Getting Jobs, Keeping Jobs, and Earning a Living Wage:
Can Welfare Reform Work?

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Abstract

Most discussions of welfare and work have focused on how demographic characteristics, schooling, training, and work experience limit welfare mothers’ employment and wages, but they have largely ignored factors such as inappropriate workplace behaviors, expectations of discrimination and harassment, depression, alcoholism, and domestic violence, all of which may affect welfare mothers and make employment difficult. In this paper we review the prevalence of these individual-level barriers and argue that they, in combination with an economy which does not pay low-skill workers well, are likely to impede employment and self-sufficiency for a large proportion of welfare mothers. At the end of the review, we summarize the current state of knowledge about barriers to the employment of welfare recipients and suggest several ways in which welfare-to-work programs might address these barriers.
INTRODUCTION

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 ended the federal guarantee of cash assistance and replaced the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) program. PRWORA gives states a block grant of fixed size, places a 5-year lifetime limit on the receipt of welfare benefits, and requires most welfare mothers to go to work no later than 2 years after entering the program. From the perspective of this legislation, the policy will “succeed” if the new programs are efficient in moving recipients from welfare to work and if welfare mothers can keep the jobs they get. Notably, success is not defined as whether women can eventually earn enough to support their families.

Most discussions of welfare and work have focused on how demographic characteristics, schooling, training, and work experience limit welfare mothers’ employment and wages, but they have largely ignored factors such as inappropriate workplace behaviors, expectations of discrimination and harassment, depression, alcoholism, and domestic violence, all of which may affect welfare mothers and make employment difficult. We expect that these factors are especially important in the current economy, which provides few good jobs for low-wage workers (Blank 1997; Wilson 1996). In this paper we argue that these individual-level barriers, in combination with an economy which does not pay low-skill workers well, are likely to impede employment and self-sufficiency for a large proportion of welfare mothers. Unless welfare-to-work programs address these factors, welfare recipients will remain mired in poverty.

Designing programs to move women from welfare to work and help them become economically self-sufficient requires an understanding of the factors that prevent recipients from working steadily and from earning a living wage. In this paper, we review seven sets of studies that bear on this issue:
(1) studies of transitions from welfare-to-work based on national longitudinal surveys, (2) employer surveys, (3) evaluation studies of work and training programs for welfare recipients, (4) employer interviews and surveys of workplace discrimination, (5) studies of the prevalence of mental health problems and substance dependence among welfare recipients, (6) studies of the prevalence of physical health problems and domestic violence among welfare recipients, and (7) studies of wage growth among welfare recipients. Based on this review we identify and describe nine sets of potential barriers to employment:

- low schooling
- little work experience
- lack of the job skills and credentials employers value
- lack of “work readiness”
- worries about employer discrimination
- mental health problems
- alcohol and drug dependence
- physical health problems and family stresses
- experiences of domestic violence

We note that this is an important, but not exhaustive, list of potential barriers to work and self-sufficiency. We choose to focus on these particular barriers because they have been underresearched relative to other barriers such as inadequate child care, transportation, and medical care (Olson and Pavetti 1996). Throughout this review, we discuss how these barriers might affect women’s success in making the transition from welfare to work and self-sufficiency. At the end of the review, we summarize the current state of knowledge about barriers to the employment of welfare recipients and suggest several ways in which welfare-to-work programs might address these barriers.
REVIEW OF THE LITERATURE

Analysis of National Longitudinal Surveys

Analysts using national longitudinal data sets to track women as they move between welfare and work typically find that getting a job is not the major problem for welfare mothers (Harris 1993, 1996; Pavetti 1993; Spalter-Roth et al. 1995). Studies spanning the last two decades show that about half of all welfare mothers work at some point while on welfare, and work accounts for about one-half to two-thirds of all welfare exits (Harris 1993, 1996; Pavetti 1993). The problem is keeping that job and staying off welfare—about 25 to 40 percent of all women who leave welfare via work return to welfare within 1 year and up to 70 percent return within 5 years (Harris 1996; Pavetti 1993). It is important to note that all of these studies occurred within the context of the previous set of welfare program conditions, i.e., with fewer participation requirements and no time limits. The ability to remain on or return to welfare is considerably more constrained under current welfare legislation.

Certain characteristics enhance the ability of recipients to remain off welfare once they leave welfare for work. Women with more than 12 years of schooling, women with prior work experience, and women with fewer than three children are less likely to return to welfare (Harris 1996). However, even among recipients with the same schooling, the same experience, and the same number of children, there is considerable variation in the probability of remaining at work and staying off welfare. And when recipients are compared to nonrecipients with the same schooling and family characteristics, recipients leave jobs at much higher rates than do nonrecipients (Pavetti 1996). Both of the above comparisons suggest that recipients’ employment is constrained by unmeasured barriers in addition to low schooling, lack of work experience, and large families.
Employer Surveys

What are these unmeasured barriers? One way to answer this question is to examine the labor market directly by asking employers of low-skilled workers what qualities they require when hiring new workers. Holzer (1996) surveyed 3,200 employers in four metropolitan areas about the entry-level jobs available to workers without a college degree. He asked what skills were required for these jobs, how employers screened workers, and what were the demographic characteristics (age, race, gender, schooling) of recent hires. He measured skill requirements by the frequency with which the following tasks—dealing with customers either in person or on the phone, reading paragraphs, writing paragraphs, doing arithmetic, and using computers—are performed.

