



## Welfare Leavers in Colorado

Prepared for: The Colorado Department of Human Services

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Date: July 31, 2009

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## Executive Summary

This report explores why former welfare recipients in Colorado left the Colorado Works program and how they fare after exiting. It is part of a multi-year, in-depth study The Lewin Group is conducting for the Colorado Department of Human Services (CDHS). Lewin's partners on the study are the University of Colorado's Health Sciences Center, the Johns Hopkins University's Institute for Policy Studies, Capital Research Corporation, and Survey Research Management (SRM). The Lewin team developed the study's design in consultation with CDHS officials and an Advisory Committee consisting of representatives of counties and Colorado's advocacy community.

The analysis in this report relies primarily on data from a survey of 494 individuals who had been on single-parent Colorado Works cases and left the program during the first three months of 2007. SRM conducted the survey for the Lewin team. The survey occurred in August through November of 2008, which was between 17 and 23 months after the individuals surveyed had left Colorado Works. It included questions on reasons for leaving TANF, employment experiences, sources of income, and general well-being after TANF. The survey responses provide a level of detail on the experiences and outcomes of participants who have left Colorado Works that is not available from administrative data, allowing a more extensive and more detailed exploration of this topic than had been possible at earlier stages of this study.

## Key Findings

Former Colorado Works recipients have had a variety of outcomes after they stopped receiving cash assistance. Findings from the survey data include:

- **Only about one in ten individuals who stopped receiving cash assistance through Colorado Works returned to welfare.** Eleven percent reported that they received cash welfare again (in Colorado or another state) between when they left Colorado Works and the time of the survey. The reasons they gave for returning varied; most cited lack of employment, insufficient earnings, becoming pregnant or having a child, or health problems. About two thirds had been off of welfare for more than six months before returning to the program.
- **Most former Colorado Works recipients were living in poverty, though a small minority lived in moderate-income households.** The survey asked former Colorado Works recipients about the income they and others in their household received in the prior month. The average monthly household income, including food stamp benefits, was \$1,809. Nearly two thirds of leavers were living in households at or below the poverty threshold at the time of survey. Most others lived in households with incomes (excluding food stamp benefits) below 200 percent of the poverty line, but 10 percent of leavers lived in households with higher incomes.
- **Earnings were the biggest source of income in the households in which former Colorado Works recipients were living.** Earnings (by the survey respondent or other members of his or her household) represented 71 percent of the household monthly income, including food stamps. Food stamp benefits were also commonly received and

represented 11 percent of household income. No other income sources were received by more than a quarter of households, though some, such as Supplemental Security Income (SSI) and unemployment benefits, contributed substantial amounts to those households that received them.

- **A large majority of welfare leavers have worked since exiting Colorado Works; most earned low wages, though there is some diversity in the amounts earned.** Of those surveyed, 83 percent had worked since leaving welfare, including 53 percent who were working at the time of the survey. Median hourly wages of those who worked were slightly below \$9.25 – higher than minimum wage, but barely above the poverty threshold for a parent with two children if worked full time. However, 9 percent reported earning more than \$15 an hour. Sixty percent of jobs offered at least one of the benefits asked about on the survey (health care coverage, paid vacation or sick days, retirement benefits, training classes or tuition reimbursement, or support for child care).
- **Many continue to rely on other public services.** More than half (59 percent) lived in households receiving food stamps. About one third of leavers lived in public housing or received a government housing subsidy (such as Section 8 vouchers). Over half of leavers had public health insurance such as Medicaid, and among leavers living with their children, three quarters had public insurance for their children (including CHP+ or a children’s health program in another state). Only 6 percent of respondents reported receipt of SSI; an additional 7 percent lived in households where someone else received SSI.
- **Former Colorado Works recipients’ responses indicated a range of well-being outcomes, including continuing hardship among a number of families.** Half of leavers responded that they thought they were better off since leaving Colorado Works; a quarter of leavers felt that they were worse off. Half were food insecure – i.e., their ability to acquire adequate food was limited or uncertain – including 28 percent categorized as having very low food security. About one third of leavers reported sometimes or often falling behind in housing payments during the year prior to the survey, and nearly a quarter said they had to move because of unaffordable housing. One third of Colorado Works leavers did not have health insurance in the month prior to the survey.
- **More than one third of leavers were neither working nor on welfare; 13 percent were “chronically disconnected” from the labor market and the welfare system.** At the time of the survey, 37 percent of the sample were not receiving TANF benefits or earnings from work; this group is referred to as “disconnected” welfare leavers. A more disadvantaged group, the “chronically disconnected,” is made up of leavers who did not work in the past year, did not receive any TANF or SSI income, and did not have a spouse who had earnings. This group represents 13 percent of leavers in the sample, and had particularly low incomes and high incidences of very low food security.
- **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 may be a key tool in improving the outcomes of Colorado Works leavers.**

This would be consistent with recent state policy changes to support new strategic initiatives designed to address systemic issues that mitigate poverty and its impact on Colorado, and counties have already instituted a wide range of interesting strategies. Counties could consider both strategies to aid those who are employed but nonetheless have low incomes or hardships, and strategies to aid the disconnected.

The remainder of this Executive Summary reports on particular findings in greater detail.

### ***Profile of the Leavers Sample***

**Most former Colorado Works recipients had young children, and most were not living with a spouse, partner or other adult.** Most members of the sample (89 percent) were living with dependent children when surveyed. In the majority of households with dependent children (69 percent) the youngest was under the age of six years old. About 80 percent of welfare leavers in the sample were not living with a spouse or partner, and over half (56 percent) were living in households where they were the only working-age adult.

**New employment or increased earnings was the most common reason former Colorado Works recipients gave for leaving the program.** About half (53 percent) of leavers in the sample cited a new job or an increase in earnings or hours of work as the reason for leaving. Twenty-five percent of the leavers cited reasons related to Colorado Works program rules such as disliking the hassle of compliance (7 percent), failure to comply (12 percent), or having reached the time-limit (6 percent).

**About one in ten returned to welfare between when they left Colorado Works in early 2007 and the time of the survey in late 2008.** The majority of those who returned to welfare (65 percent) were off Colorado Works for seven or more months before receiving cash welfare again. The reasons for returning varied; most cited lack of employment or insufficient earnings (40 percent), becoming pregnant or having a child (22 percent), or health problems (12 percent) as the reasons for returning. At the time of the survey, 62 percent of those who had returned were enrolled in a welfare program.

### ***Employment Patterns and Job Characteristics***

**A large majority of welfare leavers have worked since exiting Colorado Works, and about half were currently working at the time of the survey.** Of those surveyed, 83 percent had worked since leaving welfare, including 53 percent who were working at the time of the survey. About half (48 percent) were working at the time they left welfare, and this group was more likely to be working when surveyed than those who were not working when they left (69 percent versus 39 percent.)

**Some leavers have worked relatively consistently since leaving Colorado Works, but many worked only intermittently or for relatively short periods.** There is a diversity of employment patterns among leavers who had worked since leaving Colorado Works. Of those who were working at the time they were surveyed, nearly two thirds (63 percent) had been working in that job for 12 months or less, but around one third (37 percent) had been working in their jobs for a longer period of time. Most (63 percent) of those not working at the time of the survey, but

who had worked since leaving the program, had worked at their previous job for six months or fewer.

**Most working Colorado Works leavers earned low wages.** Median hourly wages were slightly below \$9.25. That was higher than minimum wage, but if earned in a job worked full time (40 hours per week) for an entire year would only be equivalent to about \$19,200 a year, barely above the poverty threshold for a parent with two children (\$17,346). About one out of four leavers (23 percent) reported working jobs with earnings at or below the 2008 state minimum wage of \$7.02. A minority of Colorado Works leavers report substantially higher earnings. About 9 percent reported earning more than \$15 an hour.

**Many of the jobs in which Colorado Works leavers work involved irregular schedules.** Close to one quarter (23 percent) reported that the number of hours they worked changed from week to week “a lot” or “a fair amount.” About one third were employed in jobs in which they worked in the evening or nighttime. About one fifth (20 percent) said their jobs were temporary or seasonal. About one third (37 percent) of the jobs worked by leavers were part time.

**Many of the jobs held by Colorado Works leavers offered benefits.** Sixty percent of the jobs offered at least one of the benefits asked about on the survey (health care for the employee or the employee’s child; paid sick or vacation days; support for training or tuition; retirement benefits; or support for child care). The most commonly offered were health care for the employee, paid sick days, and paid vacation days; about 40 percent of the jobs held by Colorado Works leavers offered each of these benefits.

**The main reasons cited for not working were inability to find a job, illness or disability, and child-related reasons.** Of the roughly half of leavers not working at the time of the survey, 55 percent were currently looking for a job, while 45 percent were not. Those looking for work most often cited difficulties in finding a job and an inability to find sufficient child care as the main reason they were not working. Those not looking for a job most often cited illness or disability or child-related reasons such as difficulty finding child care, wanting to stay home with their children, or being pregnant or having a newborn.

**Analysis of administrative data shows similar employment rates, and also shows low median earnings.** Quarterly wage records collected as part of the Unemployment Insurance (UI) program indicate that 79 percent of individuals who left Colorado Works in the first quarter of 2007 had worked in at least one of the six subsequent quarters. Most who had worked had worked inconsistently, but one fourth of all leavers in the UI wage records had worked in all six quarters. In each of those quarters, between 50 percent and 57 percent of leavers had earnings. Median earnings of those who worked in a given quarter were low, rising from \$2,729 in the quarter following exit to around \$3,060 in each quarter in 2008.

### ***Sources of Income***

**The average monthly income of households in which former Colorado Works recipients were living was \$1,809.** For most households in which leavers were living, monthly income was low. Nearly two-thirds of these households were living at or below the poverty threshold at the time of survey, and fully 90 percent were living at or below 200 percent of the poverty line.

**Earned income was the most common and largest source of income.** Earned income was received by 70 percent of households in which leavers were living, and on average earnings represented 71 percent of total household income (including food stamps). Median earnings, among those households with earnings, were \$1,400 per month. Median earnings of just the leavers themselves were \$1,200. When leavers had spouses or partners living in their household (20 percent of leavers), about two thirds worked, and these earned median earnings of \$1,600. Other working-age household members were present in close to half of households, but only one third of these worked; their median earnings were about \$1,500.

**Food stamps remained an important part of the income of Colorado Works recipients after leaving the Colorado Works caseload.** Food stamps was the second most common source of income (received by 59 percent of survey respondents) and at an average of \$208 per month (11 percent of total household income), was the only non-wage income source to represent over 10 percent of average monthly total income.

**Only six percent of respondents reported receipt of Supplemental Security Income (SSI).** An additional 7 percent lived in households where someone else received SSI. However, the median SSI income among households receiving SSI was \$637, which was higher than for any other income type except earnings.

**Child support was received by about one quarter of leavers; amounts received were modest compared to other income sources.** The median value of child support income when present was \$250, lower than for any other income source asked about on the survey except for support from family and friends outside the household.

**Many received housing assistance.** One third either lived in public housing or received a government housing subsidy (such as Section 8 vouchers).

**Many reported receipt of work-related tax benefits.** Fifty-eight percent received the Earned Income Tax Credit for Federal Tax Year 2007 and 61 percent received a 2008 Economic Stimulus check. Few individuals indicated receipt of other work-related supports such as individual development accounts (1 percent), government sponsored employment retention benefits (3 percent), or non-governmental employment retention benefits (less than 1 percent).

### ***Well-Being of Former Recipients of Colorado Works***

**Half of leavers responded that they thought they were better off since leaving Colorado Works.** Another quarter reported that they were about the same, and another quarter of leavers felt that they were worse off since leaving Colorado Works.

**Food insecurity was a problem for half of leavers.** The responses of 50 percent of leavers to questions regarding their food security indicate that they were food insecure – i.e., that their ability to acquire adequate food was limited or uncertain. This includes 28 percent who were categorized as having very low food security.

**Many leavers experienced housing hardship, but most did not experience it to a severe degree.** Over half (57 percent) of leavers rarely, sometimes, or often fell behind in housing payments during the year prior to the survey. However, it was less frequent for respondents to report that they had to move because of unaffordable housing (9 percent reported that they did so sometimes or often, and another 15 percent said that they had rarely done so). Few (6 percent) reported having used a shelter. About one in ten leavers (11 percent) live in conditions of overcrowding, defined as two or more household members per bedroom.

**One third of Colorado Works leavers did not have health insurance in the month prior to the survey.** Over half of leavers had public health insurance (such as Medicaid, CHIP+, or public insurance through another state), and 15 percent had private insurance. Roughly equal shares of those with and without employment were uninsured. About 12 percent of leavers with children did not have any of their children insured; most (77 percent) had public health insurance for at least one of their children.

**About one third of leavers appear to have poor or very poor mental health.** This was assessed using a scale based on questions about anxiety, depression, loss of behavioral or emotional control, and psychological well-being. Leavers who had never been employed since leaving Colorado Works were more likely to have poor mental health.

### ***Disconnected and Chronically Disconnected Welfare Leavers***

**More than one third of leavers were neither working nor on welfare; 13 percent were “chronically disconnected” from the labor market and the welfare system.** At the time of the survey, 37 percent of the sample was not receiving TANF benefits or earnings from work; this group is referred to as “disconnected” welfare leavers. A more disadvantaged group, the “chronically disconnected,” is made up of leavers who did not work in the past year, did not receive any TANF or SSI income, and did not have a spouse who had earnings. This group represents 13 percent of leavers in the sample.

**Incomes of the chronically disconnected were very low; 83 percent had household monthly incomes below poverty.** This compares to 51 percent of TANF leavers with earnings who had household incomes below poverty. Among the chronically disconnected, food stamp benefits were the most common income source, received by 68 percent; child support and financial assistance from friends or family members were also somewhat common. Among the broader disconnected group, one quarter lived in households where someone received SSI, and were more likely to have lived in a household where someone had earnings; consequently, their incomes were somewhat higher, but even for this broader disconnected group 76 percent had average monthly household incomes below poverty.

**Many of the disconnected welfare leavers had worked since leaving Colorado Works, though their wages were low.** A little more than half (55 percent) had worked between the time they left welfare and the time of the survey. Their median hourly wages (\$8.60) were lower than the median among the broader leavers sample. Unemployment Insurance wage data shows that their median quarterly earnings were only \$1,700 in the quarters in which they had worked, and that the median quarterly earnings of the chronically disconnected were only \$1,200.

**Food insecurity was high among all groups of leavers; very low food security was particularly prevalent among the chronically disconnected.** Slightly over half (53 to 54 percent) of disconnected and chronically disconnected leavers were food insecure. This is a high rate – only 11 percent of Colorado’s general population was food insecure – but is only moderately higher than among the leavers with earnings (47 percent). On the other hand, very low food security was more common among the chronically disconnected: 38 percent of the chronically disconnected were categorized as having very low food security, compared to 25 percent of leavers with earnings.

## I. Introduction

The Colorado Department of Human Services (CDHS) funded The Lewin Group and its partners – the University of Colorado’s Health Sciences Center (UCHSC), the Johns Hopkins University’s Institute for Policy Studies (JHU), and Capital Research Corporation (CRC) – to perform an in-depth study of Colorado Works, the state’s Temporary Assistance for Needy Families (TANF) program. This study is aimed at providing Colorado Works administrators with analyses of program policies and structure, participation, participant outcomes, funding and expenditures, and other program features to enhance long term program operations and performance. The study’s design was developed by the Lewin team in consultation with CDHS officials and an Advisory Committee consisting of representatives of the counties and Colorado’s advocacy community.

Having information on the outcomes of participants who have left Colorado Works is of key importance in understanding how well the program is supporting them in moving towards self-sufficiency through work. This report examines the circumstances of the program’s leavers, including their reasons for leaving, employment status, sources of income, receipt of other benefits, and overall well-being. It relies primarily on analysis of data from a survey, conducted in mid-2008 by Survey Research Management (SRM), of Colorado Works recipients who left the program during the first three months of 2007.

### A. Background

Colorado Works was implemented in July 1997, following the enactment of the Personal Responsibility and Work Opportunity Act (PRWORA). PRWORA abolished the Aid to Families with Dependent Children entitlement program and replaced it with the Temporary Assistance for Needy Families (TANF) program. During the years following the implementation of TANF, national caseloads declined substantially. Between 1998 and 2001, the U.S. Department of Health and Human Services funded a series of studies in several states and counties to examine how PRWORA and welfare reform affected those who left TANF. Similarly, in 2003, Berkeley Policy Associates conducted a survey of people who left Colorado Works to report on hardship, employment and earnings, mental health, and substance abuse.<sup>1</sup>

Studies of the outcomes of welfare leavers have been less frequent since that time. However, understanding the circumstances of leavers remains a critical component to assessing the extent to which TANF programs are succeeding. Given the recent caseload declines in Colorado – the basic cash assistance caseload reached its lowest level in state fiscal year 2008 since 1997, the year Colorado Works was implemented – understanding how leavers have been faring after leaving Colorado Works is particularly important.

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<sup>1</sup> See reports conducted by the Assistant Secretary for Planning and Evaluation, titled “TANF Leavers, Applicants, and Caseload Studies” and accessible at <http://aspe.hhs.gov/HSP/leavers99/> and “Evaluation of the Colorado Works Program: Fifth Annual Report”, BPA Associates, 2003, available at [http://www.berkeleypolicyassociates.com/images/berkeleypolicyassociates.com/Image/photo/200403\\_03\\_153136/COLORADO%20FINAL%20REPORT\(revised\).pdf](http://www.berkeleypolicyassociates.com/images/berkeleypolicyassociates.com/Image/photo/200403_03_153136/COLORADO%20FINAL%20REPORT(revised).pdf)

Generally, only limited information is available on the outcomes of those who have left Colorado Works. Previous reports produced as part of Lewin's overall project have used administrative data from the Colorado Benefits Management System (CBMS) and Unemployment Insurance records to describe rates of leaving, factors contributing to the caseload decline, and employment outcomes for leavers. To collect more detailed information on the factors underlying departure from the program and employment after Colorado Works, Lewin designed and SRM conducted the survey of leavers on which this report is based. The survey included questions on reasons for leaving TANF, job characteristics, sources of income, and general well-being after TANF that are not available in administrative data. Findings from the survey, supplemented with analysis of program administrative data are presented in this report.

## **B. Methodology**

This report relies on three sources of data:

### **1. Survey of Colorado Works leavers**

Survey data is the primary source of data for most analysis presented in this report. The survey was conducted by SRM, a Boulder-based firm, between August and November of 2008, which was between 17 and 23 months after the individuals surveyed had left Colorado Works. The survey questions focused on demographic information, reasons for leaving Colorado Works, household composition, employment, job characteristics, income, participation in other government programs, educational attainment, and general well-being.

**Survey Instrument Development.** Survey questions were generated by the Lewin research team following careful review of previous surveys of welfare leavers. In particular, the research team paid close attention to a survey of Colorado Works cases leaving TANF conducted in 2003 and graciously shared by Berkeley Policy Associates. Other key sources consulted for development of the survey instrument included several studies on welfare leavers commissioned by the U.S. Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (ASPE) during the late 1990s and early 2000s and the Women's Employment Survey (WES) developed by researchers at the National Poverty Center (NPC).<sup>2</sup> Another source consulted during survey development was the Urban Institute's National Survey of American Families (NSAF), which contained a useful scale of mental health built on questions about anxiety, depression, loss of behavioral or emotional control, and psychological well-being. The food security scale used in this report was developed by the United States Department of Agriculture.<sup>3</sup>

**Survey Sample Selection.** The survey sample was drawn randomly from the population of single-parent cases who stopped receiving payments from Colorado Works during the first

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<sup>2</sup> For more information on the ASPE studies, see <http://aspe.hhs.gov/HSP/leavers99/>. For further information on the WES, see <http://fordschool.umich.edu/research/poverty/wes/instrument>.

<sup>3</sup> Economic Research Service, United States Department of Agriculture. "Food Security in the United States: Measuring Household Food Security." Updated November 17, 2008. Accessed May 22, 2009, at <http://www.ers.usda.gov/Briefing/FoodSecurity/measurement.htm>.

quarter of 2008, as identified using CBMS data. For the purposes of defining this group, clients must have ceased receiving Colorado Works payments for at least two consecutive months. There were 3,737 such cases in the administrative data. 635 of these 3,737 cases were randomly selected for the survey. Of the 635 Colorado Works leavers in the survey, 494 completed the survey for a response rate of 78 percent.

**Missing Values.** In general, exhibits in this report display percentages calculated using only data from those who responded to the relevant question. Sample sizes are provided for each exhibit showing the number of valid responses for a given analysis. However, there are some instances where analysis methods were used to adjust for missing values.

There are several reasons why individuals may not have responded to questions contained in the survey. In some instances, respondents may have refused to answer, whereas in others, respondents may not have been able to recall specific answers. In cases where respondents did not know specific answers (e.g., income amounts, hourly wages), ranged numeric probes were used to narrow the unknown value to a more specific quantity. For instance, a respondent who did not know his or her hourly wage rate was asked whether the wage fell between \$0 and \$5 per hour, \$5 and \$7.50 per hour, \$7.50 and \$10 per hour, etc.

