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# Entry Cohorts or Exit Cohorts: Does It Make Any Difference

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## Entry Cohorts or Exit Cohorts: Does It Really Make Any Difference<sup>1</sup>

Much of the research on the impact of welfare reform has focused on the experiences of families leaving the caseload. The analyses, frequently called “leaver studies,” focus on exit cohorts. These studies provide valuable insights into the experiences of families and individuals that have left welfare. While these studies provide guidance for policy makers, some of the inferences may be misleading in that they are based on families that leave the program at a point in time.

Because the studies are based on exit cohorts, they may not accurately reflect the experiences of families and individuals that have just entered the welfare caseload. Exit cohorts are heterogeneous. They are comprised of families that entered the caseload at several different points in time. As a result, they may not accurately reflect the impact of new policies implemented to assist families in moving toward self-sufficiency.

In addition, exit cohorts tend to over represent families that leave the caseload after only a short time on assistance. The over representation of individual that leave the program quickly would not be a problem if we believed that the individuals that left quickly were no different from those that stayed on for a longer period of time. While we may not or do not always know the reason for leaving welfare, many believe one reason families leave welfare after a short time is that someone has found a job. To the extent that the families that leave quickly consist primarily of those likely to get a job, they may present an overly rosy scenario of the experiences of individuals leaving assistance. The earnings for these families may be higher than those for families that remain on welfare for a longer period of time.

Another possible problem with assessing the impact of welfare reforms through the analysis of exit cohorts is that a fairly high proportion of these families may have earnings. One reason for a family to apply for welfare is the absence of income. If a family leaves, there is a thought that there must be income from some source to meet the

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family's needs, although many studies report that somewhere around two-thirds of these families report earnings.<sup>2</sup>

Perhaps a better way to assess the impact of reforms to welfare is to examine the experiences of families in terms of when they begin their first spell on welfare. By grouping families based on when they begin receiving welfare, we would be able to analyze the impact of different factors on the rate at which they leave the program and move to self-sufficiency. Also by using entry cohorts we would be able to see how the rate of exit from welfare and the rate of entry into employment changed over time.

Analysis of entry cohorts would allow us to explore how changes in program policies affect the transition into employment. A problem with assessing the impact of program policies through the examination of exit cohorts is that a number of the individuals in an exit cohort have had multiple experiences on welfare. Since these individuals have had experiences with a variety of policies and may have received a number of employment and training services, it is difficult to separate out the impact of recent policy changes. With entry cohorts, individuals are grouped based on when they begin their first spell on welfare. In this manner, it is possible to track the various policies in place over the course of their attachment to the program.

#### Data Sources

This paper examines whether different conclusions about welfare reforms would be reached if the analysis was based on entry cohorts instead of exit cohorts. As part of this research effort, a longitudinal database that tracks the experiences of all families and individuals that have received cash assistance in North Carolina since 1995 was used to construct sets of entry and exit cohorts. The longitudinal database is based on extracts from an array of administrative computer systems used by the state in the administration of its Temporary Assistance to Needy Families (TANF) program, Work First. Information on earnings is based on extracts from wage history files maintained by the N.C. Employment Security Commission (ESC).

The longitudinal database is based primarily on extracts from the Eligibility Information System (EIS). Caseworkers in local departments of social services across the

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<sup>2</sup> Brauner, Sarah, and Pamela Loprest, "Where Are They Now? What States' Studies of People Who Left Welfare Tell us," The Urban Institute, Series A, No A-32, May 1999 .

state use EIS to generate Work First payments to families as well as to record an individual's eligibility for Medicaid benefits. The longitudinal database contains information on close to 340,000 families and 800,000 individuals. The database tracks such things as which case, or family, an individual is associated with in a given month and whether that family received Work First benefits.

The database also contains information on the individuals, such as their date of birth, racial classification, and gender. On many individuals in the database, information also is available on their level of education.<sup>3</sup> Level of education is recorded as the number of years of education through high school, whether the individual has a high school diploma or general education diploma (GED), or whether the individual has any post secondary education. In addition, the database contains information on quarterly earnings from covered employment from ESC files.

#### Creation of Entry and Exit Cohorts

The longitudinal database was used to create sets of entry and exit cohorts of individuals entering and leaving Work First. The analysis is based on the experiences of adults. Children are excluded. The classification of an individual as an adult or a child is based upon an administrative code found in the data.<sup>4</sup> Adults were assigned to entry cohorts based upon the month they entered Work First for the first time after January 1995 or their first return to the program after being off welfare for at least 24 months.<sup>5</sup> In order to avoid inflating the size of the entry cohorts at the beginning of the file, a second longitudinal file was created that tracked the periods of coverage on Medicaid in North Carolina from 1993 through 1994. All individuals that received welfare benefits are

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<sup>3</sup> Information on education is drawn from the Employment Programs Information System (EPIS). This information is available only for adults. Not every adult who receives Work First benefits has been activated in EPIS.

<sup>4</sup> While the classification of an individual as a child or adult could have been based upon other information in the file, such as the date of birth, the administrative classification was more appealing. Repeated analyses of these data suggest that the administrative codes are more stable while the date of birth may change from time to time. Reviews of individual records where the information in the date of birth field changed suggests that most changes are due to data entry errors. Local office eligibility staffs also recommend using the administrative codes instead of the date of birth to determine whether an individual is a child or adult.

<sup>5</sup> Return to cash assistance after being off for two years was treated as a new entry. Individuals are assigned to only one entry cohort, however, and if they began their first spell on welfare after January 1995, left for at least two years, and subsequently returned, they are grouped with their initial entry cohort.

covered by Medicaid.<sup>6</sup> This second longitudinal file was used to identify individuals that may have received benefits prior to January 1995 and who may have left the program for a few months, returning at some point in 1995 or 1996.<sup>7</sup> Without screening the individuals to identify those that participated in 1994 and then briefly left, the entry cohorts in 1995 (and later) may be artificially high. They could include a number of individuals that left welfare and returned after only a brief spell off the program. The inclusion of these individuals in the entry cohorts could also suggest changes in behavior between entry cohorts in 1995 and those in 1999 that are due only to the later cohorts being “pure” entry cohorts.

Also, analysis of caseload dynamics indicates that a significant number of the individuals that leave the program return after a fairly short period of time. For example, analysis of some case cohorts from 1995 indicate that more than 15% of the cases that left the program returned within two months and more than 25% returned within six months. Many of the cases that left the program and returned after one or two months had been closed for administrative reasons, such as the family not completing a reapplication for benefits or not returning required verification in a timely manner. These cases are closed but subsequently reopened after the family complies with program requirements.

