

SUMMARY REPORT

The Project on Devolution and Urban Change

Welfare Reform in Miami

Implementation, Effects, and Experiences
of Poor Families and Neighborhoods

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Overview

The 1996 national welfare reform law introduced a five-year time limit on federally funded cash assistance, imposed tough new work requirements, restricted benefits for noncitizens, and gave states more flexibility to design their welfare programs than in the past. Anticipating that the law might pose particular challenges for urban areas — where poverty and welfare receipt are concentrated — MDRC launched a study to examine its implementation and effects in four big cities. This report focuses on trends in Miami-Dade County between 1996 and 2002.

Key Findings

- **Miami-Dade implemented a stringent program.** Florida's welfare reform went beyond federal law by imposing a relatively short, two- or three-year time limit on benefit receipt and by cutting off all cash assistance when adults failed to comply with work requirements or other rules. However, to encourage work, Florida's reform also allowed welfare recipients to keep more of their earnings without losing welfare eligibility. Miami-Dade enforced the work requirements strictly, despite recurring problems in managing and delivering services to help people become employed. Far more families were cut off welfare because of noncompliance with work rules than because of time limits.
- **Miami-Dade's welfare rolls fell sharply, but how much of the decline was due to welfare reform is unclear.** Between 1993 and 2002, Miami-Dade's welfare caseload dropped by 75 percent as families both left welfare at a faster rate and came onto the rolls more slowly. A review of county welfare records found that these trends began well before 1996 and continued unabated thereafter, making it difficult to discern whether welfare reform had any effect. It may have reinforced trends that were already in place, or it may have affected people's behavior in new ways that the research could not detect.
- **Welfare reform appears to have led to an increase in employment among welfare recipients.** An analysis of welfare and employment data revealed that, after 1996, there was a sudden and significant increase both in the percentage of welfare recipients who became employed and in the duration of their employment. The county's heavy reliance on financial penalties to enforce work rules, along with the state's policy to allow welfare recipients to keep more of their earnings when they went to work, seemed to be driving these results. The finding on increased employment is more reliable in the years just after 1996 than in later years, when it is less clear what would have happened if welfare reform had not occurred.
- **Over time, welfare recipients' employment and economic circumstances generally improved.** A sample of nearly 600 women who received welfare shortly before the implementation of welfare reform was interviewed in 1998 and again in 2001. Most reported that they had exited welfare, started working, and increased their income — a pattern that might be the result of women and their children getting older, a strong economy, welfare reform, or all three. In general, the women earned low wages. Only one in four had a job that paid \$7.50 or more per hour and provided health insurance. Nevertheless, the women tended to be better off financially than they were on welfare, particularly if they took advantage of the Earned Income Credit. Ethnographic interviews with 42 women suggest that they struggled to stay employed despite personal problems and poor work conditions, but the women often felt that even a bad job was better than a welfare system that they felt was punitive and disorganized.
- **Neighborhood conditions remained stable or improved.** Many critics of welfare reform feared that restrictions on welfare benefits would devastate poor communities, but an analysis of social and economic indicators in Miami-Dade from 1992 through 2001 does not support this conclusion. Both countywide and in the poorest neighborhoods, there were substantial declines in the teen birthrate, infant deaths, child abuse and neglect, and violent crime. Property crime declined slightly. The number of babies born with a low birth weight remained stable. These trends generally predated welfare reform and did not show major changes after 1996.

MDRC has released reports on welfare reform in Cleveland and Philadelphia and will publish a report on Los Angeles by early 2005.

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Preface

Welfare Reform in Miami is the third in a series of MDRC reports from the Project on Devolution and Urban Change, examining how the lives of low-income families and neighborhoods — and the government programs that serve them — have changed since Congress passed the landmark 1996 welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). Like the Cleveland and Philadelphia reports that preceded it, the Miami report tells a largely positive story. Welfare rolls are down, employment rates are up, and most people who left welfare for work appear to be doing better financially. Conditions in Miami's poorest neighborhoods have generally remained stable or improved. In short, the social devastation that many critics of welfare reform feared would take place in urban communities like Miami did not occur.

If there is a negative side to the Miami story, it concerns the poor quality of services that were offered to help welfare recipients prepare for work. A decision by state and local policymakers to create a completely new agency to run the welfare-to-work program did not consider the managerial and technical skills needed to build an effective service network, train and oversee staff, and monitor clients' progress toward employment. This decision also led to confusion and a breakdown in coordination between the welfare function, on the one hand, and employment services, on the other, and there was a lack of accountability overall. Welfare recipients in Miami often found themselves in the difficult position of choosing between attending assigned activities that were poorly run or having their cash assistance cut off for failing to attend. In an era in which cash benefits are time-limited, it is incumbent on government agencies to prepare recipients for self-sufficiency as effectively and quickly as possible.

One of the goals of the Urban Change studies was to derive an estimate of the *impact* of PRWORA on welfare receipt and employment — that is, to measure the changes in people's behavior that could be attributed to the implementation of the new law. Most MDRC studies derive such estimates by randomly assigning individuals to a program group that receives an intervention (such as employment services and time limits on receipt of welfare benefits) and comparing their outcomes with outcomes for a control group that does not receive the intervention. This methodology is often described as the “gold standard” of evaluation, because it ensures that the individuals in the program and control groups are similar in all respects but one: their exposure to the intervention. If program and control group outcomes differ over time — if, for example, the groups have different rates of welfare receipt or employment — researchers can be fairly certain that the intervention caused the results.

Because the 1996 law was widely communicated and applied to all welfare recipients, a random assignment design involving a control group was not deemed feasible. To estimate pro-

gram effects, MDRC instead examined the patterns of welfare receipt and employment for all welfare recipients who came onto the rolls from 1992 through 2001 and used the behavior of recipients *before* the 1996 law was passed to establish a trend line to predict recipients' behavior *after* 1996. If the behavior of the latter group differed from the prediction, this was taken to mean that welfare reform had an impact. The analysis was based on an assumption that pre-1996 trends would have continued in the absence of welfare reform. This assumption is reasonable in the near term, but it becomes increasingly less reliable the longer it is carried out. Thus, it is certainly plausible that welfare reform played a role in sustaining the caseload decline, but the trend analysis would not be able to capture this. Readers should therefore interpret the impact results produced by the Urban Change studies with greater caution than they would for most MDRC reports. Whenever possible, random assignment remains a far preferable methodology for measuring the difference that programs make in people's lives.

If the Miami report does not provide the definitive answer to questions about welfare reform's effects, it does offer a rich portrait of how Miami responded to the challenges of PRWORA and how its low-income families and neighborhoods fared during this transitional period in the nation's welfare policy. MDRC hopes that this report helps inform future discussions on how to improve the 1996 law and how public officials might operate programs to serve low-income families and neighborhoods more effectively.

Gordon Berlin
Executive Vice President

Acknowledgments

This report, representing the culmination of several years of research, would not have happened without the support of many people. We especially want to thank the families — predominantly low-income women with children — whose lives are represented in the statistics and stories throughout this volume. We hope that the report reflects their experiences and contributes to policy decisions that will improve their lives and opportunities.

We are indebted to the many public officials in Florida who allowed us to conduct the study and provided full access to welfare offices and information. At the Department of Children and Families (DCF) in Tallahassee, Don Winstead, Bill Hudgens, and Pat Brown supported the research and permitted access to welfare and food stamp records. Royce Harrison at the Florida Education and Training Placement Information Program likewise assisted with employment records. In the Miami-Dade DCF office, Charles Hood, Gilda Ferradaz, and Jennifer Lange provided critical support for the study. Ms. Lange deserves special thanks for acting as research liaison throughout the project and answering numerous questions. Dwight Danie, Andrew Dickman, and Sifu Zhou at DCF and Oliver Kerr at the Miami-Dade Department of Planning and Zoning assembled the social indicators data used in this report. Neighborhood DCF office managers Cathi George, Carmen Senti, and Valerie Thomas helped us arrange visits and interview welfare staff on several occasions. Finally, we are grateful to the many program administrators, case managers, instructors, and advocates in DCF and other organizations who consented to interviews and observations.

As noted at the beginning of the report, a consortium of foundations and federal agencies provided the financial support for MDRC's Project on Devolution and Urban Change. We particularly want to thank staff at the John S. and James L. Knight and W. K. Kellogg Foundations for their interest and active involvement in the Miami study.

We received helpful written feedback on a draft of the report from Jennifer Lange at DCF and from Elizabeth Lower-Basch and Audrey Mirskey-Ashby at the U.S. Department of Health and Human Services. In addition, three members of MDRC's Income Studies Advisory Committee — Rebecca Blank, David Ellwood, and Mark Greenberg — reviewed and commented on a draft of the Summary Report. Within MDRC, we received substantive advice on several drafts from Gordon Berlin, Judy Gueron, Charles Michalopoulos, and Louis Richman.

A number of individuals working in organizations other than MDRC participated in data collection and analysis. Stan Bowie, currently at the University of Tennessee in Knoxville, was a principal investigator on the ethnographic team and recruited and interviewed the African-American sample. Isa Soler, a graduate student at Florida International University, recruited and interviewed the Hispanic ethnographic sample; a fellow graduate student, Noemi Baez, did the

final round of interviews. Louise Hanson and Carolyn Rahe at the Institute for Survey Research at Temple University oversaw the fielding of the client survey and the preparation of its data files.

Numerous MDRC staff assisted the report's authors with data collection and analysis, including Jo Anna Hunter, Rebecca Widom, Herbert Collado, Dov Grossman, Tara Cullen, Nikita Hunter, Jack Mendoza, Lindsay Moore, and Sarah Rich. Ms. Cullen and Ms. Rich provided valuable assistance as report coordinators. Robert Weber edited the report, and Stephanie Cowell prepared it for publication.

The Authors

Summary Report

The 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), introduced profound changes in America's welfare system. It eliminated Aid to Families with Dependent Children (AFDC) — the major cash assistance program for low-income families — and replaced it with a time-limited program called Temporary Assistance for Needy Families (TANF). It also imposed tougher work requirements on welfare recipients and gave states much more flexibility in the design and operation of their welfare programs. In turn, many states have “devolved” much of the responsibility for their welfare programs to local governments and other entities.

Anticipating that welfare reform might pose particular challenges to urban areas — where poverty and welfare receipt are most concentrated — MDRC launched the Project on Devolution and Urban Change (Urban Change, for short). The project is examining the implementation and effects of TANF in four urban counties: Cuyahoga (Cleveland), Los Angeles, Miami-Dade, and Philadelphia. In 2002 and 2003, MDRC released comprehensive reports examining the particular ways in which reform unfolded in Cuyahoga and Philadelphia Counties.¹ This report focuses on Miami-Dade County, and it addresses questions similar to those posed for the other study sites:

- How did Florida change its welfare law, and how did officials in Miami-Dade implement those changes? What “messages” and services were put in place? How were work requirements and time limits implemented?
- What were the effects of welfare reform on the county's welfare caseloads? Did reform alter patterns of welfare and employment?
- How did low-income families in the county adapt to work requirements and other dimensions of welfare reform? What were their experiences in the labor market? Were they better or worse off economically?
- What were the conditions of neighborhoods in Miami-Dade before and after welfare reform? Were poor neighborhoods better or worse off after reform?

¹See Thomas Brock, Claudia Coulton, Andrew London, Denise Polit, Lashawn Richburg-Hayes, Ellen Scott, and Nandita Verma, *Welfare Reform in Cleveland: Implementation, Effects, and Experiences of Poor Families and Neighborhoods* (New York: MDRC, 2002); and Charles Michalopoulos, Kathryn Edin, Barbara Fink, Mirella Landriscina, Denise F. Polit, Judy C. Polyne, Lashawn Richburg-Hayes, David Seith, and Nandita Verma, *Welfare Reform in Philadelphia: Implementation, Effects, and Experiences of Poor Families and Neighborhoods* (New York: MDRC, 2003).

In many ways, the Urban Change project captures the best of times and the most challenging of places for welfare reform. The study's focal period of the late 1990s through the early 2000s was one of prolonged economic expansion and unprecedented decline in unemployment. In addition, states and local areas had unprecedented amounts of money to spend on each welfare recipient, due to a combination of stable TANF funding (a five-year block grant based on pre-TANF spending levels) and a rapid decline in welfare caseloads. The study thus captures the most promising context for welfare reform: one of high labor market demand and ample resources to support families in the process of moving from welfare to work. At the same time, it focuses on big-city welfare agencies — institutions that have tended to resist change in the past — and on the experiences of the poorest people and places within each county.

To assess TANF's implementation and effects in Miami-Dade, the study uses several research methods and data sources:

- **Field research.** Researchers visited welfare offices to observe program operations and to interview staff.
- **Analysis of administrative records.** Welfare and employment records were examined for everyone who received cash assistance and food stamps between 1992 and 2001.
- **Surveys of welfare recipients.** A longitudinal survey was administered to nearly 600 women who had a history of welfare receipt and lived in high-poverty neighborhoods.
- **Ethnographic interviews with welfare recipients.** Researchers conducted a series of open-ended interviews with 42 current or former welfare families in poor neighborhoods to understand their perspectives and experiences.
- **Analysis of social and economic indicators at the county and neighborhood levels.** Data on prenatal care and childbirths, child well-being, crime, and housing values were examined.

