

From multiple program participation to disconnection in Wisconsin

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The declining availability of cash welfare, and an income support system that increasingly provides benefits that complement, rather than replace, paid work, combine to raise concerns about families disconnected from work and welfare. These concerns were further heightened in the recent recession. While past research on disconnected populations has been particularly useful in understanding disconnection in relation to Temporary Assistance for Needy Families (TANF), new patterns of program participation suggest the importance of considering broader populations.¹ Further, while past research has noted that many of the “disconnected” receive some form of public assistance other than TANF, less is known about the importance of these other sources of support. Finally, while there is some evidence of increases in disconnection over time, most analyses focus on a single cohort. The study described in this article adds to the literature on disconnection in several ways. In particular, we analyze how patterns of disconnection vary for different program participation populations; across cohorts and over time for a given cohort; and by different definitions of “disconnection.”

Defining disconnection

Previous studies of disconnected populations have usually begun with a sample of those receiving TANF or its predecessor, Aid to Families with Dependent Children (AFDC), or else with a closely related sample, such as low-educated single mothers. Our analysis follows populations in Wisconsin who we have identified as being originally “connected” through participation in TANF or the Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) or receipt of Unemployment Insurance (UI) benefits. We consider three cohorts of TANF and SNAP participants (those participating at any time during 2005, 2007, or 2009), as well as two cohorts of UI beneficiaries (those receiving UI benefits in 2007 or 2009). To identify the population of program participants, we relied on unique merged longitudinal administrative data that have been extracted and developed by the Institute for Research on Poverty in collaboration with Wisconsin state agencies.

We use multiple definitions of disconnection. Our primary definition of disconnection—regardless of whether an individual was originally connected through participation in TANF or SNAP or receipt of UI benefits—is: no program participation, child support receipt, or earnings in December of the year following cohort entry. The programs considered are TANF, SNAP, subsidized child care, Medicaid, Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), and UI benefits. In addition to our primary definition, we measure disconnection according to four alternative definitions: (1) no program participation or earnings; (2) no cash assistance or benefits (TANF, SSI, UI), SNAP, or earnings; (3) no cash assistance or benefits (TANF, SSI, UI) or earnings; and (4) no program participation, earnings, or child support at any time in the following year (rather than in December of the following year). Further, while we focus our analysis on nonparticipants, especially on those who appear to be disconnected from both employment and public income support programs, we also document patterns of multiple program participation.

Results

Figure 1 shows the location and selected demographic characteristics of the adults participating in TANF and SNAP in each of the three cohorts: 2005, 2007, and 2009. Administrative data for UI beneficiaries in each of our cohorts, which totaled 342,334 in 2007 and 575,828 in 2009, does not include similar demographic information and therefore is not reflected in Figure 1.

In relation to TANF, participation as reflected in cohort size fell between 2005 and 2007, (from 19,726 to 15,627) and then rose in 2009 (to 18,708). In all three cohorts, most TANF recipients lived in Milwaukee County, the state’s largest urban area, although the proportion in other urban counties and in rural counties grew over time. Adults participating in TANF were mostly young women; about three-quarters are under age 35. The proportion of participants who were black fell slightly over the period, while the percentage white rose. Across the three cohorts there was also some decline in the proportion with three or more children, from 29 percent to 26 percent and with children over age 12, from 11 percent to 8 percent (not shown on figure). Thus, while Wisconsin’s TANF program continues to largely serve very disadvantaged families, there is some evidence that the program served a broader population during the recent economic downturn.

