

Time's Up: TANF Families Confront Two-Year Time Limits in North Carolina

Prepared For:

The Association for Public Policy Analysis and Management
Twentieth Annual Research Conference
October 29-31, 1998
New York, NY

Prepared by:

Dean F. Duncan, III
The Jordan Institute for Families
School of Social Work
The University of North Carolina at Chapel Hill
301 Pittsboro Street
Chapel Hill, NC 27599-3550

Time's Up: TANF Families Confront Two-Year Time Limits in North Carolina¹

One of the major changes brought about under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was a limit on the amount of time most families and individuals could receive public assistance. The legislation established a five-year lifetime limit for the receipt of Temporary Assistance to Needy Families (TANF), a radical change in federal public assistance policy that signaled the end of welfare entitlements. In the past, families could participate as long as they were categorically eligible, had income and assets below set limits, and complied with procedural requirements such as cooperation with the child support enforcement agency.

Some states decided to impose time limits even more stringent than required by the legislation. In North Carolina's Work First program, for example, households that are required to participate in employment activities are placed on a two-year time clock. Since the implementation of the 24-month time clock in August 1996, more than 63,000 families have begun their time limit. Although a large number of families are on the clock, only a small number are exhausting their benefits. For example, 320 families exhausted their benefits as a result of time limits and left the program at the beginning of August.² Only 91 families exhausted their benefits and left at the beginning of September. And 66 more families were expected to exhaust their benefits and leave the program at the beginning of October. Similar numbers are projected to exhaust their benefits in subsequent months.

This paper explores the impact of the time clock on these households using a longitudinal database that tracks the experiences of Work First participants. The paper begins with a description of participation in Work First. It includes information on households on the 24-month time clock. It also contains a description of households that

¹ This research was supported through a contract with the North Carolina Division of Social Services. The author gratefully acknowledges the many helpful comments and suggestions made by Lynn Usher, Rosemary Hallberg, and Kim Flair. Neither these individuals nor the Division of Social Services are responsible for the contents herein.

² The number of families exhausting their benefits is based on analysis of an extract of the state benefit tracking database during the first week of September.

exhausted their benefits in term of characteristics such as the age of children and the age and education level of the adults. It also describes the types of employment and training activities in which adults participated as well as their earnings. These families are compared with others currently participating in the Work First program.

Tracking Individuals with a Longitudinal Database

The analysis used a longitudinal database that tracks Work First families and participants. The database contains information on more than 292,000 families and about 711,000 individuals who have participated in Work First since January 1995, indicating whether each family participated in a particular month, the amount of benefits, the size of the family each month, the number of months the family participated, and whether the family left assistance. It indicates the age, race, and sex of each individual receiving assistance, the linkages of individuals to cases, and whether an individual moved from one Work First case to another. It also tracks individual sanctions, and whether an individual is on the two-year time clock.

The database also indicates whether members of each family participated in employment or training activities, the types of activities, and the time spent completing each activity. It contains information about family members who received income either while on Work First or after leaving the program, the amount of earnings, the type of business (based on its industry code), and the zip code of the employer.

To construct the database, information from a check history file is merged with monthly extracts from the Eligibility Information System (EIS), and updated on a regular basis. A family who received a check in a particular month is considered to have participated in Work First. If the family did not receive a check, the case information is examined to determine if it is in suspense or is a “zero pay” household. Families are followed once they receive Work First benefits to determine whether they leave the program and, once they leave, whether they return.

The EIS system was implemented a number of years ago under North Carolina’s Aid to Families with Dependent Children (AFDC) program. The primary purpose of the EIS system was to generate checks and Medicaid eligibility cards, not to calculate cash

benefits or to track all changes in a household. While it has the ability to collect demographic information, such as race, sex, and educational level, it has no edits to ensure accuracy.

The information from EIS and the check history file is supplemented with extracts from the Employment Programs Information System (EPIS) that contains information on family members who have received employment program services. EPIS contains information on an individual's level of education and literacy, and what types of activities, such as training, job search, or community work experience an individual has received. The database also contains information on the number of months of remaining eligibility a household has relative to the 24-month and 60-month time limits and the number of times a household has been sanctioned.

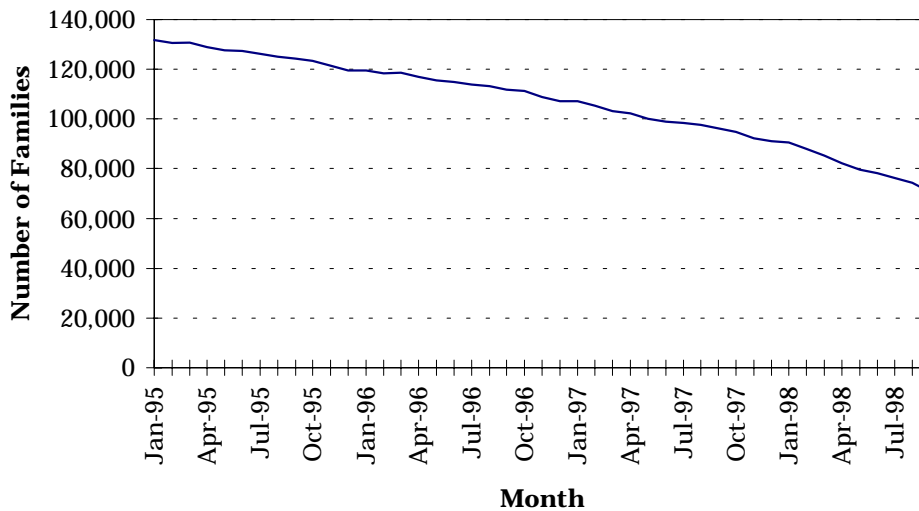
Information on individuals who participate in Work First is linked with earnings data provided through the state's Employment Security Commission. The earnings data are collected through the individual's Social Security number. These data can be used to evaluate the effectiveness of various employment program activities, identified through the EPIS extracts, or to assess a family's transition to self sufficiency by linking the individual's earnings to his or her case number.

