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## How Do Welfare Sanctions Work?

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Under Temporary Assistance for Needy Families, families are subject to greater work requirements, and the severity of sanction for noncompliance has increased. Using Wisconsin longitudinal administrative data, the authors performed event history analysis to examine the dynamic patterns of sanctioning and the patterns of benefits following a sanction. They found that very high rates of sanctioning (especially partial sanctions) and multiple sanctions were fairly common but sanction spells were quite short. The most common transition from a sanction was back to full benefit receipt. The authors also examined the factors associated with being sanctioned and the severity of sanctions by comparing a traditional model with an event history model. They found that it is important to estimate a model that takes into account the period of risk. Results confirm that those who may be least able to succeed in the labor market are most likely to be sanctioned.

KEY WORDS: *event history analysis; poverty; TANF; welfare programs; welfare sanctions*

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) ended the federal guarantee of cash assistance for single-parent families with children and replaced the entitlement program, Aid to Families with Dependent Children (AFDC), with the Temporary Assistance for Needy Families (TANF) block grant. Work requirements were a key component of the legislation, and sanctions for noncompliance were an important part of the policy design. Under TANF, sanctions have taken on much greater significance, both because fewer families are exempt from work requirements and because the new policy of full family sanctions means that failure to comply with those requirements can result in the loss of the family's entire cash grant (Pavetti & Bloom, 2001; Pavetti, Derr, & Hesketh, 2003), as well as the loss of food stamps and Medicaid (Cherlin et al., 2001; U.S. General Accounting Office [GAO], 2000).

The number of people no longer receiving benefits because they have been sanctioned has increased concern about how often sanctions are used, who is at risk of being sanctioned, and the effects of sanctions on welfare recipients. A number of studies have examined the characteristics of sanctioned families, the reasons these families did not meet their participation requirements, and the later consequences to them. Most of these studies did not

focus on sanctions but looked more generally at families who had left welfare ("leavers"; see Colville, Moore, Smith, & Smucker, 1997; Westra & Routley, 2000) or were conducted under the old AFDC system (Colville et al.; Fraker, Nixon, Losby, Prindle, & Else, 1997; Kornfeld et al., 1999; GAO, 1997). There is less known about the use of sanctions under TANF.

Most of the early studies of sanctions were exploratory and descriptive, assessing the characteristics and describing the experiences of sanctioned recipients or sanctioned leavers. Furthermore, much sanction research has measured a sanction as a simple dichotomous variable (sanction, nonsanction) at a particular time. Relatively few studies have examined the severity of sanctions or the timing and duration of sanctions. We used Wisconsin longitudinal administrative data in our study. These data include detailed information on the timing and severity of sanctions, enabling us to examine the dynamic patterns of sanctioning, factors associated with being sanctioned, and the relationship between sanctioning and subsequent outcomes.

### **POLICY CONTEXT**

States have broad authority and flexibility regarding the design and use of sanctions. The triggers for sanctions and amount of reduction in the grant vary from state to state. There are various types of

sanctions tied to work requirements, child support enforcement, and, for teenagers receiving welfare, the requirements to attend school and live with parents. Given that the majority of sanctions involve work requirements (Fein & Lee, 1999; GAO, 1997), we focus primarily on work-related sanctions in this article. (In our sample, 90% of all sanctions during the four-year period after entry were work-related; 9% were for failure to cooperate with child support enforcement, and 1% was because a child was not attending school.) Most states have chosen to implement sanction policies that are much stricter and more extensive than the minimum required under TANF. As outlined in Kaplan (1999), sanction policies can be broadly characterized as consisting of *partial sanctions*, which may include reductions in the portion of the grant designated as benefiting the noncompliant adult; *full family sanctions*, under which the full benefit, including the amount designated as benefiting children, may be eliminated; and *pay for performance*, characterized by sanctions closely tied to the number of hours of noncompliance with, for example, work requirements (Kaplan, 1999; GAO, 1997). Under TANF, most state sanction policies allow for full family sanctions in cases in which the adult participants fail to meet work requirements in the absence of an exemption "for good cause." Few states retained the sanctions policies installed under the earlier JOBS programs, in which only the adult portion of the grant was eliminated in cases of noncompliance (Goldberg & Schott, 2000).

Along a number of dimensions, sanction policies under TANF are more severe. Not only are benefit reductions larger, sanctions are imposed more quickly and are in effect longer than under JOBS (Loprest, Schmidt, & Witte, 2001). In addition, AFDC welfare recipients were "protected against unwarranted benefit terminations by an extensive conciliation process" before the sanctions were imposed (GAO, 1998, p. 41). Under TANF, there is often no such process. Many states adopted tougher sanctions in response to the perception that the earlier policies did not provide strong enough motivations for participation in work activities and penalties for noncompliance (Holcomb, Pavetti, Ratcliffe, & Riedinger, 1998).

### **TANF and Sanctions in Wisconsin**

In September 1997, Wisconsin replaced the AFDC program with the Wisconsin Works (W-2) program.

In brief, W-2 emphasizes immediate work and is designed to provide no cash unless a participant is engaged in work or a work-like activity (or has a child younger than 13 weeks). W-2 has four tiers of support for adults with children: unsubsidized employment, trial jobs, community service jobs (CSJ), and W-2 transition (W-2T). Work requirements and benefit levels vary across the tiers. Those with children younger than 13 weeks old receive benefits through a "caretaker of newborn" (CNB) tier. In most counties in Wisconsin, W-2 is administered by the counties themselves; in Milwaukee County, where most W-2 participants reside, several agencies provide services to designated geographic regions. (For a detailed discussion of W-2, see Kaplan, 2000.)

The W-2 program is unique in that its welfare benefits are based on the welfare participant's hours of participation and tier on the W-2 employment ladder; there is no adjustment in benefits for family size (Kaplan, 2000). Those who fail to participate in assigned activities can be fully or partially sanctioned; cash benefits are reduced by the minimum wage (\$5.15 per hour) for each hour of nonparticipation without good cause. Good cause includes "domestic abuse, unavailable child care arrangements or other circumstances beyond the control of the participants" (Wisconsin Department of Workforce Development, 2003). In addition, the concept of "strikes" is used in W-2 as a more severe penalty for nonparticipation. Participants who do not take part in an activity at all, without good cause, may receive a strike. Three strikes in any W-2 activity render the participant ineligible to receive benefits for life (Wisconsin Department of Workforce Development). Thus far, strikes have been rarely imposed.

Monitoring the attendance of W-2 participants was a challenge in implementing sanction policies (Wisconsin Legislative Audit Bureau, 2001, 2002). The design of W-2 required the state to establish systems to accurately track the hours each participant was required to work and the actual hours worked and to notify recipients if they were being sanctioned (GAO, 1997; Robles, Doolittle, & Gooden, 2003). These administrative difficulties were not faced by other states, who were not trying to sanction on an hourly basis. But the next round of welfare reform is likely to further increase federal work requirements. Thus, sanction policies similar to Wisconsin's, and other tools for increasing

work participation, may be considered necessary by other states.

## LITERATURE REVIEW

### Number of Families Affected by Sanctions

Given substantial variation in sanction policies and implementation, and limited comparable cross-state data, accurate national estimates of the number of families affected by sanctions are not available. Estimating monthly sanction rates, and including those for whom benefits were reduced or eliminated in 1998, the GAO (2000) estimated that about 5% of the caseload, or 135,800 families, were sanctioned each month. Of course, some families may have left welfare altogether because of sanctions and would not be included in these estimates. Taking cases that had left the rolls into account, Goldberg and Schott (2000) estimated that between 1997 and 1999 more than half a million families lost welfare benefits because of sanctions. This accounts for about a quarter of the total reduction in cash assistance over the period (Kalil, Seefeldt, & Wang, 2003).

