

Comparing Housing-Assisted and Housing-Unassisted Welfare Leavers in Massachusetts

Gloria Nagle
Massachusetts Department of Transitional Assistance

Abstract

This article is based on survey data collected in Massachusetts between October 1999 and March 2000 to determine the nature, scope, and distribution of housing assistance among families leaving welfare and compare characteristics and postexit outcomes of housing-assisted and housing-unassisted welfare leavers. The author hypothesizes that housing-assisted welfare leavers have more characteristics associated with being more disadvantaged, have longer welfare spells, and have more modest postexit outcomes than unassisted welfare leavers. The analysis was conducted in Massachusetts because of the state's high proportion of housing-assisted welfare families.

The analysis shows that slightly more than half of Massachusetts welfare leavers were receiving housing assistance from the U.S. Department of Housing and Urban Development (HUD) or the state when their welfare case closed and that their housing status changed little 6 to 15 months after leaving welfare. Massachusetts manages approximately 84,000 units of public housing, 62,000 HUD tenant-based rental vouchers, and 9,000 state-assisted housing units. Households receiving housing assistance were as likely to be living in public housing as in subsidized private housing.

The housing-assisted group had more characteristics generally associated with being more disadvantaged than the unassisted group. Housing-assisted welfare leavers were more likely to live alone with their children, have more children in the household, and be older, a member of a minority group, or an immigrant having little or no English-language skills. Although housing-assisted welfare leavers were somewhat more likely to be employed, and although approximately half of both groups were employed full time, the housing-assisted welfare leavers commanded a lower average hourly wage. Housing-assisted welfare leavers spent more time on welfare than unassisted welfare leavers; however, both groups had similar rates of welfare recidivism. In addition, the majority of both groups said that their financial situation, emotional well-being, housing, and ability to take care of their children, as well as the amount and kind of food they could afford, improved or stayed the same after

leaving welfare. However, housing-assisted welfare leavers were more likely to report that their financial situation had worsened after leaving welfare. Moreover, both groups experienced more food problems after leaving welfare.

The author concludes that housing assistance is a major income support for Massachusetts welfare leavers. Yet even in Massachusetts, where welfare recipients are more likely to receive housing assistance than recipients in most other states, a significant unmet need for housing exists.

Introduction

Between 1997 and 1999, the number of very low-income renters with worst-case housing needs declined by 8 percent nationally and by 18 percent in the Northeastern United States, reversing an upward trend in this statistic during the previous 10 years. The U.S. Department of Housing and Urban Development (HUD) defines very low-income renters with worst-case housing needs as unassisted renters earning less than 50 percent of the area's median annual income—\$37,100 for a family of four in the greater Boston area¹—who pay more than half of their income for housing or live in severely substandard housing. The reduction in worst-case housing needs occurred primarily because the incomes of very low-income renters rose more than the cost of affordable housing. But the circumstances of a subgroup of these renters (those earning less than 30 percent of the area's median annual income—\$22,250 for a family of four in the greater Boston area) worsened as the number of units affordable to them decreased at an accelerated rate (HUD, 2001). These developments are important to families leaving welfare, many of whom are low-income renters, because housing costs consume such a large part of their household budget.

In Massachusetts, welfare leavers are as likely to receive housing assistance as not, with one of two receiving housing assistance from the federal or state government.² In fact, welfare recipients are much more likely to receive housing assistance in Massachusetts than in most other states (Kingsley, 1997). A recent study of California welfare leavers in San Mateo and Santa Clara Counties, for example, found that 19 percent were receiving housing assistance (Mancuso et al., 2001; see also "TANF Leavers: Examining the Relationship Between the Receipt of Housing Assistance and Post-TANF Well-Being," this issue). Similarly, a recent study of welfare leavers in Cuyahoga County, Ohio, found that 24 percent were receiving housing assistance (Coulton et al., 2001).

There are three reasons to think that housing-assisted welfare leavers would differ from housing-unassisted welfare leavers. First, housing assistance is generally targeted toward very low-income households; consequently, assisted welfare leavers would be expected to be more disadvantaged and have more modest postexit outcomes than unassisted welfare leavers. Second, assisted welfare leavers are more likely than unassisted welfare leavers to be long-term welfare recipients.³ Third, housing assistance may be a deterrent to employment if welfare leavers fear losing some or all of their rental subsidy as their income increases or if jobs are inaccessible to people living in public housing. Conversely, housing assistance can give welfare leavers an important advantage over unassisted welfare leavers in the event of a serious financial setback such as loss of employment.

Because Massachusetts assists a higher proportion of welfare leavers than other states do, comparing the characteristics and postexit outcomes of the state's housing-assisted welfare leavers with those of housing-unassisted welfare leavers can shed considerable light on the differences, if any, between the two groups.

This article uses survey data collected by the Center for Survey Research (CSR) at the University of Massachusetts at Boston to compare the two groups. CSR interviewed 460 families that left welfare because of the state's 2-year time limit⁴ and 210 families that left for other reasons between December 1998 and April 1999.⁵ The time-limit leavers were oversampled to ensure a sample size large enough for an in-depth analysis of this important group. The interviewees for each group were identified through simple random sampling.

For this analysis I weighted the two groups to correct for oversampling of the time-limit leavers. The weighted sample consisted of 532 families comprising 296 housing-assisted families and 236 housing-unassisted families. The interviews took place 6 to 15 months after the families left welfare, between October 1999 and March 2000.⁶ The survey response rate was 75 percent; 87.4 percent of the interviews were completed by telephone, and the rest were completed in person.

Because Massachusetts was one of the first states in the country to implement statewide time limits, the primary purpose of the survey was to compare postexit outcomes of families leaving welfare because of time limits with those of families leaving for other reasons. The accompanying report, *After Time Limits: A Study of Households Leaving Welfare Between December 1998 and April 1999* (Massachusetts Department of Transitional Assistance, 2000), was released in November 2000.

