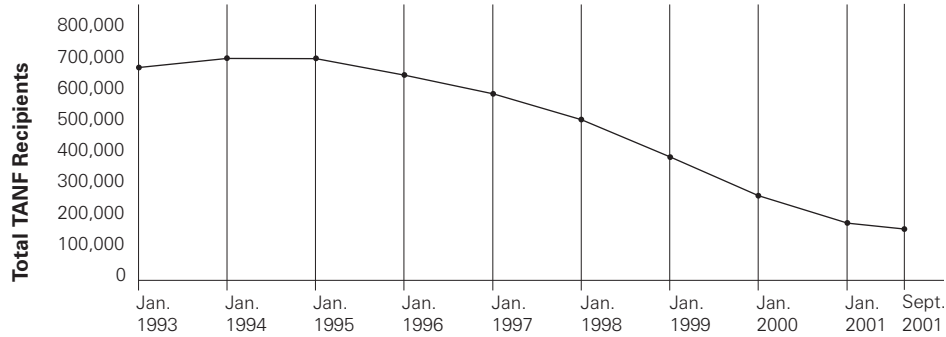


TITLE	WELFARE TO WORK: WHAT HAVE WE LEARNED?								
SUBJECT	FINDINGS FROM RESEARCH ON WELFARE REFORM IN ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, OHIO, & WISCONSIN	3-2002							
	<table border="1"><tr><td>IL</td><td>IN</td><td>IA</td><td>MI</td><td>MN</td><td>OH</td><td>WI</td></tr></table>	IL	IN	IA	MI	MN	OH	WI	
IL	IN	IA	MI	MN	OH	WI			

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ILLINOIS IN BRIEF

Welfare caseloads have declined dramatically.



Most welfare recipients and leavers want to work and do work.

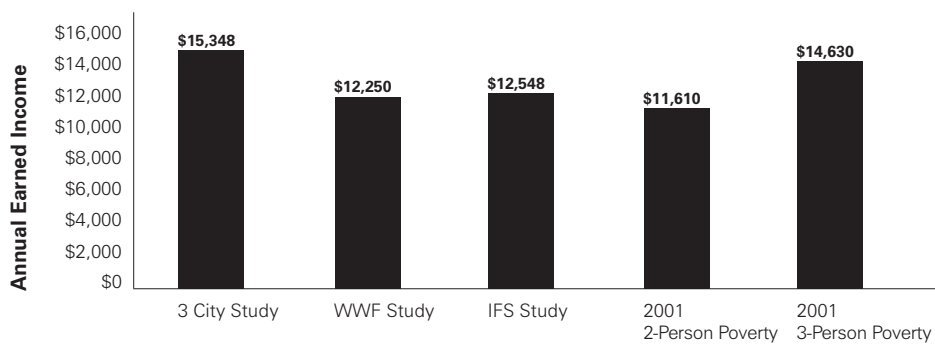
	Three City Study	IFS	VWF
Employed	57%	65%	67%
Left Welfare due to Work/Increased Earnings	65%	42%	54%
Work in FullTime Jobs	54%	38%	—
Worked All Months While not on Welfare	52%	—	—

93% expect to be working one year from now.

88% percent agree it is a good idea to require people on welfare to work.

83% agree that, "it is a good idea to require people on welfare to find a job and work."

Low earnings leave many families poor.



Work is only one reason for leaving welfare.

	3 City Study	IFS	WWF
Non-Compliance	14%	35%	30%
Time-Limit	6%	2%	—

Families experience hardships.

	Unemployed Leavers	Employed Leavers
Can't buy groceries	56%	63%
Can't pay bills	61%	48%
Can't pay rent	54%	41%

Families face barriers to work.

	No HS/GED	HS/GED	Fair or Poor Health	Very Good or Excellent Health
% Employed	48%	72%	55%	72%
% Employed Full Time	53%	65%	53%	71%

Many still need government assistance.

	3 City Study	WWF
Food Stamps	26%	40%
Medicaid	65%	61%
SSI	9%	10%
Subsidized Housing	58%	8%

Some families are still unaware of new rules and regulations.

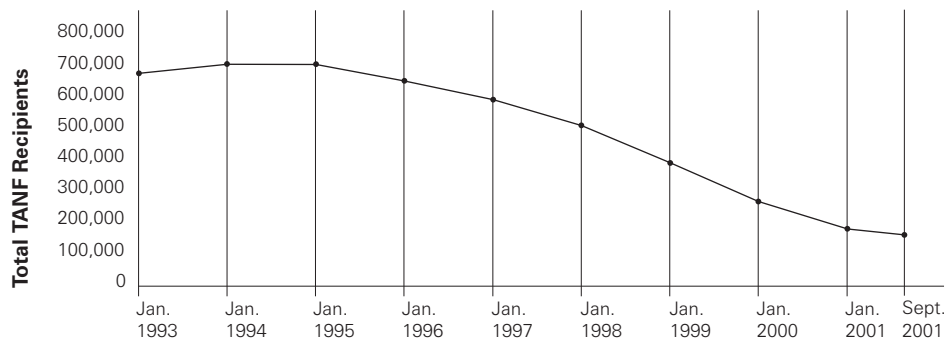
- 39% mistakenly believed people cannot keep any cash assistance if they are working.
 - 29% either did not know there were time limits on TANF or said there was no limit.
 - 27% did not know it was possible to continue getting Food Stamps after leaving.
 - 23% did not know it was possible to continue getting Medicaid while working.
-

