

A Report Examining Closed Ohio Works First Cases in Twelve Sites

Produced by

The Ohio Department of Job and Family Services

In Collaboration With

Center for Human Resource Research
The Ohio State University

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Contents

| | |
|--|-----------|
| EXECUTIVE SUMMARY | i |
| Section I: Introduction | 1 |
| How the Research was Conducted | 1 |
| Eligibility Criteria | 1 |
| Study Sites | 2 |
| Data Sources | 2 |
| Weighting | 3 |
| Section II: Profile of the Study Population | 4 |
| Demographic Profile | 4 |
| Place of Residence | 4 |
| | 4 |
| Gender | 5 |
| Age | 5 |
| Ethnicity | 5 |
| Marital Status | 5 |
| Education Level | 6 |
| Number of Children In Home | 6 |
| Age of Youngest Child in Home | 6 |
| Rate of Return to OWF | 7 |
| Hardships Endured | 9 |
| Housing-Related Hardships | 9 |
| Food-Related Hardships | 10 |
| Respondent Assessments: Present and Future | 11 |
| Section III: Support Services | 12 |
| Health Insurance Coverage | 12 |
| Children’s Coverage | 13 |
| Employer-Offered Health Insurance | 14 |
| Child Care | 15 |
| Education | 16 |
| Job Training | 18 |
| Child Support | 19 |
| Children’s Protective Services | 20 |

| | |
|---|------------|
| Section IV: Job-Related Characteristics | 21 |
| Employment Status at Time of Survey | 21 |
| Job Search Methods | 21 |
| Job Type | 22 |
| Job Benefits | 22 |
| Transportation to Work..... | 24 |
| Minutes to Work | 26 |
| Section V: Employment and Income | 28 |
| Employment Status..... | 28 |
| Average Hours Worked Per Week..... | 29 |
| Average Hourly Rate of Pay | 31 |
| Factors Associated With Increased Wage Rates | 32 |
| Earnings..... | 32 |
| 1999 Income..... | 33 |
| Section VI: The Determinants of OWF Recidivism | 34 |
| Overview | 34 |
| Characteristics Used in the Analysis..... | 34 |
| Probability of Being Off OWF | 36 |
| Predicted Effects of Characteristics on Recidivism..... | 37 |
| Results | 39 |
| Place of Residence | 39 |
| Ethnicity | 41 |
| Respondent's Age | 42 |
| Education..... | 43 |
| Marital Status | 44 |
| Number and Age of Children | 45 |
| Earnings and Health Insurance Benefits..... | 47 |
| Conclusion | 48 |
| Appendix A: Sample Selection, Size, and Interview Response Rate..... | A-1 |
| Appendix B: Quality of Match | B-1 |
| Appendix C: Wage Rate at Closure | C-1 |
| Appendix D: Discrete Time Models of Duration Off OWF and Receipt of OWF..... | D1 |

THE OHIO DEPARTMENT OF JOB AND FAMILY SERVICES CLOSED CASES STUDY

EXECUTIVE SUMMARY

June 22, 2001

With the advent of welfare reform, and declining welfare caseloads in Ohio, the Ohio Department of Job and Family Services (ODJFS) sponsored the Closed Cases Study to explore what happens to Ohio Works First (OWF) participants and their families after they leave the program. ODJFS contracted with The Center for Human Resource Research of The Ohio State University to conduct the study.

A telephone survey was conducted in early 2000 among a sample of OWF participants whose assistance groups had closed for at least one month between October 1997 and March 1999.¹ Survey responses were collected from 1,025 individuals, or 68% of the sample. The sample was randomly selected from twelve diverse sites in Ohio in order to examine how differences in local economy, population, location, and culture might affect the ability of program leavers to attain self-sufficiency. The sites were not chosen to be representative of former OWF participants statewide.

For the twelve sites studied, this report provides descriptive information about who leaves OWF, what happens after they leave, and what factors increase the probability that former participants will remain off OWF. Key findings from the study are provided below.



Who Left OWF in the Twelve Study Sites?

The most common characteristics were:

- **Gender** female
- **Ethnicity** African-American
- **Age** between 26 and 35 years old
- **Marital Status** never married
- **Education** at least a high school diploma or GED
- **Children** one or two children with the youngest under six years old

¹ In this study, the terms “assistance group” and “case” are used interchangeably.



Who Returned to OWF?

- 43% of the study population never returned to OWF during the study period.
- 86% of these Non-Returners had been off OWF for more than 18 months.
- 57% of the study population had returned to OWF at least once during the study period. These Returners were off OWF for at least one month, then returned to OWF for one or more months.
- 74% of Returners came back to OWF within six months after initial closure.²
- 12% of Returners remained off OWF for over one year before they returned.
- 55% of the study population felt “pretty sure that (they) won’t have to be on welfare again.”



What are Their Employment and Job Characteristics?

- 56% of the study population was employed at initial closure, and 61% was employed at 12 months after closure.
- At 12 months after initial closure, employed study population members averaged 32 hours per week, \$7.91 per hour, and earnings of \$1,082 per month. These earnings were almost three times higher than the \$373 monthly OWF cash benefit for a family of three.
- Most study participants found their jobs by contacting employers directly or through friends and family.
- The majority of employed study population members drove their own cars to work, except in urban areas, where 32% of employed study participants used public transportation. It took 15 minutes or less to get to work for nearly half of all employed study population members, and 16-30 minutes for another 35% of employed study population members.
- 33% of Non-Returners compared with 16% of Returners reported having paid sick leave, and 45% of Non-Returners compared with 28% of Returners reported having other paid leave days. 42% of both groups reported having flex time.

² Initial closure refers to the first closure during the study period. It is the closure which made the participant eligible for this study. For example, if a participant’s OWF case closed in January 1998, was re-opened in April 1998, closed again in October 1998, re-opened in January 1999, then the January 1998 closure is the initial closure during the October 1997 through March 1999 time frame.



What About Other Measures of Family and Child Well-Being?

- Over 80% of the study population had at least one child younger than 14 years of age in their household. 52% had no difficulty finding child care; 26% did, primarily due to cost. Nearly a quarter did not need child care. After the study participants themselves, grandparents were most often cited as the child care providers.
- 63% of all study population members reported that they had health care coverage for themselves. 23% of Non-Returners were covered by their employer.
- 82% of the study population reported having health care coverage for their children, mainly through Medicaid, regardless of whether or not the study participants had returned to OWF.
- 42% of the study population reported having established a child support agreement. 64% of those with an agreement reported that some or all payments were made during 1999.
- 12% of the study population had been involved with Children's Protective Services at some point since January 1997.



What Factors Contribute to Successful Transitions off OWF?

Several characteristics were examined to determine their relative impacts on the probability of getting off and staying off OWF. The following are findings from the 12-site study population.

- Individuals in non-Appalachian sites have a higher probability of staying off OWF than those in Appalachian sites, but site size, in terms of population, has a larger and more significant effect than Appalachian status.
- Medium-sized sites are more conducive to successful transitions off OWF than either large or small sites.
- In general, the older the individual, the more likely she or he is to stay off OWF.
- A high school diploma or GED promotes self-sufficiency, but schooling beyond this level does not lead to a higher probability of staying off OWF.

- Married study population members are most likely to stay off OWF. However, separated, divorced, or widowed individuals are more likely to stay off OWF than never married individuals.
- The more children in the assistance group, the less likelihood of successful transition off OWF.
- Those with children ages 6 to 14 are less likely to stay off OWF than those with children under age 6.
- Those who take health insurance offered through their employer have a better chance of staying off OWF than those who do not take insurance offered through their employer, or those who do not have insurance offered at all through their employer.
- Caucasians and members of other ethnic groups have a higher probability of staying off OWF than African-Americans.
- The probability of staying off OWF increases as earnings increase.

Section I: Introduction

With the advent of welfare reform, and declining welfare caseloads in Ohio, the Ohio Department of Job and Family Services (ODJFS) sponsored the Closed Cases Study to explore what happens to Ohio Works First (OWF) participants and their families after they leave the program. The study was conducted by The Center for Human Resource Research of The Ohio State University (OSU), with the collaboration of the OSU Center for Survey Research, the OSU School of Public Policy and Management, the Center on Urban Poverty and Social Change at Case Western Reserve University, and the Cleveland State University Department of Sociology.

The Closed Cases Study was designed to collect information about the experiences of OWF recipients who stopped receiving benefits for at least one month between October 1997 and March 1999. It is important to note that the time period of the study precedes October 2000 when Ohio's 36-month time limit on receipt of OWF benefits first applied to individuals who had been on OWF since October 1997.

This report provides information about those who leave OWF, what happens after they leave, and what factors appear to help former participants remain self-sufficient and off OWF.

How the Research was Conducted

Eligibility Criteria

A sample of 1,800 former OWF participants was randomly selected from 12 Ohio sites. Payees of assistance groups (AGs) who were age 18 or older, who had been on OWF at least one month, and had then been off OWF at least one month, were eligible for selection. Child-only assistance groups were excluded from the study. Closure of the assistance group had to occur between October 1997 and March 1999. The first closure that occurred during this eighteen-month period was counted as the

month of closure, regardless of subsequent returns and closures from OWF. When closure occurred in more than one month consecutively, the last month was counted as the month of closure.

Throughout this report, the month of closure is referred to as “first closure” or “initial closure.”

Figure 1.1

Eligibility Criteria

- AG payee, age 18 or older
- on OWF at least one month
- off OWF at least one month
- AG closure between October 1997 and March 1999
- in 12-site study area

Study Sites

Twelve sites were selected to provide variability in employment opportunities and resources that might be available to participants. The twelve sites are listed in figure 1.2. The sites are not, and were not intended to be, representative of the OWF population statewide.

Site selection criteria included site size and Appalachian status. In an attempt to clarify experiences from large metropolitan areas, the cities of Columbus and Cleveland were chosen. Euclid and Parma were selected in order to provide information on resources in two smaller urban sites. Clark and Allen Counties were selected to provide information on medium-sized non-Appalachian counties, while Washington and Scioto Counties were selected to represent medium-sized Appalachian counties. Meigs, Vinton, and Noble Counties were selected because they are small, Appalachian counties. Ashtabula County was selected to represent small, non-Appalachian counties.

Data Sources

Data were collected using ODJFS administrative databases, and telephone and in-person interviews with sample members. The administrative databases provided lists of assistance groups that closed between October 1997 and March 1999, and provided demographic information at the time of closure, as well as the dates of subsequent returns and closures through June 2000.

Survey information provided most of the data for the results presented in this report. Sample members were contacted by telephone from November 1999 through July 2000, with in-person follow-up for those who could not be reached by telephone. The interviews were not conducted in a pre-determined order. For example, sample members whose assistance groups closed in October 1997 could have been interviewed at any time during the November through July interview period.

Through the course of the interview process, the initial sample of 1,800 individuals was reduced to 1,499 when 301 sample members were subsequently found to be ineligible for the survey. The reasons for their ineligibility varied. Some had died, moved out of state, or were mentally or physically unable to do the interview. Others were found to be the payees for assistance groups composed entirely of minor children or were members of assistance groups that did not actually close during the period under study. Of the 1,499 respondents, 1,025 who met study eligibility criteria completed the survey for a response rate of 68%. Detailed information about sample sizes by site can be found in Appendix A.

The survey respondents' characteristics were found to be representative of the OWF leaver population in the twelve-site study area. Appendix B provides detailed data about respondents and their families. It includes demographic comparisons of the study universe and survey respondents in the aggregate, and by site.

Figure 1.2

| Study Sites | |
|-----------------|---------------|
| <u>Counties</u> | <u>Cities</u> |
| Allen | Cleveland |
| Ashtabula | Columbus |
| Clark | Euclid |
| Meigs | Parma |
| Noble | |
| Scioto | |
| Vinton | |
| Washington | |

Weighting

Survey results in this study were weighted so that the survey data would accurately represent the twelve-site study universe. The administrative data were not weighted as they constitute the twelve-site universe, hence representativeness is not an issue.

The survey data were weighted to take into account two factors: 1) different sampling rates across sites, and 2) different response rates in the survey phase.

Sampling rates differed across sites because of extreme differences in the size of the eligible study population across sites. In populous urban sites, sample members represented thousands of former OWF participants. However, in sites with small populations, most or all individuals who met the study eligibility criteria were included in the study sample.

Using unweighted data would mean that observations from smaller sites would be more prevalent in the data than they actually are in the twelve-site study universe. Because circumstances in smaller areas differ greatly from those in larger, more urban areas, using unweighted data over-represents the smaller study sites and biases the results of the study. Therefore, the survey results were weighted to account for the large differences in the number of former OWF recipients represented by survey respondents in each site.

The second weighting factor corrects for the fact that survey completion rates differed according to the characteristics of the respondent. For example, male respondents were slightly less likely to cooperate with survey completion than females. Therefore, survey responses from males received a slightly higher weight than survey responses from females, because the survey respondents over-represented females in the study population and under-represented males.

Because of this weighting, the results that follow are presented in percentages rather than numbers and are generalizable to the populations of former OWF participants in the twelve study sites.

Section II: Profile of the Study Population

This section of the report presents basic information about the study population. It includes demographic profiles and describes how successful this group was at maintaining lasting independence from OWF. It also describes hardships endured by the study population.

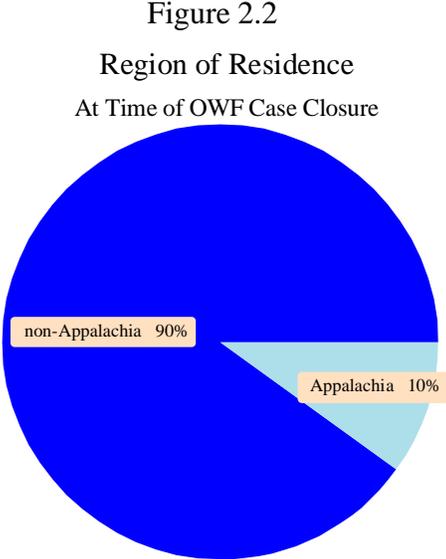
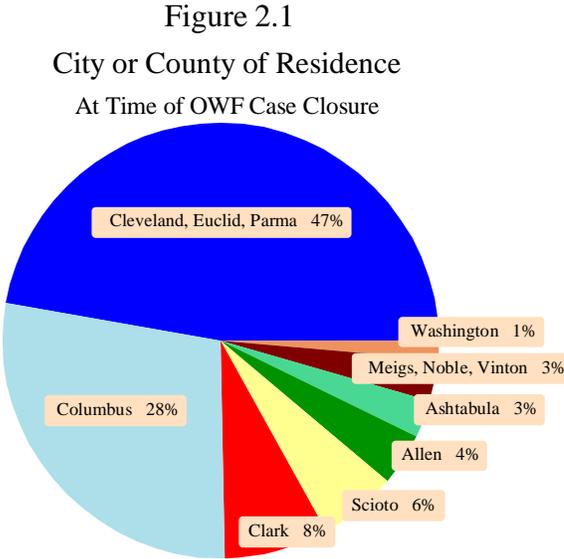
Unless otherwise noted, the information presented in this section is a result of the survey conducted with 1,025 individuals in the twelve-site study area. Survey responses were weighted to account for differences between the survey respondents and the study universe, as described in the preceding section. All percentages presented in this section have been weighted.

Demographic Profile

Place of Residence

ODJFS administrative records indicate that at the time of OWF case closure, 75% of the cases in the study population were concentrated in the four urban sites that were studied: the cities of Cleveland, Euclid, and Parma in Cuyahoga County, and the city of Columbus in Franklin County. Nineteen percent of the study cases came from the medium-sized counties of Allen, Clark, Scioto, and Washington. Individuals in the small counties of Ashtabula, Meigs, Noble, and Vinton made up the remaining six percent of the study population.

Ten percent of the study cases came from the Appalachian counties of Meigs, Noble, Scioto, Vinton, and Washington.

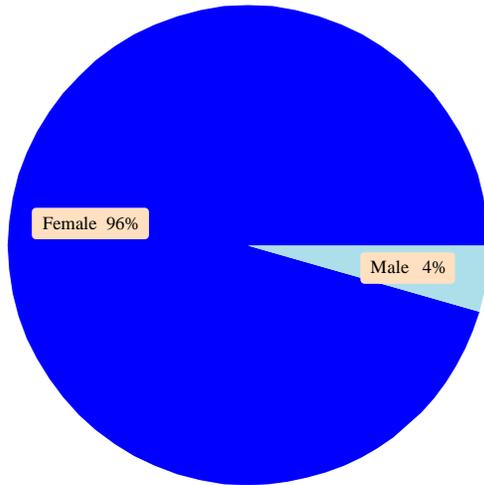


Gender

Ninety-six percent of the study population was female.

Figure 2.3

Gender

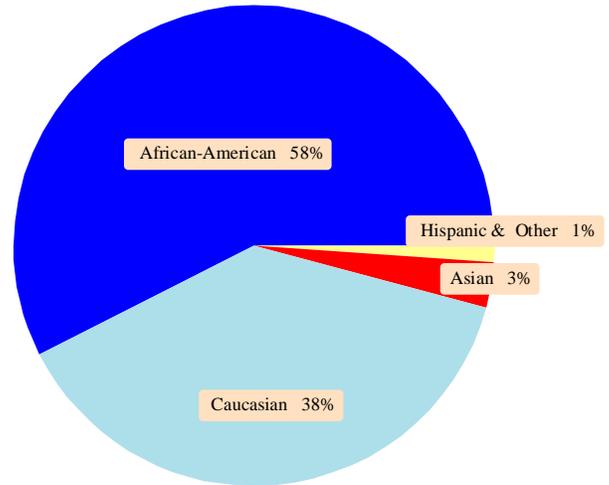


Ethnicity

Over one-half of the study population was African-American.

Figure 2.4

Ethnicity



Age

Almost one-half of the study population was between the ages of 26 and 35. Nearly three-quarters of the study population was under 36 years of age.

Marital Status

Fifty-three percent of the study population had never been married. Eighteen percent were married, while 23% were separated, divorced, or widowed.

Figure 2.5

Age of Respondent

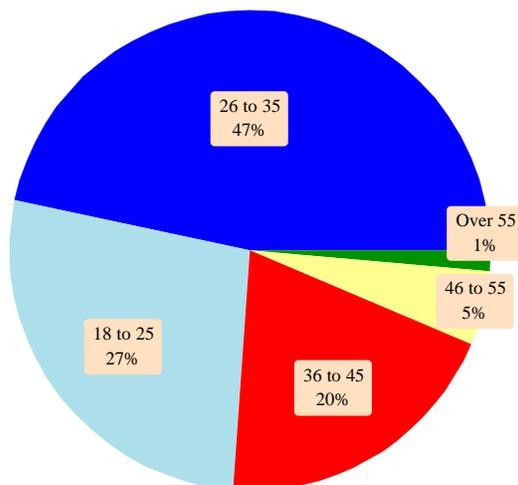
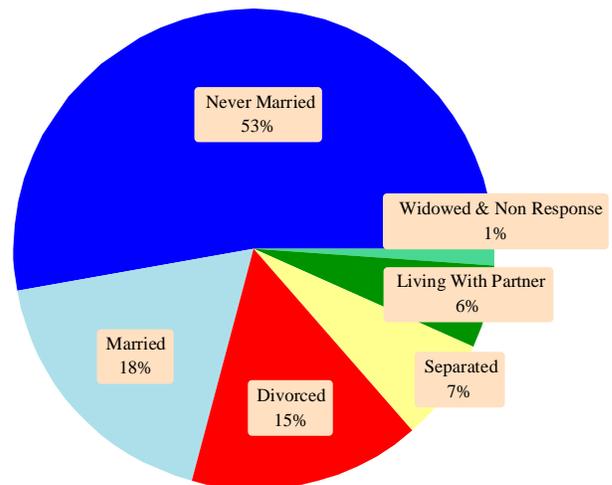


Figure 2.6

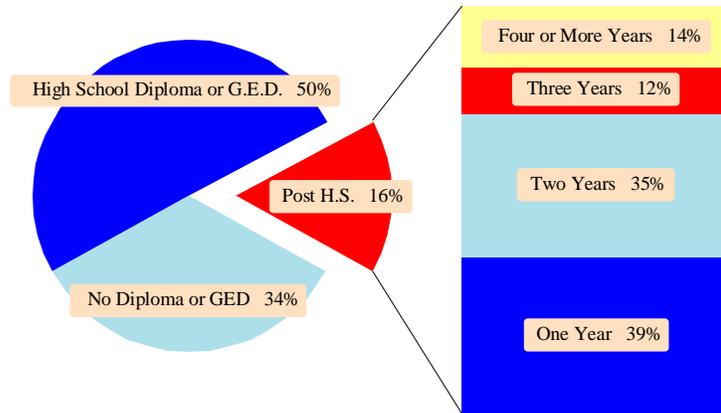
Marital Status



Education Level

Half of the study population had a high school diploma or had earned a GED. Another 16% had pursued some level of education beyond high school. The bar chart indicates the highest levels of education achieved by those who had pursued post-secondary education.

Figure 2.7
Education Level



Number of Children In Home

A majority of the study population had only one or two children at home at the time of survey.

Six percent of the study population had no children at home at the time of survey. This represents the percentage of households in the study population that included children at the time of OWF case closure but no longer included children at the time of the survey, between eight and 26 months after case closure.

Age of Youngest Child in Home

The percentages in figure 2.9 reflect the age of the youngest child in each household of the study population. Fifty-eight percent of households in the study population included at least one child under age six. The youngest child in 27% of the households was between the ages of six and fourteen. Seven percent of households had no children younger than fifteen.

Figure 2.8

Number of Children In Home

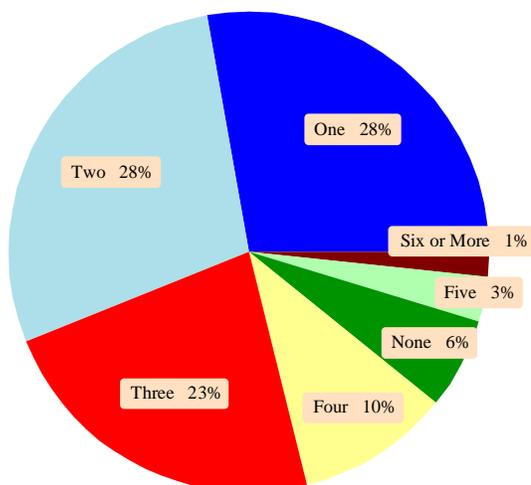
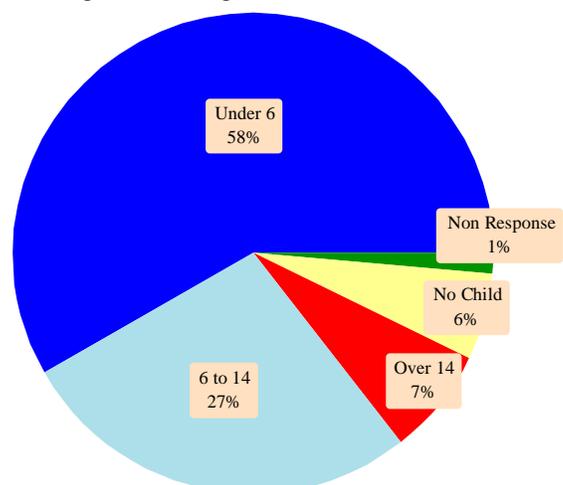


Figure 2.9

Age of Youngest Child In Home



Rate of Return to OWF

Fifty-seven percent of the study population returned to OWF for at least one month between case closure and June 2000, the last month for which recidivism data were collected for this study. These individuals will be referred to as “Returners” throughout the report. The remaining 43% of the study population, the “Non-Returners,” did not return to OWF at any time between case closure and June 2000.

Figure 2.11 indicates how soon after case closure the Returners came back to OWF. Seventy-four percent of Returners came back to OWF within six months of their initial case closure, with a full one-third returning just one month after case closure. Eleven percent of Returners remained off OWF for at least a year before returning, while 1% remained off for more than two years before returning to OWF.

Note that figure 2.11 indicates only the number of months from initial case closure to first return to OWF. It does not indicate the duration of returners’ second spells on OWF. For instance, some returners among the 74% who returned to OWF within six months of initial case closure may have left the OWF rolls again shortly thereafter, while others among the 74% may have returned to OWF for much longer periods.

