

THE WOMEN'S EMPLOYMENT STUDY

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Women's Employment Study Summary of Findings, Five Survey Waves, 1997-2003

Study Overview

The Women's Employment Study (WES) is a five wave panel study of women who resided in one urban Michigan county and received cash welfare in February, 1997 through the Temporary Assistance to Needy Families (TANF) program. Women were interviewed in-person five times in the Fall of 1997, 1998, 1999, 2001, and 2003. Response rates have been very high at each wave, ranging from 86 to 93%. The primary purpose of the study is to examine barriers to employment. Interview topics cover a comprehensive set of barriers, such as schooling, work experience, job skills and credentials, experiences of employment discrimination and harassment, physical and mental health status, alcohol and drug use, family stresses, experiences of domestic violence, child care, and experiences in welfare-to-work services and training programs. For more information on the study design and copies of many papers, see <http://www.fordschool.umich.edu/research/poverty/wes/index.htm>

Main Findings

Many women transitioned from welfare to work. There was a dramatic increase in wage reliance (defined as working and not receiving welfare in the month prior to the survey) from 22.9 percent at wave 1 to 64.2 percent at wave 5. Most of this increase occurred between 1997 and 1999.

Less than 20 percent of respondents received welfare in 2003. Despite the recession, there was not an increase in the receipt of cash welfare between 2001 and 2003.

A small, but increasing, proportion of women are "disconnected" from work and from welfare. That is, they have not worked in any of the three months prior to the interview, did not receive cash welfare or unemployment insurance and did not live in a household with another earner. The percent of women falling into this category increased from 1.1 percent in 1997 to 8.6 percent in 2003.

By the final wave (2003), the typical respondent had gross household income from all sources (including the earnings of other household members) that was about 45 percent above the poverty line. About half of the respondents had monthly income below the official federal poverty line at that time. Although median hourly wages have increased over time to \$8.35 per hour in 2003, a large percentage of respondents live in a household with another earner (typically a spouse or partner), and these other earners have higher monthly earnings than do the respondents.

There is a strong association between the number of barriers to employment and monthly employment. Respondents with none or one barrier (about 40 percent of all respondents), worked in more than 80 percent of the months between Fall 2001 and Fall 2003; those with 5 or more barriers worked in 50 percent or fewer months (about 20 percent of respondents).

The problems of some respondents are quite persistent. About one-sixth had a health problem in at least 3 of the 5 waves, 12 percent had a child with a health problem in at least 5 waves. Experiences of domestic violence were quite common. About 30 percent experienced domestic violence in one or two waves and 8 percent experienced it at 3 or more waves.

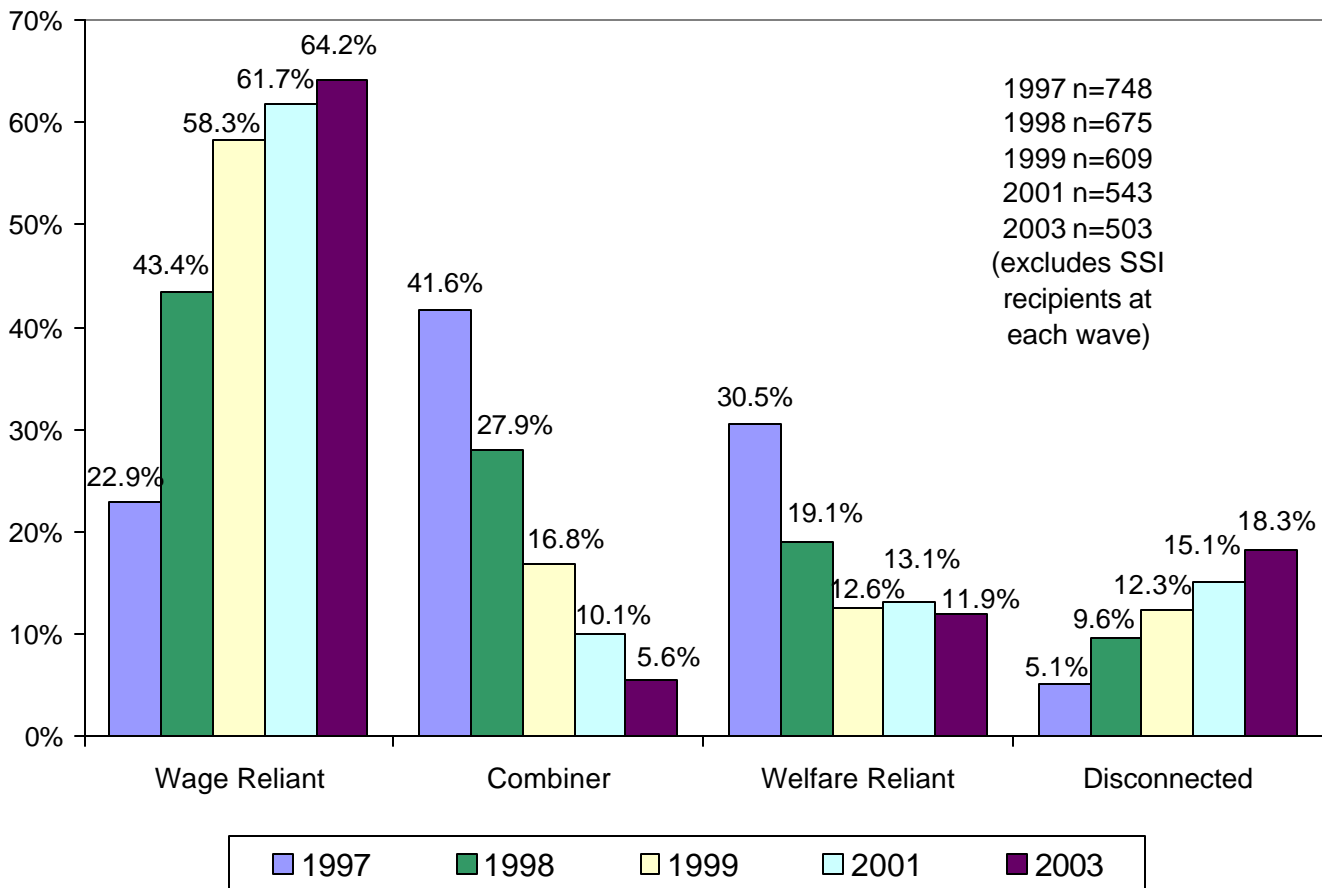
At some point during the study period, two-thirds of respondents met the diagnostic screening criteria for one of the six mental health disorders studied. About half met the criteria for depression in at least one wave, about 40 percent for PTSD, about 30 percent for generalized anxiety disorder, about 20 percent for social phobia, and less than 10 percent for alcohol and drug dependence.

**1. WES Respondent Characteristics
(Percent of Respondents)**

	<u>1997</u> (n=753)	<u>1998</u> (n=693)	<u>1999</u> (n=632)	<u>2001</u> (n=577)	<u>2003</u> (n=536)
<u>Race</u>					
African American	56.0%	55.4%	55.5%	55.3%	54.7%
White	44.0%	44.6%	44.5%	44.7%	45.3%
<u>Age</u>					
18-24 years	27.8%	22.8%	16.5%	7.3%	0.4%
25-34 years	46.3%	46.0%	48.9%	49.1%	46.6%
35 years or more	25.9%	31.2%	34.6%	43.7%	53.2%
<u>Young Children in Household</u>					
Caregiver child under age 3	42.6%	33.2%	24.5%	19.1%	4.9%
No caregiver child under age 3	57.4%	66.8%	75.5%	80.9%	95.2%

Response rates have been very high at every wave (86 - 93%), resulting in almost no change in the racial composition of the sample. Obviously, the sample has aged, so that by 2003 there are many more respondents ages 35 and over and very few with a child under the age of 3.

2. Work and Welfare Status, 1997-2003



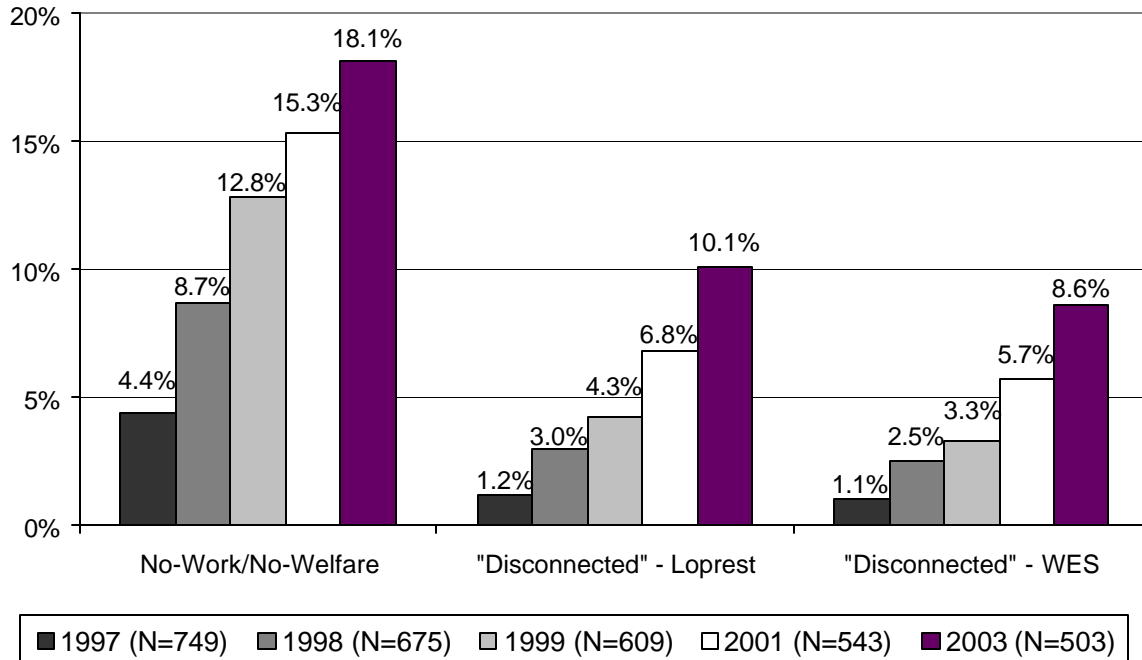
There was a dramatic increase in wage reliance (defined as working and not receiving cash welfare in the month prior to the survey) from 22.9 percent in 1997 to 64.2 percent in 2003. Most of this increase occurred between 1997 and 1999.