The variation in sanctioning rates across states is high. In the first year of TANF implementation in Delaware, almost half of the families receiving cash assistance were sanctioned. In South Carolina, by contrast, fewer than 4% of cases were closed because of sanctions (Burke & Gish, 1998). In Maryland (University of Maryland, School of Social Work, 1999), fewer than 5% of those leaving welfare had been sanctioned for noncompliance, whereas more than 20% of the caseload decline in Montana may have been associated with sanctions for noncompliance (Coping with Block Grants, 1998). One exceptional study that examined the dynamics of sanctions in Delaware found that monthly sanction rates had increased from 8% to 18% between December 1996 and December 1997. The level remained at 18% through June 1998 (Fein & Lee, 1999).

There are several potential explanations for cross-state variation in these measures of sanctioning. One source is difference in the time period over which sanctions are measured. Some states report the percentage of the caseload sanctioned in a month, others the percentage of recipients sanctioned over longer periods (Kaplan, 1999). Variation may also result from differences in how sanction rates are defined, particularly in the case of families who have left welfare (either those leaving after a sanction, or those

who might have been sanctioned had they not left (Pavetti & Bloom, 2001).

One of the most important reasons for cross-state differences is the tremendous variation among states in terms of sanction policy and implementation of sanctions (Pavetti et al., 2003; GAO, 1997). Recipients in some areas are sanctioned rather quickly after failing to comply with requirements, whereas recipients in other areas must demonstrate a sustained pattern of nonparticipation before sanctions come into play (Derr, 1998). It is difficult, moreover, to clearly identify a sanction and compare sanction rates across states because sanctions are tracked in different ways. For example, if a woman is told at an initial visit with a worker that she must participate in work-related activities before she can get any benefits, she would not typically be counted as sanctioned if, failing to follow work requirements, she never enters the system. But in a state that requires work activities to begin only after two months of receiving benefits, the same person might receive benefits for two months and then would typically count as being sanctioned if she did not follow work requirements.

### Characteristics of Sanctioned Recipients

Research on the characteristics of sanctioned clients has resulted in several common findings. Sanctioned welfare recipients have greater barriers to employment (for example, low education and little work experience) than nonsanctioned recipients (Cherlin et al., 2001; Coping with Block Grants, 1998; Fein & Lee, 1999; Hasenfeld, Ghose, & Larson, 2004; Kalil et al., 2003; Pavetti & Bloom, 2001; Westra & Routley, 2000). For example, after controlling for a number of personal and family background variables and motivation, attitudes, or expectations about work, Kalil and colleagues (2003), using data from the Women's Employment Study in Michigan, found that women with little education were more than twice as likely as those with a high school diploma to be sanctioned. Recipients who are sanctioned are much more likely to have experienced personal and family challenges than nonsanctioned recipients. Those who have physical and mental health problems, histories of domestic violence, lack of child care, or inadequate transportation are more likely to be sanctioned (for example, Cherlin, Bogen, Quane, & Burton, 2002; Coping with Block Grants, 1998; Goldberg & Schott, 2000; Oggins & Fleming, 2001; Strawn,

1997). Sanctioned recipients are more likely to be African American than are nonsanctioned recipients. For example, in a multivariate analysis, Kalil and colleagues found that African American mothers were almost twice as likely as white mothers to be sanctioned.

Several studies indicate other characteristics of welfare recipients that may place them at higher risk of being sanctioned. Sanction rates were found to be higher for participants who were younger (Hasenfeld et al., 2004; Kalil et al., 2003), had more children (Cherlin et al., 2002), were native English speakers (Hasenfeld et al.), were not cohabiting or living with other adults (Kalil et al.), or were long-term recipients (Pavetti & Bloom, 2001).

Many earlier studies on sanctions showed only the mean or percentage difference between two groups and did not use multivariate statistical methods to control for other characteristics (for example, Cherlin et al., 2001; Colville et al., 1997; Derr, 1998; Fraker et al., 1997; Lindhorst, Mancoske, & Kemp, 2000; Nixon, Kauff, & Losby, 1999; Westra & Routley, 2000). Other studies (Fein & Lee, 1999; Hasenfeld et al., 2004; Kalil et al., 2003; Oggins & Fleming, 2001) mainly used multivariate statistical models (such as logistic regression, or a probit model) to measure differences between sanctioned and nonsanctioned groups. Kalil and colleagues' (2003) exceptional research controlled for not only a wide range of demographics, human capital, and family background characteristics, but also some variables that are often ignored in other studies (such as psychosocial, mental health characteristics, motivation, and attitudes and expectations about the world of work). But very few of these studies have explicitly taken into consideration the interrelated dynamics of benefit receipt and sanctioning, accounting for whether women are still at risk of being sanctioned (that is, whether they are still receiving benefits). As we show here, accounting for these dynamics has important implications for the results.

### **Measures of Sanctions**

There are at least two ways to conceptualize sanctions: the threat of sanctions and the actual imposition of sanctions. The threat of losing benefits may serve as a strong enough deterrent that welfare recipients fully comply. Ideally, welfare recipients, therefore, would never be sanctioned (Fein & Lee, 1999). However, the effect of the threat of sanctions is difficult to measure and very few studies

have done so (for exceptions see Fraker et al., 1997; Lee, Slack, & Lewis, 2004). Most studies define sanctions as benefit reductions imposed for noncompliance with program requirements. However, data limitations often make it difficult or impossible for researchers to distinguish declines in cash assistance associated with sanctions from those resulting from increased income or earnings (Kalil et al., 2003; Shook, 1999), changes in family composition, or errors (Shook). These measurement issues pose challenges for measuring the use and the effects of sanctions.

A related problem, if survey data are used, is that self-reported information on sanctions may be wrong. Some participants may report that they were sanctioned for noncompliance with program requirements, even if they were not, whereas others may not report sanctions that actually occurred. For example, Kalil and colleagues (2003) indicated that respondents considered any benefit reduction a sanction even though check amounts may have been reduced for other reasons, such as increased earnings or income from other sources.

Much of the sanctions research literature (for example, Cherlin et al., 2001; Fraker et al., 1997; Nixon et al., 1999; Oggins & Fleming, 2001) measures a sanction as a simple dichotomous variable (sanction, nonsanction) at a particular point in time. With a single assessment point, it is impossible for researchers to consider the level of change, the duration of sanctions, and their effects. Limited research (for example, Fein & Lee, 1999) has explored the effects, and these studies have used a very short time period after a sanction was imposed. A very different picture may emerge through a longer-term examination.

Very few studies have measured the severity, timing, and duration of sanctions. Several studies (for example, Colville et al., 1997; Fein & Lee, 1999) measured the duration of sanctions, often during the first six months after the sanctions were imposed. Yet, to observe patterns of sanctioning over time, even six months may be too short. Measuring the levels of change and the timing or duration of sanctions over a longer period is important to fully understand their dynamics. In an important recent study, Wood and Clark (2003) examined the pattern of sanctioning in New Jersey over an 18-month period and found that many partially sanctioned participants were sanctioned for a very short period; most of them (more than 80%) lasting three

months or less. About half of fully sanctioned participants returned to cash assistance within three months; 63% returned within the first year. Our research complements this New Jersey research, examining levels and patterns of sanctioning over a longer period, and presenting results from Wisconsin, perhaps the most frequent user of sanctions.

## METHOD

### Data and Sample

We used Wisconsin administrative data from the Client Assistance for Reemployment and Economic Support (CARES), and unemployment insurance (UI) systems for the period from September 1997 to June 2003. CARES data provide monthly information on the timing and severity of sanctions over time and have extensive information on program participation, welfare status and welfare history (for example, tier placement, application status, number of months receiving AFDC benefits before TANF participation), and demographic information (for example, work experience, earnings, education, marital status, race, number of children, and family composition). UI data contain quarterly earnings records for individually covered workers that allow tracking of the work records and earnings of W-2 participants over time. UI data include the majority (more than 90%) of Wisconsin workers, but they do not cover those who are self-employed, federal employees, commission sales workers, farmers, church employees, and employees of not-for-profit organizations with fewer than four workers. Moreover, these data do not consistently include information on those who are employed outside of Wisconsin (Cancian & Meyer, 2004).