The shift to a broader population served is even more evident in the SNAP program, where participation increased from

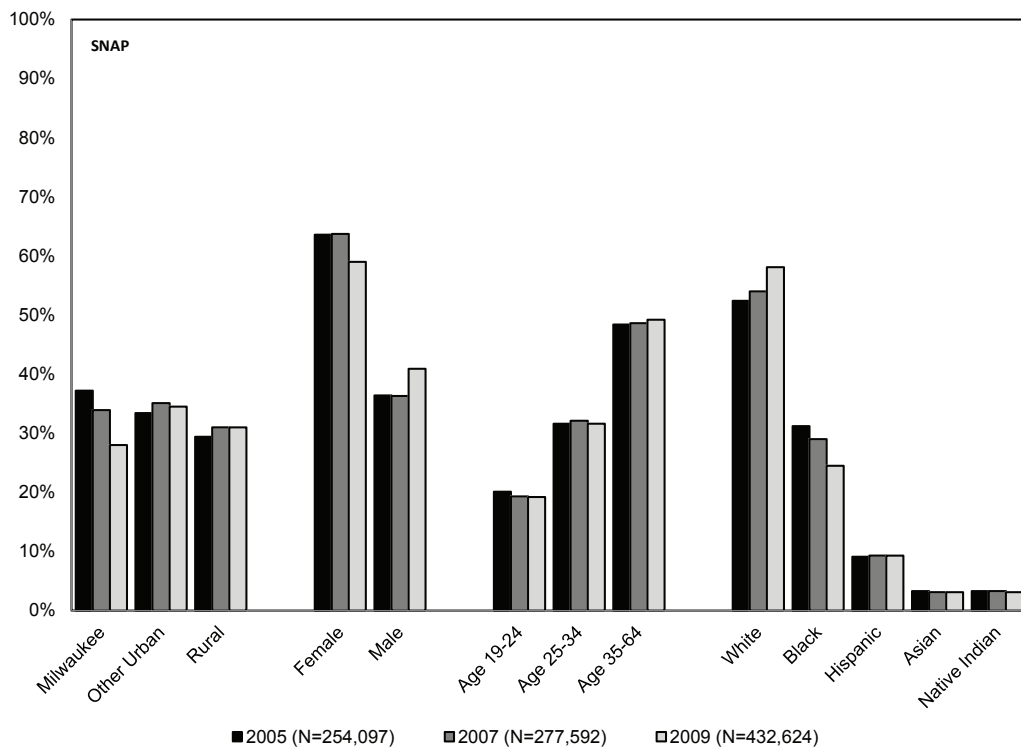
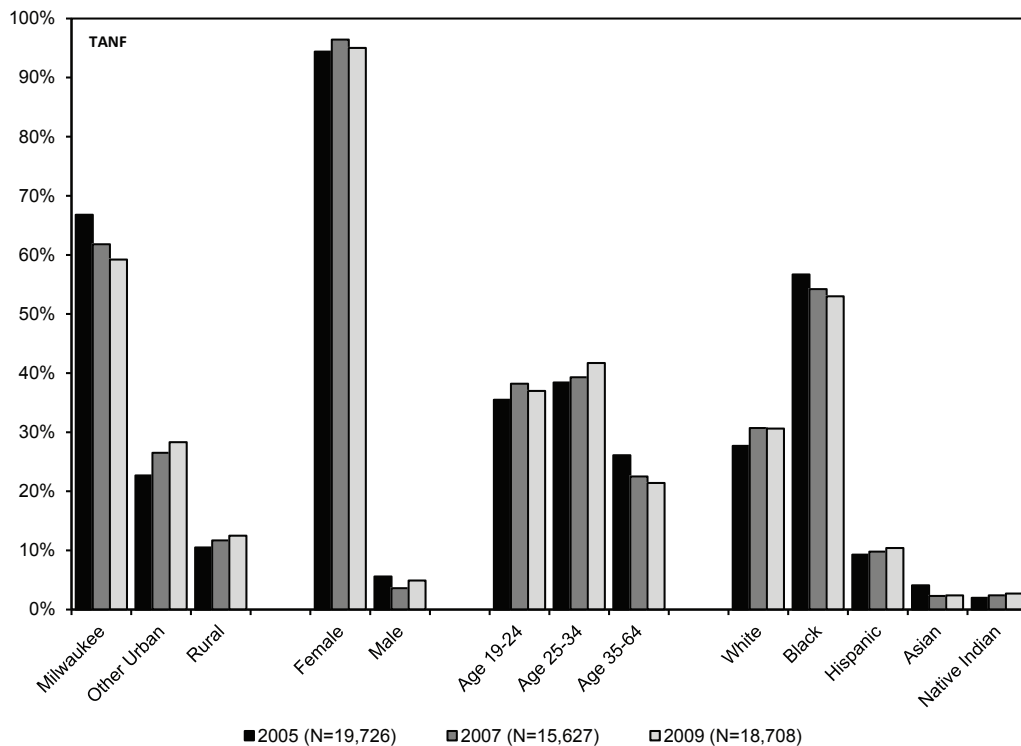


