

**The Effects of Welfare Reform on  
Private Emergency Assistance**

**Interim Report**

**For The Local Investment Commission**

**MRI Project No. 1445-02**

**March 12, 1998**



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Private Emergency Assistance**

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**For The Local Investment Commission  
3100 Broadway, Suite 226  
Kansas City, Missouri 64111**

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# Preface

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Midwest Research Institute (MRI) is pleased to present to the Local Investment Commission (LINC) an interim report on the potential effects of welfare reform on privately provided emergency services in Jackson County, Missouri. This project is being jointly funded by LINC, through a grant from the Missouri State Department of Social Services, and a Kimball Research Award from MRI.

The purpose of this study is to investigate the potential impact of welfare reform on the demand at food pantries, community emergency shelters, privately provided utility assistance, and other emergency social services. Information for this study is being obtained from the Missouri Department of Social Services and from the Mid America Assistance Coalition (MAAC).

The authors of this report are Nancy Dunton and Richard Speidel of MRI's Center for Regional Development. Wanda Brandenburg and Brian Rosson assisted in the analysis.

This interim report provides LINC with some of the first findings on the joint utilization of both public assistance and private emergency assistance in Jackson, Clay, and Platte counties. The final report will present additional information on the joint usage of food stamps and private assistance, as well as a longitudinal analysis of the relationship between these services. The longitudinal analysis will provide information on the degree to which families rely on private assistance as they leave public assistance behind. This information will help Kansas City, through LINC and MAAC, plan to meet the changing emergency service needs of the low-income population.

Sincerely,

MIDWEST RESEARCH INSTITUTE

Nancy Dunton, Ph.D.  
Principal Social Scientist

Approved:

James L. Spigarelli, Ph.D.  
Executive Vice President, MRI  
Director, Kansas City Operations

March 12, 1998

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# Introduction

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Public concern about the welfare system nationwide has been evident for more than a decade. This concern resulted in the implementation in many states of waivers to the Aid to Families with Dependent Children (AFDC) program and the passage of federal and state welfare reform legislation. Specific welfare reform activities in Missouri are described below.

The intent of these reforms is to improve the economic self-sufficiency of persons and help them make the transition from welfare to work. Another intended benefit of reform is to reduce the cost of the welfare system by reducing the welfare rolls and enabling former recipients to become taxpayers. As with any major change in a social institution, there are legitimate concerns about whether the effects of the change will match the intention of the reform.

The focus of this study is to identify the amount and pattern of private assistance used by public assistance recipients, as they leave the public caseload. This analysis is made feasible by the unique data set, maintained by the Mid America Assistance Coalition, on private emergency assistance services in the Kansas City metropolitan area. Before examining the transition question, however, we must look first at the number of households using both public and private assistance and at whether this pattern of joint reciprocity has remained stable in the last three years. We must understand patterns of concurrent reciprocity, as defined by households that use both public and private assistance within the same calendar quarter, if we are to interpret patterns of transition from welfare to work.

Before the question of the effect of welfare reform on private assistance can be assessed, we must first establish baseline information on the level and pattern of joint reciprocity. Therefore, the first objectives of this study are to:

1. Assess the level of joint usage of public and private assistance
2. Estimate the number and value of private assistance used by joint users
3. Describe the income package of joint users
4. Identify neighborhoods with high rates of joint usage

## Interim Report Contents

This interim report contains:

- Review of the methodological approach and data sources used in the data analysis

- Description of preliminary findings
- Discussion of next steps

# Methodology

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The study used data furnished by the Missouri Department of Social Services (DSS) and by the Mid America Assistance Coalition (MAAC). The data furnished by DSS included Income Maintenance (IM) monthly extracts and Food Stamp monthly extracts for the thirty-six month period, November 1994 through October 1997. Each monthly extract included information concerning all persons in the counties of Jackson, Clay, and Platte who were on active cases and receiving some form of government assistance as of the end of each month.<sup>1</sup> The data furnished by MAAC included a listing of all services delivered by member agencies through approximately the same thirty-six month period, November 1994 through October 1997. The MAAC data included information detailing the dollar value of the delivered service, the delivering agency, the recipient's name and social security number (SSN), and the date the assistance was provided.