The sample included all female participants ( $N = 17,119$ ) who entered tiers in which they were eligible to receive cash benefits in Wisconsin and received TANF benefits during the first year W-2 was implemented (from September 1, 1997, to August 31, 1998). Given that only cases receiving cash benefits face the risk of being sanctioned, for some analyses we excluded cases when they move off the W-2 program, as described in the following sections.

### Measures

**Sanctions Variables.** In this study, we conceptualize sanctions as the actual imposition of sanctions instead of merely the threat of sanctions. We define

*sanctions* as benefit reductions imposed for noncompliance with work-related requirements of W-2 (that is, participating in work activities), allowing for good cause exemptions. Because CARES data contain information about both specific W-2 work program activities for which nonparticipants may be subject to sanctions and good cause exemptions, we can separate sanctions from other causes of benefit reductions. As stated by the Wisconsin Legislative Audit Bureau (2001, 2002), some participants may be inaccurately sanctioned. The administrative records we used allowed us to track actual sanctions accurately, but did not allow us to determine independently whether sanctions were imposed correctly. We have detailed and specific information on the number of required hours, the number of nonparticipation hours, and whether the case was granted an exemption from participation. We also have detailed information on monthly gross cash benefit amounts, the monthly amount docked from the original W-2 cash benefit due to work-related sanctions or other penalties (for example, drug felon penalty), and the dollar amount of cumulative supplement adjustments due to calculation errors, and so forth. As a result, we can distinguish declines of cash benefit due to work-oriented sanctions from those that result from increased income, changes in family composition, other types of sanctions, or errors. This may overcome measurement difficulties experienced in earlier research.

The literature on sanctions generally does not consider the duration and severity of sanctions. In this study we measured sanctions in two ways: by a simple dichotomous variable (sanction, nonsanction) and by the severity of sanctions (that is, the actual benefit reduction amount for noncompliance with W-2 work activities). We also tested the sensitivity of alternative measures of sanctions by comparing the key results obtained using the severity of sanction variable with those obtained with the simple dichotomous measure.

**Explanatory Variables.** We measured four sets of explanatory variables in this study: (1) individual characteristics (age, race, education, language, employment experience, county of residence); (2) family characteristics (number of children, age of youngest child, household structure); (3) welfare history and current welfare status (number of months of AFDC receipt in two years before entry, entry cohort, initial W-2 tiers); and (4) unemployment rates in the county of residence.

## Data Analysis

Most of the empirical studies that examine factors associated with sanctions use regression models with a dichotomous dependent variable (being sanctioned in a given period of time). However, traditional regression approaches using cross-sectional data do not take into account the length of time sanctioned, nor do they account for whether the participant remains at risk of being sanctioned. We used event history analysis to examine the dynamics of sanctions, predictors of being sanctioned, and the severity of sanctions. (For a detailed discussion of event history analysis, see Allison, 1984, 1995; Cox & Oakes, 1984; Hosmer & Lemeshow, 1999; Tuma & Hanna, 1984; and Yamaguchi, 1991.) The primary advantage to using event history analysis in this context is that it enabled us to capture the timing of benefit receipt and sanctioning. More specifically, we limited our analysis to the cases that were at risk of being sanctioned, that is, cases that remained on the program during the period examined. We thus avoided confounding those who avoided sanctions while receiving benefits with those who left welfare altogether (and were therefore not at risk of being sanctioned).

The event history analysis assumes event times in the study sample are independent. One potential problem is that welfare spell lengths are likely to be similar within Wisconsin's 72 counties, which may violate the independence assumption. Two sensitivity tests (an examination of whether counties have fixed effects and a comparison of the within-county variance to the between-county variance in spell lengths, as suggested by Guo and Wells, 2003) suggest that our model is appropriate.

We documented patterns of sanctioning over the 48 months after participants entered a W-2 tier that provides cash benefits. To examine the characteristics of those sanctioned, we conducted two analyses. First, we used a traditional logistic regression, examining whether a woman was sanctioned or not during her first spell of welfare receipt. A *spell* of cash benefit receipt is defined as a length of time during which a welfare recipient "continuously" receives cash benefits. (A single month without benefits between two months in which benefits were received was not treated as an exit). The average length of first cash spell is 10 months and the median length is eight months. We then contrasted these results with a discrete-time event history analysis. In this analysis, we examined each month in the

first spell of welfare receipt to determine whether a woman stayed in full benefit receipt, was sanctioned, or moved off welfare. To estimate this model, we constructed a person-month file that contained records for each individual for each month, beginning the month in which she first received W-2 cash benefits and ending the month in which she was first sanctioned or left welfare. In total, we identified 105,926 person-month records among the 17,119 W-2 participants.

We then examined whether the characteristics of those who received full sanctions differed from those who received partial sanctions. We began with a traditional multinomial logistical regression approach, examining the first spell of welfare receipt and differentiating those who first had a partial sanction from those who had a full sanction and those who went off welfare without being sanctioned. We then conducted an event history analysis, again examining the first spell of cash assistance, but examining each month until a woman was sanctioned or went off benefits.

For both analyses (being sanctioned and severity of sanctions) we calculated the estimated probabilities of being sanctioned for W-2 participants with a set of prototypical characteristics for both the traditional regression analyses and event history analyses. Finally, we examined the extent to which women stayed in a sanction status, returned to full benefit participation, or left welfare.

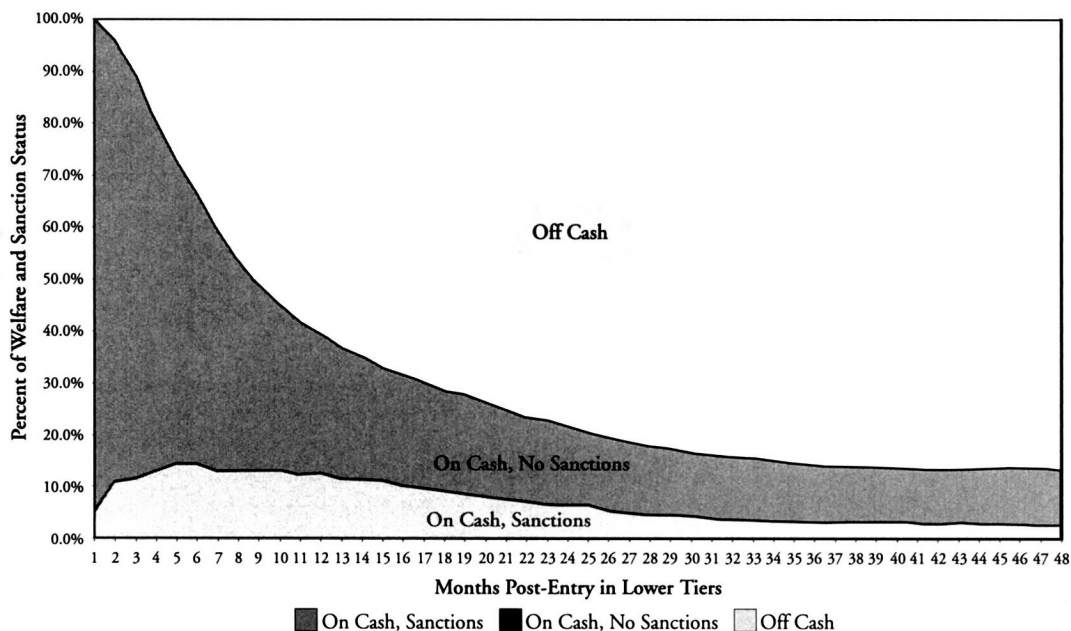
## RESULTS

### Frequency of Sanctions

At the end of the first year, fewer than half of the original participants were receiving cash benefits, and after four years only one-fifth were receiving benefits. In the first month, only 5% of the sample was sanctioned; this percentage increased to 14% in the fifth and sixth months, then gradually declined (Figure 1).

