

Sanctions: A Multi-Level Analysis of Benefit Reductions and Case Closures

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11th Annual ACF/OPRE
Welfare Research and Evaluation Conference, 2008



Background and Context

- TANF's emphasis on employment and personal responsibility;
- Sanctioning – process of temporarily or permanently cutting or ending a participant's welfare benefits;
- State devolution led to tremendous variation in rates of sanctioning across the United States
(Pavetti et al 2003; Fording et al 2006)



Previous Research on Sanctioning

- Sanctioned families tend to be more vulnerable and have more obstacles to work (Cherlin et al 2002; Kalil et al 2002; Wu et al 2004);
- Evidence to suggest that sanctioning may be a function of the statewide implementation environment (Fording et al 2007);
- Despite all other controls, blacks are significantly more likely to be sanctioned than other racial/ethnic groups (Kalil et al 2002; Kaiser et al 2004);
- Evidence in the literature to suggest differential caseworker treatment by race (Gooden 1997; Lurie 2001; Hagen and Owens-Manley 2002).



Limitations of Previous Sanctioning Research

- Mostly conducted at the state level (Chang et al 2001; Cherlin et al 2002; Kalil et al 2002; Parisi et al 2003; Hasenfeld et al 2004; Keiser et al 2004; Wu et al 2004; Lens and Vorsanger 2005; Fording et al 2006; Lens 2006; Fording et al 2007);
- Focuses on individual characteristics of recipients (Chang et al 2001; Cherlin et al 2002) or on the role of context on sanctioning variation (Goldberg and Schott 2000; Soss et al 2001);
- Does not distinguish between case closure sanctions and benefit reduction sanctions;
- Use of traditional statistical models that do not control for the nesting of clients within their context of residence.



Research Questions

- To what extent do state-level characteristics impact odds of sanctioning above and beyond client-level characteristics?
- What is the relative contribution of race on odds of being sanctioned after all other relevant controls?
- Are the characteristics that predict benefit reduction sanctioning the same as those that predict case closure sanctioning?

Data

- **Client Level Data:** US Dept of Health and Human Services, Administration for Children and Families (ACF) state reported disaggregated data for 2001-2005
 - Closed Cases: N=198,090
 - Active Cases: N=629,299
- **State Level Data:** American Community Survey (ACS), 2001-2005;
- Merged using the Federal Information Processing Standards (FIPS) coding scheme and year.



Sample Selection Criteria

- Female heads of household;
- White, Black or Latina;
- 18-65 years old;
- Non-exempt from requirements

Variables

- **Dependent variables:**

- *Case Closure Sanction*: case closed due to sanction vs. closed for any other reason
- *Benefit Reduction Sanction*: benefits reduced due to sanction vs. not reduced at all or reduced for some other reason

- **Independent variables:**

- *Level 1 (Client)*: Race (white, black, Latina), marital status, presence of children in the family, employment status, education, age, age2, citizenship status, disability status, months toward federal time limit, rural vs. non-rural residence
- *Level 2 (State)*: region, pct black, employment ratio, pct college graduates, pct poverty, pct cash public assistance receipt, pct employed in service occupations, pct traditional families (married with children), median household income, TANF policies (sanction policies, work requirements, time limits, family caps), year



Models

- Two-level generalized linear mixed models – multilevel logistic regression (Raudenbush & Bryk 2001)
 - Deal with nested nature of data (clients within states)
 - Use SAS's PROC GLIMMIX
 - Random intercept
 - Allow me to determine the amount of variation in sanctioning explained by differences between states vs. differences among individuals

