Employment, Earnings, and Recidivism among Georgia's TANF Leavers: Findings from the TANF Follow-Up System

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Executive Summary

The TANF Follow-Up System tracks the employment, earnings, and return to TANF of adult recipients who have left TANF. It uses administrative data from the Department of Human Resources' management information system and the Georgia Department of Labor's Unemployment Insurance (UI) wage report files. This report focuses on four annual groups of leavers ("annual cohorts") who left TANF from 2000 through 2003.

Welfare Environment

- From 1997 through 1999, the number of families receiving TANF dropped by 52 percent, leveling off around 50,000 household a month in 2002. In January 2001 the US economy began an economic downturn that resulted in substantial and persistent job loss here in Georgia. During the period from 2001 to 2003, the number of household receiving TANF increased to almost 60,000.

- In 2001, recipients began to reach the 48-month State lifetime limit on receipt of TANF benefits. A year later, recipients who had been granted waivers of the State limit began to reach the 60-month Federal lifetime limit. Coupled with the economic downturn, this event created a harsh economic reality for long-term TANF recipients. Throughout this period, TANF benefits remained the same as the cost of living increased.

Population of TANF Leavers

- During the period from 2000 through 2003, 111,889 adult recipients left TANF. Of these, 78 percent appeared in only one of the four annual leaver cohorts. The remaining 22 percent appeared in two or more cohorts.

- Although the number of leavers increased as the number of households receiving TANF increased, the demographic characteristics of the TANF leavers remained relatively stable from 2000 through 2003. In 2003, the leavers' median age was 27, their average number of dependent children was 2.0, and the median age of their youngest child was 2. Only 59 percent of the leavers were high school graduates.

- At the time they left, 48 percent of the 2003 leavers had accrued 1 to 12 lifetime limit months and 72 percent had accrued fewer than 25 months. These leavers were younger, had fewer children, and were more likely to be high school graduates and to be married or to have been married than longer-term recipients.

- Five percent of the 2003 leavers left TANF after receiving benefits for 49 to 84 months. These leavers were clearly more disadvantaged than other leavers with regard to their ability to support their families. They had more children, and the majority had not graduated from high school. Eighty-four percent had never been married, compared to sixty-nine percent of the leaver population as a whole. Sixteen percent were receiving mental health, substance abuse, or rehabilitation services at the time they left TANF.

- The most important predictor of how many lifetime limit months a recipient will accrue is number of children. Other important factors predicting longer-term receipt of benefits are lack of a high school diploma and receipt of mental health, substance abuse, and rehabilitation services. For black leavers, never having been married is associated with an especially substantial increase in number of accrued months.

Patterns of Employment and Recidivism in the First Year after Exit

- We do not know to what extent recipients leave TANF because of employment, but the presence of earnings in the quarter in which an adult left TANF is indicative of employment around the time of exit. From 2000 through 2003, the percentage of leavers who were employed during the quarter in which they left TANF decreased from 62 to 54 percent. Eighty-five percent of the 2003 leavers who had earnings in their exit quarters worked in services or retail trade.

- During this same period, the percentage of leavers who were employed in at least one quarter of the first year after leaving TANF decreased from 75 to 69 percent. The percentage who returned to TANF ranged from 26 to 29 percent.

- There was a strong relationship between number of accrued lifetime limit months and employment and earnings in the first year after exit. In the 2002 leaver cohort, as number of accrued months increased, number of quarters worked, average earnings in quarters worked, and average annual earnings all decreased. Only 6 percent of those who had accrued more than 48 months when they left TANF had average monthly earnings in the first year after exit that exceeded the TANF Gross Income Ceiling for their family size, compared to 24 percent of those who had accrued only 1 to 12 months when they left TANF.

- Within each annual cohort, the majority of those who returned to TANF in the first year after exit had also been employed during that year. Among the 2002 leavers, those employed leavers who returned to TANF worked fewer quarters, earned less in each quarter of employment, and earned less than half as much over the course of the year as those who did not return – $3,916, compared to $8,372. They also were younger, were less likely to have graduated from high school, and had accrued more lifetime limit months

- There was a strong relationship between continuity of employment and earnings. Higher earnings motivate, support, and result from steady employment. Consequently, the more quarters leavers worked in the year following exit from TANF, the more they earned in each quarter worked. Leavers who worked in all four quarters had annual earnings that were 12 times higher than those who worked in only one quarter. Other factors that had a substantial impact on earnings were having a high school diploma and, among high school graduates, living in a Metropolitan Statistical Area (MSA). Graduates who were employed earned an average of $2,837 more than non-graduates in their first year after exit.

Longer Term Outcomes

- Within annual leaver cohorts, employment decreased in successive post-exit years, but the earnings of those who were employed increased. Within each post-exit year, employment rates decreased with each successive cohort. The decline in percentage of leavers employed in all four quarters of a year is of particular concern because it is leavers who work steadily who make the most economic progress.

- The economic downturn that began in 2001 undoubtedly contributed to decreasing employment. By the first quarter of 2004 – the most recent quarter for which earnings data are available – the economy had begun to improve, but there was no corresponding improvement in the employment and earnings of TANF leavers.

- When the annual earnings of employed leavers are compared to the Federal Poverty Guidelines, which are keyed to family size and adjusted annually for increases in the cost of living, it is clear that, as a group, TANF leavers are losing ground. While it continues to be true that the longer it has been since recipients left TANF, the greater the probability that their annual earnings will exceed the Poverty Guidelines, the percentage of leavers whose earnings have exceeded this measure of economic well-being has decreased with every successive annual cohort since 1997.

- Among the 2000 leavers – the most recent cohort for whom three full years of follow-up data are available – 83 percent worked at some time in the 3 years following exit, and 18 percent worked in all 12 quarters. Number of quarters worked was strongly associated with whether a leaver had earnings in the third year after exit that exceed the Poverty Guidelines. Forty-three percent of those who had worked in every quarter had earnings above the Poverty Guidelines, compared to twelve percent of all 2000 leavers. However, leavers with three or more children were very unlikely to have earnings that exceeded the Poverty Guidelines, regardless of how many quarters they had worked.

- A "snapshot" of dependency on public assistance, taken in June 2004, showed that the longer it had been since an annual cohort had left TANF, the smaller the percentage of leavers who received Food Stamps, Medicaid, or Child Care Assistance that month. Dependency on public assistance was strongly associated with accrued lifetime limit months at time of exit. In the 2003 leaver cohort, 55 percent of those who had 1 to 12 accrued months at exit received Food Stamps in June 2004, and 64 percent received Medicaid. However, 89 percent of those who had accrued 49 to 84 months received Food Stamps in June 2004, and 84 percent received Medicaid.

Industries Employing TANF Leavers

- Standard Industrial Classification (SIC) codes are available for leavers' employers. These codes provide information at three levels of detail: industrial divisions, major industrial groups, and specific industries. Eighty-two percent of the 2002 leavers who were employed in the fourth quarter after exit worked in the industrial divisions of Retail Trade or Services. At the next level of detail, 56 percent of the 2002 leavers were employed in just ten major industrial groups. The top three industrial groups were Eating and Drinking Places, Personnel Supply Services, and Nursing and Personal Care Facilities.

- Overall, 42 percent of the 2002 leavers had not graduated from high school, but only 37 percent of those who were employed were non-graduates. Among industries employing 75 or more leavers, there was a generally inverse relationship between average quarterly earnings and the percentage of leavers employed in the industry who had not graduated from high school.

Introduction

The TANF Follow-Up System was established by the Georgia Department of Human Resources (DHR) in 1997 to track the employment, earnings, and recidivism of adults leaving Temporary Aid for Needy Families (TANF). Since then, over 190,000 adults have left TANF. This report summarizes the post-TANF outcomes of those who left during the period from 2000 through 2003.

Methodology

The TANF Follow-Up System is a data base containing information on adult recipients from closed TANF cases. In this data base, DHR data on TANF recipients are matched to quarterly earnings data from the Georgia Department of Labor (GDOL).

Identifying Adult Leavers. The event that triggers inclusion in follow-up is case closure. However, because families may go on and off TANF as their circumstances change or they go in and out of compliance with program requirements, it is not always clear when a case is truly closed. Therefore, for purposes of follow-up, a case is considered closed when no benefits are received in two successive months.

Recipients are added to the TANF Follow-Up System the first time they meet the criterion for inclusion during a calendar year. If they receive additional benefits at a later date, they are considered recidivists. However, they only appear once in the follow-up file for that year. The adults who left TANF during a calendar year make up the “annual leaver cohort” for that year.

Only those adults who were actually TANF recipients are addressed in this report. Excluded are adults who received a benefit on behalf of a dependent child but who were not, themselves, part of the TANF grant.

Data. All of the data in the TANF Follow-Up System come from administrative data systems. The advantages of such data are low cost and continuity over time. The disadvantage is that neither what is collected nor how it is organized and maintained is likely to be ideal for research purposes.

Data on TANF recipients and households come from DHR’s SUCCESS system. Data on employment and earnings come from GDOL’s unemployment insurance (UI) wage record. This record is a report of quarterly earnings submitted by all employers in the state whose workers are covered under the UI system. It does not include information on wage levels, number of hours worked, or whether employment was continuous. However, it does provide total earnings in the quarter and the employer’s Standard Industrial Classification code. Leavers are considered to have been employed in a particular quarter if they had any reported earnings for that quarter.

UI earnings data provide a low-cost way of tracking employment over time. However, they have two important limitations. First, UI earnings data are only available for those jobs covered under the unemployment insurance system. Notable exclusions are federal jobs and self-employment, including informal work arrangements. For example, if a TANF leaver supplements her income by providing occasional childcare to a neighbor, the resulting earnings are unlikely to be reported to the UI system. In addition, the earnings of Georgians who work in neighboring states are not included in Georgia’s UI data base. Therefore, UI data consistently *underestimate* employment and earnings (especially in interstate labor markets) and the figures contained in this report reflect *minimum* levels of employment and earnings among former TANF recipients.

Second, because of the time required for employer reporting and State processing of UI earnings data, complete data on earnings for any quarter are not available until three quarters later. Therefore, in this report, data on employment in the exit quarter are available for all adult recipients who left TANF during 2000 though 2003. However, post-exit earnings data are only available through the first quarter of 2004.

