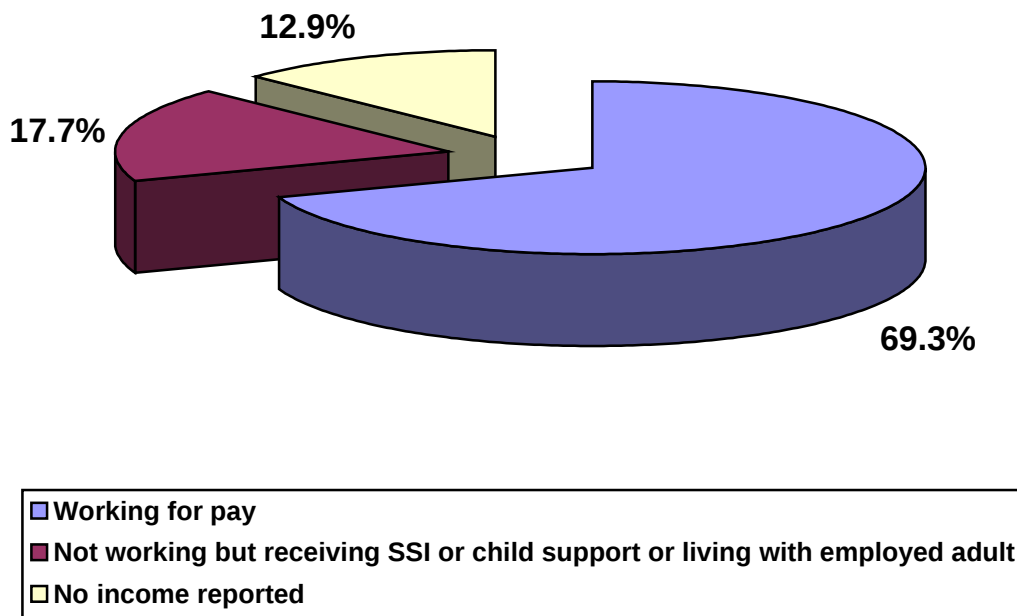
- About 29 percent of the respondents reported that they were living with another adult who was employed.
- The median monthly earnings from the employment of other adults were \$1,497 per family.

Overall Income Status of Respondents

- Exhibit ES-9 shows the overall income status of respondents who were no longer on welfare when surveyed.
- In addition to the 69.3 percent who were working for pay, another 17.8 percent were not working but were receiving child support or SSI or were living with an employed adult. The remaining 12.9 percent reported no household income.

EXHIBIT ES-9 EMPLOYMENT AND INCOME OF PERSONS

STILL OFF WELFARE

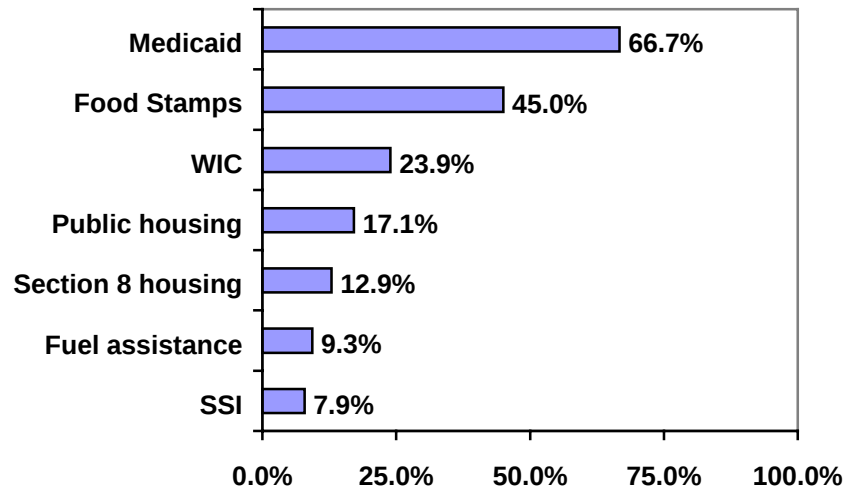


Receipt of Public Assistance

- As indicated in Exhibit ES-10, about two-thirds of respondents who were still off welfare when surveyed were receiving Medicaid benefits, 45 percent were receiving Food Stamps, 23.9 percent were receiving benefits through the WIC program, and 30 percent were living in public housing or Section 8 housing.
- In County A, only 59 percent of the respondents were enrolled in Medicaid, compared to 74.5 percent in County C.
- 53 percent of persons who had not completed high school were on Food Stamps, compared to 37 percent of those who had attended college.
- 51.5 percent of blacks were on Food Stamps, compared to 33.4 percent of whites.
- 39 percent of blacks were living in public or subsidized housing, compared to 11 percent of whites.