Participation in the Work First Program

Between January 1995 and September 1998, the Work First Family Assistance caseload in North Carolina dropped by 43 percent, from 131,774 families to 74,476.³ This decline in the caseload is shown in Figure 1. The figure illustrates that the drop in the caseload has been fairly steady over time. The caseload fell below 120,000 cases in December 1995 and by June 1997, the caseload was below 100,000 families. The rate of decline in the caseload has increased with a drop of more than 14,000 families between January and July 1998. There does not appear to be a change in the rate of exit associated with the implementation of the 24-month time clock in August 1996.

³ As of early October, 1998, the September caseload is estimated at 74,476 families. This figure is likely to rise as pending applications are approved and benefits are authorized retroactive to September.

Figure 1: Participation In The Work First Program Over Time

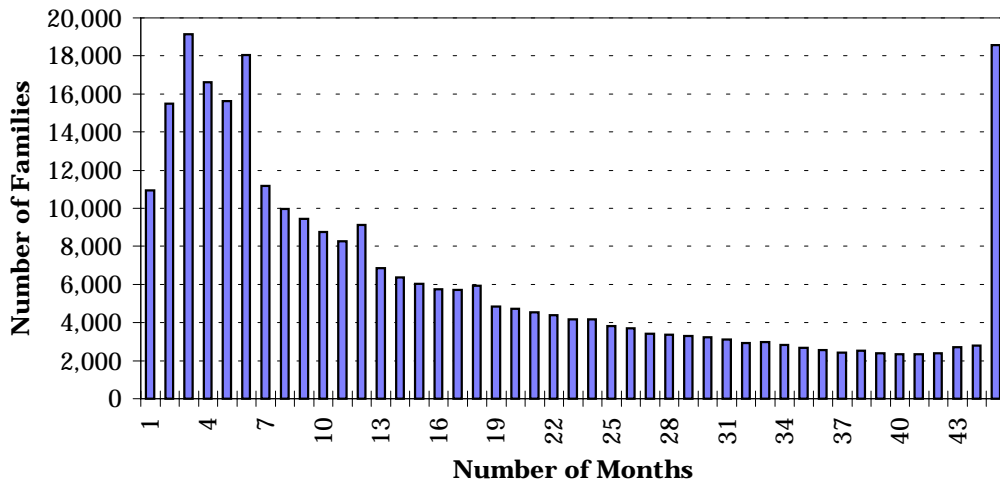


The two-year time clock targets families with able-bodied adults that remain on cash assistance for long periods of time. Information contained in the longitudinal database suggests that, in most instances, only a few families remain on assistance for long periods of time. As Figure 2 indicates, a large proportion of families receiving assistance participate in Work First for six months or less. The figure is based on the experiences of more than 292,000 families that have received cash assistance in North Carolina from AFDC or Work First for one or more months during the 45 month period between January 1995, and September 1998. The figure indicates that about 11,000 families received assistance for only one month during that period, while close to 16,000 families received assistance for two months. The figure also shows that about 18,500 families received assistance for all 45 months.

A problem with Figure 2 is that the data used to create it are truncated on the left and right. In other words, it displays the experiences of families only between January 1995, and September 1998 and does not include information on participation prior to 1995 or after September 1998. To that end, one or two of the families that appear to have participated for only one month may have actually participated in AFDC for ten years prior to 1995 but received benefits for only one month since 1995. Those families would

be represented on the one-month bar even though they may have received benefits for 121 months. By the same token, a family shown in the chart as participating for two months may have begun a spell on Work First in August 1998 that may last for a number of years.

Figure 2: Number of Months Families Have Received Work First Benefits Between January, 1995, and September, 1998



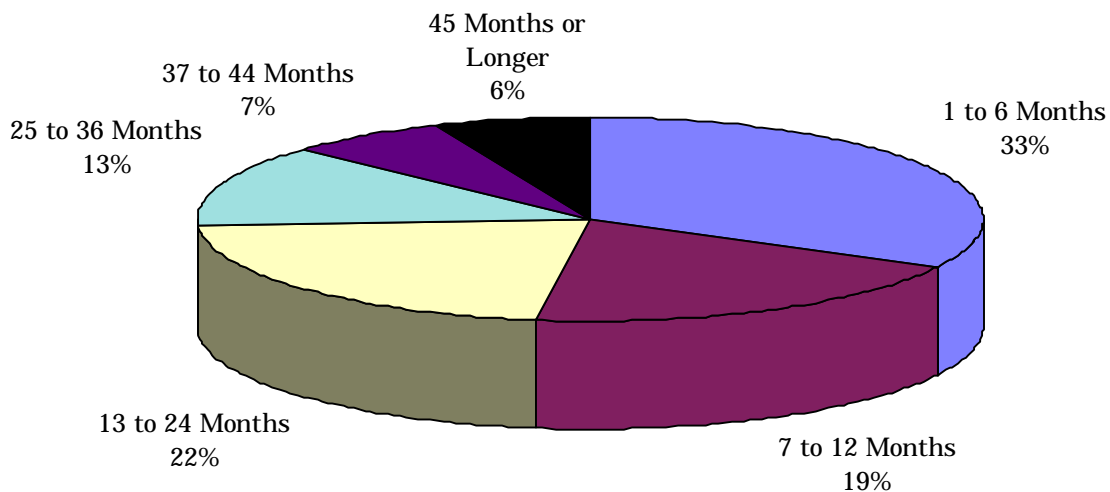
The database does not contain information on these spells of participation. It contains information only on benefits issued during a fixed time period.⁴ On the other hand, the period covered by the database is relatively long. As a result, the information displayed in Figure 2 provides a reasonably good indicator of recent patterns of participation in AFDC and Work First.

