WELFARE REFORM INITIATIVE

FROM WELFARE POOR TO WORKING POOR:
Post AFDC/TANF Income in the State of Utah
November 2000

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November 2000

The University of Utah’s Center for Public Policy and Administration is very pleased to present this report, *FROM WELFARE POOR TO WORKING POOR: Post AFDC/TANF Income in the State of Utah*, by Andrea Coon and Professor Garth Mangum, both of the University of Utah, and Mcleans Geo-Jaja of Brigham Young University.

The question of what happens to people on welfare after they leave the welfare rolls is perhaps the most critical question facing our society in the wake of the implementation of the TANF program. This question is largely unanswered nationally, except for a few state efforts.

Unfortunately PRWORA does not mandate tracking of those who leave the rolls—an omission which I regard as one of the two most grievous aspects of the entire legislation, the other being life-time limits on assistance.

As is evident from the research reported here, the vast majority of those in Utah who leave the welfare rolls for employment find themselves consistently below the poverty level in their wage earnings. This outcome is, of course, totally unacceptable—a judgment on which all concerned with welfare policy would concur.

We are grateful to the Intermountain Health Care Foundation for providing the funding for this report.

Laurie N. DiPadova, Ph.D.
Policy Fellow
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List of Abbreviations

AFDC       Aid to Families with Dependent Children
DWS        Department of Workforce Services
PRWORA     Personal Responsibility and Work Opportunity Reconciliation Act
SPED       Single Parent Employment Demonstration Project
TANF       Temporary Assistance for Needy Families
Introduction

Though Utah experienced on December 31, 1999 the first application of the 36 month lifetime limit placed on the receipt of public assistance by its 1996 welfare reform legislation, the long-term impacts are yet to be seen, even as the year 2000 draws to a close. But predictions are possible based on accessible data. The number of households receiving Aid to Families with Dependent Children (AFDC) had dramatically declined from nearly 18,500 in 1993 to less than 15,000 at the time of the welfare reform legislation and to under 13,000 by 1997 when the new state Employment Assistance for Utah Families Act and the federal Personal Responsibility and Work Opportunity Reconciliation Act both took effect, continuing down to less than 9,000 by the end of 1999 and to 5,553 households in June 2000. While the decline in public assistance enrollments has been widely acclaimed, it is critical to know what the impact has been on the families involved.

This study approaches that assignment by analysis of administrative data. The records of two separate samples of public assistance recipients were followed over several different years, determining the extent to which, on a month by month basis, they received public assistance payments or food stamps and also whether they appeared on the records of employers reporting quarterly wage payments or upon the unemployment insurance rolls. Those data sources provide useful information as to income in both cash and in kind, but they have their limitations as well. These data tell us nothing about the number of persons in the households, their ages and their individual circumstances. For instance, we know their household income, but we do not know how many mouths that income has to feed. Since the federal poverty threshold is established on the basis of the number of persons in a household, we do not know whether each household’s income places them below or above the poverty line. We can only make that assumption based on the average number of persons in all households which have been or currently are receiving public assistance. Those who are employed may be eligible for an Earned Income Tax Credit, but we have no way of checking that. When they disappear from these our record sources, we do not know what has
happened to them. Did they leave the state? Did they marry? Is a relative or friend helping to support the household?

Those important questions can only be answered by direct contact with and interview of the family, as was undertaken on a smaller scale by the Social Research Institute at the University of Utah. The Social Research Institute was confined to a sample of 407. Each approach has its advantages and disadvantages. The important questions this analysis of administrative data can and does answer are:

1. What is the income pattern followed over time as people leave public assistance rolls, possibly to return?

2. What is their total income thereafter? Did they improve their income by leaving the public assistance rolls or did the welfare poor become the working poor?

To protect the privacy of these individuals, the Department of Workforce Services drew samples using Social Security numbers and then provided us the resultant data in numerical order but without identifying the Social Security numbers from which the data was drawn.