Holzer (1996) found that the majority of entry-level jobs in urban areas were in the service, retail, or trade sectors, that the typical job required several skills, and that employers used both credentials and interviews to screen workers. Each task which Holzer asked about (with the exception of writing paragraphs) was performed daily in half or more of the entry-level jobs. Employers used several credentials to screen applicants for these jobs. About 75 percent of entry-level jobs required a high school diploma, general experience, and references; 65 percent required specific experience; 40 percent required training; over 50 percent required applicants to pass a test; and 85 percent required an interview.

When Holzer examined recent hires, he found that employers who required vocational experience or reading and writing skills were significantly less likely to hire women, particularly black women. Holzer and Danziger (1998) conducted simulations that “matched” workers to jobs on the basis of skill, location, and racial characteristics. They found that the lack of job availability for welfare recipients was nearly three times that of women in general.

There may be a large gap between the skills employers demand and those welfare recipients can offer. Harris (1993) showed that welfare recipients typically work at service or manufacturing jobs when leaving welfare. According to Holzer (1996), 50 to 60 percent of entry-level service and manufacturing
jobs require workers to read or write paragraphs and to make arithmetic calculations. Yet, welfare recipients aged 17–21 read, on average, at the sixth-grade level (National Institute for Literacy, 1996). Seventy percent of welfare recipients score in the bottom quartile of the Armed Forces Qualification Test (AFQT) (Burtless 1995), and between 10 and 30 percent of welfare mothers have a grade school education only (Olson and Pavetti 1996).

Many welfare mothers also lack the credentials required by employers. About half of welfare recipients lack a high school diploma or a GED (Harris 1993, 1996; Bane and Ellwood 1994). Few welfare recipients report recent work experience, and, lacking the general and specific work experience demanded by employers, many may find it difficult to obtain references from past employers (Riccio and Freedman 1995).

Evaluations of Welfare-to-Work Experiments

Another set of data pertaining to barriers to employment is from research that follows participants in experimental welfare-to-work programs to examine who fails, who succeeds, and why. Virtually all evaluations of such programs find that while most program participants get jobs, a large proportion (often a majority) lose those jobs within a year (Berg, Olson, and Conrad 1991; Fraker and Prindle 1996; Friedlander and Burtless 1995; Gueron and Pauly 1991; Hershey and Pavetti 1997; Nightingale et al. 1990; Parker 1994; Pavetti and Duke 1995; Quint, Musick, and Ladner 1994; Riccio and Freedman 1995; Rangarajan, Burghardt, and Gordon 1992; Thornton and Hershey 1990).

One reason why participants lose jobs is that they lack knowledge about the rules of the work world—that is, they are not “work ready.” Berg, Olson, and Conrad (1991) conducted in-depth interviews with 58 low-income workers (57 of whom had received welfare) and their supervisors in Chicago’s Project Match, a program that linked poor inner-city residents with jobs. Sixty percent of these workers lost their jobs within 6 months. A major cause was that many participants failed to understand
the importance of punctuality and the seriousness of absenteeism, and resented or misunderstood the lines of authority and responsibility in the workplace. Quint, Musick, and Ladner (1994) report similar results based on in-depth interviews with young mothers in the New Chance Demonstration. Berg, Olson, and Conrad (1991) recommend that welfare-to-work programs provide participants with information about rules of the workplace and teach participants coping skills to deal with work stresses.

Berg, Olson, and Conrad mention, but do not analyze, a number of situational stresses that might hinder the ability of participants to work continuously. About one-third of participants in Project Match reported that they were either actively discouraged from working or received no support for working from friends and relatives. About one-quarter of participants said that extreme violence had closely touched their lives. About one-quarter of participants reported housing problems, such as frequent mobility and disconnected telephone service, during the 4-month period covered by the interview. Six supervisors reported that they suspected respondents were abusing drugs or alcohol.

An evaluation of the California Greater Avenues for Independence (GAIN) program suggests that physical and mental health problems and severe family crises may limit recipients’ ability to remain employed. Riccio and Freedman (1995) examined records of recipients who participated in GAIN for 3 years and concluded that serious health and personal problems made continuous employment impossible for a substantial minority of participants. They found that among mothers in GAIN who received AFDC for more than 2 years, almost 30 percent had been deferred at some point for a medically verified illness and that 27 percent had been deferred for a severe family crisis. Hershey and Pavetti (1997) reported that health problems accounted for 9 to 13 percent of all job losses in the New Jersey REACH, the Minority Female Single Parent Demonstration, and the ET Choices demonstration programs. Fraker and Prindle (1996) reported that 30 percent of a sample of recipients whose cash assistance had been terminated due to noncompliance with Iowa’s welfare-to-work program reported serious personal or health issues.
There is also some evidence that psychological well-being and domestic violence influence welfare mothers’ success in education and training programs. In a study of female JOBS participants in North Carolina, lower levels of personal control, in addition to the level of child problem behaviors, were associated with parenting stress, which in turn predicted whether mothers completed the educational and training activities (Orthner and Neenan 1996). Raphael (1996) reported that participants in an employment training program in Chicago who dropped out prior to meeting their educational or employment goals experienced more domestic violence than did participants who met their goals. Raphael speculated that partners of welfare recipients may sabotage mothers’ efforts to complete training or enter the workplace.