The sanction rate shown in Figure 1 ignores the fact that some women were no longer at risk of being sanctioned because they no longer received cash benefits. Figure 2 contrasts the simple sanction rate (the lower line, which is identical to that shown in Figure 1) with the sanction rate among the at-risk sample (those still receiving benefits). The highest rate of sanctions was in the 15th month, in which 34% of women who were in a cash status were sanctioned. The percentage declined over time, but even by the 48th month, 19%

**Figure 1: Change in Welfare and Sanction Status of TANF Recipients in Wisconsin**



Sample: 17,119 W-2 participants who entered in lower tiers and received TANF benefits during the first year of implementation. This figure includes all spells.

of those in a cash benefit tier were being sanctioned. We calculated the hazard rate of being sanctioned, and this analyses presented similar results. Sanctioning was fairly common in the first 14 months of benefit receipt, dropping in frequency if a woman was on benefits for more than 14 months without having been sanctioned.

Considering information on the first year only, the simple rate of sanctions was 51%; adding a second year brought the percentage of women ever sanctioned to 60%, a third year to 62%, and a fourth year to 64%. Even using only the first year of data, we would conclude that being sanctioned was a common experience; the longer time frame demonstrates that nearly two-thirds of recipients faced a sanction. In much of the following analysis, we focus only on the first spell of cash receipt, for which the sanction rate was 52%.

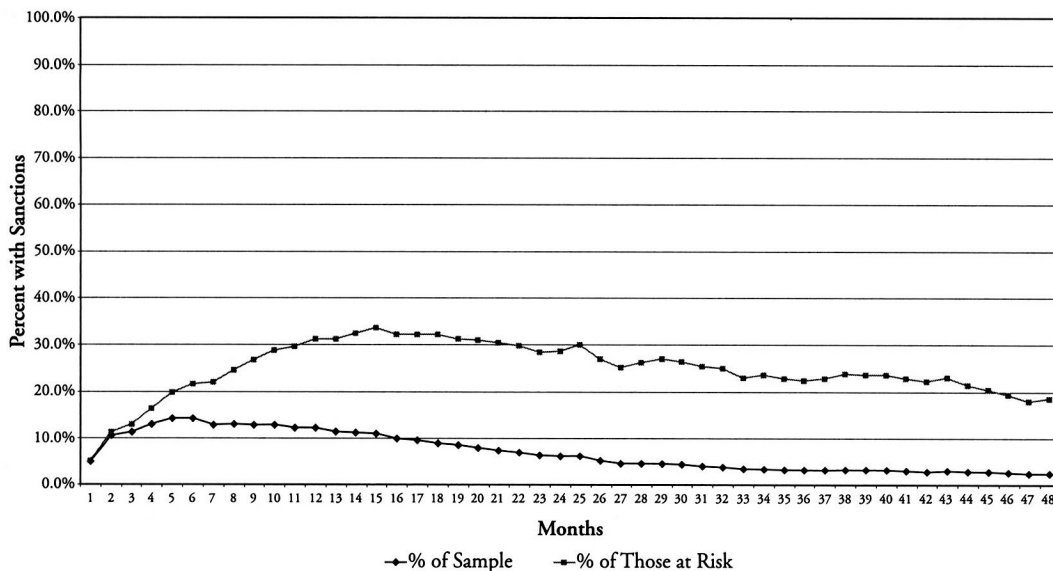
### Severity of Sanctions

In Wisconsin, a woman's benefit level may be affected (that is, she may be sanctioned) if she has an unexcused absence of a day (or even an hour) from a work assignment. We examined the level of sanctions among those receiving benefits, differentiat-

ing among those with a "low" sanction (that is, less than 50% of their benefit), a "high" sanction (between 50% and 90% of their benefit), and "full" sanctions, in which they received nothing or less than 10% of the benefit. Most sanctions were low (Figure 3); the percentage with low sanctions increased over the first 15 months, reaching a maximum of 17% before leveling at 11% to 13%. The rate of high sanctions increased over time, to 12%, and then gradually declined. The proportion with full sanctions never exceeded 5%, and generally followed a similar pattern. Most sanctions in this sample of Wisconsin women represented a benefit reduction of less than 50%, and only very few were full sanctions. This finding is similar to the results from the Work First New Jersey Evaluation study (Wood & Clark, 2003), which found that full sanctions are less common than partial sanctions.

When we examined the pattern over each woman's 48-month experience, the two most common patterns that emerged were no sanction (36%) or one or more partial sanctions, without ever a full sanction (38%). Almost one-fourth experienced both partial and full sanctions; a small percentage had only full sanctions.

**Figure 2: Frequency of Sanctions against TANF Recipients in Wisconsin**



Overall sample: 17,119 W-2 participants who entered in lower tiers and received TANF benefits during the first year of implementation. This figure includes all spells. Those at risk: W-2 participants who entered in lower tiers in first year of implementation and received cash benefits in each month after entry.

### Characteristics of Those Sanctioned

**Traditional Model of Those Sanctioned.** Our first approach replicates the simple model used in some earlier studies. We examined the first spell of benefit receipt in our four-year period, differentiating between those ever sanctioned and those never sanctioned during this period. (We also considered an even simpler model, in which we differentiate between those ever sanctioned and those who were never sanctioned over the full four years. The results of this alternative analysis are similar to those shown here).

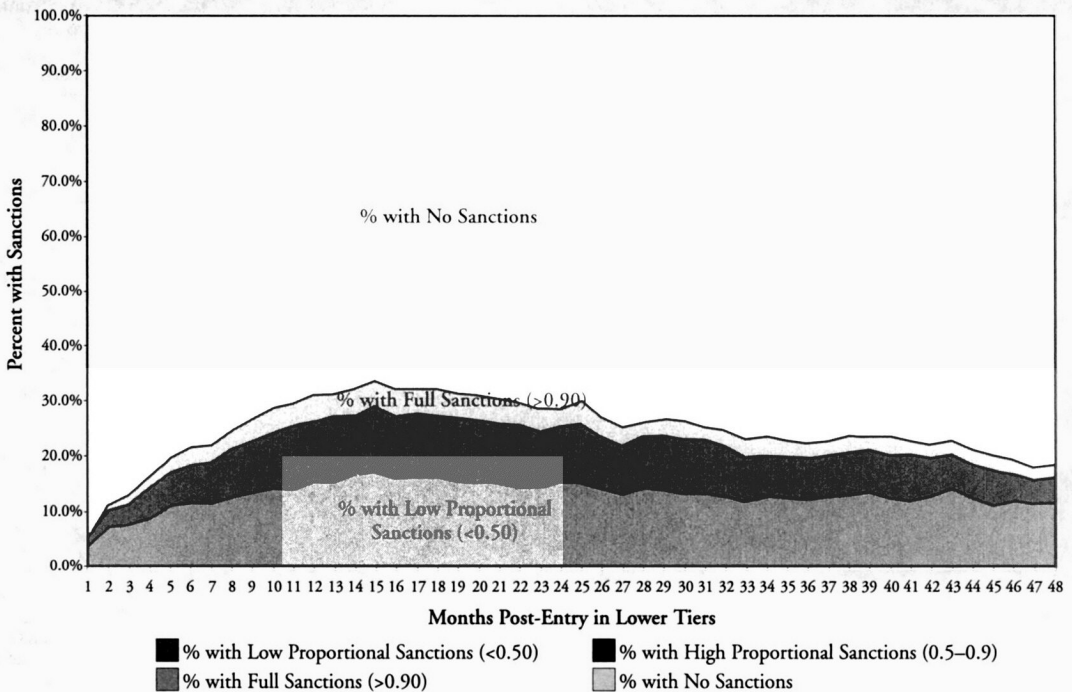
Those more likely to be sanctioned were women of color, those with less education, those whose primary language was English, and those who had a longer history of welfare receipt and less formal employment history (Table 1). Distinguishing Milwaukee County (the largest urban county in the state) from other urban and from rural counties, we found that participants in Milwaukee County were most likely to be sanctioned, those in rural counties least likely. Those who lived alone or with other adults were more likely to be sanctioned than those who lived with a husband. Sanction rates were no different for those with more children or those in counties with higher unemployment.

