

**The Project on Devolution
and Urban Change**

SUMMARY REPORT

**Welfare Reform in Philadelphia
Implementation, Effects, and Experiences of
Poor Families and Neighborhoods**

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September 2003

Funders of the Project on Devolution and Urban Change

Ford Foundation
Charles Stewart Mott Foundation
The Pew Charitable Trusts
W. K. Kellogg Foundation
The Robert Wood Johnson Foundation
U.S. Department of Health and Human
Services (including interagency funds
from the U.S. Department of
Agriculture)

John S. and James L. Knight Foundation
The Joyce Foundation
The Cleveland Foundation
The George Gund Foundation
William Penn Foundation
The James Irvine Foundation
The California Wellness Foundation
The Edna McConnell Clark Foundation

Dissemination of MDRC publications is also supported by the following foundations that help finance MDRC's public policy outreach and expanding efforts to communicate the results and implications of our work to policymakers, practitioners, and others: The Atlantic Philanthropies; the Alcoa, Ambrose Monell, Bristol-Myers Squibb, Fannie Mae, Ford, Grable, and Starr Foundations; and the Open Society Institute.

The findings and conclusions in this report do not necessarily represent the official positions or policies of the funders.

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Overview

The 1996 welfare reform law called for profound changes in welfare policy, including a five-year time limit on federally funded cash assistance (known as Temporary Assistance for Needy Families, or TANF), stricter work requirements, and greater flexibility for states in designing and managing programs. The law's supporters hoped that it would spark innovation and reduce welfare use; critics feared that it would lead to cuts in benefits and to widespread suffering. Whether the reform succeeds or fails depends largely on what happens in big cities, where poverty and welfare receipt are most concentrated.

This report — one of a series from MDRC's Project on Devolution and Urban Change — examines the specific ways in which reform unfolded in Philadelphia. The study uses field research, state records, surveys and ethnographic interviews of welfare recipients, and indicators of social and economic trends to assess TANF's implementation and effects. Because of the strong economy and ample funding for services in the late 1990s, the study captures welfare reform in the best of times but focuses on the poorest families and neighborhoods.

Key Findings

- Pennsylvania substantially changed its welfare system. The state focused its welfare-to-work program on employment, expanded and simplified the provisions that allow welfare recipients to keep part of their welfare checks if they work, and instituted two time limits: a 24-month limit that requires recipients to work or participate in a work activity for 20 hours per week and a 60-month lifetime limit on welfare receipt. In Philadelphia, implementation of the law was lenient in some respects. During the first two years on welfare, recipients were asked to conduct an eight-week job search but otherwise were not held to a strict work requirement. At the 24-month limit, many parents who were not working were placed in subsidized jobs. In addition, families received extensions to the lifetime limit if they participated in assigned activities.
- In Philadelphia, between 1992 and 2000, welfare receipt declined and employment increased. TANF seems to have encouraged long-term recipients to leave the rolls faster, to have increased employment (but mostly unstable employment), and to have raised the likelihood that some families would return quickly to welfare. Because positive trends in welfare receipt and employment began prior to TANF, it is clear that the economy and other factors also played important roles in these outcomes.
- A longitudinal survey of welfare mothers living in the city's poorest neighborhoods suggests that, over time, more worked and fewer received welfare, while household incomes increased. These changes were not necessarily a result of welfare reform alone; the gains may also be a reflection of the strong economy and of women and children growing older. Despite their increased average income, virtually all the women were poor or near poor in 2000, and many encountered barriers that might have kept them from working. In addition, improvements in employment and income were concentrated among high school graduates.
- Between 1992 and 2000, social conditions in the city's poorest neighborhoods generally improved. For example, crime rates declined; housing values increased; and more pregnant mothers received adequate prenatal care. Despite these improvements, the number of neighborhoods with high concentrations of welfare recipients declined only slightly over time, and Philadelphia's welfare caseload remains concentrated in neighborhoods with some of the worst social and economic conditions in the city.

This study's findings are consistent with an earlier Urban Change report on Cleveland, and they counter the notion that welfare reform leads to service retrenchment and a worsening of conditions for families and neighborhoods. Further study is needed to determine how welfare reform fares in a less favorable economy and what effects time limits will have in the long term.

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Preface

This report — the second in a series of four from the Project on Devolution and Urban Change — charts the course of welfare reform in Philadelphia. As with the first report, which examined the changes that took place in Cleveland after the passage of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act, the goals were to find out whether the new law would lead to meaningful changes in an urban welfare bureaucracy and to learn how new welfare policies would affect a city's poorest families and neighborhoods.

The findings for Philadelphia, like those for Cleveland, are generally positive. The state welfare agency increased spending on welfare-to-work services fivefold; substantially changed the welfare system from one that entitled families to public assistance to one that imposed time limits; and began to emphasize employment. Welfare rolls went down; employment among welfare recipients went up; and the circumstances of the poorest families and neighborhoods mostly got better.

However, the economy played an essential role in these changes: MDRC's analyses of trends suggest that the burgeoning economy of the 1990s was also an important force driving the improving conditions — before, during, and after reform implementation. Moreover, although welfare reform in Philadelphia did not lead to the ruinous effects some people feared (in part because of protections that the welfare agency implemented to shield the most vulnerable), many families and neighborhoods still remained in distress at the end of the study period. Also, despite its unusually comprehensive nature, this report really represents just the first chapter of Philadelphia's welfare reform experience. Time limits were implemented after most data collection for the report ended; the city's economy has weakened; and Pennsylvania's fiscal crisis may lead to reductions in welfare-to-work expenditures.

Forthcoming reports from the Urban Change project on Miami and Los Angeles will extend and enrich policymakers' understanding of the impact of welfare reform in big cities, but the insights from Philadelphia and Cleveland offer a number of lessons to inform both state policy and the reauthorization of the federal welfare law. First, the Temporary Assistance for Needy Families block grant's flexibility and funding level were crucial in helping the cities develop and provide services to welfare recipients. Second, even though participation rates and employment rates rose and welfare receipt dropped, neither city would have been able to meet Congress's new participation rates and hours requirements. Third, despite having the flexibility to make use of education and training, both cities emphasized employment (indeed, Philadelphia ran one of the largest paid work experience programs in the nation). Fourth, while the reform in Philadelphia successfully engaged most recipients initially, participation tapered off over the subsequent period, picking up after 24 months, when the work experience program

kicked in (which suggests that the city and state could do more to actively engage recipients in the months leading up to the start of the work experience program). Fifth, expanded earned income disregards helped to boost participation rates and provided crucial economic support to families who took low-quality jobs — but these short-term benefits had the unintended effect of reducing the time it would take families to reach federal time limits. (Pennsylvania partially addressed this issue by stopping the time-limit clock for one year when welfare-reliant parents took jobs.)

Finally, in both cities, the needs of the working poor and the problems of the hard to employ loom large. States need substantial flexibility as they continue to seek solutions.

Gordon Berlin
Senior Vice President

Acknowledgments

This report represents the culmination of several years of research and could not have happened without the support of many people. We especially 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 officials in Pennsylvania and Philadelphia for allowing us to conduct the study and providing full access to welfare offices and information. In Harrisburg, the support of Robert Reynolds, Sherri Heller, Feather Houston, and Dave Florey at the Department of Public Welfare was instrumental to the research. In Philadelphia, Don Jose Stovall, Marlene Shapiro, Fred Bostwick, and Dan Jeffers helped us understand how welfare reform was implemented. We also want to thank the following managers and team coordinators of welfare offices in Philadelphia for being gracious hosts and sharing many insights: Edward Hickey, Bill McCall, David Fein, Charlotte Henley, Thelma Scott-Brunson, and John Gradwell. Finally, Jeanne Byler at the Department of Labor and Industry and Denis Brown at the Department of Public Welfare were instrumental in helping us acquire the administrative record files used in the analyses of impacts and neighborhood indicators.

As noted at the beginning of the report, a consortium of foundations and federal agencies provided the financial support for the Project on Devolution and Urban Change. We particularly want to thank Jean Hunt at the William Penn Foundation, Frazierita Klassen at the Pew Charitable Trusts, and Liz Sklaroff and Julie Tarr at the John S. and James L. Knight Foundation for their interest and active involvement in the Philadelphia study.

We received helpful written feedback on a draft of the report from Elizabeth Lower-Basch at the U.S. Department of Health and Human Services. In addition, an advisory group including Rebecca Blank, Gary Burtless, David Ellwood, Mark Greenberg, Ron Haskins, and Robert Solow reviewed and commented on an early draft of the report. Within MDRC, we received substantive advice on several drafts from Gordon Berlin, Judy Gueron, Howard Bloom, Barbara Goldman, Thomas Brock, and Louis Richman.

A number of individuals in partner institutions helped with data collection and analysis. 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 these data files. At the Philadelphia Health Management Corporation, Lynn Kotranski, Gary Klein, Christine Citino, and Caroline West played an instrumental role in compiling and processing neighborhood indicators data. Susan Clampet-Lundquist, Rebecca Joyce Kissane, Tasheika Hinson-Coleman, Enid

Schatz, Averil Clarke, and Keesha Moore at the University of Pennsylvania participated in gathering and preparing the ethnographic data for analysis.

At MDRC, staff who assisted with survey data collection and analysis included Jo Anna Hunter, Rebecca Widom, Nikita Hunter, and Jack Mendoza. Lynn Miyazaki worked diligently to acquire and process vast amounts of administrative records and was assisted by Debbie Romm, Galina Faberova, Natasha Piatnitskaia, and Ngan Yee Lee. Tara Cullen served as report coordinator. Robert Weber edited the report, and Stephanie Cowell prepared it for publication.

The Authors

Summary Report

The 1996 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, MDRC released the first report in this series, examining the particular ways in which reform unfolded in Cuyahoga County.¹ This second report focuses on Philadelphia, and it addresses questions similar to those posed for Cleveland:

- How did Pennsylvania change its welfare law, and how was the new law implemented in Philadelphia? What “messages” and services did the city put in place? How were time limits implemented?
- What were the effects of welfare reform on the city's welfare caseloads? Did reform alter patterns of welfare and employment?
- How did low-income families in the city 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 Philadelphia before and after welfare reform? Were poor neighborhoods better or worse off after reform?

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 unem-

¹Thomas 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).

ployment. 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 city.

To assess TANF's implementation and effects in Philadelphia, the study uses several research methods and data sources (Table 1). Researchers visited welfare offices to observe program operations and to interview staff; analyzed welfare and employment records for everyone who received cash assistance and food stamps between 1992 and 1999; administered a longitudinal survey to more than 600 women who had a history of welfare receipt and lived in high-poverty neighborhoods; conducted ethnographic interviews with 32 current or former welfare families in poor neighborhoods; and analyzed a variety of social and economic indicators at the county and neighborhood levels. Data were gathered at different points to capture change over time. In some instances, data were obtained as far back as 1992, 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. Even with such rich data, it is impossible to disentangle the effects of welfare reform from the effects of other changes, such as the growing economy, the expanded federal Earned Income Credit (EIC), a reduction in out-of-wedlock births among teenagers, and the aging of the population. In addition, it is important to note that data collection ended just before Philadelphia families began reaching welfare time limits; hence, this report focuses on the pre-time-limit phase of welfare reform.