Because a number of the cases that closed were reopened within a month or two, exits in this current analysis were defined as an individual leaving the program for three or more months. This eliminated many instances where an individual left welfare

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<sup>6</sup> The original longitudinal file tracking the experiences of individuals on Work First, while using some of the information available through the Medicaid files, did not rely on an indication of whether the individual was covered by Medicaid to identify individuals participating in Work First. The primary indicator for the original file was whether the family received a cash payment for a given month. For a large portion of the months covered by the longitudinal file, North Carolina allowed families to participate as a “zero pay” case. A family qualified as a “zero pay” case if they were eligible for Work First, or for Aid to Families with Dependent Children (AFDC) prior to the implementation of the Work First program, but the family’s payment was less than \$10, the minimum amount of checks issued by the state. Most of the families in zero pay status were receiving prorated benefits (e.g., benefits prorated from the date of application through the end of the month) or families with earned income whose assistance payment for a given month would be below the \$10 minimum check. Due to the reliance in checks, instead of Medicaid eligibility, the two longitudinal files are not completely compatible. The correspondence between the two files is quite high but is not one-to-one. The analysis presented later in this paper is based on the original longitudinal file. The second longitudinal file, based on the Medicaid eligibility records, was used to screen individuals that received AFDC at any time between January 1993 and December 1994.

<sup>7</sup> Individuals that were not assigned an entry cohort initially because they participated during 1995 (or a later period) and who left the program for at least 24 months before returning, were assigned to the entry cohort associated with their return. An individual is assigned to only one entry cohort and that cohort is determined by their first entry to the program or their first entry following an absence of 24 months.

temporarily because he or she did not comply with an administrative requirement. Exit cohorts were compiled based on the first time an individual left the program after January 1995 for three or more months. Individuals were assigned to only one exit cohort.

Not every individual assigned to an exit cohort is assigned to an entry cohort. For example, if an individual was participating in each month between January 1995 and July 1996, left in August 1996, and has not subsequently returned, that individual would be assigned to the August 1996 exit cohort (the first month he or she did not receive benefits) and would have no entry cohort. Also, even though an individual has to be off the program for three or more months before being classified as an “exiter,” cohort membership is based on the first month benefits were not received. If the same individual that left in August 1996 had returned October 1996, received benefits for two months, then left again in December 1996 and has not returned, he or she would be assigned to the December 1996 exit cohort. Again, in this instance, exit cohort membership is based on the first month of a three or more month spell off the program. If an individual is assigned to an exit cohort and subsequently returns to the program, he or she is still a member of the original exit cohort.<sup>8</sup>

Figure 1 illustrates the size of entry and exit cohorts over time. As the figure indicates, entry cohort ranged close to 3,000 individuals each month through 1997. In March 1998, the entry cohorts fell to 1,620 individuals. This drop in the size of entry cohorts is likely due to a policy change in the Work First program. In February 1998, the state implemented three significant policy changes. First, case workers began screening applicants (and re-applicants) for substance abuse. Individuals that might have a substance abuse problem were referred to a qualified substance abuse professional (QSAP) for additional screening and possible treatment. Also in February, the state implemented “pay after performance” for two-parent families. This meant that adults in two-parent families had to complete a certain number of hours in employment or training activities before receiving an assistance check.<sup>9</sup>

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<sup>8</sup> It is possible for an individual to be a member of an exit cohort and subsequently be identified as a member of an entry cohort so long as the entry cohort begins more than 24 months later.

<sup>9</sup> Pay after performance was implemented as a means of meeting the hours of employment and training activities required by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 for two-parent families.

While the substance abuse screening probably did not impact the size of entry cohorts and the “pay after performance” policy affected only two-parent families (who accounted for two to three percent of the Work First caseload at the time), a third policy requiring contact with the local ESC office is the likely cause in the drop of the size of entry cohorts. In 1997, the North Carolina General Assembly enacted a “First Stop” provision requiring all families applying for Work First to be screened for employment by the ESC before the application could be processed. Counties had the option of requiring individuals to participate in First Stop before accepting a Work First application.<sup>10</sup> The size of the entry cohorts has remained fairly constant since First Stop was implemented.

**Figure 1: Size of Monthly Entry and Exit Cohorts**

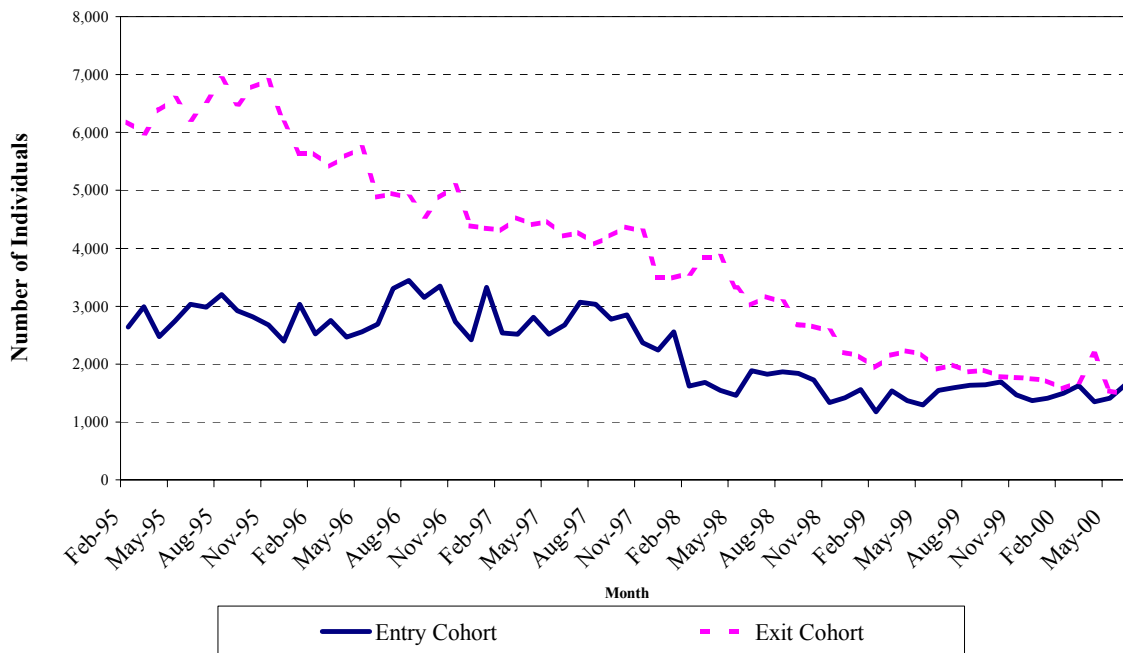


Figure 1 also shows that the size of exit cohorts has fallen since 1995. In January 1995, close to 6,200 adults left Work First. By November 1995, that number had risen to close to 6,900 adults. The size of exit cohorts began to fall in December. By January

