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**Changes and Trends in the Work First Caseload in North Carolina:  
June 2009**

by

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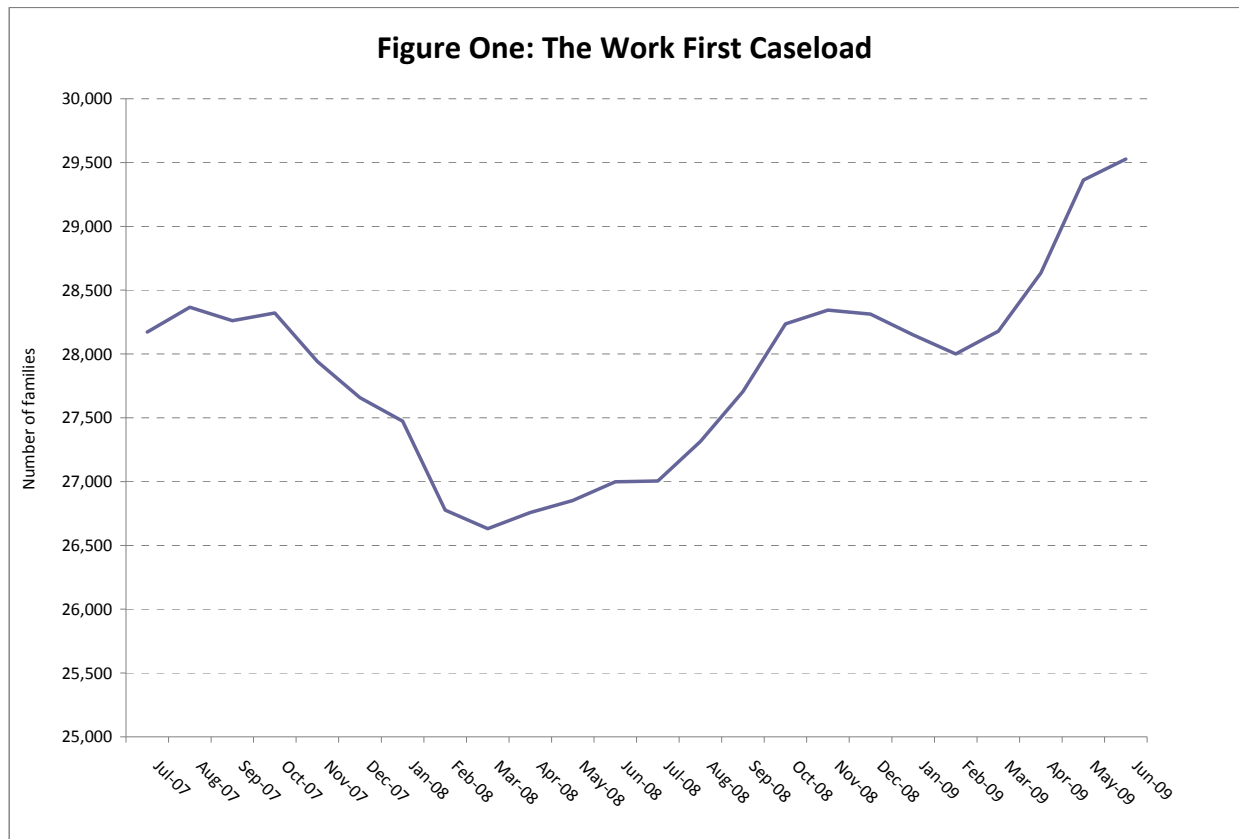
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## Changes and Trends in the Work First Caseload in North Carolina: June 2009

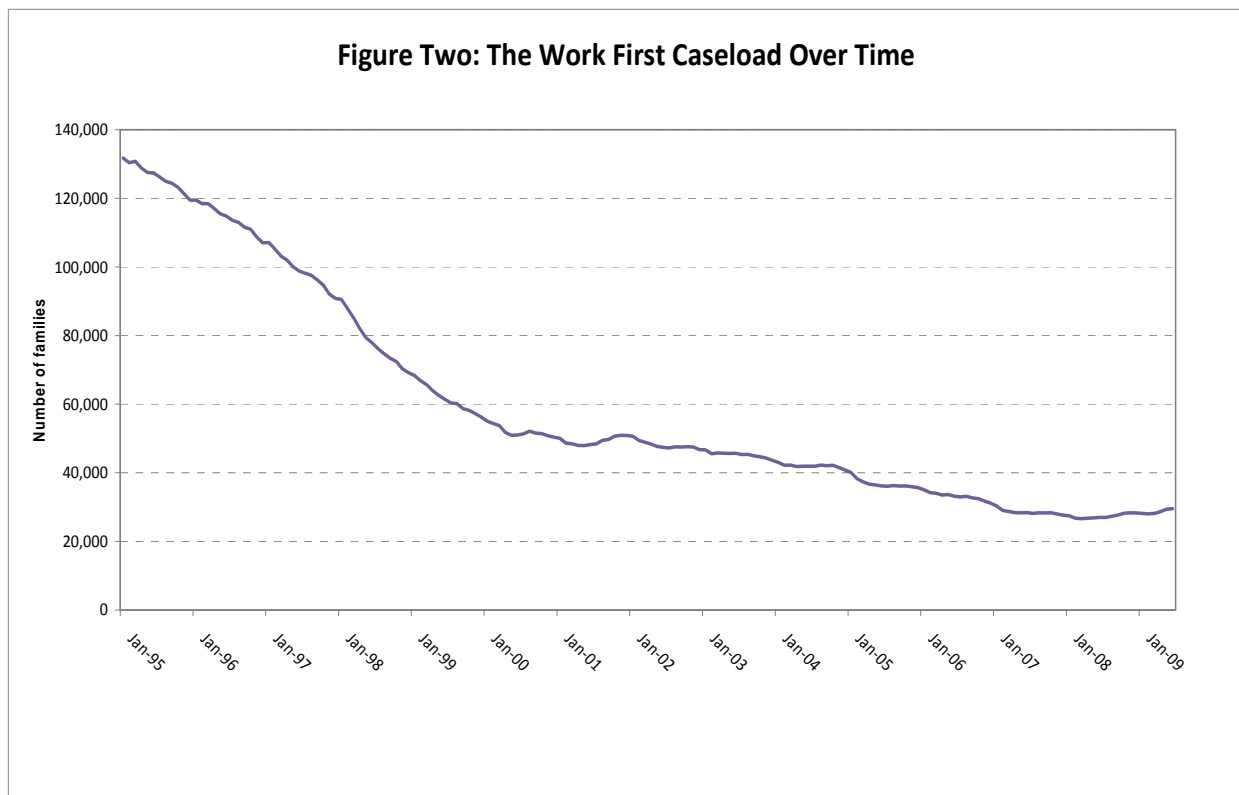
This report explores changes and trends in the Work First caseload in North Carolina in June 2009. This analysis is based on data extracted from the Eligibility Information System (EIS) in mid-August 2009. These extracts are used to construct and maintain a longitudinal file that tracks the experiences of families who have participated in the Work First program in North Carolina. The analysis explores changes in the number of families participating in the program, changes in the number of case openings and case closings, information on families who are participating in the program for the first time, changes in the number of families receiving diversion assistance, and changes in the child only caseload. Long-term trends are also discussed.