The proportion of respondents receiving welfare (Combiners and the Welfare Reliant) declined from about 72 percent (41.6% + 30.5%) to 18 percent (5.6% + 11.9%) between 1997 and 2003. Despite the recession, there was not an increase in the receipt of cash welfare between 2001 and 2003.

Over the 6-year period, the incidence of being disconnected (no work and no cash welfare) increased by about 13 points to 18.3 percent.

Work is defined as "currently working at least one hour." Welfare is based on self-report: "In prior month, did you/anyone living here receive money from ADC/FIP?"

3. Women without Regular Sources of Economic Support, 1997 - 2003



These are various definitions of being disconnected from welfare and work.

1. No Work/No Welfare includes respondents without wages and without welfare benefits in the month prior to the survey.

2. "Disconnected" - Loprest is based on work from the National Survey of American families, in which Loprest (2003) defines a former welfare recipient as disconnected if she receives no wages and no cash welfare, has not worked in the three months prior to the interview, and is not living with a spouse/partner with earnings.

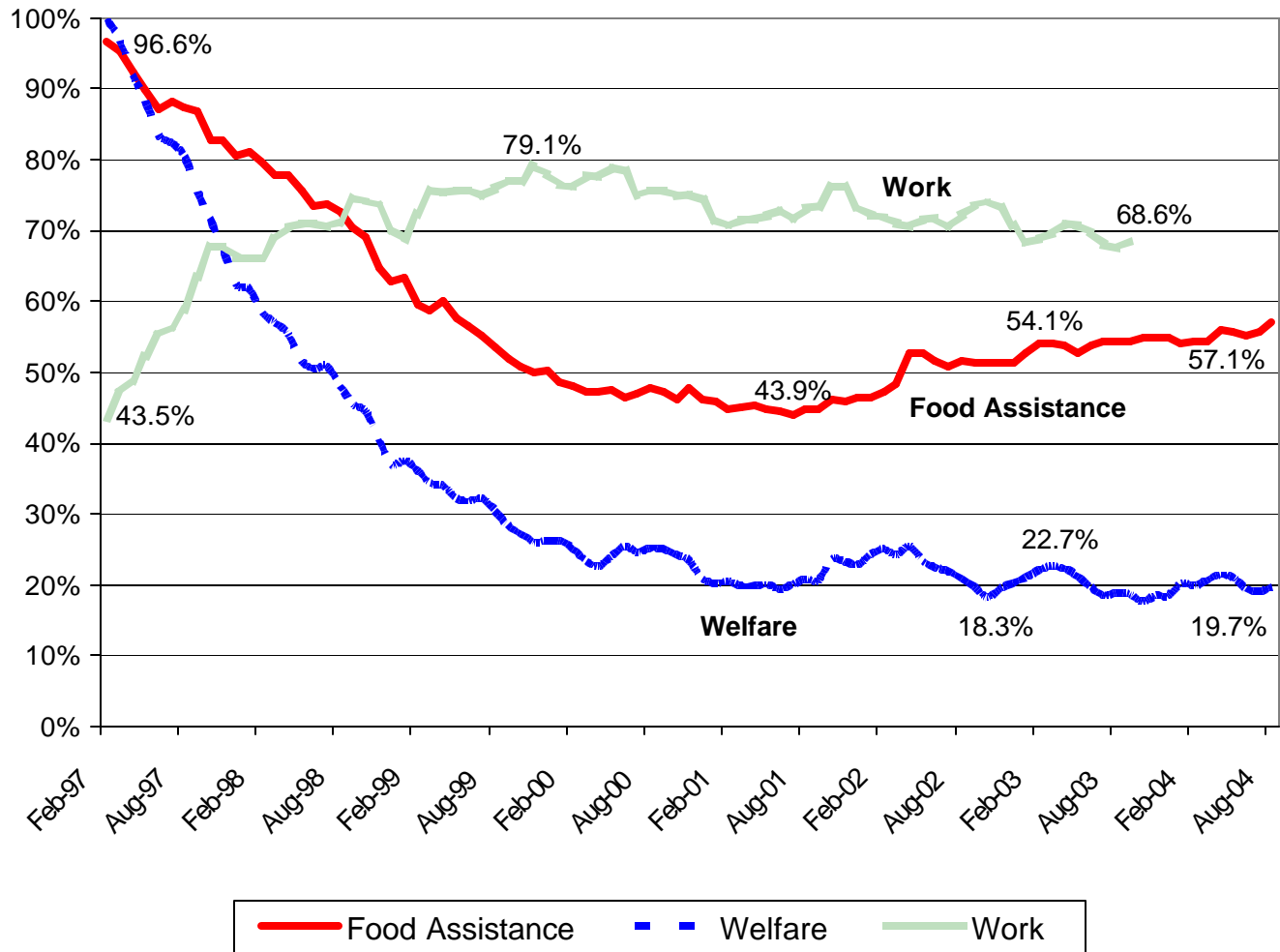
3. "Disconnected" - WES is the measure as Loprest's with the exception that women who live with any other earners or who live in households where unemployment insurance is received are not considered disconnected.

There was an increase from 1.1 to 8.6 percent in the number of women who were disconnected under the WES definition. They are among the most disadvantaged respondents.

For each measure, the increase between the rate of 1997 and 2003 and between 1998 and 2003 are statistically significant ($p < .01$). For the Loprest definition and WES definition, the increase between 1999 and 2003 is significant at $p < .01$, the increase between 2001 and 2003 is significant at $p < .05$; for the No-Work/No-Welfare measure, the increase between 1999 and 2003 is significant at $p < .05$.

Here, administrative data, not self-report, is used to determine welfare-receipt.

4. Percent Working, Receiving FIP, & Receiving Food Assistance by Month: February 1997 - August 2004

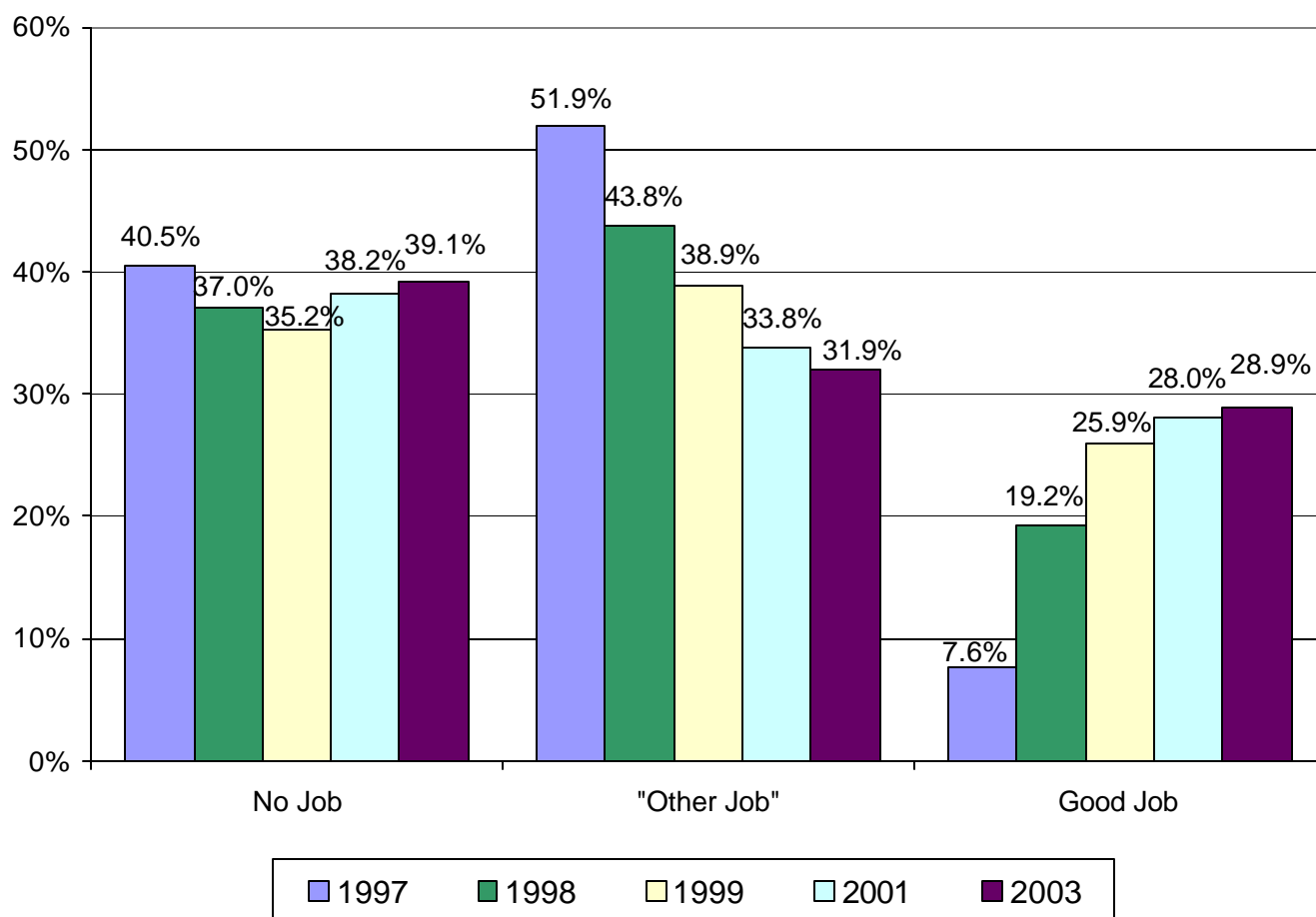


This graph shows the dramatic increase in work in any month from 43.5 percent in February 1997 to about 80 percent in the months between late 1999 and early 2000 when the economy was at its peak. After the recession, monthly employment was about 10 percentage points below the peak levels, 68.6 percent in August 2003, but about 25 points above the February 1997 rate.