The woman's initial placement tier has the expected relationship with her likelihood of being sanctioned. Those in CSJs were more likely to be sanctioned than those in W-2T, perhaps in part because some of those in W-2T were caring for their own child who had a disability or because caseworkers are less likely to sanction those least able to work. Those who were placed in a CNB tier, with no formal work obligation until their child was 13 weeks old, were least likely to be sanctioned. As a matter of policy, participants cannot be sanctioned while in this tier. However, they can be sanctioned once they transition from the CNB tier to another tier providing cash assistance, a common occurrence. These results are generally consistent with research from other states that have different types of sanction policy.

**Event History Model of Those Sanctioned.** A key disadvantage of the simple logistic model is that it does not account for variation in the length of time participants were receiving benefits (Table 1, column 1). Long-term recipients had a greater period in which they could be sanctioned. The simple model does not distinguish factors that may be associated with a higher probability of being sanctioned in a given month of receipt from factors



**Figure 3: Change in the Severity of Sanctions against TANF Recipients in Wisconsin**



Sample: W-2 participants who entered in lower tiers in first year of implementation and received cash benefits in each month after entry.

that may simply be associated with a higher probability of remaining on cash assistance longer (with no increase in the probability of sanction in a given month). It may be particularly important to make this distinction because the characteristics associated with a higher likelihood of being sanctioned are also the characteristics that earlier research has found to be associated with long-term welfare receipt. We used an event history model to consider the factors associated with being sanctioned, in a context that explicitly accounts for whether a woman was still at risk of being sanctioned (that is, whether she continued to receive benefits) (Table 1).

We again examined the first spell of receipt. (Pooling all spells into a single model provided results qualitatively similar to those of first spell in most specifications.) We explicitly considered three potential outcomes for a woman receiving cash: She could be sanctioned, she could continue to receive her full cash benefit, or she could go off cash benefits. In this analysis, we examined each woman only until she either was sanctioned or went off benefits.

Holding other characteristics constant, the risk of being sanctioned increased as a woman's time on welfare increased throughout her first year of benefit receipt (Table 1, "Duration of event"), then began to decline; by the third year she was no more likely to be sanctioned than she was in the first three months of her spell.

The event history analysis allows us to estimate the relationships between a woman's characteristics and the time for which she was receiving benefits (and therefore at risk of sanctions), as well as between those same characteristics and the likelihood of being sanctioned. In a number of cases, the approach yields substantially different results from those reported previously. For example, the traditional logistic model estimates suggest that African Americans were more likely than white Americans to be sanctioned in their first spell; there was no discernible difference in the probability of sanctions for white and Hispanic Americans. The event history estimates suggest that part of the higher sanction rate for African Americans is associated with their slower rate of exit from welfare,

**Table 1: Multivariate Analysis of Predictors of TANF Recipients Being Sanctioned in Wisconsin**

| Variables  | Traditional Logistic Model on Sanctions in First Spell (compared to no sanctions) <sup>a</sup> |       | Discrete-Time Multinomial Logistic Model on Sanctions (compared to in First Spell no sanctions/on welfare) <sup>b</sup> |       |             |       |
|--|--|-------|---|-------|-------------|-------|
|  |  |       | On Welfare Sanctioned   |       | Off Welfare |       |
|  | Coeff.   | SE    | Coeff.  | SE    | Coeff.      | SE    |
| Age of mother (compared to 16–25 years)  |  |       |   |       |             |       |
| 26–30  | -0.030   | 0.051 | 0.008   | 0.036 | 0.003       | 0.035 |
| 31–40  | 0.084  | 0.053 | -0.033  | 0.037 | -0.168***   | 0.037 |
| 41+  | 0.123  | 0.082 | -0.160**  | 0.056 | -0.309***   | 0.056 |
| Race of mother (compared to white)   |  |       |   |       |             |       |
| African American   | 0.488***   | 0.051 | 0.338***  | 0.040 | -0.137***   | 0.034 |
| Hispanic   | 0.076  | 0.080 | 0.168**   | 0.062 | 0.078       | 0.052 |
| Other  | -0.187   | 0.108 | -0.269**  | 0.093 | -0.018      | 0.065 |
| Education of mother (compared to less than HS)                                 |  |       |   |       |             |       |
| High school diploma or equivalent  | -0.380***  | 0.037 | -0.151***   | 0.027 | 0.203***    | 0.026 |
| Beyond high school   | -0.599***  | 0.064 | -0.363***   | 0.050 | 0.246***    | 0.041 |
| Language of mother (compared to non-English)                                   |  |       |   |       |             |       |
| English  | 0.279**  | 0.105 | 0.280***  | 0.084 | 0.143*      | 0.067 |
| Age of youngest child at entry (compared to 1–2)                               |  |       |   |       |             |       |
| Unborn child at entry  | -0.047   | 0.056 | -0.258***   | 0.041 | -0.152***   | 0.036 |
| 3–5  | 0.027  | 0.050 | 0.065   | 0.034 | 0.002       | 0.036 |
| 6–12   | 0.125*   | 0.055 | 0.114**   | 0.038 | -0.003      | 0.039 |
| 13–17  | -0.152   | 0.083 | 0.064   | 0.058 | 0.273***    | 0.057 |
| Number of children at entry (compared to 0 or 1)                               |  |       |   |       |             |       |
| 2 children   | -0.055   | 0.046 | 0.010   | 0.032 | 0.060       | 0.031 |
| 3+   | -0.035   | 0.047 | 0.094**   | 0.033 | 0.112***    | 0.033 |
| Household structure at entry (compared to mother is only adult)                |  |       |   |       |             |       |
| Live with husband  | -0.392***  | 0.073 | -0.299***   | 0.060 | 0.074       | 0.043 |
| Live with other adults   | 0.069  | 0.038 | 0.099***  | 0.027 | 0.014       | 0.027 |
| AFDC receipt in the 24 months before entry (compared to 0)                     |  |       |   |       |             |       |
| 1–6 months   | 0.133  | 0.076 | 0.148*  | 0.059 | 0.058       | 0.046 |
| 7–18 months  | 0.234***   | 0.062 | 0.271***  | 0.047 | 0.005       | 0.039 |
| 19–24 months   | 0.326***   | 0.062 | 0.222***  | 0.046 | -0.164***   | 0.041 |
| Employment experience in the eight quarters before entry (compared to no work) |  |       |   |       |             |       |
| 1–4 quarters   | -0.176***  | 0.045 | 0.025   | 0.029 | 0.257***    | 0.033 |
| 5–7 quarters   | -0.638***  | 0.051 | -0.172***   | 0.036 | 0.489***    | 0.036 |
| 8 quarters   | -0.984***  | 0.070 | -0.315***   | 0.055 | 0.609***    | 0.044 |
| Initial W-2 assignment (compared to W-2 Transition)                            |  |       |   |       |             |       |
| Community Service Jobs   | 0.612***   | 0.051 | 0.970***  | 0.041 | 0.453***    | 0.034 |
| Caretaker of Newborn   | -0.525***  | 0.076 | 0.193**   | 0.065 | 0.764***    | 0.043 |
| Location (compared to rural counties)  |  |       |   |       |             |       |
| Milwaukee County   | 0.588***   | 0.098 | -0.267**  | 0.089 | -0.905***   | 0.052 |
| Other urban counties   | 0.387***   | 0.103 | 0.518***  | 0.095 | 0.055       | 0.054 |
| Unemployment rate in 2000 (compared to low)                                    |  |       |   |       |             |       |
| Middle (3.1–5.0)   | 0.134  | 0.083 | 0.305***  | 0.073 | 0.098*      | 0.049 |
| High (5.1+)  | 0.123  | 0.184 | 0.131   | 0.171 | -0.047      | 0.096 |
| Duration of event (compared to month 1–3)                                      |  |       |   |       |             |       |
| Month 4–6  |  |       | 0.380***  | 0.029 | 0.750***    | 0.029 |
| Month 7–9  |  |       | 0.586***  | 0.035 | 0.887***    | 0.035 |
| Month 10–12  |  |       | 0.699***  | 0.044 | 0.867***    | 0.046 |
| Month 13–18  |  |       | 0.598***  | 0.051 | 0.601***    | 0.054 |
| Month 19–24  |  |       | 0.371***  | 0.090 | 0.657***    | 0.081 |
| Month 25–36  |  |       | 0.141   | 0.133 | 0.789***    | 0.099 |
| Month 37–48  |  |       | -0.128  | 0.326 | 0.656**     | 0.222 |
| Intercept  | -1.412***  | 0.169 | -4.487***   | 0.145 | -3.131***   | 0.105 |

<sup>a</sup>Traditional logistic model on sanctions in the first spell: Dependent variable (0 = no sanctions (N = 8,135), 1 = ever sanctioned (N = 8,984) in the first spell of cash benefit receipt).