Figure One illustrates the changes in the Work First caseload over time. (Specific caseload numbers can be found in Appendix A, Table One.) As the figure indicates, there were 28,171 families participating in the program in July 2007. The number of families participating in the program rose to 28,322 in October 2007 before falling to 26,630 in March 2008. The



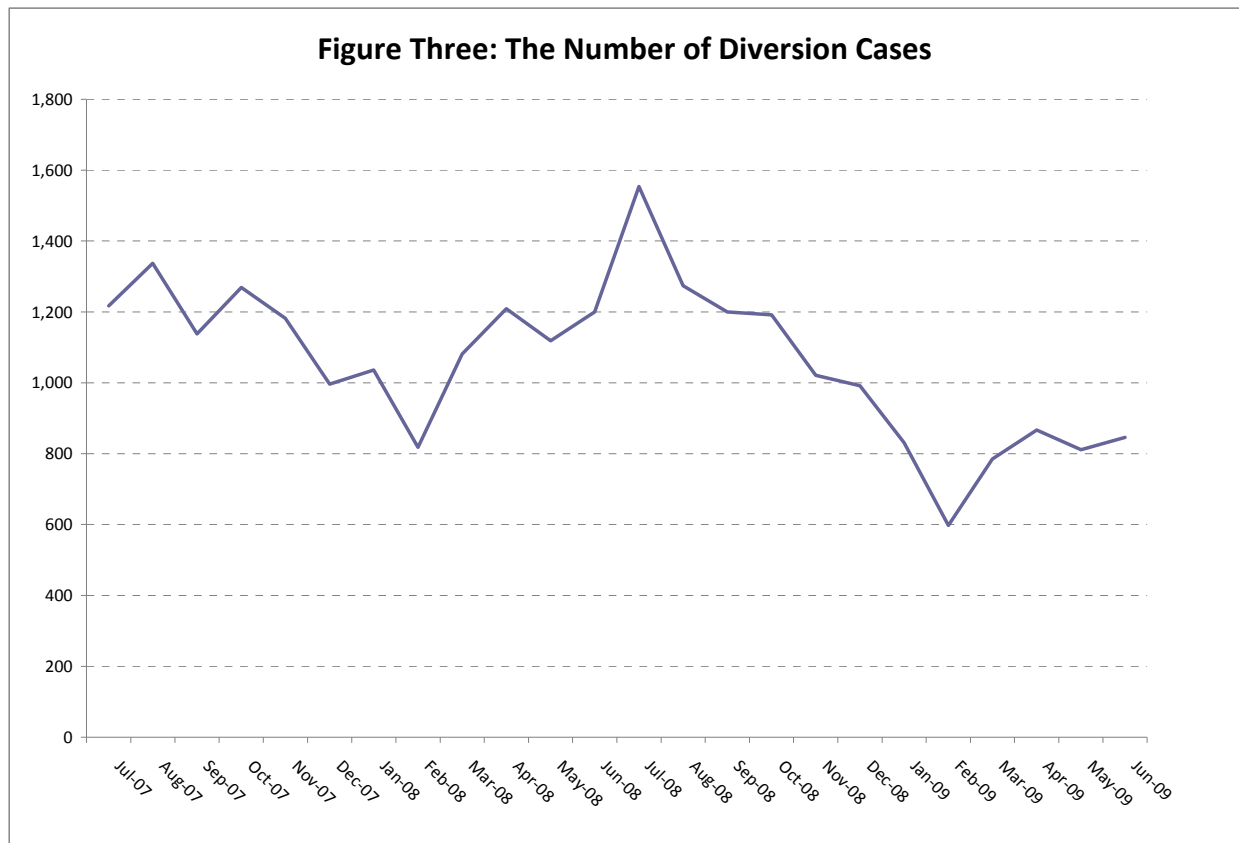
number of families began to rise at that point. By June 2008, the number of families had increased to 26,999; by October, that number had increased to 28,235. It hovered around that level through March 2009 before rising to 28,634 in April. By May, the number had risen to 29,362, and the number of families participating in June 2009 was 29,527.

While the caseload has indeed risen in recent months as families are struggling with the recent economic downturn, it is still much smaller than in years past, as is shown in Figure Two. In January 1995, there were 131,774 families participating in the Aid to Families with Dependent Children (AFDC) program. That number immediately began to fall, and the caseload dropped sharply over the next five years, coinciding with the implementation of the Work First program in July 1996. In January 2000, there were 55,089 families participating, a drop of more than 58% from the 1995 figure. Between January 2000 and January 2005, this decrease continued, though at a slower rate. In January 2005, the number of families in Work First was down to 40,086. The caseload was at its lowest in March 2008, when there were 26,630 families in the program. That number rose during subsequent months, and by November 2008, the caseload had risen to



28,343. In June 2009, it was 29,527. While this recent increase is large, it is important to note that the number of families in June 2009 was still lower than the number for all months before February 2007.

