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Moving from Welfare to Work

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In 2005 and 2006, the New York Times ran a number of articles about women’s choices regarding motherhood, careers, and the balance between the two. “Many Women at Elite Colleges Set Career Path to Motherhood,” claimed one article, citing a “trend” among female Ivy League students to say that they would rather be stay-at-home mothers than leaders in business, medicine, or other sectors. A history professor quoted in the publication noted that these young women were “being realistic” about the difficulty of combining motherhood and work. Others mentioned in the article doubted the judgment of high-powered career women with children. One young woman commented, “I see a lot of women in their thirties who have full-time nannies, and I just question if their kids are getting the best.”

“Stretched to the Limit, Women Stall March to Work” was the headline of another article, appearing in the Times’ business section (Porter 2006). Women such as Cathie Watson-Short, 37, a former executive in the high-tech industry of California’s Silicon Valley who decided to stay at home with her children, were profiled about their challenges balancing work and family obligations, with the latter often winning out. Watson-Short was quoted in the article as saying, “Most of us thought we would work and have kids, at least that was what we were brought up thinking we would do—no problem. But really we were kind of duped. None of us realized how hard it is.”

Embedded within the “Stretched to Limit” article were three sentences acknowledging that a particular group of women, single mothers, posed an exception to the “trend” away from paid work in the formal economy toward staying at home with children. Welfare reform, along with other policy changes, the article noted, had helped fuel an increase in single mothers’ labor force participation, from about 62 percent in 1995 to about 73 percent in 2000. The low work effort of single mothers receiving welfare was headline news and at the top of the nation’s political agenda in the early to mid-1990s. Bill Clinton, in his first campaign for president, had pledged to “end welfare as we know it,” and by
1996, the nation’s cash welfare system had been overhauled from one that issued checks to poor single mothers to one that made receipt of benefits contingent upon looking for and getting a job (Weaver 2000).

However, 10 years after the passage of welfare reform, the media and policymakers are paying less attention to the situation of former welfare recipients who entered the labor force compared to women like those highlighted by the Times. Single mothers who earn low wages cannot afford nannies, and child care is expensive. Yet, reducing their work effort is not a viable option after the 1996 welfare reform.

In this volume, I hope to share some insights about the lives of single mothers who left welfare for work. They experience struggles similar to those faced by women profiled by the Times, yet they have far fewer resources. Most of the women whose situations I have studied have not attended college, let alone Ivy League institutions, and few have spouses or other partners to help with child rearing. These individuals include Mishon, a hotel housekeeper in her early thirties with two teenagers. In 2004, Mishon earned just over the minimum wage. Mishon’s hours at work had recently been reduced, but she believed it was better for her to stay with her current employer, since her schedule was otherwise stable, allowing her time to help her children with their homework. At the other end of the spectrum in terms of pay is Caroline, who by 2004 was earning the equivalent of $19 an hour as a registered nurse. Yet, Caroline also did not want to switch jobs, in her case to a supervisory position, fearing that she would lose control over her schedule and have to work when others called in sick or the like. Although Caroline admitted that she probably had more flexibility to work different shifts (third shift, for example), now that her three children were older, she too contended that her children “came first” in all of her decisions.

Mishon and Caroline were part of the Women’s Employment Study (WES), originally designed by researchers at the University of Michigan to follow about 750 welfare recipients as they attempted to make the transition from welfare to work. Participants in the WES were surveyed five times (1997, 1998, 1999, 2001, and 2003). In-depth interviews were conducted in 2004 with some members of the study, including Mishon and Caroline, who had found jobs and had more or less remained steadily employed. While these women are typically considered as the “successes” of welfare reform, many faced challenges in
moving up the economic ladder. Some found it difficult to obtain jobs that paid higher wages or to find opportunities to increase their skills and thus their employment possibilities. A large body of research, some of it presented in the next two chapters, focused on the employment obstacles of welfare recipients, including low education levels, lack of work experience, and mental and physical health problems (Corcoran, Danziger, and Tolman 2004; Danziger et al. 2000; Olson and Pavetti 1996; Zedlewski 2003). However, aside from education, issues such as these were rarely discussed by the women we interviewed.