These evaluation studies identify many factors—in addition to a lack of schooling, experience, and basic skills—that might impede welfare mothers’ employability. Limited “work readiness” (knowing the importance of punctuality, absenteeism, and lines of authority in the workplace), as well as supervisor prejudices, health and mental health problems, family stresses, and domestic violence, can reduce success in these programs.

Employer Audits, Qualitative Employer Interviews, and Worker Surveys

Employer audits, qualitative employer interviews, and studies of perceived workplace discrimination provide additional evidence that employer prejudices may inhibit welfare recipients’ prospects of getting and keeping jobs, especially when they are women of color. Kirschenman and Neckerman (1991) interviewed representatives of 185 firms about entry-level jobs for applicants without a college degree and reported that employers had negative perceptions about the skills and work attitudes of African Americans and inner-city residents. Kennelly (1995) analyzed interviews of a similar group of employers in Atlanta. She reported that employers viewed black women as single mothers and as unreliable workers. The Urban Institute sent pairs of matched African-American and white students with
comparable résumés to firms in Chicago and Washington, DC. They found that 15 percent of white applicants, but only 5 percent of African-American applicants, received job offers (Turner, Fix, and Struyk 1991). The Fair Employment Council of Greater Washington conducted similar race-based audits in Washington and obtained similar results: 19 percent of whites, but only 6 percent of African Americans, received a job. Bobo (1995) looked at discrimination from the employee’s point of view using a survey of Los Angeles residents. These individuals were asked whether they had experienced any of the following kinds of workplace ethnic or racial discrimination: a supervisor who used racial slurs, slower pay raises or promotions than workers of other races/ethnicities, refusal of a job due to race/ethnicity, or general racial and ethnic discrimination. Bobo (1995) reported that almost half of all African Americans reported having experienced one or more of these forms of discrimination. This compares to less than one in six for whites. If employers and supervisors consistently underestimate the capacities of single mothers, minorities, and inner-city residents, many welfare mothers will be jeopardized in the labor market, whatever their credentials. They may have less success in their job searches and in their prior work experience, and they may be less willing to search widely for jobs.

The Prevalence of Mental Health and Substance Problems among Recipients

Current welfare policies implicitly assume that welfare recipients are similar to the general population in their psychological status and functioning. Our discussion thus far has focused on factors that have been identified as barriers to work. The evaluation studies raise issues of mental health problems, substance abuse, and domestic violence, but they do not directly measure such problems or link them to work. Recently, researchers and policy-makers have begun to speculate that welfare mothers experience more psychological distress and psychiatric disturbances than do other groups.

There is considerable evidence that psychiatric disorders are associated with lower rates of employment and lower socioeconomic status in the general population (Kessler, Berglund, et al. 1995).
In preliminary analyses of the National Comorbidity Survey (NCS), a national survey of 8,098 individuals designed to estimate the prevalence of psychiatric disorders, Kessler, Berglund, et al. (1995) found that virtually all medically recognized mental health disorders are significantly and negatively associated with socioeconomic status. We explore the prevalence of two major psychiatric disorders—depression and post-traumatic stress disorder—and the prevalence of substance abuse among low-income women and among the welfare population relative to the general population. These three conditions may be particularly important for women’s ability to succeed in the labor market.

**Depression.** Rates of depression in national random samples generally range from 17 to 20 percent (Blazer et al. 1994; Ritchey et al. 1990). In contrast, studies using convenience samples of poor or unemployed individuals report levels of depression ranging from 29 to 48 percent (Bassuk et al. 1996; Belle 1990). Belle found that nearly one-half of a sample of low-income mothers of young children had high depressive symptoms; those who were extremely low-income, unemployed, or single were most likely to show symptoms of depression.

Researchers have recently established an association between depression and welfare reliance. In an evaluation of 790 participants in the JOBS program, 42 percent of the sample met the criteria for clinical depression, more than twice the proportion of the general population (Moore et al. 1995). Similarly, an examination of data from the National Longitudinal Survey of Youth (NLSY) revealed that 42 percent of welfare recipients interviewed in 1992 met the criteria for clinical depression (Steffick 1996). In contrast, only 20 percent of those who did not receive welfare in that year reported such high levels of depressive symptoms. Krinitzky (1990) found that low-income welfare mothers were significantly more distressed and depressed than low-income nonwelfare mothers. Nichols-Casebolt (1986) found that among low-income mothers, those who did not receive welfare scored significantly higher on measures of personal competence and self-satisfaction. Zill et al. (1991) compared poor welfare mothers to poor nonwelfare mothers using several national databases. These researchers reported
that welfare mothers are more prone to depression than nonwelfare women with children, and that rates of depression are lower among welfare mothers who had worked during the previous year. However, the variety of measures used to assess depression in the different samples makes it difficult to determine the relative prevalence of depression, much less its association with employment.