Those patterns of participation are also illustrated in Figure 3. In this figure, the information is grouped by time periods to show the percentage of families that received benefits for certain time periods. As the figure indicates, 33 percent of the more than 292,000 families that received benefits between January 1995 and September 1998 participated for six months or less. Another 19 percent participated for seven to twelve months. This means that 52 percent of the families that received cash assistance participated in the program for one year or less. An additional 22 percent participated

⁴ The database is being updated on an ongoing basis. Plans are for the database to continue growing over time.

between 13 and 24 months. In other words, during this time period, close to three out of four families (74 percent) received benefits for less than two years. Only six percent of the families participated for the entire 45-month period from the beginning of 1995 through September 1998.

Figure 3: The Number of Months Families Have Received Work First Benefits between January, 1995, and September, 1998

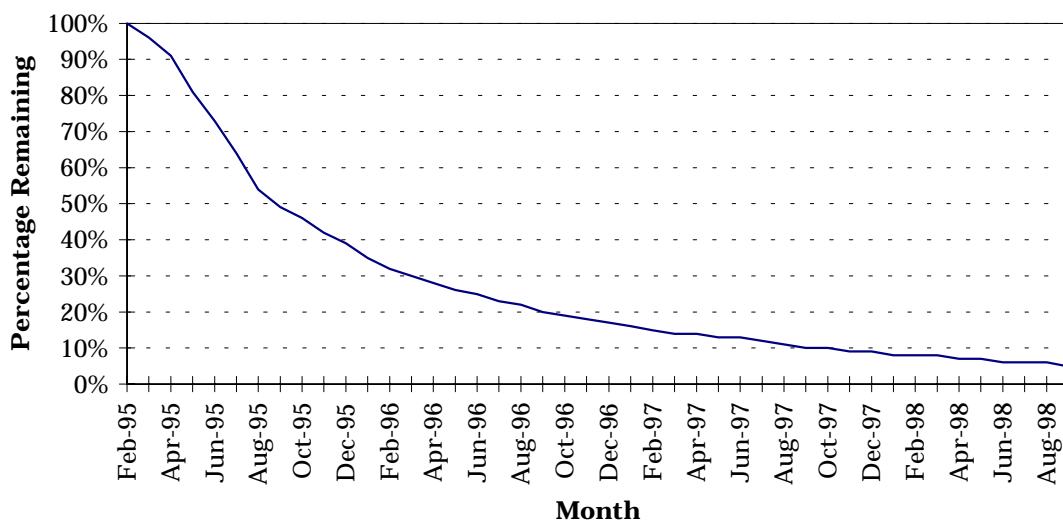


Another way of measuring the length of time families spend on the program is to examine the median length of stay for entry cohorts. Figure 4 shows the rate of exit from Work First for the families that began a spell during February 1995. The figure indicates that close to six percent of the families that began a spell have yet to leave the program by September 1998. In addition, about half of the families that began a spell in February left the program for at least one month by September, 1995. This means that the median length of stay on assistance for families beginning a spell was between seven to eight months for this cohort. It is important to note that the analysis used to create Figure 4 is based on a cohort of 5,841 families that entered the Work First during February 1995. It is not based on the 130,398 families that participated in the program that month.

After leaving the program for at least one month, a number of the families from the February 1995 entry cohort return. Without controlling for the reason for leaving, about eight percent return one month later and nearly 20 percent return within four

months. The rate of reentry declines sharply after that point. Only an additional ten percent return over the next eight months. In other words, about 30 percent of the families from the February 1995 entry cohort that left Work First returned within one year. The rate of reentry decline sharply after twelve months. Only about ten percent of the remaining households from the February, 1995, entry cohort that left the program and remained off for one year have returned.⁵

Figure 4: Rate of Exit from Work First for the February, 1995, Entry Cohort



The information on participation in Work First illustrates several points about the two-year time clock. First, participation has dropped since the implementation of the time clock, but the rate at which it is declining does not appear to be related to the implementation of the time limit. The drop in Work First participation seems to occur at a fairly constant rate, at least through January 1998; thus, there do not appear to be any noticeable shifts associated with the time clock. Similar patterns are found for subsequent entry cohorts.

Second, the participation data also suggest that most households would not be directly affected by the two-year time clock. During the period January 1995 through September 1998, about 75 percent of the families that participated in Work First received

⁵ This rate of return is based on analysis of participation through September, 1998.

benefits for less than two years. Over half of the families participated for less than twelve months. Analysis of entry cohorts indicates that the median length of stay is seven to eight months. Although a portion of the families that leave the program subsequently return, the analysis of spells, combined with the participation data, suggests that most families are on the program for less than 24 months.

The Two-Year Time Clock

North Carolina implemented the two-year time clock under a Section 1115 waiver prior to the passage of PRWORA. According to the state's Work First manual, the two-year clock is started when a family member is activated in EPIS. This activation initiates a counter in EIS that tracks the number of months on the time clock. EIS generates a letter to the family outlining the provisions of the time clock. The family officially begins accruing time on the 24-month clock in "the month following the date of the notification letter."⁶

The first cohort of families began accruing time on the clock in August 1996. As Figure 5 illustrates, 7,840 individuals started the time clock that month. This group reflected individuals that had been active in EPIS when the time clock was implemented. The number of individuals placed on the time clock dropped in September 1996, to 1,595 and in October to 1,466. In May 1997, the number of individuals starting the clock climbed to 3,718, but subsequently dropped to around 2,000 per month in September. It remained relatively close to that level through June 1998. By early September 1998, 63,099 individuals have been added to the two-year time clock.