One particular problem concerned times when individuals responded that they had received a type of income, but did not answer a follow up question about the amount received. Excluding these individuals from calculations of average household income can skew the results, especially in cases of less common income sources. Two methods were used to correct for these missing values. The first method was specific to correcting for earned income. To correct these missing values in the case of earned income, the research team calculated an income amount using available data from other questions concerning wages and hours worked. The second method was employed for all other missing income values, and for earnings income in cases where no hourly wage nor hours worked were available. In these cases, respondents were assigned imputed values equal to the mean of the income figure of those individuals who did respond. These imputed values were used only in calculation of average leaver household income (i.e., Exhibits IV.3 and IV.4).

## ***2. The Colorado Benefits Management System (CBMS)***

CBMS data was primarily used to define the survey sample and Unemployment Insurance wage record samples. Data from CBMS used in this report cover case, client and payment information for Colorado Works recipients between September 2004 and December 2008. Monthly extracts of data from CBMS were supplied to the research team and then linked longitudinally for analysis.

## ***3. Wage records from the Unemployment Insurance (UI) program***

The Colorado Department of Labor and Employment (CDLE) provided administrative data on quarterly earnings of Colorado Works participants, maintained as part of the UI Program. UI records are maintained for all workers in Colorado in jobs covered by the UI Program. UI wage records used in this report cover the period from January 2007 through December 2008. The data have some limitations, including that they do not capture employment of workers not

covered by unemployment insurance, such as some agricultural workers, some government employees, some domestic workers, and those in the Armed Forces. UI wage records also do not capture self-employment earnings, informal or “off-the-books” employment, or employment outside the state. Unemployment data was used as an alternative to the survey for measuring employment outcomes.

### **C. Structure of the Report**

Following this introduction, the report is divided into five chapters:

**Chapter 2: Profile of Leavers** summarizes the geographic distribution, demographic characteristics, and household characteristics of leavers. It examines reasons for leaving Colorado Works, and it also draws comparisons between those who return to TANF after leaving and those who do not.

**Chapter 3: Employment Patterns and Job Characteristics** analyzes employment rates and stability. It also examines job characteristics and earnings.

**Chapter 4: Income of Households with Colorado Works Leavers** provides information on household income; poverty rates; and sources of income, including wages, food stamps, and child support.

**Chapter 5: Well-Being of Former Recipients of Colorado Works** examines food security, housing issues, health insurance coverage, and mental health statuses of leavers.

**Chapter 6: “Disconnected” Welfare Leavers** looks at a sub-sample of leavers who neither receive welfare nor work. It compares information on reasons for leaving welfare, employment, income, and well-being between the “disconnected” sub-sample and leavers with earnings.

## II. Profile of Colorado Works Leavers

This chapter sets a context for the outcomes presented later in the report by describing the characteristics of individuals who left Colorado Works in the first quarter of 2007, including where they lived and their demographic characteristics. It also discusses the reasons they left the program and the extent to which they returned to welfare, either in Colorado or elsewhere.

### A. Characteristics of the Sample of Colorado Works Leavers

#### 1. Geographic Patterns

*Exhibit II.1* shows where members of the survey sample were living when they left Colorado Works.<sup>4</sup> The distribution matches closely the overall Colorado Works caseload.

The majority of the leavers in the sample (82 percent) had been living in the Front Range region when they were receiving cash assistance from Colorado Works. This is similar to the Colorado Works caseload as a whole; CBMS data show that at the time the leavers in the survey exited the program, 83 percent of Colorado Works participants were in the Front Range. The Western Slope accounts for 8 percent of the sample; fewer than 5 percent lived in each of the other regions.

The counties with the highest percentage of leavers were Arapahoe (19 percent), Denver (17 percent) and El Paso (13 percent). These three account for nearly half of leavers in the sample. Again, this is similar to the Colorado Works caseload as a whole; 54 percent of the overall caseload were living in these three counties when the survey sample members left Colorado Works. Consistent with the regional distribution, nine of the ten counties with the highest number of leavers were in the Front Range; the one exception is Mesa.

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<sup>4</sup> See Appendix A for definitions of the regions discussed here.

## Exhibit II.1: Geographic Distribution of Leavers Sample

	Leavers	Overall Colorado Works Caseload
<b>Region of residence (%)</b>		
Front Range	81.6	83.3
Western Slope	7.9	6.4
Eastern Plains	4.9	5.0
San Luis Valley	3.0	2.6
Central Mountains	2.6	2.7
<b>County of residence (%)</b>		
Arapahoe	18.6	15.8
Denver	17.4	19.7
El Paso	13.0	18.3
Jefferson	8.1	9.8
Larimer	7.5	6.2
Pueblo	5.3	5.1
Adams	4.9	3.2
Mesa	3.6	3.1
Weld	2.8	1.6
Boulder	2.6	2.8
Other	16.2	14.4
Sample size	494	6,426

**Note:** Data on location of leavers is from the survey data; location of the overall Colorado Works Caseload is from CBMS data.

## 2. Mobility

*Exhibit II.2* shows the extent to which leavers moved between states or counties from the time they exited Colorado Works to when they responded to the survey. It shows that 9 percent of the leavers sample reported leaving Colorado at some point after exiting the program. This has implications for the interpretation of administrative data. Welfare receipt among those who have left Colorado does not show up in CBMS records, nor does their employment show up in CDLE's UI wage records. Analysis based on administrative data therefore may understate employment and welfare return by missing the outcomes of close to 10 percent of Colorado Works leavers.<sup>5</sup>

<sup>5</sup> Some who moved out of the state later returned to it; data not presented in a table show that 15 percent of those who left Colorado had returned and were living in Colorado when surveyed.

Somewhat more leavers (12 percent) reported moving across county lines within the state. The reasons given for moving differed substantially between those who moved across state lines and those who moved between counties. Half of those that moved across state lines said they did so because of family obligations, compared to only 10 percent of the leavers that moved between counties. On the other hand, 48 percent of respondents moved across county lines for a better housing arrangement, compared to only 2 percent of respondents moving out of the state. About one in ten of leavers who moved out of the state (11 percent) and a similar proportion of those who moved from county to county (9 percent) report that they did so for a job opportunity. Very few of those who reported leaving Colorado or who moved from one county to another said that they did so to get better welfare benefits.

### Exhibit II.2: Reasons for Moving Across State or County Lines

	Moved Out of Colorado	Moved Across County Lines
Share of leavers (%)	9.3	11.9
Of those who moved, reasons for moving (%)		
Family obligations	50.0	10.2
Job opportunity	10.9	8.5
Left an abusive relationship	8.7	5.1
Educational opportunities	4.3	3.4
Better housing arrangement	2.2	47.5
Better welfare benefits	0.0	1.7
Other	23.9	23.7
Sample size	494	492

Note: Sample sizes differ due to missing responses on some questions.

### 3. Household and Demographic Characteristics

*Exhibit II.3* includes demographic information gathered from the leavers in the sample. The leavers were overwhelmingly female (94 percent), with a median age of 29 years old. Almost 80 percent was 25 or older, compared with 67 percent of the Colorado Works sample as a whole as reported in the 2008 Colorado Works Annual Report. There are similar numbers of non-Hispanic white (40 percent) and Hispanic (38 percent) leavers in the sample; non-Hispanic blacks (18 percent) make up most of the remainder. In terms of education, about one quarter of the leavers sample (27 percent) do not have a high school diploma or a GED. For just over half (56 percent), a high school diploma or GED is the highest education level they completed, while 17 percent received a degree beyond high school.

Most leavers (96 percent) reported being a US Citizen and 96 percent reported speaking English as the primary language in the home. These two groups (non-citizens and non-English-speakers) overlapped, but were not the same: half of those who reported not being US Citizens were English speakers. Spanish is the primary language spoken in the home for 2 percent of the leavers sample; another 2 percent of the sample spoke a variety of other languages.

### Exhibit II.3: Demographic Characteristics of Leavers Sample

	Leavers
<b>Gender (%)</b>	
Female	93.7
Male	6.3
<b>Age (%)</b>	
18-24 years	21.9
25-34 years	49.4
35 or more years	28.7
Median age	29.3
<b>Race/ethnicity (%)</b>	
Hispanic	38.3
Non-Hispanic	
White	40.3
Black or African American	17.8
Asian	0.8
Native Hawaiian	0.8
American Indian or Alaska Native	4.0
Other	1.8
<b>Highest educational attainment (%)</b>	
Below high school diploma/GED	26.5
High school diploma/GED	28.5
Some college, but no degree	27.3
Post high school degree	17.2
US citizen (%)	96.0
<b>Language spoken at home (%)</b>	
English	96.2
Spanish	1.8
Other	2.0
Sample size	494

*Exhibit II.4* details the characteristics of the households that the leavers sample members were living in at the time of the survey. Approximately half lived in households with three or fewer people, and half lived in households with four or more.

Roughly one fifth of the sample (21 percent) lives with a spouse or partner. Most of the leavers (89 percent) live with dependent children. In the other 11 percent of cases, the child who had formerly been on the welfare case may have grown old enough to leave the home or to no longer be a dependent, or the parent may have lost custody of the child. Of households with dependent children, the majority (69 percent) have a child under the age of six years old, and over half have a youngest dependent child who is age three or younger.

Fewer than half of leavers in the sample (44 percent) live with another working-age individual (over 16 years old). For households without an additional working-age individual, the potential for child care within the home or additional earnings by others in the household may be limited. (Chapter IV explores household income, including earnings and other income received by other members of the household over the age of 16.)

## Exhibit II.4: Household Characteristics of Leavers Samples

	Households in Which Leavers Were Living
Number of people in household (%)	
One	3.8
Two	16.2
Three	31.0
Four	23.9
Five	13.4
Six or more	11.7
Number of dependent minors in household (%)	
None	10.9
One	26.9
Two	32.0
Three	20.9
Four or more	9.3
Age of youngest dependent child (%)	
0-1 years	24.7
2-3 years	30.6
4-5 years	13.7
6 or more years	31.1
Married or living with partner (%)	21.3
Households with at least one other individual over age 16 (%)	43.7
Living with friends or other family (%)	
Sibling	6.7
Parent	12.1
In-law	1.4
Grandchild	1.2
Other relative	5.9
Roommate	3.0
Other non-relative	5.5
Sample size	494

## B. Leaving and Returning

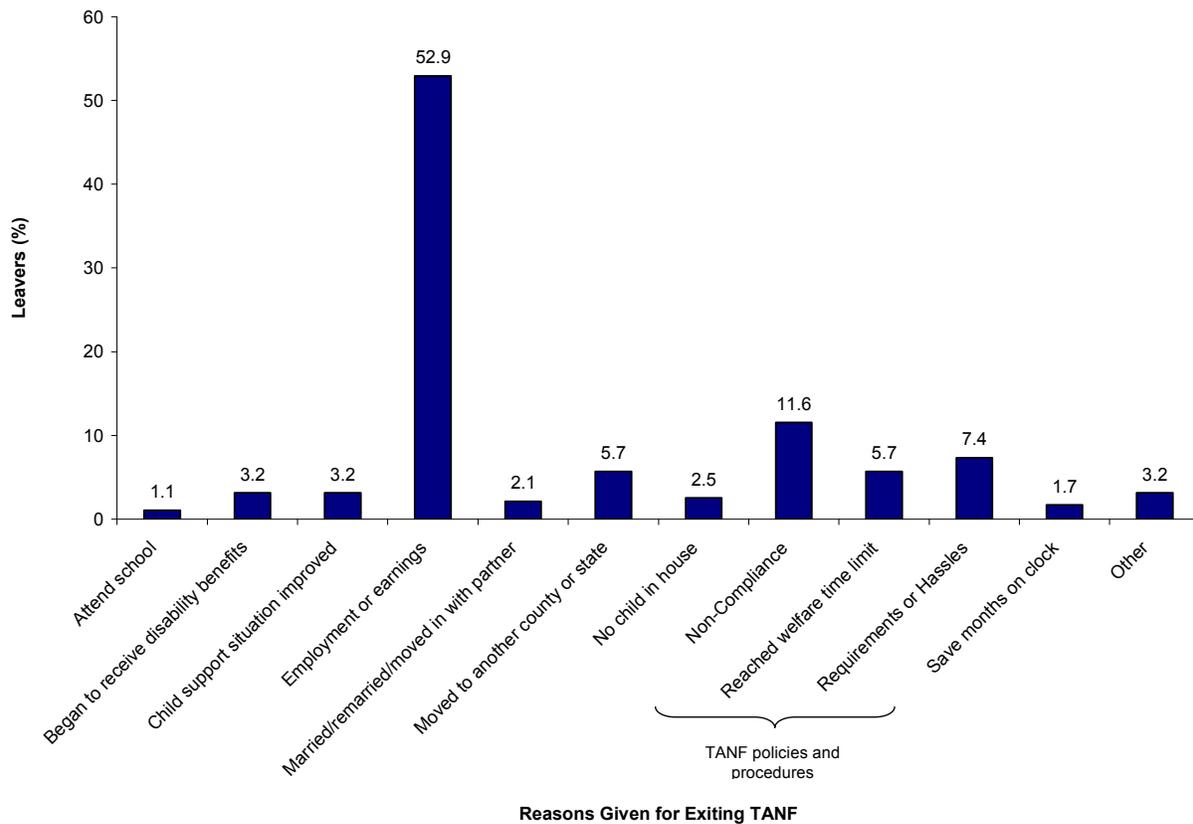
### 1. Reasons for Leaving Colorado Works

The survey asked the welfare leavers in the sample to identify the main reason they left Colorado Works. *Exhibit II.5* displays their responses. Half (53 percent) stated they left due to an increase in employment-related income.<sup>6</sup> Twenty-five percent of the leavers left for some reason related to TANF rules (12 percent because of non-compliance to program rules, 7 percent left due to dislike of the requirements or hassles attached to the program and 6 percent left because they reached the Colorado Works time limit). Another 6 percent of the leavers sample left Colorado Works because they moved to another state.

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<sup>6</sup> Of those who left because of employment related reasons, 73 percent reported that they had gotten a job, 5 percent reported they had gotten a different or better job, 17 percent reported that they had an increase in earnings, and 5 percent reported that they worked more hours.

### Exhibit II.5: Reasons for Exiting Colorado Works



Note: Sample size = 476

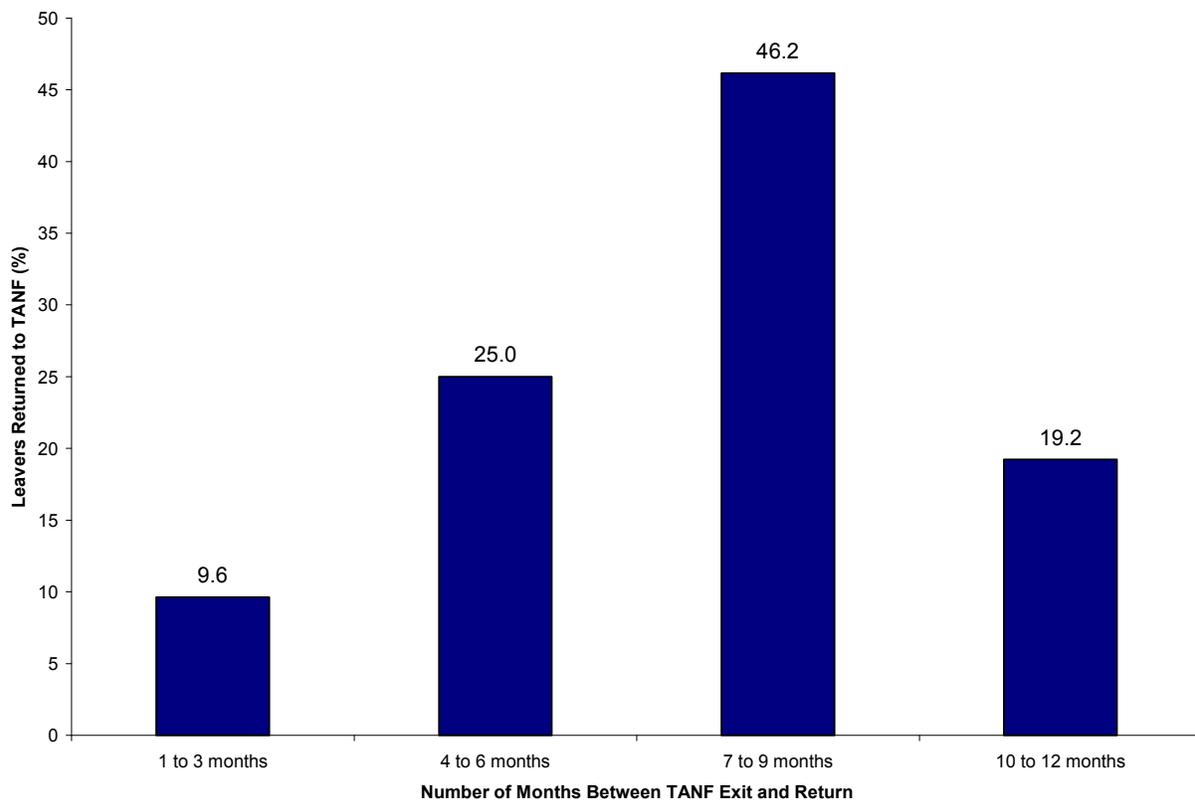
### 2. Leavers Who Returned to Colorado Works

The sample of leavers includes individuals who at least temporarily stopped receiving cash assistance from Colorado Works in early 2007 for at least two consecutive months. Some of these individuals returned to Colorado Works or a welfare program in another state between the time of exit and the survey. As shown in *Exhibit II.6*, 11 percent of individuals in the sample received a Colorado Works payment or a welfare payment in another state after leaving the program. Of these, 62 percent were enrolled in a welfare program at the time they were surveyed. The majority of those who returned to welfare (65 percent) were off Colorado Works for seven months or more before they received another cash assistance payment. (*Exhibit II.7.*)

### Exhibit II.6: Returning to Welfare

	Leavers
Ever receive another cash assistance payment after leaving (%)	
No	89.5
Yes	10.5
Of those who received another cash assistance payment:	
Enrolled in Colorado Works or another state's welfare program at time of survey	61.5
Not enrolled in Colorado Works or another state's welfare program at time of survey	38.5
Sample size	493

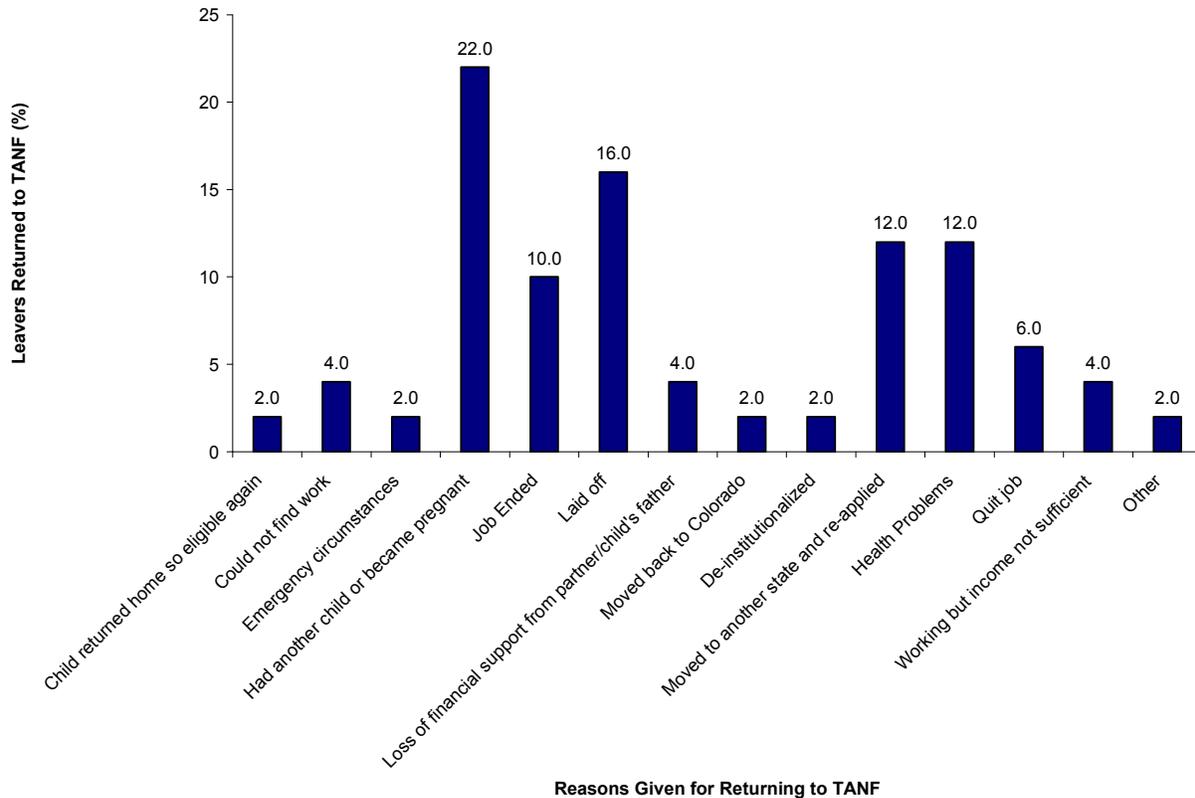
### Exhibit II.7: Length of Time Off Colorado Works before Returning to Welfare



Note: Sample size = 52

As *Exhibit II.8* shows, the most commonly reported reasons for returning to welfare were employment- and earnings-related (40 percent), becoming pregnant or having a child (22 percent) or health problems (12 percent). Of those who returned for employment or earnings related reasons, 90 percent returned due to non-employment, rather than insufficient earnings at a current job.

