



Abt Associates Inc.

Cambridge, MA
Lexington, MA
Hadley, MA
Bethesda, MD
Washington, DC
Chicago, IL
Cairo, Egypt
Johannesburg, South Africa

Abt Associates Inc.
55 Wheeler Street
Cambridge, MA 02138

**Evaluation of the
Arizona
EMPOWER
Welfare Reform
Demonstration**

Final Report

September 2001

Prepared for
Arizona Dept. of Economic Security
Office of Evaluation and
Data Analysis Unit
1140 E. Washington, Suite 201
Phoenix, Arizona 85034

Prepared by
Gregory Mills
Robert Kornfeld
Diane Porcari
Don Laliberty

Contents

Executive Summary	1
Chapter 1: Background and Design	11
1.1 Welfare Reform in Arizona Since 1995	11
1.2 Experimentally Estimated Impacts of EMPOWER on Program Participants ...	14
Impacts on Unemployment and Earnings	16
Impacts on Participation in Cash Assistance, Food Stamps, and Medicaid ..	16
Impacts on Total Household Income	16
Impacts on Family Structure and Housing	17
1.3 Evaluation Objectives and Methods	17
1.4 Organization of This Report	20
Chapter 2: Employment, Program Participation, and Income	21
2.1 Employment, Earnings, and Employer-Provided Benefits	22
Findings from Survey Data	22
Findings from Unemployment Insurance Data	27
2.2 Cash Assistance, Food Stamps, and Medicaid	29
2.3 Total Household Income	32
Chapter 3: Other Aspects of Economic Well-Being	35
3.1 Birth Rates and Marital Status	36
3.2 Housing Status	39
3.3 Health Insurance	40
3.4 Material Hardship and Community Help	41
Chapter 4: Implementation of Reforms Under Redesign	45
4.1 Research Questions and Data Sources	48
4.2 Contrasting Administrative Practices Among Offices	52
Physical Office Layout	52
Staff Resources and Training	53
Orientation and Interview Procedures	53
4.3 Client Views on Policy and Procedures	54
“Work First” Focus of Services to Applicants	54
Eligibility Requirements and Benefit Policies	65
Client Access to Program Benefits and Services	69
Helpfulness of Programs in Meeting Client Needs	71
4.4 Changing Client Assessment of Local Office Operations	77
Office Location and Hours	78
Interview Scheduling	79
Waiting Times	79
Staff Helpfulness	80
Program Rules	81

Chapter 5: Perspectives on Reform from Recent Welfare Leavers	83
5.1 Food Stamp and Medicaid Non-Participation	84
5.2 Additional Client View on Program Rules and “Making Ends Meet”	85
Reasons for Leaving Cash Assistance	86
Notifying DES of Becoming Employed	87
Sanction Experiences	87
Other Program Provisions	87
Making Ends Meet	88
Perceptions of Life After Cash Assistance	89

Executive Summary

This report presents the findings of the final phase of a five-year evaluation of welfare reforms implemented by the Arizona Department of Economic Security under two major initiatives that altered the rules and procedures for providing cash assistance to low-income families.

The first set of reforms was implemented in November 1995 under the title EMPOWER, for “Employing and Moving People Off Welfare and Encouraging Responsibility.” These policy changes included time-limited assistance, a family benefit cap, restricted eligibility for unwed minor parents, mandatory JOBS participation for teen parents, stricter JOBS sanctions, extended Transitional Medical Assistance and Transitional Child Care, elimination of the 100-hour rule for two-parent families, and individual development accounts.

The second set of reforms, entitled EMPOWER Redesign and referred to in this report simply as “Redesign,” was implemented in August 1997. These changes included the use of a Personal Responsibility Agreement, imposition of progressive sanctions (including possible loss of the full family benefit) for non-compliance with program requirements (relating to JOBS, child support enforcement, school attendance, and child immunization), removal of adult exemptions from JOBS participation (with a limited number of deferrals), and local office administrative reforms aimed at co-locating program services and establishing a more employment-focused “work first” pattern of client flow. Under the latter reforms, applicants attended a group orientation session and were offered job-finding resources (including a resource center) before being considered for cash assistance and other transitional income support, and before receiving employment-related services (including job-readiness classes).

Overall, this final phase of the evaluation found that the Arizona welfare recipients who were among the first subject to the EMPOWER reforms have continued to show general improvement in their economic circumstances, as followed for four years since implementation of the reforms. A significant minority, however, have experienced financial hardships. Although most have gone off welfare and now consider themselves better-off, many feel financially insecure. Among recent welfare applicants, most view favorably the changes in local offices, as adopted under Redesign, to co-locate programs and establish a “work first” emphasis in providing services to clients.

Specifically, this last phase of the evaluation addressed three major research questions:

- *For those cash assistance recipients who were among the first subject to the policy reforms implemented under EMPOWER in November 1995, how did their economic circumstances change between the third and fourth subsequent years?*
- *For those clients approved for cash assistance after implementation of both the policy and administrative reforms under Redesign, how effective were the reforms in promoting the desired “work first” focus and in meeting the needs of clients?*

- *For those clients who left cash assistance subsequent to the implementation of EMPOWER, what were their perspectives on the policy reforms under both EMPOWER and Redesign, and how had their lives changed after going off welfare?*

To address these questions, a series of evaluation activities were undertaken. These included administrative data collection, survey data collection, site visits, and focus group research. This final phase of the evaluation was entirely non-experimental, as the randomly assigned control group originally under pre-EMPOWER policies was converted to EMPOWER policies in July 1999.

Employment, Program Participation, and Income

The following findings are based on analysis of third- and fourth-year follow-up data from administrative file extracts and two waves of client interviews (at follow-up months 30 and 48), for individuals who had been receiving cash assistance in October 1995 in each of three Phoenix research sites (the Glendale, Maryvale, and Peoria offices) and in the Navajo research site (the Chinle office).

Employment, Earnings, and Employer-Provided Benefits

- The survey-measured employment rate of sample members increased between follow-up month 30 and 48 in the Phoenix sites (from 55 to 62 percent) and in the Navajo site (from 18 to 34 percent).
- Job quality increased in the Phoenix sites, with increased percentages employed full-time more than 34 hours per week), at high wages (more than \$7.50 per hour), and at jobs providing health insurance and dental benefits. In contrast, the employment gains in the Navajo site were predominantly at lower wage jobs (\$6.50 or less per hour).
- In the Phoenix sites, the reasons for not working centered around matters of illness and disability or the need or desire to stay at home with children. Additionally, many in the Navajo site indicated their inability to find a good job.
- In the Phoenix sites, the employment trend reflected in data reported by employers through the unemployment insurance (UI) system differed from that estimated through the survey data. To some degree, this reflects the fact that UI data do not capture the types of casual, informal, or temporary jobs held by many low-income workers. For the entire research sample in the Phoenix sites, the UI-measured employment rate declined between the third and fourth follow-up years (from 46 to 40 percent, with the fourth-year rate possibly understated as a result of out-of-state migration of workers in the sample). Over the same period the UI-measured employment rate rose for the Navajo sample (from 21 to 26 percent), consistent with the survey-estimated trend.

Cash Assistance, Food Stamps, and Medicaid

- Between the third and fourth follow-up years, there was a continued decline in the percentage of the Phoenix research sample receiving cash assistance (from 19 to 15 percent), food stamps (from 27 to 24 percent), and Medicaid (from 37 to 29 percent), based on program

administrative data. Similarly, for the Navajo research sample, there was a continued downward trend in the percentages receiving cash assistance (from 58 to 51 percent), food stamps (from 64 to 58 percent), and Medicaid (from 68 to 60 percent).

- Survey data available only for the Phoenix sites indicated that, as time progressed, exits from cash assistance were less associated with increases in income or resources and were more related to other non-financial reasons (including changes in family composition, procedural non-compliance, and time limits).

Total Household Income

- Total household income showed little net change for survey respondents between follow-up months 30 and 48. In the Phoenix and Navajo sites, reductions in monthly cash assistance and food stamp benefits offset the modest gains in average monthly earnings and other unearned income. (The earned income tax credit, or EITC, was not included in these calculations.)
- Overall, the composition of income among sample members and their households thus reflected a greater degree of self-sufficiency, through increases in earnings. Reductions in cash assistance and food stamp benefits, however, meant that households on average did not experience any increase in their total monthly incomes.

Other Aspects of Economic Well-being

The following findings are based on analysis of the Wave One (month 30) and Wave Two (month 48) follow-up interviews with sample members in the Phoenix and Navajo research sites.

Birth Rates and Marital Status

- For neither the Phoenix sites nor the Navajo site was there any significant change between Wave One and Wave Two in the birth rates among women assigned to the research sample in October 1995.
- Among those interviewed at Wave Two in the Phoenix sites, there was a higher incidence of recent marriage (or cohabitation) than marital breakup. The reverse was true in the Navajo site: more case heads became separated or divorced (or widowed) than those who married (or began living together with a partner).

Housing Status

- In the Phoenix sites, there was a significant reduction between Waves One and Two in the percentage of respondents living in assisted housing (i.e., in public housing or with Section 8 rental assistance).

Health Insurance

- Among the Wave Two respondents in the Phoenix sites, more than one-quarter (26 percent) received employer-provided health insurance and more than one-half (53 percent) received Medicaid, whereas 15 percent were uninsured. For the Navajo site, in contrast, fully 31 percent were uninsured, with only 4 percent covered by an employer-provided health plan and 61 percent receiving Medicaid.

Material Hardship and Community Help

- Among the Wave Two respondents, one or more specific forms of health- or housing-related hardships had been experienced during the previous year by one-half (50 percent) of those in the Phoenix sites and more than one-third (39 percent) of those in the Navajo site. The most prevalent form of hardship in the Phoenix sites was that someone in the household needed to see a dentist but could not go (31 percent). In the Navajo site, the most prevalent hardship was inability to pay the full amount of gas, oil, or electricity bills (23 percent).
- In the Phoenix sites, there were significant reductions between Waves One and Two in the percentage of respondents receiving specific forms of help from community, neighborhood, or religious organizations. Most notable were the reduced percentages indicating receipt during the previous year of food from a food bank or soup kitchen, help paying for telephone or utility bills, or clothing.

Implementation of Welfare Reforms under Redesign

The following findings pertain to the client-perceived effectiveness of the policy and administrative reforms adopted under Redesign, especially the local office changes aimed at emphasizing a “work first” program atmosphere and at better meeting the employment needs of clients. The findings are based on a telephone survey of adults approved for cash assistance during January to June 1999 in three research sites (the East Thomas and West Thomas offices in Phoenix and the Fort Lowell office in Tucson) and staff interviews conducted during visits to these offices.

Client Awareness of Eligibility Requirements

- Across all three Redesign offices, there was a high level of client awareness of the major policy provisions regarding cash assistance, with more than three-fourths of clients aware of time limits (77 to 87 percent), job search requirements (88 to 93 percent), and sanctions for JOBS non-compliance (88 to 98 percent) and child support non-cooperation (77 to 87 percent). Generally, clients had also been informed by DES staff about continued eligibility for food stamps (70 to 84 percent), Medicaid (74 to 85 percent), and child care assistance (85 to 87 percent) after leaving cash assistance.
- In each office, however, a substantial minority (if not a majority) of clients were **not** aware of other program rules, including the family benefit cap (29 to 37 percent) and the requirements regarding school attendance (60 to 61 percent) and child immunization (41 to 50 percent).

- More than 90 percent of approved applicants had attended a group orientation session. Of those attending, 65 percent or more indicated that a group meeting was a good first way to receive program information, that the information was explained understandably, and that the length of the session was appropriate.
- Offices differed in the percentage of applicants who had signed a Personal Responsibility Agreement, ranging from 94 percent in Fort Lowell to 77 percent in East Thomas. In each office, one-half to two-thirds of clients agreed strongly that signed a Personal Responsibility Agreement made them more serious about becoming self-sufficient (49 to 54 percent), and that it represented a genuine commitment (52 to 67 percent).
- Among the repeat clients in each office, more than three-fourths (76 to 85 percent) felt strongly that cash assistance rules were now tougher than before. Although a majority (50 to 64 percent) also agreed strongly that the program was “set up better now to help people become self-sufficient,” a substantial minority of repeat clients considered the program now not as fair to clients as before (31 to 43 percent).

Helpfulness of Resource Center and Job-Readiness Classes

- Only about one-third of the approved applicants in each office (34 to 38 percent) had used the resource center. More than one-half had never been shown how to use the resource center (55 to 59 percent), nor had they been particularly encouraged by DES staff to use it (65 to 76 percent).
- The reasons cited by clients for not using the resource center pertained to noise, crowding, and lack of privacy. Each of these issues was most frequently mentioned in the West Thomas office (32 percent for each) and least prevalent in the Fort Lowell office (3 to 13 percent), which maintained its resource center in a separate room adjacent to the reception area rather than in the reception area. In both the Fort Lowell and East Thomas offices, many clients (28 and 29 percent, respectively) also indicated that they did not use the resource center because they had already found employment.
- Similarly, participation was low (20 to 29 percent) in the job-readiness classes offered in each office. Fewer than one-half of the clients in each office (37 to 41 percent) had received any encouragement from DES staff to attend such classes. To some degree, this may result from applicants being employed, job-ready, or temporarily deferred from the requirement to participate in the JOBS program. It may also reflect the judgment of caseworkers that the job skills and work history of clients were so limited that job-readiness classes would be ineffective.

Convenience of Office Location, Hours, and Waiting Times

- More than three-fourths of the clients in each office agreed strongly that the office was in a convenient location (77 to 78 percent) and indicated that it was definitely helpful to have multiple programs all located in one place (75 to 79 percent). Among the repeat clients

(those having received cash assistance prior to August 1997 in the same office), more than three-fourths in each office (78 to 89 percent) indicated that it was now more helpful than before to have the programs co-located.

- About two-thirds of the clients in each office (64 to 72 percent) agreed strongly that the office was open at convenient hours. Among the repeat clients, nearly one-fourth of those in the East Thomas office (24 percent) indicated that the office hours were now more convenient than before; repeat clients in the other two offices perceived no difference in the convenience of hours.
- Client perceptions of office waiting times differed among the three sites, reflecting their contrasting approaches to scheduling appointments with an eligibility interviewer (EI). The West Thomas and Fort Lowell offices scheduled their EI appointments with clients in advance; East Thomas used same-day appointments. Nearly three-fourths (72 percent) of the East Thomas clients saw an EI on the day they applied; this was true for less than one-fourth of the West Thomas and Fort Lowell clients (19 and 25 percent, respectively).
- The advance scheduling system at the Fort Lowell office, where most clients were seen by an EI five to seven days after they applied, enabled that site to keep its in-office waiting times low. Nearly one-half (43 percent) of the Fort Lowell clients agreed strongly that they “did not have to wait too long” for their appointment. In contrast, nearly one-half (45 percent) of the West Thomas clients **disagreed** strongly with that same statement. West Thomas clearly had not managed to avoid long in-office waiting times through advance scheduling.
- The greatest improvement in office waiting times occurred in Fort Lowell, where nearly all (93 percent) of the repeat clients indicated that waiting times were shorter or the same as before. In contrast, more than one-half of repeat clients in East Thomas and West Thomas (51 and 72 percent, respectively) indicated that waiting times were the same or longer than before.

Effectiveness of Programs and Staff in Meeting Client Needs

- One-half or more of clients in each office agreed strongly that the DES-provided information helped them understand what they needed to do to become self-sufficient, that DES staff were knowledgeable about the program rules, and that their EI had treated them fairly. The views expressed by repeat clients in each office indicated greater staff helpfulness than before and greater client satisfaction than before in the program assistance provided and the staff treatment received.
- One-third or more of clients in each office, however, did not agree that DES services made them more interested in finding employment or helped them prepare for work.
- Additionally, about two-thirds or more of the clients in each office (65 to 78 percent) indicated that DES had provided little or no encouragement to get additional education or training. This reflects the “work first” focus of program services, with more than one-half of

clients in each office (54 to 62 percent) indicating that DES staff had encouraged them strongly or very strongly to find a job.

- Among the three offices, Fort Lowell received the most favorable assessment from its clients. This was the only office in which more than one-half of clients agreed strongly that they received the individual attention they needed to meet program requirements (59 percent), and that EIs and other DES staff were courteous and polite (54 percent).

Perspectives on Reform from Welfare Leavers

Finally, this research examined the perspectives on welfare reform among those who left cash assistance during the time of EMPOWER and Redesign. The qualitative findings draw from client views expressed during telephone interviews and focus group sessions conducted with individuals who had gone off welfare in one of the research sites in either Phoenix (Glendale, Maryvale, Peoria, East Thomas, or West Thomas) or Tucson (Fort Lowell).

Circumstances of Leaving Cash Assistance

- Of those leaving cash assistance, a substantial minority (30 to 50 percent) also left food stamps or Medicaid at the same time. Among these clients, most indicated that they had made no effort to reapply for food stamps or Medicaid, for a variety of reasons: they were unaware that they may be eligible to receive such benefits, had been told by DES staff that they would not be eligible, or were dissuaded by the administrative “hassle” of reapplying.
- Among the welfare leavers that participated in focus groups, the most prevalent reason for leaving cash assistance was increased income—typically increased earnings, but also increased disability benefits or child support payments.
- Many who left cash assistance because of having found employment did not report their increased earnings to DES. They simply exited the program by not recertifying.

Influence of Program Rules on Client Attitudes and Behavior

- Although most were familiar with sanction rules, and some indeed indicated that the sanction threat was instrumental in prompting them to search for work, others reported that they disregarded the sanction notices and allowed themselves to be sanctioned. Some of these clients had previously found jobs on their own.
- Most individuals were aware of the family benefit cap and time limits, but indicated that these policies had not influenced their attitudes or behavior in avoiding pregnancy or in trying to become self-sufficient.

“Making Ends Meet” While Off Welfare

- Those leaving cash assistance typically managed to “make ends meet” through a combination of additional work by themselves or other household members (including informal bartering arrangements), increases in unearned income (e.g., from food stamps or child support payments), help from community organizations, or economizing on living expenses (sometimes moving in with relatives and sharing child care arrangements).
- Although the former cash assistance recipients felt a sense of accomplishment in having left welfare and generally perceived themselves now as better off, they also tended to regard their financial situation as very insecure. More work brought greater self esteem and a measure of financial independence, but it also meant less time to spend with children. These individuals felt that they had improved their lives, and were serving as better role models for their children, but that they were still at risk.

Concluding Assessment

To summarize, we return one by one to the research questions posed at the outset.

- *For those cash assistance recipients who were among the first subject to the policy reforms implemented under EMPOWER in November 1995, how did their economic circumstances change between the third and fourth subsequent years?*

In important respects, the fourth-year outcomes observed among those in this earliest “cohort” of Arizona families affected by EMPOWER (and later Redesign) showed increasing self-sufficiency, consistent with other welfare studies. In the Phoenix sites and the Navajo site, there was reduced dependence on public benefits: cash assistance, food stamps, Medicaid, and housing assistance. In the Phoenix sites, there was also evidence of reduced reliance on support from private charitable organizations. This occurred as many of these individuals were able to find jobs or move into better jobs. The recent weakening of the labor market in the Phoenix metropolitan area, however, appeared to slow the upward trend in employment for those trying to move from welfare to work. This slowdown in urban employment growth did not seem to affect those in the Navajo site, where unemployment rates (although much higher than in Phoenix) appeared to be holding steadier.

The patterns of change in total household incomes showed little or no net improvement, however, as earnings gains were not sufficient to offset the loss of cash assistance and food stamps. This suggests that the tightened eligibility and benefit rules under both EMPOWER and Redesign—including time limits, stricter sanctions, the family benefit cap, and restrictions on benefits to unwed minors—were putting many families in a less secure financial position. They were indeed moving off welfare, but not necessarily into situations where earnings or other income sources had replaced their lost benefits. The vulnerability of families under such circumstances was evident in the survey-reported incidence of health- and housing-related hardship.

