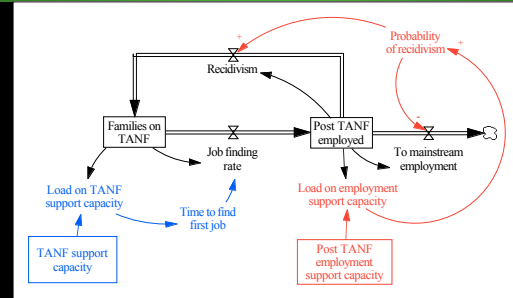


Misattribution in Welfare Dynamics: the puzzling dynamics of recidivism

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Our Focus: A Stock-and-Flow “Archetype”



Overview

- Context: U.S. welfare reform
- Brief history of the effort
- The model developed by three groups
- The “swamping insight” model
- Analysis of dynamics emerging from structure
 - » Vensim simulations
 - » “Digest” analyses
- Back to reality

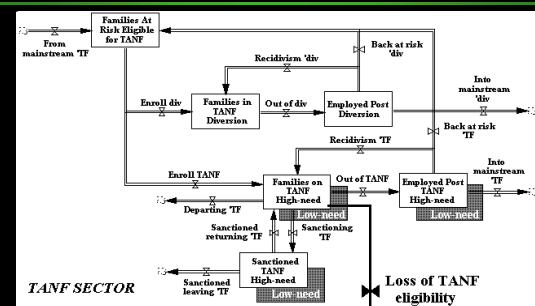
1996 U.S. welfare reform

- Since 1930, a guarantee of lifetime Federal support
- 1996 legislation ended that:
 - » Temporary Assistance for Needy Families - TANF
- At most five years of Federal support in one’s lifetime
- The clock started for everyone on TANF in 1997
- People will begin timing out in 2002
- Financial burden will begin shifting to the states and counties
- A series of facilitated group modeling efforts in three New York State counties tried to help counties cope

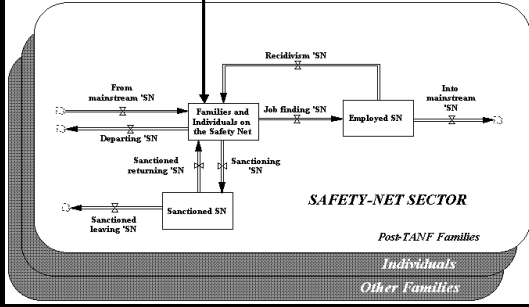
History of the NYS Effort

- Initial interest within NYS Department of Social Services
- TANF model in Cortland County
- Safety net model in Dutchess County
- Joined TANF/SafetyNet model in Dutchess
- Calibration in Cortland, Dutchess, & Nassau
- Implementations in Cortland & Dutchess

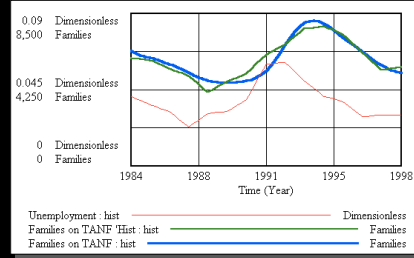
The TANF Sector



The "Safety Net"