These data were gathered at different points to capture changes over time. In some instances, data were obtained as far back as 1990, to establish a trend line that could help determine whether TANF contributed to significant changes in patterns of welfare receipt or employment and to changes in neighborhood conditions. The study therefore provides an unusually comprehensive look at what happened with welfare reform and whether, on balance, low-income people and neighborhoods became better or worse off over a several-year period. Nevertheless, it is worth stressing that the effects of welfare reform cannot be disentangled from other changes that took place during the study period, including the strengthening national economy, the expanded federal Earned Income Credit (EIC), and changes in population characteristics.

This Summary Report — like the full report on which it is based — describes the social and economic environment of Miami-Dade during the study period. It analyzes how TANF was implemented, examines changes in welfare receipt and employment, describes the experiences of low-income families, and examines county and neighborhood conditions before and after welfare reform. To provide context for what happened in Miami-Dade, a later section of the summary compares results in the county with results from Philadelphia and Cuyahoga Counties. (Researchers used the same methods and data elements in all four counties included in the Urban Change study.) The summary concludes with a discussion of policy implications.

Findings in Brief

Florida's welfare reform law was tougher on families than federal law required. It imposed interim time limits of two or three years and a lifetime limit of four years on cash assistance, and it cut off all cash assistance to families when adults failed to comply with work requirements or other rules. To provide an incentive to work, Florida also increased the earned income disregard — making it easier for welfare recipients to increase their monthly income by combining welfare and work — and it expanded some transitional benefits for families who left welfare for employment.

In Miami-Dade, the welfare agency developed procedures to administer cash benefits under the new rules, and separate organizations administered the welfare-to-work program. Owing to leadership changes and contractor turnover, the welfare-to-work program generally did a poor job of delivering employment services to clients. Nevertheless, clients who did not show up for assigned welfare-to-work activities were often sanctioned, and sanctions — far more than time limits — became a defining characteristic of Miami-Dade's welfare reform effort.

Between 1993 and 2002, the size of Miami-Dade's welfare caseload fell from approximately 55,000 to 14,000 — a 75 percent drop. This analysis shows that the decline was due to families coming onto welfare at a decreasing rate and — once on the rolls — exiting at an increasing rate. Importantly, these trends predated welfare reform and did not accelerate afterward, suggesting that the 1996 law produced little change in the behavior of welfare applicants and recipients soon after it was passed. The longer-term effects of the 1996 law on the welfare caseload are less clear, though it appears that the trends toward fewer entries and faster exits continued unabated through 2001. The analysis cannot determine whether the trends would have been the same or different in the absence of welfare reform.

In contrast to the findings on welfare entries and exits — which show that patterns beginning before 1996 generally were unchanged — the employment findings suggest that a larger percentage of welfare recipients went to work after the law was implemented and that the length of time that they worked increased. Though the county's welfare-to-work program was

often in disarray, its heavy use of sanctions for noncompliance would appear to be a principal factor responsible for this change in behavior. The policy allowing welfare recipients to keep more of their earnings before losing eligibility may have also helped, as it appears that a larger percentage of welfare recipients combined welfare and work after 1996 than before. (This may explain why welfare reform seems to have led to a greater change in employment than in welfare receipt.) Finally, the analysis found that noncitizens — who make up a large percentage of Miami's caseload — went to work and stayed employed at higher rates than U.S.-born citizens, perhaps in response to restrictions on benefits to noncitizens that were introduced in 1996. As with the welfare analysis, the estimates of employment effects are most reliable in detecting changes in behavior soon after welfare reform was implemented. It is less clear whether long-term trends would have continued if welfare reform had not occurred.

A longitudinal survey of women who received welfare in Miami-Dade in May 1995 and who lived in low-income neighborhoods found general improvements in their employment and economic circumstances. (Such changes usually happen as women and their children get older, and the changes are not necessarily due to welfare reform.) The survey also found that most respondents earned low wages and did not receive health care benefits from their employers. Because Florida's welfare grant is very low, most women who worked did better financially than on welfare, particularly if they continued to receive food stamps and Medicaid and took advantage of the federal EIC.

A longitudinal analysis of conditions in the county's poorest neighborhoods detected increasing rates of employment and stable or improving conditions on a number of measures, including teen birthrates, child abuse and neglect, and property crime. While the economy and other factors undoubtedly contributed to these trends, the findings suggest that the harsher aspects of welfare reform — including time limits and sanctions — did not lead to the social disintegration that some critics of reform feared. Moreover, the analysis found that welfare recipients who lived in the poorest neighborhoods went to work at the same rates as recipients who lived in better neighborhoods.

Ethnographic interviews with families living in poor neighborhoods suggest that many women often struggled to stay employed despite personal problems and adverse work conditions, but they often felt that even a bad job was better than dealing with a welfare system that they viewed as punitive, unfair, and — due to time limits and sanctions — increasingly unavailable. As one respondent said in a 1998 interview: "I would rather work 20 times more than receive assistance, because I would get rid of all those problems welfare makes for me, and besides I would have a stable salary."

Miami-Dade's Demography and Economic Environment

Before drawing inferences from a study that focuses on one metropolitan area, some appreciation of the urban context is useful.

- **Miami-Dade is a county of immigrants, with over half its residents having been born outside the United States — mostly in Caribbean and Latin American countries.**

Miami-Dade has the highest proportion of Hispanics and the highest proportion of foreign-born residents of any urban region in the United States. In the 2000 census, the county population was 57 percent Hispanic, 21 percent white (not of Hispanic/Latino origin), and 20 percent African-American or black. Cubans represent a large segment of the Hispanic population, but recently they have been joined by increasing numbers of immigrants from Central and South America and other countries in the Caribbean. Though the county's black population has also increased in recent decades, the rate of growth is much slower than for its Hispanic population. In the past two decades, the growth in the black population is due to immigrants from Haiti, Jamaica, and the Bahamas. U.S.-born African-Americans have been slowly leaving the county, much as white Americans had done in previous decades.

- **Immigration has had a profound influence on Miami-Dade's economic and cultural climate. Spanish is the primary language, though residents who are fluent in both English and Spanish tend to have the most job opportunities.**

Much of Miami-Dade's economy is based on services to tourists and retirees, though the region is also a hub for goods and services going between the United States and Latin America and, increasingly, between Latin America and Europe. More than 300 multinational companies have offices or manufacturing facilities in Miami-Dade. Less than one-third of the county's residents speak only English at home, while nearly 60 percent speak Spanish. In Miami-Dade, unlike in most of the United States, Spanish is spoken not only among unskilled workers but also among middle- and high-level workers in both the private and the public sector. Nevertheless, fluency in both English and Spanish is usually a requirement for higher-paying jobs.

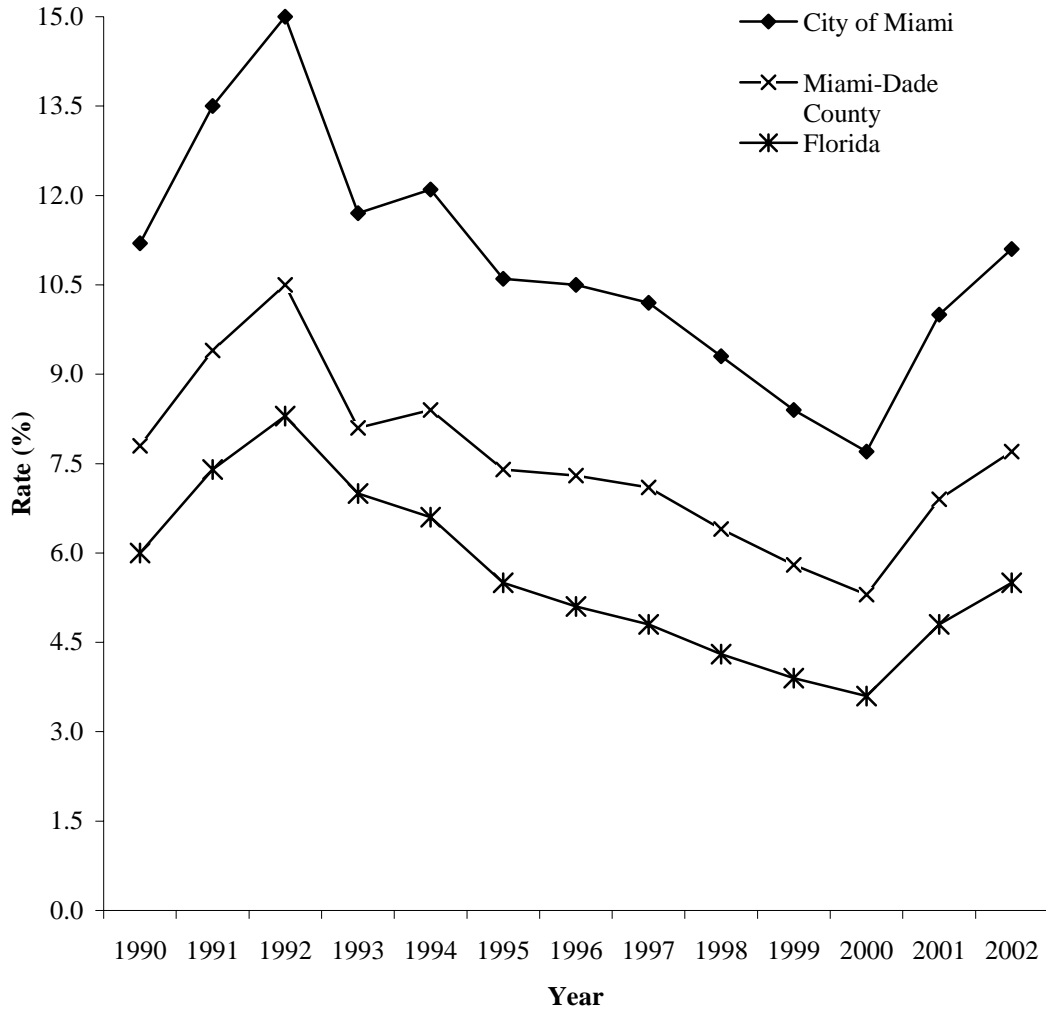
- **As in many other metropolitan areas in the United States, unemployment rates in the City of Miami are much higher than in the county or region. Job opportunities tend to be concentrated at the high and low ends of the wage scale.**

Though Miami's employment picture generally improved throughout the study period, unemployment in the city was approximately 3 percentage points higher than in the county and approximately 5 percentage points higher than in the state (Figure 1). After peaking at about 15

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Figure 1

Unemployment Rates in Greater Miami and Florida



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, 2003. Web site: www.bls.gov.

percent in 1992, the city's unemployment rate dropped to less than 8 percent in 2000; then the city's economy weakened, and unemployment rose to approximately 11 percent in 2002. Primarily because of its large tourism industry and retiree population, Miami-Dade has an unusually high number of service sectors jobs that tend to offer low wages and benefits.

The Implementation of Welfare Reform

In May 1996, shortly before the passage of PRWORA by Congress, the Florida legislature enacted a welfare reform bill known as Work and Gain Economic Self-Sufficiency, or WAGES. The new law — which went into effect in October 1996 — was unusually complex and imposed shorter time limits and more rules on welfare recipients than federal law required. It also featured some work incentives. In Miami-Dade, WAGES implementation ran into numerous problems, particularly in the welfare-to-work program. Some services appeared to be low quality, and the program had the highest sanctioning rate for noncompliance that MDRC has ever observed in a welfare-to-work program. At the same time, the welfare department fairly readily granted time-limit extensions to families hitting their time limits, as long as the families complied with work rules and other requirements.

The Major Features of Florida's 1996 Welfare Reform

- **WAGES introduced a 48-month lifetime limit on cash assistance and an interim time limit of either 24 or 36 months, depending on the characteristics of the case.**

Florida's welfare reform law was tougher than required by PRWORA in placing a four-year (rather than a five-year) lifetime limit on cash assistance. It also limited spells of welfare receipt to 36 cumulative months in any 72-month period for long-term recipients and applicants under 24 years of age, and it limited receipt to 24 cumulative months in any 60-month period for everyone else. The timetable that the law established meant that families began reaching their interim time limits in October 1998 and their *lifetime* limits in October 2003.

- **WAGES established tough work requirements for welfare recipients and imposed full-family sanctions for noncompliance. At the same time, it provided a work incentive by increasing the amount of money that recipients could earn before losing welfare eligibility.**

Prior to 1996, adults on welfare were required to attend job search, education, job training, or work experience programs for 20 hours per week in order to keep their full welfare check. In the event of noncompliance, the adult was taken off the case, and the family's cash grant was reduced by that amount. Under WAGES, adults were required to attend job search or

work-related activities for 30 hours per week, and no more than 10 of these hours could be spent in education classes. The penalty for noncompliance also became much more severe: termination of the family's entire cash grant. As a work incentive, the state increased the amount of money that a family could earn each month before losing welfare eligibility (a policy known as the *earned income disregard*). Prior to 1996, a family of three was no longer eligible for cash assistance when its earnings reached \$575; under WAGES, the cutoff was raised to \$787. Finally, WAGES allowed families to retain Medicaid coverage for 12 months after leaving welfare for employment.

