

Do Welfare Recipients Really Vote With Their Feet: Intrastate Migration and Welfare Reform in North Carolina

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November 2000

Tracking the Movement of Work First Families Between Counties In North Carolina

Introduction and Previous Research

When the federal government “ended welfare as we know it” and allocated TANF block grants there was concern that people would move from states with relatively low benefits to states with higher benefits. This was not a new concern, throughout the history of American welfare, policy makers have expressed apprehension that overly generous welfare benefits attract poor migrants (Allard, 1998). Previous research on this issue goes back to Tiebout’s (1956) work on whether individuals are motivated to move to different communities by judging how well the pattern of revenues and expenditures best fit their needs. The welfare magnet hypothesis has two premises: 1) poor migrants are more likely to move to higher benefit than lower benefit states and 2) states compete over the generosity of their welfare benefits (Allard, 1998; Schram & Soss, 1999).

Schram et al. (1998) report that social science research on welfare migration can be broken down into three waves that have different findings and different methodologies. Early studies suggest that the poor migrate for job opportunities and family reasons with little knowledge of welfare rules and payments in various jurisdictions. Later studies indicate that the poor migrate toward high benefit states. These findings are based on large scale data sets at the individual level. Most recently data sets specific to the problems of studying welfare migration flows and the level of welfare migration at any specific point in time have been used. This research asserts that previous findings on welfare migration are not as compelling as earlier thought.

An example of this last group is Walker’s (1994) study in which he sought to account for regional effects. Using data from the County to County Migration Flow Files from the 1980 census, he examined situations in which people moved from one state to a neighboring state whose welfare benefits are appreciatively higher. He found that counties in higher benefit states did not significantly attract residents in bordering counties in lower benefit states. Similarly, Levine and Zimmerman (1995) constructed a quasi-experimental design to examine data from the National Longitudinal Survey of Youth and found little evidence that welfare-induced migration is a widespread and significant phenomenon.

Following this line of research we examine the movement between counties in North Carolina of families that receive Work First assistance. We look at number of moves overall,

the patterns of moves overtime, moves by length of time off Work First, types of cases that move, and types of counties experiencing in-flows and out-flows. Additionally, we examine how unemployment rates and county urban development affect migration. The analysis pays special attention to whether policies associated with a county being classified as standard or electing had an impact on the rate or number of moves.¹

Methodology

The analysis was conducted using a database developed by the Jordan Institute for Families that tracks the experiences of families and individuals that have received cash assistance in North Carolina (called Work First) for one or more months since January 1995. This database was created using extracts from administrative data systems maintained by the state. Among other items, the database indicates whether the family received assistance in a particular month, the amount of assistance, and the county of residence. The database currently contains information on close to 340,000 families and about 800,000 individuals. The database was used to identify families that moved from one county to another. The analysis concentrated on moves that took place between January 1995 and April 2000.

Results

The Number of Moves

Examination of the database yielded 26,315 families that moved one or more times during the period examined. Table 1 shows the number of times families moved. As the table indicates, close to 70% of the families that moved relocated only one time. Slightly more than 22% of the families moved twice, while about 5% of the families moved three times. Less than 3% of the families moved three or more times. Altogether, the 26,315 families account for 37,540 moves.

¹ Standard counties follow the state TANF plan while electing counties were allowed to set their own policies in selected areas. Electing counties are considered more restrictive than standard counties.

Table 1:

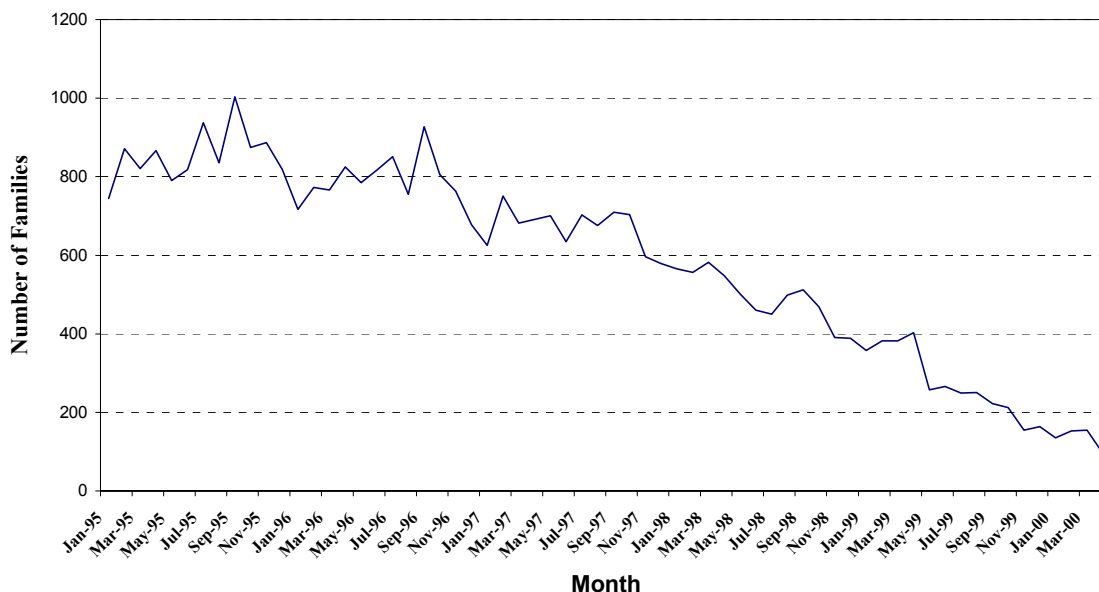
The Number of Times Work First Families Move

Number of Moves	Percent
One Time	69.7%
Two Times	22.3%
Three Times	5.2%
Four or More Times	2.8%
Total	100.0%
(N)	(26,315)

The number of families leaving for one county to move to another over time is shown in Figure 1. Between January 1995 and November 1996, the number of families that moved ranged from about 750 to 1,000 a month.² From December 1996 through November 1997, the number of families leaving a county to move to another ranged from 600 to 700 each month. The number of families moving each month continued to decline ranging from 400 to 600 each month from December 1997 through April 1999. In May 1999, the number dropped to 258 and has continued to decline since then.

² In this report, families are counted as moving based on the last month they receive benefits in their former county even though there may be a break in Work First benefits of several months before begin receiving assistance in their new county.

