Why Some Women Fail to Achieve Economic Security
Low Job Skills and Mental Health Problems Are Key Barriers

Women who have multiple barriers to obtaining and holding employment will be the least likely to obtain economic self-sufficiency under the new welfare regime begun by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). This is the major conclusion of a University of Michigan multi-disciplinary research team—including sociologists, economists, social workers, psychiatric epidemiologists, developmental psychologists, public health researchers, public policy analysts—that, for five years, has been fielding and analyzing the Women’s Employment Study (WES), an in-household panel survey of women who were welfare recipients in an urban county in Michigan in February 1997.

The study team, led by Sandra Danziger, associate professor of Social Work and director of the Michigan Program on Poverty and Social Welfare Policy at the University of Michigan, had very high response rates for its three waves of data to date. (See box on page 3.) A fourth wave is planned for fall 2001.

Mental and Physical Problems Prevalent
Welfare recipients, in general, have many more barriers to employment than the general population. The WES is one of the few current studies that measures a very comprehensive set of potential barriers to employment among welfare recipients, says Dr. Danziger. These measures encompass a range of domains that prior research has shown can negatively affect employment. These include:

- **Human capital and other work-related variables**
  - less than a high school education; low work experience; knowledge of few workplace norms, such as regarding lateness and absenteeism; minimal job skills; perceived discrimination on prior jobs; learning disability; low literacy;

- **Psychiatric disorders or substance dependence within the past year**—such as Generalized Anxiety Disorder, social phobia, major depressive disorder, Post-Traumatic Stress Disorder (PTSD); drug dependence; alcohol dependence;

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### Note from the Director—Barbara B. Blum

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### Physical health problems
- maternal health problems; child with health problems;

### Other barriers
- domestic violence; transportation problems; child care problems; criminal convictions.

In 1997, WES respondents, compared to national samples of women, were much more likely to be without a high school diploma, have a transportation problem, meet the diagnostic screening criteria for a major depressive episode and/or Generalized Anxiety Disorder, have a child with a health problem, and have recent experience with severe domestic violence. However, WES respondents were no more likely to report drug or alcohol abuse. On other measures, comparable national estimates are not available. (See table below.)

<table>
<thead>
<tr>
<th>Barriers to employment</th>
<th>Percent of women in Women's Employment Study</th>
<th>National surveys</th>
</tr>
</thead>
<tbody>
<tr>
<td>No high school diploma</td>
<td>31.4%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Transportation problem</td>
<td>47.1%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Major depressive episode</td>
<td>25.4%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Generalized Anxiety Disorder</td>
<td>7.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Child with health problem</td>
<td>22.1%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Recent severe domestic violence</td>
<td>14.9%</td>
<td>3.2-3.4%</td>
</tr>
<tr>
<td>Drug abuse</td>
<td>3.3%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Alcohol abuse</td>
<td>2.7%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>
Over time, the proportion of the total WES sample reporting these various barriers has declined slightly on several measures. However, the prevalence of many of these barriers is much higher for sample members who were still receiving Temporary Assistance for Needy Families (TANF)—the block grant program to the states that replaced Aid to Families with Dependent Children—in 1999 (176 women) compared to those who had left TANF for work (310 women) and somewhat higher than those who were off TANF and not working (108 women). This latter group is composed of women who tend to be married or living with a partner or living in someone else’s household, who are between welfare spells or between jobs, or who left welfare due to sanctions or other reasons. For example, less than one in five respondents working and not on TANF by fall 1999 report a transportation problem, whereas almost one of every two respondents on TANF have this problem.