Due to the personal and confidential nature of the information being examined in the study, assuring confidentiality of the data itself was the first project activity before any data files were made accessible. MRI's Institutional Review Board (IRB) reviewed and approved a series of procedures to ensure the confidentiality of the data. A draft of these procedures is attached as an appendix. Additional security steps were implemented since the initial portion of the analysis had to be performed on the mainframe computer at the University of Missouri-Columbia (UMC).

The analysis of joint receipt of both public and private assistance services entailed extracting from the IM monthly files, all SSNs of individuals who received cash assistance at any point within the selected period. In cases where a portion of the analysis concerned only individuals or households which received Temporary Assistance to Needy Families (TANF) cash grants, such recipients were identified by additional descriptive data on the type of assistance received, also contained within the IM monthly file extracts. Portions of the analysis also incorporated individuals who received Food Stamps at any point within the selected time period by appending the SSNs of such individuals to the group of public cash grant assistance recipients extracted from the IM monthly files. If an individual in the Food Stamp extracts had already been selected by appearing in the group of IM assistance recipients, the duplication was deleted.

Once a set of unique SSNs was compiled for the selected period and chosen public assistance grant type recipients, the set was matched by SSN to records in the MAAC data set for persons with service dates falling within the same time period. The set of matched records then had certain details concerning the provision of private assistance compiled into summary statistics. For example, the number of MAAC services provided to individuals who also received TANF cash grants was totaled for each providing agency. Similarly, the total dollar value of assistance distributed to TANF cash recipients by

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<sup>1</sup> Only currently active cases were included in the Income Maintenance and Food Stamp monthly extracts. Cases which received assistance and were closed within the same calendar month did not appear on that month's extract.

MAAC agency was calculated. In most instances, the dollar value of MAAC assistance was totaled over the selected time period for each recipient.

Once a matched set of SSNs was identified as occurring in both the selected public and private assistance rolls, the set was then merged back with the IM and/or Food Stamp monthly extract files. This merging or rejoining of the matched set by SSN with the IM and/or Food Stamp files enabled the examination of additional information concerning those receiving both public and private assistance (that is, joint recipients). For example, the number of cases or households represented in the matched set of SSNs could be determined by totaling the number of unique case numbers corresponding to the matched and rejoined set of joint recipients. In addition, by separately totaling the amount of public and private cash assistance received over the selected period by a household, it was possible to determine the amount by which a public assistance recipient household supplemented its assistance income with private assistance grants.

By totaling the number of joint recipient households by their zip codes, maps were generated to geographically display the distribution of the joint recipient households. These maps were also overlaid with the location of MAAC agencies and graduated scales showing the number of services distributed to joint recipients per agency.

## Preliminary Findings

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The first step in the analyses was to determine the amount of joint usage of public and private assistance. The amount of joint assistance depends on the length of time and types of public program coverage. For this study, joint assistance was defined as receipt of both types of assistance within three-month period, specifically from August 1997 through October 1997. For convenience, this period will be referred in this report as the third quarter of 1997. Moreover, joint assistance was estimated by successively broadening public programmatic coverage from:

- TANF cash cases (TANF)
- TANF cases or Food Stamp-only cases
- Public cash assistance from all sources or Food Stamp-only cases

The results of the joint usage analysis on the linked records for the three-county area are presented in Tables 1 and 2 and Maps A through E. The following bullets highlight important findings from this analysis.

*The number of recipients served by MAAC nearly equals the number of households receiving TANF (see Table 1).<sup>2</sup>*

- In the third quarter of 1997, there were 13,430 TANF households and 13,153 MAAC recipients.

