

Colorado Works Evaluation Report SFY2011

Prepared for:

The Colorado Department of Human Services

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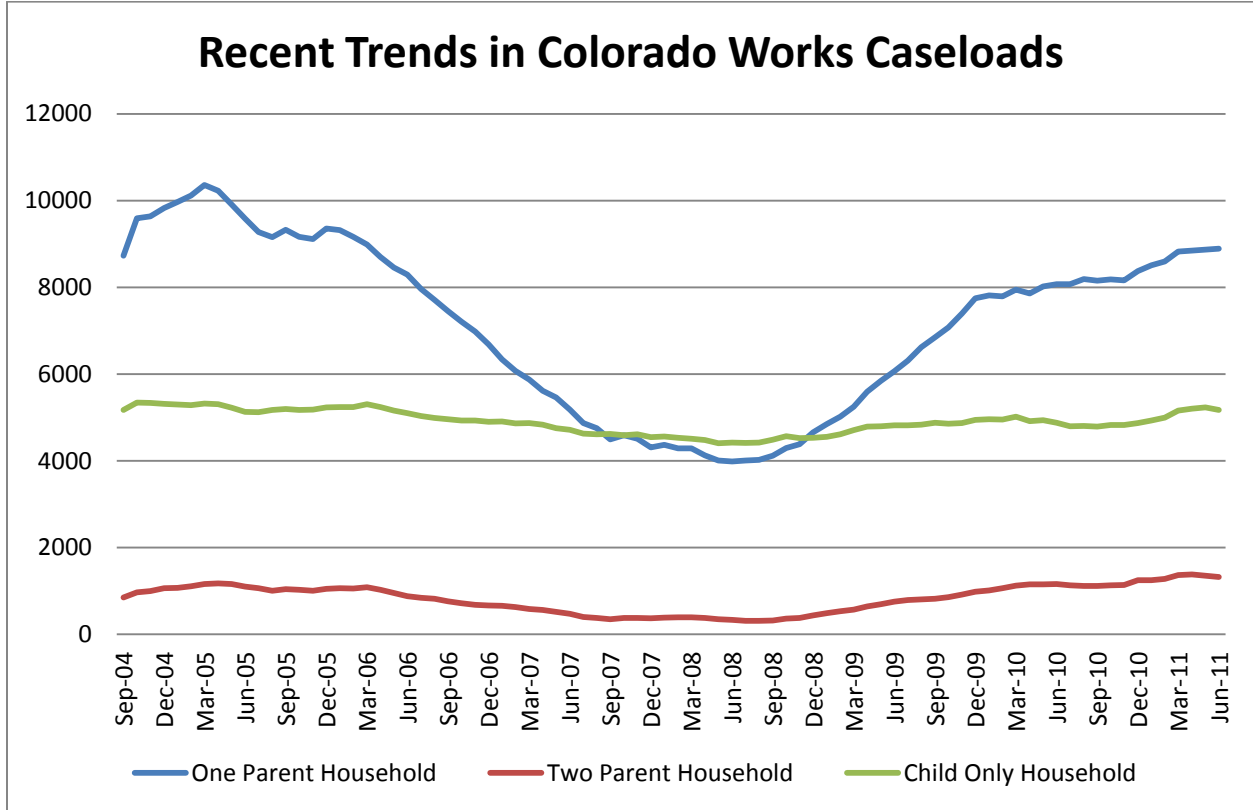
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Caseload Trend Analysis

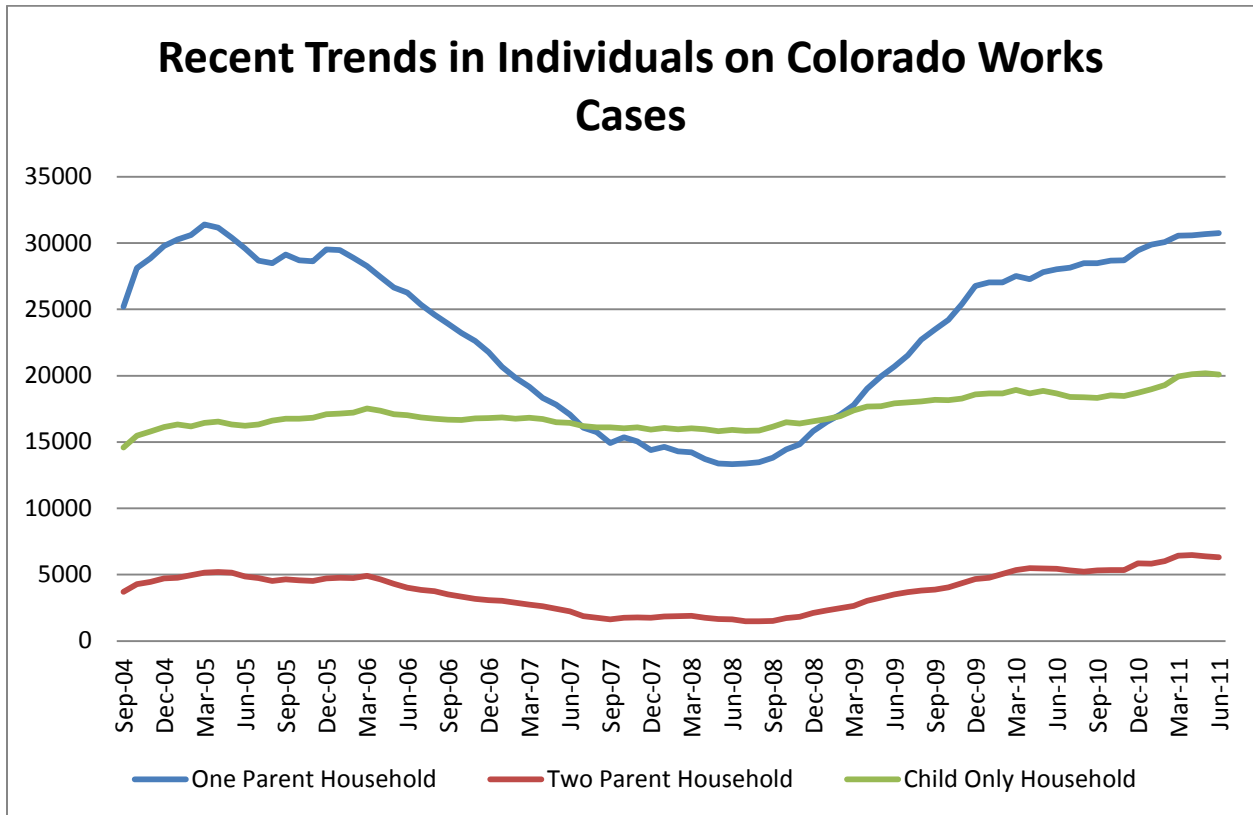
Exhibit 1



This graph gives the trend over time in the Colorado Works caseload. It shows the total number of cases for each of the three categories under Basic Cash Assistance (BCA): One Parent Households, Two Parent Households, and Child Only Households. The main observations from this figure are:

