



ILLINOIS FAMILIES STUDY

policy brief

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J u n e
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No work & no welfare

Who are these families and how do they survive?

Summary

Drawing upon interviews with 817 Illinois TANF leavers, we identify a large and growing group of families who rely upon neither employment nor cash welfare benefits. These families experience high levels of material hardship and health problems, especially when compared to employed leavers. Nonemployed TANF leavers make use of a wide array of non-TANF government benefits and informal resources, most commonly, food stamps, Medicaid, informal work, and charities or churches. Family, friends, spouses, partners, and boyfriends also play an important role in helping these parents make ends meet, although marriage and cohabitation are fairly rare.

Introduction

In recent years, many welfare recipients have left the rolls for jobs. Concern remains, however, about the families who have left welfare but have not found stable employment. This policy brief draws upon interviews (self-reported data) conducted with 817 Illinois TANF leavers in 2001 to 1) identify the scope and characteristics of the “nonemployed leaver” phenomenon, 2) assess the level of hardship among these families, and 3) identify other sources of support these families rely upon.

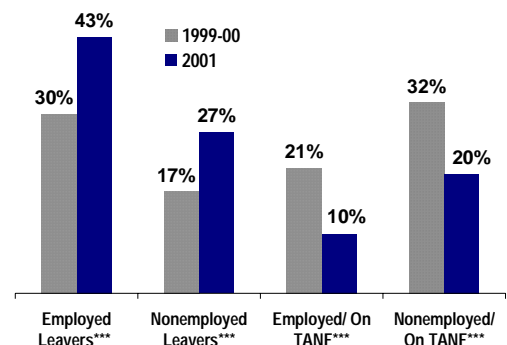
How many families left welfare without employment?

At the time of the second IFS survey (2001), 69% of respondents were no longer receiving TANF (all were receiving TANF at some point during 1998). The majority of these TANF leavers were working at the time of the 2001 interview, although 39% of leavers were not. Out of the total sample, 27% of respondents were neither working nor receiving TANF in 2001, up significantly from 17% in 1999-00 (see Figure 1).

This large upward trend, along with the fact that nonemployed leavers made up over one-quarter of the sample in 2001, indicates that this group of former welfare recipients requires further attention.

There were no significant differences between employed and nonemployed leavers by region, race/ethnicity, age of respondent, age of children, or number of children. There were significant differences for educational level, however. By 2001,

Figure 1. **Employment and TANF status, 1999-00 and 2001**



*** = p ≤ .001

Figure 2. Material hardship, food insecurity, and homelessness (2001)

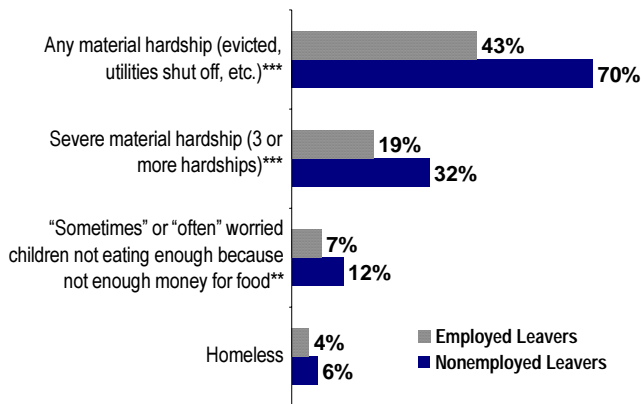


Figure 3. Health problems (2001)