*Within a calendar quarter, joint users represent a slightly larger share of the MAAC caseload than the TANF caseload.*

- There were 2,847 persons in 2,565 households that received assistance from both public and private sources during the third quarter of 1997.<sup>3</sup>
- Joint recipients accounted for 19.1 percent of the TANF caseload and 21.6 percent of the MAAC caseload.

*Food Stamp-only recipients were as likely to use MAAC assistance as TANF households during the third quarter of 1997.*

- Adding Food Stamp-only recipients to the TANF caseload increased the number of public assistance reciprocity households by 17,985, more than doubling the size of the public assistance caseload.

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<sup>2</sup> The average TANF household contain ~ 2.8.

<sup>3</sup> For convenience, the text refers to TANF cases as households. This draws more clearly the distinction between MAAC cases, which are individuals, and TANF cases, which are households.

**Table 1. Joint Public and Private Assistance Recipients  
Cash Assistance or Food Stamps and MAAC  
(Jackson, Clay, and Platte Counties)**

<b>Recipient Group</b>	<b>Unit</b>	<b>Aug - Oct 97 3 months</b>
<b>TANF Cash Assistance and MAAC</b>		
TANF Cash Assistance Households	Households	13,430
Households also Receiving MAAC Assistance	Households	2,565
Co-Recipient Households	Percent	19.1%
MAAC Assistance Recipients	Individuals	13,153
Recipients also Receiving TANF Cash Assistance	Individuals	2,847
Co-Recipients	Percent	21.6%
<b>TANF Cash Assistance or Food Stamps and MAAC</b>		
TANF Cash Assistance/Food Stamps Households	Households	31,415
Households also Receiving MAAC Assistance	Households	6,113
Co-Recipient Households	Percent	19.5%
MAAC Assistance Recipients	Individuals	13,153
Recipients also Receiving TANF Cash Assistance/Food Stamps	Individuals	6,662
Co-Recipients	Percent	50.7%
<b>Cash Assistance (all sources) or Food Stamps and MAAC</b>		
Cash Assistance/Food Stamps Households	Households	44,385
Households also Receiving MAAC Assistance	Households	6,562
Co-Recipient Households	Percent	14.8%
MAAC Assistance Recipients	Individuals	13,153
Recipients also Receiving Cash Assistance/Food Stamps	Individuals	7,057
Co-Recipients	Percent	53.7%

Notes: Numbers represent counts of unique households (or individuals) of the identified recipient group type which received at least one assistance grant at ANY point during the three months.

Cash assistance from all sources includes TANF, General Relief, Medical Assistance, Aid to the Blind, Old Age Assistance, and OASDI grants to individuals. SSI-only recipients not included.

Households receiving multiple cash grants and/or food stamps are counted once.

Sources: Data furnished by the Missouri Department of Social Services and the Mid

America Assistance Coalition. Data compiled by Midwest Research Institute.

- By subtracting the number of TANF cases from the sum of the TANF and Food Stamp-only cases, we find that there were 3,548 Food Stamp-only MAAC households, or 19.7 percent of the Food Stamp-only caseload. This was a joint reciprocity rate comparable to that for TANF households.
- The Food Stamp-only MAAC users accounted for 29 percent of the MAAC caseload.

*Using the TANF-plus-Food-Stamp-only definition of public assistance, joint users of MAAC services accounted for one-fifth of this public assistance caseload, but accounted for fully half of the MAAC caseload.*

- The rate of joint reciprocity with MAAC agencies among the TANF-plus-Food-Stamp-only public assistance population was 19.5 percent. This group of public assistance recipients accounted for an even higher share of MAAC recipients—50.7 percent.