Figure 1. Selected characteristics of TANF and SNAP participants, by cohort.

Source for all figures: Linked longitudinal administrative data from the State of Wisconsin data systems. The systems are CARES (TANF), KIDS (Child Support Enforcement), WiSACWIS (Child Welfare Information), and UI.

254,097 to 432,624, or about 70 percent, from 2005 to 2009. SNAP serves a larger and more diverse population than TANF; for example, Milwaukee County accounts for only about one-third of adults served by SNAP in 2005, with the proportion falling over the three cohorts. The

proportion of SNAP participants who were white increased over time, while the proportion black decreased. By 2009, over 40 percent of SNAP participants were male, while childless adults accounted for nearly half of all participants.

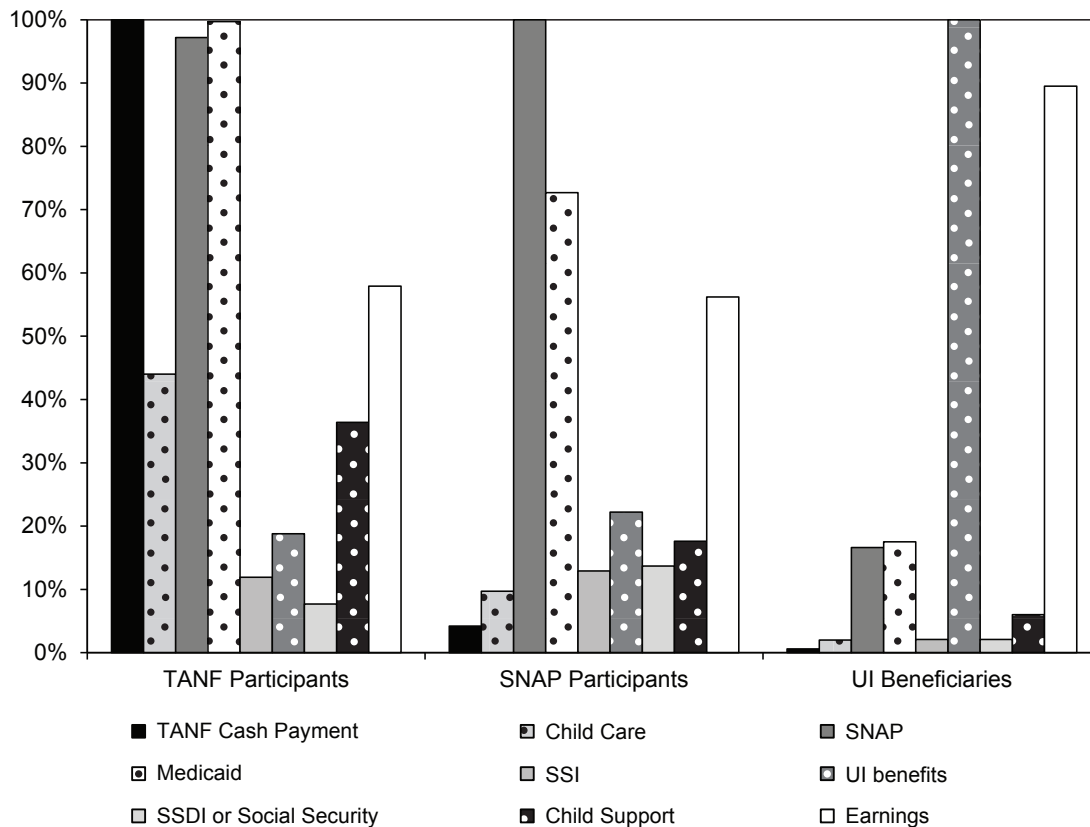


Figure 2. Other program participation in 2009.