Figure 2.10
Rate of Return to OWF

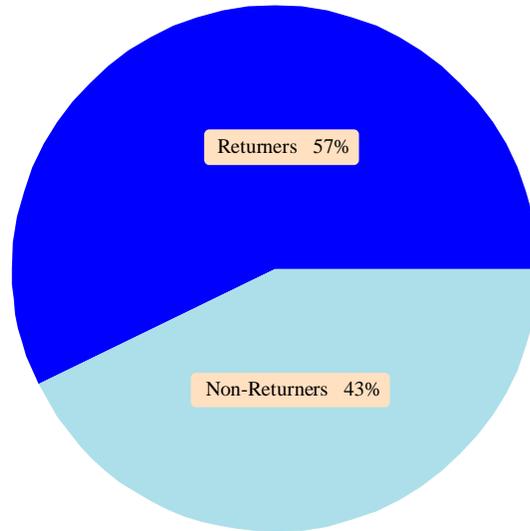


Figure 2.11
Returners
Number of Months to First Return

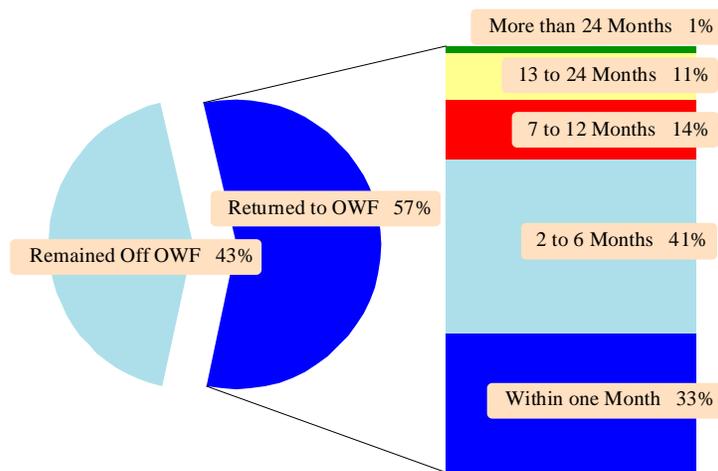


Figure 2.12

Returners

Percent of Months Off OWF from Initial Closure to June 2000

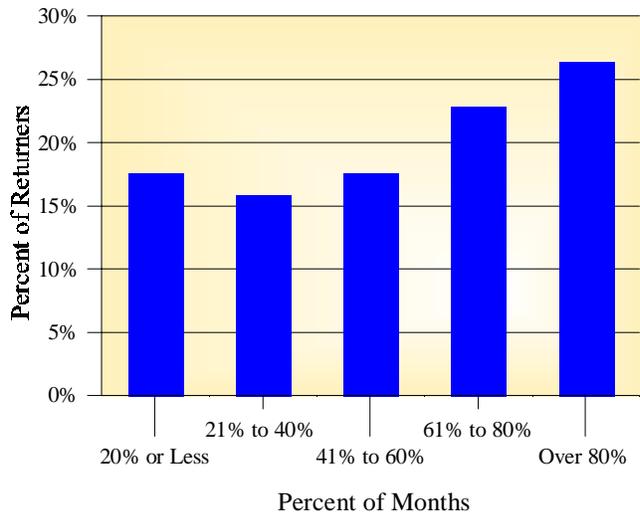


Figure 2.12 provides information about the extent of Returners’ reliance on OWF between initial case closure and June 2000, in terms of the percentage of months that individuals remained off OWF during this period, regardless of their number of returns.

The data are presented in percentage form rather than by number of months off OWF because there is no fixed number of months for which all study members were observed. Individuals entered the study when their case first closed between October 1997 and March 1999. Since initial date of closure varied for each study participant, the possible number of months off OWF ranged from 15 to 32 months.

For example, a Returner who remained off OWF for twelve months between initial OWF closure in March 1999 and June 2000 (fifteen months) was off OWF 80% of the time. A Returner who remained off OWF for 26 months between initial OWF closure in October 1997 and June 2000 (32 months) was also off OWF about 80% of the time. In each of these scenarios, the Returner’s number of months off OWF may or may not have been continuous.

Figure 2.12 indicates that over 25% of Returners spent more than 80% of the time between initial case closure and June 2000 off OWF. Forty-nine percent of Returners were off OWF more than 60% of the time between initial closure and June 2000. While their number of months off OWF may not have been continuous, many among the 57% of the study population who returned to OWF following initial case closure appear to have relied on OWF only intermittently thereafter.

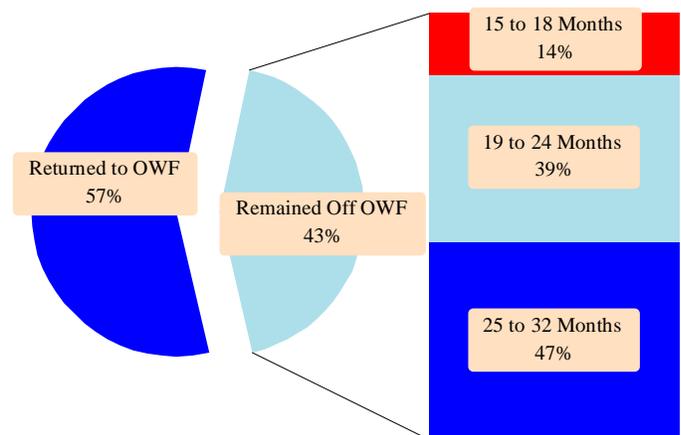
Figure 2.13 presents information about the Non-Returners in the study population. Because the study includes initial case closures that occurred between October 1997 and March 1999, individuals classified as Non-Returners actually remained independent of OWF for varying lengths of time, from 15 to 32 months.

Figure 2.13 shows that 86% of the Non-Returners had been off OWF for more than 18 months by June 2000, when data collection for this study ceased. More than half of these had been off OWF for over two years.

Figure 2.13

Non -Returners

Number of Months Off OWF from Closure to June 2000



Hardships Endured

In an effort to get a clear picture of the challenges facing the study population, survey respondents were asked about housing and food-related hardships they might have endured during the three years before the survey, dating back to January 1997. The questions were asked without regard to the respondents' OWF status during or after January 1997. Differences between Non-Returners and Returners were examined. There were no differences except in two categories: telephone disconnects (figure 2.19), and money situation at time of survey compared to being on OWF (figure 2.21).

Housing-Related Hardships

Thirteen percent of respondents reported having been evicted since January 1997.

Figure 2.14
Since January 1997, Has Respondent Been Behind in Rent?

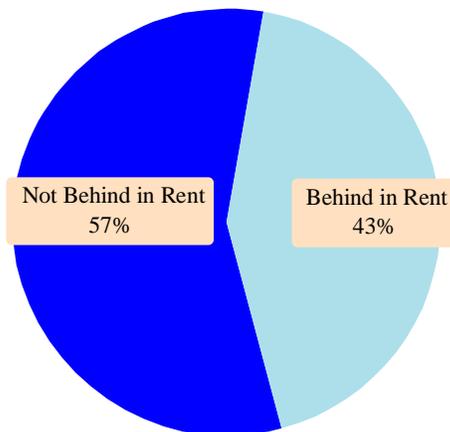
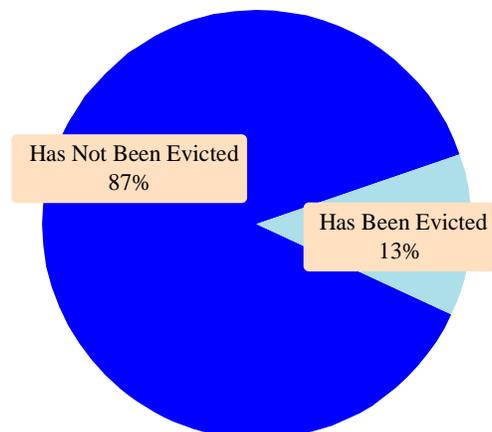
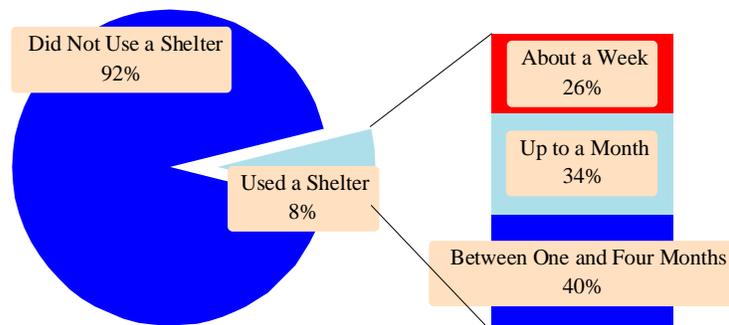


Figure 2.15
Since January 1997, Has Respondent Been Evicted?



Eight percent of respondents reported using a homeless shelter since January 1997. Figure 2.16 indicates the duration of their stays.

Figure 2.16
Since January 1997, Has Respondent Used a Homeless Shelter?



Fourteen percent of respondents had gone without electricity and 14% had gone without heat at some time during the three years beginning in January 1997, while 47% reported having had their phone disconnected at least once during the same time period.

Figure 2.17

Since January 1997, Has Respondent Gone Without Electricity?

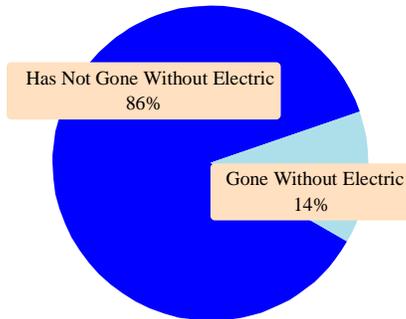


Figure 2.18

Since January 1997, Has Respondent Gone Without Heat?

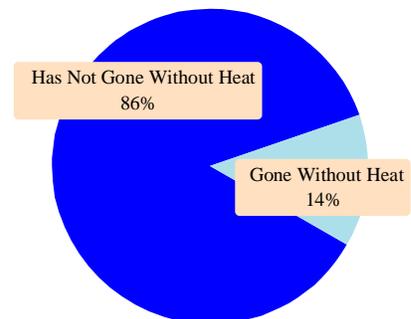
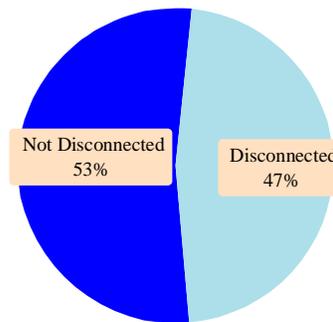


Figure 2.19

Since January 1997, Has Respondent Had Phone Disconnected?



More Returners than Non-Returners had their telephone disconnected since January 1997.

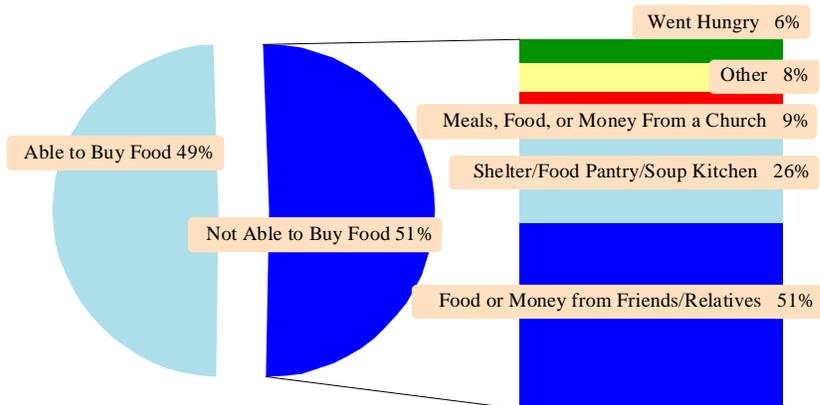
Food-Related Hardships

Fifty-one percent of all survey respondents reported that they lacked the necessary resources to purchase food at least once since January 1997. Figure 2.20 indicates where respondents sought help when they were short of food.

There was no difference in the percentage of Non-Returners and Returners who reported lacking resources for food. One-half of each group lacked resources at least once since January 1997.

Figure 2.20

Since January 1997, Has Respondent Been Without Resources to Buy Food?



Respondent Assessments: Present and Future

This section concludes with respondent assessments of their financial situations at the time of survey and their chances of remaining off OWF in the future. The charts below reflect responses from the approximately 85% of the survey population who were not on OWF when surveyed. Their responses on both topics were generally favorable. Sixty-two percent reported that they had more money at the time of the survey than when they were on OWF, and 55% believed that they would not return to OWF.

More Non-Returners than Returners felt they had more money now than when on OWF.

Figure 2.21
Respondent Has More Money Now than When on OWF

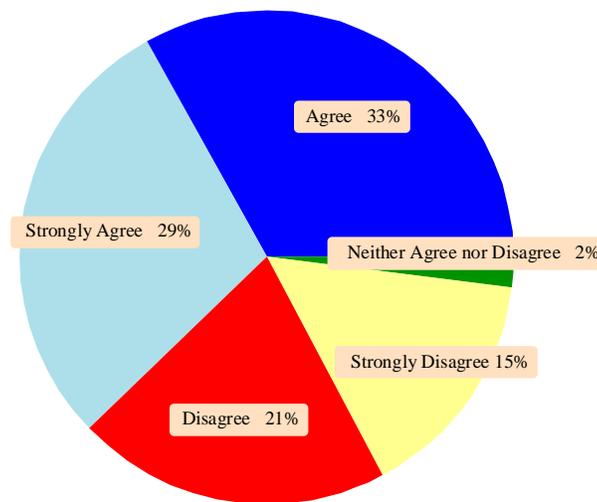
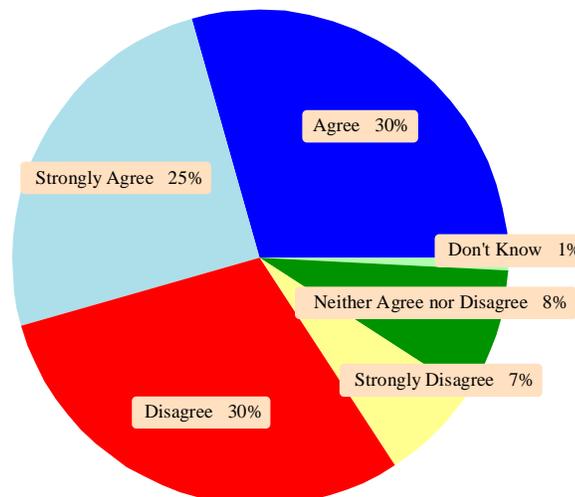


Figure 2.22
Respondent Feels “Pretty Sure” About Not Returning to OWF



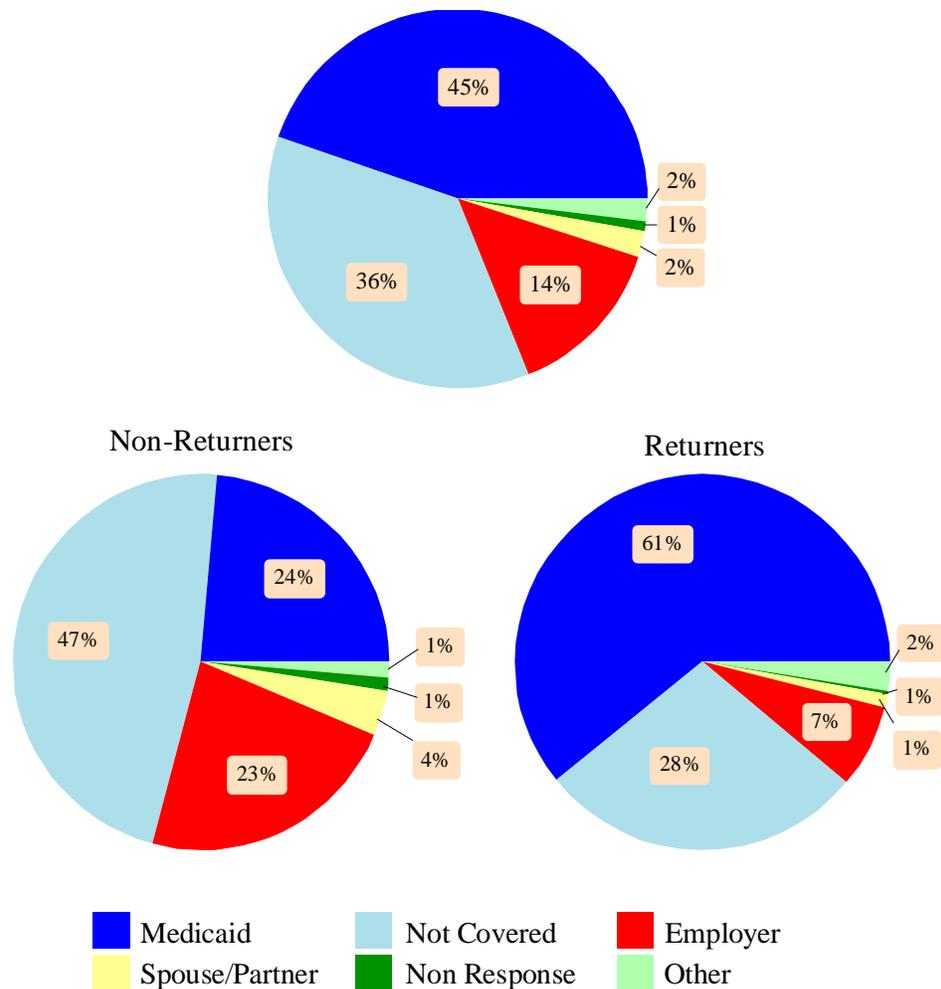
Section III: Support Services

This section presents data on support services used by the study population. Support services include health insurance, child care, education, job training, child support, and children’s protective services.

Health Insurance Coverage

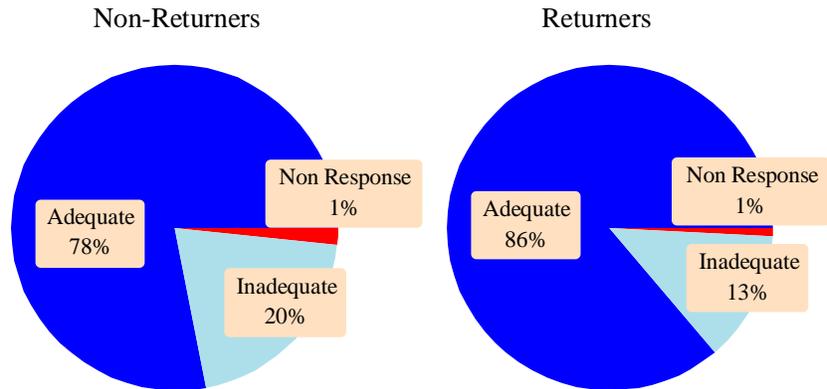
Sixty-three percent of the respondents in the study population had health insurance. Most of these respondents received Medicaid. Non-Returners were three times more likely than Returners to be covered by an employer health insurance plan. Non-Returners also reported coverage through a spouse or partner’s health insurance plan more often than Returners. However, they also went without health insurance in greater numbers than did Returners.

Figure 3.1
Adults’ Health Insurance Coverage
All Respondents



As figure 3.2 shows, the majority of the study population with health insurance coverage considered it adequate.

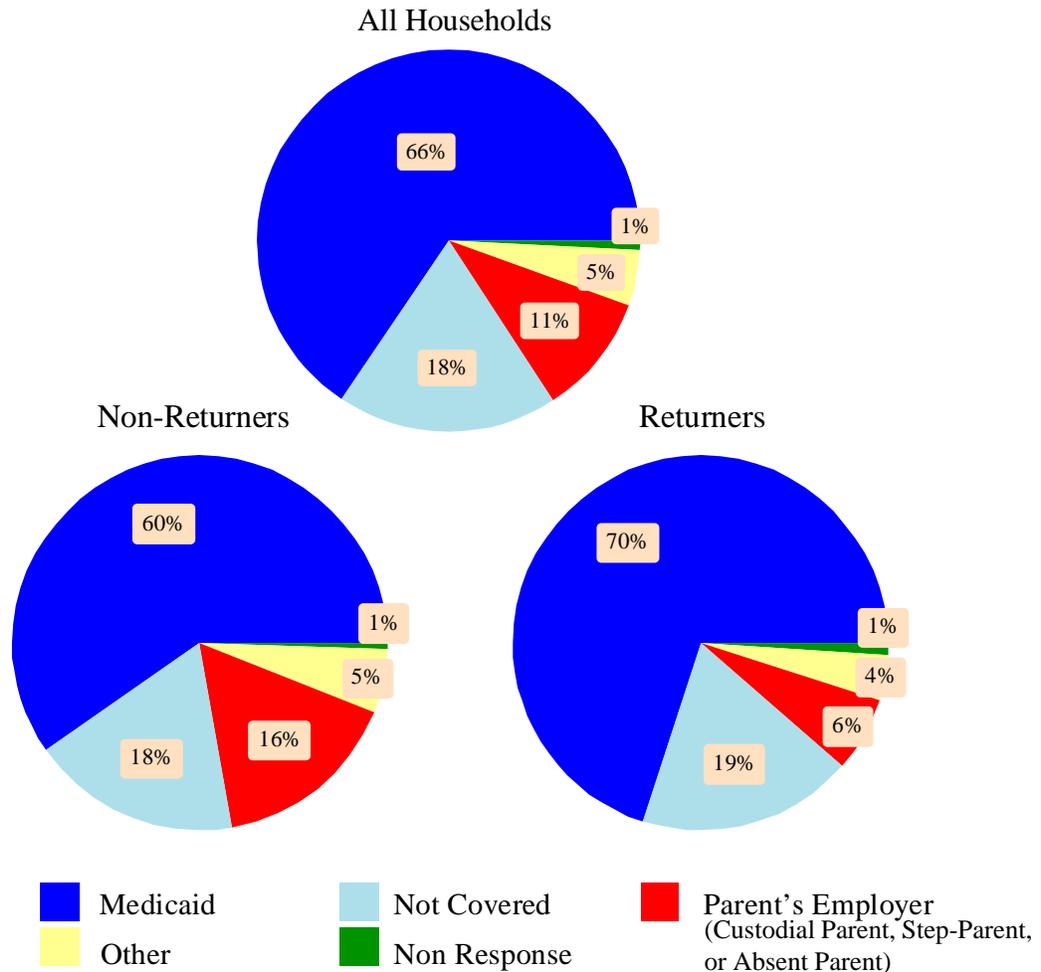
Figure 3.2
Adequacy of Health Insurance Coverage



Children's Coverage

Children in 82% of the households in the study population had health insurance. Two-thirds of all children were covered by Medicaid. Children of Non-Returners were almost three times as likely to be covered by a parent's employer-provided health insurance plan than children of Returners.

Figure 3.3
Children's Health Insurance Coverage



Employer-Offered Health Insurance

Respondents were asked if their current or most recent employer offered health insurance. Figure 3.4 shows that employer-offered health insurance was available for 51% of the Non-Returners and 35% of the Returners. When health insurance was offered, Non-Returners were far more likely to opt for it than Returners. Seventy-three percent of Non-Returners to whom insurance was offered took it. In contrast, only 46% of Returners who were offered insurance by their employers opted to take it.