Receipt of food assistance fell from 96.6 percent to 57.1 percent, but not as rapidly as welfare receipt which fell from 100 percent to 19.7 percent. Food Stamp receipt rose after the recession, but welfare receipt did not.

Excludes Wave 5 (2003) SSI recipients, N = 503

5. Changes in Job Quality, 1997 - 2003 (in 1999 dollars)



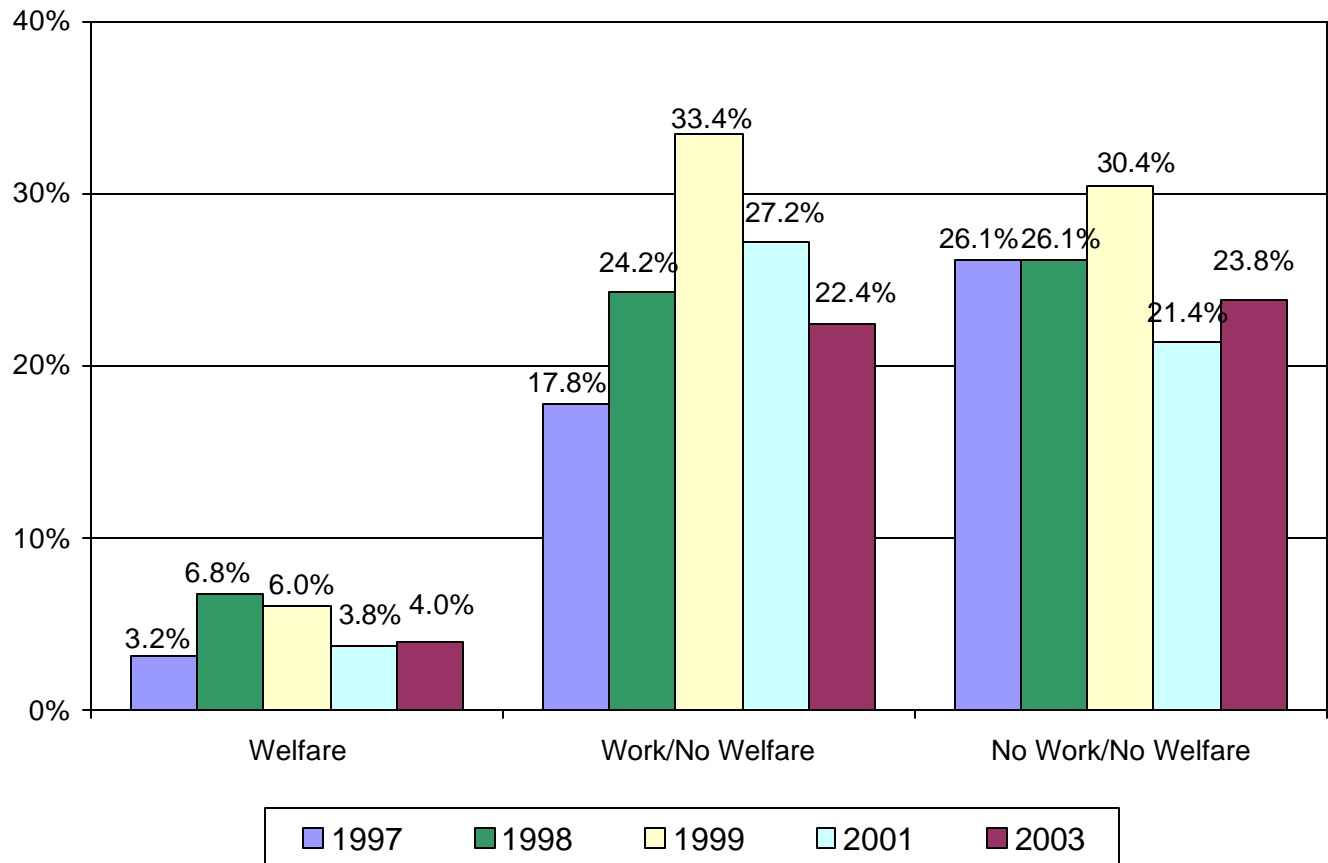
There was a dramatic increase in the percentage of respondents who held "good jobs" from 7.6 percent in Fall 1997 to 28.9 percent in 2003. A good job is defined as 35 or more hours/week, and paying at least \$7/hour with health benefits immediately or after a trial period, or \$8.50/hour without health benefits. Those who met the earnings and benefits criteria, but who were working part-time jobs voluntarily are considered to have good jobs.

After Fall 1999, there was not a significant additional movement into good jobs.

Overall, there has been a steady increase in real (inflation-adjusted) hourly wage rates. Median hourly wages were \$6.66 in 1997; \$7.17 in 1998; \$8.32 in 2001; and \$8.35 in 2003, an increase of 25 percent over the 6 years. More than half of this increase was achieved in the first two years of the panel, with median wages rising by 16 percent between 1997 and 1999.

Includes only respondents with wage and employment information for all five waves, N=432

6. Percent of Respondents with No Health Insurance for Themselves by Work/Welfare Status



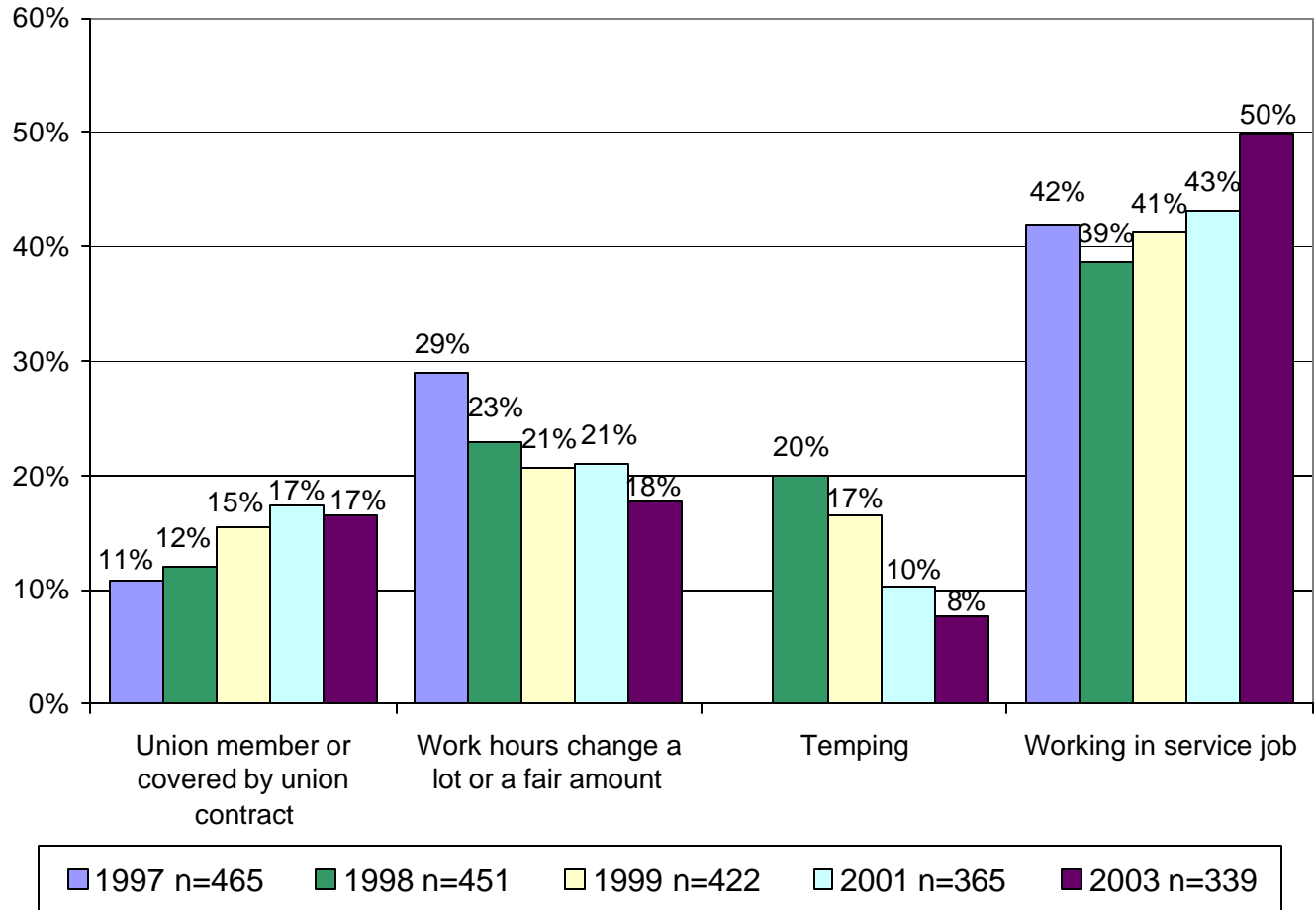
Despite the de-coupling of Medicaid from TANF, most cash welfare recipients have health insurance through that program. With fewer respondents receiving welfare, though, employer-sponsored health care or health insurance from another source becomes more important. The proportion of respondents without health insurance peaked in 1999 at over 30 percent, both for working and non-working welfare leavers. By fall 2003, a significant minority of working respondents, more than one-fifth, lack coverage for themselves (most respondents report health insurance coverage for their children).