This summary — like the full report on which it is based — begins with a brief overview of the social and economic environment of Philadelphia during the study period. It then analyzes how TANF was implemented, the effects on welfare receipt and employment, the experiences of low-income families, and county and neighborhood conditions before and after welfare reform. Then, to provide context for what happened in Philadelphia, it compares results in Philadelphia with results from Cuyahoga County. The Urban Change report on Cuyahoga County used the same methods and data elements as were used for this report, and the two urban areas addressed in the reports make an apt comparison because they share a number of characteristics. Both are old, industrial, northern cities that suffered through 30 years of a declining manufacturing base and a movement of jobs to the suburbs. Both are the largest counties in their respective states, and their share of their state's caseloads has increased over time. Unemployment in both counties fell, starting in 1992, but remained consistently higher

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Table 1

Data Used for the Philadelphia Study

Data Type	Data Source	Sample	Time Period and Coverage	Chapter Relying on Data
Program implementation	Field/observational research	7 rounds of interviews and observations conducted in 3 site offices	Conducted between 1997 and 2002	2
	Survey of intake and welfare-to-work staff in 10 regional welfare offices that serve 60% of Philadelphia's caseload ^a	Eligible intake staff completing interviews: 194 (90% response rate); eligible welfare-to-work staff completing interviews: 49 (88% response rate)	Surveyed in 2000	2
State administrative records: cash assistance, food stamps, Medicaid, and unemployment insurance records	Pennsylvania Department of Public Welfare; Pennsylvania Department of Labor and Industry	The universe of recipients who received food stamps, AFDC/TANF, or Medicaid in Philadelphia between January 1992 and July 1999 (513,031 individuals in 158,338 cases that had both adults and children)	Payment records for the period January 1992 to December 2001; unemployment insurance records for the period January 1992 to December 2001	3
Longitudinal surveys	2 waves of in-person interviews with current and former welfare recipients, conducted by the Institute for Survey Research, Temple University	Randomly selected recipients of cash assistance or food stamps in Philadelphia in May 1995 who were single mothers, between the ages of 18 and 45, and resided in neighborhoods where either the poverty rate exceeded 30% or the rate of welfare receipt exceeded 20%. In Wave 1, 79% of the sample completed a survey; in Wave 2, 82% of Wave 1 respondents completed a survey; 638 respondents completed both surveys.	Wave 1 completed between April 1998 and February 1999; Wave 2 completed between April and November 2001	2, 4, 5

(continued)

Table 1 (continued)

Data Type	Data Source	Sample	Time Period and Coverage	Chapter Relying on Data
Ethnography	3 rounds of in-depth, in-person interviews with current and former welfare recipients; conducted by on-site researchers from the University of Pennsylvania	32 women residing in 3 areas varying in ethnic composition and poverty: Germantown, Kensington, and North Central	Interviews conducted from 1997 to 2001	2, 4, 5
Aggregate neighborhood indicators	Social and economic indicators from administrative agency records, prepared by the Philadelphia Health Management Corporation (PHMC)	Census-tract-level annual indicators for 1992 to 2000	All residential census tracts in Philadelphia	6
	Work and welfare participation indicators	Vital records; tax assessor's property files; child welfare, crime, and welfare and wage records		

NOTE: ^aThe offices were in Alden, Elmwood, Federal, Girard, Kent, North, Ridge, Snyder, Tioga, and West.

in the cities than in their surrounding suburbs. Finally, both counties have a sizable African-American population and relatively few immigrants, and in both counties the proportion of residents who were poor and welfare-reliant increased over time. Comparing the two sites reveals some striking similarities and differences in the way each county implemented — and felt the effects of — reform. The report concludes with a discussion of policy implications.

Among the study's key findings are the following:

- **Changes in welfare policies.** In Philadelphia, the state greatly expanded the welfare-to-work program and focused it on employment; it simplified and expanded the earned income disregard to further encourage work; and it instituted two time limits: (1) a 24-month “work-trigger” time limit that required recipients to work or participate in a work activity for 20 hours a week and (2) a 60-month “termination” lifetime limit. However, implementation of

welfare-to-work activities and time limits was not as onerous as it sounds. Most recipients were initially required to look for work on their own, and they could participate for as few hours as they wanted for the first two years. Recipients who were not working at the 24-month time limit were assigned to further job search or to subsidized work programs that kept them eligible for cash benefits. And most families who encountered the 60-month termination time limit received extensions if they participated in assigned activities.

- **Effects of welfare reform on welfare receipt and employment.** Between 1995 and 2002, welfare receipt in Philadelphia declined by about half, and employment increased among welfare recipients. Changes in the trends after Pennsylvania's 1996 reforms suggest that TANF increased employment (especially unstable employment), increased recidivism, and reduced welfare receipt among long-term welfare recipients. The trends in welfare caseloads and employment began before TANF, however, suggesting that the strong economy and other factors — such as the expanded federal EIC — also played an important role.
- **Changes in the economic well-being of welfare-reliant families.** A longitudinal survey of welfare mothers living in Philadelphia's poorest neighborhoods suggests that more of them worked over time, that fewer received welfare, and that their households had more income. These changes were not necessarily results of welfare reform, however, but may reflect a variety of factors, including the expanding economy and the maturation of these women and their children. Despite the women's increased average income, virtually all of them were poor or near poor; material hardship remained largely unchanged over time; and many of the women experienced a number of barriers that might have kept them from working. Moreover, the use of safety net programs such as food stamps and Medicaid decreased over time among families who were not receiving cash assistance.
- **How neighborhoods fared.** Between 1992 and 2000, the number of neighborhoods in Philadelphia that were characterized by a high concentration of welfare recipients declined only slightly despite the substantial drop in caseloads. During this same period, social conditions in the city's poorest neighborhoods generally improved. In absolute terms, however, the conditions in poor neighborhoods were worse than in other areas of the city. Today, Philadelphia's remaining welfare caseload is concentrated in neighborhoods that are experiencing some of the worst social and economic conditions in the city.

In sum, the study finds overall that, in Philadelphia, the state tried to encourage work through a number of changes in its welfare policies and that trends in a number of economic outcomes improved over time. During the period of this study, however, the extraordinary economy seems to have been at least as strong a factor in these improvements as welfare reform has been. Moreover, many families remain poor, and many neighborhoods — primarily in the central city — remain highly distressed. Additional follow-up is needed to determine how welfare reform fares under less auspicious economic circumstances and how the 60-month lifetime limit affects families and neighborhoods.

Philadelphia's Social and Economic Environment

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

- **A disproportionate share of Pennsylvania's welfare population lives in Philadelphia.**

Philadelphia is the largest of Pennsylvania's counties and the fifth-largest city in the country. Even though it accounts for just 12 percent of Pennsylvania's population, its share of the state's welfare caseload rose from 38 percent in 1993 to 49 percent in 2001. Because the county is contiguous with the city, it has no suburban communities, and it has a correspondingly high rate of poverty and welfare receipt. In 2000, more than 22 percent of Philadelphians lived in households that had income below the federal poverty threshold; and in 1993, 15 percent received cash assistance.

- **The economy in the Philadelphia area improved during the 1990s, and unemployment declined. Welfare caseloads also dropped sharply during the decade.**

Regional unemployment rates declined precipitously from 1990 to 2000, but Philadelphia's unemployment rate was consistently higher than the rates for the consolidated metropolitan statistical area (CMSA) and for Pennsylvania (Figure 1). Along with the improving economy, poverty has declined, as has the city's cash assistance caseload (Figure 2). Note, however, that the caseload reduction began before TANF was implemented and that it was smaller in Philadelphia than in other large northern cities, such as Cleveland.

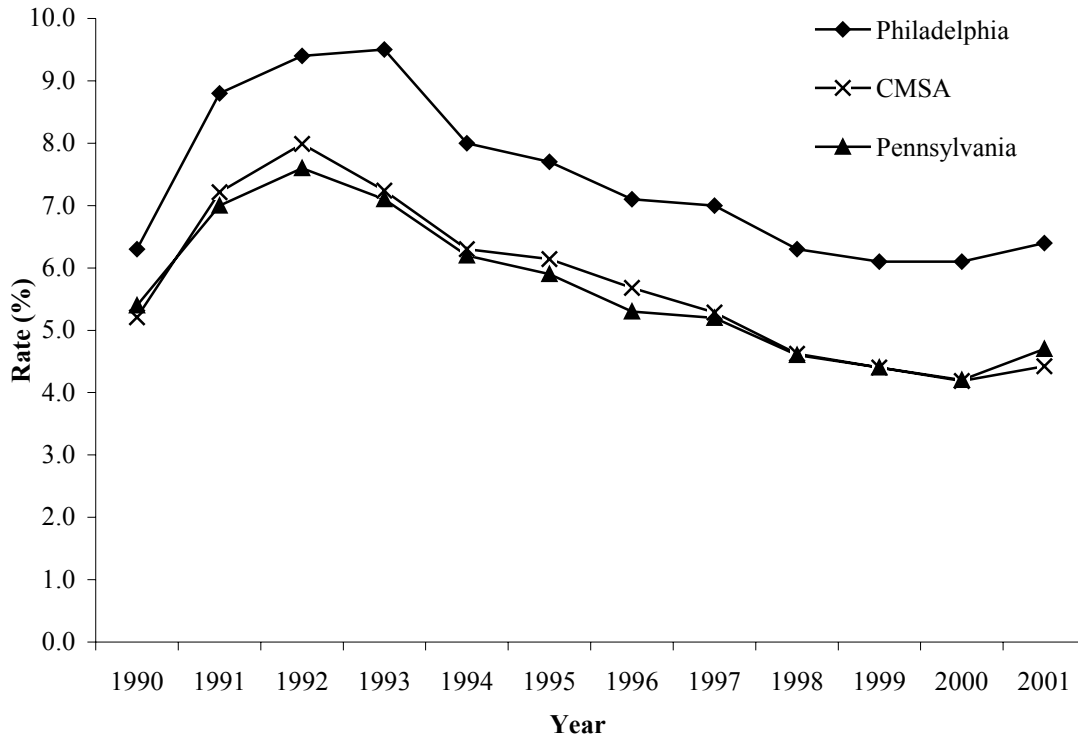
- **Over the past 30 years, Philadelphia's economy lost manufacturing jobs, and many businesses moved to the suburbs.**

Philadelphia has suffered from two economic trends common to northern rustbelt cities: (1) a declining share of workers employed in manufacturing and (2) the decentralization

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Figure 1

Unemployment Rates in Greater Philadelphia and Pennsylvania



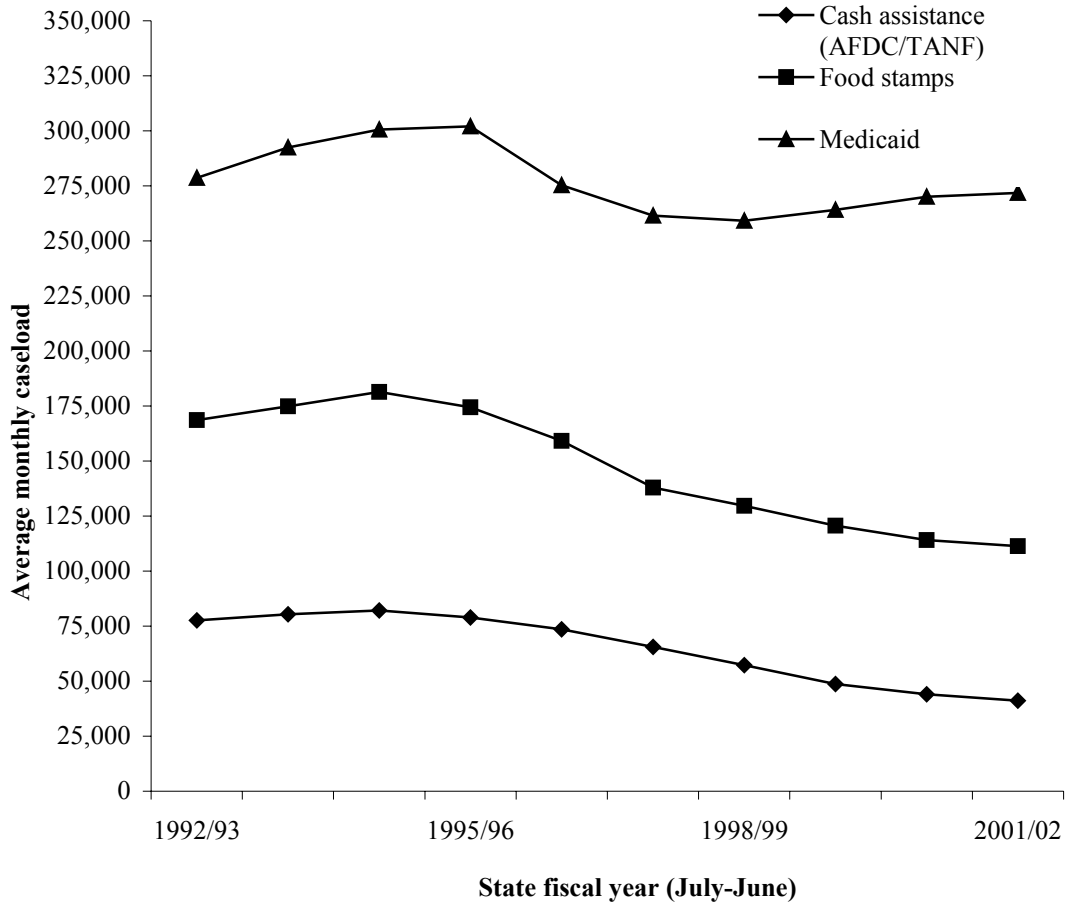
SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, 2002.

NOTE: The Philadelphia consolidated metropolitan statistical area (CMSA) includes fourteen counties. The five counties in Pennsylvania are Bucks, Chester, Delaware, Montgomery, and Philadelphia. The seven counties in New Jersey are Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, and Salem. The county in Maryland is Cecil, and the county in Delaware is New Castle.