As noted, two separate samples are followed. The first is a sample of all of those households which had been enrolled in the Aid to Families with Dependent Children program at the beginning of 1994 and at sometime during that year left the AFDC rolls. Their receipt of the four identified income sources is followed through 1998. Data from 1996 had been deleted from the information source because of data problems, perhaps due to the consolidation of agencies into the Department of Workforce Services during that year.) The second is a sample of those enrolled at the beginning of 1997. Their records are followed through 1999, whether or not they remained on or left the rolls of what by then had become the Temporary Assistance to Needy Families (TANF) program.

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To summarize before providing more detailed data, for the sample of those who had left the public assistance rolls in 1994:

- Leaving public assistance was not permanent for most, 58 percent having returned to public cash support at sometime during the subsequent years. However, half of those returns occurred during the first two years. Only 21 percent of those who left public assistance in 1994 received any public assistance during 1998.
- Receipt of food stamps tended to continue longer than receipt of public assistance, more than four out of five receiving food stamps at some time during the subsequent years.
- Thirteen percent received no wages at any time during the four years, 31 percent received no wages during 1998 and 17 percent received no recorded income of any kind during that year.
- For those who found work, employment tended to be sporadic. Only a quarter to a third had earnings in all four quarters of each year and from one-fifth to two-fifths had more than one employer during each year.
- One-half had lower total incomes and the other one-half had higher total incomes in 1998 than in 1994.
- To the extent reducing public assistance was the goal, efforts have been reasonably successful, 53 percent of the sample received neither public assistance nor food stamps during 1998 and 25 percent received no cash public assistance in 1994, 62 percent in 1995, 74 percent in 1997 and 79 percent received none in 1998.
- If getting out of poverty was the goal, the results have been dismal. The administrative data base used does not provide family size. If the average family size was three, only 14 percent earned an above poverty income in 1998; only 9 percent if the average family size was four. Using the family size of three for illustrative purposes, 74 percent earned less than 50 percent of poverty in 1998 and only 13 percent earned between 51 percent and 100 percent. Five percent earned between 101 percent and 125 percent, 4 percent between 126 percent and 150 percent, 2 percent between 151 percent and 200 percent and 3 percent earned more than 200 percent. Combining earnings with the continued receipt of both public assistance and food stamp benefits, 16 percent received above poverty incomes in 1998.

For the sample of those who were still receiving public assistance at the beginning of 1997:

- 41 percent of the 1997 enrollees were still receiving public assistance in 1999 and 65 percent were still receiving food stamps.
• Viewed month to month, however, only 69 percent of those on TANF rolls at the beginning of 1997 received more than 6 months of benefits during that year as was true of only 39 percent in 1998 and 25 percent in 1999.

• On the other hand, 24 percent of the sample had earned income during 1997, 27 percent during 1998 and 25 percent during 1999.

• Few of those who worked maintained steady employment. Only 25 percent were employed in all four quarters of 1997, 33 percent in 1998, but only 12 percent in 1999. In 1997, 45 percent worked for more than one employer during the year as did 39 percent in 1998 and 34 percent in 1999.

• Nine percent had disappeared from our data sources by 1999, not showing up on any of the public assistance, food stamp or wage records.

• Summing the public assistance, food stamp, wage and unemployment insurance sources, if the average family size (unknown from these data sources) was three persons, 13 percent received above poverty incomes in 1997, 18 percent in 1998 and 14 percent in 1999. If the average family size was four persons, those percentages would have been 4 percent, 12 percent and 9 percent, respectively.

• Examining at 1999 alone and assuming a family size of three persons, 59 percent would have had total incomes below 50 percent of the poverty line and 2 percent above 150 percent of poverty.

• Predominately, welfare poverty had become either working poverty or an undefined but still poverty-dominated situation.