CSR conducted the survey under contract to the Massachusetts Department of Transitional Assistance, which received funding from the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. HUD provided supplemental funds for an additional analysis of the subset of CSR survey data pertaining to HUD-assisted housing respondents living in Massachusetts, which is the subject of this article.⁷

CSR matched survey respondents with HUD records to identify families receiving assistance from HUD when their welfare case closed.⁸ Families that were receiving housing assistance when they left welfare but were not on HUD's list of recipients were assumed to be receiving assistance from the state.

I initially planned to do a three-group analysis (HUD-assisted cases, state-assisted cases, and unassisted cases), but the differences between HUD-assisted housing cases and state-assisted housing cases were not as great as those between housing-assisted and housing-unassisted welfare leavers.⁹ As a result, I combined the two housing-assisted groups for analytical purposes.

The terms *assisted leavers* and *unassisted leavers* are used in this article to refer to respondents' housing status when their welfare case closed. *Welfare* refers to the state's Temporary Assistance for Needy Families program, which is known as the Massachusetts Transitional Aid to Families With Dependent Children program.

Housing Assistance in Massachusetts

Three out of 10 (31.4 percent) survey respondents in Massachusetts were living in HUD-assisted housing when they left welfare, and an additional 24.2 percent were receiving state housing assistance. In total, 55.6 percent of survey respondents were receiving housing assistance from the government when their welfare case closed.¹⁰

Respondents' housing status did not change much from the time they left welfare to the time they were interviewed 6 to 15 months later. Slightly more than half of respondents (52.4 percent) were receiving housing assistance when interviewed, only 3.3 percent less than the number being assisted when they left welfare. The net loss of 3.3 percent resulted from the 4.5 percent of respondents who obtained housing assistance after leaving welfare minus the 7.8 percent of respondents who lost housing assistance after leaving welfare.

Of the assisted leavers, nearly 9 in 10 (86.2 percent) were still receiving housing assistance when they were interviewed, and an additional 4 percent were on a waiting list.¹¹ Moreover, a sizable number of unassisted leavers were in need of housing assistance; at the time of the interview, approximately one-third of the unassisted leavers (32.3 percent) were either receiving housing assistance (10.2 percent) or on a waiting list (22.1 percent).

Types of Housing Assistance

This analysis focuses on three types of housing assistance: public housing, tenant-based rental assistance, and project-based rental assistance.

Public Housing. Public housing consists of apartments built and subsidized by the federal or state government. As of December 1999 in Massachusetts, 242 local housing authorities operated approximately 84,000 units (34,000 federally assisted units and 50,000 state-assisted units).

To be eligible for public housing, a family's annual income typically must be less than 80 percent of the area's median annual income (\$59,360 for a family of four in Boston in 2002).¹² Forty percent of all new tenants in federally funded public housing must earn less than 30 percent of the area's median annual income. Income limits are updated each year for federal programs and every 2 years for state programs.¹³ The rent for federal public housing is 30 percent of the tenant's net household income minus an allowance for utilities (electricity, heat, cooking fuel), if applicable. The rent for state public housing is 30 percent of the tenant's net household income if all utilities are provided; otherwise, it is 25 percent of the net household income.

Tenant-Based Rental Assistance. Tenant-based rental assistance enables families to rent private housing anywhere in the state. If a family receiving tenant-based assistance moves, the housing subsidy moves with it. The tenant pays the difference between the rent and the subsidy paid to the owner.¹⁴ The three tenant-based rental assistance programs in Massachusetts are HUD's voucher program, the Massachusetts Rental Voucher Program (MRVP),¹⁵ and the Massachusetts Alternative Housing Voucher Program (AHVP).

Seventy-five percent of HUD's vouchers are set aside for extremely low-income families, and the remaining 25 percent are reserved for very low-income families. During the first year of occupancy, a tenant is not allowed to pay more than 40 percent of the family's adjusted annual income for rent and utilities.¹⁶ This restriction is in effect each time a family moves to a new unit.

To be eligible for MRVP, a family's adjusted annual income cannot exceed 200 percent of the federal poverty level (\$36,200 for a family of four in 2002).

AHVP provides rental assistance to nonelderly disabled individuals. AHVP tenants pay a fixed percentage of their income in rent, either 25 percent or 30 percent of their adjusted annual income, depending on whether utilities are included.

Project-Based Rental Assistance. Project-based rental assistance enables an eligible family to live in a unit that is subsidized directly by the administering agency. If the family moves, the subsidy remains with the unit. The project-based subsidy remains with the unit for the term of the agency’s contract with the owner. The income limits and rent calculations for tenants receiving HUD’s Section 8 project-based rental assistance are the same as those previously described for federally assisted public housing. In MRVP, the tenant pays a fixed percentage of his or her income in rent—40 percent if heat is included, or 35 percent if heat is not included.¹⁷

Scope and Distribution of Housing Assistance

Multiple layers of funding in the housing-assisted market make it difficult to accurately count the number of housing-assisted units in Massachusetts. Housing-assisted developments can receive funding from multiple programs. HUD, the Massachusetts Department of Housing and Community Development, and the Massachusetts Housing Finance Agency are the primary sources of funding.

In December 1999, the state’s local housing authorities managed approximately 62,000 HUD tenant-based rental vouchers and 9,000 state-subsidized units, in addition to the 84,000 units previously described. Data on HUD’s Section 8 project-based rental assistance are unavailable for the same time period.¹⁸

The distribution of housing assistance among welfare leavers was as follows. Families receiving housing assistance at the time of the interview were as likely to be living in public housing as in subsidized private housing (see exhibit 1). These findings need to be viewed cautiously, however, because it is unclear whether tenants receiving project-based rental assistance considered themselves living in public housing or subsidized private housing.¹⁹

Survey Findings

The following sections compare assisted and unassisted leavers in terms of demographic, employment, and housing characteristics; food security and reliance on food stamps and welfare; and postexit outcomes.