Post-Traumatic Stress Disorder. Analyses of the NCS by Kessler, Sonnega, et al. (1995) show that post-traumatic stress disorder (PTSD) is more prevalent than was previously believed. Women are more likely than men to develop PTSD when exposed to a trauma (Breslau et al. 1991), and the rate of PTSD is three times higher among low-income women than in the general population (Bassuk et al. 1996). Though the incidence of PTSD among welfare mothers has not been directly investigated, many of these women have characteristics that put them at high risk for PTSD. For example, traumas most commonly associated with PTSD among women are rape, domestic violence, and sexual molestation (Saunders 1994); studies of convenience samples of welfare mothers suggest that a sizable portion may experience such trauma. Curcio (1996) reports that among welfare recipients in the Life Skills Class of a welfare-to-work program in New Jersey, 22 percent of the women said they had been raped, 55 percent said they had experienced domestic abuse, and 20 percent said they had been sexually molested as a child. No studies have yet examined the effects of PTSD on welfare recipients’ employment and earnings.

Alcohol and Substance Use and Dependence. A number of studies have found that alcohol and drug use negatively affect employment and earnings (Berger and Leigh 1988; Bryant et al. 1996; Kaestner 1991, 1994). Most studies, however, have focused on men’s employment and have not examined the effect of substance use on employment of single mothers. Few extant sources of data document the prevalence of substance dependence among welfare recipients, in part because of problems with underreporting of drug and alcohol use. In addition, substance dependence issues have not generally
been a part of the eligibility or intake process for the welfare program (U.S. Department of Health and Human Services 1994).

Joseph Califano, Secretary of Health, Education, and Welfare from 1977 to 1979, was recently quoted as estimating that “hundreds of thousands of welfare recipients” were addicts and abusers (Jayakody and Pollack 1997). Although this particular estimate seems inflated, existing data suggest that the prevalence of self-reported nonmedical drug use is significantly higher among AFDC recipients than in the general population (U.S. Department of Health and Human Services 1994; Olson and Pavetti 1996). An “impairment analysis” with these data produces an estimate that approximately 4.4 percent of AFDC recipients have substance dependence problems that may be sufficiently debilitating to preclude immediate participation in employment or training activities. An additional 10.5 percent may have a moderate impairment that would require substance dependence treatment as a supportive service in employment and training activities problems (U.S. Department of Health and Human Services 1994). These results have serious implications for mothers’ ability to become employed within 2 years of welfare receipt and to leave the rolls permanently within 5 years.

The Prevalence of Physical Health Problems, Personal and Family Stresses, and Domestic Violence among Recipients

Poor families score badly on a number of health indicators and experience more stressful life events relative to nonpoor families (Hall, Williams, and Greenberg 1985; Olson and Pavetti 1996). It is quite likely that family stresses and stressful life events are more common in welfare families than in nonwelfare families. As stated above, Riccio and Freedman’s (1995) evaluation of California’s GAIN program found that a large minority of participants were deferred from work due to family crises. Orthner and Neenan’s (1996) evaluation of JOBS participants showed that parenting stresses reduced the probability of completing an education program. Below we review studies of stresses such as physical
health problems of mothers and children, stressful life events, and studies of domestic violence. These stresses may interfere with welfare recipients’ ability to become self-sufficient.

**Physical Health Problems.** Research has consistently demonstrated a positive association between employment and health (Herold and Waldron 1985; Kessler, Turner, and House 1987; Bird and Fremont 1991). Women who are employed full-time are healthier than women who work part-time, and women who work full- or part-time are in better health than women who are unemployed (Herold and Waldron 1985; Verbrugge and Madans 1985; Anson and Anson 1987). Although health is positively associated with employment, little research has been carried out on whether health problems are a barrier to employment. Ross and Mirowsky (1995), using two-wave data from the National Survey of Personal Health Practices and Consequences, found that being in good health increased the odds of keeping or getting a full-time job for men and women. Having no functional physical health impairments increased the odds of full-time employment by over 35 percent for women in the study.

Analysis of data from the 1990 Survey of Income and Program Participation and the National Health Interview Survey revealed that between 16.6 and 19.2 percent of women receiving welfare have a disability that limits their ability to work, and over half of these women (10.6 percent) have a disability that severely limits their ability to perform basic functions such as walking, dressing, bathing, or eating. An additional 11.7 percent have some difficulty with these functions (Loprest and Acs 1995). Approximately 7 percent of women on welfare reported being confined to bed over 30 days in the last year (Loprest and Acs 1995). These findings suggest that a disability or functional limitation may present a barrier to work for many women on welfare.

The health of children or other family members could also interfere with a woman’s opportunities for employment. Children in families that receive AFDC are more likely to suffer from physical disabilities and serious health problems (Olson and Pavetti 1996). Though only 1.7 percent of families on welfare have children with a serious disability, 15.9 percent of families have at least one
child with functional limitations and 22.5 percent of women on welfare have a disabled adult living with them (Loprest and Acs 1995; Adler 1993).

**Personal and Family Stresses.** Socioeconomic status has also been linked to stressful life events. One classic study found that members of the lower class and women are both exposed to relatively high rates of change or instability in their lives (Dohrenwend 1973). Another study suggested that unmarried women may not only experience a greater number of persistent daily stressors than married women but may also be more affected by them (Hall, Williams, and Greenberg 1985). Lindblad-Goldberg, Dukes, and Lasley (1988) argued that being poor, black, female, and a single parent constitutes a chronic source of stress itself. In a study of low-income mothers of young children, the average number of stressful life events experienced during 1 year was 6.75 (Makowsky 1982). In contrast, community surveys report that, on average, members of the general population experience only one or two stressful life events each year. A recent study of stressful life events among a sample of first-time welfare recipients found the average number to be 8.40 per year (Kalil et al. 1998a). In this study, welfare recipients who reported recent work experience and those in poor physical health experienced more stressful events in the previous year than those who had not worked in the past year or who were in good health.