⁶ North Carolina Division of Social Services Work First manual, Reference Number 105, page 3.

Figure 5: Number of Persons Starting the 24-Month Clock Over Time

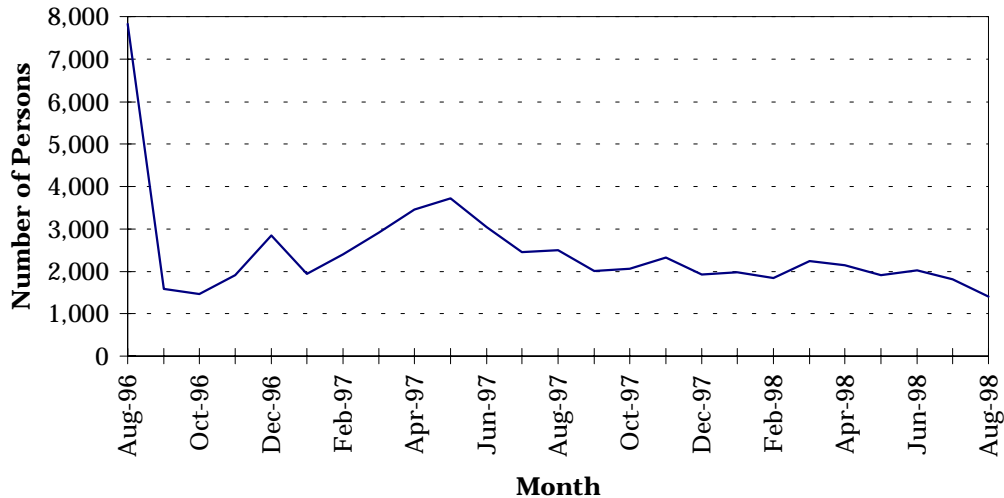


Figure 6 illustrates the number of months that individuals have accumulated on the on the two-year time clock since its implementation. Of the 63,099 individuals that have started their two-year clock, 11,958 have only one month on the clock, 9,159 have two months, and 7,794 have three months. The number of people with more than three months on the clock continues to drop sharply. There are 289 individuals with 21 months on the clock, 245 with 22 months, and 200 with 23 months. In early September 1998, there were 477 individuals with 24 months on clock, representing the 320 that exhausted their time limit on July 31 and left Work First in August, 91 that exhausted their benefits August 31 and left in September, and 66 that were expected to exhaust their benefits September 30 and leave the program in October.

Figure 6: The Number of Months Individuals Have Accumulated On The Two-Year Clock

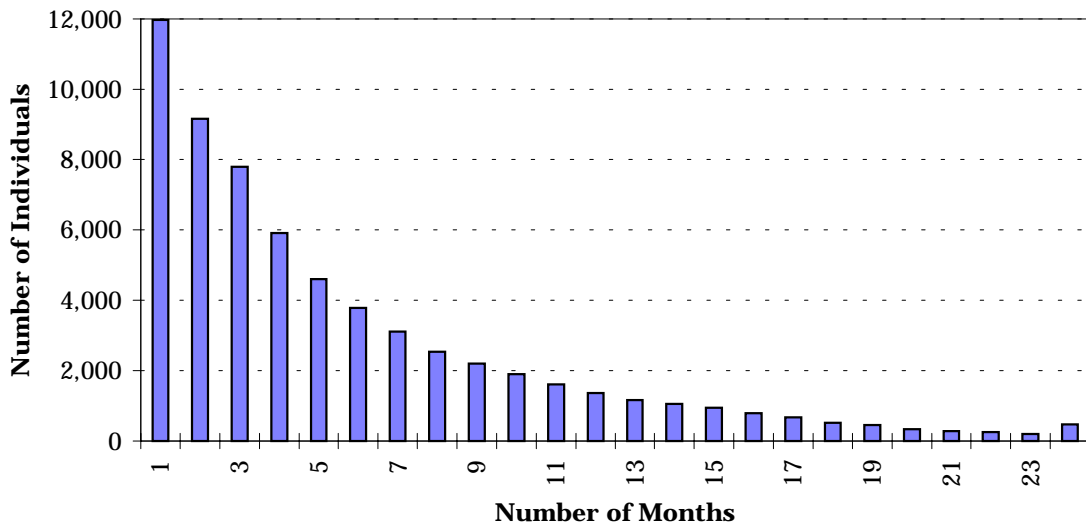
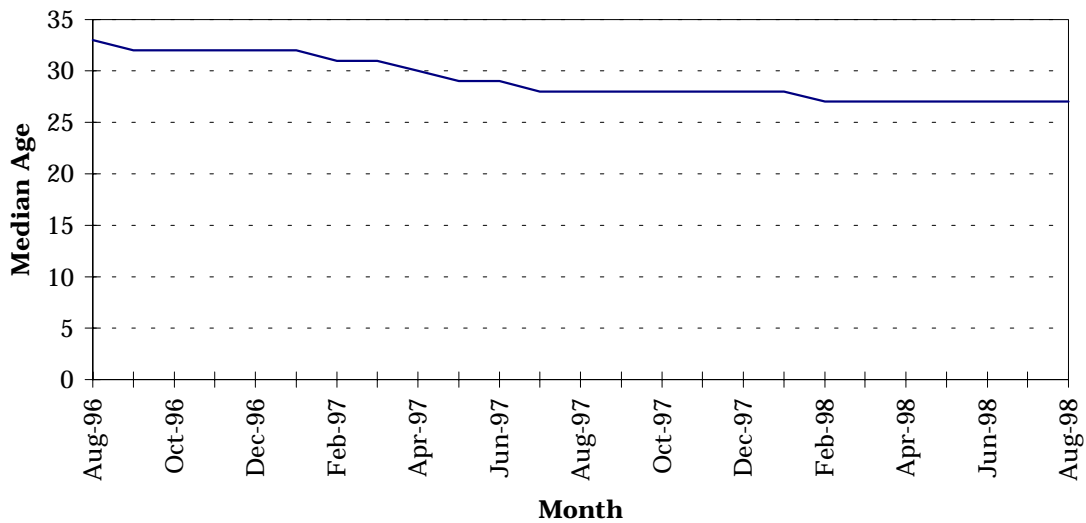