Figure 1: Number of Work First Families Leaving for a Move Each Month

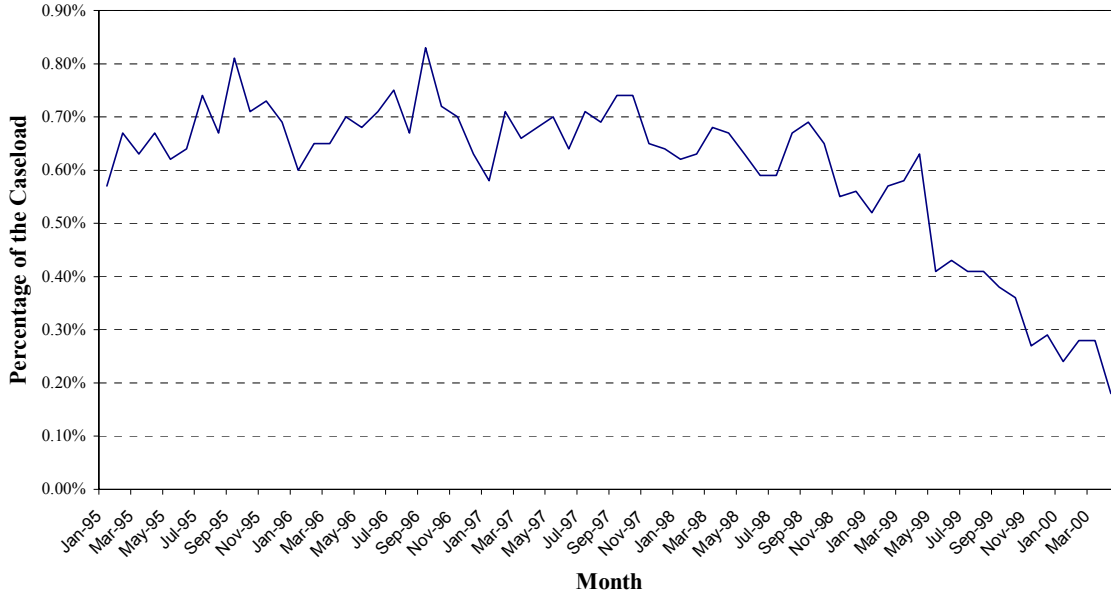


One reason that the number of families moving each month dropped is the decline in the Work First caseload. Figure 2 shows the percentage of cases moving each month. The percentage of cases is determined by dividing the number of cases that leave one county in a particular month and subsequently move to a different county by the statewide Work First caseload. As the figure indicates, the percentage of cases moving each month has always been low—less than 1% of the cases receiving assistance each month—and has declined over time. From 1995 through 1998, the number of cases leaving for a move ranged from 0.6% to 0.8% each month. During this time, there appears to be a seasonal pattern in the moves as well, with the percentage of cases moving peaking in September and dropping in January.

The decline in the percentage of cases moving could be due to the lack of follow-up time. If it takes several months for a family to relocate to a different county, the drop in the percentage of families moving each month could be due to a lack of follow-up time. The percentage of cases moving for recent months may appear lower because we don't know how many of the families that have left Work First will subsequently return to the program in a different county. However, the data do not support the conclusion that the limited follow-up time is responsible for the decline in the percentage of cases moving since a large

proportion of the families that move relocate to a different county without a break in receiving assistance.

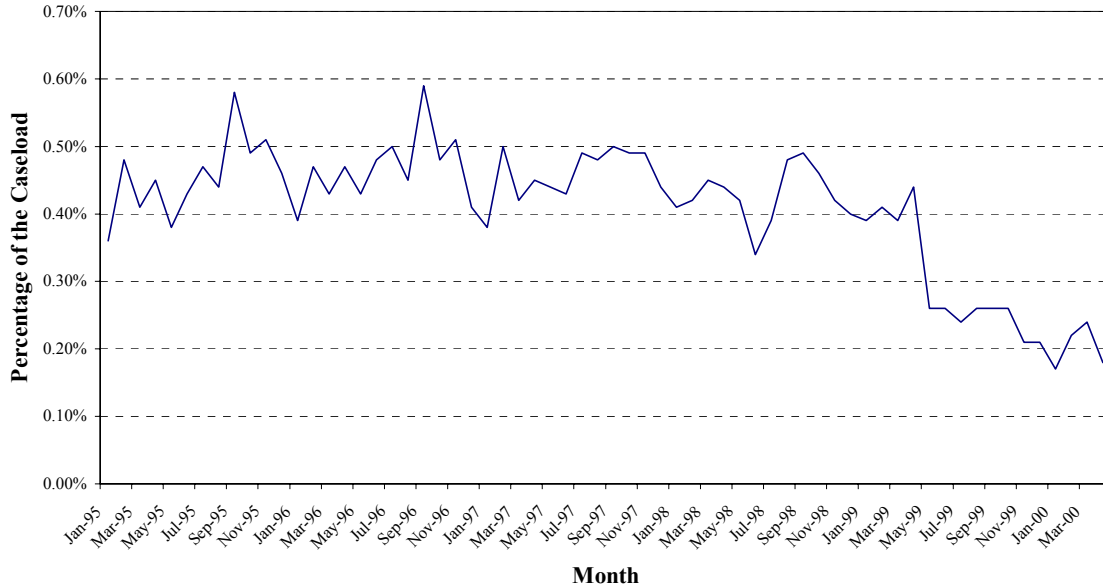
Figure 2: The Percentage of the Work First Caseload Moving Each Month



Slightly more than two-thirds of the families that move do not have a break in benefits. Those families receive a check in their former county one month, move, and subsequently receive a check in their new county the next month. About 8% of the families that move have a break in receiving benefits of one to two months. Close to 15% of the families that relocate are off Work First for between three months to one year. Less than 10% of the families that moved between January 1995 and April 2000 were off Work First for more than a year before receiving benefits in their new county.

Figure 3 illustrates the percentage of the caseload that receives Work First benefits in one county one month and in a different county in the following month. As the figure indicates, the percentage of cases moving to a different county without a break in benefits ranges between about 0.4% and 0.5% from January 1995 through April 1999. In May 1999, only 0.26% of the caseload moved to a different county in June. Since May 1999, the percentage of cases receiving benefits in a different county has ranged between 0.18% and 0.26%.