- *For those clients approved for cash assistance after implementation of both the policy and administrative reforms under Redesign, how effective were the reforms in promoting the desired “work first” focus and in meeting the needs of clients?*

Substantial improvements have been made in the delivery of program services in local welfare offices, as perceived by those clients recently approved for cash assistance. In particular, clients found it more convenient to have multiple programs co-located in a single office. Clients seemed generally well-informed on key program rules, as explained through the initial group orientation sessions for applicants and subsequent one-on-one interaction with FAA and JOBS workers. Some program rules, however, such as the school attendance and child immunization requirements, appeared inadequately explained.

Clients reflected an awareness of the importance of finding employment, so that cash assistance could indeed be transitional. The use by clients of the employment-related services offered in the local offices, however, appeared low. In particular, the resource centers seemed too noisy, too crowded, not private enough, or inadequately staffed to be used as intended.

Offices differed in their use of same-day interviewing or advance scheduling of interviews. Some offices succeeded more than others in making it convenient for clients by avoiding the need for multiple trips or long in-office waiting times. In some offices, clients reported that multiple trips and long waiting times were typical. Although clients expressed frustration at these issues of office “hassle,” they felt that individual program staff were generally knowledgeable, helpful, and courteous.

- ***For those clients who left cash assistance subsequent to the implementation of EMPOWER, what were their perspectives on the policy reforms under both EMPOWER and Redesign, and how had their lives changed after going off welfare?***

Personal interviews and focus group sessions with selected former recipients of cash assistance provided additional insights that, although not generalizable, were nonetheless instructive in confirming other evidence or raising other questions. Some clients indicated, for instance, that upon finding employment they simply went off welfare without bothering to report their job or seek continued benefits from food stamps or Medicaid. For some, this was a conscious choice to disregard notices or instructions. For others, however, it appeared to reflect a lack of awareness of their responsibilities and the program assistance available to them.

As noted already, those who went off welfare typically did so through work—or they found themselves needing to work, having otherwise lost their eligibility for benefits. Among low-income women, more of their day spent at a job (or at several jobs) meant less time spent with their children. This was a difficult trade-off for them to make, especially when there was little economic security in many low-wage jobs. Although these welfare leavers felt pride in no longer relying on cash assistance, they were unsure about whether their lives would continue to improve.

Chapter 1

Background and Design

This chapter first describes the context for this final report, by summarizing the welfare reform developments in Arizona that have been the focus of this evaluation over the past five years. The next section summarizes the findings from the experimental phase of the evaluation, which ended in 1999. We then present the research questions that were addressed in the final evaluation phase and describe the research activities that were undertaken to answer those questions. The chapter concludes by setting out the organization of this report.

1.1 Welfare Reform in Arizona Since 1995

On November 1, 1995 the state of Arizona initiated a series of major welfare reforms entitled EMPOWER, for “Employing and Moving People Off Welfare and Encouraging Responsibility.” The Arizona Department of Economic Security (ADES) was responsible for implementing the policy changes, enacted by the Arizona State Legislature during its 1994 and 1995 sessions. The necessary federal authority was provided through waivers granted in May 1995 by the U.S. Department of Health and Human Services and the U.S. Department of Agriculture.

In brief, EMPOWER included the following policy provisions:

- **Time-limited assistance**—Limited cash assistance for adults to 24 months in any 60-month period. Adults who reach this time limit are removed from the grant, thereby reducing but not eliminating the family’s monthly benefit amount. (Pre-EMPOWER policy applied no time limit on cash assistance.)
- **Family benefit cap**—Eliminated any increase in a family’s monthly cash grant for bearing additional children while on assistance. (Pre-EMPOWER policy provided for an increase in the monthly payment for each additional child born to the case.)
- **Restricted eligibility for unwed minor parents**—Required that unwed parents under the age of 18 live with a responsible adult to qualify for cash assistance. (No such restriction existed under pre-EMPOWER policy.)
- **Mandatory JOBS participation for teen parents**—Made participation in the Job Opportunities and Basic Skills (JOBS) program mandatory for parents aged 13 through 15. Under pre-EMPOWER policy, JOBS participation was mandatory for parents aged 16 through 19, but was voluntary for those aged 13 through 15.)
- **Stricter JOBS sanctions**—Imposed an automatic sanction for the first instance of non-compliance with JOBS requirements. (Under pre-EMPOWER policy, the first sanction could be waived—or “cured”—if the client agreed to comply within the first month.) As

described later, this provision of EMPOWER was later superseded by an even stronger set of sanctions implemented by the state in August 1997.

- **Extended Transitional Medical Assistance (TMA) and Transitional Child Care (TCC)**—Extended eligibility for TMA and TCC from 12 to 24 months after a case became ineligible for cash assistance because of employment. (Under pre-EMPOWER policy, such assistance was limited in duration to 12 months.)
- **Elimination of the 100-hour rule**—Eliminated the rule that made two-parent families ineligible for cash assistance if the primary wage earner worked more than 100 hours per month. (Under pre-EMPOWER policy, the 100-hour limit applied both to new applicants and ongoing recipients.)
- **Individual Development Accounts (IDAs)**—Enabled any case receiving both cash assistance and food stamps to establish an IDA as a means of saving funds for the education or training of case members. Subject to limits, the funds held in an IDA were excluded from countable resources, and deposits into such accounts from earnings were excluded from countable income. (Pre-EMPOWER policy regarded such funds as countable resources and any such deposits as countable income.)¹

The EMPOWER legislation allowed for certain categories of individuals to be exempt from time-limited assistance (e.g., disabled or incapacitated adults), from the family benefit cap (e.g., births resulting from sexual assault or incest), and from the unwed minor parent restrictions (e.g., situations endangering the health or safety of the parent or child).

The EMPOWER reforms thus substantially altered the eligibility conditions and participation requirements for receiving federally supported cash assistance in Arizona. At the time of EMPOWER's implementation in November 1995, federally supported cash assistance was provided by the state under the Aid to Families with Dependent Children (AFDC) program. As a result of subsequent federal welfare reforms—enacted in August 1996 under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)—such assistance is now provided by Arizona and all other states through the Temporary Assistance for Needy Families (TANF) program. The EMPOWER provisions became part of Arizona's TANF program, which was made effective on October 1, 1996.

Under PRWORA, TANF funds normally cannot be used to provide benefits or services to any case with an adult member who has received TANF assistance for 60 or more months during his or her lifetime. This 60-month **lifetime** limit, however, was supplanted in Arizona by the EMPOWER time limit, which allows adults up to 24 months of assistance in a 60-month period. This policy will be in effect throughout the duration of the EMPOWER waiver period—i.e., through October 2002. As a result of the Budget Reconciliation Act of 1997, moreover, Indian reservations with unemployment rates exceeding 50 percent were exempted from both federal and state time limits on TANF-funded cash assistance. On this basis, the Navajo reservation and others in Arizona became exempt from time limits. Note also that Section 412 of PRWORA authorized tribal governments to establish their own TANF plans. (The

¹ Although IDAs were authorized under EMPOWER, few such accounts were ever established, as the law did not provide the matching funds that would have promoted the use of IDAs as a tool for low-income savings.

Navajo Nation was among those in Arizona that adopted a tribal TANF plan, implemented in October 2000.)

In 1997 the state also implemented a subsequent series of welfare reforms under the title “EMPOWER Redesign,” which we refer to hereafter in this report as the “Redesign” reforms. Although most of the requirements of PRWORA had already been adopted by the state under EMPOWER, PRWORA provided impetus to the state to strengthen its policies further, toward the goal of self-sufficiency, with work as the fundamental goal for all adult recipients. The Redesign initiative included the following provisions:

- Personal Responsibility Agreement, requiring that the primary information member of any case applying for or receiving cash assistance must comply with requirements regarding JOBS participation, cooperation with child support enforcement, child immunization, and school attendance.
- Progressive sanctions for failure to comply with the terms of the Personal Responsibility Agreement, calling for reductions in the family’s monthly cash grant by 25, 50, and 100 percent for the first, second, and third months of non-compliance, respectively.
- Removal of all adult exemptions from JOBS participation, including exemptions that had previously applied to those caring for young children and those residing in remote areas of the state, while granting a limited number of deferrals (e.g., for those with a child under one year, or for those who were disabled, caretakers of a disabled person, or victims of domestic violence).
- Local office administrative reforms aimed at establishing a more employment-focused “work first” pattern of client flow, first offering job-finding resources and services to applicants and then considering eligibility for cash assistance and other income support.

The guiding principals of Redesign were as follows:

- Keep families together by promoting self-sufficiency;
- Require all adults to work in order to receive benefits;
- Hold individuals accountable for complying with program requirements;
- Reduce out-of-wedlock pregnancies;
- Expedite service delivery to promote caseload reduction;
- Continue transitional supports for child care and medical assistance;
- Promote tribal operation of eligibility programs through state technical and financial assistance;
- Increase program effectiveness and efficiency through automation and integration;
- Continue to involve private sector and community-based organizations for input on welfare reform and service delivery;

- Provide support services to prevent families from coming onto public assistance;
- Address the needs of both rural and urban populations, in particular in the area of transportation assistance; and
- Prevent fraud and abuse in public assistance programs.

All TANF recipients were informed of these Redesign policy changes, which became effective statewide in August 1997. The administrative reforms were phased in across the state during late 1997 and throughout 1998. Also in late 1997, the state implemented finger imaging as a requirement of receiving cash assistance for adult clients and instituted an electronic benefit transfer (EBT) system for cash assistance and food stamps.

During this period of successive waves of welfare reform in Arizona—first EMPOWER, then the adoption of TANF, and then Redesign—the statewide cash assistance caseload dropped dramatically. Exhibit 1-1 shows the monthly cash assistance caseload for April of each recent year, from 1994 through 2000, and the year-to-year percentage reductions. These annual caseload declines became increasingly large through 1998, with fully a 28.9 percent reduction between April 1997 and April 1998. During the four-year interval between April 1995 and April 1999, the statewide caseload was reduced by more than one-half.

This caseload decline occurred during a period that was characterized not only by changes in welfare policies but also by increasingly strong economic conditions. The statewide unemployment rate dropped from 6.5 percent in April 1994 to 3.9 percent in April 2000, before its recent rise to 4.3 percent in April 2001. In the Phoenix-Mesa metropolitan area (Maricopa and Pinal Counties), where more than one-half of statewide cash assistance cases reside, the employment situation was especially favorable, with the unemployment rate dropping from 4.9 percent in April 1994 to 2.7 percent in April 2000, before rising to 3.5 percent in April 2001.² Because the key policy and economic forces together acted in the direction of both lowering program entry rates and also raising program exit rates, it is not surprising that the state's caseload fell. The pace of Arizona's caseload drop, however, exceeded that of almost all other states.

1.2 Experimentally Estimated Impacts of EMPOWER on Program Participants

As a condition of the federal waivers authorizing Arizona to implement the EMPOWER policies, the state agreed to evaluate the reforms using an experimental design. The state implemented random assignment in October 1995 in four local offices: three in the Phoenix metropolitan area (Glendale, Maryvale, and Peoria) and one on the Navajo reservation (Chinle). In these offices, cases receiving either cash assistance or TMA were subject to random assignment. Those cases assigned to the experimental (treatment) group were administered under the EMPOWER provisions, as with cases in all other offices statewide. Those assigned to the control group were administered under the pre-EMPOWER (AFDC) policies.

² U.S. Department of Labor, Bureau of Labor Statistics, unpublished tabulations available through the Local Area Unemployment Statistics System. The cited unemployment rates are seasonally adjusted.

Exhibit 1-1**Arizona Statewide Cash Assistance Caseload, 1994-2000**

Month	Cash Assistance Caseload	
	Families	Persons
	Statewide Number	
April 1994	69,965	193,772
April 1995	67,913	183,719
April 1996	61,365	163,078
April 1997	52,624	139,031
April 1998	37,404	100,496
April 1999	33,700	88,196
April 2000	32,243	82,654
	Percentage Change from April of Previous Year	
April 1995	-2.9%	-5.2%
April 1996	-9.6	-11.2
April 1997	-14.2	-14.7
April 1998	-28.9	-27.7
April 1999	-9.9	-12.2
April 2000	-4.3	-6.3

Source: ADES, Statistical Bulletin.

In May 1999 the Impact Study Interim Report presented the findings from analysis of administrative data and survey data collected on a research sample of 2,294 cases receiving cash assistance or TMA in October 1995 in the four research sites.³ The data sources for these impact estimates included program administrative files, unemployment insurance (UI) wage records, and the EMPOWER Wave One follow-up survey consisting of interviews by telephone or in person with 1,095 sample members. Impacts were estimated for follow-up periods of up to 36 months (through October 1998).

It should be noted that the new welfare reform policies implemented under Redesign in August 1997 were applied to **all** TANF households throughout the state, including those in both the experimental and

³ See Robert Kornfeld *et al.*, Evaluation of the Arizona EMPOWER Welfare Reform Demonstration: Impact Study Interim Report, Abt Associates Inc., Cambridge, MA, 1999.

control groups of the EMPOWER research sample. Thus, for the final 15 months of the 36-month follow-up period analyzed in the Impact Study Interim Report, there was some narrowing of the policy differential between treatment and control cases, particularly with respect to JOBS sanctions.

The following is a summary of the findings presented in that earlier report.

Impacts on Employment and Earnings

EMPOWER did not increase the employment rates or earnings amounts among adults and minor parents in the Phoenix sites. For this group, EMPOWER did not significantly change hours worked, and it neither increased nor decreased average wage rates. In addition, EMPOWER did not increase the extent to which clients from this group became eligible for employer-provided health insurance. Among those randomly assigned as cash assistance recipients in the Navajo site, EMPOWER produced no statistically significant changes in employment, earnings, hours worked, wages, employer-provided health insurance receipt, or other employer-provided benefits.

For adults and minor parents randomly assigned as members of TMA cases, EMPOWER increased earnings by the third follow-up year. This increase in earnings occurred mainly through an increase in hours worked, not in hourly wage rates. The increase in earnings was most likely attributable to the extended TMA provision, which enabled clients to retain medical coverage while working in low-wage jobs with few or no benefits. For this group, EMPOWER produced no statistically significant changes in the percentage eligible for employer-provided health insurance or other benefits.

Impacts on Participation in Cash Assistance, Food Stamps, and Medicaid

EMPOWER reduced the percentage of persons receiving cash assistance and average benefit levels. This reduction in cash assistance participation occurred mainly in the third follow-up year, mainly among cash assistance cases from the Phoenix sites. For these same families, EMPOWER also reduced average monthly cash assistance benefits beginning in the second and third follow-up years. EMPOWER did not reduce reliance on cash assistance among TMA cases or among families from the Navajo reservation. The latter were exempt from both state and federal time limits on cash assistance.

EMPOWER also reduced participation in Medicaid and food stamps, although the policies were not necessarily intended to reduce participation in either program. Similar to the reduction in cash assistance use, the reduction in Medicaid participation occurred mainly in the third follow-up year, mainly among families randomly assigned as cash assistance cases in the Phoenix sites.

EMPOWER **increased** utilization of one form of public assistance: TMA. This effect occurred both among families randomly assigned as cash assistance cases and among those who entered the sample as TMA cases. This participation increase is most likely attributable to the EMPOWER provision that extended TMA from 12 to 24 months.

Impacts on Total Household Income

For cash assistance cases in the Phoenix sites, EMPOWER had no significant effect on total household income. The previously cited reduction in cash assistance benefits amounted to only about 1 percent of estimated total household income, and was offset by insignificant effects on other income categories. Nor

did EMPOWER change the percentage of families receiving help from community organizations, neighborhood centers, or religious organizations. EMPOWER did increase the percentage of families with at least \$2,000 in monthly income. EMPOWER did not facilitate the transition from cash assistance to work; rather, the reforms reduced cash assistance participation among adults and minor parents by increasing the percentage of clients who left cash assistance without earnings.

For cash assistance cases in the Navajo site, EMPOWER had no significant impacts on any income categories, ranges of income, or the percentage of adults and minor parents who left cash assistance with or without earnings.

For TMA cases in the Phoenix sites, EMPOWER increased the earnings of adults and minor parents, but did not significantly change total household income.

Impacts on Family Structure and Housing

In the Phoenix sites, the proportion of households with births to unwed minors was substantially lower among experimental cases than among control cases. This finding suggested that the unwed minor parent provision and the family benefit cap may have affected the childbearing decisions of young women.

Patterns of marital status and changes in marital status among those subject to EMPOWER were no different than those in the control group, in either the Phoenix sites or the Navajo site. The vast majority of all sample members experienced no change in their marital status during the survey follow-up period.

EMPOWER also had no significant impacts on housing outcomes in the Phoenix sites. The same proportion of experimental and control group members changed residences during the study period. Likewise, the same proportion received help paying their rent, received help paying for telephone or utilities, or received help from an emergency shelter. The only significant impacts on housing status were found in the Navajo site, where significantly fewer experimental group members were in assisted housing and significantly more were living unassisted. This may reflect the under-reporting by experimental respondents of tribal assistance for home ownership.

1.3 Evaluation Objectives and Methods

The final phase of this evaluation addressed three major research questions:

- For those cash assistance recipients who were among the first subject to the policy reforms implemented under EMPOWER in November 1995, how did their economic circumstances change between the third and fourth follow-up years?
- For those clients approved for cash assistance after implementation of both the policy and administrative reforms under Redesign, how effective were the reforms in promoting the desired “work first” focus and in meeting the needs of clients?
- For those clients who left cash assistance subsequent to the implementation of EMPOWER, what were their perspectives on the policy reforms under both EMPOWER and Redesign, and how had their lives changed after going off welfare?

To address these questions, a series of evaluation activities were undertaken. These included administrative data collection, survey data collection, site visits, and focus group research. This final phase of the evaluation was entirely non-experimental, as the state decided not to continue the control group under the pre-EMPOWER policies beyond June 1999. At that time, control cases were converted over to the state's prevailing program rules.⁴

The findings presented in this report are based on the following evaluation activities:

- **Administrative file extracts**—Four years of follow-up information on experimental-group members of the EMPOWER research sample was extracted from DES administrative data files of two types. Quarterly earnings data from October to December 1995 through July to September 1999 were obtained from the Unemployment Insurance (UI) Base Wage and Benefit files maintained by the Division of Employment and Rehabilitative Services. Monthly data from November 1995 through October 1999 relating to participation in cash assistance, food stamps, and Medicaid were obtained from files maintained by the Family Assistance Administration (FAA). Through follow-up month 36, the experimental design required that cases be removed from the sample if they were known to have moved out of their research site or if they experienced crossover (i.e., if experimental-group and control-group members joined into the same household); no such deletions were made during follow-up months 37 to 48.
- **Wave Two EMPOWER follow-up survey**—At about follow-up month 48, a second-wave interview was conducted with a subset of the Wave One experimental-group respondents, all of whom had been receiving cash assistance in October 1995, had then become subject to EMPOWER in the following month, and had then completed a Wave One interview at about follow-up month 30. In the Phoenix sites, Wave Two interviews were attempted on a sample of 241 persons, selected at random from among the 314 Wave One respondents who continued to reside in the vicinity of the Glendale, Maryvale, or Peoria research sites. Interviews were completed with 188 of these persons, representing a response rate of 78 percent. In the Navajo site, Wave Two interviews were attempted on 77 persons, comprising all of the Wave One respondents still residing in the vicinity of the Chinle research site. Interviews were completed with 70 of these persons, a response rate of 91 percent. Interviews were first attempted by telephone, with in-person follow-up by field interviewers. These interviews were conducted during November 1999 to June 2000. Respondents received an incentive payment of \$15.
- **Redesign implementation survey**—To assess the implementation of local office administrative reforms under Redesign, telephone interviews were conducted during November

4 Note that, between August 1997 and June 1999, the control group was not “held harmless” from the reforms associated with Redesign. As a result, the control group regime combined AFDC and Redesign policies, whereas the experimental group was subject to the full set of reforms, including both EMPOWER and Redesign. Wave One survey results from this evaluation suggested that there was much confusion, particularly among members of the control group, regarding which specific policies applied to them. The implementation of Redesign reduced the distinction between the treatment and control groups considerably, both real and perceived. In addition, the apparent “potency” of the Redesign policies (e.g., automatic sanctioning, Personal Responsibility Agreements, job search requirements) relative to the EMPOWER policies further compromised the ability to detect between-group impacts with respect to EMPOWER alone. Thus, the state and HHS agreed jointly to discontinue the experimental design and to focus the evaluation instead on a long-term tracking and analysis of outcomes associated with the treatment-group households and with cases approved for cash assistance under Redesign.

