Moving Clients into Self-Sufficiency: Summary of Findings from the WFNJ Evaluation

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EXECUTIVE SUMMARY

In 1997, New Jersey implemented its welfare initiative, Work First New Jersey (WFNJ), which includes a five-year time limit on cash assistance, immediate work requirements for most clients, and expanded support services. To learn how families receiving cash assistance in New Jersey are faring, and what has happened to those who have left cash assistance, the New Jersey Department of Human Services (NJDHS) contracted with Mathematica Policy Research, Inc. in 1998 to conduct a comprehensive five-year evaluation of the program. The evaluation looked at the WFNJ program from three broad perspectives: (1) how clients were faring under the new reforms, (2) how welfare reform was implemented in the counties, and (3) how communities responded to welfare reform and the local opportunities and challenges facing reform. The evaluation was designed to provide frequent feedback to state policymakers and program operators.

The evaluation used a variety of data sources and methods, including:

- Longitudinal surveys with clients
- In-person, in-depth client interviews
- Site visits and interviews with agency staff, service providers, state and county officials and others
- Administrative data from NJDHS and the New Jersey Department of Labor and Workforce Development (LWD)
- Focus groups with clients
- Case studies of local communities

These multi-faceted studies provided a rich source of information about the WFNJ program. Based on these data, the evaluation examined a number of topics related to how clients were faring, and how WFNJ was implemented. Some of these key outcomes were tracked over the five-year period, including employment, wages and earnings, and income and poverty. Other issues were addressed periodically over the five year period to provide snapshots of important issues, such as health care and barriers to employment, child care and child well-being, father involvement, marriage, and housing. Special studies provided opportunities to focus on unique populations such as child-only families, and emerging questions, for example, regarding the utilization of unemployment insurance as a safety net among recipients who found jobs and subsequently lost them. Implementation studies, community studies and the development of county performance indicators provided timely and relevant feedback to the state and
county agencies and, in concert with the client studies, provided valuable information on community concerns, the use of post-TANF supports and the impediments faced by long-term clients.

The findings from the evaluation support the discussions that took place around the time of welfare reform, including both discussions related to the strengths of the proposed reforms and its limitations. The early group of clients tracked by the study have made substantial economic progress in the five to six years since entering the program. Many have left welfare for work. Their average incomes have increased substantially, while their poverty levels have fallen. Although they have experienced gains as a group, their economic progress has not always been steady. Many have cycled in and out of employment, and in and out of poverty. In-depth interviews with clients reveal the complexities in their lives, including the economic instabilities and personal complexities that mark the lives of both those working and those not working. The findings from the study point to factors such as physical and behavioral health factors and other barriers that make employment and daily life difficult, and the importance of job retention as well as continuing to improve access to support services and treatment in supporting their goals.

Over the five year period, the evaluation yielded over 15 reports providing timely and relevant information to the state on WFNJ clients and program implementation. These findings have been used by NJDHS and the Division of Family Development, in conjunction with other information and their own observations to add new initiatives and fine-tune the program. This report provides a brief summary of the key findings related to the major components of the evaluation. Information on the major reports produced as part of the evaluation, and the topics covered by the reports, and information on accessing the reports are also provided in this document.
WFNJ EVALUATION

In 1997, New Jersey implemented its welfare initiative, Work First New Jersey (WFNJ), which includes a five-year time limit on cash assistance, immediate work requirements for most clients, and expanded support services. To learn how families receiving cash assistance in New Jersey are faring, and what has happened to those who have left cash assistance, the New Jersey Department of Human Services (NJDHS) contracted with Mathematica Policy Research, Inc. (MPR) in 1998 to conduct a comprehensive evaluation designed to provide frequent feedback to state policymakers and program operators. This report summarizes the main findings from this evaluation.

Formative Evaluation

The WFNJ evaluation was designed as a “formative” evaluation. When welfare reform was initiated in the mid-1990s, there was concern nationally, as well as in New Jersey, about the potential consequences of welfare reform, and the importance of the correct mix of requirements and supports that would best help clients move toward economic self-sufficiency. It was expected that the program would change and evolve over time and that the evaluation would provide the state with real-time information to help shape the program. The evaluation was conceived of as a change agent feeding back into program design, policy, and operations. The evaluation was also intended to provide a detailed description over time of New Jersey’s experience with welfare reform. Its design had built-in flexibility, so it could address key issues as they emerged. Throughout the evaluation, an external advisory group consisting of community stakeholders and advocates met regularly and provided important guidance on the scope and focus of the study.

The evaluation had seven major components: (1) a longitudinal Client Study to track the progress of an early group of WFNJ families over a five-year period; (2) longitudinal in-depth, in-person interviews with a subset of WFNJ clients designed to gather detailed, qualitative information about the lives of these clients; (3) a New Cohort Study to track how a recent sample of WFNJ clients were faring and to examine how they compared with an early sample of WFNJ clients; (4) a Child-Only Study to look at the characteristics of child-only welfare cases in New Jersey; (5) an Unemployment Insurance (UI) study to examine the eligibility for, and use of, UI benefits among WFNJ clients who have left welfare for work; (6) a Program Study to examine implementation issues; and (7) a Community Study—case studies in Camden City, Cumberland County, and Newark—to learn how WFNJ unfolded at the community level. The text box on page three summarizes the components of the evaluation.
As part of the WFNJ evaluation, we have produced 15 reports, as well as several memos, documents, and issue briefs, to provide relevant information on WFNJ clients and program implementation to the state. Appendix A contains the titles of the major reports produced as part of the evaluation and describes the topics these reports cover. These findings have been used by NJDHS and the Division of Family Development, in conjunction with other information and their own observations, to add new initiatives and fine tune the state’s welfare program to meet the needs of recipients.

This document provides a brief summary of the main findings from the various components of the study. It is intended to highlight the key research findings; detailed descriptions of the findings can be obtained from the publications the findings are drawn from. Additionally, it is important to note that some topics were addressed only in particular reports; and when specific findings are described, the most recent year of the findings are described. We first provide a brief description of the methodology used in this evaluation, then turn to the findings from the key publications.

**Evaluation Methodology**

The study used multiple data sources and multiple methods in conducting the WFNJ evaluation. The data include surveys and administrative records, in-depth interviews, focus groups, and site visits with county and state officials. As part of the client study, MPR conducted five annual longitudinal surveys (from 1999 through 2003) with an early group of 2,000 WFNJ clients. In each of the surveys, a response rate of over 80 percent was achieved, and across the five surveys, we reached 95 percent of the original set of clients. In summer 2003, we conducted surveys with a more recent cohort of 1,200 clients (80 percent response rate). Other data include surveys with 500 child only cases in New Jersey in summer 2001 (79 percent response rate), a random-digit-dialing survey of over 900 low-and moderate income residents in three case study areas (55 percent response rate), a survey of 340 WFNJ clients in the three case study areas (80 percent response rates), and a survey of 1,282 employer establishments in the three case study areas (79 percent response rate). We also obtained state administrative TANF, food stamps, earnings records, and UI claims data for our sample members that were incorporated into the analyses.

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1. It also contains references to the Web addresses for the reports (or provides information on how they can be obtained, if not available on the Web).
2. A more detailed description of the sample and data used as part of the WFNJ evaluation is contained in Appendix B.
The Client Study tracked a statewide sample of WFNJ families over a five-year period to establish what happened to them before and after they leave welfare. Focusing on clients who participated in WFNJ during its first 18 months of operation, this study documents the welfare receipt, employment levels, income, health, housing arrangements, and other indicators of WFNJ clients’ general well-being and quality of life. It identifies factors affecting individuals’ success in moving from welfare to work and documents changes in these measures over time. The study used three main types of data: (1) five longitudinal computer assisted telephone interviews with a statewide sample of 2,000 WFNJ clients, conducted at 12-month intervals; (2) information from state administrative data systems on a larger sample of 10,000 WFNJ clients, documenting such outcomes as their welfare receipt, employment levels, and earnings; and (3) three rounds of in-depth, in-person interviews with a subset of WFNJ clients, designed to gather more detailed, qualitative information about their lives. In addition, the study included a survey of a more recent cohort of WFNJ clients, to examine how the characteristics and outcomes of clients have changed over time.