- **WAGES contained numerous provisions intended to influence welfare recipients' parenting behaviors.**

Prior to welfare reform, a family's welfare benefits would be increased whenever a new child was born. WAGES changed the law so that the first child born after a family was on welfare would receive only half the usual amount per child, and any children born after that would qualify for no additional payments. WAGES also made it mandatory for parents to cooperate with the Child Support Enforcement agency or else lose the family's cash grant. Finally, WAGES required parents to provide proof of children's immunizations and school attendance in order to maintain eligibility.

- **Welfare benefits to noncitizens were restricted.**

When PRWORA was first enacted, noncitizens became ineligible for food stamps, Medicaid, and Social Security regardless of age, physical ability, income, or arrival date. With some exceptions,² noncitizens who arrived in the United States since August 1996 were also made ineligible for TANF. Ultimately, Congress ended up restoring food stamps and Medicaid benefits to most groups, but working-age adults who arrived since PRWORA was enacted are required to establish that they have lived in the United States for five years in order to be eligible for TANF, food stamps, or Medicaid.

The Administration of Benefits and Services in Miami-Dade

- **Separate organizations were responsible for administering welfare benefits and the welfare-to-work program.**

²Cuban or Haitian entrants, refugees, Amerasians, asylees, people with deportation withheld or stayed, and certain parolees remained eligible for cash assistance for the first seven years in the United States. There was a five-year ban on cash assistance and Medicaid for other lawful permanent residents, conditional entrants, and battered spouses and children. Military veterans and lawful permanent residents with 40 quarters of work history remained eligible for all welfare programs.

When welfare reform was launched, state and local policymakers felt that it would be better to separate the responsibilities of processing welfare applications and payments from those of delivering employment services, in order to shrink the size of the welfare agency and give local officials more control over preparing welfare recipients for work. In Miami-Dade, welfare benefits were processed by District 11 of the Department of Children and Families (DCF). A new organization, called the WAGES Coalition, was formed to administer the welfare-to-work program. The WAGES Coalition remained in charge until 2000, when the state legislature transferred welfare-to-work responsibilities to the state's newly established Workforce Development Boards, which operated the One-Stop employment and training centers. In Miami-Dade, the One-Stops were managed by the South Florida Training and Employment Council (TEC).

- **Miami-Dade's welfare-to-work program suffered numerous administrative problems that weakened the quality of services.**

Miami-Dade's welfare-to-work program fell victim to political maneuvering and internal management problems from the start. Between 1997 and 2001, five separate individuals held the Executive Director's position. The major contracts for case management and job search services were shifted three times — first to a for-profit entity (Lockheed Martin IMS), then to a partnership between the community colleges and public schools, and finally to a group of 28 organizations responsible for managing the One-Stops. Administrators and staff in both the welfare agency and the welfare-to-work program complained about service disruptions and insufficient monitoring of contractors.

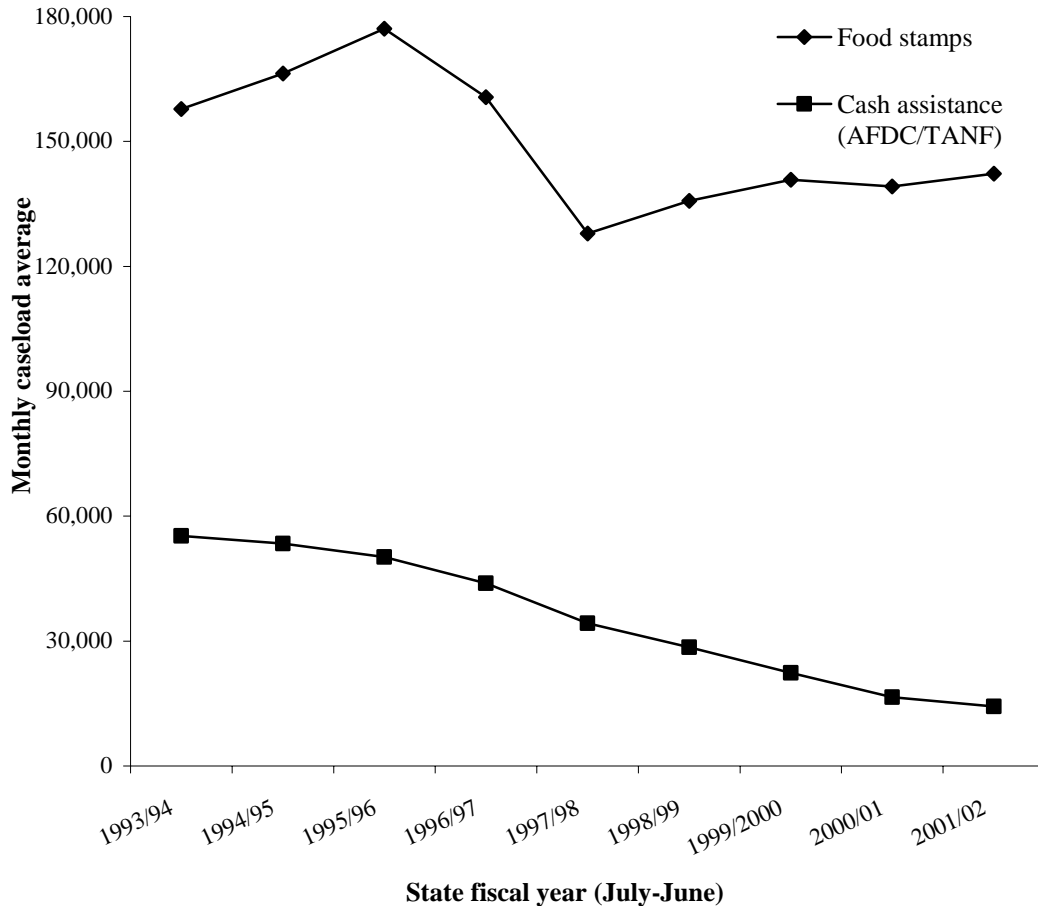
- **In contrast to the welfare-to-work program, Miami-Dade's welfare agency maintained relatively stable operations. As the number of families receiving cash assistance dropped, the agency became principally focused on administering food stamps and Medicaid.**

Figure 2 shows the changes in cash assistance and food stamp rolls in Miami-Dade County from fiscal year 1993/94 through 2001/02. Cash assistance rolls fell sharply and steadily, from approximately 55,000 cases in 1993/94 to 14,000 cases in 2001/02 — a 75 percent drop. Food stamp cases, meanwhile, dropped sharply in the mid-1990s but started increasing after 1997/98, rising to approximately 140,000 in 2001/02. Not surprisingly, DCF's daily operations during this period became much more focused on food stamps and Medicaid and much less focused on TANF. Because DCF was not directly involved in the welfare-to-work program, staff concentrated more on processing benefits according to the rules and less on promoting self-sufficiency.

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Figure 2

Monthly Cash Assistance and Food Stamp Caseloads
in Miami, Fiscal Years 1993/94 to 2001/02



SOURCE: Florida Department of Children and Families.

NOTE: A case represents any configuration of household members who receive benefits together, which may include adults and children together or children only.

Case Management and Service Delivery

- **Miami-Dade’s welfare-to-work program mainly emphasized job search activities. Some clients were assigned to short-term vocational training and Community Work Experience Programs (CWEPs).**

Welfare-to-work case managers generally encouraged clients to go to work as quickly as possible, and they often assigned clients to individual or group job search activities. Some clients received training in customer service, data entry, work as nursing assistants, or other occupations. CWEP positions — which were unpaid — were typically located in schools and child care centers. Though some welfare-to-work case managers said that they encouraged clients to complete a high school diploma or to acquire English language skills, such classes could account for no more than 10 hours of a 30-hour-per week assignment, and relatively few clients pursued this option.

- **Sanctions for nonparticipation in welfare-to-work activities were strictly enforced, despite the welfare-to-work program’s administrative problems. Miami-Dade’s sanctioning rates were the highest ever observed in MDRC studies of welfare-to-work programs.**

Although DCF and welfare-to-work staff criticized the quality of services delivered by the welfare-to-work program, case managers in the welfare-to-work offices consistently took attendance and notified DCF eligibility workers when clients failed to show up as assigned. When this occurred, DCF staff quickly followed up with sanctions. As noted earlier, sanctions resulted in termination of cash benefits for the entire family. A first sanction could be lifted in 10 days if the client returned to the welfare-to-work program, but a second sanction lasted 30 days, and a third lasted 90 days. State records show that the percentage of “mandatory” welfare-to-work participants who were referred to or receiving a sanction in an average month climbed from 24 percent in 1996/97 to 61 percent in 1999/2000, underscoring the toughness of Miami-Dade’s program. Sanctioning rates also tended to be erratic, with the “peaks” and “valleys” roughly corresponding to transitions between contractors (Figure 3).

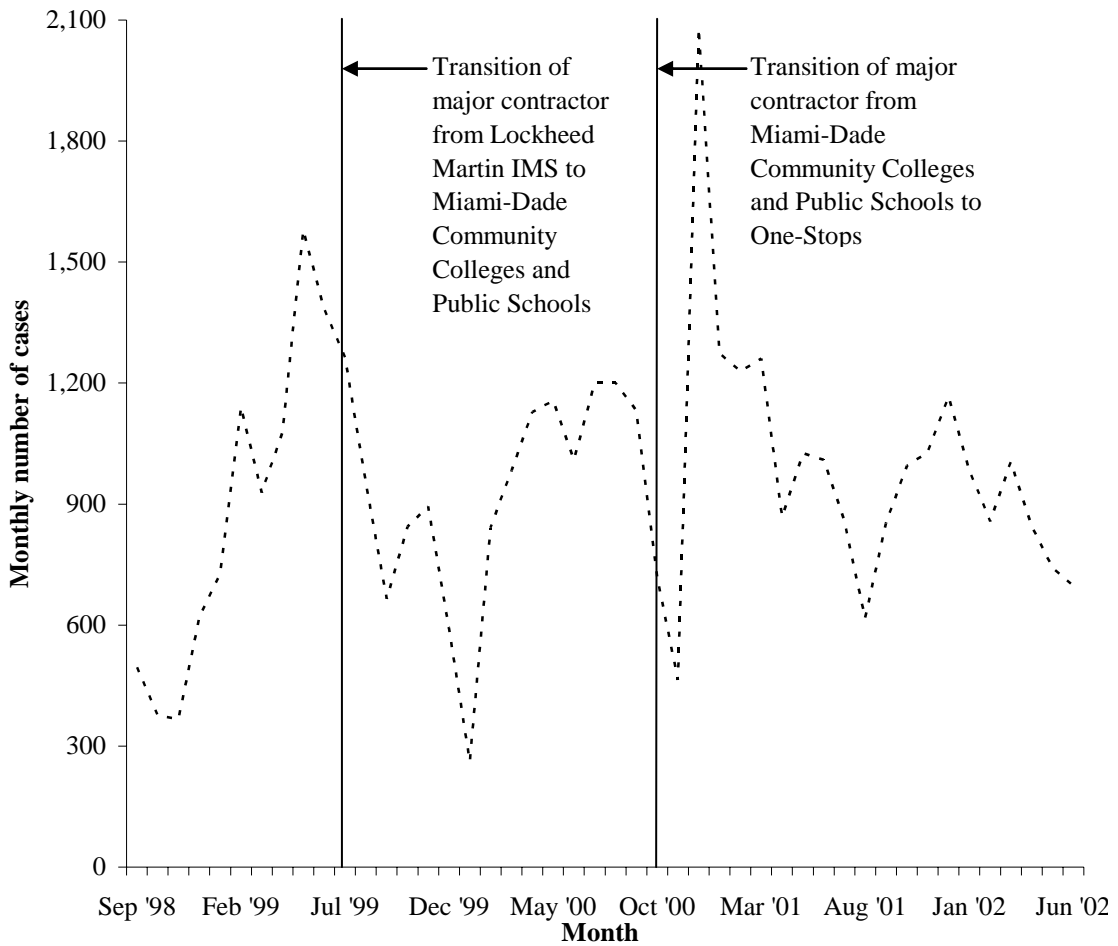
- **The computer system ensured that most welfare recipients who went to work received benefits to which they were entitled, including food stamps and transitional Medicaid. Staff did not always understand or explain these benefits, however.**

Surveys and field interviews with DCF and welfare-to-work staff indicate that neither group had a deep understanding of the policy that allowed welfare recipients to keep part of their earnings if they went to work and that neither group marketed it strongly. Nevertheless, as long as clients reported their earnings to their eligibility worker, the benefit was calculated automatically.

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Figure 3

Number of Families Whose Cash Benefits Were Terminated Due to Sanctions, by Month, in Miami-Dade County, September 1998 to June 2002



SOURCE: Florida Department of Children and Families.

NOTE: A case represents any configuration of household members who receive benefits together, which may include adults and children together or children only.

As some eligibility staff noted, however, the policy was a double-edged sword: In the short run, it increased a family's income; but in the long run, it could use up months that counted toward the family's lifetime limit on cash assistance. Eligibility staff generally did a better job of emphasizing the importance of food stamps and transitional Medicaid for working families, and they tried to make sure that clients kept these benefits when they went to work. Some welfare recipients who found employment also obtained help with child care and transportation expenses, though this required that they maintain contact with the welfare-to-work program.