- Among respondents who were not working, 55 percent were on Food Stamps, 70 percent were receiving Medicaid, and 33 percent were in public or subsidized housing.

EXHIBIT ES-10
PERCENT OF RESPONDENTS RECEIVING PUBLIC ASSISTANCE
(PERSONS STILL OFF WELFARE)



Income, Benefits and Resources of Unemployed Respondents

- Exhibit ES-11 shows that, of the respondents who were not working, 13.1 percent were receiving SSI, 25 percent were receiving child support, 31.6 percent were living with an employed adult, and 42 percent reported no household income.
- Of the respondents who did not report any household income, 62.6 percent were receiving Food Stamps.

Percent of Families Above the Poverty Level

- Exhibit ES-12 shows that 36 percent of the families who were no longer on welfare were living above the poverty level. The analysis was based on the reported earnings of the respondents and spouses, as well as child support.
- Only 22.7 percent of the families in which the respondent had not completed high school were living above the poverty level.

EXHIBIT ES-11
INCOME, BENEFITS AND OTHER RESOURCES AMONG
PERSONS NOT WORKING FOR PAY

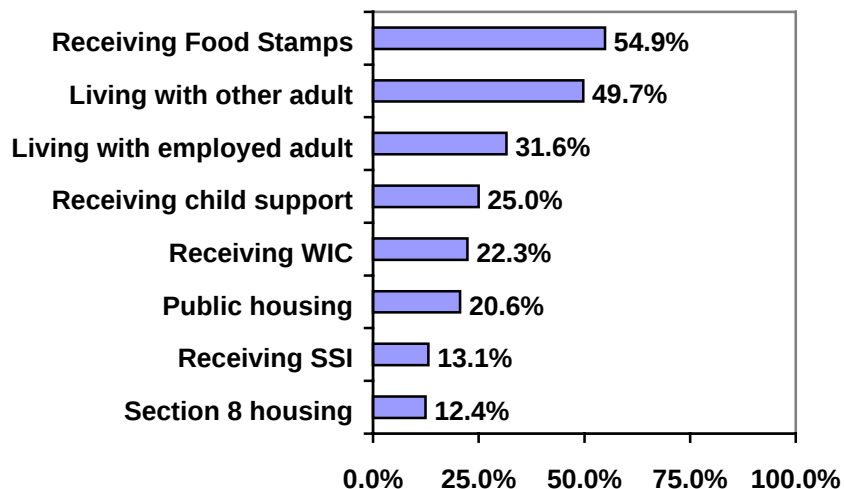
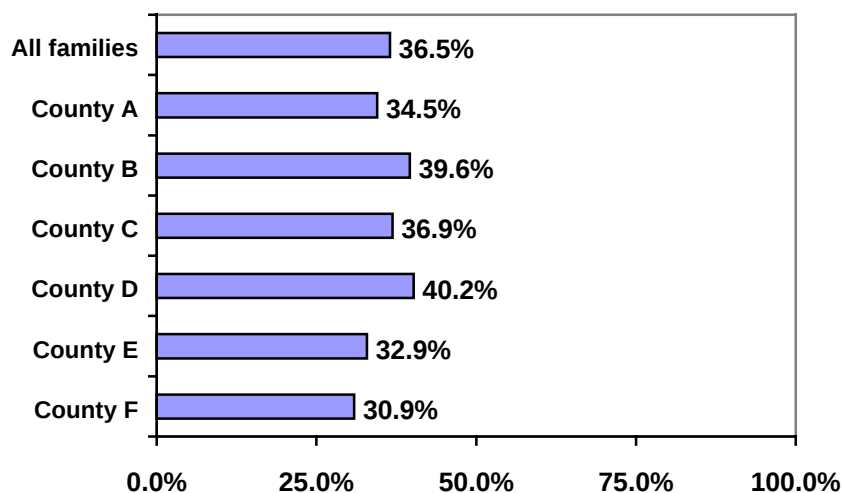
(PERSONS STILL OFF WELFARE)