WELFARE REFORM IN ILLINOIS

Illinois' TANF plan, implemented in 1997 by the Department of Human Services (IDHS), incorporated major features of the state's earlier experiments with welfare reform¹. Like most states, Illinois emphasizes rapid attachment to the labor force through mandatory job search soon after recipients enter the program. Unlike most states however, Illinois does not have a time limit for benefits as long as a recipient is working, but does follow the federal policy of requiring work or a work activity within two years for continued receipt.²

Welfare caseloads in Illinois declined from 642,644 recipients in August 1996 to 161,318 by September 2001.³ This 74.9% drop is greater than the 56.4% decline nationally during this period and ranks first among the seven states covered in this review. However, the rate of decline has slowed recently to 13.7% from January to September 2001.⁴

FIGURE 1 NUMBER OF ILLINOIS WELFARE RECIPIENTS: JANUARY 1993 TO SEPTEMBER 2001



Data Source: U.S. Department of Health and Human Services, Administration for Children and Families.

Even with this recent up-tick however, the overall decrease in the number of individuals receiving welfare in Illinois has certainly been dramatic. In addition, the decline has taken place despite higher relative unemployment rates in the state. The average unemployment rate in Illinois for 2000 was 4.4%, low by most standards, but still slightly higher than the national rate of 4.0% and highest among the seven Joyce states. By August 2001, the state unemployment rate had risen to 5.5%. It may seem paradoxical then that Illinois has seen such dramatic decreases in its welfare caseload. The findings presented in the next section help to explain in more detail what the results of these economic conditions and welfare reform changes have meant for thousands of low-income families in Illinois.

1 Illinois Family Study (IFS).

2 Life After TANF.

3 Latest figures available from the U.S. Department of Health and Human Services, Administration for Children and Families (DHHS-ACF).

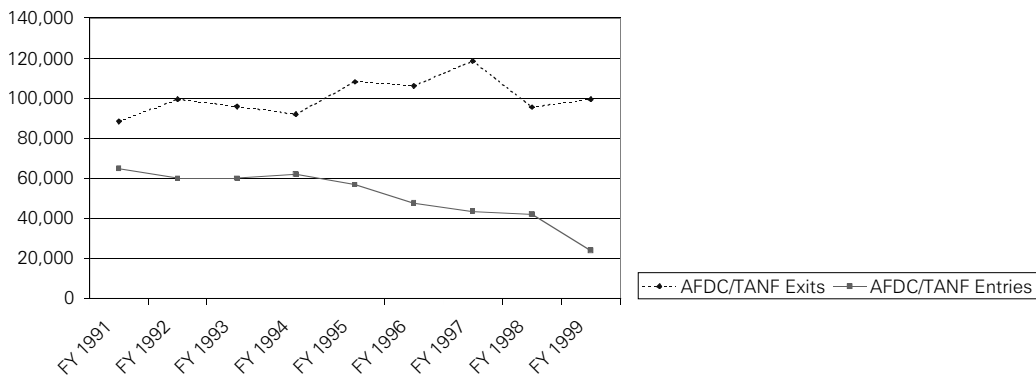
4 Ibid.

WHAT THE RESEARCH TELLS US

Most people who left welfare went to work. Many took jobs that were part-time or lasted only a few months.

It seems evident that at least some of the decline attributed to PRWORA⁵ is due not simply to recipients leaving welfare for work, but also to greater numbers of new applicants being diverted from ever coming onto the rolls. Data on first time AFDC/TANF⁶ entry and exit clearly show that while exits increased after welfare reform, entries declined even more dramatically.

FIGURE 2 AFDC/TANF FIRST TIME ENTRIES AND EXITS (FISCAL YEARS 1991–1999)



Data Source: Lee, Bong Joo, Goerge, Robert, and Dilt, John. *Outcomes for the Income Maintenance Caseload During Receipt: Caseload Dynamics, Employment and Earnings in Illinois 1991-1999*. June 2000.

However, of families who were on welfare at some point and left, most do become employed. One study found that just over half of the jobs were full-time and a slight majority of leavers worked all the months they were off welfare (see Table 1). Another found that the percentage of welfare leavers who returned to welfare within six months dropped from 28.8% in 1996 to 16.3% two years later.⁷

⁵ Personal Responsibility and Work Opportunity Reconciliation Act, signed by President Bill Clinton in August 1996, which ended the Aid to Families with Dependent Children (AFDC) program and with it the federal entitlement to welfare.

⁶ AFDC is Aid to Families with Dependent Children, the name commonly used to describe “welfare.” TANF is Temporary Assistance to Needy Families, the new program created by PRWORA which replaced AFDC.

⁷ *Chapin Hall Reports*.