The Child-Only Study examined a statewide sample of New Jersey families receiving child-only TANF grants. Child-only TANF families are diverse and include those headed by nonparent caretakers (typically, grandparents), as well as those headed by parents who are ineligible for TANF because they are on Supplemental Security Income (SSI) or because of their immigration status. The study included a survey of more than 500 adult caretakers of children on these cases, supplemented by detailed qualitative interviews with a subsample of these cases and by an analysis of state administrative records data. The study focused on the characteristics and origins of these cases, as well as on the stability and economic security of these households.

The UI Study analyzed how the UI program functions as a safety net for TANF recipients who have exited welfare and found jobs. The study relied on administrative welfare records, UI earnings and claims data, and survey data for a subsample of WFNJ clients tracked by the Client Study who had left welfare and found jobs. The study calculated the proportion of these WFNJ clients who achieved monetary eligibility for UI benefits during the first few years after leaving welfare for work and how this proportion changed when eligibility rules changed. The study also examined factors affecting nonmonetary eligibility, such as reasons for job separation. Finally, the study examined the actual use of UI benefits among these clients.

The Program Study explored operational challenges and promising strategies for overcoming them, to help state and county staff identify and address key implementation issues. It also helped the state develop performance indicators to guide program improvement efforts. The analysis drew on state administrative data and three rounds of site visits to a subset of the state’s 21 counties. During these visits, site visitors interviewed county staff members, conducted case file reviews, and observed key program activities. Topics for the three rounds of data collection included (1) progress in WFNJ implementation, (2) working TANF leavers’ access to post-TANF benefits, and (3) efforts to address TANF clients’ employment barriers.

The Community Study included case studies in three areas—Camden City, Cumberland County, and Newark—to understand local opportunities and challenges facing welfare reform. The case studies focused on the employment patterns and service needs of low-income parents, the jobs available in local labor markets, and the local institutional response to welfare reform. The analysis drew on a survey of low-income residents, an employer survey, and interviews with local service providers and other stakeholders.
Qualitative data collected include three rounds of in-depth in-person interviews with 79 current and former clients, with 58 of these respondents being interviewed more than once. Project team members also conducted three rounds of site visits to 11 counties in New Jersey and conducted interviews with state and county officials, including county welfare agency staff, workforce agency staff and other service providers and organizations to learn about WFNJ implementation and the changes resulting from WFNJ at the county level. Three focus group discussions were conducted with current and former TANF recipients to learn about their experiences with post-TANF programs, and two focus groups with those with more serious barriers (such as poor health, substance abuse or mental health issues) to learn about the challenges they face as they make the transition from welfare to work.

Descriptive and multivariate approaches were used to analyze the survey data. For most of the descriptive analyses, we examined key outcomes for the full samples as well as for major subgroups. Where appropriate we conducted multivariate analyses to examine characteristics related to key outcomes (such as employment success or welfare dependency). As part of the longitudinal study, we were able to track changes for WFNJ clients over a relatively long period of time (about five to six years) after WFNJ entry. The qualitative analyses used semistructured protocols to cover key areas, and for each topic questions or items were listed that trained interviewers from the study team used to guide the discussion. These data were then analyzed using qualitative analyses methods, and data triangulation was used to confirm the findings or themes that emerged from the qualitative data.

CLIENT STUDY

As described earlier, we conducted studies relating to the status and experiences of WFNJ clients. These include the five–year longitudinal tracking of an early cohort of WFNJ clients, a look at a more recent cohort to see how their experiences compare, a longitudinal in-depth look at a small subsample of the early group of clients, an examination of child-only cases in New Jersey, and an examination of the extent to which former recipients who exit for work are potentially eligible for UI and whether those who lose jobs access the UI system. We now highlight the key findings from each of these studies.

LONGITUDINAL COHORT FINDINGS

Economic Progress

The early cohort of clients we tracked has made substantial economic progress in the five years since these clients entered WFNJ. There is a steady decline over time in welfare receipt and increase in employment among this group of early WFNJ clients (Wood, Rangarajan, and Gordon 2004). Two and a half years after WFNJ entry (at the time of the third survey), 48 percent had left TANF and were employed, up from 34 percent at the time of the first survey two years earlier (Figure 1). However, since that time, the proportion off TANF and employed has held steady.
Income and Poverty

Average income among WFNJ clients has also risen substantially—mainly because of increases in employment, as well as increases in earnings levels among those who are employed. After adjusting for inflation, the average monthly income for these clients increased from $1,182 at the first survey (conducted about a year and a half after program entry) to $1,646 at the fifth survey, four years later, an increase of 39 percent (Wood, Rangarajan, and Gordon 2004). Poverty rates for these clients declined over this period, from 65 percent at the first survey to 46 percent at the fifth survey four years later. Additionally, the biggest gains for these clients came early in the follow-up period, when economic conditions were strongest and when the most job-ready clients left welfare for work. Although average gains have been large, many clients are still far from self-sufficiency. Since entering WFNJ, many clients have cycled in and out of the labor market and in and out of poverty. At the end of the follow-up period, 83 percent had income below 200 percent of the poverty level (down from 93 percent at the time of the first survey four years earlier).

Figure 1

Note: On average, the first, second, third, fourth, and fifth surveys were conducted 19, 30, 42, 53, and 66 months, respectively, after WFNJ entry. WFNJ entry pertains to the time the sample member first received cash assistance after New Jersey fully implemented WFNJ in July 1997.
TANF = Temporary Assistance for Needy Families.

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3It should be noted that the first survey was conducted at approximately 18 months after WFNJ entry, on average. Some clients would likely have experienced an increase in income between the time of WFNJ entry and the time of the first survey. It is also important to keep in mind that the longitudinal client study is not an “impact” study testing the “effectiveness” of the WFNJ program. Rather, it tracks the progress of a group of clients over time. It is likely that some of them would have experienced increases in earnings and income even in the absence of the program.
Prevalence of Material Hardships

Mirroring the increases in income, we also observe decreases in the prevalence of material hardships over time. For example, the level of housing problems among WFNJ clients decreased over time. At the time of the fourth survey, one in five had experienced a recent housing crisis in the past year (defined as having water or electricity cut off, having to move in with friends or relatives, living in an emergency shelter, or being homeless), compared with nearly one in three experiencing a housing crisis during the year before the first survey (Wood, Rangarajan, and Deke 2003). The level of food security (defined as consistent access to nutritionally adequate and safe foods) also improved somewhat—four and a half years after entering the program, 70 percent were food secure (compared with 64 percent reporting food security at the time of the second survey two years earlier). Not surprising, those who are employed tend to report the fewest material hardships.

Health Status

Two and a half years after entering WFNJ, reports of health problems were relatively common, particularly among clients who were not working and were still receiving welfare. About 30 percent of WFNJ clients reported a serious health problem (being in “poor health,” being seriously ill in the past year, or having a health problem that limited the amount or kind of work they do) (Rangarajan and Wood 2000). Among those on TANF and not working, about 48 percent reported a health problem, compared with 20 percent among those working and not receiving TANF. Many clients who remained on TANF and were not working also were more likely to have chronic health problems, such as asthma, arthritis, or high blood pressure, than the general U.S. population of younger adults.
Employment Patterns

Employment levels have steadily increased over time, up from 20 percent at WFNJ entry to 59 percent five years later (Wood, Rangarajan, and Gordon 2004). Many who are working have moved to better jobs that offer higher pay and more generous benefits, such as health insurance, paid vacation, and sick leave. Among those who work, hourly wages have increased by an inflation-adjusted 21 percent in four years, with those employed earning $9.73 an hour, on average (Figure 2). Those who remained steadily employed experienced the greatest increase in wages and earnings.