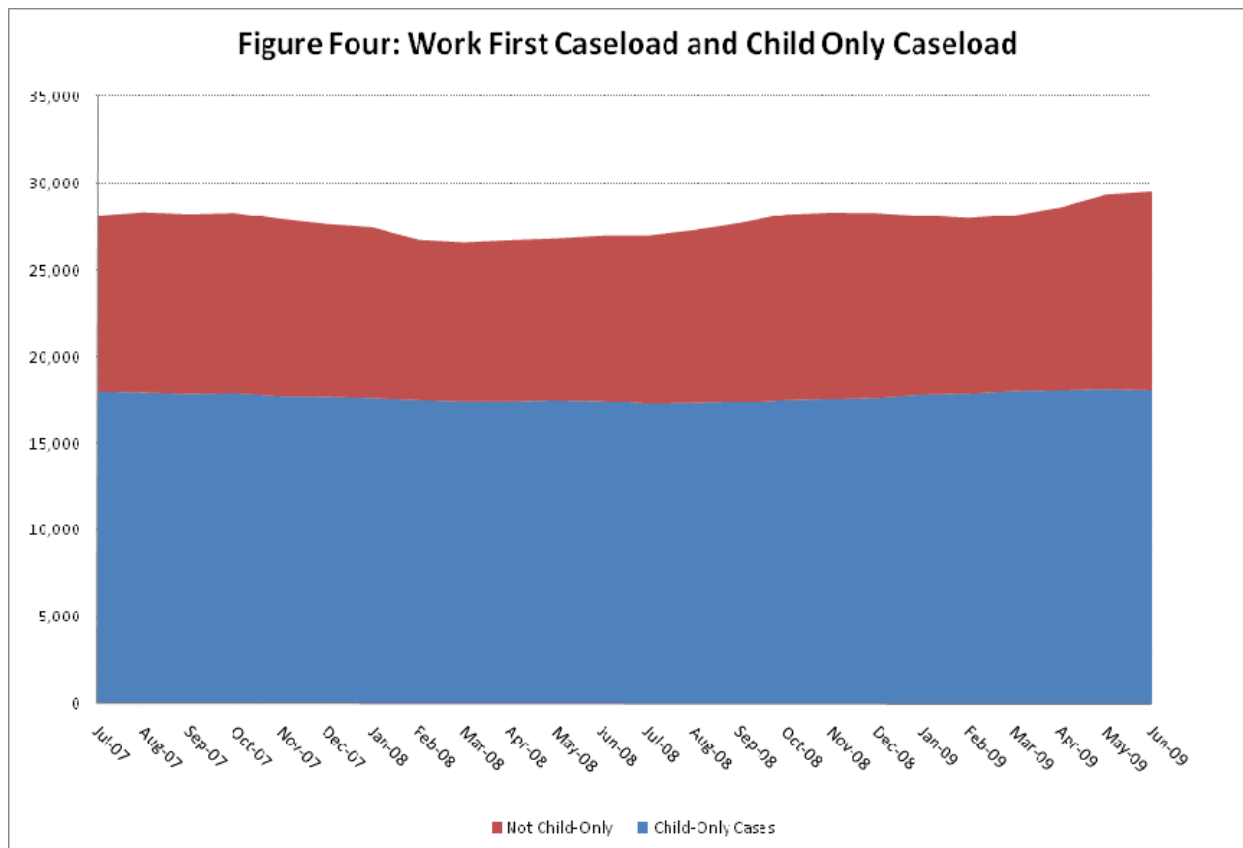
The number of families who received diversion assistance<sup>1</sup> each month is shown in Figure Three. As the figure indicates, 1,217 families received diversion assistance in July 2007. This number generally hovered between 1,000 and 1,300 until December 2008, with two exceptions—a marked drop to 818 cases in February 2008 and a spike in July 2008 to 1,554 cases. The spike in July 2008 could be related to the oil crisis that occurred during the first half of 2008; prices peaked at more than \$4 per gallon that summer. Also, NCDSS issued DSS



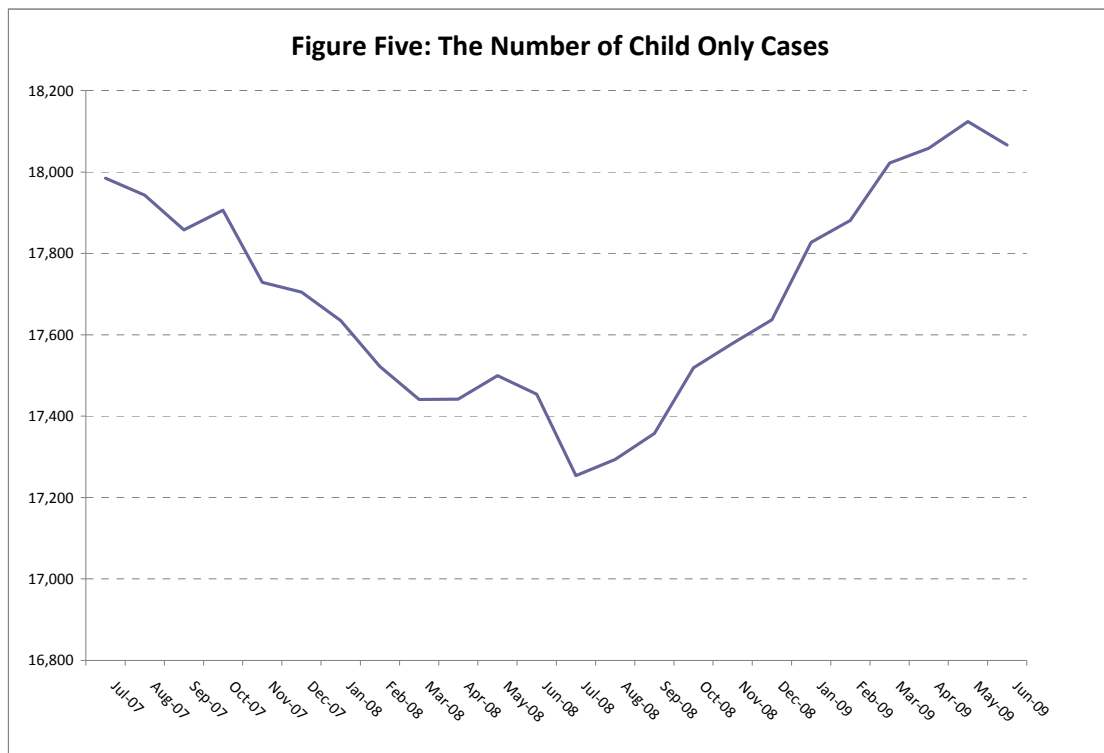
<sup>1</sup> Diversion assistance is a one-time payment designed to help families cope with a temporary crisis associated with employment. Families who receive diversion assistance may qualify for Medicaid and Food and Nutrition Services (formerly called food stamps), and some counties also provide employment services as well as referrals to child care and other community resources. Families that receive diversion assistance are not counted in the Work First participation rate, and receiving diversion assistance does not affect a family's 24- or 60-month time clock.