- **In October 1998, DCF began terminating cash assistance for families who reached the interim time limit. Families who were in compliance with welfare-to-work requirements generally received time-limit extensions.**

Both DCF and welfare-to-work staff assumed responsibility for informing clients about interim and lifetime limits on cash assistance. In contrast to the firmness with which sanctions were applied, extensions of the interim time limit were readily granted to clients who were in compliance with work requirements and other conditions of eligibility. Just under 3,000 cases were terminated because of time limits between October 1998 (when interim time limits began to be enforced) and June 2002 (when data collection for this study ended). This averages to roughly 65 cases closed per month. During this same period, about 43,000 cases were terminated due to sanctions — or approximately 960 cases per month. The numbers suggest that sanctions were a more salient factor than time limits in pushing families off welfare, though some sanctioned cases returned to the rolls after regaining compliance.

- **Although the restrictions on benefits to noncitizens were cumbersome to administer and troubled many staff, they were enforced.**

DCF and the Immigration and Naturalization Service (INS) developed automated systems to help eligibility workers navigate the complicated policies surrounding benefit eligibility for noncitizens; the systems considered such factors as date of arrival in the United States, country of origin, and other personal characteristics.³ Staff reported that the systems generally worked, though the size and diversity of Miami's immigrant population resulted in literally hundreds of codes. A number of staff — who themselves were often from immigrant families — felt that the rules were unfair and needlessly complex.

³In 2003, the responsibility for providing immigration-related services and benefits was transferred from the INS to the U.S. Citizenship and Immigration Services (USCIS).

The Perceptions and Experiences of Welfare Recipients

- **A survey of former and ongoing welfare recipients reveals that their knowledge of welfare reform policies generally improved over time. However, survey respondents gave low marks to welfare staff.**

Nearly 600 women who received welfare in Miami-Dade County in May 1995 (roughly a year before TANF was introduced) were interviewed about their knowledge of welfare rules in 1998 and again in 2001. The Urban Change Respondent Survey found that the women's awareness of several key features of welfare reform — including time limits and transitional benefits for work — improved over time. If one portion of the law eluded most respondents, it was the exact length of the time limit; this uncertainty was perhaps a reflection of the state's complicated rules on interim and lifetime limits. A subsample of respondents who had been on welfare within 12 months of each interview was asked about their experiences with welfare staff and programs. Approximately half of this subsample indicated that welfare staff had pushed them to get a job before they felt ready or before a good job came along, and roughly 60 percent felt that staff “just wanted to enforce the rules.”

- **The Urban Change ethnographic study of women on welfare in Miami reveals complaints about the lack of coordination among caseworkers, poorly run job search classes, and harsh sanctioning policies.**

To complement the survey, ethnographic interviews were conducted with 42 current and former welfare recipients. A number of the women described a “revolving door” of case managers and encounters with uninformed, rude, or uncaring staff. Some of the women complained about being repeatedly assigned to job clubs that did not help them find jobs (see Box 1). Nearly all the women in the ethnographic sample received at least one sanction for noncompliance with work activities. However, as the women themselves noted, these negative experiences could motivate them to try to find work and gain economic independence.

The Estimated Effects of Reform on Welfare Receipt and Employment

One goal of TANF is to move people from welfare to work. As a first step in exploring the likely effects of Florida's 1996 reforms on welfare receipt and employment, administrative records were assembled for the 1.3 million individuals who received cash assistance or food stamps for at least one month in Miami-Dade County from January 1992 through December 2001. Because information is available only through the end of 2001, this analysis focuses on the period when few families had reached the state's 48-month lifetime limit — though it includes many families who reached the 24- or 36-month interim time limits. The analysis excludes child-only cases.

Box 1

Women in the Ethnographic Sample Comment on Welfare Reform

Women who were interviewed as part of the Urban Change ethnographic study in Miami described their experiences with welfare reform and their interactions with welfare staff. The comments below reflect some major themes that emerged but are not representative of all women in the study.

On time limits

“Well, to me, in a way I think it’s better, because you got so many people that got on the system and then got stuck in the same spot.” — Linda, 1997

“They’ve told me that the aid is not going to be forever, but they haven’t been too specific as to when they are going to take it away.” — Mercy, 1997

On dealing with the welfare office

“...I get there and they don’t know what they talking about, and I’m tired of walking backward and forward, backward and forward, ain’t get no help yet. They’re very uncoordinated. It took them awhile to find my name in the computer. They don’t know what they doing down there.” — Sandi, 1998

“I start a job, I leave assistance, I get laid off. They have cut my check and my Medicaid. They’ve stopped my food stamps, but then the next week I get fired from the job. You have to return to apply again for assistance, they see if you qualify and why you were fired — then, you have to wait a month before the check arrives. Then, I find another job and it starts all over again.” — Rosa, 1997

On work requirements

“I told them I wanted to go to school or to a vocational training. No, they told me, I had to work. They said I had to work at least 20 or 25 hours a week.” — Connie, 1998

“You have to go to the first meeting of job club, but because I didn’t know that, I thought it wasn’t required. So, I didn’t go that week. I didn’t know what happened, and the check for November didn’t come. Then, I went and asked them, and it’s because, they told me, that you have to be in job club, it’s not optional... and this happened to a lot of people.” — Rosario, 1997

Much of the analysis summarized below compares groups of cases in which adults received welfare payments between January 1993 and September 1996 with groups of cases in which adults received welfare between October 1996 and December 2001. The pre-October 1996 data are used to establish a trend line to predict welfare recipients' behavior post-October 1996, when welfare reform was implemented in Miami. If the behavior of the later groups differs markedly from the prediction, this suggests that TANF had an effect. For example, if the reforms contributed to the decrease in caseloads after October 1996, then either people should have left welfare faster than expected after that point or fewer people than expected should have begun receiving welfare. An important caveat is that the credibility of the estimates depends on the underlying assumption that trends observed prior to 1996 would have continued unabated in the absence of TANF reforms. If that assumption is not correct, then the estimates of the effects of welfare reform are also incorrect.

The main findings of the analysis are summarized in Table 1. Although welfare recipients left welfare and fewer people came onto the rolls in 2001 than they did in 1993, the analysis suggests that the trend lines for welfare exits and entries both *before* and *after* the reforms were implemented were quite similar. By comparison, the analysis suggests that a greater percentage of welfare recipients became employed immediately after 1996 than was predicted by their pre-1996 behavior and that the average length of their employment also increased.

Readers should bear in mind the limitations of the study's ability to estimate the effects of welfare reform. First, it is better suited to capturing large, sudden changes in policy and behavior than small, gradual ones. It is also better able to detect behavioral changes soon after the 1996 law was implemented than in later years, when assumptions based on historical trends become less reliable. Finally, the analysis cannot separate the effects of welfare reform from other factors, such as the growing economy, the expanded federal EIC, a reduction in out-of-wedlock births among teenagers, and the aging of the population. In sum, while the study can accurately describe long-term trends in welfare and employment, it lacks the precision of a controlled experiment in determining whether or not any changes in people's behavior were caused by welfare reform.

- **Between 1992 and 2001, the length of time that people stayed on welfare in Miami-Dade grew steadily shorter, which helps explain why caseloads in the county dropped so sharply. The number of welfare applications also decreased.**

Over time, welfare recipients in Miami-Dade had briefer stays on welfare (Figure 4). For example, 23 percent of cases that opened in January 1993 closed within a six-month time frame; and 70 percent of cases that opened in April 2001 closed within six months. Likewise, the number of new cases coming onto welfare each month steadily declined over time, from 2,200 in January 1993 to approximately 800 in December 2001 (Figure 5). These downward

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Table 1

Trends and Estimated Effects of TANF:
Welfare Exits, Welfare Entry, and Employment

Outcome	Trend Before Welfare Reform (1992 to 1996)	Trend After Welfare Reform (1996 to 2001)
<u>Welfare exits</u>		
New welfare recipients	Rate of exit increased steadily	Rate of exit increased steadily and may have accelerated slightly compared with before welfare reform.
Long-term welfare recipients	Rate of exit increased steadily	Rate of exit increased steadily, but the trend does not appear different than before welfare reform.
<u>Welfare entry</u>		
New welfare recipients	Entry declined throughout the period	Rate of entry declined steadily, but the trend does not appear different than before welfare reform.
Returning welfare recipients	Recidivism decreased slightly	Rate of recidivism decreased, but at a slower rate than before welfare reform.
<u>Employment among new welfare recipients</u>		
All employment	Employment rates were steady	Employment rates appear to have increased after welfare reform. Length of employment also appears to have increased.

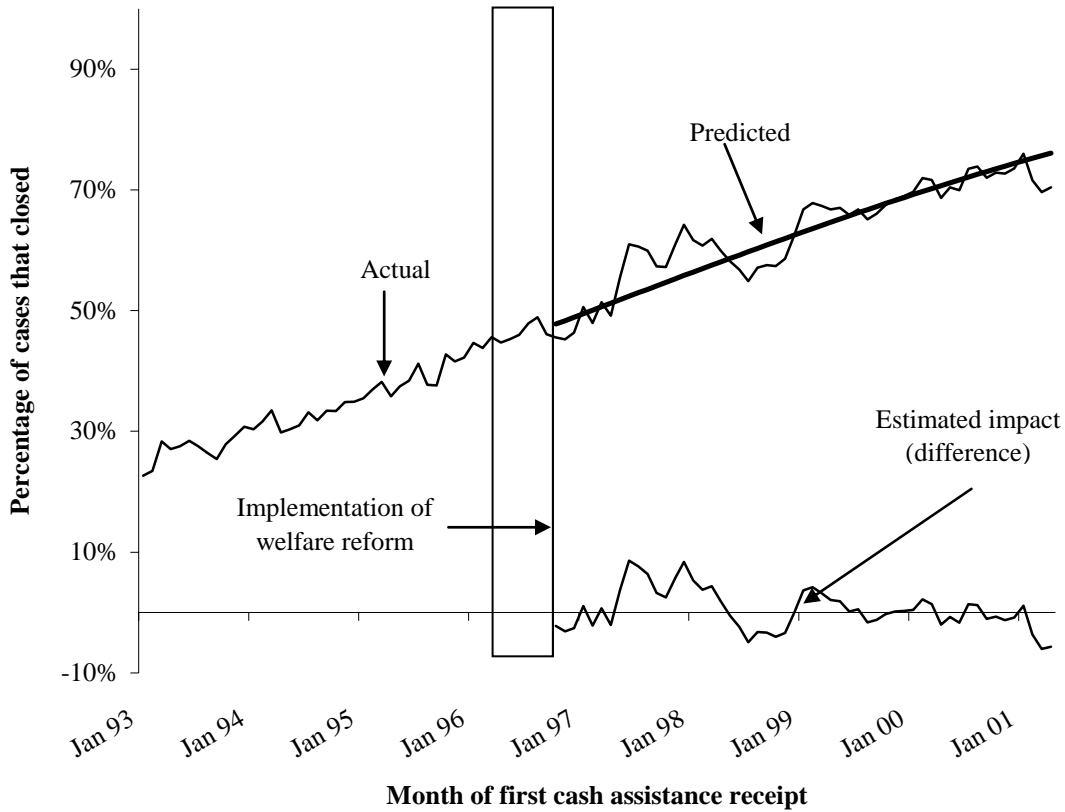
trends are consistent with the sharp drop in welfare caseloads that was observed in Miami-Dade during the 1990s and early 2000s. For this analysis, however, it is important to recognize that these trends were established well before the 1996 reforms were introduced.