**Multiple Barriers Create Job Hardships**

Although a number of studies examine the prevalence of these various barriers, the Women’s Employment Study is one of the few to provide information on the impact of barriers on employment and the co-occurrence of various barriers. Multivariate analyses of 1997 WES data showed that lack of a high school degree, little work experience, having few job skills, perceptions of discrimination, having a transportation problem, meeting the diagnostic screening criteria for depression, and having a maternal or child health problem significantly reduced the likelihood that a respondent was employed part-time or more. However, more recent data indicate that the presence of multiple barriers may also affect the likelihood of securing and retaining employment. Respondents with three or fewer barriers to employment in 1999 (68.8 percent of the sample) worked on average in at least three-quarters or more of the months between 1998 and 1999. Those with four or more barriers worked on average in less than three-fifths of the months.

Multiple barriers are also associated with longer stays on TANF. Approximately one-fifth of the 151 women respondents who received TANF in ten or less of the 41 months for which administrative data are available (February 1997–June 2000) had four or more barriers to employment in any of the interview years—1997, 1998, or 1999. There is not much difference between this group and the 177 respondents who received TANF in 11 to 20 of the 41 months. However, women on TANF for greater proportions of time were much more likely to have four or more barriers. Just over a third of 130 women respondents who received TANF in 21 to 30 of the 41 months and more than half of the 151 study women receiving TANF in nearly all the months (31 or more) had four or more potential barriers to employment.

The question of which problems tend to co-occur is not easy to answer. The most common type of problem faced by WES respondents in 1997 and 1999, regardless of TANF or employment status, is having mental health problems, defined as meeting the screening criteria for one or more psychiatric disorders, although not substance dependence. Analyses of 1997 data show that just under a fifth of the WES sample had a mental health barrier only, and slightly more than half of those with a mental health barrier had no other barriers. Physical health problems and substance dependence co-occurred with other types of barriers more often, but no clear patterns emerge in terms of which barriers. For example, 7.1 percent of the sample had physical health and mental health problems, 2.1 percent had physical health problems coupled with human capital deficiencies, and 2 percent had all three. These findings underscore the heterogeneity of the welfare caseload.

**Pace of Leaving Welfare Slowing**

When the researchers examine welfare and work status at the time of each wave of the survey, they find increasing work reliance and decreasing welfare use for the sample as a whole. However, the movement toward wage reliance and leaving welfare seems to have been slower between waves two and three than between waves one and two. The percentage of respondents who were wage reliant (i.e., were working and not receiving TANF) increased from about 20 to about 44 percent between waves one and two, but only to 52 percent at wave three. The percentage of women who worked in any month increased from about 40 percent in February 1997 to about 70 percent in fall 1998 and did not change much between fall 1998 and fall 1999. This suggests the need to carefully evaluate the work trajectories of current and former welfare recipients over the entire post-PRWORA period.

The welfare-reliant represent a key unresolved policy problem for the new welfare regime. These women tend to have multiple barriers; they have high rates of many of the problems researchers measure—about half lack a high school degree, 36 percent have performed four or fewer (out of nine) job skills, 44 percent have physical health problems. They also have high rates of learning disabilities, low literacy, and mental health problems. If they have not managed to find steady work during three years of this booming economy, in a context where state agencies are pressuring them to leave welfare, they are unlikely to be able to become self-supporting before they reach the five-year federal time limit.

These women need access to a wide range of treatment services for their problems and/or access to some sort of supported work environment. The proportion that this high-risk multiple barrier group makes up in any state’s caseload could exceed the 20 percent that states are allowed to exempt from time limits under PRWORA.
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Welfare Services Insufficient to Meet Job Goals

The WES research team also evaluated the implementation of Michigan’s welfare-to-work programs and concluded that the services provided do not address the needs of jobless recipients with the greatest barriers to employment. Most local agencies offer unemployed TANF recipients job search readiness activities, such as resume writing and mock interviews, and/or job search experiences, such as bringing employers on site for interviews. Many managers report that their jobless clients have the kinds of skill deficits and personal problems documented in WES, but these needs are not addressed within the rapid employment approach that is the main welfare-to-work model across the country. Managers explained that they would like to have the flexibility to provide a wider range of screening, assessment, and referral services and to have more time to work with the most disadvantaged recipients.