Figure 3: The Percentage of the Caseload Moving Without a Break in Benefits



Change in the Pattern of Moves

The reason for the sharp drop in the percentage of cases moving to a different county without a break in Work First benefits between April and May 1999 appears to be the result of a policy change made during the spring of 1999. In April, 0.44% of the caseload left one county and relocated to a different county in May. In May 1999, that percentage fell to 0.26% of the caseload. In February 1999, the Division of Social Services (DSS) issued a policy change concerning the transfer of cases between counties. This change took effect March 1, 1999. Prior to the change, cases were automatically transferred between county agencies when the family moved. Families were required to contact the local DSS in their new county. Eligibility workers in the new county had 30 days to determine that the family was still eligible for assistance. After the policy changed, cases were no longer immediately transferred to the receiving county.

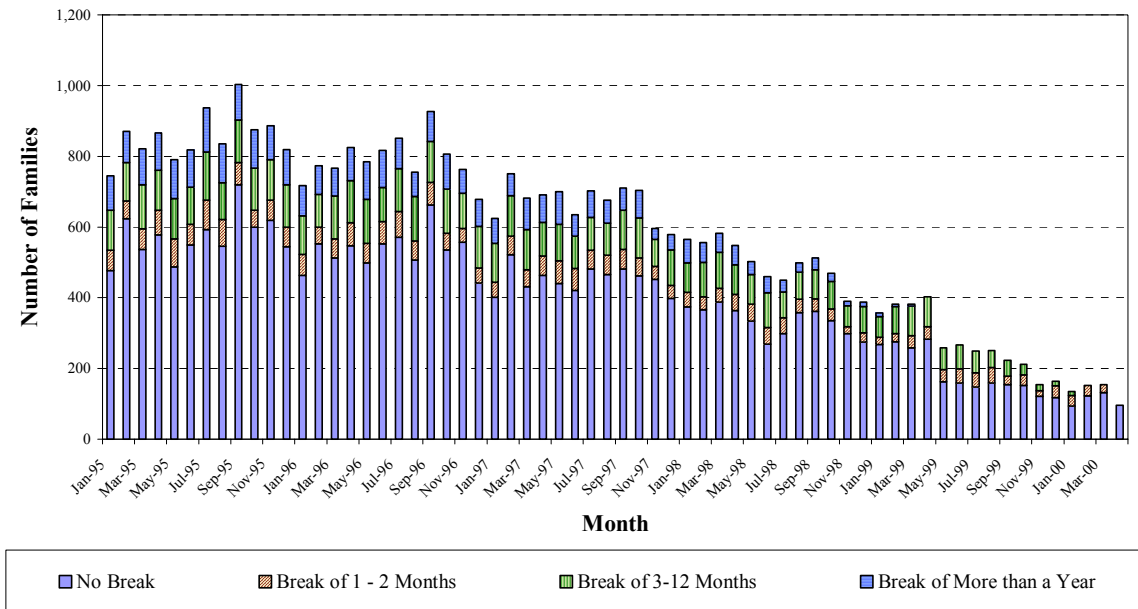
The policy change appears to be the cause of the decline in the number of applications for two reasons. First, the change was implemented shortly before the drop in the number of moves. In many cases, it takes several months for the impact of a policy change to be observed. This lag is usually due to the “active” nature of a policy change: to be observed, it has to be actively implemented. Cases need to be reviewed (or processed) under

the new policy to see the impact of the change. In this instance, the old policy required workers to take an action to transfer a case to a new county. Under the new policy, workers are not required to take action. When a family moves, the check is returned to the local DSS. To get the check replaced, the family has to contact the DSS in the new county and apply for Work First benefits.

Additionally, the drop in the number of families moving to different counties is probably related to where the drop in the number of cases occurred. Those cases most likely to be affected by the policy are those that move from one county to another without a break in Work First benefits. The data indicate there is a large drop in the number of this type of move following the implementation of the new policy.

Figure 4 shows the number of cases moving between counties broken down by the number of months a family was off Work First. The number of families moving without a break in Work First benefits dropped from 283 in April 1999 to 163 in May 1999. This is a 42% drop in the number of cases moving without a break in benefits.