Note: Medicaid, SSI, and Social Security or SSDI participation shown includes that of both adults and their children; UI participation reflects only programs available to the adult recipients.

Source: Linked longitudinal administrative data from the State of Wisconsin data systems. The systems are CARES (TANF), KIDS (Child Support Enforcement), WisACWIS (Child Welfare Information), and UI.

Multiple program participation in sample year

Across all three cohorts, most TANF and SNAP participants also received other public benefits. Focusing on the 2009 cohort, the first set of bars in Figure 2 shows that virtually all TANF participants also received SNAP benefits and Medicaid. Subsidized child care was used by close to half of TANF participants. Over a third of TANF participants received child support, and nearly 60 percent had reported earnings.

The second set of bars in Figure 2 illustrates how SNAP participants differ from TANF participants. Just under three-quarters of SNAP participants received Medicaid, compared to nearly all TANF participants. Since a substantial portion of SNAP participants do not have children, it is not surprising that participation in subsidized child care was relatively low, as was receipt of child support and participation in TANF. Both SSI and Social Security or SSDI participation were relatively high, and just over half of SNAP participants had some earnings.

The final set of bars in Figure 2 shows that UI beneficiaries, compared to TANF and SNAP participants, are substantially more likely to have earnings, and substantially less likely to receive other benefits. This result is expected, since UI benefits are not means tested and are based on work history.

Patterns of multiple program participation for the 2009 cohort across all five means-tested programs included in our analysis (TANF, SNAP, Medicaid, SSI, and subsidized child care) are shown in Figure 3. The figure highlights the intensive use of benefits by TANF participants relative to SNAP participants and UI beneficiaries.² Although the figure shows only the 2009 cohorts, we found that the intensity of multiple program participation remained fairly stable across the cohorts for TANF participants. In contrast, the growing populations of SNAP and UI beneficiaries in the most recent cohort include a somewhat higher proportion of individuals receiving only one or two means-tested benefits.

Program participation over time

To examine how program participation patterns change over time, we first consider participation for the initial program of interest at the end of the calendar year following the year in which our samples were identified. The results are shown in Figure 4. TANF participants were relatively unlikely to be receiving cash benefits (which are time limited) in December of the year following cohort entry, although rates were higher for each subsequent cohort. Compared to TANF participants, a higher proportion of SNAP participants continued to receive benefits in December of the following year. This is not surprising, since SNAP participation is not time