Data on recidivism come from SUCCESS files of active TANF recipients. This report includes data on recidivism through September 2004. In addition, “snapshot” data for the month of June 2004 on receipt of Food Stamps, Medicaid, and Child Care Assistance have been added to leaver’s follow-up records.

The Welfare Environment

TANF Work Requirements and Lifetime Limits

Under TANF, welfare is no longer an entitlement. Recipients must meet work requirements in order to maintain their benefits, and there is a 60-month Federal lifetime limit on receipt of family assistance. In addition, Georgia has established a more stringent State limit of 48 months. While these limits may be waived for reasons such as domestic violence or disability, Georgia's TANF recipients know that TANF benefits are limited and should be saved for when they are needed most.

When the TANF rules went into effect, they had an immediate and dramatic effect on the number of families receiving assistance. In December 1996, 116,213 families received benefits under Aid for Families with Dependent Children (AFDC), the welfare program that was replaced by TANF in January 1997. By December 1999, the number of families receiving TANF was 55,327 – a 52 percent decrease in just three years.

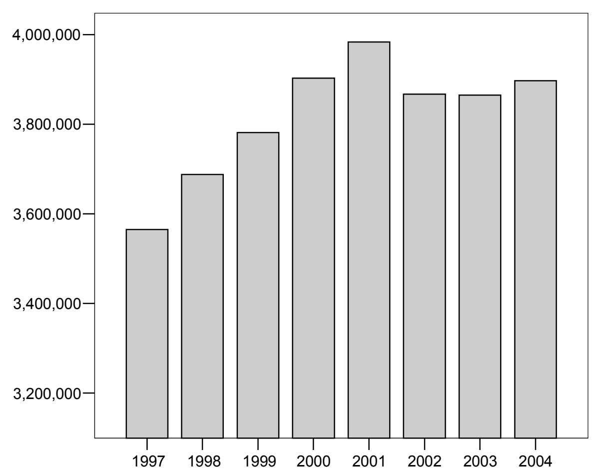
In January 2001, recipients began to reach their State lifetime limits. A year later, recipients who had been granted waivers of the State limit began to reach the 60-month Federal limit. Some waivers of the limits have been granted, but only about five percent of the current TANF population has received benefits for more than 48 months. Similarly, about five percent of the leavers in the 2001, 2002, and 2003 cohorts had exceeded the State or Federal lifetime limits at the time they left TANF.

Reduced Opportunity for Employment

Georgia enjoyed strong economic growth during the first four years of the TANF program. Figure 1 shows Georgia's non-farm employment in January of each year from 1997 through 2004.[1] From January 1997 through January 2001, employment in Georgia increased steadily. But job loss began early in 2001, and by the following January, there were over 116,000 fewer employed Georgians. Through 2002 and 2003, employment remained at about the same level, rising slightly by January 2004. However, employment still had not reached the level seen at the beginning of 2001, and it fell far short of the level one would predict based on the trend seen from 1997 through 2000.

Figure 1

January Non-Farm Employment - Georgia, 1997 to 2004

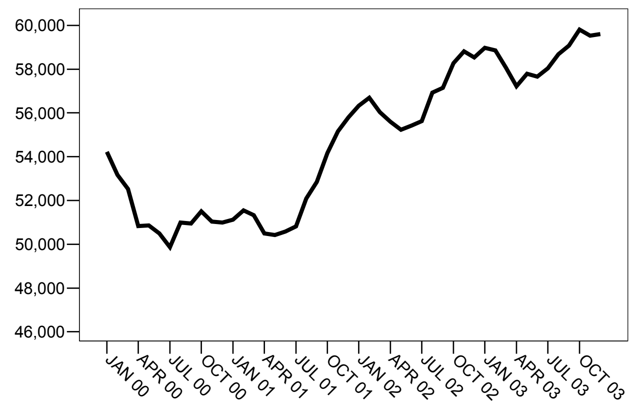


[1] Employment data in Figure 1 were obtained from the U. S. Department of Labor, Bureau of Labor Statistics, at http://www.bls.gov.

With reduced employment opportunity, the TANF caseload began to rise, reaching almost 60,000 by December 2003. (See Figure 2).

Figure 2

Number of Familes Receiving TANF: 2000 - 2003



Increased Cost of Living and Average Earnings

During the period from 2000 through 2003, the Consumer Price Index for Southern cities increased from 167.2 to 177.3 – an increase of 6%[2]. Meanwhile, TANF benefit levels have remained the same since 1997, effectively diminishing their value to recipients.

Over the same period, the average weekly earnings of US non-farm workers increased by 8%[3]. This report addresses the question of whether the earnings of those who left TANF kept pace with increases in wages and the cost of living.

Growing Urban Regions

Georgia experienced very substantial population growth between the 1990 and 2000 Censuses. While many counties in Georgia remain rural, Georgia's Metropolitan Statistical Areas (MSAs) were redefined and expanded in 2003 to reflect the state's expanding urban areas. Under the 2003 map, 70 counties are part of 15 MSAs, including MSAs for smaller cities such as Rome, Brunswick, and Valdosta.[4] Under the current definition, an MSA is an area with a population of 50,000 that is centered on an urban core and linked by commuting patterns. Workers residing in MSAs have access to larger and more diverse labor markets than those residing in areas outside of the MSAs. The impact of living with one of Georgia's MSAs on employment and earnings is also examined in this report.

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[2] The Consumer Price Index is based on the cost of a standard "basket" of goods and provides an indicator of changes in the cost of living. It is calculated by the U.S. Department of Labor, Bureau of Labor Statistics and is available at their website at http://www.bls.gov.

[3] "Average Weekly Earnings of Production Workers," U.S. Department of Labor, Bureau of Labor statistics at http://www.bls.org.

[4] Information on Georgia's 2003 MSAs was obtained from the Carl Vinson Institute of Government, University of Georgia at http://www.cviog.uga.edu.

The TANF Leaver Population

Leaver Characteristics

This report focuses on adult TANF recipients who left TANF during the period from 2000 through 2003. The demographic characteristics of these leavers are shown in Table 1, below. The number of leavers increased as the total number of families receiving assistance increased, but leaver characteristics remained highly consistent over time.

Table 1
Leaver Characteristics by Annual Leaver Cohort

Characteristic	Annual Leaver Cohort			
	2000	2001	2002	2003
Number of Leavers	33,407	32,359	35,566	39,836
Women	96%	96%	95%	95%
Median Age	27	27	27	27
Black	76%	74%	72%	72%
White	24%	24%	26%	26%
Other	1%	1%	2%	2%
Married, Living Together	7%	7%	8%	8%
Never Married	71%	70%	69%	69%
Divorced, Separated, Widowed	22%	23%	23%	23%
Average Number of Dependent Children	2.1	2.0	1.9	2.0
Median Age of Youngest Child	3	2	2	2
High School Graduate	60%	58%	58%	59%
Median Accrued Lifetime Limit Months	n.a.	13	13	13
Resides in MSA	71%	71%	72%	73%

Characteristics of Recidivists

One reason why the cohorts are similar is that there is considerable overlap between them. During the period from January 2000 through December 2003, 111,889 adult recipients left TANF. Of these, 78 percent appeared in only one for the four annual leaver cohorts. The remaining 22 percent were members of at least one other leaver cohort.

Table 2 compares the characteristics of those who left in 2003, based on the number of annual leaver cohorts in which they appeared since 1997. The differences between those who appeared in only one cohort and those who appeared in three or more cohorts are striking. Those who appeared repeatedly in the leaver population are older, and have more and older children. They are less likely to be or to have been married, less likely to have graduated from high school, and more likely to be black. They are less likely to live in an MSA.

Table 2
2003 Leaver Characteristics by
Number of Cohorts in which Leaver Appeared Since 1997

Characteristic	Number of Cohorts		
	1	2	3 or More
Percentage of Leavers	54%	27%	19%
Median Age	26	27	28
Women	92%	98%	99%
High School Graduate	61%	58%	56%
Married, Living Together Never Married Divorced, Separated, Widowed	11% 66% 23%	6% 72% 22%	4% 75% 21%
Ave. Number of Children	1.7	2.1	2.4
Median Age of Youngest Child	2	3	4
Black White Other	65% 32% 3%	78% 21% 1%	86% 14% 0%
Resides in MSA	74%	73%	70%

Long-Term Recipients

Patterns of TANF receipt vary widely. The majority of leavers received TANF for two years or less and did not return. However, some recipients leave and returned to TANF repeatedly, while others receive TANF steadily over a period of years before leaving. Therefore, the characteristics of those who appear in multiple cohorts reflect the TANF *recidivist* population, but not necessarily the population of long-term recipients.

Table 3 compares leaver characteristics by number of tracked TANF months. It is based on leavers from the 2003 cohort since that cohort includes those leavers who received TANF the longest before they left.

The majority of the 2003 leavers were in no immediate danger of reaching their lifetime limits. Seventy-two percent left TANF with fewer than 25 accrued lifetime limit months. These leavers were younger, had fewer and younger children, were more likely to be married or to have been married, and were more likely to have graduated from high school than those who left after accruing more than two years of lifetime limit months.

Clearly, those who remained on TANF longer were more disadvantaged with regard to their ability to support their families – more children, less education, and less apparent connection to the fathers of their children. In addition, they were more likely to have received mental health, substance abuse, or rehabilitation services while on TANF. In general, longer term recipients were more likely to have exited from and returned to TANF in the past.

Table 3
2003 Leaver Characteristics by Accrued Lifetime Limit Months

Characteristic	**Accrued Lifetime Limit Months**				
	1 – 12	**13 – 24**	**25 – 36**	**37 – 48**	**49 – 84**
Percentage of Leavers	48%	24%	13%	10%	5%
Median Age	26	26	27	28	30
Women	91%	97%	98%	99%	99%
High School Graduate	62%	59%	57%	52%	46%
Married, Living Together	12%	7%	4%	3%	2%
Never Married	63%	72%	74%	80%	84%
Divorced, Separated, Widowed	25%	21%	22%	17%	14%
Ave. Number of Children	1.7	1.9	2.2	2.5	2.8
Median Age of Youngest Child	2	2	3	3	4
Black	62%	75%	83%	91%	94%
White	35%	24%	16%	9%	6%
Other	3%	1%	1%	0%	0%
Resides in MSA	73%	71%	70%	74%	82%
Received Mental Health, Substance Abuse, or Rehabilitation Services	6%	7%	8%	8%	16%
Median Leaver Cohorts Since 1997	1	2	2	3	3

Recipients may only remain on TANF after reaching the 48-month State lifetime limit if they receive a waiver from their county TANF program. Just four urban counties – Fulton, Richmond, Dougherty, and Muscogee – accounted for 63 percent of all the 2003 leavers who had received TANF for more than 48 months, although together these large counties served just 27 percent of the 2003 leaver population.