- The one parent household caseload exhibits the most striking changes in absolute numbers of cases over this time period. Through the end of SFY2008, there is a substantial decrease in the number of one parent household cases, and an equally substantial increase thereafter.
- One and two parent households follow similar patterns over the period with caseloads falling for both up until 2008 and then rising thereafter. Child only households also hint at this pattern, but caseloads in this category are relatively more stable.
- Caseloads in all categories are generally rising from 2008 to present.
- Convergence in absolute number between one parent households and child only households shown in 2008 has disappeared, as one parent cases have again climbed to a level higher than child only cases.
- Two parent caseloads are substantially lower than either child only caseloads or one parent caseloads.
- At the end of SFY2011, caseloads have returned to (or, in the case of two parent households, exceeded) levels at the beginning of SFY2005.

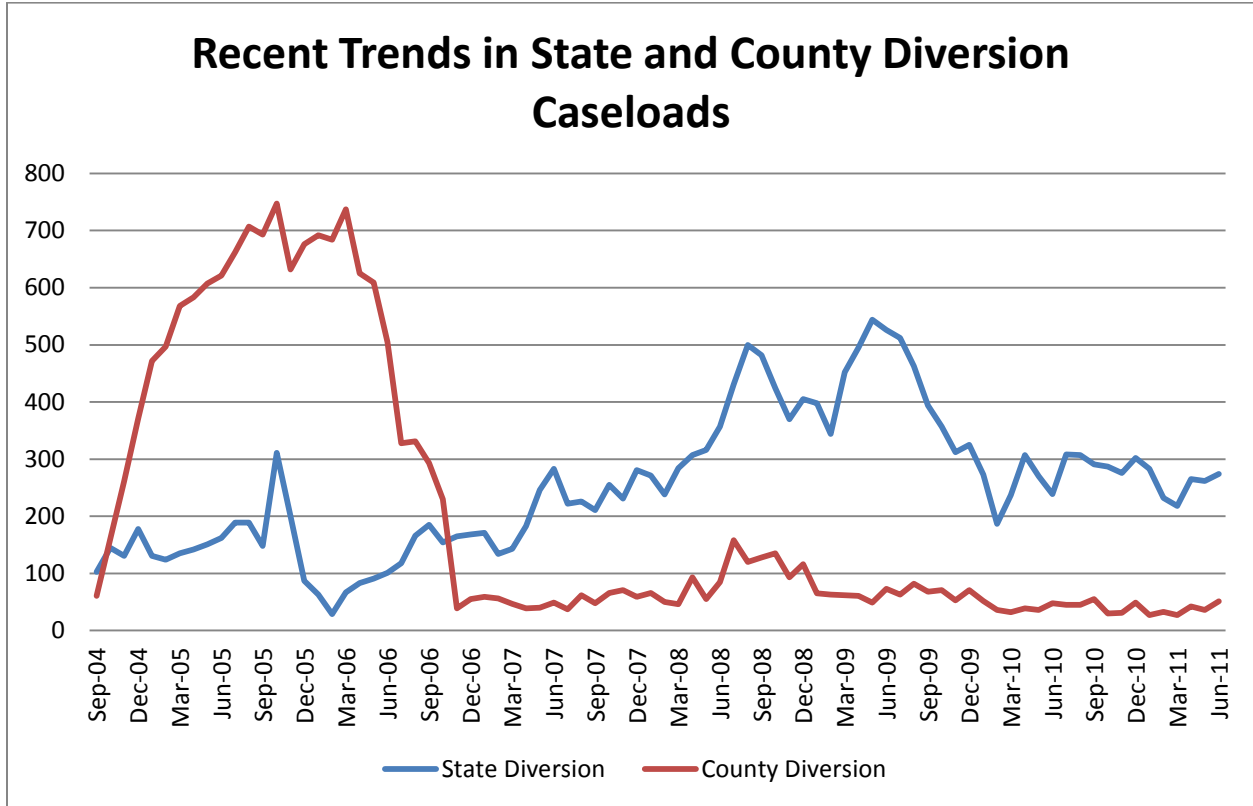
Exhibit 2



This graph gives, monthly, the number of individuals on Colorado Works BCA cases. It is separated by case type and differs from the previous graph in that it counts all individuals on Colorado Works, not just the number of cases. The main observations one may take are:

- The trends are strikingly similar to the trends in cases over time.
- The similarity in patterns with the number of cases would imply that the composition of cases, for all types, has remained relatively unchanged over this time period. On average, each case has between three and four individuals for all case types excluding two parent BCA households which tend to have between four and five individuals per case.