1999 to June 2000 with 278 individuals who were approved for cash assistance during January to June 1999 in one of three selected offices: the East Thomas and West Thomas offices in Phoenix and the Fort Lowell office in Tucson. The corresponding survey response rate, based on an original sample of 617, was 45 percent. Respondents received an incentive payment of \$15. Of those interviewed, approximately one-half had also received cash assistance in the same office prior to the implementation of Redesign in August 1997. For these “repeat clients,” additional questions were asked about perceived changes in the quality of services provided.

- **Site visits**—In conjunction with the Redesign implementation survey, one-day site visits were conducted during June-July 1999 to the East Thomas, West Thomas, and Fort Lowell offices. Interviews were conducted with the local office managers, FAA supervisors and eligibility interviewers, and JOBS supervisors, employment service specialists, and case managers. These same offices had also been visited during June-July 1998, within one year of their having implemented the administrative reforms mandated under Redesign.⁵
- **Supplemental telephone survey**—To obtain information about participation in food stamps and Medicaid after leaving cash assistance, telephone interviews were conducted during May to June 2000 with 51 individuals who had left cash assistance during the previous 18 months in either the East Thomas, West Thomas, or Fort Lowell offices. (These individuals were selected from among those interviewed in the Redesign implementation survey.) Respondents received an incentive payment of \$10.
- **Focus groups**—To learn further about the perspectives of individuals who had gone off welfare following the state’s implementation of EMPOWER and Redesign, three evening focus groups were conducted with individuals selected from among the Wave Two survey respondents in the Phoenix research sites. In total, 32 individuals (all women with at least one child age 17 or younger) participated in these sessions, conducted by a focus moderator at Glendale Community College during April 2000. Each participant received an incentive payment of \$50.

A number of caveats should be noted here at the outset, to aid the reader in interpreting the findings presented in this report:

- Because this final phase of the research was entirely non-experimental, one cannot attribute the observed changes between the Wave One and Wave Two surveys to the state’s welfare reforms. In the absence of a control group during this final research phase, it is impossible to know what outcomes might have occurred in the absence of the reforms. Without information upon which to construct this counterfactual, one cannot interpret the observed changes as program “effects” or “impacts.”
- To provide the most precise estimate of outcomes at the time of the Wave One and Wave Two surveys, all completed interviews from both waves were used in tabulating the survey

5 Both rounds of site visits to these offices were conducted by subcontractor staff of LAM & Associates.

findings. In the Phoenix sites, the Wave Two sample was a randomly selected subset of the sample interviewed at Wave One. (The Wave Two subsample consisted of 241 of the 314 Wave One respondents in the Phoenix sites. As noted earlier, the Wave Two response rate for this subsample was 78 percent, yielding 188 completed Wave Two interviews.) We did not construct a matched sample of the Phoenix respondents from both waves, however, as this would have substantially reduced the number of Wave One observations entering the analysis, from 314 to 188, with a corresponding loss of precision of the Wave One estimates.

- For the Redesign implementation survey, the 45 percent response rate was low enough to raise some concern about the potential for non-response bias. It was not feasible to undertake an analysis of such bias, as the necessary administrative data for both respondents and non-respondents were not extracted from program files.

1.4 Organization of This Report

This report is organized as follows. Chapters 2 and 3 focus on the first of the three research questions posed above, relating to changes during the fourth follow-up year in the economic circumstances of those who were among the first subject to the policy reforms implemented under EMPOWER. Chapter 2 presents the findings with respect to employment status, participation in cash assistance, food stamps, and Medicaid, and total household income. These findings are based on analysis of the administrative file extracts and the EMPOWER Wave Two follow-up survey. Chapter 3 examines other aspects of economic well-being—birth rates, marital status, housing status, health insurance, material hardship, and community help—drawing also on the EMPOWER Wave Two survey data.

Chapter 4 focuses on the second research question posed above, pertaining to the client-perceived effectiveness of the policy and administrative reforms adopted under Redesign, especially the local office changes aimed at emphasizing a “work first” program atmosphere and at better meeting the employment needs of clients. The findings are based on the Redesign implementation survey and the corresponding site visits.

Chapter 5 addresses the third research question posed above, regarding the perspectives on welfare reform among those who left cash assistance during the time of EMPOWER and Redesign. The qualitative findings draw from client views expressed in the supplemental telephone interviews and the focus group sessions.

Chapter 2

Employment, Program Participation, and Income

This chapter presents the findings from administrative data and survey data regarding the patterns of employment, participation in the major federally supported benefit programs, and total household income. The findings pertain to the research sample of cases that were receiving cash assistance in October 1995 under AFDC. Beginning in the following month, November 1995, these cases became subject to the EMPOWER provisions. Other reforms followed, with the implementation of the state's TANF plan in October 1996 and then the Redesign reforms in August 1997.

The research sample was followed in the administrative data and survey data for a total period of four years. The follow-up information on the sample included the following: 48 months of data on receipt of cash assistance, food stamps, and Medicaid, as maintained by ADES; 16 quarters of data on the receipt of earnings, from the state's UI system; and survey data collected by Abt Associates at two intervals, Wave One (at follow-up month 30) and Wave Two (at follow-up month 48).

As noted in Chapter 1, this chapter (and the following one) addressed the first research question:

For those cash assistance recipients who were among the first subject to the reforms implemented under EMPOWER in November 1995, how did their situations change between the third and fourth subsequent years?

The key findings presented in this chapter are as follows:

Employment, Earnings, and Employer-Provided Benefits

- The survey-measured employment rate of sample members increased between follow-up month 30 and 48 in the Phoenix sites (from 55 to 62 percent) and in the Navajo site (from 18 to 34 percent).
- Job quality increased in the Phoenix sites, with increased percentages employed full-time (more than 34 hours per week), at high wages (more than \$7.50 per hour), and at jobs providing health insurance and dental benefits. In contrast, the employment gains in the Navajo site were predominantly at lower wage jobs (\$6.50 or less per hour).
- In the Phoenix sites, the reasons for not working centered around matters of illness and disability or the need or desire to stay at home with children. Additionally, many in the Navajo site indicated their inability to find a good job.
- In the Phoenix sites, the employment trend reflected in data reported by employers through the UI system differed from that estimated through the survey data. To some degree, this reflects the fact that UI data do not capture the types of casual, informal, or temporary jobs held by many low-income workers. For the entire research sample in the Phoenix sites, the UI-measured employment rate declined between the third and fourth follow-up years (from

46 to 40 percent, with the fourth-year rate possibly understated as a result of out-of-state migration of employed sample members). Over the same period the UI-measured employment rate rose for the Navajo sample (from 21 to 26 percent), consistent with the survey-estimated trend.

Cash Assistance, Food Stamps, and Medicaid

- Between the third and fourth follow-up years, there was a continued decline in the percentage of the Phoenix research sample receiving cash assistance (from 19 to 15 percent), food stamps (from 27 to 24 percent), and Medicaid (from 37 to 29 percent), based on program administrative data. Similarly, for the Navajo research sample, there was a continued downward trend in the percentages receiving cash assistance (from 58 to 51 percent), food stamps (from 64 to 58 percent), and Medicaid (from 68 to 60 percent).
- Survey data available only for the Phoenix sites indicated that, as time progressed, exits from cash assistance were less associated with increases in income or resources and more related to other reasons (including, for instance, time limits and sanctions).

Monthly Household Income

- Total household income showed little net change for survey respondents between follow-up months 30 and 48. In the Phoenix and Navajo sites, reductions in monthly cash assistance and food stamp benefits offset the modest gains in average monthly earnings and other unearned income.
- Overall, the composition of income among sample members and their households thus reflected a greater degree of self-sufficiency, through increases in earnings. Reductions in cash assistance and food stamp benefits, however, meant that households on average did not experience any increase in their total monthly incomes.

2.1 Employment, Earnings, and Employer-Provided Benefits

A principal aim of the welfare reforms adopted by the state under the EMPOWER and Redesign initiatives was to promote employment among welfare recipients. The 24-month time limit on cash assistance to non-exempt adults (within a 60-month period) sought to establish a much stronger financial incentive for recipients to find work and remain employed. Tightened JOBS provisions, including mandatory JOBS participation for teen parents and stricter sanctions for JOBS non-compliance, aimed to encourage more serious attention to job search, education, and training. Finally, the extension of TMA and child care for those recipients of cash assistance who become employed, plus the elimination of the 100-hour rule for two-parent families, served to remove previous disincentives to work.

Findings from Survey Data

The employment status of members of the research sample was monitored through the Wave One and Wave Two surveys. These interviews were timed to occur at follow-up months 30 and 48, respectively. For the Wave Two survey, Exhibit 2-1 shows the disposition of the survey sample.

Exhibit 2-1**Wave Two EMPOWER Follow-up Survey, Sample Disposition**

	Phoenix Sites	Navajo Site
Survey sample	241 ^a	77 ^b
Completed interviews		
Number	188	70
Percentage of survey sample	78.0%	90.9%

a This sample of 241 was a randomly selected subgroup of the 314 Wave One respondents in the Phoenix sites who still resided in the research area in May 1999.

b This sample of 77 constituted all Wave One respondents in the Navajo site who still resided in the research area in May 1999.

For both the Phoenix sites and the Navajo site, there was an increase between Wave One and Wave Two in the percentage employed and in the average monthly earnings; see Exhibit 2-2. For the Phoenix sites, the increases in the percentage employed and average monthly earnings were not statistically significant. The corresponding increases in the Navajo site, however, were statistically significant.

Exhibit 2-2**Employment and Earnings, Based on Survey Data**

	Wave One (Month 30)	Wave Two (Month 48)	Change
		Phoenix sites	
Percentage employed	54.7%	61.7%	7.0%
Average monthly earnings			
Entire sample	\$657	\$727	\$70
Employed members	\$1,201	\$1,178	-\$23
Sample size	387	188	—
		Navajo site	
Percentage employed	17.9%	34.3%	16.4%**
Average monthly earnings			
Entire sample	\$152	\$241	\$89
Employed members	\$849	\$703	-\$146
Sample size	92	70	—

For cases receiving cash assistance in October 1995. The Wave One and Wave Two interviews occurred during follow-up months 30-34 and 49-56, respectively. Average earnings amount for the "entire sample" includes the zero values for those not employed and includes earnings at all current jobs for those employed.

Asterisks indicate that the change between Wave One and Wave Two is different from zero at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Source: Survey data collected by Abt Associates Inc.

Underlying the improved employment situation between Wave One and Wave Two were trends in weekly hours and hourly wages. These trends differed between the Phoenix sites and the Navajo site; see Exhibit 2-3. In the Phoenix sites, the employment trend was in the direction of more full-time work (35 or more hours per week) and higher wages (more than \$7.50 per hour). In contrast, the improved employment status among Navajo respondents reflected an increase in the rates of both part-time and full-time employment (although neither increase was by itself statistically significant). The gains in employment, however, tended to be in lower-wage jobs (less than \$6.50 per hour), reflecting the generally low-wage labor market on the Navajo reservation.

Exhibit 2-3

Hours Worked and Wages

Employed and:	Wave One (Month 30)	Wave Two (Month 48)	Change
<i>Phoenix sites</i>			
Worked 1-34 hours per week	14.1%	15.1%	1.0%
Worked 35 or more hours per week	37.4	46.2	8.8**
Earned \$6.50 or less per hour	17.9	16.1	-1.8
Earned \$6.51 to \$7.50 per hour	15.3	11.3	-4.0
Earned \$7.51 or more per hour	21.5	33.9	12.4***
Sample size	387	188	—
<i>Navajo site</i>			
Worked 1-34 hours per week	7.6%	14.5%	6.9%
Worked 35 or more hours per week	10.3	18.8	8.5
Earned \$6.50 or less per hour	12.6	27.1	14.5**
Earned \$6.51 to \$7.50 per hour	3.1	2.9	-0.2
Earned \$7.51 or more per hour	2.3	4.3	2.0
Sample size	92	70	—

For cases receiving cash assistance in October 1995. The Wave One and Wave Two interviews occurred during follow-up months 30-34 and 49-56, respectively.

Asterisks indicate that the change between Wave One and Wave Two is different from zero at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Source: Survey data collected by Abt Associates Inc.

One by-product of the improved employment status of sample members was an increase in the percentage receiving employer-provided benefits; see Exhibit 2-4. In the Phoenix sites, there was a significant

increase between Waves One and Two in the percentage of the sample with employer-provided health insurance and dental benefits. In the Navajo site, however, any corresponding increases were not statistically significant.

Exhibit 2-4

Health Insurance Coverage and Other Employer-Provided Benefits

Employed with Employer-Provided Benefit:	Wave One (Month 30)	Wave Two (Month 48)	Change
	<i>Phoenix sites</i>		
Health insurance	18.1%	26.1%	8.0%*
Paid sick days	22.5	27.1	4.6
Paid vacation	28.7	34.0	5.3
Paid holidays ^a	—	36.7	—
Dental benefits	18.0	27.1	9.1**
Child care benefits ^a	—	5.9	—
Pension plan	23.7	30.3	6.6
Sample size	387	188	—
	<i>Navajo site</i>		
Health insurance	3.8%	4.3%	0.5%
Paid sick days	1.6	5.7	4.1
Paid vacation	4.8	4.3	-0.5
Paid holidays ^a	—	7.1	—
Dental benefits	2.8	2.9	0.1
Child care benefits ^a	—	0.0	—
Pension plan	1.5	5.7	4.2
Sample size	92	70	—

For cases receiving cash assistance in October 1995. The Wave One and Wave Two interviews occurred during follow-up months 30-34 and 49-56, respectively.

Asterisks indicate that the change between Wave One and Wave Two is different from zero at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

a Item not included in Wave One survey.

Source: Survey data collected by Abt Associates Inc.

Those not employed at Wave Two were asked about their reasons for not working; see Exhibit 2-5. Health-related reasons were frequently mentioned in both the Phoenix sites (by 40 percent of the unemployed) and the Navajo site (13 percent). Also often mentioned was the need or desire to stay at home with children, in both the Phoenix sites (22 percent) and the Navajo site (15 percent). Another often-cited reason among the Navajo respondents was the inability to find a good job (11 percent).

It is worth noting the extent to which those not employed in the Phoenix sites cited reasons that would have entitled them to a deferral from work requirements (had they remained cash assistance recipients). Such persons—those citing illness/health/disability problems, the need to care for a sick relative, or pregnancy/maternity leave—represented 45 percent of the unemployed Phoenix sample. If one recomputes the 62 percent survey-reported employment rate for Phoenix sites (Exhibit 2-2) by removing from the denominator this segment of the unemployed sample, the adjusted employment rate is 74 percent.

Exhibit 2-5

Reasons for Not Working

Status (Unemployed Wave Two Respondents Only)	Phoenix Sites	Navajo Site
<i>“What is the main reason that you are not working at this time?”</i>		
Need/Want to stay at home with children	22.2%	15.2%
Problem with availability of child care	1.4	2.2
Homemaker/Supported by spouse	0.0	2.2
Pregnancy/Maternity leave	1.4	0.0
Illness/Health problems/Disability	40.3	13.0
Need to care for sick relative	2.8	4.3
In school	6.9	8.7
Lack of education/skills	1.4	6.5
Unable to find a good job	2.8	10.9
Transportation problems	0.0	2.2
Laid off/Terminated	0.0	4.3
Other	20.8	30.4
Total	100.0	100.0
Sample size	72	46

For cases receiving cash assistance in October 1995. The Wave Two interviews occurred during follow-up months 49-56 for these respondents.

Source: Survey data collected by Abt Associates Inc.

Findings from Unemployment Insurance Data

Quarterly wage data reported by Arizona employers under the state's UI system provide a basis for assessing the trends in employment among the adults and minor parents in the research sample. As shown in Exhibit 2-6, the employment rate among sample members in the Phoenix sites rose through the second follow-up year (quarters 5-8) and the third follow-up year (quarters 9-12), reaching 41.8 and 45.8 percent respectively. The rate then dropped in the fourth follow-up year (quarters 13-16) to 39.7 percent.¹

Exhibit 2-6

Employment Status of Adults and Minor Parents, Based on UI Data

	Follow-up Quarters			
	1-4	5-8	9-12	13-16
<i>Phoenix sites</i>				
Percentage employed	30.8%	41.8%	45.8%	39.7%
Average quarterly earnings				
Entire sample	\$542	\$1,002	\$1,337	\$1,264
Employed members	\$1,760	\$2,397	\$2,919	\$3,184
Sample size	721	721	721	721
<i>Navajo site</i>				
Percentage employed	17.9%	19.1%	21.4%	25.5%
Average quarterly earnings				
Entire sample	\$190	\$301	\$328	\$468
Employed members	\$1,061	\$1,576	\$1,533	\$1,857
Sample size	120	120	120	120

For cases receiving cash assistance in October 1995.

Source: Quarterly UI data provided by ADES.

Several factors would have contributed to the dropoff in the fourth-year employment rate. The first is a slowdown in the Phoenix-area economy during this period. The civilian unemployment rate in the Phoenix-Mesa metropolitan area, which consists of Maricopa and Pinal Counties, rose from 2.7 percent to 3.0 percent for the calendar periods corresponding to the third and fourth follow-up years; see Exhibit

¹ The drop in the employment rate between the third and fourth years was statistically significant, as was the rise between the first and second years.

2-7. This reversed the downward trend in the local unemployment rate that had occurred between the first and third follow-up years.

Exhibit 2-7

Civilian Unemployment Rates, Quarterly and Annually, 1995 to 1999

	Annual Period (October to September)			
	1995 - 1996	1996 - 1997	1997 - 1998	1998 - 1999
<i>Unemployment rate, Phoenix-Mesa MSA^a</i>				
October to December	3.3	3.6	2.8	2.9
January to March	3.6	3.4	2.6	3.0
April to June	3.9	3.1	2.6	3.2
July to September	3.8	2.9	2.8	3.0
Total (October to September)	3.7	3.3	2.7	3.0
<i>Unemployment rate, Apache County</i>				
October to December	16.6	22.1	15.5	15.7
January to March	17.3	20.7	15.7	15.3
April to June	19.2	18.1	16.1	14.3
July to September	20.4	15.7	14.8	13.5
Total (October to September)	18.4	19.1	15.5	14.7
<i>Numbering of follow-up quarters</i>				
October to December	1	5	9	13
January to March	2	6	10	14
April to June	3	7	11	15
July to September	4	8	12	16
Total (October to September)	1-4	5-8	9-12	13-16

a The Phoenix-Mesa MSA includes Maricopa and Pinal Counties.

Source: ADES. Unemployment rates are seasonally adjusted.

Another factor that undoubtedly contributed to the observed decline in the fourth-year employment rate for the Phoenix research sample was the geographic mobility of sample cases and its effect on sample attrition. During the first three years, those known to have moved out-of-state (or to a within-state non-research location) were removed from the sample and were thus excluded from the tabulation of out-

comes in all three years. This was necessary for the control-group members, who upon moving could no longer be retained under the pre-reform policy regime; those treatment-group members who similarly were known to have changed their residence were also removed from the sample, to maintain consistency in the handling of both groups. During the fourth follow-up year, however, no cases were further removed from the sample as a result of residential mobility, because the experimental regime was no longer in place. This tended to lower the employment rate, as those employed out-of-state were not identifiable in the Arizona UI data. These persons thus remained in the denominator of the employment measure but were not counted in the numerator, which reflects in-state employment only.