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Figure 2

Monthly Cash Assistance and Food Stamp Caseloads
in Philadelphia, 1992/93 - 2001/02



SOURCE: Pennsylvania CIS (Client Information System).

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

of manufacturing from the central city to the suburbs, to the Southwest, and to other countries. Between 1970 and 2000, manufacturing declined significantly as a source of employment in Philadelphia, decreasing from 28 percent to 9 percent. While total employment in the CMSA grew by 31 percent, total employment in Philadelphia declined by 23 percent. Philadelphia also lost 22 percent of its population between 1970 and 2000, and poorer, central-city neighborhoods lost as many as 60 percent of their residents. In addition, accessing the plentiful jobs in the suburbs can be difficult for the city's welfare recipients, most of whom rely on public transit.

- **On the eve of welfare reform, Philadelphia was a city in distress.**

Forty years of movement of people and jobs away from the city have taken a toll on Philadelphia's revenue base; abandoned properties, deteriorating infrastructure, and increasing poverty and social distress have exacerbated the need for government intervention. Federal retrenchment during the 1980s left Philadelphia more reliant than ever on local taxes, burdening remaining residents and workers. In short, when the 1996 welfare reform was implemented, the city faced extraordinary economic and political challenges.

The Implementation of Welfare Reform

Welfare policy in Philadelphia is set and implemented by the state. In May 1996, shortly before the passage of PRWORA on the federal level, Pennsylvania passed legislation authorizing major changes in the state's welfare policy that anticipated changes required by the federal legislation later that year. The state's TANF program went into effect in March 1997. Because Pennsylvania had not used federal waivers from the Aid to Families with Dependent Children (AFDC) rules to pilot-test work-first or time-limit policies, the 1996 legislation represented a major change in the rules and emphases of welfare policy in Pennsylvania and Philadelphia.

The Major Features of Pennsylvania's 1996 Welfare Reform

- **Pennsylvania greatly expanded its welfare-to-work program and also focused it more on employment.**

Before the 1996 welfare reforms, Pennsylvania's welfare-to-work program provided de facto voluntary services that emphasized education and training. After 1996, Pennsylvania required all adults to work or to attend employment preparation activities, and the emphasis of the welfare-to-work program shifted from education to job search and other activities designed to move recipients into the labor force. When first receiving benefits, recipients were expected to complete an eight-week job search. After fulfilling this requirement, they had considerable freedom in choosing activities, but they were expected to participate in something.

- **Pennsylvania expanded its earned income disregard policy, making it easier for welfare recipients to combine work and welfare and thus increase their monthly income.**

Before 1996, welfare recipients could disregard a portion of their earnings when their eligibility for cash assistance was determined. The amount that was disregarded was largest during the first four months of employment, decreased for the next eight months, and decreased again after a year. The 1996 state legislation established a simpler policy that disregarded 50 percent of earnings whenever a family combined work and welfare. A family of three in Philadelphia lost their eligibility for cash assistance when their monthly earnings reached \$806.

- **Pennsylvania adopted a five-year time limit on welfare receipt, and recipients were required to work after 24 months.**

Pennsylvania adopted two time limits: (1) a lifetime limit of 60 months of cash assistance and (2) an interim “work-trigger” time limit at 24 months that required recipients to work or to participate in a work activity — not including education — for 20 hours a week. Both time-limit “clocks” started ticking on March 3, 1997. Caseworkers had to assign post-24-month recipients to a set sequence of activities: another month of job search and job club, followed by subsidized employment, and ending with community service work.

- **Work requirements were enforced through tougher sanctioning policies.**

Pennsylvania’s 1996 welfare reforms toughened the financial penalties for not complying with work requirements. Prior to the reforms, sanctions for noncompliance resulted in the removal of the adult from the family’s cash grant, and the sanctions stayed in place until the recipient complied. Under the new law, sanctions reduced the grant amount by the adult’s portion during the first two years of TANF receipt, and the family’s entire grant could be terminated after two years. In addition, although sanctions were rarely used prior to TANF, they have affected a growing number of families over time.

Services in Philadelphia

- **State welfare administrators in the Philadelphia offices emphasized welfare-to-work services by reallocating staff and responsibilities to a new frontline unit dedicated to employment.**

In Philadelphia, state welfare administrators retained the traditional distinction between income maintenance staff, whose primary responsibility involved determining eligibility for benefits, and employment staff, who handled welfare-to-work functions. In mid-1998, however, the city administrator created a new Career Development Unit (CDU) for welfare-to-work staff, whose numbers grew by nearly 80 percent — from 138 before the welfare reforms to 247 in the fall of 2002 — by reassigning income maintenance case managers to the CDU.

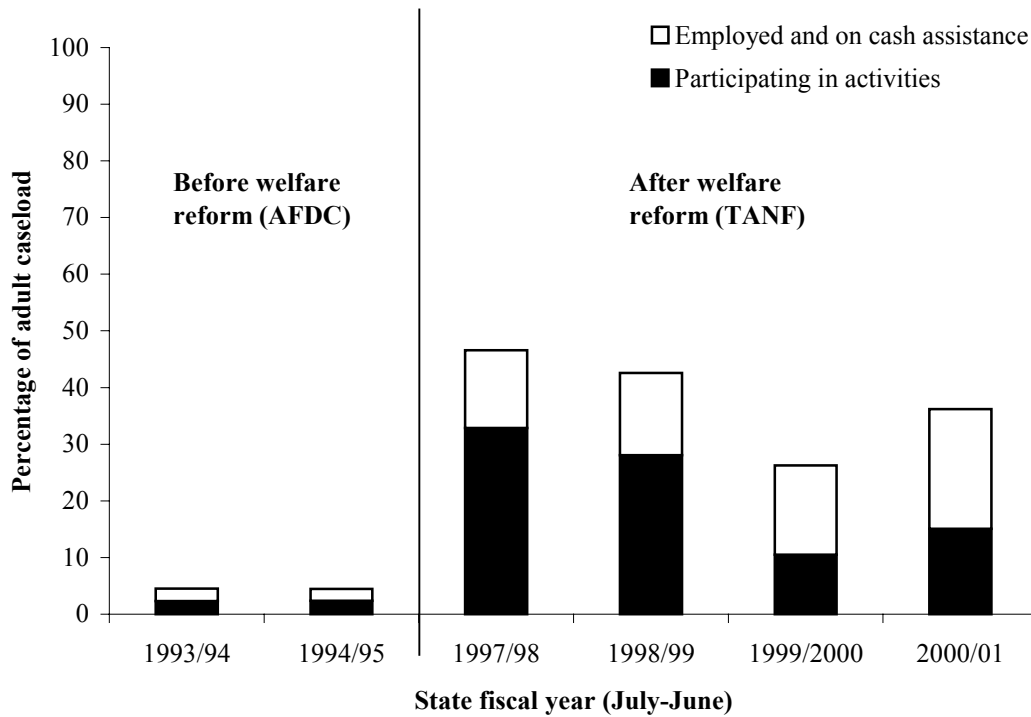
- **In Philadelphia, the state greatly increased spending on the welfare-to-work program. Although the program was initially focused on independent job search, it gradually included more specialized services.**

As shown in Figure 3, data provided by Pennsylvania show that the percentage of Philadelphia’s adult cash assistance recipients who were working or participating in welfare-to-work activities for at least one hour per month jumped from 5 percent in fiscal year 1993/94 to

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Figure 3

Trends in Participation in Welfare-to-Work Activities Before and After TANF



SOURCE: Pennsylvania Department of Public Welfare.

NOTE: Data were unavailable for 1995/96 and 1996/97 due to a change in Pennsylvania's automated system.

36 percent in fiscal year 2000/01, peaking at 46 percent in fiscal year 1997/98. A large part of this increase was related to the growing number of welfare recipients who combined work and welfare — a change attributable in part to the expanded earned income disregard. Expenditures on welfare-to-work activities in the city (excluding child care) also grew more than fivefold during this period — from \$8 million in fiscal year 1996/97 to \$42.5 million in fiscal year 2000/01 — reflecting the more mandatory nature of the welfare-to-work program as well as a change from reliance on independent job search to more intensive job search programs as recipients approached the 24-month work-trigger time limit.

- **New policies and procedures were introduced to help recipients who had trouble finding work.**

Recipients who could not find a regular job prior to the two-year work-trigger time limit were eligible for six months of subsidized employment (also called “paid work experience”), followed by community service programs (that is, work in exchange for a welfare grant). Providers of welfare-to-work services modified their programs to include these activities. In 2001, Pennsylvania implemented the Maximizing Participation Program (MPP), which targets recipients who are exempt from the work requirement because of a medical or physical disability. Finally, the welfare department helps recipients get Supplemental Security Income (SSI) if they have serious disabilities.

- **Pennsylvania cautiously imposed sanctions for failing to comply with the work requirement, but sanctions have increased over time.**

Although official policy called for sanctioning all welfare recipients who failed to show good cause for not participating in work activities, most case managers in this study said that they gave clients a second chance. The state’s reluctance to impose severe sanctions led to time-consuming procedures to ensure that post-24-month recipients were not sanctioned in error. For example, sanctions for post-24-month recipients were originally reviewed by central welfare administrators and by officials in Harrisburg. Despite the initial reluctance to sanction recipients, staff have become more willing to use sanctions. Between fiscal years 1999/2000 and 2001/02, sanctions increased from 3 percent to 6 percent of the caseload in an average month. In Pennsylvania, a third sanction resulted in a lifetime ban on receiving cash assistance. As of October 2002, a total of 68 families in Philadelphia had lost TANF benefits forever because of a third sanction.

- **Time limits were not strictly enforced.**

Pennsylvania initially indicated that welfare recipients had to be working 20 hours per week after the two-year time limit to continue receiving cash assistance. As described above, however, state officials permitted a broad definition of work and contracted for a sufficient

number of slots so that no one was at risk of losing benefits. The lifetime limit also was not strictly enforced. Seven months after the first cohort of TANF recipients reached the five-year time limit, the state issued policies called “Extended TANF” that allowed recipients to receive TANF for the foreseeable future (using state funds), as long as they worked 30 hours per week or participated in assigned programs. In addition, Pennsylvania instituted the Time Out program in 2000; it used state funds to allow employed recipients to stop their time-limit clocks for up to one year while they worked 30 hours per week or worked 20 hours per week and attended an education and training program for 10 hours per week.

The Perceptions and Experiences of Welfare Recipients

- **Survey and ethnographic interviews with current and former welfare recipients in Philadelphia revealed that although they were highly aware of the major rules of welfare reform, they did not well understand the specifics of the five-year time limit.**

Philadelphia’s current and recent welfare recipients were nearly universally aware of the existence of a time limit on cash assistance. The majority were also aware that the new rules allowed them to combine work and welfare more easily. Although many recipients initially expressed concern that they would lose medical insurance if they left welfare for work, awareness of such transitional benefits increased over time. Perhaps because welfare staff in Philadelphia emphasized the work-trigger time-limit policy so forcefully, the ethnographic interviews revealed considerable confusion about the two-year and five-year time limits. Some respondents thought that notices about the 24-month clock implied that they were close to the lifetime limit. Others thought that they would lose their eligibility for benefits even if they left welfare for some time — or that the entire welfare system was being abolished.

- **Although the survey and ethnographic respondents felt a push to find jobs, many found the job search requirement disruptive.**

The survey and ethnographic respondents had mixed feelings about case managers, and the case managers’ enforcement role made a stronger impression. More survey respondents said that case managers pushed them to get jobs before they were ready than said that welfare staff took the time to get to know them. Ethnographic respondents expressed unhappiness with job search requirements. Some had to drop out of a General Educational Development (GED) course or a training program in order to participate in the initial eight-week job search, and they never resumed their educational activities. Almost all ethnographic respondents concluded that the job club was of little value, claiming that they already had skills in writing résumés, filling out applications, and developing self-presentation and other “soft skills.”

The Effects of Reform on Welfare Receipt and Employment

One of the goals of TANF is to move people from welfare to work. As a first step in exploring the likely effects of Pennsylvania's 1996 reforms on welfare receipt and employment, administrative records were assembled for the 513,031 individuals who received cash assistance, food stamps, or Medicaid in at least one month from January 1992 through July 1999 on a case with both adults and children. The Pennsylvania Department of Public Welfare provided monthly cash assistance and food stamp payments and Medicaid eligibility for each person through December 2001. The Pennsylvania Department of Labor and Industry provided information on earnings reported to the unemployment insurance (UI) system for the same people over the same period. Because information is available only through the end of 2001, this analysis focuses on the period before any families reached the five-year lifetime limit. And because work requirements, time limits, and other policies do not apply to child-only cases, the analysis is limited to cases with adults.