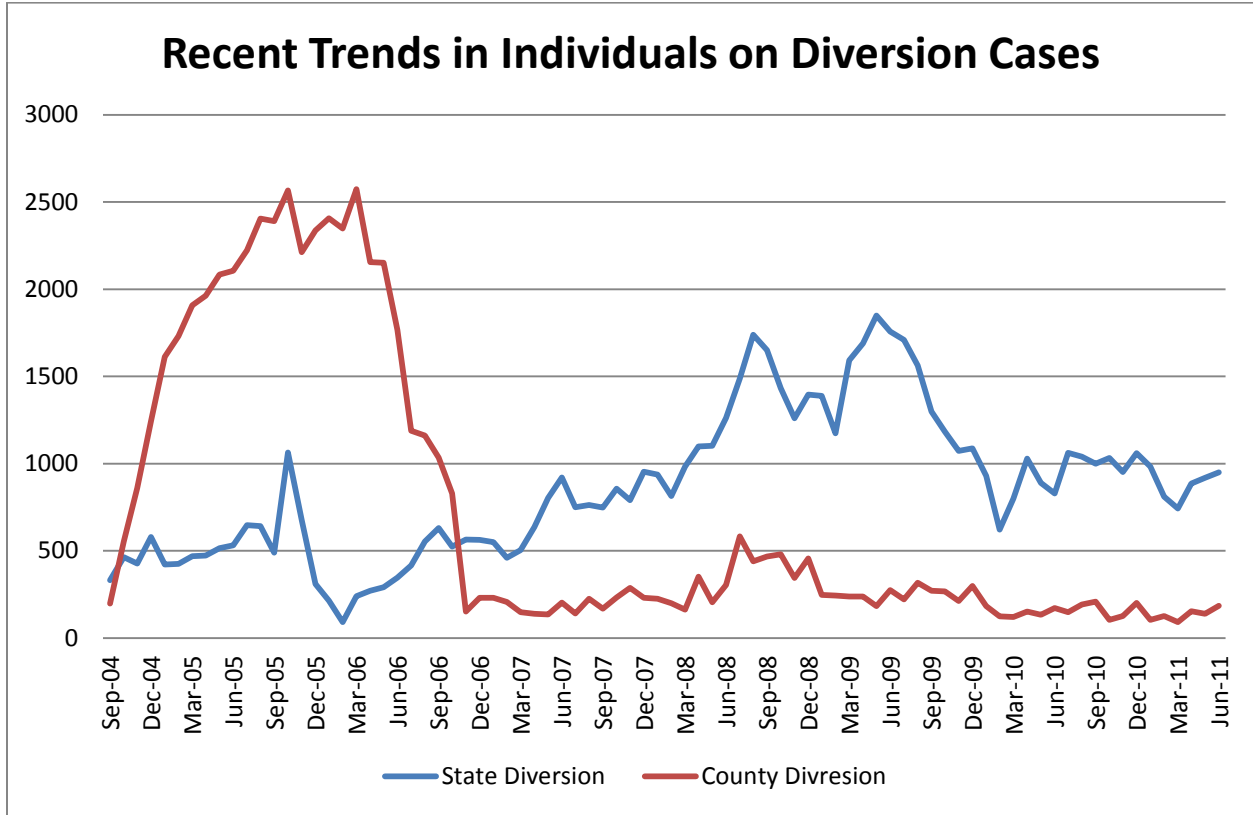
Exhibit 3



This graph gives the trend over time in the caseloads under the state and county diversion programs. It shows the total number of cases by month for each of these two categories. Some basic observations from this figure include:

- While state diversion cases experienced increases over the period from 2006 to 2009, they have tended to fall thereafter.
- County diversion cases, at present, have returned to levels experienced at the beginning of SFY2005, while present state diversion cases remain at levels somewhat higher than at the beginning of SFY2005.
- County diversion cases exhibit a step rise over SFY2005, followed by a drastic decrease over SFY2006. Other than a slight increase in late 2008, county diversion cases remain fairly flat with short term fluctuations.
- From 2007 on, county diversion caseloads are relatively more stable and much smaller in absolute level than state diversion caseloads.

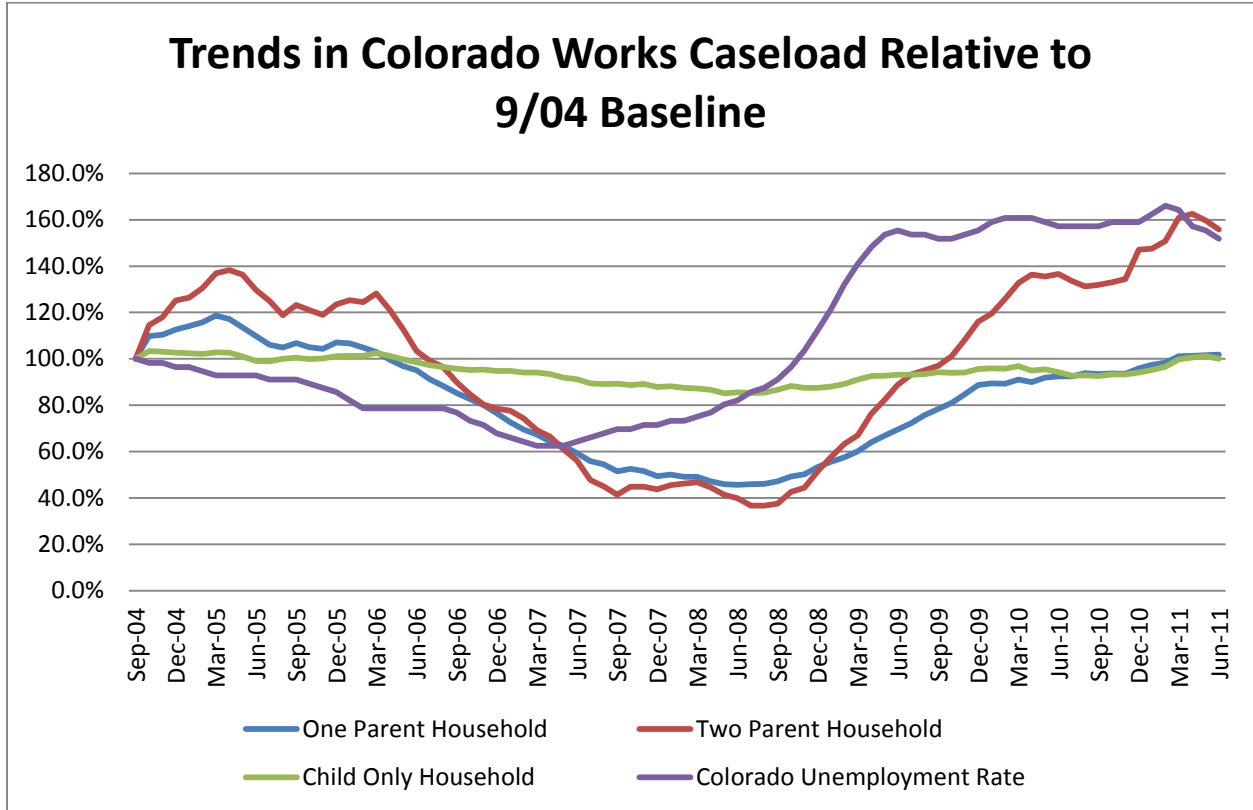
Exhibit 4



This graph gives, monthly, the number of individuals on Colorado Works Diversion cases. It is separated by case type and differs from the previous graph in that it counts all individuals on Colorado Works, not just the number of cases. The main observations one may take are:

- The trends in this graph are nearly identical to the trends in the analysis of the number of cases in the previous graph.
- This consistency in trends between cases and individuals implies that the composition of cases is not changing drastically over time. Indeed, throughout the relevant period, the average case has three to four individuals on it.

