



Welfare Leavers in Colorado

NAWRS Annual Workshop, July 13, 2009

Presented by Sam Elkin, The Lewin Group

Funded by Colorado Department of Human Services

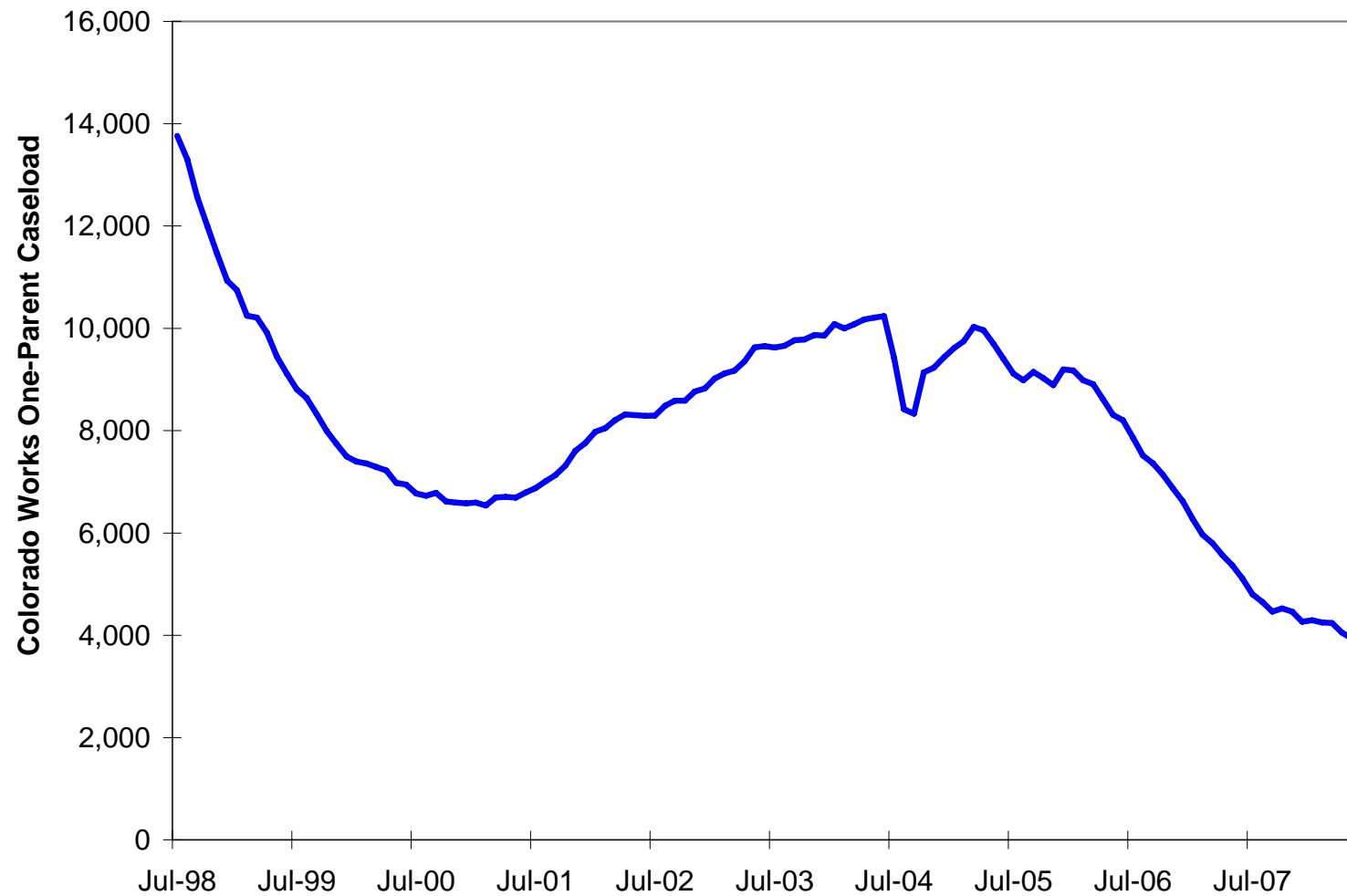
Conducted by The Lewin Group and Partners: University of Colorado's Health Science Center; Johns Hopkins University; Capital Research Corporation