Administrative Letter Economic and Family Services 1-2008 in November 2008 which provided policy guidance on the use of benefit diversion. The administrative letter stressed that benefit diversion should be used only to address a family’s specific crisis. The guidance in this letter may have resulted in a decrease in the number of instances where benefit diversion is offered. In January 2009, the number of diversion assistance cases dropped to 831. Since that time, the caseload has hovered between about 750 and 850 cases with the exception of February, when the caseload dropped to 598 cases.

Since July 2007, about two out of every three families that have participated in Work First have been classified as child only cases. This trend is shown in Figure Four. In most instances, the case is classified as child only because the child or children who are receiving Work First benefits are living with a non-parental caretaker relative who is not part of the assistance grant. The adults in these child only cases are generally not required to participate in employment and training activities.



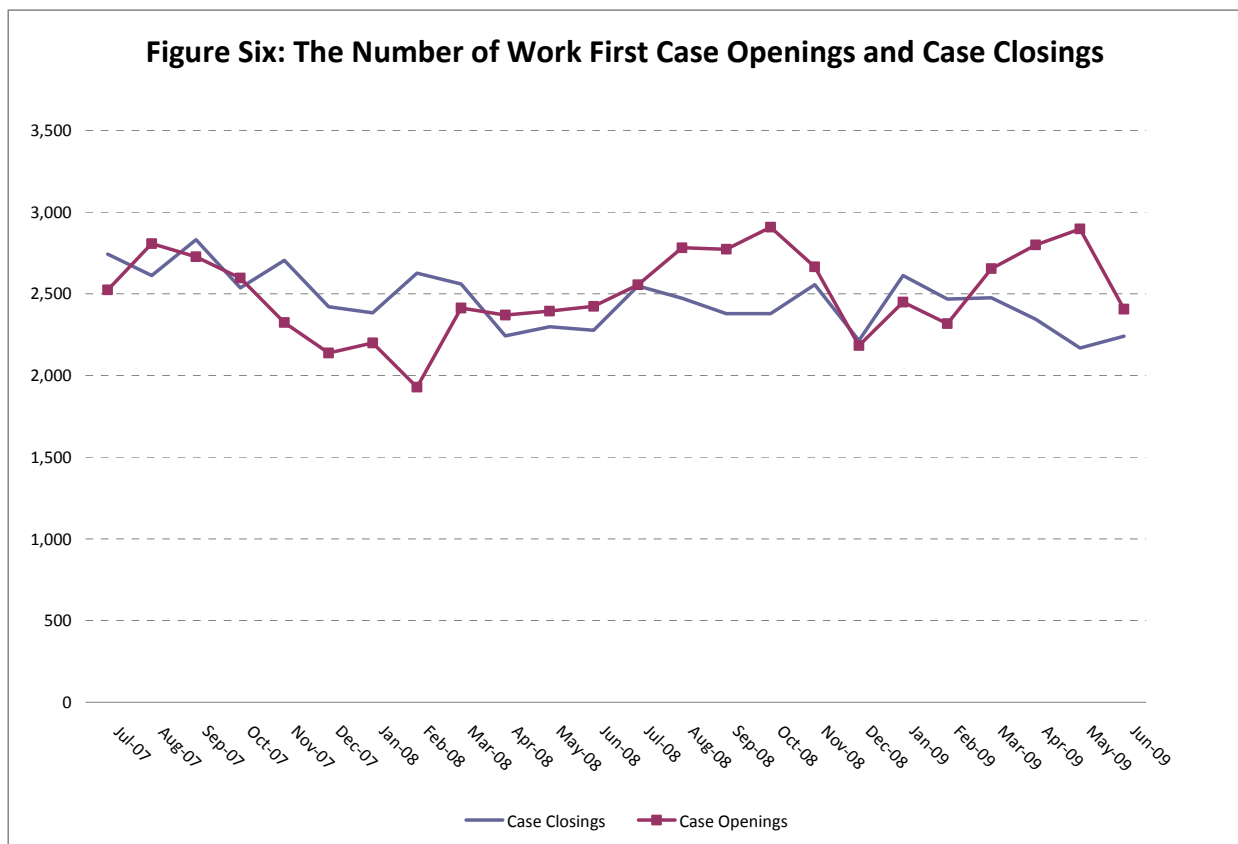
While the number of child only cases has remained fairly steady, especially when compared to the overall Work First caseload, there have been some fluctuations. A more detailed view of the number of child only cases is shown in Figure Five. As the figure indicates, the child only caseload fell from July 2007 to July 2008, and then steadily rose between August 2008 and June 2009. In July 2007 there were 17,985 child only cases. That number declined steadily through September 2007, increased slightly in October 2007, then continued to fall through April 2008, to 17,442 cases. The number rose slightly in May 2008, fell slightly through July 2008, then rose minimally in August and September 2008. Beginning in October 2008, the number rose fairly steadily each month through May 2009, when it peaked at 18,124. That number fell slightly in June to 18,066. Between July 2008 and June 2009, the number of child only cases rose by 812 cases, an increase of nearly 5%.