Exhibit 1

Distribution of Housing Assistance Among Welfare Leavers When Interviewed (Self-Reported Data) (%)

Housing	Assisted Leavers	Unassisted Leavers
Public housing	44.0	4.8
Government subsidy	42.2	5.4
Waiting list	4.0	22.1

Notes: The survey sample consisted of 670 welfare leavers comprising 460 families that left welfare because of time limits and 210 families that left for other reasons. For this analysis, we weighted the two groups to correct for oversampling of the time-limit leavers. The weighted sample consisted of 532 welfare leavers comprising 296 assisted leavers and 236 unassisted leavers.

Demographic Characteristics

As expected, assisted leavers had more characteristics generally associated with being more disadvantaged than did unassisted leavers. The two groups exhibited statistically significant differences in household structure and presence of other employed adults in the household. The respondents from each group exhibited statistically significant differences in race/ethnicity, age, birthplace, and English proficiency. The respondents from each group were similar in gender and education (see exhibit 2).

Family Structure. The majority of assisted leavers (68.6 percent) and approximately two-fifths of unassisted leavers (39.8 percent) lived alone with their children. Assisted leavers were somewhat more likely than unassisted leavers to have never married and were approximately half as likely to have spouses or partners.

Presence of Other Employed Adults. Unassisted leavers were twice as likely as assisted leavers to be living with another employed adult.

Number of Children. Assisted leavers tended to have more children in the household than did unassisted leavers.

Race/Ethnicity. Assisted leavers were almost twice as likely as unassisted leavers to be a member of a minority group.

Age. Assisted leavers were somewhat older than unassisted leavers.

Birthplace. Assisted leavers were less likely than unassisted leavers to have been born in the continental United States and were more likely to report that they spoke little or no English.

Employment Characteristics

Housing assistance might deter employment if families fear losing some or all of their rental subsidy as their income rises or if jobs are inaccessible to families living in public housing. However, employment rates were similar for the two groups.

Employment Rates. Assisted leavers were somewhat more likely than unassisted leavers to be employed when interviewed (74.2 and 67.7 percent, respectively).²⁰ However, factoring in the presence of an employed spouse or partner eliminated the difference in employment rates between the two groups: 78 percent of assisted families and 76 percent of unassisted families included an employed respondent or an employed spouse (or partner) or both (see exhibit 3).²¹ Approximately 9 out of 10 respondents in both groups (92.5 percent of assisted leavers, and 87.8 percent of unassisted leavers) were either employed when interviewed or had been employed sometime after leaving welfare (see exhibit 2).

The same percentage of respondents in both groups, 52 percent, were working full time (30 or more hours per week). (If full time is defined as 35 or more hours per week, 43.5 percent of assisted leavers and 39.6 percent of unassisted leavers were working full time.)

Earnings, Hours of Employment, Length of Time on the Job, and Occupations. The average hourly wage of employed assisted leavers (\$8.25; median = \$8.15) was somewhat lower than that of employed unassisted leavers (\$8.75; median = \$8.50).²²

Employed respondents in both groups worked an average of 33 hours per week at their main job.²³ The average weekly earnings for both groups were similar: \$273 (median = \$260) for assisted leavers, and \$291 (median = \$298) for unassisted leavers.²⁴ These

Exhibit 2

Demographics of Surveyed Assisted and Unassisted Leavers (%)

Characteristic	Assisted Leavers	Unassisted Leavers
Female	95.9	94.5
Race/ethnicity***		
Non-Hispanic White	35.3	65.1
Non-Hispanic Black	21.2	8.1
Hispanic	38.0	17.9
Other	5.5	8.9
Marital status***		
Never married	61.0	55.5
Married	8.5	18.6
Divorced	13.9	14.8
Separated	14.6	9.3
Widowed	2.0	1.7
Education		
Grade 8 or less	7.5	5.1
Grade 9–11	20.7	19.8
GED	18.0	13.9
High school graduate	23.7	24.1
Some college	18.3	27.4
Associate degree	6.4	5.1
College graduate	3.4	3.4
Graduate work	2.0	1.3
English-speaking ability*		
Only English spoken at home	55.3	68.1
Other language spoken at home		
Speaks English well	25.8	18.7
Speaks English fairly well	8.8	6.0
Speaks little or no English	10.2	7.3
Interviews in Spanish**	11.5	5.5
Birthplace***		
United States	68.1	80.5
Puerto Rico	16.3	7.6
Other	15.6	11.9
Other adults in household*** (n)		
0	68.6	39.8
1	24.0	40.7
2	4.1	16.1
3+	3.4	3.4
Spouse/partner***		
Spouse	7.8	18.2
Partner	7.1	11.9
Employment status of respondent		
Employed after leaving welfare***	92.5	87.8
Employed when interviewed***	74.2	67.7
Employment status of at least one other adult household member		
Employed after leaving welfare***	19.4	43.6
Employed when interviewed***	17.9	39.0
Children in household** (n)		
0	2.4	1.7
1	27.8	38.6
2+	69.8	59.7

GED = general educational development certificate.

Notes: The survey sample consisted of 670 welfare leavers comprising 460 families that left welfare because of time limits and 210 families that left for other reasons. For this analysis, we weighted the two groups to correct for oversampling of the time-limit leavers. The weighted sample consisted of 532 welfare leavers comprising 296 assisted leavers and 236 unassisted leavers. Average age was 34 years for assisted and 32 years for unassisted leavers.

* $P = .10$, ** $P = .05$, *** $P = .01$, statistically significant difference between assisted and unassisted leavers.

Exhibit 3

Respondent and Household Employment Status



average weekly earnings would be equivalent to annual earnings of \$14,196 (median = \$13,520) for assisted leavers and \$15,132 for unassisted leavers (median = \$15,496), based on 52 weeks of employment.

The majority of employed respondents in both groups (68.6 percent of assisted leavers, 75.6 percent of unassisted leavers) were working full time (30 or more hours per week). The length of time working in their current job was not significantly different for respondents in the two groups, averaging 16 months for assisted leavers and 14 months for unassisted leavers. Clerical and retail/sales were the most common occupations for respondents in both groups (see exhibit 4).