Predictors of Number of Accrued Lifetime Limit Months

Because of the inter-relationships between leaver characteristics, Table 3 does not make it clear whether each of the observed differences is important in understanding those most at risk of becoming long-term TANF recipients. Table 4 shows the results of the linear regression of key leaver characteristics on number of accrued lifetime limit months.[5] Each of these characteristics makes a statistically significant contribution to accounting for accrued lifetime limit months, and together they account for 22 percent of the variance in number of accrued months across the 2003 leavers. That percentage is substantial, but it also points to the importance of other, unknown factors and individual differences.

Table 4
Predicting Accrued Lifetime Limit Months from 2003 Leaver Characteristics

Model	B*	Standard Error	T	Significance
(Constant)	-2.730	.395	-6.907	.000
Age	.179	.014	13.154	.000
Male	-8.323	.338	-24.639	.000
Black	6.061	.171	35.440	.000
High School Graduate	-3.180	.296	-21.886	.000
Married, Together	-1.994	.296	-6.747	.000
Never Married	4.618	.190	24.343	.000
Mental Health, Substance Abuse, or Rehabilitation Services	5.738	.276	20.825	.000
Number of Children	4.288	.067	63.979	.000
Age of Youngest Child	.418	.021	19.478	.000

* Unstandardized regression coefficient

The value of "T" is indicative of the relative magnitude of the effect of each variable, given the presence of all of the other variables in the equation. The value of "B" is the weight by which each factor is multiplied in order to predict number of lifetime limit months. In the case of dichotomous variables such as high school graduate, "yes" has a value of one and "no" has a value of zero. Variables within this model can be understood as, for example, "when all of these variables are taken into consideration together, each child in the grant adds 4.288 months to a recipient's predicted accrued lifetime limit months at exit" or "when all of these variables are taken into consideration together, never having been married increases a recipient's predicted accrued months by 4.618."

Within the model, the characteristic accounting for the most variation in number of accrued lifetime limit months is the number of children in the grant. Because TANF eligibility rules take number in family into consideration in evaluating income eligibility, recipients with larger families

[5] Residing in an MSA was also tested, but did not make a significant, independent contribution to accounting for number of tracked months.

can earn more without becoming ineligible. As a practical matter, the more children recipients have, the more they must earn to support their families and the more complex the problems they must resolve in order to be able to go to work. Both factors – eligibility and feasibility – probably contribute to keeping larger families on TANF longer.

Racial Differences and Factors Contributing to Dependency

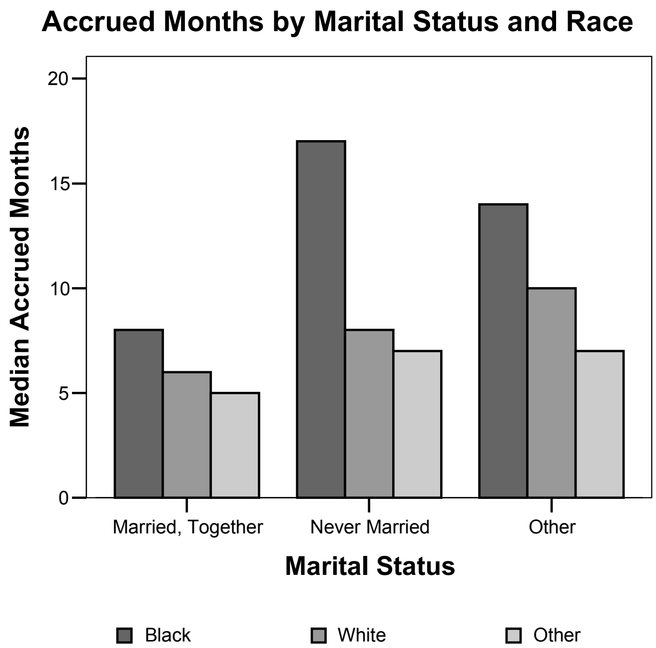
Differences between racial groups among the 2003 TANF leavers suggest differences in the factors contributing to welfare dependency. (See Table 5.) Number of children and age of the youngest child are similar among black, white, and other leavers. However, white leavers and members of other racial groups were less likely to have graduated from high school and white leavers were more likely to have received mental health, substance abuse, or rehabilitation services than members of any other group. On the other hand, black leavers were much less likely to be married and more likely to never have been married than white and other leavers.

Table 5
2003 Leaver Characteristics by Racial Group

Characteristic	Racial Group		
	Black	White	Other
Percentage of Leavers	72%	26%	2%
Median Age	26	28	29
Women	97%	90%	91%
High School Graduate	61%	55%	52%
Married, Living Together Never Married Divorced, Separated, Widowed	4% 80% 16%	20% 42% 38%	18% 56% 26%
Ave. Number of Children	2	2	2
Median Age of Youngest Child	4	5	4
Mental Health, Substance Abuse, or Rehabilitation Services	5%	13%	4%
Median Accrued Months	16	8	7

Figure 3 looks more closely at the relationship between race, marriage, and accrued lifetime limit months. While never having been married was associated with a moderate increase in number of accrued lifetime limit months for white leavers and members of “other” racial groups, it was linked to a very substantial increase for black leavers. The reason for this difference is not clear. It is not associated with differences in receipt of child support, since very few of the never-married recipients received child support, regardless of their racial group.

Figure 3


Accrued Months by Marital Status and Race
Median Accrued Months
20
15
10
5
0
Married, Together
Never Married
Other
Marital Status
Black
White
Other

Patterns of Employment and Recidivism in the First Year after Exit

The TANF work requirements, combined with lifetime limits on receipt of benefits, reflect a belief that most recipients can make the transition to steady employment, capable of supporting themselves and their families, within the benefit period. The employment, earnings, and recidivism of TANF leavers over the first year after they leave TANF reveal the efforts of former recipients to meet the challenge set by TANF policy, and the extent to which they are successful.

It is not clear to what extent adult recipients leave TANF *because of* employment. However, UI wage data tell us the percentage of leavers who had earnings during the quarter in which they left. That percentage declined substantially over the period covered by this report. Employment rates in the exit quarter for 2000 though 2003 were:

2000	62%
2001	61%
2002	56%
2003	54%

This decrease cannot be explained by the presence of longer-term recipients in the later annual cohorts. While those who have exceeded their lifetime limits have relatively low employment rates in their exit quarters, they make up a small percentage of leavers.

Among the 2003 leavers who had earnings in their exit quarters, 45 percent worked in service industries and 40 percent worked in retail trade. Over half of those employed in retail trade worked in eating and drinking establishments. The industries in which TANF leavers work are discussed in detail in "Industries Employing TANF Leavers," page 24.

Table 6
Employment and Return to TANF in the First Year after Exit by Annual Leaver Cohort

Employment/Return Group	2000	2001	2002	2003*
Employed, Did not Return	54%	52%	50%	49%
Employed, Returned	21%	22%	20%	20%
Not Employed, Returned	5%	7%	7%	8%
Neither Employed nor Returned	20%	20%	22%	23%
Total Employed	75%	74%	71%	69%
Total Returned	26%	29%	28%	28%

*Based on the 10,291 2003 leavers for whom a full year of follow-up data is available.

Table 6, above, looks at employment and return to TANF in the first year following exit for the leaver cohorts from 2000 through 2003. Over this period, the percentage of leavers who were employed during the year (i.e. had earnings in at least one of the four quarters following their exit from TANF) decreased from 75 to 69 percent. The 2003 leavers were the first annual cohort since 1997 in which fewer than half the leavers were employed and did not return to TANF. In 2000 and 2001, an increase in recidivism mirrored the decrease in employment. However since 2002, when recipients began to reach the 60-month Federal lifetime limit, recidivism decreased slightly and the number of leavers who were neither employed nor returned to TANF increased.

Outcomes by Number of Accrued Lifetime Limit Months

The effect of lifetime limit policies on recidivism can be seen in Table 7. This table presents data on employment and return to TANF by number of accrued TANF months for those who left TANF in 2002, the most recent cohort for which a full year of follow-up data is available. Among the 2002 leavers, the employment rate was substantially lower for those who had received TANF for more than 48 months. Recidivism was highest for those with 25 to 36 accrued months. Those who had reached the State or Federal lifetime limits had the lowest recidivism rates in spite of the fact that relatively few were employed. The percentage of leavers who neither worked nor returned to TANF was much higher for those who had exceeded either lifetime limit than for any other group.

We do not know what those who were not found in either the Georgia unemployment insurance records or the TANF rolls were doing. They may have married and stayed home with their children, depended on family members, moved out of Georgia, received disability payments, worked in a neighboring state, or held a job that was not covered by unemployment insurance. However, the high proportion of these leavers among those who left TANF after receiving TANF for more than 48 months points to a group of leavers who were unable to make a successful transition off welfare within the time allowed by TANF.

Table 7
Employment and Recidivism in the First Year after Exit by Number of Tracked TANF Months among 2002 Leavers

Employment/Return Group	1 - 12	13 - 24	25 - 36	37 - 48	49 - 72
Percentage of Leavers	50%	23%	13%	10%	5%
Employed, Did not Return	53%	49%	44%	47%	46%
Employed, Returned	18%	24%	28%	22%	9%
Not Employed, Returned	6%	8%	10%	9%	8%
Neither Employed nor Returned	23%	19%	18%	22%	36%
Total Employed	71%	73%	72%	68%	56%
Total Returned	24%	32%	38%	31%	18%

Until they approach their lifetime limits, longer-term recipients who leave TANF are more likely to return to TANF than those who have received benefits for fewer months. The reason for this pattern may be seen in Table 8, which presents data on employment and earnings in the first year after exit by number of accrued lifetime limit months. Most leavers do not work steadily in the first year after they leave TANF, so they may experience periods of TANF eligibility. On average, however, longer-term recipients earn less when they work and so are more likely to return.