Figure 6 indicates that most of the individuals on the time clock have accumulated only a small number of hours. About 46 percent of the individuals with time on the clock have accumulated only one to three months. Another 23 percent have accumulated between four to six months. Only 11 percent of the individuals on the clock have accumulated 13 or more months. This suggests that most of the people placed on the time clock remain on the clock for only a few months. In Figure 6, the sharp decline in the number of people as the number of months increase shown is one reason only a small number of families have been forced off Work First for exhausting their benefits under the two-year time limit.

Characteristics of Families on the Time Clock

As Figure 5 suggests, most of the individuals added to the time clock in August 1996, had been receiving benefits for some time. Individuals added later are more likely to be members of families that began recent spells on Work First. This conclusion is supported by Figure 7 which shows the average age of individuals starting the two-year clock over time. As the Figure indicates, the median age of individuals starting the clock in August, 1996, was 33. By April, 1997, the median age had fallen to 30. By February, 1998, the median age had fallen to 27. It has remained at 27 through August, 1998.

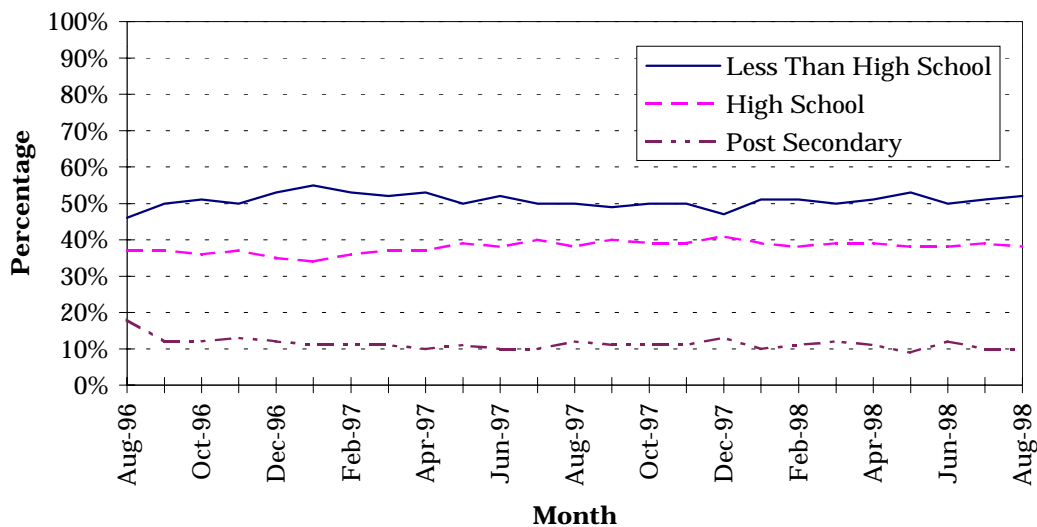
Figure 7: Median Age of Individuals Starting the 24 Month Clock



Although the age of individuals starting the time clock has fallen, their level of education has remained fairly constant, as shown in Figure 8. As the figure indicates, around 50 percent of the individuals added to the time clock each month have less than a high school education.⁷ Between 38 to 40 percent of the individuals starting the clock have a high school diploma or a GED. About 10 percent of the individuals have some post-secondary education.

⁷ The information on level of education is drawn from the North Carolina EPIS system.

Figure 8: Level of Education for Individuals Starting the 24 Month Clock



Characteristics of the Individuals Leaving As A Result of the Time Clock

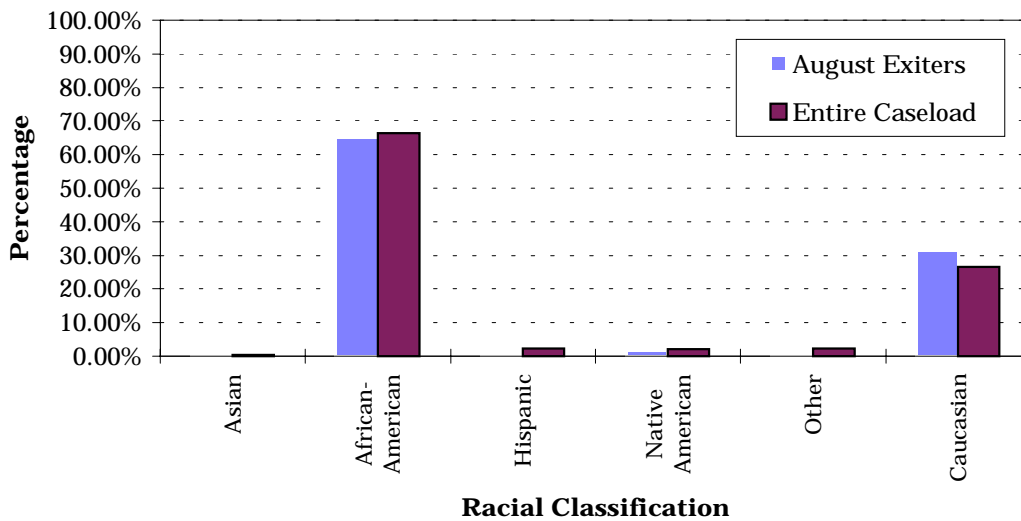
In certain ways, the families that have left as a result of the two-year time clock closely resemble other families in the caseload. In other ways, however, these families are substantially different. Figure 9 shows the racial composition of families exhausting their benefits July 31, 1998, and leaving the Work First caseload in August.⁸ As the figure indicates, about 65% of the families that left are African-American, roughly the same as the makeup of the Work First caseload. Slightly more than 31 percent of the families that left in August are Caucasian. That compares with 26.5 percent of the families participating in Work First. Less than one percent of the families that left the caseload in August are Hispanic, compared to 2.3 percent of the Work First caseload.