TABLE 1 WELFARE LEAVERS AND WORK

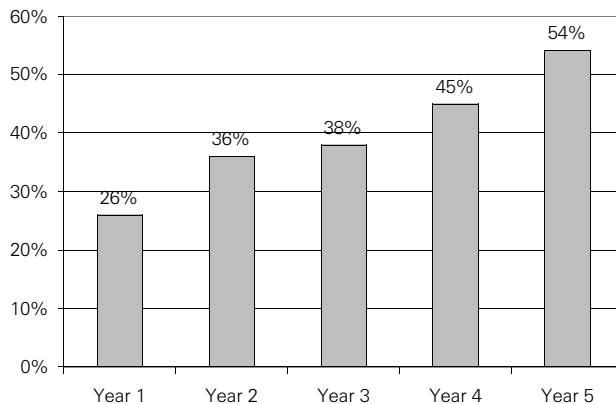
	3 City Study ^a	IFS ^b	WWF ^c
Employed at Time of First Interview	57% (Chicago)	65%	67%
Left Welfare Due to Finding a Job/Increased Earnings	65% (all cities)	42%	54%
Jobs Full-Time	54%	38%	—
Worked All Months While Not on Welfare	52%	—	—

a-Moffitt, Robert and Roff, Jennifer. *Diversity of Welfare Leavers*. October 2000.

b-Lewis, Dan; Stevens, Amy Bush, et al. *Work Welfare, and Well-Being: An Independent Look At Welfare Reform In Illinois. Project Description and First-Year Report*. November 2000.

c-Armato, Suzanne; Lewis, James, et al. *Living with Welfare Reform: A Survey of Low Income Families in Illinois*. January 2000.

Although not working exclusively with welfare leavers, evaluators of the Project Match program found that 87% of their program participants worked in at least one job during their first year in the program, and 26% worked all 12 months. This rate steadily increased over the next four years (see Figure 3).

FIGURE 3 PROJECT MATCH PROGRAM PARTICIPANTS WORKING FULL YEAR

Herr, Toby; Wagner, Suzanne, and Halpern, Robert. *Making the Shoe Fit: Creating a Work-Prep System for a Large and Diverse Welfare Population*. December 1996.

However the work was often unstable. Substantial numbers of current and former welfare recipients struggle to find and maintain full-time, full-year employment.⁸

- 55% of those who worked lost or quit their job within 6 months.
- 71% left within a year.
- 23% had little or no work during their participation in the program.

8 Project Match- *Five Years of Welfare: Too Long? Too Short? Lessons from Project Match's Longitudinal Tracking Data*. June 1998.

Many families who have moved from welfare to work remain poor because they earn low wages.

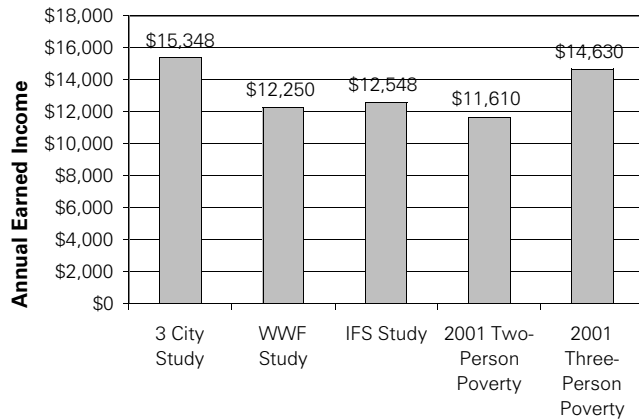
While the majority of former recipients do find work, albeit often in unstable jobs, many families who do work earn very low wages (see Table 2). Calculating annual earnings from hourly wage data, we see that a mother with one child working full-time (35 hours per week) would earn enough to move out of poverty. But, unless she earned wages at the high end of the range, a mother of two would likely remain poor (see Figure 4).

TABLE 2 WAGES AND INCOME OF WELFARE LEAVERS

	3 City Study ^a	IFS ^b	WWF ^c
Mean Hourly Wage	\$8.77 (Chicago)	\$7.00	\$7.17

a-Moffitt, Robert, and Roff, Jennifer. *The Diversity of Welfare Leavers*. October 2000. b-Lewis, Dan; Stevens, Amy Bush, et al. *Work, Welfare, And Well-Being: An Independent Look At Welfare Reform In Illinois. Project Description and First-Year Report*. November 2000. c-Armato, Suzanne; Lewis, James, et al. *Living with Welfare Reform: A Survey of Low Income Families in Illinois*. January 2000.

FIGURE 4 HOURLY WAGES AND POVERTY⁹



Calculated Annual Income = (avg. wage) x (35 hours) x (50 weeks)

Health problems, child care, lack of education, and other problems prevent some welfare recipients from getting jobs, and make it hard for others to stay employed.

It is clear then that even families working full-time and full-year would struggle to stay out of poverty. But many families cannot maintain full-time work schedules due to personal problems and structural impediments to work. In particular, many welfare recipients are poorly educated which hurts their employment and earning prospects. Welfare leavers with lower levels of education are less likely to be employed and more likely to be poor (see Table 3).

TABLE 3 EDUCATION, WORK, AND POVERTY

	No High School or GED ¹⁰	High School or GED
Percent Employed	48%	72%
Percent Employed Full Time	53%	65%
Percent in Poverty	91%	64%

Moffitt, Robert and Roff, Jennifer. *The Diversity of Welfare Leavers*. October 2000.

Problems with child care are also frequently cited as hampering work. Among welfare recipients who had not worked in the last year, child care problems were listed by 38% of long-term welfare users as the primary reason for not working, compared to only 29% of welfare recipients who had worked in the last 12 months.¹¹ Among both current and former recipients, 32% had one or more child care problems; the most frequently reported concerns are listed in Table 4.

TABLE 4 CHILD CARE PROBLEMS AND WORK

Problem	% Reporting
Quality	18%
Cost (avg. monthly cost = \$109)	18%
Finding Child Care During Work Hours	16%
Worried Child May be Harmed in Care	14%
Unreliable Arrangement	14%

Lewis, Dan; Stevens, Amy Bush, et al. *Work, Welfare, And Well-Being: An Independent Look At Welfare Reform In Illinois. Project Description and First-Year Report*. November 2000.

