



How Much Do Welfare Recipients Know about Time Limits?

by Sheila R. Zedlewski and Jennifer Holland

No. 15

Almost four out of 10 welfare recipients say either that they have not been told there is a limit on how long they can receive benefits or that they do not know how many more months they can receive benefits.¹ Recipients with two or more serious barriers to employment are significantly less likely to know how much time they have left than other recipients. While some of these individuals may be exempt from their state's time limit, the number without full information far exceeds the number who could be exempt. The situation raises concerns because welfare recipients without accurate knowledge about time limits are at risk of losing assistance before they are ready to make the transition off welfare.

Federal reforms in 1996 eliminated the entitlement to welfare and limited benefits to a maximum of five years in a lifetime. States can exempt up to 20 percent of their caseload from the federal time limit. Moreover, they can extend the time limit beyond five years, as long as benefits are paid with state dollars. In 2002 only two states—Michigan and Vermont—did not have any type of time limit on benefits (Bloom, Farrell, and Fink 2002). Seventeen states had time limits of less than five years.

This Snapshot uses the 2002 National Survey of America's Families (NSAF) to examine whether a representative sample of welfare recipients reported being told they had a time limit on benefits and, if they said they were told, how many more months they could receive benefits. Families in which only the children receive benefits were excluded because they are not subject to time limits.² Recipients living in Michigan and Vermont, the two states with no time limits, were also excluded.

Awareness of Time Limits

States enacted time limits on benefits to motivate welfare recipients to move into the paid labor market and prepare for financial independence. Yet many recipients were not fully aware of the

time limit on their benefits. Some said they were not told they had a time limit (16.1 percent), whereas others said they were told but did not know how many more months they could receive benefits (21.1 percent, as shown in figure 1). Roughly two in 10 recipients said they could continue receiving benefits for less than a year; one in 10 said they had between one and two years of benefits left, and almost three in 10 reported having two or more years left.

Knowledge about benefit time limits varied significantly with certain characteristics of welfare recipients. Those with barriers to employment (and more at risk of hitting a time limit before finding

work) were much more likely to have limited information (figure 2). Nearly three-quarters of recipients whose NSAF interviews were conducted in Spanish either said they were not told about the limit or didn't know how many months remained. About half of recipients who had not completed high school, who had limited work experience, or who faced multiple barriers to employment had incomplete information about their benefit time limit. In general, recipients were more likely to know that there was a limit than to know the amount of time they had left.

Entrants (people who first entered welfare in the past two years) and cyclers (people who first received welfare more than two years ago but have received it only intermittently) were more aware of their benefit time limit than stayers (those who first received welfare more than two

years ago and have been on welfare continuously for the past two years). Nearly half the stayers had incomplete information about their time limit. These differences probably reflect the greater incidence of time limit exemptions among long-term recipients. In addition, information may degrade as time on welfare increases.

Discussion

Welfare program rules are complex, but recipients must under-

DATA AT A GLANCE

37 PERCENT OF WELFARE RECIPIENTS

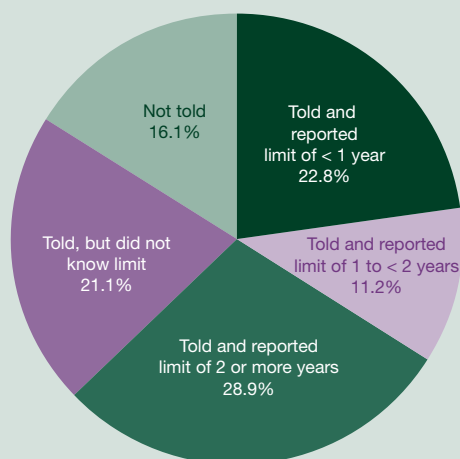
LACK INFORMATION ABOUT WHEN
THEIR WELFARE BENEFITS WILL END.

HALF OF WELFARE RECIPIENTS WITH
TWO OR MORE BARRIERS TO
EMPLOYMENT LACK INFORMATION
ON TIME LIMITS.

THREE OUT OF FOUR SPANISH-
SPEAKING RECIPIENTS ARE NOT
AWARE OF WHEN THEIR WELFARE
BENEFITS WILL END.