The number of case openings and case closings are important tools in understanding changes in the size of the caseload. In any given month, the caseload is equal to the caseload from the prior month minus the number of cases that closed plus the number of cases that were

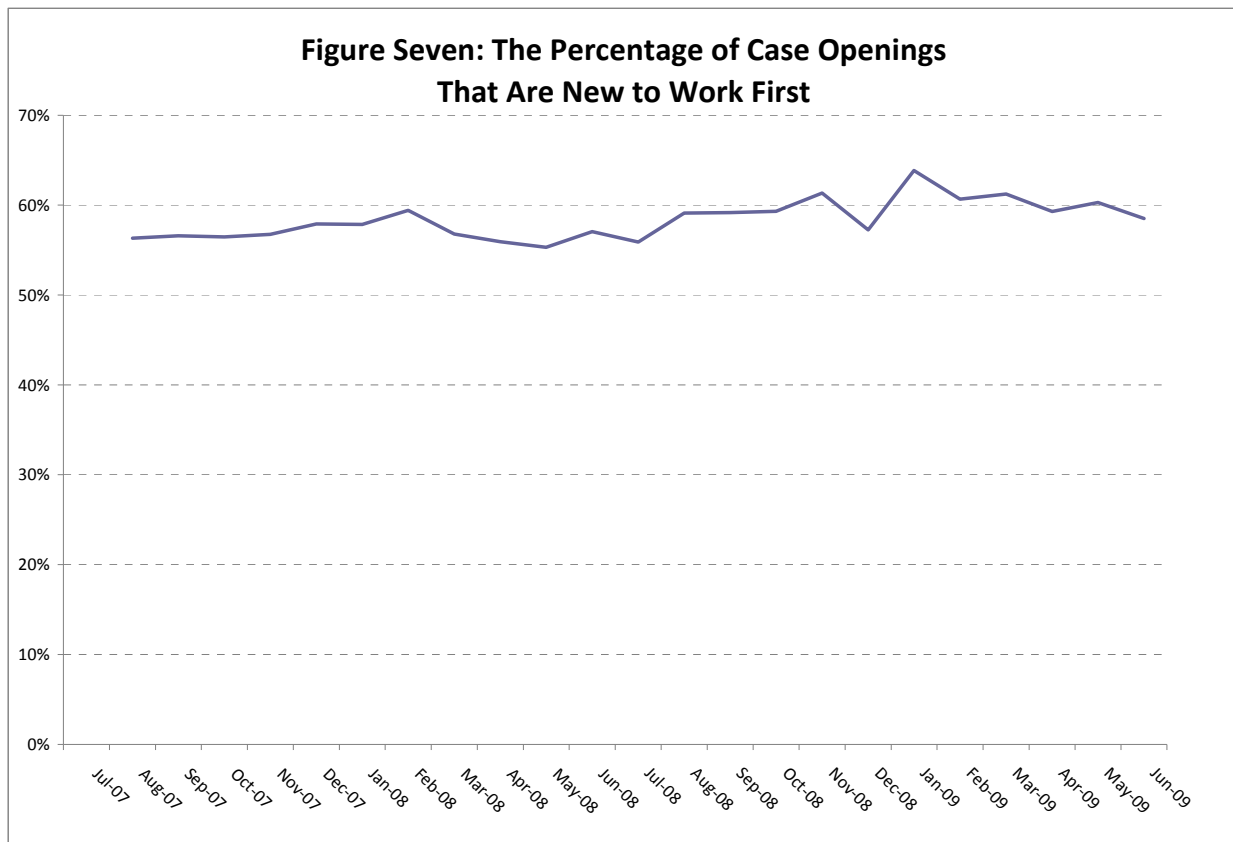
opened. Figure Six reports the number of case openings and case closings over time. In any month in which the number of case closings is higher than the number of case openings, the caseload will decline. If the number of case openings is greater than closing, the caseload will rise. That relationship depicted in Figure Six is consistent with the changes in the Work First caseload shown in Figure One. For example, as Figure Six indicates, there were more case openings in August 2007 than closings. As a result, the caseload that month increased.

As Figure Six also indicates, the number of case closings in November 2007 through March 2008 were greater than the number of case openings. As a result, the caseload fell. The greater the distance between the number of openings and closings, the greater the decline in the caseload. As the figure indicates, the difference between the 2,626 case closings and the 1,929 case openings in February 2008 corresponds to the steep drop in the Work First caseload shown in Figure One. In April through June 2008, the number of case openings was slightly higher than the number of closings. This resulted in a slight increase in the Work First caseload. In September and October 2008, the number of openings were quite a bit higher than the number of



closings. This difference is associated with the increase in the Work First caseload shown in Figure One. During the winter months of 2008 and 2009, the number of case openings was similar to the number of case closings. However, beginning in March 2009, the number of case openings far exceeded the number of case closings. This trend softened somewhat in June.

Case openings can be divided into cases for families who are new to the program and those who had left the program in an earlier month and who are now returning to the program. Figure Seven illustrates the percentage of openings associated with cases that are new to the program. As the figure indicates, the percentage of cases that are new to Work First ranged between 56% and 59% between August 2007 and October 2008. In November 2008, that number rose to 61.3%. It dropped slightly to 57.2% in December, but then rose to 63.9% in January 2009 before dropping back to around 61% for February and March. Since April, the percentage of case openings associated with families who were new to Work First has hovered between 58.5% and 60.3%. Even though, as Figure Six reports, the number of case openings peaked in October 2008 at 2,908, the percentage of those openings associated with families who were new to Work



First was only 59.3%. Conversely, in January 2009, when families new to Work First accounted for 63.9% of the case openings, the total number of openings for the month was lower than the number of closings.