**Background and Data Sources**

When the Utah State Legislature was considering welfare reform legislation in January and February 1996, the U.S. Congress was also considering legislation which, among other provisions, imposed lifetime limits upon the receipt of public assistance. Among the several proposals before the Congress were those limiting the receipt of such payments to as little as 24 months over a lifetime. Getting ahead of the curve in its brief annual session, the Utah legislature imposed a 36 month limit, supposing that Congress by the end of its annual deliberations would have done the same. In that, Utah was not unique. Twenty-one other states also enacted lifetime public assistance limits, most of them opting for 24 months. However, the national legislature, facing the need to reach a compromise with a veto-wielding president, by August of that year settled for a federal 60 month limit.
**Single Parent Employment Demonstration**

It is important to note that welfare reform was already underway in Utah long before the Legislature’s 1996 action. Beginning in 1993 in various parts of the state, Utah’s Single Parent Employment Demonstration (SPED) was among the most compassionate of the welfare reform efforts then underway in many of the states. As originally conceived, it was one of the few which eschewed arbitrary time limits. It assumed, consistent with evidence that the state’s Department of Human Services found compelling, that it was a rare single parent who would choose welfare over work if the alternatives were realistic and if the road to welfare reform could be cleared of a myriad of program rules that actually hindered access to employment. The low wages and uncertain tenure of the jobs available to them were a greater deterrent than the frequently distasteful nature of the job content. But it was more the impending loss of health care and child care and the difficulty of reestablishing eligibility for AFDC and its accompanying benefits upon loss of an insecure job that generated fear of abandoning welfare certainty for earnings uncertainty. By working with the recipient step by step and removing obstacles one by one, and by maintaining temporary retreat options if plans went awry, the SPED approach assuaged many of those fears. The goal was not just to get off public assistance but to get out of poverty. Taking advantage of invitations extended by the U.S. Department of Health and Human Services which administered AFDC at the federal level, Utah’s Department of Human Services had sought and received waivers to some 50 federal regulations which had stood in the way of state-sponsored welfare reforms.

SPED had been initially applied as a demonstration project in Kearns, Kanab, St. George and Roosevelt. A sample of Kearns households receiving public assistance in December 1992 and January 1993 had been randomly assigned to an experimental group and a control group and followed through periodic interviews for 30 months. By that time 41 percent of the experimental group and 29 percent of the control group were found to no longer be receiving AFDC, Medicaid or Food Stamps. Of those still receiving AFDC in July 1994, the average grant for the SPED experimental group was $24 less than for the control group compared to the $4.73 difference at the beginning of the program. Overall, between
January 1993 and June 1995, grant expenditures for SPED cases declined by 42 percent compared to 27 percent for the control group. Twenty-five percent of the Kearns SPED parents had demonstrated some earned income 18 months after the program’s initiation compared to 13 percent of the control households. Experimental group members earned a total of $38,672 in July 1994 compared to $17,461 for the control group. The average $119 per month earnings of the experimental group was approximately double the average earning of the controls. Including financial assistance, wages, unearned income and Food Stamps together, experimental households had increased their average monthly incomes by 14 percent to $795 by July 1994 compared to the control group’s average of $750. By June 1995, total family incomes for those SPED families receiving some earned income averaged $907 a month, 34 percent greater than the average received by those dependent upon public assistance alone.

AFDC funds were also used as a diversionary measure, providing emergency assistance to families with short-term needs rather than enrolling them. By that means 19 percent of eligible applicants were diverted and only 10 percent of those subsequently reapplied. With all of these indicators of success, other parts of the state were added to SPED in January 1995 and the governor later announced that the SPED concept would be introduced statewide as the Family Employment Program. It was in that atmosphere that the Legislature decided in February 1996 to mandate its approach to welfare reform in its Employment Assistance to Utah Families Act, with the national Congress moving in a similar direction with its Personal Responsibility and Work Opportunity Reconciliation Act the following August.

Data Sources

What would have happened had Utah continued down the SPED path without the drastic intervention of the federal and state laws of 1996 can, of course, never be known. AFDC enrollment which had consisted of 18,366 households in January 1993 had declined to 14,335 by the time of the state and federal legislation in 1996 and to 12,864 by the time the new legislation took effect in mid-1997. That decline continued to 8,691 households by the end of 1999 and 5,553 by June 2000. But what actually happened to those families, other than their disappearance from public assistance rolls? The only way to
be certain would be to track those families and by personal interview record their experiences. Short of
that expensive process, we resolved to learn all that was possible from administrative data. The
Department of Workforce Services, at least as interested as we are in the answers to the questions of
concern, drew for us two approximate 5 percent random samples.