- **WAGES appears to have slightly increased the rate at which new welfare recipients left the rolls. However, the analysis suggests that long-term welfare recipients continued to leave welfare at about the same rate that they did before welfare reform. Similarly, the rate at which families came onto welfare — though declining — was about the same before and after the 1996 reforms.**

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Figure 4

Percentage of New Welfare Cases That Closed Within Six Months of Going on Welfare, January 1993 Through April 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

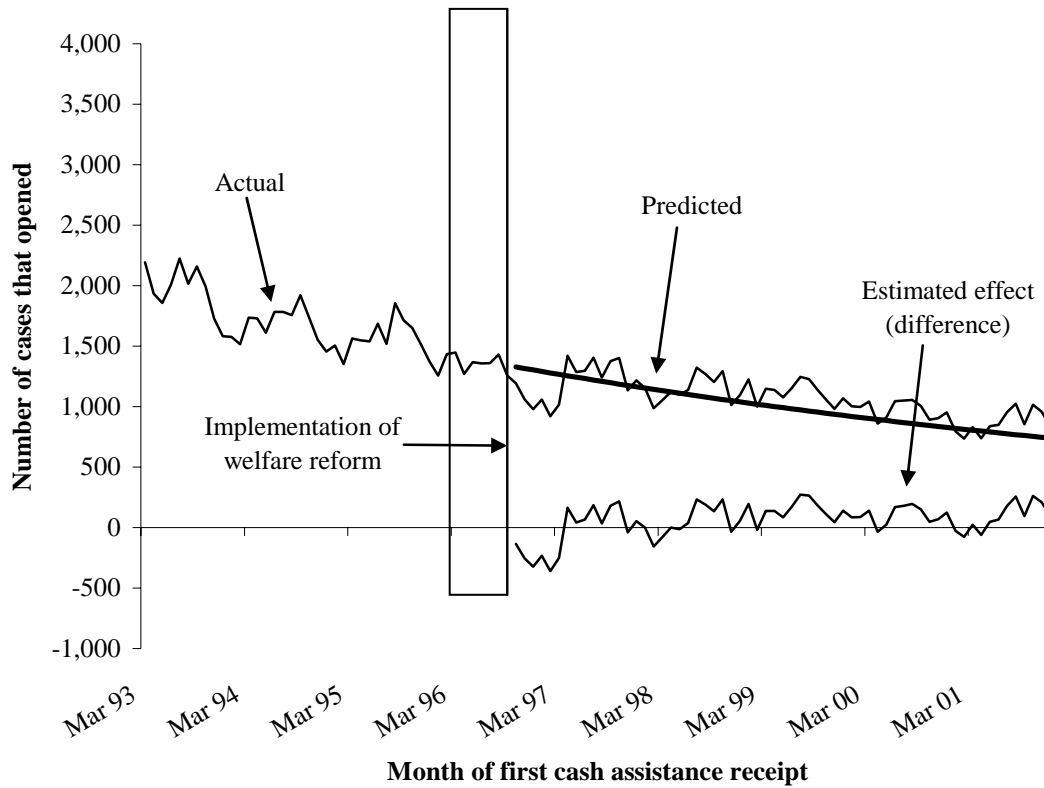
The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would close and the estimated effect of welfare reform are based on the semi-log model for the pre-reform trend.

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Figure 5

Number of New Welfare Cases That Opened Each Month,
March 1993 Through December 2001



SOURCE: MDRC calculations using Florida welfare administrative records.

NOTES: The sample is limited to family cases, which contain an adult and children. Cases that opened as child-only cases are excluded from the analysis.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage of cases that would open and the estimated effect of welfare reform are based on the semi-log model for the pre-reform trend.

Prior to October 1996, there was a steady rise in the percentage of welfare recipients whose cases closed within six months of going on welfare (Figure 4). This trend continued more or less unchanged after 1996. WAGES appears to have introduced a small but statistically significant increase in the rate of case closures within one year after going on welfare. However, among long-term recipients — those receiving benefits for at least 18 out of 24 months — there was no difference in the trend lines before and after welfare reform. Similarly, the number of new cases coming onto welfare continued to decline at roughly the same rate after 1996 as before.

- **The rate at which welfare recipients left the rolls and subsequently returned to welfare (known as “recidivism”) declined, but not by as much as predicted.**

The analysis of pre-1996 trends predicted that 13.8 percent of cases that left welfare for at least two months would return to the rolls within a six-month period. After 1996, the actual recidivism rate was 16.0 percent. One explanation for this finding is that the participation mandates, sanctions, and time limits that WAGES introduced may have forced some people to leave welfare before they had steady employment or other reliable means of support. When these families ran short of money, they returned to welfare. The policy allowing welfare recipients to keep more of their earnings before losing eligibility may also have made it easier for some families who left welfare to come back onto the rolls.

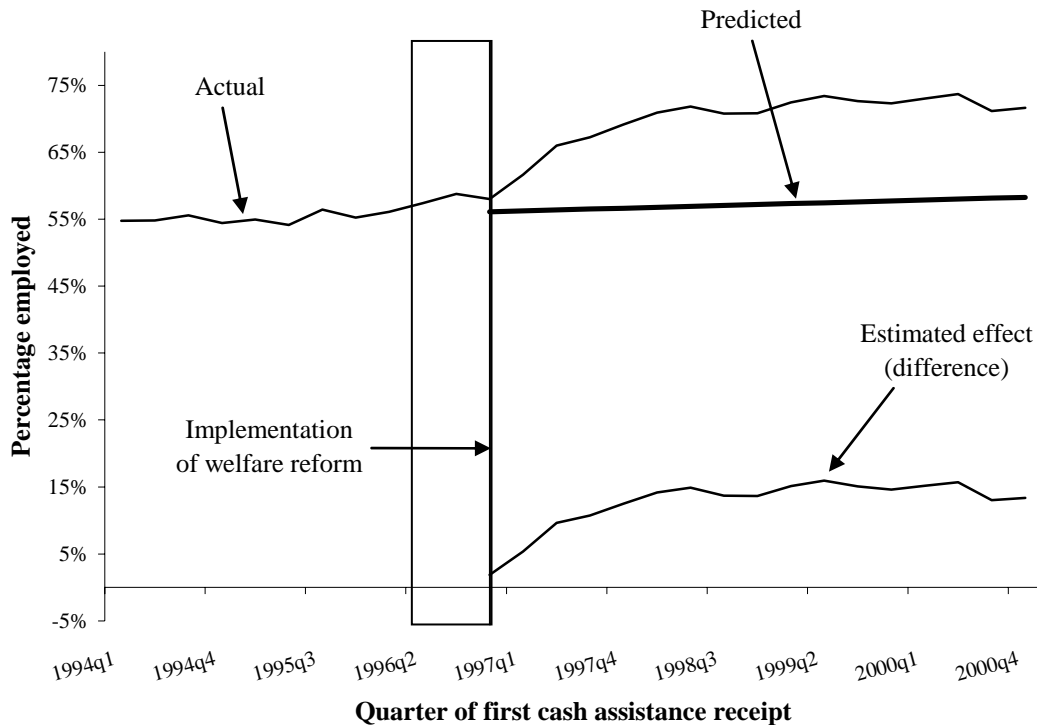
- **In contrast to the findings on welfare receipt, employment trends suggest that a greater percentage of welfare recipients began working soon after the 1996 law went into effect. The trends also suggest that there was an increase in the length of time that welfare recipients stayed unemployed.**

Prior to October 1996, the proportion of welfare cases that had at least one member of the case employed within one year of going on welfare stayed fairly constant, at about 55 percent. The analysis predicted that the employment rate would stay close to this level after October 1996, rising modestly to 57.2 percent (Figure 6). In fact, after WAGES was introduced, 69.8 percent of new cases had a working member within 12 months of going on welfare — a statistically significant increase of 12.6 percentage points. The analysis also found that the percentage of welfare recipients who were “steadily employed” (defined as working four or more consecutive quarters) increased significantly after WAGES began. For example, about 43 percent of cases that first received welfare in early 2000 worked steadily for a year or more, compared with roughly 28 percent of cases that first received welfare in early 1994. It seems likely that these results are attributable to the county’s exceptionally tough use of sanctions for noncompliance with welfare-to-work requirements, which may have convinced many welfare recipients that it was better to get a job and stay employed if at all possible. Some welfare recipients may

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Figure 6

Percentage of Cases That Had at Least One Member Employed Within Four Quarters of Going on Welfare, January 1994, Quarter 1, Through December 2000, Quarter 4



SOURCES: MDRC calculations using Florida welfare and unemployment insurance administrative records.

NOTES: The sample is limited to adults.

The boxed area represents the time span over which welfare reform policies may have affected behavior, as the policies were well advertised prior to being signed into law. The area extends from April 1996 to October 1996. October 1996 represents the implementation of Miami's TANF program. The groups in the boxed area are not included in the calculation of the predicted trend line.

The predicted percentage employed and the estimated effect of welfare reform are based on the linear model for the pre-reform period.

have also been motivated by the fact that they could combine work and welfare more easily after 1996 than before. (Indeed, over time, the analysis shows that a growing proportion of welfare recipients worked while receiving welfare, possibly explaining why the analysis detected a significant large effect on employment without a correspondingly large effect on welfare entries and exits.) Finally, the growing economy may also have enabled welfare recipients to find steady work more easily in the period after 1996 than before.

- **WAGES appears to have led to a larger change in the employment of noncitizens than of U.S.-born citizens.**

Almost 30 percent of the cases analyzed for this study were headed by noncitizens. The analysis found that, after welfare reform, noncitizens were significantly more likely to become employed within one year of going on welfare than U.S.-born citizens: 74.4 percent versus 67.5 percent, respectively. Perhaps noncitizens felt under greater pressure than citizens to become self-supporting and to find and keep work. As noted earlier, some noncitizens became ineligible for welfare benefits after 1996; others who technically remained eligible may have been frightened or confused by the restrictions. Differences in education levels and other personal characteristics may also have contributed to the higher employment rates detected among noncitizens after welfare reform.

The Experiences of Former and Ongoing Welfare Recipients

One of the Urban Change project's principal objectives is to understand how the well-being of low-income families has evolved since welfare reform. The experiences of 581 single mothers who were on welfare in May 1995 and who were mostly living in Miami-Dade's poorest neighborhoods were studied through survey interviews conducted after welfare reform got under way, first in 1998 and again in 2001. The two waves of surveys were supplemented by ethnographic interviews with 42 welfare mothers in three poor neighborhoods from 1997 through 2001. Readers should keep in mind that observed changes in the survey and ethnographic samples are not necessarily attributable to welfare reform but are likely to reflect a combination of factors, including the aging of these women and their children, the strong economy, and the effect of other policies like the Earned Income Credit.

In summary, data from this study indicate that, overall, there were real improvements with regard to the employment and economic well-being of survey respondents in Miami-Dade who had been welfare recipients in 1995. However, most of these women were in jobs that continued to leave them poor or near poor, and improvements in material well-being often were accompanied by increases in the amount of money that they owed. Many women in the ethnographic interviews spoke about their struggles with low-wage jobs and with a seemingly uncarving and disorganized welfare system (see Box 2).

Box 2

Women in the Ethnographic Sample Comment on Their Employment Experiences

Women who were interviewed as part of the Urban Change ethnographic study described their experiences in the job market. The comments below reflect some major themes that emerged but are not representative of all women in the study.

On looking for work

“I have applied everywhere. It is not because I do not want to work; people think that is the reason. ... I have looked in Burger King, McDonald’s, Taco Bell, and many factories around here, and none of them have called me. Since I don’t know English, it is difficult.” — Dulce, 2001

“It is hard to find a job when you have no experience. With no education it’s hard to find something. The first thing they ask you, ‘Do you have a high school diploma or a GED?’” — Connie, 1998

On starting work

“At work, we make \$5.15, minimum wage, and you don’t get benefits. You don’t get them because we are temporary. Welfare took away Medicaid for me. I’m lucky they still give Medicaid to my daughter.” — Rosa, 1999

“At the beginning they were paying me \$5.15 hourly, \$5.25 afterwards, and now I have the great salary of \$5.83. It’s really bad compensation for all the work I have to do. — Helena, 2001

On leaving welfare for work

“It’s better this year than last year. I’m glad I’m off [the welfare] system. Glad to be working. I feel very happy, very great and very pleased. They cut my check off. They gave me my stamps back and my Medicaid for me and the kids.” — Lorraine, 1998

“I would rather work 20 times more than receive assistance, because I would get rid of all those problems welfare makes for me, and besides I would have a stable salary.” — Sonia, 1998

Welfare and Employment Experiences

- **Almost all respondents had worked for pay after welfare reform, and most were working without receiving welfare in 2001.**

Among women in the survey, welfare receipt declined sharply — from 100 percent in May 1995 (baseline) to 51 percent in 1998 and to only 14 percent at the time of the 2001 interview. At that second interview, 60 percent were employed and not receiving cash assistance. However, the percentage of women who had neither work nor welfare as a source of income nearly doubled, from 16 percent in 1998 to 29 percent in 2001. Survey and ethnographic data suggest that this group was sometimes supported by spouses or partners or relied on family members, friends, and charities. A few ethnographic sample members revealed that they had illicit sources of income (exchanging sex for money, for example) or that they returned to homes outside the United States.

- **Though many respondents worked steadily, they changed jobs often.**

The survey, like the administrative records analysis, indicates that many respondents who entered the labor market worked steadily, though there was considerable variation within the sample. Slightly more than a third of the women worked in 36 or more months out of a 48-month period. About half of them worked between 1 month and 35 months, and 14 percent did not work at all. The survey also reveals that even the steady workers changed jobs often. Thirty-five percent of survey respondents in 2001 held three or more jobs in a 48-month time frame. The ethnographic study suggests that the women changed jobs often because their positions were temporary and paid low wages.

