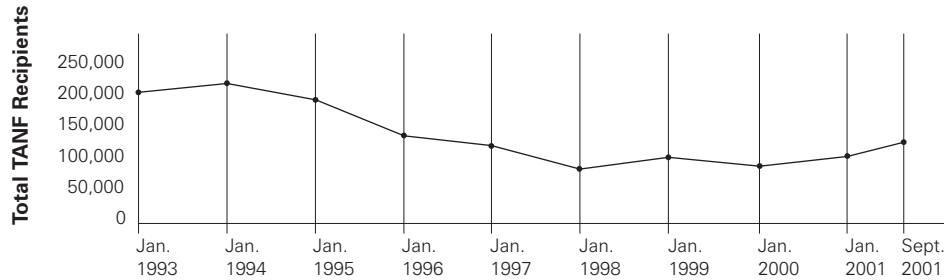


TITLE	<b>WELFARE TO WORK: WHAT HAVE WE LEARNED?</b>								
SUBJECT	<b>FINDINGS FROM RESEARCH ON WELFARE REFORM IN ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, OHIO, &amp; WISCONSIN</b>	<b>3-2002</b>							
	<table border="1"><tr><td>IL</td><td>IN</td><td>IA</td><td>MI</td><td>MN</td><td>OH</td><td>WI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

The Joyce Foundation    70 West Madison Street, Suite 2750    Chicago, IL 60602  
P 312 782 2464    F 312 782 4160    info@joycefdn.org    www.joycefdn.org

# INDIANA IN BRIEF

## Welfare caseloads have dropped dramatically but increased recently.



## Most leavers work.

	Welfare Reform Group <sup>1</sup>	AFDC Group <sup>1</sup>
Percent Worked Since 1995-Reform	89%	87%
Percent Currently Working	58%	52%
Of Those Currently Working, % Full-Time	68%	68%

44% said that welfare reform "helped me find a job."

45% said welfare reform "helped me to feel I could succeed on my own."

## But low earnings leave many poor.

Average Hourly Wage	Annual Earnings	2-Person Poverty	3-Person Poverty
\$8.00	\$14,000	\$11,610	\$14,630

29% work less than 32 hours per week.

27% of part-time workers earn less than \$6.00 per hour.

<sup>1</sup> Welfare Reform Group/AFDC Group: Upon reforming its welfare system in 1995, Indiana evaluated the new policies by studying the outcomes of families who were randomly assigned to the state's new welfare reforms (welfare reform group) and a smaller group of about 3,500 adult welfare recipients who were randomly assigned to receive cash assistance subject to the rules and provisions of the state's old welfare program (AFDC group).

**Work is only one reason for leaving welfare.**

16% of families reached a time limit  
 7% were sanctioned off  
 Families who were sanctioned had more needs and were less able to meet these needs

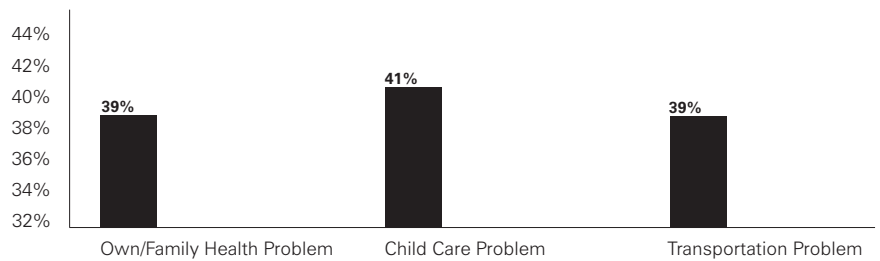
**Families experience economic hardships.**

25% had their utilities turned off  
 9% had been homeless recently  
 8% had been evicted  
 8% searched trash cans, asked for spare change, and/or begged for work  
 18% experienced hunger