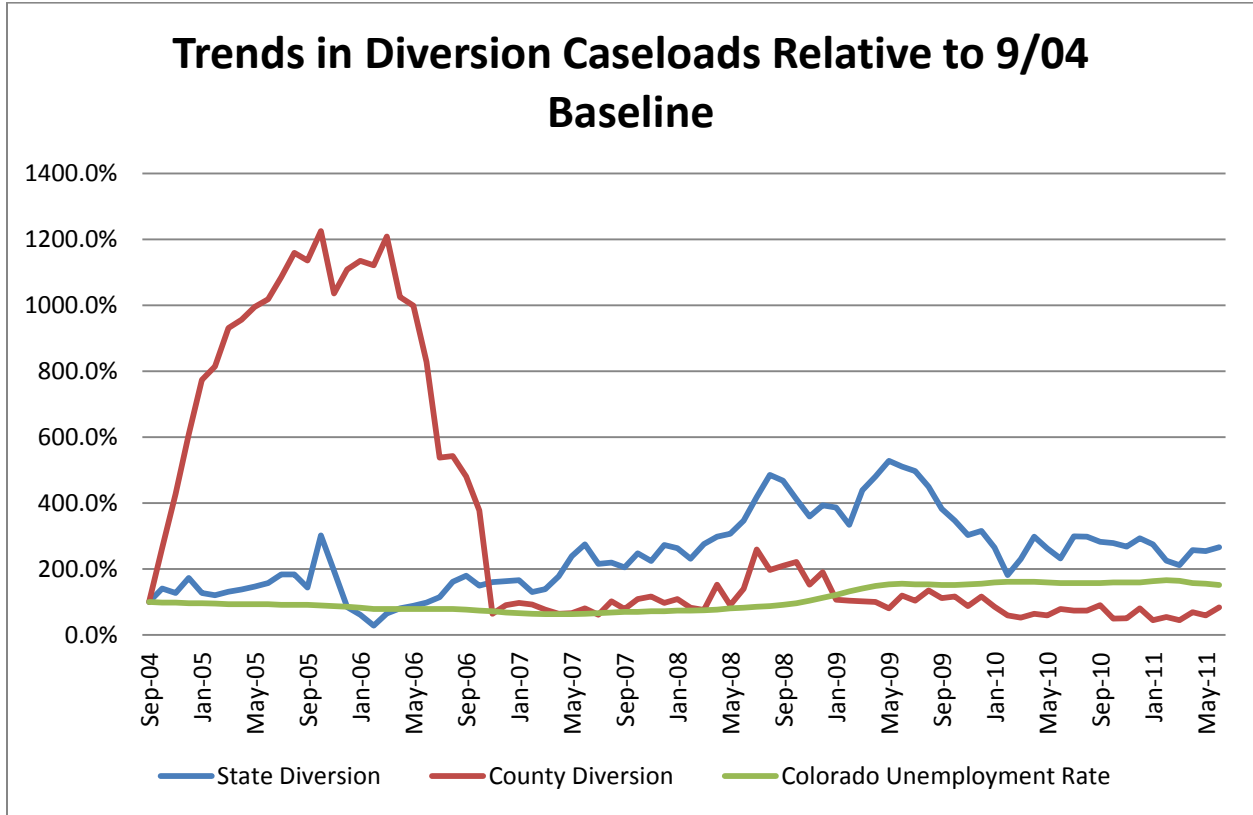
Exhibit 5



This is a graph that shows the trend in basic cash assistance caseloads over time scaled to their level in September 2004. It also plots the Colorado state unemployment rate scaled to its September 2004 level. The main observations from this figure are:

- Two parent caseload exhibits “greater swings” than one parent or child only caseloads. This effect was masked in the previous graphs because the levels were relatively low.
- One parent and two parent caseloads both track with relative changes in the unemployment rate, but it happens with a slight lag. These cases are much more elastic relative to economic conditions than the child only cases.
- Child only cases are relatively static and relatively insensitive to unemployment.
- One parent households are more sensitive to relative declines in unemployment than to relative increases in unemployment.

Exhibit 6



This graph shows the trends in diversion caseloads, both state diversion and county diversion, scaled to their initial levels in September 2004. It also plots the Colorado state unemployment rate scaled to its September 2004 level. From this graph, one can see that:

- Diversion caseloads did not track the unemployment rate as closely or as smoothly as the BCA caseloads did.
- The diversion payments exhibit much more fluctuation and short term variations than either the unemployment rate or the BCA caseloads.
- There was an extremely sharp rise and fall of county diversion cases from September 2004 until September 2006, after which time they fell to levels below state diversion cases.
- These points suggest that, for these types of cases, programmatic changes are probably more important than are the substantive conditions of the Colorado poor.

Demographic Analysis

Exhibit 7

Average Monthly Characteristics of Colorado Works BCA Adult-Headed Cases, SFY2009-2011						
	SFY2009		SFY2010		SFY2011	
	One Parent	Two Parent	One Parent	Two Parent	One Parent	Two Parent
Head of Household Characteristics						
Female (%)	93.3%	77.5%	93.3%	76.6%	93.0%	72.2%
Marital Status (%)						
Never married	40.5%	16.4%	45.7%	20.0%	47.3%	20.1%
Married	14.2%	46.5%	16.5%	51.3%	17.8%	53.8%
Other	45.2%	37.1%	37.8%	28.8%	34.9%	26.0%
Age (%)						
18-24 years	33.1%	29.2%	34.2%	32.9%	32.5%	29.9%
25-34 years	39.7%	39.2%	39.4%	39.7%	41.0%	39.2%
35 or more years	27.2%	31.4%	26.4%	27.3%	26.5%	30.7%
One or more disabilities (%)	26.1%	28.0%	24.9%	20.6%	25.4%	23.1%
Case Characteristics						
Number of Children on Case (%)						
None	3.2%	0.0%	3.1%	0.0%	3.5%	0.0%
One	36.9%	28.2%	37.3%	29.2%	37.0%	29.8%
Two	29.7%	29.7%	29.7%	30.7%	29.8%	30.8%
Three or more	30.2%	42.2%	29.9%	40.1%	29.7%	39.3%
Age of Youngest Child (%)						
Under 1 year	22.0%	31.0%	18.9%	29.0%	17.1%	26.8%
1-3 years	35.7%	37.5%	38.1%	41.4%	38.3%	40.7%
4-5 years	11.9%	8.9%	12.1%	9.5%	12.8%	10.0%
6 years or older	27.2%	22.6%	27.8%	20.1%	28.4%	22.6%
Average Monthly Number of Families	4843	485	7459	989	8474	1237

