
**ALL YOU NEED IS WORK?
WELFARE POLICY AND THE NEEDS OF LOW INCOME
SINGLE MOTHER FAMILIES**

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Support for this research was provided by the Charles Stewart Mott Foundation, Joyce Foundation, John D. and Catherine T. MacArthur Foundation, Annie E. Casey Foundation, the National Institute of Mental Health (R24-MH51363), The Substance Abuse Policy Research Program of the Robert Wood Johnson Foundation, and the University of Michigan Office of the Vice President for Research . Research assistance was provided by Myung Ho Park, Brian Cadena, and Sarah K. Marsh; helpful comments and suggestions were provided by co-principal investigators on the Women's Employment Study, Kristin Seefeldt and Sheldon Danziger. I also thank our study managers at the University of Michigan Institute for Survey Research, Bruce Medbery and Eva Leissou

Background Policy Context

- The 1996 federal welfare reform culminated a long period of transforming low income family assistance from a cash safety net with poverty-reduction goals to a work-promoting system for poor single parents (mothers)

 - The law achieved a number of its goals –
 1. Welfare caseloads have declined
 2. More single mothers are working
 3. Child poverty has fallen modestly
 4. Many states used funds previously spent on cash assistance for nonworkers to supplement earnings and subsidize child care

 - However, a significant minority of welfare recipients have serious personal problems that have kept them from working steadily, despite the new administrative rules and the economic boom of the late 1990s.
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Table 1
Work and Well-Being of
Less-educated Single Mothers
1996-2003 (March CPS)

	1997	2004
Percent who worked in previous year (1996)	68.3%	71.8%
Percent Cash Assistance (AFDC, TANF, SSI) in Previous Year	30.6%	15.2%
Percent Neither Work Nor Welfare in Previous Year	13.3%	19.5%

TWO COMPETING THEORIES OF WELFARE REFORM'S EFFECTS

- In 1996, proponents and opponents of welfare reform subscribed to one of two competing theories.
- The first theory assumed that recipients just needed to be pushed into the labor market to search for jobs and that increased job search would yield increased employment. I label this the “all you need is work” policy-motivating theory of who is on welfare and who will have the most promising welfare-to-work transition

If this is the case, then

- a. women with work limitations prior to reform would be a large subset of those on the rolls and
 - b. this, possibly in combination with any educational limitations they had, would be the major factor in their employment and dependency trajectory after welfare reform.
 - c. They would increase employment whether by gaining experience, skills, or becoming motivated to work, and their lives should show economic improvements in the years following reform.
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Theories, cont'd:

- A second theory challenges this story. Critics of the “work first” strategy acknowledged that lack of work experience was a problem. But, they felt that other factors were more important. For example, they emphasized structural/environmental reasons and/or personal disadvantages, such as health and mental health problems, that may prevent recipients from transitioning to self-sufficiency.

 - According to this hypothesis,
 - a. Many recipients remained on welfare because their personal situation made it difficult for them to get and keep jobs, not because they simply lacked work experience.
 - b. These other employment barriers were ones that the state programs were ill-equipped to address.
 - c. These barriers, rather than lack of work experience, are likely to be more prevalent among those who failed to make a successful transition from welfare to work
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Research Questions

1. To what extent did a sample of welfare mothers have work limitations versus other barriers in 1997 when our study and welfare reform began?
 2. How do the different barrier profiles in 1997 correlate with the welfare to work transition, as measured by accumulated months of employment and months of welfare receipt over a 6½ year period ending in Fall 2003?
 3. How does persistence of barriers in the domains of health, mental health, child health, alcohol dependence and illegal drug use, and experiences of domestic violence affect earnings and welfare (TANF) receipt in 2003, beyond educational and work limitations, and controlling for other factors typically affecting maternal employment (such as presence of young children, marital status, age, and race)?
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WES Overview

Longitudinal study of women who received TANF (single parent case) in February, 1997.

Sample drawn from one urban Michigan county.