**Many still need government assistance.**

	On TANF	Off TANF
Food Stamps	95%	38%
Medicaid	97%	53%
SSI	12%	11%

**Families report barriers that limit their ability to work.**



**Some families are still unaware of new rules and regulations.**

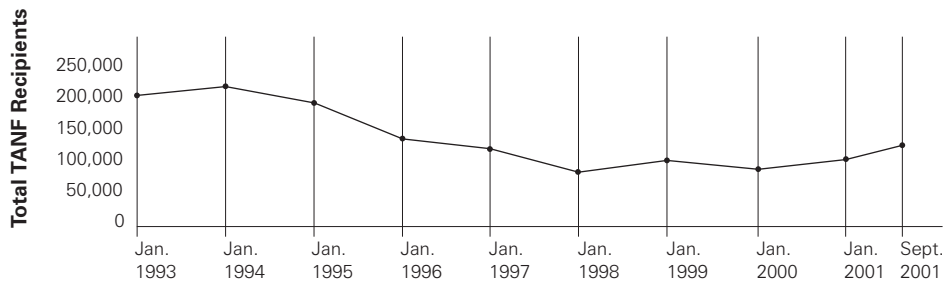
- 72% with a child 6-17 said they were not told about school attendance requirements.
- 44% said they were not told about family cap rules.
- 17% said they did not know about time limit rules.
- 40% who knew the rule said they did not know how many months they had left on their "clock."

# WELFARE REFORM IN INDIANA

In May of 1995, Indiana became one of the first states to reform its welfare policies by implementing a program with incentives and sanctions to promote self-sufficiency, decrease reliance on welfare, and increase employment. In June of 1997, additional changes to the state's welfare program were carried out through "The Indiana Manpower and Comprehensive Training" (IMPACT) Program. The majority of welfare recipients in Indiana were randomly assigned to the state's new welfare reforms (welfare reform group) and a smaller group of about 3,500 adult welfare recipients were assigned to receive cash assistance subject to the rules and provisions of the state's old welfare program (AFDC group).<sup>2</sup>

One result of these changes has been a reduction in welfare caseloads, from 142,604 in August of 1996 to 126,965 as of September 2001.<sup>3</sup> Much of the reduction came before the passage of PRWORA; the 11% post-PRWORA drop is far less than the 56% decline nationally during this period and lowest among the seven states in the region. In addition, the rate of decline has slowed significantly in the last two years, and in fact the number of individuals receiving TANF benefits in Indiana has increased over 15% from 110,216 in January 2001.

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



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

Despite the recent increase in welfare caseloads in Indiana, Figure 1 shows that the overall decrease, especially since January 1994, has certainly been dramatic. The recent flattening out of caseloads is somewhat surprising given that Indiana has enjoyed a relatively robust economy; as of August 2001, the monthly seasonally adjusted unemployment rate stood at 4.2%, nearly 0.7% below the national rate of 4.9% and third lowest among the seven states covered in this review. Part of the caseload increase may be due to a change in the earnings disregard policy in July 2000, allowing working recipients to get 100% of their welfare check up to the poverty level. Given the relatively small post-PRWORA caseload declines, can one say that welfare reform has been a success in Indiana? The findings summarized below provide important information, beyond mere caseload drop and unemployment rates, for making this assessment.

<sup>2</sup> Impact of Indiana's Welfare Reform. *Final Report on Client Study of the Community Social Services Study of the Impact of Indiana's Welfare Reforms*. September 2000.

<sup>3</sup> Latest figures available from U.S. Department of Health and Human Services, Administration for Children and Families.

## 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.**

Although caseload declines in Indiana have been lower than other states, most people who do leave welfare find work, particularly those in the welfare reform group who are subject to the new rules. The majority are in full-time jobs (see Table 1).

**TABLE 1** WELFARE AND WORK

	Welfare Reform Group	AFDC Group
Percent Worked Since 1995-Reform	89%	87%
Percent Currently Working	58%	52%
Of Those Currently Working, % Full-Time	68%	68%

Fein, D., Beecroft, E., et al. *The Indiana Welfare Reform Evaluation: Five-Year Client Survey*. Abt Associates, Forthcoming.

While the majority of welfare participants worked at some point after exiting, lower percentages were currently working when interviewed, suggesting that keeping a job is more difficult than finding one; and moreover 32% were working less than full-time. Among those in the welfare reform group:<sup>4</sup>

- 52% worked in jobs that ended within 6 months.
- Only 55% were working in the last quarter of year 5 in study follow-up period.
- The average number of quarters worked over 5 years was only 10.