Rather, women talked about their responsibilities on the job and their perceptions of the work environment; some found meaning and dignity in their employment, while others described workplaces rife with favoritism, discrimination, and sometimes harassment. Many women also struggled to balance work and family demands, and spoke of these tensions using language similar to that of middle- and upper-income career women such as Cathie Watson-Short, the individual profiled by the New York Times. Yet, the policies that are in place to address work-family balance issues tend to benefit those who work in well-paid jobs. For example, the Family and Medical Leave Act (FMLA) of 1997 requires employers to provide up to 12 weeks of leave to certain classes of employees so that they can perform specific caretaking responsibilities (such as for a newborn or an ill family member). However, that time is unpaid, and workers in low-wage jobs, particularly single mothers who are sole earners for their families, usually cannot afford lengthy absences without pay. Further, to qualify for FMLA’s benefits, employees must have been working in the job for at least 12 months. Higher-than-average turnover characterizes the low-wage labor market, so many mothers may not work in one job long enough to be eligible for unpaid leave.

To the extent that policy addresses the family lives of low-wage workers and welfare recipients in particular, it is often through proposals to increase the availability and quality of child care. However, many women in the WES took very seriously their roles as mothers and spoke of a strong desire to participate in their children’s lives and activities, not just have them spend time in formal day care. Like the high-income mothers profiled in another New York Times article, “The Time Trap” (Hulbert 2006), women in the WES were shuttling children to and from sports practices and other extracurricular activities. However, unlike
higher-income mothers, who might “commiserate” about the “perfect madness of child rearing,” the women in our study were constrained by an inflexible low-wage labor market. Their trade-off was not whether to work or to stay home and raise children, but one of finding the right balance between caregiving responsibilities and their families’ financial needs. Once that equilibrium was struck, many women chose to remain in a job, even if that meant stagnant or slow wage growth. In fact, numerous respondents were hesitant to take promotions or to return to school, activities that could help them advance in the job market, for fear of disrupting their children’s schedules and/or because of an unwillingness to spend less time with their families.

The stories reported here paint a portrait of the lives of women who, although employed primarily in the low-wage labor market, are dealing with issues that are common to other working mothers. The policy discourse around making the workplace more “friendly” to parents needs to move beyond white-collar jobs, often held by married mothers, to the labor market as a whole, acknowledging the special challenges faced by low-income single parents while also granting them the same respect for their role as that given to other parents.

However, policies directed toward single mothers are very often linked to the welfare system and not to the labor market. Most notable was the 1996 welfare reform, which many have credited with moving women like Mishon and Caroline into jobs. The desire to learn more about the trajectories of welfare recipients after the law’s passage was the impetus for launching the WES. The remainder of this chapter presents additional information on the welfare system as it operated in the mid-to-late 1990s, the time period when the WES began data collection, in order to provide a sense of the policy environment faced by women in this study.

A BRIEF OVERVIEW OF THE WELFARE SYSTEM

Fueled by rising cash assistance caseloads, state experimentation with program design, and presidential candidate Clinton’s 1992 pledge to “end welfare as we know it,” the nation’s cash welfare program, Aid to Families with Dependent Children (AFDC), was radically re-
formed. Passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996 marked a significant redesign of a welfare system that had started as a small New Deal program to serve widows and their children. However, AFDC evolved into providing ongoing income support to more than five million families by the mid-1990s, most of which were headed by never-married mothers. Today, receipt of cash welfare is no longer an open-ended entitlement, as symbolized by the name of the program that replaced AFDC—Temporary Assistance to Needy Families (TANF)—and the federal prohibition against receipt of TANF for more than 60 months in a recipient’s life. Although this was perhaps one of the most controversial features of the law, in practice, relatively few recipients have been affected by time limits (Bloom, Ferrell, and Fink 2002).3