- **Over time, most respondents reported increases in earnings, though only a minority had good-paying jobs with benefits.**

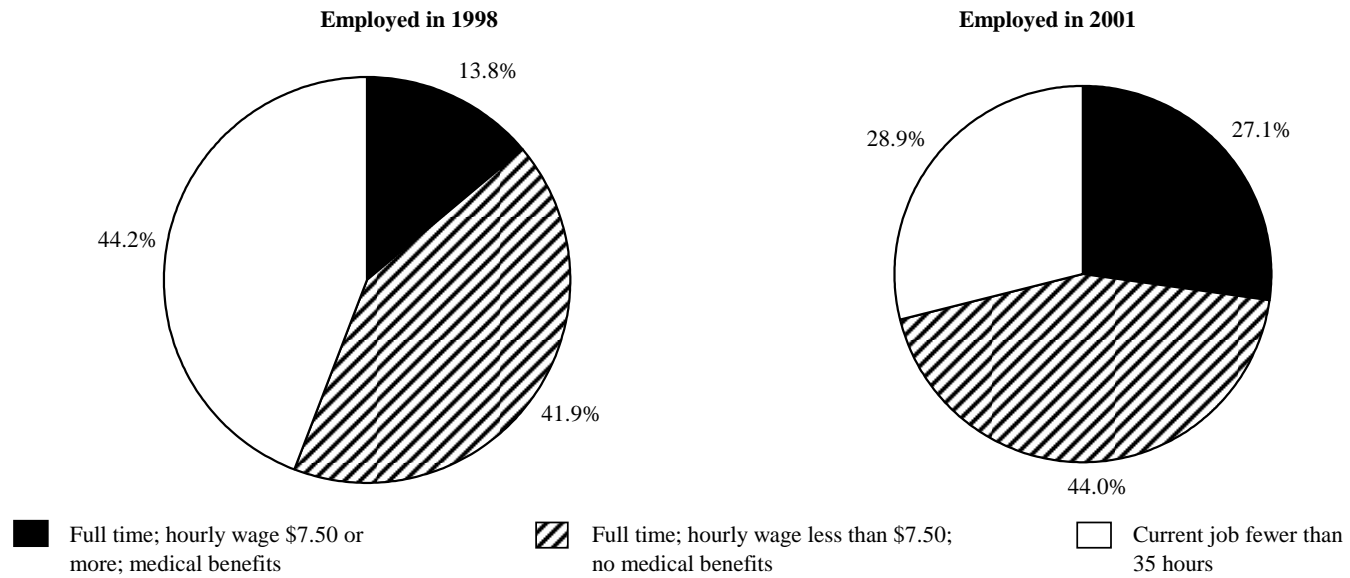
In both 1998 and 2001, most of the survey respondents who worked had full-time jobs. Average hourly wages for their current or most recent job increased from \$6.80 in 1998 to \$8.05 in 2001, and the proportion of women who were working at jobs that paid the minimum wage or less fell by nearly half. The result was an increase in average weekly earnings, from \$236 to \$306. Respondents were also more likely to be in jobs with fringe benefits (such as sick leave, vacation pay, and health insurance). Nevertheless, only about one out of four women who worked in 2001 had a full-time job that paid \$7.50 per hour or more and that offered employer-provided health insurance (Figure 7).

- **Although many respondents moved off welfare into work, the majority faced multiple barriers to employment, and the barriers were substantially worse among women who were not working.**

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Figure 7

Job Characteristics for Those Currently Employed in 1998 and in 2001



SOURCE: MDRC calculations from the Urban Change Respondent Survey.

NOTES: Calculations for 1998 are based on 260 of the 284 respondents who were working for whom wage and benefit information was available.

Calculations for 2001 are based on 339 of the 363 respondents who were working for whom wage and benefit information was available.

Most women in the study had barriers that could constrain their ability to get a job or limit the kinds of jobs for which they qualified. For example, in 1998 and 2001, over 40 percent of the women had three or more children at home, or had at least one child with special needs or behavior problems. About one in four gave indications that they were at high risk of depression, and one in ten had difficulty conversing in English. The frequency with which these barriers were reported remained fairly constant between the 1998 and 2001 interviews. Predictably, the more barriers that respondents reported, the less likely they were to be working. Reflecting the maturation of the sample, there was also a significant decline over time in the percentage of women who reported that they had a child under age 6 or that they lacked a high school diploma or General Educational Development (GED) certificate.

- **Ethnicity, English language ability, and education levels were associated with different employment and economic outcomes.**

At the time of the 2001 interview, English-speaking Hispanic respondents were the most likely to be employed and had the highest monthly household income (\$1,763). Non-English-speaking Hispanics were the least likely to be employed and had the lowest monthly household income (\$1,381); African-Americans fared only slightly better. Non-English-speaking Hispanics were also less likely than the other two groups to have a job that offered medical benefits, and they tended to have more health problems and be at higher risk of depression. Sample members who lacked a high school diploma or GED in 1995 were also much less likely to be employed, and they earned lower wages in their current or most recent job than sample members who had a credential.

Economic Circumstances and Material Hardship

- **Over time, the composition of respondents' total household income changed substantially. Food stamps and Medicaid emerged as the primary safety net programs.**

From 1998 to 2001, there was a large reduction in the percentage of families who received TANF, and there were significant increases in the percentage of households that had income from earnings, child support, and Supplemental Security Income (SSI). Although only 14 percent of the families were in households that received TANF in 2001, more than half continued to receive food stamps. Nearly half the respondents in 2001 said that they had Medicaid coverage for themselves, and 61 percent said that they had Medicaid coverage for their children.

- **On average, families in the survey were better off economically in 2001 than they had been in 1998, but most of them continued to be poor.**

Overall, average total monthly household income increased from \$1,130 in 1998 to \$1,489 in 2001 — corresponding to an average annualized income of \$17,868 in 2001 (not including the estimated value of the EIC, which would have added \$3,000 to the annual income for a household of three). The percentage of survey respondent households below the official poverty line consequently declined, from 76 percent of the sample in 1998 to 62 percent in 2001 (not counting the estimated EIC). With the EIC included, household poverty decreased from 66 percent in 1998 to 54 percent in 2001. While the decline in poverty is clearly good news, the vast majority of families still had low wages, and many shifted from being welfare poor to working poor.

- **Over time, respondents' assets increased, but so did their debt.**

Many more women in the study owned cars in 2001 (56 percent) than in 1998 (36 percent). In the ethnographic sample, many women talked about the importance of car ownership in a city that is spread out and lacks good public transportation. Home ownership also increased — to 11 percent in 2001, compared with 5 percent in 1998 — and more families had savings in excess of \$500 (9 percent, compared with 3 percent). Along with increased assets, however, came increased debt: 29 percent of households owed more than \$2,000 in 2001 (not including car loans and mortgages), compared with 23 percent in 1998. The percentage of women who said that they were “very satisfied” with their standard of living increased to 28 percent from 21 percent. Despite some improvements in economic status, however, the ethnographic interviews suggest that, to get by, many women had to juggle expenses, rely on contributions from romantic partners or extended family members, and scour the stores for sale items (see Box 3).

Welfare Reform and Neighborhoods

As legislation to reform welfare took shape in Florida, questions were raised about the effects of reform in the state's largest city, especially in its low-income communities. Given that low-income families are often concentrated in poor neighborhoods, both the opponents and the advocates of welfare reform agreed that its effects would be disproportionately concentrated among families in low-income neighborhoods. Critics of welfare reform feared that concentrated declines in family income, increases in the proportion of unsupervised children, and growing despair would translate into increasing levels of substance abuse and associated crime, teen birthrates, and other problems. Proponents of welfare reform anticipated that as families returned to work, their increased earnings, income, and collective sense of efficacy would translate into stronger communities and reductions in social ills.

This section summarizes findings from the Urban Change project's neighborhood indicators component, which asked: What were the conditions of Miami's neighborhoods before and after welfare reform, and did poor neighborhoods get better or worse after reform? The

Box 3

Women in the Ethnographic Sample Comment on Material Hardship and Economic Circumstances

Women who were interviewed as part of the Urban Change ethnographic study described their economic circumstances and well-being. The comments below reflect some major themes that emerged but are not representative of all women in the study.

On struggling to pay bills

“In 1997, I applied for Section 8 [housing], but I still haven’t gotten it. I would love to get it. It would be better because, with the little money I have, sometimes I can barely pay the rent.” — Candida, 2001

“Because I lost my job and was behind, so I got into trouble with loans and bills and all that. I am financially worse off now than when I was working before.” — Elda, 1999

“My light and my gas once was cut a couple months ago ’cause I didn’t pay it in time. I paid it when I got the money.” — Shirley, 2000

“In the case of the medication for my heart, I just cannot afford it. It is too expensive, about one hundred-and-something dollars.” — Magaly, 2001

On using the Earned Income Credit to get ahead

“I bought me a car now! I got the car like the end of January. I used part of my income tax [refund] and I bought it. I paid for it by cash. No payments.” — Tamika, 2000

“With \$1,800 on tax return I have paid my bills. I am always worrying about what I am going to do next month. Well, I can’t complain; at least now I have the chance to go out once a month with my son to eat out.” — Helena, 2001

overall conclusion is that neighborhood conditions generally improved from 1992 through 2000. In absolute terms, however, conditions in the city’s poorest neighborhoods started and ended much worse off than in the rest of the county.

The Geographic Concentration of Welfare and Poverty

- **During the period of this study, the number of neighborhoods with high rates of welfare decreased.**

In many cities in the Northeast and Midwest, welfare recipients are often clustered in neighborhoods where poverty rates are greater than 20 percent and where more than one out of five households are on welfare. In Miami-Dade during the period of this study, welfare recipi-

ents tended to be much more dispersed throughout the county. Moreover, even these relatively modest levels of welfare concentration were nearly eliminated by the end of the 1990s. For example, the number of “high-welfare neighborhoods” (defined as census tracts in which 20 percent or more of residents receive public assistance) decreased from 33 in 1994 to only 1 in 2000. This trend reflects the large drop in the county’s welfare caseload during this period.

- **Despite the drop in welfare concentration, there was a slight *increase* in the number of neighborhoods with high rates of poverty.**

Miami was unusual among U.S. cities during the 1990s in that the number of “high-poverty neighborhoods” (defined as census tracts in which 20 percent or more of the residents are below the poverty line) increased slightly from 1990 to 2000. During this period, 86 tracts were consistently high poverty, and another 22 tracts crossed the threshold into high poverty (Figure 8). Ten tracts declined in poverty concentration and were no longer considered high poverty in 2000. Many neighborhoods — particularly in the northeastern and southern tip of the county — remained poor throughout the study period.

- **The ethnic and demographic composition of Miami-Dade’s neighborhoods varied by poverty and welfare status.**

Miami-Dade’s low-poverty, low-welfare neighborhoods are predominantly Hispanic and have significant numbers of non-Hispanic white and foreign-born residents. The county’s high-poverty, low-welfare neighborhoods are also predominantly Hispanic and have large numbers of non-Hispanic black and foreign-born residents. High-poverty, high-welfare tracts have predominantly non-Hispanic black residents. Compared with the other tracts, these last neighborhoods also have a higher proportion of children, lower rates of labor force participation, and lower ratios of employed men to employed women and of working adults to children.

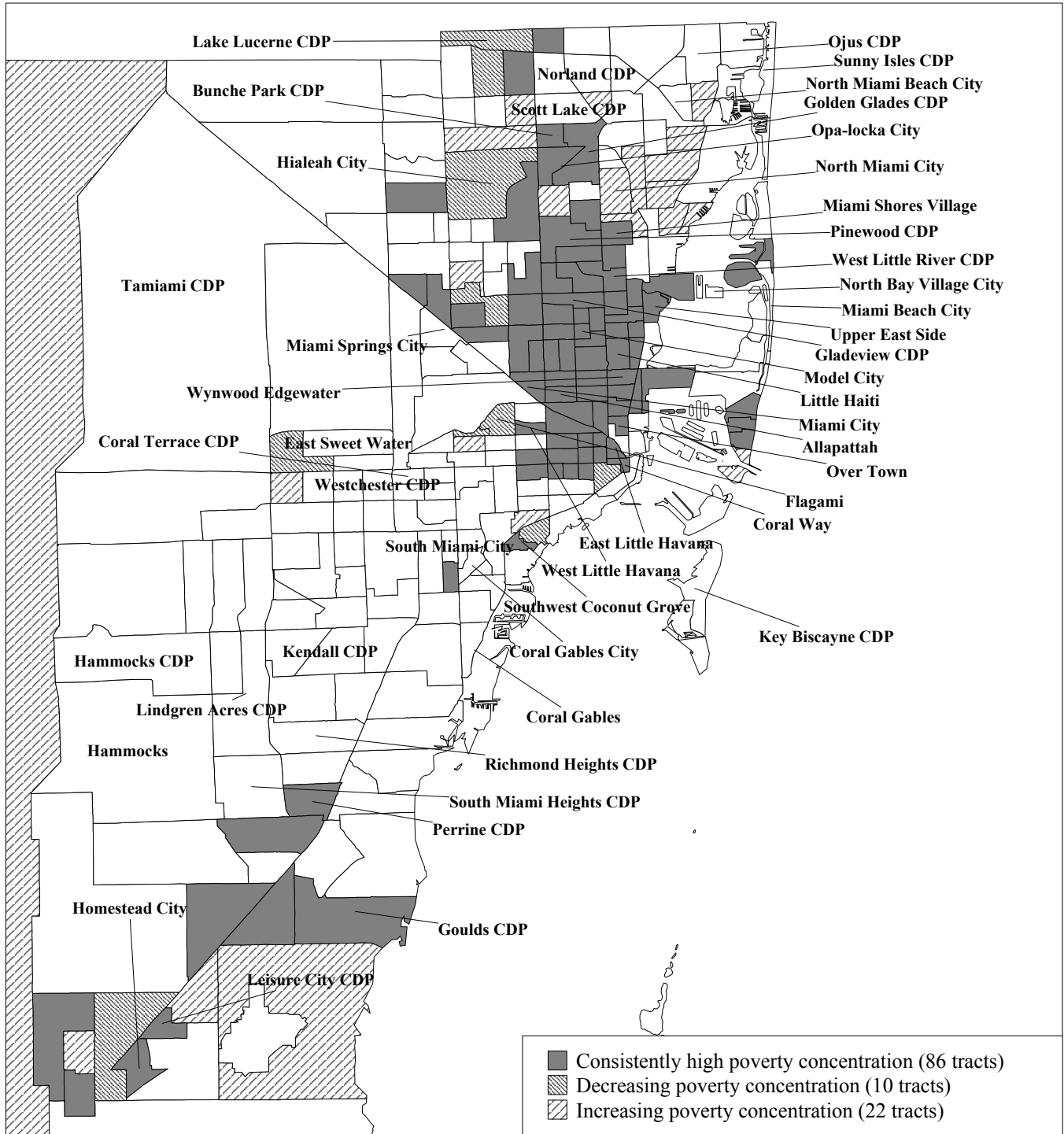
Conditions of Poor Neighborhoods

The Urban Change study divided Miami-Dade’s neighborhoods into three groups: (1) those with low levels of poverty and low levels of welfare receipt; (2) those with high levels of poverty but low levels of welfare receipt; and (3) those with high levels of poverty and high levels of welfare receipt. (In all cases, 20 percent was used as the threshold to distinguish low from high.) Conditions in these neighborhoods before and after 1996 were analyzed to determine whether trends stayed the same or changed after WAGES was introduced. Unlike the earlier discussion that tries to determine whether changes in welfare receipt and employment can be attributed to welfare reform, this analysis is purely descriptive of trends from 1992 through 2000.