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

Another measure of success is whether work lifts a family out of poverty. The Indiana Economic Development Council reports that an annual income within the range of \$20,000 to \$28,000 is necessary for an Indiana family to meet basic needs.<sup>5</sup> The findings in Table 2 suggest that based on earnings alone, families leaving welfare for work remain poor and face difficulty making ends meet.

<sup>4</sup> *The Indiana Welfare Reform Evaluation: Five-Year Client Survey*. Abt Associates, Forthcoming.

<sup>5</sup> Impact of Indiana's Welfare Reform.

**TABLE 2** EARNED INCOME AND POVERTY.

	Hourly Wage <sup>a</sup>	Annual Income <sup>a</sup>	Hourly Wage <sup>b</sup>	Annual Income <sup>b</sup>
Welfare Reform Group	\$7.06	\$12,355 <sup>6</sup>	\$8.00	\$18,902
AFDC Group	\$9.94	\$17,395	\$8.12	\$18,845
2-Person Poverty	—	\$11,610 <sup>7</sup>		
3-Person Poverty	—	\$14,630 <sup>7</sup>		

a. Pirog, Maureen; Chung, Choon-Guen, et al. *Final Report on Client Study of the Community Social Services Study of the Impact of Indiana's Welfare Reforms*. September 2000. b. Fein, D., Beecroft, E., et al. *The Indiana Welfare Reform Evaluation: Five-Year Client Survey*. Abt Associates, Forthcoming.

Interestingly, of families who worked at all since being placed into the welfare reform group or the AFDC control group, the latter earned on average \$2.88 more per hour. This suggests that the increased work-first focus of Indiana's new welfare program pushes many recipients in the welfare reform group to take jobs at much lower wages than recipients under the old system. Calculations based on overall average wage rates suggest that some families will move above the poverty line. Abt researchers found that 40.2% of the welfare reform group had earnings above poverty, versus 38.4% of the AFDC group. Many people earn far below the average, however, and many do not work full-time. Regarding workers in the welfare reform group:<sup>8</sup>

- 32% worked less than 32 hours per week.
- The average hourly wage for part-time workers was \$7.43.
- 27% of part-time workers earned less than \$6.00 per hour.

**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.**

Some might suggest that in order to bring their families out of poverty, the heads of the households need to simply work more hours and keep their jobs all year. However, personal and structural barriers often make it difficult for some people to work more, and prevent some from working at all. Generally, unemployed welfare reform group individuals experienced barriers to work, particularly health problems, at higher rates than those who were employed (see Table 3).

6 Annual income equals (wages \* 35 hours per week \* 50 weeks).

7 Federal 2001 poverty guidelines are \$11,610 for a 2-person family and \$14,630 for a three-person family.

8 *The Indiana Welfare Reform Evaluation: Program Implementation and Economic Impacts After Two Years*, Sept.2000.

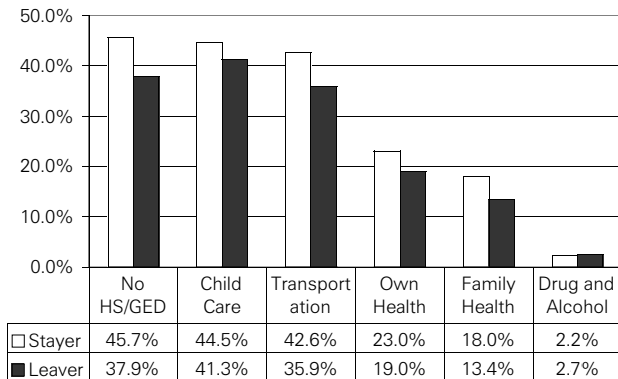
**TABLE 3** BARRIERS AND WORK

% Saying Their Ability to Work Was Limited by	Worked Since Random Assignment	
	No	Yes
Child Care	46%	39%
Transportation	37%	40%
Own Health	36%	17%
Family Health	24%	12%
Drug/Alcohol Use	3%	2%

Fein, D., Becroft, E., et al. *The Indiana Welfare Reform Evaluation: Program Implementation and Economic Impacts After Two Years*. November 1998.

In addition, larger percentages of those who have not left welfare (stayers) have employment barriers than those who have left. Stayers are more likely to have no high school diploma or GED, to have poor work histories, to have poor health or have family members with health problems, and to have problems with transportation and child care (see Figure 2).