The analysis summarized below compares groups of cases in which adults received welfare payments between January 1993 and March 1997 with later groups of welfare recipients. If the behavior of the later groups differed markedly from what was expected based on the behavior of the earlier groups, this suggests that TANF had an effect. For example, if the reforms contributed to the decrease in caseloads after March 1997, then either people should have left welfare faster than expected after that point or fewer people than expected should have begun receiving welfare. The main findings of the analysis are summarized in Table 2. Although welfare recipients left welfare and went to work faster in 2001 than they did in 1992, the results imply that welfare reform was responsible for only some of those changes. Many of the changes began before the reforms were implemented, and the patterns of change before and after 1997 were often similar.

Although the goal of this analysis is to understand the likely effects of welfare reform on welfare receipt and employment, it is impossible to separate the effects of reform from the effects of 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. The results should therefore be interpreted with caution. However, no sudden changes in the other factors occurred in March 1997, when the state began implementing welfare reform in Philadelphia, or in March 1999, when families began reaching the two-year time limit. If welfare reform had large effects on welfare receipt and employment, there should be some evidence of change after those dates.

- **Welfare recipients left the rolls sooner and were more likely to go to work in 1999 than in 1993.**

About 18 percent of new welfare cases that included adults in 1993 were closed within six months, compared with 27 percent of such cases that were new in mid-1999. Likewise, 39 percent

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Table 2

**Estimated Trends and Effects of TANF
for Welfare Exits, Welfare Entry, and Employment**

Outcome	Trend from 1992 to 2001	Estimated Effect of TANF
<u>Welfare exits</u>		
New welfare recipients	Rate of exit increased slowly prior to TANF but remained steady after 1996	Compared with the ongoing trend, TANF resulted in a small decrease in the rate of exit
Long-term welfare recipients	Rate of exit increased slowly throughout the period but increased faster after 1996	TANF increased exits among long-term recipients, particularly after families began reaching the two-year time limit
<u>Welfare entry</u>		
New welfare recipients	Entry declined throughout the period	TANF had little effect on the number of new welfare cases
Returning welfare recipients	Recidivism decreased slightly prior to TANF but increased after TANF	TANF increased recidivism
New food stamp recipients entering welfare	Entry was fairly steady prior to TANF but decreased somewhat after TANF	TANF slightly reduced the number of people moving from food stamps to cash assistance
<u>Employment among new welfare recipients</u>		
All employment	Employment was steady prior to TANF but increased after TANF was implemented	TANF increased employment among current and former welfare recipients

of adults in the former group of cases were working a year later, compared with 55 percent of the latter group. Many fewer people began receiving welfare in the late 1990s than at the beginning of the decade. For example, only 435 new welfare cases that included adults opened in July 1999, compared with more than 1,000 for an average month in 1993. All these changes began to occur before the 1996 welfare reform, however, suggesting that they were not caused by reform alone but might reflect 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.

- **Pennsylvania's welfare reforms appear to have increased the rate at which long-term recipients leave the rolls in Philadelphia, but the reforms have had little effect on the exit rate of new cases.**

As mentioned above, the rate at which new cases with adult welfare recipients left the rolls in Philadelphia gradually increased throughout the 1990s. Because this increase occurred at a similar rate before and after 1997, the 1996 welfare reform is unlikely to be its primary cause. In fact, there is some evidence that the state reforms caused a small number of recipients to stay on the rolls longer, perhaps because of Pennsylvania's more generous earnings disregard. This is a result that has also been seen in random assignment studies of earnings disregard policies. However, among long-term welfare recipients (those who had remained on the rolls for 18 of the 24 months after first receiving welfare), the change in welfare exits accelerated after 1997, implying that welfare reform had a larger effect on the behavior of long-term recipients. This effect was particularly striking just after the two-year work-trigger time limit was first encountered, in March 1999. The present analysis contains too little information after that date, however, to understand whether the acceleration is a permanent phenomenon. It is important to remember that these estimates of the effects of TANF do not include the effects of the state's 60-month lifetime limit, which families did not begin to reach until after the period covered by this analysis.

- **Pennsylvania's reforms may have reduced slightly the number of food stamp recipients who subsequently received cash assistance in Philadelphia.**

The likelihood that a new food stamp recipient would soon begin receiving cash assistance was steady through most of the study period but decreased by about 5 percentage points after 1997. In contrast, the likelihood that a case would end and then begin again was decreasing prior to TANF but increased after 1997, implying that welfare reform increased recidivism slightly. The increase in recidivism might imply that Pennsylvania's reforms were encouraging some recipients to leave welfare for work before they were able to sustain employment.

- **Welfare reform increased employment among current and recent recipients, but much of the increase in employment was unstable.**

As mentioned above, new welfare recipients in Philadelphia were more likely to go to work quickly at the end of the decade than in 1993. This increase occurred almost solely after 1996, suggesting that TANF was responsible for greater employment among new welfare recipients. The finding that welfare reforms in Philadelphia increased employment but had little effect on welfare receipt in the pre-time-limit period suggests that the state's simplified and expanded earned income disregard played an important role. However, much of the increase in employment was unstable, which is consistent with the finding that TANF increased recidivism, and it suggests that greater attention be paid to employment retention services and to helping recipients find good jobs.

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 638 single mothers who were on welfare in May 1995 and who were living in Philadelphia'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 32 welfare mothers in three poor neighborhoods from 1997 through 2001. Readers should keep in mind that observed changes over time are not necessarily attributable to welfare reform but are likely to reflect a combination of factors, including the strong economy, the effect of other policies like the EIC, and the aging of these women and their children.

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 from 100 percent in May 1995 (baseline) to 62 percent in 1998 and to 32 percent at the time of the 2001 interview. Although 49 percent were employed and not receiving cash assistance in 2001, the percentage of women who had neither work nor welfare as a source of income nearly doubled, from 11 percent in 1998 to 19 percent in 2001. Moreover, the percentage who reported no source of income increased significantly, from 0.3 percent in 1998 to 1.7 percent in 2001.

- **Most respondents did not work steadily.**

Employment stability among these women was similar to what has been found among welfare recipients in other studies: One out of three worked in 36 or more months out of a 48-month period. Some women, however, experienced considerable employment instability, having taken a series of short-term low-wage jobs that resulted in great fluctuations in earnings (and therefore benefit eligibility) from month to month. Ethnographic and survey data suggest that many respondents quit their jobs, and the ethnographic respondents cited such reasons as poor treatment by an employer, poor working conditions, problems with the job's location or schedule, lack of benefits, low pay, and health problems affecting them or their children.

- **Over time, the employment situations of most respondents improved.**

In both 1998 and 2001, most of the women who worked had full-time jobs. Average hourly wages for their current or most recent job increased from \$7.52 in 1998 to \$9.12 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 \$254 to \$339. Re-

spondents were also more likely to be in jobs with fringe benefits (such as sick pay, vacation, and health insurance) in 2001 than in 1998.

- **Regardless of improvements in employment, most respondents had poor jobs that paid close to the minimum wage, lacked fringe benefits, or were part time.**

The percentage of women who worked full time in jobs that paid \$7.50 per hour or more and that offered employer-provided health insurance increased from 1998 to 2001 (Figure 4), but only about two out of five working women had such a job in 2001. Despite the strong economy, most women worked in jobs that offered them few or no benefits and that provided earnings that would keep their families at or near the poverty level.

- **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.**

Most women in the study had barriers that could constrain their ability to get a job or that could limit the kinds of jobs for which they qualified. For example, three-quarters of the women overall (and 84 percent of those who were not working in 2001) did not have a driver's license or did not have access to a car — a considerable barrier when most new jobs were in the suburbs. Nearly one-third of survey respondents (nearly half of those not working in 2001) were at risk for clinical depression. And more than a quarter (more than half of those not working in 2001) had a physical health problem.

- **Although most employment barriers did not improve over time, there was significant improvement in respondents' educational attainment.**

Most barriers to employment did not improve over time, but a few did, and no barrier became worse. Of particular note was growth in the percentage of women who had a GED or high school diploma (up from 53 percent in 1995 to 61 percent in 2001) and a decline in the percentage who had an ill or disabled child who constrained their ability to work (down from 25 percent in 1998 to 17 percent in 2001).

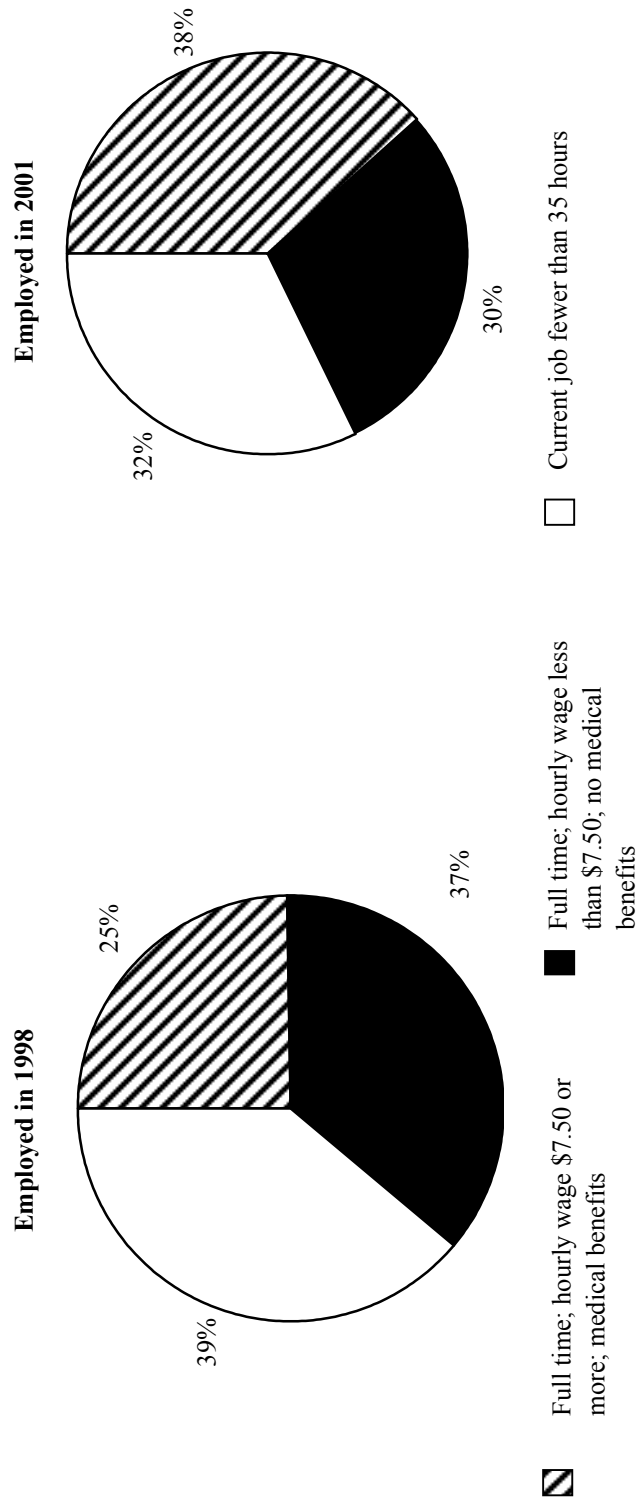
- **Employment outcomes were better for the respondents who had a high school credential.**

As noted above, nearly half the survey sample had neither graduated from high school nor earned a GED by May 1995. Not surprisingly, these women fared worse than high school graduates in the labor market. On average, the respondents who had a diploma or GED certificate worked more often, had higher-paying jobs, and were more likely to have such fringe benefits as health insurance. The women who lacked a high school credential were also more likely

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Figure 4

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 240 of the 270 respondents who were working for whom wage and benefit information was available. Calculations for 2001 are based on 355 of the 377 respondents who were working for whom wage and benefit information was available. Rounding may cause slight discrepancies in calculating sums and differences.

to suffer a range of other employment barriers, so it is not clear whether lack of education or some other barrier was primarily responsible for their difficulties in the world of work.

Economic Circumstances and Material Hardship

- **Over time, the composition of respondents' total household income changed substantially.**

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 about one-third of the families were in households that received TANF in 2001, more than half were still getting food stamps and Medicaid.