Although most clients have found jobs, many clients have had difficulty maintaining employment. More than three in four clients who found jobs experienced a job loss during the study period. Rates of job loss are highest during the first few months after job start, when clients are first dealing with the new demands of the workplace and balancing home and work life. Certain job-related characteristics are strongly associated with job loss, including working in jobs that offer low wages and few benefits and holding seasonal or temporary jobs (Wood, Rangarajan, and Deke 2003). Those relying on public transportation to get to work, those using relatives to care for their children while at work, and those who are younger and less educated are also at higher risk.
Welfare Receipt and TANF Stayers

WFNJ clients steadily exited TANF over time, and only 14 percent were still receiving TANF five years after entering WFNJ. However, a modest group of clients cycled in and off TANF during this period, and more than 4 in 10 clients who exited TANF returned at some point following TANF exit. Those who have remained on TANF are more disadvantaged and are more likely to face multiple barriers to employment than those who have left. For example, three-quarters of those who remained on TANF at the time of the second survey reported a serious health problem, and one in five said they were unable to work because of a health problem (Rangarajan and Wood 2000). Those on TANF also have less education and weaker work histories than those who have left TANF. Many TANF stayers are responsible for young children and do not live with other adults who can help with child care responsibilities. Most do not own a car or have a driver’s license. More than half of those remaining on TANF and who have a health problem are deferred from TANF work requirements. TANF stayers who have never worked face the most employment challenges.

Nonemployed and “Least-Stable” Leavers

At the time of each of our interviews, approximately one in four clients was off TANF and not employed. Clients who have left TANF and are not working are diverse. Some have conditions that have permitted them to switch to SSI; others are living with an employed spouse or have worked recently themselves (Wood, Rangarajan, and Gordon 2004). About half of these clients (or just over 1 in 10 of all clients) lacked a substantial source of financial support (Figure 3). These “least stable” leavers get by on very little income (averaging less than $600 per month) and rely heavily on friends and relatives, as well as on government assistance (such as food stamps or housing assistance), to supplement their small incomes and make ends meet. They are similar to TANF stayers in education and other characteristics, but they are also considerably more likely to have mental health problems. These mental health problems make it more challenging for them to work or to comply with WFNJ rules. These problems also are harder to detect, leading some to get sanctioned off welfare for failure to comply with program rules.

Use of Post-TANF Supports

Approximately two and a half years after initial WFNJ entry, less than one-third of former WFNJ clients used food stamps or child care subsidies, and just under half were on Medicaid (Rangarajan and Wood 2000). Some who had exited welfare for work were not eligible because of higher incomes. Even among those eligible, however, participation rates are low (less than half of those who appeared eligible for food stamps used these benefits). Among those eligible, some do not participate because of
paperwork or other hassles or because they simply do not want these benefits (some do not use food stamps as they feel it is not worth going through the hassles for the small amount of benefits they get; some do not use child care subsidies because they have free care from relatives).

A third or more of nonparticipants reported being unaware of the post-TANF benefits potentially available to them, indicating that a lack of knowledge also plays an important role in low use of these benefits. Over time, however, we saw some increases in the use of post-TANF benefits among newer clients. For example, among those eligible, later clients were more likely than early ones to receive food stamps after leaving TANF (55 versus 45 percent) (Wood, Rangarajan, and Deke 2004). These increases were likely the result of greater outreach efforts by the state and counties to increase access to these benefits, and perhaps also of the somewhat weaker economic conditions that prevailed during the more recent period.

Child Care and Child Care Subsidies

At the time of the third survey, about three-and-a-half years after WFNJ entry, nearly three of four WFNJ clients had some nonparental arrangement for their children who were younger than age 6 (Rangarajan and Johnson 2002). Multiple arrangements...
were fairly common for preschool-age children, especially children ages 3 to 5 (Figure 4). WFNJ clients were most likely to rely on family and home care for their infants and toddlers. Factors related to convenience, such as location, flexibility of arrangement, and the provider’s hours tended to influence parents’ choice of providers more than cost. Most school-age children have some form of nonparental care, and modest amounts of self-care exist for school-age children younger than 13.

About three years after WFNJ entry, fewer than one in three employed TANF leavers with children younger than age 6 received child care subsidies; however, the fraction that pays for care has decreased over time. At the time of the second survey, 46 percent of employed clients reported receiving no subsidy but paying for care; this number had fallen to 36 percent, one year later at the time of the third survey. These reductions were driven by increases in the fraction receiving subsidies and in the fraction receiving free care. Those who receive subsidies spend much less out of pocket on child care (6 percent of earnings) than those without a subsidy (20 percent of earnings).

Child Well-Being

According to parents’ reports, most children are well supervised and are engaged in activities and routines that provide structure in their lives. More than half of all parents reported providing regular routines for evening meals, help with homework, and scheduled bedtimes for their children. Certain measures suggest that children’s well-being is at risk, however. At the time of the third survey, more than half the clients reported that their child had a health problem of some type (Rangarajan and Johnson 2002). Almost one-third of parents reported that a school-age child had at least one behavioral problem, such as being suspended from school or skipping school (Figure 5). At the third survey, few children (only 1 in 7) lived with their fathers, and many of them do not have contact with their fathers. On nearly all measures, the extent of risk increases for older children. Children of nonemployed parents or who live in single-parent households fare worse on many of the measures of child well-being. Parents of these children are more likely to have a child with a health problem, who is enrolled in special education, who has a high level of emotional and social problems, or who has a higher rate of involvement in risk behaviors.

Role of Fathers

Fewer than one in five children of WFNJ clients lived with their biological fathers at the end of the follow-up period, approximately six years after WFNJ entry (Figure 6) (Wood,
Rangarajan, and Gordon 2004). Older children and African American children were the least likely to live with their fathers. Among children not living with their fathers, more than half had not seen their fathers at all in the past three months. In addition, two-thirds had received no financial support from their fathers in the past month. Fathers who had frequent in-person contact with their children were the most likely to provide support.

Marriage

Marriage is fairly uncommon for clients during the first few years after they enter WFNJ. Only nine percent of clients who were unmarried when they entered WFNJ were married and living with a spouse four to five years later (Wood, Rangarajan, and Deke 2003). Marriage is most common for clients who were married before they entered the program. Most of these “marriages” of initially separated clients represent reconciliations between married couples who had been living apart. Marriage offers substantial economic benefits for the small percentage of clients who do marry. They have substantially higher incomes and face fewer hardships than similar clients who remain single. However, these marriages are often unstable. More than a third of clients who were married shortly after entering WFNJ were not living with their spouses three years later—a rate of marital breakup that is twice the national average.

![FIGURE 6](image_url)

**CHILDREN’S CONTACT WITH THEIR NONCUSTODIAL FATHERS**

- No Contact in the Three Months Prior to Survey: 56%
- Frequent Contact (At Least Once a Week): 26%
- Occasional Contact (Less Than Once a Week): 18%


Note: Figure refers to in-person contact between the child and the father during the three months prior to the survey.
Housing Situations and Housing Subsidies

Housing situations of clients improved over time as their incomes have risen. The proportion experiencing housing instability dropped from 30 percent to 14 percent during the four years from the first through the fifth surveys, and the fraction living in overcrowded conditions fell from 21 percent to 14 percent during this time (Wood, Rangarajan, and Gordon 2004). Although most clients did not live in housing with a substantial physical problem at the end of the five-year follow-up period, about one in five did (Figure 7). In addition, neighborhood crime was a serious concern for some, with one in four reporting being “bothered a lot” by this problem. Most clients devoted a substantial portion of their income to housing—more than 6 in 10 had housing costs that exceeded 30 percent of their income.

About a third of these WFNJ clients received a housing subsidy, mainly through rent vouchers. Clients receiving subsidies devoted substantially less of their income to housing than unsubsidized clients did and had fewer problems with housing instability. In

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**Figure 7**

WFNJ Clients’ Housing Problems, At the End of the Follow-up Period

- **Substantial Physical Housing Problem**: 20
- **Overcrowded Housing**: 14
- **“Bothered a Lot” by Neighborhood Crime**: 24
- **Afraid to Walk Alone in Neighborhood During the Day**: 10
- **Housing Costs Exceeded 50 Percent of Income**: 37
- **Experienced Housing Instability in Past Year**: 14


Note: Outcomes refer to time of the fifth survey, conducted, on average, 66 months after WFNJ entry.