The families that left the caseload in August and September also were similar to the caseload in their gender composition. About 96 percent of the adults that left the caseload in August are female, compared with 97.8 percent of the adults that left in September. Slightly more than 96 percent of the adults in the Work First caseload are

⁸ The percentages for those families exhausting their benefits August 31, 1998, are almost exactly the same.

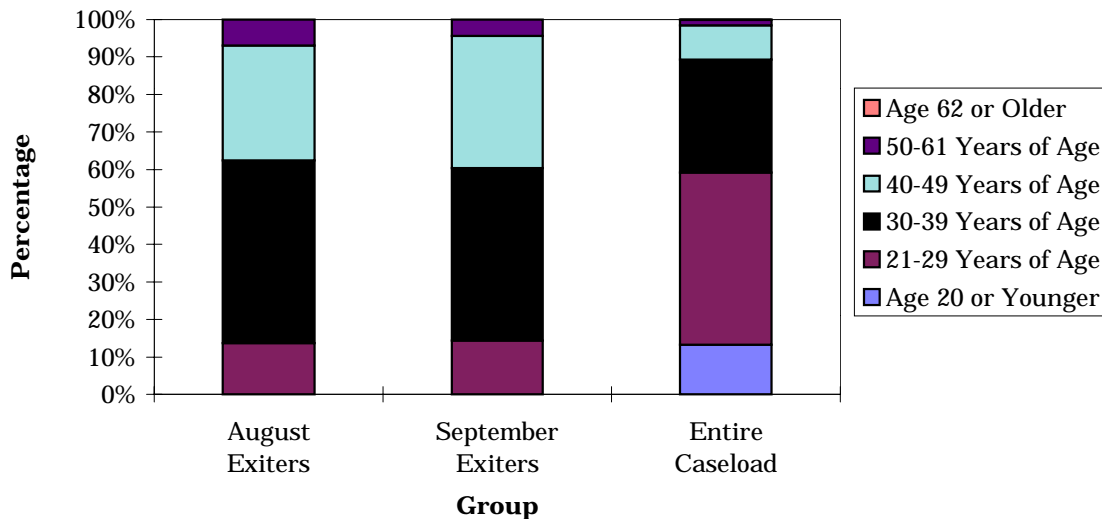
female. About 67 percent of the individuals in the families that left in August are female, compared with slightly more than 65 percent of the individuals that left in September. In the Work First caseload at this time, 63.3 percent are female.

Figure 9: Racial Composition of Families Starting the 24 Month Clock



While the individuals and families that left in August and September were similar in terms of race and gender to the Work First caseload, they are different with regard to age. The adults in the families that left tended to be about ten years older than the adults in the caseload. As Figure 10 indicates, about 14 percent of the adults that left in August and September were between 21-to-29-years-old. About half of the adults that left in August were between 30-to-39-years-old, while 46.2 percent of the adults that left in September were in that age group. About 30 percent of the adults that left in August, and around 35 percent of the adults that left in September were between 40-and-49-years-old. Almost seven percent of the adults that left in August were between 50-and-60-years-old, while 4.4 percent of the adults that left in September were in that age group.

Figure 10: Ages of Adults Leaving as a Result of the 24 Month Time Clock Compared to Adults in the Work First Caseload