Between June 2008 and June 2009, 69 counties reported an increase in their Work First caseload. As Figure Eight indicates, six counties had increases in their caseload of more than 30%. An additional ten counties had an increase of 20% to 30%, and 12 had an increase of 10% to 20%. Forty-one counties had a caseload increase of up to 10%. During that time period, the statewide caseload increased by 9.4%, from 26,999 to 29,527. Even though the number of families on Work First across the state rose, a number of counties reported decreases in their caseloads. As the figure reports, 21 counties had a decrease of up to 10%, five counties had a decrease of 10% to 20%, while five counties had a decrease of more than 20%. The Work First caseload in Edgecombe County grew by 62%—from 325 to 528 families—between June 2008 and June 2009. Mecklenburg County saw an increase of 51%—from 3,106 to 4,675 families—during that same time period.

The change in the size Work First caseload between May 2009 and June 2009 is shown in Figure Nine. Just over half the counties—56—reported an increase in the number of families on Work First during that one-month period. About half of these increases were relatively small: 27 counties had an increase of 0 to 3%. Fifteen 15 counties had an increase of 3% to 5%, while nine counties had an increase of 5% to 10%. Five counties had increases of more than 10%.

As is also shown in Figure Nine, 44 counties reported a decrease in the number of families on Work First between May 2009 and June 2009. Thirty-four counties had a decrease of 1% or more, while ten counties had a decrease of 0 to 1%.

Tracking only percentages can be misleading. Not all of the counties with a sizeable percentage increase had a large numeric increase in the number of families on Work First. Camden and Yancey counties saw increases of more than 30% between June 2008 and June 2009, but the actual number of additional families participating in the Work First program were in the single digits. On the other hand, some counties that had a small percentage increase in

Figure Eight: The Percentage Change in the Number of Families Receiving Work First Benefits Between June 2008 and June 2009