The average quarterly earnings of the research sample in the Phoenix sites followed the same pattern as the employment rate, rising in the second and third years and falling in the fourth year. When only those with earnings in each period are included in this computation, however, the quarterly average earnings amount rose steadily throughout the four-year period.

In the Navajo site, both the employment rate and the quarterly earnings amounts trended upward during the four-year period. Reflecting the double-digit unemployment rates during this period in Apache County, which includes the Navajo site, the percentage employed and average earnings amounts for each follow-up period were much lower in the Navajo site than in the Phoenix sites. (Refer again to Exhibit 2-7 for the unemployment rates in Apache County.)

In contrast to the Phoenix sites, members of the research sample in the Navajo site showed improvement in their employment situation between the third and fourth follow-up years. Note that the Apache County unemployment rate, unlike that of the Phoenix-Mesa metropolitan area, was trending downward throughout the fourth follow-up year. In addition, the influence of geographic mobility was less pronounced on the Navajo reservation, where out-state migration would have occurred at a much lower rate than in the Phoenix sites.

Comparing the employment trends estimated from the survey data with the trends estimated from the UI data, one sees that the two sources are consistent with respect to the employment experience of those on the Navajo site; that is, both sources show improvement in the Navajo employment rate and average earnings. For the Phoenix sites, however, the survey-based estimates showed a favorable employment trend that was not evident in the UI data. Several factors may explain this. First, the survey responses include some forms of employment that are not included in the UI data: federal employment and any forms of casual, seasonal, or temporary employment not reported by private employers through the UI wage system. Second, the survey findings would not have been affected by those moving out of state, as these persons were not interviewed. As noted earlier, such individuals served to lower the employment rate obtained with the UI data, as they were included in the denominator but not the numerator of the UI-based employment measure.

2.2 Cash Assistance, Food Stamps, and Medicaid

For the four-year follow-up period observed in the administrative data, an annual participation rate was computed for each major means-tested benefit program for the sample of persons receiving cash assistance in October 1995. For each follow-up year, a person was regarded as a program participant if he or she received assistance under the program during any portion of that year. The measured change in the participation rate from one year to the next reflects the net effect of year-to-year program entry and exit.

For this analysis, the sample sizes were 2,411 for the Phoenix sites (Glendale, Maryvale, and Peoria) and 465 for the Navajo site (Chinle).²

In the Phoenix sites, the percentage of the sample receiving cash assistance continued to decline from the third to the fourth follow-up years, from 18.9 percent in months 25-36 to 15.2 percent in months 37-48; see Exhibit 2-8. Similar declines occurred with respect to both food stamps (from 26.6 to 23.6 percent) and Medicaid (from 36.7 to 29.4 percent). Note that the rate of Medicaid participation includes TMA, available to those leaving cash assistance for reasons of employment.

Exhibit 2-8

Percentage of Persons Receiving Cash Assistance, Food Stamps, and Medicaid

Percentage of persons receiving:	Follow-up Months			
	1-12	13-24	25-36	37-48
<i>Phoenix sites</i>				
Cash assistance	62.8%	38.4%	18.9%	15.2%
Food stamps	67.4	43.4	26.6	23.6
Medicaid	74.5	53.9	36.7	29.4
Sample size	2,411	2,411	2,411	2,411
<i>Navajo site</i>				
Cash assistance	79.7%	68.1%	57.8%	50.5%
Food stamps	81.9	70.6	64.3	57.5
Medicaid	86.8	77.0	67.8	59.5
Sample size	465	465	465	465

For cases receiving cash assistance in October 1995. Medicaid includes TMA.

Source: Administrative data provided by ADES.

In the Navajo site, the participation rates also declined between the third and fourth years. For each of the three programs, however, fourth-year participation remained above 50 percent: 50.5 percent for cash assistance, 57.5 percent for food stamps, and 59.5 percent for Medicaid.

The downward progression of participation rates in the Navajo site was consistent across all three programs. In proportional terms, the drop in participation was generally 10 to 15 percent in each year in

² In the analysis that follows, all year-to-year changes in the participation rate for each program were found to be different from zero, at the 0.10 significance level or better.

each program. In cash assistance, for example, the proportional decline was 15 percent in the second year (from 79.7 to 68.1 percent), 15 percent in the third year (from 68.1 to 57.8 percent), and 13 percent in the fourth year (from 57.8 to 50.5 percent).

In contrast, the Phoenix sites experienced declines in program participation that were proportionally higher in the second and third years than in the fourth year. For instance, the proportional decline in cash assistance participation was 39 percent in the second year (from 62.8 to 38.4 percent), 51 percent in the third year (from 38.4 to 18.9 percent), and 20 percent in the fourth year (from 18.9 to 15.2 percent). The high proportional decline in the third year (months 25-36) likely reflected the fact that some adult recipients were then reaching the 24-month time limit and lost eligibility for cash assistance unless exempt from the time limit.

The survey data also suggest that, as time progressed, the time limit (or other policy provisions) may have played an increasing role in causing individuals to leave cash assistance in the Phoenix sites. The pattern of survey-reported reasons for leaving cash assistance in these sites is shown in Exhibit 2-9 for Wave One and Wave Two. At both waves, respondents who had left cash assistance at least once since October 1995 were asked to cite the main reason for their most recent exit. As reported in the Wave One survey, increases in income (either for the respondent or another family member) were the predominant reasons for exit. By Wave Two, however, increases in respondent income were a significantly less frequent reason for leaving cash assistance. Among the “other reasons,” which by Wave Two had become more prevalent, were policy provisions (e.g., time limits, restrictions on eligibility for unwed parents, tightened sanctions) or loss of categorical eligibility (e.g., no eligible child residing with the family).

Exhibit 2-9

Reasons for Leaving Cash Assistance, Based on Survey Data (Phoenix Sites)

<i>With respect to "the last time you stopped getting a welfare check," what was "the main reason you stopped getting welfare"?</i>	Wave One Survey	Wave Two Survey	Change
Increase in respondent's earnings	58.2%	45.7%	-12.5%***
Increase in others' income or resources	11.3	8.0	-3.3
Other reason	28.1	37.6	9.5**
Don't know/Refused	2.4	8.7	6.3***
Total	100.0	100.0	—
Sample size	344	173	—

For those cases receiving cash assistance in October 1995 who later exited cash assistance at least once. In the Phoenix sites, these exiters constituted 89 percent of total respondents at Wave One and 92 percent of total respondents at Wave Two. The Wave One and Wave Two interviews occurred during follow-up months 30-34 and 49-56, respectively.

Asterisks indicate that the change between Wave One and Wave Two is different from zero at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Source: Survey data collected by Abt Associates Inc.

2.3 Total Household Income

The combination of administrative data and survey data allows us to measure changes in monthly household income between the time of the Wave One and Wave Two interviews. In doing this, we have calculated household income as the sum of the following four categories:

- earnings of the survey respondent, as measured from the survey;
- earnings of other current household members, also as measured from the survey;
- survey-reported unearned income of other current household members, including unemployment insurance, worker's compensation, SSI, General Assistance, child support payments (both formal and informal), alimony payments, Social Security (including disability), retirement or pension benefits, or rental income, but excluding the earned income tax credit (EITC); and
- cash assistance and food stamps, as measured from the administrative data, for all case members who were present at random assignment.

The Wave One estimate corresponds to follow-up month 30; Wave Two corresponds to month 48; see Exhibit 2-10.

For the sample in the Phoenix sites, there was no change between Waves One and Two in total household income. The sample average was \$1,418 at both intervals. On average, the increases in respondent earnings and survey-reported unearned income were offset by reductions in the earnings of other household members and in the combined amount of cash assistance and food stamps.

For the Navajo sample, there was a small net reduction between Waves One and Two in total household income. For each of the four income components, the pattern of change was the same as in the Phoenix sites: an increase in respondent earnings and survey-reported unearned income accompanied by a reduction in earnings of other household members and the combined benefits from cash assistance and food stamps. For the Navajo sample, however, the increase in survey-reported unearned income was relatively small (\$27), and the reduction in cash assistance and food stamps were relatively large (-\$133). The latter effects were primarily responsible for the net reduction in monthly income for the Navajo sample.

The finding that monthly household income was either stable (in the Phoenix sites) or declining (in the Navajo site) does not necessarily imply that the sample members were worse off. As will be discussed in the next chapter, there were some compositional changes in households that would have caused smaller household sizes at Wave Two than at Wave One. For instance, in both the Phoenix sites and the Navajo site there was a decline in the sample percentage that was married and an increase in the percentage that was separated, divorced, or widowed.

Exhibit 2-10**Total Household Income, Average Monthly Amounts by Source**

Income Source	Wave One (Month 30)	Wave Two (Month 48)	Change
<i>Phoenix sites</i>			
Earnings of survey respondent	\$657	\$739	\$82
Earnings of other household members	331	265	-66
Survey-reported unearned income	252	322	70
Cash assistance and food stamps	177	92	-85
Total household income	1,418	1,418	0
Sample size	387	188	—
<i>Navajo site</i>			
Earnings of survey respondent	\$147	\$249	\$102
Earnings of other household members	179	114	-65
Survey-reported unearned income	195	222	27
Cash assistance and food stamps	437	304	-133
Total household income	959	889	-70
Sample size	92	70	—

For cases receiving cash assistance in October 1995. The Wave One and Wave Two interviews occurred during follow-up months 30-34 and 49-56, respectively.

Source: Survey data collected by Abt Associates Inc. (for earnings and survey-reported unearned income) and administrative data provided by ADES (for cash assistance and food stamps).

The observed reduction between Waves One and Two in the combined amount of cash assistance and food stamps received by sample members is consistent with smaller household sizes and higher amounts of earned and unearned income. In addition, the policy changes enacted under EMPOWER and Redesign, in conjunction with the restrictions in food stamp eligibility and monthly benefits implemented under the 1996 welfare reforms, also served to reduce the income amounts received from these programs. The amounts shown for “earnings of survey respondent” pertain to the month preceding the interview, and thus differ somewhat from the average monthly earnings shown in Exhibit 2-2, which pertain to the interview month.

Chapter 3

Other Aspects of Economic Well-Being

This chapter addresses the findings on outcomes that pertain to household composition, living arrangements, health insurance coverage, and ability to meet basic needs. In order, the following sections address birth rates and marital status, housing status, health insurance, and material hardship and community help.

The key findings presented in this chapter are as follows:

Birth Rates and Marital Status

- For neither the Phoenix sites nor the Navajo site was there any significant change between Wave One and Wave Two in the birth rates among women assigned to the research sample in October 1995.
- Among those interviewed at Wave Two in the Phoenix sites, there was a higher incidence of recent marriage (or cohabitation) than marital breakup. The reverse was true in the Navajo site: more case heads separated or divorced (or became widowed) than those who married (or began living with a partner).

Housing Status

- In the Phoenix sites, there was a significant reduction between Waves One and Two in the percentage of respondents living in assisted housing (i.e., in public housing or with Section 8 rental assistance).

Health Insurance

- Among the Wave Two respondents in the Phoenix sites, more than one-quarter (26 percent) received employer-provided health insurance and more than one-half (53 percent) received Medicaid, whereas 15 percent were uninsured. For the Navajo site, in contrast, fully 31 percent were uninsured, with only 4 percent covered by an employer-provided health plan and 61 percent receiving Medicaid.

Material Hardship and Community Help

- Among the Wave Two respondents, one or more specific forms of health- or housing-related hardship had been experienced during the previous year by one-half (50 percent) of those in the Phoenix sites and more than one-third (39 percent) of those in the Navajo site. The most prevalent form of hardship in the Phoenix sites was that someone in the household needed to see a dentist but could not go (31 percent). In the Navajo site, the most prevalent hardship was inability to pay the full amount of gas, oil, or electricity bills (23 percent).

- In the Phoenix sites, there were significant reductions between Waves One and Two in the percentage of respondents receiving specific forms of help from community, neighborhood, or religious organizations. Most notable were the reduced percentages indicating receipt during the previous year of food from a food bank or soup kitchen, help paying for telephone or utility bills, or clothing.

3.1 Birth Rates and Marital Status

Some elements of the EMPOWER reforms were specifically aimed at discouraging out-of-wedlock child-bearing and thus strengthening family structure. The unwed minor parent provision of EMPOWER required that minor parents must live with a parent or legal guardian to receive continuing benefits. The provision was expected to deter young unwed women from having children at all or, if they did have children, to discourage them from moving away from home or remaining unmarried.

Additionally, in response to the contention that prior cash assistance policies may have encouraged additional child-bearing among welfare recipients by allowing the monthly benefit to rise with each newborn child, Arizona (along with many other states) established a family benefit cap. Under this rule, no such benefit increases were granted for additional children.

Exhibit 3-1 compares the pattern of births during two time intervals of approximately equal length: from September 1996 (follow-up month 11) to the Wave One interview (an interval of 19 to 23 months), and between the Wave One and Wave Two interviews (an interval of 15 to 22 months). In neither the Phoenix sites nor the Navajo site was there any statistically significant change in the birth patterns observed between these two periods. In the Phoenix sites, the percentage of households with members giving birth was somewhat higher during the second interval; this was true for births to case heads, births to unwed minors, and births to other case members, but none of the effects was statistically significant. In the Navajo site, there was some increase in the percentage of cases with births to “other case members,” but again this was not statistically significant.

The survey findings indicated some significant changes in marital status between the Wave One and Wave Two interviews (as noted above, an interval of 15 to 22 months). In the Phoenix sites, there was a significant reduction in the percentage of respondents who were married, with a corresponding increase in the percentage who were separated, divorced, or widowed. Undoubtedly, these changes in the percentage distribution reflected in part the fact that the Wave Two sample was a random subset of the Wave One respondents still residing in the research site 18 months later. Those married at Wave One may have been more likely to move, for both the Phoenix sites and the Navajo site.

Exhibit 3-1**Birth Rates**

Percentage of Cases with Children Born During the Preceding 15 to 23 Months to:	Wave One (Month 30)	Wave Two (Month 48)	Change
<i>Phoenix sites</i>			
Case heads	11.4%	14.4%	3.0%
Unwed minors	1.1	2.7	1.6
Other case members	1.5	2.7	1.2
Sample size	453	188	—
<i>Navajo site</i>			
Case heads	17.3%	17.1%	-0.2%
Unwed minors	2.5	1.4	-1.1
Other case members	2.7	5.7	3.0
Sample size	109	70	—

For cases receiving cash assistance in October 1995 (and also, for Wave One, cases receiving TMA in October 1995). The Wave One and Wave Two interviews occurred during follow-up months 30-34 and 49-56, respectively. Case members who were women were classified as case heads, unwed minors, or other case members according to their status in October 1995, even if this status may have subsequently changed. Birth rates reported at Wave One pertain to births occurring between September 1996 (month 11) and the Wave One interview—an interval of 19 to 23 months. Birth rates reported at Wave Two pertain to births occurring between the Wave One interview and the Wave Two interview—an interval of 15 to 22 months.

Asterisks indicate that the change between Wave One and Wave Two is different from zero at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Source: Survey data collected by Abt Associates Inc.

Perhaps a more informative assessment of shifts in marital status comes from the Wave Two survey responses indicating any change in the respondent's situation since Wave One. As shown in Exhibit 3-2, the percentage experiencing such changes was similar between the Phoenix sites and the Navajo site—16.2 percent and 19.4 percent, respectively. The Phoenix sites, however, showed more respondents gaining spouses or partners (through marriage or cohabitation) than losing spouses (through separation, divorce, or death). The reverse was true in the Navajo site, with more losing spouses than gaining spouses or partners.

Exhibit 3-2**Marital Status**

Status	Wave One (Month 30)	Wave Two (Month 48)	Change
<i>Phoenix sites</i>			
Married	28.1%	15.4%	-12.7%***
Separated/Divorced/Widowed	34.3	44.7	10.4**
Never married	35.5	29.4	-3.9
Other	2.2	0.5	-1.7
Total	100.0	100.0	—
Status changed since Wave One interview			
Married/Began living with partner	—	10.8%	—
Separated/Divorced/Widowed	—	5.4	—
Subtotal	—	16.2	—
Sample size	454	188	—
<i>Navajo site</i>			
Married	31.9%	24.3%	-7.6%
Separated/Divorced/Widowed	27.9	30.0	2.1
Never married	38.4	45.7	7.3
Other	1.8	0.0	-1.8
Total	100.0	100.0	—
Status changed since Wave One interview			
Married/Began living with partner	—	8.3%	—
Separated/Divorced/Widowed	—	11.1	—
Subtotal	—	19.4	—
Sample size	107	70	—

For cases receiving cash assistance in October 1995 (and also, for Wave One, cases receiving TMA in October 1995). The Wave One and Wave Two interviews occurred during follow-up months 30-34 and 49-56, respectively.

Asterisks indicate that the change between Wave One and Wave Two is different from zero at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Source: Survey data collected by Abt Associates Inc.

3.2 Housing Status

As shown in Exhibit 3-3, the Wave Two survey showed similarity between the Phoenix and Navajo sites in the distribution of sample members by housing status: 60 to 66 percent in unassisted housing (either owners or renters), 21 to 23 percent in assisted housing (public housing or Section 8 rental assistance), and 8 to 14 percent living rent free (presumably with family or friends, or in a shelter or other transient arrangement). A surprisingly high percentage (54 percent) of Navajo respondents, however, indicated that they own their homes, much higher than the 14 percent in the Phoenix sites. This is apparently attributable to the fact that the many Navajo residents who live in tribally-owned housing consider themselves to be homeowners.

Only one significant change occurred between Wave One and Wave Two in the housing situation of sample members. In the Phoenix sites, where there was a reduced percentage living in assisted housing.

Exhibit 3-3

Housing Status

Status	Wave One (Month 30)	Wave Two (Month 48)	Change
	<i>Phoenix sites</i>		
Unassisted	62.0%	66.0%	4.0%
Assisted	29.7	22.9	-6.8*
Live rent-free	6.2	8.0	1.8
Don't know	2.2	3.2	1.0
Total	100.0	100.0	—
Owned own home ^a	—	13.8	—
Rented home or apartment ^a	—	54.3	—
Sample size	453	188	—

(cont.)

Exhibit 3-3**Housing Status**

Status	Wave One (Month 30)	Wave Two (Month 48)	Change
		<i>Navajo site</i>	
Unassisted	52.3%	60.0%	7.7%
Assisted	25.2	21.4	-3.8
Live rent-free	19.0	14.3	-4.7
Don't know	3.5	4.3	0.8
Total	100.0	100.0	—
Owned own home ^a	—	54.3	—
Rented home or apartment ^a	—	27.1	—
Sample size	109	70	—

a Not included in Wave One survey.

For cases receiving cash assistance in October 1995 (and also, for Wave One, cases receiving TMA in October 1995). The Wave One and Wave Two interviews occurred during follow-up months 30-34 and 49-56, respectively. “Assisted” refers to respondents who either lived in public housing or received Section 8 rental assistance.

Asterisks indicate that the change between Wave One and Wave Two is different from zero at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Source: Survey data collected by Abt Associates Inc.

3.3 Health Insurance

As noted in Chapter 2, there was a significant increase between Waves One and Two in the percentage of sample respondents in the Phoenix sites that received employer-provided health insurance, from 18 to 26 percent. In this section, we examine the more general pattern of health insurance coverage among the Wave Two respondents, looking separately at those employed and those not employed; see Exhibit 3-4. (Because similar data were not collected and tabulated at Wave One, we are unable to examine the shifts in this pattern of health insurance coverage between Waves One and Two.)

For those employed in the Phoenix sites, employer-provided coverage was the most prevalent source of health insurance, covering 42 percent of the employed. The Arizona Health Care Cost Containment System (AHCCCS), the state’s Medicaid program, provided coverage to 35 percent of the employed, 81 percent of those not employed, and 53 percent of all Wave Two respondents in the Phoenix sites.

AHCCCS was the principal source of health insurance for those in the Navajo site, at 61 percent. This was true even for those employed, only 13 percent of whom receive employer-provided coverage.