The plight of those who have reached their lifetime limits, most of whom are unable to return to TANF, is very clear in Table 8. They work less, they earn less when they work, and their incomes are very low. Very few have average monthly earnings in the first year following exit from TANF that exceed the TANF Gross Income Ceiling, the basis for determining income eligibility for TANF.

Table 8
Employment and Earnings in the First Year after Exit by
Number of Accrued Lifetime Limit Months among 2002 Leavers

Employment and Earnings	1 - 12	13 - 24	25 - 36	37 - 48	49 - 72
Ave. Quarters Worked (All)	2.1	2.1	2.1	1.9	1.5
Employed in All Quarters	34%	33%	32%	27%	19%
Average Quarterly Earnings in Quarters Worked	$2,635	$2,342	$2,121	$1,973	$1,526
Ave. Annual Earnings (Employed Only)	$7,872	$6,926	$6,156	$5,463	$4,717
Ave. Monthly Earnings above TANF Gross Income Ceiling[6] (All)	24%	21%	16%	11%	6%

Those Who Return to TANF

The majority of TANF leavers work during at least one quarter in the year following their exit from TANF. Among those who are employed, most do not return. However, those who do reflect the tension inherent in TANF – the need to work, the difficulty of sustaining employment over time, and approaching lifetime limits.

Employed leavers who do and do not return to TANF can be compared in two respects – their characteristics and their employment experiences. Table 9 compares the characteristics of the 2002 leavers who were employed during the first year after they left TANF based on whether or not they returned to TANF during that year. Those who returned to TANF were younger but had accrued more lifetime limit months. They were less likely to have graduated from high school and to be or have been married.

[6] See Appendix A.

Those employed leavers who did not return to TANF worked more quarters, earned more in the quarters in which they worked, and had annual earnings that were, on average, more than twice as high as the earnings of those who returned to TANF. A majority of the employed leavers who did not return to TANF had earnings in all four quarters of the first year following exit from TANF. (See Table 10.)

Table 9
Characteristics of 2002 Leavers Employed in the First Year After Exit by Recidivism Status*

Characteristics	Returned	Did Not Return
Percentage of Employed Leavers	29%	71%
Women	99%	95%
Median Age	25	27
Black White Other	83% 16% 1%	72% 26% 2%
Married, Living Together Never Married Divorced, Separated, Widowed	4% 78% 18%	8% 69% 23%
Ave. Number of Dependent Children	2.0	2.0
Median Age of Youngest Child	2	2
High School Graduate	55%	63%
Median Accrued Lifetime Limit Months	15	11
Resides in MSA	71	71

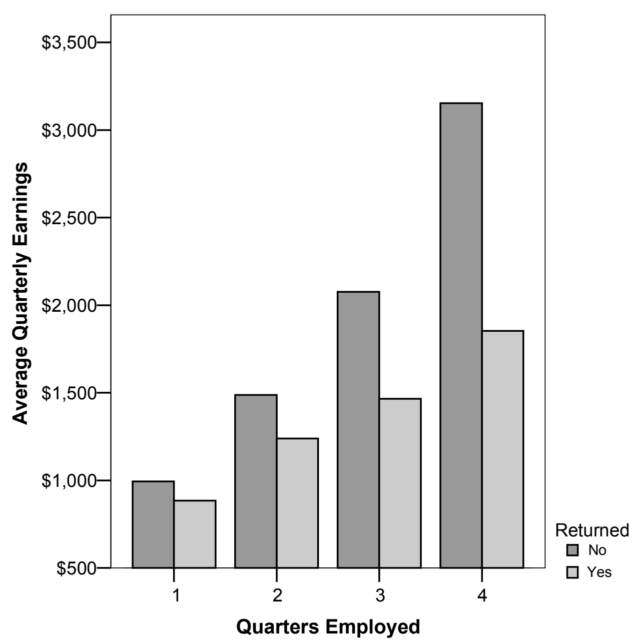
* Based on 25,091 2002 leavers employed in the first year following exit.

Table 10 First Year Earnings and Quarters Worked by Recidivism Status: Employed 20010 Leavers		
Outcome	**Returned**	**Did Not Return**
Quarters Worked: One Two Three Four	 24% 25% 24% 28%	 14% 16% 18% 53%
Average Earnings in Quarters Worked	$1,535	$2,705
Average Annual Earnings	$3,916	$8,372

Labor Force Attachment

Labor force attachment is the strength of a worker's connection to the workforce.

Figure 4



Number of quarters worked is an indicator of labor force attachment, with more quarters indicative of steadier employment. Higher earnings promote labor force attachment by motivating and supporting continued employment. In turn, as workers remain in the workforce, their earnings increase.

The relationship between labor force attachment and earnings is seen in Figure 4, which shows average quarterly earnings by number of quarters worked for employed 2002 leavers who did, and did not, return to TANF. In both groups, average quarterly earnings increased as number of quarters of employment increased. However, the rate of increase was substantially higher for those who did not return to TANF.

Another way of understanding the role of earnings in sustained employment is by looking at the relationship between employment and earnings in one quarter and employment in the next quarter. The experience of the 2002 leavers in the third and fourth quarters after they left TANF is typical. Among those who were employed in the third post-exit quarter, 83 percent were also employed in the fourth quarter, while only 16 percent of those who were not employed in the third quarter were employed in the fourth. But among those who were employed in the third post exit quarter, those who earned more were more likely to work in the fourth quarter as well. (See Figure 5.) At the very lowest earning levels, the probablility of subsequent employment was less than 60 percent, but for those who earned $2,400 or more, it was over 90 percent. For those earning $6,100 or more in the third post-exit quarter, the predicted probability of employment in the fourth post-exit quarter was essentially 100 percent.

Both local labor market conditions and what workers have to offer affect the price they can get for their labor. Table 11 shows average annual earnings by quarters worked, high school graduation, and residence within or outside an MSA.

Figure 5

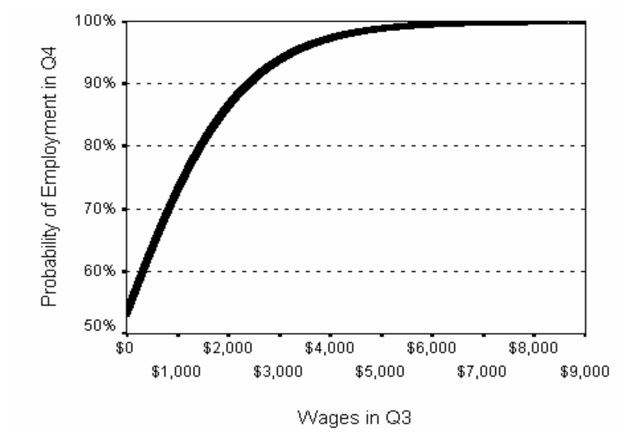


Table 11
Average Annual Earnings by Quarters of Employment, High School Graduation and MSA Residence*

Quarters of Employment	High School Graduate		Non-Graduate	
	MSA	Non-MSA	MSA	Non-MSA
One	$1,073	$1,107	$825	$775
Two	$3,239	$2,968	$2,329	$2,289
Three	$6,352	$5,627	$4,765	$4,775
Four	$13,073	$11,431	$9,961	$9,637

* Based on the 25,901 2002 leavers who were employed in the first year following their exit from TANF.

The importance of working steadily is seen across all groups. Those who worked four quarters had average annual earnings that were more than *12 times* higher than the average annual earnings of those who worked only one quarter. In general, those who lived in one of the state's MSAs earned more than those living in rural areas. Regardless of where they lived, high school graduates earned more than those who did not have a high school diploma. Overall, average earnings in the first year after exit among those who were employed were $2,837 higher for high school graduates than for non-graduates.

Longer Term Outcomes

Building economic stability and well-being is a gradual process. Longer term outcomes provide evidence of the extent to which leavers are – or are not – improving their circumstances and becoming more self-sufficient. In addition, longer term outcomes provide evidence of the effects of economic conditions on the employment and earnings of TANF leavers.

Table 12
Employment, Earnings and Recidivism by Annual Leaver Cohort and Post-Exit Year*

Outcome	2000	2001	2002	2003
First Year				
Employed in at Least One Quarter	75%	74%	71%	69%
Employed in All Four Quarters	38%	35%	32%	31%
Ave. Annual Earnings (Employed Only)	$7,199	$7,097	$7,083	$7,072
Ave. Earnings per Quarter Worked	$2,350	$2,384	$2,107	$2,117
Returned to TANF	27%	29%	28%	28%
Ave. Months on TANF (Returned Only)	5.3	5.4	5.4	5.3
No Known Outcomes	20%	20%	22%	23%
Second Year				
Employed in at Least One Quarter	68%	66%	65%	
Employed in All Four Quarters	34%	32%	31%	
Ave. Earnings (Employed Only)	$7,880	$7,913	$8,039	
Ave. Earnings per Quarter Worked	$2,272	$2,301	$2,337	
Returned to TANF	29%	30%	29%	
Ave. Months on TANF (Returned Only)	6.3	6.3	6.1	
No Known Outcomes	24%	25%	26%	
Third Year				
Employed in at Least One Quarter	63%	63%		
Employed in All Four Quarters	32%	30%		
Ave. Earnings (Employed Only)	$8,500	$8,274		
Ave. Earnings per Quarter Worked	$2,440	$2,398		
Returned to TANF	26%	25%		
Ave. Months on TANF (Returned Only)	6.3	6.2		
No Known Outcomes	28%	29%		

* For cohorts 2001 to 2003, the most recent data shown are for leavers who left TANF between January and March of the cohort year, as these are the only cohort members for whom complete data are available.

Table 12 compares employment, earnings, and recidivism across three annual cohorts and three post-exit years. In the first and second year following exit, more recent cohorts had lower employment rates. Within each annual leaver cohort, the average annual earnings of employed leavers increased over time, but within post-exit years, the earnings of those who were employed did not show consistent improvement across cohorts. Recidivism remained relatively consistent over time, with a modest peak in the second year following exit.