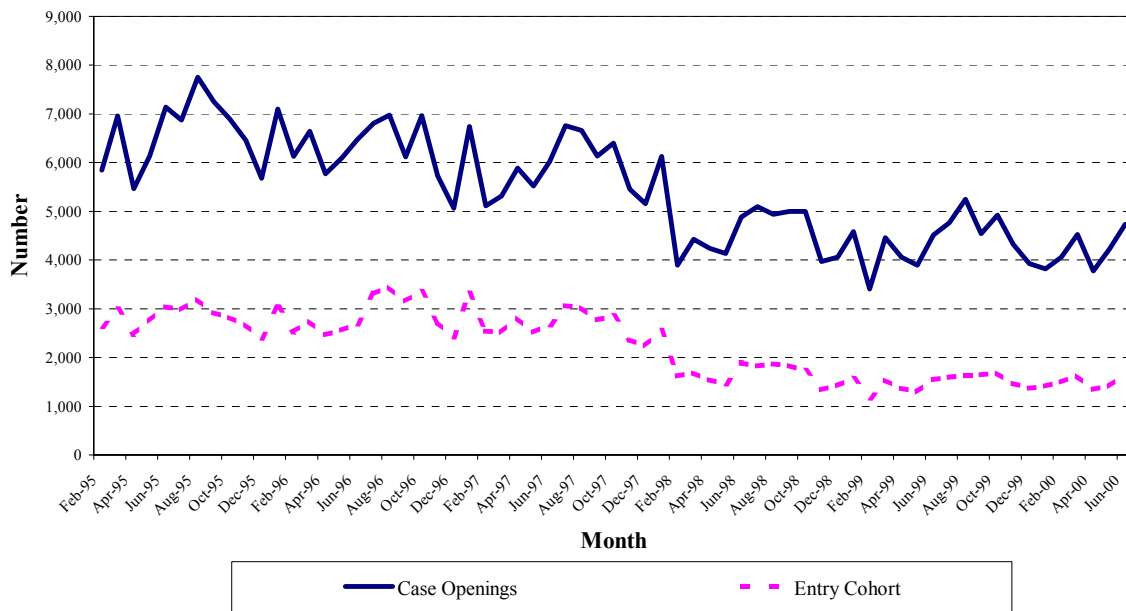
<sup>10</sup> The First Stop provisions did not apply to applications for Medicaid and food stamps. Families were informed that they could apply for these programs before completing the First Stop process.

1997, they had fallen to around 4,300 individuals. By January 1998, the exit cohort had fallen to about 3,400, and by January 1999 it was close to 2,100. Since then, the exit cohorts have generally contained less than 2,000 individuals.

The drop in the size of exit cohorts has followed the drop in the size of the Work First caseload. In January 1995, the longitudinal file indicated that around 134,000 families participated in Work First.<sup>11</sup> By July 2000, the caseload contained less than 50,000 families.

Figure 2 compares the size of entry cohorts to the number of case openings each month. An opening is defined as a case that receives benefits in one month that did not receive benefits in the prior month. As the figure indicates, case openings have fallen

**Figure 2: A Comparison of the Size of Entry Cohorts and the Number of Case Openings**



over time. There was also a drop in the number of case openings in early 1998. This drop is likely due to the First Stop provisions. The case openings do not match the size of the entry cohorts for several reasons. First, case openings deal with cases while the size of

<sup>11</sup> The caseload figures from the longitudinal file are generally higher than those reported by DSS. This is because the DSS numbers are based on the number of families that have received their check by the middle of the month. The numbers in the longitudinal file include families that may have a pending application and whose checks are not issued until the end of the month or even after the first of the following month. If a family applies for benefits and is found eligible, they receive benefits retroactive to the date of application. Case workers have 45 days to process applications.

entry cohorts is based on the number of adults beginning their first spell on welfare. In most instances, cases contain only one adult so that if the entry cohorts were based on the number of families beginning a spell on assistance, they would closely track the size of individual entry cohorts. Also, a case may open, close, and reopen a number of times. The number of openings represents both the number of families beginning their first spell on assistance as well as the families that had been on assistance, left, and returned to the program.

Figure 3 illustrates correspondence between case closings and the size of exit cohorts. As the figure indicates, the number of closings has fallen over time but at a slower rate than the size of entry cohorts. The number of closings does not show an increase associated with the First Stop provisions in February 1998. This is because the First Stop changes affected only new applicants and families re-applying for Work First. There was no systematic review of ongoing cases.

**Figure 3: A Comparison of the Size of Exit Cohorts with the Number of Cases Closed Each Month**

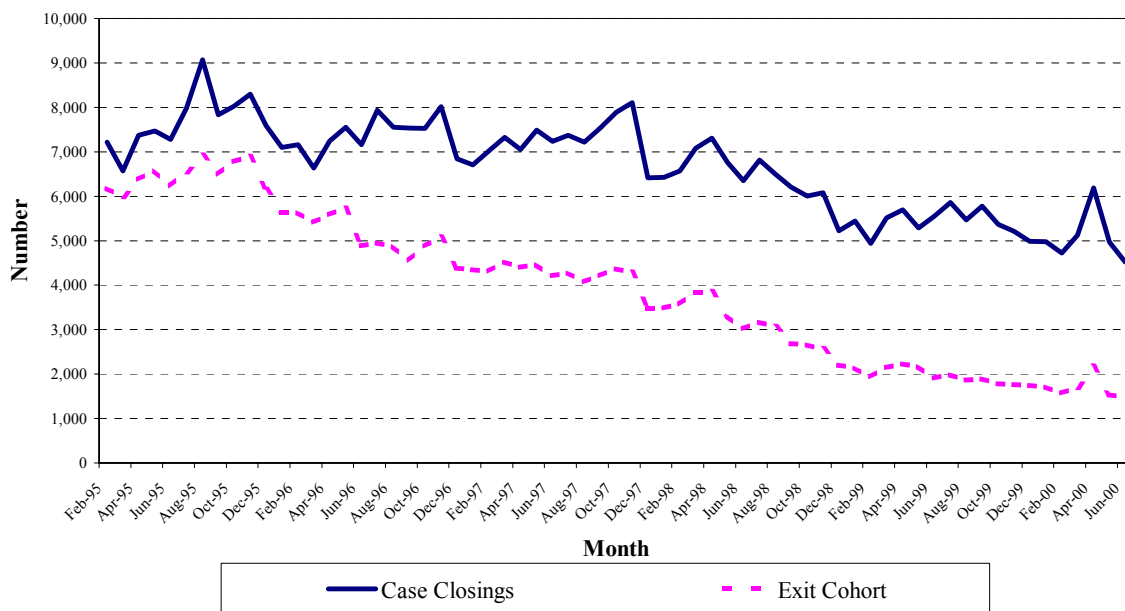


Figure 4 shows the gender composition of entry cohorts. As the figure indicates, about 80% to 90% of the adults in entry cohorts are female. Prior to February 1998, the percentage ranged close to 80. By June 1998, the percentage of the entry cohort that was female had risen to 88%. The change in the gender composition of the entry cohorts may

be associated with both the “pay after performance” requirements of two-parent families as well as the First Stop provisions. The pay after performance policy significantly reduced the number of two-parent families on Work First. It also reduced the number of new two-parent cases.<sup>12</sup> The reduction in the number of two-parent families would also decrease the number of males coming onto the caseload. The First Stop provisions also may have reduced the number of males entering the caseload. This may be due to their unwillingness to comply with the provision or by their being referred to a job and subsequently becoming employed thereby eliminating their need for cash assistance.