Note that nearly one-third, 31 percent, of Wave One respondents in the Navajo site had no health insurance coverage. This was more than twice the uninsured proportion of the sample in the Phoenix area, 15 percent.

Exhibit 3-4

Health Insurance Status, by Employment Status

By Employment Status at Wave Two (Month 48)			
Receiving health insurance through:	Employed	Not Employed	Total
<i>Phoenix sites</i>			
Employer	42.2%	—	26.1%
AHCCCS	35.4	80.5	52.7
Medicare and other	6.9	4.2	5.9
None of the above	15.5	15.3	15.4
Total	100.0	100.0	100.0
Sample size	116	72	188
<i>Navajo site</i>			
Employer	12.5%	—	4.3%
AHCCCS	50.0	67.4%	61.4
Medicare and other	4.2	2.2	2.9
None of the above	33.3	30.4	31.4
Total	100.0	100.0	100.0
Sample size	24	46	70

For cases receiving cash assistance in October 1995. The Wave Two interviews occurred during follow-up months 49 to 56.

Source: Survey data collected by Abt Associates Inc.

3.4 Material Hardship and Community Help

The Wave Two survey also collected information on forms of material hardship experienced by members of the research sample during the previous 12 months. The forms of material hardship addressed in the Wave Two survey question included difficulties in paying for shelter or utility costs and difficulties in providing for health care. Because the survey item on material hardship was not asked in the Wave One interview, there is no intertemporal comparison to be made on such outcomes.

As shown in Exhibit 3-5, fully one-half (50 percent) of those in the Phoenix sites and more than one-third (39 percent) of those in the Navajo sites had experienced at least one of the indicated forms of material hardship during the previous year. In the Phoenix sites, the single most prevalent form of hardship (31 percent) was that someone in the household needed to see a dentist but could not go. Another health-related hardship, that someone in the household needed to see a doctor or go to the hospital but could not go, was also mentioned frequently in the Phoenix sites (17 percent).

Exhibit 3-5

Material Hardships Experienced

Status at Wave Two (Month 48)	Phoenix Sites	Navajo Site
<i>"In the last 12 months, has there been a time when your household . . . ?"</i> ^a		
Was unable to pay the full amount of the rent or mortgage	20.2%	8.6%
Was evicted from your home or apartment for not paying the rent or mortgage	2.7	2.9
Did not pay the full amount of the gas, oil, or electricity bills	20.7	22.9
Had service turned off by the gas or electric company, or the oil company would not deliver oil	11.7	12.9
Had service disconnected by the telephone company because payments were not made	14.9	2.9
Had someone in your household who needed to see a doctor or go to the hospital but could not go	16.5	10.0
Had someone who needed to see a dentist but could not go	31.4	12.9
Any of the above	49.5	38.6
Sample size	188	70

a Not included in Wave One survey.

For cases receiving cash assistance in October 1995. The Wave Two interviews occurred during follow-up months 49-56 for these respondents.

Source: Survey data collected by Abt Associates Inc.

In the Navajo site, in contrast, the most frequently cited hardship was the inability to pay the full amount of gas, oil, or electricity bills (23 percent). The corresponding incidence was nearly as high in the Phoenix sites (21 percent), as was the inability to pay the full amount of the rent or mortgage (20 percent).

Exhibit 3-6 shows, for the Phoenix sites, the reported incidence of help received from community, neighborhood, or religious organizations. (Similar information was not collected from the Navajo site, at either Wave One or Wave Two.)

Exhibit 3-6

Receipt of Help from Community Organizations, Phoenix Sites

	Wave One (Month 30)	Wave Two (Month 48)	Change
<i>“Since November 1995” [at Wave One] or “in the past 12 months” [at Wave Two], “have you or your children received any of the following types of help from community, neighborhood, or religious organizations?”</i>			
Food from a food bank or soup kitchen	29.7%	19.1%	-10.6%***
Shelter from an emergency shelter	0.9	0.9	0.0
Help from a crisis center	1.7	0.0	-1.7*
Clothing or clothing vouchers	8.4	2.7	-5.7***
Money	2.5	0.5	-2.0*
Child care or help paying for child care	9.7	4.3	-5.4**
Transportation or help paying for transportation	5.0	1.6	-3.4**
Counseling/Emotional support	8.4	8.5	0.1
Help paying for phone/utilities	13.5	6.4	-7.1**
Legal aid or help paying for it	2.2	0.0	-2.2**
Help paying for your rent	0.0	4.3	4.3***
Other assistance	4.4	1.1	-3.3**
None of these forms of assistance	49.3	63.3	14.0***
Don't know/Refused	2.0	0.5	-1.5
Sample size	387	188	—

For cases receiving cash assistance in October 1995. The Wave One and Wave Two interviews occurred during follow-up months 30-34 and 49-56, respectively.

Asterisks indicate that the change between Wave One and Wave Two is different from zero at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Source: Survey data collected by Abt Associates Inc.

Between Waves One and Two, there were significant reductions in the percentage of sample members receiving help from community organizations in the Phoenix sites, for nearly all specifically identified forms of such help. Most notably, the percentage receiving food from a food bank or kitchen declined from 30 percent in Wave One to 19 percent in Wave Two. Correspondingly, the percentage receiving none of the specified forms of assistance rose significantly, from 49 to 63 percent.

One interpretation of this pattern is that the sample members in the Phoenix sites had less need for community help, as their employment situation was generally improving. Because material hardship was not measured at Wave One, it is unknown whether such rates had also declined between Waves One and Two in the Phoenix sites. At Wave Two, however, those in the Phoenix sites were experiencing material hardship at rates exceeding those in the Navajo site. This suggests that, for many of those in the Phoenix sites, their improvements in earnings were not sufficient to keep pace with their basic living needs, in light of the reductions in cash assistance and food stamp benefits that put them at greater risk of hardship.

Chapter 4

Implementation of Reforms Under Redesign

This chapter discusses the extent to which local offices succeeded in providing program information and delivering program services more effectively, as intended under the state's Redesign initiative. These reforms, implemented in August 1997, included a further tightening of eligibility requirements through use of Personal Responsibility Agreements, eligibility conditions regarding school attendance and child immunization, fewer exemptions from JOBS provisions, and stricter sanctions. Coupled with these policy changes were administrative reforms in local offices: co-location of program services, a "work first" approach to client flow (with applicants first attending an employment-focused group orientation session), and a resource center enabling clients to access automated information on available jobs.

To assess the implementation of Redesign, we conducted telephone interviews with 278 individuals who were approved for cash assistance during January to June 1999 in three offices that were among the first to have adopted both the policy changes and administrative reforms under Redesign. Two of these offices were in Phoenix (the East Thomas and West Thomas offices), and one was in Tucson (the Fort Lowell office). Nearly half of the survey respondents had also received cash assistance in the same offices prior to August 1997. The survey included a number of questions asking these "repeat clients" to compare their experiences in receiving program services both before and after the implementation of Redesign.

The major findings presented in this chapter are as follows:

Client Awareness of Eligibility Requirements

- Across all three offices, there was a high level of client awareness of the major policy provisions regarding cash assistance, with more than three-fourths of clients aware of time limits (77 to 87 percent), job search requirements (88 to 93 percent), and sanctions for JOBS non-compliance (88 to 98 percent) and child support non-cooperation (77 to 87 percent). Generally, clients had also been informed by DES staff about continued eligibility for food stamps (70 to 84 percent), Medicaid (74 to 85 percent), and child care (85 to 87 percent) after leaving cash assistance.
- In each office, however, a substantial minority (if not a majority) of clients were **not** aware of other program rules, including the family benefit cap (29 to 37 percent) and the requirements regarding school attendance (60 to 61 percent) and child immunization (41 to 50 percent).
- More than 90 percent of approved applicants had attended a group orientation session. Of those attending, 65 percent or more indicated that a group meeting was a good first way to receive program information, that the information was explained understandably, and that the length of the session was appropriate.

- Offices differed in the percentage of applicants who had signed a Personal Responsibility Agreement, ranging from 94 percent in Fort Lowell to 77 percent in East Thomas. In each office, one-half to two-thirds of clients agreed strongly that signing a Personal Responsibility Agreement made them more serious about becoming self-sufficient (49 to 54 percent) and that it represented a genuine commitment (52 to 67 percent).
- Among the repeat clients in each office, more than three-fourths (76 to 85 percent) felt strongly that cash assistance rules were now tougher than before. Although a majority (50 to 64 percent) also agreed strongly that the program was “set up better now to help people become self-sufficient,” a substantial minority of repeat clients considered the program now not as fair to clients as before (31 to 43 percent).

Helpfulness of Resource Center and Job-Readiness Classes

- Only about one-third of the approved applicants in each office (34 to 38 percent) had used the resource center. More than one-half had never been shown how to use the resource center (55 to 59 percent), nor had they been particularly encouraged by DES staff to use it (65 to 76 percent).
- The reasons cited by clients for not using the resource center pertained to noise, crowding, and lack of privacy. Each of these issues was most frequently mentioned in the West Thomas office (32 percent for each) and least prevalent in the Fort Lowell office (3 to 13 percent), which maintained its resource center in a separate room adjacent to the reception area rather than in the reception area. In both the Fort Lowell and East Thomas offices, many clients (28 and 29 percent, respectively) also indicated that they did not use the resource center because they had already found employment.
- Similarly, participation was low (20 to 29 percent) in the job-readiness classes offered in each office. Fewer than one-half of the clients in each office (37 to 41 percent) had received any encouragement from DES staff to attend such classes.

Convenience of Office Location, Hours, and Waiting Times

- More than three-fourths of the clients in each office agreed strongly that the office was in a convenient location (77 to 78 percent), and indicated that it was definitely helpful to have multiple programs all located in one place (75 to 79 percent). Among the repeat clients, more than three-fourths in each office (78 to 89 percent) indicated that it was now more helpful than before to have the programs co-located.
- About two-thirds of the clients in each office (64 to 72 percent) agreed strongly that the office was open at convenient hours. Among the repeat clients, nearly one-fourth of those in the East Thomas office (24 percent) indicated that the office hours were now more convenient than before; repeat clients in the other two offices perceived no difference in the convenience of hours.

- Client perceptions of office waiting times differed among the three sites, reflecting their contrasting approaches to scheduling appointments with an eligibility interviewer (EI). The West Thomas and Fort Lowell offices scheduled their EI appointments with clients in advance; East Thomas used same-day appointments. Nearly three-fourths (72 percent) of the East Thomas clients saw an EI on the day they applied; this was true for less than one-fourth of the West Thomas and Fort Lowell clients (19 and 25 percent, respectively).
- The advance scheduling system at the Fort Lowell office, where most clients were seen by an EI five to seven days after they applied, enabled that site to keep its in-office waiting times low. Nearly one-half (43 percent) of the Fort Lowell clients agreed strongly that they “did not have to wait too long” for their appointment. In contrast, nearly one-half (45 percent) of the West Thomas clients **disagreed** strongly with that same statement. West Thomas clearly had not managed to avoid long in-office waiting times through advance scheduling.
- The greatest improvement in office waiting times occurred in Fort Lowell, where nearly all (93 percent) of the repeat clients indicated that waiting times were now shorter or the same as before. In contrast, more than one-half of repeat clients in East Thomas and West Thomas (51 and 72 percent, respectively) indicated that waiting times were the same or longer than before.

Effectiveness of Programs and Staff in Meeting Client Needs

- One-half or more of clients in each office agreed strongly that the DES-provided information helped them understand what they needed to do to become self-sufficient (49 to 51 percent), that DES staff were knowledgeable about the program rules (54 to 62 percent), and that their EI had treated them fairly (51 to 64 percent). The views expressed by repeat clients in each office indicated greater staff helpfulness than before, and greater client satisfaction than before in the program assistance provided and the staff treatment received.
- One-third or more of clients in each office, however, did not agree that DES services made them more interested in finding employment (31 to 37 percent) or helped them prepare for work (36 to 42 percent).
- Additionally, about two-thirds or more of the clients in each office (65 to 78 percent) indicated that DES had provided little or no encouragement to get additional education or training. This reflects the “work first” focus of program services, with more than one-half of clients in each office (54 to 62 percent) indicating that DES staff had encouraged them strongly or very strongly to find a job.
- Among the three offices, Fort Lowell received the most favorable assessment from its clients. This was the only office in which more than one-half of clients agreed strongly that they received the individual attention they needed to meet program requirements (59 percent), and that EIs and other DES staff were courteous and polite (54 percent).

4.1 Research Questions and Data Sources

An important goal of the Redesign initiative was to improve integration of employment assistance with the administration of income support programs, through operational changes in local DES offices. To assess the implementation of the administrative reforms, which were first enacted in August 1997, three offices were selected for site visits and telephone interviews with clients. These offices were the East Thomas and West Thomas offices in Phoenix and the Fort Lowell Office in Tucson.

The Redesign initiative was developed jointly by DES, the office of the governor, and the Arizona state legislature. Immediately following congressional enactment of the landmark PRWORA legislation in August 1996, which converted the former AFDC program to a series of state block grants for TANF, the state legislature convened a Joint Interim Study Committee on Block Grants. The study committee began its work in September 1996, to develop the policies to be incorporated into the state's TANF plan. The state's first TANF plan, effective in October 1996, adopted the provisions of EMPOWER. (The TANF rules allowed the option to states such as Arizona, who had been operating their AFDC programs under federal waivers, to continue their waiver policies.) The efforts to formulate a Redesign plan reflected the desire among state leaders in both the executive and legislative branches to make use of the greater flexibility now afforded states under PRWORA.

In December 1996, DES submitted its reform proposals on behalf of the executive branch. The plan reflected the discussions with staff of the governor's office, and it incorporated ideas from community leaders and from other states. The reform package ultimately enacted by the legislature in early 1997 was a compromise agreement drawing provisions from both the House bill (HB 2478, sponsored by Representative Mark Anderson) and the Senate bill (SB 1357, sponsored by Senator Tom Patterson). The policy reforms were to become effective statewide in August 1997. The staff in all DES offices received training on the new policies during the preceding month.

In implementing the administrative features of Redesign, DES adopted a phased rollout, given the difficulties of altering the physical layout of offices and rearranging the spaces for both clients and staff, enabling the co-location of program services and an improved client flow. The earliest of these offices were ready by August 1997, so that both the policy reforms and administrative changes were implemented jointly.

The administrative reforms implemented under Redesign were as follows:

- In each local office, client services were to be co-located for the following programs: cash assistance, food stamps, Medicaid eligibility, JOBS, child care, and the Job Service. Previously, the typical situation faced by clients was that only the first three of these services, as provided by the FAA, were co-located.
- Under a "work first" client flow, the first step in applying for program assistance was a group orientation session conducted by a JOBS worker (in some instances, assisted by other program staff). Primary emphasis was placed on finding a job, with program benefits provided as transitional support. Previously, the first step for applicants was to meet with an FAA EI.

- Except for those clients who qualified for temporary exemptions from JOBS requirements, all applicants then met with a JOBS worker. Those applicants not already working but considered employable (i.e., not needing basic education or training) were to take part in a job-readiness class based on a standardized curriculum (the “Curtis curriculum,” also used in other states). Previously, job-readiness classes were not standardized, and immediate job search and placement was not always given priority over education or training.
- Offices were to be physically configured so that clients, while waiting in the reception area, could use the resource center, operated by Job Service staff and equipped with computer terminals for searching the state’s database of available job openings. Previously, these terminals were available to job-seekers at locations separate from the local FAA office.

To assess the operational changes under Redesign, we administered a telephone survey to 278 adults who were approved for cash assistance during January to June 1999 in three of the local offices that were among the first to be reconfigured in accordance with the Redesign initiative. As noted in Chapter 1, the three offices selected in consultation with DES staff were as follows:

- the East Thomas office—1500 East Thomas Road, Phoenix, AZ 85014;
- the West Thomas office—3631 West Thomas Road, Phoenix, AZ 85019; and
- the Fort Lowell office—825 East Fort Lowell Road, Tucson, AZ 85719.

A survey questionnaire was developed following discussions with DES program administrators in both the FAA and the JOBS administration. The questionnaire focused on:

- The effectiveness of orientation sessions, the resource center, and job readiness classes in providing information to clients about program services and employment opportunities;
- The extent to which eligibility interviewers and other DES staff informed clients about the requirements for receiving assistance and the resources available through DES to enable clients to improve their employment prospects;
- The quality of service provided by the DES office, in terms of office location and hours, waiting times, staff knowledgeability, and client treatment; and
- The extent to which clients regarded the program services offered by DES as properly designed to meet their needs in trying to become self-sufficient.

A sample of 617 clients approved for cash assistance during January to June 1999 was selected, as shown in Exhibit 4-1. Telephone interviews were completed with 278 of these clients, or 45.1 percent of the sample. Respondents were provided a payment of \$15 for completing the interviews, which were conducted between November 1999 and June 2000. Exhibit 4-2 shows selected characteristics of respondents at the time of their interviews.

Exhibit 4-1**Redesign Implementation Survey, Sample Disposition**

	East Thomas	West Thomas	Fort Lowell	Total
Survey sample ^a	246	249	122	617
Completed interviews				
Number	96	119	63	278
Percentage of survey sample	39.0	47.8	51.6	45.1

a Persons approved for cash assistance during January to June 1999.

In addition, a site visit was conducted to each of the three offices during the summer of 1999 by staff of LAM & Associates, the evaluation subcontractor to Abt Associates. These one-day visits, which included interviews with the local office manager, FAA staff supervisors and eligibility interviewers, and JOBS staff supervisors and caseworkers, were conducted on the following dates:

- the East Thomas office—on July 1, 1999;
- the West Thomas office—on July 23, 1999; and
- the Fort Lowell office—on June 30, 1999.

As described in the following section, the site visits found that the three offices differed considerably in their implementation of the reforms under Redesign.¹

¹ An earlier round of visits to these offices was conducted during June and July 1998. For a discussion of the findings from these initial visits, see Dennis Palumbo *et al.*, Evaluation of the Arizona EMPOWER Welfare Reform Demonstration: Process Study Interim Report, Abt Associates Inc., Cambridge, MA, 1999, Chapter 5.

Exhibit 4-2**Characteristics of Respondents at Time of Interview**

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
E1. Received cash assistance check from DES	22.9%	42.9%	34.9%	***
E2. Working at a job for pay	51.0	37.8	54.0	*
E3-E6. Education level				
Less than high school/GED	56.3	67.2	41.3	***
High school/GED	39.6	29.4	50.8	**
Associate's degree	3.1	3.4	3.2	
Bachelor's degree	1.0	0.0	4.8	**
E10. Marital status				
Married and living with spouse	10.4	3.4	4.8	*
Separated or living apart from spouse	20.8	13.4	11.1	
Divorced	11.5	18.5	30.2	**
Widowed	0.0	3.4	3.2	
Never married	57.3	61.3	50.8	
E12. Number of persons age 18 and under living in your household now				
None	2.1	3.4	4.8	
One	30.2	19.3	33.3	*
Two	36.5	31.1	34.9	
Three	17.7	13.5	19.1	
Four	7.3	21.9	6.4	***
Five or more	6.3	10.9	1.6	*

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

4.2 Contrasting Administrative Practices Among Offices

In a number of key respects, the three offices were similar in their operational characteristics. Those applying for assistance in these three offices proceeded through a common series of steps. Upon arriving at the office, clients were asked by the receptionist to complete an application form for assistance. After completing the application and possibly also watching a video on DES assistance while waiting in the reception area, clients then attended an orientation session, which was conducted by an employment service specialist (ESS) on the JOBS program staff. The orientation normally lasted about two hours. Clients then either waited or returned another day (upon appointment) to speak with an EI on the FAA program staff. After the EI determined that the client was eligible, the client received an EBT card and was fingerprinted. An appointment was then scheduled with a JOBS case manager. At that appointment, the client completed a self-administered needs assessment. Those not already employed were encouraged to attend a job readiness class and received assistance in beginning their job search. All offices established a resource center, equipped with computer terminals linked to the state employment service's databank of job opportunities.