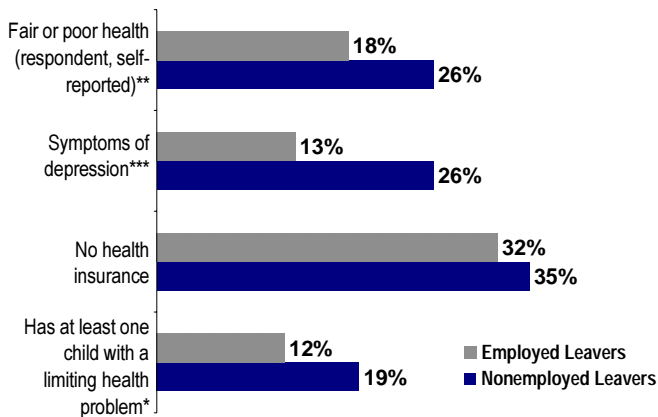
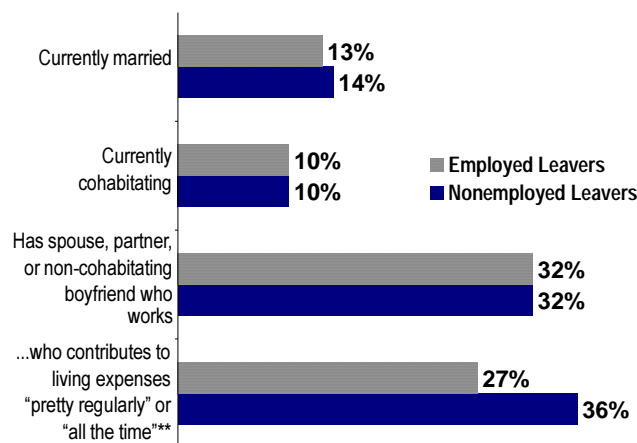


Figure 4. Sources of support: Spouses, partners, and boyfriends (2001)



* = $p \leq .05$, ** = $p \leq .01$, *** = $p \leq .001$

80% of employed leavers had a high school diploma or GED, compared to only 69% of nonemployed leavers.

Are nonemployed leavers more prone to hardship?

Nonemployed leavers reported very high levels of hardship in 2001. In an earlier report, we found that nonemployed TANF leavers had the highest levels of material hardship, while employed TANF leavers had the lowest.¹ Those who remained on TANF fared in between the two groups of leavers. The majority of nonemployed leavers (70%) experienced at least one of a list of material hardships since their last interview, including being evicted, having utilities shut off, not being able to afford seeing a doctor, or related problems. Employed leavers (43%), by comparison, were less likely to experience any of these problems (see Figure 2). One-third (32%) of nonemployed leavers experienced three or more of these hardships, compared to 19% of their employed counterparts. Twelve percent of nonemployed leavers worried that their children were not getting enough to eat and 6% had been homeless since their last interview.

Nonemployed leavers also reported high levels of health problems in 2001. One-quarter (26%) of nonemployed leavers reported "fair" or "poor" health or had symptoms of depression (see Figure 3). These proportions were higher among nonemployed leavers, compared to employed leavers. About one-third (35%) of nonemployed leavers had no health insurance and 19% had at least one child with a limiting health problem.

What other sources of support do they have?

If these families have neither TANF nor earnings from formal employment, how do they make ends meet? The IFS survey asked several questions about alternative forms of support, such as spouses and boyfriends, informal work, charity, and other government programs. Marriage (14%) and cohabitation (10%) were fairly uncommon for the nonemployed leavers (as for the IFS sample overall), although over one-third said they had a spouse, partner, or boyfriend who contributed to living expenses "pretty regularly" or "all the time" (see Figure 4). Nonemployed leavers (36%) were more likely than employed leavers (27%) to report this kind of support.

Informal work was another important source of support for nonemployed leavers. Thirty-eight percent said they had done informal work for pay "sometimes" or "often" since their last interview, including babysitting (24%), housekeeping (12%), styling hair or doing nails (12%), or odd jobs like sewing or laundry (11%; see Figure 5).

Many also borrowed money from friends or family (41%), went to a church or charity for clothes or financial help (41%), or used a food pantry or soup kitchen (22%). These activities were much more common for nonemployed leavers than for employed leavers.

Although the leavers were no longer receiving TANF, many were still receiving other government benefits. More than half of the nonemployed leavers were receiving food stamps (68%), and more than half were receiving Medicaid (61%). One-third (30%) said they were receiving housing assistance (rent voucher, Section 8, public housing, or otherwise paying lower rent due to government help). Thirteen percent said they received “SSI or aid for the disabled” in 1999-2000 (for themselves or for a child), and 8% received formal child support payments (see Figure 6).

Conclusions

Nonemployed leavers appear to make up a large and growing proportion of families who were receiving cash TANF benefits in Illinois in 1998. The high levels of material hardship and health problems among this group of families indicate that policymakers need to pay attention to this troubling trend. Many of these families were relying on other sources of support. More than half were receiving food stamps or Medicaid, indicating that many are still in contact with the state social service system. Family, friends, spouses, partners, and boyfriends also seem to play an important role in helping these parents to make ends meet, although marriage was fairly rare. Many were also engaging in informal work or getting help from charities and churches. The high prevalence of hardship in this group demonstrates that although many are able to draw upon a wide array of resources other than TANF or formal earnings, these resources are often not adequate to meet a family’s needs.