\*p < .05. \*\*p < .01. \*\*\*p < .001.

<sup>b</sup>Discrete-time logistical model—multiple observations per case. Dependent variable (0 = On welfare/no sanctions (N = 88,819), 1 = on welfare/sanctioned (N = 8,375), 2 = off welfare (N = 8,732) in the first spell of cash benefit receipt, considering time since getting cash benefits to event).

Model also controls for entry cohort, unknown education, unknown race, and unemployment rate in 2000.

Sample: 17,119 W-2 participants who entered in lower tiers and received TANF benefits during the first year of implementation.

which left them at risk of sanction over a longer period; this is reflected in the negative coefficient estimate for African Americans in the “off welfare” column and the positive coefficient in the “on welfare, sanctioned” column) (Table 1, “Race of mother”). In contrast, Hispanic participants left welfare more quickly than African American participants and somewhat more quickly than white participants (although the white/Hispanic difference is not statistically significant at conventional levels). When we took into account the lower exposure of Hispanic Americans, however, we found that they, like African Americans, were also more likely to be sanctioned than white Americans. Similarly, the event history analysis revealed that lower sanction rates for those with at least a high school diploma can be attributed to the fact that more educated participants left welfare more quickly and were less likely to be sanctioned while receiving cash benefits.

In some cases the event history analysis revealed relationships obscured by the simpler approach. For example, those with three or more children were more likely to be sanctioned once the period at risk is controlled, but because they were also more likely to move off benefits quickly, their higher rate of sanctioning is hidden in the simple analysis. Those who were pregnant when they entered W-2 were less likely to be sanctioned than those with toddlers, but were also less likely to go off welfare quickly; the simple analysis misses this complexity. Similarly, those who entered W-2 in the CNB tier were actually **more** likely to be sanctioned than those who entered in W-2T, once we accounted for their shorter period of participation. Those in Milwaukee County were actually **less** likely to be sanctioned than those in rural counties, but because they were on welfare much longer, the simple sanction rate is higher.

**Traditional Model of Severity of Sanctions.** We examined the characteristics associated with partial versus full sanctions. In the first model, we examined the first spell of benefit receipt, and contrasted those not sanctioned during the spell, those whose first sanction was partial, and those whose first sanction was full. In general, those more likely to receive partial sanctions first were also more likely to receive full sanctions first, so the results are on the whole similar to those in Table 1. For example, African American women were more likely to receive both partial and full sanctions, as

were those with less education, longer AFDC history, less formal employment, and those in Milwaukee County (Table 2). As in our previous results, those who entered in the CSJ tier were most likely to receive both partial and full sanctions, followed by those who entered in W-2T and then those who entered the CNB tier. In general, these results showed few differences between those who began with a partial sanction and those who began with a full sanction.

**Event History Model of Severity of Sanctions.** Again, the preceding analysis ignores the different risk periods for women with different characteristics. In Table 2, we show the results of an event history model of a woman’s first spell of cash benefits, examining transitions to partial sanctions, full sanctions, and off benefits altogether. As with Table 1, the event history analysis revealed patterns not seen in the simple analysis. For example, those who were pregnant at entry were less likely to be sanctioned (either partially or fully) than those with toddlers, once the period at risk was controlled. This could not be seen in the simple model because pregnant women were also less likely to leave benefits; their longer exposure hid their lower likelihood of being sanctioned. Similarly, those who entered in the CNB tier were more likely to have either type of sanction than those who entered in W-2T, once the period at risk was controlled.

Complex patterns emerged when we examined counties. The simple model shows that those in Milwaukee were most likely to receive both partial and full sanctions, and those in other urban counties were more likely to receive sanctions than those in rural areas. Once exposure was controlled, however, those in Milwaukee were less likely than those in rural areas to receive a partial sanction and more likely to receive a full sanction. This result was hidden in the first columns because the spells in Milwaukee were longer. Those in other urban areas (excluding Milwaukee) were more likely than those in rural areas to receive both partial and full sanctions.

**Estimated Probabilities of Sanctions and Severity of Sanctions.** The coefficient estimates shown in Tables 1 and 2 can be transformed into estimated probabilities of being sanctioned for women with different characteristics. We present estimated probabilities for a set of prototypical cases in Table 3. In the first row we examined the estimated probability of being sanctioned if a woman had no work

**Table 2: Multivariate Analysis of Predictors of Severity of Sanctions among TANF Recipients in Wisconsin**

| Variables   | Multinomial Model on Sanctions in First Spell (compared to no sanctions) <sup>a</sup> |                |             | Discrete-Time Multinomial Logistic Model on Sanctions in First Spell (compared to no sanctions/on welfare) <sup>b</sup> |                |             |
|---|---|----------------|-------------|---|----------------|-------------|
|   | Partial Sanctions   | Full Sanctions | Off Welfare | Partial Sanctions   | Full Sanctions | Off Welfare |
|   | Coeff.  | SE             | Coeff.      | SE  | Coeff.         | SE          |
| Age of mother (compared to 16–25 years)                         |   |                |             |   |                |             |
| 26–30   | -0.020  | 0.052          | -0.128      | 0.112   | 0.019          | 0.037       |
| 31–40   | 0.088   | 0.054          | 0.046       | 0.115   | -0.027         | 0.038       |
| 41+   | 0.137   | 0.083          | -0.034      | 0.191   | -0.168***      | 0.037       |
| Race of mother (compared to white)                              |   |                |             |   |                |             |
| African American  | 0.481***  | 0.052          | 0.566***    | 0.130   | 0.337***       | 0.042       |
| Hispanic  | 0.068   | 0.082          | 0.171       | 0.202   | 0.169***       | 0.064       |
| Other   | -0.245  | 0.112          | 0.371       | 0.263   | -0.326***      | 0.099       |
| Education of mother (compared to less than HS)                  |   |                |             |   |                |             |
| High school diploma or equivalent                               | -0.385***   | 0.038          | -0.337***   | 0.084   | -0.154***      | 0.028       |
| Beyond high school  | -0.606***   | 0.065          | -0.527***   | 0.153   | -0.367***      | 0.052       |
| Language of mother (compared to non-English)                    |   |                |             |   |                |             |
| English   | 0.264*  | 0.108          | 0.453       | 0.286   | 0.261**        | 0.087       |
| Age of youngest child at entry (compared to 1–2)                |   |                |             |   |                |             |
| Unborn child at entry   | -0.034  | 0.057          | -0.182      | 0.134   | -0.244***      | 0.042       |
| 3–5   | 0.019   | 0.051          | 0.092       | 0.104   | 0.055          | 0.036       |
| 6–12  | 0.134*  | 0.056          | 0.010       | 0.122   | 0.122**        | 0.039       |
| 13–17   | -0.157  | 0.085          | -0.107      | 0.188   | 0.049          | 0.061       |
| Number of children at entry (compared to 0 or 1)                |   |                |             |   |                |             |
| 2 children  | -0.046  | 0.047          | -0.139      | 0.104   | 0.019          | 0.034       |
| 3+  | -0.041  | 0.048          | 0.029       | 0.104   | 0.086*         | 0.034       |
| Household structure at entry (compared to mother is only adult) |   |                |             |   |                |             |
| Live with husband   | -0.363***   | 0.074          | -0.738***   | 0.215   | -0.277***      | 0.062       |
| Live with other adults  | 0.080*  | 0.039          | -0.051      | 0.086   | 0.110***       | 0.028       |
| AFDC receipt in the 24 months before entry (compared to 0)      |   |                |             |   |                |             |
| 1–6 months  | 0.109   | 0.077          | 0.359*      | 0.181   | 0.135*         | 0.062       |
| 7–18 months   | 0.215***  | 0.063          | 0.416**     | 0.148   | 0.249***       | 0.049       |
| 19–24 months  | 0.316***  | 0.063          | 0.410**     | 0.147   | 0.215***       | 0.048       |