The first was a sample from those households who left AFDC at some time during 1994. To
maintain the privacy of those households DWS staff identified them by Social Security numbers which were
not revealed to us, they being identified for us only by number from 1 to 589, the sample size. DWS then
followed those Social Security numbers through December 1998, recording whenever those numbers
reappeared on AFDC and Food Stamp rolls. The same Social Security numbers were also followed
through the wage records reported by employers to DWS and through that agency’s unemployment
insurance records. That way, whether and when employed, quarterly wage earnings, and any
unemployment insurance payments received were supplied to us for each member of the sample. Drivers
license and Health Department records were also reviewed for relevant information but, finding nothing
significant, were abandoned. This sample was followed from the enumerated records through 1994, 1995,
1997 and 1998. Analysis of 1996 data was attempted but proved impossible for a number of technical
reasons. It can only be assumed that the 1996 data would have followed the same track as the preceding
and following years.

Those leaving the AFDC rolls in 1994 could have done so for a number of reasons. They could
have found jobs and earned their way out of eligibility. They could have married or left the state or died
or they could have been dropped from the public assistance rolls for various violations of requirements.
It seemed reasonable to assume that those who left the public assistance rolls earliest would have been
those most capable of performing successfully within the improving jobs economy of the time. Hence, it
seemed advisable to repeat the process for those still enrolled at a later period. The second sample was
a repeat of the first except it was of those still enrolled at the beginning of 1997. This sample of 590 was
followed from the same data sources throughout 1997, 1998 and 1999. Analysis of the data from these
two samples is the source of this report.
**Longitudinal Analysis of Early AFDC Leavers**

Those herein followed for five years of their life through appearance of their Social Security numbers in various administrative data sources would have left AFDC in 1994 for a number of reasons. Most would have withdrawn by choice, usually after obtaining employment, either by their own efforts or as a result of the diligent efforts of the those engaged in SPED and other innovative programs. A few would have been sanctioned and dropped from the program for failure to conform to various federal and state rules. Some may have left because of marriage or because the dependent children who were the source of their eligibility may have aged beyond program limits. We have no way of knowing the reasons for their withdrawal, for any returns to enrollment, and what was happening to them during any periods in which their Social Security numbers do not appear within the program records examined. Their having left enrollment for such a variety of reasons also limits the evaluative purposes of our analysis. Had the universe from which the sample was drawn been the participants in a deliberate program to provoke their withdrawal, their subsequent experience would have provided an evaluative test of the accomplishments of the effort. Nevertheless, this retrospective analysis allows us to apply current objectives and ask whether those would have been accomplished had they comprised the intended goals. The objective of SPED was clearly to assist recipient households to rise out of poverty. Subsequent legislation appeared to be ambivalent as to whether reducing poverty or reducing the weight of public assistance burdens and the number of households on program rolls was the priority. The reduction of public assistance enrollments in Utah over the years since 1993 is a simple matter of record. No study is required for that assessment. Our data are more useful for pursuing the issue of poverty’s alleviation. Nevertheless, the on and off pattern by which that enrollment reduction was accomplished should carry with it significant public administration lessons.

**The Ins and Outs of Program Enrollment**

AFDC recipients entered our study universe by leaving the program at some time during 1994, but that does not mean that they remained off the public assistance rolls. In fact, it is to be expected that
recipients would have a recurrent experience, at least initially. Some may have been seeking self reliance and periodically failing over a substantial period of time. Others may have been long-term recipients “trying their wings in the labor market” for the first time or after long absence, and experiencing trial and error failures before becoming established in a lasting job. Some may have abandoned public assistance enrollment for a marriage or similar relationship which did not last. For whatever reason, 58 percent of those public assistance recipients who left the AFDC rolls during 1994 returned to public assistance at some time before the end of 1998 (Figure 1).