Figure 3.4
Employer-Offered Health Insurance

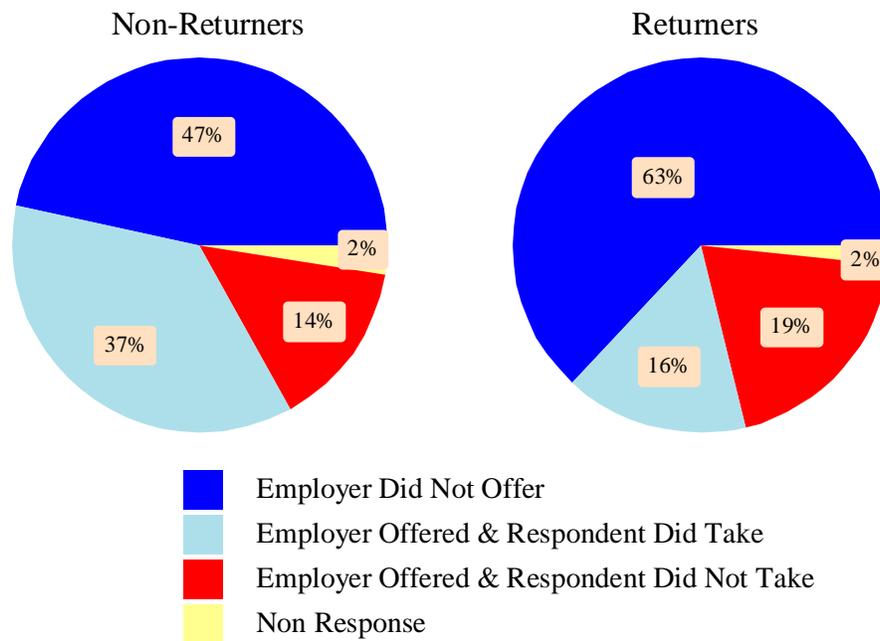
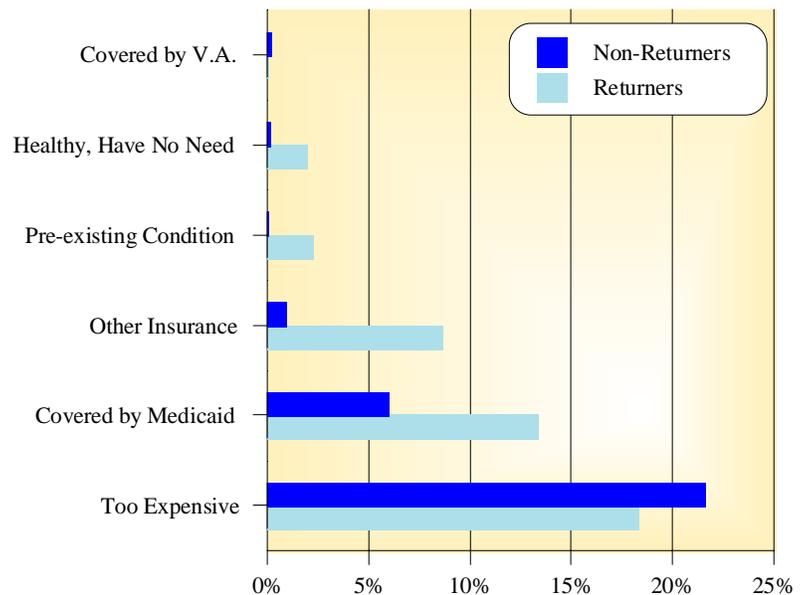


Figure 3.5

Main Reasons Health Insurance Not Taken

Cost was the reason most often cited for not taking employer-offered health insurance. More than one-fourth did not take it because they had Medicaid coverage.



Child Care

Over 80% of the study population had at least one child under 14 years of age in their household. As shown in figure 3.6, only one-fourth of these respondents indicated that they had experienced difficulty in finding child care since January 1999.

Returners experienced more difficulty in finding child care than Non-Returners. Thirty-nine percent of Returners reported difficulty, compared to 25% of Non-Returners.

Figure 3.6
Difficulty Finding Child Care

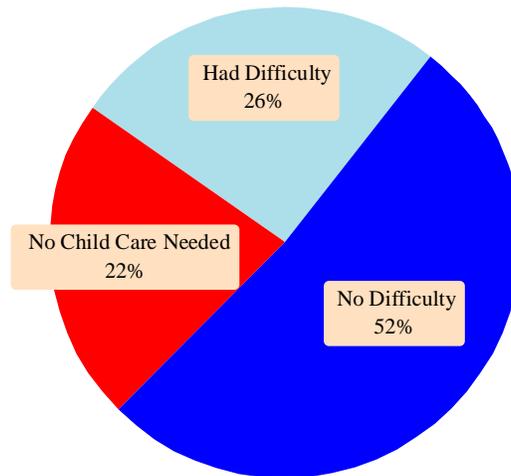
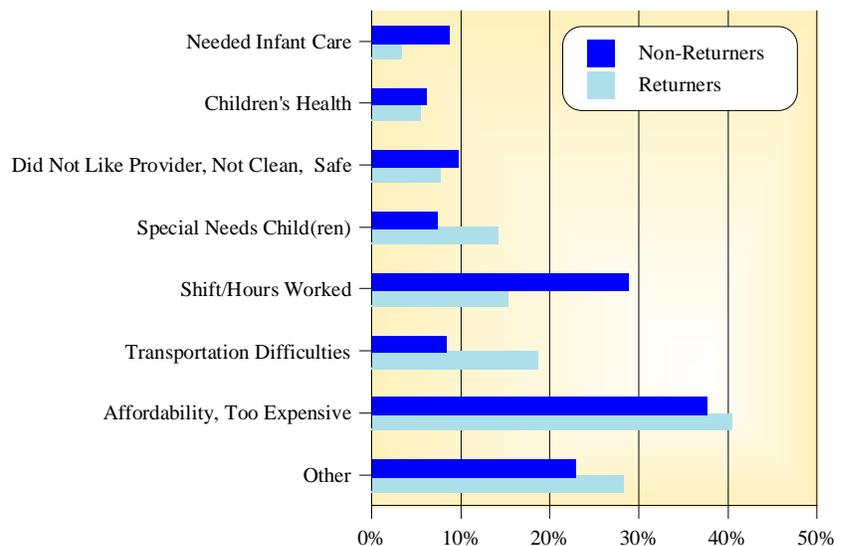


Figure 3.7
Child Care Problems

Respondents who reported having difficulty finding child care cited the problems shown in figure 3.7.

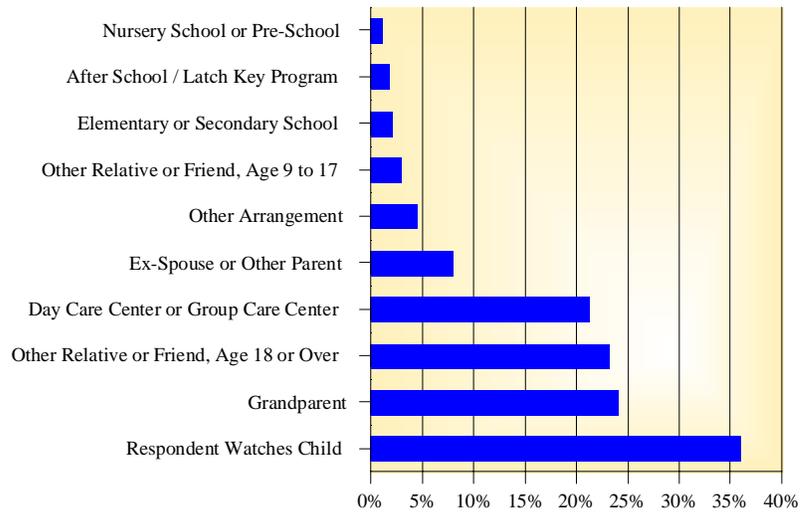
Both Non-Returners and Returners cited affordability as the primary reason it was difficult to find child care. For Non-Returners a change in shift or work hours was the second most common problem. For Returners, it was transportation.



NOTE: Respondent could give more than one response, so the total percentage exceeds 100%.

All respondents with children under the age of 14 at home were asked about their child care arrangements. Thirty-six percent of respondents reported that they had been the regular care providers for their children since January 1999. The next most frequently reported providers of care were grandparents, other adult relatives and friends, and day care or group care centers.

Figure 3.8
Types of Child Care Arrangements

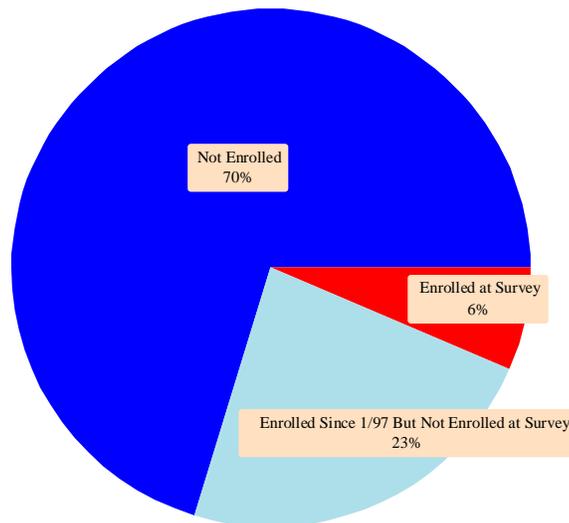


NOTE: Respondent could give more than one response, so the total percentage exceeds 100%.

Education

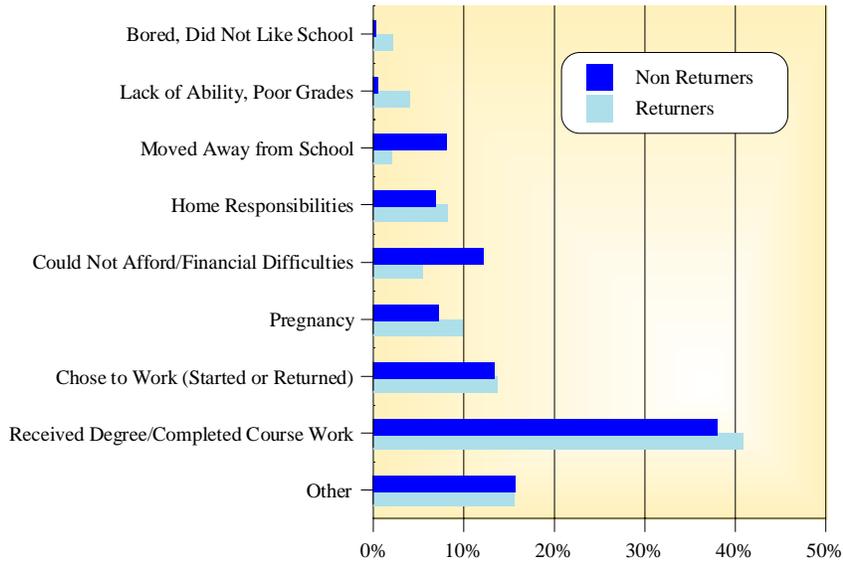
Respondents were asked if they had been enrolled in school since January 1997. (School was defined as an institution that had a degree-granting program.) Although 29% of the study population had been enrolled in school at some point since January 1997, only 6% were enrolled at the time of survey.

Figure 3.9
School Enrollment Since January 1997



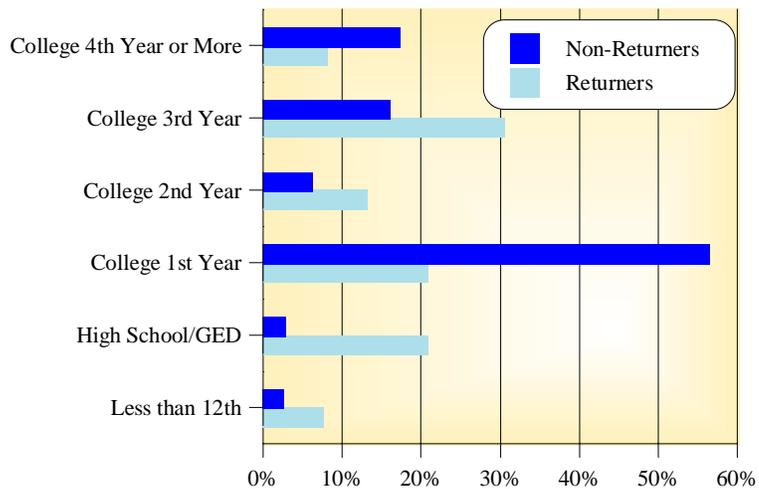
Of the 23% of respondents enrolled since January 1997 who were not enrolled at survey, 61% were Returners. Both Non-Returners and Returners cited completion of course work or obtaining a degree as the main reason they were no longer enrolled in school.

Figure 3.10
Respondents Enrolled in School Since January 1997
Reasons for Leaving School



Of the 6% who were enrolled at the time of survey, 47% were Non-Returners and 53% were Returners. Most were enrolled at the post-secondary education level.

Figure 3.11
Respondents Enrolled in School at Survey
Current Grade



Job Training

Respondents were asked if they had attended a training program or received on-the-job training since January 1997. One-third of the study population had attended some type of training program. Sixty-four percent of those who had received training were Returners.

Figure 3.12
Training Attendance Since January 1997

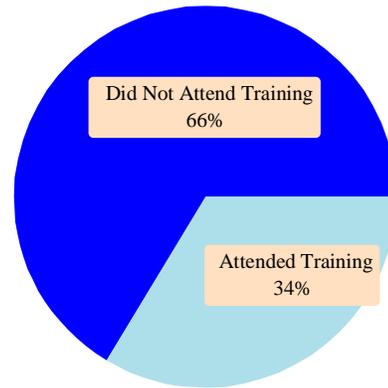


Figure 3.13
Type of Training

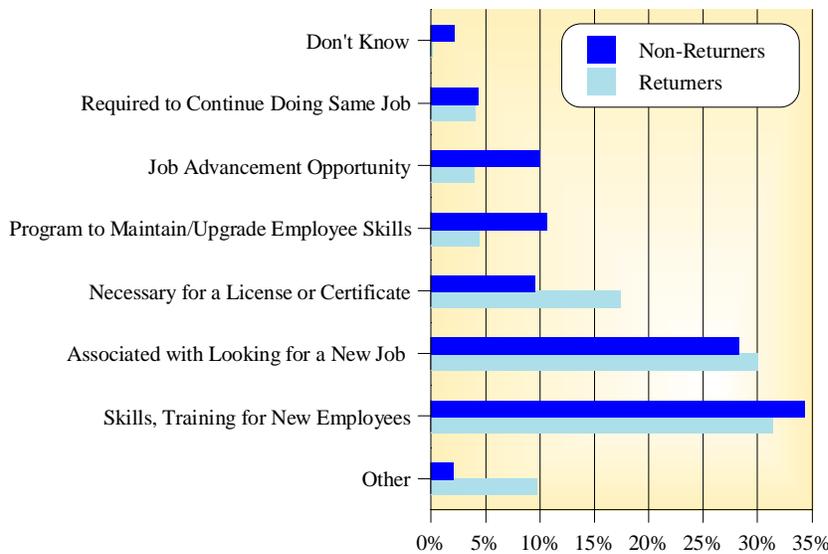


Figure 3.13 shows the type of training received by respondents.

Figure 3.14
Source of Training

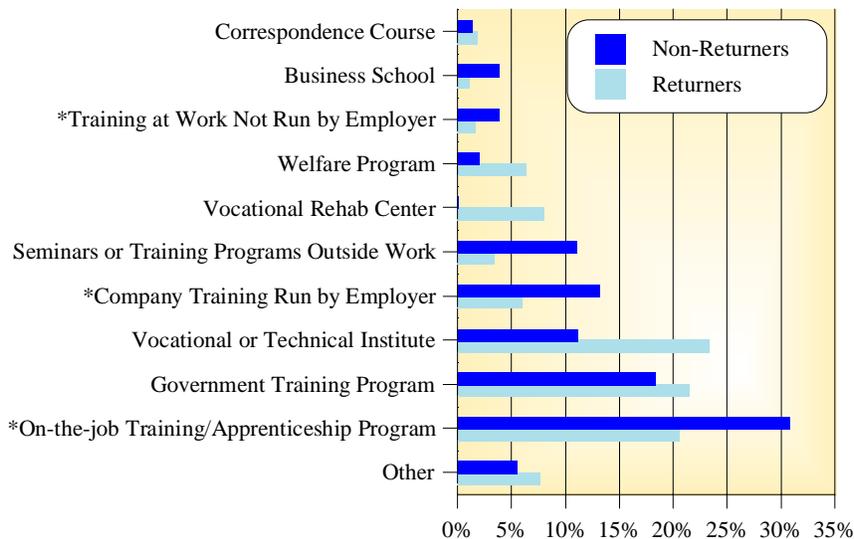


Figure 3.14 shows the source of training received by respondents. Almost one-half of Non-Returners' training was provided through their employer either through on-the-job training or company-sponsored training programs (denoted with * on figure 3.14). Only 28% of Returners received training from their employers.

Child Support

All respondents were asked if they were entitled to receive child support payments through a court order, any other type of legal agreement, or an informal arrangement.

As figure 3.15 shows, 42% of the study population had taken some action to establish a child support agreement, either formally or informally.

Figure 3.16 shows that of the 42% who had established a support agreement, the majority were established through the court, with another 36% established through the Child Support Enforcement Agency (CSEA). Sixty-three percent of Non-Returners established support agreements through the court compared to 50% of Returners.

Figure 3.17 shows that during 1999, 32% of respondents who had established a support agreement reported that no payment was received by them or the CSEA.

In 1999, one-fourth of Returners and one-third of Non-Returners received some or all of their support payments.

Figure 3.15
Child Support Agreement Established

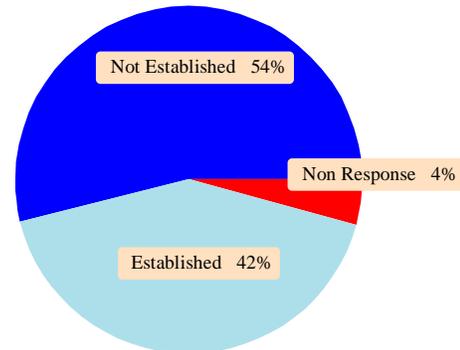


Figure 3.16
Methods Used to Establish Child Support

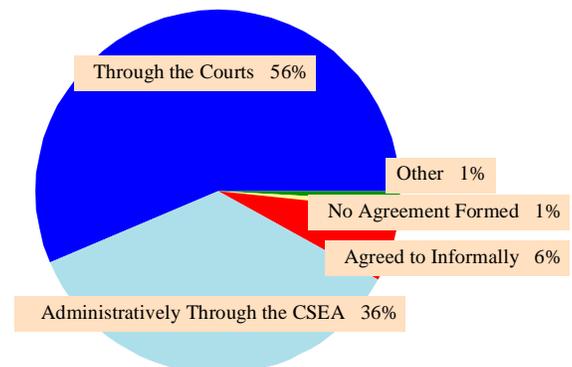
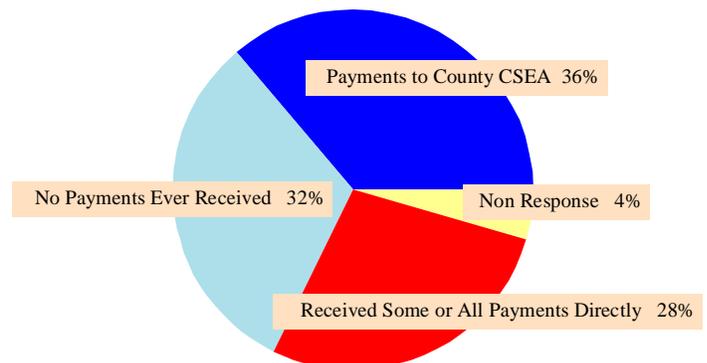


Figure 3.17
Support Payments Received During 1999
By Those Who Established Support Agreements

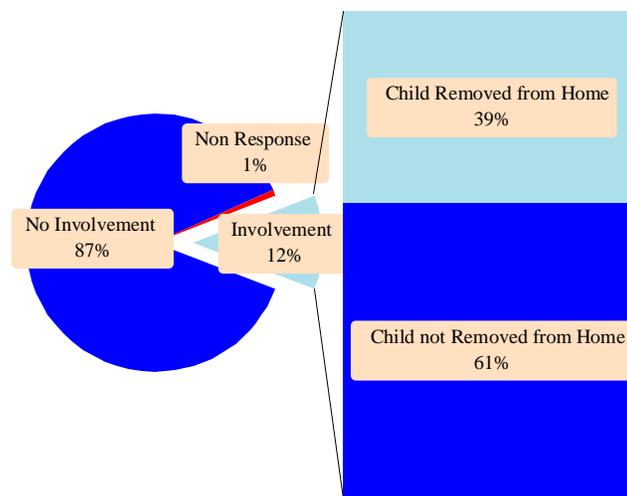


Children's Protective Services

Twelve percent of the study population had been involved with Children's Protective Services at some point since January 1997. In 39% of these cases, a child was removed from the home. Seventy-three percent of these children were eventually returned to their home. Over one-third had been out of the home for more than twelve months by the time of their return.

Of those who reported involvement with Children's Protective Services, 53% said the involvement occurred only while they were on OWF. Another 20% reported involvement only while off OWF, and for the remaining 27%, involvement occurred both while they were on and off OWF.

Figure 3.18
Involvement With Children's Protective Services Since January 1997



Section IV: Job-Related Characteristics

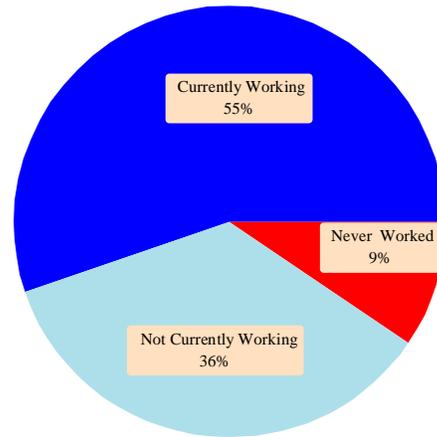
This section presents job-related data for the study population including: employment status, job search methods, types of jobs held, job benefits, and information about transportation to work.

Throughout the section, the term “current job” refers to jobs held by study population members who were working at the time of survey. Some questions allowed responses from individuals who were not working at the time of survey in reference to their most recent job. These responses are notated as “current or most recent job.”

Employment Status at Time of Survey

Over half of the study population was employed at the time of survey, as shown in figure 4.1. The 55% who reported employment at survey was evenly divided between Non-Returners and Returners.

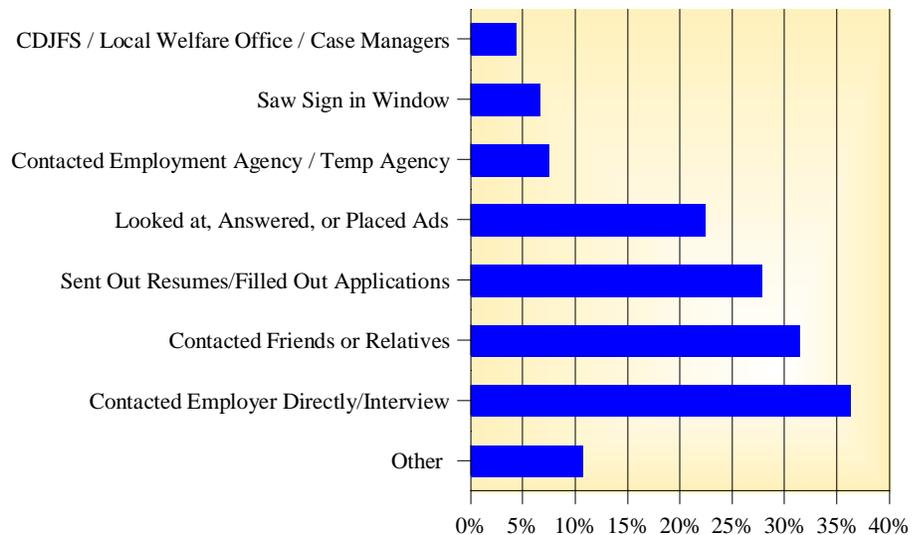
Figure 4.1
Employment Status at Time of Survey



Job Search Methods

Figure 4.2 shows the methods used by study population members to find their current or most recent job. The methods used were not substantially different between Non-Returners and Returners.