Health problems also present a significant obstacle to work for welfare leavers and are related to lower earnings (see Table 5).

TABLE 5 HEALTH PROBLEMS, WORK AND EARNINGS

	Fair or Poor Health	Excellent or Very Good Health
Percent Employed	55%	72%
Percent Employed Full Time	53%	71%
Earnings of Leaver	\$356	\$718

Moffitt, Robert and Roff, Jennifer. *The Diversity of Welfare Leavers*. October 2000.

¹⁰ General Equivalency Diploma.

¹¹ Work, Welfare and Families (WWF).

Given that unemployment in Illinois, while low by historic levels, is higher than in other states in the region, job availability is a major problem. Among non-working welfare recipients and leavers 46% said they had looked for a job but could not find one.¹² This finding is supported by other data regarding job availability. Of 101 Illinois counties, 71 had a job gap ratio¹³ of 3:1 or lower and 30 counties had a job gap ratio of 4:1 or higher. TANF recipients in the counties where there were more jobs per applicant (lower job gap ratio) were more likely to leave welfare due to increased earnings than those elsewhere (see Table 6), clearly indicating that job availability is a factor in welfare recipients' work patterns. This problem is likely to become worse as the economy continues to slow. The recent downturn in the economy is particularly troublesome for former welfare recipients because they are likely to be employed in areas experiencing significant job losses. Illinois Family Study researchers report that half of respondents in their study found jobs in the service sector with an additional 20% working in retail trade. According to the Department of Labor, the services industry has shown no net gain in employment since March 2001 and actually lost 41,000 jobs nationwide in September 2001. In addition, retail trade employment declined for the second straight month.¹⁴

TABLE 6 JOB GAP RATIO AND WELFARE TO WORK EXITS

Job Gap Ratio	Counties with at Least 8% of Caseload Leaving Due to Increased Earnings
3:1 or Lower	50%
4:1 or Higher	13%

Armato, S.; Lewis, J., et al. *Living with Welfare Reform: A Survey of Low Income Families in Illinois*. January 2000.

Some families are being forced off the welfare rolls, either for failure to comply with program rules or because they have reached time limits.

While the majority of welfare recipients who leave TANF do so because of work (and as noted in the previous section this is more likely in counties with more jobs), a substantial minority report that they left or had their benefits reduced because of non-compliance. That is, their caseworkers determined that they were not following program rules such as fulfilling work requirements, submitting paperwork on time, or keeping appointments with caseworkers. Another reason that families left was because they had reached their time limit.¹⁵

¹² Ibid.

¹³ Work, Welfare and Families. This is the ratio of entry-level job seekers to entry-level job openings. The lower the job gap, the more jobs are available.

¹⁴ U.S. Department of Labor, *The Employment Situation: September 2001*, October 5, 2001.

¹⁵ PRWORA established a five-year lifetime limit on the use of federal funds to provide a family with welfare benefits and it allowed states to establish shorter time limits. See Glossary for more detail.

TABLE 7 REASONS FOR LEAVING TANF

Reason for Case Closing	3 City Study ^a	IFS ^b	WWF ^c
Non-Compliance	14%	27%	30%
Time Limit	6%	8%	—

a-Moffitt, Robert, and Roff, Jennifer. *Diversity of Welfare Leavers*. September 2000.

b-Lewis, Dan; Stevens, Amy Bush, et al. *Work Welfare, And Well-Being: An Independent Look At Welfare Reform In Illinois. Project Description and First-Year Report*. November 2000.

c-Armato, Suzanne; Lewis, James, et al. *Living with Welfare Reform: A Survey of Low Income Families in Illinois*. January 2000.

Sanctioned¹⁶ welfare recipients, those who left TANF (or had a partial benefit reduction) because of non-compliance, were likely to experience several of the barriers to work described earlier. They also experienced higher levels of economic hardship:¹⁷

- *Education*: less likely to have at least a high school degree or GED.
- *Health*: more likely to be in only “fair” or “poor” health.
- *Communication*: less likely to have a working telephone.
- *Transportation*: less likely to own an automobile.
- *Drug Use*: more likely to use marijuana or hard drugs during the previous year.
- *Neighborhood*: more likely to live in neighborhoods with undesirable qualities such as abandoned houses, assaults and muggings, gangs, and drug dealing.
- *Financial Hardship*: lower monthly household income (\$816 versus \$1,041), more likely to borrow money to pay bills and use food pantries and emergency clothing services.
- *Hunger*: more likely to report not eating because they could not afford enough food, or that they lost weight because there was not enough food.

Not surprisingly then, sanctioned welfare leavers fare much worse than non-sanctioned leavers in the job market (see Table 8).

TABLE 8 SANCTIONED LEAVERS AND WORK

	Sanctioned	Not Sanctioned
Percent Employed	47%	68%
Percent Employed Full Time	41%	64%

Moffitt, Robert and Roff, Jennifer. *The Diversity of Welfare Leavers*. October 2000.

16 Under the federal TANF law, states must sanction (penalize) families for refusing to comply with work requirements. The sanction must be at least a pro rata reduction of the family’s grant and may be termination of the family’s grant. Please see the Glossary for more detail on sanction policies.

17 Three City Study. *Sanctions and Case Closings for Noncompliance: Who Is Affected and Why?*

Families experience hardships.