However, the data support a trial, error and learning experience pattern. Only 14.5 percent of those who went off AFDC in 1994 received cash assistance during more than six months of that year. How much of that was a return later in the same year after leaving and how much occurred before leaving AFDC is impossible to know. But the fact that 38 percent of the AFDC leavers returned to public assistance receipt during 1995, 24 percent of them for more than one-half the months during the year, suggests a struggle to overcome obstacles to self reliance. No data are available for 1996 but progress was evident by 1997 when 26 percent received public assistance benefits at some time during the year, 14 percent for more than one-half of the months during the year. By 1998 a pattern appeared to have been set in that 21 percent of those who left AFDC in 1994 received public assistance during the latter year, though only 11 percent received the cash aid for more than six months of that year. In terms of progress in that regard, only 25 percent of the sample were without cash assistance in 1994 but 62 percent received no cash assistance in 1995, 74 percent none in 1997 and 79 percent received none during 1998.

On the other hand, Food Stamps appear to have provided a buffer to the loss of public assistance income. The sample was drawn of those who left

![Figure 1](image-url)
cash public assistance in 1994 but that did not mean that they necessarily gave up access to food stamps. It was a rare 1994 public assistance leaver who never returned to food stamps at sometime in subsequent years. Only 39 percent received Food Stamps for more than one-half of the months in 1994. However, 67 percent received Food Stamps at some time during 1995, 51 percent of them for more than six months. By 1997, Food Stamp recipiency had fallen to 53 percent, 36 percent for over one-half of the year. But 47 percent were still receiving Food Stamps in 1998; 33 percent of the sample receiving them for more than six months during that year.

Thus, to the extent that reducing public assistance recipiency was a public policy goal of the 1994-98 years, success could be justifiably claimed. However, the continuation of Food Stamp recipiency was one of the costs that made public assistance reduction possible.

But What of Employment and Wages?

Of course, the primary objective of any welfare reform is to encourage potential recipients to become employed and self-supporting. To what extent did the 1994 AFDC leavers do so? Our data source is such that we have no way of knowing why these individuals left AFDC but we can know of a certainty whether they subsequently obtained legal employment and how much they earned therein. (Figure 1 and Table 1 reveal the proportions employed. Figure 2 illustrates the relationship between earnings and the federal poverty threshold.) However, their wage record, designed primarily as it is to determine what had been contributed by their employers on their behalf to support the unemployment insurance system, reports only how much they earned in aggregate during a calendar quarter. The data source does not reveal how many hours they worked to earn that sum nor how those hours were spread over the days, weeks and months of the quarter, nor does it inform us whether employment benefits other than those required by law accompanied the wages.

Thirteen percent received no wages at any time during the four years for which we have data. Twenty-seven percent received no wages at any time during the 1994 year in which they had entered our
sample by departing from the system at some time during that year. That pattern continued with 29 percent receiving no recorded wage income during 1995, 27 percent in 1997 and 31 percent in 1998. One percent received no income of any recorded kind during 1994, indicating that they had left AFDC at the beginning of the year. That was also true of 10 percent during 1995, 14 percent in 1997, and 17 percent in 1998. Of course, our data source records only Utah income. Some may have left the state, receiving income elsewhere. Death is another possibility, given our data source. Illegal and “off the books” income and support from others are additional possibilities.

Appearance in the wage data did not necessarily imply steady employment. Though 76 percent worked at some time during 1994, only 25 percent had earnings in each of the four quarters of that year (Table 1). Similarly, 71 percent had earnings during 1995 but only 33 percent earned in all four quarters. Like numbers for 1997 were 73 percent and 33 percent, with 69 percent and 32 percent for 1998. Of those who earned, 40 percent had more than one employer during 1994, 38 percent in 1995, 28 percent in 1997 and 21 percent in 1998.