This table gives the average monthly values for different characteristics for the adult headed BCA caseload. One set of characteristics describe the traits of the head of household (gender, marital status, age, disability status), while another set describe the case itself (number of children, age of youngest child). The major observations from this table include:

- Over time, for both one and two parent households, we see some slight changes such as a slight switch from female headed households to male headed households, as well as a steady rise in married heads of household. Additionally, the average monthly number of families is growing steadily and sharply over this three year period, and the age composition of children is changing slightly with children getting older (steady decline in the percentage of youngest children less than 1 year). Finally, although pattern for disabilities is not monotonic, there is a slight drop over time in the percentage of heads of household that are disabled.
- Over time, for both one and two parent households, the age composition of heads of household is stable as well as the numbers of children on each case.
- Comparing one parent with two parent households, we note that there are several key differences. One parent households are more likely to be female-headed than two parent households. Not surprisingly, two parent households are more likely to be married and

less likely to be single than one parent households. Two parent households are also more likely to have more children and to have younger children. Finally, there are many more one parent families per month than two parent families.

- Comparing one parent and two parent households, there are also several similarities. The age composition of the head of household for these two types as well as the percentage of heads of household with disabilities is generally similar across family types.

Exhibit 8

Average Monthly Characteristics of Colorado Works BCA Child Only Cases, SFY2009-2011			
	SFY2009	SFY2010	SFY2011
Case Characteristics			
Number of Children on Case (%)			
One	38.3%	37.4%	36.8%
Two	30.8%	30.5%	30.9%
Three or more	30.9%	32.0%	32.2%
Age of Youngest Child (%)			
Under 1 year	6.4%	6.6%	6.4%
1-3 years	24.1%	25.6%	26.0%
4-5 years	14.0%	14.2%	14.1%
6 years or older	55.5%	53.6%	53.5%
Average Monthly Number of Families	4602	4906	4969

This table gives some average monthly characteristics to describe the cases under the child only group in the BCA program. Some observations from this table include:

- Characteristics of child only cases are relatively stable over time, with only slight increases in the average number of families per month over the three year period. This is also a slight decrease in the number of cases with one child, matched by a slight increase in the proportion of cases with three or more children.
- When compared with one and two parent households in Exhibit 7, these child only households tend to have older children (much smaller percentage of youngest child less than 3 years old).
- Child only cases, while having a family structure similar to one parent households, are more likely to have fewer children than two parent households, with more of them having only one child on the case than either two or three or more children on the case (a pattern persistent over time).

Exhibit 9

Average Monthly Characteristics of Adult Headed Colorado Cases by Region, SFY2011						
	Central Mountains	Eastern Plains	Front Range	San Luis Valley	Western Slope	Colorado
Head of Household Characteristics						
Female (%)	87.9%	91.4%	90.3%	91.3%	92.3%	90.4%
Marital Status (%)						
Never married	31.0%	37.6%	45.1%	45.8%	39.6%	44.0%
Married	26.9%	27.7%	21.1%	31.7%	27.2%	22.3%
Other	42.1%	34.8%	33.8%	22.5%	33.2%	33.8%
Age (%)						
18-24 years	28.8%	35.3%	31.8%	42.7%	32.5%	32.1%
25-34 years	43.7%	38.5%	40.8%	39.7%	41.0%	40.8%
35 or more years	27.4%	26.1%	27.4%	17.0%	26.4%	27.0%
One or more disabilities (%)	28.0%	23.6%	25.0%	25.4%	26.9%	25.2%
Case Characteristics						
Number of Children on Case (%)						
None	3.3%	3.0%	2.9%	4.2%	3.3%	3.0%
One	38.3%	34.9%	35.6%	42.9%	38.7%	36.1%
Two	30.4%	33.3%	29.7%	29.7%	31.9%	30.0%
Three or more	28.0%	28.7%	31.9%	23.2%	26.1%	31.0%
Age of Youngest Child (%)						
Under 1 year	16.4%	20.7%	18.0%	24.2%	20.5%	18.4%
1-3 years	40.0%	37.2%	38.9%	36.0%	36.4%	38.6%
4-5 years	13.0%	9.8%	12.4%	11.9%	12.9%	12.4%
6 years or older	27.3%	29.4%	27.8%	23.8%	26.9%	27.6%
Average Monthly Number of Families	332	339	7992	254	687	9606

This table repeats the characteristics found in Exhibit 5, but it breaks the information down by region. Additionally, one and two parent households are combined here to give monthly averages for adult headed households. The observations from this table include:

- The majority of cases are in the Front Range and cases there make up an overwhelming majority of all cases in Colorado. This may not, however, be disproportionate to the distribution of population across these regions.
- Characteristics that are similar across all regions in Colorado are: percent of heads of household (HOHs) that are female and percentage of HOHs with disabilities, and youngest child on the case (although it seems as though the San Luis Valley tends to have younger children).
- There are some regional differences in these cases including: HOH marital status (the Front Range has a relatively higher proportion of single HOHs than the rest of Colorado), HOH age (the San Luis Valley has a relatively higher proportion of younger HOHs than the rest of Colorado with more in the 18-24 range and fewer in the 35 or over range), and number of children on the case (the San Luis Valley has relatively more cases with only 1 child and relatively fewer cases with 3 or more children).
- It is important to note that the monthly average caseloads by region do not sum to the total monthly average caseload for the state as a whole since the administrative data lacks specific county identifiers for some observations.

Payments Analysis

Exhibit 10

Average Payment Amounts Among Caseloads by Type, SFY2011					
	BCA				
	One Parent	Two Parent	Child Only	State Diversion	County Diversion
Payment (\$)					
Mean	383	510	270	707	1521
Median	364	499	252	621	1422

This table shows the average monthly payment made to each type of case or household. It averages over all cases for each month, provided that payment was actually issued that month. Given this table, there are some general observations, such as:

- Diversion payments are higher than BCA payments. Since diversion payments are one-time disbursements as compared to BCA cases that have a longer lifespan, it is likely, however, that total payment over the life of the BCA case exceeds total payment for the diversion case.
- Among BCA caseloads, two parent households receive highest payments, followed by one parent households and then child only households.
- County diversion payments are higher than state diversion payments.