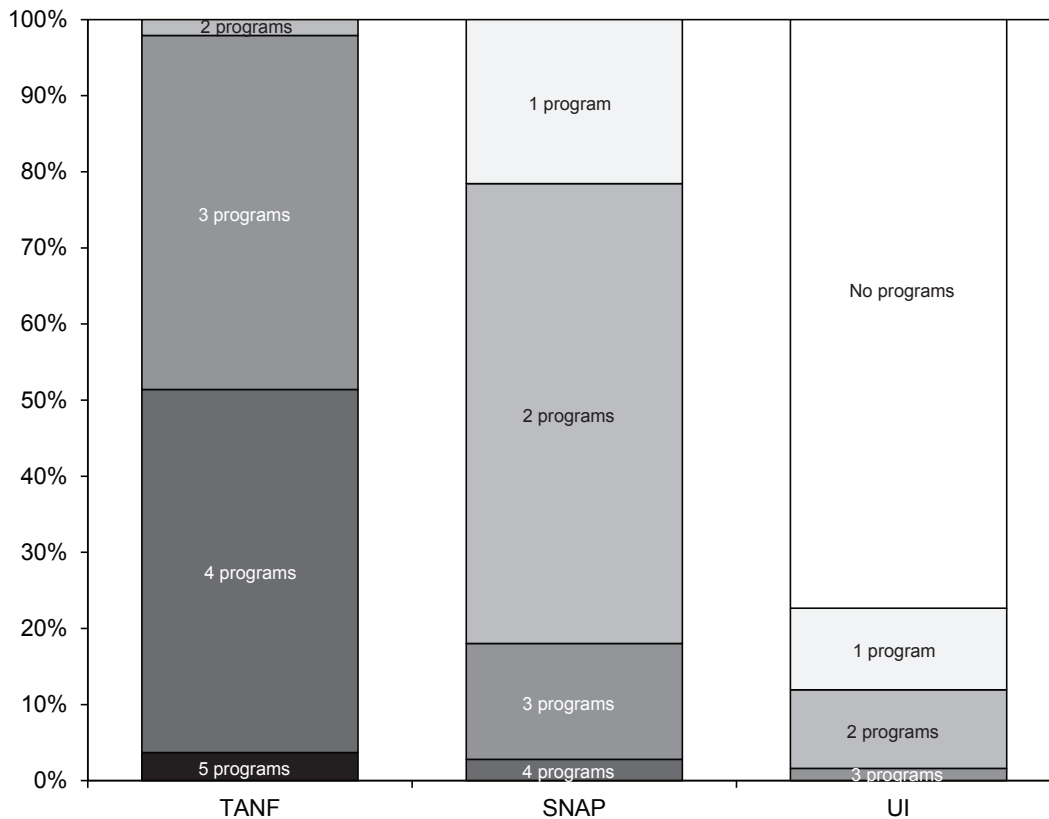


Figure 3. Multiple program participation among 2009 TANF, SNAP, and UI-benefit recipients.

Source: Linked longitudinal administrative data from the State of Wisconsin data systems. The systems are CARES (TANF), KIDS (Child Support Enforcement), WiSACWIS (Child Welfare Information), and UI.

limited. As we observed for TANF, extended participation became more common in later cohorts. In contrast, for UI beneficiaries, persistence actually declined slightly between the 2007 and 2009 cohorts.

In addition to being interested in the continued participation in the programs of initial interest, we are also interested in receipt of other benefits or sources of income. We found that TANF participants were more likely to participate in other programs during the sample year, and that this pattern persists. In addition, their receipt of means-tested benefits in the following year is in most cases greater for the more recent cohort. For example, 78 percent of 2005 TANF participants continued to be covered by Medicaid in December of the following year, a figure that rose to 82 percent and 85 percent, respectively, among 2007 and 2009 TANF participants. Further, among 2005 TANF participants, 67 percent received SNAP benefits in December of the next year, a figure that rose to 73 percent and 84 percent for the next two cohorts. In contrast, SSI and Social Security or SSDI receipt remained relatively steady, and subsequent employment and subsidized child care fell somewhat for the latest cohort of TANF participants.

For SNAP participants, participation in other means-tested programs during the sample year declined somewhat over the cohorts. In contrast, participation in the following year seems to be stable, or even rising. We also find evidence of greater SNAP and Medicaid use in December of the follow-

ing year among original 2009 UI beneficiaries, compared to 2007 beneficiaries.

Patterns of disconnection

What are the implications of these patterns of subsequent benefit receipt for the population of “disconnected” participants? Figure 5 shows disconnection for initial TANF and SNAP participants by cohort. Information about the disconnection of UI beneficiaries, although analyzed, is not reflected in the figure.

Our primary definition of disconnection, shown in bold on Figure 5, is: no program participation, child support receipt, or earnings in December of the year following cohort entry. The programs considered are TANF, SNAP, subsidized child care, Medicaid, Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), and UI benefits. The probability of disconnection varies by the original program of connection; it falls from 6 percent to 4 percent across the cohorts of TANF participants, and from 14 percent to 9 percent across the cohorts of SNAP participants. The percentage disconnected remains close to 12 percent in both cohorts of UI participants for whom we have data (not shown in figure).