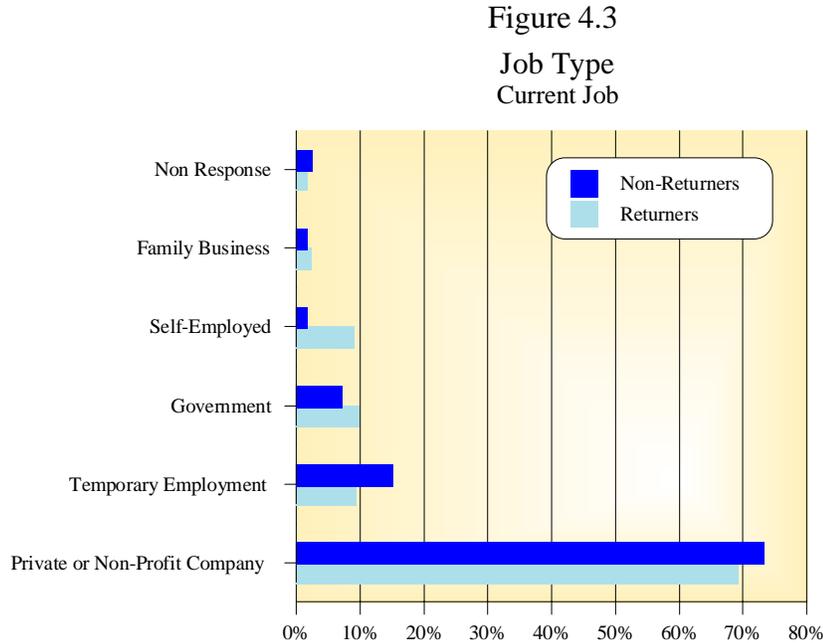
Figure 4.2
Job Search Method
Current or Most Recent Job



NOTE: Respondent could give more than one response, so the total percentage exceeds 100%. The ‘Other’ category includes: Contacted School/University Employment Center, Attended Job Training Programs, OBES, Ohio Job Net, Union or Professional Registries, and Other Public Employment Agencies.

Job Type

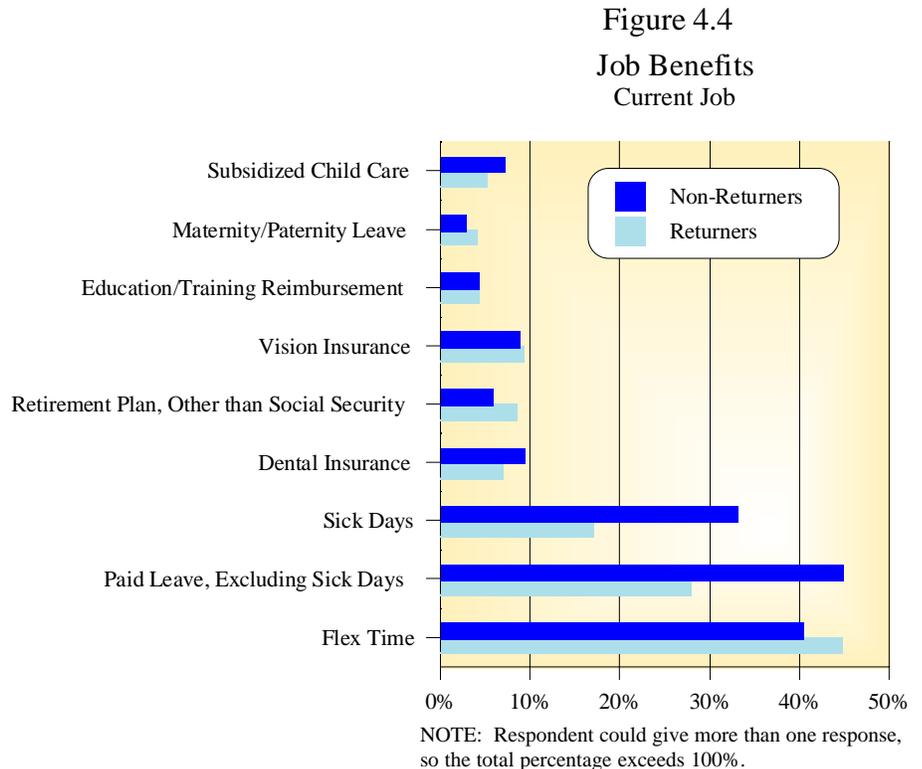
Figure 4.3 shows the types of jobs held by study population members who were working at the time of survey. The majority worked for a private or non-profit company.



Job Benefits

Figure 4.4 shows the job benefits offered by respondents' current employers.

Non-Returners reported the availability of sick leave and other paid leave more often than Returners.



Respondents who were working at the time of survey reported the number of sick and other paid leave days offered by their employers. These are shown in figures 4.5 and 4.6. Non-Returners reported the availability of more days of sick leave and other paid leave than did Returners.

Figure 4.5
Sick Leave Days
Current Job

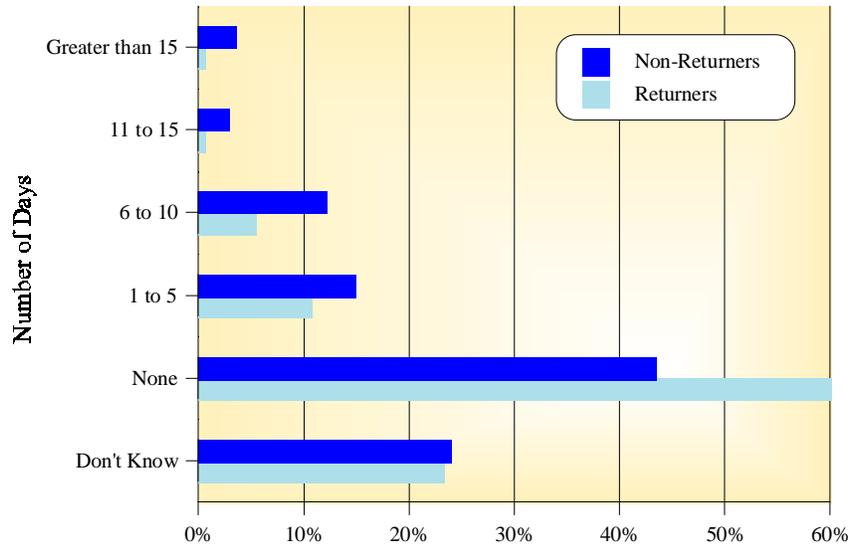
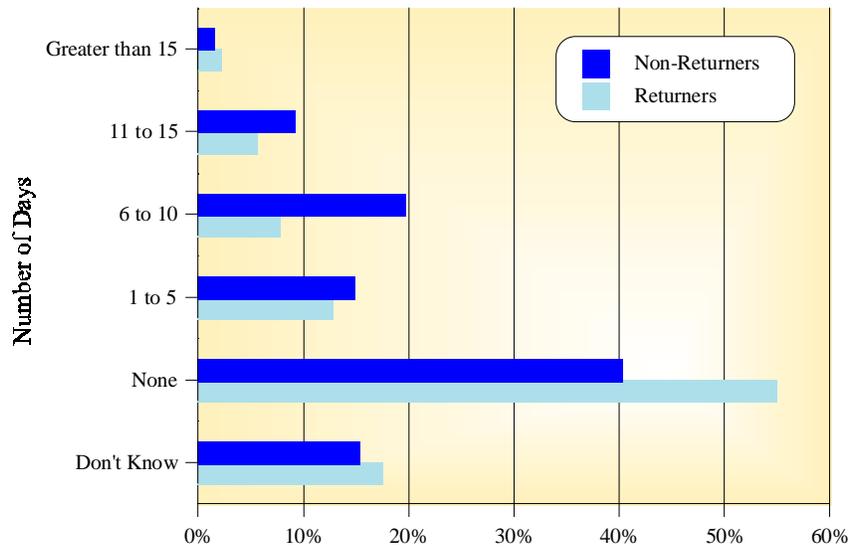


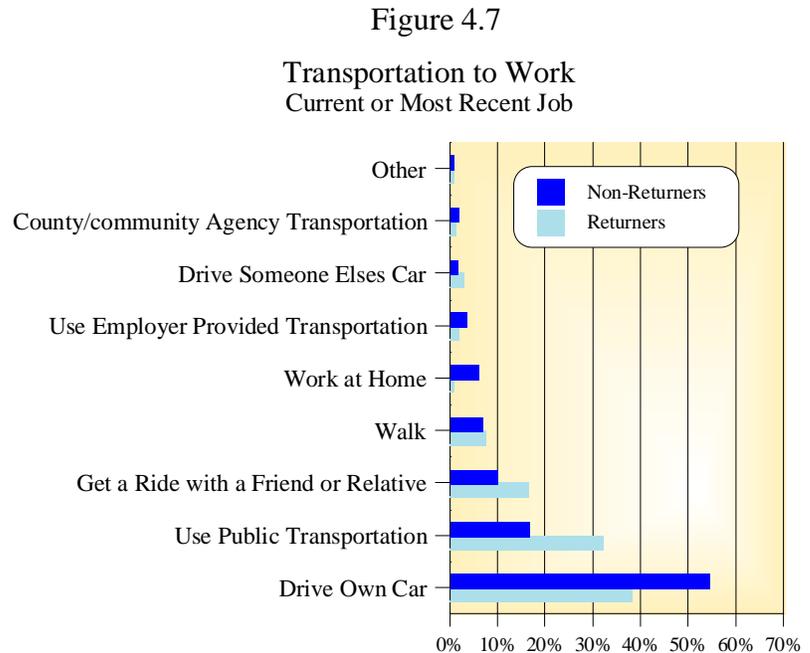
Figure 4.6
Other Paid Leave Days
Current Job



Transportation to Work

Figure 4.7 shows the main methods of transportation used by working study population members to get to work. Driving one's own car was the most used method, followed by public transportation.

Non-Returners were more likely to drive their own cars to work. Returners used public transportation nearly twice as often as Non-Returners, and were somewhat more likely to ride with a friend or relative. Seven percent of both groups walked to work.



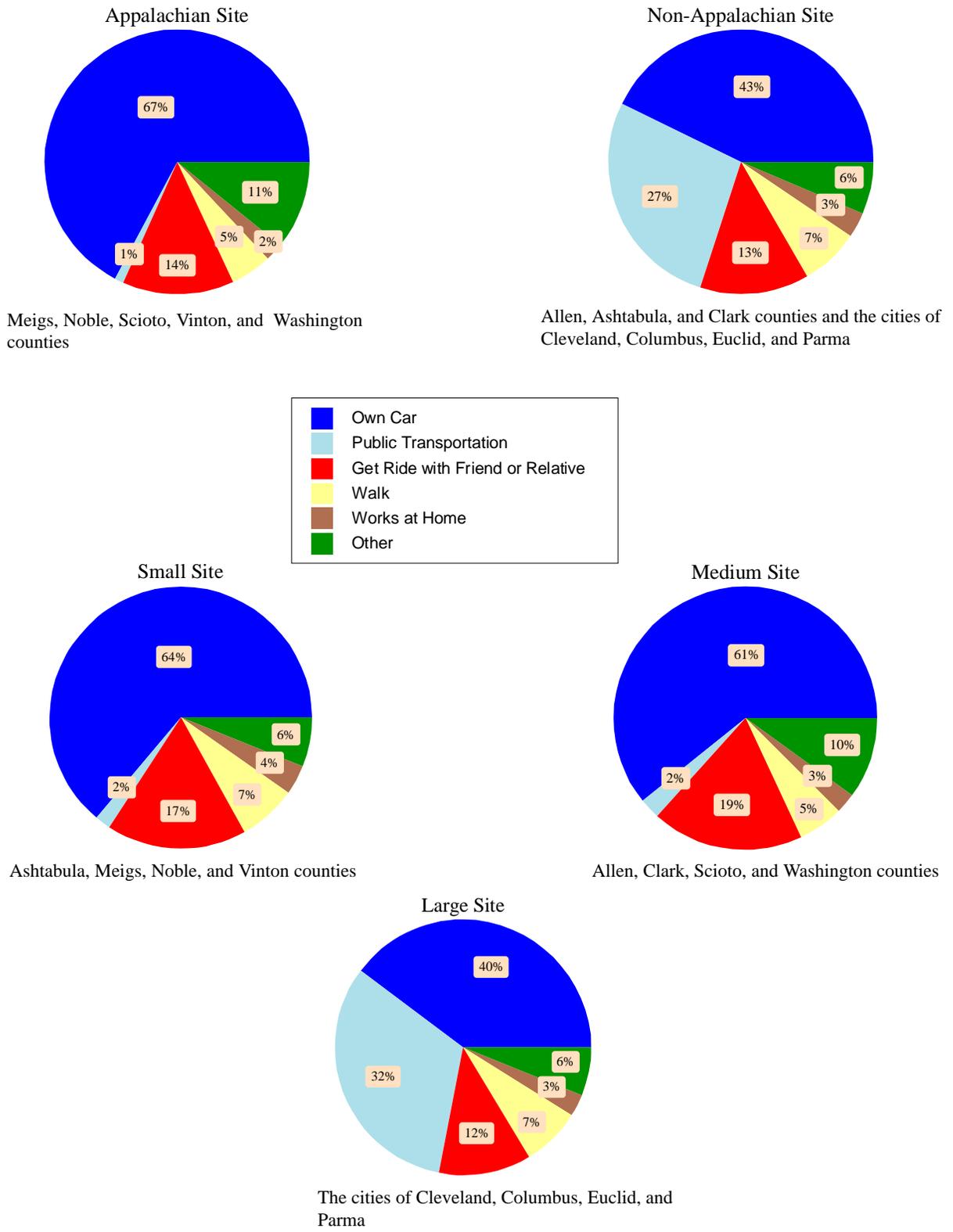
Because transportation methods may vary by location, the data were examined by Appalachian status and site size, as shown in figure 4.8. In the Appalachian sites, driving one's own car was by far the most used method of transportation. In contrast, only 1% of working study population members who lived in Appalachian sites used public transportation, compared to 27% in non-Appalachian sites.

Small and medium-sized sites reveal patterns similar to Appalachian sites - - 61% to 64% of working study population members drove their own cars to work, and only 2% used public transportation. In large sites, the percentage who drove their own cars and who used public transportation were more evenly split - - 40% and 32%, respectively.

Regardless of location, a substantial number of study members rode with friends or relatives.

When transportation methods used in different geographic areas are stratified by Non-Returner / Returner status, the following trends emerge. Fifteen to 20% more Non-Returners than Returners drove their own cars to work, regardless of location. Returners were much more likely to use public transportation and to ride with a friend. In large sites, Returners used public transportation more often than any other option, and in non-Appalachian sites, Returners used public transportation as often as they drove their own cars.

Figure 4.8
Transportation to Work
By Location



Minutes to Work

Nearly one-half of the working study population took 15 minutes or less to get to work. An additional one-third took between 16 minutes and 30 minutes, and another 12% took between 31 minutes and one hour to get to work.

While most individuals got to work within 30 minutes, over twice as many Returners as Non-Returners took more than 30 minutes to get to work, as shown in figure 4.9.

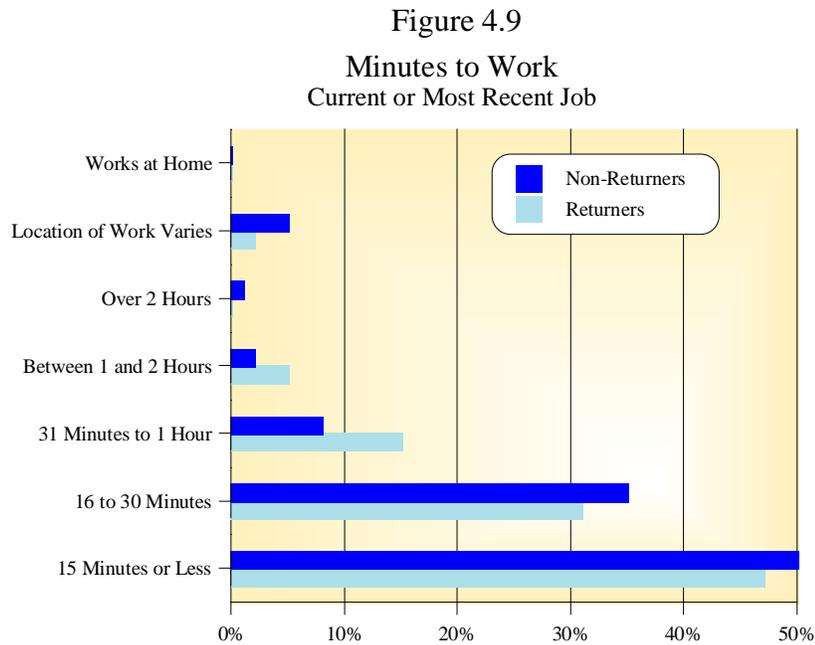
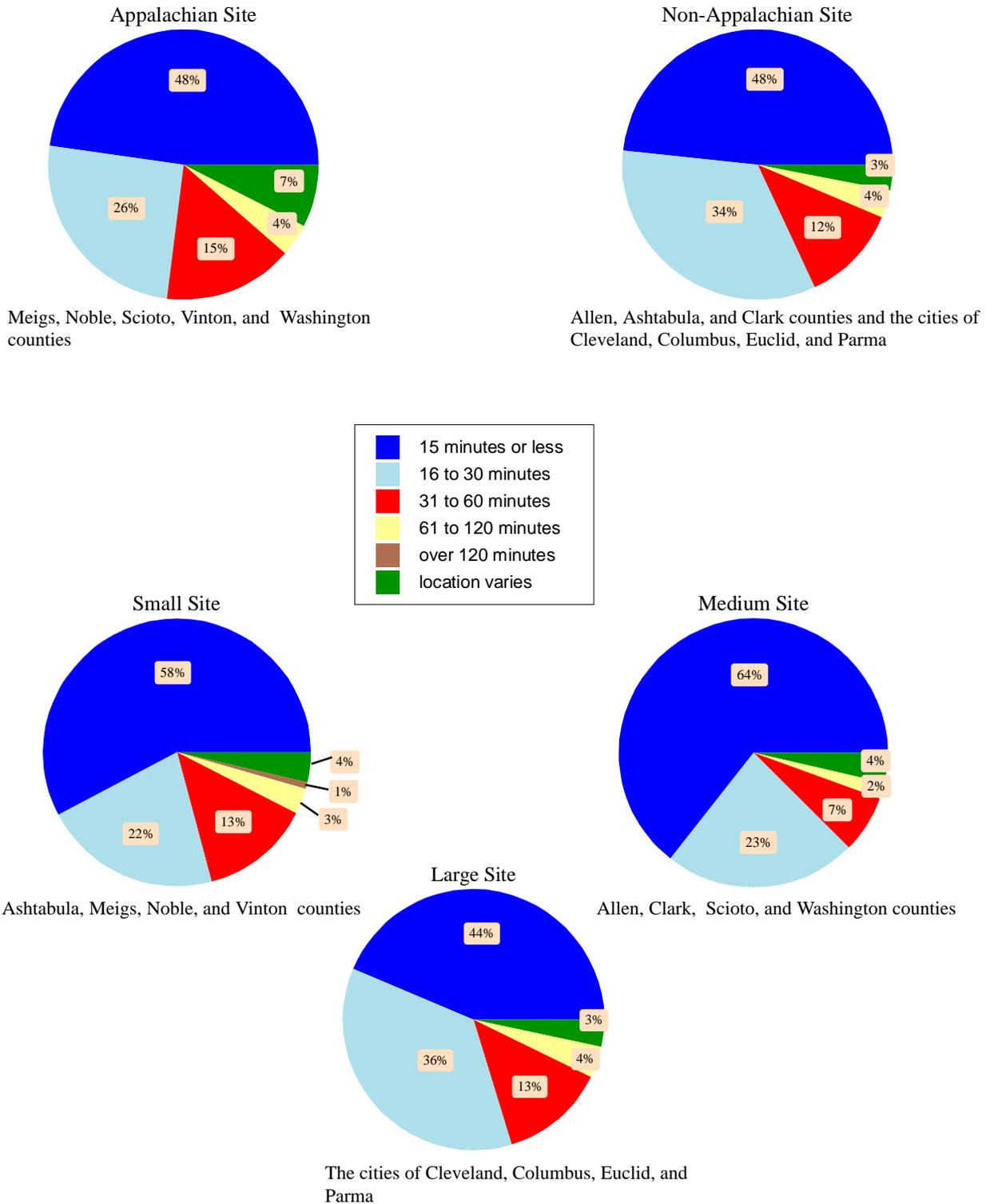


Figure 4.10 shows minutes to work by Appalachian status and site size. Those in Appalachian sites took somewhat longer to get to work than those in non-Appalachian sites. Seventy-four percent in Appalachian sites took 30 minutes or less, compared to 82% in non-Appalachian sites.

Working study population members in medium-sized sites were more likely to take 15 minutes or less to get to work than those in either small or large sites. However, 80% or more of working study population members in all sites, regardless of size, took 30 minutes or less to get to work.

Figure 4.10
Minutes to Work
By Location



Section V: Employment and Income

This section presents employment and income data on the study population including employment status, monthly earnings, rate of pay, hours worked, and 1999 income. Most data are also segregated into two categories -- Returners and Non-Returners.

Employment data were collected from each survey respondent for jobs they held between January 1997 and the date of survey. However, the most complete data for the majority of the study population are available from nine months prior to initial OWF case closure to twelve months after closure. This section will focus on this time period unless otherwise noted.

Employment Status

Figure 5.1 shows the percentage of the study population which was working in each month during the period. An individual is counted as employed in a specific month if he or she held any job during that month.

Over the time period shown in figure 5.1, the study population as a whole experienced an increase in employment of 53%. Most of this increase occurred prior to closure with the most rapid increase occurring in the two months before closure.

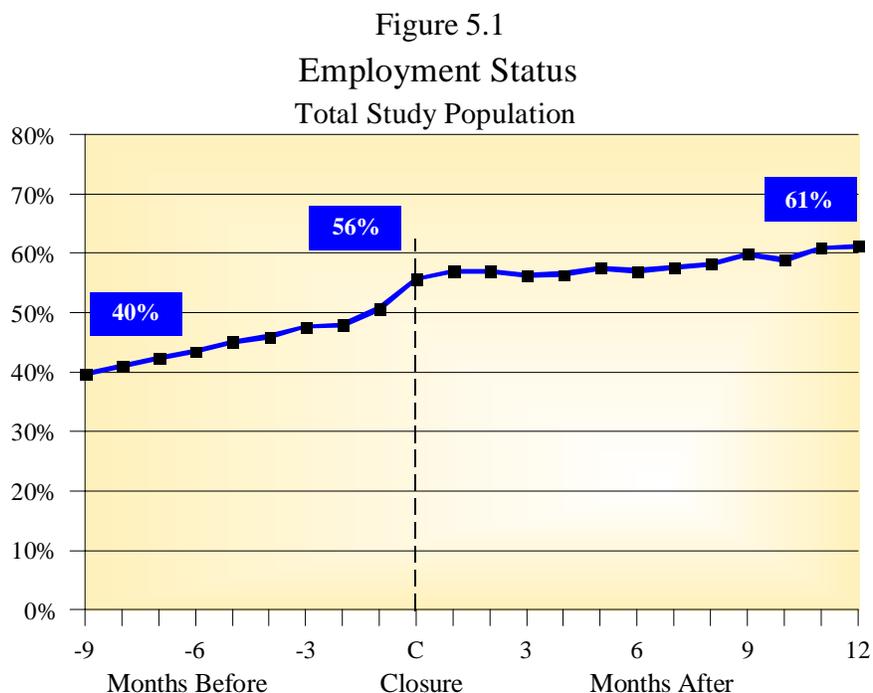
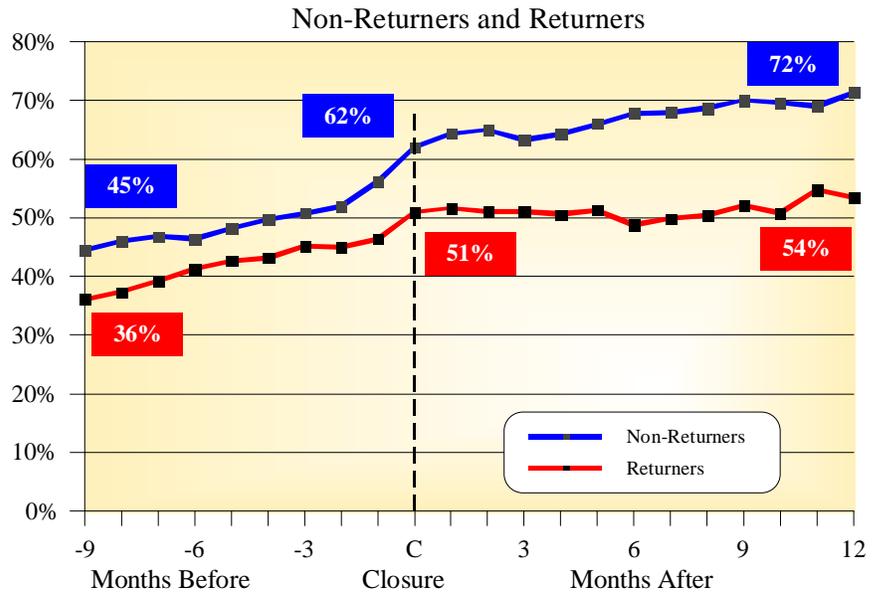


Figure 5.2 shows the employment status of Non-Returners and Returners. Employment statistics for Returners can include individuals on OWF, as well as those off OWF during a particular month.¹

More Non-Returners than Returners were employed each month. Non-Returners experienced an increase in employment of 60% and Returners' employment increased 50%. Most of the increase in employment for both groups occurred prior to closure. However, the Non-Returners' employment rate continued to climb steadily during the twelve months after closure while the Returners' employment rate increased only marginally.