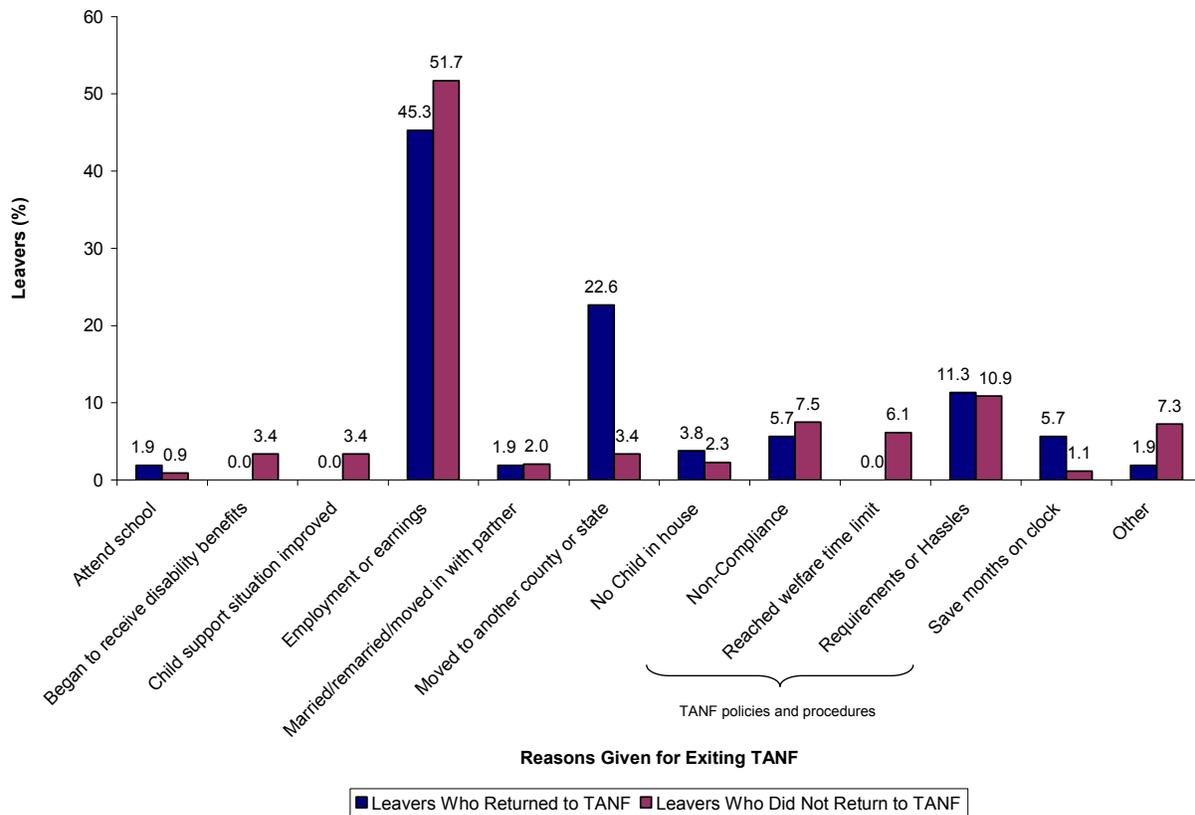
**Exhibit II.8: Reasons for Returning to Welfare**



**Note:** Sample size = 50

When comparing the reasons leavers who returned to TANF and leavers who did not return to TANF gave for leaving Colorado Works, there are few notable differences. One exception is moving between counties or states. *Exhibit II.9* reports that 23 percent of leavers who returned to TANF initially left because they moved to a new county or state (compared to 3 percent of leavers who did not return to TANF). As mentioned earlier (in relation to Exhibit II.2), only about one in ten of those who moved out of state or from one county to another cited a job opportunity as the reason they moved. This suggests many may not have experienced an improvement in their economic situation after moving, and may consequently have enrolled in Colorado Works or another welfare program in the new county or state to which they moved.

### Exhibit II.9: Comparison of Reasons for Leaving Colorado Works - Leavers Who Returned to TANF vs. Leavers Who Did Not Return to TANF



**Note:** Sample size for leavers who returned to TANF = 52; sample size for leavers who did not return to TANF = 441

### III. Employment Patterns and Job Characteristics

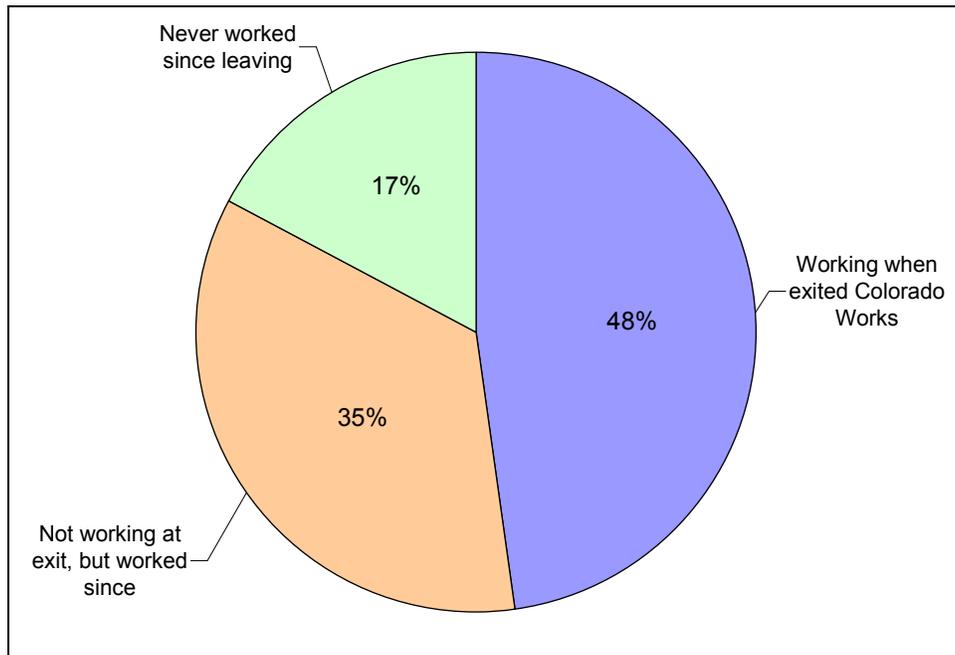
Promoting job readiness and work to support self-sufficiency and reduce ongoing receipt of public assistance are fundamental aspects of the Colorado Works program. This chapter uses two sources of data to measure the employment outcomes of leavers. The primary source is the leavers survey, which asked individuals about their employment and for details about their jobs. A second section at the end of this chapter presents results from analysis of administrative data from Unemployment Insurance (UI) wage records, which provide less nuanced information but cover a broader set of leavers.

#### A. Findings from the Survey Data

##### 1. *Employment Rates After Welfare Exit*

Most former Colorado Works recipients in the survey sample reported that they had worked at some point since leaving the program. As shown in *Exhibit III.1*, almost half of the members of the sample (48 percent) were working at the time they exited Colorado Works. This is similar to the number who reported work as the main reason they left the program; as reported in the previous section of this report, about half of the leavers surveyed cited employment or earnings as the main reason that they left Colorado Works. Another 35 percent were not working when they left the program, but worked at some later point. In total, 83 percent of the sample worked since exiting the program, while 17 percent did not.

### Exhibit III.1: Employment Rates of Former Colorado Works Recipients Since Leaving the Program



Note: Sample size = 494

The proportion of the sample who reported they were working at the time of the survey, at 53 percent, was slightly higher than the proportion who said they were employed at exit (*Exhibit III.2*). As the exhibit shows, those who were working when they left Colorado Works had higher employment rates at the time of the survey, 17 to 23 months after their program exit, than those who were not (69 percent versus 39 percent). The rate at which individuals who were working when they left Colorado Works returned to welfare was not appreciably different from the rate of return among those who were not working when they exited the program.

## Exhibit III.2: Employment Rates at Time of Exit and at Time of Survey

	Leavers
<hr/>	
Status at time of Colorado Works exit (%)	
Working at exit	47.7
Working at time of survey	69.1
Not working at time of survey	30.9
Returned to welfare at some point after exiting Colorado Works	9.4
Not working at exit	52.3
Working at time of survey	39.1
Not working at time of survey	60.9
Returned to welfare at some point after exiting Colorado Works	11.0
All Colorado Works leavers	100.0
Working at time of survey	53.4
Not working at time of survey	46.6
Returned to welfare at some point after exiting Colorado Works	10.5
Sample size	494

### 2. Length and Consistency of Employment

*Exhibit III.3* presents information on the amount of time leavers in the survey sample had been working in their current job. Of those who were working at the time they were surveyed, nearly two thirds (63 percent) reported that they had been working in that job for 12 months or less, with more than a third having worked six months or less. On the other hand, more than one third (37 percent) had been working in their jobs for 13 months or more. These individuals represent about 18 percent of the entire leavers sample, and show that a notable minority of those who had exited Colorado Works retained jobs for a considerable period of time.

For those who did not have jobs at the time of the survey but who had worked at some point since their exit from Colorado Works, the survey asked how long they had worked at their most recent job. In general, the length of time that this group had stayed in their previous job was short. For close to a third (30 percent), their jobs lasted two months or less, and for another third (34 percent) their last job for three to six months. The previous jobs of only 14 percent lasted for longer than 12 months.

### Exhibit III.3: Time Spent Working at Current or Previous Job

	Leavers
Time at current job, for leavers working at time of survey (%)	
6 months or less	44.8
7-12 months	18.0
13-24 months	30.3
25 or more months	6.9
Sample size	261
Time at previous job, for leavers not working at time of survey (%)	
2 months or less	29.9
3-4 months	16.4
5-6 months	17.2
7-12 months	22.4
13-24 months	9.0
25 or more months	5.2
Sample size	134

*Exhibit III.4* presents an alternate perspective on the recent employment rates of the Colorado Works leavers. The survey asked each respondent in how many of the previous 12 months he or she had worked for at least 25 hours. This gives some sense of the frequency and consistency with which the leavers worked, regardless of whether they kept the same job during the whole period or worked several different jobs. The table shows that many in the sample had worked regularly in the year leading up to the survey, whether in one or many jobs. About one third (34 percent) had worked at least 25 hours in all 12 months preceding the survey. However, the other two thirds did not work an appreciable amount in at least one of the months, and many either did not work at least 25 hours in any months during that year (22 percent) or did so in half or fewer of the months of the year (26 percent).

Taken together, Exhibits III.3 and III.4 show that there has been a diversity of employment patterns within the leavers sample. Some have worked consistently since leaving Colorado Works, but many worked inconsistently or not at all.

### Exhibit III.4: Work in the Previous 12 Months

	Leavers
Number of months out of last 12 working at least 25 hours per month (%)	
0 months	21.7
1-6 months	25.8
7-11 months	18.6
12 months	33.9
Sample size	484

### 3. Earnings and Job Characteristics

The survey asked a number of questions designed to describe the quality of the jobs in which Colorado Works leavers work. These questions were asked both about the current jobs of those working at the time of the survey, and the previous jobs of those not working at the time of the survey (but who had worked since leaving Colorado Works).

#### i. Wages and hours

*Exhibit III.5* presents findings on the wages earned by Colorado Works leavers and the hours that they have worked in jobs held since exiting the program. Most Colorado Works leavers who have worked since exiting the program have been working in jobs that pay low wages. Looking at both the present job of those working at the time of the survey and the most recent jobs of those who were not working at the time of the survey (but who worked since exiting Colorado Works), median hourly wages were slightly below \$9.25. That was higher than minimum wage, but if earned in a job worked full time (40 hours per week) for an entire year, it is only equivalent to about \$19,200 a year – barely above the poverty threshold for a parent with two children (\$17,346). About one out of four leavers (23 percent) reported working jobs with earnings at or below the 2008 minimum wage of \$7.02.<sup>7</sup>

The hourly wages earned by leavers working at the time of the survey were higher than the wages those not working had earned at their prior job. Only 18 percent of those with jobs at the time of the survey reported earnings at or below the minimum wage, as compared to 32 percent of those reporting on a past job. The median hourly wage reported for those with jobs at the time of the survey was \$9.50 per hour, or about \$20,000 if they worked full time for a year. This means half of the working leavers were earning less than \$9.50 an hour, and many were not earning enough to raise them out of poverty even if working full time.

<sup>7</sup> The Colorado state minimum wage was \$7.02 in 2008, up from \$6.85 in the previous year.

A minority of Colorado Works leavers report substantially higher earnings. About 9 percent reported earnings of more than \$15 an hour. However, very few (only about 1 percent) reported earning more than \$25 an hour. About one out of four (26 percent) of leavers who worked since exiting the program report having received a raise at their job.

A majority of Colorado Works leavers who worked since leaving reported that they were working full time. About half (53 percent) reported working between 35 and 40 hours, and another 10 percent reported working more than 40 hours a week. Slightly over one third (37 percent) report working less than 35 hours.

Of those working at the time of the survey, the vast majority (95 percent) reported working only one job; however, 5 percent reported working two or three jobs concurrently.

### Exhibit III.5: Wages and Hours

	Jobs of All Leavers Who have Worked Since Leaving	Jobs of Leavers Currently Working	Previous Jobs of Leavers Not Currently Working
<b>Wages (%)</b>			
\$7.02 or less	23.1	18.1	32.4
\$7.03 to \$9.00	25.9	23.8	29.6
\$9.01 to \$11.00	23.4	25.4	19.7
\$11.01 to \$15.0	18.4	21.2	13.4
\$15.01 to \$25.0	8.5	11.2	3.5
More than \$25	0.7	0.4	1.4
Mean wages (\$)	9.73	10.17	8.88
Median wages (\$)	9.24	9.50	8.25
Received a raise at the job (%)	25.7	28.8	20.0
<b>Hours worked per week (%)</b>			
Fewer than 35	36.9	36.5	37.8
35 to 40	53.3	51.7	55.9
More than 40	9.8	11.8	6.3
Mean hours worked per week	34.3	35.2	32.7
<b>Number of jobs worked (%)</b>			
One	.	95.5	.
Two	.	3.8	.
Three or more	.	0.8	.
Sample size	409	264	145

## ii. Types of Jobs

As shown in *Exhibit III.6*, the three most common types of jobs that leavers worked in, accounting for the jobs of half of leavers who worked since exiting Colorado Works, were jobs in retail or customer service, the medical field, or food service.

**Exhibit III.6: Field of Job (Current or Previous)**

	Leavers (%)	Median Wage (\$)
Cashier, customer service, or retail	20.3	8.20
Medical field	17.6	9.90
Food service	14.7	7.40
Secretary/data entry	8.1	10.50
Housekeeping	5.6	9.00
Child care	4.6	6.20
Sales (not retail)	4.4	9.20
Manufacturing	4.2	9.50
Teacher	3.7	10.00
Maintenance	2.9	9.10
Manager-supervisor	2.7	9.20
Other	11.2	11.80
Total	100.0	9.20
Sample size	409	402

**Note:** Sample sizes differ due to missing responses on some questions.

Within the sample, higher median wages were earned by leavers who were working as secretaries or doing data entry, who were working as teachers, and who were working in the medical field. Lower wages were earned by those working in child care, food service, and retail or customer service jobs.<sup>8</sup>

## iii. Work schedules

While many Colorado Works leavers worked standard hours, many were working nonstandard or irregular hours or non-daytime shifts. Additionally, as mentioned above, more than one third (37 percent) of those who worked since exiting Colorado Works were working less than full time.

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<sup>8</sup> The highest median wages were earned by those in the “other” category; among those in this category with the highest wages were those working in construction, farming, security, or as truck or bus drivers. However, the sample sizes of those with such jobs were too low to conclude that they the wages they receive are representative of what welfare leavers would generally earn in these occupations.

Most jobs worked by Colorado Works leavers, whether full-time or part-time, had regular hours, but a substantial minority worked in jobs that frequently had irregular hours. As *Exhibit III.7* shows, 23 percent reported that the number of hours they worked changed from week to week “a lot” or “a fair amount,” and approximately one third (34 percent) report that the time at which they start work varies.

About two thirds (66 percent) of Colorado Works leavers who worked since exiting the program reported that they mostly worked daytime hours. Only 12 percent mostly worked evening hours, and a few (4 percent) reported that they worked a night shift. Close to one fifth (18 percent), whose hours changed from week to week, said that the times of day they worked were mixed among daytime, evening, and night shift.

One fifth (20 percent) report that their jobs were temporary or seasonal. Not surprisingly, this rate was higher among those reporting on a previous job (29 percent) than for those reporting on a current job (16 percent). (Not shown in table.)

### Exhibit III.7: Job Schedules

	Leavers	Currently Working
Full time or part time (%)		
Works full time (35 or more hours per week)	63.1	
Works part time (fewer than 35 hours per week)	36.9	
Extent to which number of hours worked changes week to week (%)		
Hardly at all	56.8	
A little	20.4	
A fair amount	10.1	
A lot	12.8	
Regularity of start time (%)		
Start time is regular	66.0	
Start time varies	34.0	
Primary time of day worked (%)		
Daytime	66.3	
Evening	11.8	
Night shift	3.9	
Mixed	18.0	
Temporary or seasonal jobs (%)		
Job is not temporary or seasonal	79.7	
Job is temporary or seasonal	20.3	
Sample size	409	

#### iv. Benefits

Many of the jobs held by Colorado Works leavers offered benefits. As shown in *Exhibit III.8*, the most commonly offered benefits (among the types asked about on the survey) were health insurance for the employee, paid sick days, and paid vacation days; about 40 percent of the jobs held by Colorado Works leavers offered each of these benefits. Health care for the employee's children was offered somewhat less often, but was still offered by one third (33 percent) of the jobs. Retirement benefits were offered by 29 percent of the jobs, as were training classes or tuition reimbursement. Only a small number – 7 percent – reported that their job provided them with financial help in obtaining child care (either at work or elsewhere). In all, 60 percent of the jobs offered at least one of the benefits asked about on the survey, and 40 percent offered none of them. Fourteen percent of respondents reported that their jobs offered other types of benefits; responses to a follow-up question about what type of “other” benefits they were offered show

that they included dental or vision coverage, life insurance, store discounts, or disability coverage in this category.

The jobs of those working at the time of the survey offered each benefit at a higher rate than the prior jobs of those not working currently working – in some cases at twice the rate or more.

**Exhibit III.8: Benefits Offered by Jobs in which Colorado Works Leavers Work**

	Jobs of All Leavers Who have Worked Since Leaving	Jobs of Leavers Currently Working	Previous Jobs of Leavers Not Currently Working
<b>Benefit Offered (%)</b>			
Offers health care coverage for the employee	42.5	48.5	31.7
Paid vacation	39.7	48.1	24.5
Sick days	37.6	46.3	21.8
Offers health care for the employee's children	33.1	40.0	25.4
Offers training classes or tuition reimbursement	28.9	34.9	18.2
Retirement benefits	28.7	35.2	17.1
Pays for or subsidizes child care	6.7	8.5	3.4
Other benefits	14.3	18.8	6.3
Sample size	409	264	145

*v. Transportation*

The most common mode of transportation used by Colorado Works leavers to go to a job was his or her own car (50 percent). Public transportation was the next most common type of transportation, used by 18 percent of respondents. About 13 percent report riding with someone else. Fewer reported walking or driving someone else’s car; very few report working from home or other types of transportation (including biking or employer-provided transportation).<sup>9</sup>

<sup>9</sup> Difficulties in obtaining transportation can be a considerable obstacle to employment. However, as shown later in Exhibit III.11, few non-working Colorado Works leavers cited difficulties with transportation as the main reason they were not working at the time of the survey. County Colorado Works programs use a number of strategies to help recipients of cash assistance overcome transportation difficulties, including helping pay for vehicle repair, providing assistance in purchasing a vehicle, providing bus vouchers, and supporting public transportation systems. The survey did not collect information that can show the extent to which the low level of reported difficulties with transportation is because of the supportive services provided through Colorado Works.

### Exhibit III.9: Transportation to Jobs

	Leavers Currently or Previously Employed
Mode of transportation to work (%)	
Own car	49.6
Bus or other public transportation	18.1
Ride with someone else	13.2
Walk	7.8
Drive someone else's car	6.4
Work from home	3.2
Other	1.7
Length of time to commute to work (%) <sup>a</sup>	
0 to 9 minutes	19.3
10 to 19 minutes	28.8
20 to 29 minutes	18.6
30 to 39 minutes	14
40 to 49 minutes	9.4
50 to 59 minutes	1.3
60+	8.7
Mean length of time to commute to work (minutes)	24.2
Sample size	409

<sup>a</sup> Of those who do not work from home

#### 4. Reasons for Not Working or for Working Less than Full Time

As described earlier, 47 percent of leavers were not working at the time of the survey. Of these individuals, a little more than half (55 percent) reported that they were currently looking for a job. Many (42 percent) had only been looking for jobs for a moderate period of time as of the time of the survey – four weeks or less – but others had been unemployed for a substantial period of time. About one third (34 percent) had been looking for more than ten weeks, and 12 percent reported that they had been looking for a job for a half a year or more. Some leavers reported that they had been looking as long as two years.<sup>10</sup>

<sup>10</sup> As a basis of comparison, national statistics show that the median duration of unemployment among the entire workforce ranged from 9.3 to 10.6 weeks during the months in which the survey was being conducted. See Bureau of Labor Statistics, "Table A-12. Unemployed persons by duration of unemployment, seasonally adjusted," available at <ftp://ftp.bls.gov/pub/suppl/empsit.cpseea12.txt> (accessed May 7, 2009).