Colorado Works Evaluation

- Colorado contracted with The Lewin Group and its partners to evaluate Colorado Works, the state's TANF program
- Completing final year of five-year study
- Partners:
 - University of Colorado's Health Science Center
 - Johns Hopkins University
 - Capital Research Corporation

Colorado Works One-Parent Caseload (July 1998 to May 2008)



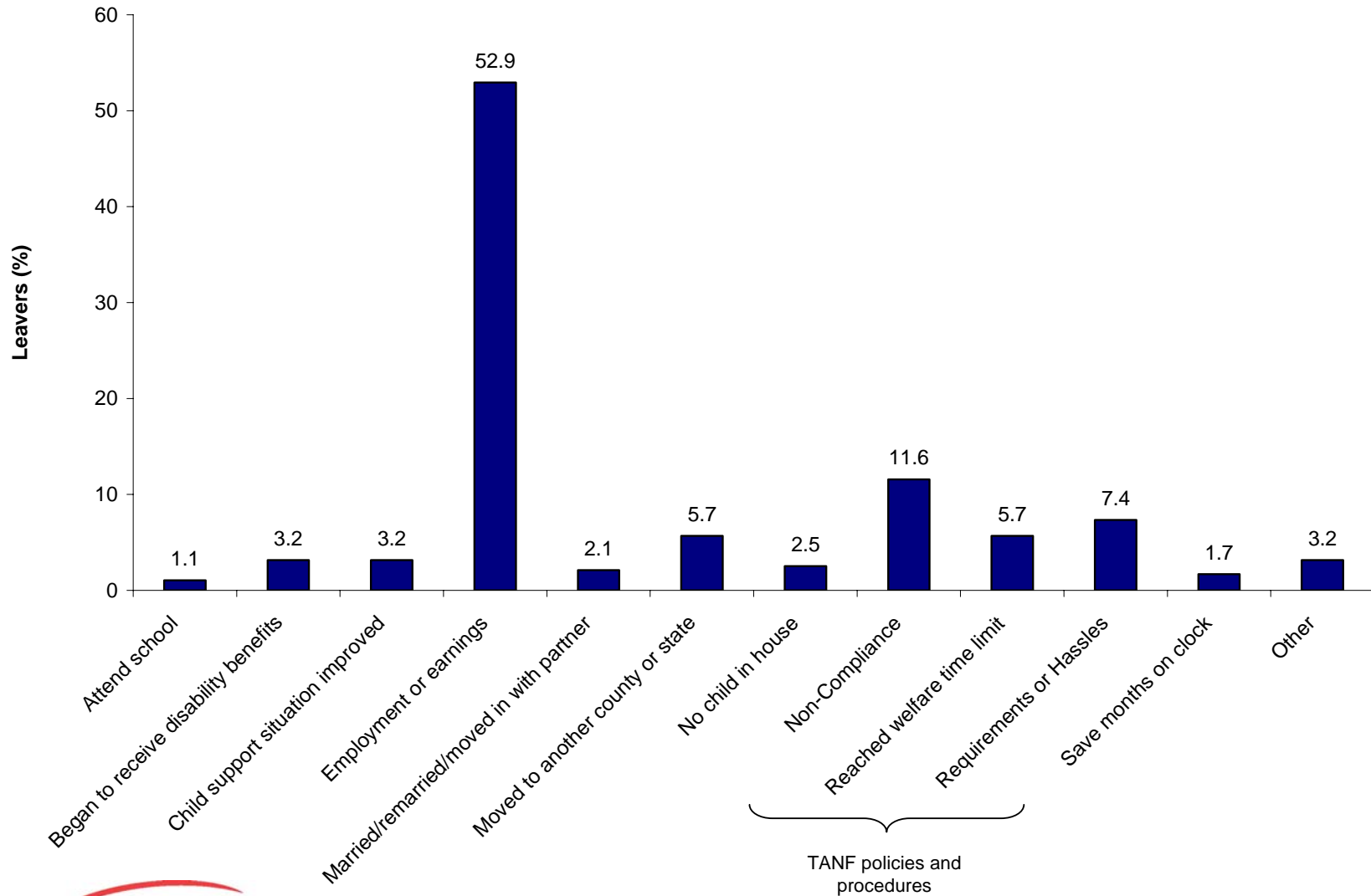
Survey of former Colorado Works recipients