4 “Housing instability” is defined as clients who, in the past year, (1) had to move in with friends or relatives to save on rent, (2) moved two or more times, (3) were evicted from their home, (4) lived in an emergency shelter, or (5) were homeless.

5 “Substantial physical problems” with housing refers to having at least three of the following six problems: (1) leaks from the outside, (2) interior leaks from pipes or fixtures, (3) holes in the floor large enough to trip on, (4) open cracks or holes in the walls or ceiling, (5) large areas of peeling paint, and (6) signs of rats.
addition, despite their lower incomes, the housing of clients receiving subsidies was less crowded and of similar quality to the housing of unsubsidized clients. Perceptions of neighborhood quality varied substantially across these groups, however, with public housing residents having the lowest opinions of their neighborhoods and the most concerns about neighborhood crime. These findings point to the desirability of rent vouchers as alternatives to public housing, since they may allow low-income families to live in neighborhoods that are safer and offer better services than those where public housing is located.

**Later WFNJ Clients**

Some evidence exists that, as the number of recipients has rapidly declined in recent years, a growing proportion of the caseload faces employment challenges. For example, welfare recipients have become more concentrated in high-poverty areas and in the state’s largest, most urban counties, as caseloads declined more rapidly outside these areas (Table 1) (Wood, Rangarajan, Deke 2003). In addition, later WFNJ clients are more likely than early ones to report health problems. Other shifts reflect broad changes in the welfare system itself. In particular, the proportion consisting of longer-term recipients has decreased substantially, and the proportion mixing work and welfare has increased somewhat.

Later WFNJ clients initially spent somewhat less time on TANF and more time employed than early clients did. These small differences suggest that WFNJ may have become somewhat more effective at encouraging clients to leave welfare for work during the first few years after it was implemented. However, the initial advantage later clients enjoyed disappeared over time. By the time of the new cohort survey (conducted, on average, 21 months after baseline), later clients were actually somewhat more likely than early ones to be on TANF and not employed. The recent economic downturn may have played a role in this pattern, causing later clients to have increasing difficulty finding work and leaving TANF.

Similar to early clients, most later WFNJ clients are aware of the program’s basic provisions, including work requirements and the availability of post-TANF supports. However, fewer report knowing that TANF benefits were time limited (67 percent, compared with 82 percent of early clients at a similar point). Later WFNJ clients received more support services from the program than early clients did. They were substantially more likely to receive financial assistance, such as child care and transportation assistance. Similarly, they received more services during contacts with caseworkers (such as moral support or help finding child care or transportation). In addition, later clients were more likely than early ones to report that WFNJ services were useful in helping them find or keep a job.
# Table 1

**Characteristics of the Early and Later WFNJ Clients**  
(Percentages, Unless Otherwise Indicated)

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Early WFNJ Clients</th>
<th>Later WFNJ Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Age</td>
<td>32.2</td>
<td>32.0</td>
</tr>
<tr>
<td>Female</td>
<td>95</td>
<td>95</td>
</tr>
<tr>
<td><strong>Educational Attainment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than high school or GED</td>
<td>44</td>
<td>46</td>
</tr>
<tr>
<td>High school or GED</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>More than high school or GED</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td><strong>Race/Ethnicity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>African American</td>
<td>47</td>
<td>55***</td>
</tr>
<tr>
<td>Hispanic</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>White</td>
<td>20</td>
<td>14***</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>2***</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Never married</td>
<td>65</td>
<td>71***</td>
</tr>
<tr>
<td>Formerly married</td>
<td>29</td>
<td>22***</td>
</tr>
<tr>
<td>Married, spouse present</td>
<td>5</td>
<td>7**</td>
</tr>
<tr>
<td><strong>Children in Household</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Number</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Average Age of Youngest Child (in Years)</td>
<td>4.8</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Health Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates Own Health as Poor</td>
<td>8</td>
<td>13***</td>
</tr>
<tr>
<td>Has a Diagnosed Mental Health Condition</td>
<td>11</td>
<td>16***</td>
</tr>
<tr>
<td><strong>Mixing Work and Welfare</strong></td>
<td>7</td>
<td>9***</td>
</tr>
<tr>
<td><strong>Months on AFDC/TANF in Two Years Prior to Baseline</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>15</td>
<td>24***</td>
</tr>
<tr>
<td>1 to 12</td>
<td>22</td>
<td>31***</td>
</tr>
<tr>
<td>13 to 23</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td>24</td>
<td>32</td>
<td>15***</td>
</tr>
<tr>
<td>(Average)</td>
<td>(15.2)</td>
<td>(11.1)***</td>
</tr>
<tr>
<td><strong>County of Residence</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Essex</td>
<td>25</td>
<td>31***</td>
</tr>
<tr>
<td>Hudson</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Camden</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Medium-density counties*</td>
<td>29</td>
<td>28</td>
</tr>
<tr>
<td>Low-density counties*</td>
<td>19</td>
<td>15***</td>
</tr>
<tr>
<td><strong>Poverty Level of Neighborhood</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>37</td>
<td>42***</td>
</tr>
<tr>
<td>Medium</td>
<td>36</td>
<td>37</td>
</tr>
<tr>
<td>Low</td>
<td>27</td>
<td>21***</td>
</tr>
</tbody>
</table>

**Sample Size**: 1,753 | 1,500

**Source**: WFNJ administrative records data and WFNJ client surveys conducted by Mathematica Policy Research, Inc. (Wood, Rangarajan, and Deke 2003).

**Note**: Characteristics refer to those of the case head or “payee.” Except for measures of health status, characteristics refer to those at baseline. Measures of health status refer to status at the time of the follow-up survey, conducted, on average, 21 months after baseline.

*Medium-density counties are Bergen, Mercer, Middlesex, Monmouth, Passaic, and Union.

*Low-density counties are Atlantic, Burlington, Cape May, Cumberland, Gloucester, Hunterdon, Morris, Ocean, Salem, Somerset, Sussex, and Warren.

AFDC = Aid to Families with Dependent Children; GED = general equivalency diploma; TANF = Temporary Assistance for Needy Families.

**/**/***Difference between early and later WFNJ clients significant at the .10/.05/.01 level.
Later WFNJ clients were more likely than early ones to receive post-TANF supports. For example, among those eligible, later clients were more likely than early ones to receive food stamps after leaving TANF (55 versus 45 percent) (Figure 8). Similarly, later clients were substantially more likely to be covered by government insurance after leaving welfare (70 versus 62 percent), leading to a slightly higher percentage of later clients who were insured after exiting TANF. Finally, among those who had left TANF for work and had a child under age 6, 47 percent of later clients were receiving a child care subsidy, compared with only 31 percent of early clients at a similar point. These findings suggest that the state’s attempt to expand participation in post-TANF supports through outreach and other efforts have met with some success.

IN-DEPTH INTERVIEW FINDINGS

The findings from the in-depth interviews reveal the complexities of these respondents’ lives. Many have worked and formed ties to the labor market but find it challenging to sustain employment. Often, their employment status changed over the course of the evaluation, in some cases, multiple times. Overall, these respondents, both the working and nonworking ones, had a high degree of economic instability in their lives. Economic issues were often compounded by many personal problems, including depression, drug addiction, learning disabilities, child health problems, neighborhood violence, and a history of family dysfunction and abuse (Zippay and Rangarajan 2005).
Nearly all clients managed to make ends meet by “income packaging”—piecing together income from different sources. For those working, earnings and the Earned Income Tax Credit (EITC) were a primary source of support, but they, too, relied on other sources of income such as help from other adults in the household, child support, and social services. Those on welfare at the time of the interviews relied primarily on public assistance for their income. Most of these people received food stamps and Medicaid. The group off welfare and not employed made ends meet largely by living in households with other adults who paid (or shared in paying) the rent, getting help from friends and relatives, and relying on several forms of social service support.