Work is defined as currently working at least one hour/week. Welfare status is self-reported FIP receipt by R or anyone else in household.

Measures of health insurance not strictly comparable across waves.

Includes Wave 5 (2003) respondents only, N=536

7. Trends in Job Attributes of Workers, 1997 - 2003



This chart shows some other indicators of job improvement for those with jobs. Over the 6 years, there was an increase from 11 to 17 percent in jobs covered by a union contract, a decline from 29 to 18 percent in jobs on which work hours change a lot or a fair amount from week to week, and a decline in the percentage of respondents in temporary jobs from 20 to 8 percent.

Many respondents work in service sector jobs and this percentage increased from 42 to 50 percent over the 6 year period.

Results are for those who answered "Yes" to "Are you currently working?" at the time of interview.

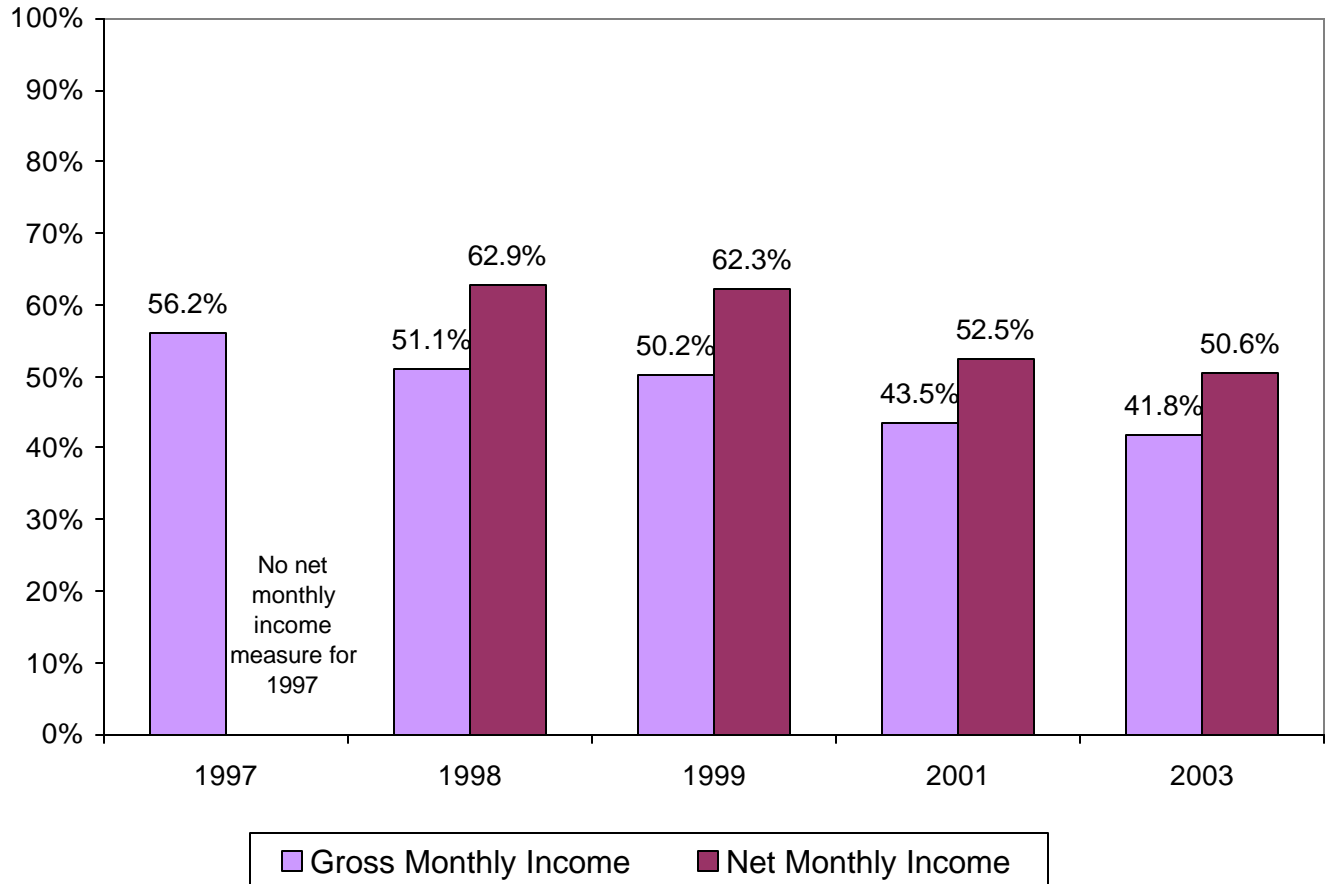
8. Net Monthly Income by Work and Welfare Status, Fall 2003

<i>Receipt in Month Prior to Interview:</i>	Wage-Reliant (N=322)		Combining Work & Welfare (N=34)		Welfare-Reliant (N=78)		Neither Work nor Welfare (N=102)	
	% Reporting	Mean for Reporters	% Reporting	Mean for Reporters	% Reporting	Mean for Reporters	% Reporting	Mean for Reporters
Own earnings	100.0%	\$1,320	100.0%	\$629	0.0%	--	0.0%	--
Earnings of other household members	39.1%	\$1,776	14.7%	\$1,780	16.7%	\$743	47.1%	\$1,826
Less estimated federal taxes	100.0%	\$190	100.0%	\$68	100.0%	\$9	100.0%	\$68
TANF cash assistance	0.0%	--	100.0%	\$405	100.0%	\$501	0.0%	--
Food Stamps	41.0%	\$240	88.2%	\$319	89.7%	\$278	57.8%	\$259
Pension/disability income	17.4%	\$569	32.4%	\$454	48.7%	\$715	41.2%	\$609
Child support	31.4%	\$295	17.7%	\$58	26.9%	\$81	28.4%	\$295
Contributions from friends/family	14.0%	\$487	20.6%	\$271	19.2%	\$176	23.5%	\$226
UI/worker's compensation	3.7%	\$788	0.0%	--	2.6%	\$720	10.8%	\$522
Income from other sources	3.4%	\$701	2.9%	\$310	1.3%	\$300	2.9%	\$878
Less work-related transportation	85.4%	\$105	55.9%	\$68	0.0%	--	0.0%	--
Less child care expenses	25.2%	\$573	17.7%	\$553	14.1%	\$362	14.7%	\$738
Mean net monthly income		\$2,001		\$1,596		\$1,240		\$1,302
Poverty rate - based on net monthly		40.1%		64.7%		71.8%		62.7%
Mean income-to-needs ratio		1.44		1.14		0.85		0.95

This table shows that it does pay to move from welfare to work. The wage reliant women in column one have a monthly poverty rate of about 40 percent, whereas the other women have poverty rates that are at least 20 percentage points higher. Also important Most respondents either have no children in child care or receive child care subsidies. However about 20-25 percent of working respondents pay about \$550 per month from their own funds.

Note: This table does not include the EITC, as respondents only get that early in the next year after they file their income taxes.