- Survey conducted by Survey Research Management (SRM) in Boulder, Colorado
- Random sample of individuals who left Colorado Works in the first quarter of 2007 (limited to one-parent cases)
- Survey occurred in Fall 2008, 17 to 23 months after sample members had left Colorado Works
- 494 respondents out of 635 leavers sampled (78% response rate)

Features of Leavers Sample

- 89% were living with dependent children when surveyed. Of these, two thirds had a child under the age of six
- 21% were living with a spouse or partner; 56% were the only working-age adult in the household
- 10% returned to welfare between when they left Colorado Works and the time of the survey; most (65% of this group) were off welfare for at least seven months before returning

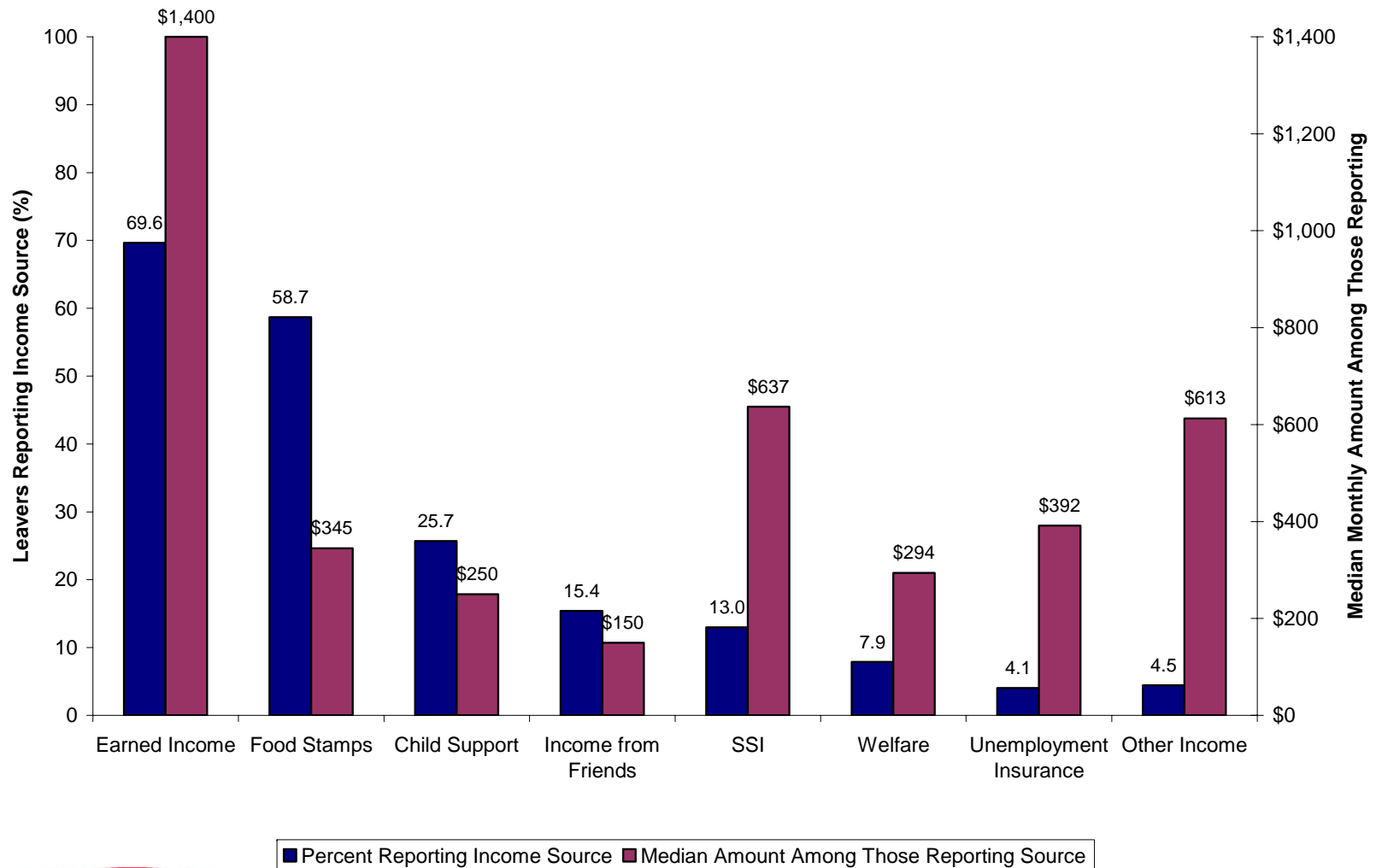
Reasons for Leaving Colorado Works



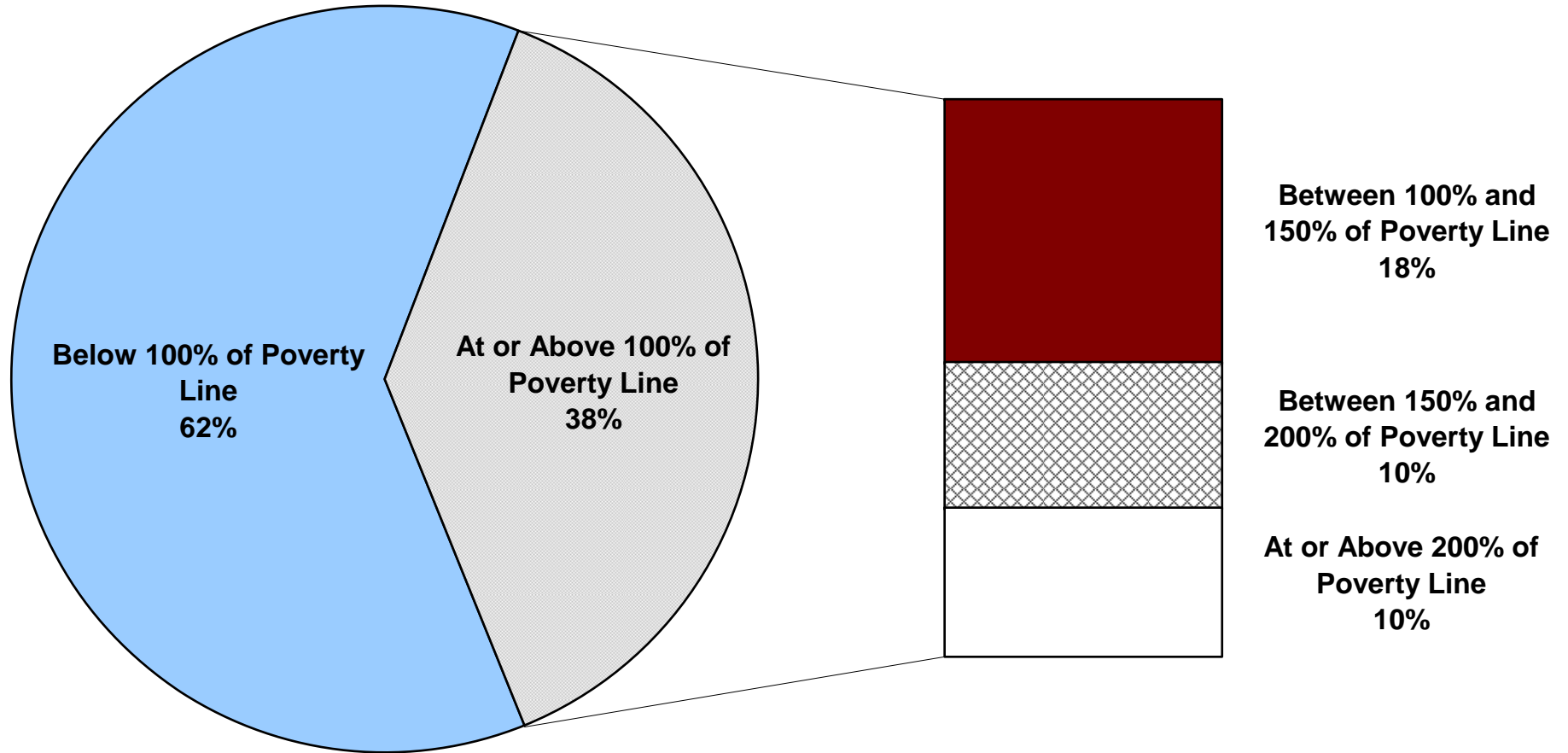
Sources of Monthly Household Income

Source	Average Monthly Household Income	Share of Households Receiving This Type of Income