These stressors may affect welfare recipients’ ability to find, get, and keep jobs. Life stressors may affect women’s experience in the welfare system by increasing depression and diminishing efficacy or by creating different types of psychological distress. For example, Belle (1984) suggested that a multiplicity of negative life events impairs recovery from stress and weakens an individual’s ability to cope with new problems. Alter (1996) suggested that exposure to stressful life events can disadvantage welfare recipients in their efforts to believe that they can control their lives and plan alternative futures for themselves. This sense of mastery, or efficacy, has been linked to welfare reliance and attitudes about work. In a longitudinal study of 851 mothers on AFDC, an enhanced level of personal control was directly related to reduced welfare reliance, and personal control had a stronger association with welfare
reliance than did education (Parker 1994). Popkin’s (1990) qualitative study of 149 welfare mothers in Chicago found that those who were long-term recipients, high school dropouts, and over 40 years old had a lower sense of personal efficacy. Mothers with a lower sense of personal efficacy were less likely to mention work as an alternative and were more likely to report thinking of no alternatives when asked to speculate about what they would do if they could not receive welfare benefits. In contrast, mothers with high efficacy were more likely to state that they would not need welfare in one year and that there would be no obstacles to finding work in the future.

**Domestic Violence.** National surveys have documented that domestic violence is a substantial problem for women (Plichta 1996; Steinmetz 1980; Straus and Gelles 1990). Straus and Gelles estimated that approximately 1.8 million U.S. women are severely beaten each year. Results from the 1996 Commonwealth Fund Survey support this finding with an estimate that 3.2 percent of women (1.7 million women) who are married or living with a partner are exposed to severe abuse by their spouses (Hartmann, Kuriansky, and Owens 1996).

Despite two decades of research about domestic violence and its effect on the physical and psychological well-being of women, little attention has been focused on the effects of violence on women’s labor force participation, and analysts have only recently examined domestic violence in welfare populations (Raphael 1996). Recent studies indicate that domestic violence occurs in the lives of a high percentage of women on welfare. Focusing on lifetime physical abuse by a male partner, Colten, Cosenza, and Allard (1996), Curcio (1996), Bassuk et al. (1996), and Lloyd (1996) found prevalence rates of domestic violence ranging from 48 percent to 63 percent among welfare recipients. These and other studies have also documented that women who are in abusive relationships encounter increased interference from their male partners as they attempt to progress from welfare to work (Bassuk et al. 1996; Colten, Cosenza, and Allard 1996). For instance, Colten and colleagues found that abused women
in her sample of welfare recipients were 15 times more likely than their never-abused counterparts to have current or former partners who would not like them going to school or work.

Can Welfare Recipients Earn a Living Wage?

The research reviewed above examines potential barriers to the employment of welfare recipients. These barriers are likely to inhibit wage growth as well as employment. A key goal of welfare-to-work programs is for mothers eventually to become self-supporting. Virtually all participants in the welfare debate agree that in the first period after leaving welfare, recipients will work at low-wage jobs; wages are likely to be $5 to $6 per hour (Pavetti and Acs 1996; Pavetti and Duke 1995; Riccio and Freedman 1995). But the hope is that over time, as welfare recipients gain work experience, their wages will grow and they will eventually earn enough to support their families. There are several reasons to expect that wages will grow for welfare recipients under the new work-oriented welfare system. Incentives to work are much higher under this system. As recipients work over time, they should acquire work experience and basic skills, and they should learn about appropriate behaviors in the workplace. Work may also lead to improved psychological functioning (e.g., less depression, increased self-efficacy), may reduce family stresses, may enable women to leave abusive partners, and may motivate women to seek additional schooling. These changes, in turn, could lead to better jobs and higher wages.

But there are also reasons to predict that wages of welfare mothers will be flat over time (Edin and Lein 1997). Many welfare recipients are high school dropouts, many lack basic skills, and many have little or no work experience. Considerable evidence shows that the wages of low-skilled workers declined in the 1980s due to structural changes in the economy (Danziger and Gottschalk 1995). Analyses by Burtless (1995) and Pavetti and Acs (1996) show that earnings growth is very slow both for welfare mothers and for mothers who do not receive welfare but are high school dropouts and/or have low test scores. These studies typically estimate how wages grow with age, not with years of work.
experience. The welfare mothers in these studies work at very low rates. If the welfare-to-work programs can increase the amount welfare mothers work, then perhaps their wages would increase more over time than is suggested by Burtless and by Pavetti and Acs.

However, there are also reasons to predict that the wages available to welfare mothers will not support a family. Edin (1995) estimates that a woman who works full-time needs to earn about $8 per hour to cover work and family expenses. Yet, most studies of welfare-to-work programs find that while earnings of recipients in such programs do increase over time, this is mostly due to increases in work hours and not to increases in wage rates (Gueron and Pauly 1991). Moreover, Edin and Lein (1997) offer a discouraging view of what work now provides welfare mothers, even among those with substantial work experience. Both the wage-reliant and the welfare-reliant women they interviewed saw themselves stuck in the “low-wage ghetto,” in jobs that offered little mobility and few benefits. For these women, increasing their skills and education was seen as the only route to upward mobility and wage growth.