Response rates:

- 1997 – 86% (753 women)
- 1998 – 93% (693 women)
- 1999 – 91% (632 women)
- 2001 – 91% (577 women)
- 2003 – 93% (536 women)

Measures of Work and Welfare Outcomes

- ❖ Percentage of months worked 1997-2003
 - ❖ Percentage of months received welfare, 1997-2003
 - ❖ Monthly earnings last month, 2003
 - ❖ Received cash welfare benefits last month, 2003
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Measures of Barriers

Low work experience, skills, work norms or criminal record

Low education or learning/reading problems

Met screening criteria for a mental health disorder

Met criteria for alcohol dependence or used drugs illegally

High health limitations and self-reported fair/poor health

Child with physical, emotional or learning problems

Experience with severe domestic violence in last year

Table 3

Percent of Fall 2003 Respondents with problems
in each domain at Fall, 1997
(n= 536)

Had low work experience, skills, work norms or criminal record	34.7%
Had low education or learning/reading problems	44.8
Met screening criteria for a mental health disorder	36.0
Met criteria for alcohol dependence or used drugs illegally	22.4
Had health limitations and self-reported fair/poor health	19.4
Had a child with physical, emotional or learning problems	22.9
Had experience with severe domestic violence in last year	16.0
Met no criteria for problems in any of 7 domains	16.4%
Had problems in one domain, any type	24.4
Had problems in any two domains	27.6
Three domains	16.8
Multiple barriers, four or more domains	<u>14.7</u>
	100 %

Table 4

Work limitations versus other barriers

In Fall 1997

■ % Respondents with no barriers	16.4 %
■ % Respondents with only work limitations	5.2
■ % Respondents with work limitations and educational limitations	5.8
■ % Rs with work limitations and 1 other barrier	4.9
■ % Rs with work and any 2 other barriers	10.5
■ % Rs with work and 3 or more other barriers	8.2
■ % Rs with barriers of any number and type other than work limitations	49.1