Despite their efforts to package assistance, many clients experienced resource shortages and material hardships. In each of the three interviews, respondents described how they scrimped and saved and how they stretched their incomes. These strategies were described as a routine aspect of managing scarce resources, whether it was from earnings, welfare, or other income supplements.

Respondents relied on, and praised, several social supports they received, especially Medicaid, before- and after-school programs, and private sources of support, such as Catholic Charities. Almost all clients who were off welfare said they preferred being off welfare and having the sense of independence and financial freedom that it gave them. They were relieved to be free of the burden of accountability, the reporting hassles, and the stigma attached to welfare receipt. Over the course of the interviews, clients’ expressions of uneasiness or anger toward WFNJ work requirements were often replaced by statements of appreciation for work-related training and confidence in their ability to succeed in the workplace.

While many continued to struggle economically, there was a sense that progress was likely to build incrementally over many years as they gained employment experience, expanded their work contacts, and had less complications with child care as their children aged. There is no question, however, that some women were not able to function in the labor market because of many personal or social difficulties (including physical or mental health issues and substance abuse) for which they required substantial support.

Over time, the in-depth team built a rapport with the clients and they opened up to the interviewers, clients talked about the prevalence of depression and other more severe mental health problems, the extent of substance abuse, and the pervasiveness of physical violence in their lives. For example, 48 of the 63 people
interviewed in the third round of interviews said a doctor or other professional had told them they have depression or a serious mental illness. Nearly one in three respondents reported they had a current or recent drug addiction to cocaine or heroin. Others mentioned problems with alcohol. Over the course of the three interviews, 44 (of the 79) respondents reported that they had experienced physical or sexual abuse at some point in their lives, and 29 of them had been abused in recent years by boyfriends or husbands.

Despite these and other similar challenges, many of these women showed a great amount of resilience and faith and a determination to overcome the odds. Many identified friends and family who provided them with social and other support. Many did not have formal membership in a church or other religious organization, but most said they were religious and that faith in God was one of their primary resources for coping and support. The fathers of their children provided some economic support and had some involvement with their children. This support was often small, informal, and unpredictable, however, and it was not a major source of income or aid for most of the respondents. Most of the women said they had no interest in marriage, and many rejected it as a threat to their independence and ability to direct their own household.

CHILD-ONLY STUDY

Child-only cases—cases with no adult included in the grant—have become a growing portion of New Jersey’s cash assistance caseload in recent years. Between 1995 and 2001, the fraction of child-only cases has increased substantially, up from 17 percent in 1995 to 33 percent in 2001 (Wood, Strong 2002). Nearly two-thirds of the child only cases in April 2001 were headed by nonparent caretakers who are raising their grandchildren, nieces, nephews, or other young relatives and are receiving cash assistance on their behalf; one in four was headed by a disabled parent who was on SSI, and about 10 percent were cases headed by an immigrant parent not eligible for TANF (Figure 9).

Nonparent Child-Only Families

Children on nonparent child-only cases often have parents with serious personal problems that make it impossible or inappropriate for them to raise their children. Sixty percent of the caretakers reported that the child’s mother had a substance abuse problem, and 40 percent reported that the child welfare agency had required that the child in question not live with the mother. Other common reasons reported included mothers’ criminal activity, abuse or neglect of children, lack of money, or mental health problems.

6The increase in the fraction of the child-only caseload is due to a steeper decline in the total number of TANF cases in New Jersey than in the number of child-only cases (60 versus 25 percent).
Nonparent child-only TANF families typically are less disadvantaged, have more income, and face fewer hardships than other TANF families, and the current living arrangements of the children typically are long term and stable. Despite this stability, however, school and behavior problems are common among these children.

SSI-Parent Families

SSI-parent families have slightly higher incomes than regular TANF families. More than half of their income comes from their SSI benefits; most of the rest comes from TANF and food stamp benefits. Many SSI-parent child-only families have trouble getting enough to eat. In the year prior to the survey, more than half experienced “food insecurity,” or difficulty having consistent access to nutritionally adequate and safe foods. Three in 10 reported experiencing hunger during this period. These rates of food insecurity are much higher than those of regular TANF families (who have somewhat lower income levels). SSI parents’ physical and mental disabilities may contribute to their high rates of food insecurity, as it may be difficult for them to cook and shop for their families. This may cause some SSI parents to rely more heavily on more-expensive prepared foods, making it difficult for them to afford an adequate diet. In addition, their health problems may create other financial demands on their limited incomes, leaving less money to spend on food.
Immigrant-Parent Child-Only Families

Immigrant parents who head child-only TANF families have low education levels. Many have limited English skills, and most have little recent work history. Only one in three has worked in the past two years. Many cannot work legally in the United States. Three-quarters of immigrant parents are Hispanic; most of these are from Mexico or the Dominican Republic. On average, they have lived in the United States for nine years. Immigrant-parent child-only families have very low incomes and high rates of poverty. The average monthly income of these families is less than $800, and half have incomes below 50 percent of the poverty threshold. Many of these families manage by living in larger households with extended-family members or adults not related to them (many of whom work). One in four immigrant-parent families lives in severely overcrowded housing conditions.

UNEMPLOYMENT INSURANCE ELIGIBILITY STUDY

This study examined the extent to which former TANF recipients who find employment potentially have eligibility for UI, and the extent to which those who lose jobs claim UI benefits. The role of the safety nets available to welfare recipients who exit welfare and find jobs, particularly UI, has gained considerable attention in the context of a time-limited welfare system. To be eligible for UI, a worker must meet certain monetary criteria, such as having a certain amount of employment and earnings over a base period. In addition, however, people may be disqualified on nonmonetary grounds (for example, if they quit their job for no good cause). A concern is the availability of unemployment insurance as a safety net for welfare recipients who have found jobs so that they do not need to return to TANF should they lose their jobs.

Nearly 60 percent of TANF recipients who exited welfare and found employment would potentially have attained UI monetary eligibility at any given quarter during the two-year period after TANF exit (Figure 10) (Rangarajan, Razafindrakoto, Corson 2002). These numbers are high relative to the estimated monetary eligibility rates of around 33 percent in studies that used data from the pre-PRWORA period. However, nonmonetary factors, especially the high rates of voluntary quits, are likely to reduce the fraction who can collect benefits in case of job loss. Data from surveys suggest that as many as 60 percent of former welfare recipients who would have attained monetary eligibility may be disqualified because of a nonmonetary reason. Overall, about one in three who exit welfare for work are likely to potentially have attained monetary and nonmonetary eligibility.

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7 This study was funded through a grant from the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services, with the support of the NJDHS and the New Jersey Department of Labor and Workforce Development (LWD).
Access to the UI program does not appear to be a problem, as many who lost jobs filed claims. Just over half of those who exited welfare and found work had filed one or more initial claims during the three-year period after TANF exit. These relatively high rates of claims filed may be partly due to the fact that job loss is relatively common for those who leave welfare and find jobs. In fact, nearly half of the claims filed were during the early months after job start, when rates of job loss are the highest. In addition, to the extent that some of these job cyclers return to welfare, TANF program rules require those who have ever worked to file claims, further increasing the number who file UI claims.

Ineligibility due to nonmonetary issues was twice as high in claims filed by former TANF recipients as in claims by filers statewide (Table 2). These rates are driven by high rates of voluntary quits (without good cause), as well as by job separation due to misconduct. However, relatively few claimants were disqualified for seeking part-time work. Either they chose to seek full-time work, or they were not disqualified because of New Jersey’s rules regarding part-time work.\(^8\)

\(^8\)New Jersey law allows claimants to seek part-time work if the claim is based on part-time work, if part-time work is available in their occupation and locality, and if the claimant is looking for enough hours to earn an amount equal to the weekly benefit rate.
Only 56 percent of claims filed by former TANF recipients resulted in first payments, compared with 70 percent for claims filed by claimants statewide. This difference is driven largely by higher rates of monetary and nonmonetary disqualification in this group, rather than by failure to receive payments among those eligible. New Jersey’s relatively generous rules with respect to separation denials for misconduct allow many former TANF recipients to begin receiving payments after a five-week waiting period, and rates of first payments are somewhat higher than in states with less generous rules.