Edin and Lein (1997) discuss another important issue: the costs associated with going to work. They describe strong, resilient women who had no trouble getting jobs (83 percent had some work experience in the formal labor market) but had a hard time keeping them because of the hidden expenses of working. The wages offered in the low-wage labor market are not sufficient to cover these costs. For example, working mothers faced increased costs in child care, medical care, transportation, housing, and suitable work clothing. Women also considered the noneconomic “costs” of working: whether full-time work accommodated purposeful and competent parenting, and whether work would interfere with important family management responsibilities, such as supervision and monitoring, needed to insure older children’s safety and well-being. The wage-reliant women in Edin and Lein’s study who were able to work steadily benefitted from a confluence of “special circumstances”—such as co-residence with relatives or boyfriends and its associated economies of scale, free child care provided by relatives or
friends, receipt of regular and substantial child support, and access to transportation—that allowed them to work and remain off welfare.

SUMMARY OF LITERATURE REVIEW

The seven sets of research studies reviewed above suggest that state programs to move welfare clients into work face many obstacles. Table 1 summarizes the results of this past research. First, the welfare dynamics studies, the program evaluations, and the wage growth studies all indicate that getting welfare recipients a job is only the first step in moving them to self-sufficiency. Welfare recipients have a hard time keeping jobs, and their wages grow slowly, if at all, over time.

Second, based on our review of past research, we have identified several barriers that may reduce the ability of welfare recipients to keep jobs and reduce their wage growth: low education, little work experience, a lack of the basic skills demanded by employers, a lack of knowledge about behavioral rules of the workplace (“work readiness”), workplace discrimination and harassment, mental health problems, alcohol and drug dependence, physical health problems, family stresses, and domestic violence.

Analyses of national longitudinal surveys have established that low levels of schooling and work experience reduce welfare recipients’ employment and wages. Perhaps half of all welfare recipients are high school dropouts. Employers are looking for workers with good basic literacy, arithmetic, and communication skills, yet a large proportion of recipients have low cognitive test scores and may lack these basic skills.

In addition to a lack of basic skills, two other areas where barriers may exist have been identified, although prevalence data are not available. First, some clients may not be “work ready”—that is, they do not behave appropriately in their job settings. Both the Project Match and New Chance
TABLE 1

What Does Past Research Say about the Ability of Welfare Recipients to Get Jobs, Keep Jobs, and Earn a Living Wage?

1. **Longitudinal Surveys: Analysis of the Dynamics of Welfare and Work**
   - Many recipients work while on welfare.
   - Many recipients leave welfare for work.
   - The majority of recipients eventually go back on welfare at least once.
   - Women with low schooling, little work experience, and large families are more likely to go back on welfare.

2. **Employer Surveys**
   - The majority of entry-level jobs are in the service, retail, and trade sectors.
   - The majority of entry-level jobs (for workers without a college degree) require basic skills (communication, writing, arithmetic, computer skills). Welfare recipients aged 17–21 read, on average, at the sixth-grade level.
   - Most entry-level jobs require credentials (high school diploma, work experience, references). About half of all welfare recipients lack a high school diploma or GED. About 40 percent had little or no work experience prior to their first welfare spell.

3. **Evaluations of Welfare-to-Work Programs**
   - Most participants get jobs, but the majority lose those jobs within a year.
   - Many program participants do not understand or comply with workplace norms about tardiness, absenteeism, and appropriate behavior (Project Match; New Chance).
   - Some evidence exists of discriminatory treatment on jobs (Project Match).
   - There are reports but no details that health problems and severe family crises cause participants to leave jobs (GAIN).
   - The evidence is usually indirect and based on small, localized samples.

4. **Discrimination Studies**
   - Two employer audit studies show that African Americans are less likely to receive job offers than are whites with comparable credentials.
   - One local study shows employers negatively perceive the work ethics and skills of African Americans (especially men).
   - A second local study shows that employers stereotype African-American women as single mothers who are unreliable workers due to their family responsibilities.
   - Almost half of all African-American women report experiencing race-based workplace discrimination in a Los Angeles study.

5. **Mental Health and Substance Abuse**
   - Rates of depression are higher among low-income, unemployed mothers of young children and among welfare mothers in national and local samples. Almost 50 percent of welfare mothers in the GAIN program met the criteria for clinical depression; 42 percent of welfare mothers in the JOBS program; and 42 percent of welfare mothers in the NLSY.
   - Traumas commonly associated with post-traumatic stress disorder are rape, domestic violence, and sexual molestation. Studies of convenience samples of welfare mothers suggest
that a sizable proportion have experienced such traumas. Among respondents in one study, 22 percent reported having been raped, 55 percent reported having experienced domestic violence, and 20 percent reported having been sexually molested as a child.

- Evidence suggests that rates of substance abuse problems are disproportionately high among AFDC recipients.

6. **Physical Health, Family Stresses, and Domestic Violence**
   - AFDC children are more likely to suffer from physical disabilities and serious health problems.
   - Poor families score badly on a number of health indicators and experience more stressful life events.
   - Convenience samples of AFDC recipients suggest high rates of physical domestic abuse (50 percent or more) compared to women in the general population (11.6 percent).
   - Qualitative data suggest partners of recipients sabotage mothers’ attempts to enter the work force.