EXHIBIT ES-12
PERCENTAGE OF FAMILIES NOW ABOVE THE POVERTY LEVEL,
(FAMILIES STILL OFF WELFARE)

***Perceived Adequacy of Income and Benefits***

- About 53.5 percent of the respondents felt that their income and benefits met their family's needs. Another 25.8 percent felt that their income and benefits nearly met

their needs, while 20.6 percent believed that their income and benefits clearly did not meet their needs.

4. INDICATORS OF FAMILY WELL-BEING

This section presents findings on various measures of family well-being among respondents who were no longer on Work First.

Adverse Events Since Leaving Welfare

- One third of respondents reported that, since leaving Work First, there had been times when they had on way to buy food. This compares to the 16.4 percent who reported having such problems while they were on Work First.
- About 24 percent of respondents reported that, since leaving Work First, there had been times when they needed medical care for a family member but could not afford it. This compares to the 9.2 percent who reported having such problems while on Work First.
- Very few respondents reported that they had to place their children in foster care or with someone else either before or after leaving Work First. Also, very few respondents reported having to stay in a homeless shelter.

Access to Food

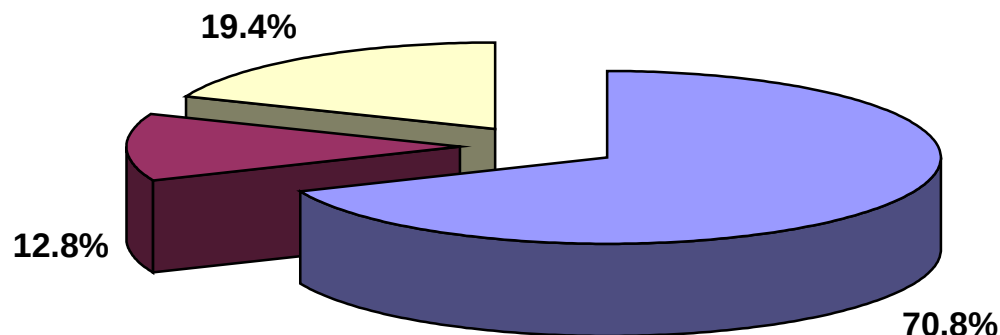
- Employed respondents were almost as likely as unemployed respondents to report that they had experienced occasions when they could not pay buy food since leaving welfare.
- Respondents who reported problems buying food since leaving Work First were asked what actions they took to address the situation. About 75 percent said that they received money or food from family members or friends and 24 percent received food or money from their church.
- About 4.4 percent said that they went hungry. Applying the 4.4 percent to the 33.3 percent who reported problems buying food since leaving welfare, we find that 1.4 percent of all respondents reported going hungry after leaving welfare.

Access to Health Care

- The percentage of respondents who reported problems affording medical care since leaving Work First was much higher among those no longer on Medicaid (35.6 percent) than among those currently enrolled (18.8 percent).

- Whites and older respondents were more likely to report having had problems paying for medical care for family members since leaving welfare.
- As indicated in Exhibit ES-13, 19.4 percent of respondents reported that they did not have health insurance for their children. The percentage was highest in County A (27.2 percent).
- About 71 percent of respondents reported that their children were covered by Medicaid or Health Choice. Only 5.8 percent of all respondents reported that their children were covered by employer health insurance.
- Almost 95 percent of respondents reported that they had a regular place to take their children for medical care. Less than one percent identified the emergency room as the regular source of care.

EXHIBIT ES-13 HEALTH CARE COVERAGE FOR CHILDREN



■ Medicaid or Health Choice ■ Other health insurance ■ No health coverage

Housing Adequacy

- Only 10.4 percent of the respondents who were no longer on welfare were living in overcrowded housing conditions, as defined by the U.S. Department of Housing and Urban Development.
- About 32 percent of respondents reported a housing deficiency such as open cracks in the walls or leakage/plumbing problems.