For example, there is no systematic assessment of a recipient’s personal problems or mechanism referring her to treatment or other services. In fact, a program might sanction a recipient who seems uncooperative or to have a bad attitude, when she might actually be clinically depressed. A few states have developed programs that identify a wide range of problems and provide mental health, substance abuse, and other counseling/treatment services. However, a review of programs in other states reveals that the complex needs of most welfare sisters with multiple barriers are not being met.

Low-Income Women Face Persistent Hardship

Many of the women in the WES study experienced persistent material hardship. For example, in fall 1999, 85 percent of wage-reliant mothers and 8.1 percent of combiners reported a utility shutoff in the past year, as did 9 percent of the welfare reliant and 11 percent of those who neither worked nor received welfare. Almost 5 percent of wage-reliant mothers and 11.6 percent of combiners had been evicted, as had 12.8 percent of the welfare reliant and 11 percent of those neither working nor receiving welfare. Among the wage-reliant mothers, 21.6 percent reported receiving food, shelter, or clothing from a charity; 34 percent of the combiners received such assistance; 60 percent of the welfare-reliant mothers and 38.5 percent of those neither working nor receiving welfare reported receiving such assistance.

The Women’s Employment Study, along with other studies, has assessed the complicated ways in which the 1996 welfare reform legislation has affected the work effort and well-being of single mothers and their families, how it has changed the nature and operation of welfare agencies and the overall effectiveness of the social safety net, and how policies within and outside of welfare have been modified in an attempt to both make work pay and remake the welfare system. “It is clear that, as of early 2001, the states have ended welfare as we knew it,” concludes Dr. Danziger, “but they lack policies that provide sufficient income supplements for the working poor. Moreover, there are very few work-for-welfare options of last resort for single mothers reaching time limits, and few services for those women, as our study has documented, with multiple barriers that keep them from getting and keeping jobs,” she adds. These issues are particularly important to address as the reauthorization of PRWORA draws near.

About the Women’s Employment Study

The household survey used in the Women’s Employment Study (WES) conducted by the University of Michigan is unique in the amount and quality of information that it gathers. The survey instrument consists of a survey of a number of highly reliable sources, ranging from the typical labor market and income questions included in the Current Population Survey and Panel Study of Income Dynamics, to measures of mental health problems and drug and alcohol dependence from the Composite International Diagnostic Interview (based on the Diagnostic and Statistical Manual III-R and derived from the National Co-Morbidity Survey, the first study to administer a structured psychiatric interview on a national sample), to measures of maternal and child health and well-being from other national surveys.

The study boasts very high response rates for its three waves of data to date: 753 women (86 percent of those contacted) were interviewed in fall 1997; 691 (93 percent of the wave one sample) were interviewed in fall 1998; and 632 women (91 percent of those in the previous wave) were interviewed in fall 1999. A fourth wave of the study will be conducted in fall 2001.

Danziger’s co-principal investigators on the study include: Mary Corcoran, Sheldon Danziger, Ariel Kail, Kristin Seefeldt, Kristine Seefert, and Richard Tolman.

RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

The Research Forum, an initiative of the National Center for Children in Poverty, hosted at the Mailman School of Public Health, Columbia University, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Research Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.

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the forum, August 2001, Vol. 4, No. 2

The newsletter appears four times a year, printed on recycled paper and accessible through the Web at: http://www.researchforum.org.
The Research Forum has been funded by the Annie E. Casey Foundation, Chase Manhattan Foundation, Eina McConnell Clark Foundation, George Gund Foundation, David and Lucile Packard Foundation, United Way of New York City, and U.S. Department of Health and Human Services. For further information write Research Forum on Children, Families, and the New Federalism, NCCP, 154 Haven Avenue, New York, NY 10032. Tel: (212) 304-7150, Fax: (212) 544-4200, E-mail: info@researchforum.org.
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