Using our primary definition of disconnection, we looked at the characteristics of disconnected TANF and SNAP participants, and found that the pattern of declining risk of

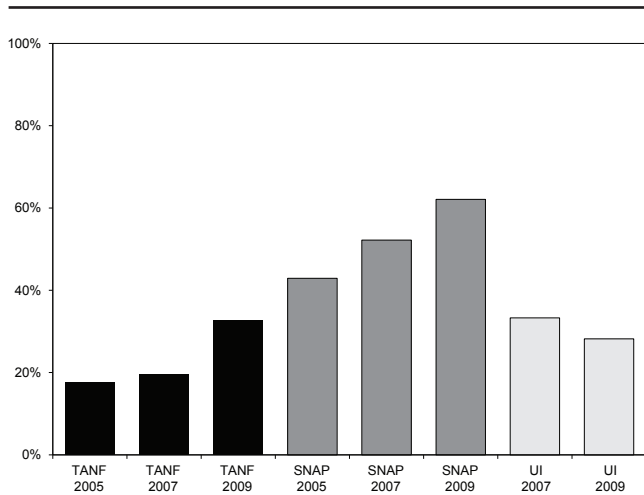


Figure 4. Receipt of initial program of interest in December of the following year.

Source: Linked longitudinal administrative data from the State of Wisconsin data systems. The systems are CARES (TANF), KIDS (Child Support Enforcement), WiSACWIS (Child Welfare Information), and UI.

disconnection across cohorts is fairly consistent across most categories for TANF participants. Among SNAP participants, the risk of disconnection fell by half (from 21 percent to 13 percent) for male participants and more modestly (from 9 percent to 7 percent) for female participants. There was

also an unusually large decline in the risk of disconnection (from 15 percent to 7 percent) for SNAP participants in Milwaukee County—home to about a third of the state’s SNAP participants.

Overall, we find relatively low levels of disconnection, especially for the most recent cohort. In part this reflects our expansive measure of program participation. The importance of how disconnection is measured is illustrated by the other sets of bars in Figure 5, which show the proportion of initial TANF and SNAP disconnected by four alternative definitions.

If we define the disconnected as those with no program participation, no child support, and no earnings at any time in the following year (as shown in Figure 5 for TANF and SNAP cohorts in the far left set of bars for each group), only 1 percent to 2 percent of TANF participants, 3 percent to 5 percent of SNAP participants, and 4 percent to 5 percent of UI participants are disconnected.

If we measure disconnection in December of the following year (as with our primary measure), but apply an increasingly limited definition of connection as reflected in the remaining sets of bars in Figure 5, the rates of disconnection continue to rise. For example, among 2005 TANF participants, 6 percent are disconnected by our primary definition;