Figure 4: The Number of Families Moving Each Month by the Length of Time Off Work First



At the same time, the number of families that moved but had a break in Work First benefits of one or two months remained fairly constant. In April 1999, 35 families moved

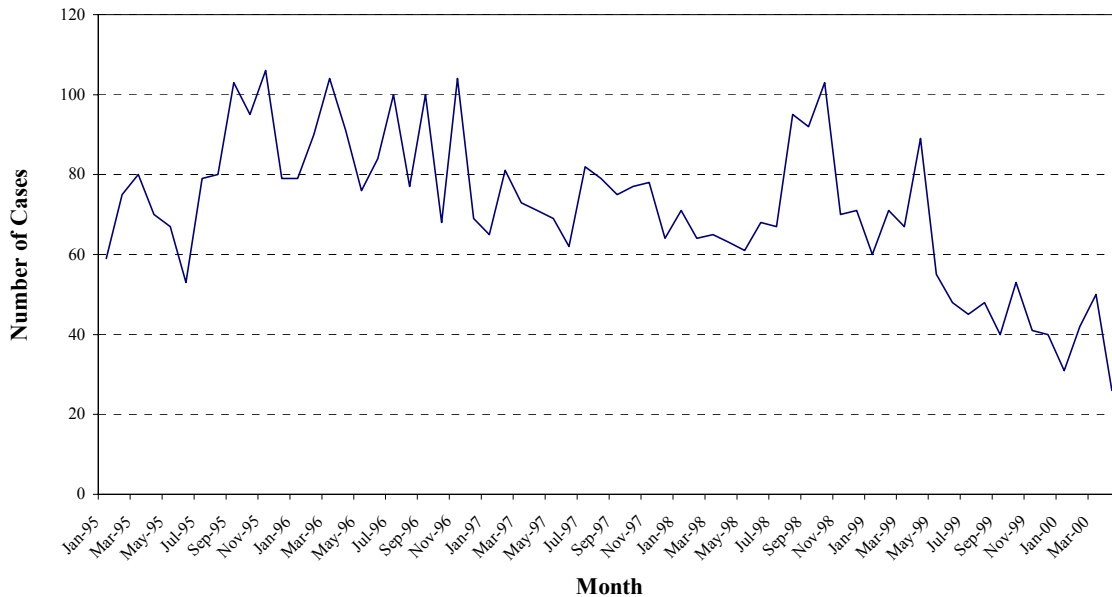
with a one or two month break in benefits. In May 1999, there were 34 families that moved and had a break of one or two months. In June 1999, the number of families that moved and had a break of one or two months increased to 40. By August 1999, that number had grown slightly, to 44. Also, the number of families that moved and had a break in Work First benefits of between three months and a year did not change substantially between April and May 1999. There were 85 families in April and 81 families in May.

The Migration of Child Only Cases

The change in the case transfer policy also seems to have affected the number of child-only cases moving between counties. As Figure 5 indicates, 89 child-only cases began a move in April 1999. In May, the number of child-only cases that left one county for another dropped to 55. This is close to the prior low shown on the chart for June 1995 when

53

Figure 5: The Number of Child Only Cases Moving Over Time



child-only cases began a move. Also, while the number of child-only cases that moved fell slightly, dropping to 60 in January 1999, there was a slight increase in the number of these cases that moved in February and March. Since May 1999, the number of child-only cases that have moved has continued to decline. Over the entire time period examined