### Exhibit III.10: Length of Time Looking for a Job

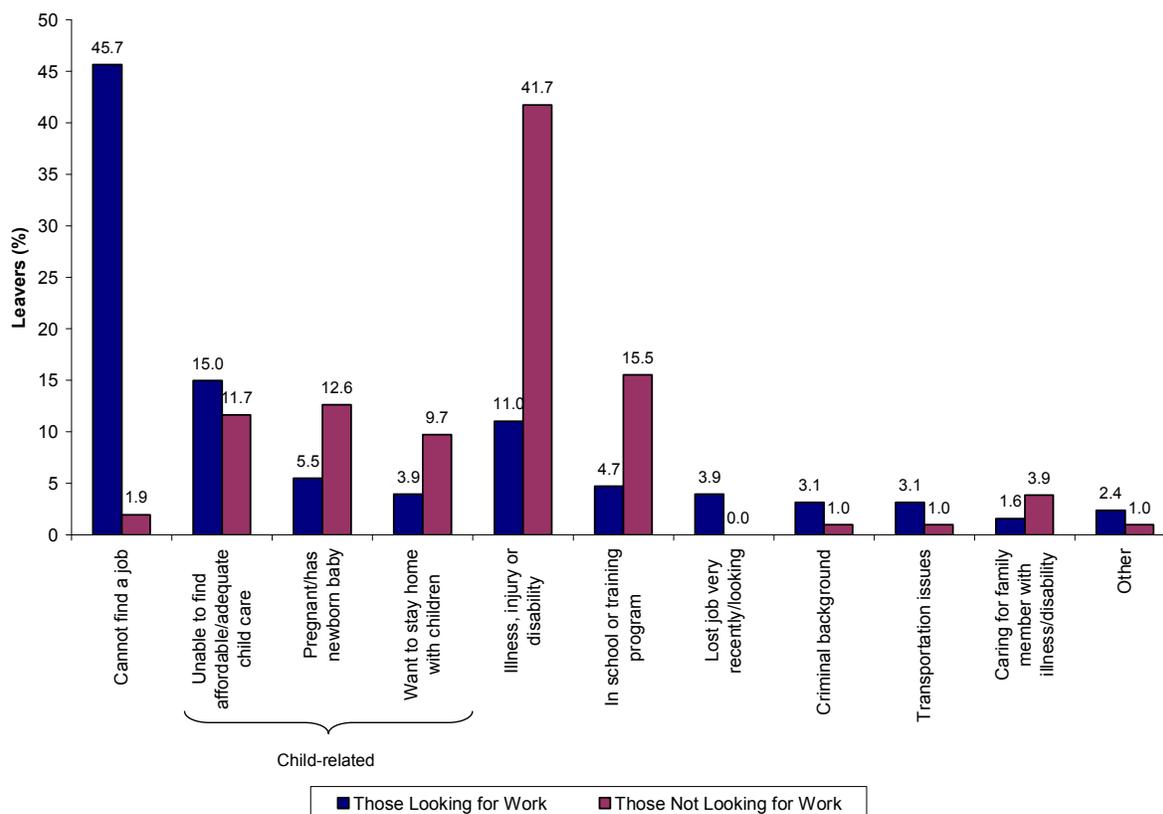
	Leavers Not Employed At Time of Survey
Looking for a job (%)	55.2
Weeks spent looking for a job (%)	
0 to 4 weeks	41.6
5 to 9 weeks	24.0
10 to 14 weeks	11.2
15 to 19 weeks	8.0
20 to 24 weeks	3.2
25 or more weeks	12.0
Mean number of weeks spent looking for work	12.2
Median number of weeks spent looking for work	8.0
Not looking for a job (%)	44.8
Sample size	230

The survey asked those who reported they did not currently have a job why they were not working. The reasons given differed between those who were looking for a job and those who were not. *Exhibit III.11* summarizes the responses of both groups.

About half (46 percent) of those looking for a job said they were not working because they were not able to find a job. Close to one in four (24 percent) cited child-related reasons, such as being unable to find affordable or adequate child care (15 percent), being pregnant or having a newborn (6 percent), or wanting to stay home with children (4 percent). Eleven percent cited health or disability-related reasons.

In contrast, health or disability-related reasons were the most frequently cited among those not currently looking for work (42 percent). Child-related reasons (inability to find child care, pregnancy or having a newborn, wanting to stay home with children) were cited by 34 percent. Nearly one in six (16 percent) said they were in school or in a training program.

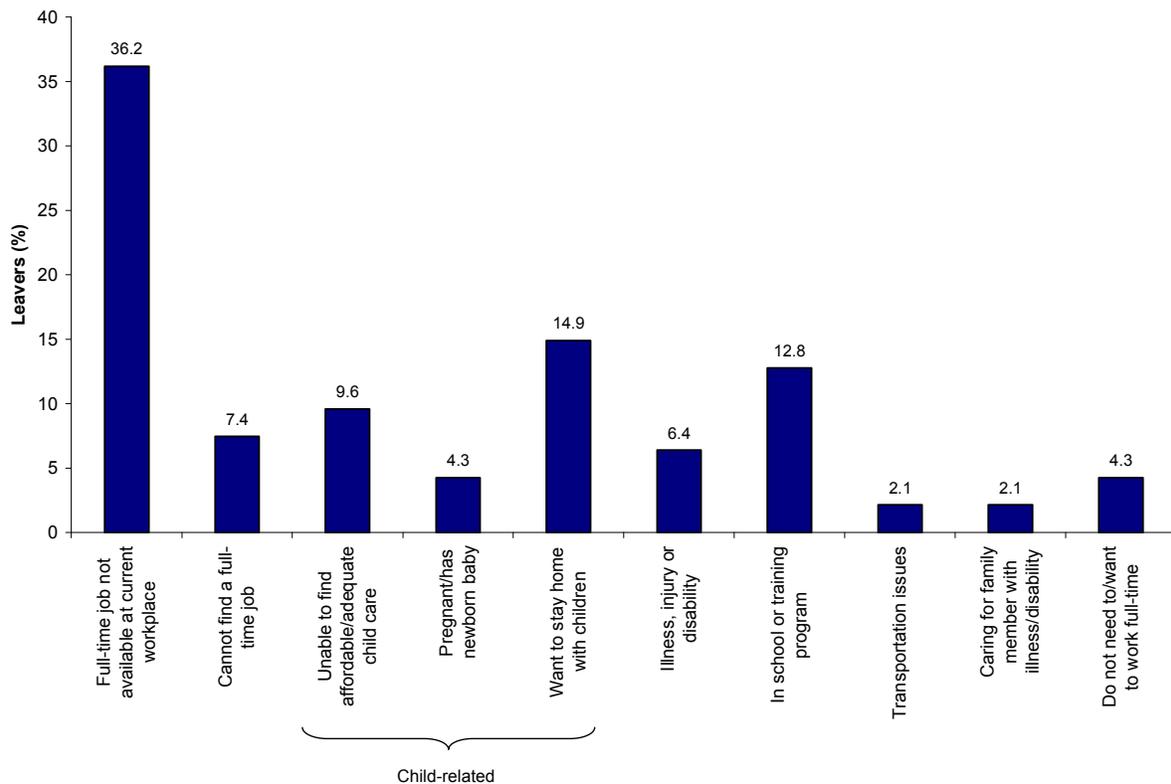
### Exhibit III.11: Reasons Not Working



**Note:** Sample size for those looking for work = 127; sample size for those not looking for work = 103

The survey also asked those working part time (defined for the purposes of the question as at least 35 hours) why they were not working full time (*Exhibit III.12*). About one third (32 percent) cited reasons that suggest they are voluntarily choosing to work part time: 15 percent cited wanting to stay home with their children; 13 percent said they were in school or in a training program; and 4 percent said that they did not want or need to work full time. The other two thirds (68 percent) cited reasons suggesting that they have not been able to arrange a full time work arrangement, or face circumstances that they see as a barrier to full time work. About one third (36 percent) indicated that full-time work is not available at their current workplace, and an additional 7 percent say they have been unable to find a full time job. Fourteen percent cite child care problems, pregnancy, or having a newborn.

### Exhibit III.12: Reasons Working Less Than Full Time



Note: Sample size = 94

### B. Findings from the Administrative Data

Data from the UI wage records provide an additional measure of employment outcomes of Colorado Works leavers. The main advantage of this data source is that records are maintained for all workers in the State of Colorado in jobs covered by the UI Program. Therefore, analysis of these data reflects all individuals who left the Colorado Works program in the first quarter of 2007, rather than just the individuals in the survey sample. In addition, these records are not subject to recall error that may bias survey responses. However, UI wage records also have certain limitations. UI wage records only contain quarterly earnings, so they do not allow more measurements of employment or earnings over a smaller time frame (e.g., hourly wages or monthly earnings). In addition, UI wage records do not capture employment of workers not covered by unemployment insurance.<sup>11</sup> Together, survey data and UI wage records can

<sup>11</sup> Those not included in the UI records include some agricultural workers, some government employees, some domestic workers, and those in the Armed Forces. UI wage records also do not capture self-employment earnings or informal or “off-the-books” employment, or employment outside the state

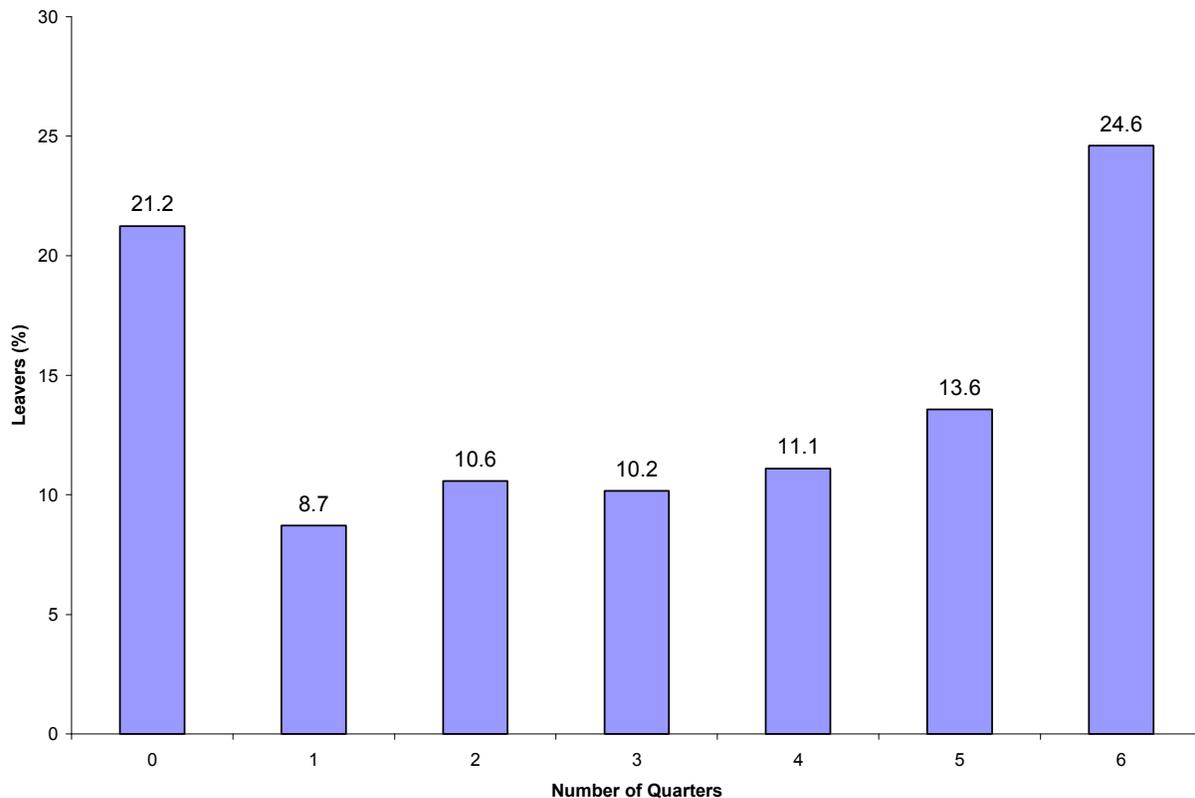
complement each other and provide a more complete view of the employment of former Colorado Works participants.<sup>12</sup>

*Exhibit II.13* shows the number of quarters that individuals who left the Colorado Works program in the first quarter of 2007 worked during the subsequent year and a half. This group of individuals is the cohort from which the survey sample was drawn. Only 21 percent did not have any employment recorded in the UI wage records during the six quarters following the quarter in which they left the program; 79 percent had worked in at least one of the quarters. The findings from the UI wage records are largely similar to the findings from the survey data – the survey data showed that 83 percent had worked at some point between leaving the program and the time of the survey. Most who had worked had worked inconsistently, but one fourth of all leavers in the UI wage records had worked in all six quarters.

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<sup>12</sup> For more thorough analysis of the employment outcomes of leavers based on UI wage records, see Sam Elkin, “Employment Experiences of Colorado Works Recipients as Measured Using Administrative Data” and Barden, Elkin, Mueller, Wright, “2008 Colorado Works Evaluation Annual Report,” as well as the forthcoming 2009 Annual Report. These analyses rely on a cohort that left Colorado works during 2005.

**Exhibit III.13: Number of Quarters Employed in Six Quarters Following Exit, from Unemployment Insurance Wage Records (Individuals Leaving in First Quarter of 2007)**



**Notes:** Does not include the quarter of exit. Sample size = 3,234.

Between 50 percent and 57 percent of individuals who stopped participating in Colorado Works in the first quarter of 2007 worked during a given quarter. (*Exhibit III.14.*) Employment rates for this group were lower in 2008 than in 2007. This may either reflect worsening economic conditions in 2008, or a small reduction in employment as leavers get further from their exit date. The latter explanation would be consistent with analysis of the UI records for earlier cohorts of former Colorado Works participants conducted as part of the Colorado Works Evaluation.<sup>13</sup> The 51 percent employment rate in the third quarter of 2008 is also relatively similar to the finding from the survey that 53 percent reported working at the time of the survey, though the concepts measured are somewhat different. (The UI data show employment at any point in the quarter, meaning that the percent employed at a particular time during the quarter – such as when the survey occurred – would be somewhat lower. However, this is likely

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<sup>13</sup> See Barden, Elkin, Mueller, Wright, “2008 Colorado Works Evaluation Annual Report.” In particular, see Exhibits VII.2 and VII.3. It is possible this trend may also reflect more leavers moving out of Colorado over time; the UI wage records do not include those who work outside Colorado.

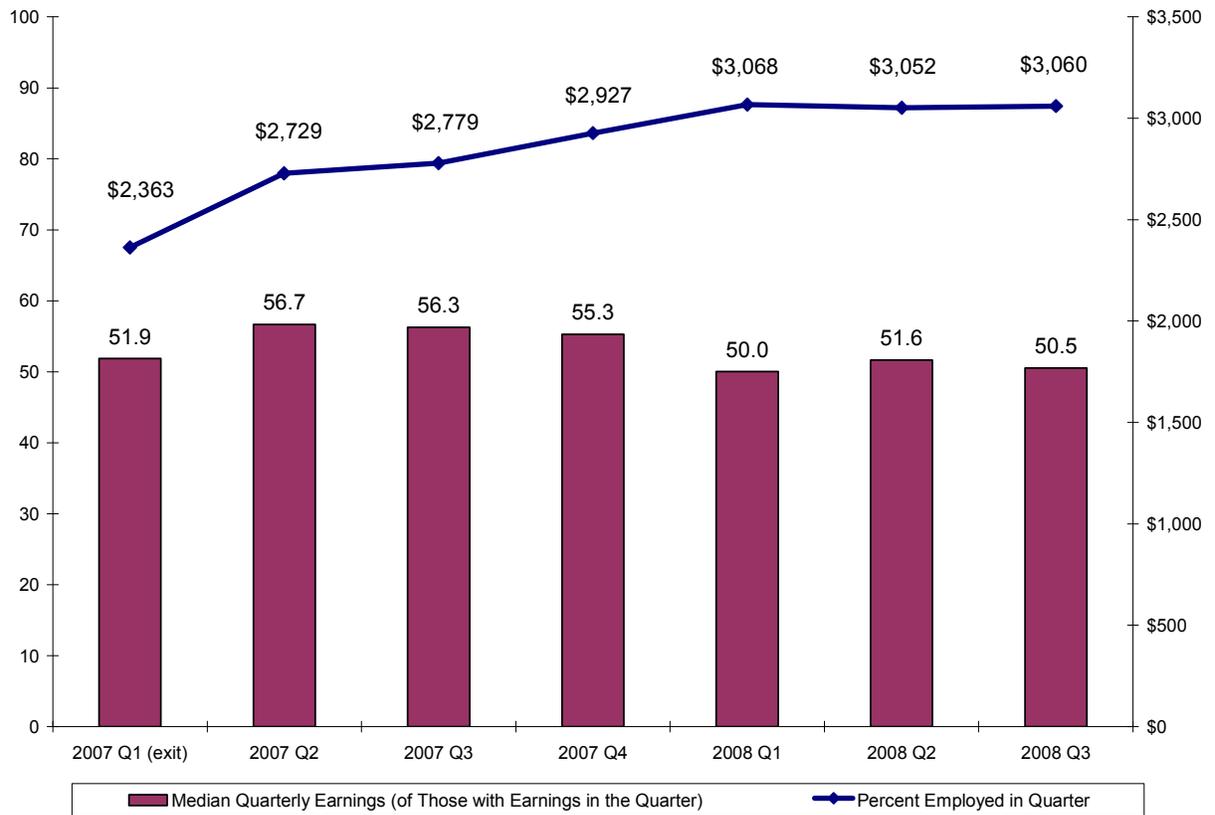
offset by the fact that the UI data will understate employment rates somewhat due to not capturing out-of-state employment or employment outside the UI system.)

The UI data support the finding from the survey that earnings of leavers are overall low. In the quarter following exit, the median earnings of those working were only \$2,729. They increased somewhat over the period shown, to around \$3,060 in each quarter in 2008, an increase of about 12 percent. It cannot be determined from UI records whether higher wages or more hours of work caused this increase in earnings.<sup>14</sup> Analysis performed for the 2008 Annual Report of an earlier cohort - leavers exiting Colorado Works in 2005 - had shown median earnings continuing to rise throughout the first eight quarters after exit. That median earnings for the 2007Q1 cohort were relatively stable in 2008, instead of continuing to increase, may suggest the economy is having an effect on the earnings of former Colorado Works recipients.

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<sup>14</sup> Since the earnings shown in Exhibit III.14 are medians among just those with earnings in each year, which is a changing group from quarter to quarter, it is possible that changes in the composition of this group could affect the apparent trends in median earnings. Earlier analyses, such as those presented in the 2008 Annual Report, suggest that changes in composition affect the increase somewhat, but that wages still rise even when removing the influence of these changes.

**Exhibit III.14: Employment and Earnings by Quarter, from Unemployment Insurance Wage Records (Individuals Leaving in First Quarter of 2007)**



**Note:** Sample size = 3,234.

## Chapter IV: Income of Households with Colorado Works Leavers

Previous national research has shown that welfare leavers receive income from a wide variety of sources. Common income sources among TANF leavers include earned income, governmental income support programs, and income from spouses, family, and friends. This chapter measures the monthly income of the households in which Colorado Works leavers live and explores the diversity of sources from which these households receive income, as well as the amount from each source.

### A. Total Monthly Income

The survey asked respondents about their incomes in the prior month. For most respondents, this represented a period between 17 and 23 months after leaving Colorado Works. The types of income the survey asked about include earnings, child support, income from friends or family outside the household, Supplemental Security Income (SSI), cash welfare, unemployment insurance, and other income. In addition, the survey also asked about food stamp benefits as part of monthly income, though such benefits are not money income like the other categories. Respondents were asked about their own individual income, earnings received by a spouse or partner, and income received by all other individuals in the home. Unless explicitly stated, the income figures presented in this chapter refer to the income of the overall household, rather than just the survey respondent.