7. **Wage Growth among Welfare Recipients**
   - Burtless (1995) showed that wages grew less than 1 percent per year for welfare mothers and that wages grew 4.8 percent per year for women who did not receive welfare during 1979–1991.
   - Even among mothers with the same years of schooling and the same racial/ethnic background, women who have ever received welfare are much less likely to work steadily at a “good” job in their late twenties than are nonrecipients.
programs report that a sizable minority of participants lost jobs because they failed to comply with workplace norms about tardiness, absenteeism, and appropriate behavior.

Second, indirect evidence suggests that employer discrimination may limit the ability of recipients to get and keep jobs. Project Match evaluators reported some instances of prejudiced treatment of clients by their employers, and audit studies and qualitative employer surveys find that employers perceive and/or treat African Americans differently from whites. African-American welfare recipients may thus face multiple obstacles to employment.

Finally, considerable evidence suggests that rates of health and mental health problems and of psychological distress are higher than average for welfare mothers, but no studies directly link such problems to employment and wage outcomes for welfare mothers. Studies of convenience samples suggest that family stresses, substance dependence, and domestic violence are much more common among welfare mothers than in the general population. Estimates of the incidence of lifetime physical abuse by a partner are over 50 percent; estimates of the incidence of current abuse range from 15 to 33 percent; and descriptive evidence from qualitative studies suggests that abusers sabotage women’s work efforts. But more research needs to be done to understand the ways in which domestic violence, family stresses, and substance abuse limit the employment and wage prospects of welfare mothers.

POLICY IMPLICATIONS

Individual Interventions

We have identified a number of potential barriers to employment. From an intervention perspective, overcoming such barriers to employment will be a key component of recipients’ success under the new welfare system. We expect that recipients will differ in the number and severity of barriers they face. For some recipients with few or no barriers, providing information and training on job search
strategies may be sufficient. Other recipients face more barriers and will require more help if they are to become economically self-supporting. In at least some cases, service providers or clinicians may first have to intervene to help welfare recipients surmount their lack of job readiness, overcome psychological problems such as low self-esteem and depression, or deal with more serious issues such as substance abuse and domestic violence.

Even though the TANF program mandates that states have a certain number of welfare recipients engaged in work-related activities, states are not precluded from offering job-readiness activities that include building self-esteem, developing realistic goals, and gaining awareness of personal barriers to self-sufficiency. In the past, these activities have been successfully incorporated into some welfare programs; they typically allow welfare recipients to develop support systems among their peers and to build trusting relationships with program staff (Pavetti et al. 1996). Empirical evidence suggests that these types of interventions may help welfare recipients leave the rolls. For example, evaluation results from the Iowa Family Development and Self-Sufficiency Program, a random-assignment welfare-to-work program that reflects a “family support” philosophy for hard-to-serve, long-term welfare recipients, indicate that recipients in the experimental group gained greater self-efficacy and competence than control group members. Experimental group members were more likely to act proactively on housing problems and had larger education and wage gains than controls. Furthermore, in the fifth year of enrollment in the program, a greater number of experimentals than controls had left welfare (Alter 1996).

Currently, federal work requirements only allow states to count up to 6 weeks of job search and job readiness activities per individual, but these services may be necessary first steps for hard-to-serve welfare recipients. Pavetti et al. (1996) and Brown (1997) argue that providing such supportive services to families with moderate personal challenges to getting and keeping jobs is not incompatible with a programmatic emphasis on quick entry into the labor market (e.g., “work first”-type programs). Assistance with personal challenges can be helpful even in a short-term framework; small, low-risk steps
designed to boost recipients’ self-esteem can lead to bigger steps to address more challenging personal
and psychological problems. In Michigan, just under a quarter of “work first” programs offer activities
designed to increase self-esteem and increase personal efficacy (Seefeldt, Sandfort, and Danziger 1998).

Herr, Wagner, and Halpern (1996) argue that nontraditional welfare-to-work activities such as
volunteering or self-improvement activities such as exercise or crafts, what Herr and colleagues call
“lower-rung” activities on the ladder to economic independence, can serve an important function when
performed in combination with more traditional activities such as job search. These preliminary
activities, by offering alternative arenas for positive development, can help build the confidence and
motivation that success in regular employment requires. They can also provide important, although not
obvious, forums for learning specific work-related skills such as knowing how to follow instructions and
being able to work alongside others as a member of a team (Herr, Wagner, and Halpern 1996).

These activities can also help serve welfare recipients with low education levels. For example,
employment and training specialists at one Chicago welfare-to-work program found that among
recipients for whom a GED was not a realistic goal, the greatest barrier was not low academic ability but
lack of problem solving skills, problems with interpersonal relationships, and difficulties with
communication (Pavetti et al. 1996). Herr and her colleagues contend that the development of these types
of psychological resources among welfare recipients needs to be a starting point in welfare-to-work
programs that serve the least job-ready. Informal evaluations of Herr’s Chicago program, which
incorporates this ladder model, indicate that 93 percent of program participants had worked at some point
in a 5-year period after participating in Project Match (Pavetti et al. 1997).