How adequate was the income received in whatever combination of public assistance and earned income? The relationship between the income received and the federal poverty line is a useful indicator. The level of the federal poverty threshold is based primarily on family size, data

Table 1
Proportions of 1994 Sample Employed During Subsequent Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent Employed</th>
<th>Percent Employed</th>
<th>Percent Employed</th>
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</thead>
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<td></td>
<td></td>
<td>Four Quarters</td>
<td>Multiple Employers</td>
</tr>
<tr>
<td>1994</td>
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<td>25</td>
<td>40</td>
</tr>
<tr>
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<td>71</td>
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<tr>
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<td>73</td>
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<td>28</td>
</tr>
<tr>
<td>1998</td>
<td>69</td>
<td>32</td>
<td>21</td>
</tr>
</tbody>
</table>
which our data source does not provide. However, the size of Utah’s welfare families has fluctuated between three and four persons during recent years. The federal poverty line for a family of three was $13,330 and that of a family of four was $16,050 in 1997. Only 14 percent of the 1994 AFDC leavers earned more than the three-member poverty line in 1998 and only 9 percent earned more than four-person poverty. Not only were the earnings of most below the poverty line, they were way below. Using the three-person household as the most likely among those who had been AFDC recipients, 74 percent earned less than 50 percent of a poverty income in 1998, the final year of our survey (Figure 2). Six percent earned between 51 percent and 75 percent of the poverty line and 7 percent between 76 percent and 99 percent. Only 54 percent earned between 101 percent and 125 percent, 4 percent between 126 percent and 150 percent, 2 percent between 151 percent and 200 percent and 3 percent more than double the poverty line. Some perspective may be added by knowing that the official federal poverty threshold now stands at less than one-third of the median household income of the nation compared to the 50 percent it equaled when the concept was first introduced in 1964.

Shifting from earned income to total income, only 16 percent received a total income combining public assistance, food stamps and earnings which exceeded the three-person poverty line during 1998. Going back in time, that had been true of 7 percent in 1994, 15 percent in 1995, and 15 percent in 1997. At the other extreme, 13 percent of 1994 public assistance leavers had received no wages at any time during the 1994-98 period, 31 percent received no wages during the final year of our survey, and 17 percent received no recorded income of any kind during that final year. Approximately one-half had a lower income and one-half a higher income in 1998 than they had in 1994. Primarily, the move had been from welfare

![Figure 2](image_url)
poverty to working poverty or to an undefined state which was still dominated by below poverty incomes.

**Longitudinal Analysis of Late Stayers**

The second sample represents a quite different experience. While the 1994 sample was of those who left public assistance early, the second sample is of those still on public assistance rolls in February 1997, one year after the passage of state welfare reform legislation. Whether recipients of that time period were conscious enough of the fact that their new lifetime limit of 36 months of public assistance would be reached at the end of 1999 to begin “banking” public assistance rights by voluntarily withdrawing from benefits still available to them cannot be known. Nevertheless, a sample was drawn consisting of the heads of 599 households still receiving benefits from Temporary Assistance to Needy Families (TANF) as of February 1999. The cash aid, food stamp receipt, employment earnings and unemployment insurance payments for each of the members of the sample was then followed to the end of 1999.

The proportion with earnings stayed fairly constant throughout with 76 percent earning wages in 1997, 74 percent on 1998 and 71 percent in 1999 (Figure 3). However, that does not imply steady employment. Only 25 percent were employed in all four quarters of 1997, 33 percent in 1998, but only 12 percent in 1999 (Table 2). In 1997, 45 percent worked for more than one employer during the year as did 39 percent in 1998 and 34 percent in 1999.
The proportion receiving cash assistance from AFDC and TANF was subject to continuous attrition as the overall numbers on public welfare declined. During 1997, 98 percent received public assistance payments at some time during the year, with 69 percent doing so during at least six months of the year (Figure 4). Similarly, 96 percent received food stamps, with 81 percent receiving them for at least six months during the year. Three quarters of the sample had some earned income during 1997. However, only 4 percent of the sample earned an above poverty income if their family size was three, 2
average family size was four. Total incomes, including cash public assistance and food stamps, were higher, with 13 percent of the sample having incomes above the three-person poverty line and 4 percent having total incomes above the four-person poverty line. Looking only at earnings and assuming a three-person average family size, the earnings of 80 percent were less than 50 percent of the poverty line, 16 percent earned between 51 percent and 100 percent of poverty, 2 percent between 101 percent and 125 percent of poverty, 1 percent between 126 percent and 150 percent, and 1 percent over that figure. Adding cash assistance and food stamps, only 36 percent had total incomes below 50 percent of poverty with 51 percent between 51 percent and 100 percent, 9 percent between 101 percent and 125 percent, 3 percent between 126 and 150 percent, but only 1 percent had incomes above that level.