9. Percent of Respondents Below the Poverty Line, Household Income, 1997 - 2003

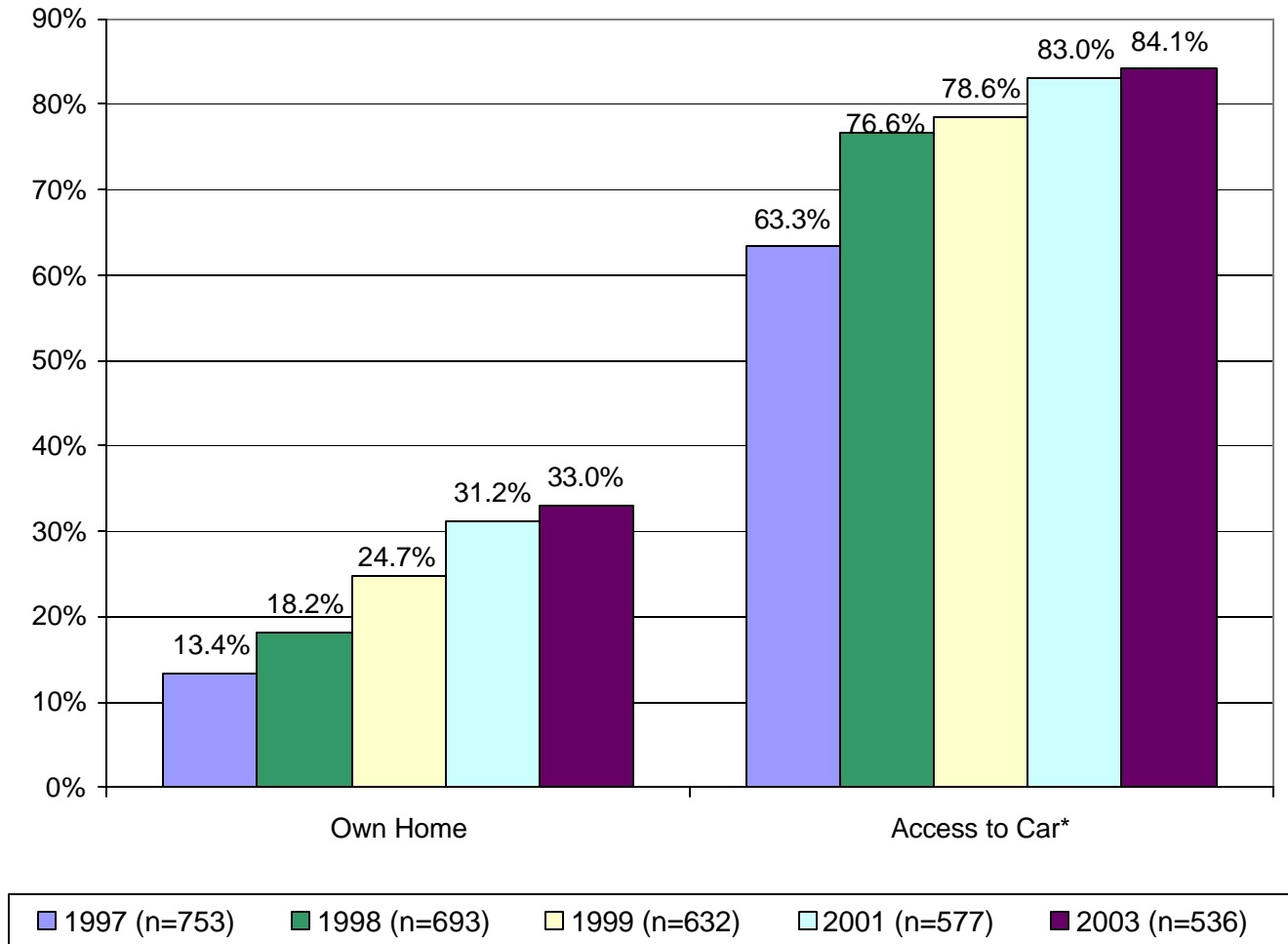


The gross monthly income bars do not subtract out income and payroll taxes or child care and transportation expenses, while the net monthly income bars do. Over the 6-year period, respondents, on average, increased their household income divided by the poverty line by about 40 percent, with about half of the increase achieved by Fall 1998.

When work-related child care and transportation expenses are subtracted, mean household income divided by the poverty line rose by about 20 percent between Fall 1998 and Fall 2003.

In Fall 2003, 41.8 percent had gross monthly incomes below the poverty line and 50.6 percent had net incomes below the poverty line.

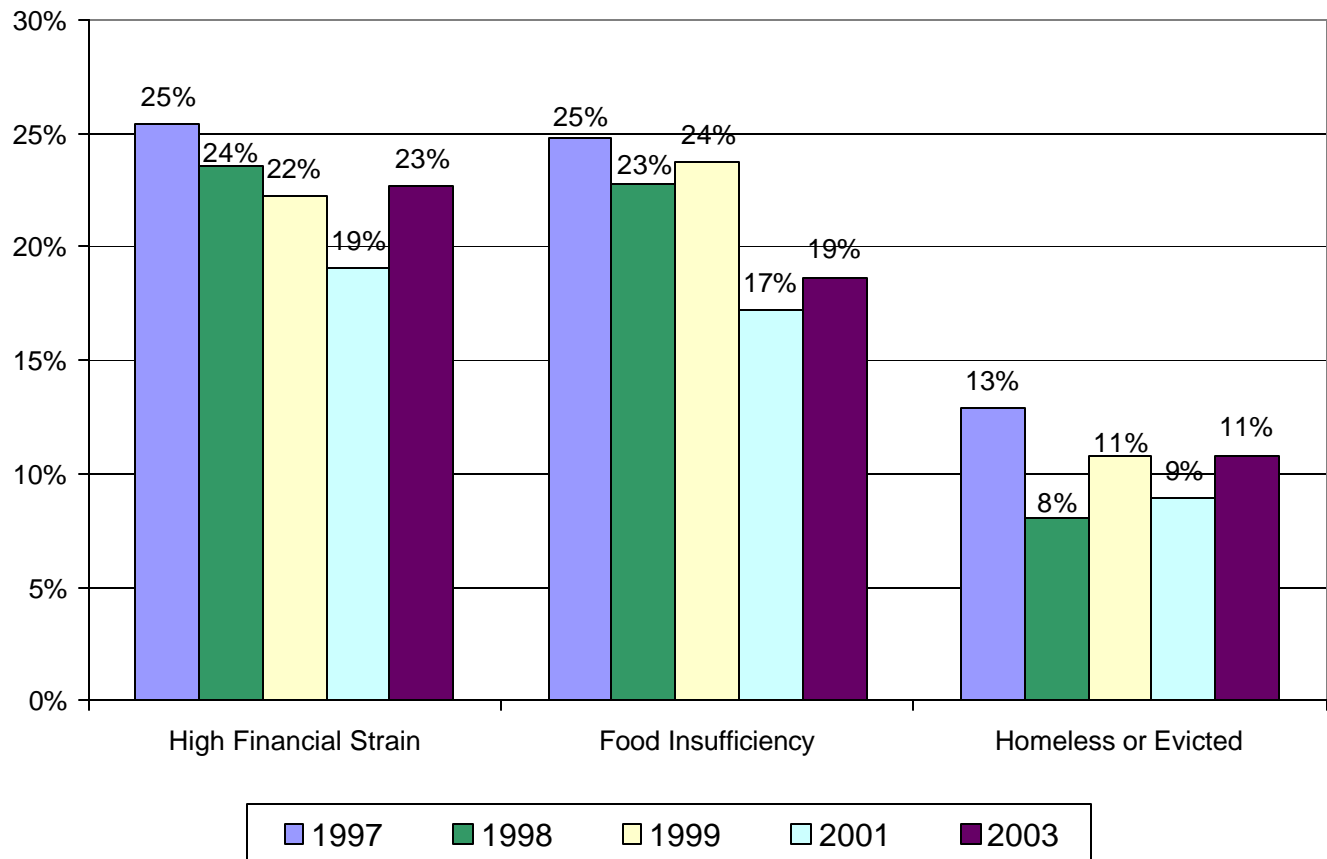
10. Percent of Respondents Who Own Their Home And Have Access to a Car, 1997 - 2003



There was a surprising increase between 1997 and 2003 in the percentage of respondents who owned their own homes, from 13.4 to 33 percent, and an increase in access to cars, from 63 to 84 percent.

*"Access to a car" is defined by whether the respondent owns or has regular use of a car.

11. Several Measures of Hardship, 1997 - 2003



Despite increases in income, home ownership, and car access, many respondents still experience economic and material hardship. With the exception of 1999, at any wave about a quarter reported “High Financial Strain.” This is a self-report based on two questions:

1. "How difficult is it for you to live on your total household income right now?"
2. "In the next two months, how much do you anticipate that you and your family will experience actual hardships such as inadequate housing, food, or medical care?"

The proportion experiencing “Food Insufficiency” has declined, from 25% to 19% of the sample. “Food Insufficiency” is measured by a single question "Which of these statements best describes the food eaten in your household in the last 12 months: enough to eat, sometimes not enough to eat, or often not enough?" The second two responses are considered "food insufficient."

Roughly one-tenth of respondents have been homeless or evicted at any wave.

Includes Wave 5 (2003) respondents only, N=536

12. Percentage of Respondents Engaging in Activities to Make Ends Meet, 1997 - 2003

During 6 months prior to Interview	1997 (N=749)	1998 (N=675)	1999 (N=609)	2001 (N=543)	2003 (N=503)
Pawned/Sold Personal Possessions	15.6%	15.0%	10.2%	10.7%	10.7%
Sold Plasma	N/A	N/A	2.3%	3.5%	N/A
Sold/Traded Food Stamps	3.5%	3.0%	2.1%	2.0%	N/A
Engaged in Illegal Activity	1.2%	1.3%	1.6%	1.7%	2.0%
Sought/Got Help from Charity	38.8%	33.5%	32.6%	28.9%	29.3%
Engaged in one or more of above activities to make ends meet	46.5%	40.4%	38.3%	35.0%	34.0%

A substantial number of respondents engaged in one or more activities to make ends meet in any wave. These include pawning or selling personal possessions, seeking help from charity, etc. As with other indicators, there is an improvement in well-being f

Excludes SSI recipients at each wave

N = 4 (1997); N = 18 (1998); N = 23 (1999); N = 34 (2001); N = 33 (2003)