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

Overall, average total monthly household income increased from \$1,203 in 1998 to \$1,683 in 2001 — corresponding to an average annualized income of \$20,196 in 2001 (not including the EIC, which added an estimated \$1,351 to the average household's income). The percentage of poor households consequently declined, from 74 percent of the sample in 1998 to 57 percent in 2001. Despite this decline, the vast majority of families were poor or near poor, and many shifted from being welfare poor to working poor.

- **The use of safety net programs decreased over time.**

Respondents' use of food stamps, Medicaid, and the Women, Infants, and Children (WIC) program declined over time, although there was no change in their use of subsidized housing and energy assistance. A majority of the families who were receiving food stamps and Medicaid were still receiving cash assistance, and about one-fourth of the families who were not receiving food stamps remained eligible for them. In July 2002, because of concern that eligible families were not receiving food stamps, Pennsylvania gave families who were leaving welfare five months' automatic eligibility for food stamps, but this policy change could not be captured in the 2001 Urban Change interviews.

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

More women in the study owned cars in 2001 than in 1998 (32 percent, compared with 21 percent), but a majority of the sample still had to rely on public transportation to get to and from work, resulting in long average commutes. Home ownership also increased (25 percent, compared with 16 percent), and more families had savings in excess of \$500 (10 percent, compared with 4 percent). Along with increased assets, however, came increased debt: 34 percent of

households owed more than \$2,000 in 2001 (not including car loans and mortgages), compared with 26 percent in 1998.

- **Despite overall economic improvements, there was little change in material hardship.**

Between 1998 and 2001, there was little change in a range of measures of respondents' material hardship, including food insecurity overall, having "worst-case" housing needs (spending more than 50 percent of household income on rent and utilities, without subsidy), having gas or electricity shut off in the prior year, doubling up with another family, or living in a crowded house. Likewise, health care coverage was largely unchanged. There were a few more promising signs, however. Hunger significantly declined (from 15 percent to 11 percent of the sample); respondents reported living in neighborhoods that were less dangerous and less violent; and there were significant declines in the proportion of respondents who were evicted in the past year and in the number who witnessed a violent crime in their neighborhood.

- **Despite improvements in income, material hardships remained high among these families.**

At the time of the 2001 interview, families were experiencing two hardships, on average, out of eight specific hardships considered. About four out of five respondents reported at least one hardship, and about a third of the women reported three hardships or more. About two out of five respondents reported food insecurity; three out of ten reported spending more than 50 percent of household income on rent and utilities; one out of three reported that they lived in a dangerous neighborhood in 2001; and about one out of five lacked health insurance in the year before both interviews.

In summary, data from this study indicate that, overall, there were improvements over time with regard to employment and the economic well-being of women in Philadelphia 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 material hardship remained widespread.

Welfare Reform and Neighborhoods

As legislation to reform welfare took shape in Pennsylvania, questions were raised about the effects of reform in the state's largest city, especially in its low-income communities. On the one hand, critics conjectured that welfare reform would undercut the progress that was being made on such urban problems as housing deterioration, crime, and drug trafficking. Further, some anticipated that families who remained on welfare might become increasingly isolated in urban areas of greatest disadvantage. Proponents of welfare reform, on the other hand, expected positive spillover effects for communities. One point of view suggested that rising lev-

els of employment among welfare recipients could benefit neighborhood economies and institutions. This section summarizes findings from the Urban Change project's neighborhood indicators component, which asked: What were the conditions of Philadelphia's neighborhoods before and after welfare reform, and did poor neighborhoods get better or worse after reform?

The Residential Patterns of Welfare Recipients

- **In the early 1990s, families in Philadelphia who were receiving cash assistance were concentrated in a set of neighborhoods in a few parts of the city. Although welfare caseloads substantially declined after 1994, the concentration of welfare recipients remained high.**

Before welfare reform, many of Philadelphia's neighborhoods (defined as census tracts) had high concentrations of families receiving welfare cash assistance (Figure 5). The concentration of welfare recipients was most pronounced in Central and South Philadelphia and was more severe for African-American than for white welfare recipients. Because of residential patterns, most welfare families were geographically isolated from working-poor and middle-class families who were not on welfare. Despite the steady decline in the welfare caseload beginning in 1994, this picture did not change much by the end of the study period (Figure 6). Even though Philadelphia's caseload declined by nearly 50 percent, more than one in five residents in most of the poorest neighborhoods remained on welfare.

- **Although the number of welfare recipients in Philadelphia fell by about half during the study period, people who remained on the rolls were residentially segregated and socially isolated from nonrecipients.**

Pockets of welfare concentration have led to serious concerns about the isolation of Philadelphia's welfare poor and the resulting limitations on their opportunities. Commonly used indices of segregation, isolation, and concentration show that while falling caseloads have lowered the number and percentage of welfare recipients living in high-welfare tracts, recipients remained relatively segregated and isolated.

Neighborhood Conditions

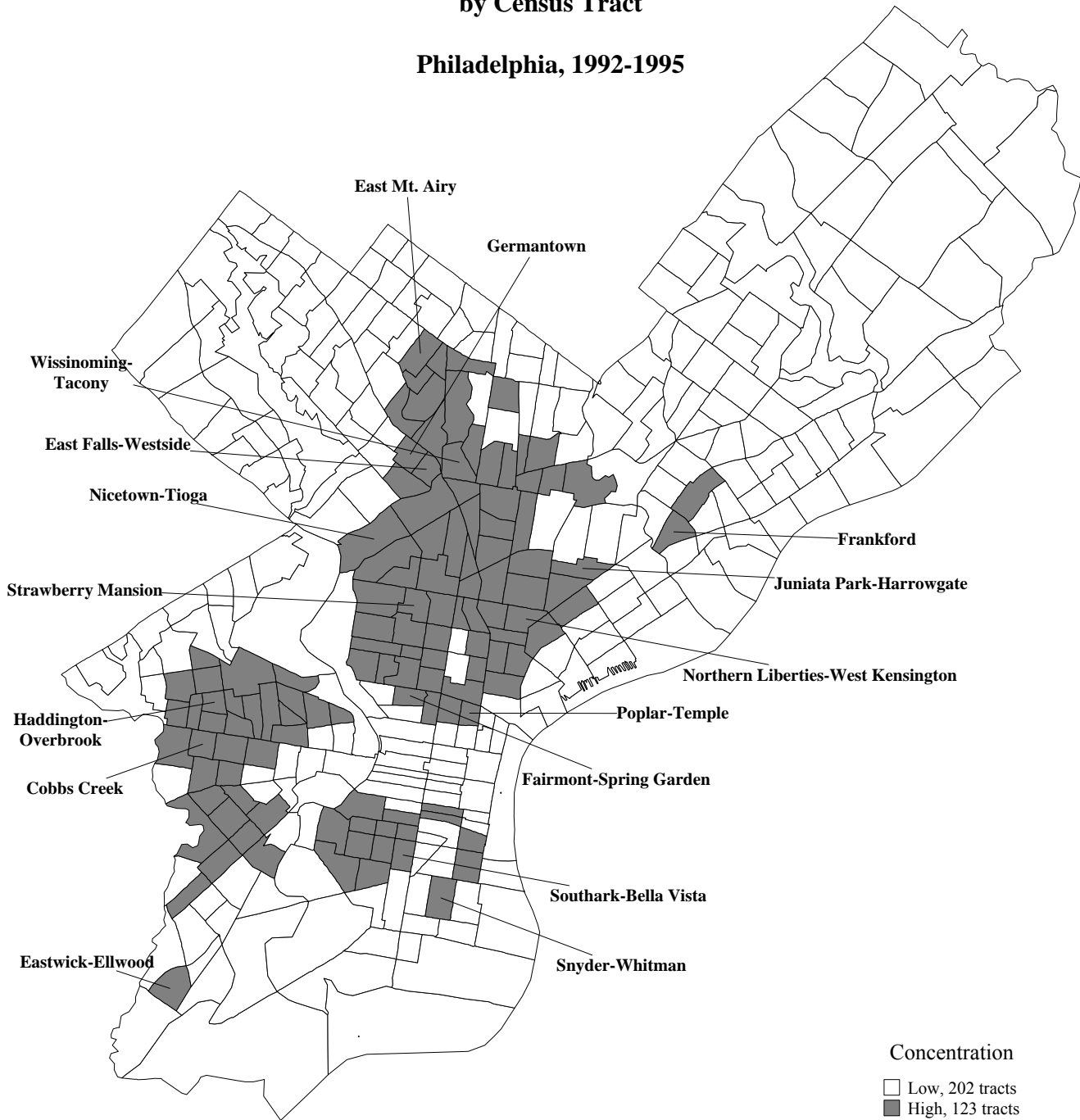
The Urban Change project monitored aggregate social and economic indicators for high-welfare neighborhoods and the balance of Philadelphia to assess whether neighborhood conditions — especially undesirable conditions — had become more prevalent in particular neighborhoods since the implementation of welfare reform. Indicators were selected that were relevant to concerns about the potential effects of the reforms on children, families, and neighborhoods. Unlike the earlier discussion of the effects of welfare reform on welfare receipt and employment, this analysis is purely descriptive of trends from 1992 through 2000.

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Figure 5

Concentration of Welfare Recipients Before Welfare Reform,
by Census Tract

Philadelphia, 1992-1995



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

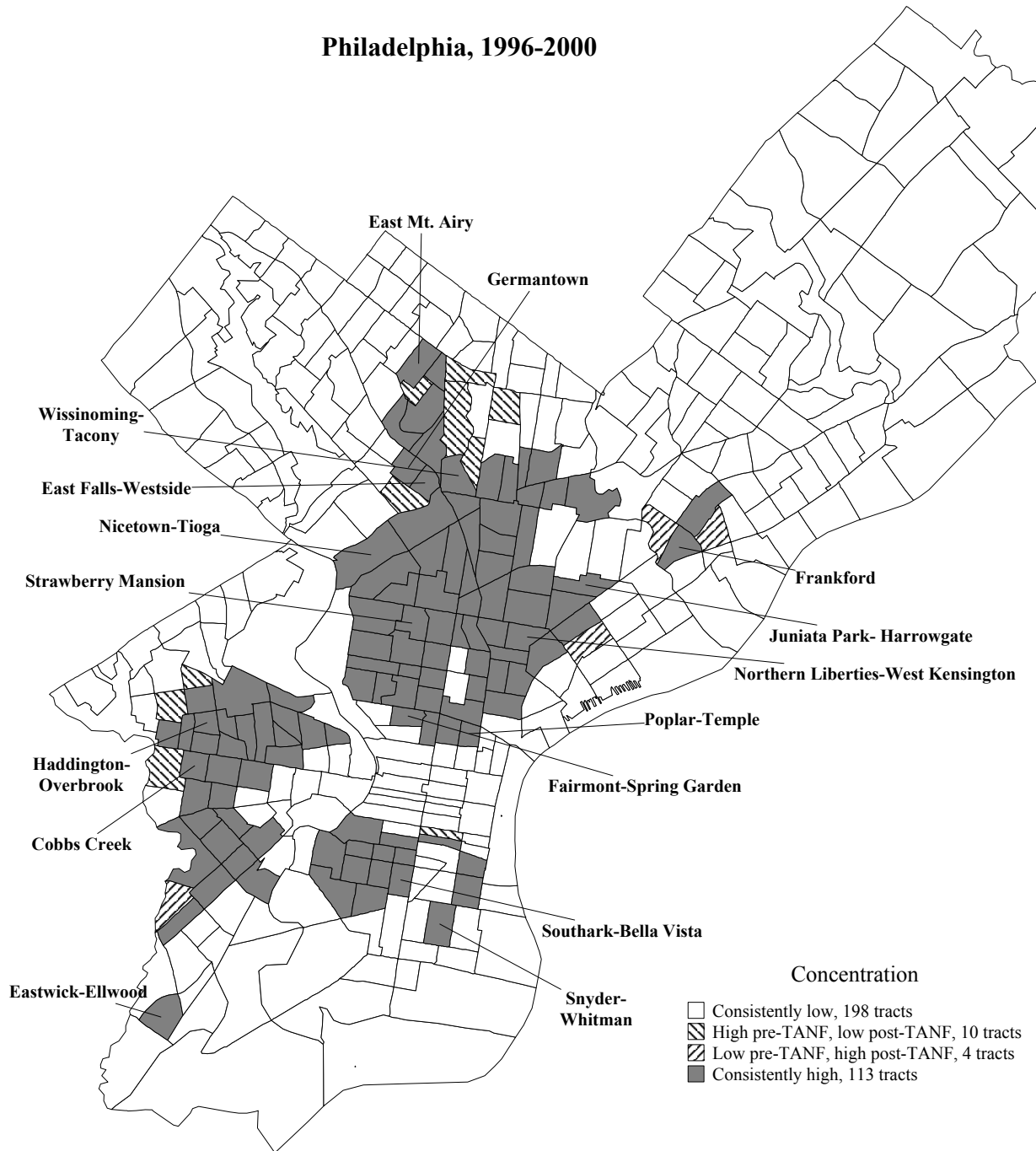
NOTE: High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

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Figure 6

Concentration of Welfare Recipients After Welfare Reform,
by Census Tract

Philadelphia, 1996-2000



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

NOTE: High-welfare neighborhoods are those with welfare receipt rates of at least 20 percent.