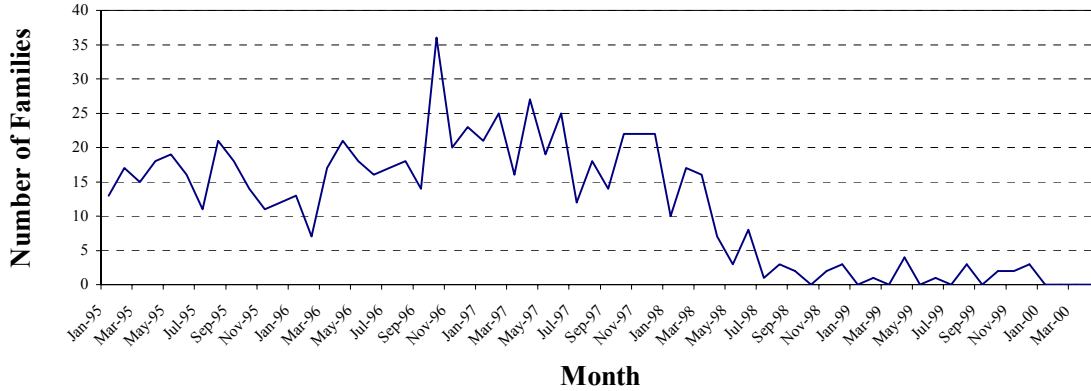
approximately 5,400 moves involved child-only cases. Of those moves, 4,560 involved cases that were classified as child-only in their former as well as new counties. In some instances, cases lost an adult as the result of a move, while in other instances, a move resulted in a case no longer being classified as child-only. In reviewing the data concerning the movement of cases between counties, there are 335 instances where a case that had contained an adult was classified as child-only after a move to a different county. At the same time, there were 514 child-only cases that moved and were no longer classified as child-only after relocating.

Migration of Two-Parent Cases

Cases containing two able-bodied adults also move between counties, but the number of these cases is fairly low. Figure 6 shows the number of these two-parent cases that move each month. The figure tracks cases classified as two-parent both before and after the move. Between January 1995 and September 1996, the number of two-parent cases moving each month generally ranged between 15 and 20. In October 1996, the number of two-parent cases migrating to a different county increased to 36. The number of these cases moving each month declined through March 1998, when only 16 two-parent families began a move. After March, the number of cases dropped sharply. This drop is likely due to the implementation of the pay after performance policy for two-parent families. That policy was implemented in February 1998. This resulted in a decline in the number of two-parent families in the overall caseload. As a result of the decline in the number of two-parent cases during the one-year period from May 1999 through April 2000, there were no two-parent cases identified as making a move in seven of the twelve months.

Overall, slightly more than 1,400 of all the moves involved two-parent families. In 736 of those moves, the families were classified as two-parent before and after the move. In 338 instances, the family was classified as two-parent prior to the move but was not classified as two-parent following the move. Almost the same number of cases—337—were not classified as two-parent before the move but were classified as two-parent following the move.

Figure 6: The Number of Two Parent Families Moving Each Month



Patterns of Moves

Most of the Work First families that moved relocated to a neighboring county. Of the 37,540 moves between counties, 22,225, or 59%, involved a relocation to a neighboring county. About 41% resulted from a family moving to a county that did not border their old county.

Also, regardless of the size of the county where they used to live, families tended to move to medium-sized counties. Table 2 shows the breakdown in the pattern of moves based on the size of the county families moved from and the size of the county they moved to. Counties were classified as small, medium, or large based on an administrative classification system used by DSS. Fifty-one counties are classified as small, 36 as medium, and 13 as large. As the table indicates, slightly less than a third of the families from small counties moved to small counties while 44% moved to medium-sized counties. About one-third of the families from medium-sized counties moved to large counties, while close to half—48%-- moved to other medium-sized counties. Only one out of five families from medium-sized and large counties moved to small counties, while over half of the families from large counties moves to medium-sized counties.

Table 2:
Breakdown of Moves by Size of County

	From Small	From Medium	From Large
To Small	31%	20%	20%
To Medium	44%	48%	55%
To Large	25%	32%	25%
Total	100%	100%	100%
(N)	(8,445)	(18,232)	(10,863)

Urban and Rural Effects

The USDA classifies all counties as large metro, small metro, or non-metro areas. Analysis using the USDA classification for North Carolina counties suggests that the presence of large urban areas does not significantly influence in- or out-migration. Dividing counties into the nine urbanization subcategories provided by the USDA leads to the same conclusion. Approximately equal number of cases moved to counties in each of the levels as moved from counties in each level (Table 3 illustrates this). Only very small differences are apparent when the length of time without benefits and number of adults in a case are considered. For only one group of families does the number of families that move to counties in a particular level differ from the number of families that move from counties of that level by more than 3% of the total number of families in that group. Two-parent families with one or two months without benefits were the exception, but there are only 100 families in this group, so a difference of only a few cases leads to a large change as a percentage of the caseload for this group.