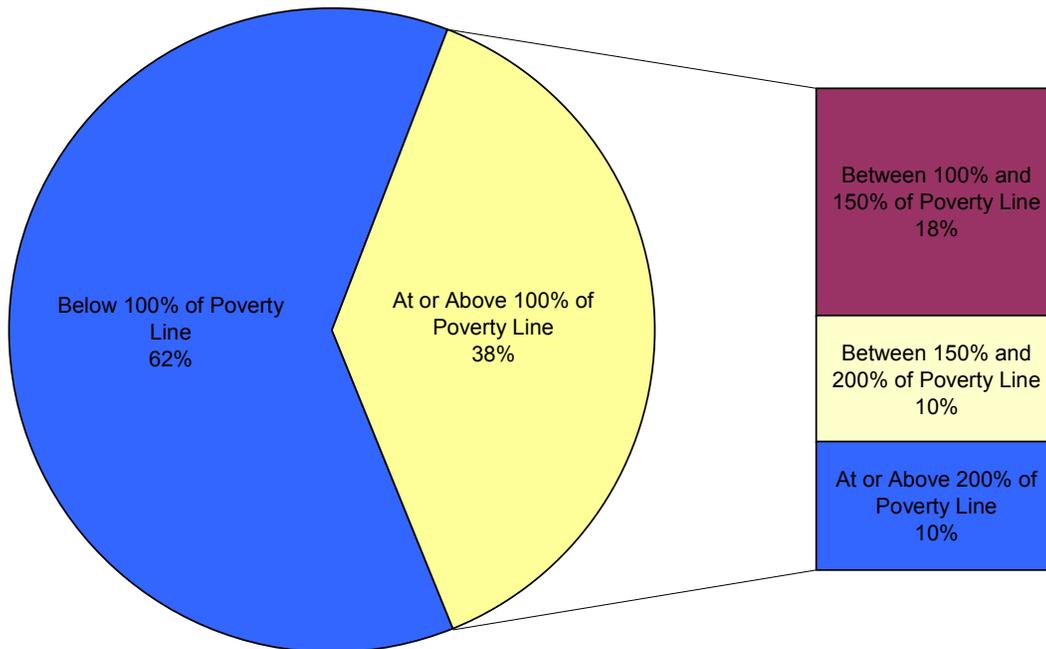
Based on responses, the average monthly household income of Colorado Works leavers, including food stamp benefits, was \$1,809 (*Exhibit IV.1*). Annualized, this would represent a yearly household income of \$21,708. There was considerable variation in income among respondents. While the median value was \$1,305, 25 percent of households in which leavers lived had less than \$510 in income – including seven percent of respondents who reported no household income of any type in the prior month – and 25 percent of leavers lived in households with \$2,240 or more in income.

**Exhibit IV.1: Total Monthly Income**

	Leavers
Mean household income among all households in which leavers reside (\$)	1,809
Households reporting no income (%)	7.0
Households reporting some income (%)	93.0
25th percentile (\$)	510
Median income (\$)	1,305
75th percentile (\$)	2,240
Sample size	494

When analyzing these figures, it is important to consider that household size varies considerably, which may impact both the number of people a household's income supports and its potential income sources (e.g., earnings from working age adults or eligibility for child-related government programs). To provide a picture of the household income that accounts for this variation, *Exhibit IV.2* shows family income in relation to the 2008 U.S. Census Poverty Thresholds.<sup>15</sup> Nearly two thirds (62 percent) of households in which Colorado Works leavers were living had incomes below the poverty line at the time of survey.<sup>16</sup> Even among those households with incomes above the poverty line, most had modest incomes: only 10 percent had incomes above 200 percent of poverty.

**Exhibit IV.2: Percent of Leavers Living in Households in Poverty**



**Note:** Sample size = 494

<sup>15</sup> See U.S. Census Bureau, "Poverty Thresholds for 2008 by Size of Family and Number of Related Children Under 18 Years," available online at <http://www.census.gov/hhes/www/poverty/threshld/thresh08.html> (accessed May 13, 2009).

<sup>16</sup> In measuring the number of households below poverty, food stamp benefits were excluded from household income. This is consistent with the methodology of measuring poverty used by the U.S. Census Bureau; see U.S. Census Bureau, Housing and Household Economic Statistics Division, "How the Census Bureau Measures Poverty (Official Measure)," available online at <http://www.census.gov/hhes/www/poverty/povdef.html> (accessed May 13, 2009.)

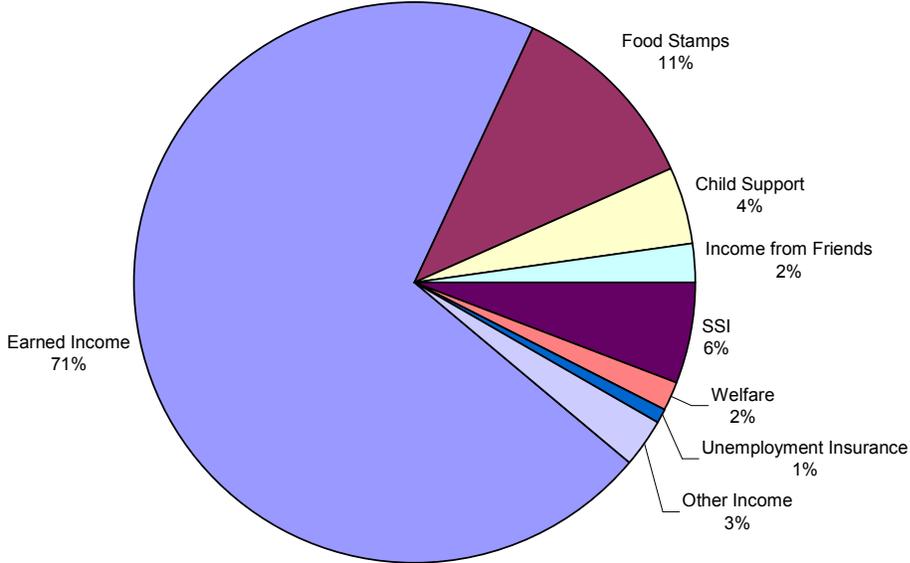
## B. Monthly Income by Source

The survey asked former Colorado Works recipients about a number of specific sources of income they received in the month prior to survey administration. *Exhibit IV.3* shows the average composition of the income of households in which leavers were living; the pie chart in *Exhibit IV.4* further illustrates this composition of average household income by displaying the percentage of income that each source comprises. As these exhibits show, earnings were by far the largest contributor to the average household income of leavers, representing 71 percent of average household income. Food stamp benefits were also an important contributor, representing 11 percent of the average household income.

**Exhibit IV.3: Average Monthly Household Income by Source**

	Average Monthly Household Income (\$)
Source	
Earned income	1,279
Food stamps	208
Child support	79
Income from friends	39
SSI	108
Welfare	28
Unemployment insurance	18
Other	49
Total income (including food stamps)	1,809
Sample size	494

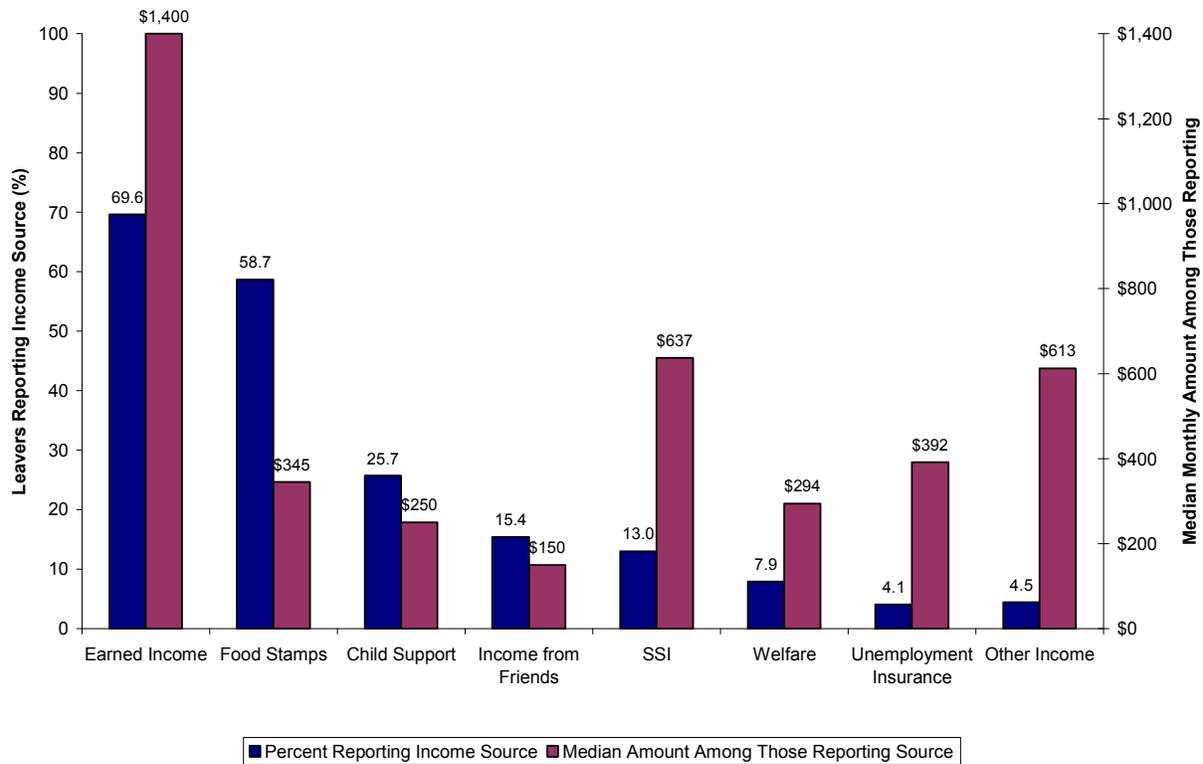
**Exhibit IV.4: Distribution of Average Monthly Household Income (Including Food Stamps) by Source**



**Note:** Sample size = 494

Exhibit IV.5 shows how frequently each income source was received by leavers, and the median amount of each type of income that was received by those households who had that type of income. Earnings and food stamps were the most frequent income sources for the households in which Colorado Works leavers were living. More than two thirds of households had earned income, and more than half received food stamps. Child support income was also relatively common, received by about a quarter of households.

**Exhibit IV.5: Percent of Households Reporting Income Source and Median Amount Received by Households with Income Type**



**Note:** Sample size = 491

The amounts received by households that had earnings were larger than the amounts received of any other type of income source. On the other hand, while some forms of income were received by relatively few households in which leavers were living, among those households that were receiving these income sources, income amounts were often rather large. While only 13 percent of households received SSI, the amounts those households received (a median of \$637) were larger than any other source other than earnings. Similarly, while few households in which leavers were living reported receiving Unemployment Insurance benefits or income from other miscellaneous sources of income, the amounts these households received were relatively substantial. These figures show that while earned income is the main source of income among

the households of former Colorado Works recipients, other income sources play an important part in the lives of the households that receive them.

Each type of income is described in more detail below.

### **1. Earned Income**

The most common source of monthly income among households in which former Colorado Works recipients were living was earned income, with 70 percent of respondents reporting at least some earned income.<sup>17</sup> At 71 percent of total income (\$1,279), earned income also makes up the majority of average household income. Median earnings, among those households with earnings, were \$1,400 per month. This is approximately the same amount an individual working at the state minimum wage in 2008 (\$7.02 per hour) for 40 hours a week would earn in a month.<sup>18</sup> In comparison, median amounts received of each of the next two most common household income sources (food stamps and Child Support) were one fourth or less of the median earned income value.

Examination of the data (not shown in a table) shows that the average earned income earned just by the respondents themselves was only \$736, indicating that almost half of earned income received by leavers' households came from others with whom they were living. *Exhibit IV.6* examines the extent to which income comes from the former Colorado Works recipient who was surveyed, a spouse or partner, or others in the household. As mentioned in Chapter II, roughly one fifth of leavers had a spouse or partner living in the household. In two thirds of these households, the spouse or partner had earnings. Spousal earned income amounts were comparatively high, with a median of \$1,600. When other non-spouse, non-partner adults were present in the household, only one third had earnings. Their median earnings were \$1,501.

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<sup>17</sup> Note that this figure includes the combined earnings of the respondent, the respondent's spouse, and all other working age individuals in the household, and therefore is higher than the employment rates shown in other chapters of this report, which reflect only the respondent.

<sup>18</sup> Note that some households have more than one working age individual.

## Exhibit IV.6: Earned Income by Source

	Respondent Living in Household	Households with: Spouse or Partner Living in Household	Other Working Age Adult(s) Living in Household
Percent of total households (%)	100.0	20.4	45.7
Among those families with member listed in column living in household:			
Percent receiving income from member listed in column (%)	53.2	66.3	33.6
Median income amount received from member listed in column when present (\$)	1,200	1,600	1,501
Sample size	494	101	226

### 2. Food Stamps

Income from food stamps was the second most common source, received by 59 percent, and made up the next largest share of total household income after earned income (11 percent of total monthly income, or \$208). Among those who received food stamps, the median value of payments was \$345.

Food stamps are a particularly important income support in households with no earnings. Forty-nine percent of households with earnings received food stamps, compared to 72 percent among households where no member had earnings. Among the latter group, food stamps represented 21 percent of household income on average.

### 3. Child Support

Child Support was a source of income for a number of Colorado Works leavers; over one fourth (26 percent) of their households reported monthly income from child support payments. This finding is consistent with rates of Child Support receipt found from analysis of administrative data in previous research, which showed that 26 percent of families of Colorado Works leavers received Child Support payments.<sup>19</sup>

However, at \$79, Child Support income made up only a small percent (4 percent) of the average household monthly income. The median value of child support income when present was \$250, making it the lowest income source besides support from family and friends outside of the

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<sup>19</sup> Administrative data show that in an average month during the year following exit, 26 percent of one-parent households that left Colorado Works received some child support payment. See Barden, Elkin, Mueller, Wright, "2008 Colorado Works Evaluation Annual Report."

household. This means that median Child Support Income was equal to only about one sixth of median earned income (\$250 compared to \$1,400 per month).

#### **4. Supplemental Security Income**

The transition of individuals with disabilities from TANF to Supplemental Security Income (SSI) has been a growing area of attention among policy makers and practitioners in recent years. Staff at all levels of the TANF program have indicated that the process for approving SSI can be cumbersome and time-consuming. Policy makers and practitioners have questioned the extent to which former TANF recipients have transitioned to SSI.

Thirteen percent of leavers lived in households receiving income from SSI. This includes 6 percent of leavers who themselves were enrolled in SSI, and an additional 7 percent who lived in households where someone else received SSI. The median SSI income amount was \$637, higher than all other median income values except for earned income. This shows that among leavers who receive SSI, it is a highly significant source of household income.

#### **5. Income from Individuals Outside the Household**

Previous literature on low-income populations, welfare recipients, and welfare leavers has demonstrated that many of these families supplement household income with money contributed by individuals outside of the household. These individual may be family or friends, and income could be given for a variety of reasons. Fifteen percent of respondents reported receipt of income from others outside of the home.<sup>20</sup> The median income amount among those who received these payments was modest, at \$150.

#### **6. Welfare, Unemployment Benefits, and Other Sources**

The other sources of income asked about in the leavers survey were welfare, UI benefits, and a broad category of "other income sources," which could have included, (among other things) worker's compensation, retirement income, alimony, rent from a tenant or boarder, an income tax refund, foster child payment, stipends from training programs, and gambling income. These income sources were reported by relatively few households: 8 percent reported income from welfare, 4 percent from unemployment insurance, and 5 percent from other sources. On average, each of these sources represented three percent or less of average household monthly income. However, the amounts received by some households were quite significant; for example, the median UI payment among these households was \$392, which is higher than the median food stamps payment for those receiving food stamps. Median income from welfare was \$294, almost as high as median food stamps income and higher than the median income from Child Support.

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<sup>20</sup> Since support from friends and family may be provided intermittently or in one-time emergency situations, the percentage of leavers receiving such support in a particular month (as is asked about on the survey) may be substantially lower than the percentage who rely on outside support at some point over a longer period of time.

## C. Other benefits

In addition to monthly income sources, the survey also asked respondents about several types of benefits they received from government or other sources, tax benefits, public housing assistance, Individual Development Accounts (IDAs), and bonuses from employers or other organizations. *Exhibit IV.7* displays these results.

**Exhibit IV.6: Other Benefits Received by Former Colorado Works Recipients**

	Leavers Receiving Benefit (%)
Tax benefits	
Earned Income Tax Credit	57.8
2008 Federal Economic Stimulus Check	61.1
Housing assistance	
Housing subsidy (at time of survey)	33.5
Energy assistance from government in past year	33.3
Other	
Individual Development Account	1.4
Employment retention bonus from government	3.4
Employment retention bonus from non-government program	0.8
Sample size	494

Notes: The time frames asked about on the survey differed for these benefits. The survey asked about the Earned Income Tax Credit for Federal Tax Year 2007; receipt of a refund from the EITC would have occurred during calendar year 2008. The survey asked about current receipt of housing assistance. The time period of receipt for income from Individual Development Accounts or Employment bonuses was any time since leaving Colorado Works.

Over half of leavers, 58 percent, received the Earned Income Tax Credit for Federal Tax Year 2007. An almost identical proportion (61 percent) received a 2008 Economic Stimulus check, which was issued during the first six months of calendar year 2008 to individuals who had filed taxes with earned income for the 2007 Federal Tax Year. (See text box, “The 2008 Economic Stimulus Check,” below, for more discussion of the stimulus.)

About one third (34 percent) of respondents report either living in low-rent public housing or receiving a government subsidy (such as Section 8 vouchers) to help with their housing. One third have received energy assistance from the government through programs such as the Colorado Low Income Energy Assistance Program (LEAP).

Few individuals indicated receipt of income via IDAs (1 percent), government sponsored employment retention benefits (3 percent), or non-governmental employment retention benefits (less than 1 percent).

## The 2008 Federal Economic Stimulus Check

During the first six months of calendar year 2008, the U.S. government issued economic stimulus checks to individuals who had filed taxes reporting earned income for the 2007 Federal Tax Year. Stimulus checks ranged in value from \$600 to \$1,200, depending on annual income and marital status. The 2008 economic stimulus payment was available to those with earnings of at least \$3,000 in 2007, as well as those who had received Social Security, certain veterans' benefits, or Railroad Retirement benefits.

Survey respondents were asked if they received a stimulus check. Sixty-one percent reported receipt of the stimulus check, roughly the same percent as those who received the Earned Income Tax Credit in the same year (58 percent).

In a follow-up question, leavers who received the economic stimulus check were asked if they used these funds mainly by increasing spending, increasing saving, or to pay off debt. The vast majority of respondents (83 percent) indicated that they used the money to pay debts. These findings are consistent with other research regarding spending of the Economic Stimulus Check. Matthew D. Shapiro and Joel Slemrod, researchers at the University of Michigan, found that low-income survey respondents were more likely than the average Economic Stimulus Check recipient to say they plan to mostly use the check to pay off debt. Their research showed that among those families making under \$20,000 per year, 58 percent planned to use these funds to pay down debt, as opposed to only 18 percent of the overall population of stimulus check recipients.

Since recipients of the stimulus check had to have had earnings (or other qualified income) in the prior year, this indicates that debt may be a significant problem among even those Colorado Works leavers who had been working. These responses shed little light on whether the stimulus check served to increase short-term spending among this population, since by using the check to pay down debt, leavers may have freed up other resources that allowed them to increase spending. The survey did not collect information on overall consumption that would have been necessary to identify such indirect effects of the stimulus.

## V. Well-Being of Former Recipients of Colorado Works

To gain a deeper understanding of the situations of Colorado Works recipients after leaving program, this chapter analyzes their responses to a set of questions regarding post-TANF food security, housing hardship, health insurance coverage, and mental health. Analysis in the chapter also shows that many of those who are employed or receiving assistance continue to face hardships with regards to these indicators of well-being.

As an overall measure of how their well-being had changed since leaving welfare, the survey asked leavers whether they felt they were better off, worse off, or about the same. The responses, presented in *Exhibit V.1*, were mixed. While about half of surveyed leavers stated that they were better off after leaving welfare and 24 percent stated that they were about the same, 25 percent stated that they were worse off. The remainder of this chapter presents findings on the well-being of survey respondents at the time of survey on a number of more specific dimensions.

**Exhibit V.1: Self-Reported Changes in Well-Being Since Leaving Colorado Works**

	Leavers
Status after leaving Colorado Works (%)	
Better off	51.0
About the same	23.7
Worse off	25.1
Sample size	494

### A. Food Security

The leavers survey incorporated a number of survey questions developed by the United States Department of Agriculture (USDA) to identify the presence of food insecurity. The USDA defines household food security as “access by all members at all times to enough food for an active, healthy life.” The USDA defines food insecurity as “limited or uncertain availability of nutritionally adequate and safe foods or limited and uncertain ability to acquire acceptable foods in socially acceptable ways.” Food insecure leavers can either be categorized as having “low food security” or “very low food security.” Those who are in a state of “low food security” have reduced quality, variety, or desirability of diet, and those who have “very low food security” have disrupted eating patterns and reduced food intake.<sup>21</sup>

*Exhibit V.2* shows that 50 percent of Colorado Works leavers are food insecure. About a fifth of leavers are in a state of low food security, and 28 percent are in a state of very low food security.

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<sup>21</sup> Economic Research Service, United States Department of Agriculture. “Food Security in the United States: Measuring Household Food Security.” Updated November 17, 2008. Accessed May 22, 2009, at <http://www.ers.usda.gov/Briefing/FoodSecurity/measurement.htm>

This is a much higher level of food insecurity than found among the general population, and somewhat higher than found in earlier studies of former welfare recipients in other states that used a comparable measure of food security. The USDA estimates that between 2005 and 2007, 11 percent of Colorado’s population was in a state of food insecurity, comparable to the national rate (also 11 percent).<sup>22</sup> Compared to a few past studies of TANF leavers, the Colorado survey found a higher rate of food insecurity among Colorado Works leavers. Some other studies found only 30 percent of their leavers samples to be food insecure, compared to Colorado’s 50 percent.<sup>23</sup> (In interpreting this comparison, it is important to keep in mind that previous leavers surveys were conducted under different economic and employment climates and under different TANF programs and policies).

**Exhibit V.2: Food Security of Former Colorado Works Recipients**

	Leavers
Food security status (%)	
Food secure	50.0
Food insecure	50.0
Low food security	22.1
Very low food security	27.9
Sample size	494

The survey data show that a number of former Colorado Works recipients experienced food insecurity even though they were working. The rate of food insecurity was similar for leavers with and without employment. *Exhibit V.3* looks at the relationship between food security status and employment. About 50 percent of leavers employed at the time of survey and leavers not employed at the time of survey reported food insecurity.