What do these trends mean for real families' day-to-day life? Often, they face significant economic hardship. Many current and former welfare recipients reported difficulty in paying for utilities, rent, and groceries. Welfare leavers, in particular, experience difficulty paying for health care, food, and rent. Families who are able to combine work and welfare under Illinois rules generally had fewer hardships.

TABLE 9 HARDSHIPS EXPERIENCED BY CURRENT AND FORMER WELFARE RECIPIENTS

	Recipients Not Working	Recipients Working	Former Recipients Not Working	Former Recipients Working
Cannot pay bills/utilities	48%	40%	61%	48%
Cannot pay rent	36%	27%	54%	41%
Cannot buy groceries	33%	40%	56%	63%
Cannot pay for child care	13%	19%	16%	24%
Cannot pay for health care	11%	7%	28%	29%
Moved in with family/friends	11%	7%	16%	14%
Loss of transportation	9%	4%	12%	5%
Became homeless	7%	3%	7%	5%
Evicted	4%	3%	12%	5%

Armato, Suzanne; Lewis, James, et al. *Living with Welfare Reform: A Survey of Low Income Families in Illinois*. January 2000.

Many families continue to rely on food stamps, Medicaid, and other forms of government assistance to get by.

The original PRWORA law sought to reduce dependency on government assistance. By some measures Illinois' TANF program has been successful in this regard. IFS researchers found that 21% of the families on TANF in 1998 were not receiving welfare, Food Stamps or Medicaid by fall 1999.¹⁸ However, many families who leave welfare continue to need help from government sources, especially for medical care (see Table 10).

TABLE 10 USE OF GOVERNMENT PROGRAMS BY TANF LEAVERS

Government Program	3-City Study (Chicago) ^a	WWF ^b
Food Stamps	26%	40%
Medicaid	65%	61%
SSI	9%	10%
Subsidized Housing	58%	8%

a-Moffitt, Robert, and Roff, Jennifer. *The Diversity of Welfare Leavers*. October 2000. b-Armato, Suzanne; Lewis, James, et al. *Living with Welfare Reform: A Survey of Low Income Families in Illinois*. January 2000.

Like other Americans, welfare recipients are optimistic about work and welfare reform.

Considering the difficulties of obtaining employment along with the hardships that many welfare recipients and leavers experience, it is notable that most have favorable views of welfare reform in general and work in particular—although support for time limits is weaker.¹⁹

- 83% of Chicago respondents agreed that “it is a good idea to require people on welfare to find a job and work.”
- 15% of parents with children ages two to four in Boston, San Antonio, and Chicago said that they would prefer to stay at home full time, rather than work or go to school.
- 49% of respondents in Chicago agreed that “it is a bad idea to limit the amount of time people can stay on welfare.”

Respondents in a separate survey gave similar responses regarding work. They also said they were pleased with the services they received and generally were optimistic about the future.²⁰

- 93% expect to be working one year from now.
- 79% do not expect to be receiving welfare benefits at that time.
- 88% percent “somewhat” or “strongly” agreed that it is a good idea to require people on welfare to work.
- 60% said they “somewhat” or “strongly” agreed that it is a good idea to limit the amount of time people can stay on welfare.
- 45% of those who participated in a job search/job readiness, job skills training, and/or self-employment training or technical assistance program said the program had “taught them skills to be successful in a job.”
- 51% said the program “gave them more confidence to succeed.”

19 Three City Study, *What Welfare Recipients Know About The New Rules And What They Have To Say About Them*.
20 IFS.

Welfare recipients know that they face time limits. But they often don't know that working families are still eligible for benefits that could improve their standard of living.

Finally, TANF involved drastic changes in the rules and regulations regarding welfare receipt. It is important therefore that participants understand how they are affected by the changes. Generally Illinois welfare recipients know what they are entitled to after leaving.

- 73% of respondents in Chicago knew there was a time limit.
- 70% of those knew it was 60 months.

However, some Chicago recipients were unclear about the effect of employment on time limits. When asked if the months working and receiving welfare count toward the time limit, only 3% said “it depends,” which was technically the correct answer since the time limit depends on how many hours per week a person works. Illinois’ complex 30-hour rule may not have been effectively communicated to recipients.²¹

In another example of confusion, only 47% of Chicago respondents knew that a parent who reaches the time limit and goes off welfare cannot go back on. State-wide, there also seems to be some confusion about income disregards and time limits among recipients.²²

- 39% of respondents mistakenly believed people cannot keep any cash assistance if they are working.
- 29% either did not know there were time limits on TANF benefits or said there was no limit.
- 27% did not know it was possible to continue getting Food Stamps after leaving.
- 23% did not know it was possible to continue getting Medicaid while working.

Several focus group participants said that caseworkers did not provide sufficient information about services. They offered several reasons. Many mentioned caseworker turnover, since participants often saw several caseworkers within short time periods. Others mentioned a more general need for training, or indicated that high caseloads allowed workers inadequate time to attend to client needs.²³ In a more positive view expressed about caseworkers, survey respondents gave the following answers:²⁴

- 73% “somewhat” or “strongly” agreed that their most recent welfare worker treated them with dignity and respect.
- 68% “somewhat” or “strongly” agreed that their worker took time to explain the program rules.
- 31% “strongly agreed” that their worker “only cares about getting forms filled out.”
- 20% “strongly disagreed” that their worker treated them with dignity and respect.