Table 3:
Breakdown of Moves by Urban Classification of County

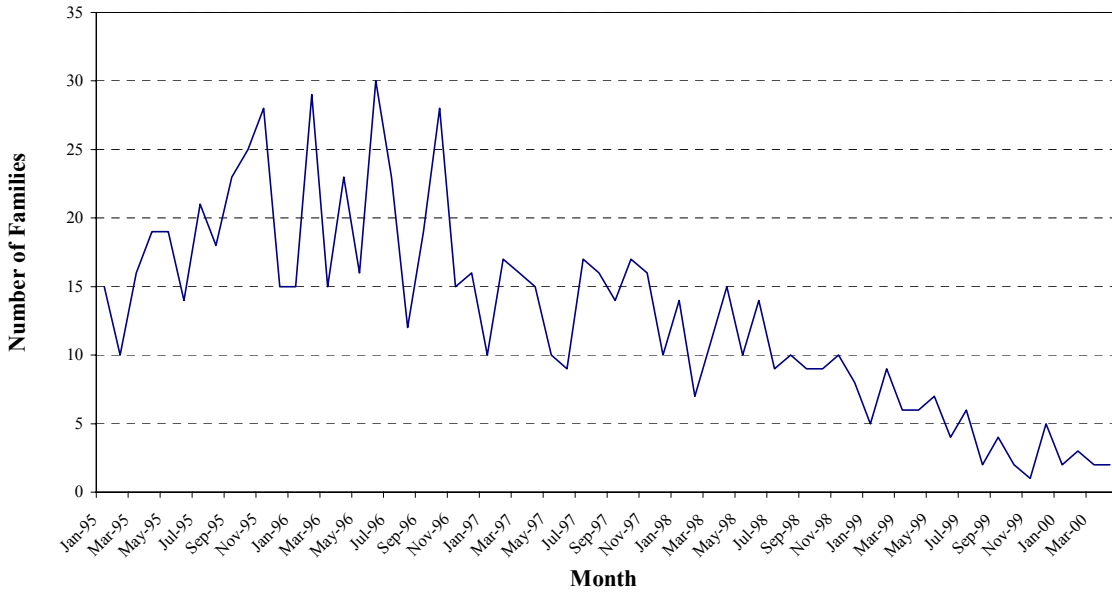
	To Large Metro	To Small Metro	To No Metro	Percent of Cases	(N)
From Large Metro	20%	17%	3%	41%	(15415)
From Small Metro	17%	28%	3%	47%	(17,701)
From No Metro	3%	3%	6%	12%	(4424)
Percentage of Cases	40%	48%	12%	100%	
(N)	(15,194)	(17,889)	(4,457)		(37,540)

The Impact of Electing Counties Status

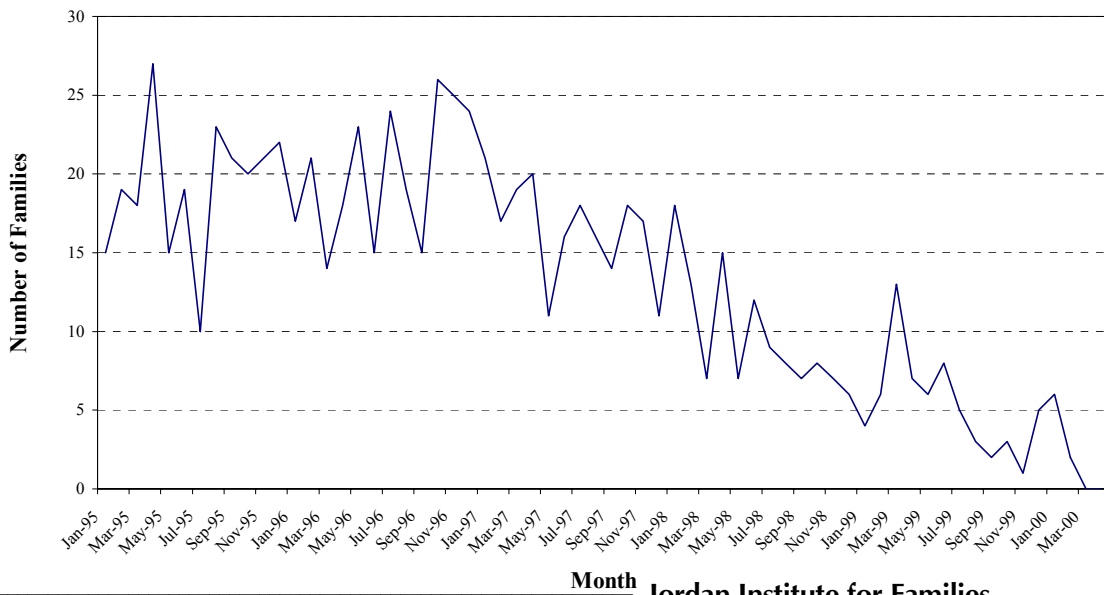
The classification of a county as electing—and the implementation of eligibility policies that differ from those used by non-electing, or standard, counties does not appear to have an impact on the rate at which families move. A review of the number of cases moving from electing counties does not indicate a change in the rate or number of families moving over time. Figures 7 and 8 illustrate the number of families moving from two electing counties over time. These two are examples of what all 21 of the electing counties look like.