Exhibit 4

Respondent Occupations

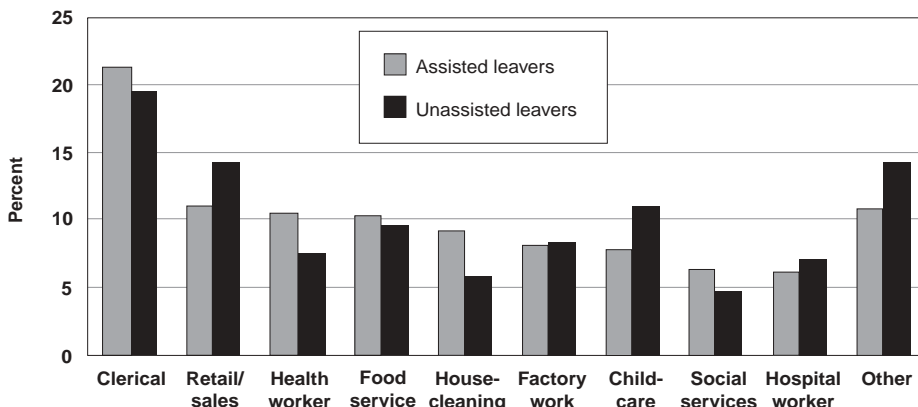


Exhibit 5

Employed Respondents With Employment Benefits (%)

Benefit	Assisted Leavers	Unassisted Leavers
Paid sick leave**	51.4	41.1
Paid vacation*	59.2	50.0
Health insurance option	53.4	50.3

Note: Statistics are based on a weighted sample of 219 assisted leavers and 159 unassisted leavers.
* $P = .10$, ** $P = .05$, statistically significant difference between assisted and unassisted leavers.

Benefits. Although respondents in both groups reported similar occupations and similar amounts of time working in their current job, assisted leavers were more likely than unassisted leavers to have jobs with paid sick leave and vacation days (see exhibit 5). Approximately half of respondents in both groups had jobs that offered health insurance.

Childcare. Assisted leavers who were employed or in school when interviewed were approximately twice as likely as employed unassisted leavers to report that their childcare arrangements did not meet their needs (see exhibit 6).²⁵ Similar percentages of respondents in both groups who were employed or in school needed childcare outside of regular business hours and took their children to work on a regular basis.

Transportation. Assisted leavers were less likely to drive to work than unassisted leavers (43 and 63.2 percent of employed respondents, respectively) and more likely to use public transportation (24.8 and 12.9 percent of employed respondents, respectively).²⁶

When interviewed, assisted leavers were about as likely as unassisted leavers to own a car or other type of vehicle (43.2 and 48.9 percent, respectively). Respondents in both

Exhibit 6

Childcare Arrangements of Respondents Employed or in School When Interviewed (%)

Childcare Arrangement	Assisted Leavers	Unassisted Leavers
Other parent or partner sometimes provides care**	25.5	36.3
Older sibling sometimes provides care	26.0	19.5
Childcare needed outside regular business hours	34.6	31.0
Children regularly taken to work	11.5	7.7
Childcare arrangements meet needs***		
Very well	55.6	72.5
Somewhat	29.8	20.1
Not very well	10.6	6.7
Not at all	4.0	0.7

Note: Statistics for the category childcare arrangements meet needs are based on a weighted sample of 198 assisted leavers and 149 unassisted leavers. All other statistics are based on a weighted sample of 212 assisted leavers and 157 unassisted leavers.

** $P = .05$, *** $P = .01$, statistically significant difference between assisted and unassisted leavers.

groups spent a similar amount of time commuting to work: 24 minutes one way for assisted leavers, and 21 minutes one way for unassisted leavers.

Housing

As previously noted, 86.2 percent of assisted leavers and 10.2 percent of unassisted leavers were receiving housing assistance when they were interviewed. Assisted leavers who were still receiving housing assistance from the government were as likely to be living in public housing as in subsidized private housing (44 and 42.2 percent, respectively). Unassisted leavers who were receiving housing assistance from the government at the time of the interview exhibited a similar pattern: 4.8 percent were living in public housing; 5.4 percent were living in subsidized private housing.²⁷ Slightly less than 1 percent of unassisted leavers were living in a shelter. No assisted leavers were living in a shelter.

Rent and Utilities. The average monthly rent paid by assisted leavers was considerably lower than that paid by unassisted leavers (see exhibit 7). Excluding respondents reporting no rent payment, assisted leavers paid an average of \$250 monthly compared with an average of \$426 paid by unassisted leavers.²⁸ However, it is unclear whether assisted leavers included utility allowances in their reported rent payment.²⁹ Average monthly utility payments were similar for both groups.³⁰

Assisted leavers were more likely than unassisted leavers to report that their utilities had been turned off because of nonpayment.

Exhibit 7

Respondent Living Environment and Associated Costs

Variable	Assisted Leavers	Unassisted Leavers
Living arrangement*** (%)		
Respondent's home, no other adults	69.0	40.5
Respondent's home with other adults	22.8	31.9
Living with roommate	1.7	4.7
Friend's or relative's home	6.5	22.8
Housing status*** (%)		
Rent	94.6	78.5
Own	1.4	6.4
Lives with others	4.1	15.0
Utilities (%)		
Pay for electricity	73.6	75.5
Pay oil, gas, other utilities**	55.7	66.1
Pay water or sewage costs***	6.1	12.6
Utilities turned off after leaving welfare*	28.5	22.2
Utilities turned off before leaving welfare**	23.6	15.2
Working telephone	94.6	95.7
Average monthly cost (\$)		
Rent***	250	426
Utilities	133	136

Notes: The survey sample consisted of 670 welfare leavers comprising 460 families that left welfare because of time limits and 210 families that left for other reasons. For this analysis, we weighted the two groups to correct for oversampling of the time-limit leavers. The weighted sample consisted of 532 welfare leavers comprising 296 assisted leavers and 236 unassisted leavers.