Offices faced common challenges in implementing these operational reforms. Perhaps most importantly, FAA and JOBS staff needed to become more familiar with each other and with each other's programs if services were to be effectively coordinated. For instance, in conducting the orientations, the ESS member of the JOBS staff needed to explain the basic rules of cash assistance, food stamps, and Medicaid. (Orientation sessions had previously been conducted by FAA staff.) The two program staffs came from differing office cultures, however. FAA staff tended to focus on issues of timeliness and accuracy; JOBS staff tended to emphasize issues of client service and sanctions for non-compliance.

The needs of clients were also shifting during this period. Strong economic conditions had enabled the more employable recipients to find work and move off assistance. In the minds of program staff, the remaining recipients and incoming applicants were harder to employ, contending with issues of mental health, substance abuse, lack of child care, transportation, language proficiency, or other barriers to employment.

As described below, the three offices selected for this portion of the evaluation—East Thomas, West Thomas, and Fort Lowell—had distinguishing administrative characteristics with respect to their physical layout, staff training, orientation sessions, and interview scheduling.

Physical Office Layout

The ability of each office to serve clients successfully in the desired one-stop, multi-program setting was importantly affected by the physical layout of the office space. In the East Thomas office, the layout was not conducive to effective staff interaction or client flow. FAA staff were located on the first floor, with the main reception area, the client waiting area (referred to by staff as “the pit”), and the resource center. JOBS staff were on the second floor, where the orientation sessions were held. With the resource center downstairs adjacent to the reception area, JOBS staff were not readily available for assistance. Clients also had little privacy in using the computer terminals; this discouraged use of the resource center by those unfamiliar with computers, those uncomfortable about looking for work, or those not proficient in English. Similar difficulties were apparent in the West Thomas office, where the resource center was within sight of clients seated in the reception area and was not regularly staffed by JOBS workers.

The layout of the Fort Lowell office, in contrast, was much better suited to the multi-program administrative operations. A large common lobby/reception area and waiting room was shared by both the FAA and JOBS staff. Two receptionists, one for FAA and one for JOBS, were at separate stations. (At busy times, a third receptionist was sometimes added, primarily to assist with Child Care Administration issues.) The resource center was located near the lobby, but out of sight of other clients, and was staffed by a JOBS worker. (JOBS staff indicated, however, that the computer equipment was outdated and need to be upgraded. The printer, for instance, was not suitable for printing resumes.) The client flow was routed through the outer areas of the office, so as not to disrupt staff or clients.

Staff Resources and Training

Staffing levels and staff capabilities differed among the offices. In the East Thomas office, FAA functions were not fully staffed. (For instance, there was no filing clerk, and staffing levels did not permit longer office hours to accommodate clients with jobs.) The JOBS staff had been recently reassigned (in April 1999) from other offices and had not been cross-trained in the FAA program provisions. Because of their recent arrival in the office, the JOBS staff felt that they had not yet established effective working relationships with the FAA staff. JOBS workers also felt hampered by not having translators, not only in Spanish but also in such languages as Russian.

In the West Thomas office, two of the FAA staff were being trained by JOBS supervisors to assist clients in using the resource center. There was no general effort to cross-train FAA staff, however.

In the Fort Lowell office, many of the JOBS staff had previously worked in FAA, and so were already familiar with the basic rules of FAA programs (specifically, cash assistance, food stamps, and Medicaid). In addition, however, all FAA and JOBS staff had attended a joint one-day training session on the revised policies and procedures to be implemented under Redesign. The two staffs appeared to communicate openly and freely with each other. Some FAA staff felt that the “work first” focus under Redesign tended to under-emphasize the assistance provided by FAA, yet felt that their job responsibilities were growing, with a needier clientele and staff shortages prompted by turnover.

Orientation and Interview Procedures

The offices differed in their efforts to tailor the orientation session so that applicants interested in only food stamps or Medicaid need not sit through a time-consuming explanation of cash assistance rules. In the Fort Lowell office, the orientation was conducted in modules. The initial 20-minute segment, attended by all applicants, consisted of an overview of programs, new requirements under welfare reform (including time limits and sanctions), step-by-step instructions for completing paperwork, the benefits of economic independence, and clients’ personal responsibilities. This was followed by breakout sessions focusing on specific program assistance: Medicaid, food stamps, and cash assistance. Clients not interested in cash assistance were thus able to move more quickly on to an interview with an EI.

At the other extreme, the West Thomas office made no attempt to conduct the orientation in modular segments. This resulted in many applicants sitting through a much longer session than necessary. It also created a bottleneck at the next step, as all applicants together joined the queue for seeing an EI.

The East Thomas office resolved this issue less formally. The JOBS worker who conducted the orientation sessions came to realize the inefficiency of having all clients sit through an explanation of all programs. He took it upon himself to address the food stamp and Medicaid issues first, after which he excused those not interested in receiving cash assistance.

The East Thomas office used a “walk-in system” in which clients did not need a scheduled appointment with an EI. After their orientation session, however, a client might have to wait several hours for their EI interview. If the orientation occurred in the afternoon (sessions were given three times each day), the client might need to return on another day for their EI interview.

4.3 Client Views on Policy and Procedures

The survey addressed a wide range of topics regarding the process of applying to DES for assistance. This section reports the survey findings on those aspects of policy and procedure that were newly implemented under Redesign.

“Work First” Focus of Services to Applicants

Orientation Session

More than 90 percent of clients attended an orientation meeting when they applied for cash assistance. Among these, more than half agreed strongly that the orientation “covered many of the important things you needed to know about the rules for cash assistance,” and more than two-thirds agreed strongly that “the information at the orientation was explained in a way you could understand”; see Exhibit 4-3. Among the offices, 48 to 59 percent of clients watched a video during the orientation and, of these clients, more than half indicated that the video was “very helpful”; see Exhibit 4-4.

Exhibit 4-3**Information Provided at Program Orientation**

Survey Item	East Thomas	West Thomas	Fort Lowell	See note
A1. Do you remember attending the orientation meeting when you applied for cash assistance?	(n=96)	(n=119)	(n=63)	
Yes	92.7%	93.3%	98.4%	
No	7.3	6.7	1.6	
A2a. The orientation covered many of the important things you needed to know about the rules for cash assistance. (Asked only if A1 = yes)	(n=89)	(n=111)	(n=62)	
Agree strongly	51.7	60.4	66.1	
Agree somewhat	34.8	31.5	29.0	
Other ^a	13.5	8.1	4.9	
A2b. The information at the orientation was explained in a way you could understand. (Asked only if A1 = yes)	(n=89)	(n=111)	(n=62)	
Agree strongly	69.7	72.1	75.8	
Agree somewhat	25.8	21.6	21.0	
Other ^a	4.5	6.3	3.2	

For each of these survey items, the percentages do not differ significantly by site at the 0.10 level of significance.

a Includes the following responses: neither agree nor disagree, disagree somewhat, disagree strongly, don't know, don't remember, or refused to respond.

Exhibit 4-4**Orientation Video**

Survey Item	East Thomas	West Thomas	Fort Lowell	See note
A3. Did you watch a video during orientation? (Asked only if A1 = yes)	(n=89)	(n=111)	(n=62)	
Yes	48.3%	58.6%	48.4%	
No	40.4	36.0	45.2	
Refused/Don't know/Don't remember	11.2	5.4	6.5	
A3a. How helpful was the video? (Asked only if A3 = yes)	(n=43)	(n=65)	(n=30)	
Very helpful	58.1	58.5	53.3	
Somewhat helpful	30.2	29.2	33.3	
Other ^a	11.7	12.3	13.4	

For each of these survey items, the percentages do not differ significantly by site at the 0.10 level of significance.

a Includes the following responses: not helpful at all, don't know, don't remember, or refused to respond.

Although 69 percent felt that “a group meeting was a good first way to present basic information about the cash assistance program,” 25 to 27 percent of clients in each office would have preferred a one-on-one meeting with a staff person; see Exhibit 4-5. As to the length of the orientation session, 65 to 76 percent felt that it was “about right.” In each of the three offices, a higher percentage indicated that the session was “too long” than that it was “too short.” The percentage indicating that the meeting was “too long” was significantly higher in East Thomas than in the other offices.

Exhibit 4-5

Effectiveness of Program Orientation

Survey Item	East Thomas (n=89)	West Thomas (n=111)	Fort Lowell (n=62)	See note
A4. Do you think that a group meeting was a good first way to present basic information about the cash assistance program, or would you have preferred to receive this information first in a one-on-one staff meeting with a staff person? (Asked only if A1 = yes)				
Group meeting is good	68.5%	69.4%	69.4%	
Prefer one-on-one	27.0	25.2	27.4	
Doesn't matter	4.5	5.4	3.2	
A5. Did the orientation meeting seem too long, just about the right amount of time, or was it too short a time to cover the information? (Asked only if A1 = yes)				
Too long	31.5	14.4	21.0	**
About right	65.2	75.7	71.0	
Too short	3.4	9.9	6.5	
Don't know/Don't remember	0.0	0.0	1.6	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Resource Center

The percentage of clients indicating that a DES staff person “explained the purpose of the resource center to you” was significantly higher in East Thomas and Fort Lowell (75 to 76 percent) than in West Thomas (61 percent); see Exhibit 4-6. In each office, fewer than half of the clients (40 to 45 percent) were shown “how to use the resource center to search for a job.” Somewhat more than one-third of clients in each office (34 to 38 percent) actually used the resource center to look for a job.

Exhibit 4-6

Information Provided at Program Orientation

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
A6. You may remember that the DES office has a resource center with information to help people look for a job. Did anyone at DES ever explain the purpose of the resource center to you?				
Yes	75.0%	60.5%	76.2%	**
No	21.9	39.5	22.2	
Don't know/Don't remember	3.1	0.0	1.6	
A7. Were you shown how to use the resource center to search for a job?				
Yes	40.6	45.4	39.7	
No	58.3	54.6	58.7	
Don't know/Don't remember	1.0	0.0	1.6	
A8. Did you ever actually use the resource center to look for a job?				
Yes	34.4	36.1	38.1	
No	65.6	63.9	60.3	
Don't know/Don't remember	0.0	0.0	1.6	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Among those who had used the resource center, the percentage indicating that there was “usually someone in the resource center who could help you use the computer and other materials” was significantly higher in the East and West Thomas offices (86 to 91 percent) than in Fort Lowell (63 percent); see Exhibit 4-7. Among those responding affirmatively to this question, most in each office considered the resource center staff to be “very helpful” (60 to 77 percent).

Exhibit 4-7

Staff Availability and Helpfulness in the Resource Center

Survey Item	East Thomas	West Thomas	Fort Lowell	See note
A8a. Was there usually someone in the resource center who could help you use the computer and other materials? (Asked only if A8 = yes)	(n=33)	(n=43)	(n=24)	
Yes	90.9%	86.0%	62.5%	**
No	9.1	11.6	37.5	***
Don't know/Don't remember	0.0	2.3	0.0	
A8b. In general, how helpful was the staff in the resource center? (Asked only if A8a = yes)	(n=30)	(n=37)	(n=15)	
Very helpful	76.7	75.7	60.0	
Somewhat helpful	20.0	24.3	40.0	
Not helpful at all	3.3	0.0	0.0	
B6c. How much did the staff at DES encourage you to use the resource center to search for a job?	(n=96)	(n=119)	(n=63)	
Very strongly	6.3	9.2	14.3	
Strongly	17.7	23.5	20.6	
Other ^a	76.0	67.3	65.1	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

a Includes the following responses: only a little, not at all, don't know, don't remember, or refused to respond.

Among those who did not use the resource center, many clients in all three offices indicated that they “didn’t understand how to use it” (23 to 26 percent) or “didn’t know how to use the computer” (26 to 38 percent); see Exhibit 4-8. Clients in the West Thomas office disproportionately cited that the resource center was too noisy, too crowded, or offered not enough privacy (32 percent for each of these three responses). Clients in this office also tended to view the staff in the resource center as unhelpful or inhospitable (11 percent); see Exhibit 4-9. In contrast, among those in the East Thomas and Fort Lowell offices who had not used the resource center, the more commonly cited reason was that they had already found employment (28 to 29 percent).

Exhibit 4-8

Specified Reasons for Not Using Resource Center

Survey Item	East Thomas (n=63)	West Thomas (n=76)	Fort Lowell (n=39)	See note
A9. I am interested in why you didn’t use the resource center to search for a job. Was it because . . . (Asked only if A8 ≠ yes)				
Didn’t know where it was	9.5%	11.8%	10.3%	
Didn’t understand how to use it	25.4	26.3	23.2	
There was not enough privacy	15.9	31.6	7.7	***
Room was too noisy	20.6	31.6	2.6	***
Room was too crowded	25.4	31.6	12.8	*
Didn’t know how to use computer	31.7	38.2	25.6	
Felt the information wouldn’t help	17.5	13.2	15.4	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Exhibit 4-9

Other Reasons for Not Using Resource Center

Survey Item	East Thomas (n=63)	West Thomas (n=76)	Fort Lowell (n=39)	See note
A10. What were the other reasons that you did not use the resource center? (Asked only if A8 ≠ yes, open-ended question with the following responses post-coded)				
Already employed ^a	28.6%	11.8%	28.2%	**
Preferred looking for a job on his/her own	9.5	10.5	2.6	
Pregnant	6.3	3.9	10.3	
Exempt from JOBS—disabled	7.9	3.9	10.3	
Exempt from JOBS—had infant child	1.6	6.6	2.6	
Staff unhelpful or inhospitable	0.0	10.5	5.1	**
Still in school	3.2	6.6	2.6	
“Forced” into JOBS program	3.2	1.3	0.0	***
Did not have time for program	3.2	3.9	0.0	
Did not know how to use the computers	1.6	3.9	0.0	*
Transportation problems	3.2	1.3	2.6	
Did not know about it	7.9	5.3	10.3	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

a Either employed at the time of application or became employed soon thereafter.

All respondents (including those who had and had not used the resource center) were asked about changes that might increase its use. Among the three offices, the most common suggestion was to have staff more helpful and more informative (18 to 21 percent); see Exhibit 4-10. More than half of those in the East Thomas and Fort Lowell offices indicated that no changes were needed (51 percent).

Exhibit 4-10

Changes That Might Increase Use of Resource Center

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
A11. What changes would have made you more likely to use the resource center? (open-ended question with the following responses post-coded)				
Staff more helpful and informative	20.8%	21.0%	17.5%	
Additional staff, one-on-one consultation	6.3	7.6	3.2	
More conveniently located office	5.2	3.4	1.6	
More privacy, less noise, less crowding	3.1	7.6	3.2	
Upgraded computers/equipment	2.1	1.7	3.2	
More/Better job listings	1.0	4.2	1.6	
Other changes	8.3	14.3	9.5	
No changes needed	51.0	36.1	50.8	**
Don't know	2.1	4.2	6.3	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Job-Readiness Classes

Among the three offices, more than one-third (36 to 41 percent) indicated that DES staff had encouraged them “very strongly” or “strongly” to take part in job readiness classes; see Exhibit 4-11.² Only about one-quarter of applicants indicated that they had taken part in job-readiness classes “around the time” they applied for cash assistance (20 to 29 percent).³ Among these clients, most had found a job since taking the classes (63 to 77 percent). Most of the newly employed clients found their job with a month of taking the classes (62 to 73 percent); nearly half or more considered the classes “very helpful” in finding a job (40 to 77 percent) or in keeping a job (45 to 67 percent); see Exhibit 4-12.

Exhibit 4-11

Participation in Job-Readiness Classes

Survey Item	East Thomas	West Thomas	Fort Lowell	See note
B6d. How much did the staff at DES encourage you to take part in classes offered by DES to help you prepare for work?	(n=96)	(n=119)	(n=63)	
Very strongly	13.5%	15.1%	15.9%	
Strongly	26.0	26.1	20.6	
Other ^a	60.5	58.8	63.5	
A12. Did you take part in job-readiness classes around the time you were applying for cash assistance?	(n=96)	(n=119)	(n=63)	
Yes	27.1	20.2	28.6	
No	69.8	78.2	71.4	
Refused/Don't know/Don't remember	3.1	1.7	0.0	
A13. Have you found a job since you took these classes? (Asked only if A12 = yes)	(n=26)	(n=24)	(n=18)	
Yes	76.9	62.5	72.2	
No	23.1	37.5	27.8	

For each of these survey items, the percentages do not differ significantly by site at the 0.10 level of significance.

a Includes the following responses: only a little, not at all, don't know, don't remember, or refused to respond.

2 The Job Readiness Program in Arizona is a standardized curriculum implemented statewide by a variety of contracted service providers. The program is taught over a ten-day period and consists of a series of modules that address vital aspects of job preparedness and keys to success. Examples include work agreements, time management, rules of listening, teamwork, fear analysis, competency goals, sharing and pursuing job leads, resume writing, goal setting, interviewing, customer service, visualization, career advancement, job search, and stress management. The JOBS program specialist chooses whether to refer the client to the job-readiness classes, based primarily on the client's work history and current job-readiness.

3 Note that participants normally do not attend job-readiness classes through the JOBS program until approved for cash assistance, which could take up to 45 days from the application date. A respondent who took the class several months after application might not consider this to be “around the time you were applying for cash assistance.”

Exhibit 4-12**Helpfulness of Job-Readiness Classes**

Survey Item	East Thomas (n=20)	West Thomas (n=15)	Fort Lowell (n=13)	See note
A13a. About how long after taking these classes did you find a job? (Asked only if A13 = yes)				
Less than one month	65.0%	73.3%	61.5%	
Two to six months	30.0	20.0	15.4	
More than six months	5.0	6.7	15.4	
Refused/Don't know/Don't remember	0.0	0.0	7.7	
A14. How helpful in finding a job were the job-readiness classes offered by DES? (Asked only if A13 = yes)				
Very helpful	40.0	60.0	76.9	
Somewhat helpful	40.0	33.3	15.4	
Other ^a	20.0	6.7	7.7	
A15. How helpful in keeping a job were the job-readiness classes? (Asked only if A13 = yes)				
Very helpful	45.0	66.7	53.8	
Somewhat helpful	40.0	26.7	30.8	
Other ^a	15.0	6.7	15.4	

For each of these survey items, the percentages do not differ significantly by site at the 0.10 level of significance.

a Includes the following responses: not helpful at all, don't know, don't remember, or refused to respond.

It is difficult to say whether the relatively low rate of participation in job-readiness classes reflected the fact that most clients were job-ready, if not employed, when they applied for cash assistance, versus any lack of encouragement from DES staff to attend such classes. Most clients indicated that the staff at DES had encouraged them “only a little” or “not at all” to “take part in classes offered by DES to help you prepare for work” (58 to 63 percent). This may reflect the judgment of caseworkers that clients’ job skills and work histories were so limited that job-readiness classes would be ineffective.

Eligibility Requirements and Benefit Policies

Personal Responsibility Agreement

The percentage of clients indicating that they had signed a Personal Responsibility Agreement when they applied for cash assistance was highest in Fort Lowell (94 percent), followed by West Thomas (89 percent) and East Thomas (77 percent); see Exhibit 4-13. About half of the clients agreed strongly that “signing the Personal Responsibility Agreement made you become more serious about finding a job and becoming self-sufficient” (49 to 54 percent), and similarly that “when you signed the Personal Responsibility Agreement, you were making a real commitment to DES and to yourself” (52 to 67 percent).

Exhibit 4-13

Personal Responsibility Agreement

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
B1a. Did you sign a Personal Responsibility Agreement agreeing to do certain things for yourself and your children, including trying to become self-sufficient?				
Yes	77.1%	89.1%	93.7%	***
No	11.5	6.7	1.6	*
Refused/Don't know/Don't remember	11.5	4.2	4.8	*
D1b. Signing the Personal Responsibility Agreement made you become more serious about finding a job and becoming self-sufficient.				
Agree strongly	49.0	52.1	54.0	
Agree somewhat	21.9	19.3	20.6	
Other ^a	29.1	28.6	25.4	
D1c. You felt that when you signed the Personal Responsibility Agreement, you were making a real commitment to DES and to yourself.				
Agree strongly	52.1	61.3	66.7	
Agree somewhat	24.0	24.4	14.3	
Other ^a	23.9	14.3	19.0	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

a Includes the following responses: neither agree nor disagree, disagree somewhat, disagree strongly, don't know, don't remember, or refused to respond.