Example of Model with Client- and State-Level Controls

Level 1 Model	Level 2 Models	Combined Model
$\eta_{ij} = \beta_{0j} + \beta_{1j}Black_{ij} +$ $\beta_{2j}WhiteLat_{ij} + \beta_{3j}BlackLat_{ij} +$ $\beta_{4j}Single_{ij} + \beta_{5j}Separated_{ij} +$ $\beta_{6j}Unemployed_{ij} + \beta_{7j}HSGrad_{ij} +$ $\beta_{8j}College_{ij} + \beta_{9j}Age_{ij} +$ $\beta_{10j}Age2_{ij} + \beta_{11j}Citizen_{ij} +$ $\beta_{12j}Disabled_{ij} + \beta_{13j}Limitfed_{ij} +$ $\beta_{14j}Youngch_{ij} + \beta_{15j}Othch_{ij} +$ $\beta_{16j}Rural_{ij} + \mu_{0j}$	$\beta_{0j} = \gamma_{00} + \gamma_{01}South_j +$ $\gamma_{02}Midwest_j + \gamma_{03}West_j +$ $\gamma_{04}lpblack_j + \gamma_{05}hpblack_j +$ $\gamma_{06}empratio_j + \gamma_{07}pcolgrad_j +$ $\gamma_{08}ppersonpov_j + \gamma_{09}ppubasst_j$ $+ \gamma_{010}pservice_j + \gamma_{011}ptradfam_j$ $+ \gamma_{012}medhhinc_j + \gamma_{013}sancmod_j$ $+ \gamma_{014}sancstrong_j +$ $\gamma_{015}workstrict_j + \gamma_{016}timelimit_j +$ $\gamma_{017}familycap_j + \mu_{0j}$	$\beta_{1j} = \gamma_{10}$ $\beta_{2j} = \gamma_{20}$ $\beta_{3j} = \gamma_{30}$ $\beta_{4j} = \gamma_{40}$ $\beta_{5j} = \gamma_{50}$ $\beta_{6j} = \gamma_{60}$ $\beta_{7j} = \gamma_{70}$ $\beta_{8j} = \gamma_{80}$ $\beta_{9j} = \gamma_{90}$ $\beta_{10j} = \gamma_{100}$ $\beta_{11j} = \gamma_{110}$ $\beta_{12j} = \gamma_{120}$ $\beta_{13j} = \gamma_{130}$ $\beta_{14j} = \gamma_{140}$ $\beta_{15j} = \gamma_{150}$ $\beta_{16j} = \gamma_{160}$
		$\eta_{ij} = \gamma_{00} + \gamma_{10}Black_{ij} + \gamma_{20}WhiteLat_{ij} +$ $\gamma_{30}BlackLat_{ij} + \gamma_{40}Single_{ij} + \gamma_{50}Separated_{ij} +$ $\gamma_{60}Unemployed_{ij} + \gamma_{70}HSGrad_{ij} + \gamma_{80}College_{ij} +$ $\gamma_{90}Age_{ij} + \gamma_{100}Age2_{ij} + \gamma_{110}Citizen_{ij} + \gamma_{120}Disabled_{ij}$ $+ \gamma_{130}Limitfed_{ij} + \gamma_{140}Youngch_{ij} + \gamma_{150}Othch_{ij} +$ $\gamma_{160}Rural_{ij} + \gamma_{01}South_j + \gamma_{02}Midwest_j + \gamma_{03}West_j +$ $\gamma_{04}lpblack_j + \gamma_{05}hpblack_j + \gamma_{06}empratio_j +$ $\gamma_{07}pcolgrad_j + \gamma_{08}ppersonpov_j + \gamma_{09}ppubasst_j +$ $\gamma_{010}pservice_j + \gamma_{011}ptradfam_j + \gamma_{012}medhhinc_j +$ $\gamma_{013}sancmod_j + \gamma_{014}sancstrong_j + \gamma_{015}workstrict_j +$ $\gamma_{016}timelimit_j + \gamma_{017}familycap_j + \mu_{0j}$