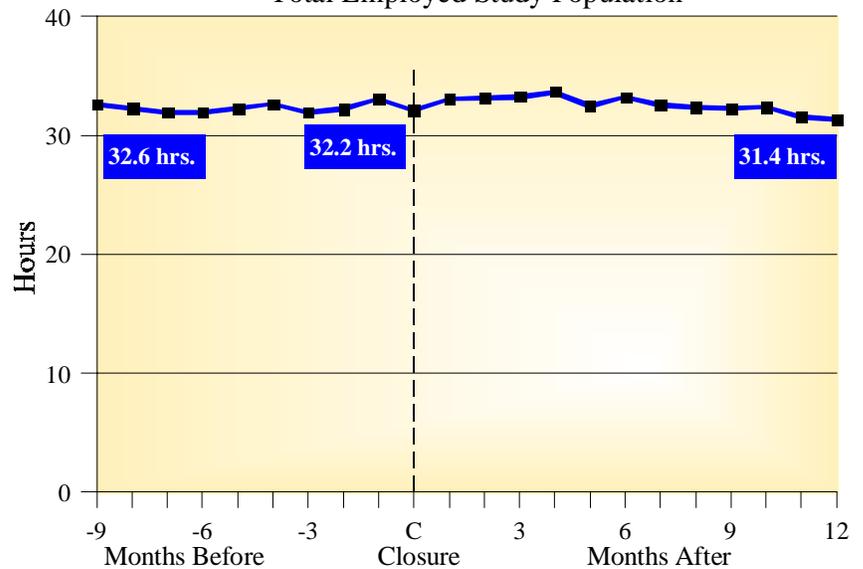
Figure 5.2
Employment Status



Average Hours Worked Per Week

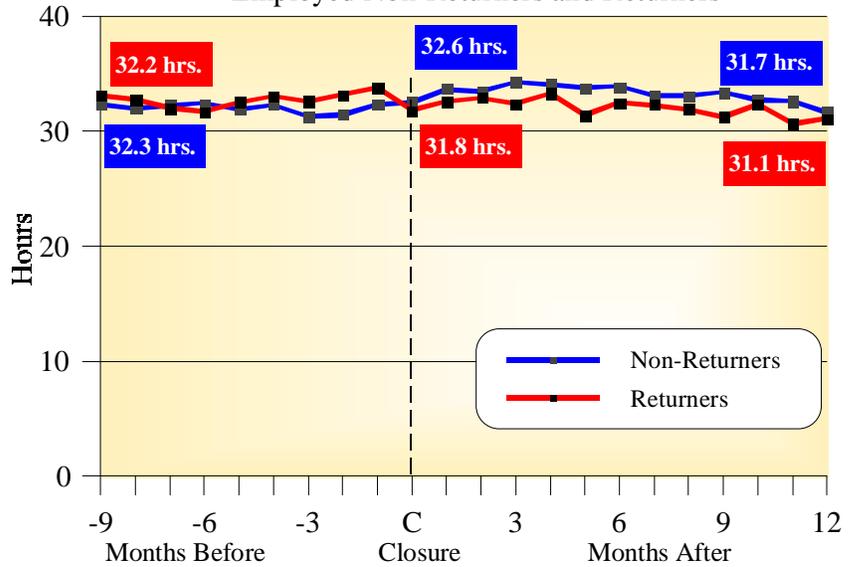
Figure 5.3 shows the average hours worked per week by members of the study population who were working during each month. Overall, hours worked per week remained stable throughout the study period.

Figure 5.3
Average Hours Worked per Week
Total Employed Study Population



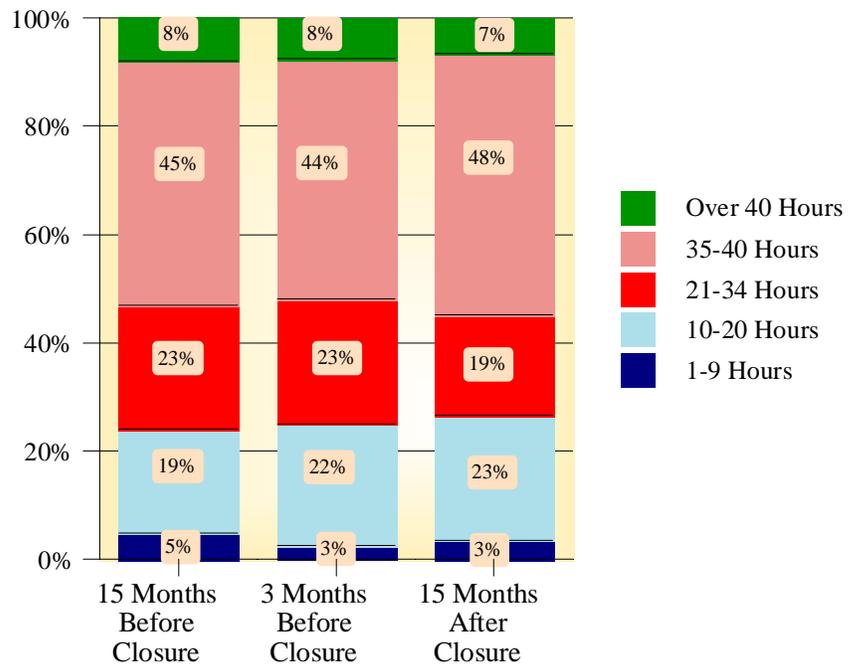
¹ As defined in Section II, Returners are individuals who returned to OWF for at least one month between their initial case closure and June 2000. Their returns to OWF vary in duration and number. Returners may be on or off OWF in any one month and may be employed or not working in any one month.

Figure 5.4
Average Hours Worked Per Week
Employed Non-Returners and Returners



The trend remains the same when considering hours worked by Non-Returners and Returners, as shown in figure 5.4.

Figure 5.5
Average Hours Worked Per Week
Total Employed Study Population



On average, more than one-half of the employed study population was working over 35 hours per week at 15 months prior to closure, 3 months prior to closure, and 15 months after closure, as shown in figure 5.5.

Average Hourly Rate of Pay

Figure 5.6 shows the average hourly rate of pay for members of the study population who were working each month. This figure shows that average wage rates increased slightly throughout the time period. Over 80% of the increase occurred after closure.

Since September 1, 1997, the federal minimum hourly wage has been \$5.15. By 12 months following closure, the employed study population members were earning an average of \$7.91 an hour, a 54% higher rate of pay than the minimum wage.

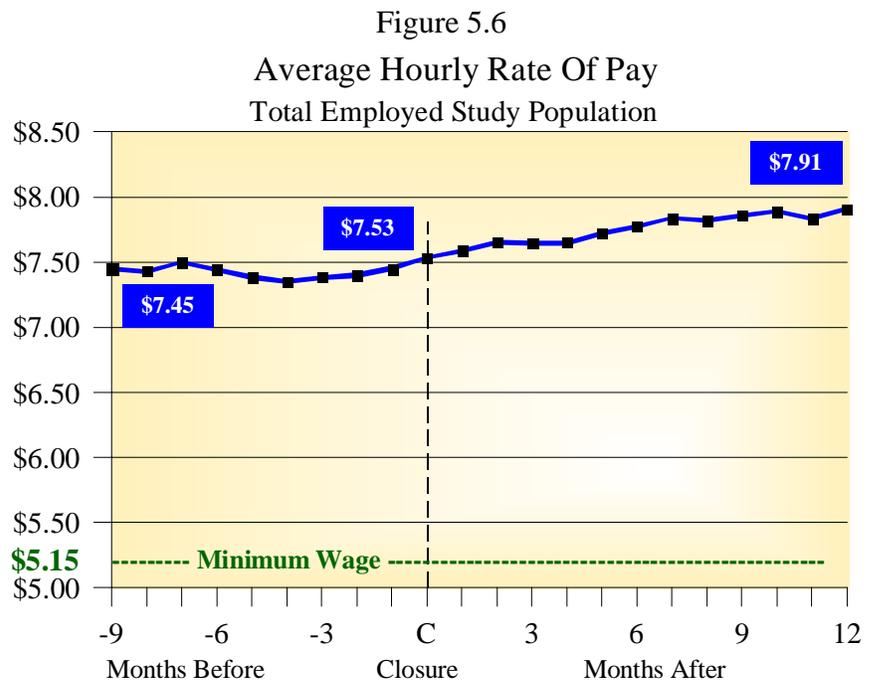
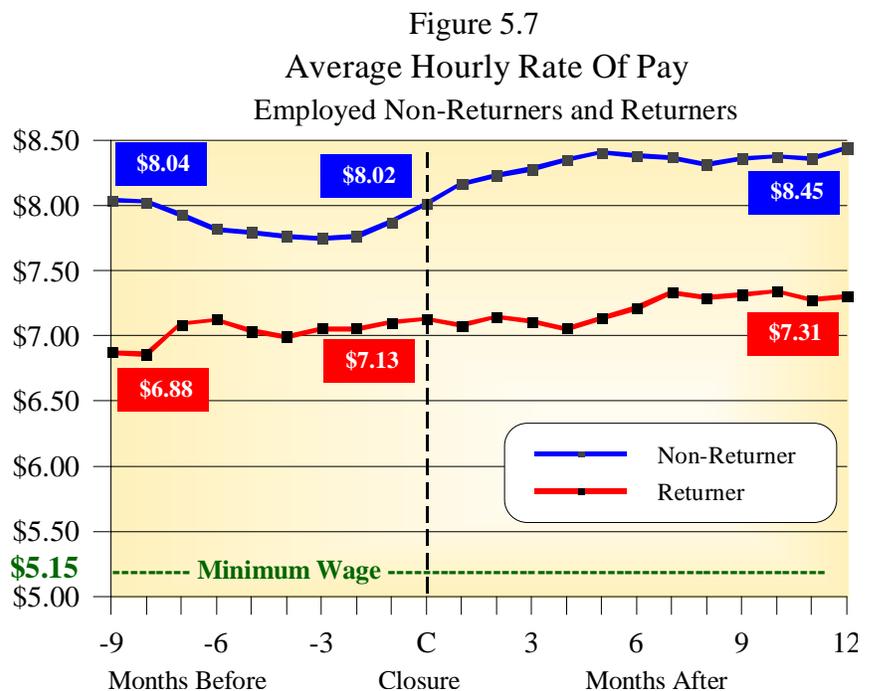


Figure 5.7 shows the average hourly rates of pay for Non-Returners and Returners. Non-Returners were paid on average 15% more than Returners throughout this time period.

For Non-Returners, hourly wage rates increased 5% during the time period. For Returners, hourly wage rates increased 6%.

By the twelfth month following closure, Non-Returners' hourly wage rates were \$8.45, 64% higher than the minimum wage. Returners' hourly wage rates were \$7.31, 42% higher than the minimum wage.



Factors Associated With Increased Wage Rates

Factors that might contribute to wage growth for this study population were explored. According to the model shown in Appendix C, another year of education raised the wage rate by about 5%, while another year of labor market experience increased the wage rate by nearly 8%. Respondents who had changed jobs did at least as well in terms of wage growth as those who remained with the same employer.

Earnings

Figure 5.8 shows that average monthly earnings for study population members who were working each month grew slowly, and remained below the poverty level amount for a family of three (\$1,119 per month). However, study population earnings far exceeded the monthly OWF grant of \$373 for a family of three.

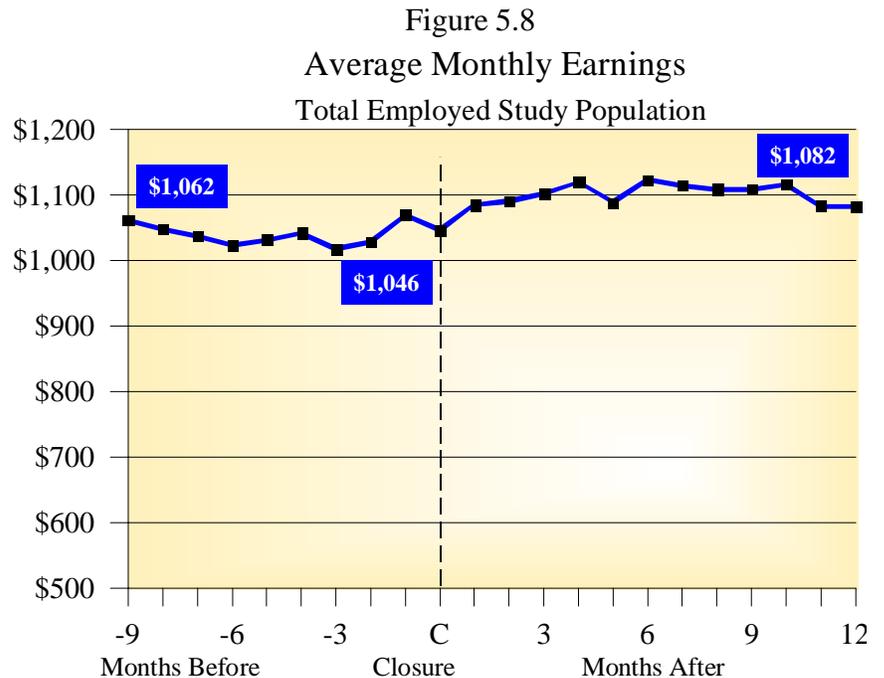
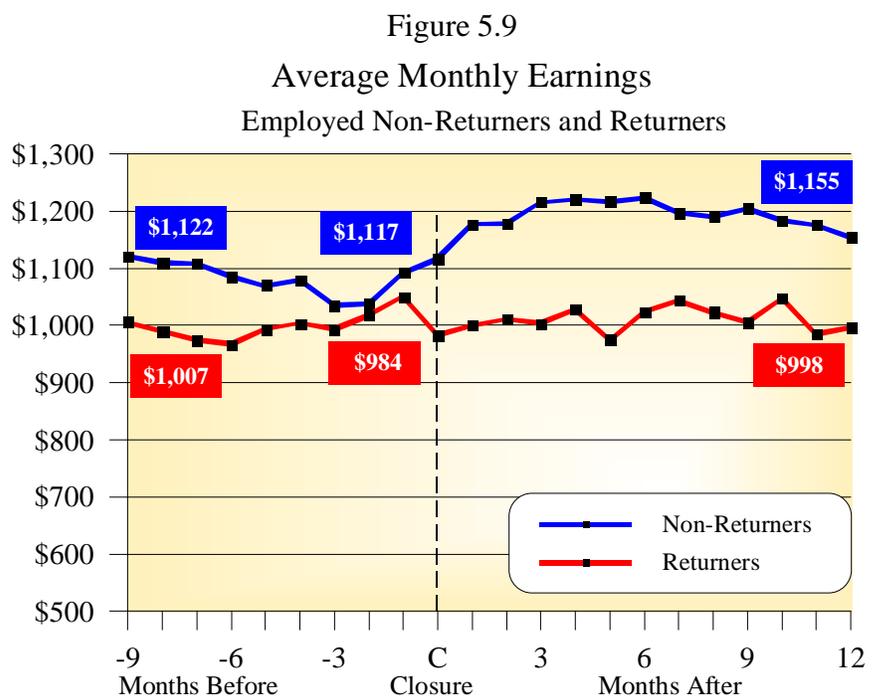


Figure 5.9 shows that earnings for Non-Returners grew slowly and steadily while earnings for Returners stagnated.

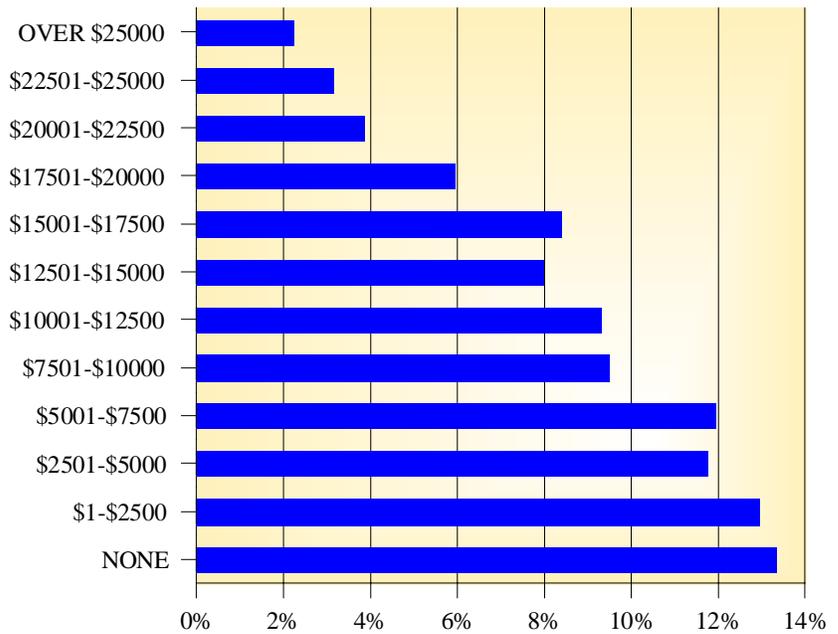
Average earnings at twelve months following closure for Non-Returners were 103% of the 1999 poverty level for a family of three (\$1,119 per month). For Returners, average earnings were 89% of the poverty level for a family of three.



1999 Income

Figure 5.10 shows the distribution of family income in 1999 for assistance groups in the study population that closed during 1997 and 1998. The income amounts include earnings of spouse or partner and miscellaneous sources of income such as educational benefits, SSI, worker’s compensation, and unemployment. OWF, Food Stamps, child support, and child care subsidies are not included in the miscellaneous income totals.

Figure 5.10
1999 Income From Earnings and Other Sources



Figures 5.11 and 5.12 show the distribution of income for Non-Returners and Returners². Forty-five percent of Non-Returners reported income above the 1999 poverty threshold of \$13,423 for a family of three. Forty-four percent reported income below the poverty threshold, and 11% of Non-Returners reported no income.

Twenty percent of Returners reported income above the poverty threshold, 65% reported income below the poverty threshold, and 15% of Returners reported no income.

Figure 5.11

1999 Income From Earnings and Other Sources
Non-Returners

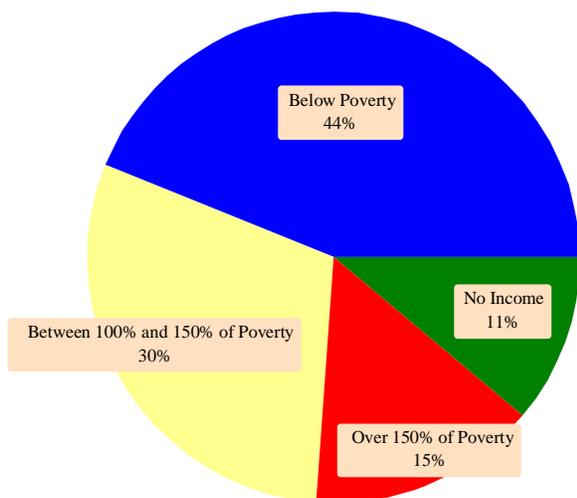
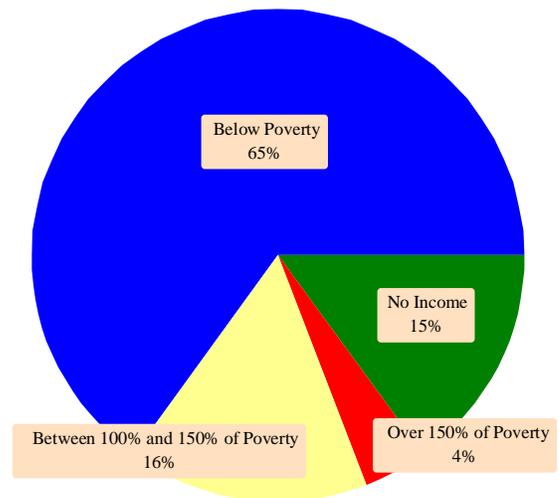


Figure 5.12

1999 Income From Earnings and Other Sources
Returners



²These percentages are for the calendar year 1999 and include data for all Non-Returners and Returners whether employed or not. The poverty level comparisons for Non-Returners and Returners in the Earnings section apply only to employed study population members who had earnings in the twelfth month after their closure date.

Section VI: The Determinants of OWF Recidivism

In this section, selected study population characteristics described in previous sections are used to develop two models for determining the relative effects of these characteristics in predicting a successful transition off OWF.

Overview

This study yielded many data which describe the characteristics of a group of individuals who left public assistance in Ohio between October 1997 and March 1999 and remained off OWF for at least one month. These characteristics, including age, ethnicity, level of education, and marital status, among others, are presented in preceding sections of this report. From this information, it is tempting to construct a profile of the “most successful” OWF leaver by compiling the most frequently observed characteristics of those who have been off OWF the longest. However, profiles built from the most frequently-observed characteristics can provide misleading results. For example, education levels tend to increase with one’s age to a point, but which is the more important determinant of success with regard to independence from welfare? Do differences in education matter more or less than differences in age?

To overcome this problem, a statistical technique was used to compare simultaneously selected characteristics to determine the relative effects of these characteristics on increasing an individual’s chance of staying off OWF.¹ The results of this analysis are presented in this section.

Characteristics Used in the Analysis

The following characteristics were identified as the most promising predictors of remaining off OWF because of their link to labor force participation. Each characteristic was divided into logical categories for analysis and comparison. All characteristics and categories refer to the status of study members at initial case closure unless otherwise indicated.²

| <u>Characteristic</u> | <u>Categories</u> |
|-----------------------|---|
| Appalachian Status | Appalachian (Meigs, Noble, Scioto, Vinton, and Washington) Non-Appalachian (Allen, Ashtabula, Clark, Cleveland, Columbus, Euclid, and Parma) |
| Site Size | Large (Cleveland, Euclid, Parma, and Columbus) Medium (Allen, Clark, Scioto, and Washington) Small (Ashtabula, Meigs, Noble, and Vinton) |
| Gender | Female Male |

¹ See Appendix D for a further technical description of this technique.

² Data from ODJFS case files were used to construct the Appalachian status and site size variables. Survey data were used to construct all other variables.

| | |
|---|---|
| Ethnicity | African-American Caucasian Other (including individuals of Asian and Hispanic descent) |
| Age | 20 to 25 26 to 30 31 to 35 36 to 40 41 and older |
| Education Level | 0 - 9th grade 10th or 11th grade High school diploma or GED Any education beyond high school |
| Marital Status | Married at OWF case closure and at the time of interview Marital status changed after closure, and married at interview Widowed, divorced, or separated at OWF case closure and at time of interview Marital status changed after closure, and widowed, divorced, or separated at interview Never married at OWF closure and at time of interview |
| Age and Number of Children | 0 through 5 years old 6 through 14 years old 15 and older The model estimates the effect of having one, two, or three children within each age range. |
| Children Born After OWF Closure | None One Two |
| Average Earnings for Three Months After Closure | \$0 to \$400 \$401 to \$800 \$801 to \$1,200 \$1,201 to \$1,600 Over \$1,600 per month |
| Employer-Offered Health Insurance | Employer offered health insurance and the individual elected to take it Insurance was offered but the individual declined to take it No health insurance was available through the employer |

These characteristics were used to develop two models of recidivism: 1) the probability of remaining off OWF given that the individual has remained off all previous months, and 2) the probability of being off OWF in a particular month regardless of whether or not the individual returned to OWF after initial closure.

Probability of Being Off OWF

The two models were first run to estimate the probability of being off OWF without taking into account individual characteristics.