**FIGURE 2** BARRIERS AMONG STAYERS AND LEAVERS



Fein, David. *The Indiana Welfare Reform Evaluation: Who is On and Who is Off? Comparing Characteristics and Outcomes for Current and Former TANF Recipients*. September 1997.

### Work is only one reason for leaving welfare.

In Indiana, of those who left welfare, 74% said they did so voluntarily. However, nearly one-quarter said they were either sanctioned off<sup>9</sup> (7%) or reached the time limit<sup>10</sup> (16%). Sanctioned families had more needs and were less able to meet these needs. One possible explanation is that the circumstances and characteristics of those who are sanctioned make them needy and less capable of meeting their needs irrespective of sanctions. Such characteristics also could serve to increase the probability of being sanctioned. It is also possible that sanctioning contributes to neediness and inability to meet needs.<sup>11</sup>

<sup>9</sup> Sanctions refer to penalties in the form of partial or full benefit reductions for welfare recipients who fail to follow program rules. See the Glossary for more detail on sanction policies.

<sup>10</sup> Federal law prohibits states from using federal TANF funds to provide assistance to a family with an adult who has received assistance for 60 months but allows states to make shorter time limits. Indiana has a two-year lifetime time limit although there are exemptions. Please see the TANF policy section for Indiana and the Glossary for more detail.

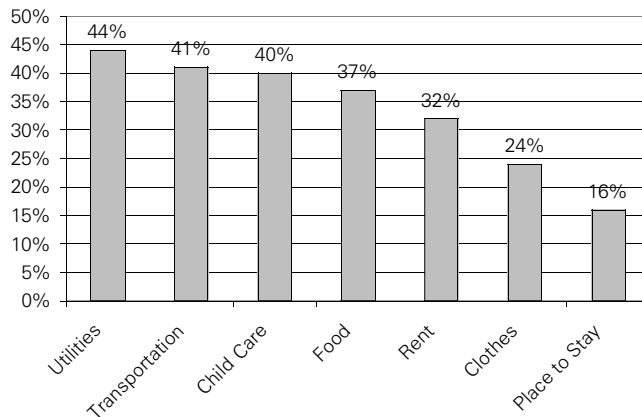
<sup>11</sup> Impact of Indiana's Welfare Reform.

### Families experience hardships.

Unstable employment and low earnings mean that many current and former welfare recipients experience various forms of hardship, forcing them to engage in undesirable behaviors to make ends meet.<sup>12</sup> Current and former recipients report needing help with a variety of issues fundamental to daily life (see Figure 3).

- 25% had their utilities turned off.
- 9% had been homeless recently.
- 8% had been evicted.
- 25% used pawn shops to get cash.
- 8% searched in trash cans, asked for spare change, and/or begged for work.

**FIGURE 3** PERCENT OF FAMILIES NEEDING HELP



Pirog, Maureen; Chung, Choon-Guen, et al. *Final Report on Client Study of the Community Social Services Study of the Impact of Indiana's Welfare Reforms*. September 1, 2000.

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

Reducing dependence on government assistance was a primary motivation for federal welfare reform. Despite relatively small caseload declines in Indiana, families subject to Indiana's welfare reform rules used cash benefits much less than their AFDC counterparts. Welfare reform group recipients in the placement track,<sup>13</sup> those most job-ready and thus subject to stricter work requirements, received \$1027 less in TANF payments and \$420 less in food stamps than families still subject to the old AFDC rules.<sup>14</sup> In addition, families who left welfare receive non-cash benefits at much lower rates than those who remain on (see Table 4). However, as we learned in the previous section, both current and former welfare recipients report needing additional help and so it is not surprising that many, particularly those who have left welfare, depend on

<sup>12</sup> Ibid.

<sup>13</sup> When Indiana instituted state welfare reforms in 1995 clients determined to be job-ready were assigned to a "Placement Track," and those found not job-ready were assigned to a "Basic Track." Only Placement Track clients were subject to the time limit and stricter sanctions for noncompliance. The Placement-Basic Track distinction was eliminated in June 1997.

<sup>14</sup> *The Indiana Welfare Reform Evaluation: Five-Year Client Survey*. Abt Associates, Forthcoming.