Case Churn Analysis

Exhibit 11

Welfare Receipt by Type, SFY2011					
Receipt	BCA			State Diversion	County Diversion
	One Parent	Two Parent	Child Only		
Total Cases Served in Year	18180	3148	7939	1982	454
Average Monthly Caseload	8474	1237	4969	275	39
Ratio of Monthly Caseload to Total Cases Served	0.47	0.39	0.63	0.14	0.09

This table gives the total number of cases of each type for the entire fiscal year, as well as the average monthly caseload. The ratio of these two numbers, representing the proportion of annual cases served in an average month, will give a rough measure of the average lifespan of a case or of the turnover of cases in each category. Categories with higher ratios have relatively less turnover than those categories with lower ratios. For instance, if turnover is nonexistent and all cases are served every month, then the ratio would reach its maximum of 1. Likewise, if the caseload turned over every month and each case is only served for one month, the ratio would reach its minimum level of 1/12 or about 0.08. The main observations from this table are:

- Colorado served more one-parent households than any other type of case over the course of SFY2011.
- In terms of BCA cases, there is relatively less monthly turnover among child only households compared to one and two-parent households. In any given month, on average over 60% of the child only cases for the year are served while less than 50% of the annual caseload for other BCA case types are served.
- Diversion payments, unlike BCA cases, rarely see cases going beyond 1 month with a ratio just above 8% (the ratio that we would get if, on average, 1/12 of yearly cases were served in a month). This reflects the temporary nature of the diversion programs and the fact that they should be one time payments that do not extend beyond one month.

Exhibit 12

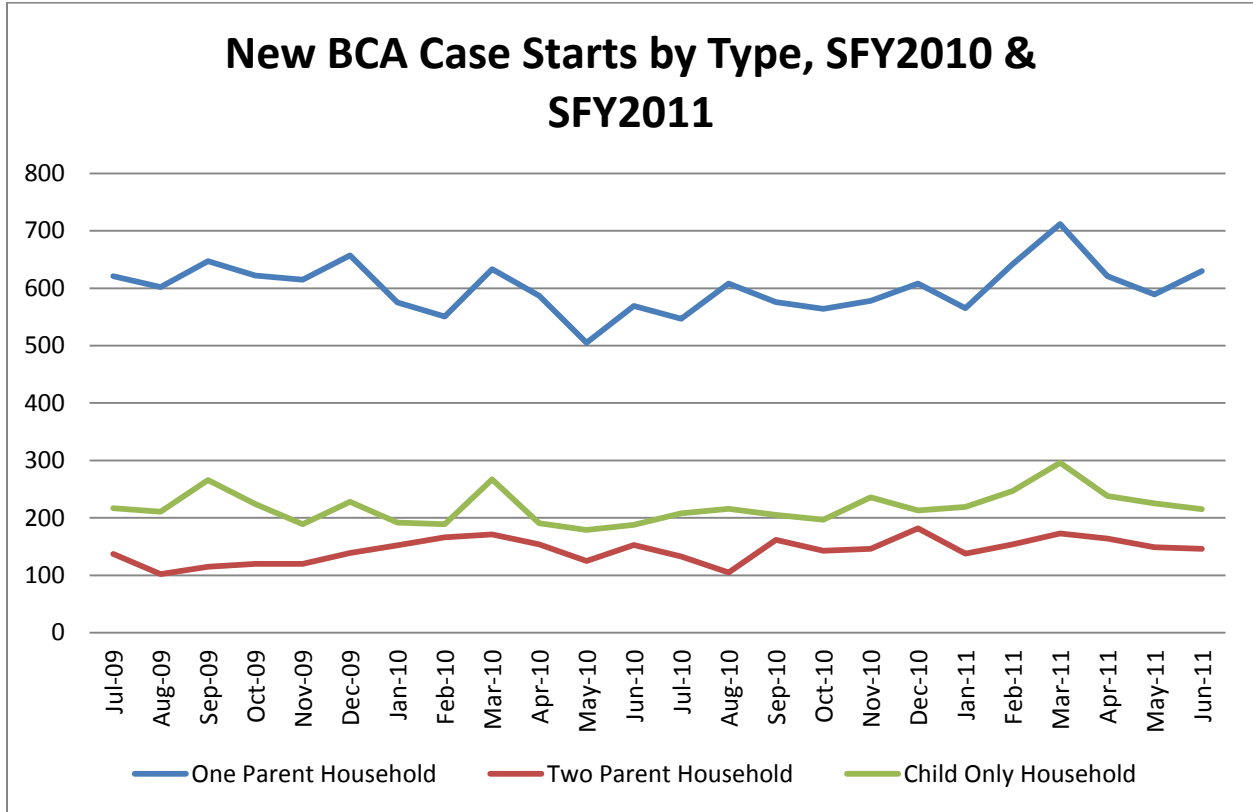
Welfare Experience by Type, SFY2011					
	One Parent	BCA Two Parent	Child Only	State Diversion	County Diversion
Average Spell Length (%)					
0-3 months	37.1%	47.0%	18.9%	98.7%	99.2%
4-6 months	20.9%	23.5%	12.4%	1.2%	0.0%
7-12 months	20.6%	18.4%	15.7%	0.1%	0.8%
13-18 months	10.3%	6.5%	10.4%	0.0%	0.0%
19-23 months	5.8%	2.7%	7.6%	0.0%	0.0%
24 months or more	5.2%	1.9%	34.9%	0.0%	0.0%
Average Months on TANF Clock (%)					
0 months	5.4%	9.8%	70.9%	63.4%	57.8%
1-3 months	15.0%	21.4%	4.7%	6.1%	5.6%
4-11 months	28.6%	34.6%	10.9%	12.1%	14.4%
12-23 months	24.0%	18.8%	8.1%	10.2%	12.1%
24-53 months	24.3%	14.1%	4.3%	7.9%	9.2%
54-59 months	2.1%	1.0%	0.4%	0.3%	0.5%
60 months	0.2%	0.1%	0.1%	0.0%	0.0%
More than 60 months	0.5%	0.1%	0.6%	0.0%	0.4%