Figure 1. Welfare Recipients' Awareness of Time Limits



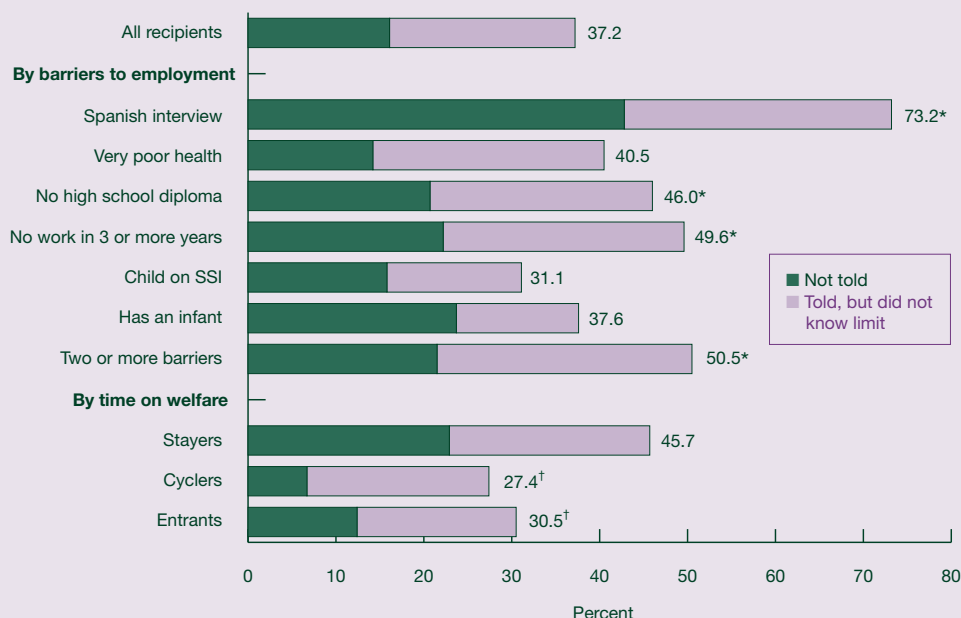
Source: 2002 National Survey of America's Families
 Note: Sample excludes families in which adults are not subject to time limits (see text).

stand those rules if they are to avoid adverse consequences. Benefit time limits and exemptions are a particularly vexing area of states' policies. Although states can exempt up to 20 percent of their caseloads from time limits, field studies have shown that implementation of exemption policies varies across states—and sometimes across time within a single state (Bloom et al. 2002).

About four out of 10 NSAF recipients could not report full information about their benefit time limit. While some of these recipients may be exempt from their state's time limit, clearly not all of them are. Further, states' most vulnerable recipients have less knowledge about their time limits than others. These are precisely the recipients who need to understand the policy most clearly. States should

ensure that caseworkers and welfare recipients communicate frequently about time limits to avoid increasing the number of people who lack both a job and welfare eligibility.

Figure 2. Welfare Recipients with Incomplete Information on Time Limits, by Characteristic



Source: 2002 National Survey of America's Families
 Note: Sample excludes families in which adults are not subject to time limits (see text).
 * Estimate is significantly different from estimate for all recipients at the 0.10 level.
 † Estimate is significantly different from estimate for stayers at the 0.10 level.

Reference

Bloom, Dan, Mary Farrell, and Barbara Fink. 2002. "Welfare Time Limits: State Policies, Implementation, and Effects on Families." Report to the U.S. Department of Health and Human Services. http://www.acf.dhhs.gov/programs/opre/welfare_timelimits/welfare_tl_title.html. (Accessed October 28, 2003.)

Endnotes

- ¹ "Welfare" indicates participation in the Temporary Assistance for Needy Families (TANF) program.
- ² Specifically excluded are adults who are not the parents of children in families receiving welfare and adults who are receiving Supplemental Security Income.

Sheila R. Zedlewski is director of the Income and Benefits Policy Center at the Urban Institute, and Jennifer Holland is a research assistant in the Income and Benefits Policy Center.

Snapshots of America's Families III, No. 15