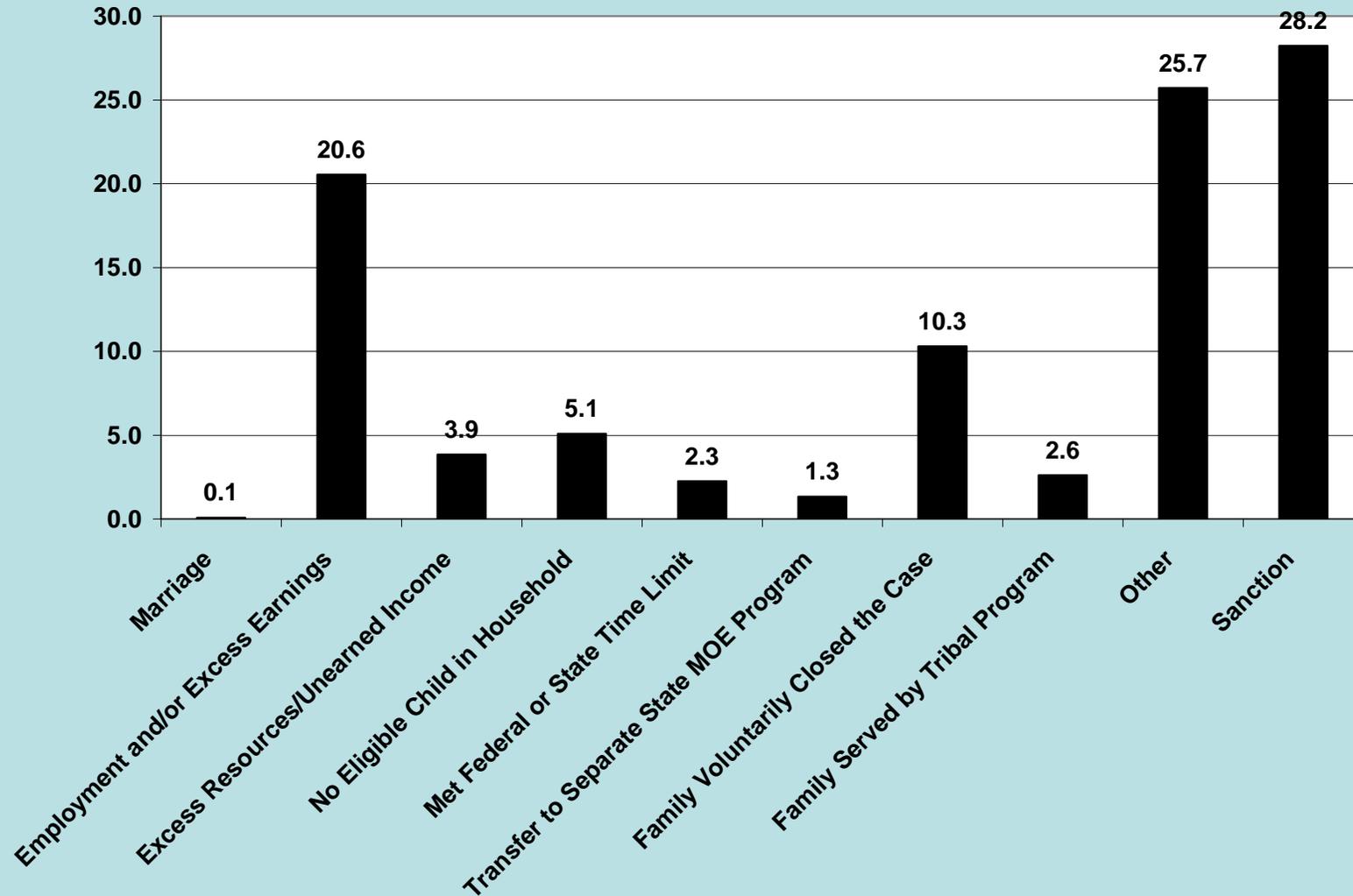


Selected Sample Characteristics

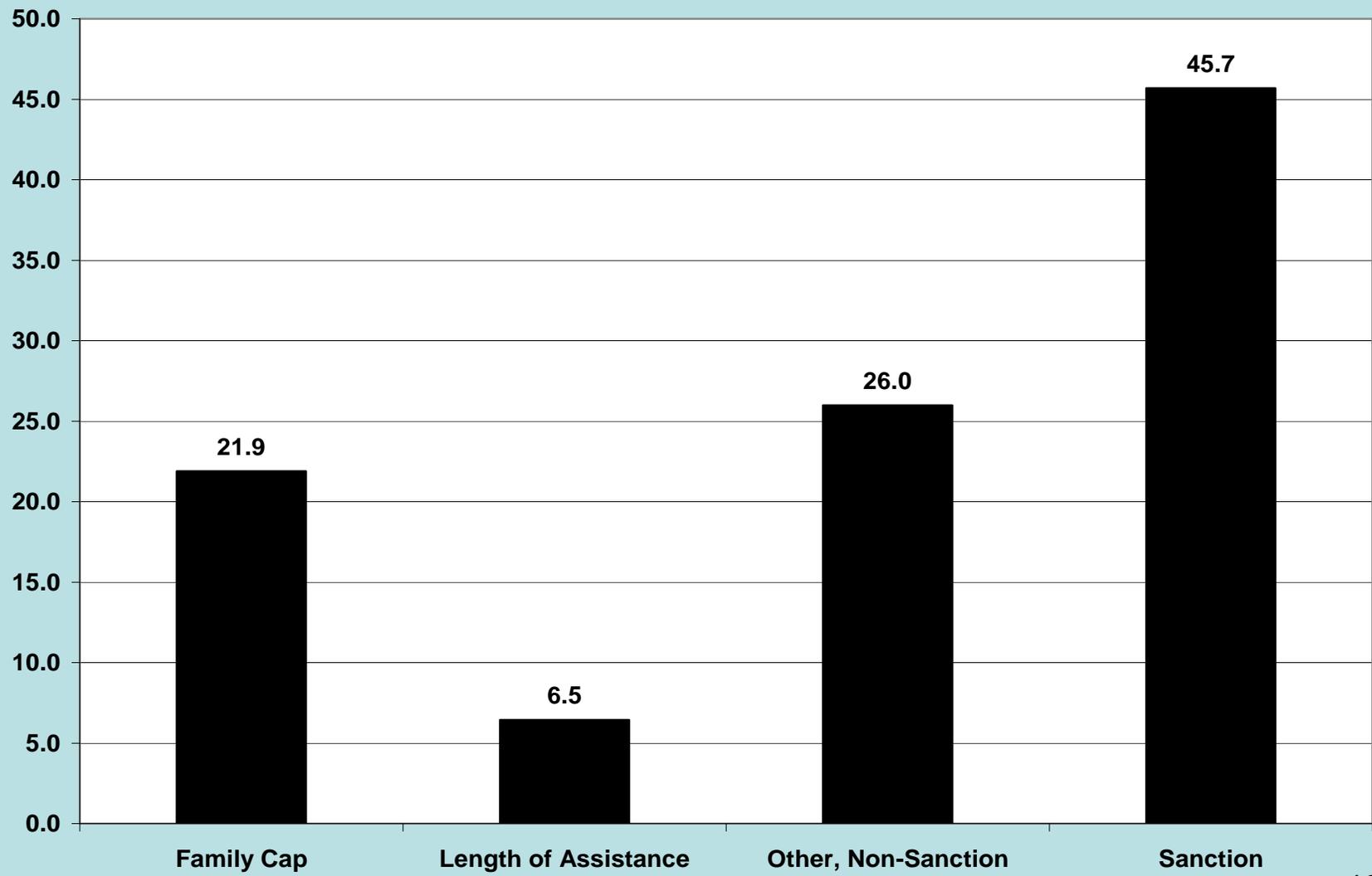
- **Sanctioning:**
 - 28.3% of cases closed were closed due to a sanction (case closure sanction)
 - 7.2% of active cases were sanctioned (benefit reduction sanction)
- **Race:** about equal percentages of whites and blacks among closed cases, but a much higher percentage of blacks than whites among active cases (46.5% vs. 37.5%);
- **Other demographics:** mostly single, unemployed, have at least a high school diploma, early-30s, received TANF for about 20 months, live in non-rural counties