Most who file claims, however, eventually return to work. Consistent with their patterns of cycling in and out of jobs, the majority (90 percent) of those who filed claims had found employment after they filed a claim. Nearly two-thirds returned directly to employment, while one in four returned to TANF first, then found a job.

**PROGRAM IMPLEMENTATION STUDY**

The program implementation study explored the operational challenges in implementing the WFNJ program and in identifying promising strategies for overcoming these challenges. It also helped the state develop performance indicators to guide program improvement efforts. The implementation study drew primarily on interviews conducted with county staff members, case file reviews, observations of key program activities, interviews with state staff, and state administrative data. The first round of visits, conducted in fall 1999, focused on learning how the counties embraced the features of WFNJ and were implementing the program. In a later round of visits, in fall 2002, we examined the

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**TABLE 2**

<table>
<thead>
<tr>
<th>MONETARY AND NONMONETARY DISQUALIFICATIONS AMONG CLAIMS FILED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study Sample of Former TANF Recipients</td>
</tr>
<tr>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Proportion of Initial UI Claims with Monetary Eligibility</td>
</tr>
<tr>
<td>Proportion of Initial Claims with:</td>
</tr>
<tr>
<td>Separation issues</td>
</tr>
<tr>
<td>Voluntary quits</td>
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<tr>
<td>Misconducts</td>
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<tr>
<td>Separation denial</td>
</tr>
<tr>
<td>Voluntary quits</td>
</tr>
<tr>
<td>Misconducts</td>
</tr>
</tbody>
</table>

Source: Calculation of New Jersey UI claims data and aggregate data submitted by the state to USDOL, by Mathematica Policy Research, Inc. (Rangarajan, Razafindrakoto, and Corson 2002).
availability of post-TANF supports in the state and attempted to learn more about why many eligible working families do not use the supports available to them. In the fall 2002 visits, we also focused on the serious employment barriers long-term recipients face and on efforts to help them address these barriers.

**EARLY PROGRAM IMPLEMENTATION FINDINGS**

Our first round of visits to New Jersey counties, in fall 1999, revealed that each county studied had implemented the basic WFNJ program. Counties, for the most part, had implemented state rules and regulations with respect to the intake process, sanctions for client noncompliance, and provision for support services. The rapid connection of clients with jobs had become a clear and consistent goal of agencies assisting welfare recipients. During the visits, we noticed the changing culture of welfare, as reflected in staff attitudes. For example, across the 10 program study counties, staff members at all levels supported the WFNJ program goals, including its “work first” emphasis and sanction policy. At that time, some staff members did not believe that the work first approach was appropriate for all clients, however (Rosenberg, Roper, and Stieglitz 2000).

WFNJ’s goal of quickly engaging clients in work activities stimulated the development of partnerships between welfare and workforce agencies. The early implementation findings also indicated, however, that stronger collaborations and better coordination of service delivery were required to facilitate a more seamless system in which clients move easily between welfare and workforce activities and from cash assistance to employment. Vendor roles in WFNJ were hindered by few referrals and performance-based contracts. Declining caseloads sometimes led to competition between vendors, and vendors with performance-based contracts struggled because they lacked the cash reserves to support the contracts.

The early implementation study found that the changing CWA staff roles created pressures on staff members, and providing intensive, one-on-one case management was difficult because of the shift in program emphasis and lack of resources. Client use of post-TANF services was low, in part as a result of agency process, and WFNJ did not yet consistently offer services aimed at the most hard-to-employ clients. At the time of the site visits in fall 1999, clients in many counties did not receive services they needed, including a thorough assessment of the barriers to employment, individualized plans to overcome them, and appropriate activities to prepare them for employment.

**POST-TANF IMPLEMENTATION STUDY**

In fall 2002, site visits focused on the post-TANF programs available to clients and use of these programs. The study found that New Jersey offers working post-TANF families several forms of additional support as they end their cash assistance. Some are
long-standing programs. For example, New Jersey offers 24 months of transitional Medicaid and child care for families that become ineligible for TANF or Medicaid due to an increase in earnings. In addition, newer programs help smooth the transition to self-sufficiency. The state EITC provides additional advantages to work. Other state programs, such as the Career Advancement Voucher (CAV), the Supplemental Work Support (SWS) program, and the Individual Development Account (IDA) program, provide extra training and support (Rosenberg, Nagatoshi, and Roper 2003).9

We found that participation in post-TANF programs is uneven. Working post-TANF families have a high participation rate in some programs, such as Medicaid. However, their participation rate in other programs, such as the CAV and SWS, is low. The reasons for nonparticipation are diverse. Some families decide that they do not need some or all of the benefits, and others might not know that benefits are available. Still others might decide that the requirements they must fulfill to participate outweigh the perceived benefits. Participation rates in support programs might increase if CWAs adopt a broader mission. In most counties we visited, welfare agency administrators continue to focus on administering public assistance programs that help clients move into employment and off welfare before their time limits expire. They have not yet shifted their focus to the support programs that help former TANF recipients maintain economic self-sufficiency.

**ADDRESSING EMPLOYMENT BARRIERS**

Long-term TANF recipients are more likely than others to face behavioral and health problems that can affect their ability to find and retain jobs. To identify barriers, in 2000, the NJDHS introduced the Comprehensive Social Assessment (CSA), a screening questionnaire used by frontline staff to identify clients with health and behavioral problems or other potential barriers. This study looked at the methods staff use to identify clients’ serious personal barriers, the extent to which they engage clients in treatment, and how these strategies might be enhanced.

Staff who conduct CSA screenings with longer-term recipients have succeeded in identifying many clients with physical and mental health problems, perhaps representing the majority in this group with health problems. However, staff seem to be able to identify few clients with either substance abuse problems or learning disabilities. For example, based on estimates of the rates of substance abuse among TANF recipients, it appears that this rate may account for less than one-sixth of all problem users (Strong, Haimson, and Rosenberg 2004).

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9We describe these programs in greater detail in the last section of this report.
Although personal problems in some areas are uncovered through CSAs, welfare case managers appear to refer only a small percentage of clients for more thorough assessments or services related to health and behavioral barriers. For example, for each of the four types of serious personal problems the CSA covers (physical health, mental health, substance abuse, and family violence), only between 17 percent to 33 percent of clients for whom a problem was identified in the CSA were referred to services. It is possible that some were already in treatment and that the case managers knew this. Nonetheless, our findings suggest that additional assessment or follow-up efforts may be needed to help some clients with documented health and behavioral problems find the services they need.

Some of the challenges in implementing screening and assessment procedures were caused by case managers’ confusion about the purpose of the CSA and limited interagency communication on screening and assessment issues. In addition, shortages in treatment services, especially in selected substance abuse and mental health treatment, as well as services for those with multiple health and behavioral problems, may also jeopardize successful treatment. Programs also must be able to address clients’ family and logistical problems, as well as their fears about treatment. Finally, work and training activities do not always complement treatment schedules and priorities. Expanding the menu of work activities and integrating transitional employment with treatment services may help increase successful completion of treatment.

COMMUNITY STUDY

The community study examined the local challenges facing parents and service providers in three high-poverty areas: Camden City, Cumberland County, and Newark. The first report, written in spring 1999, used spatial indicators and other data to examine jobs available in and around the case study communities (Hulsey, Haimson 2000). The second report examined the employment-related needs of low- and moderate-income parents and local efforts to address those needs in these three areas based on surveys of residents and employers in spring 2000, as well as interviews conducted with service providers and key stakeholders in these areas. Below we summarize the findings from these two studies (Haimson, Meckstroth, Rosenberg, Roper, and Nagatoshi 2001).

SPATIAL INDICATORS

STUDY

Jobs Available and Secured

The spatial indicators report examined the jobs available in the case study communities, drawing on the 1990 census data, historical data from the U.S. Census Bureau’s County Business Patterns, and projections from the LWD. Based on these data, the study found that low-skill jobs—those requiring no postsecondary credentials—were expected to grow more slowly in the case
study areas than in nearby counties (Hulsey, Haimson 2000). This may pose a particular challenge for those who do not have a car, since getting to these counties by public transit can be time-consuming. While service occupations had the most low-skill openings, other low-skill jobs will also have many openings, including higher-paying clerical and sales positions.