Earned income	\$1,279	69.6%
Food stamps	\$208	58.7%
Child support	\$79	25.7%
Income from friends	\$39	15.4%
SSI	\$108	13.0%
Welfare	\$28	7.9%
Unemployment insurance	\$18	4.1%
Other	\$49	4.5%
Total income (including food stamps)	\$1,809	93.0%
Annualized (12 x monthly income)	\$21,708	
Sample size	494	494

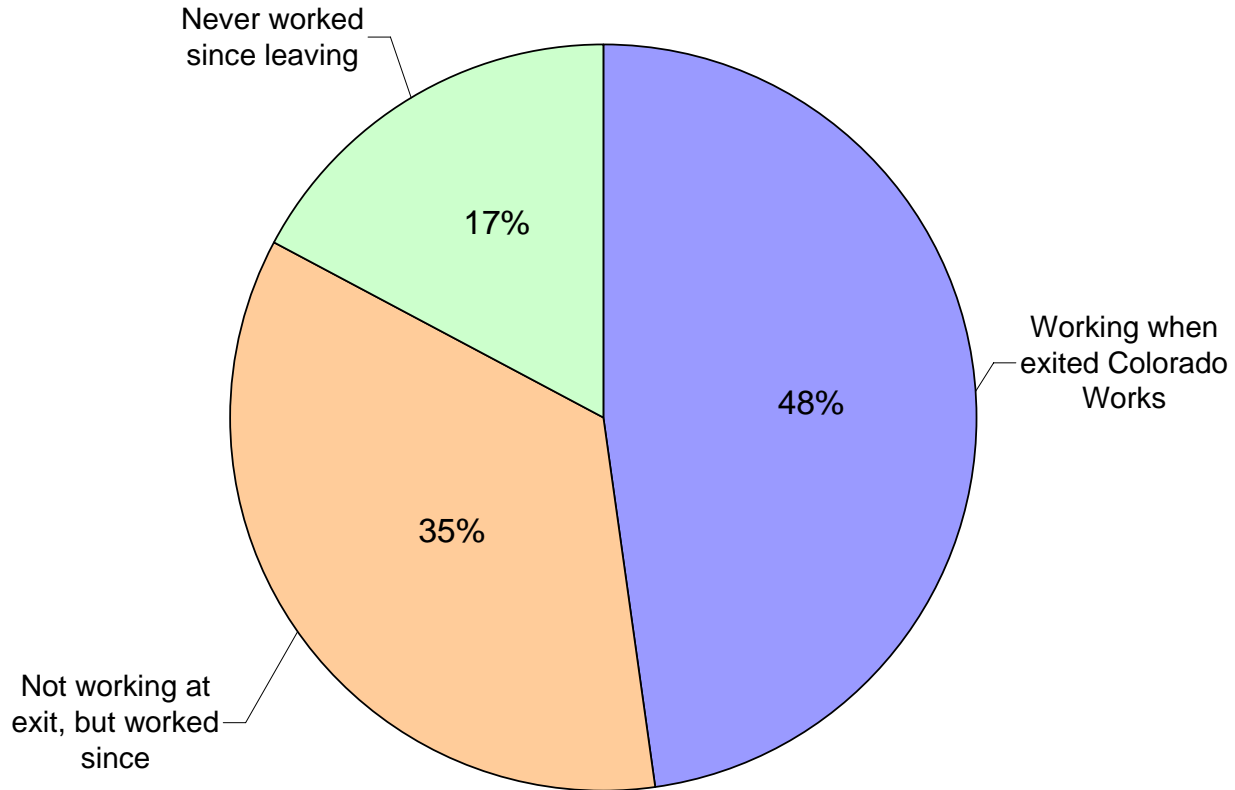
Sources of Monthly Household Income (cont'd) (median household income among just those households receiving each particular type)