Employment

Comparison of employment rates across post-exit years is complicated by the fact that over time, more former recipients are likely to have moved out of Georgia. Increasing percentages of leavers for whom no outcomes are known in each successive post-exit year supports the hypothesis that the available leaver population shrinks over time. Nevertheless, a substantial proportion of the decreasing employment rates can be attributed to the effects of the economic downturn that began in the first quarter of 2001. The downturn had an immediate effect on employment rates across all cohorts.

Table 13
Quarterly Employment Rates by Exit Cohort and Post-Exit Quarter

Leaver Cohort	N	Exit Qtr	Post-Exit Quarter 1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
20001	9,243	61%	63%	58%	58%	55%	54%	53%	51%	49%	51%	49%	48%	46%
20002	8,595	64%	62%	60%	55%	55%	53%	52%	49%	50%	50%	49%	46%	47%
20003	7,852	62%	63%	58%	57%	55%	53%	51%	52%	51%	49%	47%	48%	48%
20004	7,717	61%	60%	56%	54%	52%	49%	51%	49%	48%	46%	46%	46%	47%
20011	8,961	60%	60%	55%	53%	50%	52%	50%	48%	47%	48%	46%	47%	46%
20012	8,579	61%	60%	54%	50%	52%	50%	49%	46%	48%	48%	47%	46%	
20013	7,627	61%	60%	55%	55%	53%	52%	49%	49%	49%	49%	47%		
20014	7,192	61%	58%	57%	54%	52%	50%	50%	48%	49%	47%			
20021	8,864	54%	57%	53%	51%	49%	49%	48%	48%	47%				
20022	9,399	57%	55%	52%	49%	49%	48%	49%	46%					
20023	8,869	57%	56%	52%	51%	49%	50%	48%						
20024	8,434	56%	53%	52%	50%	50%	48%							
20031	10,291	51%	53%	51%	50%	48%								
20032	10,089	54%	53%	51%	49%									
20033	9,679	55%	55%	51%										
20034	9,777	55%	53%											

Note: Shaded cells contain data for the first quarter of 2001 – the first quarter of the economic downturn. Boxed cells contain data for the first quarter of 2004.

That effect can be seen in Table 13, which presents quarterly employment rates by quarterly leaver cohort and post-exit quarter. In this table, employment rates for the first quarter of 2001 are shaded. Figures below the shaded cells reflect employment taking place after the downturn began. The most recent quarter of earnings displayed is the first quarter of 2004. In spite of the fact that economic conditions had begun to improve by that time, there was no corresponding improvement in the employment of Georgia's TANF leavers. In fact, employment rates were consistently the same or lower than they had been a year earlier.

Earnings

The pattern of leavers' earnings over time is mixed. The average quarterly earnings of employed leavers by exit cohort and post exit quarter are shown in Table 14. The columns in this table show earnings at the same point relative to exit, across quarterly leaver cohorts. These columns show modest improvement from early to later cohorts.[7] For example, comparing the average quarterly earnings for the first post-exit quarter for leavers from comparable quarters of 2000 and 2003, the average increase is only 4 percent. However, during the period from 2000 through 2003, the average weekly wages on non-farm workers increased from $480.41 to $517.36 – an increase of 8 percent.[8]

Table 14
Average Quarterly Earnings of Employed Leaver by Quarterly Leaver Cohort and Post Exit Quarter

Leaver Cohort	Post-Exit Quarter 1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
20001	$2,186	$2,321	$2,463	$2,391	$2,492	$2,552	$2,689	$2,600	$2,665	$2,749	$2,889	$2,787
20002	$2,195	$2,378	$2,304	$2,409	$2,488	$2,642	$2,560	$2,649	$2,699	$2,883	$2,719	$2,802
20003	$2,374	$2,318	$2,400	$2,483	$2,667	$2,569	$2,641	$2,703	$2,883	$2,796	$2,868	$2,922
20004	$2,211	$2,317	$2,387	$2,548	$2,476	$2,572	$2,629	$2,783	$2,665	$2,782	$2,850	$3,072
20011	$2,231	$2,318	$2,479	$2,373	$2,516	$2,533	$2,672	$2,594	$2,671	$2,776	$2,933	$2,725
20012	$2,172	$2,387	$2,313	$2,422	$2,489	$2,640	$2,555	$2,614	$2,687	$2,871	$2,680	
20013	$2,404	$2,347	$2,465	$2,560	$2,716	$2,614	$2,704	$2,778	$2,976	$2,795		
20014	$2,208	$2,396	$2,485	$2,702	$2,590	$2,660	$2,783	$2,949	$2,763			
20021	$2,281	$2,363	$2,590	$2,511	$2,593	$2,691	$2,851	$2,675				
20022	$2,221	$2,398	$2,342	$2,494	$2,549	$2,743	$2,547					
20023	$2,395	$2,304	$2,435	$2,545	$2,774	$2,597						
20024	$2,239	$2,370	$2,549	$2,712	$2,562							
20031	$2,274	$2,391	$2,610	$2,455								
20032	$2,264	$2,513	$2,347									
20033	$2,506	$2,366										
20034	$2,288											

On the other hand, the rows in Table 14 show that those TANF leavers who were employed made steady progress over time. That is, the more time that had elapsed since a cohort had left time, the higher its average quarterly earnings. For example, among the employed 2000 leavers, the increase in average quarterly earnings from the first to the third post-exit years averaged 20%. This increase far exceeded increases in both average wages and the cost of living for the period.

Movement out of Poverty

The effect of these patterns on the ability of Georgia's leavers to support their families can be seen by comparing their earnings to the Federal Poverty Guidelines, which are keyed to family

[7] Because leaver's earnings show seasonal effects, generally peaking in the third quarter of the year, comparisons across years should be made between the same quarters of each year.
[8] "Average Weekly Earnings of Production Workers," U.S. Department of Labor, Bureau of Labor statistics at http://www.bls.org.

size and adjusted annually for increases in the cost of living. Table 15 shows the percentage of employed leavers with annual earnings above the Federal Poverty Guidelines across five annual cohorts and four post-exit years. Within each annual leaver cohort, the percentage of leavers employed within the post-exit year who had annual earnings above the Federal Poverty Guidelines increased over time. But within post-exit years, the percentage of employed leavers with annual earnings that exceed the Poverty Guidelines has decreased with each successive cohort. Clearly, more recent leavers are not doing as well as earlier leavers in keeping up with the increasing cost of living and lifting their families out of poverty.

Table 15
Percentage of Employed Leavers with
Annual Earnings in Excess of Federal Poverty Guidelines

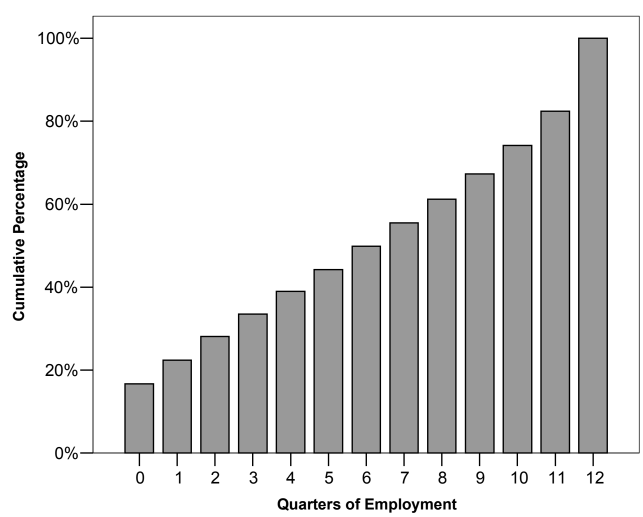
Leaver Cohort	Post-Exit Year			
	First	Second	Third	Fourth
1997	18%	24%	29%	31%
1998	15%	20%	23%	24%
1999	14%	18%	20%	23%
2000	14%	17%	19%	
2001	13%	17%		
2002	13%			

The increased average earnings of employed leavers over time are due to the fact that those who worked steadily made substantial progress. The 2000 leaver cohort illustrates the importance of stable employment in moving out of poverty. Over the three year-period following exit, 83 percent of cohort members worked in at least one quarter, and 18 percent worked in every quarter. (See Figure 6.)

As in the first year following exit, those who worked more quarters had higher average quarterly earnings and therefore much higher average earnings over the entire three-year period. (See Table 16.) While 12 percent of all 2000 leavers had earnings over the Poverty Guidelines for their family size in the third year following exit, 43% of those who had worked in every quarter had third-year

Figure 6

Total Quarters on Employment: 1st through 3rd Post-Exit Years



earnings above the Poverty Guidelines. Because average earnings were higher for leavers who resided in counties within the state's MSAs, a higher percentage of those who lived in MSAs (12 versus 10 percent) had earnings that exceeded the Poverty Guidelines in their third year following exit.

Table 16
2000 Leavers' Average Earnings and Earnings Above the Federal Poverty Guidelines by Number of Quarters Worked

Quarters Worked	Average Quarterly Earnings in Quarters Worked	Average 3-Year Earnings	Year 3 Earnings Exceed Poverty Guidelines
0	$0	$0	0%
1	$937	$937	<1%
2	$1,129	$2,257	<1%
3	$1,307	$3,921	1%
4	$1,404	$5,616	2%
5	$1,534	$7,669	2%
6	$1,646	$9,878	3%
7	$1,799	$12,593	4%
8	$1,981	$15,844	6%
9	$2,177	$19,597	9%
10	$2,392	$23,919	15%
11	$2,746	$30,205	22%
12	$3,552	$42,620	43%
All Leavers	$1,801	$16,102	12%

Number of children is also an important factor in whether or not leavers achieve earnings above the Poverty Guidelines, since the poverty level increases as family size increases. This increase, of course, reflects the fact that as family size increases, so do the resources required to meet the needs of family members. Figure 7 is based on the earnings of 2000 leavers in their third year following exit and shows the relationships between number of quarters worked, number of children, and the probability that a family will have earnings that exceed the Poverty Guidelines. Very few larger families are able to make this transition within three years after leaving TANF, even with stable employment over time. On the other hand, approximately half of those who have only one child and who work steadily achieve earnings above the Poverty Guidelines.[9]

Dependency on Public Assistance

Even if TANF leavers are no longer dependent on TANF, or eligible to receive benefits under that program, they may still be receiving other forms of public assistance. Table 17 reflects a "snapshot" of dependency, based on benefits provided in the month of June 2004. The more recent the leaver cohort was, the higher the percentage of leavers who received assistance that month. Those who were receiving Child Care Assistance generally were employed and not receiving TANF. Food Stamps and Medicaid typically occurred together. That is, if leavers received one, they generally received the other as well. While relatively few of the leavers in any cohort were receiving TANF, a substantial proportion of each cohort was dependent on other forms of assistance.