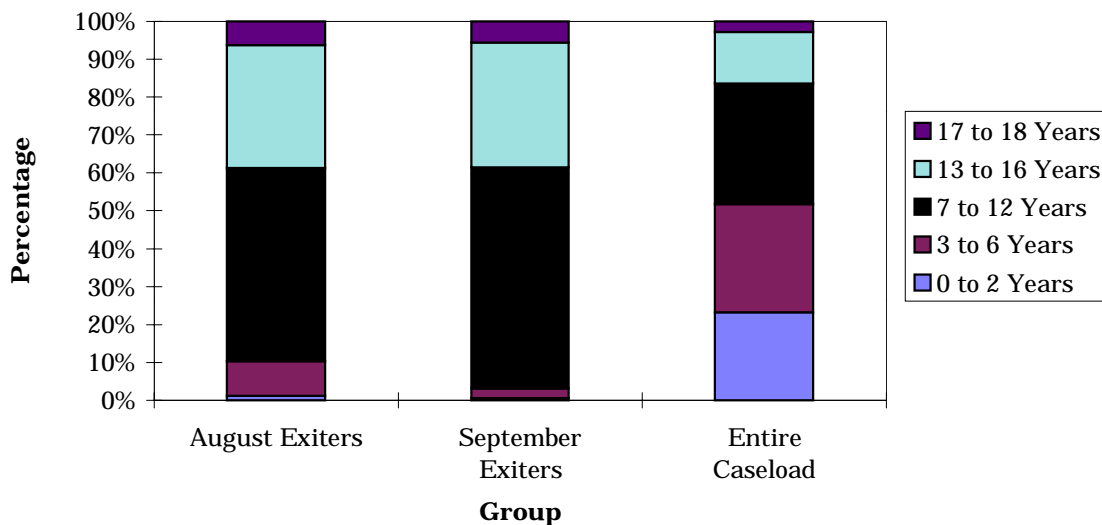


These breakdowns do not match the caseload as a whole. About 12.3 percent of the adults in the caseload are 20-years-old or younger. None of the adults that left in August or September were younger than 21. While about 14 percent of the adults that left as the result of the time clock were between 21-and-29-years-old, 45.8 percent of the adults in the Work First caseload fall into this group. Only 30.1 percent of the Work First caseload as a whole is in their 30's, while close to half of the adults that left are in this age group. Also striking is the fact that 9.1 percent of the Work First caseload is in their 40's, and about one in three of the adults that left due to the time clock are that old. The median age of the adults that left in August and September is 37, compared with 27 for the adults in the caseload.

Not only are the adults older, the children in cases leaving the program are older too. This is illustrated in Figure 11, which indicates that 23.3 percent of the children in the Work First caseload are two-years-old or younger. About 1.3 percent of the children in families that left in August and less than one percent of the children in families that left in September are this young. More than one-in-four of the children in the Work First caseload are between 3-and-6-years-old, compared to only 9 percent of the children that left in August and 2.5 percent of the children that left in September are in this age group. Over half of the children in families that left in August and 58.4 percent of the children in

families that left in September are between 7 -and-12-years-of-age. In the caseload as a whole, about three out of ten children fall into this group. About a third of the children in families that left in August or September as a result of the time clock were between 13- and-16-years-of-age. Only 13.6 percent of all children in the Work First caseload are this old. The median age of children in families that left in August and September is 11, compared with 6 for all children in the Work First caseload.

Figure 11: Ages of Children in Families Leaving as a Result of the 24 Month Time Clock Compared to Children in the Work First Caseload



Another way in which families that left the program as the result of the time clock differ from other families in the Work First caseload involves the length of time they have received benefits. Families that left as a result of the time clock tended to have been on AFDC or Work First far longer than other families in the caseload. For example, 89.7 percent of the families that left in August, and 86.4 percent of the families that left in September received benefits in January, 1995. This compares with slightly less than 45 percent of the caseload as a whole.⁹ In addition, 91.6 percent of the families that left in August, and 87.9 percent of the families that left in September had participated in AFDC

⁹ January, 1995, is the first month data are available in the longitudinal database created to track Work First participants.

or Work First in North Carolina for at least 40 months since January, 1995. Only 35.5 percent of the families in the Work First caseload have participated for that many months.

Earnings and Expenses

Many of the families that left Work First received income from other sources. The type of income received is shown in Table 1.¹⁰ Of the families that left in August, 35 percent reported earned income. A similar percentage of the families that left in September reported earnings. Of the families that left in August and reported earnings, the average earnings was \$400.26. The families that left in September that had earnings averaged \$396.54.

Table 1: Income and Expenses for Families Leaving as a Result of the Time Clock

Income or Expense Type	Families Leaving August 1		Families Leaving September 1	
	<i>Percentage</i>	<i>(N)</i>	<i>Percentage</i>	<i>(N)</i>
Utility Expense	75%	(242)	66%	(72)
Earned Income	35%	(113)	38%	(35)
SSI Income	13%	(42)	9.8%	(9)
Social Security Benefits	5%	(16)	10%	(9)
Income from Contributions	3%	(9)	3%	(3)
Countable Assets	6.5%	(21)	7.2%	(7)

A number of the families reported income from Supplementary Security Income (SSI). SSI payments are made to individuals that are aged or disabled and generally are not eligible for Social Security benefits. Individuals that receive SSI are excluded from Work First grants. Of the families that left in August, 13 percent received SSI. Only 9.8 percent of the families that left in September reported income from SSI. The average SSI

¹⁰ Information in Table 1 was extracted from Food Stamp records for the families leaving Work First. The income and expense information is not available from EIS. Of the 320 households that left in August, 303 received Food Stamp benefits. Of the 91 that left in September, 83 received Food Stamps. Since some of the families that left the program did not receive Food Stamps, the table may slightly under report the number of families receiving various types of income.

benefit received by families that received SSI among those leaving in August was \$438.38. The average benefit for those leaving in September was \$338.44.

A smaller number of families reported Social Security income. Five percent of the families that left in August reported Social Security income. Ten percent of the families that left in September as a result of the time clock reported Social Security income. The average payment received by a family with Social Security income in the August group was \$258.93. The average benefit for the September group was \$149.11. The reason for the difference in the amount of Social Security income between the two groups is not apparent.

Only 6.5 percent of the August group reported countable assets for Food Stamp purposes. These countable assets include such things as cash on hand or bank deposits. Of the families that left in September, 7.2 percent reported countable assets. The average value of the assets for those families that had them and left in August was \$435.24. The average value for the families leaving in September was \$628.80. Although there is a difference of close to \$200 in the amount of countable assets held by the families in the two groups, only a small number of families that left in September had any assets. As a result, the increase in the average amount could be due to one or two families.

Employment and Training Activities

Most of the individuals leaving Work First engaged in employment or other training activities in their last year on the program. PRWORA required that 25 percent of most TANF households containing at least one able-bodied adult had to engage in a minimum of 20 hours of employment and training activities each week by July, 1997. TANF households containing two or more parents had higher requirements. Seventy-five percent of these households were required to have one parent engage in 35 hours of employment and training activities each week and the second parent engage in 20 hours of activities by July, 1997.