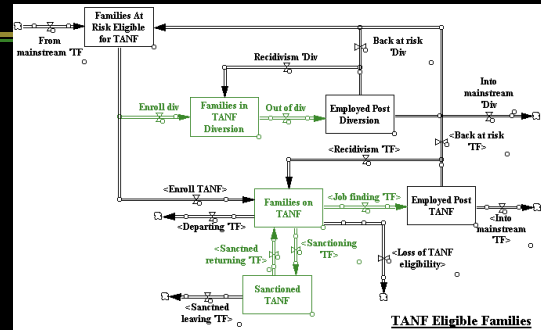
Simulated vs Actual Caseload



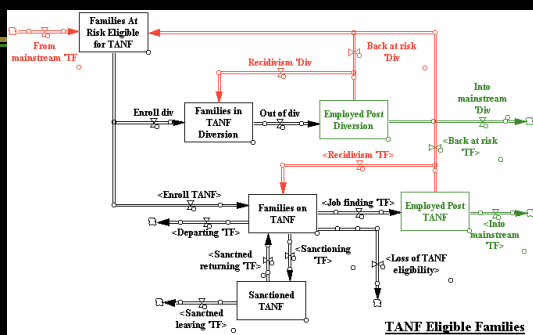
Three Policy Mixes

- Base run (for comparison)
 - » Flat unemployment rate
 - » Historical client behaviors
- Investments in the "Middle"
 - » Additional services to TANF families
 - » Increased TANF assessment & monitoring
 - » Safety net assessment & job services
- Investments on the "Edges"
 - » Prevention
 - » Child support enforcement
 - » Self-sufficiency promotion

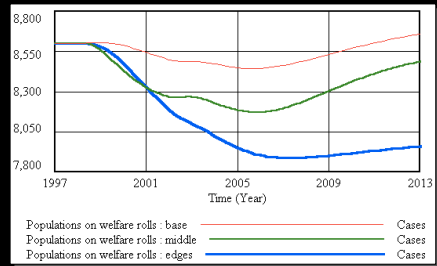
Investing in the "Middle"



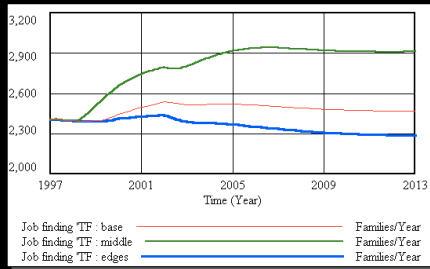
Investing on the "Edges"



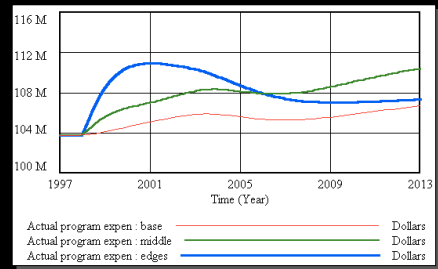
Base, "Edges," and "Middle" Compared: Populations on the Welfare Rolls



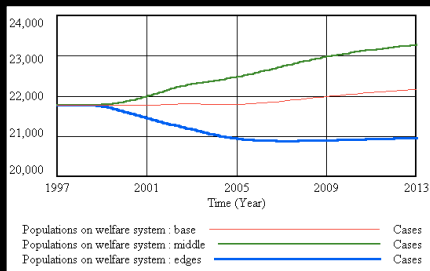
Total Job-Finding Flows from TANF



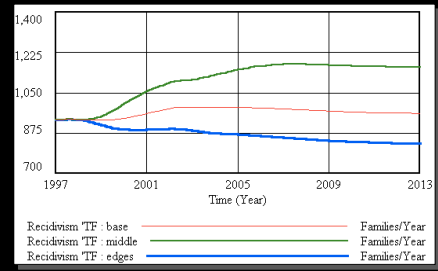
Program Expenditures



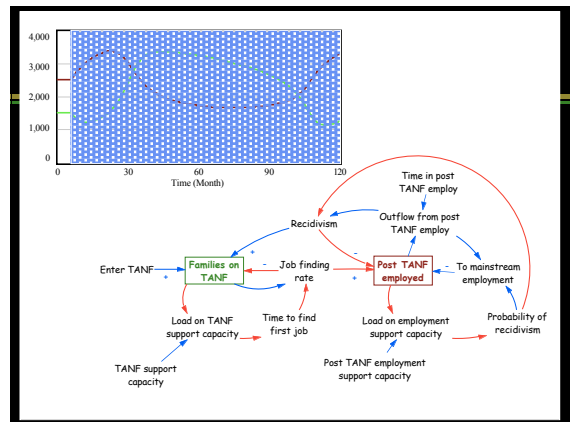
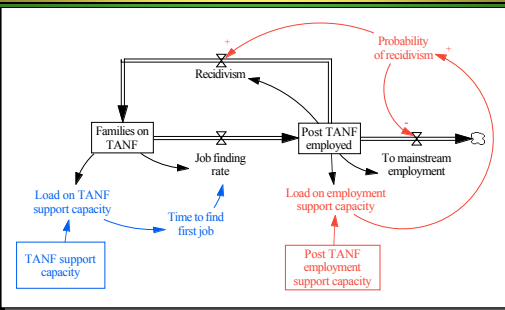
Populations in the Welfare System