Similarly, many leavers experienced food insecurity despite receipt of food stamps. As *Exhibit V.3* shows, about 49 percent of those who received food stamps were food insecure, and 51 percent of those who did not receive food stamps were also food insecure.

<sup>22</sup> Mark Nord, Margaret Andrews, Steven Carlson. *Household Food Security in the United States, 2007*. Economic Research Service, United States Department of Agriculture, November 2008.

<sup>23</sup> See David C. Mancuso, Charles J. Lieberman, Vanessa L. Lindler, Anne Moses. *Examining Circumstances of Individuals and Families Who Leave TANF*, November 2001. The ASPE-funded study used the USDA measure of food security to find that 18 months after exit, 30 percent of leavers in three counties in California were food insecure. See Philip Richardson, Gregg Schoenfeld, Susan LaFever, Frances Jackson. *Three-Year Follow-Up Study of Welfare Leavers in South Carolina*, December 2002. The ASPE-funded study used the USDA measure of food security to find that two years after exit, 31.6 percent of leavers in South Carolina were food insecure. Note that these surveys occurred in 2000 through 2002; economic conditions facing respondents were different.

### Exhibit V.3: Food Security by Employment and Food Stamp Receipt

	Food Secure Leavers	Food Insecure Leavers
Employment status at time of survey (%)		
Employed	52.3	47.7
Not employed	50.3	49.7
Food stamp receipt in month prior to survey (%)		
Received	50.9	49.1
Did not receive	49.3	50.7
Sample size	247	247

While having children in the household means that there are more people to provide food for, similar proportions of Colorado leavers with and without children under 18 were in a state of food insecurity. (*Exhibit V.4*). About half of leavers with and without children in the household were in a state of food insecurity.

### Exhibit V.4: Food Security Status by Household Composition

	Food Secure Leavers	Food Insecure Leavers
Children under 18 in the household (%)		
None	46.3	53.7
At least one	50.5	49.5
Sample size	54	440

## B. Housing

The survey asked several questions to gauge housing hardship. The survey asked if leavers faced difficulty paying rent, needed to move or utilize a shelter because of unaffordable housing, faced difficulty paying utility bills, or had to go without electricity because of unaffordable utility bills.

As *Exhibit V.5* shows, over half (57 percent) of leavers rarely, sometimes, or often fell behind in housing payments during the year prior to the survey. However, it was less frequent for respondents to report that they had to move because of unaffordable housing. Nine percent reported that they did so sometimes or often, and another 15 percent said that they had rarely

done so. Few (6 percent) reported having ever used a shelter during the year. Similarly, while over two-thirds of leavers reported falling behind in utility payments in the year prior to the survey, only 15 percent reported that they ever went without electricity at some point.

### Exhibit V.5: Housing Hardship

	Behind in Housing Payments in the 12 Months Prior to Survey	Had to Move Because Could Not Afford Housing	Utilized Shelter Because Could Not Afford Housing	Behind in Utility Payments	Gone Without Electricity Because Could Not Afford Utilities
Frequency of housing hardship (%)					
Never	43.0	76.9	93.9	31.4	85.0
Rarely	21.7	14.6	3.9	19.5	11.4
Sometimes	16.6	6.1	1.6	17.0	2.6
Often	18.7	2.4	0.6	32.0	1.0
Sample size	493	494	494	493	493

**Note:** Sample sizes differ due to missing responses on some questions.

Leavers employed at the time of survey were less likely than non-employed leavers to suffer rent or housing hardship. *Exhibit V.6* shows that about a third of leavers employed at the time of survey sometimes or often fell behind on rent, while 40 percent of leavers not employed sometimes or often fell behind on rent.

### Exhibit V.6: Employment and Ability to Pay Rent

	Leavers Sometimes or Often Fell Behind on Rent	Leavers Rarely or Never Fell Behind on Rent
Employment status at time of survey (%)		
Employed	33.7	66.3
Not employed	40.0	60.0
Sample size	174	319

As discussed in Chapter IV, about a third of surveyed leavers reported either receiving a government housing subsidy (such as Section 8 vouchers) or living in low-rent public housing. As *Exhibit V.7* shows, fewer people who received housing assistance had difficulties paying rent than people who did not receive assistance. About 28 percent of those in public housing sometimes or often had trouble paying rent, while 37 percent of those not living in public housing sometimes or often experienced trouble paying rent. About a quarter those with a

housing voucher sometimes or often had trouble paying rent, while 38 percent of leavers without a housing voucher sometimes or often fell behind.

**Exhibit V.7: Employment and Ability to Pay Rent by Receipt of Housing Assistance**

	Leavers Sometimes or Often Fell Behind on Rent	Leavers Rarely or Never Fell Behind on Rent
Public housing (%)		
Living in public housing	27.8	72.2
Not in public housing	37.1	62.9
Received Government housing subsidy/voucher (%)		
Received	24.5	75.5
Did not receive	38.3	61.7
Sample size	174	319

Survey results showed that larger households experienced housing hardship more frequently than smaller households (see *Exhibit V.8*). Twenty-nine percent of households with one to two people sometimes or often got behind on rent, compared to 37 percent of households with three to four people and 36 percent of households with five or more people. About one in ten leavers (11 percent) live in conditions of overcrowding, defined as two or more household members per bedroom.<sup>24</sup>

<sup>24</sup> Kevin S. Blake, Rebecca L. Kellerson, Aleksandra Simic. *Measuring Overcrowding in Housing*. Prepared for the U.S. Department of Housing and Urban Development, office of Policy Development and Research. 2007.

### Exhibit V.8: Ability to Pay Rent by Number of People in Household

	Leavers Sometimes or Often Fell Behind on Rent	Leavers Rarely or Never Fell Behind on Rent
Number of people in household (%)		
1-2	29.3	70.7
3-4	37.0	63.0
5 or more	36.3	63.7
Sample size	174	319

### C. Health Coverage

The survey asked leavers about their own health insurance coverage and coverage of any of their children in the month prior to the survey. *Exhibit V.9* shows that in the month prior to survey, about 33 percent of leavers were uninsured. Among leavers with children, 12 percent had all of their children uninsured. However, most leavers and their children were insured. Over half of leavers were covered under a public plan, and 15 percent were covered under private or another type of coverage. A large majority of leavers (77 percent) had public health insurance for at least one of their children, and 16 percent had private insurance.

### Exhibit V.9: Health Insurance Coverage of Former Colorado Works Recipients and their and Children

	Survey Respondent	Survey Respondents with Children
Insurance type (%)		
No coverage	33.2	11.6
Public	54.5	76.8
Private	13.8	16.1
Other	0.6	0.2
Sample size	494	440

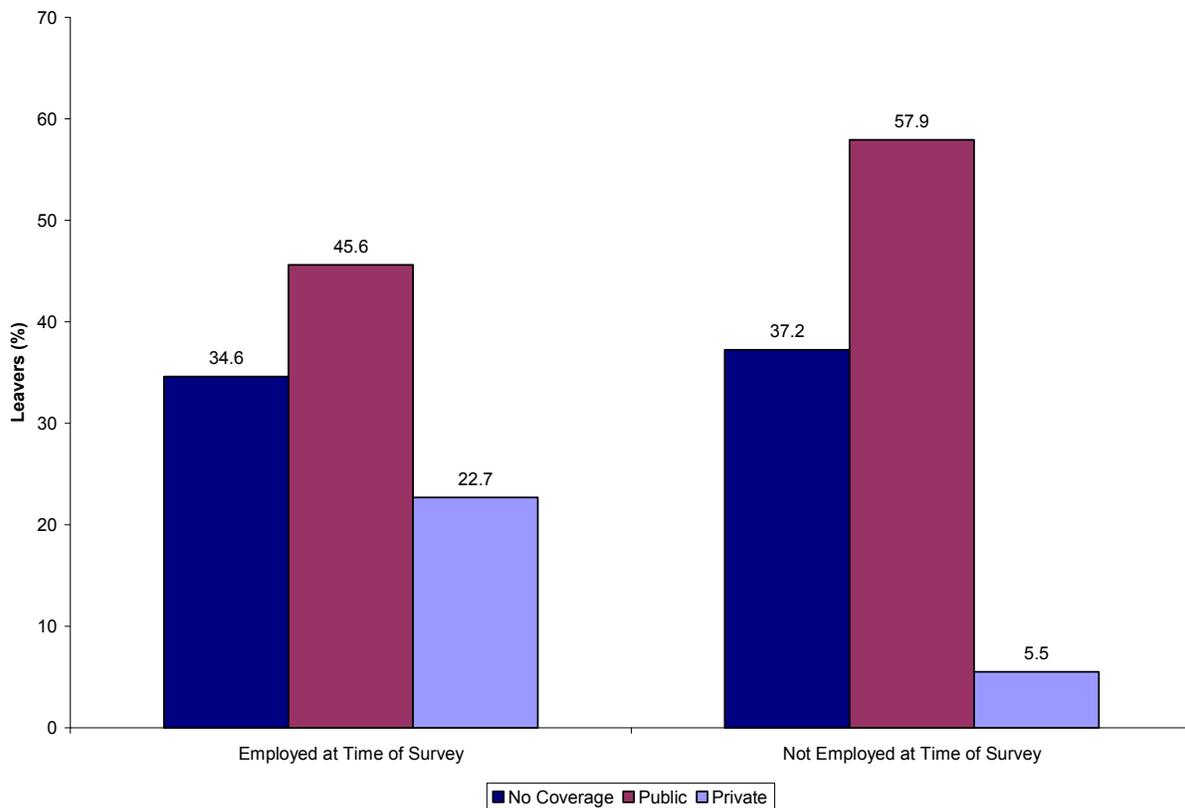
**Note:** the percentages for each insurance type and no coverage sum to greater than 100%, because some leavers or their children may have multiple types of coverage.

Roughly equal shares of those with and without employment were uninsured. About 35 percent of leavers with employment and 37 percent of leavers without employment did not have health insurance. Among those who were insured, coverage type varied by employment. Those who were working were more likely to have private insurance. As *Exhibit V.10* shows, 23 percent of employed leavers were covered under private insurance, four times the rate of private coverage

for leavers without employment. However, many of those with jobs were nonetheless uninsured. As discussed in Chapter III, only about half (49 percent) of jobs held by leavers working at the time of survey offered employee health insurance. Only 43 percent of leavers working in these jobs opted for the employer-offered coverage; a majority (56 percent) of employed leavers who had the option of purchasing private insurance through their employer chose not to do so.

A majority of the leavers who were not employed at the time of survey had public insurance (58 percent). About 46 percent of employed leavers used public health insurance.

**Exhibit V.10: Type of Health Coverage by Employment at Time of Survey**



**Note:** Sample size for those employed at time of survey = 263. Sample size for those not employed at time of survey = 145. Percentages do not sum to 100% because individuals may have both public and private insurance.

Overall, about 12 percent of leavers with children did not have any of their children insured. As *Exhibit V.11* shows, leavers without employment were more likely than the employed to have uninsured children. Almost 17 percent of those not employed at time of survey did not have insurance for any of their children, and about 9 percent of employed leavers did not have insurance for any of their children. It is probable that children of leavers are less likely to be

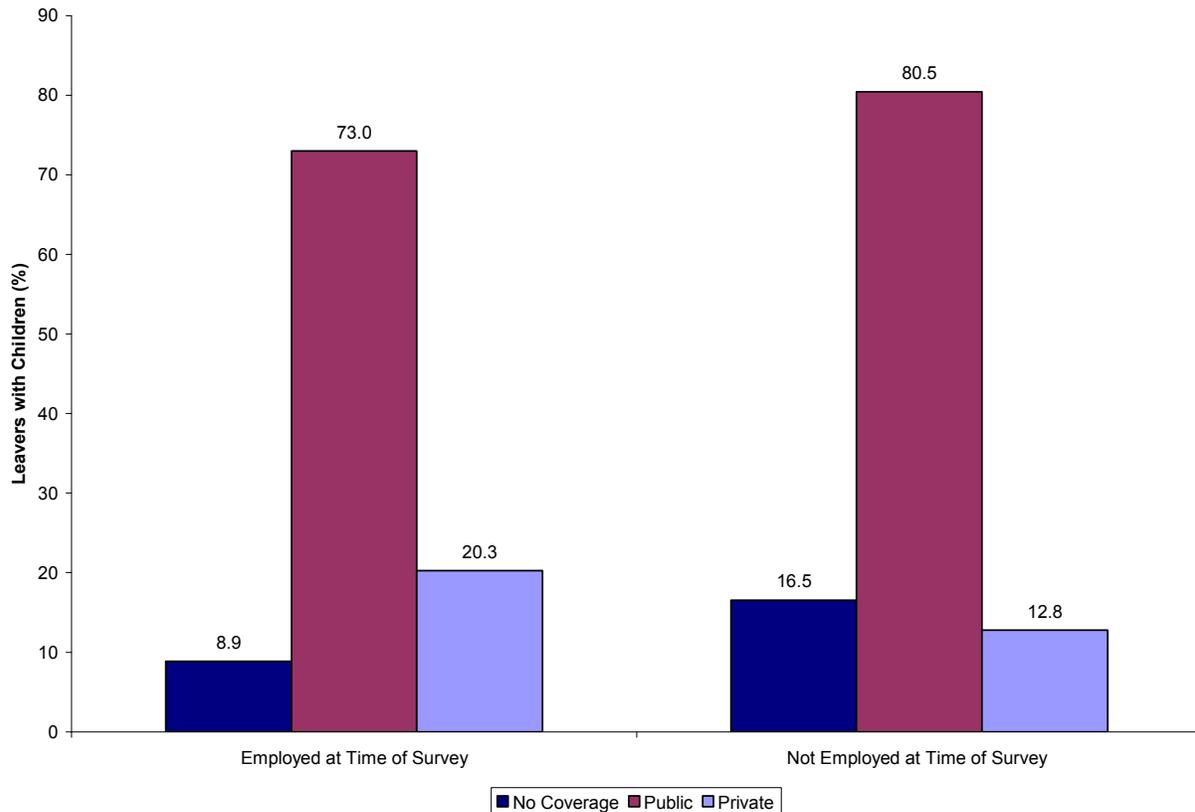
uninsured than the adult leavers themselves because of Child Health Plan Plus, which covers moderate-income children in families whose incomes are too high for Medicaid.<sup>25</sup>

Unlike health coverage of the surveyed adult, child coverage type does not vary too much by the employment of the survey respondent. Exhibit V.11 shows that there was little variation in child insurance type among leavers with and without employment. A large majority of both employed leavers and leavers without employment used public health insurance for any of their children. About 73 percent of leavers employed at the time of the survey with at least one child used public health insurance, and 81 percent of leavers not employed used public coverage for any of their children. Not surprisingly, employed leavers were more likely to use private insurance for their child. A fifth of employed leavers used private insurance for any of their children, and 13 percent of leavers without employment used private insurance.

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<sup>25</sup> Colorado public health insurance plan for children under 18, pregnant women, applicants with household incomes below 200% of the federal poverty level, the uninsured, and those not eligible for Medicaid.

**Exhibit V.11: Coverage Type for the Children of Leavers**



**Note:** Sample size for those employed at time of survey = 263. Sample size for those not employed at time of survey = 145. Percentages sum to greater than 100% because children may have multiple types of coverage or a survey respondent may have several children, each with a different type of insurance.

## D. Mental Health

The survey incorporated questions based on the Urban Institute’s National Survey of American Families (NSAF) to gather information about the mental health of leavers. Using a scale based on questions about anxiety, depression, loss of behavioral or emotional control, and psychological well-being, the survey found that over a third (35 percent) of leavers were in poor or very poor mental health (see *Exhibit V.12*). A quarter of leavers were judged to be in very poor mental health.

### Exhibit V.12: Mental Health Status of Former Colorado Works Recipients

	Leavers
Mental health status (%)	
Very poor	25.1
Poor	9.5
Positive	65.2
Sample size	493

Mental health status did not differ greatly by employment status at time of survey. As *Exhibit V.13* shows, about two-thirds of leavers employed at the time of survey and two-thirds of leavers who were not employed at the time of survey were in positive mental health.

### Exhibit V.13: Mental Health and Employment

	Leavers Employed at Time of Survey	Leavers Not Employed at Time of Survey
Mental health status (%)		
Very poor	21.4	23.9
Poor	11.7	8.0
Positive	66.9	68.2
Sample size	145	264

However, there were greater differences in mental health status between those who had been employed at some point since leaving Colorado Works and those who had never been employed since leaving. Over two-thirds of those ever-employed since exit were in positive mental health, but only 54 percent of those never-employed since exit were in positive mental health (see *Exhibit V.14*). About 36 percent of the never-employed were in very poor mental health, compared to 23 percent of those with some employment and the overall rate of 25 percent for the sample.

### Exhibit V.14: Mental Health and Ever-Employed Since Leaving TANF

	Leavers with Some Employment Since Leaving TANF	Leavers with No Employment Since Leaving TANF
Mental health status (%)		
Very poor	23.0	35.7
Poor	9.3	10.7
Positive	67.6	53.6
Sample size	408	84

## VI. “Disconnected” Welfare Leavers

Since welfare rolls declined since the enactment of federal welfare reform legislation in 1996, there has been particular concern about a population of low-income families that are not on welfare but that do not have earnings from jobs. There is some evidence that, nationally, the share of low-income single mothers without work or welfare has increased since 1995, from 11.7 percent to 20 percent in 2005.<sup>26</sup> The welfare research community refers to this population as “disconnected.” Research has found that these disconnected adults are more likely to face significant barriers to self-sufficiency, including having disabilities, being dependent on illegal drugs or alcohol, and having no car or drivers license.<sup>27</sup>

Studies in earlier components of the Lewin team’s evaluation of Colorado Works have attempted to identify the extent to which Colorado Works leavers have fallen into the “disconnected” category, but since these studies relied on administrative data, only a limited level of detail was available. For example, the earlier Lewin analysis of administrative data, using Colorado Works participation and benefits information from CBMS and quarterly employment and earnings data from UI wage records, found that a substantial percentage of Colorado Works leavers neither returned to Colorado Works nor had any earnings measured within the UI wage records. The Lewin 2008 Annual Colorado Works Evaluation Report noted that more than 40 percent of those who exited Colorado Works in the first quarter of 2005 did not have either welfare or earnings, as measured by the UI earnings data, six quarters later. However, the limitations of the administrative data meant that it was not possible to identify the extent to which individuals in this “No Welfare, No Work” category had jobs or received cash assistance outside Colorado; had spouses, partners, or other family members supporting them; received benefits from other government programs such as SSI; or simply subsisted on a very low level of income.

The leavers survey provides more detail on the situations of this group. This chapter looks at two sub-groups of leavers:

- **The “disconnected.”** This group consists of leavers who reported that they were neither receiving TANF benefits nor working at time of survey. This corresponds to the “No Welfare, No Work” group discussed in earlier Lewin analyses, but defined on the basis of the survey data rather than the administrative data. The disconnected make up almost 37 percent of the sample of former Colorado Works recipients.
- **The “chronically disconnected.”** This group includes leavers who did not work within the last year, did not receive any TANF or SSI income, and did not have a spouse who had earnings. This definition identifies a more disadvantaged population of Colorado Works leavers. The chronically disconnected make up 13 percent of the leavers sample.

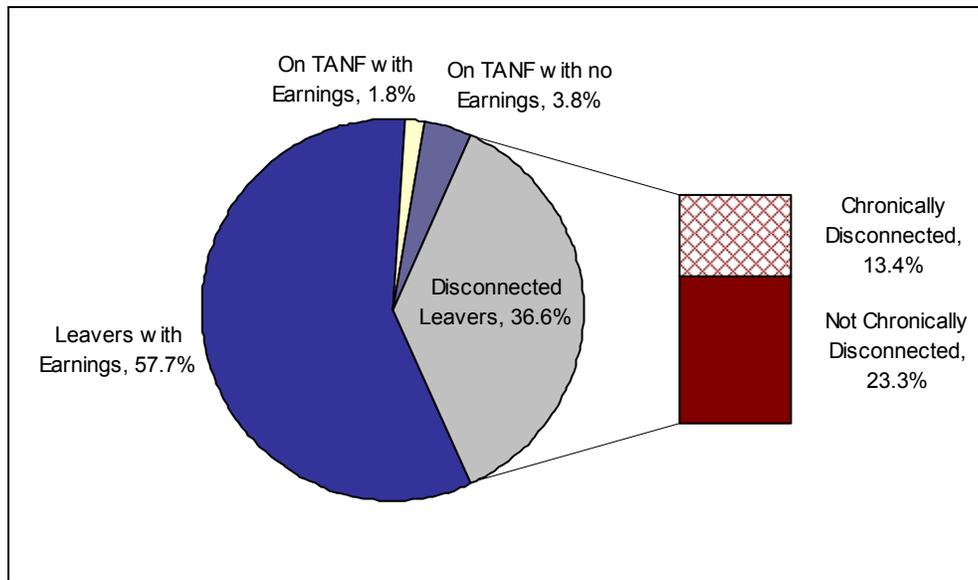
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<sup>26</sup> Blank, Rebecca, and Brian Kovak. 2008. “Helping Disconnected Single Mothers.” Center on Children and Families Brief

<sup>27</sup> Turner, Lesley J., Sheldon Danziger, and Kristin Seefeldt. 2006. “Failing the Transition from Welfare to Work: Women Chronically Disconnected from Employment and Cash Welfare,” *Social Science Quarterly* 87 (2): 227 – 49.