Figure 7

Probability of Exceeding Poverty Guidelines in 3rd Year After Exit by Number of Children and Quarters of Employment

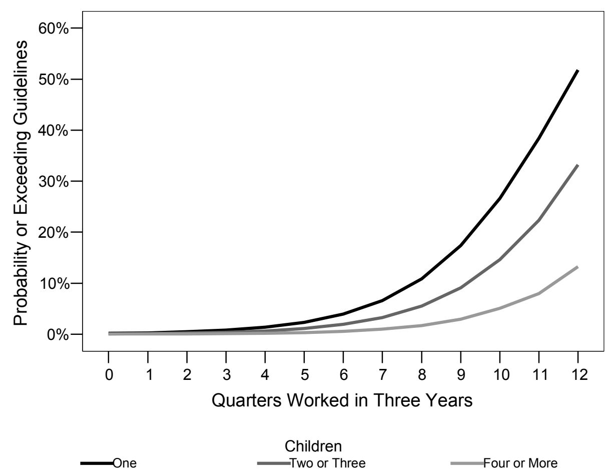


Table 17
Receipt of Public Assistance in June 2004 by TANF Leaver Cohort

Leaver Cohort	TANF	Child Care Assistance	Food Stamps	Medicaid
1997	4%	4%	39%	39%
1998	5%	6%	47%	47%
1999	6%	7%	53%	53%
2000	8%	10%	57%	58%
2001	9%	11%	59%	62%
2002	11%	12%	61%	65%
2003	11%	14%	65%	71%

[9] Probability of exceeding the Poverty Guidelines is based on the logistical regression of number of children (grouped data) and number of quarters worked on whether or not a leaver had 3rd year earnings above the poverty level.

Those who had accrued fewer lifetime limit months generally were less likely to be dependent on public assistance than those who had received TANF benefits for a longer period of time. However, looking at the 2003 leavers who have reached their lifetime limits (Table 18), we see that in June 2004 relatively few received either TANF or Child Care Assistance, presumably because they could not qualify for a waiver of the lifetime limit on TANF and few of them were employed. But proportionally more of them were receiving Food Stamps or Medicaid than were those who had accrued fewer months when they left TANF. Although no longer on TANF, the great majority of long-term recipients were still dependent on public assistance. Unfortunately, given the generally poor outcomes experienced by these leavers, their dependency is likely to continue.

Table 18
Assistance Received by 2003 Leaver Cohort in June 2004 by Accrued Lifetime Limit Months

	Accrued Lifetime Limit Months				
Type of Assistance	**1 – 12**	**13 – 24**	**25 – 36**	**37 – 48**	**49 – 84**
TANF	9%	14%	17%	9%	5%
Child Care Assistance	13%	17%	18%	13%	7%
Food Stamps	55%	69%	76%	83%	89%
Medicaid	64%	74%	78%	81%	84%

Industries Employing TANF Leavers

The UI wage record does not provide information on a worker's occupation. However, it does include the employer's Standard Industrial Classification (SIC) code. This coding system identifies industries at three levels of detail: industrial division, major industry group, and specific industry. Although SIC codes tell us where TANF leavers are working, their usefulness as an indicator of what the leavers are doing is varied. Some occupations, such as child care worker, are strongly associated with a particular industry while others, such as computer programmer, are found in many different industries. Nevertheless, industries of employment enrich our understanding of the experiences of adults who leave TANF.

Table 19 shows the top ten major industry groups of the 2002 TANF leavers who were employed in the fourth quarter of their first year following exit. Together, these industry groups account for 56 percent of the 17,530 employed 2002 leavers for whom valid SIC codes are available.

Table 19
2002 Leavers' Top Ten Industries of Employment

Major Industry Group	Percent of Total Employment	Average Quarterly Earnings	Annual Earnings Above Poverty Guidelines
Eating and Drinking Places	19%	$1,676	5%
Personnel Supply Services*	9%	$2,091	12%
Nursing & Personal Care Facilities	5%	$2,597	13%
Grocery Stores	4%	$2,092	10%
Department Stores	4%	$2,505	15%
Hospitals	3%	$4,183	40%
Hotels & Motels	3%	$1,954	9%
Elementary & Secondary Schools	3%	$2,573	17%
Child Day Care Services	3%	$2,143	6%
Miscellaneous Business Services**	2%	$2,191	16%

* Includes temporary agencies and providers of contract workers.
** Includes companies providing office cleaning and security services.

The list of industry groups in which TANF leavers work has remained very stable over time. In fact, the same industry groups were the "top ten" for the 2000 and 2001 leaver cohorts as well. All of these industries employ large numbers of low-skill workers. Given that full-time employment at minimum wage yields earnings of about $2,678 a quarter, it is clear that part-time or temporary employment was common within the industry groups employing the majority of TANF leavers.

Nine of the top ten industry groups were the same for leavers who did and did not reside within an MSA. "Miscellaneous Business Services" was replaced in the list of top ten industry groups by "Manufacturers of Meat Products" for leavers who lived in counties not located with an MSA. In each of the remaining industries, average quarterly earnings were higher for leavers who lived in an MSA.

Eighteen percent of the 2002 leavers who were employed in the fourth quarter of the year following exit had earnings in that year that exceeded the Poverty Guidelines. Table 20 lists their top ten industry groups. These industry groups employed 40 percent of the 3,097 leavers with annual earnings above the Poverty Guidelines. Seven industry groups appear in both Table 19 and Table 20, suggesting diversity in the quality of employment opportunities they offer.

Again, differences between those who lived within and outside the state's MSAs were small. "Manufacturers of Meat Products," "Public Safety and Order," and "Carpets and Rugs" were among the top industry groups of leavers with annual earnings above the Poverty Guidelines who resided outside of the state's MSAs, while the list for those who lived in an MSA included "Offices and Clinics of Medical Doctors," "Elementary and Secondary Schools," and "Miscellaneous Business Services."

Table 20
Top Ten Major Industry Groups for 2002 Leavers with Annual Earnings Exceeding Federal Poverty Guidelines*

Major Industry Group	Percent of Total Employment	Average Quarterly Earnings
Hospitals	8%	$5,763
Personnel Supply Services	6%	$4,930
Eating & Drinking Establishments	5%	$4,175
Nursing & Personal Care Facilities	3%	$4,834
Offices & Clinics of Medical Doctors	3%	$5,303
Department Stores	3%	$4,091
Executive & Legislative Combined**	3%	$5,598
Meat Products	3%	$4,695
Elementary and Secondary Schools	3%	$6,102
Grocery Stores	2%	$4,251

* Based on 3,097 leavers with earnings in their first year after exit that exceeded the federal poverty guidelines.
** This industry group refers to government agencies.

Table 21
Relationship Between Average Quarterly Earnings and Employment of Leavers Lacking a High School Diploma by Industry Group*

Major Industry Groups with 75 or More Employed Leavers	Average Quarterly Earnings	Leavers Lacking a High School Diploma
Telephone Communication	$4,981	18%
Credit Reporting & Collection	$4,409	24%
Hospitals	$4,183	23%
Offices & Clinics of Medical Doctors	$4,089	15%
Executive & Legislative Combined	$3,940	22%
Management & Public Relations	$3,781	27%
Health & Allied Services	$3,707	20%
Administration of Public Health Programs	$3,425	21%
Individual & Family Services	$3,239	20%
Meat Products	$3,168	52%
Computer & Data Processing Services	$3,072	27%
Colleges & Universities	$2,981	21%
Residential Care	$2,845	34%
Nursing & Personal Care Facilities	$2,597	44%
Elementary & Secondary Schools	$2,573	20%
Drug Stores & Proprietary Stores	$2,531	35%
Department Stores	$2,505	33%
Miscellaneous Shopping Goods Stores	$2,373	35%
Women's Apparel	$2,368	29%
Gasoline Service Stations	$2,360	39%
Laundry, Cleaning, & Garment Services	$2,306	45%
Home Health Care Services	$2,293	27%
Miscellaneous Business Services	$2,191	31%
Child Day Care Services	$2,143	28%
Grocery Stores	$2,092	45%
Personnel Supply Services	$2,091	37%
Family Clothing Stores	$2,048	26%
Services to Buildings	$1,993	47%
Hotels & Motels	$1,954	48%
Job Training & Related Services	$1,940	43%
Miscellaneous Personal Services	$1,736	24%
Variety Stores	$1,682	47%
Eating & Drinking Places	$1,676	49%
Miscellaneous General Merchandise Stores	$1,675	37%

* Includes industries employing 75 or more leavers.

Table 20 lists the major industrial groups in which 75 or more leavers were employed, with the average quarterly wage earned by the leavers working in the industry group and the percentage of those leavers who had not graduated from high school. Overall, leavers lacking high school diplomas made up 42 percent of the 2002 leavers, but only 37 percent of the leavers who were employed in the fourth quarter after exit. While there were leavers who had not graduated from high school in all of the industry groups listed in Table 21, the association between education and earning potential is clear. Generally, as average quarterly earnings decreased, the percentage of non-graduates in an industry increased. However, non-graduates made up the majority of workers in Meat Products, an industry that provided relatively high wages.

Table 22 shows the number of 2002 leavers employed in each of the ten SIC industry divisions in the fourth quarter of their first year following exit. Included in this table are average quarterly earnings and the percentage of leavers with annual earnings that exceeded the Poverty Guidelines for their family size. This table summarizes information provided in Appendix B, in which all of the industries of employment are listed by major industrial group. Thirty-seven percent of the employed 2002 leavers worked in Retail Trade and forty-five percent worked in Services. Along with Agriculture, these two industry divisions had the lowest average quarterly earnings.