(continued)

**Table 2: Continued**

| Variables  | Multinomial Model on Sanctions in First Spell (compared to no sanctions) <sup>a</sup> |                |             | Discrete-Time Multinomial Logistic Model on Sanctions in First Spell (compared to no sanctions/on welfare) <sup>b</sup> |                |             |
|--|---|----------------|-------------|---|----------------|-------------|
|  | Partial Sanctions   | Full Sanctions | Off Welfare | Partial Sanctions   | Full Sanctions | Off Welfare |
|  | Coeff.  | SE             | Coeff.      | SE  | Coeff.         | SE          |
| Employment experience in the eight quarters before entry (compared to no work) |   |                |             |   |                |             |
| 1-4 quarters   | -0.185***   | 0.045          | -0.077      | 0.096   | 0.017          | 0.030       |
| 5-7 quarters   | -0.638***   | 0.052          | -0.627***   | 0.115   | -0.171***      | 0.037       |
| 8 quarters   | -0.998***   | 0.072          | -0.847***   | 0.164   | -0.327***      | 0.058       |
| Enter cohorts (compared to early cohort)                                       |   |                |             |   |                |             |
| Middle   | 0.272   | 0.039          | 0.490       | 0.088   | 0.500          | 0.027       |
| Later  | 0.238   | 0.055          | 0.804       | 0.116   | 0.764          | 0.042       |
| Initial W-2 assignment (compared to W-2 Transition)                            |   |                |             |   |                |             |
| Community Service Jobs   | 0.587***  | 0.052          | 0.908***    | 0.145   | 0.937***       | 0.042       |
| Caretaker of Newborn   | -0.545***   | 0.078          | -0.257      | 0.217   | 0.158*         | 0.068       |
| Location (compared to rural counties)  |   |                |             |   |                |             |
| Milwaukee County   | 0.526***  | 0.099          | 1.710***    | 0.433   | -0.331***      | 0.091       |
| Other urban counties   | 0.373***  | 0.105          | 0.793       | 0.451   | 0.500***       | 0.097       |
| Unemployment rate in 2000 (compared to low)                                    |   |                |             |   |                |             |
| Middle (3.1-5.0)   | 0.189*  | 0.085          | -0.690*     | 0.272   | 0.349***       | 0.075       |
| High (5.1+)  | 0.087   | 0.191          | 0.621       | 0.581   | 0.083          | 0.180       |
| Duration of event (compared to months 1-3)                                     |   |                |             |   |                |             |
| Month 4-6  |   |                |             |   | 0.352***       | 0.030       |
| Month 7-9  |   |                |             |   | 0.548***       | 0.037       |
| Month 10-12  |   |                |             |   | 0.671***       | 0.046       |
| Month 13-18  |   |                |             |   | 0.587***       | 0.053       |
| Month 19-24  |   |                |             |   | 0.314***       | 0.095       |
| Month 25-48  |   |                |             |   | 0.133          | 0.126       |
| Intercept  | -1.439***   | 0.173          | -4.838***   | 0.571   | -4.473***      | 0.150       |
|  |   |                |             |   | -8.483***      | 0.662       |
|  |   |                |             |   | 0.257***       | 0.033       |
|  |   |                |             |   | 0.489***       | 0.036       |
|  |   |                |             |   | 0.609***       | 0.044       |
|  |   |                |             |   | 0.216          | 0.026       |
|  |   |                |             |   | 0.472          | 0.036       |
|  |   |                |             |   | 1.379***       | 0.156       |
|  |   |                |             |   | 0.634**        | 0.226       |
|  |   |                |             |   | 1.036*         | 0.519       |
|  |   |                |             |   | 1.081*         | 0.545       |
|  |   |                |             |   | -0.905***      | 0.052       |
|  |   |                |             |   | 0.055          | 0.054       |
|  |   |                |             |   | 0.098*         | 0.049       |
|  |   |                |             |   | -0.047         | 0.096       |
|  |   |                |             |   | 0.663***       | 0.092       |
|  |   |                |             |   | 0.956***       | 0.106       |
|  |   |                |             |   | 0.986***       | 0.138       |
|  |   |                |             |   | 0.708***       | 0.172       |
|  |   |                |             |   | 0.936***       | 0.256       |
|  |   |                |             |   | -0.745         | 0.713       |
|  |   |                |             |   | -3.132***      | 0.105       |

<sup>a</sup>Multinomial logistic model; Dependent variable (0 = no sanctions (N = 8,135), 1 = partial sanctions (N = 8,141), 2 = full sanctions (N = 843) in the first spell of cash benefit).  
<sup>b</sup>Discrete-time logistical model—multiple observations per case. Dependent variable (0 = On welfare/no sanctions (N = 88,819), 1 = partial sanctions (N = 7,603), 2 = full sanctions (N = 8,732) in the first spell of cash benefit).  
 \*p < .05. \*\*p < .01. \*\*\*p < .001.  
 Model also controls for entry cohort, unknown education, unknown race, and unemployment rate in 2000.  
 Sample: 17,119 W-2 participants who entered in lower tiers and received TANF benefits during the first year of implementation.

**Table 3: Simulations of Estimated Probabilities<sup>a</sup> of TANF Recipients Being Sanctioned and Severity of Sanctions in Wisconsin**

| Prototype Groups  | Estimated Probabilities of Being Sanctioned in First Spell |  | Estimated Probabilities of Severity of Sanctions in First Spell |                |                                 |                |
|---|--|--|---|----------------|---------------------------------|----------------|
|   | Traditional Logistic Model                                 | Multinomial Discrete-Time Model <sup>b</sup> | Traditional Logistic Model                                      |                | Multinomial Discrete-Time Model |                |
|   |  |  | Partial Sanctions   | Full Sanctions | Partial Sanctions               | Full Sanctions |
| 1. No work experience, long-term AFDC recipient, education less than HS, African American, lives in Milwaukee | 0.719  | 0.737  | 0.654   | 0.065          | 0.699                           | 0.114          |
| 2. Same as 1 except eight quarters work experience  | 0.489  | 0.612  | 0.438   | 0.051          | 0.569                           | 0.093          |
| 3. Same as 2 except no long-term AFDC reciprocity   | 0.409  | 0.528  | 0.369   | 0.039          | 0.490                           | 0.071          |
| 4. Same as 3 except high school graduate  | 0.275  | 0.400  | 0.247   | 0.028          | 0.367                           | 0.051          |
| 5. Same as 4 except white   | 0.189  | 0.302  | 0.171   | 0.018          | 0.275                           | 0.036          |
| 6. Same as 5 except lives in urban area other than Milwaukee  | 0.160  | 0.462  | 0.152   | 0.007          | 0.440                           | 0.029          |
| 7. Same as 6 except lives in rural area   | 0.115  | 0.316  | 0.110   | 0.004          | 0.304                           | 0.010          |

Note: The sample includes all women who received TANF cash benefits in Wisconsin during the first year W-2 was implemented, September 1, 1997, to August 31, 1998.

<sup>a</sup>Used mean values for mother's age, mother's language, age of youngest child, number of children, household structure, entry cohort, initial W-2 assignment, and unemployment rate.