**Figure 4: Gender Composition of Entry Cohorts**

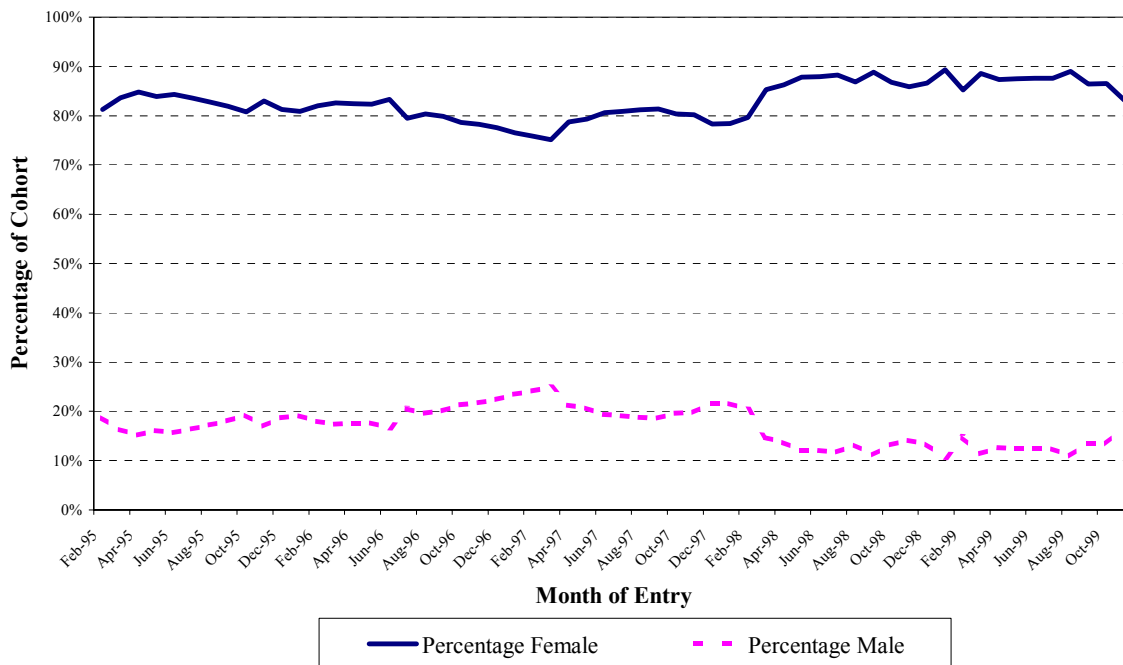


Figure 5 illustrates the gender composition of exit cohorts. As the chart indicates, about 90% of the adults over time in exit cohorts are female. The figure shows that in October 1996 the percentage of females in exit cohorts began to fall, from 87%, to 83% in June 1997. The percentage of females began a slight increase, but by March 1998—the month following the implementation of the “pay after performance” and the First Stop provisions--only 81% of the exit cohorts were female. The percentage of females in exit cohorts began to rise again, and by August 1998, 90% of the exit cohort was female.

<sup>12</sup> Additional analysis on the two-parent caseload in Work First caseload can be found at: <http://ssw.unc.edu/workfirst>.

The decline in the percentage of females in exit cohorts in March 1998 complements the rise in the percentage of females in the entry cohorts. Again, these changes in the makeup of the two groups of cohorts is likely due to the policy changes implemented in February 1998. The “pay after performance” policy may have temporarily increased the percentage of males in exit cohorts as many two-parent families left Work First. The First Stop policy also may have affected the makeup of exit cohorts as it was applied to families submitting a re-application for continuing benefits.

**Figure 5: Gender Composition of Exit Cohorts**

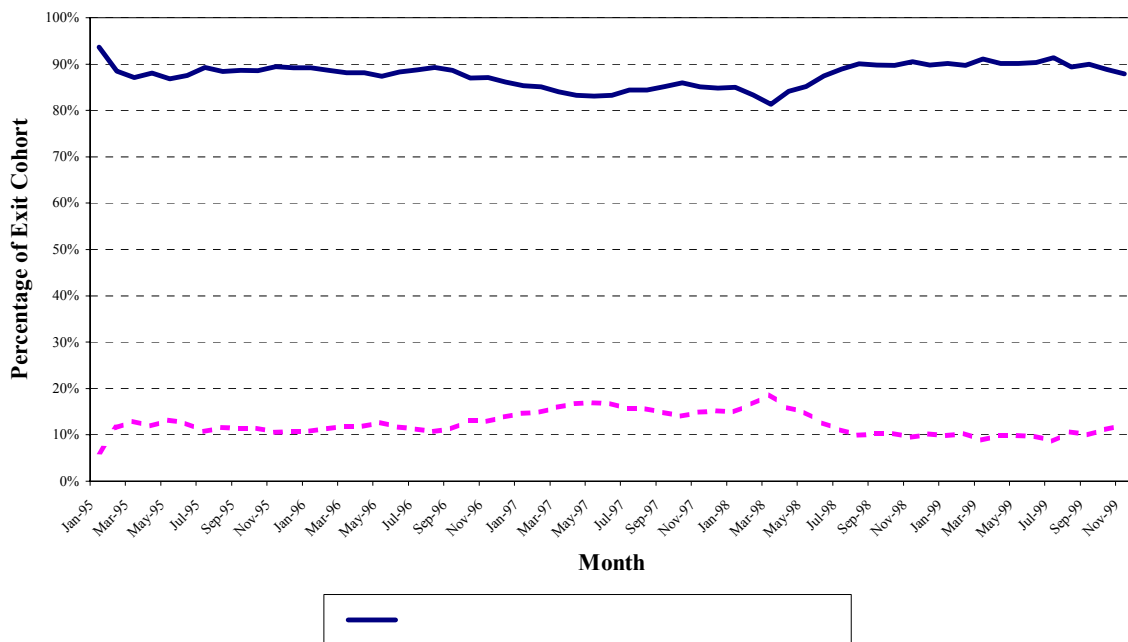


Figure 6 shows the racial composition of entry cohorts. The figure illustrates the percentage of each entry cohort that is African-American and the percentage that is Caucasian. Although there are several additional racial classifications used (e.g., Hispanic, Asian, Native American, Other), African-American and Caucasian families make up the largest proportion of the entry cohorts. As the figure indicates, the composition of the entry cohorts changed in March 1998. Between January 1995 and February 1998, around 50% of the adults in each entry cohort was classified as Caucasian. By April 1998, Caucasians comprised only 44% of entry cohorts. Similarly, adults classified as African-American comprised about 40% of each entry cohort. In

April 1998, 48% of the entry cohort was classified as African-American. Since then, close to 50% of each entry cohort is classified as African-American.