* $P = .10$, ** $P = .05$, *** $P = .01$, statistically significant difference between assisted and unassisted leavers.

Exhibit 8

Rating of Current Housing Conditions by Respondents Who Did Not Move After Leaving Welfare (%)

Rating	Assisted Leavers	Unassisted Leavers
Excellent	20.3	16.7
Very good	20.3	31.0
Good	31.8	27.4
Subtotal	72.4	75.1
Fair	21.2	17.3
Poor	6.4	7.7

Note: Statistics are based on a weighted sample of 236 assisted leavers and 168 unassisted leavers.

Moving After Leaving Welfare. Assisted leavers were less likely than unassisted leavers to move after leaving welfare; 82.7 and 72.5 percent, respectively, had not moved by the time they were interviewed.³¹ Of those who had not moved, assisted leavers and unassisted leavers had lived in their current housing, on average, 51 and 65 months, respectively.³² Of those who had moved at least once after leaving welfare, the average length of time in their current housing was 5 months for both groups.

Condition of Housing. Approximately three-quarters of both groups of leavers who had *not* moved after leaving welfare rated their current housing as good, very good, or excellent (see exhibit 8). In addition to rating their current housing, respondents who *had* moved after leaving welfare compared their current housing to their housing 6 months before they left welfare. In general, the move improved the quality of housing for both groups (see exhibit 9). Current housing for both groups included, on average, five rooms (excluding bathrooms).

Food Security and Food Stamps

When interviewed, nearly 60 percent of both groups were food secure, and a substantial minority was receiving food stamps.

Exhibit 9

Rating of Housing Conditions Before and After Leaving Welfare by Respondents Who Moved After Welfare (%)

Rating	Assisted Leavers		Unassisted Leavers	
	Before	After	Before	After
Excellent	19.2	24.0	8.5	21.3
Very good	19.2	30.0	16.9	39.3
Good	23.1	24.0	28.8	24.6
Subtotal	61.5	78.0	54.2	85.2
Fair	9.6	18.0	22.0	11.5
Poor	28.8	4.0	23.7	3.3

Note: Statistics are based on a weighted sample of 50 assisted and 61 unassisted.

Food Security. The Center for Survey Research (CSR) used the U.S. Department of Agriculture’s six-item index to measure food security. The index comprises six questions about a family’s food situation.³³ Families that answer yes to two to four of the six questions are considered food insecure without hunger. Families that answer yes to five or all six questions are considered food insecure with hunger.

A total of 45.1 percent of assisted leavers and 41.5 percent of unassisted leavers were food insecure after leaving welfare (see exhibit 10). Both groups experienced more food problems after leaving welfare. In particular, assisted leavers reported a pronounced increase in food insecurity with hunger after leaving welfare.³⁴

Food Stamps. Although a substantial minority of both groups were participating in the Food Stamp program when interviewed, assisted leavers were more likely than unassisted leavers to be doing so.³⁵ Among those families that were food insecure, a minority of both groups was receiving food stamps. In particular, approximately two-fifths (41.1 percent) of assisted leavers and one-quarter (28.3 percent) of unassisted leavers who were food insecure with hunger were participating in the Food Stamp program. Approximately half of those who were food insecure without hunger were receiving food stamps (54.4 percent of assisted leavers, 42.3 percent of unassisted leavers).³⁶

Welfare History

On average, assisted leavers reported much longer time periods on welfare than unassisted leavers. For example, of those leavers with more than one previous welfare spell, 27.7 percent of assisted leavers, compared with 15.5 percent of unassisted leavers, said that they had spent 8 or more years on welfare. Both groups had similar rates of recidivism, and approximately two-fifths in both groups had left welfare because of the state’s 2-year time limit (see exhibit 11).

Postexit Outcomes

The majority of welfare leavers in both groups said that their financial situation, emotional well-being, housing, and ability to take care of their children, as well as the amount

Exhibit 10

Food Security Before and After Leaving Welfare (%)

Food Status	Assisted Leavers		Unassisted Leavers	
	Before	After	Before	After
Secure	69.4	54.9	68.0	58.5
Insecure				
Without hunger	18.5	19.8	15.1	22.0
With hunger	12.1	25.3	16.9	19.5

Notes: The survey sample consisted of 670 welfare leavers comprising 460 families that left welfare because of time limits and 210 families that left for other reasons. For this analysis, I weighted the two groups to correct for oversampling of the time-limit leavers. The weighted sample consisted of 532 welfare leavers comprising 296 assisted leavers and 236 unassisted leavers. Differences in food security between assisted and unassisted leavers were not statistically significant. When we looked only at households that were still off welfare when interviewed, differences in food insecurity after leaving welfare (47.6 percent for assisted leavers, 38.4 percent for unassisted leavers) were statistically significant at $P = .05$.

Exhibit 11

Welfare Recidivism, Closing Type, and Spells of Respondents (%)

Welfare Status	Assisted Leavers	Unassisted Leavers
Welfare recidivism		
Returned to welfare after closing ^a	18.0	16.9
On welfare at interview	10.5	9.7
Time-limit closing	40.5	36.0

Notes: The survey sample consisted of 670 welfare leavers comprising 460 families that left welfare because of time limits and 210 families that left for other reasons. For this analysis, we weighted the two groups to correct for oversampling of the time-limit leavers. The weighted sample consisted of 532 welfare leavers comprising 296 assisted leavers and 236 unassisted leavers.

^aIncluding those on welfare at interview.

and kind of food they could afford, improved or stayed the same after leaving welfare. A significant minority, however, reported that their circumstances had deteriorated after leaving welfare, particularly with respect to their food situation and emotional and financial well-being (see exhibit 12).