Work requirements and penalties for failing to comply with these and other program rules are also hallmarks of the “reformed” welfare system. States and recipients must meet “work participation” guidelines. From a state’s perspective, a certain proportion of the caseload, regardless of the length of time a recipient has received aid, must be working or participating in a work-related activity (e.g., looking for a job, receiving short-term training in how to find a job, and, on a limited basis, participating in a short-term training program that prepares the recipient for a specific job). Beginning in 1997, 25 percent of families had to be in a work activity, and the proportion increased to 50 percent in 2002. Recipients had to participate in work activities no later than 24 months after first coming onto the rolls. Hours required for single parents to meet the work requirement increased from 20 per week in 1997 to 30 per week in 2000.4

As a way to enforce participation in work activities, states must sanction or penalize recipients by reducing their benefit amount for non-compliance with employment or other program requirements. Although sanctioning predates the 1996 welfare reform, PRWORA mandates that states implement sanction policies and also allows states to eliminate benefits altogether. Each state (and sometimes locality) determines non-compliance differently. In general, though, not attending required activities (such as employment programs), not making a good faith effort in finding a job, or quitting or being fired may result in a sanction.

More than a decade after PRWORA was passed, welfare use is quite low, and with few exceptions, the program receives relatively little po-
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political or media attention. As Figure 1.1 shows, welfare caseloads, which peaked in early 1994, as of 2003 were at the lowest levels in more than 30 years, with approximately two million families receiving assistance. Employment levels for less-educated single mothers (not shown in the figure) also reached record highs, despite a recession in the early 2000s. Yet, as seen in the figure, the number of female-headed households living in poverty declined at a slower rate than welfare caseloads in the 1990s, and even rose from 2000 to 2003, suggesting that many former welfare recipients remain in low-wage jobs and/or work intermittently throughout the year.

Although numerous analyses on the well-being of families who left welfare were conducted postreform, information on their longer-run outcomes is limited, particularly on the challenges these mothers face balancing work and family while navigating the low-wage labor mar-

Figure 1.1 Welfare Cases and Female-Headed Households in Poverty, 1959–2003 (in millions)

![Graph showing welfare cases and female-headed households in poverty, 1959–2003.](image)

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ket. Initial studies concluded that, although a majority of former welfare recipients were working at any given point in time, most were employed in low-wage jobs. However, a key tenet of many state welfare-to-work programs was that these low-paying, low-skilled jobs were the necessary stepping-off point for welfare recipients. For example, in Michigan, the state’s work program, Work First, had as its mantra, “A job, a better job, a career.” Other policymakers used the metaphor of a ladder to describe the perceived progression of welfare recipients in the labor market. This approach, whereby a better job is obtained through more work experience, represented a shift from the conventional wisdom about the need for recipients to participate in education and training activities in order to advance and achieve self-sufficiency.

THE ROLE OF EDUCATION IN THE WELFARE SYSTEM

An earlier version of welfare reform, the Family Support Act (FSA) of 1988, encouraged welfare recipients to participate in activities such as basic education, high school completion, vocational skills training, and, in some states, postsecondary education. However, by the mid-1990s, education and training programs were starting to come under fire.

First, at any point in time, relatively few welfare recipients were engaged in any type of job preparation activity, including education. The centerpiece of the FSA was the Job Opportunity and Basic Skills (JOBS) program, which was designed to move welfare recipients off welfare and into gainful employment. It emphasized participation in basic or in postsecondary education, or in other schooling and training, with the notion being that this accumulation of learning, or “human capital,” would allow welfare recipients to compete for and secure good jobs. However, the rules allowed states to exempt large proportions of the welfare caseload, including mothers of children under age six, the disabled, and those living in remote locations, from participating in the JOBS program. A recession in the early 1990s also constrained states’ abilities to fully fund the program. In fiscal year 1994, less than half of all AFDC recipients were classified as mandatory JOBS participants, and only about 21 percent of those were participating in an activity (U.S. House of Representatives 1996).
At the same time, evaluation results of various welfare-to-work program approaches were interpreted as documenting not only the weakness of education and training but also the strength of a work first approach as a way of moving recipients off assistance. In particular, the Riverside, California, Greater Avenues for Independence (GAIN) program, which had a strong emphasis on finding work (including linking staff performance evaluations to the number of clients placed in employment), was frequently cited by policymakers as an exemplar of this approach. Riverside was one of several California counties participating in an appraisal of various welfare-to-work programs. Compared to the other counties, Riverside achieved greater success, measured in terms of earnings of welfare recipients and savings to the welfare offices.5