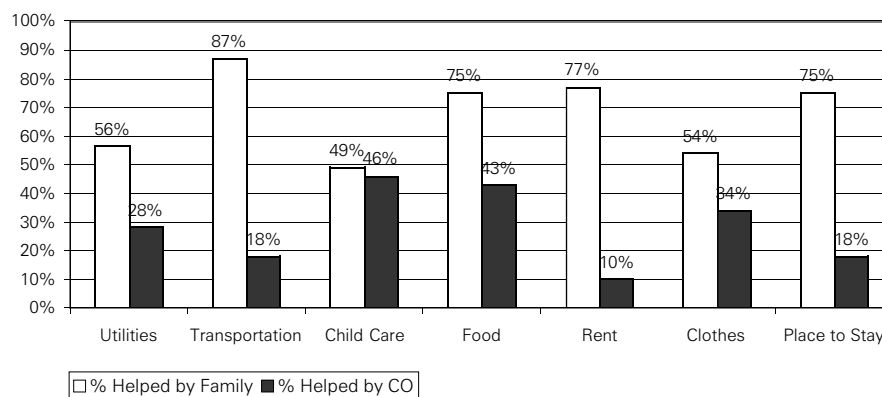
assistance from community organizations and family to make ends meet (see Figure 4). Thus a lower reliance on government programs does not necessarily mean families have become self-sufficient. It is likely that many former welfare recipients have simply increased their reliance on help from community organizations which themselves receive support from government funding.

**TABLE 4** USE OF GOVERNMENT PROGRAMS BY TANF STAYERS AND LEAVERS

	% Receiving Benefit	
	On TANF	Off TANF
Food Stamps	95%	38%
Medicaid	97%	53%
SSI	12%	11%

Fein, David. *The Indiana Welfare Reform Evaluation: Who is On and Who is Off? Comparing Characteristics and Outcomes for Current and Former TANF Recipients*. September 1997.

**FIGURE 4** FAMILIES WHO RECEIVED HELP FROM COMMUNITY ORGANIZATIONS AND FAMILY



Pirog, Maureen; Chung, Choon-Guen, et al. *Final Report on Client Study of the Community Social Services Study of the Impact of Indiana's Welfare Reforms*. September 1, 2000.

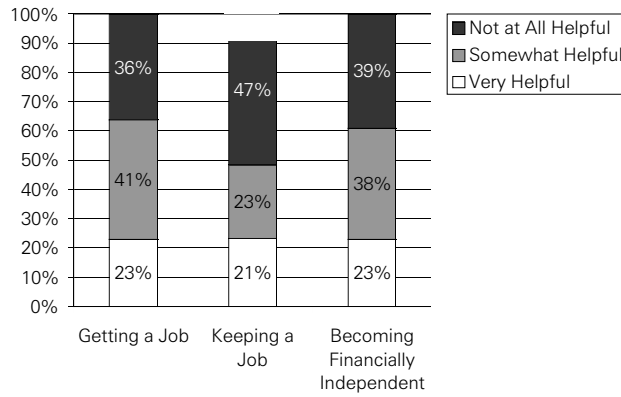
**Like other Americans, welfare recipients are optimistic about work and welfare reform.**

Considering the difficulties of obtaining employment along with the hardships that many welfare leavers experience it is notable that many have favorable views of welfare reform.<sup>15</sup>

- 44% said that welfare reform “helped me to find a job.”
- 45% said it “helped me to feel I could succeed on my own.”

In addition, a majority of participants in job search and readiness training called such activities very or somewhat helpful in helping them get a job and becoming financially independent, although fewer thought the training was helpful in keeping a job (see Figure 5).

**FIGURE 5** REPORTED HELPFULNESS WITH JOB CLUB, JOB SEARCH OR JOB READINESS TRAINING



Pirog, Maureen; Chung, Choon-Guen, et al. *Final Report on Client Study of the Community Social Services Study of the Impact of Indiana's Welfare Reforms*. September 1, 2000.