**Figure 6: Racial Composition of Entry Cohorts**

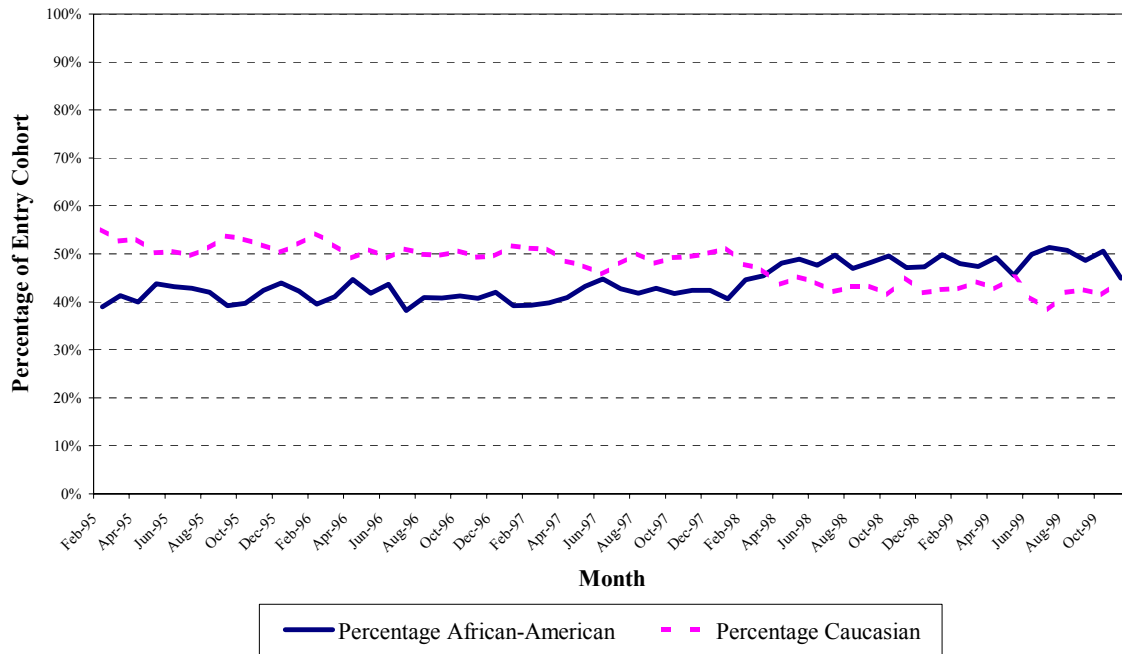


Figure 7 shows the racial composition of exit cohorts. As the figure indicates, close to 50% of each exit cohort is classified as African-American. Caucasians generally account for between 40% and 45% of each exit cohort. As the percentage of African-Americans rose in December 1995 to 53%, the percentage of Caucasians dropped to 51%. The figure also indicates that Caucasians accounted for a higher percentage of exit cohorts than African-Americans only twice: in April 1997, when 47% of the exit cohort was composed of Caucasians, and in March 1998, when 47% of the exit cohort also was classified as Caucasian. Since October 1998, Caucasians generally comprise less than 40% of each exit cohort, while more than 50% of the adults are classified as African-American.

There is a difference in the racial composition of entry and exit cohorts. Examination of exit cohorts indicates that African-Americans are leaving the caseload at a higher rate than Caucasians. Exploration of caseload dynamics—through the use of survival analysis techniques—suggests this is not the case. African-Americans have a

slightly longer median length of stay on Work First than Caucasians.<sup>13</sup> Also, African-Americans tend to re-enter the caseload at a slightly higher rate than Caucasians as well. The fact that African-Americans comprise a higher percentage of exit cohorts than Caucasians may be due to long-term makeup of the caseload.

**Figure 7: Racial Composition of Exit Cohorts**

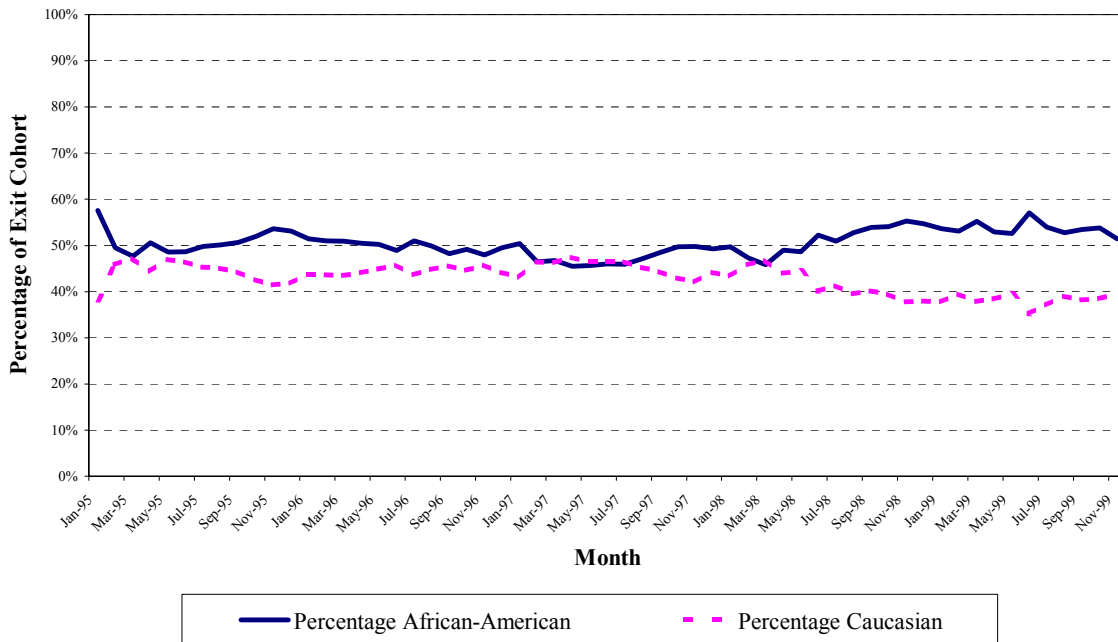


Figure 8 illustrates the education level of adults in entry cohorts. As the figure indicates, we do not have information on more than half of the adults in each entry cohort.<sup>14</sup> The figure shows that between 15% and 25% of each entry cohort does not have a high school diploma or GED. A slightly lower number--between 13% and 20%--has only completed high school. Around 5% to 6% has some education beyond high school. If the individuals for which information on educational attainment are distributed in a similar manner, that would indicate that about half of each entry cohort has less than a high school education, about 40% would have only a diploma or GED, and around 10% would have some

<sup>13</sup> See <http://ssw.unc.edu/workfirst> for additional information on caseload dynamics. Through this web site, users are able to explore the rates of exits for an array of entry cohorts. This analysis can be stratified by the race of the family as well as other factors.