Table 22
Employment and Earnings in the Fourth Quarter After Exit by SIC Industrial Division: 2002 Leaver Cohort

Industrial Division	Number Employed	Average Quarterly Earnings	Annual Earnings Above Poverty Guidelines
Agriculture, Forestry & Fishing	122	$1,907	8%
Mining	3	$4,499	33%
Construction	204	$3,874	34%
Manufacturing	1139	$3,526	33%
Transportation, Communications, Electric, Gas, and Sanitary Services	368	$3,789	42%
Wholesale Trade	339	$3,185	27%
Retail Trade	6211	$1,965	8%
Finance, Insurance, and Real Estate	381	$4,476	51%
Services	7517	$2,634	18%
Public Administration	503	$3,737	40%

Appendices

Appendix A

TANF Gross Income Ceiling and Federal Poverty Guidelines

Family Size	TANF Gross Income Ceiling (Monthly)	Federal Poverty Guidelines (Annual)			
		2000	2001	2002	2003
1	$435	$8,350	$8,590	$8,860	$8,980
2	$659	$11,250	$11,610	$11,940	$12,120
3	$784	$14,150	$14,630	$15,020	$15,260
4	$925	$17,050	$17,650	$18,100	$18,400
5	$1,060	$19,950	$20,670	$21,180	$21,540
6	$1,149	$22,850	$23,690	$24,260	$24,680
7	$1,243	$25,750	$29,710	$27,340	$27,820
8	$1,319	$28,650	$32,750	$30,420	$30,960
9	$1,389	$31,550	$35,770	$33,500	$34,100
10	$1,487	$34, 450	$38,790	$36,580	$37,240
11	$1,591	$37,350	$41,810	$42,740	$40,380

Note: The TANF Gross Income Ceiling is established by the Georgia legislature and is one of the factors used in determining income eligibility for TANF. The Federal Poverty Guidelines are set by the U. S. Department of Health and Human Services and are used in determining eligibility for a variety of federal programs.

Appendix B

Industries of Employment

	Industry	Number Employed	Average Quarterly Earnings	Annual Earnings Above Poverty Guidelines
Agriculture				
013	Field Crops, Except Cash Grains	8	$1,794	0%
016	Vegetables & Melons	16	$1,274	6%
017	Fruits & Tree Nuts	7	$1,050	0%
018	Horticultural Specialties	17	$2,664	18%
019	General Farms, Primarily Crop	3	$1,192	0%
024	Dairy Farms	4	$3,407	25%
025	Poultry & Eggs	11	$2,680	18%
072	Crop Services	26	$804	0%
074	Veterinary Services	15	$2,497	0%
075	Animal Services, Except Veterinary	1	$3,754	0%
078	Landscape & Horticultural Services	14	$2,609	21%
	All	122	$1,907	8%
Mining				
144	Sand & Gravel	2	$2,209	0%
145	Clay, Ceramic, & Refractory Minerals	1	$9,080	100%
	All	3	$4,499	33%
Construction				
152	Residential Building Construction	27	$2,827	26%
154	Nonresidential Building Construction	15	$3,719	20%
161	Highway & Street Construction	10	$4,377	30%
162	Heavy Construction, Except Highway	22	$5,333	45%
171	Plumbing, Heating, Air-Conditioning	34	$3,928	41%
172	Painting & Paper Hanging	9	$4,845	33%
173	Electrical Work	26	$3,099	31%
174	Masonry, Stonework, & Plastering	15	$2,810	20%
175	Carpentry & Floor Work	3	$2,290	0%
176	Roofing, Siding, & Sheet Metal Work	6	$3,614	17%
177	Concrete Work	6	$4,895	50%
178	Water Well Drilling	1	$2,547	0%
179	Miscellaneous Special Trade Contractors	30	$4,562	47%
	All	204	$3,874	34%
Manufacturing and Processing				
201	Meat Products	275	$3,168	32%
202	Dairy Products	2	$4,166	50%
203	Preserved Fruits & Vegetables	7	$3,077	14%
204	Grain Mill Products	6	$1,507	0%
205	Bakery Products	27	$3,827	22%
206	Sugar & Confectionery Products	8	$1,802	0%
207	Fats & Oils	5	$6,276	40%
208	Beverages	2	$5,055	50%
209	Miscellaneous Food & Kindred Products	8	$5,141	63%

	Industry	Number Employed	Average Quarterly Earnings	Annual Earnings Above Poverty Guidelines
221	Broadwoven Fabric Mills, Cotton	15	$3,306	33%
222	Broadwoven Fabric Mills, Manmade	1	$2,457	0%
224	Narrow Fabric Mills	1	$1,913	0%
225	Knitting Mills	18	$3,540	28%
226	Textile Finishing, Except Wool	6	$3,302	17%
227	Carpets & Rugs	62	$4,673	53%
228	Yarn & Thread Mills	49	$4,497	67%
229	Miscellaneous Textile Goods	10	$3,650	40%
231	Men's and Boys' Suits, Coats & Overcoats	2	$1,388	0%
232	Men's and Boys' Furnishings & Work Clothing	42	$2,353	12%
233	Women's, Misses' and Junior's Outerwear	11	$1,891	9%
234	Women's, Misses', Children's & Infants' Apparel	7	$2,448	14%
235	Hats, Caps, & Millinery	1	$2,176	0%
236	Girls', Children's, & Infants' Outerwear	9	$1,965	0%
238	Miscellaneous Apparel & Accessories	1	$894	0%
239	Miscellaneous Fabricated Textile Products	45	$2,857	20%
241	Logging	5	$1,703	0%
242	Sawmills & Planing Mills	10	$4,253	40%
243	Millwork, Plywood & Structural Members	25	$3,882	28%
244	Wood Containers	13	$2,558	23%
245	Wood Buildings & Mobile Homes	15	$3,522	33%
251	Household Furniture	9	$2,729	11%
252	Office Furniture	2	$4,535	50%
254	Partitions & Fixtures	1	$5,721	0%
259	Miscellaneous Furniture & Fixtures	2	$4,729	100%
261	Pulp Mills	3	$10,249	100%
263	Paperboard Mills	1	$4	0%
265	Paperboard Containers & Boxes	7	$5,058	57%
267	Miscellaneous Converted Paper Products	17	$3,404	18%
271	Newspapers: Publishing or Publishing & Printing	54	$2,177	13%
272	Periodicals: Publishing or Publishing & Printing	1	$3,189	0%
275	Commercial Printing	13	$4,377	38%
278	Blankbooks & Bookbinding	5	$2,283	60%
282	Plastics Materials & Synthetics	2	$5,099	50%
283	Drugs	5	$3,642	60%
284	Soap, Cleaners, & Toilet Goods	3	$2,567	0%
285	Paints & Allied Products	1	$2,788	0%
286	Industrial Organic Chemicals	2	$1,744	50%
287	Agricultural Chemicals	8	$3,784	25%

	Industry	Number Employed	Average Quarterly Earnings	Annual Earnings Above Poverty Guidelines
289	Miscellaneous Chemical Products	5	$5,169	80%
295	Asphalt Paving & Roofing Materials	2	$8,117	50%
301	Tires & Inner Tubes	3	$9,260	67%
306	Fabricated Rubber Products	6	$5,433	50%
308	Miscellaneous Plastics Products	45	$3,894	38%
316	Luggage	11	$2,836	9%
322	Glass or Glassware, Pressed or Blown	2	$6,770	100%
323	Production of Purchased Glass	1	$1,718	0%
325	Structural Clay Products	2	$6,710	50%
327	Concrete, Gypsum, & Plaster Products	8	$3,969	50%
328	Cut Stone & Stone Products	1	$803	0%
329	Miscellaneous Nonmetallic Mineral Products	4	$5,930	100%
332	Iron & Steel Foundries	6	$7,377	83%
335	Nonferrous Rolling & Drawing	7	$5,533	71%
336	Nonferrous Foundries (Castings)	3	$5,231	67%
341	Metal Cans & Shipping Containers	3	$6,113	67%
342	Cutlery, Handtools, & Hardware	2	$6,251	100%
344	Fabricated Structural Metal Products	6	$4,198	17%
346	Metal Forgings & Stampings	4	$5,200	75%
347	Metal Services	10	$3,617	30%
348	Ordnance & Accessories	1	$4,724	100%
349	Miscellaneous Fabricated Metal Products	5	$3,843	0%
351	Engines & Turbines	3	$5,066	67%
352	Farm & Garden Machinery	21	$2,877	19%
353	Construction & Related Machinery	1	$4,514	100%
354	Metalworking Machinery	1	$4,265	100%
355	Special Industry Machinery	1	$2,762	100%
356	General Industrial Machinery	2	$3,003	50%
357	Computer & Office Equipment	1	$4,077	100%
358	Refrigeration & Service Machinery	22	$4,433	41%
359	Industrial Machinery	5	$4,143	60%
362	Electrical Industrial Apparatus	1	$5,355	100%
363	Household Appliances	53	$2,532	9%
364	Electric Lighting & Wiring Equipment	6	$5,398	67%
367	Electronic Components & Accessories	12	$1,854	25%
369	Miscellaneous Electrical Equipment & Supplies	2	$5,093	50%
371	Motor Vehicles & Equipment	20	$4,537	65%
372	Aircraft & Parts	3	$12,128	100%
373	Ship & Boat Building & Repairing	9	$3,031	11%
379	Miscellaneous Transportation Equipment	4	$3,917	75%
381	Search & Navigation Equipment	1	$3,162	0%
384	Medical Instruments & Supplies	6	$5,295	50%
394	Toys & Sporting Goods	1	$1,019	0%
395	Pens, Pencils, Office, & Art Supplies	2	$3,293	50%