**Welfare recipients know that they face time limits. But they often don't know about other details of welfare policies.**

Finally, Indiana's welfare policies have changed significantly in the past six years. Successful implementation requires that recipients understand these changes and what is required of them. Most welfare reform group members reported that they had learned about the new requirements from their caseworkers.<sup>16</sup>

- 83% knew about time limits.
- 60% also knew how many months they had left on their "clock."<sup>17</sup>
- 68% said they signed a personal responsibility agreement.
- 56% said they were told about family cap rules.
- 28% of families with a child 6-17 were told about school attendance requirements.

Interestingly, however, 68% of welfare group members who were determined to be below the "job-readiness" threshold and thus not subject to the 24-month limit at the time of survey, were told that they were subject to this rule.

<sup>16</sup> Ibid.

<sup>17</sup> Impact of Indiana's Welfare Reform: *Final Report on Client Study of the Community Social Services Study of the Impact of Indiana's Welfare Reforms*. September 2000.

# INDIANA DEMOGRAPHIC CHARACTERISTICS

Indiana's population of just over 6 million is nearly 88% non-Hispanic white and has grown by nearly 10% in the past decade. The economy has also grown, with per capita income increasing from \$17,625 in 1990 to \$27,011 by 2000. This change of 53.3% is second lowest among the seven states covered in this review. Indiana's 1999 poverty rate for female-headed households was 24.3%, lowest among the states covered in this report. Births to women aged 15-19 were 60.5 per 1,000, third highest among the seven states covered here.

## Population

---

Population (2000) <sup>a</sup>	6,080,000
Percent Change (1990-2000) <sup>a</sup>	9.7%
Percent Under Age 18 <sup>a</sup>	25.9%
Percent Hispanic <sup>a</sup>	3.5%
Percent Non-Hispanic Black <sup>a</sup>	8.5%
Percent White (non-Hispanic) <sup>a</sup>	87.5%
Births per 1,000 Women 15-44 (1998) <sup>b</sup>	64.3
Births per 1,000 Women 15-19 (1998) <sup>b</sup>	60.5
Percent to Unmarried Women (1997-98 avg.) <sup>b</sup>	33.1%

## Economics

---

Per Capita Income (2000) <sup>c</sup>	\$27,011
Per Capita Income (1990) <sup>c</sup>	\$17,625
Percent Change in PCI (1990-2000)	53.3%
Median Income (1998-1999) <sup>a</sup>	\$40,769
Median Income 4-Person Family (1998-2000) <sup>a</sup>	\$58,519
Percent Below Poverty (1999) <sup>d</sup>	6.5%
Percent Children (< 18) Below Poverty (1999) <sup>d</sup>	7.8%
Percent Below Poverty-Fem. Fam. Head (1999) <sup>d</sup>	24.3%
Unemployment Rate (2000) <sup>e</sup>	3.2%
Unemployment Rate (2001) <sup>e</sup>	4.4%
Employment Rate (2000) <sup>e</sup>	96.8%
Total TANF Recipients August 1996 <sup>f</sup>	142,604
Total TANF Recipients September 2001 <sup>f</sup>	126,965
Percent Change <sup>f</sup>	-11%

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.

**Families (2000)**

---

Total Households <sup>a</sup>	2,336,000 (100%)
Family Households <sup>a</sup>	1,602,000 (68.6%)
With Own Children under 18 years <sup>a</sup>	767,000 (32.9%)
Married Couple Families <sup>a</sup>	1,251,000 (53.6%)
With Own Children under 18 years <sup>a</sup>	556,000 (23.8%)
Female Householder, no husband present <sup>a</sup>	259,000 (11.1%)
With Own Children under 18 years <sup>a</sup>	160,000 (6.9%)
Nonfamily Households <sup>a</sup>	733,000 (31.4%)
Householder living alone <sup>a</sup>	605,000 (25.9%)
Households with individuals under 18 years <sup>a</sup>	834,000 (35.7%)
Average Family Size <sup>a</sup>	3.05
Low-Income Uninsured Children <sup>a</sup>	7.5%

---

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 - INDIANA

## Who is eligible?

*Families:* To be eligible for TANF cash assistance, families must include a child under age 18. A pregnant woman with no other children is not eligible for assistance. Two-parent families can be eligible to receive assistance only if one parent is incapacitated or meets the “unemployed” parent requirements (the latter specifies that the principal wage earner must have received or been eligible for unemployment compensation, or have had earnings of \$50 or more, in at least six of 13 quarters ending within a year of applying for cash assistance).