Many states pursued the Riverside model, moving away from the education and training philosophy initially pursued under JOBS and implementing Work First programs. Some states also sought waivers to experiment with their welfare systems. Under Section 1115 of the Social Security Act, states could request federal approval to deviate from federal regulations for AFDC in order to test out new rules and policies, including work first approaches. During the debates leading up to welfare reform, quick attachment to the labor market came to be viewed as one of the solutions to the “problem” of welfare.

In the end, PRWORA’s work requirements were perceived by most state policymakers to leave little room for placing recipients in education and training programs. In addition to the employment requirements that have been described, the law specifies that no more than 30 percent of TANF recipients can participate in vocational training programs and have that activity counted toward the federal work requirement. Further, federal dollars may only be used for short-term training programs of a year or less. Finally, participation in postsecondary education is not an “allowable” activity, meaning that recipients in college may not be counted toward the work requirement, and federal dollars may not be used to support college attendance.
EMPLOYMENT ASSISTANCE UNDER WELFARE REFORM

While support for education and training efforts was greatly curtailed in the wake of PRWORA, nearly all states sought to provide employment assistance to welfare recipients in the form of Work First programs. Although the details of each state’s program vary (and may differ greatly within each state), Work First programs under PRWORA aim to assist clients in finding employment quickly, as opposed to placing them initially in education and training activities.

In Michigan, an applicant for TANF, called the Family Independence Program (FIP), would come to her local welfare office, the Family Independence Agency (FIA), fill out application forms, meet with or schedule an appointment with a caseworker for an application interview, and then be referred to a “joint orientation.” The JO, as referred to by many workers, introduced the “new” welfare system in Michigan. Representatives from the FIA and from the Work First program provided an overview of the many services a woman could receive by participating in Work First, such as assistance with transportation (at one time this aid included car repairs and help with purchasing a vehicle), referrals to various community agencies, and, most important, help in finding a job. In return for this assistance, recipients had to accept “rights and responsibilities,” including agreeing to comply with various program rules and to take suitable employment.

Attendance at the orientation was part of the welfare application process. That is, new applicants (among others) would not have their TANF case processed for eligibility unless they attended JO. PowerPoint presentations were developed by the state to facilitate these sessions, and some localities brought in representatives from local social service agencies, whose offerings (child care, transportation, domestic violence and other counseling) recipients might need. After orientation, applicants were expected to start the Work First program within the next week or two, in some cases before they had been deemed eligible for welfare benefits.

The Work First program in Michigan is operated by the state labor department, first called the Michigan Jobs Commission (MJC), later the Department of Workforce Development (DWD), and currently the Department of Labor and Economic Growth (DLEG). The state agency
transfers TANF funds, as well as decision-making authority, to local workforce development boards and their administrative entities, the Michigan Works! Agencies (MWAs). The boards and the MWAs then contract out for actual service provision. Work First is primarily run by not-for-profit entities, including Goodwill and local community organizations. However, a number of for-profit companies, including some operating in multiple states, also hold Work First contracts.

During the early years of program operations, typical Work First activities included workshops on a variety of “job readiness” skills. Classes were designed to teach skills deemed necessary to search for employment but not necessarily those needed on a job. Most programs included brief sessions on interviewing techniques, resume and cover letter preparation, and how to “dress for success.” After that, clients typically had three weeks to search for work (Seefeldt, Danziger, and Danziger 2003). Depending upon where they lived, participants received varying degrees of assistance in this task. Some programs required recipients to look for positions on their own, reflecting beliefs that 1) people will stay longer in jobs they find for themselves, and 2) learning how to find work is just as important as working. Other programs offered “hands-on” assistance, such as calling employers on clients’ behalf or bringing employers to the program or to the welfare office to conduct interviews on site.