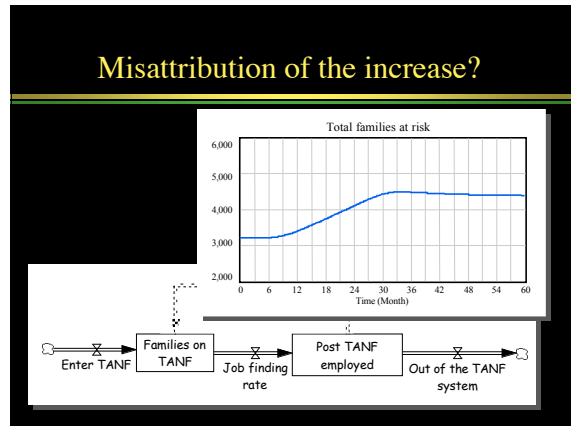
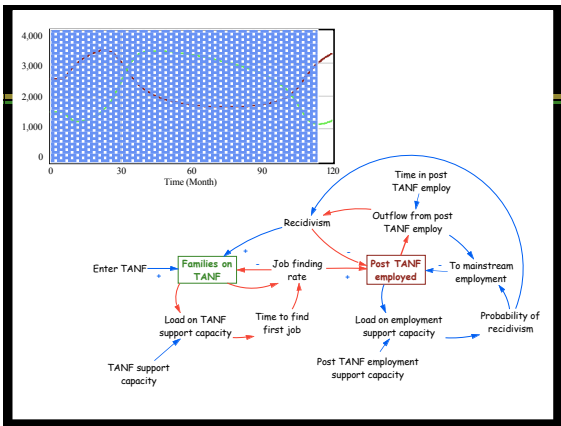
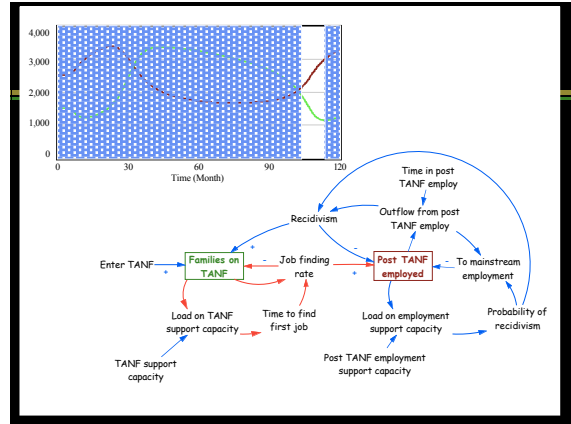
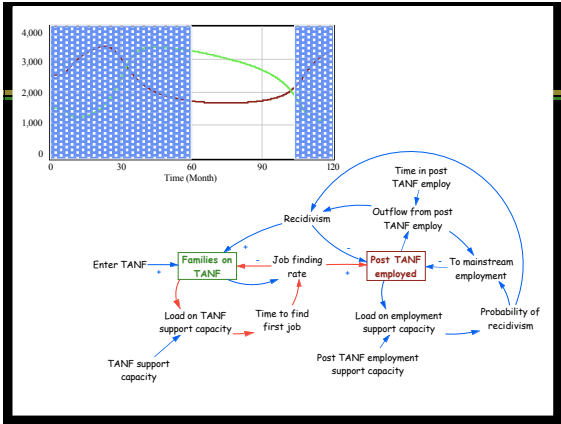


Total Recidivism Flows (back to TANF)



A Stock-and-Flow Archetype at Work Here





- ### Other Systems
- Vocational preparation in mental health
 - Foster care
 - Chronic care
 - Private sector management?

- ### Summary
- The “swamping” insight: upstream improvements can swamp downstream capacity and make matters worse.
 - The source of the dynamics are self-reinforcing and balancing tendencies in capacity loads
 - Real improvement requires coordinated (sequenced) additions to capacity