Survey data indicate that more than 40 percent of TANF recipients in the case study areas were employed in service jobs, such as health aides, waitresses, and childcare providers. Fewer recipients (17 percent) had clerical jobs, even though many of these jobs are available in the case study counties. Recipients’ service jobs paid fairly low wages (averaging $6.44 per hour in 1999 dollars), considerably less than the average wage earned by those in clerical positions ($9.13).

Administrative records data indicate that workforce agencies’ job placement efforts accounted for only a modest fraction of the jobs obtained by recipients from case study areas. Between July 1997 and December 1998, only about 12 percent of employed recipients had found a job through the Employment Service or a Job Training Partnership Act agency; however, this reached 30 percent in Cumberland County. Local agencies helped clients find jobs in a variety of occupations, including clerical, sales, and transportation, as well as services. Agencies’ job placements paid about the same as jobs that recipients found on their own, but they more often offered fringe benefits. However, many of the jobs obtained through agencies required an out-of-town commute.

Many families in the case study areas are poor or experience other hardships. Families have high poverty rates—43 percent in Camden, 19 percent in Cumberland County, and 36 percent in Newark, compared with 10 percent statewide. Although two out of three modest-income parents are employed, one-third of these working parents are in low-wage jobs and are poor. Commutes are also long for the many parents who rely on public transportation and work outside their communities. Single parents without a high school education face the greatest employment challenges. Parents with health problems also fare poorly in the labor market.

Despite employment challenges and other hardships, many modest-income parents do not use government or community-based services to find jobs, reduce child care costs, or deal with hardships. Instead, many turn to family and friends for help, and some do not use any source of support for help with hardships.
Many parents who do not use available services are not aware that services exist, and others do not think services can address their needs.

### Employer Needs and Perceptions

Jobs with low educational requirements near the case study areas have inconvenient locations or schedules. Many of these jobs are outside the case study areas, and some are difficult to reach by public transit. Most low-education jobs require employees to be available to work overtime, but few give employees much control over their work schedules, creating problems for those with child care responsibilities. Employers that provide low-education jobs paying relatively good wages often require applicants to pass tests and assign workers tasks making heavy use of basic skills.

Absenteism is the most common performance problem cited by employers hiring welfare recipients and other single parents in low-education jobs. Employers believe tenuous child care arrangements most often cause this problem; however, they suggest that transportation problems and poor attitudes also are contributing factors. Most employers report, however, that both welfare recipients and other single parents perform about the same as do other employees in jobs requiring little education. Employers also indicate that they would hire more recipients referred by workforce agencies if agency staff could provide greater assurances about their clients’ skills, child care arrangements, and transportation arrangements. Employers suggest that tax credits and training subsidies have little effect on the number of recipients they hire.

### Local Initiatives

A variety of organizations in the case study areas were involved in new efforts to help low-income parents overcome employment barriers. Most of these local initiatives focused on helping current and former welfare recipients, although some new programs are targeting services to a broader population of low- and moderate-income parents. While new partnerships have been forged, they create some coordination challenges. For example, in Camden and Newark, where partnerships expanded quickly, many organizations became dissatisfied with their roles or the limited support offered by partners. In Cumberland County, where partnerships expanded slowly, coordination across the main local agencies was stronger.

### SUMMARY

The findings from the evaluation support the discussions that took place around the time of welfare reform, including both discussions related to the strengths of the proposed reforms and its limitations. The early group of clients tracked by the study have made substantial economic progress in the five to six years since entering the program. Many have left welfare for work. Their average incomes have increased substantially, while their poverty levels have fallen. Although they have experienced gains as a
group, their economic progress has not always been steady. Many have cycled in and out of employment, and in and out of poverty. In-depth interviews with clients reveal the complexities in their lives, including the economic instabilities and personal complexities that mark the lives of both those working and those not working. The findings from the study point to factors such as physical and behavioral health factors and other barriers that make employment and daily life difficult, and the importance of job retention as well as continuing to improve access to support services and treatment in supporting their goals.

**STATE INITIATIVES SINCE THE INCEPTION OF WFNJ**

The information gathered and analyses conducted during the WFNJ evaluation have provided valuable information to state and local policymakers on how clients are faring and on what challenges remain. In response to the findings from the studies, as well as their own observations, the state has undertaken a number of new initiatives to assess the needs of long-term TANF recipients, offer outreach to those who have left TANF and are not accessing post-TANF supports, provide supplemental work supports to those leaving welfare for work, and address the needs of clients who have reached their 60-month time limit on TANF benefits. We conclude this report by providing a brief description of some of the recent initiatives undertaken by the state for current and former TANF recipients.

**Supportive Assistance to Individuals and Families**

The Supported Assistance to Individuals and Families (SAIF) program, initiated in 2003, offers an additional two years of cash assistance and support services to eligible WFNJ clients who reach their 60-month TANF time limit. SAIF clients are required to participate in work activities and must work intensively with their case managers to find employment.

**Individual Development Account Program**

In September 2002, the state launched the IDA program to help low-income families save to buy a house, start a small business, or pay for higher education. Under New Jersey’s program, the state will match participants’ contributions to these accounts, dollar for dollar, up $1,500 a year, for up to three years.

**Supplemental Work Support Program**

The SWS program, which began in spring 2001, encourages working TANF recipients to close their cases in exchange for a monthly work support payment of $200, regardless of the amount of their cash benefit. Clients who agree to do so are eligible for other post-TANF benefits, and their TANF “clock” (tracking their total months of benefit receipt) stops.

**Career Advancement Vouchers**

CAVs, first offered in January 2001, give employed former clients as much as $4,000 toward program tuition to pursue additional training while they are working.
| **Comprehensive Social Assessments** | In November 2000, county staff began administering a CSA to all long-term TANF recipients. Originally conducted after clients had received TANF for 34 months, they are now administered to all clients after 12 months of TANF receipt. Through these assessments, workers are expected to determine appropriate referrals and services for clients, such as referrals to the state LWD’s Division of Vocational Rehabilitation Services or to the state’s Substance Abuse Initiative or Mental Health Initiative. |
| **State Earned Income Tax Credit** | In 2000, New Jersey introduced a refundable state EITC for low-income families with children to supplement the federal EITC. The state credit is currently set at 20 percent of the family’s federal EITC. The maximum state EITC is about $500 for a family with one child and about $800 for a family with two or more children. |
| **Outreach and Marketing Efforts** | In 2000, the state developed a faith- and community-based collaborative to market available support programs and benefits to former TANF recipients. |
APPENDIX A