Policy implications

The recent downturn in the economy may increase the number of families who find themselves in the nonemployed leaver group and may deepen their levels of hardship. Policymakers should therefore focus increased attention on the needs of this group by undertaking the following activities:

- Reexamine state policies regarding TANF exit and re-entry. Help families to comply with TANF rules to prevent truly needy families from losing benefits, and ensure that eligible families are able to return to TANF if needed.

- Support work, and ensure that families receive services necessary to attain self-sufficiency and avoid hardship once leaving welfare. Examples of these work supports include the EITC, food stamps, and subsidized health insurance and child care. Outreach for the Food Stamp and Medicaid programs, in particular, may help to decrease hardship among nonemployed TANF leavers.
- Ensure that private nonprofit and faith-based organizations have the resources necessary to assist families who, for whatever reason, are no longer receiving government assistance.

Figure 5. Sources of support: Informal work, borrowing, and charity (2001)

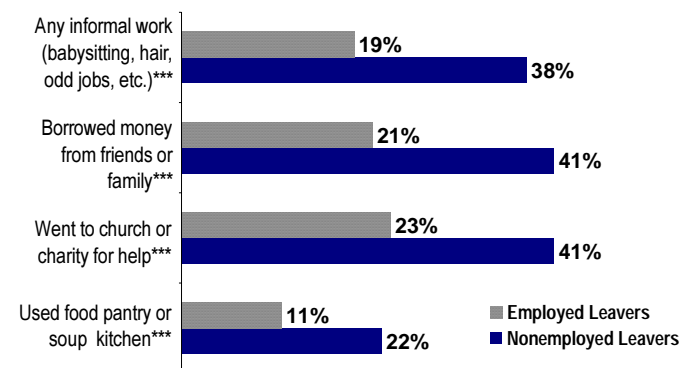
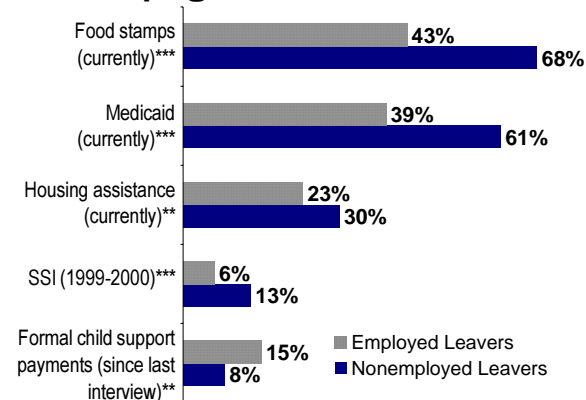


Figure 6. Sources of support: Government programs (2001)



= p ≤ .01, *= p ≤ .001

Notes

1. *Welfare reform in Illinois: Is the moderate approach working?* Second annual report from the Illinois Families Study. May 2002.

This policy brief was prepared by Amy Bush Stevens and Lisa Altenbernd, Institute for Policy Research, Northwestern University.

About this study

The goal of the Illinois Families Study (IFS) is to inform policymakers about how Illinois families have been faring since the implementation of welfare reform. The study is being conducted by a consortium of researchers from five Illinois universities: Northwestern University, Roosevelt University, Northern Illinois University, University of Illinois at Chicago, and the University of Chicago. The interviews are conducted by Metro Chicago Information Center (MCIC).

A total of 1,363 current and former welfare recipients from nine Illinois counties were interviewed at Wave 1 of the study (November 1999- September 2000). Of those respondents, 1,183 were interviewed again at Wave 2 (February 2001- September 2001). The response rates were 72% at Wave 1 and 87% at Wave 2. All analyses are weighted to adjust for regional stratification and non-response. The study will continue to follow these families for a total of six years.

For more information about the study:

www.northwestern.edu/ipr/research/IFS.html

Dan Lewis, *Principal Investigator*

Phone: 847-491-3395

Fax: 847-491-9916

Email: dlewis@northwestern.edu

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Institute for Policy Research
Northwestern University
2040 Sheridan Road
Evanston, IL 60208-4100
www.northwestern.edu/ipr