Figure 1

Prevalence and persistence of problems in five domains

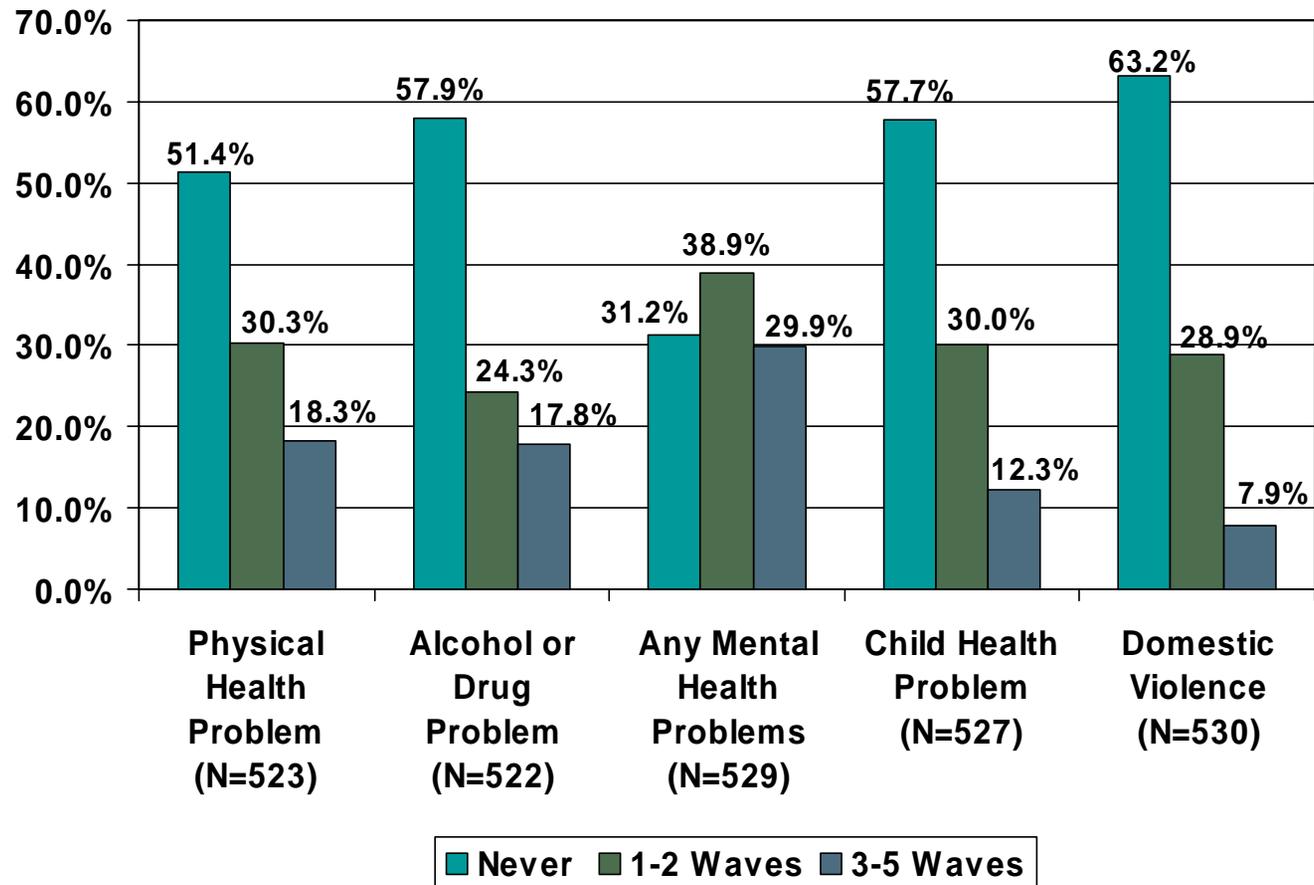


Table 5

Making the Transition from Welfare to Work,
1997-2003

	Fall 1997	Fall 2003
% Currently employed	62.7	63.3
If employed,		
Median monthly earnings (in 2003 \$)	\$687.84	\$1080.00
Median weekly hours worked (all jobs)	34	40
% receiving TANF last month	74.8	20.9
Mean % of months worked, 1997-2003	69.4	
Mean % of months received TANF	31.2	

Table 6
Multivariate Regression Models of
Welfare- to-work Outcomes

Dependent variables:

% of months worked 1997-2003
% of months of TANF

Monthly earnings in 2003
Receipt of welfare benefits in 2003

As a function of: **

1997 work and educational limitations, health, mental health, child health, alcohol/drug use, or domestic violence problems.

1997 work and educational limitations
Respondent met criteria for health, mental health, child health, alcohol/drugs, or domestic violence barrier never, in 1-2, or 3-5 waves

**** Both sets of models control for maternal age, race, young children, pregnancy/birth, married or cohabiting**

Table 7

Effects of Barriers for welfare to work
across all multivariate regression models

**Significant for 0-4 models of the
transition from welfare to work:**

Barrier profiles:

F 97 low work experience, skills, work norms or criminal record	4
F 97 low education or learning/reading problems	4

At F 97 (3 models) or no. of waves 0, 1-2, 3-5 (2 models):

Met criteria for a mental health disorder	2
Met criteria for alcohol dependence or drug use	1
Had physical limitations and self-reported fair/poor health	4
Had child physical, emotional or learning problems	4
Had severe domestic violence in last year	0

Control factors:

Race	2
Maternal age F 97	1
No. young children F 97	0
Pregnant/gave birth since F97	3
Ever married or cohabit since F 97	1

EXAMPLE OF FINDINGS

The probability of receiving welfare in 2003 was significantly higher:

- for African American women than whites,
 - for women with persistence (in 3-5 waves vs. not having the barrier) of health, mental health, and child health problems.
 - for those who had work limitations and educational barriers in 1997 than for those who had more education and work skills at the start of welfare reform.
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FINDING EXAMPLE, CONT'D

7 factors significantly reduced monthly earnings in 2003

- Work limitations in 1997 by 54 percent (for the average person in the sample)
 - Persistent health problems (3-5 waves, relative to in none of the waves), 187%
 - Health problems in 1-2 waves (relative to in no wave), 71%
 - Persistent child health problems, 59%
 - Persistent alcohol/drug problems, 54%.
 - Having had a baby, 45%
 - Educational problems in 1997, 40%.
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SUMMARY

- The welfare law's requirement to look for work may have not had undue negative consequences for recipients with no serious personal or family challenges, but these women were not the typical case in 1997
 - Most recipients had problems in one or more domains that influenced their success in making this transition
 - Work limitations alone were not common but they continued to significantly hamper success by 2003
 - Problems in such domains as health and mental health of mothers and/or their children were common and persistent among welfare mothers; these problems continued to impede progress in work and independence six years later
 - Economic success is uneven among current and former recipients and their families
 - Those who worked in 2003 were earning more than those working in 1997, but the overall odds of being employed in 2003 were not different than in 1997.
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POLICY IMPLICATIONS

- For the modest success of reform to accomplish a work-oriented safety net, additional funds are needed to support opportunities for families, rather than simply pushing them out into the workforce and ignoring their highly prevalent, diverse, multiple, and persistent hardships.
 - Federal policies and state programs do not address the heterogeneity of recipient families
 - Work limitations, which the policies are explicitly designed to overcome, continue to impede work and well-being
 - Many add-ons to current services in a variety of experimental approaches are warranted. They should include comprehensive needs assessments and provide or link recipients to health and mental health care for themselves and their children.
 - Single solution fixes are quite limited in promoting success, even when success is defined in rather narrow economic terms such as moving from welfare to work
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