Welfare-to-work programs may also have to adapt to the needs of clients with more serious
barriers to work, such as substance abuse or domestic violence. Pavetti et al. (1997) describe a treatment-
based model for engaging families in intensive counseling or therapeutic treatment to address problems
such as substance dependency or severe family crises. Models of this type of social service delivery are
theoretically based on social work interventions such as Homebuilders family preservation models and other short-term intensive crisis interventions. The Wellstone/Murray Family Violence Amendment to the PRWORA is a state option that establishes procedures to refer individuals who are victims of domestic violence to counseling and support services, when necessary. Although little empirical evidence exists regarding the effects of family preservation interventions on the work effort of welfare recipients, Pavetti et al. (1997) summarize evidence suggesting that treating welfare recipients with substance abuse problems has had favorable cost-benefit results in a number of sites. Reports from caseworkers in one Chicago program that offers weekly support groups to participants to address issues such as domestic violence and depression suggest that the burden on caseworkers has eased and that fewer participants have had their employment-related activities interrupted because of personal issues (Pavetti et al. 1996).

Although clients attending mental health or substance abuse counseling sessions will typically not be counted toward a state’s work participation rate during this treatment period, Brown (1997) suggests that programs may want to consider using such services, for a limited time, as precursors to moving the harder-to-serve into employment or as “back-end outlets” for those who are identified as having a significant barrier to employment. Once the problem is addressed, these recipients can be placed back into more traditional job search and job preparation programs with an increased likelihood of succeeding. Or, since states can define the scope of community service employment (a countable activity) both in terms of tasks and hours, clients could jointly participate in counseling and perform volunteer activities. Finally, letting recipients attend to employment-limiting personal issues can also decrease the need for negative sanctioning, which is more likely to occur among recipients with the more severe personal and family problems (Pavetti et al. 1997).
Changes in the Workplace

Thus far, we have focused our policy implications on interventions directed at welfare recipients themselves. However, based on our review, we argue that employers and workplace settings may also have to adjust to women’s transitions from welfare to work. For example, although Berg, Olson, and Conrad (1991) emphasize that a lack of “work readiness” caused problems for Project Match recipients, they also note that some supervisors seemed to treat workers unfairly. In 22 out of 58 cases, participants’ backgrounds (poor, African Americans, Cabrini Green residents) were an issue for supervisors, and in about half of these 22 cases, supervisors seemed impatient and prejudiced. This suggests that discrimination or unfair treatment by supervisors might discourage recipients from remaining in jobs. Berg, Olson, and Conrad (1991) recommend that keeping recipients employed might require training supervisors to deal with cultural differences in the workplace as well as teaching recipients about the rules of the work world.

Another option for programs is to offer retention services to recipients once they are employed. From 1994 to 1996, the Post-Employment Demonstration operated in four sites and provided newly employed welfare recipients with case managers who offered services ranging from counseling to short-term payments to alleviate emergencies that could interfere with the ability of clients to maintain employment (Herr, Halpern, and Wagner 1995). Although results of this intervention are not yet available, some welfare-to-work programs continue to provide retention services, including intervening in disputes with employers (Seefeldt, Sandfort, and Danziger 1998). However, because of the stigma associated with welfare receipt, some clients may not want this kind of assistance, and program staff must be cautious about violating client confidentiality.
Labor Market Interventions

Wage growth studies, the work of Edin and Lein (1997), and research by Rebecca Blank (1997) suggest that even when welfare reform “works,” that is, when women get and keep jobs, there is no guarantee that these jobs will pay a living wage. Quantitative and qualitative evidence suggests that welfare women are stuck in the low-wage ghetto. This evidence is consistent with a large body of research on economic restructuring which indicates that good wages, fringe benefits, wage growth, and promotion opportunities are vanishing from low-skilled jobs (Blank 1997; Danziger and Gottschalk 1995; Wilson 1996). To the extent that this is true, transitional subsidies may not be enough to promote women’s economic independence. In contrast, programs that deliver resources to working poor mothers would be valuable. These could include increases in the minimum wage, expansions of the Earned Income Tax Credit, child and family health care coverage, and child care subsidies, tax credits, and services.

Supports for Parenting

Our review of barriers to work would do a disservice to welfare recipients if we failed to acknowledge the “work” of raising children as a single parent on extremely limited income. The circumstances of welfare recipients’ lives are daunting. Most are raising their children under conditions of material hardship, with little support, and many live in dangerous neighborhoods. Policies need also to pay attention to these noneconomic factors that may limit women’s employment in the formal labor market.

Notably absent from discussions of welfare policy is the fact that welfare recipients make decisions regarding work and welfare in the context of their roles as mothers. Qualitative research illustrates that the tensions between work and parenting are particularly difficult for low-income parents who have limited resources and experience stressful living conditions (Oliker 1995). Welfare mothers
who work surmount enormous challenges in securing safe and appropriate child care for their children, retaining adequate health care coverage for them, and organizing their schedules to afford opportunities for meaningful parent-child interaction (Kalil et al. 1998b).

Few current welfare-to-work programs provide support for the energy required for single mothers to move from welfare to work and at the same time to attend to family responsibilities and values. Even fewer recognize that the trade-offs women perceive between work and welfare are often based on their view of the best thing to do as a mother. Women’s choices regarding the balance between working and parenting will be further limited in light of new welfare regulations. Edin and Lein (1997) found that one of the few ways low-income women successfully combine work with parenting is with the support of family members. Parenting support, particularly from absent fathers, would be a valuable commodity for low-income single mothers. Policies that encourage caring and responsible involvement from absent fathers and other family members should be encouraged (Kaplan 1998).
References