Time Limit and JOBS Requirements

More than three-fourths of clients in each office indicated that they had been informed that “there was a ‘time limit’ on cash assistance” (77 to 87 percent); see Exhibit 4-14. Even higher percentages had been informed that “you would have to look for a job if you were not already working” (88 to 93 percent) and that “your cash assistance would be reduced if you did not participate in the JOBS program” (88 to 98 percent). To the extent that program policies exempt some clients from the time limit and from JOBS requirements, one would expect these percentages to be less than 100 percent.

Exhibit 4-14

Information on Time Limits and JOBS Requirements

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
B1h. Did someone at DES tell you that there was a “time limit” on cash assistance—that is, that your monthly cash assistance check would be reduced after you, as an adult, had received cash assistance for two years?				
Yes	77.1%	78.2%	87.3%	
No	21.9	21.8	12.7	
Refused/Don’t know/Don’t remember	1.0	0.0	0.0	
B1e. Did someone at DES tell you that you would have to look for a job if you were not already working?				
Yes	92.7	88.2	88.9	
No	7.3	11.8	11.1	
B1d. Did someone at DES tell you that your cash assistance would be reduced if you did not participate in the JOBS program?				
Yes	94.8	88.2	98.4	**
No	5.2	11.8	1.6	**

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Family Benefit Cap and Sanctions

Clients appeared much better informed about some aspects of program policy than others. A very high percentage of clients in each office had been informed by DES staff that “your cash assistance would be reduced if you did not provide information that would help you get child support payments” (77 to 87 percent); see Exhibit 4-15. Lesser percentages had been informed of the family benefit cap—i.e., that

“your cash assistance would not increase if you became pregnant or had another child while on cash assistance” (59 to 71 percent). Still lower percentages had been told by DES staff that their cash assistance would be reduced “[if] your children [did not] have their required immunization shots” (48 to 56 percent) or “if your children missed too much school” (34 to 38 percent).

Exhibit 4-15

Information on Family Benefit Cap and Sanctions

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
B1f. Did someone at DES tell you that your cash assistance would not increase if you became pregnant or had another child while on cash assistance?				
Yes	59.4%	70.6%	71.4%	
No	36.5	28.6	28.6	
Refused/Don't know/Don't remember	4.2	0.8	0.0	*
B1b. Did someone at DES tell you that your cash assistance would be reduced if your children missed too much school?				
Yes	34.4	37.8	36.5	
No	60.4	61.3	60.3	
Refused/Don't know/Don't remember	5.2	0.8	3.2	
B1c. Did someone at DES tell you that your children had to have their required immunization shots or your cash assistance would be reduced?				
Yes	47.9	48.7	55.6	
No	49.0	49.6	41.3	
Refused/Don't know/Don't remember	3.1	1.7	3.2	
B1g. Did someone at DES tell you that your cash assistance would be reduced if you did not provide information that would help you get child support payments?				
Yes	80.2	77.3	87.3	
No	17.7	21.8	11.1	
Not applicable	1.0	0.0	0.0	
Refused/Don't know/Don't remember	1.0	0.8	1.6	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Program Eligibility After Getting a Job or Leaving Cash Assistance

Clients were generally well-informed about their eligibility for other program benefits after getting a job or leaving cash assistance. A very high percentage indicated that they had been informed by DES staff with respect to their eligibility for child care (85 to 87 percent); see Exhibit 4-16. Somewhat lesser percentages had been informed about continuing Medicaid eligibility for themselves (80 to 84 percent) or for their children (74 to 87 percent) and continuing food stamp eligibility (70 to 84 percent). Among the three offices, the reported percentages were somewhat lower for East Thomas with respect to children’s Medicaid eligibility and food stamp eligibility.

Exhibit 4-16

Information on Continuing Program Eligibility

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
B2. Did someone at DES tell you that you might be able to continue to receive food stamps even after you got a job?				
Yes	69.8%	78.2%	84.1%	*
No	27.1	20.2	15.9	
Refused/Don’t know/Don’t remember	3.1	1.7	0.0	
B3. Did someone at DES tell you that you might still be eligible for medical assistance through AHCCCS if you got a job and left cash assistance, as long as you reported the job to DES?				
Yes	80.2	79.8	84.1	
No	18.8	15.1	14.3	
Refused/Don’t know/Don’t remember	1.0	5.0	1.6	
B4. Did someone at DES tell you that your children might still be eligible for medical assistance through AHCCCS if you got a job and left cash assistance, as long as you reported the job to DES?				
Yes	74.0	84.9	87.3	*
No	21.9	12.6	9.5	*
Refused/Don’t know/Don’t remember	4.2	2.5	3.2	
B5. Did someone at DES tell you that you might be able to get, or continue to get, help paying for child care if you got a job and stopped receiving cash assistance?				
Yes	85.4	86.6	87.3	
No	11.5	11.8	9.5	
Refused/Don’t know/Don’t remember	3.1	1.7	3.2	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Client Access to Program Benefits and Services

Office Location and Hours

Clients in all three sites appeared pleased with the access to program benefits and services, as afforded by the location and hours of their local DES office. More than three-fourths of clients agreed strongly that their office was in a convenient location (77 to 78 percent); see Exhibit 4-17. Importantly, in terms of the aim of Redesign to establish “one-stop shopping” through co-location of program services, more than three-fourths of clients also indicated that it was “definitely helpful” to “have the workers for cash assistance, employment, child care, and other services all in one place” (75 to 79 percent). A substantial majority of clients also agreed strongly that the DES office was open at convenient hours (64 to 72 percent).

Exhibit 4-17

Convenience of Office Location and Hours

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
C1b. The DES office was in a convenient location.				
Agree strongly	77.1%	77.3%	77.8%	
Agree somewhat	12.5	13.4	12.7	
Other ^a	10.4	9.3	9.5	
C3. How helpful was it to have the workers for cash assistance, employment, child care, and other services all in one place?				
Definitely helpful	75.0	79.0	77.8	
Little/No difference	25.0	21.0	22.2	
C1a. The DES office was open at convenient hours.				
Agree strongly	63.5	72.3	63.5	
Agree somewhat	26.0	16.0	25.4	
Other ^a	10.5	11.7	11.1	

For each of these survey items, the percentages do not differ significantly by site at the 0.10 level of significance.

a Includes the following responses: neither agree nor disagree, disagree somewhat, disagree strongly, don't know, don't remember, or refused to respond.

Interview Scheduling

One aspect of office operations that differed greatly among offices was the scheduling of eligibility interviews. In East Thomas, clients typically were interviewed on the day they applied (72 percent). This was true for much smaller percentages in both West Thomas and Fort Lowell (19 and 25 percent, respectively); see Exhibit 4-18. Even among those East Thomas clients not interviewed on the day of application, most were interviewed within four days (54 percent). Again, this was true for much smaller percentages in West Thomas and Fort Lowell (17 and 18 percent, respectively). This means that well over half of the applicants in both West Thomas and Fort Lowell were interviewed five or more days after they applied.

Exhibit 4-18

Interview Scheduling and Waiting Times

Survey Item	East Thomas	West Thomas	Fort Lowell	See note
C2. Were you interviewed by an eligibility interviewer on the same day that you applied?	(n=96)	(n=119)	(n=63)	
Yes	71.9%	19.3%	25.4%	***
No	25.0	79.8	69.8	***
Refused/Don't know/Don't remember	3.1	0.8	4.8	
C2a. How many days after you applied were you interviewed? (Asked only if C2 = no)	(n=24)	(n=95)	(n=44)	
1 day	29.2	7.4	2.3	***
2-4 days	25.0	9.5	15.9	
5-7 days	20.8	36.8	68.2	***
8-13 days	8.3	13.7	6.8	
14 days	12.5	26.3	2.3	***
More than 14 days	0.0	6.3	2.3	
Don't know/Don't remember	4.2	0.0	2.3	
C1c. You did not have to wait too long to see someone at DES.	(n=96)	(n=119)	(n=63)	
Agree strongly	21.9	22.7	42.9	***
Agree somewhat	19.8	17.6	25.4	
Neither agree nor disagree	2.1	3.4	6.3	
Disagree somewhat	20.8	10.9	9.5	*
Disagree strongly	33.3	44.5	14.3	***
Don't know/Don't remember	2.1	0.8	1.6	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

The waiting times to see an eligibility interviewer were clearly most problematic in West Thomas, where nearly half (45 percent) disagreed strongly with the statement that “you did not have to wait too long to someone at DES.” This was the sentiment of considerably smaller percentages in East Thomas (33 percent) and Fort Lowell (14 percent).

Helpfulness of Programs in Meeting Client Needs

Information and Services

One-half of the clients in each office agreed strongly that “the information provided by DES helped you understand what you needed to become financially independent” (49 to 51 percent); see Exhibit 4-19. Similar percentages agreed strongly that “the services at DES made you more interested in finding employment” (40 to 56 percent). Smaller percentages in each office agreed strongly that “the services at DES helped you prepare for work” (27 to 40 percent). Note also, however, that an appreciable share of clients in each office (21 to 29 percent) disagreed somewhat or disagreed strongly with the last statement.

Exhibit 4-19

Helpfulness of Information and Services in Enabling Self-Sufficiency

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
D1a. The information provided by DES helped you understand what you needed to do to become financially independent.				
Agree strongly	50.0%	48.7%	50.8%	
Agree somewhat	35.4	30.3	34.9	
Other ^a	14.6	21.0	14.3	
D1d. The services at DES helped you prepare for work.				
Agree strongly	31.3	40.3	27.0	
Agree somewhat	32.3	17.6	33.3	**
Other ^a	36.4	42.1	39.7	
D1e. The services at DES made you more interested in finding employment.				
Agree strongly	43.8	55.5	39.7	
Agree somewhat	18.8	13.4	27.0	*
Other ^a	37.4	31.1	33.3	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

a Includes the following responses: neither agree nor disagree, disagree somewhat, disagree strongly, don't know, don't remember, or refused to respond.

Staff

Client’s views about the knowledge and helpfulness of DES staff were generally favorable. More than half in each office agreed strongly that “the staff was knowledgeable about the cash assistance rules” (54 to 62 percent); see Exhibit 4-20. Similar percentages indicated that the staff had very strongly or strongly encouraged them to find a job (54 to 62 percent); see Exhibit 4-21. Somewhat smaller percentages in each office agreed strongly that “people at the DES office were there to help your family get the services it needed” (42 to 57 percent), or indicated that staff had encouraged them very strongly or strongly to get additional education or training (24 to 35 percent).

Exhibit 4-20

Staff Knowledge and Helpfulness

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
C4b. The staff was knowledgeable about the cash assistance rules.				
Agree strongly	54.2%	62.2%	61.9%	
Agree somewhat	28.1	25.2	22.2	
Other ^a	17.7	12.6	15.9	
C4c. People at the DES office were there to help your family get the services it needed.				
Agree strongly	41.7	53.8	57.1	
Agree somewhat	35.4	26.1	25.4	
Other ^a	22.9	20.1	17.5	

For each of these survey items, the percentages do not differ significantly by site at the 0.10 level of significance.

a Includes the following responses: neither agree nor disagree, disagree somewhat, disagree strongly, don’t know, don’t remember, or refused to respond.

Exhibit 4-21**Encouragement Provided by DES Staff**

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
B6a. How much did the staff at DES encourage you to get additional education or training?				
Very strongly	5.2%	9.2%	17.5%	
Strongly	16.7	24.4	17.5	
Only a little	39.6	22.7	22.2	**
Not at all	38.5	43.7	42.9	
B6b. How much did the staff at DES encourage you to find a job?				
Very strongly	27.1	21.0	31.7	
Strongly	34.4	32.8	30.2	
Only a little	19.8	23.5	25.4	
Not at all	18.8	22.7	11.1	
Refused/Don't know/Don't remember	0.0	0.0	1.6	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

About one-half of clients agreed strongly that “DES staff helped you realize how important it is to do all that you can to get a job and become self-sufficient” (47 to 52 percent); see Exhibit 4-22. Percentages were lower (or more variable) in strong agreement that “you received the individual attention you needed” from DES staff (38 to 59 percent) and that “staff encouraged you and made you more hopeful about being able to find a job and become self-sufficient” (32 to 38 percent). With respect to eligibility interviewers in particular, most clients agreed strongly that “your DES eligibility interviewer treated you fairly” (51 to 64 percent); lower percentages agreed strongly that “eligibility interviewers and other staff at DES were courteous and polite to you” (31 to 54 percent); see Exhibit 4-23.

Exhibit 4-22**Staff Attention to Client Needs**

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
D1f. DES staff encouraged you and made you more hopeful about being able to find a job and become self-sufficient.				
Agree strongly	32.3%	37.8%	34.9%	
Agree somewhat	27.1	23.5	27.0	
Other ^a	40.6	38.7	38.1	
D1g. You received individual attention you needed so that you could meet the requirements for receiving cash assistance.				
Agree strongly	37.5	47.9	58.7	**
Agree somewhat	34.4	30.3	15.9	**
Other ^a	28.1	21.8	25.4	
D2. DES staff have helped you realize how important it is to do all that you can to get a job and become self-sufficient.				
Agree strongly	52.1	47.1	50.8	
Agree somewhat	17.7	26.9	19.0	
Other ^a	30.2	26.0	30.2	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

a Includes the following responses: neither agree nor disagree, disagree somewhat, disagree strongly, don't know, don't remember, or refused to respond.

Exhibit 4-23**Staff Courtesy, Politeness, and Fairness**

Survey Item	East Thomas (n=96)	West Thomas (n=119)	Fort Lowell (n=63)	See note
C4a. In general, the eligibility interviewers and other staff at DES were courteous and polite to you.				
Agree strongly	31.3%	39.5%	54.0%	**
Agree somewhat	37.5	31.1	23.8	
Other ^a	31.2	29.4	22.2	
C4d. Your DES eligibility interviewer treated you fairly.				
Agree strongly	51.0	63.9	60.3	
Agree somewhat	25.0	20.2	20.6	
Other ^a	24.0	15.9	19.1	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

a Includes the following responses: neither agree nor disagree, disagree somewhat, disagree strongly, don't know, don't remember, or refused to respond.

In general, a substantial minority of clients were very satisfied with “the assistance you received and the way you were treated while applying for . . . cash assistance” (30 to 49 percent). To the extent that there was any statistical significance in the pattern of responses by site, it was the Fort Lowell office, whose clients registered the most favorable assessment of the DES staff; see Exhibit 4-24.

Exhibit 4-24

Overall Satisfaction with Program Services

Survey Item	East Thomas (n=63)	West Thomas (n=76)	Fort Lowell (n=39)	See note
C5. Overall, how satisfied were you with the assistance you received and the way you were treated while applying for the cash assistance that you received?				
Very satisfied	30.2%	37.0%	49.2%	*
Somewhat satisfied	45.8	40.3	28.6	*
Neither satisfied nor dissatisfied	2.1	8.4	3.2	*
Somewhat dissatisfied	10.4	8.4	9.5	
Very dissatisfied	10.4	5.9	9.5	
Refused/Don't know/Don't remember	1.0	0.0	0.0	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

4.4 Changing Client Assessment of Local Office Operations

A substantial number of the survey respondents, all of whom had been approved for cash assistance during January to June 1999, had also previously received cash assistance from the same office prior to the August 1997 implementation of the Redesign operational changes. Additional questions were asked of these “repeat clients,” examining whether they had perceived an improvement in the delivery of program services under Redesign. In each of the three offices, 43 to 45 percent of respondents had been served by the same office both before and after August 1997; see Exhibit 4-25. Although the number of individuals who could thus make pre-post comparisons was somewhat limited—41 in East Thomas, 54 in West Thomas, and 28 in Fort Lowell—these findings are an indicator of whether the operational changes were having their intended effect, in the minds of the clients themselves.

Exhibit 4-25

Incidence of “Repeat Clients”

Survey Item		East Thomas	West Thomas	Fort Lowell
C6.	Did you receive cash assistance benefits from this office before August 1997?	(n=96)	(n=119)	(n=63)
	Yes	42.7%	45.4%	44.4%
	No	57.3	53.8	54.0
	Refused/Don't know/Don't remember	0.0	0.0	1.6

Office Location and Hours

Of the repeat clients in each office, more than three-fourths (78 to 89 percent) indicated that it was more helpful to have DES cash assistance, employment, child care, and other program services located in one place; see Exhibit 4-26. As to the convenience of office hours, the majority of repeat clients responded that it was about the same both before and after August 1997. The East Thomas office had a significantly higher percentage indicating that the hours were more convenient under Redesign than before.

Exhibit 4-26

Pre-Post Comparisons of Convenience of Office Location and Hours

Survey Item	East Thomas	West Thomas	Fort Lowell	See note
C10b. When you applied for the cash assistance you received [in 1999], DES cash assistance, employment, child care, and other services were located in one place. Did you find it more helpful [than before] to have these programs in one place, did it make little or no difference, or was it less helpful? (Asked only if C6 = yes)	(n=41)	(n=54)	(n=28)	
More helpful	78.0%	77.8%	89.3%	
Little/No difference	17.1	16.7	7.1	
Less helpful	4.9	5.6	3.6	
C7. When you applied for the cash assistance you received [in 1999], were the office hours more convenient than before [August 1997], about the same as before, or less convenient than before? (Asked only if C6 = yes)	(n=41)	(n=54)	(n=28)	
More convenient	24.4	7.4	3.6	**
About the same	63.4	83.3	92.9	***
Less convenient	12.2	9.3	3.6	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Interview Scheduling

More than one-quarter of the repeat clients in each office (26 to 37 percent) indicated that they were able to get an appointment with an eligibility interviewer more quickly after Redesign than before; see Exhibit 4-27. In each office, this was larger than the percentage (14 to 22 percent) indicating that interview scheduling had become less prompt under Redesign.

Exhibit 4-27

Pre-Post Comparisons of Interview Scheduling and Waiting Times

Survey Item	East Thomas (n=41)	West Thomas (n=54)	Fort Lowell (n=28)	See note
C9. When you applied for the cash assistance you received [in 1999], were you able to get an appointment with an eligibility interviewer more quickly than before [August 1997], about the same as before, or less quickly than before? (Asked only if C6 = yes)				
More quickly	36.6%	25.9%	32.1%	
About the same	39.0	53.7	53.6	
Less quickly	22.0	20.4	14.3	
Refused/Don't know/Don't remember	2.4	0.0	0.0	
C8. When you applied for the cash assistance you received [in 1999], were the waiting times in the office shorter than before [August 1997], about the same as before, or longer than before? (Asked only if C6 = yes)				
Shorter	48.8	27.8	32.1	*
About the same	24.4	38.9	60.7	***
Longer	26.8	33.3	7.1	**

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Waiting Times

The response patterns differed significantly among the three sites with respect to waiting times in the office. In Fort Lowell, fully 93 percent of the repeat clients indicated that waiting times were either shorter under Redesign (32 percent) or about the same as before (61 percent). In contrast, substantial percentages indicated that waiting times had lengthened under Redesign in both East Thomas (27 percent) and West Thomas (33 percent). For East Thomas, this was offset by nearly half of the respondents (49 percent) indicating that waiting times had become shorter. More than the other offices,

West Thomas appeared to have altered its office procedures in ways that changed the waiting times for clients; fewer than one-quarter (24 percent) of clients in West Thomas reported that waiting times were now about the same as before.