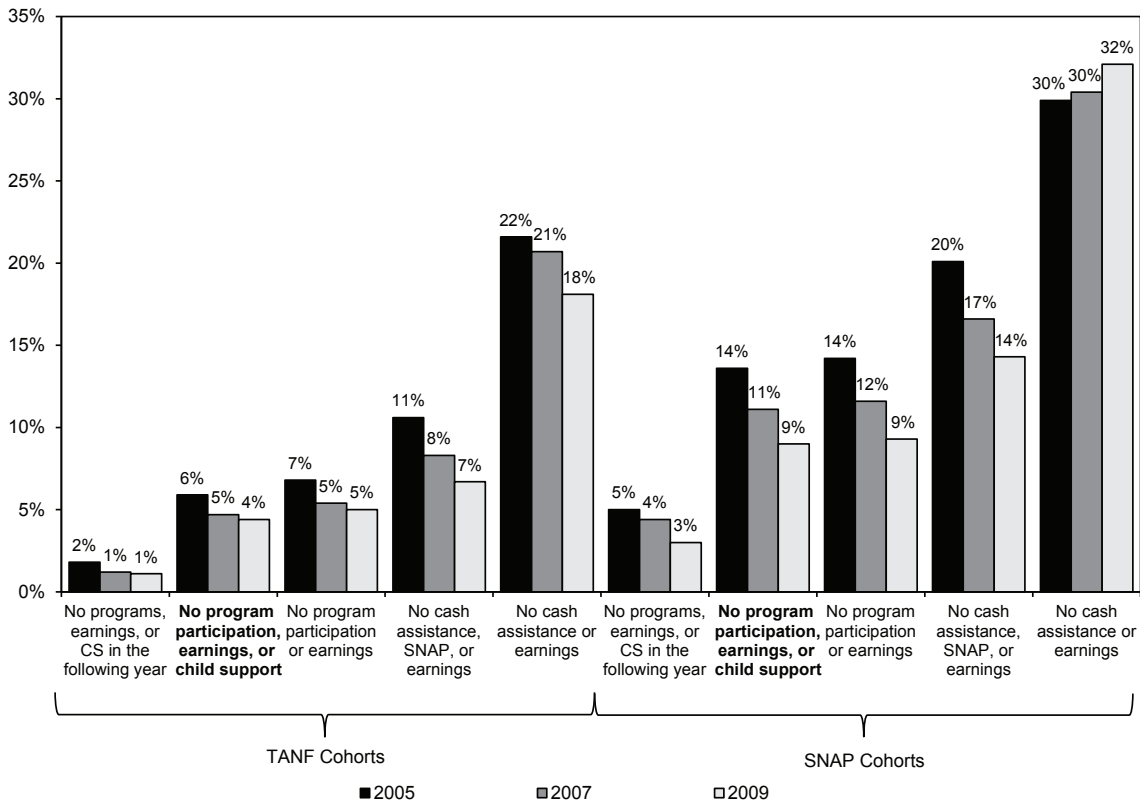


Figure 5. Disconnection measures by cohort: TANF and SNAP.

Note: Unless indicated otherwise, all measures are in December of the year following sample entry. Primary definition of disconnection is shown in bold type.

Source: Linked longitudinal administrative data from the State of Wisconsin data systems. The systems are CARES (TANF), KIDS (Child Support Enforcement), WiSACWIS (Child Welfare Information), and UI.

the figure rises to 7 percent if we do not consider child support income alone as sufficient to be connected; 11 percent if we additionally do not consider Medicaid participation sufficient; and 22 percent if we additionally do not consider SNAP participation sufficient to be connected.

Figure 5 also shows that for TANF participants, rates of disconnection have fallen over time across all the measures. The key importance of SNAP as a “connecting” program is illustrated by the high rates of disconnection with the measure that disregards SNAP participation, shown by the far right set of bars for each group. Finally, Figure 5 shows that the SNAP cohorts have declining rates of disconnection, except when SNAP participation is included. Results for the two cohorts of UI recipients, not shown on the figure, remain relatively stable across the five different definitions of disconnection, ranging from 12 percent to 16 percent.

Alternative connections: Child Protective Services and incarceration

We have concentrated primarily on the earnings and public income supports of individuals initially participating in TANF, SNAP, and UI. In our primary definition, we included participation in SNAP (a “near-cash” benefit) or Medicaid as a form of connection. There is a substantial range of other public programs in which families may participate. In some cases, participation has some direct impact on economic well-being. For example, a family with children attending public schools is arguably connected—at a minimum, schools provide an access point for other services—but school attendance does not generally provide for the material needs of the children or their parents. In contrast, if children are in out-of-home care, or if adults are incarcerated, non-participation in income support programs has very different implications.

In the sample year, around 10 percent of adult TANF participants had a child with a screened-in Child Protective Services report, and about 3 percent had a child placed out of home. Being the subject of a screened-in report is an indication of potential risk to the child, while a placement out of home is generally the result of a determination that the child cannot safely remain with his or her parent(s). It also has implications for other program participation; parents of children in out-of-home placement may no longer be eligible for programs such as TANF, and their children’s economic well-being will no longer directly depend on their parents’ resources. Rates of Child Protective Service involvement were substantially lower for the SNAP population, which is expected since nearly half of SNAP participants did not have any children.