The Project on Devolution and Urban Change

Figure 8

Changes in the Concentration of Poverty,
by Census Tract, Miami-Dade County, 1990-2000



SOURCE: MDRC calculations using data from the Urban Change Neighborhood Indicators Database.

NOTES: The high-poverty receipt threshold is 20 percent.

"CDP" refers to Census-designated places (CDPs), communities unincorporated into formal municipalities.

- **Over a nine-year tracking period, most indicators of neighborhood conditions were either stable or improved. Some of the biggest improvements occurred in high-poverty, high-welfare neighborhoods.**

A primary motivation for the neighborhood indicators analysis was to determine whether the conditions of poor neighborhoods changed, either for better or worse, after the new work requirements, time limits, and other features of the welfare reform law were put into place. Overall, social and economic conditions either remained constant or improved in Miami-Dade's neighborhoods (Table 2). There were substantial declines in teen birthrates, infant deaths, child abuse and neglect, and violent crime. All these trends were most pronounced in high-poverty or high-welfare tracts. There was a slight decline in property crime rates countywide. Out-of-wedlock births increased slightly in low-welfare tracts. The number of babies born with a low birth weight remained stable throughout the decade. In general, the observed trends predated welfare reform and did not show major jumps or reversals after 1996.

- **Fewer of Miami-Dade's neighborhoods were highly distressed at the end of the study period than at the beginning, and a smaller proportion of welfare recipients lived in highly distressed neighborhoods.**

For this analysis, a neighborhood was considered highly distressed if it was more than twice as bad as the county median on six of nine social and economic indicators. In Miami-Dade, the number of distressed tracts declined over the course of the study. The proportion of welfare recipients living in distressed tracts decreased from 14 percent in the pre-WAGES period to 10 percent in the post-WAGES period.

- **Although social trends in high-welfare neighborhoods were generally stable or improving throughout the study period, the absolute levels of distress in such neighborhoods were consistently higher than in other neighborhoods.**

On every social indicator examined, conditions in the county's poorest neighborhoods were less favorable than in other areas. For example, throughout the study period, teen birthrates in the neighborhoods with the highest rates of poverty and welfare receipt were about twice as high as in the neighborhoods with the lowest rates of poverty and welfare receipt. Similarly, the incidence of violent crime was at least five times greater in high-welfare, high-poverty tracts than in other parts of the county.

The Project on Devolution and Social Change

Table 2

Summary of Trends in Neighborhood Conditions

Indicator	Trend from 1992 to 2000
<u>Births</u>	
Teen births	Substantial declines countywide and particularly in high-poverty, high-welfare neighborhoods
Nonmarital birth ratio	Stable in high-welfare tracts, slight increases in low-welfare tracts
Adequacy of prenatal care	Substantial increases countywide and particularly in high-welfare neighborhoods
Low-birth-weight births as a percentage of all births	Stable throughout the decade
Rate of infant deaths per 1,000 live births	Substantial declines countywide and particularly in high-poverty neighborhoods
<u>Child well-being</u>	
Child abuse and neglect	Substantial declines countywide and particularly in high-welfare neighborhood
<u>Crime</u>	
Violent crime	Substantial declines countywide and particularly in high-poverty neighborhoods
Property crime	Slight declines countywide
<u>Economic factors</u>	
Median housing values	Slight increases countywide

Welfare-to-Work Transitions and Neighborhood

- **Welfare recipients living in neighborhoods with high rates of poverty and welfare receipt were just as likely to go to work as welfare recipients who lived in better neighborhoods.**

The disparity in social indicators between high-poverty, high welfare neighborhoods and low-poverty, low-welfare neighborhoods might presuppose that welfare recipients living in the former tracts would be less likely to find or keep employment. This analysis reveals that the

employment rates of welfare recipients in all types of neighborhoods in Miami-Dade were roughly similar.

Comparisons with Cuyahoga and Philadelphia Counties

To provide context for what happened after welfare reform was implemented in Miami-Dade County, this section draws contrasts with Cuyahoga County, Ohio, and Philadelphia County, Pennsylvania, which are the subjects of earlier Urban Change reports that used the same methods and data elements as this report. Table 3 provides a summary description of the characteristics of each county and the principal findings on TANF's implementation and outcomes in each.

Cuyahoga, Philadelphia, and Miami-Dade are the largest counties in their respective states and are home to a disproportionate share of their state's welfare caseload.⁴ Although unemployment rates in all three counties started to fall in 1992, the rates remained consistently higher in the central cities than in the surrounding suburbs. However, Cuyahoga County and Philadelphia County are old, industrial, northeastern cities that have suffered through 30 years of declining manufacturing bases and the movement of jobs to the suburbs, while Miami-Dade is a fast-growing county located in the Sunbelt region. Cuyahoga's and Philadelphia's labor markets generally offer higher-paying jobs than are available in Miami's tourism and service sector economy. The other two counties also have sizable African-American populations and relatively few immigrants. In comparison, Miami-Dade is heavily populated by Hispanics and immigrants.

The essential features of welfare reform are similar in all three counties. Cuyahoga, Philadelphia, and Miami implemented welfare programs with time limits and a strong emphasis on moving recipients into work. Welfare systems that had emphasized relatively voluntary job search and education programs before 1996 were transformed to systems with a stronger emphasis on work and stricter program participation requirements. Each state also increased the amount of money that welfare recipients could keep when they went to work. While all three counties imposed financial sanctions for noncompliance with the welfare-to-work requirements, Miami-Dade used sanctions far more often than did Cuyahoga or Philadelphia. Cuyahoga, however, was the strictest county in enforcing time limits.

Welfare recipients in all three counties showed signs of confusion about the details of welfare reform, especially about the exact length of the time limits and whether or not they

⁴See Brock et al. (2002) and Michalopoulos et al. (2003), cited earlier. Miami-Dade had almost 31 percent of Florida's welfare recipients in 2000, even though it contained just 14 percent of the state's population. Cuyahoga and Philadelphia Counties accounted for 25 percent and 49 percent, respectively, of Ohio's and Pennsylvania's caseloads.

The Project on Devolution and Urban Change

Table 3

**Description of Welfare Reform and Welfare-Related Outcomes
in Cuyahoga (Ohio), Philadelphia, and Miami-Dade Counties**

Descriptor	Cuyahoga	Philadelphia	Miami-Dade
<u>Context</u>			
Local economy	Government and civic center; large health care industry; declining manufacturing base; increasing service sector; movement of businesses to the suburbs.	Government and civic center; major industrial center, particularly for textiles; large health care industry; declining manufacturing base; movement of businesses to the suburbs.	Government and civic center; large tourism and service industries; large health care industry; trading hub between the United States and Latin America.
Unemployment rate	Fell from 7.4% in 1992 to 4.2% in 2000; rose to 5.2% in 2001.	Fell from 9.4% in 1992 to 6.1% in 1999; rose to 6.4% in 2001.	Fell from 10.5% in 1992 to 5.3% in 2000; rose to 7.7% in 2002.
Poverty rate	13.1% in 2000.	22.2% in 2000.	17.6% in 2000.
Population characteristics	Roughly equal division of African-Americans and whites in central city. Mostly white in the suburbs.	Mostly African-American and white.	Diverse population of Hispanics, whites, and African-Americans. Large numbers of foreign-born residents.
<u>Implementation of TANF</u>			
Policies	Five-year lifetime limit; three-year interim time limit; work-focused welfare-to-work program; full-family sanctions for noncompliance; expanded earned income disregard.	Five-year lifetime limit; two-year work-trigger time limit; work-focused welfare-to-work program; simplified and expanded earned income disregard.	Four-year lifetime limit; interim time limit of 24 or 36 months; work-focused welfare-to-work program; full-family sanctions for noncompliance; expanded earned income disregard.
Execution	Widespread organizational change; rigorous enforcement of time limits and work requirements; home visits and safety net services for families reaching time limit.	Initial use of independent job search; many extensions for families reaching time limits; subsidized work for families reaching two-year time limit.	Recurring administrative problems; extremely high use of sanctions; extensions on time limits for families fulfilling work requirements.
<u>Changes in welfare receipt and employment trends after TANF was introduced</u>			
Welfare entry	Entry rates declined from 1992 to 1996 and continued to decline after 1996. There was no significant change in the trend after 1996.	Entry rates declined from 1992 to 1996. Entry rates continued to decline after 1996, but less than predicted by past trends.	Entry rates declined from 1992 to 1996 and continued to decline from 1996 to 2001. There was no significant change in the trend after 1996.

(continued)

Table 3 (continued)

Descriptor	Cuyahoga	Philadelphia	Miami-Dade
Welfare exits	Exit rates increased from 1992 to 1996. After 1996, exit rates slowed for the overall caseload but accelerated for long-term recipients.	Exit rates increased from 1992 to 1996. After 1996, exit rates slowed for new recipients, but accelerated for long-term recipients, especially after the two-year time limit.	Exit rates increased steadily from 1992 to 1996. After 1996, exit rates increased at a slightly faster pace for new recipients. There was no change in the trend for long-term recipients.
Welfare recidivism	Recidivism increased slightly from 1992 to 1996 and continued to increase slightly after 1996. There was no significant change in the trend after 1996.	Recidivism decreased slightly from 1992 to 1996 and continued to decrease after 1996 but at a slower pace.	Recidivism decreased slightly from 1992 to 1996 and continued to decrease after 1996 but at a slower pace.
Employment	Employment rates increased slightly from 1992 to 1996 and continued to increase slightly after 1996. There was no significant change in the trend after 1996.	Employment rates were steady from 1992 to 1996. After 1996, the employment rates began to increase, but many unemployment spells were short.	Employment rates were steady from 1992 to 1996. There was a significant increase in the employment rates after 1996, and the length of employment spells increased.

The experiences of welfare recipients surveyed in 1998 and 2001 (longitudinal sample)

Economic outcomes	Earnings and income increased. In 2001, the average hourly wage was \$8.67. However, the percentage of women with neither work nor welfare increased from 10.7 percent to 20.2 percent.	Earnings and income increased. In 2001, the average hourly wage was \$8.59. However, the percentage of women with neither work nor welfare increased from 10.6 percent to 18.7 percent.	Earnings and income increased. In 2001, the average hourly wage was \$8.11. However, the percentage of women with neither work nor welfare increased from 16.4 percent to 28.7 percent.
Material hardship	Food and health care hardships were largely unchanged over time. Most indicators of housing hardships declined over time. Use of food stamps decreased, but there was no change in use of Medicaid.	Hunger declined, but food insecurity overall showed little change over time. Health care hardships were low overall and remained stable. Housing hardships were high but some measures showed improvement. Use of food stamps and Medicaid decreased.	Most food, health care, and housing hardships declined or remained stable over time. Use of food stamps and Medicaid decreased.