*Exhibit VI.1* shows the relationship of this group to the full sample of Colorado Works surveyed. Throughout the chapter, we compare disconnected Colorado Works leavers to leavers with earnings at the time of the survey.<sup>28</sup> Comparisons to “Leavers Who Returned to TANF” who were receiving cash assistance at the time of the survey (including both those with and without earnings) are also of interest; however, due to the small number within the sample, they are only included in one table in this section.

**Exhibit VI.1: Leavers by Employment and TANF Status**



Note: Sample size = 494

### A. Household and Demographic Characteristics of the Disconnected

Disconnected leavers differ from leavers with earnings in several key ways. As *Exhibit VI.2* shows, disconnected adults are more likely to be age 35 or older, are more likely to be Hispanic or non-white, and are less likely to have a high school education. They are also more likely to have younger children than leavers with earnings. The chronically disconnected are twice as likely to have an infant in the household as leavers with earnings.<sup>29</sup>

<sup>28</sup> “Leavers with earnings” is defined slightly differently here than in Chapter III. The earlier chapter focused on employment related questions in the survey that asked about the current month. This chapter incorporates household income questions, which asked about the previous month. (This was necessary to present information on the household income of the disconnected leavers, and to define the chronically disconnected sample with reference to SSI income and a spouse’s income.) For consistency, “leavers with earnings” is defined here as the group with earnings in the current or previous month, while the disconnected groups are defined as not having had earnings in either the current or previous month.

<sup>29</sup> While this may seem to suggest that the disconnected are older and have younger children than leavers with earnings, examination of the data shows that differences in the rate of having an infant occur among those leavers who are below the age of 35. The rates of having an infant among leavers age 35 or older are around two to three percent among all three groups.

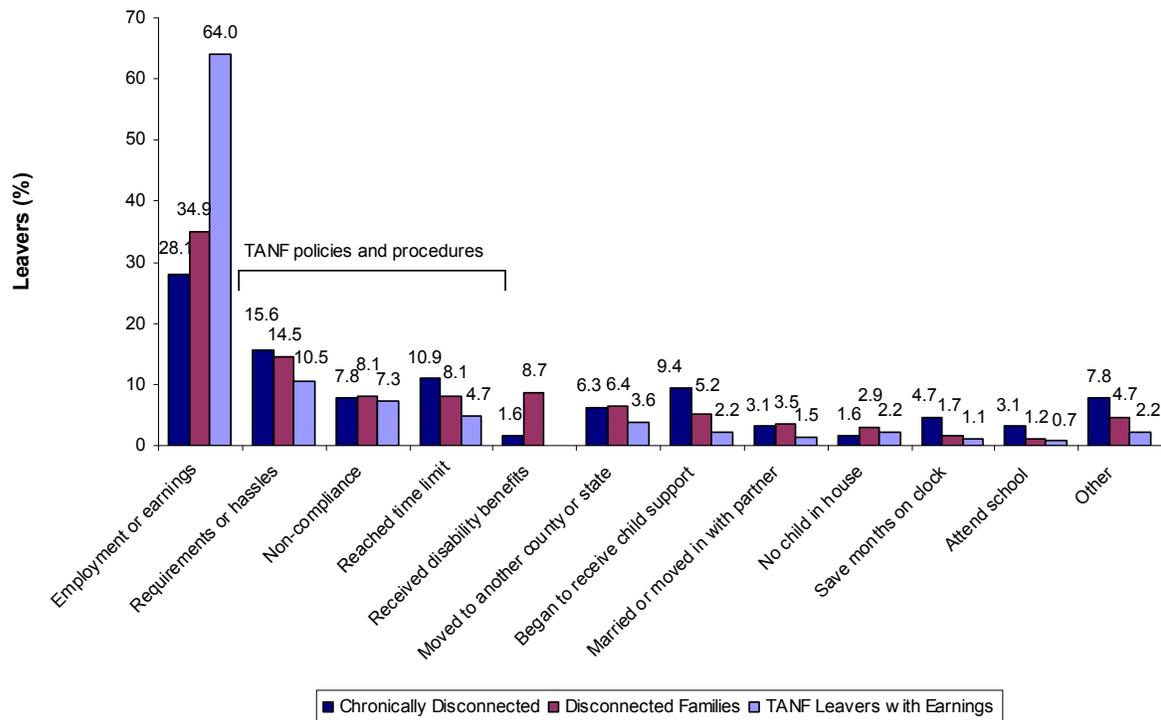
## Exhibit VI.2: Characteristics of Colorado TANF Leavers

Characteristic of survey respondent	Chronically Disconnected Leavers	Disconnected Leavers	Leavers Who Returned to TANF	TANF Leavers with Earnings
Characteristic of survey respondent				
Gender (%)				
Female	92.4	93.9	96.4	93.3
Male	7.6	6.1	3.6	6.7
Age (%)				
18-24	22.7	21.5	35.7	21.1
25-34	45.5	44.8	46.4	52.3
35 or more	31.8	33.7	17.9	26.7
Median age	29.1	29.2	26.7	29.8
Race or Ethnicity (%)				
Hispanic	40.9	40.3	46.4	36.3
Non-Hispanic:				
White	31.8	37.0	35.7	42.8
Black or African American	24.2	19.3	14.3	17.2
Asian	1.5	1.1	0.0	0.7
Native Hawaiian	3.0	1.7	0.0	0.4
American Indian or Alaska Native	7.6	6.1	3.6	2.8
Other	3.0	2.2	0.0	1.8
Highest education level (%)				
No high school diploma/GED	33.8	32.8	42.9	21.1
High school diploma/GED	58.5	56.1	21.4	56.8
Other credential/post-secondary degree	7.7	11.1	35.7	21.8
Leavers married or living with partner (%)	22.7	26.0	0.0	19.4
Characteristics of respondent's household				
Average number of household members	3.6	3.6	4.0	3.7
Average number of children	2.0	1.9	1.8	2.0
Age of youngest dependent child (%)				
0-1 years	41.7	31.8	34.6	19.4
2-3 years	21.7	25.3	38.5	32.9
4-5 years	10.0	13.0	7.7	14.7
6 or more years	26.7	29.9	19.2	32.9
Sample size	66	181	28	285

## B. Reasons for Leaving TANF

*Exhibit VI.3* lists the main reasons the disconnected and chronically disconnected adults reported for leaving TANF and compares their reasons to leavers who were working at the time of the survey. Leaving for employment or earnings was one of the main reason cited among all three groups, but was cited less often by the disconnected and chronically disconnected than by leavers who had earnings at the time of the survey. Among leavers with earnings, two thirds cited employment or earnings as the primary reason they left Colorado Works. However, one third of leavers without earnings also cited employment-related reasons. While by definition, none of the disconnected individuals were working at the time of the survey, 55 percent had worked since leaving and 26 percent were working at the time they left welfare. (See *Exhibit VI.4*, below.) This compares to 59 percent who were working at the time they left welfare among the “leavers with earnings” group.

**Exhibit VI.3: Reasons for Leaving TANF**



**Note:** Sample size for chronically disconnected = 64; sample size for disconnected families = 172; sample size for TANF leavers with earnings = 275.

About one third of all disconnected adults reported leaving because of some issue they faced with the TANF program. Some respondents reported they left to avoid the TANF work requirements; others said they disliked the hassles associated with getting a TANF check, including the paperwork that needed to be completed; some were sanctioned or had a case closure due to noncompliance; and some reached the 60-month time limit. About 8 percent of

disconnected adults (including 11 percent of the chronically disconnected) reported leaving because they reached the 60-month time limit.

About 9 percent of disconnected adults left when they began receiving SSI or other disability benefits. The chronically disconnected group was defined to exclude those receiving SSI; consequently very few report leaving Colorado Works due to receipt of disability benefits. Similarly, few leavers with earnings would have had the types of work-preventing disabilities that qualified them to enroll in SSI, and very few leavers with earnings reported leaving Colorado Works due to receipt of disability benefits.

More than 9 percent of the chronically disconnected reported they left when they began receiving child support. Fewer of the other two groups gave this reason for leaving.

### **C. Employment**

As noted above, 55 percent of the disconnected had worked since exiting Colorado Works. Most had worked within the year prior to the survey – 88 percent of those who had worked since leaving reported working 25 or more hours in at least one month in the year prior to the survey, and 39 percent had worked 25 or more hours in more than half of the preceding 12 months.<sup>30</sup>

Exhibit VI.4 shows characteristics of the jobs held by the disconnected leavers in the survey sample who had worked since exiting Colorado Works. The sectors in which disconnected leavers had worked were more or less in line with the broader sample of leavers discussed in Chapter III, being largely concentrated in retail, food service, and the medical field. The median hourly wage earned by disconnected leavers was \$8.60, lower than the median among the broader sample.

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<sup>30</sup> About 8 percent of the disconnected said they had worked all 12 of the previous months. This is seemingly inconsistent with responses they gave to other questions on the survey, which indicated they had not worked in the prior month. It is possible that specifying “25 or more hours” led some respondents to consider odd jobs or intermittent work in responding to this question that they had not considered in other questions that referred to “work for pay.”

## Exhibit VI.4: Employment History of Disconnected Welfare Leavers

	Disconnected and Chronically Disconnected Leavers
Employment rates since leaving Colorado Works (%)	
Never worked since leaving	45.3
Working when exited Colorado Works	26
Not working at exit, but worked since	28.7
Number of months out of last 12 working at least 25 hours per week (%)	
0 months	12.2
1-6 months	49
7-11 months	30.6
12 months	8.2
Of those previously employed:	
Median hourly wage (\$)	8.60
Field of previous job (%)	
Retail or sales	31.6
Food service	16.3
Medical field	10.2
Clerical or call center	10.2
Housekeeping or maintenance	9.2
Manufacturing	8.2
Truck or bus driver or delivery	5.1
Child care	3.1
Other	6.1
Sample size	181

As *Exhibit VI.5* shows, over a quarter of all disconnected adults report that they were not working because they were in poor health. Another quarter could not find a job, while 15 percent were not working because they could not find or afford to pay for child care. Other reasons provided included wanting to attend school or training (9 percent), pregnancy or a new baby (8 percent), and wanting to stay home with children (7 percent). For those who had worked since exiting the program, the survey also asked about the reason they were no longer working at that job. A little more than half (55 percent) said they had quit, while 16 percent were in a

seasonal job that ended and 15 percent were laid off or the job ended. About 11 percent were fired.

### Exhibit VI.5: Reasons for Not Working

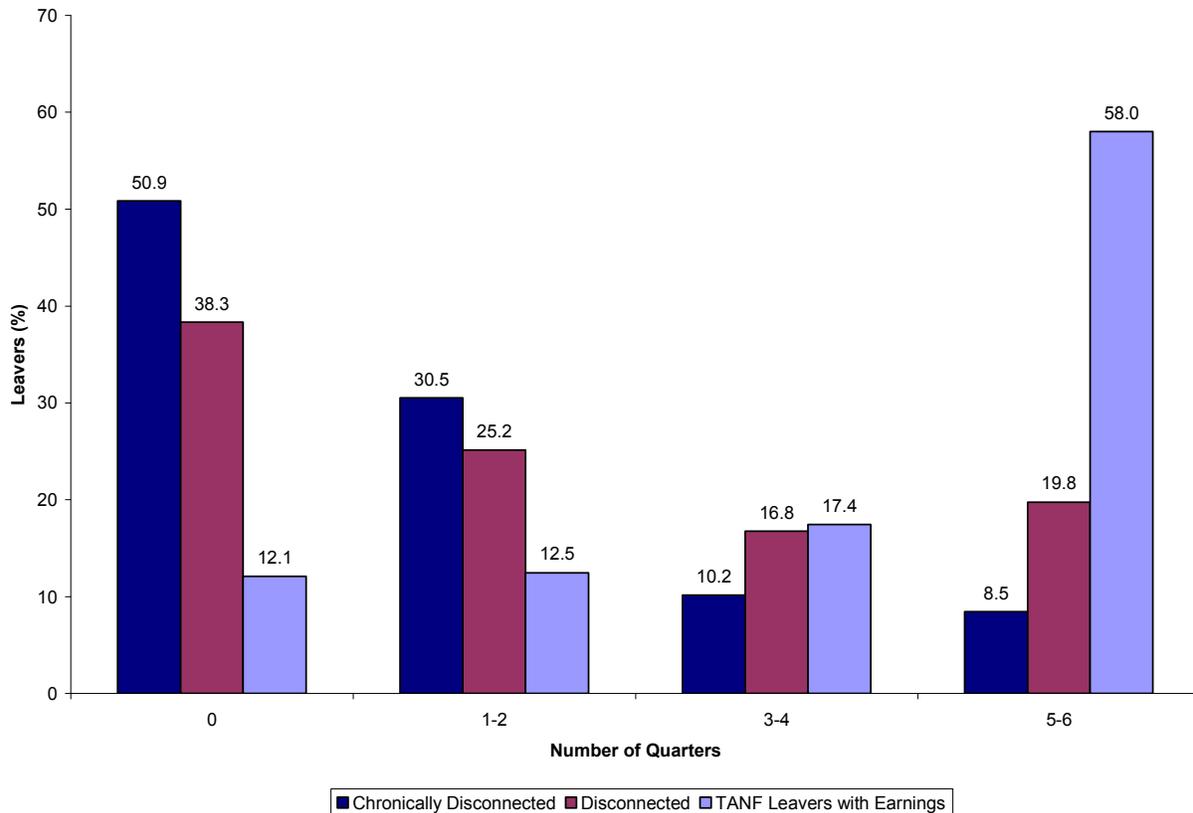
	Disconnected and Chronically Disconnected Leavers
Reason Not Currently Working (%)	
Poor health	26.5
Cannot find job	23.2
Cannot find child care	14.9
In school or training program	8.8
Pregnant or recently had baby	8.3
Wants to stay home with children	7.2
Caring for ill or disabled family member	2.8
Transportation issues	2.2
Criminal background	2.2
Other	3.9
Sample size	181
Of those previously employed:	
Reason left previous job (%)	
Quit	55.1
Seasonal	16.3
Laid off	12.2
Fired	11.2
Job ended	3.1
Medical/maternity leave	2.0
Sample size	99

Like the survey data, UI wage records show that many of the disconnected leavers, including many of the chronically disconnected, had worked at some point following their exit from Colorado Works. The chronically disconnected leavers worked fewer quarters after they left TANF than the other groups of leavers. As *Exhibit VI.6* shows, about half of these leavers did not work in jobs appearing within the UI data at all within the six quarters after exiting TANF.<sup>31</sup>

<sup>31</sup> The UI wage records include comprehensively all jobs covered under the Colorado UI program. They do not capture employment of workers not covered by unemployment insurance, including some

Still, almost 9 percent had earnings reported in UI wage records in the six quarters following their exit.

**Exhibit VI.6: Number of Quarters Employed in Six Quarters Following Exit**



**Note:** Sample size for chronically disconnected = 59; sample size for disconnected families = 167; sample size for TANF leavers with earnings = 281.

In the quarters worked, the chronically disconnected adults earned significantly less than the leavers who had earnings at the time of the survey. The median quarterly earnings were approximately \$1,200 for the chronically disconnected, \$1,700 for the disconnected, and \$2,100 for the leavers with earnings. Since earnings in the UI wage records are available only as quarterly totals, the UI data does not show whether the differences are driven by differences in the number of hours worked or hourly wages or a combination of these two factors. However, estimates comparing these amounts to survey-reported wages suggest that the difference in earnings between the chronically disconnected and the leavers with earnings reflect both lower wages earned and fewer hours worked by the chronically disconnected, while the difference

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agricultural workers, some government employees, some domestic workers, and those in the Armed Forces. UI wage records also do not capture self-employment earnings or informal or “off-the-books” employment, or employment outside the state.

between leavers with earnings and the broader group of the disconnected primarily lies in a difference in wages, rather than hours.<sup>32</sup>

#### **D. Income Sources for Disconnected Leavers**

*Exhibit VI.7* summarizes survey data regarding sources of support that leavers have, and helps identify whether leavers without earnings or welfare benefits have other sources of income, and if so, what are those sources? The exhibit shows that the incomes of the disconnected welfare leavers are, on average, substantially lower than the incomes of leavers with earnings, and their poverty rates are higher. Thus, there are not other sources of income that fully make up for the lack of earnings. The average household incomes reported by disconnected leavers in the survey sample were 38 percent less than the average household incomes of leavers with earnings. The chronically disconnected adults have particularly low household incomes, averaging just \$1,002 per month (\$736, excluding food stamps). Approximately 83 percent of the chronically disconnected are living in poverty.

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<sup>32</sup> As measured in the survey, median hourly wages of leavers with earnings were 18 percent higher than that of the disconnected, and 32 percent higher than that of the chronically disconnected. Quarterly wages of leavers with earnings, as measured by the UI wage data, were 21 percent higher than those of the disconnected, and 69 percent higher than those of the chronically disconnected. This suggests that there the number of hours worked within a quarter by the chronically disconnected was substantially lower than the number of hours worked by either the broader group of the disconnected or by leavers with earnings. However, the measures being compared combine different data sources and look at different time periods, so the comparison should be thought of as suggestive rather than determinative.

## Exhibit VI.7: Sources of Income <sup>a</sup>

	Chronically Disconnected Leavers		Disconnected Leavers		TANF Leavers with Earnings	
	Households with Income (%)	Average (\$) <sup>b</sup>	Households with Income (%)	Average (\$) <sup>b</sup>	Households with Income (%)	Average (\$) <sup>b</sup>
<b>Household Income</b>						
Earnings	16.9	351	28.9	605	100.0	1770
TANF/ welfare benefits <sup>c</sup>	1.5	4	3.3	12	4.2	16
Unemployment benefits	6.3	23	6.1	31	2.8	10
SSI, DI, or other disability income	14.1	98	24.7	217	6.7	48
Child support	29.7	73	29.9	82	25.8	83
Financial assistance from family or friends	29.2	71	21.3	50	11.3	33
Other	4.6	116	4.5	75	2.5	34
Food stamps	68.2	266	70.6	268	48.6	159
Total income	---	736	---	1073	---	1994
Total income (including food stamps)	---	1002	---	1341	---	2153
Families living below poverty (%) <sup>d</sup>	83.3	---	76.2	---	51.8	---
<b>Other Benefits</b>						
Earned Income Tax Credit in 2008	32.3	---	42.9	---	70.0	---
Economic stimulus check from IRS in 2008	27.3	---	47.5	---	72.6	---
Housing subsidy (at time of survey)	50.8	---	39.8	---	29.7	---
Energy assistance from government in past year	28.1	---	33.0	---	33.0	---
Job retention incentives from government since exited TANF	4.5	---	2.8	---	3.9	---
Sample size	66		181		285	

<sup>a</sup> Income figures are self reported for the month prior to survey interview. The period of the survey was August 2008 - December 2008.

<sup>b</sup> Averages are over the households of all leavers in the group; that is, they include zero income for households without the income source.

<sup>c</sup> Disconnected leavers reported not receiving TANF, but other household members may have received TANF.

<sup>d</sup> Poverty calculation does not include food stamp income.

## ***1. Income Sources of the Chronically Disconnected***

Among the chronically disconnected, food stamps were the most common source of income, with slightly more than two-thirds receiving this benefit, and benefits accounting for approximately 30 percent of their household income on average. Child support and financial support from family or friends were also relatively common sources of income for the chronically disconnected, received by 30 percent and 29 percent respectively. Amounts received from these sources were relatively modest; calculations on the basis of figures in Exhibit VI.7 show that the households that received these types of income received about \$250 on average. In the case of financial support from family or friends, the chronically disconnected received this as a source of income more frequently than both the broader group of the disconnected and leavers with earnings.

About 17 percent of the chronically disconnected were living with other household members who had earnings. By the definition of “chronically disconnected,” these earnings were not of a spouse, though in some cases the earnings may have been of a non-spousal partner living in the household. Similarly, the definition of the chronically disconnected group excludes leavers who receive SSI, but 14 percent lived in households where another household member received SSI or another type of disability income.

## ***2. Income Sources of the Broader Disconnected Population***

The income sources of the broader disconnected population differed somewhat from those of the chronically disconnected, most notably with regards to the share who lived in households with income from earnings and SSI. These income sources were constrained for the chronically disadvantaged by definition; that group was defined as not receiving SSI income and not having a spouse who had earnings. Earnings and SSI were each part of the household incomes of about a quarter of the disconnected group. The amounts received by those who had them were large enough that they were both among the biggest contributors to household income of the disconnected.

Other income sources were received at roughly similar rates as for the chronically disconnected. Perhaps unsurprisingly, both groups of disconnected lived in households receiving unemployment insurance benefits more frequently than leavers with earnings.

With the additional money from earnings and SSI, the broader disconnected population fared a little better than the chronically disconnected, with monthly income averaging \$1,341, although a substantial share—76 percent—live in poverty.