Figure 6.1 shows the results of both models applied to the study population.³ The *solid line* presents the results of the first model. It predicts the fraction of the study population able to remain off OWF continuously with no return (Non-Returners). Note that this line falls sharply in the first four months after OWF case closure and then begins to taper off. This indicates that the majority of individuals in the study who return to OWF will return within the first four months after they initially leave the program. The solid line also

shows that approximately 41% of the study population (point A on the graph) will be able to stay off OWF for over thirty consecutive months after first closure.

The *dotted line* on figure 6.1 presents the results of the second model and predicts the fraction of the study population which will be off OWF in any given month after initial OWF case closure, regardless of whether the respondent is a Returner or a Non-Returner. Six months out from closure, approximately 68% of the study population will be off OWF (point B on the graph), while approximately 32%

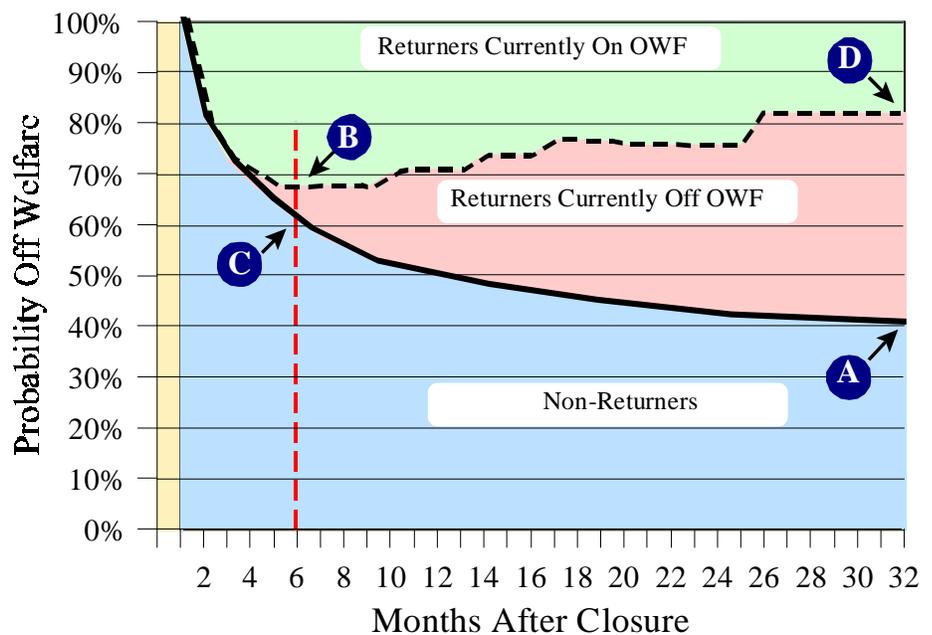
(100% - 68%) will be back on OWF. The 68% who are off OWF is comprised of 60% who will have remained off continuously (point C) and 8% who will have returned to OWF at least once since initial closure but who will be off OWF in the current month (the distance between point B and point C).

Two and one-half years after closure, approximately 82% of the study population will be off OWF (point D on the graph). The 82% is split into 41%, represented by the solid line at point A, who will have remained off OWF the entire two and one-half years, and 41% who will have returned to OWF since initial closure but who will be off in the 32nd month (the distance between point A and point D). These lines show that while much of the study population can not stay off OWF continuously after first leaving, they will eventually be able, with varying spells on and off assistance, to remain off OWF most of the time.

The respondents that the model predicts will be on OWF at the current month are represented by the space above the *dotted line*. For example, in the 32nd month, 18% of the study population will have returned to OWF and will be receiving OWF (the distance between point D and 100%).

³The models are predictors of OWF recidivism. The models (and figure 6.1) suggest what would occur if every member of the study population were followed for 32 months. For the actual study, participants were followed for 15 to 32 months, depending on when their case initially closed. Figures 2.10 through 2.13 present these data.

Figure 6.1
Probability Of Being Off OWF - 1,025 Sample



Predicted Effects of Characteristics on Recidivism

Constant Values of the Characteristics

The two models were also run to isolate and estimate the effects of the selected characteristics, relative to each other, on the probability of being off OWF. Unlike figure 6.1, which indicates the probability of being off OWF without taking individual characteristics into account, the following figures examine the estimated effect on recidivism of changing one characteristic at a time while the other characteristics are held constant.⁴

In this study, the following categories were used as the “constant values” of the characteristics.

| <u>Characteristic</u> | <u>Constant Value</u> |
|---|----------------------------|
| Appalachian Status: | Non-Appalachian |
| Site Size: | Large Site |
| Gender: | Female |
| Ethnicity: | African-American |
| Age: | 28 years |
| Education Level: | High School Diploma or GED |
| Marital Status: | Never Married |
| Number of Children: | 2 |
| Age of Children: | 2 and 10 years |
| Children Born after OWF Case Closure: | 0 |
| Earnings after Closure: Employer-Offered | \$1000 per month |
| Health Insurance: | Not Offered |

In the figures that follow, the effect of each characteristic is explored. With the exception of gender, each of the characteristics evaluated by the models had a statistically significant effect on the probability of achieving independence from OWF.

How to Interpret the Figures

It is important to bear several things in mind when reviewing the following figures:

1. STUDY POPULATION ONLY

The results apply only to adult OWF leavers in the twelve sites. The results are not generalizable to Ohio’s entire OWF caseload.

2. ONE CHARACTERISTIC PER FIGURE

Each graph represents the effect of a single characteristic on the probability of achieving independence from OWF given that the other characteristics are held constant as explained above.

⁴The term “held constant” is conceptually similar to comparing two samples whose members are identical with the exception of one characteristic. When different values are assigned to the dissimilar characteristic (for instance, Appalachian and non-Appalachian) while all other characteristics have the constant values given above, the resulting estimated differences in the probability of each group staying off OWF can be attributed to the dissimilar characteristic. (In the example, the difference in the probability of staying off OWF can be attributed to Appalachian status.)

3. ONE LINE PER CATEGORY

Each characteristic has specific categories, for example, ethnicity is specified as African-American, Caucasian, and Other. The effect of each category is represented by a line on the graph.

4. DISTANCE BETWEEN LINES

The distance between lines on a graph is the important indicator of that characteristic's effect on being off OWF.

- Solid lines should be compared to solid lines, and dotted lines should be compared to dotted lines.
- Where lines within a family of lines (all the dotted lines or all the solid lines) run closely together, the characteristic does not greatly impact the probability of being off OWF.
- Where lines run further apart, the characteristic has more impact on the probability of being off OWF.

5. COMPARISON OF CHARACTERISTICS

- The distance between the solid lines on two or more figures can be compared to determine which characteristic has the greater effect on remaining off OWF continuously for this study population.
- The distance between dotted lines among the figures may also be compared to determine which characteristics have the greater effect on being off OWF regardless of whether individuals have been off continuously or not.

6. THESE CHARACTERISTICS ONLY

The set of characteristics selected for analysis impacts the position of lines on each graph. If other characteristics were added to the model, or some characteristics removed from the model, then the lines would have to be re-estimated, and the distances between lines for any of the characteristics could change.

7. CORRECT USE OF PERCENTAGES

The percentages on the vertical axis are given only as reference points for the reader to understand the relative distances between lines. These percentages DO NOT represent the percentage of the study population actually on or off OWF at a point in time. The percentages DO indicate the relative differences in probabilities among categories on a figure, and among characteristics between two or more figures. The following examples use the lines in figure 6.2, Appalachia status, at 32 months after initial closure, to illustrate these points.

- It is NOT CORRECT to say that the study found that about 21% of people living in the Appalachian sites had remained off OWF continuously since initial closure.
- It is CORRECT to say that study population members living in the non-Appalachian sites had a 5% (the percentage between the dotted lines) greater probability of being off OWF at 32 months than those living in the Appalachian sites.
- It is CORRECT to say that these Appalachian effects were stronger for those who remained off OWF continuously after initial closure than for those who returned at some time after initial closure (because the space between the two solid lines is larger than the space between the two dotted lines at 32 months after initial closure).
- It is CORRECT to say that Appalachian status is less important than site size. Using figure 6.2 and figure 6.3, by the 32nd month after closure, the difference between those continuously off in the Appalachian versus non-Appalachian sites is approximately 10%, while the difference between those off at that point in time in the Medium versus Large or Small sites is approximately 15%.

Results

Place of Residence

- Living in non-Appalachian, medium-sized sites (Allen and Clark) provides the greatest probability of being off OWF.
- Successful transitions off OWF are less likely in Appalachian than non-Appalachian sites.
- The size of one's site of residence is more important than Appalachian status with regard to the probability of achieving independence from OWF (compare figures 6.2 and 6.3).
- Medium-sized sites are most conducive to successful transitions off OWF.

Figure 6.2
 Probability Of Being Off OWF - by Appalachia/non-Appalachia

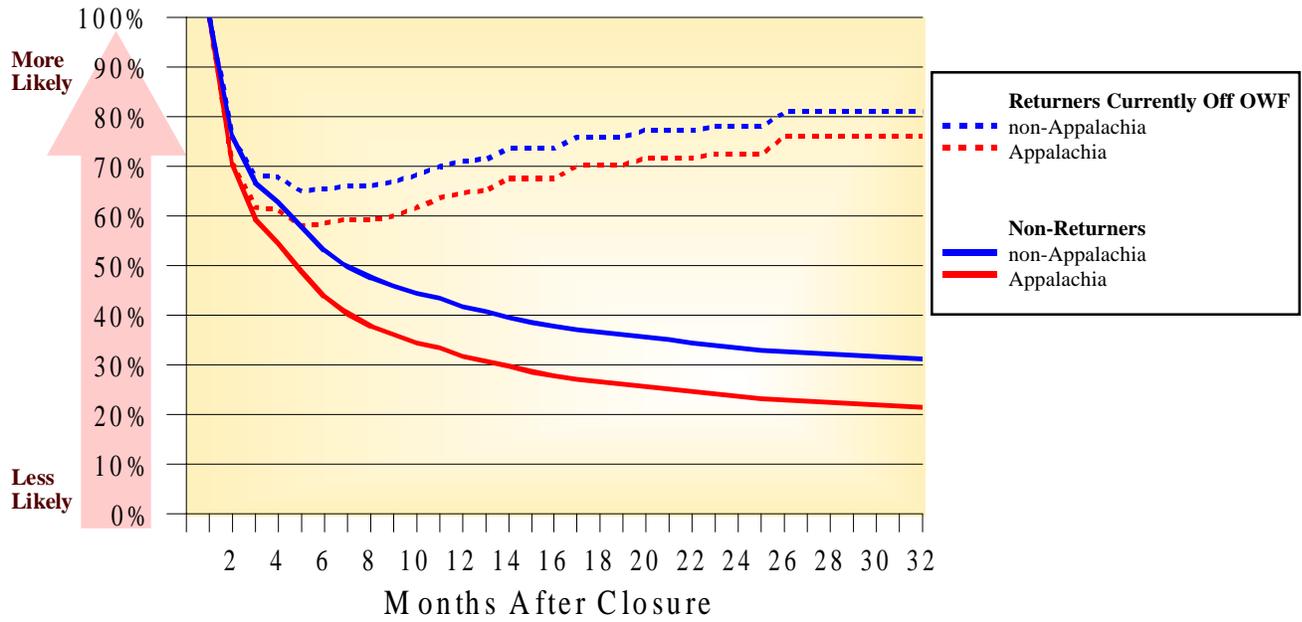
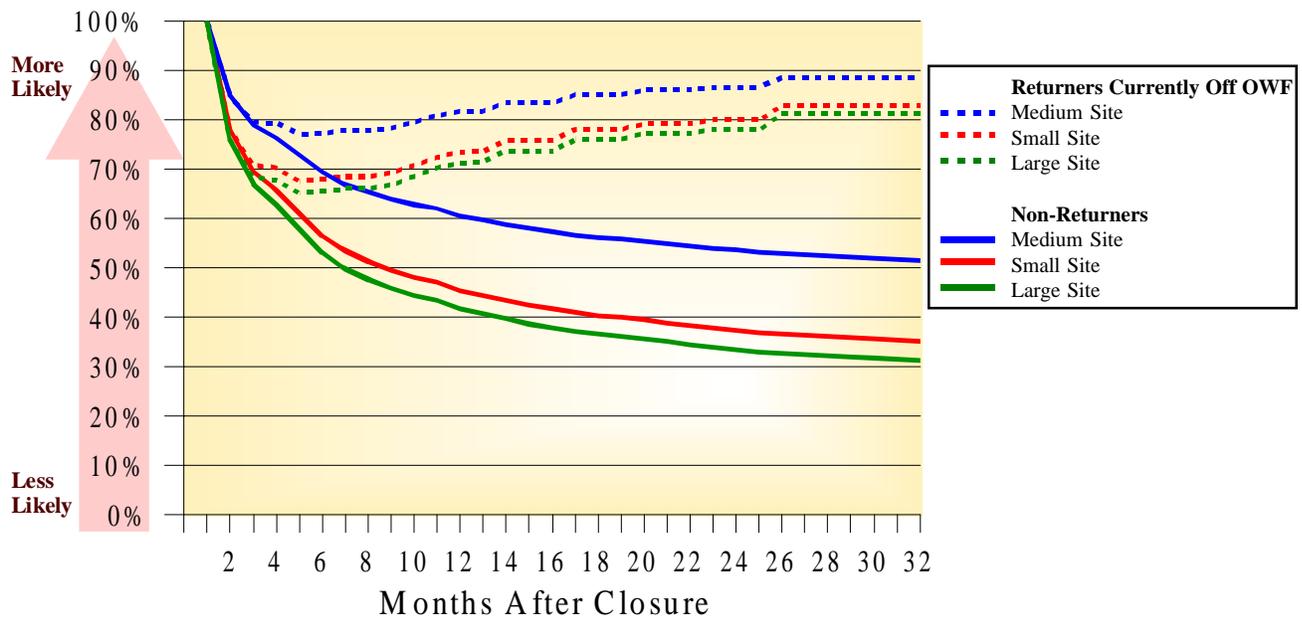


Figure 6.3
 Probability Of Being Off OWF- by Site Size

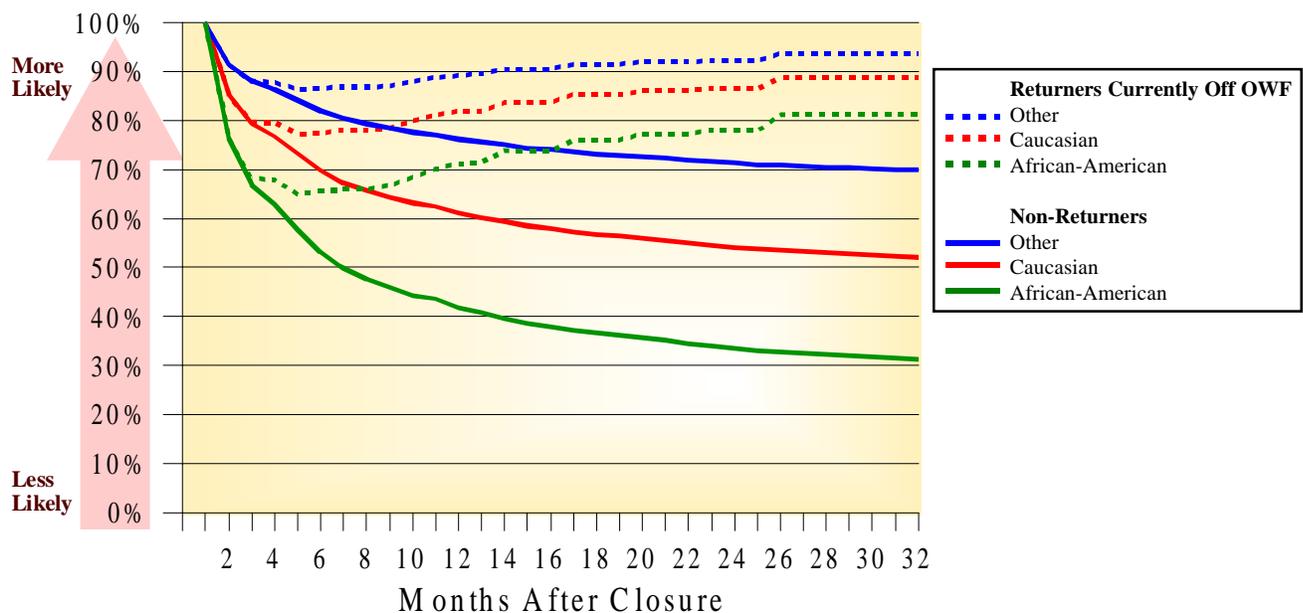


Ethnicity

- The effect of ethnicity on successful transitions off OWF is quite large.
- Individuals of Hispanic and Asian origin are almost 40% more likely to remain off OWF continuously than African-Americans, and are nearly 20% more likely to remain off than Caucasians.
- While Caucasians and African-Americans in the study population have a difficult time remaining off OWF continuously, the differences in success rates associated with ethnicity narrow considerably when one allows for intermittent reliance on OWF during the transition to independence (the dotted lines).

Figure 6.4

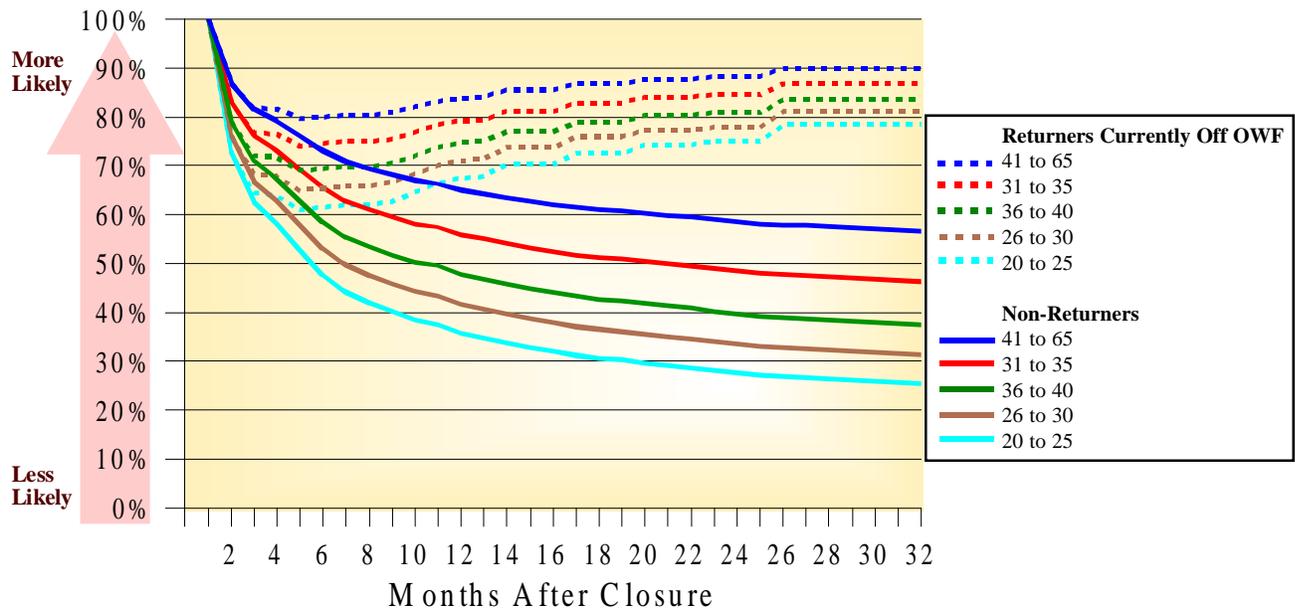
Probability Of Being Off OWF - by Ethnic Group



Respondent's Age

- People over 40 are most likely to make a successful transition.
- The youngest leavers are least likely to successfully transition to independence from OWF, followed by those aged 26 to 30.
- Persons aged 36 to 40 are less likely to make a successful transition than those aged 31 to 35.

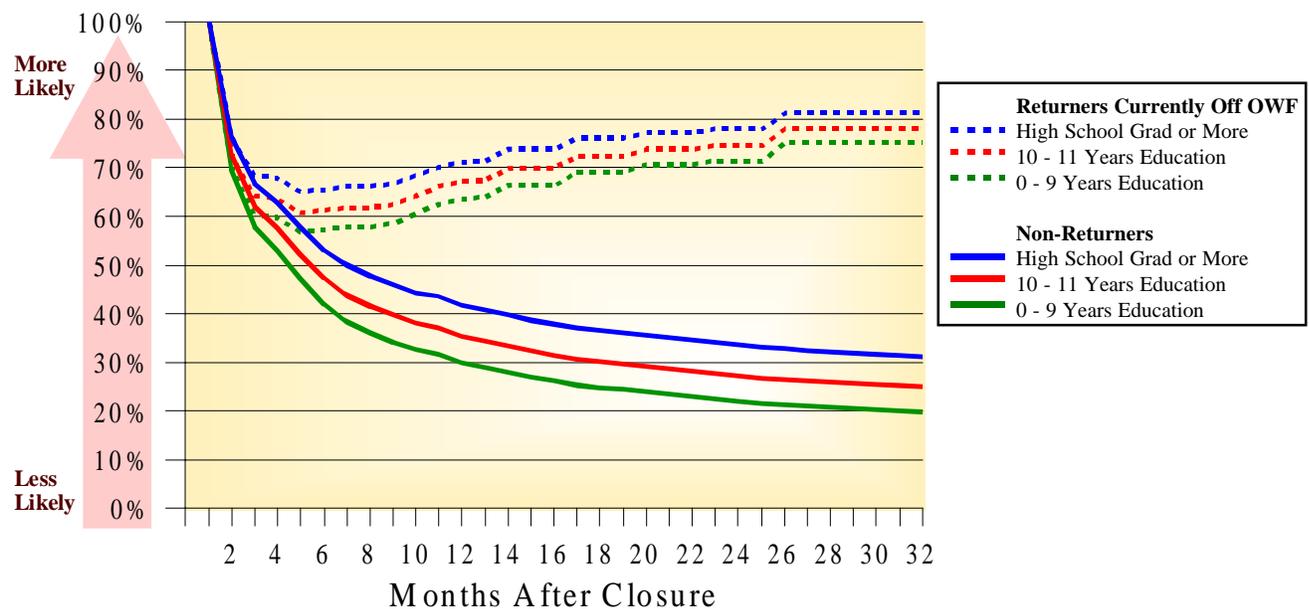
Figure 6.5
Probability Of Being Off OWF - by Age



Education

- Education has a moderate effect on the probability that one can successfully transition off OWF.
- People who do not complete high school have a lower probability of achieving independence from OWF than those who do.
- For the study population, education beyond high school, by itself, is not an important factor in predicting success in transitioning from OWF. The impact of having a diploma or GED and the impact of having some education beyond high school are nearly identical.

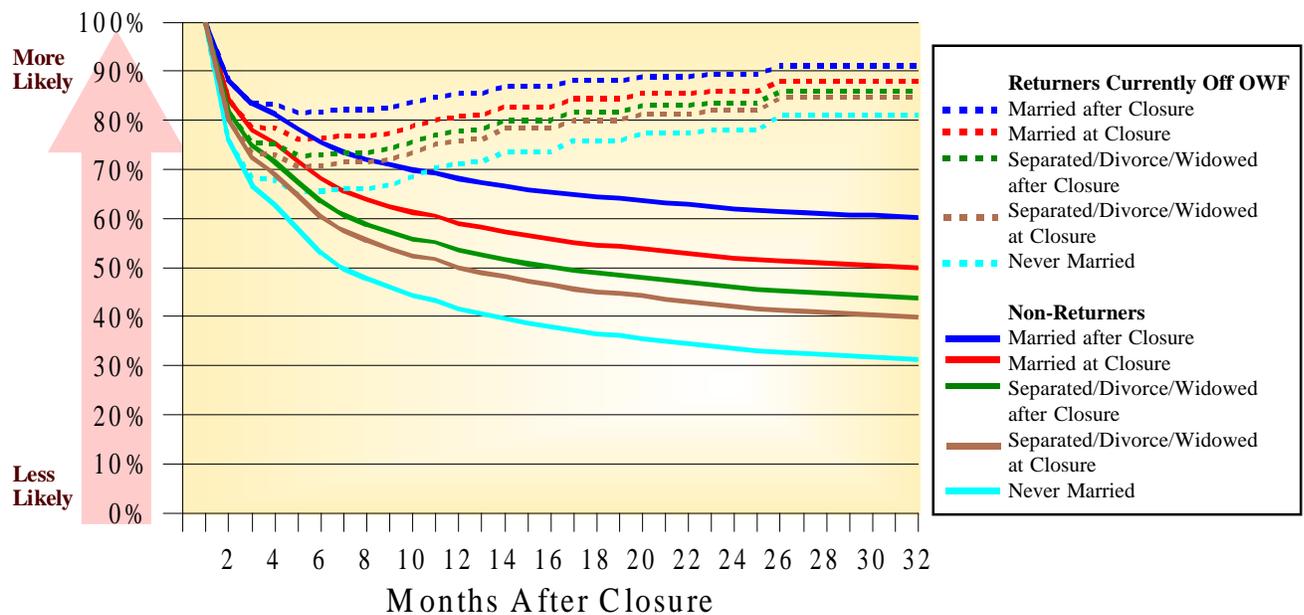
Figure 6.6
Probability Of Being Off OWF - by Education Level



Marital Status

- Married individuals fare better in transitioning off OWF than do non-married individuals.
- Those who married after their OWF case initially closed do best, with those who were married before case closure doing next best.
- Those who have never been married are the least likely to make a successful transition off OWF.