PUBLICATIONS OF THE WORK FIRST
NEW JERSEY EVALUATION
<table>
<thead>
<tr>
<th>Report</th>
<th>Date/Component</th>
<th>Key Topics Covered</th>
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<tr>
<td>“How WFNJ Clients Are Faring Under Welfare Reform: An Early Look”</td>
<td>October 21, 1999 (Client Study)</td>
<td>• Welfare and employment experiences</td>
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<td>• Life quality of WFNJ clients</td>
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<td>• Knowledge of and experiences with WFNJ</td>
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<td>• Challenges to sustained employment</td>
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<td>“First Community Study Spatial Indicators Report: Taking Advantage of</td>
<td>March 13, 2000 (Community Study)</td>
<td>• Jobs available in case study areas</td>
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<td>Local Job Opportunities”</td>
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<td>• Placement efforts of workforce agencies</td>
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<tr>
<td>“County Operations and Outcome Measures: Fourth Quarter 1999”</td>
<td>June 22, 2000 (Process Study)</td>
<td>• WFNJ performance measures</td>
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<td>• Process, client, county context</td>
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<td>“Reshaping Welfare in New Jersey: Lessons from the Implementation of</td>
<td>July 28, 2000 (Process Study)</td>
<td>• Creating a “work first” culture and system</td>
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<td>Work First New Jersey”</td>
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<td>• Moving clients through the welfare system</td>
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<td>• Encouraging clients’ participation and work</td>
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<td>“Current and Former WFNJ Clients: How Are They Faring 30 Months Later?”</td>
<td>November 16, 2000 (Client Study)</td>
<td>• Welfare, employment, and income trends</td>
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<td>• Life quality of WFNJ clients</td>
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<td>• Use of post-TANF benefit</td>
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<td>• Clients off TANF who are not employed</td>
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<td>• Employment barriers of TANF stayers</td>
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<td>“Needs and Challenges in Three New Jersey Communities: Implications</td>
<td>July 2001 (Community Study)</td>
<td>• Parents’ employment challenges and hardships</td>
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<td>for Welfare Reform”</td>
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<td>• Job opportunities and demands</td>
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<td>• Local responses to parents’ service needs</td>
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<td>“Current and Former WFNJ Clients: How Are They and Their Children</td>
<td>January 2002 (Client Study)</td>
<td>• Welfare, employment, and income trends</td>
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<td>Faring 40 Months Later?”</td>
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<td>• Understanding time limits</td>
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<td>• Child care and child well-being</td>
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<td>“The Status of Families on Child-Only TANF Cases”</td>
<td>May 2002 (Client Study)</td>
<td>• Characteristics of child-only TANF cases</td>
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<td>• Life quality of child-only TANF family</td>
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<td>• Status of children on nonparent child-only cases</td>
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<td>“Study to Examine UI Eligibility Among Former TANF Recipients:</td>
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<td>Time?”</td>
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<td>Support Services”</td>
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<td>• Utilization of post-TANF benefits</td>
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<td>• Barriers to, and strategies to enhance, use</td>
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<td>“Addressing Barriers to Employment: Detecting and Treating Health and</td>
<td>January 2004 (Process Study)</td>
<td>• Prevalence of serious personal barriers</td>
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<td>Behavioral Problems Among New Jersey’s TANF Clients”</td>
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<td>• Identification and referrals</td>
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<td>• Engaging clients in treatment</td>
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<td>“Early and Later WFNJ Clients: Are Their Experiences Different?”</td>
<td>April 2004 (Client Study)</td>
<td>• Characteristics of caseload over time</td>
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<td>• Economic outcomes</td>
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<td>• Use of post-TANF benefits</td>
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<td>“WFNJ Clients and Welfare Reform: A Final Look at an Early Group”</td>
<td>August 2004 (Client Study)</td>
<td>• Welfare, employment, and income trends</td>
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<td>• Housing and housing subsidies</td>
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<td>• Role of noncustodial fathers</td>
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<td>“In Their Own Words: WFNJ Clients Speak About Family, Work, and</td>
<td>August 2004 (Client Study)</td>
<td>• Work, welfare, and sources of support</td>
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<td>Welfare”</td>
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<td>• Personal challenges and individualized progress</td>
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<td>• Attitudes about marriage and role of fathers</td>
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<td>• Housing and neighborhoods</td>
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Longitudinal Client Study


Program and Community Studies


Reports can be obtained from the Mathematica Policy Research, Inc. website using the weblinks provided. If no weblink is provided, the report can be obtained by contacting Jackie Allen in Communications, ph. 609-275-2350 or email jallen@mathematica-mpr.com.
APPENDIX B

SAMPLE AND DATA
**WFNJ Client Surveys**

As part of the WFNJ evaluation, MPR conducted five annual longitudinal surveys with an early group of 2,000 WFNJ clients who entered Temporary Assistance for Needy Families (TANF) during the first 18 months of program implementation, between June 1997 and December 1998. The first survey was conducted the first survey in spring 1999, then annually each spring through 2003.\(^1\) We achieved response rates of more than 80 percent in each round of the surveys. Across the five surveys, we reached 95 percent of the originally selected 2,000 clients. Each survey asked respondents questions on their employment, income, and economic well-being. Each survey also included one or more topical modules that covered issues such as experiences with the WFNJ program, health status, child care and child well-being, father involvement, attitudes toward marriage, and housing.

In summer 2003, we conducted a survey with a more recent cohort of 1,200 WFNJ clients to better understand the more recent client caseload and how it varied from the original cohort of clients. A response rate of 80 percent was achieved in this survey. For a special child-only study, we conducted surveys with more than 500 child-only cases in New Jersey in summer 2001, and obtained a 79 percent response rate on this study.

**In-Depth In-Person Interviews**

To hear the voices of families on and off welfare and to learn from them in an informal, in-person setting about their struggles and challenges, we conducted three in-depth, in-person interviews with a subset of WFNJ clients from the main study sample. Equal number of clients on TANF, off TANF and working, and off TANF and not working were randomly selected from among those who completed the first client study. For the second and third round of in-depth interviews, we oversampled long-term welfare recipients who were at high risk of reaching time limits, as well as those who were off TANF and not working, to better understand the issues and challenges these high-risk groups faced. Interviews were completed with 45 respondents in the first round (fall 1999), 55 respondents in the second round (fall 2001), and 63 respondents in the third round (fall 2003). Overall, we conducted in-depth interviews with 79 current and former clients, and 58 of them had been interviewed more than once.

**Resident Survey**

For the community study, two surveys were conducted to collect data on service needs of low- and moderate-income parents (those with household income below 250 percent of the poverty level) in three case study areas in New Jersey (Camden City, Cumberland

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\(^1\)Most of the WFNJ surveys were using computer assisted telephone interviews (CATI) methods augmented by in-field contacts so respondents may complete the interviews via cellular phone.
County, and Newark). The first was a resident survey conducted in summer 2000, based on a list-assisted random-digit-dialing sample frame. We screened households based on income and household type. The sample included more than 900 moderate-income residents (a 55 percent response rate). The second was a survey of nearly 340 WFNJ clients in these case study areas to compare their needs with those of low- and moderate-income residents in these communities (80 percent response rate).

**Employer Survey**

As part of the community study, we conducted a survey of 1,282 employer establishments in the labor markets that included the case study areas. A sample of establishments with 10 or more employees was selected randomly from a list provided by the Dun & Bradstreet Corporation. The sample was also stratified by size of establishment, geographic area, and establishments that had recently hired welfare recipients through workforce agencies. The surveys were conducted in summer 2000, and we achieved a 79 percent response rate.

**Administrative Records Data**

The WFNJ evaluation also relied on state administrative records data. For several components, we used state administrative welfare records data on monthly TANF and food stamp receipt. We also obtained quarterly earnings records from the state UI records data, and, for the UI study, we obtained UI claims data on our sample of WFNJ clients. In addition, we obtained state administrative records data on participation in WFNJ activities and other related data for use in the implementation and community studies.

**Site Visits**

To understand the effect of changes resulting from WFNJ at the county level, we conducted three rounds of site visits to a subset of the 21 counties in New Jersey. 2 Counties were selected to reflect regional diversity, as well as caseload and other programmatic variation, and to capture variation in population size, density, and racial makeup. As part of these visits, we conducted interviews with county welfare agency (CWA) and workforce agency staff, service providers, and others involved in WFNJ implementation. We also observed program operations and reviewed client files. As part of the implementation study, we also conducted interviews with state officials. The first round of visits was conducted in fall 1999, the second round in spring 2001, and the third round in fall 2002. As part of the community studies.

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2 Counties visited in the first round were: Atlantic, Bergen, Camden, Cumberland, Essex, Hudson, Middlesex, Monmouth, Ocean, and Salem. The second round included visits to Atlantic, Essex, Hudson, Mercer and Monmouth counties. The third round included visits to Atlantic, Bergen, Camden, Cumberland, Essex, Hudson, Monmouth, Mercer, and Passaic counties.
study, in spring 2000, we interviewed additional staff of other organizations involved in welfare reform initiatives in the three case study areas.

**Focus Groups**

As part of the 2002 site visits, we also conducted three group discussions with current and former TANF recipients to learn about their experiences with post-TANF programs. We also conducted two groups discussions with a subsample of TANF recipients for whom their TANF records contained evidence that they had experienced a serious barrier such as poor health, substance abuse, or mental health issues.