Nearly two thirds were living at poverty levels (household income)



Majority of Colorado Works Leavers Worked Since Exit



Employment Outcomes

- 53% were working at the time of the survey
- Wages
 - Median hourly wages (current or past job) were slightly below \$9.25.
 - About 9% reported earning more than \$15 an hour.
- Job schedules
 - 23% reported the number of hours they worked changed from week to week “a lot” or “a fair amount.”
 - 34% worked in the evening or nighttime.
 - 20% worked temporary or seasonal jobs.
 - 37% worked part time.
- Benefits
 - 60% of the jobs offered at least one of the benefits asked about on the survey; most common were:
 - Health care for the employee (43%)
 - Paid vacation (40%)
 - Paid sick says (38%)

Receipt of Public Services

- 59% lived in households receiving food stamps
- 34% were living in public housing or receiving a government housing subsidy such as Section 8 vouchers
- 56% received public health insurance; 77% of those with children received public health insurance for at least one child
- 6% received SSI; another 7% lived in a household with SSI income

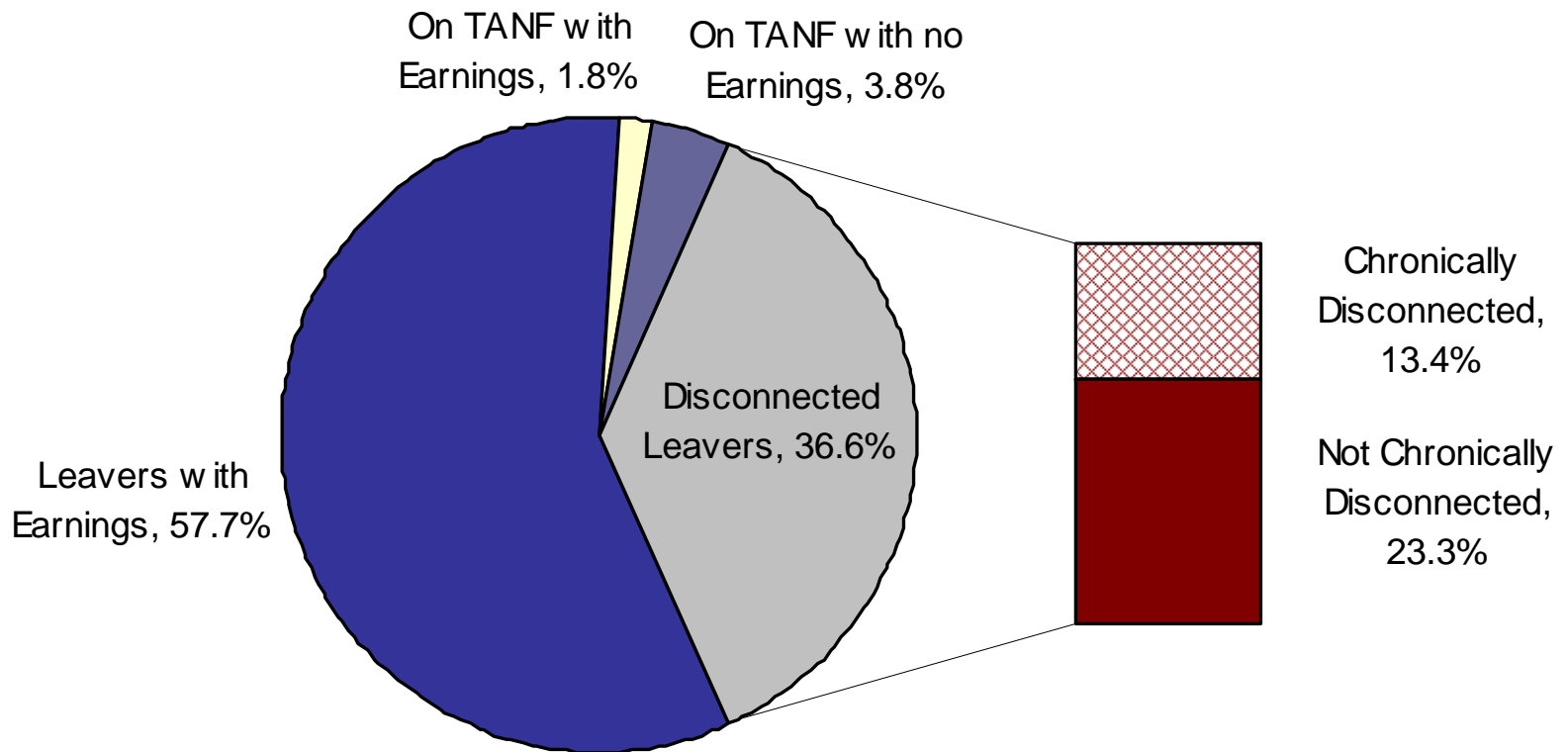
Well Being and Hardship

- Better off than when on welfare?
 - Better off: 51%
 - About the same: 24%
 - Worse off: 25%
- Food and housing security (year prior to survey):
 - 50% food insecure, including 28% with “very low food security”
 - 57% rarely, sometimes, or often fell behind in housing payments; 23% had to move because of unaffordable housing; 6% used a shelter
- Mental health (past month):
 - 35% with poor mental health, including 25% with “very poor” mental health
- Health insurance coverage (past month):
 - 33% with no health care coverage; 12% of leavers with children did not have insurance for any of their children

“Disconnected” Welfare Leavers

- Definitions used:
 - **Disconnected:** Individual not working and not receiving TANF at time of survey
 - **Chronically disconnected:** Had not worked within the last year, were not receiving TANF or SSI, did not have a spouse with earnings
- Study builds on earlier work:
 - Rebecca Blank and Brian Kovak (2008). “Helping Disconnected Single Mothers.” Brookings Institution