North Carolina chose to set higher employment and training requirements for Work First families. Twenty-five percent of most Work First households containing an able-bodied adult had to engage in 30 hours of employment and training activities each

week by July 1, 1997. In 75 percent of households with two able-bodied parents, one parent had to engage in 35 hours of employment and training activities each week, while the second parent had to engage in 30 hours of activities each week.¹¹

Table 2 provides an overview of the employment and training activities that individuals leaving the program in August reported in their last year on the program. As the table indicates, 74 percent of the individuals reported employment at one time or another during their last year on Work First. The median amount of time spent in employment for those reporting employment was 520 hours.

Table 2: Employment and Training Activities During the Last 12 Months on Work First For Individuals Leaving the Program in August

Activity	Percentage Participating Over Last 12 Months	Median Hours Spent in Activity Over Last 12 Months
Alternate Work Experience	35%	327
Assessment	10%	3
Job Search	16%	76
Vocational Training	42%	371
Education	6%	213
Post Secondary Education	7%	313.5
Other Training	7%	230
On-the-Job Training	1%	175.5
Employment	74%	520
Number of Individuals	(320)	

Thirty-five percent of the individuals who left in August engaged in an alternate work experience. Alternate work experience is “an unpaid training opportunity within a public or private, non-profit agency.”¹² The median number of hours spent in alternate work experience over the last year was 327. Sixteen percent of the individuals participated in job search activities. The median number of hours spent in job search activities was 76 hours.

¹¹ DSS Administrative Letter No. Work First 10-96, issued December 18, 1996. These requirements were effective January 1, 1997.

¹² North Carolina Division of Social Services Work First manual, Reference Number 118, page 26.

Table 3 provides a similar breakdown for individuals in families that left in September. The information in the table is based on the first 11 months of the last year they spent on the program.¹³ As the table indicates, about 75 percent of the individuals from the 91 families that left the program in September engaged in employment during their last year on the program. The median number of hours spent in employment over the 11 month period was 724. Thirty-five percent of the individuals that left in September engaged in alternate work experience. The median time spent in this activity was 291 hours.

Table 3: Employment and Training Activities During the Last Year on Work First For Individuals Leaving the Program in September*

Activity	Number Participating Over Last Year	Median Hours Spent in Activity Over Last Year
Alternate Work Experience	35%	291
Assessment	10%	3
Job Search	14%	55
Vocational Training	29%	175.5
Education	4%	39
Post Secondary Education	3%	374
Other Training	2%	158.5
Community Service	1%	75
Employment	75%	724
Number of Individuals	(91)	

* The data represent only the first eleven months of each individual’s last year on Work First.

Only 13 of the individuals from households that left in September engaged in job search activities. The reason that so few individuals from households leaving in August and September engaged in job search is likely to be guideline contained in PROWRA that limit the amount of time job search can be counted as an employment and training activity.

¹³ Data for the last month these families were on Work First were not required to be entered into EPIS until September 20. Those data will be included in subsequent analyses.

Sanctions

As a condition of eligibility for Work First, families must sign a personal responsibility contract. This contract includes such things as a parent accepting responsibility for obtaining immunizations and medical exams for their children as well as ensuring that children are enrolled and attending school. As part of the contract, the family agrees to participate with the agency child support unit. Portions of the contract also address participation in employment and training activities.

Caseworkers can issue monetary sanctions for not complying with the terms of the personal responsibility contract. The first sanction results in a decrease of \$50 in the Work First assistance check for three months. A second sanction results in a \$75 decrease in the assistance check for three months. A third sanction results in a \$75 decrease for six months. A fourth sanction results in a \$75 decrease for twelve months.

A large number of the families that left Work First as a result of the time clock in August and September received sanctions. Table 4 shows the percentage of these families that received sanctions. As the table indicates, over half the families in each group did not receive a sanction. Seventeen percent of the families that left in August and 16 percent of the families that left in September received only one sanction. Thirteen

Table 4: The Number of Sanctions Received by Families Leaving Work First as a Result of the Two-Year Time Clock

Sanction Activity	Families Leaving in August	Families Leaving in September*
No Sanctions	57%	53%
One Sanction	17%	16%
Two Sanctions	13%	14%
Three Sanctions	8%	11%
Four Sanctions	5%	5%
Number of Cases	(320)	(91)

*Percentages do not sum to 100 due to rounding.

percent of the families that left in August and 14 percent of the families that left in September received two sanctions. Eight percent of the families that left in August and 11

percent of the families that left in September received three sanctions. Five percent of the families in both groups received four sanctions.

Summary

There are a number of things that can be learned about time clocks for TANF recipients based on North Carolina's experience. First, the number of families that leave as a result of the time clock, at least initially, is low. This appears to be due to turnover in the caseload. Some researchers, such as Ellwood (1986) and Pavetti (1995), cited in the 1996 Ways and Means Committee "Green Book" have reported that families tend to receive benefits for a large number of years as a result of a series of spells on assistance. This may in fact be the case in North Carolina over time. Initially, though, data suggest that around 75 percent of families receiving assistance participate for less than two years.

The families that leave as a result of the time clock are similar in some respects to all families in the caseload. They have a similar racial and gender composition. These families differ in other respects. They have received assistance for a longer period of time than other families in the caseload. The adults in these households are older as are the children.

Additional research is needed to identify the relationship between time limits, participation in the program, and movement by families to self-sufficiency. This research will need to assess whether families leave the caseload more quickly after being placed on a time limit. The research also will need to address the impact on the exit from the caseload on family members, particularly children.

References

Ellwood, D.T. (1986). *Targeting “would-be” long-term recipients of AFDC (MPR No. 7617–953)*. Princeton, NJ: Mathematica Policy Research.

Pavetti, L. (1995). *Questions and answers on welfare dynamics*. Washington, DC: Urban Institute.