*Income:* Recipients and applicants are subject to a gross income test. Gross monthly income (total income with no deductions) for recipients must fall below the following amounts:

Family Size	Amount
1	\$671
2	\$905
3	\$1,138
4	\$1,371

For applicants, the gross monthly income must fall below the following amounts:

Family Size	Amount
1	\$257
2	\$424
3	\$533
4	\$640

An applicant’s net income (income after specified deductions) must fall below the maximum benefit for a family of its size. Net income equals gross monthly income less \$90 of earnings, unless the family received assistance in the prior four months. If so, the deduction equals \$120 and one-third of remaining earnings.

*Asset Limits:* Applicants and recipients must have countable assets below \$1,500. The equity value of a car above \$5,000 is treated as a countable asset. The entire equity value of second and additional cars is counted as an asset.

## **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. The statewide application is a joint application for Food Stamps and Medicaid. Applications must be acted upon within 45 days and the agency is required to issue a written decision on applications. The state does not impose requirements that must be met before a family can submit an application for cash assistance, but applicants must conduct a job search while their cash assistance application is pending. Failure to meet this requirement results in denial of the application. However, applicants who are under age 18, disabled, responsible for an ill or incapacitated household member, caring for a child under 12 months, or full-time Vista volunteers, are exempt from this requirement. Applicants and/or recipients are also required to sign a personal responsibility contract, which lists obligations including: agreement to participate in work activities; child school attendance requirements; immunization or preventive health requirements; drug or alcohol provisions; teen parent living arrangement; and cooperation with development of self-sufficiency plan. Finally, applicants must sign an employability plan that covers only work requirements for the individual, after eligibility is determined.

*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. Indiana does not operate a formal cash diversion program.

*Declined:* The applicant or recipient has the right to appeal any action on his or her case and have a fair hearing. An applicant or recipient may appeal by sending a written request to the local Division of Family and Children (DFC) office or to the Hearings and Appeals Section of the DFC within 30 days of the effective date of the action taken on his or her case.

## **What do they get if approved?**

*Cash Benefits:* A recipient's benefit equals the difference between countable income and the maximum benefit. If countable income exceeds the maximum benefit, the family is not eligible. Countable income equals gross monthly income less the following: \$120 and one-third of remaining earnings for four months; then \$120 of earnings for the next eight months; then \$90 of earnings in subsequent months. Maximum benefit levels vary for different groups of families. In July 2000 Indiana instituted a new earnings disregard policy, which allows families to keep 100% of their welfare check until their wages enable them to reach the poverty level.

Family Size	Amount
1	\$139
2	\$229
3	\$288
4	\$346

*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:* Medicaid eligibility was extended in May 1997 to include all children under age eighteen and, effective October 1998, the eligibility income threshold was raised to cover all families with incomes up to 150 percent of poverty.

*Child Care:* Since 1997, Indiana has made significant expansions in child care subsidies for low-income working families using funding available under PRWORA. Local planning councils with voucher agents administer child care subsidies for other low-income families, including those deemed at risk of going on welfare because of the absence of child care assistance.

*Emergency Assistance:* The state does not have an emergency assistance program. (EA programs are operated at state discretion and provide funds to families to prevent such emergencies as disconnection of utilities or eviction. States no longer receive funding specifically for an emergency assistance program but they generally can use TANF block grant dollars or state funds.)

### **How long do they get these benefits?**

*Time Limits:* In Indiana, there is a 24-month limit of receipt of cash assistance for mandatory (non-exempt, see exemptions below) IMPACT recipients (applies to adults only, not children). The two-year time limit is a lifetime limit. Adults may not resume eligibility for benefits after a 36-month period. Recipients may earn one month of TANF benefits for every six consecutive months during which they are employed full-time. No more than 24 months of eligibility can be retained at any one time. Recipients are entitled to an extension equal to the number of “earn-back” months if they formally request an extension.