21 Three City Study, *What Welfare Recipients Know About The New Rules And What They Have To Say About Them*.

22 IFS.

23 Life After TANF.

24 IRFS

ILLINOIS DEMOGRAPHIC CHARACTERISTICS

Illinois' population of over 12 million is the most diverse of the seven states in our region. Nearly 70% are non-Hispanic white, 15% are non-Hispanic Black, and 12% are Hispanic. The population has grown by nearly 9% in the past decade. The economy has grown even faster, with per capita income increasing from \$20,756 in 1990 to \$32,259 by 2000. This change of 54.4% is third highest among the seven states. The 1999 Illinois poverty rate for female headed households was 31%, third lowest among the states covered in this report. On the other hand, births to women aged 15-19 were 64.8 per 1,000, highest among the states covered here.

Population

Population (2000) ^a	12,419,000
Percent Change (1990-2000) ^a	8.6%
Percent Under Age 18 ^a	26.1%
Percent Hispanic ^a	12.3%
Percent Non-Hispanic Black ^a	15.1%
Percent White (non-Hispanic) ^a	67.8%
Births per 1,000 Women 15-44 (1998) ^b	68.3
Births per 1,000 Women 15-19 (1998) ^b	64.8
Percent to Unmarried Women (1997-98 avg.) ^b	33.7%

Economics

Per Capita Income (2000) ^c	\$32,259
Per Capita Income (1990) ^c	\$20,756
Percent Change in PCI (1990-2000)	54.4%
Median Income (1998-1999) ^a	\$45,262
Median Income 4-Person Family (1998-2000) ^a	\$66,356
Percent Below Poverty (1999) ^d	9.3%
Percent Children (< 18) Below Poverty (1999) ^d	13.6%
Percent Below Poverty-Fem. Fam. Head (1999) ^d	30.8%
Unemployment Rate (2000) ^e	4.4%
Unemployment Rate (2001) ^e	5.4%
Employment Rate (2000) ^e	95.7%
Total TANF Recipients August 1996 ^f	642,644
Total TANF Recipients September 2001 ^f	161,318
Percent Change ^f	-74.9%

Families (2000)

Total Households ^a	4,591,000 (100%)
Family Households ^a	3,105,000 (67.6%)
With Own Children under 18 years ^a	1,514,000 (33.0%)
Married Couple Families ^a	2,353,000 (51.3%)
With Own Children under 18 years ^a	1,113,000 (24.3%)
Female Householder, no husband present ^a	563,000 (12.3%)
With Own Children under 18 years ^a	315,000 (6.9%)
Nonfamily Households ^a	1,486,000 (32.4%)
Householder living alone ^a	1,229,000 (26.8%)
Households with individuals under 18 years ^a	1,663,000 (36.2%)
Average Family Size ^a	3.23
Low-Income Uninsured Children ^a	8.1%

a-U.S. Bureau of Census.

b-National Center for Health Statistics.

c-U.S. Bureau of Economic Analysis.

d-U.S. Bureau of Labor Statistics and Bureau of the Census Current Population Survey.

e-U.S. Bureau of Labor Statistics.

f-U.S. Department of Health and Human Services-Administration for Children and Families.

STATE TANF POLICIES – ILLINOIS

Who is eligible?

Families: To be eligible for TANF cash assistance, families must include a child under age 18 or a child age 18 who is a full-time student in a secondary school. A pregnant woman with no other children is eligible for assistance, beginning in her first month. All two-parent families are eligible for assistance based on the same eligibility criteria as single-parent families.

Income: Amount of monthly gross earnings above which an applicant or recipient cannot qualify for cash assistance:

Family Size	Amount
1	\$302
2	\$368
3	\$467
4	\$504

In addition, an applicant's net income must fall below the maximum benefit for a family of its size. If net income is below the limit, the applicant is eligible for assistance. Net income equals gross monthly income less the following deductions:

- child support income, up to a maximum of \$50
- \$90 of earnings

Asset Limits: Amount of assets above which an applicant or recipient cannot qualify for cash assistance:

Family Size	Amount
1	\$2,000
2	\$3,000

What happens when they apply?

Application: All persons have a right to file an application for cash assistance and the same application for cash assistance is used throughout the state. This application is a joint application for Food Stamps, Medicaid, and General Assistance in the City of Chicago. Applications must be acted upon within 45 days, and the agency is required to issue a written decision on

applications. There are no requirements that must be met before submitting an application, but Illinois does have application requirements that a family must meet while its cash assistance application is pending. These include the following: completing an assessment; conducting a job search; beginning work activity participation; agreeing to cooperate with child support enforcement; and agreeing to cooperate with assessment and work requirements. Failure to meet these requirements results in denial of the application. Applicants and/or recipients are also required to sign a personal responsibility contract (PRC) while the application is pending. A PRC is a set of obligations developed by the caseworker and may cover the following areas: participation in work activities, child and/or minor parent school attendance, cooperation with child support enforcement requirements, child immunization or preventive health measures, participation in life skills or parenting training, substance abuse provisions, and agreement to achieve self-sufficiency within a set time period.

Diversion: Cash Diversion Programs provide families with an up-front, lump sum payment in lieu of ongoing cash assistance payments. The goal is to help families meet an immediate need and to divert them from formally entering the TANF program. Illinois does not operate a formal cash diversion program.

Declined: Applicants can appeal by requesting a fair hearing in writing.

What do they get if approved?

Cash Benefits: A recipient's benefit is the difference between his/her countable income and the maximum benefit. The countable income is his/her gross monthly income less 67% of earnings. Maximum monthly benefit levels vary for different groups of families. They also vary by region.