Children's School Attendance and Performance

- About 25.4 percent of the respondents who had children in school reported that their children had experienced problems getting along with classmates or teachers in the past year, compared to 18 percent in the previous year.
- About 20 percent of respondents with children in school reported that their children had been having problems getting good grades in the past year, compared to 14.3 percent in the prior period.
- About 10 percent of respondents with children in school reported problems with school attendance in the past year, compared to 8.7 percent in the prior period.

Likelihood of Reapplying for Welfare

- Almost two-thirds of respondents thought it unlikely they would return to welfare in the next six months. About 21 percent were unsure, 5.0 percent thought it somewhat likely, and 8.8 percent thought it very likely.
- The respondents who were most likely to reapply for welfare included the unemployed (25.4 percent were likely to reapply), males (17.0 percent), residents of County B (20.2 percent), those without a high school diploma or GED (17.3 percent), those with two or more children (17.4 percent), and those who left welfare for reasons other than employment (18.7 percent).

Overall Correlation

- As indicated by the pie chart, 61.8 percent of respondents felt that they were better off, 24.0 percent felt that they were about the same, and 14.2 percent felt that they were worse off.
- The percentage of respondents who thought that they were better off was highest in County B (69.0 percent) and lowest in County F (52.1 percent).

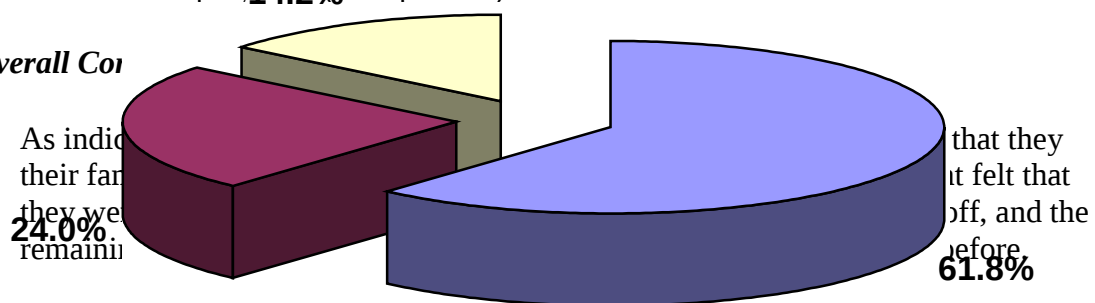


EXHIBIT ES-14
ARE YOU AND YOUR FAMILY BETTER OFF SINCE LEAVING WORK FIRST?

■ Better off ■ About the same ■ Worse off

5. CHILD CARE

- Almost 60 percent of respondents with children under 18 reported that they used child care.
- Of those using child care, 75 percent were paying for the care.
- Child care centers accounted for 39 percent of the child care being used. The next most common type of child care was a paid relative or other person not in the respondent's home (21.4 percent).
- Among respondents who were using child care and who had children under 6, about 48 percent were using child care centers, compared to only 8 percent of respondents whose youngest child was 6 or older.
- Of the respondents who were paying for child care, 52.8 percent said that they were receiving help from the county in paying for care. Blacks were more likely than whites to be receiving help from the county if they were paying for child care. Persons who had attended college were more likely to be receiving help than persons who had not completed high school.
- Among respondents who were paying for child care but not receiving help, 27 percent said that they did not know they could get help. The percentage was highest in County D (31.5 percent) and County A (30.5 percent).

6. RESPONDENTS WHO HAD RETURNED TO WELFARE (RECIDIVISM)

- Rates of recidivism to welfare were highest in County A, County E, and County B, and lowest in County C and County F.
- Recidivism was about twice as high among blacks as among whites.
- Recidivism was twice as high among 18-24 year olds as among respondents aged 40 and older.
- Recidivism was higher among persons who had not completed high school than among persons who had attended college.
- Recidivism was **lower** among respondents who had other adults living in the household

B. FUTURE SURVEYS

MAXIMUS is conducting one more round of follow-up surveys on the sample of families who left Work First. These surveys will be conducted during the summer of 2000 and will provide a snapshot of the families approximately 18 months after they initially left Work First.

The second round of surveys will also allow us to examine changes in the status of families in such areas as employment, earnings, and indicators of family well-being. A report on the second round of surveys will be prepared in September 2000.