- **Over a nine-year tracking period, most indicators of neighborhood conditions improved. Since welfare reform was implemented, the indicators have not shown a pattern that is consistent with a negative change.**

Overall, social and economic conditions improved in Philadelphia’s high-welfare neighborhoods (Table 3). Similar to national trends, most of the city experienced decreases in teen childbearing, violent crime, homicides, property crime, and drug arrests, and those changes were more striking in high-welfare neighborhoods. In addition, more pregnant mothers in high-welfare neighborhoods received adequate prenatal care, and housing values increased somewhat

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Table 3

Summary of Trends in Neighborhood Conditions

Indicator	Trend from 1992 to 2000
<u>Birth trends</u>	
Teen births	Declines countywide and particularly in high-welfare neighborhoods
Nonmarital birth ratio	Slight increases countywide
Adequacy of prenatal care	Slight increases in high-welfare neighborhoods; slight declines in the balance of the county
<u>Child well-being</u>	
Child abuse and neglect	No change in high-welfare neighborhoods; increases in the balance of the county
<u>Crime</u>	
Violent crime	Declines countywide and particularly in high-welfare neighborhoods
Homicide	Declines countywide and particularly in high-welfare neighborhoods
Property crime	Declines countywide and particularly in high-welfare neighborhoods
Drug arrests	Declines countywide and particularly in high-welfare neighborhoods
<u>Economic factors</u>	
Median housing value	Slight increases countywide

citywide. Although the proportion of births that were out of wedlock increased over time, this reflected an absolute reduction in the number of out-of-wedlock births and an even greater reduction in the number of births to married women. Most of these changes predated welfare reform, however. It is consequently unclear what effect the reforms had, if any, on social conditions in poor neighborhoods.

- **Fewer of Philadelphia'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.**

The number of highly distressed census tracts declined by more than half during the study period. A neighborhood was considered highly distressed if it was more than twice as bad as the city median on four of five social and economic indicators. Throughout the 1990s, the percentage of welfare recipients living in these tracts also decreased, from 39 percent to 17 percent, suggesting that conditions were improving over time in the neighborhoods where welfare recipients lived. By the end of the decade, the few remaining distressed neighborhoods had substantial concentrations of site-based public housing.

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

On every indicator examined, conditions in the city's poorest neighborhoods were less favorable than in other areas. For example, throughout the study period, teen birthrates in high-welfare neighborhoods were about twice as high as in the balance of the city, and the incidence of homicides at the end of the study period was nearly four times greater in high-welfare neighborhoods.

Welfare-to-Work Transitions and Neighborhood

The patterns of economic opportunities and social relationships within and across neighborhoods might promote or impede the employment and self-sufficiency goals of welfare reform. These possibilities raise the question whether employment outcomes for current or former cash assistance recipients differ by neighborhood.

- **Despite the clustering of welfare recipients in Philadelphia's disadvantaged neighborhoods, where they lived did not seem to affect whether current or former recipients went to work.**

Welfare recipients in the high-welfare neighborhoods of Philadelphia were just as likely as other recipients to combine work and welfare or to leave welfare for work. This suggests that recipients in high-welfare neighborhoods were not prevented from leaving welfare for work by

high crime rates, by high rates of teen births, or by the other adversities that are implied by the array of social and economic indicators described earlier.

Comparisons of Philadelphia and Cuyahoga County

As the following summary implies, changes in welfare receipt, employment, and families' economic well-being were larger in Cuyahoga County (Cleveland) than in Philadelphia during the period covered by this report, but TANF appears to have affected more welfare and employment outcomes in Philadelphia. The larger changes over time might reflect Cuyahoga County's greatly expanded welfare-to-work program, its stricter work requirement, or its more rigidly enforced time limit. Alternatively, the changes might have been smaller in Philadelphia because its economy was substantially worse than Cuyahoga County's, with slower economic growth and higher unemployment rates. Table 4 focuses on the two counties' implementation of welfare reform and compares the resulting outcomes for welfare recipients and their neighborhoods.

Welfare Reform Policies and Their Implementation

- **The essential features of welfare reform were similar in Cuyahoga County and Philadelphia.**

Both counties' welfare-to-work programs were transformed from de facto voluntary education and training programs to ones that tried to move welfare recipients quickly into work and that enforced work requirements with financial sanctions. In both places, the earned income disregard was expanded to encourage recipients to work. And, of course, welfare benefits were time-limited in both places.

- **Cuyahoga County ran a tougher welfare program than Philadelphia.**

Ohio Works First (OWF), the state's TANF program to replace AFDC, adopted one of the nation's shortest time limits on cash assistance — 36 months — and the time limit was enforced rigidly. Cuyahoga County also enforced a stricter work requirement than the one that was enforced in Philadelphia: From the time adult welfare recipients began receiving TANF, they were required to spend 30 hours per week either working or engaging in welfare-to-work activities. The percentage of adult recipients who participated in work-related activities in Cuyahoga County was generally higher than in Philadelphia.

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Table 4

Comparison of Welfare Reform and Welfare-Related Outcomes in Cuyahoga County (Ohio) and Philadelphia

Outcome	Cuyahoga County	Philadelphia
<u>Implementation</u>		
Policies	Three-year time limit, 30-hour work requirement, work-focused welfare-to-work program, expanded earned income disregard	Two-year work-trigger time limit, five-year lifetime time limit, work-focused welfare-to-work program, simplified and expanded earned income disregard
Implementation	Widespread organizational change; rigorous enforcement of time limits and work requirements	Initial use of independent job search; many extensions for families reaching time limits; subsidized work for families reaching two-year time limit
<u>Administrative records</u>		
Welfare exits	TANF increased the rate of exit, particularly for long-term recipients.	TANF increased exits of long-term recipients, especially after two-year time limit.
Welfare entry	TANF reduced movement from food stamps to cash assistance.	TANF increased recidivism, reduced movement from food stamps to cash assistance.
Employment	There is no evidence that TANF increased employment.	TANF increased employment, particularly unstable employment.
<u>Experiences of recipients</u>		
Economic outcomes	Earnings and income increased over time. In 2001, the average hourly wage was \$8.60.	Earnings and income increased over time but not as much as in Cuyahoga County. In 2001, the average hourly wage was \$8.90.
Material hardship	Material hardship remained high and largely unchanged over time.	Material hardship remained high and largely unchanged over time.
<u>Neighborhoods</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, but the number of high-welfare neighborhoods remained steady over time.
Social indicators	Most improved over time, but drug arrests increased. High-welfare neighborhoods had much higher levels of distress than other neighborhoods.	Improved over time, especially in high-welfare neighborhoods. High-welfare neighborhoods had much higher levels of distress than other neighborhoods.

- **Cuyahoga County radically transformed its welfare operations.**

In implementing reform, Cuyahoga County split its former welfare agency into two parts, one to work exclusively with people receiving cash assistance and the other to serve everyone else — senior citizens, the disabled, and the working poor. To rid the old agency of its impersonal, bureaucratic image and to do a better job of connecting clients to jobs and other resources, the single downtown welfare office that existed prior to reform was decentralized late in 1998 to 11 neighborhood family service centers. In addition, the county implemented a new case management model that combined income maintenance and employment functions, and a special division was created to focus on time-limited cases.

- **Cuyahoga County placed a strong emphasis on trying to divert welfare applicants from going on cash assistance.**

Cuyahoga County's Self-Sufficiency Coaches (case managers) met with welfare applicants to try to understand why they needed cash assistance and to offer alternatives, including food stamps, Medicaid, and child care assistance. Starting in late 1999, the county began offering grants of up to \$3,000 in a 12-month period to keep families from going on cash assistance, to help them find work, and to meet emergency needs.

- **Cuyahoga County rigidly enforced its 36-month time limit.**

The 36-month time limit began to be enforced in Cuyahoga County in October 2000. Within the next 12 months, approximately 4,000 families who had used up their months of cash assistance were cut off. Before cash assistance was terminated, families were called in for a pre-time-limit interview to make sure that they understood that their cash benefits were about to end, to determine whether they had a realistic plan to replace OWF income, and to ensure that they continued to receive noncash benefits for which they were eligible — namely, food stamps, Medicaid, and child care. Clients who needed employment were referred to job developers and other employment resources.

- **Clients had similar experiences in the two counties.**

Despite differences in the way reform was implemented in the two counties, clients had similar experiences in many respects. As in Philadelphia, welfare recipients in Cuyahoga County were sometimes confused about the details of welfare reform, especially whether they could receive food stamps and Medicaid if they stopped receiving cash assistance. Also as in Philadelphia, recipients had mixed feelings about welfare staff. Many thought that their case managers pushed them to get jobs even before they felt ready and that case managers just wanted to enforce the rules. Compared with recipients in Philadelphia, clients in Cuyahoga County had greater understanding of time limits but less understanding of earnings disregards. What they knew might have been affected by the simplicity of policies and messages. Although

the earnings disregard in Philadelphia was made simpler than the policy in Cuyahoga County, there was only one time limit to explain in Ohio, compared with both work-trigger and lifetime limits in Pennsylvania.

Effects of Welfare Reform on Welfare Receipt and Employment

- **The overall trend in welfare and employment outcomes was similar in Cuyahoga County and Philadelphia.**

In both places, welfare recipients were more likely to leave welfare quickly at the end of the study period than earlier, were more likely to work at the end of the period, and were less likely to begin receiving welfare or to return to the rolls at the end of the period. These changes generally happened at a slower pace in Philadelphia than in Cuyahoga County.

- **The estimated effects of TANF on welfare receipt were similar in Cuyahoga County and Philadelphia in the pre-time-limit period, but only in Philadelphia did TANF appear to increase employment.**

In both places, TANF appeared to increase the rate at which long-term recipients left the rolls, and TANF appeared to reduce the likelihood that people would move from food stamps to cash assistance. In Philadelphia, however, TANF was associated with an increase in recidivism and an increase in employment — results not found in Cuyahoga County. Longer follow-up is needed in both counties to examine the effects of welfare time limits.

The Experiences of Welfare Recipients

- **Although economic outcomes improved over time for survey respondents in both places, the changes were greater in Cuyahoga County.**

Compared with survey respondents in 1998, respondents in 2001 in both counties were more likely to be working and to earn more, were less likely to receive cash assistance, had more overall income, and were less likely to be poor. However, changes in these outcomes were greater in Cuyahoga County than in Philadelphia. For example, the proportion of women who were working increased from 38 percent to 67 percent in Cuyahoga County and increased from 28 percent to 49 percent in Philadelphia. Likewise, 32 percent of the women in Philadelphia were still on welfare in 2001, compared with only 12 percent in Cuyahoga County.

- **Although most of the jobs that survey respondents in both counties obtained were low-paying, the jobs were better, on average, in Philadelphia than in Cuyahoga County.**

Among survey respondents who worked, average hourly wages were higher in Philadelphia than in Cuyahoga County (\$9.12, compared with \$8.68 in 2001); and Philadelphia workers were more likely to have jobs that paid \$7.50 or more per hour, were full time, and included fringe benefits (38 percent, compared with 32 percent in 2001). These findings might reflect Philadelphia's generally higher wage levels, or they could suggest that Cuyahoga County's stricter work requirements and richer job search services helped a more disadvantaged group of women find work than in Philadelphia.

- **The average number of barriers to employment was similar in Philadelphia and Cuyahoga County, but welfare recipients in Philadelphia were more likely to have severe barriers.**

From a list of 13 barriers to employment, survey respondents in both places indicated having about 2.5 barriers in 2001. But respondents in Philadelphia were more likely to have such severe barriers as being at high risk of depression (32 percent, compared with 23 percent), having a health problem that limited work (28 percent, compared with 20 percent), and not having access to a car (75 percent, compared with 48 percent). Each of these barriers was much more prevalent among women who were not working, and they might help explain why Philadelphia's survey respondents were less likely to work.