Benefits for all families except child-only assistance units:

Family Size	In Region with Most Recipients	Lowest in State	Highest in State
1	\$212	\$173	\$212
2	\$278	\$257	\$278
3	\$377	\$349	\$377
4	\$414	\$389	\$414

Food Stamps: Depending on gross monthly income, families can receive from \$238 per month for a two-person family up to \$977 for a family of 10. Each additional family member would entitle the family to \$98 more in food stamps per month.

Health Insurance: All TANF recipients are entitled to Medicaid. Families that are no longer eligible for TANF due to earnings can retain coverage for six months and for another six months if family income is below 185% of the federal poverty level.

Child Care: All families with income below 50% of state median income or 150% of federal poverty level are eligible regardless of prior TANF status. A two-parent family may receive assistance only if the second parent is unavailable or unable to care for children. The following families may receive subsidies:

- If adult from eligible family is working.
- If TANF recipient is participating in any work-related activity.
- If adult from eligible family attends a two- or four-year college degree program (s/he must either work 10 hours per week or be involved in a combination of work and educationally required, work-like activities for a total of 20 hours per week).
- If adult from eligible family attends adult basic education, English as a Second Language, GED (general equivalency diploma) classes, or a non-degree vocational training program.

Emergency Assistance (EA): EA programs are operated at state discretion and provide funds to families to prevent such emergencies as disconnection of utilities, eviction from a home, or the loss of heat in the winter. States no longer receive funding specifically for an emergency assistance program though they generally can use their TANF block grant dollars or state funds. Illinois provides emergency assistance to families that are receiving TANF cash assistance as follows: eviction prevention; emergency housing assistance; temporary shelter for homeless families; and clothes, furniture, food, and transportation related to needed medical travel. The state does not provide emergency assistance to families that are eligible for but not receiving TANF cash assistance nor to families that are not eligible for TANF.

Other Aid: Supportive services are provided for any client whose approved plan requires such services. Supportive services include child care, transportation, books, fees (e.g., lab or registration), supplies, employment or participation expenses, \$20 per month for job search participants, and a \$20 per month payment to individuals in Work First, work experience or community service to help cover additional expenses. Supportive services of transportation, employment expenses, and costs of books and fees are provided to clients in accordance with their plan.

How long do they get these benefits?

Time Limits: Families with no child under 13 are limited to 24 months cash assistance without employment or participation in the Work First program. There is a lifetime time limit of 60 months. The five-year time limit does not apply in any month in which the family has earned income and is working at least 30 hours a week. For two-parent families, the five-year time limit does not apply in any month that they are working 35 hours per week. The five-year time limit does not apply in any month a single parent is in an approved full-time post-secondary degree program and maintains a 2.5 cumulative grade point average. The five-year time limit does not apply to teen parents under 18 who have their own grant; however the months start counting toward the limit when the parent turns 18. Effective September 1, 2001, assistance

provided to families where the single parent provides care to a child with medical problems under age 18, or where one adult provides care to his or her spouse with medical problems and where the demand of care giving do not allow the caregiver to obtain or retain employment of 30 hours per week, is paid from state funds and does not count against the 60-month limit.

What do they have to do in return?

Work Requirements: Recipients must find paid work or participate in one of the following:

- Job search
- Work experience
- Self-employment
- Work First (state employment and training program)
- Community service
- Basic education
- Vocational training
- Education beyond high school
- Foster parenting
- Other self-sufficiency activities such as:
alcohol or substance abuse treatment,
mental health treatment and domestic violence counseling

What if they don't follow the rules?

Sanctions: Recipients who are not engaged in work activities within 24 months have their cash assistance terminated unless agreed upon support services were not provided. In addition, failure to participate in work or child support enforcement may result in the following sanctions:

- 1st instance: 50% reduction of cash assistance until family complies with requirements or three months have passed; if still no cooperation after three months, all cash assistance is terminated.
- 2nd instance: 50% reduction of cash assistance for a minimum of three months; if still no cooperation after three months, all cash assistance is terminated.
- 3rd instance: Cash assistance is discontinued for a minimum of three months; cash assistance will not be reinstated until family has complied with requirements.

What if they can't follow the rules?

Exemptions: Recipients can be exempted from work requirements or time limits for the following reasons:

- Youngest child is less than one year old
- Recipient age 60 or older
- Adult in a family with a child-only assistance unit
- Adult is employed at least 30 hours per week (one-parent family) or 35 hours a week (two-parent family); if two-parent family receives federally funded child care assistance, the second parent must also work at least 20 hours a week.
- Adult from one-parent family is attending a postsecondary degree program full time and maintains at least a 2.5 GPA.

Source: Illinois Department of Human Services and the State Policy Documentation Project, a joint project of the Center for Law and Social Policy and the Center on Budget and Policy Priorities.

ILLINOIS STUDY SUMMARIES

Chapin Hall Reports*

Chapin Hall Center for Children

The University of Chicago

Outcomes for the Income Maintenance Caseload During Receipt: Caseload Dynamics, Employment and Earnings in Illinois 1991-1999. Lee, Bong Joo; Goerge, Robert, and Dilt, John. June 2000.