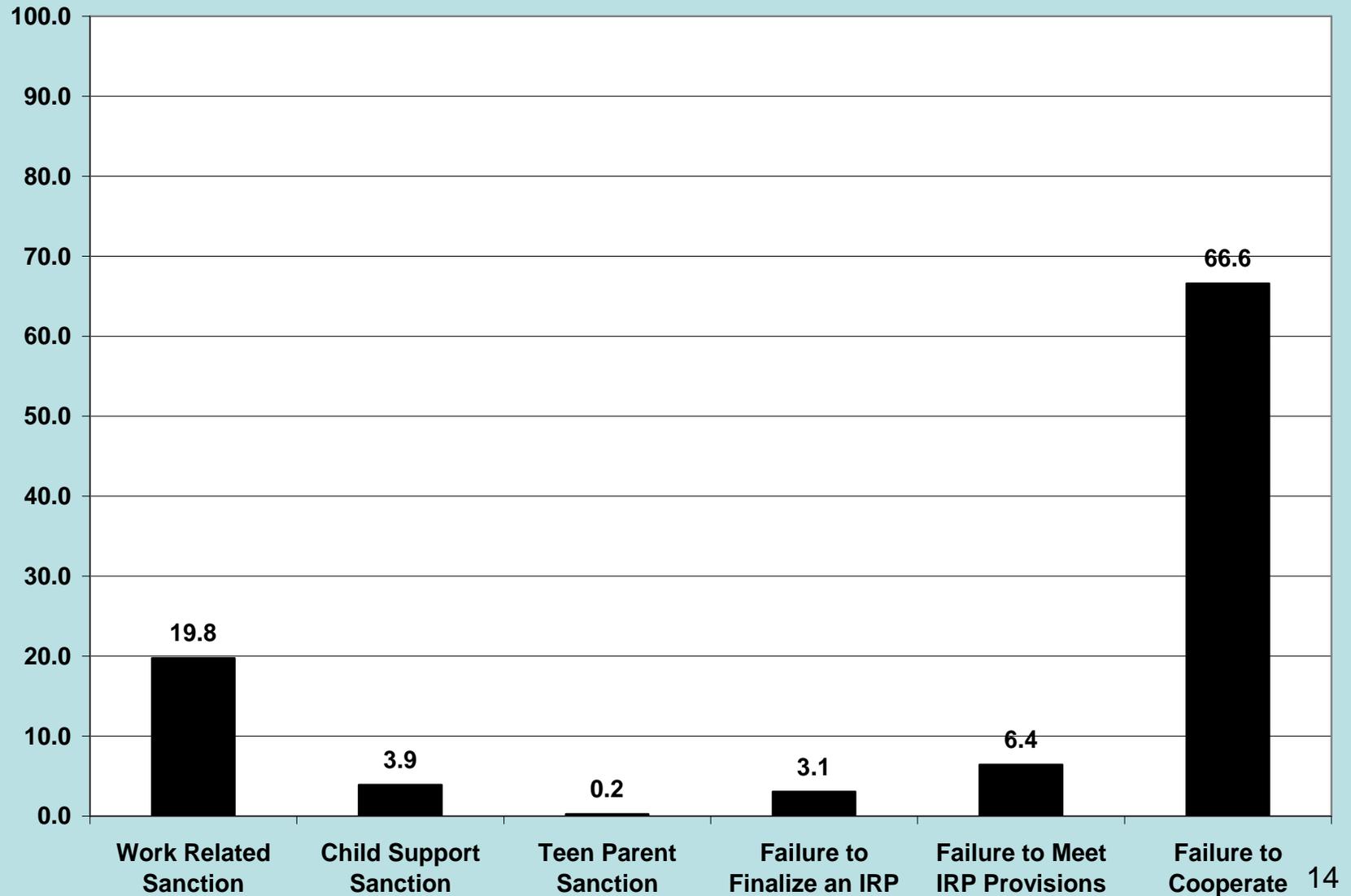
Reasons for Case Closures



Reasons for Benefit Reductions

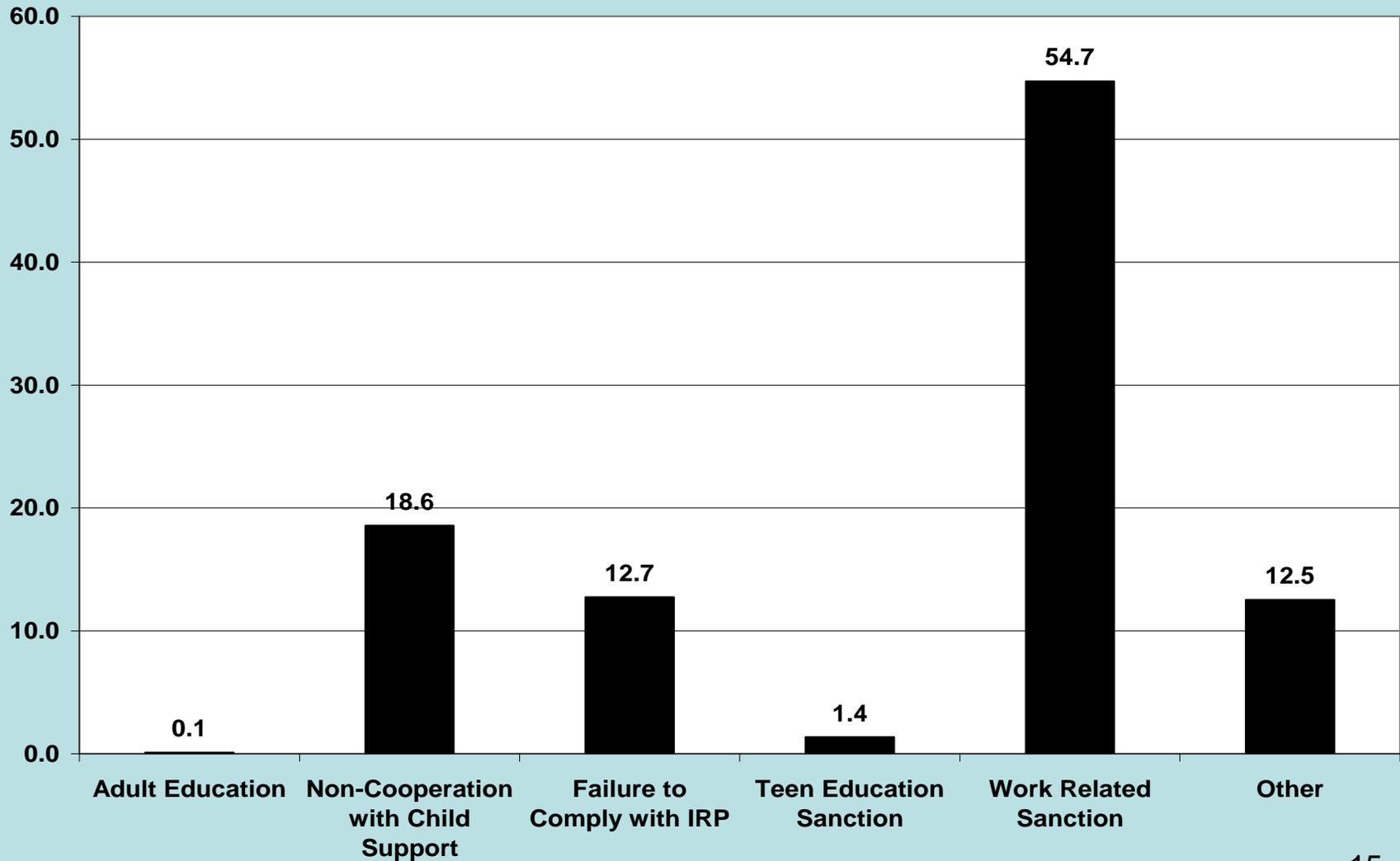


Reasons for Case Closure Sanctions

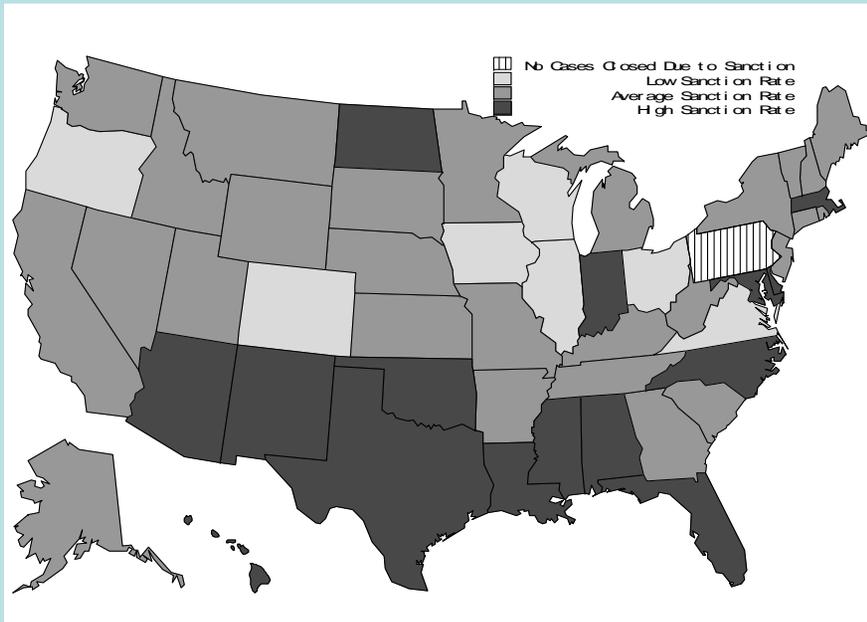




Reasons for Benefit Reduction Sanctions



Variability in Sanctioning across the US



Case Closure Sanction Rates, 2005



Benefit Reduction Sanction Rates, 2005

Client-Level Predictors of Sanctioning: Key Findings

	Case Closure Sanctions	Benefit Reduction Sanctions
Black	1.17***	1.00
Latina	1.04*	1.16***
Single		1.18***
Separated	1.30***	1.11***
Unemployed		2.04***
HS Grad	0.85***	0.80***
College Grad	0.85***	0.58***
Citizen	1.02	1.09***
Young Children (<6)	0.97***	1.07***
Older Children (6-17)	1.05***	1.17***
Rural	1.35** 2.95***	0.93***
Pseudo-ICC	0.2739	0.4980