This table gives some measure of TANF experience for the case or the head of household. First, it shows the average length of the spell on welfare for any welfare spell that overlapped with SFY2011. Second, it shows the average time on the TANF clock (total months receiving TANF benefits, aggregated over all spells) for heads of household in SFY2011 at time of their latest appearance in the SFY2011 TANF records. The main observations are:

- For one and two-parent households on BCA, between 35% and 50% have an average welfare spell 3 months or less (the majority of cases in both of these types). The same timeframe on the TANF clock, however, have significantly fewer of these cases indicating that these current spells are not the first time these households are using TANF and many are repeaters.
- Very few cases have current spells over 1 year, indicating generally short tenures for each welfare spell.
- Child only cases have relatively longer spells than other BCA types, with the majority of cases averaging longer than 6 months in length. These child only cases also tend to be relatively lower on their TANF clock months than other types of BCA. This result is not surprising. Although the child only cases tend to last longer, the time on the child only type of case does not count against the TANF clock.¹
- The current spell for both diversion types is almost entirely concentrated in the 0 to 3 month range, illustrating the temporary nature of this type of assistance.
- The TANF clock for the diversion types, however, is not as concentrated in the 0 to 3 month range, indicating that these households have had previous welfare experience, perhaps receiving BCA prior to the current spell.

¹ It is important to note here that even though the TANF clock does not “tick” for child only cases, the TANF clock is not necessarily expected to be zero since the adult head of household on the case might have prior TANF experience on some other type of case.

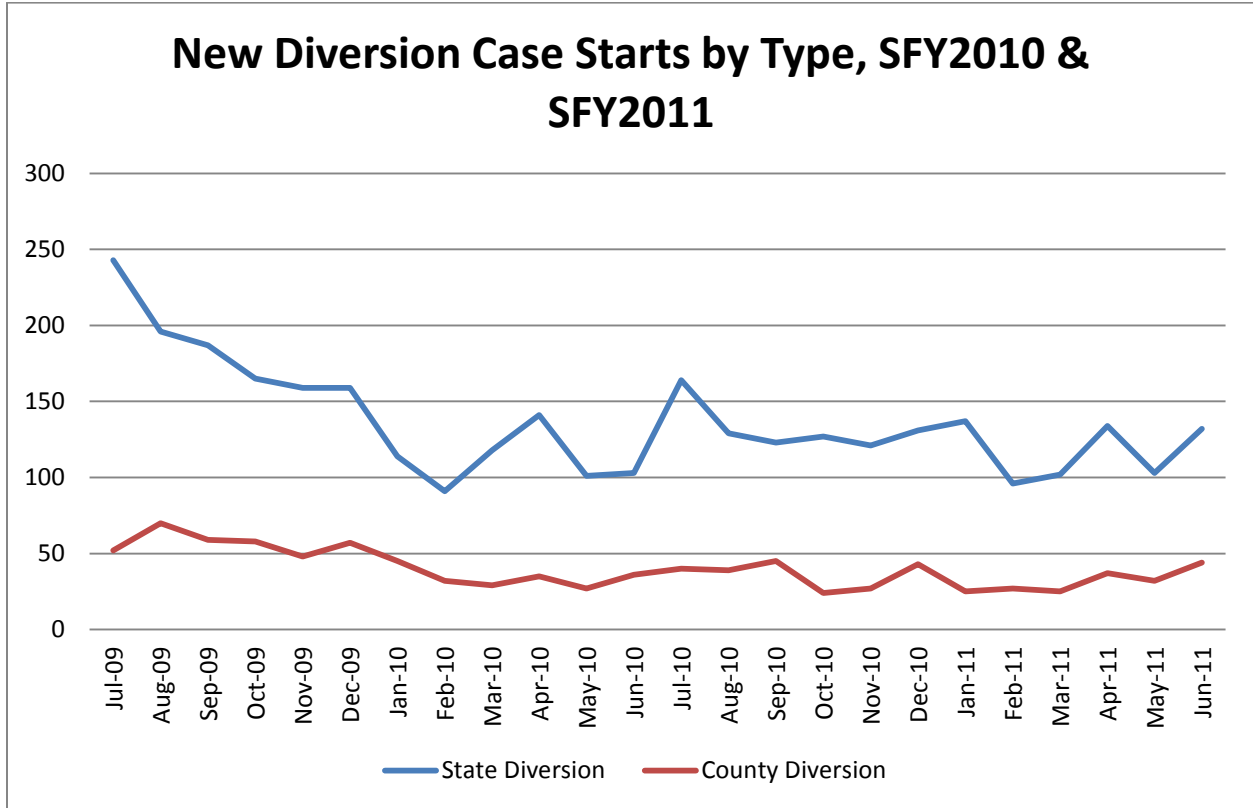
Exhibit 13



This graph gives the number of new cases each month for SFY2010 and SFY2011. A new case is counted if it is entering for the first time in the Colorado Works caseload (i.e., returning cases entering the caseload are not counted). The key observations are:

- There is no clear pattern of “seasonality” to new cases in the Colorado Works BCA caseload. The only exception to this observation is a slight uptick in new cases in the month of March, and a slight drop in new cases in January.
- The one parent household category is slightly more volatile than the other categories in terms of month-to-month changes in the number of new starts.

Exhibit 14



This graph gives the number of new cases each month for SFY2010 and SFY2011. A new case is counted if it is entering for the first time in the Colorado Works caseload (i.e., returning cases entering the caseload are not counted). The key observations are:

- There is no clear pattern of “seasonality” to the Colorado Works Diversion caseload. The only exception to this observation is a slight uptick in new cases in the month of April, and a slight drop in new cases in February.
- The state diversion category is slightly more volatile than the county diversion category in terms of month-to-month changes in the number of new starts.

Exhibit 15

Leaver Analysis by Type, SFY2011					
Number of Months in Spell Prior to Exit (%)	BCA			State Diversion	County Diversion
	One Parent	Two Parent	Child Only		
0-3 months	38.4%	44.7%	32.5%	98.4%	99.8%
4-6 months	26.7%	30.0%	19.5%	1.6%	0.0%
7-12 months	20.4%	18.4%	19.7%	0.1%	0.2%
13-18 months	7.6%	4.3%	8.3%	0.0%	0.0%
19-23 months	3.2%	1.7%	4.4%	0.0%	0.0%
24 months or more	3.6%	1.0%	15.8%	0.0%	0.0%
Total Cases Exited in Year	12075	2262	3511	1824	407
Average Monthly Exits	1098	206	319	166	37
Ratio of Monthly Exits to Monthly Caseload	0.13	0.17	0.06	0.60	0.94

This graph gives the average number of months in a welfare spell at the time of exit for each of the cases that can be identified as leaving welfare, either permanently or temporarily, in SFY2011. It also shows the total number of exits in SFY2011 for each welfare category and compares the average number of monthly exits with the average monthly caseload.