This report is based on administrative data from the Illinois Department of Human Services and examines the effect that welfare reform has had on the AFDC and TANF caseloads in the state of Illinois between 1990 and 1999. It looks particularly at the influence of the Work Pays program, which allows TANF recipients to keep much of their cash assistance grants and, provided that they work at least 30 hours a week, stops the clock on case assistance time limits. This report focuses on the experiences of Illinois families receiving cash assistance—Aid to Families with Dependent Children (AFDC) before July 1997 and the Temporary Assistance for Needy Families (TANF) grant after that date. Findings are separated into four periods in order to track the effects of different policy and environmental conditions on the caseload dynamics. These periods are: 1. period prior to the implementation of Work Pays; 2. period during Work Pays implementation; 3. period when PRWORA was passed and families and the system began to anticipate implementation; and, 4. period after reform measures were implemented.

Illinois Family Study (IFS)*

University Consortium on Welfare Reform (Northwestern University, Northern Illinois University, Roosevelt University, University of Illinois at Chicago)

Work Welfare, And Well-Being: An Independent Look At Welfare Reform In Illinois. Project Description and First-Year Report. Lewis, Dan; Stevens, Amy; Shook, Kristen; Kleppner, Paul; Lewis, James, and Riger, Stephanie. November 2000.

This report is based on a longitudinal study tracking the same families over a six-year period using annual in-person surveys of a random sample of adults who were primary TANF recipients in the fall of 1998 from nine counties, stratified along two geographic regions. Cook County, which includes Chicago, and downstate counties including St. Clair, Peoria, Tazewell, Fulton, Knox, Marshall, Woodford, and Stark. Together these regions represent 75% of the state TANF caseload as well as cities and towns of varying sizes and demographic makeup. A total of 1,362 interviews were conducted between November 1999 and September 2000.

Life after TANF*

University of Illinois Urbana-Champaign School of Social Work

Life After TANF: Chicago Women Talk About Their Experiences. Report to the Joyce Foundation. Anderson, Steve; Halter, Anthony, and Gryzlak, Brian. May 2000.

This report is based on two-hour focus groups conducted in the summer and fall of 1999 with a total of 31 current and former welfare recipients living in urban areas in Illinois. Two groups consisted of people who had left and returned to welfare and one group consisted of leavers who did not return to welfare.

Project Match Research Monographs*

Project Match

The Erikson Institute

Five Years of Welfare: Too Long? Too Short? Lessons from Project Match's Longitudinal Tracking Data. Wagner, Suzanne; Herr, Toby; Chang, Charles, and Brooks, Diana. June 1998.

This report is based on an analysis of longitudinal data for 307 (out of 854) Project Match participants from September 1984 to February 1996 for which at least 36 consecutive months of tracking data is available. The average tracking period is 68 months.

Making the Shoe Fit: Creating a Work-Prep System for a Large and Diverse Welfare Population. Herr, Toby; Wagner, Suzanne, and Halpern, Robert. December 1996.

This report is based on an analysis of the Project Match client tracking system and a literature review comparing the Project Match model with other models. It also includes employment findings. See Glossary for a description of Project Match.

Welfare Children & Families - A Three City Study*

Johns Hopkins University, University of Texas at Austin, Harvard University, Pennsylvania State University, Northwestern University

Overview and Design. Winston, Pamela; Angel, Ronald; Burton, Linda; Chase-Lansdale, Lindsay; Cherlin, Andrew; Moffitt, Robert, and Wilson, William Julius. December 1999.

Sanctions and Case Closings for Noncompliance: Who is Affected and Why. Cherlin, Andrew; Burton, Linda; Francis, Judith; Henrici, Jane; Lein, Laura; Quane, James, and Bogen, Karen. Policy Brief 01-1. February 2001.

The Diversity of Welfare Leavers. Moffitt, Robert and Roff, Jennifer. Working Paper 00-01. October 2000.

The Diversity of Welfare Leavers. Moffitt, Robert and Roff, Jennifer. Policy Brief 00-2. September 2000.

What Welfare Recipients Know About The New Rules And What They Have To Say About Them. Watson, Winston; Angel, Ronald; Burton, Linda; Chase-Lansdale, Lindsay; Cherlin, Andrew; Moffitt, Robert; Wilson, William Julius; Levine, Rebekah, and Quane, James. Policy Brief 00-1. July 2000.

These reports are based on a survey conducted between March 1999 and December 1999. Researchers identified a random sample of approximately 2,400 households with children in low-income neighborhoods in Boston, Chicago, and San Antonio. Forty percent of the families interviewed were receiving cash welfare payments at the time of the interview. Each household had a child age 0 to 4 or 10 to 14 at the time of the interview. In addition data was collected through an embedded development study (EDS) of child-care settings with approximately 630 children age 2 to 4. The first round of interviews for the EDS were conducted from March 1999 until December 1999. Finally, information was collected from 215 families with young children, including 45 families with a child who had a disability, via an ethnographic study.

Work, Welfare and Families (WWF)**

Work, Welfare and Families

The Chicago Urban League

The Center for Urban Economic Development at the University of Illinois at Chicago

Living with Welfare Reform: A Survey of Low Income Families in Illinois.

Armato, Suzanne; Lewis, James; Lohrentz, Tim; Werner, Valerie; Chiraq, Mehta; Castern, Katie, and Sampson, Julie. January 2000.

This report is based on a survey of 2,166 low-income clients of Illinois social service agencies from the late fall of 1998 through January 1999, along with nine focus groups conducted between September and December 1998 at six sites in Chicago, and one each in Peoria, East St. Louis, and a rural location in southern Illinois. This study also used TANF administrative data provided by the Illinois Department of Human Services (IDHS).

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