We found that former TANF participants who were disconnected were substantially more likely than the full TANF population to have out-of-home placements. For example, 3.5 percent of 2009 TANF participants who were disconnected in December of 2010 had a child in an out-of-home placement, compared to 2.3 percent for the full sample. The

difference is at least as large in the earlier cohorts. The positive relationship between disconnection and Child Protective Services involvement may reflect the increased risk of maltreatment among children in disconnected households. Alternatively, it may be that parents do not apply for programs, or are no longer eligible, when their child has been placed out of home.

We have records for both Wisconsin state prisons and the Milwaukee County Jail for only the earliest cohort of TANF and SNAP participants, those participating in 2005. We find that 6 percent of the TANF adults (who are overwhelmingly female) are incarcerated at some point in that year, most (5 percent) in the county jail. Among SNAP participants, 5 percent are incarcerated, 2 percent in state prison and 3 percent in Milwaukee County Jail. When we consider incarceration in only one month, December of the following year, rates are lower, as expected, but fall less for the disconnected population than for the full sample of TANF participants. Only 2 percent of the full sample of SNAP participants are incarcerated in December of 2006, but the rate for the disconnected is 8 percent. These figures suggest the potential importance of accounting for incarceration among the disconnected.

Conclusions

We find that TANF participants tend to have very high rates of multiple program participation, and low rates of disconnection. In the sample year, more than half participated in at least four means-tested programs, inclusive of TANF, and nearly all participated in at least three. In contrast, most SNAP participants participated in just one or two programs, inclusive of SNAP, and most UI beneficiaries did not participate in any means-tested program. Comparing TANF and SNAP participants, TANF participants had substantially higher rates of participants leaving the program in the next year, but were less likely to be completely disconnected from any public programs. For both groups, we found higher persistence, and lower disconnection, among more recent cohorts. For the two cohorts of UI beneficiaries for whom we have data, around one-third received UI benefits in the following December, and about one-fifth appear to be disconnected.

In an era of major changes in program eligibility, increased state-level and local variation in program rules and administration, and declining entitlements to cash assistance for prime-age adults and their children, there is increasing interest in understanding the “disconnected” population. However, defining and measuring disconnection is complex. There are a number of important data and measurement issues, but even putting these aside, the most appropriate definition of disconnection depends substantially on the issue being addressed. For example, a question that motivated some of the earliest research on the topic is whether families have left a given safety net program because they are no longer in need, or because they have become disconnected—that is, they remain eligible and in need, but have failed to take up the ben-

efit. Addressing this question requires analysts to consider the characteristics and resources of individuals and families who leave a given program, and whether they remain in need. If all poor “leavers” are defined as disconnected, then rates of disconnection will be high. Alternatively, if we limit our definition of disconnected to those who have no recorded earnings, and no public benefit receipt, rates of disconnection will be much lower, as most families in need (as defined by their initial connection to a public benefit program) are receiving some resources, even while they might benefit from additional participation. In sum, to address critical policy issues related to program participation and disconnection, analysts will have to carefully identify the right questions, as well as their best answers. ■

¹This report is based on the report “From Multiple Program Participation to Disconnection: Changing Trajectories of TANF, SNAP, and Unemployment Insurance Beneficiaries in Wisconsin,” which was prepared as part of the project “Patterns of and Outcomes Associated with Disconnection from Employment and Public Assistance: The Wisconsin Experience,” funded by the U.S. Department of Health and Human Services’ Administration for Children and Families as part of the “University-Based Research Partnerships on Disconnected Families.”

²Again, the differences reflect in part the fact that fewer SNAP adults are part of families with children. If we restrict our sample of SNAP participants to adults in families with children, the intensity of multiple program participation rises substantially.