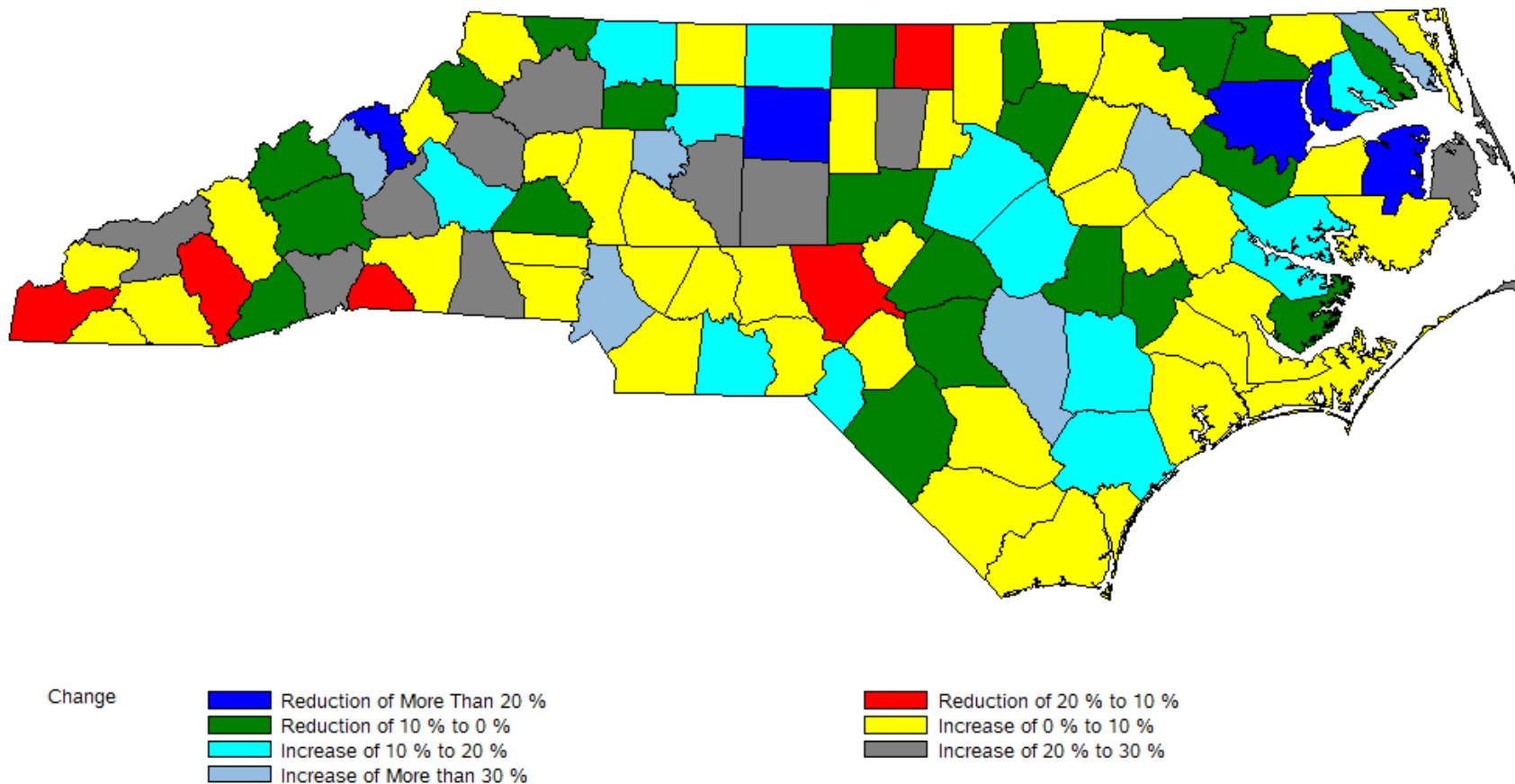
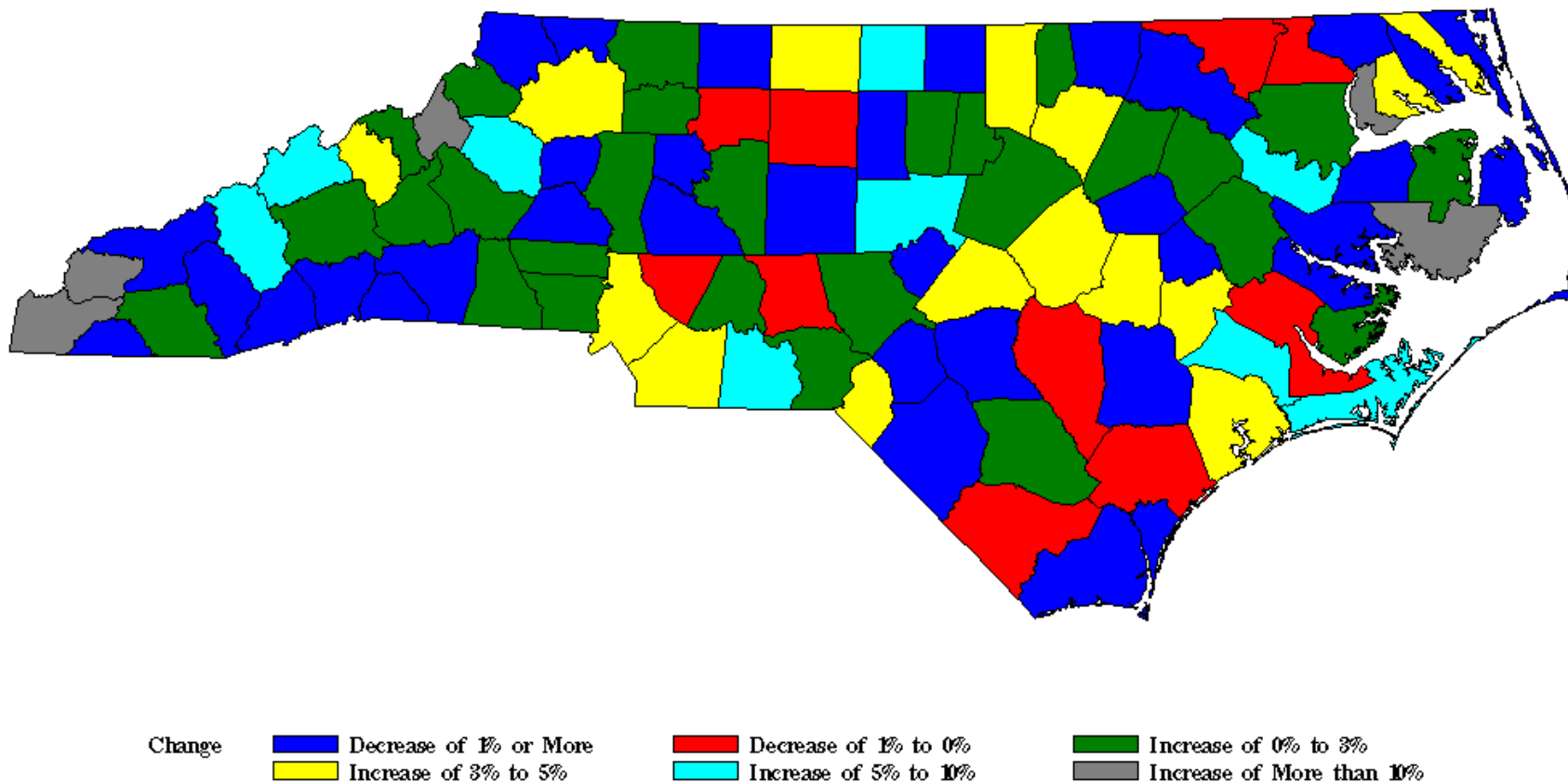


Figure Nine: The Percentage Change in the Number of Families Receiving Work First Benefits Between May and June 2009



caseload saw a large increase in the actual number of families. In Wake County, where the caseload increased by a modest 11% during that one-year period, the number of families participating in the program increased from 1,422 to 1,585.

### **Summary**

Analysis of the participation in the Work First program shows that the number of families has risen over the last two years. In July 2007, there were 28,171 families participating in the program. By June 2009, the number of households had increased to 29,527. The increase has not been steady. The number of families hovered between 27,500 and 28,400 from July 2007 until January 2008, then dropped sharply over the next two months, bottoming out at 26,630 in March 2008. That number rose fairly steadily until November 2008, fell slightly between November 2008 and February 2009, and then increased sharply between February and June.

The number of families receiving diversion assistance each month fell from 1,217 in July 2007 to 854 in June 2009. This trend was not steady; there was a sharp rise—to 1,554 families—in the number receiving diversion assistance in July 2008. This number then dropped during each of next seven months, bottoming out at 598 in February 2009, before rising to 867 in April, dipping in May, and rising again in June.

Between July 2007 and June 2009, the number of child only cases rose slightly, from 17,985 to 18,066. This increase has not been steady. From July 2007 to October 2007, the number hovered around 17,900 before dropping off to 17,729 in November 2007. This number decreased slightly for most of the next eight months, reaching a low of 17,254 in July 2008. After that, the number of child only cases rose every month through May 2009, when it reached 18,124. It dropped slightly in June.

Even though the number of case openings fell and climbed over time, the percentage of cases associated with families who were new to the Work First program did not show a large amount of variation between August 2007 and October 2008. During that time, this percentage hovered between 56% and 59%. However, in November 2008, this percentage rose above 60%, and although it dipped in December, it has peaked at 63.9% in January 2009. Since that time, month-to-month changes in the percentage of case openings associated with families new to

Work First has varied but generally remains higher than in 2007 and 2008. The percentage of case openings associated with families new to the system did not always shift in the same direction as the number of case openings.