Figure 6.7
Probability Of Being Off OWF - by Marital Status

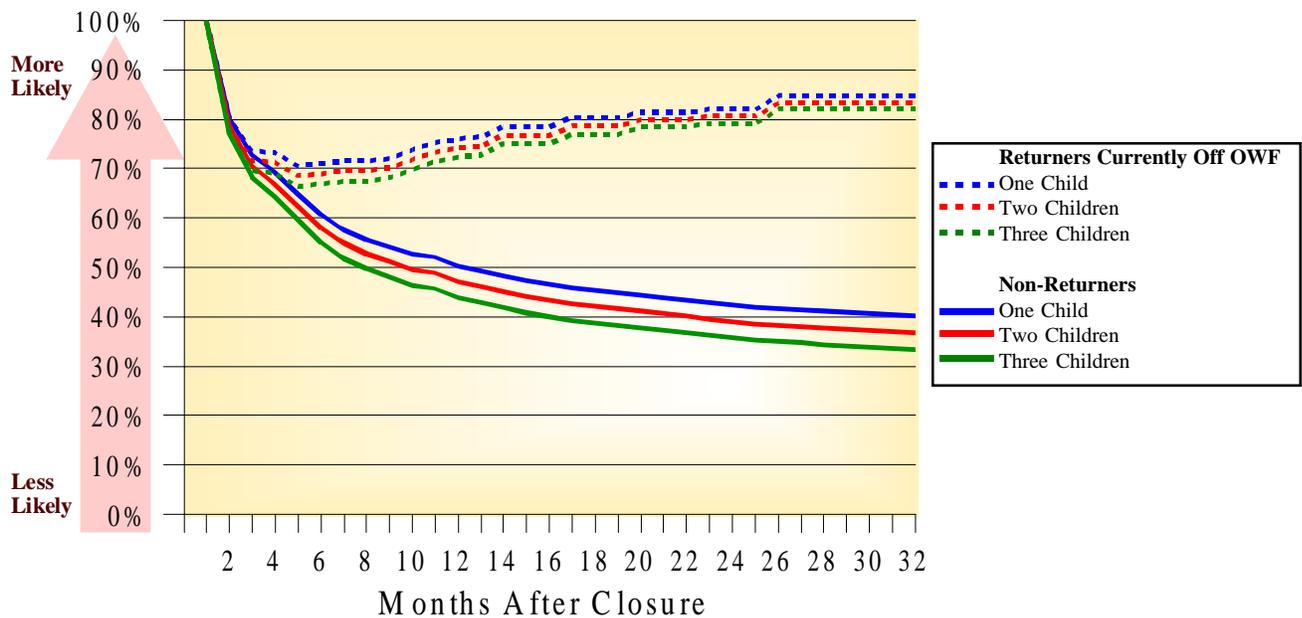


Number and Age of Children

- The more children one has at the time of initial case closure, or gives birth to after initial closure, the slower the transition to independence from OWF.
- Children over the age of fourteen do not have a statistically significant effect on one’s ability to successfully achieve independence from OWF.
- Children under the age of six have less of an impact on one’s ability to transition off OWF than do children ages six to fourteen (see figures 6.8 and 6.9).
- Children born to an individual after OWF case closure have a dramatically negative effect on the probability of transitioning off OWF (see figure 6.10).

Figure 6.8

Probability Of Being Off OWF - by Number of Children Age 0-5 at Closure



-continued on next page-

Figure 6.9

Probability Of Being Off OWF - by Number of Children Age 6-14 at Closure

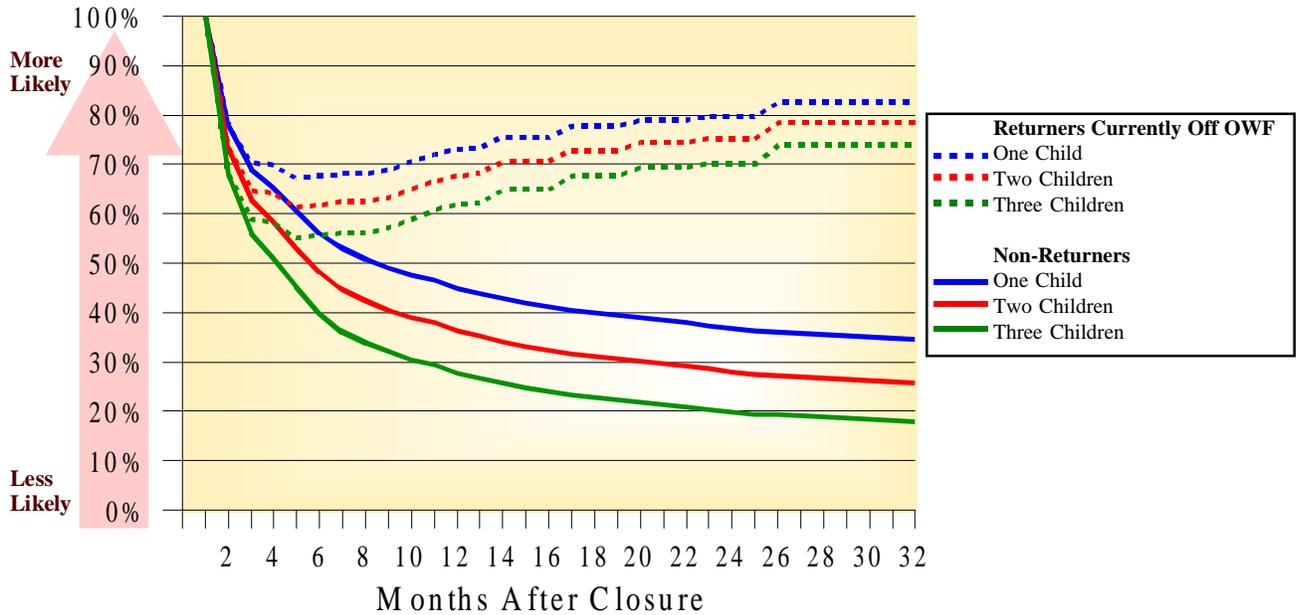
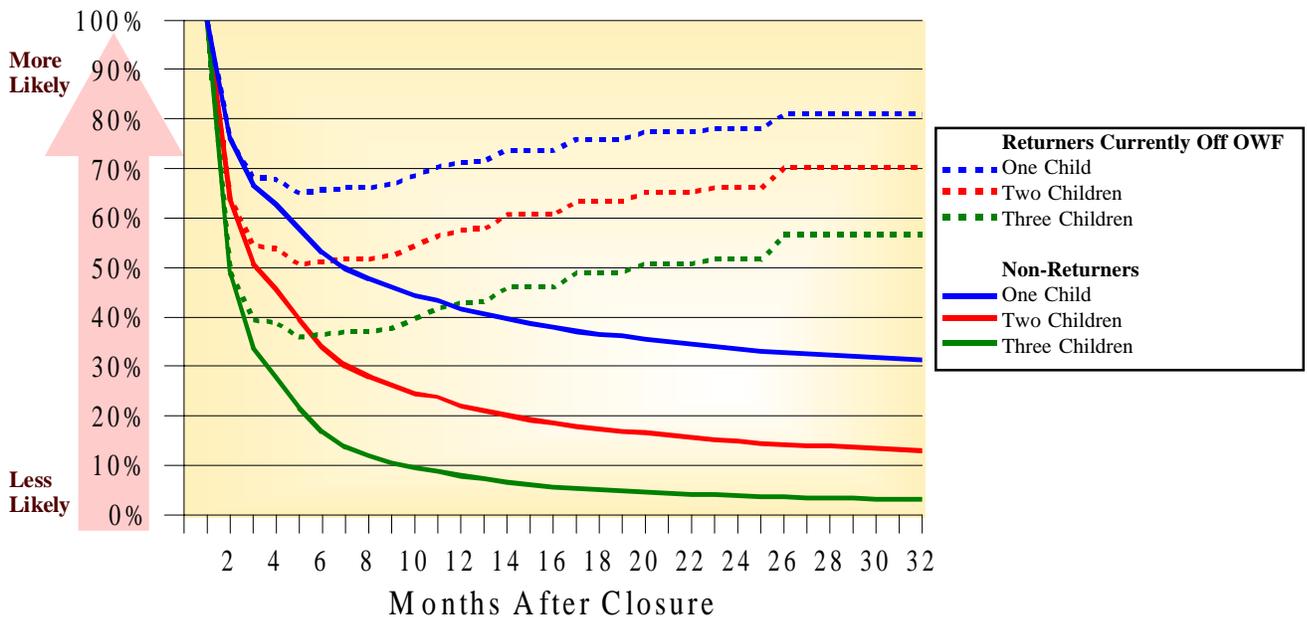


Figure 6.10

Probability Of Being Off OWF - by Number of Children Born after Closure



Earnings and Health Insurance Benefits

- OWF leavers earning \$1,200 or more per month (at least \$7.00 per hour) have a much better chance of achieving independence from OWF than do those earning less.
- Individuals who subscribe to job-related health insurance benefits have a much higher probability of being off OWF than individuals who do not have health insurance through their employer.

Figure 6.11

Probability Of Being Off OWF - by Average Earnings Three Months after Closure

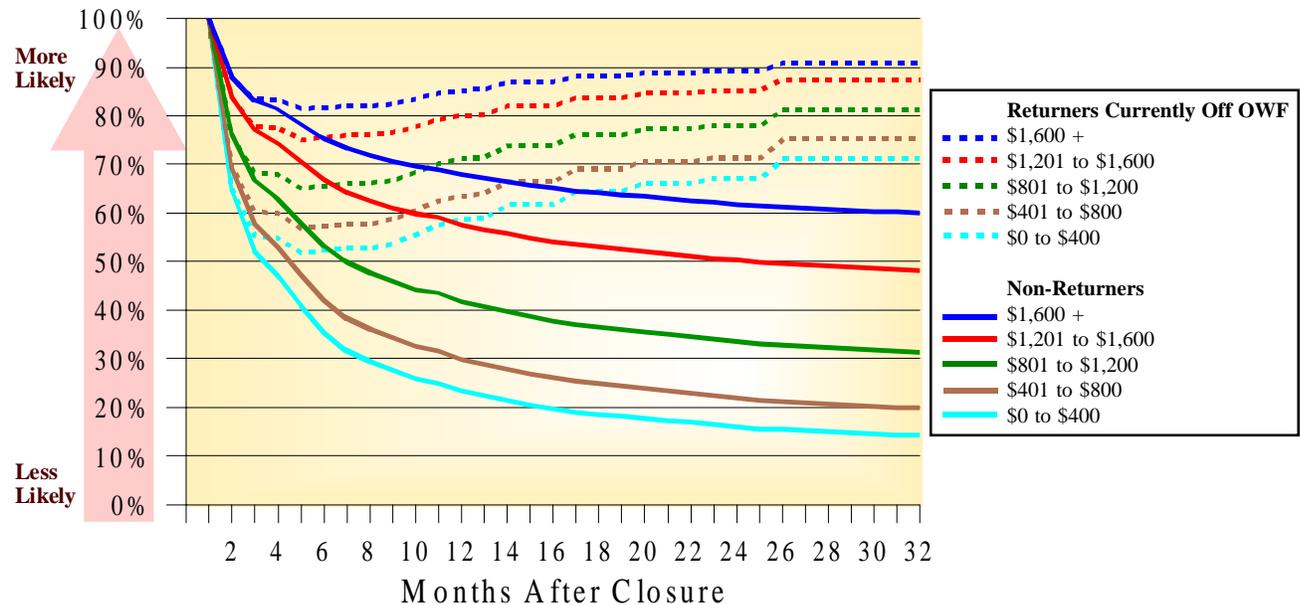
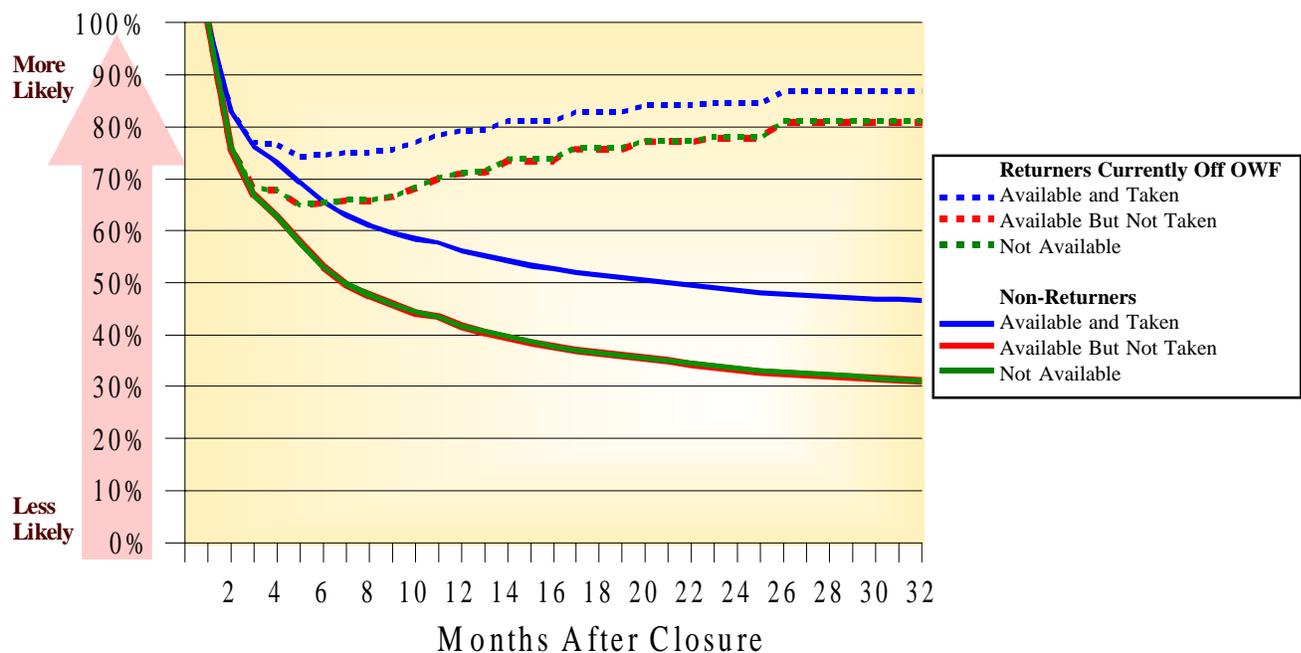


Figure 6.12

Probability Of Being Off OWF - by Health Insurance from Employer at Closure



Conclusion

This study shows that 82% of adult OWF leavers in twelve Ohio sites were off OWF two and one-half years after initial closure. Of these, 41% had been off continuously.

This study also examined the relative effects of selected characteristics, and particular categories or attributes of those characteristics, on the probability of being off OWF *for this study population*. The attributes listed below predict the highest probability of successful transition off OWF for each of the characteristics used in this study.

- Hispanic or Asian
- Over 40 years old
- Medium-sized, non-Appalachian site
- High-school diploma or GED
- Married
- Fewer children
- Children under the age of 6
- No additional children since leaving OWF
- At least \$1,200 per month in earnings
- Health insurance benefits through employer

The more of these attributes a study population member has, the greater is his or her probability of getting off and staying off OWF. The characteristics with the largest effects for this study population are: ethnicity, age, marital status, earnings, and number of children born after closure.

These findings also suggest that OWF participants who have attributes associated with lesser probabilities of success, especially personal characteristics that cannot be changed (ethnicity, age), may be able to increase their chances of being self-sufficient by changing other attributes (finding better paying jobs, finding a job with health insurance benefits, getting married, or moving to locations with better employment opportunities).

Appendix A: Sample Selection, Size, and Interview Response Rate

Sample Selection and Size

As shown in Table A.1, a sample of 1,800 assistance groups were randomly selected from the universe of eligible assistance groups in each of the twelve sites. Eligibility was defined as: adult payees, on OWF at least one month, and off OWF at least one month between October 1997 and March 1999. The sample in each site is representative of that site. Respondents in Vinton and Noble counties were pooled with the Meigs county sample because the populations in Vinton and Noble counties were too small to support separate analyses.

Prior to interview, 82 individuals were found to be out-of-scope, reducing the sample to 1,718. Another 474 individuals could not be interviewed, reducing the total number of members eligible for interview to 1,244. After the interviews were completed, another 219 assistance groups were determined to be out-of-scope, primarily because they were “child only” cases (119 assistance groups), or the assistance group had not closed during the 18-month study period (100 assistance groups). This exclusion reduced the number of study members who had completed the interview to 1,025.

The definitions for “out-of-scope” and other reasons for noninterview are given below. When a telephone contact was not successful, interviewers attempted to locate respondents by physically going to the last known address, checking with family and neighbors, and following any other leads provided to them. About half of the interviews were completed by telephone.

Out of scope:

Includes respondents who are dead, moved out of state, could not speak English, or were mentally or physically unable to do the interview. Respondents who moved out of state make up the largest part of this category.

Refusal:

Assigned if respondents explicitly and repeatedly refused to participate. Also used if the respondent consented to do the interview but continually broke appointments or otherwise avoided the interviewer after the initial contact.

Unable to locate:

Assigned if respondent could not be located after repeated searches, including credit checks, Internet searches, city directories, and personal visits to old addresses.

Unable to contact:

In these cases, the respondent was probably located but the interviewer was unable to contact the respondent by telephone or in person. This was also assigned if a relative knew the location of the respondent but was unable or unwilling to let the interviewer contact the respondent directly.

Other:

Includes cases in which the specific reason for noninterview could not be determined from the interviewer’s report. At the very least, these cases were unable to be located by telephone.

Completion Rate

The total sample interview completion rate was 68%.¹ It was calculated by dividing the number of interviews completed with in-scope respondents (1,025) by the number of in-scope sample members (1,499). The 1,499 figure is derived by subtracting the out-of-scope sample members (82 not interviewed + 219 interviewed in error) from the total sample of 1,800.

The city and county completion rates were calculated using the same formula. For example, the completion rate in Allen County is 75 divided by 99 (120 sampled, *minus* 8 out-of-scope individuals who were not interviewed, *minus* 13 out-of-scope individuals who were interviewed in error) or 76%.

Table A.1 Completed Interviews and Reasons for Non-Interview by Sample Site

| | Sample Size | Non-Interviews | | | | | Completed Interviews | | |
|----------------------|----------------------|----------------|---------|------------------|-------------------|-------|----------------------|------------------|---------------------------|
| | | Out of Scope | Refusal | Unable to Locate | Unable to Contact | Other | Out of Scope | Study Population | Complete as % of In Scope |
| OWF Closure Sites | Total Number Sampled | | | | | | | | |
| Allen | 120 | 8 | 4 | 10 | 0 | 10 | 13 | 75 | 76% |
| Ashtabula | 120 | 9 | 17 | 18 | 0 | 0 | 18 | 58 | 62% |
| Clark | 120 | 2 | 12 | 34 | 3 | 0 | 6 | 63 | 56% |
| Meigs, Vinton, Noble | 360 | 19 | 34 | 25 | 1 | 2 | 38 | 241 | 80% |
| Scioto | 120 | 7 | 8 | 11 | 2 | 0 | 21 | 71 | 77% |
| Washington | 240 | 17 | 13 | 23 | 1 | 3 | 34 | 149 | 79% |
| City of Cleveland | 240 | 5 | 17 | 48 | 2 | 0 | 41 | 127 | 65% |
| City of Euclid | 120 | 2 | 16 | 24 | 1 | 1 | 8 | 68 | 62% |
| City of Parma | 120 | 2 | 14 | 23 | 1 | 0 | 15 | 65 | 63% |
| City of Columbus | 240 | 11 | 36 | 56 | 4 | 0 | 25 | 108 | 53% |
| Totals | 1,800 | 82 | 171 | 272 | 15 | 16 | 219 | 1,025 | 68% |

¹ The method used to compute this completion rate differs from the industry standard set by the American Association for Public Opinion Research in that this calculation does not include the number of interviews completed with individuals who were subsequently determined to be outside the scope of the study.

Appendix B: Quality of Match

In the tables that follow, selected demographic characteristics of the survey respondents *and members of their assistance groups* are compared to the characteristics of all closed assistance groups in the study sites. These characteristics are taken from the administrative data, not the survey data. The survey respondents' data were weighted to reflect sampling rates and differential response to the survey. This weighting is the norm in survey research.

Note that the study sites are not a random sample of all cases statewide and thus, the sample is not representative of all case closures across the state that occurred between October 1997 and March 1999. However, the study sample *is* representative of all case closures in the twelve-site study area that occurred between October 1997 and March 1999, as shown in the demographic tables that follow.

Table B.1 Selected Demographic Comparison of Universe and Survey Respondents' Assistance Groups - First Closures Only, October 1997 to March 1999

| ALL SITES | | |
|--|---|---|
| CHARACTERISTIC | Percent of 1st Closures from All Sites | Percent of Survey Sample |
| AGE | | |
| Under 6 | 29.12% | 27.34% |
| 6 to 12 | 23.84% | 24.00% |
| 13 to 17 | 9.62% | 11.05% |
| 18 to 21 | 7.34% | 6.92% |
| 22 to 30 | 15.47% | 14.97% |
| 31 to 40 | 10.45% | 11.28% |
| 41 to 50 | 3.48% | 3.74% |
| Over 50 | 0.68% | 0.71% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 38.16% | 36.63% |
| African-American excluding Hispanic | 56.17% | 57.21% |
| Asian | 0.44% | 0.42% |
| Hispanic | 4.08% | 4.87% |
| Native American | 0.15% | 0.08% |
| Other | 1.01% | 0.79% |
| GENDER | | |
| Female | 64.04% | 65.45% |
| Male | 35.96% | 34.55% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 45.43% | 52.76% |

NOTE: Survey respondent data are weighted.

Table B.2 Selected Demographic Comparison of Universe and Survey Respondents’ Assistance Groups - First Closures Only, October 1997 to March 1999

| ALLEN COUNTY | | |
|--|---|---|
| CHARACTERISTIC | Percent of 1st Closures from from Allen County | Percent of Survey Sample |
| AGE | | |
| Under 6 | 34.86% | 31.25% |
| 6 to 12 | 21.16% | 23.10% |
| 13 to 17 | 7.80% | 9.29% |
| 18 to 21 | 8.52% | 5.67% |
| 22 to 30 | 16.97% | 17.78% |
| 31 to 40 | 8.02% | 9.57% |
| 41 to 50 | 2.22% | 1.80% |
| Over 50 | 0.45% | 1.53% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 49.56% | 56.19% |
| African-American excluding Hispanic | 48.82% | 38.97% |
| Asian | 0.05% | 0.00% |
| Hispanic | 0.72% | 0.00% |
| Native American | 0.15% | 0.00% |
| Other | 0.70% | 4.84% |
| GENDER | | |
| Female | 64.37% | 62.30% |
| Male | 35.63% | 37.70% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 53.17% | 49.58% |

NOTE: Survey respondent data are weighted.