 - Lesley Turner, Sheldon Danziger and Kristin Seefeldt (2006). “Failing the Transition from Welfare to Work.” Social Science Quarterly
 - Gregory Acs and Pamela Loprest (2004). “Leaving Welfare: Challenges in a New Economy.” Urban Institute

“Disconnected” Welfare Leavers



Comparison of Selected Outcomes

	Chronically Disconnected	Disconnected	Colorado Works Leavers with Earnings
Average Household Income (including food stamps)	\$1,002	\$1,341	\$2,153
Percent in Poverty	83%	76%	52%
Ever Worked Since Exit	N/A	55%	100%
Very low food security	38%	32%	25%
Went to homeless shelter (often or sometimes)	8%	3%	1%
Worse off since leaving TANF	38%	39%	16%

Conclusions

- While some Colorado Works leavers achieve relatively successful outcomes, many continue to have low incomes and to experience various hardships
- Despite this, most who left Colorado Works - 89% - did not return to TANF between when they left the program and the time of the survey
- Employment plays an important role in the well being of leavers; even so, 51% of leavers with earnings were among the “working poor”

Conclusions (cont'd)

- Continued receipt of other types of public supports
- Substantial group of “disconnected”
- Given the low rate of welfare return, uses of the TANF block grant that address a broader group of low-income individuals than those currently on basic cash assistance - both employed and disconnected - may be a key tool in improving the outcomes of Colorado Works leavers

Recent policies in Colorado

- Counties directed to begin spending county reserves; reserves capped and excess is redirected to state
- Created the Statewide Strategic Use Fund (SSUF) to support strategic initiatives designed to address systemic issues that mitigate poverty and its impact on Colorado
- Increased TANF grant levels (by about \$100/month on average), effective January 2009

For Further Information

Research Briefs available at Lewin table at this conference.

Reports from the Colorado Works Evaluation available on Colorado website at:

<http://www.colorado.gov/cs/Satellite/CDHS-ColoradoWorks/CCW/1236860353280>

or at

www.lewin.com.

Questions and comments may be directed to:

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