<sup>14</sup> Because of the high percentage of individuals where we are lacking information on educational attainment, we are treating them as a separate category as opposed to treating them as cases with missing data.

education beyond high school, such as training at a community college or vocation school or some college.<sup>15</sup>

**Figure 8: Education Level of Adults in Entry Cohorts**

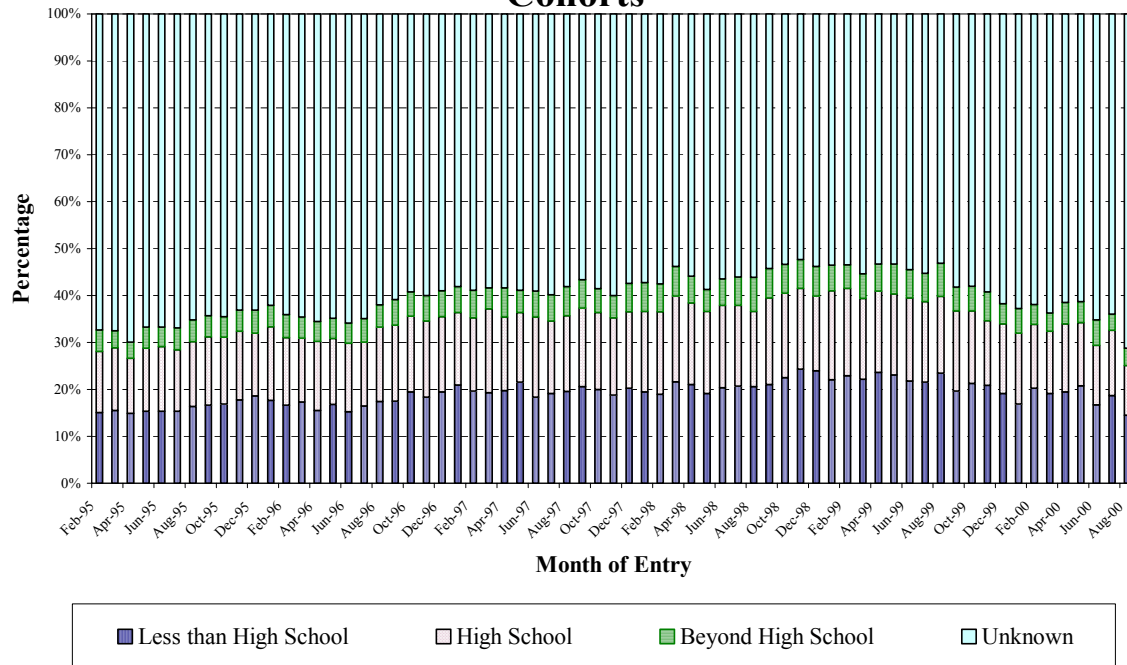


Figure 9 displays the education level of adults from exit cohorts. As the figure indicates, information on educational attainment is lacking in a large percentage of the cases. In general, information on education is available for a slightly higher percentage of the adults in exit cohorts than for entry cohorts. Between 20% and 30% of each exit cohort is not a high school graduate, 10% to 20% have a high school diploma or GED, and about 7% have some post-secondary training. Information on education is lacking on 40% to 60% of the individuals in each cohort.

The large number of individuals for which information on educational attainment is lacking makes it difficult to compare entry and exit cohort. It would likely be misleading to read significant differences in the educational makeup of the two groups of cohorts based on the slightly higher percentages found in the exit cohorts. One reason for the difference may be the source of the information on education. Information on

<sup>15</sup> While it is dangerous to make projections to a population in instances where there are a large number of cases with missing data, analysis of individuals starting the 24-month time clock on Work First follows a similar breakdown: about 50% have less than a high school education, about 40% have a diploma or GED, and about 10% have some post-secondary training.

education is drawn from EPIS. This information is entered in EPIS when an individual is contacted by a social worker, assessed for job training activities, or placed into a job. Not every individual is assessed. It may be that individuals that leave (and comprise exit cohorts) are slightly more likely to have been assessed for job training than all individuals entering Work First.