Given that the number of families receiving Work First benefits increased by 9.4% between June 2008 and June 2009, it is not surprising that most of the state's 100 counties recorded increases in caseload during that time. Overall, 69 counties had a higher number of families participating in Work First in June 2009 compared with June 2008. Six of these counties reported increases of more than 30%, including Edgecombe and Mecklenburg, which saw increases of 62% and 51%, respectively. Most counties, however, saw more moderate changes. Forty-one counties reported increases of 0 to 10%, and 21 counties reported decreases of 0 to 10%.

Between May 2009 and June 2009, just over half the counties saw an increase in caseload. Most of these changes were small, both in percentage and actual numbers.

## Appendix A

Table One:  
The Work First Caseload

Month	Caseload (Families)
Jul-07	28,171
Aug-07	28,366
Sep-07	28,261
Oct-07	28,322
Nov-07	27,941
Dec-07	27,658
Jan-08	27,474
Feb-08	26,777
Mar-08	26,630
Apr-08	26,757
May-08	26,849
Jun-08	26,986
Jul-08	26,962
Aug-08	27,310
Sep-08	27,694
Oct-08	28,224
Nov-08	28,336
Dec-08	28,304
Jan-09	28,145
Feb-09	27,996
Mar-09	28,189
Apr-09	28,619
May-09	29,105
Jun-09	26,698

Table Two:  
The Work First Caseload Over Time

Month	Caseload (Families)
Jan-95	131,774
Jan-96	119,525
Jan-97	107,098
Jan-98	90,496
Jan-99	68,352
Jan-00	55,089
Jan-01	50,027
Jan-02	50,629
Jan-03	46,673
Jan-04	43,019
Jan-05	40,086
Jan-06	35,028
Jan-07	30,325
Jan-08	27,474
Jan-09	28,145

Table Three:  
Diversion Cases

<b>Month</b>	<b>Diversion Cases</b>
Jul-07	1,217
Aug-07	1,337
Sep-07	1,138
Oct-07	1,269
Nov-07	1,182
Dec-07	996
Jan-08	1,036
Feb-08	818
Mar-08	1,081
Apr-08	1,209
May-08	1,119
Jun-08	1,200
Jul-08	1,554
Aug-08	1,274
Sep-08	1,200
Oct-08	1,192
Nov-08	1,021
Dec-08	992
Jan-09	831
Feb-09	598
Mar-09	785
Apr-09	867
May-09	811
Jun-09	846

Table Four:  
Work First Caseload and Child Only  
Caseload

<b>Month</b>	<b>Caseload (Families)</b>	<b>Child Only Cases</b>
Jul-07	28,171	17,985
Aug-07	28,366	17,943
Sep-07	28,261	17,858
Oct-07	28,322	17,906
Nov-07	27,941	17,729
Dec-07	27,658	17,705
Jan-08	27,474	17,635
Feb-08	26,777	17,522
Mar-08	26,630	17,441
Apr-08	26,757	17,442
May-08	26,849	17,500
Jun-08	26,986	17,454
Jul-08	26,962	17,254
Aug-08	27,310	17,294
Sep-08	27,694	17,358
Oct-08	28,224	17,519
Nov-08	28,336	17,579
Dec-08	28,304	17,637
Jan-09	28,145	17,827
Feb-09	27,996	17,881
Mar-09	28,189	18,022
Apr-09	28,619	18,058
May-09	29,105	18,124
Jun-09	26,698	18,066

Table Five:  
Child Only Cases

<b>Month</b>	<b>Child Only Cases</b>
Jul-07	17,985
Aug-07	17,943
Sep-07	17,858
Oct-07	17,906
Nov-07	17,729
Dec-07	17,705
Jan-08	17,635
Feb-08	17,522
Mar-08	17,441
Apr-08	17,442
May-08	17,500
Jun-08	17,454
Jul-08	17,254
Aug-08	17,294
Sep-08	17,358
Oct-08	17,519
Nov-08	17,579
Dec-08	17,637
Jan-09	17,827
Feb-09	17,881
Mar-09	18,022
Apr-09	18,058
May-09	18,124
Jun-09	18,066

Table Six:  
Number of Case Openings  
and Case Closings

<b>Month</b>	<b>Openings</b>	<b>Closings</b>
Jul-07	2,743	2,525
Aug-07	2,612	2,807
Sep-07	2,832	2,727
Oct-07	2,536	2,597
Nov-07	2,705	2,324
Dec-07	2,421	2,138
Jan-08	2,384	2,200
Feb-08	2,626	1,929
Mar-08	2,560	2,413
Apr-08	2,243	2,370
May-08	2,299	2,394
Jun-08	2,277	2,424
Jul-08	2,549	2,555
Aug-08	2,473	2,782
Sep-08	2,379	2,772
Oct-08	2,380	2,908
Nov-08	2,557	2,665
Dec-08	2,215	2,184
Jan-09	2,611	2,449
Feb-09	2,468	2,318
Mar-09	2,476	2,655
Apr-09	2,345	2,800
May-09	2,169	2,897
Jun-09	2,241	2,406

Table Seven:  
Percentage of Case Openings that are  
New to Work First

<b>Month</b>	<b>Percentage New</b>
Aug-07	56.3%
Sep-07	56.6%
Oct-07	56.5%
Nov-07	56.8%
Dec-07	57.9%
Jan-08	57.9%
Feb-08	59.4%
Mar-08	56.8%
Apr-08	55.9%
May-08	55.3%
Jun-08	57.1%
Jul-08	55.9%
Aug-08	59.1%
Sep-08	59.2%
Oct-08	59.3%
Nov-08	61.4%
Dec-08	57.2%
Jan-09	63.9%
Feb-09	60.7%
Mar-09	61.2%
Apr-09	59.3%
May-09	60.3%
Jun-09	58.5%