- **The use of safety net programs dropped more in Philadelphia than in Cuyahoga County.**

In both places, families were less likely to receive food stamps in 2001 than in 1998, but the drop-off was larger in Philadelphia, especially among families who stopped receiving cash assistance. While Medicaid receipt held steady over time in Cuyahoga County, it dropped substantially in Philadelphia. In both counties, many families who were no longer receiving these forms of benefits remained eligible for them. These differences might reflect Cuyahoga County's greater emphasis on ensuring that families leaving welfare continued to receive other benefits.

Welfare Reform and Neighborhoods

- **In both Cuyahoga County and Philadelphia, welfare recipients were isolated socially and were concentrated in certain neighborhoods, but the number of high-welfare neighborhoods decreased substantially in Cuyahoga County.**

In both counties, welfare recipients were relatively segregated and isolated in the metropolitan area at both the beginning and the end of the study period. The primary difference between the two counties was that the number of "welfare-dependent" neighborhoods decreased

by over 50 percent in Cuyahoga County, whereas most Philadelphia neighborhoods that were high welfare in 1992 continued to be high welfare in 1999.

- **Trends in both counties' social and economic indicators were similar. The one notable exception was in drug arrests, which declined precipitously in Philadelphia but increased over time in high-welfare neighborhoods in Cuyahoga County.**

In both counties, social and economic indicators generally improved: Teen births declined; the adequacy of prenatal care improved; violent crime declined; and housing values improved. In Cuyahoga County, however, drug arrests increased over time, whereas they declined in Philadelphia, particularly in high-welfare neighborhoods. In both counties, however, changes in these indicators occurred both before and after welfare reform, and there is little evidence to suggest that welfare reform affected them.

Conclusions and Policy Implications

When the Project on Devolution and Urban Change began, both supporters and critics of welfare reform envisioned striking changes in policy and in the well-being of poor families at risk of receiving welfare benefits. Proponents of the 1996 federal law believed that it 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 two places — Philadelphia and Cuyahoga County — to assess whether these expectations of big change have come to pass. Although the experiences of the two counties differ in their details, both stories fall somewhere between the two extremes. As supporters of welfare reform predicted, the counties were innovative, and economic and social conditions generally improved. Both counties improved their employment-related benefits and services. Caseloads declined; many recipients went to work; and welfare reform policies appear to be at least partly responsible for these changes. The employment and economic situations of low-income women who had a history of welfare receipt and who lived in the poorest neighborhoods generally improved over time: Their average weekly earnings increased; they were less likely to be poor; and they acquired more assets (along with more debts). Likewise, most measures of social conditions improved in both counties as a whole and, in particular, in their low-income neighborhoods. The various procedures and ser-

vices that the counties put in place to help parents who were having difficulty finding jobs — and the safety net that was extended for families reaching lifetime limits on benefits — seemed to avoid immediate harm.

Despite the good news, there are three main reasons to refrain from declaring victory for welfare reform. First, welfare rolls were going down and employment was rising among recent recipients in both Philadelphia and Cleveland before TANF was implemented, suggesting that other factors — such as the strong economy — played an important role in these changes. Second, it is unclear how welfare reform will play out in a weaker economy. Even with the extraordinarily good conditions captured in this study, most former recipients ended up in low-paying jobs with few or no benefits, and some central-city neighborhoods remain highly distressed. Third, the time-limit policy — the feature that has most worried the critics of reform — was implemented at or near the end of studies in both counties, and it is still too early to know whether, in the long run, time limits will lead to positive or negative effects on low-income families and neighborhoods.

What lessons are policymakers to draw, and how does Philadelphia's experience contribute to those lessons? The answers depend largely on the goals that policymakers want welfare reform to achieve. Within the parameters set by the 1996 welfare reform, the following key observations and recommendations can be made.

- **A stricter welfare-to-work program might have generated larger and more sustained effects on employment and welfare use.**

Although Philadelphia's welfare caseloads declined during the study period and many recipients went to work, these changes were not as great as in other cities, such as Cleveland. Survey respondents showed smaller changes in employment and welfare use than in other places, and administrative records show only modest evidence that the 1996 reforms encouraged welfare recipients to leave the rolls. The approach in Philadelphia might be part of the reason for the relatively small changes. The city started further behind most other places because it began with fewer services, and although it made extensive changes to its program, it continued to lag behind other places. In Philadelphia, most welfare recipients had to look for work on their own; the minimum amount of time a recipient had to engage in activities during the first two years on the rolls was not specified; and sanctions were at first rarely used to enforce participation requirements. Other places have enforced stricter work requirements and have provided more help in finding work, and other studies have confirmed the importance of such help and requirements in creating change. The approach used in Philadelphia may have contributed to the difficulty that many women had in finding steady work and to their increased likelihood of returning to the welfare rolls. As discussed below, however, Philadelphia's relatively weak economy undoubtedly also played a role in these outcomes.

- **The nation's growing economy has played a central role in reducing caseloads and increasing employment. The importance of economic factors should not be overlooked.**

In both Philadelphia and Cuyahoga County, a growing economy during the study period made it relatively easy for welfare recipients to find work and leave the rolls. It also reinforced the logic of such program strategies as job search, designed to move welfare recipients into the labor market quickly. The significance of the economy as a determining factor might also partly explain the above-mentioned differences in outcomes between the two counties: Although welfare recipients in both places became, over time, more likely to work and less likely to receive welfare, those changes were less striking in Philadelphia than in Cuyahoga County. This might reflect the fact that Philadelphia's economy grew relatively slowly during the 1990s and still suffered from very high unemployment even at the end of the decade. Moreover, even with a growing economy, Philadelphia found it necessary to help recipients who have had difficulty finding jobs, by providing subsidized work and training. In a softer economy, these more intensive activities may be required to help welfare recipients (and agencies) meet federal and state participation requirements and to improve the ability of recipients to compete for jobs. A softer labor market would also likely increase the demand for cash benefits and other services (from families who have reached the time limit), and it remains to be seen how many families Pennsylvania will be able to accommodate through its Extended TANF program. It is important to note, however, that caseloads in Philadelphia have not increased during the early years of the recent national economic downturn.

- **Fixed funding under the TANF block grant, combined with reduced caseloads, helped expand services in both Philadelphia and Cuyahoga County. This makes a case for maintaining the current size and structure of the block grant.**

As mentioned above, the welfare-to-work program in Philadelphia was not as rich in services as the programs in some other places, because Philadelphia started out with fewer services in 1996. Nevertheless, state officials and welfare administrators responded to greater requirements under TANF by expanding their welfare-to-work efforts and improving service delivery. Their achievements include the creation of a new unit for welfare-to-work staff and the concentration of resources in that unit; a large increase in the percentage of welfare recipients enrolled in welfare-to-work activities; the expansion and simplification of the earned income disregard to help ensure an increase in the income of recipients going to work; the development of one of the country's largest subsidized work programs; and the widespread use of extensions for families who reached the five-year lifetime limit on welfare receipt. In expanding and increasing the funding for welfare-to-work services, and in focusing those services on employment, Philadelphia's experience was similar to Cuyahoga County's. On balance, the level of

services offered to welfare recipients and low-income working families in both counties went up, not down. It seems unlikely that this would have occurred without the added resources per recipient that were available because of the block grant system — or without the urgency the legislation provided for helping welfare recipients go to work.

- **Policymakers should strive to develop simple policies that can be easily explained and understood.**

Pennsylvania's simplified and expanded earned income disregard policy was widely understood by recipients, even though welfare staff did not stress this policy. Ohio's expanded earned income disregard was not as simple, and fewer recipients understood it. By contrast, recipients in Philadelphia were quite confused about the difference between the two-year work-trigger time limit and the five-year lifetime limit, whereas welfare staff in Cuyahoga County conveyed a very clear message about the county's one-time limit, and that message was heard loud and clear. These comparisons can be instructive: They suggest that although it can be tempting to devise complicated policies in order to attempt to subtly influence behavior, simpler policies might be more likely to have the desired effects.

- **Expanded earned income disregard policies can provide economic support to families who combine work and welfare, without putting them at risk of hitting welfare time limits.**

Pennsylvania's new earned income disregard policy provides a financial incentive for welfare recipients to go to work, and its simplicity makes it easy to understand and use. In the short run, this is a win-win situation: Recipients who work gain valuable experience and increase their monthly income, and the welfare agency gets to count such employment toward its welfare-to-work participation rate. However, enhanced earnings disregards often have an unintended consequence. By making it easier for recipients to stay on the rolls when they work, enhanced earnings disregards encourage recipients to use up months of assistance that they might need later if they lose a job or other source of income. Pennsylvania recognized this potential problem by instituting a program in 2000 that uses state funds to stop the clock for up to one year for certain recipients, such as single parents who work 30 hours or more per week. Likewise, Pennsylvania uses state funds to extend benefits to families who reach the 60-month lifetime limit. Other states might want to consider similar policies. To pay for these benefits — which would be smaller than regular welfare payments — states could take advantage of TANF's nonassistance provision by using state maintenance-of-effort dollars. In this way, benefits would not count toward the federal time limit on receipt of TANF. Research in several

states suggests that providing financial incentives to welfare recipients who go to work can increase employment, reduce poverty, and improve family and child outcomes.²

- **Many welfare recipients in Philadelphia took low-wage jobs without fringe benefits, increasing the importance of such benefits as the Earned Income Credit (EIC), food stamps, and Medicaid. More education and outreach might be needed to ensure that families are aware of these programs and receive benefits for which they qualify.**

Despite Philadelphia's growing economy, the survey found that many women worked in jobs that paid low wages and lacked health insurance. In addition, some of the women in the survey and ethnographic samples indicated that they did not fully understand which benefits they could receive if they took jobs and stopped receiving cash assistance, and some women in the ethnographic sample indicated that staff did not always allow them to take advantage of the benefits to which they were entitled. Perhaps as a result of this confusion, many women who took jobs and left welfare also stopped receiving food stamps and Medicaid, even though they continued to be eligible. This may help explain why many of the women reported food insecurity, even though they were working. Welfare staff and social service providers may need to make more concerted efforts to explain the economic supports and benefits that are available to low-income working families — and to emphasize that these benefits are not time-limited. They might also place greater emphasis on explaining the EIC, including how to ask employers to get a portion of the EIC advanced in one's paycheck. Pennsylvania is already making an effort: In 2002 — after the period covered in this report — the state automatically provided five months of food stamp benefits to families leaving cash assistance. It remains to be seen how successful such efforts will be.

- **Helping former welfare recipients stabilize their employment and gain access to better jobs may require specialized skill-building programs designed for working parents.**

Although working women in both Philadelphia and Cuyahoga County earned higher hourly wages over time, most still earned too little to lift their families far out of poverty. Transitional benefits provide crucial assistance to welfare recipients who go to work, but the long-term solution to lifting families out of poverty and encouraging self-sufficiency is to help them acquire better jobs. While some advancement may come with greater work experience, many former welfare recipients might need to upgrade their skills in order to land jobs with higher pay and benefits. Education and training providers might consider developing part-time or short-

²See, for example, Pamela Morris, Virginia Knox, and Lisa Gennetian, *Welfare Policies Matter for Children and Youth: Lessons for TANF Reauthorization* (New York: MDRC, 2002).

term programs specifically for low-income working adults, preferably in the evenings or on weekends. Welfare agencies can set aside funds to help former recipients who enroll in training programs to access child care, transportation assistance, and financial help with books and supplies. Employers can support workers' career advancement through in-house training, tuition reimbursement programs, and flexible work schedules.

- **Conditions in Philadelphia's poorest neighborhoods improved overall during the 1990s, but many neighborhoods remain highly distressed. Revitalizing these communities will likely require investments well beyond what the welfare system can provide — as well as the involvement of other public and private sector partners.**

On a number of social and economic indicators, Philadelphia's poorest neighborhoods improved during the 1990s. Nevertheless, the population who remain on welfare continue to be isolated geographically and to live in distressed neighborhoods. Addressing such inequalities may require a two-pronged approach, on the one hand promoting the revitalization of poor neighborhoods and, on the other hand, adopting transportation and subsidized housing policies that will make it easier for low-income families to move freely throughout the metropolitan area, where they can have equal access to opportunities.

TANF has moved the country and urban areas like Philadelphia toward a view of public assistance as a temporary hand up rather than a permanent handout, especially during the recent period of national economic prosperity. But a great deal of work remains to accomplish the more difficult goals of increasing income, reducing poverty, and in general improving the lives of poor people and the conditions of the neighborhoods in which they live.

Recent Publications on MDRC Projects

Note: For works not published by MDRC, the publisher's name is shown in parentheses. With a few exceptions, this list includes reports published by MDRC since 1999. A complete publications list is available from MDRC and on its Web site (www.mdrc.org), from which copies of MDRC's publications can also be downloaded.