- Of one and two parent households, over half leave having received six or fewer months of assistance. Nearly three quarters of two parent households leave without receiving more than six months of assistance. Spells are relatively shorter than those for child only households. In child only households, over one quarter of the families received benefits for more than 1 year before leaving.
- Again, spells are very short for diversion cases (less than 3 months), reflecting the short term, temporary nature of these programs.
- In an average month, between 13% and 17% of one and two parent household cases exit, while a smaller percentage of child only cases exit. This reflects the more permanent tenure of child only cases on welfare. In an average month, a majority of cases exit for diversion programs, again reflecting the temporary nature of these programs.

Exhibit 16

Recidivism Analysis by Type, SFY2010					
Return to Welfare in Months	BCA				
	One Parent	Two Parent	Child Only	State Diversion	County Diversion
1-3 months	18.8%	15.0%	17.8%	4.2%	0.7%
4-6 months	7.7%	5.5%	4.0%	3.2%	0.3%
7-9 months	5.2%	3.4%	3.0%	2.3%	0.2%
10-12 months	3.2%	1.9%	2.1%	2.2%	0.2%
No return within 1 year	65.1%	74.3%	73.2%	88.1%	98.7%

This table gives the incidence and extent of recidivism for cases that exited welfare in SFY2010. SFY2010 is chosen to give ample time after exit to check for a return to the TANF program. The main observations are highlighted below:

- Under all types of assistance, the majority of cases that exited in SFY2010 did not return to the welfare system through SFY2011.
- In the BCA categories, of those that did return to TANF, the majority returned quickly, within 3 months of their exit.
- In the diversion categories, nearly all recipients exit permanently and did not return through SFY2011, potentially indicating the success of this type of assistance in providing a one-time boost to individuals in trouble.

Sanctions Analysis

Exhibit 17

Average Monthly Sanction Characteristics, SFY2011			
	One Parent	Two Parent	Child Only
Cases Facing Sanction (%)	3.9%	2.4%	0.5%
Sanction Level (% of Cases)			
Level 01	1.7%	1.3%	0.1%
Level 02	1.2%	0.4%	0.0%
Level 03	1.1%	0.4%	0.2%
Sanction Level (% of Sanctioned)			
Level 01	42.6%	52.6%	28.2%
Level 02	29.1%	14.8%	8.7%
Level 03	28.6%	16.1%	50.4%
Average Monthly Cases Facing Sanction	335	30	22

This table examines the monthly sanctioning of welfare cases. It shows average monthly characteristics, such as the average percentage of cases per month facing some sanction, the average percentage of cases per month facing each sanction level, the average percentage of sanctioned cases in each sanction level and the average number of sanctioned cases. The main observations are given below:

- On average, one parent cases, with 4% facing sanction, are more likely to face sanction than either two parent or child only cases, with 2.5% and 0.5%, respectively. This is also supported in the absolute levels with the absolute number of sanctions much higher for one parent cases.
- For one and two parent cases that face sanction, the majority face a Level 1 sanction. For child only cases that face sanction, however, the majority face a Level 3 sanction. It should be noted that the percentages of sanctioned in the various levels do not add to 100% for each category because some people receive multiple sanctions in the same month and so are included in multiple categories and because the level of sanction is not available for each person indicated as being sanctioned.

Employment Analysis

Exhibit 18

Employment Analysis by Type, SFY2010					
	BCA				
	One Parent	Two Parent	Child Only	State Diversion	County Diversion
Employed (%)					
Concurrently	25.4%	25.2%	33.5%	48.2%	73.2%
One Quarter Later	28.4%	29.3%	33.5%	48.9%	68.7%
Two Quarters Later	30.9%	31.5%	33.6%	48.2%	66.8%
Three Quarters Later	32.4%	32.3%	33.6%	46.5%	64.7%
Four Quarters Later	33.6%	32.7%	33.7%	46.5%	62.3%

This table examines quarterly employment outcomes for the heads of household on active TANF cases. Specifically, it gives, by case type, the average quarterly percentage of household heads employed in the same quarter as on TANF, one quarter beyond, two quarters beyond, etc. The key observations one can take from this table are:

- BCA heads of household are less likely to be employed while on TANF or after than heads of household on diversion cases. Among BCA cases, heads of household on child only cases are the most likely to be employed.
- Among BCA cases, the incidence of employment for heads of household rises slightly, indicating, perhaps, that the assistance is successful in getting people into the labor force.
- Among diversion cases, those receiving county diversion are much more likely to be employed than those receiving state diversion payments. Additionally, in the case of both state and county diversion, the likelihood of employment is highest in the quarter assistance is received and it declines thereafter. This highlights the success of the program in providing a temporary boost and getting household heads into a job immediately. On the other hand, it demonstrates that the positive effects seem to wear off over time. This might be indicative of a failure of the program to permanently improve conditions for the poor.

Exhibit 19

Earnings Analysis by Type, SFY2011					
	One Parent	BCA Two Parent	Child Only	State Diversion	County Diversion
Monthly Earnings (\$)					
Mean	637	724	1892	672	1407
Median	462	495	1482	492	1239

This table analyzes monthly² earnings for those heads of household that are employed in the same quarter that they find themselves in the Colorado Works caseload. The key observations from this table are:

- Employed heads of household on child only cases earn more than those on any other type of case. Employed heads of household in one parent households earn the least.
- In terms of diversion cases, those employed heads of household on county diversion cases tend to have quarterly earnings higher than those on state diversion cases. These employed heads of household on county diversion cases earn, on average, more than double the earnings of the employed heads of household on state diversion cases.
- In terms of BCA cases, employed head of household on child only cases earn significantly more than those in one or two parent households. In fact, they earn, on average, more than double the earnings of their counterparts in one or two parent households.

² These figures derive from quarterly data and so should be interpreted as average monthly income earned during the quarter when the head of household received benefits. This number may not accurately reflect income earned concurrently with benefit receipt.