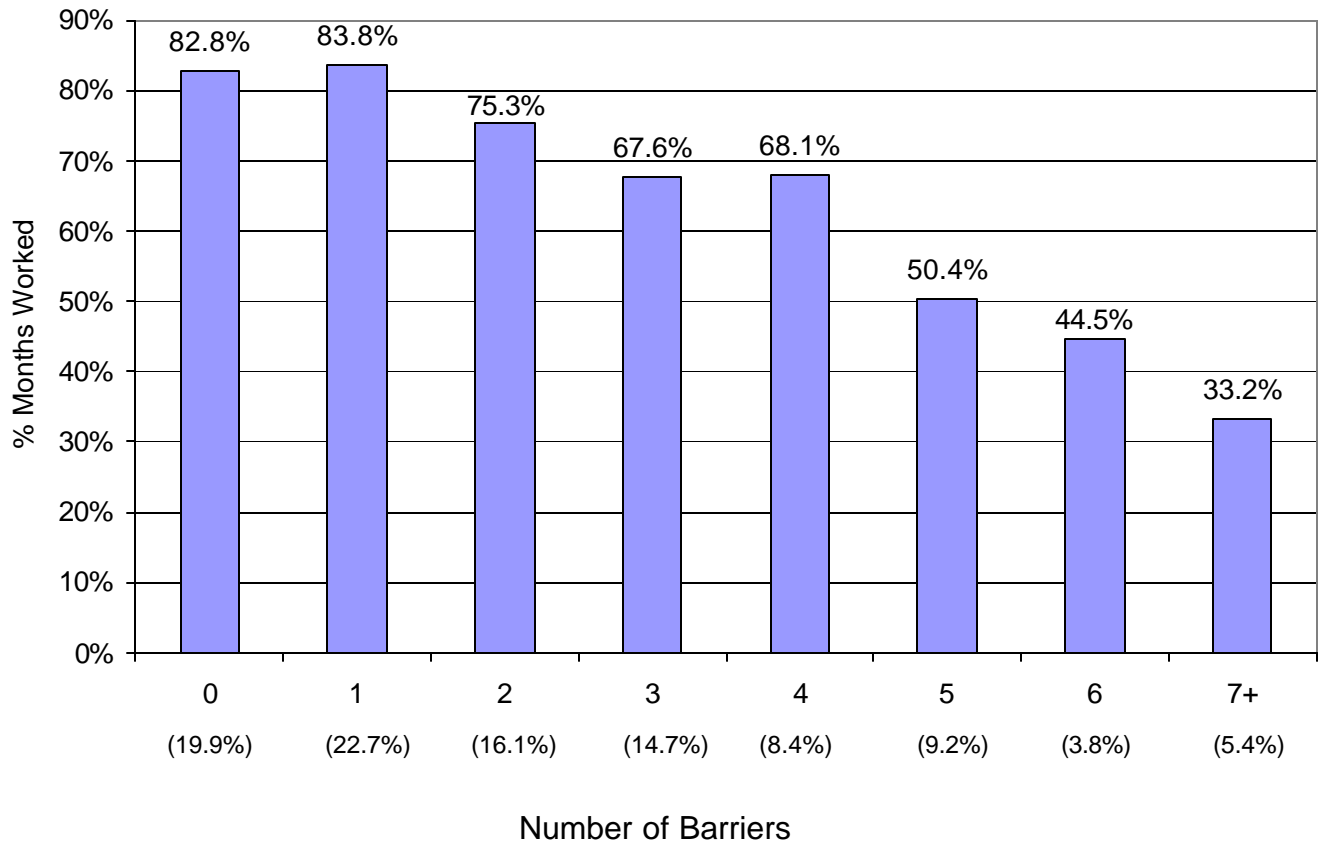
13. Prevalence of Employment Barriers by Work/Welfare Status, Fall 2003

<u>Barriers (Year Measured)</u>	<u>Total Sample</u>	<u>Wage Reliant</u>	<u>Combiners</u>	<u>Welfare Reliant</u>	<u>No Work/ No Welfare</u>
Less than HS Education (1997)	29.0*	22.0	39.3	46.7	39.1
Low work experience (1997)	12.4*	6.9	17.9	28.8	19.6
Fewer than 4 job skills (1997)	19.9*	16.4	21.4	31.7	23.9
Knows 5 or fewer work norms (1997)	9.0	9.0	3.6	8.3	10.9
Perceived discrimination (1997)	13.5	13.9	14.3	15.0	10.9
Criminal Conviction (1999)	4.2	3.4	3.6	10.0	3.3
Low Reading Score (1999)	19.7	19.2	35.7	21.7	15.2
Transportation problem (2003)	21.7*	12.7	25.0	50.0	33.7
Major depressive disorder (2003)	20.5*	16.4	28.6	32.2	25.0
PTSD (2003)	16.4*	12.7	17.9	27.1	22.2
Generalized anxiety disorder (2003)	14.3*	11.2	14.3	22.0	20.7
Alcohol dependence (2003)	2.6	2.2	0.0	1.7	5.4
Drug dependence (2003)	2.0	1.6	0.0	3.3	3.3
Social phobia (2003)	7.4*	5.6	7.1	13.6	9.8
Mother's health problem (2003)	24.6*	16.2	17.9	51.7	38.5
Child health problem (2003)	15.3*	11.5	21.4	31.7	16.3
Domestic violence (2003)	12.6	10.5	10.7	18.6	16.7
Learning Disability (2001)	11.9*	9.3	7.1	21.7	16.3
	n=503	n=323	n=28	n=60	n=92
% of sample	(100)	(64.2)	(5.6)	(11.9)	(18.3)

* p < .05

Work is defined as currently working at least one hour/week. Welfare status is self-reported FIP receipt by respondent or anyone else in household. SSI recipients (self-report) have been excluded.

**14. Percent of Months Worked between Fall 2001 & Fall 2003, By
Number of W5 Barriers (out of 18)**

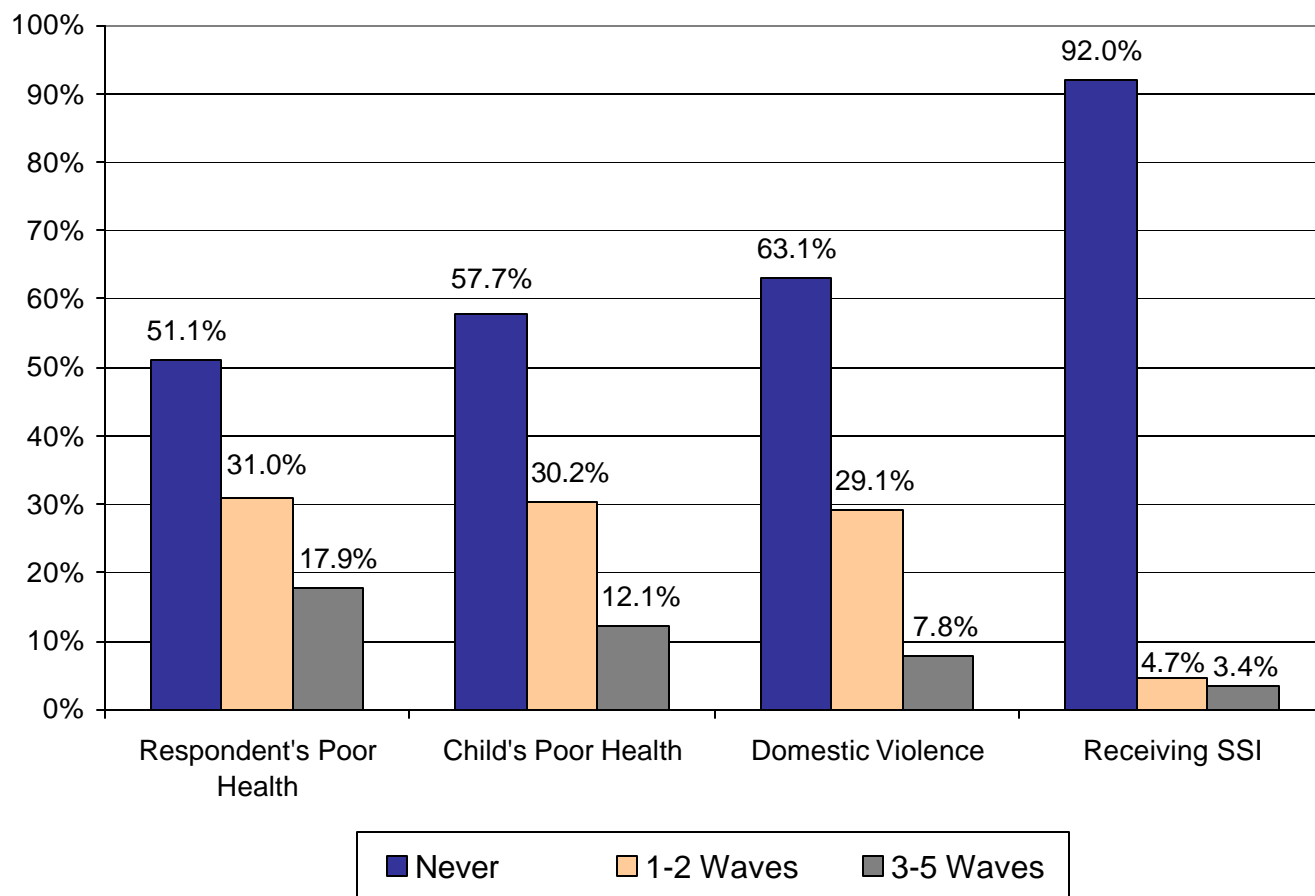


Respondents with none or one barrier, who represent about 40 percent of all respondents, worked in more than 80 percent of the months between Fall 2001 and Fall 2003; those with 5 or more barriers worked in 50 percent or fewer months (accounts for about 20 percent of respondents).

Refer to previous chart for the 18 barriers used here.