<sup>b</sup>The predicted probabilities of being sanctioned in discrete-time logistic model is within first 12 months; traditional logistic model is not included in the spell length in the model.

experience, was a long-term AFDC recipient, had low education, was African American, and lived in Milwaukee. All other characteristics (for example, the number and ages of children) were set at the mean. In our simple model (column 1), we estimated that this woman had a 71.9% likelihood of being sanctioned at some point in her first spell. We then changed characteristics one at a time and recalculated the estimated probabilities. All the variations in characteristics are quite important; as shown in the final row, the estimated probability of being sanctioned for a woman with substantial work history, with no AFDC history, with at least high school education, who is white and living in a rural area was only 11.5%. The largest percentage-point reductions occurred when we postulated substantial work experience (eight quarters) instead of no formal work experience (a decline of 23.0 percentage points) and when we changed educational status from "less than a high school education" to "more than a high school diploma" (a decline of 13.4 percentage points).

We calculated the probability of being sanctioned within the first 12 months of a spell of cash receipt (Table 3, column 2). The estimated probability of being sanctioned for a woman with the base characteristics is quite high, but drops dramatically as characteristics change. One difference in this model is that, having constrained all cases to being at risk for 12 months, the probability of being sanctioned is at least 30% for all combinations of characteristics shown here. Another difference is that the estimated probability for white women in urban counties other than Milwaukee is not only higher than for white women in Milwaukee or in rural areas, but is also higher than the estimate for African American women in Milwaukee. This difference reflects the different estimates of sanction probabilities once we account for differences in time receiving benefits. (The event history estimates show differences in probability of being sanctioned given the same period of receipt.)

These estimates of the probability of receiving a partial sanction and a full sanction follow a similar pattern to that of our earlier analysis: There is a very high likelihood of a partial sanction (65.4%, Table 3, column 3) among African American women in Milwaukee with low education, little formal work experience, and long welfare histories. The probability declines as each characteristic changes. The estimated probability of beginning with a full sanc-

tion is fairly low, 6.5% (column 4), even for the prototypical woman in the first row. Once exposure was controlled and we fixed the time period to one year, the estimated probability of both partial and full sanctions increased (columns 5, 6). One difference from the simple model is that the estimated probability of partial sanctions among white women with high education and work history and low welfare history was highest in other urban areas, then in rural areas or in Milwaukee, whereas the estimates for full sanctions for women with these characteristics, which are quite low, were highest in Milwaukee.

### **After a Sanction**

Our focus in this analysis was on patterns of sanctioning rather than models of the consequences of sanctions. Thus, we limited our analysis of post-sanction outcomes to measures of subsequent benefit receipt (and associated sanctions). In particular, we examined the 8,375 women who were sanctioned during their first spell of cash benefits. We found that nearly three-quarters (71%) of women who were sanctioned returned to a full benefit after a sanction. Spells of sanctioning tended to be short: Most of the women who were sanctioned transitioned to a full benefit in the next month. The probability that full benefits would be restored then declined as the months in sanction status continued. Overall, 29% moved off the program completely following a sanction, although only about one-fifth of those sanctioned moved off benefits altogether in the first month after a sanction. If women continued to be sanctioned for two months, the likelihood of leaving benefits altogether was still about 20%, and this stayed roughly constant over the period. Thus the most common pattern was a month of sanction, followed by a return to full benefits.

In the next two analyses, we explored whether patterns of post-sanction benefit receipt varied for those with partial and full sanctions. We examined the 7,603 participants who first received a partial sanction in their first spell of cash benefits. The most common pattern is a transition back to full benefits, and this occurs quickly, usually the next month. The probability of moving off benefits completely was about one in five and stayed relatively constant over the period. The risk of moving from partial to full sanctions was low (less than 10%) and remained fairly stable over time.

Among the 772 women who first experienced a full sanction in their first spell of cash welfare, patterns were relatively similar. Nearly half of these women (44%) returned to full benefits, generally in the next month. In fact, only 123 women experienced two months of full sanctions in a row, and even for them, the most common pattern was restoration of full benefits. Among those who first experienced a full sanction, 30% transitioned from full to partial sanctions, and one-fourth of the women moved from full sanctions to being off welfare.

Much of our analysis has focused on the first spell of cash receipt. As we noted, 52% of the women were sanctioned during their first spell of cash receipt, and another 12% during a later spell. Being sanctioned once is not necessarily related to being sanctioned again. For example, 64% of our sample were sanctioned at least once. Of those sanctioned once, 63% were sanctioned a second time, and of those sanctioned twice, 62% were sanctioned a third time. Multiple sanctions were fairly common: 40% of the women were sanctioned more than once, and 14% of the women were sanctioned four or more times.

## SUMMARY AND FUTURE RESEARCH

Welfare reform initiated several important policy changes. One of these is the imposition of sanctions upon those not meeting work requirements. The early research on sanctions found a wide variety of estimates of their frequency, in part because different researchers used different definitions of sanctions, different time periods were analyzed, and some states (or counties, or even workers) used sanctions more often than others. In this analysis, we found very high rates of sanctioning: nearly two-thirds of those who entered Wisconsin's TANF program in its first year were sanctioned at some point during the next four years. Recall that our sample consisted of those who entered in W-2's first year. Sanction rates declined for later entrants. In our base results, 51% of those who entered in the first year of W-2 were sanctioned. When we examine later entrants, 44% of those who entered in the second year of W-2 were sanctioned during their first year, and 37% of those who entered in the third year were sanctioned during their first year. Despite these differences in rates, the characteristics of those sanctioned among the second-year entrants are similar to those of the first-year entrants shown in our base results.

As we have shown in our analysis, even within a given cohort the precise definition of sanction is important in determining the frequency of sanctions. For example, the maximum one-month sanction rate is 14% when we examined the entire sample; limiting the sample to those at risk of being sanctioned leads to a maximum of 34%. Expanding the time period is also important: In the first six months after entering W-2, about 35% of the sample were sanctioned, a rate that rose to 64% when we considered four years. Finally, the severity of sanctions is important: If we limit our definition to only those with full sanctions, the four-year rate was only 25% instead of 64%. Comparisons with other states are difficult because of these different approaches. Nonetheless, it appears that Wisconsin is more likely to use sanctions, especially partial sanctions, a finding consistent with its emphasis on imposing sanctions for short periods of missed work. Additional research on other states, perhaps using the definitions used here, can help policymakers understand the frequency of sanctions.

Earlier research has found that those more likely to be sanctioned face more employment barriers. We found similar results in our simple models. But the characteristics associated with being sanctioned are also the characteristics associated with long-term welfare use, and thus we argue that it is important to estimate a model that takes into account the period of risk. Many results are similar, confirming that those who may be least able to succeed in the labor market are most likely to be sanctioned. But important differences emerge. Once we accounted for the shorter exposure of Hispanic Americans, we found that both they and African Americans were more likely to be sanctioned than white Americans. Those who were pregnant at entry and those who entered the CNB tier were more likely to be sanctioned than others, a difference hidden in the simple analysis. Perhaps most striking, we get a different picture of the relationship between location and sanctioning: Milwaukee County, the largest urban area in Wisconsin, had a **lower** rate of sanctioning once we accounted for the typically longer period of participation. Given our findings, we believe future research on the likelihood of sanctions and the characteristics of those sanctioned should explicitly consider the period at risk.

Do sanctions work? This research has only begun to examine this critically important question.



We have found that sanction spells are quite short, and the most common transition from a sanction is back to full benefit receipt. Even among those with full sanctions, only 16% continued to have a full sanction in the second month. The fact that sanction spells are short and that the most common pattern is back to full benefits could be interpreted as suggesting that sanctions are having the desired effect of changing behavior toward compliance with program requirements. (Of course, even if this is true, an important question is whether the sanction caused significant hardship, and whether another mechanism for increasing compliance could have achieved a similar result with less hardship.) Moreover, an important minority of those sanctioned moved off the program altogether. More research is needed on whether these women tended to be off the program because they had employment and moderate levels of earnings, or whether they and their children faced serious economic distress. **SWR**

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