**Figure 9: Education Level of Adults in Exit Cohorts**

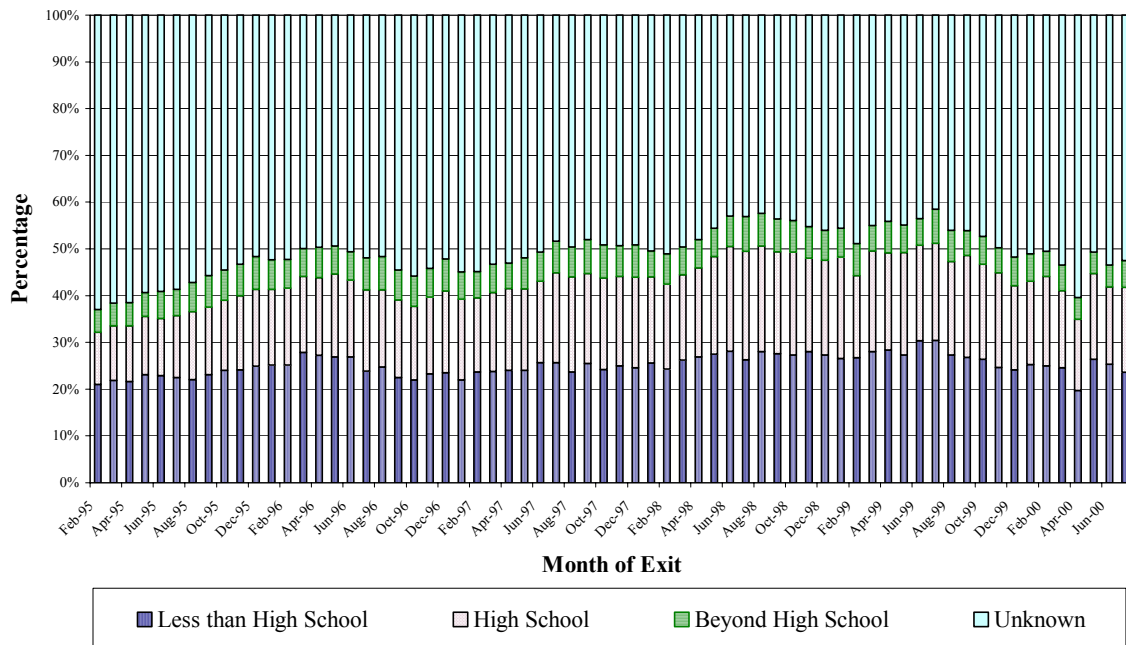
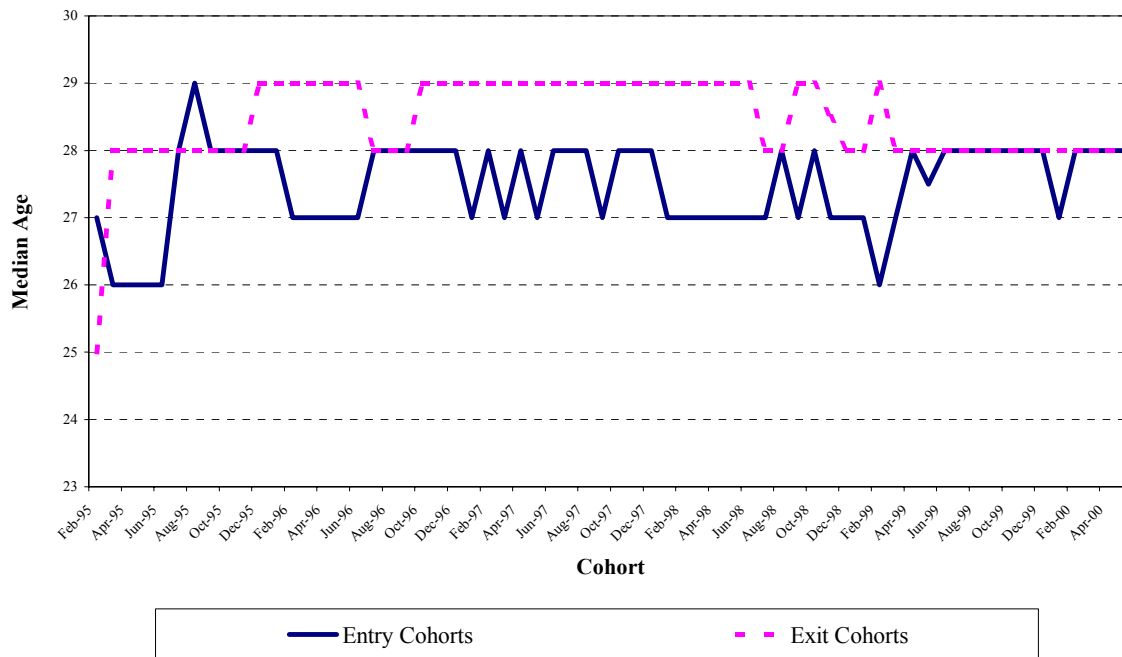


Figure 10 illustrates the median age of adults in entry and exit cohorts. As the figure indicates, the median age tends to range between 26 and 27. The figure shows the age at entry. In North Carolina, the median length of stay on Work First is between seven and eight months.<sup>16</sup> The figure shows that the median age of adults in exit cohorts is about one year older than that for entry cohorts. Ages for entry cohorts tend to lead those for exit cohorts. For example, as the figure indicates, the median age for entry cohorts fell to 27 in February 1996. The median age for exit cohorts dropped from 29 to 28 in July 1996. Similarly, a rise to age 28 of the median age for the October 1998 entry cohort was followed by an increase to a median age of 29 for the February 1999 exit cohort.

<sup>16</sup> Information on the median length of stay for families on Work First is available in the caseload dynamics section of <http://ssw.unc.edu/workfirst>.

Not every drop (or rise) in the median age for entry cohorts is followed by a corresponding drop (or rise) in the median age for exit cohorts. For example, the median age of the February 1999 entry cohort fell to 26, while the median age of all exit cohorts since March 1999 has been 28.

**Figure 10: Median Age for Entry and Exit Cohorts**



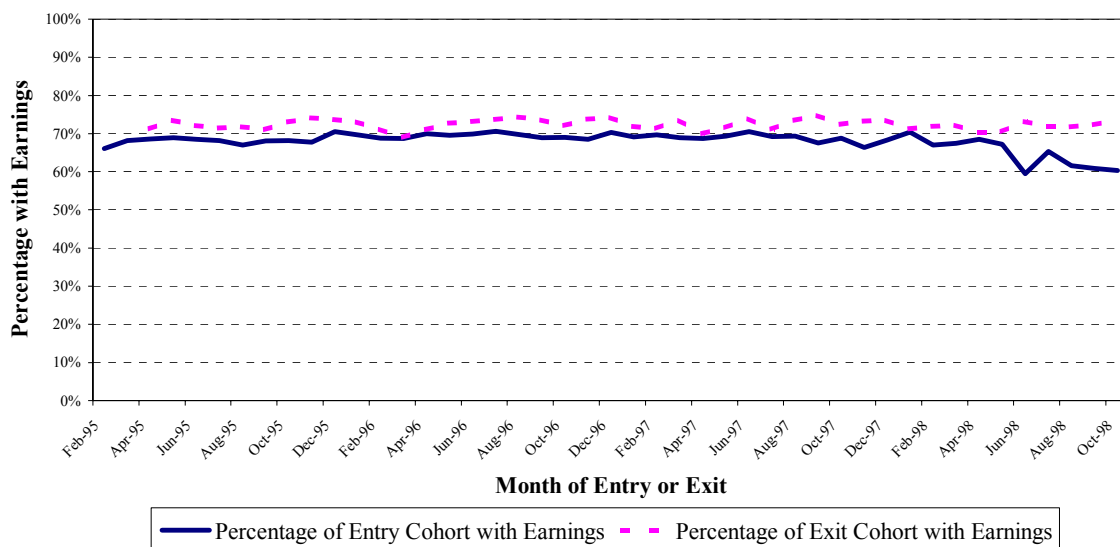
### Differences in Earnings

Figure 11 shows the percentage of individuals from entry and exit cohorts that had earnings in the first year after leaving welfare. As the figure shows, the percentage of individuals with earnings from entry cohorts is almost the same as that for exit cohorts. Both are close to 80% although exit cohorts tend to have a slightly higher percentage. The percentage with earnings is based on the number of individuals that have any earnings in the first four full calendar quarters after leaving welfare. The first full calendar quarter consists of the first standard three-month calendar quarter following the month of exit. For example, for an individual leaving in July, August, or September, the first full calendar quarter would consist of October through December of that year. Earnings in the first year after leaving would consist of any earnings received from October through September. The percentage with earnings is calculated by dividing the number of individuals with earnings by the size of the cohort. For example, three were

1,742 individuals from the February 1995 entry cohort that reported earnings in their first year after leaving. This number is divided by 2,638, the number of adults that began their first spell on welfare in North Carolina in February 1995.