How many welfare recipients actually received services from Work First is unclear. During fiscal year 1998 (October 1997–September 1998), the second year of the program post–welfare reform, about 36 percent of referrals to Work First never attended the program. State-wide, about 46 percent of participants secured employment (Michigan Jobs Commission 1998). However, while attendance at orientation was mandatory for all applicants for assistance, not all were necessarily expected to participate in the program’s job search and related activities. For example, recipients with newborns were excused from participation, as were women who received disability benefits from the Supplemental Security Income (SSI) program or who cared for children receiving SSI. Some welfare recipients were already employed; they fulfilled program requirements by attending orientation and then continuing to work at their jobs.

On the other hand, some employed women were instructed to attend the actual program, and their jobs were counted toward Work First
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placement rates. Another group of welfare recipients, though, simply never showed up at the sessions after orientation. Some portion of this group may have decided to find work on their own. An often-heard complaint from participants, both in Michigan and in other states, was that these programs did not teach them anything they did not already know. Certain recipients, then, may have decided the program was a waste of time and applied for work on their own. Some Work First staff worried that the jobs the recipients found themselves might not pay as well or be as good a match as the positions that the Work First agency could help them find. Other Work First staff were satisfied to count those participants—even if they never attended the program—as “employed” in their statistics.

Along with Work First programs, a number of other supports are theoretically available to individuals to assist them as they leave welfare for employment. First, federal funding for child care was consolidated and the levels increased dramatically after welfare reform (Fuller et al. 2002). These monies were not just to be used for welfare recipients but also for individuals in low-income families needing child care assistance in order to work. In the early 2000s, the care of an estimated two million children was at least partially subsidized by these funds (Adams and Rohacek 2002). Securing safe, reliable, and quality child care is a challenge for many working parents, but low-wage workers may face particular issues, such as finding quality care at a price they can afford (state or federal subsidies rarely cover the full cost), or, if they work nonstandard hours, finding child care that is available when they need it.

The Earned Income Tax Credit, or EITC, is not a welfare policy, but it provides a strong employment incentive to low-wage workers, including welfare recipients. Working families with children who earn approximately $35,000 a year or less can qualify for the EITC. The size of the EITC varies by earnings. For a family with two or more children, the EITC rises as earnings increase up to about $12,000, flattens, and then begins to phase out around $16,000. The maximum EITC benefit (in 2005) for a family with two children was about $4,400; for a family with just one child, it was about $2,600. Workers whose income tax liability is less than the amount of the credit for which they qualify receive the remaining amount of the credit as a refund (see Greenstein [2005] for an overview of the EITC and its antipoverty effectiveness).
AFTER WORK FIRST: CAREER ADVANCEMENT

After welfare reform, record numbers of single mothers, including many recipients, found jobs. According to the U.S. Department of Labor (2008a), the proportion of single mothers who were employed was nearly 70 percent in 2004, surpassing the rate of married mothers, just under two-thirds of whom were employed. However, many policymakers and advocates have noted that simply moving women from welfare into work would not make their families self-sufficient. Numerous states undertook “welfare leavers” studies. Although their methodologies varied and the time frames were not consistent, most reports found that at any point, only about 60 percent of former recipients were still working. Returns to welfare were not uncommon, suggesting that at least some women who had left such support with a job no longer had one. Among those employed, wages remained low—about $7 to $8 an hour.\textsuperscript{8}

In order to help former recipients maintain employment and advance, states began offering services ranging from transportation assistance and counseling to handle workplace disputes—support that might help workers keep existing jobs—to opportunities to participate in vocational training activities in order to secure better jobs.\textsuperscript{9} These “postemployment services” were tested and evaluated in a national demonstration project prior to welfare reform. Mathematica Policy Research, a social welfare policy evaluation firm, examined four programs that provided a variety of services, including individualized counseling to employed welfare recipients. Participation in the program, however, seemed to make little difference in rates of employment and level of earnings (Rangarajan and Novak 1999). Other programs providing postemployment or retention services have had difficulties recruiting participants, with some evidence indicating that clients were not interested in the offerings (Anderson and Martinson 2003; Hill, Kirby, and Fraker 2001).