*TANF and Food Stamp-only recipients are more likely to be joint MAAC users than recipients of other public cash assistance programs.*

- Including cash assistance cases from non-TANF sources adds another 12,970 households to the definition of public assistance, for a total public caseload of 44,385 in the third quarter of 1997.
- By subtracting the number of TANF-plus-Food-Stamp-only cases from the total of all public cash and Food Stamp-only cases, we find that the “other cash assistance” recipients included just 449 joint household users of MAAC assistance. The “other cash assistance” population had a joint MAAC reciprocity rate of just 3.5 percent and accounted for 3.0 percent of the MAAC caseload.<sup>4</sup>

*Altogether, there were 7,057 persons in 6,562 household who received both public and private assistance during the third quarter of 1997. Due to the low level of joint reciprocity among “other cash assistance” recipients, the overall rate of joint reciprocity was 14.8 percent of the public caseload. However, all public assistance recipients accounted for 53.7 percent of the MAAC caseload.*

Table 2 presents data on the income assistance packages of joint public and private recipients.

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<sup>4</sup> Approximately 70 percent of the “other cash assistance” population are recipients of Old Age Assistance and Disability payments.

**Table 2. Joint Public and Private Assistance Grants  
TANF Cash Assistance and MAAC  
(Jackson, Clay, and Platte County Households, August through October 1997)**

Grant Source and Amount	Total Households		Size of Household		
	Number	Percent	1-2 Persons	3 Persons	4+ Persons
<b>TANF Cash Assistance</b>					
\$300 or less	287	11.2	143	99	45
\$301 - \$500	464	18.1	284	85	95
\$501 - \$700	239	9.3	74	105	60
\$701 - \$900	1,044	40.7	292	528	224
\$900 or more	531	20.7	0	0	531
Total	2,565	100.0	793	817	955
Median Value	\$702		\$468	\$702	\$976
<b>TANF Cash Assistance and MAAC Combined</b>					
\$300 or less	102	4.0	68	18	16
\$301 - \$500	357	13.9	182	110	65
\$501 - \$700	333	13.0	182	96	55
\$701 - \$900	629	24.5	305	234	90
\$900 or more	1,144	44.6	56	359	729
Total	2,565	100.0	793	817	955
Median Value	\$841		\$645	\$857	\$1,090
Increase in Median Value Resulting from Receipt of MAAC Assistance	\$139		\$177	\$155	\$114

Note: Households receiving multiple cash grants are counted as one household; however, all cash grant assistance received over the three-month period is summed per household.

Sources: Data furnished by the Missouri Department of Social Services and the Mid America Assistance Coalition. Data compiled by Midwest Research Institute.

MAAC services add \$139 to joint recipient TANF households, or 17 percent of their total income assistance package (see Table 2).

- During the three-month period of August through October of 1997, the median value of TANF cash assistance for joint recipient households was \$702. The median ranged from \$468 for one-to-two person households to \$976 for TANF households containing four or more individuals.
- Across all household sizes, the median value of MAAC assistance to joint recipient households was \$139. The median value of MAAC assistance ranged from \$177 for one-to-two person households to \$114 for TANF households of four or more individuals.
- MAAC services comprised larger shares of the total income assistance packages for one-or-two person households than for larger households. It comprised 27 percent of the total income assistance for one-to-two person households compared to 10 percent for households with four or more people.

Maps A through E show the distribution of joint users in the three-county area, the location and volume of service at MAAC agencies, and the location of Comprehensive Neighborhood Service sites.

*Joint-user households are found in each of the three counties, but they are concentrated in the urban core of Jackson County.*

- Map A presents the distribution of joint public and private assistance households by zip code. Joint users are found in each of the three counties. They are concentrated, however, in Jackson County, particularly its urban core, and in the Clay County zip code that contains Excelsior Springs and surrounding area.
- Map B presents a more detailed depiction of joint recipient households in the urban core of Jackson County. Zip codes having the highest number of joint users include 64106, 64127, and 64130.