(continued)

Table 3 (continued)

Descriptor	Cuyahoga	Philadelphia	Miami-Dade
<u>Neighborhood indicators</u>			
Concentration and segregation of welfare recipients	Welfare recipients tended to live in a few neighborhoods. The number of high-welfare neighborhoods declined substantially over time.	Welfare recipients tended to live in a few neighborhoods. The number of high-welfare neighborhoods remained steady over time.	Welfare recipients were more evenly distributed across neighborhoods than in Cuyahoga and Philadelphia, and the number of high-welfare neighborhoods declined over time.
Social indicators	Most remained stable or improved over time. High-welfare neighborhoods had much higher levels of distress than other neighborhoods.	Most improved over time, especially in high-welfare neighborhoods. High-welfare neighborhoods had much higher levels of distress than other neighborhoods.	Most remained stable or improved over time, especially in high-welfare neighborhoods. High-welfare neighborhoods had much higher levels of distress than other neighborhoods.

could keep part of their grant if they started working. Although recipients' knowledge increased over time in all three places, recipients in Miami generally displayed the least understanding of the new policies. The extent to which clients understood the reforms might have been affected by the simplicity or complexity of policies and messages. Miami's policies were arguably the most complicated, and the administrative problems in the welfare-to-work program may have hampered good communication between staff and clients (particularly with regard to transitional benefits).

All three counties experienced rapid declines in welfare caseloads between the early 1990s and early 2000s. Fewer families were coming onto welfare, but the patterns generally did not change after welfare reform was implemented. In Cuyahoga and Philadelphia, welfare reform appears to have sped up the rate at which long-term recipients exited welfare. Average welfare spells for Miami-Dade's long-term recipients were already fairly brief before 1996, and they did not change afterward. It also appears that some welfare reform policies in Miami-Dade may have offset each other: Tough sanctioning caused some families to exit welfare sooner, but new rules making it easier to combine work and welfare seem to have extended welfare spells for some families. As discussed earlier, the estimates of program effects in all the counties are based on the assumption that pre-1996 trends would have continued in the absence of welfare reform. Accordingly, the estimates are more reliable for the period immediately following the 1996 reforms than for later years.

Of the three counties, Miami-Dade seems to have had the largest increase in employment among welfare recipients after welfare reform. Philadelphia's welfare reform efforts appear to have had a modest effect on employment, but many of the jobs that welfare recipients found did not last long. Cuyahoga's program did not seem to change welfare recipients' employment patterns. Miami's much tougher sanctioning practices would appear to be an important explanation for the changes that were observed in employment trends in this county. (Its work incentives were similar to the other counties and, therefore, would not seem to account for the differences in effects.) The large number of noncitizens on Miami-Dade's caseload also may have helped drive the employment trends, in that noncitizens went to work at higher rates than their U.S.-born counterparts; in the other counties, noncitizens were not such a large presence. Once again, the estimates of welfare reform's effects are predicated on the assumption that pre-1996 trends would have continued without welfare reform and that they are more reliable in the period shortly after welfare reform was implemented than in later years.

Longitudinal surveys and ethnographic research with women in the three counties generally showed signs of improvement in employment and economic circumstances, though individual experiences varied. The women who were surveyed in Miami-Dade both started and ended behind respondents in Cuyahoga and Philadelphia on many key economic indicators, including average monthly income and the proportion of families with incomes below the poverty line. Similarly, all three counties showed relatively similar improvements in neighborhood indicators over the period of the study, though Miami-Dade consistently lagged behind the other two counties on some measures of violence and crime. The concentration of poverty and welfare receipt in Miami also distinguishes it from the other two counties: Its low-income population is relatively dispersed, while similar populations in Cuyahoga and Philadelphia are more concentrated in the city centers.

Conclusions and Policy Implications

When the Project on Devolution and Urban Change began, both supporters and critics of welfare reform envisioned striking changes in benefits and services and in the well-being of poor families at risk of receiving welfare benefits. Proponents believed that the 1996 law would spur innovation among states and localities; that tougher work requirements and time limits would induce more welfare recipients to find jobs; and that ending the welfare "culture" of low-income communities would lead to the revitalization of those communities. Critics, by contrast, feared that states would slash benefits and try to make their programs less attractive than those of neighboring states. They worried that sanctions and time limits would deprive needy families of essential income and would cause suffering, leading to increases in crime, homelessness, and other social problems.

The Urban Change project can now draw on evidence from three places — Cuyahoga, Miami-Dade, and Philadelphia Counties — to assess whether these expectations of big change have come to pass. The counties' experiences fall somewhere between the two extremes. What lessons are policymakers to draw, and how does Miami-Dade's experience contribute to those lessons? Though the answers depend largely on the goals that policymakers want welfare reform to achieve, the following key observations and recommendations can be made.

- **Many of the trends that were observed in welfare receipt, employment, family well-being, and neighborhood conditions were similar in the three counties. This finding underscores the important role that the economy and other forces — in addition to welfare reform — may have played in influencing people's behavior.**

Though they differ on many details, the big “headlines” from all three counties are the same. Welfare rolls are down. Employment among welfare recipients is up. Conditions in poor neighborhoods — though worse than in more affluent neighborhoods — have held stable or improved. People leaving welfare for work are still poor but generally are not worse off, and many show some signs of progress. These similarities were found despite important differences in the demographic characteristics, labor markets, and implementation of welfare policies in the three counties, suggesting that larger social and economic forces played as much a role or more in shaping these trends as anything that the county welfare offices did. It is important to remember that the Urban Change study took place during a period of unprecedented economic expansion in the United States and that data collection ended before families reached their lifetime limits on cash assistance.

- **Although most former welfare recipients in Miami-Dade are working, they are struggling financially. Welfare and education policymakers may need to devise new strategies to help them gain the language and job skills that are needed to advance.**

Even in boom times, most families in the survey sample were living below poverty, and the women who were in both the survey and the ethnographic sample described many of the challenges that they faced in going to work. Non-English-speaking Hispanics tended to be the worst off economically, as were women of all racial and ethnic groups who lacked a high school diploma or GED. While current policy allows welfare recipients to spend up to 10 hours of their 30-hour weekly work requirement in education, very few clients do so — perhaps because staff do not encourage it or perhaps because it is difficult to combine education classes with 20 hours of work-related activities. One option that would allow welfare recipients to fulfill work requirements while upgrading their skills would be to develop programs that integrate English as a Second Language (ESL) or basic education instruction into occupational training courses. An-

other option would be for education providers to create partnerships with employers to allow release time for lower-paid employees to attend English language or other classes during the workweek. Even though employers would incur some costs in terms of lost staff time, this could bring returns in the forms of a higher-skilled workforce and reduced employee turnover.

- **Food stamps, Medicaid, and the Earned Income Credit (EIC) played an important role in supporting the incomes of former welfare recipients and helping them to stay employed. Greater emphasis could be placed on advertising these benefits.**

The service sector economy is characterized by low wages and benefits — a fact that is unlikely to change anytime soon. Many of the women in the Urban Change survey and ethnographic samples indicated that they would not have been able to make it without the help they received from food stamps and Medicaid. In addition, some women said that they used the EIC (which they usually received as a lump sum) to pay off bills or make large purchases that enhanced their employability, such as buying or fixing an automobile. The survey suggests that more families were eligible for these benefits than received them. DCF and welfare-to-work staff — together with local foundations, advocacy groups, and community organizations — might consider ways to step up efforts to inform low-income families about the supports that are available. It helps when such information is communicated consistently, frequently, and in multiple locations. In Cuyahoga, for instance, the county welfare department developed colorful, easy-to-read brochures on the panoply of nonwelfare benefits available to working families: food stamps, children’s health insurance, child care assistance, home heating assistance, and the EIC. The brochures are available in welfare offices and are handed out in public schools, government offices, and community-based organizations. In Miami-Dade, a similar campaign could increase take-up among low-income families and could clear up misconceptions, such as the mistaken view — voiced by some ethnographic sample members — that Medicaid benefits are subject to sanctions and time limits.

- **Miami-Dade’s exceptionally high rate of sanctioning in its welfare-to-work program was as much a sign of administrative failure as program toughness.**

Many policymakers believe that welfare recipients who do not comply with work requirements should face significant consequences. Nevertheless, when more clients are undergoing sanctions than are participating in program activities — as was true in Miami-Dade — something is out of balance. The unevenness of sanctioning rates over time also suggests that the program failed to deliver a consistent message about attendance and that clients’ participation was not regularly monitored. Moreover, the fact that so many clients did not attend their assigned activities suggests that the program did not deliver services that they found valuable —

an impression that was reinforced by MDRC's visits to welfare-to-work offices and interviews with Urban Change survey and ethnographic sample members. Unusually high sanctioning should trigger scrutiny of the program by government officials and, if necessary, corrective administrative action.

- **The managerial problems in Miami-Dade's welfare-to-work program underscore the limits of devolution and the need for independent oversight.**

When Florida and Miami-Dade officials began implementing TANF, one of their early decisions was to remove the welfare-to-work program from the welfare agency and to put it in the hands of local coalitions. Unfortunately, Miami-Dade's coalition did not have the capacity to manage the program effectively. The state legislature's decision in 2000 to abolish the coalition and transfer authority to the Workforce Investment Act system was intended to address this problem. An obvious but important lesson from Miami's experience is that successful devolution requires sufficient infrastructure, staffing, and commitment at the local level. It also points to the need for careful monitoring from the outside. State auditors eventually played this role in Miami, but welfare recipients used up months toward their time limits while welfare-to-work services were in disarray.

- **The Urban Change study suggests that legislative proposals to increase welfare-to-work participation rates above 50 percent may not be realistic. Moreover, some of the data that states use to calculate participation rates may not be reliable.**

The 1996 federal law set participation targets that were much higher than in the past, but it also gave states credit for reducing welfare caseloads. Some federal lawmakers have recently expressed support for revisions that would raise participation requirements and eliminate the caseload reduction credit. Miami-Dade's participation data were unreliable, owing to problems in the management information system (MIS) and contractor turnover, but Cuyahoga's and Philadelphia's data provide some insight into participation levels that may be achieved by urban welfare departments. Cuyahoga achieved a participation rate of 49 percent in fiscal year 1999/2000; similarly, Philadelphia attained a top participation rate of 47 percent in fiscal year 1997/98. (Note that these figures include clients who were working as well as those who were attending traditional program activities.) Though some policymakers question why all welfare recipients cannot be engaged in work activities, MDRC's research suggests that the participation rate will never approach 100 percent because of the constant opening and closing of cases, the time lapse involved in assigning clients to activities and monitoring their attendance, and the personal and situational problems that many welfare recipients face (including illness and child care problems). MDRC's research also suggests that states and counties that report unusually high levels of participation often do not stand up to scrutiny. They may be counting assignments

to activities rather than actual attendance, for example, or may be double-counting welfare recipients who attend more than one activity. Greater investment in and monitoring of MIS data may be needed at the federal, state, and local levels if policymakers want to have confidence in the accuracy of the data.

- **Simpler welfare policies may help welfare staff send clearer messages to clients and strengthen program implementation.**

Relative to the other states in the Urban Change study, Florida's welfare reform law was complex. Not only did it feature work requirements and time limits, but it also included provisions designed to ease the transition to work, influence parenting behavior, and divert applicants from going on cash assistance. Even the state's time-limit policy was unusually complicated, in that it set different time limits for cases with various characteristics. Welfare staff in Miami-Dade did an admirable job of trying to communicate the rules, and clients' understanding of several key policy provisions appeared to improve over time. Compared with similar groups of respondents in Cuyahoga and Philadelphia, however, the women in Miami were generally less certain about the amount of time that they could receive cash assistance, the existence of the earned income disregard, or that transitional benefits were available. As one welfare administrator pointed out, every new "message" dilutes the effectiveness of the last one. Florida's policymakers might consider simplifying some aspects of the welfare law or, at the least, might refrain from adding new layers on top of an already complicated law.

- **Conditions in Miami-Dade's poorest neighborhoods improved overall during the 1990s, but many neighborhoods remain highly distressed. Revitalizing these communities will likely require the involvement of other public and private sector partners.**

On a number of social and economic indicators, Miami-Dade's poorest neighborhoods improved during the 1990s. Nevertheless, many welfare recipients continue to live in distressed conditions. Addressing such inequalities may require a two-pronged approach: on the one hand, promoting development in poor neighborhoods and, on the other hand, rigorously enforcing existing antidiscrimination and fair labor laws to ensure that everyone has equal access to employment, housing, education, and other opportunities. Such enforcement is particularly important in places like Miami, where large numbers of immigrants may be intimidated into accepting substandard work or housing out of economic need, lack of knowledge, or fear of deportation.

About MDRC

MDRC is a nonprofit, nonpartisan social policy research organization. We are dedicated to learning what works to improve the well-being of low-income people. Through our research and the active communication of our findings, we seek to enhance the effectiveness of social policies and programs. MDRC was founded in 1974 and is located in New York City and Oakland, California.

MDRC's current projects focus on welfare and economic security, education, and employment and community initiatives. Complementing our evaluations of a wide range of welfare reforms are new studies of supports for the working poor and emerging analyses of how programs affect children's development and their families' well-being. In the field of education, we are testing reforms aimed at improving the performance of public schools, especially in urban areas. Finally, our community projects are using innovative approaches to increase employment in low-income neighborhoods.

Our projects are a mix of demonstrations — field tests of promising program models — and evaluations of government and community initiatives, and we employ a wide range of methods to determine a program's effects, including large-scale studies, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work — including best practices for program operators — with a broad audience within the policy and practitioner community, as well as the general public and the media.

Over the past quarter century, MDRC has worked in almost every state, all of the nation's largest cities, and Canada. We conduct our projects in partnership with state and local governments, the federal government, public school systems, community organizations, and numerous private philanthropies.