Excludes Wave 5 (2003) SSI recipients, N=503

**15. Persistence of Selected Barriers, 1997-2003
(Percent of Respondents)**



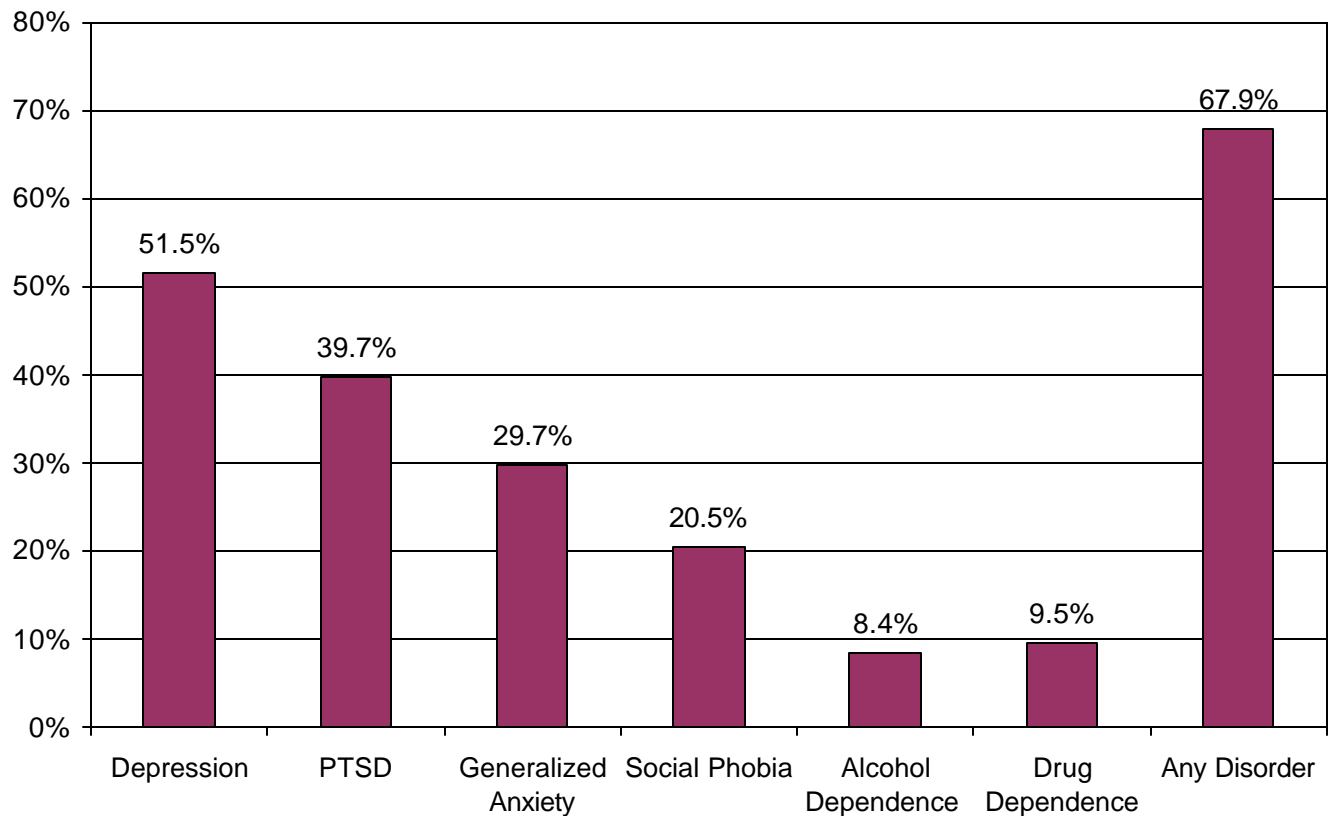
Many respondents report for at least one wave that they had a health problem, that their child had a health problem, or that they had experienced domestic violence.

The problems of some respondents are quite persistent. About one-sixth had a health problem in at least 3 of the 5 waves, 12 percent had a child with a health problem in at least 3 waves. Experiences of domestic violence were quite common. About 30 percent experienced domestic violence in one or two waves and 8 percent experienced it at 3 or more waves.

About 8 percent of the respondents had received Supplemental Security Income benefits at some time between 1997 and 2003.

Includes Wave 5 (2003) respondents only, includes those receiving SSI; N=536

16. Percent of Respondents who met Diagnostic Criteria for a Disorder at Least Once, 1997-2003

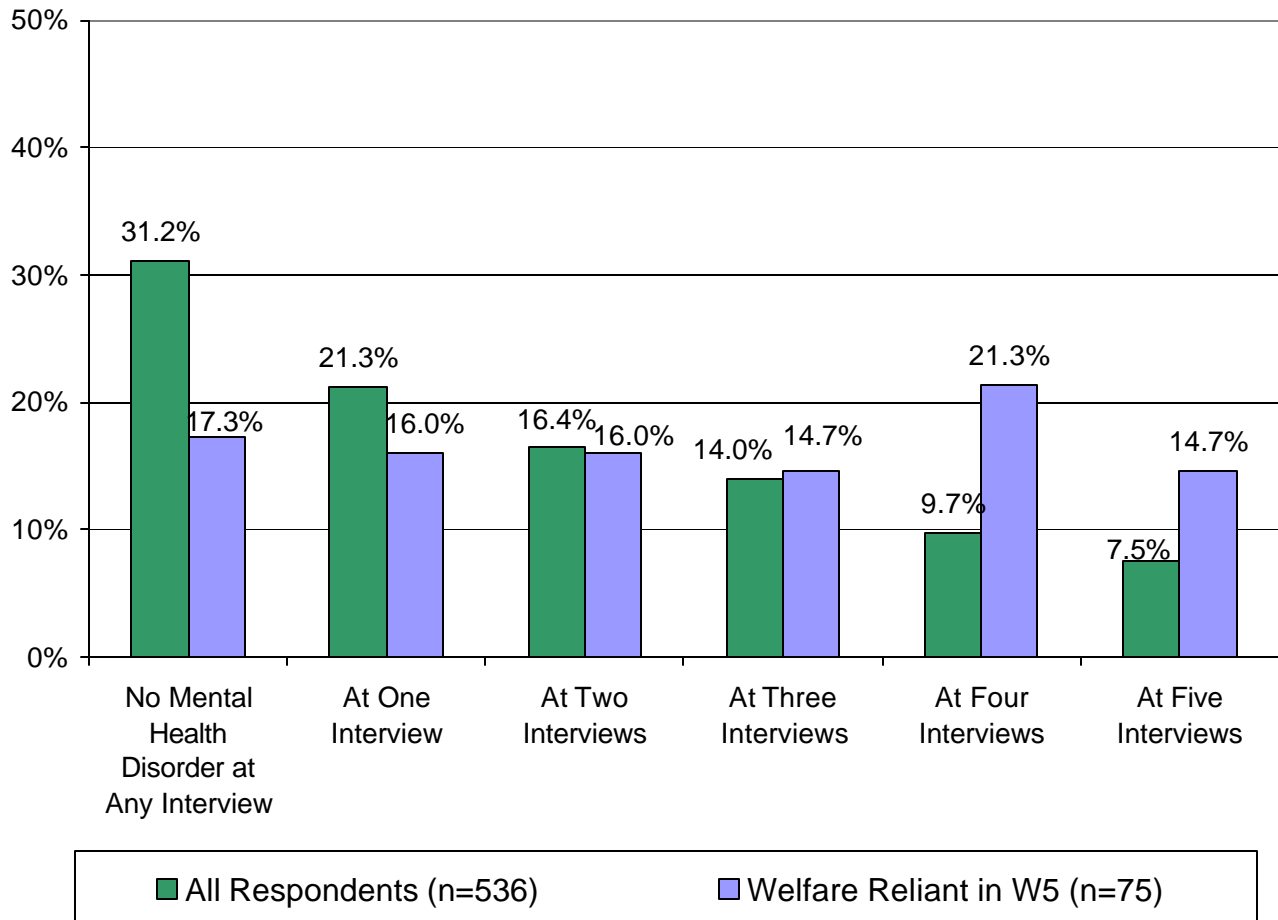


Mental health problems are quite common. At some point during the study period, two-thirds of respondents met the diagnostic screening criteria for one of the six disorders studied. About half met the criteria for depression in at least one wave, about 40 percent for PTSD, about 30 percent for generalized anxiety disorder, about 20 percent for social phobia, and less than 10 percent for alcohol and drug dependence.

Generalized anxiety measures are available for waves 1, 3, 4, 5. Social phobia measures are available for waves 2, 3, 4, 5.