Staff Helpfulness

The pattern of survey responses indicated that clients generally perceived greater helpfulness on the part of DES staff, comparing their recent experience to that before August 1997. Specifically, for each of the three offices the percentage of repeat clients considering staff more helpful than before exceeded the percentage who considered staff less helpful than before. This net favorable assessment was especially pronounced in the Fort Lowell office, where 39 percent regarded staff as more helpful than before, compared to only 11 percent who regarded staff as less helpful; see Exhibit 4-28. Among the three offices, Fort Lowell also had the highest percentage of repeat clients (50 percent) indicating that they were more satisfied than before with the assistance they received from the office and the way they were treated by staff.

Exhibit 4-28

Pre-Post Comparisons of Staff Helpfulness

Survey Item	East Thomas (n=41)	West Thomas (n=54)	Fort Lowell (n=28)	See note
C10a. When you applied for the cash assistance you received [in 1999], were the eligibility interviewers and other staff at DES more helpful than they were before [August 1997], about the same as before, or less helpful than before? (Asked only if C6 = yes)				
More helpful	36.6%	24.1%	39.3%	
About the same	46.3	61.1	50.0	
Less helpful	17.1	14.8	10.7	
C11. When you applied for the cash assistance you received [in 1999], were you more satisfied with the assistance you received and the way you were treated, about as satisfied, or less satisfied than before [August 1997]? (Asked only if C6 = yes)				
More satisfied	34.0	24.1	50.0	*
About as satisfied	36.6	55.6	42.9	
Less satisfied	26.8	20.4	7.1	
Refused/Don't know/Don't remember	2.4	0.0	0.0	

Asterisks indicate that percentages differ significantly by site for the corresponding survey item, at the 0.10 (*), 0.05 (**), or 0.01 (***) level of significance.

Program Rules

A majority of the repeat clients in all three offices agreed strongly that the rules for cash assistance had become “tougher now than they were in the past” (76 to 85 percent). At the same time, a majority agreed strongly that the cash assistance program had become better suited “to help people become self-sufficient than it was in the past” (50 to 64 percent). There was much less consensus on whether the rules were “more fair to clients now than they were before August 1997.” Fewer than half (33 to 46 percent) agreed strongly with that statement; see Exhibit 4-29.

Exhibit 4-29

Pre-Post Comparisons of Program Rules

Survey Item	East Thomas (n=39)	West Thomas (n=54)	Fort Lowell (n=26)	See note
D4. The rules for getting cash assistance are tougher now than they were in the past. (Asked only if C6 = yes)				
Agree strongly	84.6%	75.9%	76.9%	
Agree somewhat	10.3	13.0	11.5	
Other ^a	5.1	11.1	11.6	
D5. The cash assistance program is set up better now to help people become self-sufficient than it was in the past. (Asked only if C6 = yes)				
Agree strongly	64.1	53.7	50.0	
Agree somewhat	28.2	24.1	34.6	
Other ^a	7.7	22.2	15.4	
D6. The cash assistance rules are more fair to clients now than they were before August 1997. (Asked only if C6 = yes)				
Agree strongly	33.3	33.3	46.2	
Agree somewhat	25.6	24.1	23.1	
Other ^a	41.1	42.6	30.7	

For each of these survey items, the percentages do not differ significantly by site at the 0.10 level of significance.

a Includes the following responses: neither agree nor disagree, disagree somewhat, disagree strongly, don't know, don't remember, or refused to respond.

Chapter 5

Perspectives on Reform from Recent Welfare Leavers

To gain greater understanding of the experiences of clients under the state’s welfare reforms, we undertook several forms of qualitative research: supplemental telephone interviews and focus groups with individuals who had recently left welfare. Although the number of participating individuals was small, their experiences are instructive.

The key findings from this portion of the evaluation are as follows:

- Of those leaving cash assistance, a substantial minority (30 to 50 percent) also left food stamps or Medicaid at the same time. Among these clients, most indicated that they had made no effort to reapply for food stamps or Medicaid, for a variety of reasons: they were unaware that they could continue to receive such benefits, had been told by DES staff that they would not be eligible, or were dissuaded by the administrative “hassle” of reapplying.
- Among the welfare leavers that participated in focus groups, the most often voiced reason for leaving cash assistance was increased income—typically increased earnings, but also increased disability benefits or child support payments.
- Many who left cash assistance because of having found employment did not report their increased earnings to DES. They simply exited program by not recertifying.
- Although most were familiar with sanction rules, and some indeed indicated that the sanction threat was instrumental in prompting them to search for work, others reported that they disregarded the sanction notices and allowed themselves to be sanctioned. Some of these clients had previously found jobs on their own.
- Most individuals were aware of the family benefit cap and time limits, but indicated that these policies had not influenced their attitudes or behavior in avoiding pregnancy or in trying to become self-sufficient.
- Those leaving cash assistance typically managed to “make ends meet” through a combination of additional work by themselves or other household members (including informal bartering arrangements), increases in unearned income (e.g., from food stamps or child support payments), help from community organizations, or economizing on living expenses (sometimes moving in with relatives and sharing child care arrangements).
- Although the former cash assistance recipients felt a sense of accomplishment in having left welfare and generally perceived themselves now as better off, they also tended to regard their financial situation as very insecure. More work brought greater self esteem and a measure of financial independence, but it also meant less time to spend with children. These individuals

felt that they had improved their lives, and were serving as better role models for their children, but that they were still at risk.

5.1 Food Stamp and Medicaid Non-Participation

One issue of particular concern to the state program staff has been the extent to which individuals exiting cash assistance also exit from food stamps or Medicaid. As noted in Chapter 4, some individuals appeared unaware that they might still qualify to receive food stamps after leaving TANF. In the Redesign Implementation Survey, for example, more than one-quarter (27 percent) of those in the East Thomas office responded negatively to whether “someone in DES [told] you that you might be able to continue to receive food stamps even after you got a job.”

To address further the issue of continued participation in food stamps and Medicaid after cash assistance, we conducted a separate telephone interview with 51 of the 275 Redesign Implementation Survey respondents. These individuals had all left cash assistance within approximately one year of their having been approved for cash benefits in the East Thomas, West Thomas, or Fort Lowell offices during January to June 1999. In consultation with DES, a questionnaire was developed for this supplemental survey. The interviews were conducted by telephone during May to June 2000. Respondents received an incentive payment of \$10 for completing the interview.

Of the 51 respondents, 35 were not receiving food stamps at the time of the interview. Among these, 19 had left food stamps at the same time as their exit from cash assistance. The other 16 had continued to receive food stamps for up to nine months after leaving cash assistance. For these latter 16, a variety of reasons were cited for leaving food stamps at that time: ineligibility resulting from higher earnings (7), the burdens or “hassles” of re-applying (6), or they simply felt that they no longer wanted or needed the benefit (3).

Among the 19 who left cash assistance and food stamps simultaneously, 16 made no effort to reapply for food stamps, divided almost evenly between those aware that “people who leave cash assistance may still be eligible for food stamp benefits” (9) and those not aware of this (7). As to why the nine who were aware of the potential for continued receipt of food stamps had not reapplied, one indicated that someone as DES had told them that they would not be ineligible. The others cited issues of burden or inconvenience relating to requested documents, office location, office hours, waiting times, or confusion about the program rules.

Similar questions were asked regarding participation in Medicaid, provided through AHCCCS. Of the 51 respondents, 25 were not receiving Medicaid (or cash assistance) at the time of the interview. Among these, 15 had received Medicaid for a period of up to nine months after their TANF exit; ten had left Medicaid at the same time as cash assistance. Among the latter, six had made no effort to reapply. They were either unaware that “people who leave cash assistance may still be eligible for Medicaid” (2) or did not think that they were eligible (4).

5.2 Additional Client Views on Program Rules and “Making Ends Meet”¹

One final data collection activity under this evaluation addressed DES’s interest in how families manage when they no longer receive cash benefits. On April 17-19, 2000, we conducted three focus groups at Glendale Community College with individuals who had left the cash assistance program. The purpose of these two-hour sessions, conducted with an Abt Associates staff member as moderator, was to examine the experiences of clients since leaving the cash assistance program and, importantly, the ways that these families support themselves and “make ends meet” in the absence of cash benefits. The focus group method enabled the study team to explore in depth the many individual and often complex stories of participants who no longer rely on cash assistance to support their families. These groups offered useful insights into what really happens to families when they leave the welfare system.

Each evening’s discussion was organized around several key topics. Participants were asked to describe:

- their reasons for leaving cash assistance most recently, including motivations, circumstances, and events that led to the termination of cash benefits;
- the decision to notify DES when deciding to leave the program;
- the role of sanctions in this process;
- their awareness of the benefit cap provision and its influence on the decision to have additional children;
- how they replaced the income formerly provided by program benefits and how, in general, they “got by”; and
- whether they perceived that their circumstances were more or less favorable since benefits ended.

A total of 32 participants—all women—took part in the three focus groups. All discussants were former recipients of cash assistance and had responded to either the Wave Two EMPOWER survey (in the Phoenix sites) or the Redesign implementation survey. Excluded from the focus group recruitment were the Chinle cases, males, and respondents who had previously completed their interviews in Spanish. With only two exceptions, all had small or school-aged children living at home. One participant had custody of her grandchildren in addition to her own children. Each participant received a \$50 payment for attending their session.

For most participants, earnings had replaced cash assistance as the primary means of support. At the time the groups were held, 23 of the 32 participants were employed. A few more participants were not working, but had an employed spouse or partner. Three other participants relied almost solely on

¹ This section was prepared by Diane Porcari.

disability payments, whereas a remaining few were looking for work, receiving child support, or in the process of attaining survivor or social security benefits for their children.

Employed participants were engaged in a wide range of occupations. Some had attained degrees or certificates and were working in professional and paraprofessional jobs: a second-grade teacher, a teacher's aide for a Head Start program, a corrections officer, and a hospital medical assistant. Two women were developing their own businesses, one as a home day care provider and another as an accountant. Other positions included customer service staff, security staff, patient service worker, secretary, clerk at DES, house cleaner, cashier and stocker in a bakery, quality control manager at a factory, supervisor at a health center, and switchboard operator. A small number of participants juggled school and work; these women looked forward to the day when a degree would lead to jobs with higher pay and greater security for their families.

Reasons for Leaving Cash Assistance

Participants described several factors that led to their leaving cash assistance. Regardless of the specific circumstances or events that triggered the termination of their cash benefits, the vast majority of discussants said they were motivated to work and "make it on my own." Participants related these interests to a desire to achieve a sense of self worth and to become role models for their children.

Increased family income was the primary reason that cash benefits ended. For more than one-half of these participants, income from employment eventually exceeded (or approached) eligibility limits. Some participants found jobs on their own, whereas others identified employment opportunities through the JOBS program. For other participants, receipt of disability payments and child support pushed income levels beyond eligibility guidelines and led to the termination of cash benefits.

For those whose income reduced the cash payment to a small amount, some perceived that the size of the benefit did not warrant the effort to apply for benefits. Participants were emphatic in stating that the process of applying for and attempting to retain benefits was fraught with "hassles" and indignities. Although participants were grateful that the agency provides valuable assistance to needy families and praised the efforts of some individual workers, the challenges in dealing with the system angered many participants and led some simply to drop out, in some cases before full income replacement had been secured.

A major criticism of DES involved the perception that DES staff are unreasonably inflexible in applying the cash assistance rules and are therefore unwilling to consider individual circumstances. For example, a few participants reported that they were instructed to accept a full-time job, at low pay, in order to continue receiving benefits, when doing so would mean foregoing school. These participants argued that they should have been allowed to receive cash assistance and finish school, because they were nearing completion of their educational programs and believed that with more time they could have obtained jobs with better pay. Other complaints focused on the difficulty of scheduling appointments and complying with reporting requirements when working, long waiting times in offices, and the rudeness of workers. Some participants highlighted the intrusive nature of verifying program information: they objected to DES/JOBS calling employers or making inquiries of neighbors.

Although participants more commonly expressed displeasure with program staff, a few directly attributed their ability to move from welfare to work to the efforts of their JOBS case managers. These discussants related details of receiving job leads, supportive services and, most importantly, encouragement and emotional support from staff who guided their successful transition to employment.

Notifying DES of Becoming Employed

Many of those who became employed or had increased earnings while on cash assistance reported that they did not bother to inform DES of their changed circumstances. Reasons included the perception that it was not important or that it was not worth the effort or “hassle,” especially because reporting might involve leaving work to appear in person at the office to report a change. (This was a mistaken perception, as clients can report such changes by telephone.) A small number of participants related their inaction to anger about poor treatment by DES. A couple of participants said that, because they were nearing the end of their certification period, they simply did not bother to reapply for benefits.

One implication of program participants’ failure to communicate with DES about changes in employment status and earned income is that sanction rates and program attrition for other administrative reasons appear higher than they truly are, thus reflecting a “negative” outcome. DES is thereby precluded from reporting a “positive” outcome for these cases because the agency does not know that recipients have become employed.

Sanction Experiences

Nearly all focus group participants were aware of the program’s graduated sanction policy. They recalled that this policy and other program provisions and rules were explained to them either during appointments with eligibility workers or JOBS case managers or during group orientation sessions.

Many participants reported that sanctions or the threat of sanctions were instrumental in their leaving cash assistance. Some of those who received sanction notices did not recall the specific details of their experiences because they had been off cash assistance for several months or as much as two years. The more common response was to ignore the notice, sometimes because they were irritated by feeling that they had to take any low-paying job to satisfy DES or, in other cases, because participants had secured employment on their own without feeling the need to report this change to DES. One participant, a home day care provider, decided to accept the sanction because JOBS wanted documentation from the parents of the children in her care. This participant refused to contact parents because she did not want them to know she was on welfare.

For some participants, the threat of sanction was a catalyst, leading them to take action to comply with program rules before full sanctions were applied. These participants eventually secured employment, often with help from JOBS staff.

Other Program Provisions

During all discussion groups, participants were asked briefly about their awareness of specific provisions of EMPOWER and the impact of these aspects of the program on decisions in certain areas.

- Most participants were aware of the **family benefit cap**, having heard about this either from their eligibility workers or from friends. All reported that this provision had no impact on family planning considerations. Group members asserted that the challenge of supporting a family while on cash assistance was a sufficient deterrent to having another child.
- Participants were generally aware of the **time limit**. A few reported that, while on cash assistance, their portion of the monthly benefit had ended. Some group members were uncertain about the specific length of the time limit; no one was particularly concerned, however, because they believed that it was unlikely that, having achieved a measure of self-sufficiency, they would need to reapply for benefits, either at all or for any appreciable length of time. The time limit did not seem to be a major consideration for participants while they received cash assistance. No one reported that she had banked hours or that this provision was considered in any strategic way.
- **Noncash benefits** were a continuing and important source of support for several group members. For those no longer receiving food stamps or Medicaid, there was general awareness that these benefits were available if needed and eligibility requirements were met. Discussants were less clear on the guidelines for receipt of transitional child care. Only a few participants were under the impression that food stamps and medical assistance were available only to families receiving cash assistance.

Making Ends Meet

Focus group members described several monetary and non-monetary strategies that they have used to support their families. Cash from a variety of sources, including employment, was the primary way in which families “got by.” Participants also received program benefits, obtained assistance from organizations in their communities, and shared services with other families.

The following is a more complete list of varied types of resources that participants cobbled together to meet their family needs.

- wages of self and/or spouse or partner;
- child support;
- disability payments;
- Social Security survivor benefits;
- occasional work (babysitting, yard sales, hairdressing);
- bartering or exchanging services;
- Section 8 housing assistance;
- Food stamps;
- Medical assistance (AHCCCS);
- Pell Grants and student loans;
- Assistance from the Salvation Army, churches, food pantries, and other non-governmental service agencies (clothing, food, utilities and other emergency aid); and
- utility assistance from Community Action Agencies.

Although all group participants were off cash assistance, a full two-thirds were employed, and a few others were living with a spouse or partner who supplied earned income; most have been unable to become fully independent of all forms of public aid. These participants continued to receive food stamps and/or medical assistance, and asserted that these benefits were a critical factor in the family's ability to stay off cash assistance. Participants who continued to receive Medicaid for their children were most emphatic, particularly those whose children had conditions such as asthma and various attention deficit disorders.

Many group members explained that, even though they were now more financially secure, they needed to be resourceful and creative to provide for their children. Many echoed a comment by one group member: **“You do what you have to do to survive.”** A few participants moved in with relatives for periods of time. At the time the groups were held, two discussants and their children were living with parents so that they could work and go to school.

Many economized by shopping at yard sales and thrift stores and watching for sales or bargains. In addition to their regular employment, many performed odd jobs, and admitted that they had continued to work in ways that provided small amounts of unreported income when they were on cash assistance. Further, some have continued to follow other patterns of behavior, developed when they were concerned about not jeopardizing their benefits: for example, in exchange for babysitting, one participant receives payment in household goods and toiletries in lieu of cash. Less frequently, participants mentioned contributions to the household from short-term financial support from parents and income from a child's employment through a summer jobs program or JTPA.

Perceptions of Life After Cash Assistance

Participants were nearly unanimous in asserting that they are, in general, better off since leaving cash assistance. Most had increased their household incomes, although modestly in many cases, and they felt more secure in general. Employment provided other benefits: participants had experienced an increase in self esteem, and they were proud that they could support their families without relying either at all or as heavily on public benefits. For others, receipt of child support and disability benefits had provided more substantial support. Other benefits of being off cash assistance and being able to “make it on your own” were “renewed determination,” being a better role model for children, and reduced stigma. As one participant explained, **“I felt ashamed when I was on welfare.”**

A small number of discussants had realized what they considered major improvements in their lives and were buying homes. Some participants also described changes in life circumstances that were helpful to their ability to stay off cash assistance. For about 15 to 20 percent of participants, marriage or a relationship was an important factor in improving both financial and non-financial aspects of family life—primary benefits included increased household income, an overall sense of security, and family stability.

Nonetheless, participants were careful to point out the tenuous nature of their circumstances. Although most felt that they were better off, many believed that it would take very little for them to “slip back.” One participant expressed this sentiment succinctly—**“It’s scary that you could fall off. I live on the brink, and I could fall off at another time and I’ll be right back there.”** Another said, **“I’m not doing great, but I’m surviving.”**

A small number said that they did not have health insurance through their employers, did not qualify for the state's Medicaid program, and could not afford health insurance for their children. These comments elicited suggestions from other group members that these participants inquire about "KidsCare," the state's child health insurance program.

Many noted that their earnings placed them just above the level of qualifying for cash benefits; most emphasize the continuing need to be very judicious about expenditures and to economize as much as possible.

I feel like I'm in that hole . . . I'm stuck in the middle.

I go without a lot, because I can't afford it. I make too much money for food stamps, I make too much for AHCCCS, and yet I don't make enough to get out of the poverty level.

From one participant who, with her children, lived in her parents' home while working and finishing her degree, came the following comment: **"I make too much for DES but not enough to live by myself yet."**

Group members also reiterated the importance of assistance from various sources, including transitional benefits, child care from relatives, and assistance from community organizations in their ability to survive.

Participants offered strong comments about the trade-offs of being more self sufficient. Most notably, these parents lamented what was for some a dramatic decrease in the amount of time they could spend with their children. Women holding more than one job and those balancing work with school felt this most severely. These comments illustrate their concerns.

We are better off, but in another way, I'm not doing as well. I work so much and go to school. We have our own house, but then again, I hardly ever see my kids. Although we have a little bit of extra money, we don't have time.

My family doesn't want for anything now. However, quality time with my kids is limited. When I'm with them, we need to spend time on homework, baths . . . that's about it.

It's so hard when you are on your own, trying to be both a mother and a father. Harder when you're working. There's no one to help you.

When asked about "the best part" of being off cash assistance, participants offered these comments:

It's a good feeling to know that you're making it on your own.

You have more pride.

You have your self esteem and your dignity.

You feel better about yourself, and you're a better parent.

Your children respect you. You can be a better role model.

You don't have to sit at the DES office for hours.

These participants expressed very little regret about being off cash assistance. The major exception, as previously noted, was the reduction in time with their children.

The overriding message derived from this part of the discussion was that participants generally felt that they were “in a better place” since leaving cash assistance. Most believed, however, that their situations were quite fragile.