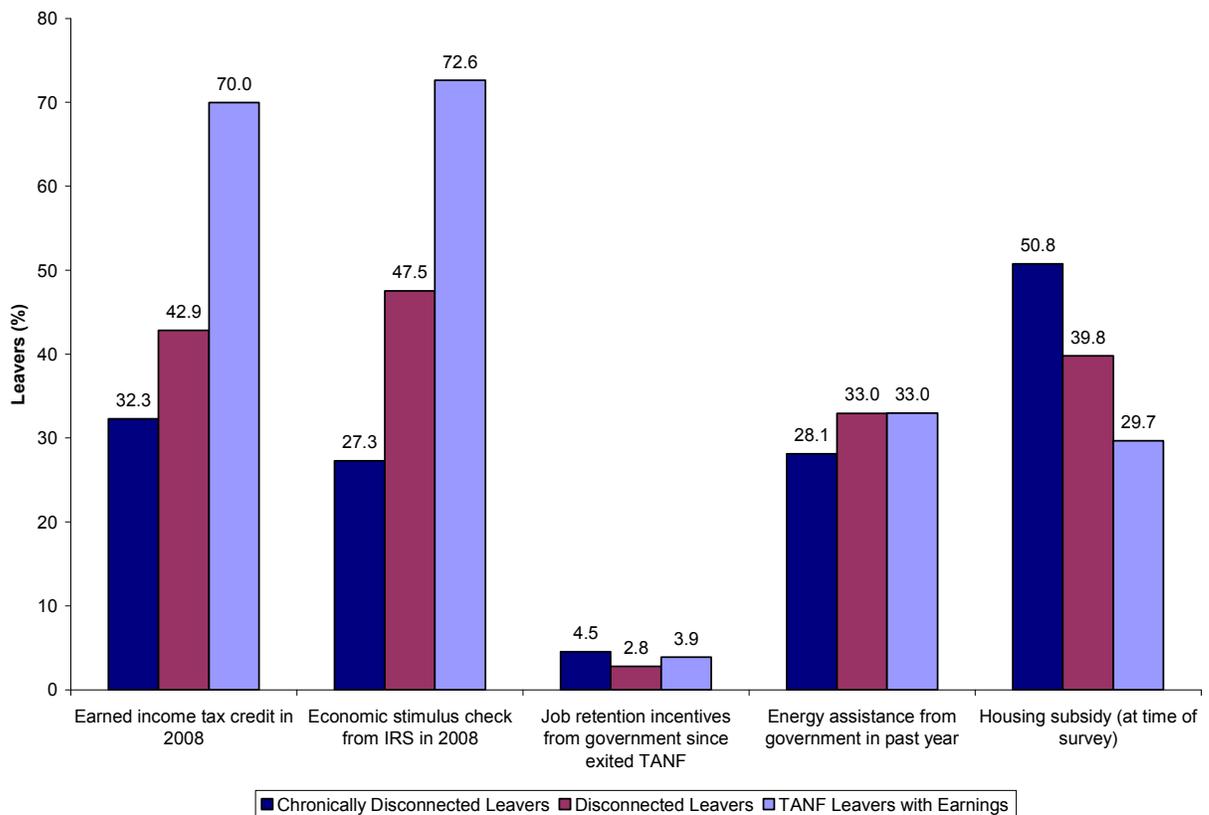
## ***3. Other Benefits***

Not surprisingly, disconnected adults, and especially the chronically disconnected, were less likely than leavers with earnings to receive benefits associated with working, such as the Earned Income Tax Credit (EITC) and the economic stimulus check. Only 43 percent of disconnected leavers (32 percent of chronically disconnected leavers) compared with 70 percent of leavers with earnings received the EITC. Approximately 48 percent of disconnected adults (27 percent of chronically disconnected leavers) received the 2008 stimulus check, which could be as much

as \$600 per individual and \$1,200 per married couple. Approximately 73 percent of workers with earnings received the stimulus check.

Though not receiving cash assistance through TANF or SSI, many of the chronically disconnected continued to receive other public means-tested benefits. Most notably, half (51 percent) were either living in public housing or receiving housing vouchers to be used in the private housing market, which was a higher rate than among other disconnected or among leavers with earnings (40 percent of the larger disconnected leavers group and 30 percent of the leavers with earnings). About one third of the leavers with earnings and disconnected leavers (28 percent of the chronically disconnected) received energy assistance from the government through programs such as the Colorado Low Income Energy Assistance Program (LEAP).

**Exhibit VI.8: Share of Leavers Receiving Other Supports by Work Status**



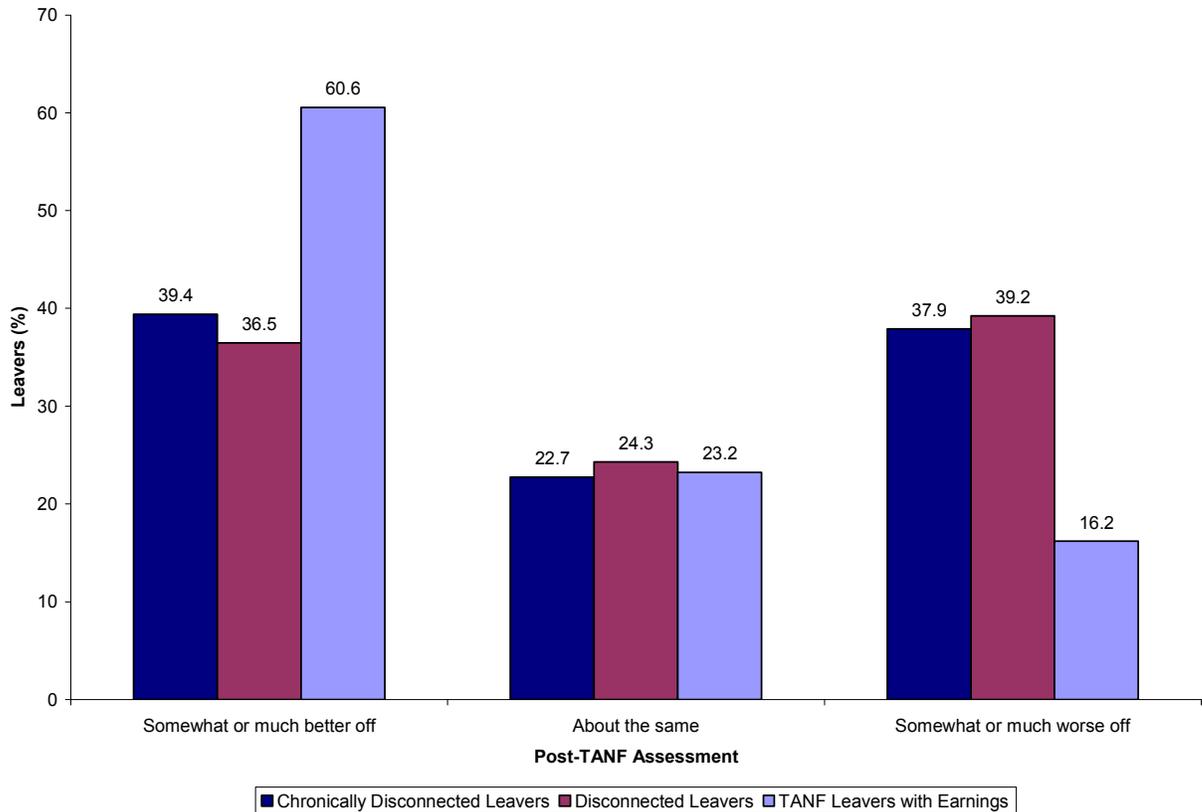
**Note:** Sample size for chronically disconnected = 66; sample size for disconnected families = 181; sample size for TANF leavers with earnings = 285.

## E. Well-Being of Disconnected Leavers

The survey asked leavers whether their situation was better off, worse off, or about the same as on TANF. *Exhibit VI.9* compares the answers given by chronically disconnected leavers, disconnected leavers, and leavers with earnings. Leavers with earnings are much more likely to

rate their post-TANF situations as better than disconnected and chronically disconnected leavers – about 61 percent of leavers with earnings think that they are better off, compared to about 37 to 40 percent of disconnected or chronically disconnected leavers. Also, chronically disconnected and disconnected leavers are more than twice as likely to say that they are worse off than leavers with earnings. Almost 40 percent of disconnected leavers rate themselves as worse off, compared to 16 percent of those with earnings.

**Exhibit VI.9: Post-TANF Self-Assessment**



**Note:** Sample size for chronically disconnected = 66; sample size for disconnected families = 181; sample size for TANF leavers with earnings = 284.

In addition to asking leavers to assess their own overall situation, the survey asked a number of questions on specific indicators of well-being, including food security, housing situations, health care coverage, and mental health.

Over half of the disconnected respondents experienced food insecurity, although a sizable portion of the leavers with earnings (close to half) are also food insecure. (*Exhibit VI.10*) About one third of disconnected respondents faced very low food security compared with about one quarter of leavers with earnings.

### Exhibit VI.10: Food Security

	Chronically Disconnected Leavers	Disconnected Leavers	TANF Leavers with Earnings
Food security status (%)			
Food secure	47.0	46.4	53.0
Food insecure	53.0	53.6	47.0
Low food security	15.2	21.5	22.1
Very low food security	37.9	32.0	24.9
Sample size	66	181	285

The groups did not differ substantially in terms of housing-related hardships. Approximately one in ten disconnected families had to move because they could not pay for their housing, while about half fell behind in paying their utility bill (see *Exhibit VI.11*). The chronically disconnected were slightly more likely to have gone without electricity or heat in the home or to have gone to a homeless shelter in the past 12 months. However, less than 8 percent of the chronically disconnected went without electricity or had to go to a shelter.

## Exhibit VI.11: Housing Hardship

	Chronically Disconnected Leavers	Disconnected Leavers	TANF Leavers with Earnings
Behind in housing payments in 12 months prior to survey (%)			
Often or sometimes	29.2	36.1	33.7
Never or rarely	70.8	63.9	66.3
Had to move because could not afford housing (%)			
Often or sometimes	9.1	9.9	6.7
Never or rarely	90.9	90.1	93.3
Behind in utility payments (%)			
Often or sometimes	50.0	46.7	49.5
Never or rarely	50.0	53.3	50.5
Gone without electricity because could not afford payments (%)			
Often or sometimes	7.6	4.4	2.5
Never or rarely	92.4	95.6	97.5
Utilized shelter because could not afford payments (%)			
Often or sometimes	7.6	3.3	1.1
Never or rarely	92.4	96.7	98.9
Sample size	66	181	285

*Exhibit VI.12* shows the rates of health insurance coverage among leavers. Among all examined groups, about one third had no health care insurance. Of the two thirds of the disconnected leavers with insurance, almost all received coverage from public health insurance (i.e., Medicaid or Medicare). Most TANF leavers with earnings with coverage also obtained it from public health insurance, but a sizeable minority (22 percent) was covered by private health insurance.

Most children in all groups had health insurance coverage, although it was more common among children of TANF leavers with earnings. About 18 percent of the children in chronically disconnected families and 16 percent of the children in disconnected families had no coverage, compared with 10 percent of the children of leavers with earnings. Public health insurance provided coverage to most children of all three groups.

## Exhibit VI.12: Health Insurance Coverage for Colorado TANF Leavers

	Chronically Disconnected Leavers	Disconnected Leavers	TANF Leavers with Earnings
Health coverage type of respondent in prior month (%)			
Public health insurance (e.g., Medicaid)	65.2	63.5	45.8
Private health insurance	1.5	3.3	22.0
Other	0.0	0.6	0.7
No coverage	34.8	33.7	34.9
Sample size	66	181	285
Health coverage type of any children in prior month (%)			
Public health insurance (e.g., Medicaid, SCHIP)	76.7	80.5	72.7
Private health insurance	8.5	11.8	20.0
Other	0.0	0.0	0.4
No coverage of all children	18.3	16.2	10.2
Sample size	60	154	258

In addition, the survey assessed mental health by asking questions about anxiety, depression, loss of behavioral or emotional control, and psychological well-being. Disconnected leavers were slightly more frequently to reply to questions in a manner indicating poor mental health. About 39 percent of the chronically disconnected were determined to be in poor or very poor mental health, as compared with 40 percent of the disconnected and 32 percent of leavers with earnings. While poor mental health is more prevalent among the disconnected population, it is noteworthy that about one third of those with earnings were in poor mental health.

### Exhibit VI.12: Mental Health Status

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	Chronically Disconnected Leavers	Disconnected Leavers	TANF Leavers with Earnings
Mental health status (%)			
Very poor	30.8	27.2	23.2
Poor	7.7	12.8	8.4
Positive	61.5	60.0	68.4
Sample size	66	180	285

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## VII. Conclusions

The survey conducted for this study provides detailed information on the experiences and outcomes of participants who have left Colorado Works that had not been available in earlier stages of the Colorado Works Evaluation. Overall, the data show that 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 percent – did not return to TANF between when they left the program and the time of the survey.

With regards to economic well-being, some leavers achieved middle-income levels – ten percent of leavers lived in households with incomes above 200 percent of the poverty line – but two thirds were living at or below the poverty threshold at the time of the survey. Other measures of well-being similarly showed a variety of outcomes. Half of leavers said that they thought they were better off since leaving Colorado Works, but a quarter of leavers felt that they were worse off. About half were experiencing food insecurity, and about one third of leavers reported sometimes or often falling behind in housing payments during the year prior to the survey. Most had health insurance, primarily through public sources, but one third did not have health insurance in the month prior to the survey.

The importance of employment to Colorado Works leavers is clear. A new job or increased earnings or hours was the most common reason for leaving Colorado Works in the first place, cited by half of the sample of leavers. The survey data show that 83 percent had worked since leaving welfare, and that 53 percent were working at the time of the survey. Earned income – either earnings by the survey respondent or by other members of his or her household – was the largest contributor to household income, representing 71 percent of the household monthly income on average. However, the hourly wages earned by leavers were mostly quite modest. Though 9 percent of leavers who had worked since leaving Colorado Works reported earning more than \$15 an hour, median hourly wages were slightly below \$9.25. Figures presented in Chapter VI show that many former Colorado Works recipients were among the “working poor”: 51 percent of leavers with earnings had incomes below the poverty line. Similarly, employment did not necessarily imply a high level of well-being; close to half of employed leavers were in a state of low food security, and about a third reported having sometimes or often fallen behind on rent payments.

While most former Colorado Works recipients worked at some point since leaving the program, over one third of the sample were among the “disconnected” at the time of the survey, meaning they were neither working nor receiving cash welfare. Many within this group face significant challenges that could affect their ability to easily obtain work. One third do not possess a high school degree or GED. Over one-quarter reported they were not working because of poor health and another quarter were unable to find employment even though they wanted to work. Their overall household incomes were quite low and the vast majority of disconnected leavers were living in poverty. Many report significant hardships, including higher rates of being uninsured and of very low food security than leavers with earnings, and about 40 percent scored low on a standard mental health scale and over half are characterized as being food insecure. Despite this, they are not receiving TANF.

While few former Colorado Works recipients returned to TANF, other forms of public assistance remained an important source of support to both working and disconnected leavers. More than half lived in households receiving food stamps (including almost half of working leavers). About one third received housing assistance. Over half of leavers had public health insurance such as Medicaid, and among leavers living with their children, three quarters had public insurance for the children. While few reported receipt of SSI – only 6 percent of respondents and an additional 7 percent who lived in households where someone else received it – the amounts received by these households were relatively high compared to other non-earnings income sources received by leavers.

The low rate of welfare return, combined with the relatively low incomes and levels of well-being among many of the leavers, suggest that there could be benefits from uses of TANF block grant funds that serve a broader group of low-income individuals than those currently on basic cash assistance. This would be consistent with recent state policy changes to support new strategic initiatives designed to address systemic issues that mitigate poverty and its impact on Colorado, including creation of the Statewide Strategic Use Fund (SSUF) and incentives to counties to spend down reserves. (Counties have already instituted a wide range of interesting strategies; for a more thorough discussion, see *Research Brief: Broader Uses of the TANF Block Grant*.<sup>33</sup>)

Counties could consider both strategies to aid those who are employed but nonetheless have low incomes, and strategies to aid the disconnected. With regards to those who are employed, counties could consider initiatives to support job retention, career laddering, and earning gains to help former TANF clients advance their careers. These could include financial incentives for employment retention; while some counties offer such services, the survey showed that fewer than 5 percent of leavers receive them. Other services could include workshops to support continuing skill development among leavers, education and training for demand industries that might offer higher wages or advancement, or supporting the availability of child care for working parents (e.g., by investing in new providers of free and reduced-cost child care). Since slightly more than half of the disconnected had worked since exiting Colorado Works, such approaches may also reduce the number of disconnected leavers if they increase retention.

With regards to the disconnected, basic cash assistance and the case management and other services that accompany it may be the most suitable program for some disconnected families, and counties may wish to consider strategies to encourage some of these families to return to TANF. For other families, a preferable approach may be ensuring that they access services from faith based or other community based organizations (CBOs) that can provide the intensive support they need. Counties may consider providing financial support to CBOs that fills this need for those families that do not return to TANF, particularly those that provide services to address problems with literacy, mental health, and substance abuse that might inhibit both employment and welfare return.

Many policies could assist both groups. Services provided through CBOs to provide emergency food assistance, financial assistance, medical assistance, shelter, or utility support could help

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<sup>33</sup> Barden, Bret. 2009. *Research Brief: Broader Uses of the TANF Block Grant*. The Lewin Group.

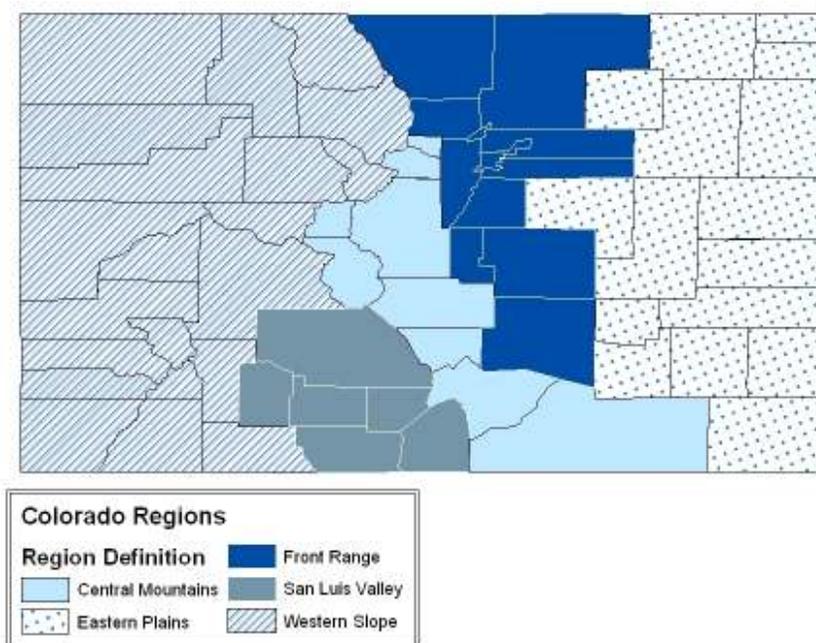
improve the well-being of former Colorado Works recipients with short term needs who do not return to welfare. Ensuring that those who have left Colorado Works continue to access other services such as food stamps or public health insurance for their children, and housing and utility assistance – as the survey data indicate many already do – is also of importance. These services may be particularly important during tough economic times such as the current recession.

## Appendix A: Regional Definitions

The regional definitions used in this report are those designated by the State Demography Office under the Division of Local Affairs. They are: the Central Mountains, Eastern Plains, Front Range, San Luis Valley, and Western Slope (see *Exhibit A.1*).

The **Central Mountains** region accounts for nine counties in central southern Colorado.<sup>34</sup> These include Chaffee, Clear Creek, Custer, Fremont, Gilpin, Huerfano, Lake, Las Animas, and Park. The area has several tourist counties depending heavily on the skiing and summer resort industries. In addition, the region has more rural areas focused on agriculture, ranching, and mining.

Exhibit A.1: Colorado Sub-State Regions



Source: Division of Local Affairs, State Demography Office

The **Eastern Plains** occupies the eastern third of Colorado, which includes the following counties: Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington, and Yuma. The economy in this region is largely agricultural and the area generally has low population density. The agricultural sector is currently facing challenges such as drought. Many manufacturing jobs have left the area. The **Front Range** region is the most densely populated region in Colorado. It includes Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Jefferson, Larimer, Pueblo, Teller

<sup>34</sup> This discussion of regional variation draws from the long-term economic and population forecasts for Colorado performed by the Colorado State Demography Office, under the Department of Local Affairs. (See, for example, *Colorado Long-Term Economic and Population Forecast*. Presentation to Metro Roundtable Interbasin Compact Committee. April 2006.

[http://www.dola.state.co.us/dlg/demog/presentations/MetroRoundtable4\\_06.pdf](http://www.dola.state.co.us/dlg/demog/presentations/MetroRoundtable4_06.pdf)

and Weld, which account for metropolitan areas of Denver, Boulder, Colorado Springs, Fort Collins, Greeley and Pueblo. The basic industries in the Front Range include high-tech manufacturing, energy-related fields, technology and telecommunications, regional services, and tourism.

The **San Luis Valley**, like the Eastern Plains, is largely agricultural. It includes Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache. Of the five regions, the San Luis Valley has the smallest population.

The **Western Slope** contains nearly half of the land area of Colorado and includes Archuleta, Delta, Dolores, Eagle, Garfield, Grand, Gunnison, Hinsdale, Jackson, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Juan, San Miguel, and Summit. This region has the largest share of Colorado's tourism industry; however, it also has some urban areas, mainly Grand Junction. A refocus on the oil shale in the Piceance Basin has increased employment in the mining and energy industries.