Michigan started offering postemployment services, particularly opportunities to receive further skills training, in 1999. The state developed the “10-10-10” program, named for the number of hours welfare recipients could combine employment (10 hours), training (10 hours), and study time (10 hours) to fulfill the work requirement. Similar to the experiences of other states, enrollment was very low. According to
state administrative data for fiscal year 2002 (October 2001–September 2002), just under 4 percent of all Work First participants were in an education or training activity (Michigan Department of Labor and Economic Growth 2003). Program operators cited difficulties in finding employers who would schedule recipients for only 10 hours of work per week and the lack of time on the part of clients who found it difficult to juggle work, school, and family responsibilities (Seefeldt et al. 2001).

Work First providers, who operated under yearly or biannual contracts, may have also lacked incentives to help recipients find jobs that accommodated participation in training programs. Although the 10-10-10 program and allowances for postemployment services were implemented at the state level, providers were evaluated locally by the numbers of recipients who became employed, not by the number in training programs.

What, then, happened to women who left welfare for work? Did they find jobs on their own? Did they keep these jobs? Did they experience the slogan of Work First—“A job, a better job, a career”? These questions are addressed in the following chapters. Chapter 2 describes the WES sample, using information from the surveys that were administered over a six-year period. This chapter will give the reader a sense of the challenges faced by women who participated in the study, including mental health problems, domestic violence, and low levels of education. Chapter 3 uses the WES survey data to examine the employment trajectories experienced by women who went to work shortly after welfare reform. I use the rich survey data to examine which of the various personal and family issues are associated with certain pathways, such as moving from a job with a very low wage to one paying a higher wage or remaining employed in very low-paying positions. In the remaining chapters, I draw upon data from in-depth interviews that were conducted with a subsample of WES respondents after completion of the surveys. Chapter 4 describes in more detail how women embarked on their employment pathways, the choices they made, and various obstacles and opportunities encountered along the way. Chapter 5 expands upon these findings, detailing the attributes of jobs that women in the study considered to be most beneficial and detrimental to their well-being and their assessments of their current jobs on these dimensions. Chapter 6 examines women’s pathways to employment advancement, noting the real and perceived hindrances to upward mobility and the
trade-offs women made to balance work and family. In the final chapter, I discuss some policy options that could increase the financial well-being of single mothers and support the role that parenthood plays in their lives.

Notes

1. This article, written by Louise Story, appeared on the front page of the New York Times on September 20, 2005. Economist Claudia Goldin (2006) disputes the “opting out” trend, arguing that data do not support these stories.
2. Names of women in the study have been changed to protect their confidentiality.
3. States may specify certain exemption and extension categories to the time limit, for example, for women experiencing domestic abuse, but the number of families with such exemptions must not exceed 20 percent of the state’s average monthly caseload. States can continue to support families past 60 months using their own funds.
4. PRWORA needed to be reauthorized in 2002, but Congress did not do so until 2005. Welfare reauthorization maintained the 50 percent participation rate for states. However, the types of activities that now count toward the work requirement have been narrowed.
5. However, many recipients in Riverside did participate in training and other educational-type programs. Moreover, evaluators of GAIN speculated that it was not any one factor that accounted for the county’s success, but a combination of welfare office practices and other conditions that might not be replicable in other areas (Seefeldt 2002).
6. The Family Independence Agency (FIA) was changed to the Department of Human Services (DHS) in 2005, a name closely resembling its previous incarnation, the Department of Social Services, which was changed to FIA in 1997.
7. In 2005, the state of Michigan began to redesign its employment program for welfare recipients. Although Work First is still operating in parts of the state as of early 2008, a new program is being phased in: Jobs, Education, and Training (JET).
8. For an overview of findings from state leaver studies, see Acs and Loprest (2004).
9. A small number of states, including California and Maine, allowed some recipients to attend community colleges as a way to meet the TANF work requirements (U.S. House of Representatives 1996).