Reforming Welfare and Making Work Pay

Next Generation Project

A collaboration among researchers at MDRC and several other leading research institutions focused on studying the effects of welfare, antipoverty, and employment policies on children and families.

How Welfare and Work Policies Affect Children: A Synthesis of Research. 2001. Pamela Morris, Aletha Huston, Greg Duncan, Danielle Crosby, Johannes Bos.

How Welfare and Work Policies Affect Employment and Income: A Synthesis of Research. 2001. Dan Bloom, Charles Michalopoulos.

How Welfare and Work Policies for Parents Affect Adolescents: A Synthesis of Research. 2002. Lisa Gennetian, Greg Duncan, Virginia Knox, Wanda Vargas, Elizabeth Clark-Kauffman, Andrew London.

ReWORKing Welfare: Technical Assistance for States and Localities

A multifaceted effort to assist states and localities in designing and implementing their welfare reform programs. The project includes a series of "how-to" guides, conferences, briefings, and customized, in-depth technical assistance.

After AFDC: Welfare-to-Work Choices and Challenges for States. 1997. Dan Bloom.

Work First: How to Implement an Employment-Focused Approach to Welfare Reform. 1997. Amy Brown.

Business Partnerships: How to Involve Employers in Welfare Reform. 1998. Amy Brown, Maria Buck, Erik Skinner.

Promoting Participation: How to Increase Involvement in Welfare-to-Work Activities. 1999. Gayle Hamilton, Susan Scrivener.

Encouraging Work, Reducing Poverty: The Impact of Work Incentive Programs. 2000. Gordon Berlin.

Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce. 2000. Julie Strawn, Karin Martinson.

Beyond Work First: How to Help Hard-to-Employ Individuals Get Jobs and Succeed in the Workforce. 2001. Amy Brown.

Project on Devolution and Urban Change

A multiyear study in four major urban counties — Cuyahoga County, Ohio (which includes the city of Cleveland), Los Angeles, Miami-Dade, and Philadelphia — that examines how welfare reforms are being implemented and are affecting poor people, their neighborhoods, and the institutions that serve them.

Big Cities and Welfare Reform: Early Implementation and Ethnographic Findings from the Project on Devolution and Urban Change. 1999. Janet Quint, Kathryn Edin, Maria Buck, Barbara Fink, Yolanda Padilla, Ollis Simmons-Hewitt, Mary Valmont.

Food Security and Hunger in Poor, Mother-Headed Families in Four U.S. Cities. 2000. Denise Polit, Andrew London, John Martinez.

Assessing the Impact of Welfare Reform on Urban Communities: The Urban Change Project and Methodological Considerations. 2000. Charles Michalopoulos, Johannes Bos, Robert Lalonde, Nandita Verma.

Post-TANF Food Stamp and Medicaid Benefits: Factors That Aid or Impede Their Receipt. 2001. Janet Quint, Rebecca Widom.

Social Service Organizations and Welfare Reform. 2001. Barbara Fink, Rebecca Widom.

Monitoring Outcomes for Cuyahoga County's Welfare Leavers: How Are They Faring? 2001. Nandita Verma, Claudia Coulton.

The Health of Poor Urban Women: Findings from the Project on Devolution and Urban Change. 2001. Denise Polit, Andrew London, John Martinez.

Is Work Enough? The Experiences of Current and Former Welfare Mothers Who Work. 2001. Denise Polit, Rebecca Widom, Kathryn Edin, Stan Bowie, Andrew London, Ellen Scott, Abel Valenzuela.

Readying Welfare Recipients for Work: Lessons from Four Big Cities as They Implement Welfare Reform. 2002. Thomas Brock, Laura Nelson, Megan Reiter.

Welfare Reform in Cleveland: Implementation, Effects, and Experiences of Poor Families and Neighborhoods. 2002. Thomas Brock, Claudia Coulton, Andrew London, Denise Polit, Lashawn Richburg-Hayes, Ellen Scott, Nandita Verma.

Comparing Outcomes for Los Angeles County's HUD-Assisted and Unassisted CalWORKs Leavers. 2003. Nandita Verma, Richard Hendra.

Monitoring Outcomes for Los Angeles County's Pre- and Post-CalWORKs Leavers: How Are They Faring? 2003. Nandita Verma, Richard Hendra.

Wisconsin Works

This study examines how Wisconsin's welfare-to-work program, one of the first to end welfare as an entitlement, is administered in Milwaukee.

Complaint Resolution in the Context of Welfare Reform: How W-2 Settles Disputes. 2001. Suzanne Lynn.

Exceptions to the Rule: The Implementation of 24-Month Time-Limit Extensions in W-2. 2001. Susan Gooden, Fred Doolittle.

Matching Applicants with Services: Initial Assessments in the Milwaukee County W-2 Program. 2001. Susan Gooden, Fred Doolittle, Ben Glispie.

Community Service Jobs in Wisconsin Works: The Milwaukee County Experience. 2003. Andrea Robles, Fred Doolittle, Susan Gooden.

Employment Retention and Advancement Project

Conceived and funded by the U.S. Department of Health and Human Services (HHS), this demonstration project is aimed at testing various ways to help low-income people find, keep, and advance in jobs.

New Strategies to Promote Stable Employment and Career Progression: An Introduction to the Employment Retention and Advancement Project (HHS). 2002. Dan Bloom, Jacquelyn Anderson, Melissa Wavelet, Karen Gardiner, Michael Fishman.

Time Limits

Welfare Time Limits: State Policies, Implementation, and Effects on Families. 2002. Dan Bloom, Mary Farrell, Barbara Fink.

Leavers, Stayers, and Cyclers: An Analysis of the Welfare Caseload. 2002. Cynthia Miller.

Florida's Family Transition Program

An evaluation of Florida's initial time-limited welfare program, which includes services, requirements, and financial work incentives intended to reduce long-term welfare receipt and help welfare recipients find and keep jobs.

The Family Transition Program: Implementation and Three-Year Impacts of Florida's Initial Time-Limited Welfare Program. 1999. Dan Bloom, Mary Farrell, James Kemple, Nandita Verma.

The Family Transition Program: Final Report on Florida's Initial Time-Limited Welfare Program. 2000. Dan Bloom, James Kemple, Pamela Morris, Susan Scrivener, Nandita Verma, Richard Hendra.

Cross-State Study of Time-Limited Welfare

An examination of the implementation of some of the first state-initiated time-limited welfare programs.

Welfare Time Limits: An Interim Report Card. 1999. Dan Bloom.

Connecticut's Jobs First Program

An evaluation of Connecticut's statewide time-limited welfare program, which includes financial work incentives and requirements to participate in employment-related services aimed at rapid job placement. This study provides some of the earliest information on the effects of time limits in major urban areas.

Connecticut Post-Time Limit Tracking Study: Six-Month Survey Results. 1999. Jo Anna Hunter-Manns, Dan Bloom.

Jobs First: Implementation and Early Impacts of Connecticut's Welfare Reform Initiative. 2000. Dan Bloom, Laura Melton, Charles Michalopoulos, Susan Scrivener, Johanna Walter.

Connecticut's Jobs First Program: An Analysis of Welfare Leavers. 2000. Laura Melton, Dan Bloom.

Final Report on Connecticut's Welfare Reform Initiative. 2002. Dan Bloom, Susan Scrivener, Charles Michalopoulos, Pamela Morris, Richard Hendra, Diana Adams-Ciardullo, Johanna Walter.

Vermont's Welfare Restructuring Project

An evaluation of Vermont's statewide welfare reform program, which includes a work requirement after a certain period of welfare receipt, and financial work incentives.

Forty-Two-Month Impacts of Vermont's Welfare Restructuring Project. 1999. Richard Hendra, Charles Michalopoulos.

WRP: Key Findings from the Forty-Two-Month Client Survey. 2000. Dan Bloom, Richard Hendra, Charles Michalopoulos.

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Encouraging Work, Reducing Poverty: The Impact of Work Incentive Programs. 2000. Gordon Berlin.

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An evaluation of Minnesota's pilot welfare reform initiative, which aims to encourage work, alleviate poverty, and reduce welfare dependence.

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Volume 1: Effects on Adults. Cynthia Miller, Virginia Knox, Lisa Gennetian, Martey Doodoo, Jo Anna Hunter, Cindy Redcross.

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Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program. 2000. Virginia Knox, Cynthia Miller, Lisa Gennetian.

Final Report on the Implementation and Impacts of the Minnesota Family Investment Program in Ramsey County. 2000. Patricia Auspos, Cynthia Miller, Jo Anna Hunter.

New Hope Project

A test of a community-based, work-focused antipoverty program and welfare alternative operating in Milwaukee.

New Hope for People with Low Incomes: Two-Year Results of a Program to Reduce Poverty and Reform Welfare. 1999. Johannes Bos, Aletha Huston, Robert Granger, Greg Duncan, Thomas Brock, Vonnie McLoyd.

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Canada's Self-Sufficiency Project

A test of the effectiveness of a temporary earnings supplement on the employment and welfare receipt of public assistance recipients. Reports on the Self-Sufficiency Project are available from: Social Research and Demonstration Corporation (SRDC), 275 Slater St., Suite 900, Ottawa, Ontario K1P 5H9, Canada. Tel.: 613-237-4311; Fax: 613-237-5045. In

the United States, the reports are also available from MDRC.

Does SSP Plus Increase Employment? The Effect of Adding Services to the Self-Sufficiency Project's Financial Incentives (SRDC). 1999. Gail Quets, Philip Robins, Elsie Pan, Charles Michalopoulos, David Card.

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Mandatory Welfare Employment Programs

National Evaluation of Welfare-to-Work Strategies

Conceived and sponsored by the U.S. Department of Health and Human Services (HHS), with support from the U.S. Department of Education (ED), this is the largest-scale evaluation ever conducted of different strategies for moving people from welfare to employment.

Do Mandatory Welfare-to-Work Programs Affect the Well-Being of Children? A Synthesis of Child Research Conducted as Part of the National Evaluation of Welfare-to-Work Strategies (HHS/ED). 2000. Gayle Hamilton.

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Moving People from Welfare to Work: Lessons from the National Evaluation of Welfare-to-Work Strategies (HHS/ED). 2002. Gayle Hamilton.

Los Angeles's Jobs-First GAIN Program

An evaluation of Los Angeles's refocused GAIN (welfare-to-work) program, which emphasizes rapid employment. This is the first in-depth study of a full-scale "work first" program in one of the nation's largest urban areas.

The Los Angeles Jobs-First GAIN Evaluation: First-Year Findings on Participation Patterns and Impacts. 1999. Stephen Freedman, Marisa Mitchell, David Navarro.

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Teenage Parent Programs: A Synthesis of the Long-Term Effects of the New Chance Demonstration, Ohio's Learning, Earning, and Parenting (LEAP) Program, and the Teenage Parent Demonstration (TPD). 1998. Robert Granger, Rachel Cytron.

Ohio's LEAP Program

An evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program, which uses financial incentives to encourage teenage parents on welfare to stay in or return to school.

LEAP: Final Report on Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents. 1997. Johannes Bos, Veronica Fellerath.

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A test of a comprehensive program of services that seeks to improve the economic status and general well-being of a group of highly disadvantaged young women and their children.

New Chance: Final Report on a Comprehensive Program for Young Mothers in Poverty and Their Children. 1997. Janet Quint, Johannes Bos, Denise Polit.

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Center for Employment Training Replication

This study is testing whether the successful results for youth of a training program developed in San Jose can be replicated in 12 other sites around the country.

Evaluation of the Center for Employment Training Replication Sites: Interim Report (Berkeley Policy Associates). 2000. Stephen Walsh, Deana Goldsmith, Yasuyo Abe, Andrea Cann.

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Focusing on Fathers

Parents' Fair Share Demonstration

A demonstration for unemployed noncustodial parents (usually fathers) of children on welfare. PFS aims to improve the men's employment and earnings, reduce child poverty by increasing child support payments, and assist the fathers in playing a broader constructive role in their children's lives.

Fathers' Fair Share: Helping Poor Men Manage Child Support and Fatherhood (Russell Sage Foundation). 1999. Earl Johnson, Ann Levine, Fred Doolittle.

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The Responsible Fatherhood Curriculum. 2000. Eileen Hayes, with Kay Sherwood.

The Challenge of Helping Low-Income Fathers Support Their Children: Final Lessons from Parents' Fair Share. 2001. Cynthia Miller, Virginia Knox.

Career Advancement and Wage Progression

Opening Doors to Earning Credentials

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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.