Assisted leavers were somewhat more likely than unassisted leavers to say that their financial situation had worsened after leaving welfare. This finding might be related to

Exhibit 12

Respondent Financial and Emotional Well-Being and Housing, Child Rearing, and Food Situations After Versus Before Leaving Welfare (%)

Variable	Assisted Leavers	Unassisted Leavers
Financial well-being***		
Better	39.1	54.6
Same	28.4	19.2
Worse	32.5	26.2
Emotional well-being		
Better	44.6	49.1
Same	24.6	26.8
Worse	30.8	24.1
Housing		
Better	25.0	25.3
Same	58.0	63.8
Worse	17.0	10.9
Child rearing		
Better	34.6	41.9
Same	49.1	44.5
Worse	16.3	13.7
Food		
Better	27.2	27.6
Same	37.2	40.8
Worse	35.5	31.6

Notes: The survey sample consisted of 670 welfare leavers comprising 460 families that left welfare because of time limits and 210 families that left for other reasons. For this analysis, we weighted the two groups to correct for oversampling of the time-limit leavers. The weighted sample consisted of 532 welfare leavers comprising 296 assisted leavers and 236 unassisted leavers.

*** $P = .01$, statistically significant difference in financial well-being between assisted and unassisted leavers.

the fact that unassisted families were more likely to include other adults who were contributing earnings and perhaps other types of income to the family budget.

Conclusions

Housing assistance is a major income support for Massachusetts' welfare leavers; more than 50 percent receive housing assistance from the government. Yet even in Massachusetts, where welfare recipients are more likely to be receiving housing assistance than in most other states, there is a significant unmet need.

Demographically, assisted leavers were relatively more disadvantaged than unassisted leavers, yet the postexit outcomes of the two groups were similar. Assisted leavers were more likely to be employed than unassisted leavers. Conversely, unassisted leavers were more likely to have another employed adult in the household; consequently, the household employment rates for both groups were similar. Housing assistance does not appear to deter employment. Of concern is the sizable minority of both assisted and unassisted leavers who were experiencing material hardship, especially in terms of food and housing.

In general, HUD and Massachusetts housing assistance programs appear to be reaching high-risk groups of welfare leavers. Although these programs do not eliminate financial stress, they do put assisted leavers on a more equal footing with more demographically advantaged leavers.

Various studies of welfare leavers, including the study of time-limited leavers referred to previously, have shown that the transition from welfare to work is precarious for many who rely on important income supports such as food stamps, publicly sponsored health insurance, childcare subsidies, and the earned-income tax credit to supplement their post-exit earnings. Findings from this analysis also show that housing assistance is a critical support for Massachusetts welfare leavers.

Appendix: Methods for Identifying Respondents' Housing Status

Separate processes were used to identify HUD-assisted respondents and state-assisted respondents.

HUD-Assisted Respondents

HUD-assisted respondents were identified by matching Massachusetts Department of Transitional Assistance (DTA) records with HUD records. DTA provided HUD with a list of families that had left welfare during the study's time frame, which represented the universe of closings from which the survey sample was drawn. HUD matched this list with its files on families receiving housing assistance between July 1998 and March 2000. Data on HUD's public housing and tenant-based programs are maintained in the Multi-family Tenant Characteristics System (MTCS). Data on HUD's Section 8 project-based programs are in the Tenant Rental Assistance Certification System (TRACS). HUD compared these two databases with DTA's file of closed cases.

Approximately one-third (2,986) of the families on the DTA list were also included in the HUD data files. The Center for Survey Research (CSR) then used this DTA/HUD matched file to identify survey respondents who were also HUD clients—respondents having had some type of HUD transaction between July 1998 and March 2000.³⁷ (CSR conducted the match to protect the confidentiality of respondents. Only CSR staff knew their identities.) DTA then verified that the case was actively participating in a HUD

housing program on the welfare closing date by reviewing the date and type of the latest HUD transaction.

The four main HUD transaction types were new admissions, redeterminations, reexaminations, and terminations. The most recent transaction overwrote any other in the file. Redeterminations and reexaminations represented the vast majority of transactions for all matched cases: 84.2 percent of MTCS cases and virtually all TRACS cases (99.7 percent). The remaining MTCS transactions involved new admissions (2.8 percent), movement among local housing authorities (2.6 percent), movement among housing units (5.4 percent), and terminations (5.1 percent).

I categorized as active all HUD cases in which the latest transaction was a redetermination or reexamination. It is possible but unlikely that some of these cases were inactive on the welfare closing date. For example, a case that had left welfare in December 1998 or January 1999 could have been initially certified in February 1999 and then recertified in February 2000. This case would have been incorrectly classified as an active HUD case at closing. There was no way to verify this because data for only the latest transaction were available. When the latest transaction was a new admission, I verified that the case began receiving HUD assistance before the family left welfare. When the latest transaction was a termination, I verified that the termination occurred after the family left welfare. Very few cases were omitted by these criteria (seven from the MTCS file, two from the TRACS file). After inactive cases were excluded, 31.4 percent of the survey respondents (167 cases) were classified as active HUD cases at the time they left welfare.

State-Assisted Respondents

DTA data on respondents' housing status when they left welfare were used to identify respondents who were living in state-assisted housing. If DTA records showed that a respondent was living in public or subsidized private housing when his or her welfare case closed, and if he or she was not on HUD's list of recipients, I classified the case as state-assisted. (It is possible that some of these respondents were living in community-developed assisted housing. The author was unable to differentiate to that degree.)

DTA has four basic housing categories: private housing for which the recipient pays rent, mortgage, and room or board; private housing for which the recipient does not pay rent, mortgage, or room or board; public housing; and subsidized housing. Because the housing situation of recipients affects the amount of their welfare grant, DTA's housing data are considered very reliable.

Acknowledgments

The U.S. Department of Health and Human Services and U.S. Department of Housing and Urban Development (HUD) funded the research on which this article is based. The Center for Survey Research (CSR) at the University of Massachusetts at Boston, directed by Dr. Mary Ellen Colten, provided the survey information on former welfare families used in this study.

Author

Gloria Nagle is director of evaluation for the Massachusetts Department of Transitional Assistance, which administers the state's Temporary Assistance for Needy Families program. She also serves as a consultant to the University of New Hampshire on the evaluation of New Hampshire's reformed welfare program. She has a Ph.D. in social welfare policy from Brandeis University and an M.P.A. from Harvard University.