*Service sites are generally located in the zip codes having the highest numbers of joint users.*

- Map C shows the location of MAAC agencies (white stars) and Comprehensive Neighborhood Service (CNS) sites (dark stars), as well as the distribution of joint recipient households. Service sites are generally located in the zip codes having the highest numbers of joint users. Some MAAC agencies have a requirement that clients live in their neighborhoods. Therefore, the location of the service sites probably facilitates higher levels of joint usage in these areas.

- Map D shows detail on the location of MAAC agencies and CNS service sites in the urban core of Jackson County.
- Map E shows, for the urban core of Jackson County, the volume of services to joint recipients by MAAC agencies.<sup>5</sup>

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<sup>5</sup> In this grey-scale map, it is difficult to see the dark stars (CNS sites) in the zip codes with the highest numbers of joint recipients. There is one CNS site in zip code 64130 and one on the boundary of zip code 64106.

## Next Steps

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The final report will include the results of two more types of analyses. First, we will replicate the concurrent findings for an earlier period, either prior to or soon after the implementation of the first welfare reform activities in Missouri. Second, we will address the use of private assistance as public recipients leave the public caseloads, using this unique new data set. We will examine their patterns of joint reciprocity during and after their stay on public assistance. With this analysis, we will be able to assess the association between the imposition of sanctions and the usage of MAAC services and describe the pattern of MAAC usage after cases exit the public assistance rolls. If feasible, we will forecast the usage of private assistance as welfare reform becomes more institutionalized. This information will support community development of private assistance services.

# Appendix

## Procedures for Protecting Confidentiality

## **Procedures for Protecting Confidentiality**

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In order to find out about the use of private assistance by individuals who leave the public assistance caseload, the LINC welfare-to-work research project will match records from the MAAC database with records from the state's AFDC files. To ensure an accurate identification of the same individual in both databases, cases will be matched on SSN, date of birth, and either name or address.

### **Risk**

Under current and past regulations, private in-kind and third-party assistance (e.g., utility payments) are not counted as income for the purposes of determining eligibility or benefit level for AFDC/TANF or Food Stamps. This study will examine private and public assistance reciprocity during the period 1994 to mid-1997.

There is a concern that such assistance could in the future be counted as income under TANF regulations and that matching records could jeopardize individuals' eligibility for benefits or change the amount of assistance due a family. The discovery that some individuals has received private assistance that had not been reported to the state would result in those individuals having to repay the excess benefit to the state.

### **Confidentiality Protections**

MRI has a full appreciation of the confidential nature of the databases to be used in this project. We have over 40 years of experience in dealing with confidential data and confidential clients. MRI has established protocols for working with confidential data, and staff are trained in maintaining data security and confidentiality.

MRI's Security Officer is also the designated Automated Information System Security Officer. Current security systems cover government classified and non-government confidential information. Protection of proprietary information and release of information are covered in the MRI *Standards of Conduct* pamphlet and corporate operating policies and procedures.

Databases that contain classified or confidential information require safeguards to assure nondisclosure of information for individual records in the system. The security of electronic information is protected through controlling access to authorized users, masking identities, and password-protecting files for transfer. MRI has in place measures to foil attempted internal and external breaches of security. Virus-scanning and system backup procedures are designed into the local area network (LAN), workstation, and bulletin board system operations. Key to MRI's Internet implementation is a firewall

system installed concurrently with the domain server equipment that bars access to MRI databases by external entities.

Special security arrangements for maintaining the confidentiality of the linked MAAC/AFDC database include:

- After the matching procedure is complete and the linked research database is constructed, MRI will assign new (research project) identifiers to the matched records. These identifiers will in no way reference the individual's SSN, AFDC case number, name, or address.
- Once the new database is constructed, MRI will destroy our copies of the original databases. MAAC and LINC officials may be present as the original records are destroyed.
- Access will be restricted to authorized users through a project password.
- No identifying information will be published. Only aggregate statistics will be released in the project report.