## **What do they have to do in return?**

*Work Requirements:* Effective July 1, 1997, the minimum level of participation for adult recipients in single parent families was raised from 20 hours to 25 hours a week, with the additional stipulation that no fewer than 20 hours per week are spent engaging in work activities that can be counted toward the TANF work participation rate. In addition to raising the minimum hours of required participation, Indiana's program provides that clients may take part in vocational training only: (1) after completing a job search; (2) if they are also working or participating in community work experience; (3) if the training can be completed within 12 months; and (4) if the training results in no greater than an associates degree. Overall participation in vocational training or education, including educational activities engaged in by teen parents, is limited to 30 percent of the IMPACT caseload.

## **What if they don't follow the rules?**

*Sanctions:* The first time a client fails to comply with program requirements, the adult portion of the benefit is eliminated for a minimum of two months; the sanction continues until the client complies. The sanction also entails loss of Medicaid eligibility for the adult. Minimum sanction durations increase steeply with successive instances of noncompliance: the third occurrence results in a penalty lasting at least 36 months. Since July 1997, the state requires IMPACT staff to try to provide employment and training services and supportive services to sanctioned clients.

## **What if they can't follow the rules?**

*Exemptions:* Individuals exempt from participating in work activities include the following: those caring for a young child up to age 1, disabled or temporary illness or incapacity, those caring for a disabled household member, those over age 60, domestic violence victims, and pregnant women. Regarding time limit exemptions, if the following criteria are met, a month of IMPACT assistance does not count toward the time limit: disabled parent/caretaker; caring for a disabled household member; caring for a child under 12 months; second trimester pregnancy; over age 60; domestic violence if it prevents work or training and if child care is unavailable.

Source: Indiana Family and Social Services Administration 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.

# INDIANA STUDY SUMMARIES

## **Impact of Indiana's Welfare Reform\***

Indiana University Institute for Family and Social Responsibility

*Final Report on Client Study of the Community Social Services Study of the Impact of Indiana's Welfare Reforms.* Pirog, Maureen; Chung, Choon-Guen; Grieshop, Tara; Hung, Richard; Kirby, Paul; Klotz, Marilyn; Pennington, Brian; Querimit, Leah; Thomassen, Lisa; Vyas, Mala, and Laubach, Marty. September 2000.

This report is based on a telephone survey of 1,494 former and current welfare recipients. The sample was drawn from adults who were welfare recipients after June 1997 and included those who had been assigned to Indiana's post-PRWORA welfare reform program (Welfare Reform Group) as well as those who had been randomly assigned to receive welfare under the old AFDC program (Control Group). A second data source included 30 months of state administrative records.

## **Indiana Welfare Reform Evaluation**

Abt Associates, Inc.

Urban Institute

*The Indiana Welfare Reform Evaluation: Program Implementation and Economic Impacts After Two Years.* Fein, David; Beecroft, Erik; Hamilton, William; Lee, Wang; Holcomb, Pamela; Thompson, Terri, and Ratcliffe, Caroline. November 1998.

This report provides interim findings from a six-year evaluation of Indiana welfare reform. Families began to be randomly assigned and registered in the evaluation sample in May 1995, with additional families added to the study through approximately the end of 1999. The interim impact analysis examines the experiences of those families who entered the evaluation sample in the first eight months of the demonstration, between May and December of 1995. The analysis follows each family for two years, so that families entering the demonstration at the end of 1995 are observed through the end of 1997. The study period for this report roughly corresponds to the first major phase of Indiana's pre-PRWORA welfare reform.

*The Indiana Welfare Reform Evaluation: Who is On and Who is Off? Comparing Characteristics and Outcomes for Current and Former TANF Recipients.* Fein, David. September 1997.

This report is based on a survey of nearly 1,600 families who received AFDC during the first year of Indiana's welfare reform program. The data collected includes information on families who were off and not off welfare during the 12-18 month period after they first enrolled in the demonstration program allowing comparisons of the two groups.

*The Indiana Welfare Reform Evaluation: Assessing Program Implementation and Early Impacts on Cash Assistance.* Fein, David; Beecroft, Erik; Karweit, Jennifer; Holcomb, Pamela; Clark, Sandra; O'Brian, Carolyn; and Ratcliffe, Caroline. August 1997.

*The Indiana Welfare Reform Evaluation: Five-Year Client Survey: Final Five-Year Report.* Forthcoming.

These reports provide an overview of the Indiana welfare reform demonstration and highlight findings from the evaluation's process and impact studies.

\*Received financial support from the Joyce Foundation.