The charts indicate that the number of families moving from electing counties has declined over time. The pattern is similar to that for the state as a whole. Most electing counties implemented their new policies after July 1, 1999. There does not appear to be a substantial change in the number of cases moving from these counties during this time period.

The Number of Families Moving From Forsyth County Over Time



The Number of Families Moving From New Hanover County Over Time



Impact of Unemployment Rates

Examining the difference in unemployment rates between moving families' destination and originating counties provides an assessment of the impact of employment levels on migration. Families should prefer lower-unemployment locations to higher-unemployment locations, all else held constant. Table 4 illustrates quantiles for the difference in unemployment rates between the counties people moved to and from. Overall, the average difference in unemployment rates is actually very small: destination counties had unemployment rates that were, on average, about 0.13%³ lower than originating counties for one-parent families, 0.18% lower for two-parent families and about 0.07% lower for child-only cases. Families with a longer break in benefits during their transition tended to move to counties with lower unemployment rates relative to the county from which they came and relative to families with shorter breaks in their benefits. The average difference in the unemployment rate ranged from 0.04% for families with no break in benefits to 0.37% for families with more than a two-month break. However, the differences between families with different break length and family type are very small compared to the differences within each family type. At least 25% of all family types moved to counties where the unemployment rate was more than 1% higher; about 10% of cases moved to counties where the unemployment rate was more than 3% higher. The analysis indicates that higher unemployment rates are not a large deterrent to migration, nor are lower unemployment rates a large inducement to migrate.

³ Differences in unemployment rates are expressed as a percentage of employable population. A 2% decrease indicates that families coming from counties with 6% unemployment move to counties with 4% unemployment.

**Table 4:
Difference in Unemployment Rate
Between Original and Destination Counties**

<u>Selected Quantile Cutoffs</u>	
100% (Max)	14.9
95%	4.7
90%	3.2
75%	1.4
50% (Median)	0.1
25%	-1.1
10%	-2.9
5%	-4.2
0% (Min)	-14.9
Mean:	0.1

Summary and Conclusions

The number of Work First families that move between counties has declined over time. One reason for the decline appears to be a change in procedures concerning how cases are transferred between counties. Most of the families that move relocate to a neighboring county and moves typically take place without a break in benefits. Regardless of the size of the original county, families tend to move to medium-sized counties. Movement from rural to urban counties by Work First families is not significant.

Child-only and two-parent families are among the types of cases that move. While most cases did not change classification as the result of the relocation, there are instances of cases switching to or from child-only status following the move. Almost exactly the same number of cases switched from two-parent to non-two-parent as the result of a move as switched to two-parent from non-two-parent.

While there was some concern that allowing counties to elect to operate their own version of the Work First program with more restrictive requirements would result in a number of families moving from them, the data do not support that conclusion. There does not appear to be a change in the rate that families move from electing counties. Since a more restrictive welfare environment does not seem to be pushing people to migrate we also investigated whether increased opportunities in the form of lower unemployment may be

motivating people to move. This did not seem to be the case. We conclude from this is that the welfare magnet theory is not born out in this data. People seem to be drawn to the counties they move to by factors other than those examined here related to welfare.

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