Calendar quarters are used because information on wages is drawn from ESC records. Most employers are required to report the earnings each employee received during each calendar quarter to the state employment security agency. These wage records are used to calculate unemployment benefits should that individual subsequently be laid off. The ESC wage records do not show the weeks or months of the calendar quarter the individual was employed or the type of job he or she held. The wage records only report the employer (through an employer identification number), the type of industry the employer is engaged in, and the amount of earnings.

**Figure 11: Percentage of Entry and Exit Cohorts with Earnings During the First Four Full Quarters after Leaving Work First**

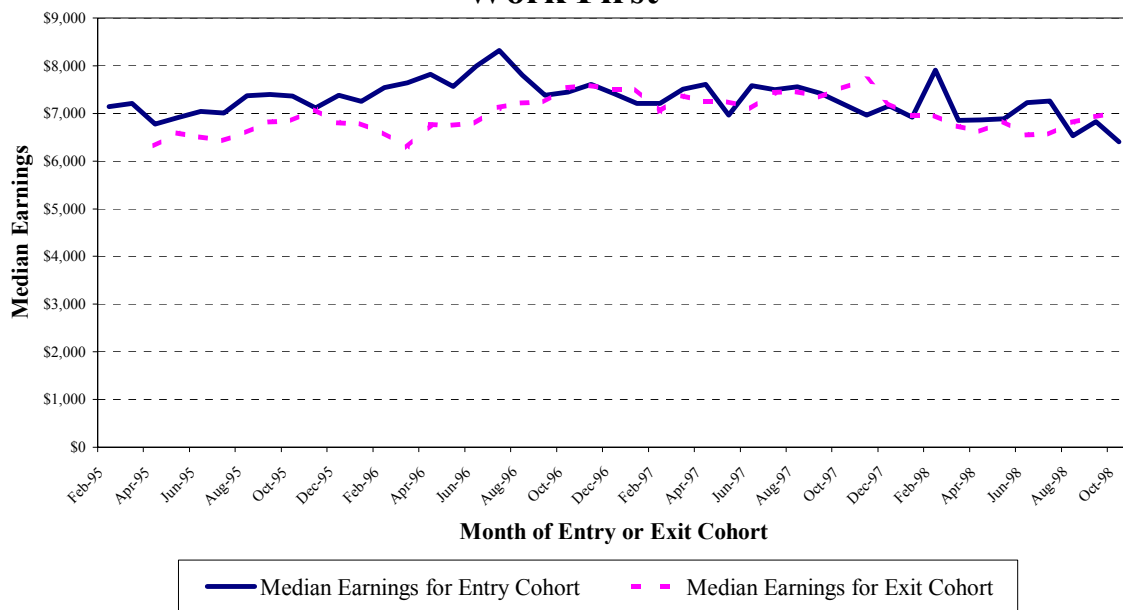


The chart is truncated at October 1998 due to the limited follow-up time for entry cohorts. Since average length of stay on Work First ranges between seven to eight months, only half the individuals that entered the program in October 1998 would have left the program by April 1999. For those individuals, the first full year of earnings would run from July 1999 through June 2000. In North Carolina, data for earnings in June 2000 is not available until March 2001 (nine months—or three quarters—following the end of

the reporting quarter). The drop in the percentage of individuals with earnings from entry cohorts shown in Figure 11 that begins in May 1998 is due to the limited follow-up time.

Figure 12 shows the median earnings in the first year after leaving welfare for entry and exit cohorts. As the chart indicates, the median earnings in the first year after exit for entry cohorts was slightly higher from February 1995 through September 1996 than the earnings for exit cohorts. From September 1996 through October 1997, earnings for exit cohorts were slightly higher. From January 1998 through August 1998, entry cohorts had slightly higher median earnings. The data end with October 1998 due to limited follow-up time.

**Figure 12: Median Earnings for Individuals with Jobs in the First Four Full Quarters After Leaving Work First**



### Does it Matter?

Depending on your questions, you may get slightly different answers if you use entry cohorts instead of exit cohorts. Entry cohorts are smaller than exit cohorts. This is due to a number of reasons, including the fact that the caseload is dropping. For this analysis, individuals are assigned to only one entry cohort. Some individuals in the longitudinal database are not assigned an entry cohort because they have not had a break from welfare of more than 24 months. Once an individual is assigned to an entry cohort, they keep that designation regardless of the number of times he or she leaves and returns

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to the program. Because one entry may be followed by several reentries to welfare, entry cohorts will always understate the number of case openings. Also, except for one set of policy changes implemented in February 1998, the size of entry cohorts has remained fairly stable over time.

The size of exit cohorts has followed the caseload in North Carolina. As the caseload fell, the size of exit cohorts has also fallen. This decline in the size of exit cohorts is due in part to the stable nature of entry cohorts and, to a certain extent, the relatively stable number of case openings. An individual is assigned membership in only one exit cohort. For this analysis, that same individual does not have to be member of an entry cohort.<sup>17</sup>

You would draw different conclusions about the gender and racial of the caseload by looking at entry cohorts instead of exit cohorts. In this instance, the choice of entry as opposed to exit might be shaped by the question that was being raised (e.g., “Who is leaving?” instead of “Who is coming on?”). While you might draw differing conclusions about the makeup of the caseload, you’d likely draw similar conclusions about earnings and the move to self-sufficiency. Even though a percentage of most entry cohorts still remain on welfare, the analysis indicates that similar proportions of both entry and exit cohorts have earnings and that the median amount of earnings is almost the same for both groups.

This raises a question of why that is the case. Even though the caseloads have been falling and the focus of policy has been on moving individuals to self-sufficiency, why is it that the percentage of individuals attaching themselves to the work force has remained constant, from pre-PRWORA to post-PROWORA? Also, why is it that the earnings have remained flat? This research was not designed to answer that question. Other analysts will need to continue to pursue it.

One difference between entry cohorts and exit cohorts involves the ability to detect the impact of policy changes. Changes in the size and composition of entry cohorts may be explained by policy initiatives. While these changes are apparent in the analysis of entry cohorts, their impact is muddied and muted in exit cohorts.

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<sup>17</sup> They could have entered the program prior to January 1995.