Table B.3 Selected Demographic Comparison of Universe and Survey Respondents' Assistance Groups - First Closures Only, October 1997 to March 1999

| ASHTABULA | | |
|--|--|---|
| CHARACTERISTIC | Percent of 1st Closures from Ashtabula County | Percent of Survey Sample |
| AGE | | |
| Under 6 | 29.59% | 29.03% |
| 6 to 12 | 22.39% | 21.93% |
| 13 to 17 | 8.95% | 8.92% |
| 18 to 21 | 7.91% | 4.87% |
| 22 to 30 | 16.24% | 16.12% |
| 31 to 40 | 10.40% | 12.80% |
| 41 to 50 | 3.72% | 5.05% |
| Over 50 | 0.80% | 1.29% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 79.48% | 71.23% |
| African-American excluding Hispanic | 15.01% | 19.78% |
| Asian | 0.09% | 0.00% |
| Hispanic | 4.21% | 4.19% |
| Native American | 0.09% | 0.00% |
| Other | 1.11% | 4.80% |
| GENDER | | |
| Female | 62.72% | 63.72% |
| Male | 37.28% | 36.28% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 53.39% | 59.37% |

NOTE: Survey respondent data are weighted.

Table B.4 Selected Demographic Comparison of Universe and Survey Respondents' Assistance Groups - First Closures Only, October 1997 to March 1999

| CLARK COUNTY | | |
|--|--|---|
| CHARACTERISTIC | Percent of 1st Closures from Clark County | Percent of Survey Sample |
| AGE | | |
| Under 6 | 32.20% | 29.14% |
| 6 to 12 | 20.82% | 20.35% |
| 13 to 17 | 8.18% | 11.13% |
| 18 to 21 | 8.67% | 8.67% |
| 22 to 30 | 16.72% | 15.88% |
| 31 to 40 | 10.09% | 9.64% |
| 41 to 50 | 2.95% | 2.69% |
| Over 50 | 0.38% | 2.51% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 72.17% | 83.25% |
| African-American excluding Hispanic | 26.48% | 16.75% |
| Asian | 0.09% | 0.00% |
| Hispanic | 0.67% | 0.00% |
| Native American | 0.05% | 0.00% |
| Other | 0.54% | 0.00% |
| GENDER | | |
| Female | 62.39% | 60.51% |
| Male | 37.61% | 39.49% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 39.28% | 45.04% |

NOTE: Survey respondent data are weighted.

Table B.5 Selected Demographic Comparison of Universe and Survey Respondents' Assistance Groups - First Closures Only, October 1997 to March 1999

| SCIOTO COUNTY | | |
|--|---|---|
| CHARACTERISTIC | Percent of 1st Closures from Scioto County | Percent of Survey Sample |
| AGE | | |
| Under 6 | 27.91% | 25.85% |
| 6 to 12 | 19.65% | 21.77% |
| 13 to 17 | 9.85% | 10.95% |
| 18 to 21 | 8.75% | 6.01% |
| 22 to 30 | 17.61% | 18.02% |
| 31 to 40 | 11.97% | 11.97% |
| 41 to 50 | 3.83% | 5.43% |
| Over 50 | 0.43% | 0.00% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 96.04% | 98.10% |
| African-American excluding Hispanic | 3.52% | 1.90% |
| Asian | 0.03% | 0.00% |
| Hispanic | 0.00% | 0.00% |
| Native American | 0.05% | 0.00% |
| Other | 0.37% | 0.00% |
| GENDER | | |
| Female | 60.78% | 58.63% |
| Male | 39.22% | 41.37% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 51.35% | 54.05% |

NOTE: Survey respondent data are weighted.

Table B.6 Selected Demographic Comparison of Universe and Survey Respondents' Assistance Groups - First Closures Only, October 1997 to March 1999

| WASHINGTON COUNTY | | |
|--|---|---|
| CHARACTERISTIC | Percent of 1st Closures from Washington County | Percent of Survey Sample |
| AGE | | |
| Under 6 | 27.83% | 26.09% |
| 6 to 12 | 20.60% | 20.35% |
| 13 to 17 | 9.86% | 10.46% |
| 18 to 21 | 7.96% | 9.89% |
| 22 to 30 | 16.73% | 15.09% |
| 31 to 40 | 11.83% | 11.19% |
| 41 to 50 | 4.68% | 6.22% |
| Over 50 | 0.51% | 0.72% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 97.88% | 98.18% |
| African-American excluding Hispanic | 1.46% | 1.33% |
| Asian | 0.00% | 0.00% |
| Hispanic | 0.37% | 0.00% |
| Native American | 0.15% | 0.24% |
| Other | 0.15% | 0.25% |
| GENDER | | |
| Female | 62.53% | 62.07% |
| Male | 37.47% | 37.93% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 53.94% | 50.02% |

NOTE: Survey respondent data are weighted.

Table B.7 Selected Demographic Comparison of Universe and Survey Respondents' Assistance Groups - First Closures Only, October 1997 to March 1999

| CITY OF CLEVELAND | | |
|--|---|---|
| CHARACTERISTIC | Percent of 1st Closures from City of Cleveland | Percent of Survey Sample |
| AGE | | |
| Under 6 | 27.55% | 23.87% |
| 6 to 12 | 25.16% | 25.28% |
| 13 to 17 | 10.42% | 13.31% |
| 18 to 21 | 6.86% | 6.16% |
| 22 to 30 | 14.41% | 13.87% |
| 31 to 40 | 10.81% | 12.01% |
| 41 to 50 | 3.97% | 4.66% |
| Over 50 | 0.81% | 0.84% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 20.52% | 16.46% |
| African-American excluding Hispanic | 70.26% | 73.02% |
| Asian | 0.16% | 0.00% |
| Hispanic | 7.65% | 9.58% |
| Native American | 0.21% | 0.00% |
| Other | 1.21% | 0.93% |
| GENDER | | |
| Female | 64.52% | 66.17% |
| Male | 35.48% | 33.83% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 44.77% | 54.62% |

NOTE: Survey respondent data are weighted.

Table B.8 Selected Demographic Comparison of Universe and Survey Respondents' Assistance Groups - First Closures Only, October 1997 to March 1999

| CITY OF EUCLID | | |
|--|--|---|
| CHARACTERISTIC | Percent of 1st Closures from City of Euclid | Percent of Survey Sample |
| AGE | | |
| Under 6 | 28.42% | 25.70% |
| 6 to 12 | 21.43% | 19.91% |
| 13 to 17 | 8.56% | 11.51% |
| 18 to 21 | 6.50% | 8.18% |
| 22 to 30 | 18.28% | 13.72% |
| 31 to 40 | 11.66% | 13.02% |
| 41 to 50 | 4.49% | 7.47% |
| Over 50 | 0.67% | 0.50% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 28.78% | 20.60% |
| African-American excluding Hispanic | 68.55% | 77.61% |
| Asian | 0.30% | 0.00% |
| Hispanic | 0.43% | 0.00% |
| Native American | 0.30% | 0.00% |
| Other | 1.64% | 1.79% |
| GENDER | | |
| Female | 66.67% | 68.58% |
| Male | 33.33% | 31.42% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 65.11% | 61.13% |

NOTE: Survey respondent data are weighted.

Table B.9 Selected Demographic Comparison of Universe and Survey Respondents' Assistance Groups - First Closures Only, October 1997 to March 1999

| CITY OF PARMA | | |
|--|---|---|
| CHARACTERISTIC | Percent of 1st Closures from City of Parma | Percent of Survey Sample |
| AGE | | |
| Under 6 | 25.46% | 21.76% |
| 6 to 12 | 22.15% | 27.72% |
| 13 to 17 | 10.44% | 9.24% |
| 18 to 21 | 5.66% | 5.21% |
| 22 to 30 | 14.34% | 15.70% |
| 31 to 40 | 15.22% | 15.20% |
| 41 to 50 | 5.07% | 3.98% |
| Over 50 | 1.66% | 1.19% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 84.78% | 84.77% |
| African-American excluding Hispanic | 9.76% | 10.03% |
| Asian | 0.78% | 0.00% |
| Hispanic | 2.05% | 1.49% |
| Native American | 0.00% | 0.00% |
| Other | 2.63% | 3.71% |
| GENDER | | |
| Female | 62.63% | 63.74% |
| Male | 37.37% | 36.26% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 62.33% | 65.61% |

NOTE: Survey respondent data are weighted.

Table B.10 Selected Demographic Comparison of Universe and Survey Respondents’ Assistance Groups - First Closures Only, October 1997 to March 1999

| CITY OF COLUMBUS | | |
|--|--|---|
| CHARACTERISTIC | Percent of 1st Closures from City of Columbus | Percent of Survey Sample |
| AGE | | |
| Under 6 | 30.93% | 32.29% |
| 6 to 12 | 24.22% | 24.50% |
| 13 to 17 | 8.85% | 8.16% |
| 18 to 21 | 7.29% | 7.88% |
| 22 to 30 | 15.99% | 15.05% |
| 31 to 40 | 9.50% | 10.16% |
| 41 to 50 | 2.67% | 1.96% |
| Over 50 | 0.55% | 0.00% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 35.01% | 27.65% |
| African-American excluding Hispanic | 61.78% | 69.10% |
| Asian | 1.14% | 1.44% |
| Hispanic | 1.00% | 1.55% |
| Native American | 0.09% | 0.27% |
| Other | 0.98% | 0.00% |
| GENDER | | |
| Female | 64.70% | 68.20% |
| Male | 35.30% | 31.80% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 42.63% | 50.73% |

NOTE: Survey respondent data are weighted.

Table B.11 Selected Demographic Comparison of Universe and Survey Respondents’ Assistance Groups - First Closures Only, October 1997 to March 1999

MEIGS, NOBLE, & VINTON COUNTIES

| CHARACTERISTIC | Percent of 1st Closures from Meigs, Noble, & Vinton Counties | Percent of Survey Sample |
|--|---|---|
| AGE | | |
| Under 6 | 25.89% | 26.74% |
| 6 to 12 | 19.76% | 18.69% |
| 13 to 17 | 10.20% | 9.53% |
| 18 to 21 | 8.95% | 8.48% |
| 22 to 30 | 16.97% | 18.32% |
| 31 to 40 | 12.90% | 12.63% |
| 41 to 50 | 4.44% | 5.03% |
| Over 50 | 0.89% | 0.59% |
| ETHNICITY | | |
| Caucasian excluding Hispanic | 98.87% | 99.56% |
| African-American excluding Hispanic | 1.07% | 0.29% |
| Asian | 0.03% | 0.15% |
| Hispanic | 0.00% | 0.00% |
| Native American | 0.03% | 0.00% |
| Other | 0.00% | 0.00% |
| GENDER | | |
| Female | 59.34% | 59.77% |
| Male | 40.66% | 40.23% |
| EDUCATION LEVEL | | |
| 18 or Older with a High School Degree or GED | 50.04% | 51.28% |

NOTE: Survey respondent data are weighted.

Appendix C: Wage Rate at Closure

A standard earnings equation was estimated using age, ethnicity, sex, education, experience, and experience squared, which is the conventional specification. In addition, variables were included to indicate the size of the site the respondent lived in at closure and whether that site was in Appalachia. The dependent variable is the natural log of the wage rate, which is also conventional. The experience variable is based on the number of quarters worked from 1994 through the date of closure based upon unemployment insurance wage record data. This measure will understate experience for some respondents because wage record data do not include wages for work classified as independent contracting such as truck and taxi driving, some construction and health care positions, and work performed through temporary employment agencies. On the other hand, this measure is more accurate than the age-minus-education-minus-six measure that is often used. The results of the estimation were:

| Variable | Coefficient | Standard Error | t-Statistic |
|-------------------------|-------------|----------------|-------------|
| Intercept | 1.1471 | 0.1549 | 7.41 |
| African-American | 0.0895 | 0.0495 | 1.81 |
| Asian, Hispanic & Other | 0.2637 | 0.1495 | 1.76 |
| Male | 0.3517 | 0.0616 | 5.71 |
| Age | 0.0011 | 0.0023 | 0.46 |
| Highest Grade Completed | 0.0526 | 0.0109 | 4.82 |
| Experience | 0.0827 | 0.0433 | 1.91 |
| Experience Squared | -0.0082 | 0.0098 | -0.84 |
| Small Site | -0.1865 | 0.0602 | -3.10 |
| Medium-Sized Site | -0.1699 | 0.0531 | -3.20 |
| Appalachia | -0.0166 | 0.0507 | -0.33 |

R-SQUARED = 0.1993

F(10,543) = 13.52

These results are conventional except for the positive coefficient on the Ethnicity variable. However, the conventional negative effect on African-American is based on estimates for the population as a whole, whereas the present sample is heavily concentrated at the disadvantaged end of the socio-economic distribution. Because a little over half the sample had wage rates around the date of closure, the ethnicity effects were not estimated precisely. While the coefficients for African-American and the Asian, Hispanic, and Other groups did not achieve statistical significance, it was a

near-miss. The data do not support the notion that non-Caucasians with the same characteristics are paid less than Caucasians.

The coefficients show percentage effects. For example, an additional year of education raises one's wage by 5.26%, and another year of experience raises the wage by 8.27% on average.

The data show that location matters. The large sites, Cleveland, Columbus, Euclid, and Parma, are the comparison group and people leaving OWF in either small (Ashtabula, Meigs, Noble, Vinton) or medium (Allen, Clark, Scioto, Washington) sites appear to earn significantly less. This locational gradient does not appear to be linked to being in an Appalachian site per se (Meigs, Noble, Scioto, Vinton, Washington); instead the estimates suggest it is site size rather than Appalachian status that is important.

Finally, the wage equation shows that it is not age that matters, but labor force experience.

Appendix D: Discrete Time Models of Duration Off OWF and Receipt of OWF

This appendix describes the models used in the section on recidivism in somewhat more detail, showing the parametric results. Two models were estimated with one specification; first was a discrete time hazard model based upon a logit specification for the probability of “failure” (in this case failure means returning to OWF). This model included the economic and demographic variables such as earnings, gender, marital status, and so forth. It also included variables specific to months or ranges of months to capture the fact that the probability of returning to OWF—given the fact that the person has remained off OWF to date—changes with the passage of time. Not surprisingly, these time effects¹ fell with duration as the usual heterogeneity arguments imply. A simple logit formulation was used to model these probabilities.

The second model estimated for the probability of being off welfare. The coefficient on the economic and demographic variables was constrained to be the same for the two models, allowing the coefficients on time to differ. This second model was the probability of being on OWF unconditionally, that is, without requiring an observation to have remained off OWF up to the month for which the time effect was estimated. These time effects, TS2–TS25-31, likewise displayed a pattern of declining magnitudes. No special notice should be taken of the magnitudes of the time effects for the two models as they represent two different, yet related, events.

The explanatory variables in the model are presented in the following table.

¹These time effects are TE2 through TE25-31 and TS2 through TS25-31. The numbers indicate the month(s) after closure covered by the variable. As always with dummy variables, if there is an intercept, one category must be omitted from the collection of dummy variables (in this case the first month after closure). Moreover, by omitting the first month dummy and constraining the intercepts to be the same, the two models generate identical predicted probabilities of being off welfare the first month after closure. These two probabilities should be the same as in the first month after closure. The probability of being on welfare and the probability of returning to welfare are the same as they refer to the same outcome.

Table D.1 Explanatory Variables Used in Model

| Variable | Description of Data |
|------------------|--|
| African-American | Ethnicity of respondent |
| Other | Ethnicity other than Caucasian or African-American |
| Male | Self-explanatory |
| Ed 0-9 | Highest grade completed was ninth or less based on survey data |
| Ed 10-11 | Highest grade completed was tenth or eleventh. The data did not indicate that people with more than a high school degree had different patterns of returning to OWF than high school graduates. The omitted category is twelve or more years of education. |
| Prior Earn | Average monthly earnings, when respondent worked, in the nine months prior to closure for those age 20 and over |
| Appalachia | Case closed in Meigs, Noble, Scioto, Vinton, or Washington County. Non-Appalachian is the omitted category. |
| Small Cnty | Case closed in Ashtabula, Meigs, Noble, or Vinton County. |
| Medium Cnty | Case closed in Allen, Clark, Scioto, or Washington County. The omitted size category is large, which are the cities of Columbus, Cleveland, Euclid, and Parma. |
| Agexx-yy | Age of respondent was in the indicated range. The omitted category is 26–30. |
| Ernxxx-yyy | Average monthly earnings at closure fell in the indicated range. The omitted category is \$801-\$1,200 per month. |
| Nkidslt6 | Number of biological children under age 6 |
| Nkids614 | Number of biological children between 6 and 14 years of age |
| Nkidsg14 | Number of biological children over age 14 |
| InsAVL | At closure, respondent held a job that offered health insurance as a benefit. No insurance available is the omitted category. |
| InsPAR | At closure, respondent held a job that offered health insurance as a benefit and respondent signed up for this benefit. Not signed up for insurance, either because it was unavailable or respondent did not select this option, is omitted. |
| Married | Married at closure |
| Sdw | Respondent was separated, divorced, or widowed at closure. The omitted category is never married. |
| March | Marital status change after closure, status at interview is married |
| sdwch | Respondent went from married, spouse present to other marital state after closure; status at interview is separated, divorced, or widowed. The omitted category is no marital status change after first closure. |
| NkidsAC | Number of children born after date of first closure |

The results for the estimated model are shown in Table D.2. The column “Chi-Square” is the test statistic for a likelihood ratio test that the variable is not statistically significant. The column “Pr > ChiSq” is the probability of obtaining by chance a Chi-Squared statistic as large as, or larger than, the statistic to the left. Values greater than 0.05 are usually thought of as not being statistically significant. Because these models are estimated with 37,549 person-months of data,² good statistical power is attained and most effects are estimated with good precision, hence are most frequently significantly different from zero.³

The model was estimated by the method of maximum likelihood, which is an iterative process. The log-likelihood for the logit specification is globally quasi-concave which guarantees a well-behaved numerical solution. The standard errors were recovered using the standard method based on the inverse of the matrix of second partial derivatives of the log-likelihood. Calculations were performed by the SAS routine Proc Probit.

Table D.2 Results of Estimated Model

| Variable | Estimate | Standard Error | Chi-Square | Pr>ChiSq |
|-----------------|-----------------|-----------------------|-------------------|--------------------|
| Intercept | -2.22116 | 0.10333 | 462.0291 | <.0001 |
| Afrcn-Amrcn | 0.60127 | 0.05111 | 138.3853 | <.0001 |
| Other | -0.61331 | 0.17160 | 12.7744 | 0.0004 |
| Male | 0.19107 | 0.06765 | 7.9779 | 0.0047 |
| ED 0-9 | 0.34849 | 0.05800 | 36.1067 | <.0001 |
| ED 10-11 | 0.18585 | 0.03825 | 23.6121 | <.0001 |
| Prior Earn | 0.0002643 | 0.00004502 | 34.4680 | <.0001 |
| Appalachia | 0.29356 | 0.05138 | 32.6446 | <.0001 |
| Small Cnty | -0.11094 | 0.05945 | 3.4824 | 0.0620 |
| Medium Cnty | -0.58506 | 0.05411 | 116.9212 | <.0001 |
| age20_25 | 0.17109 | 0.04946 | 11.9663 | <.0005 |
| age31_35 | -0.43290 | 0.05874 | 54.3119 | <.0001 |
| age36_40 | -0.17955 | 0.06473 | 7.6930 | 0.0055 |
| age41_65 | -0.74554 | 0.08271 | 81.2480 | <.0001 |
| Ern 0-400 | 0.55223 | 0.05706 | 93.6617 | <.0001 |
| Ern 401-800 | 0.34829 | 0.06161 | 31.9583 | 0.0001 |
| Ern 1201-1600 | -0.48397 | 0.07839 | 38.1168 | 0.0001 |
| Ern 1601+ | -0.85125 | 0.11336 | 56.3922 | <.0001 |
| Nkidslt6 | 0.09617 | 0.02360 | 16.6094 | 0.0001 |
| Nkids614 | 0.25549 | 0.01943 | 172.8362 | <.0001 |
| Nkidsg14 | 0.06229 | 0.02594 | 5.7640 | 0.0164 |
| NkidsAC | 0.59826 | 0.03722 | 258.3111 | 0.0001 |

² A person-month is one month of data for one person. Some respondents contribute over 30 individual months of data to the model because they closed early on.

³ Categorical variables were used to facilitate computing fitted predicted probabilities of return to OWF. As noted in an earlier footnote, when categorical dummies are used, one category must be omitted. This explains why, for example, there is no coefficient for monthly earnings in the range \$801–\$1,200 at closure.

Table D.2 Results of Estimated Model (continued)

| Variable | Estimate | Standard Error | Chi-Square | Pr>ChiSq |
|-----------------|-----------------|-----------------------|-------------------|--------------------|
| InsAVL | 0.0032786 | 0.07004 | 0.0022 | 0.9627 |
| InsPAR | -0.43948 | 0.08967 | 24.0190 | <.0001 |
| Married | -0.53659 | 0.04934 | 118.2838 | <.0001 |
| sdw | -0.24777 | 0.04656 | 28.3189 | <.0001 |
| March | -0.86104 | 0.07598 | 128.4202 | <.0001 |
| sdwch | 0.17884 | 0.06701 | 7.1223 | <.0076 |
| TE2 | 0.39454 | 0.10253 | 14.8071 | 0.0001 |
| TE3 | 0.41403 | 0.10226 | 16.3938 | <.0001 |
| Te4 | 0.53989 | 0.10060 | 28.7987 | <.0001 |
| te5 | 0.52143 | 0.10083 | 26.7413 | <.0001 |
| te6 | 0.49659 | 0.10115 | 24.1040 | <.0001 |
| te7 | 0.49659 | 0.10115 | 24.1040 | <.0001 |
| Te8 | 0.46519 | 0.10156 | 20.9807 | <.0001 |
| Te9 | 0.38801 | 0.10263 | 14.2947 | 0.0002 |
| Te10 | 0.30804 | 0.10382 | 8.8030 | 0.0030 |
| Te11 | 0.25995 | 0.10459 | 6.1777 | 0.0129 |
| Te12 | 0.24600 | 0.10482 | 5.5083 | 0.0189 |
| Te13-15 | 0.13049 | 0.08061 | 2.6202 | 0.1055 |
| Te16-18 | 0.01278 | 0.08274 | 0.0239 | 0.8772 |
| Te19-21 | -0.06532 | 0.08621 | 0.5741 | 0.4486 |
| Te22-24 | -0.10273 | 0.09224 | 1.2405 | 0.2654 |
| Te25-31 | -0.29557 | 0.09153 | 10.4274 | 0.0012 |
| TS2 | -0.81688 | 0.14603 | 31.2898 | <.0001 |
| TS3 | -1.59520 | 0.20212 | 62.2921 | <.0001 |
| ts4 | -1.29879 | 0.18509 | 49.2388 | <.0001 |
| ts5 | -1.24470 | 0.18759 | 44.0252 | <.0001 |
| ts6 | -1.51573 | 0.21604 | 49.2239 | <.0001 |
| ts7 | -1.93270 | 0.26325 | 53.9015 | <.0001 |
| ts8 | -2.11411 | 0.28951 | 53.3254 | <.0001 |
| ts9 | -2.16325 | 0.30050 | 51.8227 | <.0001 |
| ts10 | -2.69233 | 0.38718 | 48.3529 | <.0001 |
| ts11 | -2.04761 | 0.28984 | 49.9092 | <.0001 |
| ts12 | -2.52295 | 0.36356 | 48.1570 | <.0001 |
| ts13 | -2.49186 | 0.36360 | 46.9672 | <.0001 |
| ts14 | -2.46222 | 0.36362 | 45.8533 | <.0001 |
| ts15 | -2.73327 | 0.41704 | 42.9537 | <.0001 |
| ts16 | -2.67491 | 0.41722 | 41.1037 | <.0001 |
| ts17 | -3.05181 | 0.50726 | 36.1954 | <.0001 |
| ts18 | -3.31912 | 0.58369 | 32.3357 | <.0001 |
| ts19-24 | -3.03318 | 0.24548 | 152.6775 | <.0001 |
| ts25-31 | -3.66513 | 0.45312 | 65.4272 | <.0001 |