Notes

1. The fiscal year 2002 median family income for a family of four in Boston is \$74,200.
2. The focus of this study is on families receiving publicly funded housing assistance. Families receiving housing assistance from family and friends were not included in the assisted-housing group unless they were also receiving some form of government housing assistance.
3. In 1994, the median cumulative time on welfare for HUD-assisted families was 57 months compared with 37 months for non-HUD-assisted families (Kingsley, 1997).
4. Massachusetts does not have a lifetime time limit. Families are restricted to 2 years of welfare benefits within a continuous 5-year period. Massachusetts exempts from the time limit families in which the youngest child is under age 2 (excluding family cap children), families with a disabled member, teenage parents complying with program requirements, child-only cases, and pregnant women expected to give birth within 120 days. As of October 2002, 70.1 percent of the caseload was exempt from time limits.
5. Child-only cases and cases that reopened within 2 months were excluded.
6. On average, the interviews took place 10 months after the families left welfare.
7. HUD also funded two housing studies in California. A report covering San Mateo and Santa Clara Counties was recently released (see Moses, Mancuso, and Lieberman, 2000). In addition, Manpower Demonstration Research Corporation is conducting a housing study on Los Angeles County welfare leavers.
8. CSR conducted the match to protect the confidentiality of respondents. The data file that CSR gave to the Massachusetts Department of Transitional Assistance for analysis included no identifying information on respondents.
9. HUD-assisted leavers were more likely than state-assisted leavers to be living alone with their children, to be a member of a minority group, to be less proficient in English, and to have had longer welfare spells. In addition, HUD-assisted leavers were more likely to live in subsidized housing and less likely to live in public housing than state-assisted leavers. HUD-assisted leavers paid lower rents, on average, than state-assisted leavers. Otherwise, the two groups were similar in education, marital status, presence of another employed adult in the household, number of children, age of respondent, welfare recidivism, employment rates, average earnings, housing quality, eligibility for food stamps, and food security.
10. See the appendix for an explanation of methods used to identify survey respondents' housing status when their welfare case closed.
11. It is unclear why these respondents were no longer receiving assistance. They may have moved from assisted housing and reapplied.
12. The fiscal year 2002 median family income for a family of four in the Boston area is \$74,200.
13. The income limits for state public housing were set in August 2000 and were in effect until August 2002.
14. A Section 8 tenant-based subsidy is equal to the difference between the applicable payment standard (APS) for the size of the family and 30 percent of the family's adjusted income. Each Section 8 administering agency is required to set the APS between 90 percent and 110 percent of the HUD fair market rent (FMR). HUD, if

justified, can grant increases beyond 110 percent. Using as an example a rental unit with a HUD FMR of \$820 and an APS set at 110 percent of the FMR:

1. APS = \$902
 2. Rent to owner = \$892
 3. Tenant-paid utilities = \$115
 4. Gross rent (rent + paid utilities) = \$1,007
 5. Lower of APS or gross rent = \$902
 6. Adjusted monthly income = \$1,021
 7. 30 percent of adjusted monthly income = \$306
 8. Total housing subsidy = \$596 (APS or gross rent, whichever is lower—in this case, the APS—minus 30 percent of adjusted monthly income)
 9. Total family share of gross rent = \$411 (gross rent minus subsidy)
 10. Housing subsidy paid to owner = \$596
 11. Tenant's rent to owner = \$296 (rent minus housing subsidy)
 12. Tenant rent burden = 40 percent (family share of gross rent divided by adjusted monthly income)
15. MRVP also provides project-based rental assistance.
16. The housing agency cannot approve an initial lease in which the family's share of the gross rent (rent + utilities) exceeds 40 percent of its adjusted income in a unit where the gross rent exceeds the applicable payment standard. In subsequent years of occupancy in the same unit, there is no limit on the tenant's contribution to rent and utilities. In all instances, however, the housing agency must certify that the rent is reasonable based on comparable unassisted rents in the same building or similar units in the neighborhood.
- HUD reported the following tenant rent contributions, including out-of-pocket utility payments, as a percentage of adjusted income for HUD voucher families in Massachusetts as of April 2001:
- <21 percent of adjusted income: 9 percent
 - 21–25 percent of adjusted income: 3 percent
 - 26–30 percent of adjusted income: 65 percent
 - 31–35 percent of adjusted income: 9 percent
 - 36–40 percent of adjusted income: 7 percent
 - 41–45 percent of adjusted income: 2 percent
 - 46–50 percent of adjusted income: 1 percent
 - >50 percent of adjusted income: 4 percent
17. Before November 1, 2002, a tenant paid 35 percent of his or her net income if heat was included or 30 percent if heat was not included.
18. In 1993, the distribution of HUD housing assistance in Massachusetts was 22 percent public housing, 48 percent Section 8 project-based rental assistance, and 30

percent Section 8 tenant-based rental assistance (Kingsley, 1997). However, leases on several project-based units have since expired, and some converted to Section 8 tenant-based rental assistance; today's distribution is likely different.