The numbers and proportions receiving aid declined substantially by 1998 with only 57 percent of the original 1997 sample receiving public assistance, 39 percent for at least one-half of the year. The food stamp ratio was higher, 78 percent at some time during the year and 62 percent for at least one-half of the year. During 1998, 27 percent received no wages, 10 percent earned at least a poverty level income for a three-person family and 6 percent for a four-person family. Assuming a three-person average family size, the earnings of 72 percent were less than 50 percent of the poverty line, 18 percent between 51 percent and 100 percent, 4 percent between 101 percent and 125 percent, 3 percent between 126 percent and 150 percent and only 3 percent above 150 percent of poverty. Turning to total income including cash assistance and food stamps and continuing to assume three person families, 53 percent had incomes below 50 percent of the poverty line, 29 percent between that and poverty threshold, 5 percent between 101 percent and 125 percent of poverty, 4 percent between 126 and 150 percent, 7 percent between 150 percent and 200 percent and 2 percent above that level.

By 1999, only 41 percent of the sample received monetary assistance, only 25 percent for at least six months of that year. The corresponding proportions for food stamps were 65 percent and 50 percent. One-third received no aid of either kind. Seven percent earned over the three-person poverty line and 4 percent over four-person poverty. Including cash assistance and food stamps to arrive at total income, 14 percent received incomes above three-person poverty and 9 percent above the four-person poverty threshold. A total of 71 percent earned less than 50 percent of the three-person poverty line and 59
percent received total incomes below one-half of three-person poverty. Between 51 percent and 100 percent of the three-person poverty line were 22 percent of income earners and 27 percent of the sample by total income. One percent on an earnings basis and 5 percent on the basis of total income were receiving between 101 percent and 125 percent of the poverty line. Between 126 percent and 150 percent of three-person poverty were 2 percent by earnings and 7 percent by total incomes. One percent earned more than 150 percent of the poverty line and 4 percent received total incomes beyond that level. Nine percent of the original sample had disappeared from the records by 1999.
Implications for the Future of Welfare Policy

What lessons can be drawn from this statewide experience? If the public policy objective was to reduce public assistance enrollments, the success is undoubted. If it was to aid formerly dependent people to rise above poverty, success remains elusive. Clearly, if poverty is to be left behind, there must be greater effort to prepare public assistance leavers to qualify for and obtain jobs which pay above poverty wages. In Utah, with its wage structure about 16 percent below national averages, families generally avoid poverty by having more than one earner or the one having substantial education, skill training and work experience. Most public assistance families do not contain multiple earners and very few have the basic education base upon which to build a substantial skill acquirement effort. Making the long-term investment through overcoming health problems, promoting family stability, gaining work experience and following on with education and skill training, accompanied all the way with child care and, often, temporary or permanent income supplements, will be necessary if leaving poverty behind is to be a serious social objective.

That so few of those who left the public assistance rolls ended up earning family-sustaining wages does not mean that the state legislature and the national congress erred in opting for a work-based system of family support. It does mean that governments have an obligation to finish the job. A few of those who left public assistance without finding a job in Utah may have ended up in other possibly desirable situations, including being supported by someone else or by having left the state. For those who continued to supplement earned income with public assistance and food stamps, it was well that option existed. For those employed but with earnings which left them mired in poverty, the answer should have been adequate training, accompanied by child care, to enable them to qualify for and obtain higher paid jobs. For that purpose, just breaking through the official federal poverty threshold is not sufficient. That threshold has so deteriorated over the years that it would have to be multiplied by 140 percent to equal the standard of living the threshold represented when introduced in 1964 and by 165 percent to represent the same relationship to the median family income of the nation which it held at that time. Hence, our focus is on 150 percent of poverty as the minimum of what could be realistically called a family-sustaining income. When the support system is in place to make it possible for all of those not included among TANF’s 20 percent exception group to earn an income at that level, the task of welfare reform can be declared completed.
Until then, society will carry on its conscience the burden of having cast many of the welfare poor into the limbo status of working poor.