Includes all of the 536 respondents in Wave 5 (2003)

17. Percent of Respondents Meeting Diagnostic Screening Criteria for Any Psychiatric Disorder



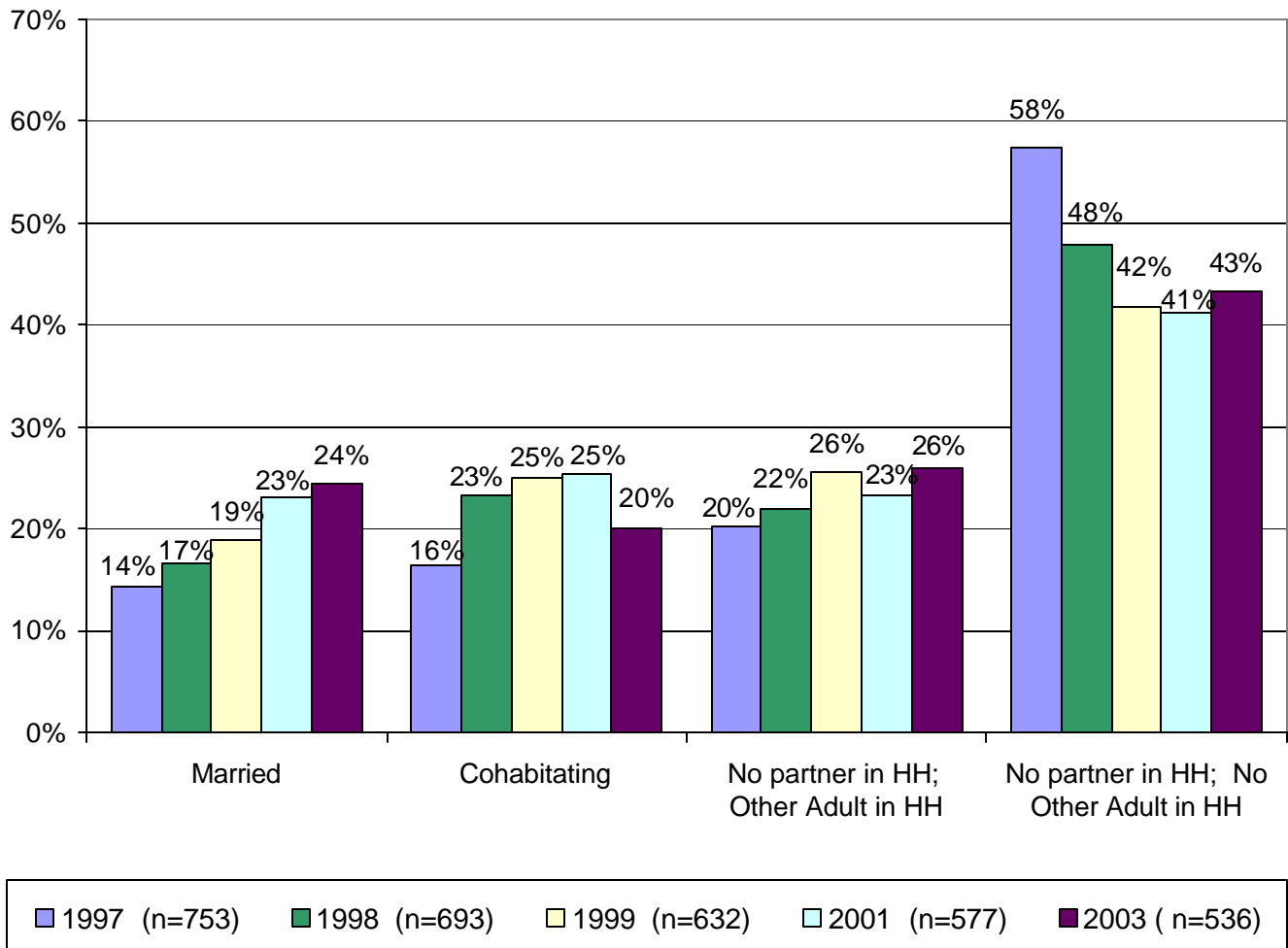
About 30 percent of respondents never met the diagnostic screening criteria for a psychiatric disorder and over 20 percent met the criteria only once. However, among the welfare reliant, possible diagnoses in multiple years is much more common. More than 30 percent of the welfare reliant have met diagnostic screening criteria at two or three interviews, more than a fifth of this group met the criteria in four interviews, and just under 15% of the welfare reliant met diagnostic screening criteria for at least one disorder in all five interviews.

Note: Mental health disorder refers to depression, drug dependence, alcohol dependence, social phobia, PTSD, and general anxiety; these are measured by the likelihood of a probable diagnosis using DSM-IV criteria.

Welfare reliance is self-reported at time of W5 interview.

Includes Wave 5 (2003) respondents, includes those receiving SSI.

18. Partner Status/Other Adult in Household, 1997 - 2003



Over the study period, there was an increase in the number of women who were living with their husbands, from 14 to 24 percent, and an increase in cohabitation from 16 to 20 percent. By 2003, about 43 percent were living without a husband, partner or other adult in their household.

"Other adult in the household" is defined as an adult 18+ living in the household, including a respondent's children who are 18+ years old.

19. Child Care Use, 2001 and 2003*

	2001 (N=489)	2003 (N=423)
Percent using child care in a typical week	77.5%	69.5%
Percent with children under the age of three	22.5%	6.2%
Average # of child care hours per child per week	20.2	18.4
Percent using formal child care	28.2%	27.4%
Percent with 1 or more child care problems	37.0%	53.3%
Percent receiving a child care subsidy	32.4%	27.4%
Median weekly out-of-pocket child care spending per respondent (if pays >\$0)	\$52	\$65

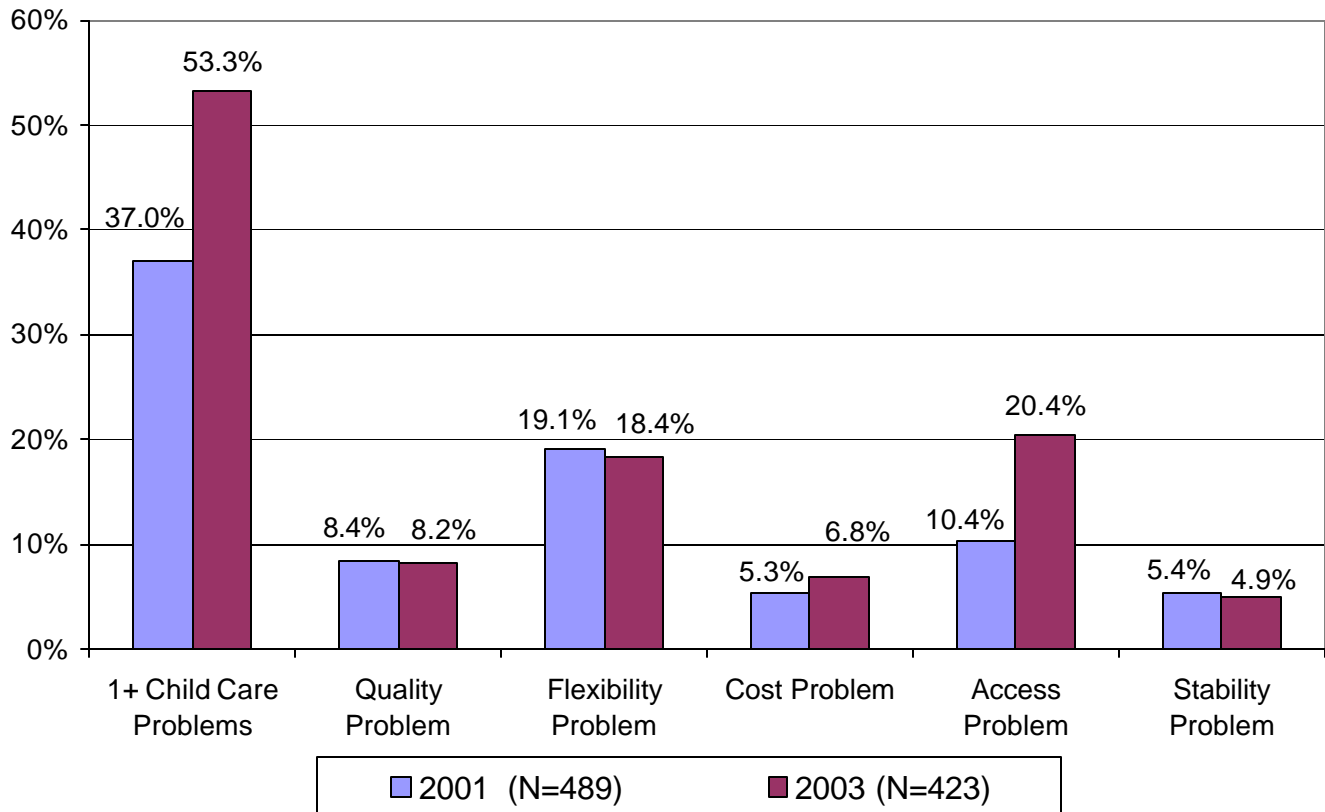
Child care subsidies are only offered to families with a child under age 13 or under 14 if disabled and to families who meet income criteria of TANF receipt or less than 200% of the poverty line.

Within the group of families who may need child care, the percentage with very young children declined from almost a quarter in 2001 to about 6% in 2003.

In 2003, children were in care about 18 hours per week, and over a quarter of this care was formal, licensed care, that is, in a day care center, preschool, nursery, or after school of Headstart program. Of those who use formal care, 55 percent received

*These frequencies are calculated for all respondents with children under the age of 14 in the household; 84.7% of 2001 respondents and 78.9% of 2003 respondents.

20. Percent of Wave 4 and Wave 5 Respondents with Child Care Problems, of those with Children under 14 in the Household*



Five types of child care problems are measured, based on previous research.

- Quality is based on a scale of mother’s reports of whether her child is safe, secure, or gets individual attention from the provider, if the care environment is a good one for learning, and if the caregiver is warm and affectionate towards the child. About 8 percent of respondents report quality concerns.
- Flexibility is assessed through questions of whether care is available when the work schedule changes or if supervisors at work can accommodate problems when child care falls through. 19-18 percent of respondents lack flexibility.
- A cost barrier is defined as having to pay more than \$100 per week out of pocket for child care. This is a problem for 5 to 7 percent of respondents.
- Access problems are based on questions about how difficult it is to arrange care or whether care is too far from home or work, or if they could not find care because of a child's age or disability. Access problems double in prevalence from 10-20 percent of the respondents between 2001 and 2003.
- Stability refers to number of arrangements per child, changes in arrangements and reliability of care. Care is unstable for about 5 percent of the sample at both waves.

*These frequencies are calculated for all respondents with children under the age of 14 in the household; 84.7 percent of 2001 respondents and 78.9 percent of 2003 respondents.