	Industry	Number Employed	Average Quarterly Earnings	Annual Earnings Above Poverty Guidelines
399	Miscellaneous Manufactures	1	$2,561	0%
	All	1,139	$3,526	33%
Transportation, Communications, Electric, Gas, and Sanitary Services				
411	Local & Suburban Transportation	57	$3,049	19%
412	Taxicabs	3	$1,492	0%
413	Intercity & Rural Bus Transportation	3	$3,208	0%
414	Bus Charter Service	1	$2,079	0%
415	School Buses	17	$2,562	12%
421	Trucking & Courier Services, Ex. Air	72	$4,072	46%
422	Public Warehousing & Storage	19	$4,121	58%
448	Water Transportation of Passengers	1	$296	0%
449	Water Transportation Services	1	$7,250	100%
451	Air Transportation, Scheduled	27	$2,653	30%
458	Airports, Flying Fields, & Services	26	$3,683	38%
472	Passenger Transportation Arrangement	18	$1,765	22%
473	Freight Transportation Arrangement	2	$4,681	0%
478	Miscellaneous Transportation Services	10	$1,706	20%
481	Telephone Communication	90	$4,981	64%
483	Radio & Television Broadcasting	7	$3,607	57%
484	Cable & Other Pay TV Services	6	$5,470	67%
489	Communication Services	1	$615	0%
492	Gas Production & Distribution	2	$7,115	100%
495	Sanitary Services	5	$7,026	60%
	All	368	$3,789	42%
Wholesale Trade				
501	Motor Vehicles, Parts, & Supplies	19	$3,209	16%
502	Furniture & Home Furnishings	8	$5,285	38%
503	Lumber & Construction Materials	10	$3,325	20%
504	Professional & Commercial Equipment	23	$4,391	52%
505	Metals & Minerals, Except Petroleum	1	$697	0%
506	Electrical Goods	9	$2,951	22%
507	Hardware, Plumbing & Heating Equipment	12	$4,136	33%
508	Machinery, Equipment, & Supplies	36	$3,501	25%
509	Miscellaneous Durable Goods	15	$3,457	33%
511	Paper & Paper Products	11	$3,708	18%
512	Drugs, Proprietaries, & Sundries	8	$2,955	63%
513	Apparel, Piece Goods, & Notions	28	$2,417	21%
514	Groceries & Related Products	49	$3,930	43%
515	Farm-product Raw Materials	15	$1,677	7%
516	Chemicals & Allied Products	7	$3,521	29%
517	Petroleum & Petroleum Products	56	$2,358	16%
519	Miscellaneous Nondurable Goods	32	$2,531	22%
	All	339	$3,185	27%
Retail Trade				
521	Lumber & Other Building Materials	57	$3,502	39%

	Industry	Number Employed	Average Quarterly Earnings	Annual Earnings Above Poverty Guidelines
525	Hardware Stores	5	$2,469	0%
526	Retail Nurseries & Garden Stores	3	$851	0%
527	Mobile Home Dealers	1	$809	0%
531	Department Stores	679	$2,505	15%
533	Variety Stores	146	$1,682	5%
539	Miscellaneous General Merchandise Stores	129	$1,675	4%
541	Grocery Stores	770	$2,092	10%
542	Meat & Fish Markets	8	$1,272	13%
543	Fruit & Vegetable Markets	2	$144	0%
544	Candy, Nut, & Confectionery Stores	2	$1,869	50%
546	Retail Bakeries	21	$2,147	10%
549	Miscellaneous Food Stores	4	$3,478	0%
551	New & Used Car Dealers	39	$4,191	46%
552	Used Car Dealers	17	$4,106	53%
553	Auto & Home Supply Stores	49	$3,307	31%
554	Gasoline Service Stations	234	$2,360	10%
555	Boat Dealers	1	$2,245	0%
557	Motorcycle Dealers	1	$3,654	0%
561	Men’s and Boys’ Clothing & Accessory Stores	5	$3,301	0%
562	Women’s Clothing Stores	57	$2,189	12%
563	Women’s Accessory & Specialty Stores	4	$6,095	50%
564	Children’s and Infants’ Wear Stores	6	$1,110	0%
565	Family Clothing Stores	121	$2,048	8%
566	Shoe Stores	33	$2,022	15%
569	Miscellaneous Apparel & Accessory Stores	15	$1,605	0%
571	Furniture & Home Furnishings Stores	37	$3,100	27%
572	Household Appliance Stores	4	$2,528	0%
573	Radio, Television, & Computer Stores	26	$2,541	27%
581	Eating & Drinking Places	3383	$1,676	5%
591	Drug Stores & Proprietary Stores	89	$2,531	13%
592	Liquor Stores	17	$1,975	6%
593	Used Merchandise Stores	33	$2,076	6%
594	Miscellaneous Shopping Goods Stores	110	$2,373	20%
596	Nonstore Retailers	57	$2,020	5%
598	Fuel Dealers	3	$6,459	33%
599	Retail Stores, Not Elsewhere Classified	43	$2,283	19%
	All	6,211	$1,965	8%
Finance, Insurance, and Real Estate				
601	Central Reserve Depository	2	$6,910	50%
602	Commercial Banks	52	$3,957	48%
603	Savings Institutions	2	$5,368	100%
606	Credit Unions	9	$5,286	89%
609	Functions Closely Related To Banking	20	$4,121	55%

	Industry	Number Employed	Average Quarterly Earnings	Annual Earnings Above Poverty Guidelines
611	Federal & Federally-Sponsored Credit Agencies	3	$4,599	67%
614	Personal Credit Institutions	34	$4,415	56%
615	Business Credit Institutions	9	$6,421	78%
616	Mortgage Bankers & Brokers	32	$5,317	66%
621	Security Brokers & Dealers	1	$5,858	100%
628	Security & Commodity Services	1	$6,434	100%
631	Life Insurance	13	$4,717	23%
632	Medical Service & Health Insurance	34	$5,355	74%
633	Fire, Marine, & Casualty Insurance	17	$6,169	71%
635	Surety Insurance	3	$5,313	33%
641	Insurance Agents, Brokers, & Service	61	$3,223	30%
651	Real Estate Operators & Lessors	38	$4,141	42%
653	Real Estate Agents & Managers	36	$4,655	50%
654	Title Abstract Offices	1	$11,650	100%
655	Subdividers & Developers	7	$3,291	43%
671	Holding Offices	3	$4,814	33%
679	Miscellaneous Investing	3	$1,949	0%
	All	381	$4,476	51%
	Services			
701	Hotels & Motels	508	$1,954	9%
721	Laundry, Cleaning, & Garment Services	127	$2,306	16%
722	Photographic Studios, Portrait	14	$2,106	7%
723	Beauty Shops	60	$2,602	20%
726	Funeral Service & Crematories	2	$7,261	50%
729	Miscellaneous Personal Services	83	$1,736	6%
731	Advertising	11	$3,090	18%
732	Credit Reporting & Collection	75	$4,409	59%
733	Mailing, Reproduction & Commercial Art	25	$4,560	56%
734	Services to Buildings	305	$1,993	9%
735	Miscellaneous Equipment Rental & Leasing	18	$3,515	22%
736	Personnel Supply Services	1650	$2,091	12%
737	Computer & Data Processing Services	83	$3,072	24%
738	Miscellaneous Business Services	388	$2,191	16%
751	Automotive Rentals, No Drivers	17	$3,302	35%
752	Automobile Parking	17	$2,809	18%
753	Automotive Repair Shops	25	$4,284	28%
754	Automotive Services, Except Repair	29	$2,323	3%
762	Electrical Repair Shops	7	$4,582	43%
769	Miscellaneous Repair Shops	3	$4,189	33%
783	Motion Picture Theaters	13	$1,360	8%
784	Video Tape Rental	32	$1,897	13%
792	Producers, Orchestras, Entertainers	5	$3,712	40%
793	Bowling Centers	2	$1,834	0%
794	Commercial Sports	3	$1,272	0%

	Industry	Number Employed	Average Quarterly Earnings	Annual Earnings Above Poverty Guidelines
799	Miscellaneous Amusement, Recreation Services	53	$2,610	19%
801	Offices & Clinics of Medical Doctors	235	$4,089	43%
802	Offices & Clinics of Dentists	43	$4,643	56%
803	Offices of Osteopathic Physicians	2	$3,437	50%
804	Offices of Other Health Practitioner	20	$3,355	40%
805	Nursing & Personal Care Facilities	811	$2,597	13%
806	Hospitals	593	$4,183	40%
807	Medical & Dental Laboratories	23	$4,274	52%
808	Home Health Care Services	166	$2,293	12%
809	Health & Allied Services	121	$3,707	34%
811	Legal Services	26	$5,149	69%
821	Elementary & Secondary Schools	507	$2,573	17%
822	Colleges & Universities	155	$2,981	24%
823	Libraries	4	$3,042	0%
824	Vocational Schools	28	$2,483	18%
829	Schools & Educational Services	7	$3,635	29%
832	Individual & Family Services	173	$3,239	29%
833	Job Training & Vocational Rehabilitation	139	$1,940	9%
835	Child Day Care Services	485	$2,143	6%
836	Residential Care	156	$2,845	20%
839	Social Services, Not Elsewhere Classified	31	$2,750	13%
841	Museums & Art Galleries	2	$5,323	50%
861	Business Associations	2	$3,813	50%
862	Professional Membership Organizations	2	$5,020	50%
863	Labor Organizations	5	$105	0%
864	Civic & Social Associations	42	$1,855	7%
866	Religious Organizations	4	$1,894	0%
869	Membership Organizations, Not Elsewhere Classified	2	$2,589	50%
871	Engineering & Architectural Services	13	$4,042	46%
872	Accounting, Auditing, & Bookkeeping	52	$2,938	15%
873	Research & Testing Services	8	$4,576	50%
874	Management & Public Relations	88	$3,781	38%
881	Private Households	17	$3,039	24%
899	Services, Not Elsewhere Classified	3	$1,841	0%
	All	7,517	$2,634	18%
	Public Administration			
911	Executive Offices	2	$790	0%
912	Legislative Bodies	1	$6,286	0%
913	Executive & Legislative Combined	212	$3,940	43%
919	General Government	39	$3,252	33%
921	Courts	7	$3,776	57%
922	Public Order & Safety	58	$5,005	55%
931	Finance, Taxation, & Monetary Policy	6	$2,689	33%

	Industry	Number Employed	Average Quarterly Earnings	Annual Earnings Above Poverty Guidelines
941	Admin. of Educational Programs	8	$2,708	25%
943	Admin. of Public Health Programs	114	$3,425	37%
944	Admin.	9	$1,629	11%
951	Environmental Quality	14	$2,457	14%
953	Housing & Urban Development	15	$2,834	13%
962	Regulation, Admin. of Transportation	12	$4,532	50%
965	Regulation Miscellaneous Commercial Sectors	2	$3,946	50%
971	National Security	4	$2,716	25%
	All	503	$3,737	40%
Other				
999	Nonclassifiable Establishments	178	$2,882	12%