19. Approximately 12 percent of respondents who were living in subsidized housing at the time they left welfare (according to Massachusetts Department of Transitional Assistance records) reported living in public housing when interviewed. It seems unlikely that all of these respondents actually moved from subsidized private housing to public housing. It is more probable that respondents defined the two types of housing differently.
20. This difference in employment rates was statistically significant at the $P = .10$ level. When families on welfare at the time of the interview were excluded, respondents' employment rates rose to 78.4 percent for assisted leavers and 70.9 percent for unassisted leavers.
21. When families on welfare at the time of the interview were excluded, household employment rates (rates for an employed respondent or an employed spouse or partner) increased to 82.6 percent for assisted leavers and 78.4 percent for unassisted leavers.
22. The difference in average hourly wages was statistically significant at the $P = .10$ level. The difference in the average weekly wages was not statistically significant.
23. The average number of hours worked weekly at all jobs was 33 (median = 36) for employed respondents in assisted families and 35 (median = 37) for employed respondents in unassisted families. The median number of hours worked weekly was 35 for both groups.
24. I calculated average weekly earnings by estimating weekly earnings for each employed respondent based on his or her hourly wage and weekly hours of employment and then averaging the estimates.
25. Apparently, assisted leavers were less likely to have help from the other parent or partner. In both groups, respondents who received such help rated their childcare arrangement similarly: 11.8 percent of employed assisted leavers and 8.9 percent of employed unassisted leavers said that their childcare arrangements did not meet their needs. (This difference was not statistically significant.) In contrast, 15.6 percent of assisted leavers and 7.4 percent of unassisted leavers who did not receive help from the other parent or partner were disappointed with their childcare arrangements. (This difference was statistically significant at the $P = .10$ level.) However, we found no statistically significant relationship between childcare satisfaction and help from a partner when we examined all employed leavers.
26. The finding on public transportation suggests that assisted leavers are more likely to live in urban settings than unassisted leavers. We were unable to test this hypothesis because respondents' addresses were not contained in the data file used in this analysis. Respondents also got to work by walking (12.6 percent of assisted leavers and 7.1 percent of unassisted leavers), getting a ride with someone else (13.1 percent of assisted leavers and 12.9 percent of unassisted leavers), and making other arrangements such as taking a cab (6.5 percent of assisted leavers and 3.9 percent of unassisted leavers). The differences in modes of transportation used to get to work by the two groups were statistically significant at the $P = .01$ level.
27. As reported earlier, 12.1 percent of respondents who were living in subsidized housing at the time they left welfare (according to the Massachusetts Department of Transitional Assistance's (DTA's) records) reported living in public housing when interviewed. It seems improbable that more than 10 percent of respondents actually

moved from subsidized to public housing after leaving welfare. It is more likely that respondents defined their housing arrangements differently; for example, respondents receiving project-based rental assistance might report that they were living in public housing.

28. A total of 10.8 percent of assisted leavers and 8.8 percent of unassisted leavers reported paying no rent, and these cases were excluded from the average rent calculation. Of those not paying rent, 41.9 percent of assisted leavers and 84.2 percent of unassisted leavers were living with other adults; however, conclusions based on this finding should be viewed cautiously because the sample size was very small (31 assisted leavers and 19 unassisted leavers).
29. CSR also asked respondents for their total rent, with assisted leavers reporting higher rents than those reported by unassisted leavers (a monthly average of \$607 and \$536, respectively). It is unclear, however, to what extent individuals living in public housing or in some project-based assisted housing would be aware of market rents for their units. Average monthly rent estimates, both paid and total, exclude cases reporting no rent payments.
30. Assisted leavers were less likely than unassisted leavers to be paying for oil, gas, or other utilities. However, the groups were equally likely to be paying for electricity.
31. The difference was statistically significant at the $P = .01$ level.
32. The difference was statistically significant at the $P = .05$ level.
33. Respondents were asked the following questions:
 1. Did you or any other adults in the household cut the size of meals or skip meals because there wasn't enough money for food?
 2. (If yes) how often did this happen? Every month; almost every month; some months but not every month; in 1 or 2 months?
 3. Did you ever eat less than you felt you should because there wasn't enough money for food?
 4. Were you ever hungry but didn't eat because you couldn't afford enough food?
 5. The food we bought just didn't last, and we didn't have money to get more. Was that often, sometimes, or never true?
 6. We couldn't afford to eat balanced meals. Was that often, sometimes, or never true?

Note: "Every month," "almost every month," and "some months" are considered "yes" answers for the second question. "Often" and "sometimes" are considered "yes" answers for the fifth and sixth questions.
34. In reporting food insecurity while on welfare, respondents had to recall what their food situation was from 1 year to 21 months before the interview; this was not a particularly precise measure of food insecurity. (In fact, past food insecurity may be underreported). Moreover, the "before leaving welfare" period covered 6 months, whereas the "after leaving welfare" period covered up to 15 months. The longer the time period, the likelier that a family experienced a food problem such as not having enough to eat. Accordingly, preexit and postexit comparisons using these data should be viewed cautiously.
35. Of those respondents still off welfare when interviewed, 39.6 percent of assisted leavers and 23.0 percent of unassisted leavers were receiving food stamps.

36. The differences between the two groups were not statistically significant.
37. Initially, 158 cases were in the MTCS file, and 18 cases were in the TRACS file; 151 cases in the MTCS file and 16 cases in the TRACS file were active when their welfare case closed.

References

- Coulton, C., C. Pasqualone, T. Martin, N. Bania, N. Lalich, and L. Nelson. 2001. *Issues of housing affordability and hardship among Cuyahoga County families leaving welfare: Quarter 4, 1998–quarter 3, 1999*. Special Topics in Welfare Reform, Report No. 1. Cleveland: Center on Urban Poverty and Social Change.
- Kingsley, G. T. 1997. *Federal housing assistance and welfare reform: Uncharted territory*. New Federalism: Issues and Options for States, Series A, No. 1–19. Washington, DC: Urban Institute Press.
- Mancuso, D., C. Lieberman, V. Lindler, and A. Moses. 2001. *Examining circumstances of individuals and families who leave TANF: Assessing the validity of administrative data*. Burlingame, CA: SPHERE Institute.
- Massachusetts Department of Transitional Assistance. 2000. *After time limits: A study of households leaving welfare between December 1998 and April 1999*. Boston: Massachusetts Department of Transitional Assistance.
- Moses, A., D. C. Mancuso, C. J. Lieberman. 2000. *Examining circumstances of individuals and families who leave TANF: Assessing the validity of administrative data*. Burlingame, CA: SPHERE Institute.
- U.S. Department of Housing and Urban Development (HUD). 2001. *A report on worst case housing needs in 1999: New opportunity amid continuing challenges, executive summary*. Washington, DC: Office of Policy Development and Research.