Odds Ratios for selected client-level predictors of sanctioning; *p<.05; **p<.01; ***p<.001

State-Level Predictors of Sanctioning: Key Findings

	Case Closure Sanctions	Benefit Reduction Sanctions
Low Percent Black	0.74*	0.73**
High Percent Black	1.21**	0.54***
Employment Ratio	0.98***	1.05***
Pct College Graduates	0.96	1.03***
Pct Person Poverty	0.98***	0.73***
Pct Public Assistance	1.12***	1.42***
Pct Service Industry	1.26***	0.90***
Pct Traditional Families	0.95***	1.01
Median Household Income	0.97	0.92***
Moderate Sanction Policies	1.25	0.77
Strong Sanction Policies	0.61	0.15*
Stricter Work Requirements	1.21	1.86
Stricter Time Limit	1.04	0.34
Family Cap	1.75	1.69
Pseudo-ICC	0.3576	0.5124

Odds Ratios for selected state-level predictors of sanctioning; *p<.05; **p<.01; ***p<.001

Client- and State-Level Predictors of Sanctioning: Key Findings from Combined Model

	Case Closure Sanctions	Benefit Reduction Sanctions
Black	1.17***	1.00
Latina	1.03	1.17***
Single	1.36***	
Separated	1.31***	1.11***
Unemployed	2.98***	2.06***
HS Grad	0.85***	0.80***
College Grad	0.86***	0.58***
Citizen	1.01	1.10***
Young Children (<6)	0.96***	1.07***
Older Children (6-17)	1.05***	1.15***
Rural	0.87***	0.95*
Low Percent Black	0.71**	0.54**
High Percent Black	1.21**	0.55***
Employment Ratio	1.05***	1.01
Pct College Graduates	1.00	1.00
Pct Person Poverty	0.92***	0.93***
Pct Public Assistance	1.20***	1.30***
Pct Service Industry	1.27***	0.95**
Pct Traditional Families	0.95***	1.01
Median Household Income	0.86***	1.17***
2002	0.71***	1.13**
2003	0.57***	1.07
2004	0.77***	0.60***
2005	0.91	0.43***
Pseudo-ICC	.4076	.6074

Odds Ratios for selected client- and state-level predictors of sanctioning;

*p<.05; **p<.01; ***p<.001

The Impact of Year

1. Adding year to the models increases the amount of variance explained to 41% of the original 27% for case closure sanctions and 61% of the original 50% for benefit reduction sanctions;
2. After all controls, Latinas no longer have greater odds of receiving a case closure sanction;
3. After controlling for year, the significant effect of employment ratio and pct college graduates in a state on benefit reduction sanctions disappears;
4. Compared to 2001, odds of case closure sanction were lower in 2002, 2003, and 2004 and odds of a benefit reduction sanction were higher in 2001 but lower in 2004 and 2005.

Summary

- Various state-level characteristics impact who gets sanctioned above and beyond client-level characteristics;
- Net of all controls, black women have greater odds of a case closure sanction, and Latinas have greater odds of a benefit reduction sanction;
- While some of the same characteristics predict both types of sanctions, there are some differential impacts of some other client- and state-level characteristics on sanctioning.

Research Implications

- Future welfare research should control for the nested nature of clients within their context of residence;
- Research should thoroughly examine the impacts of client's residences on their risk of being sanctioned;
- Researchers should separate benefit reduction sanctioning and case closure sanctioning in their analyses.

Policy Implications

- Enhanced services to promote educational attainment;
- Improved case worker training focusing on barriers to work for different groups of women;
- TANF programs tailored to specific contextual environments;
- Race-based policies
 - Federally assigned anti-discrimination testers sent to welfare offices
 - Racial audits to examine the racial distribution of welfare “leavers” and reasons for case closures