

Facilitating the Transition from Welfare to Work

“My daughter sees me every day doing my homework and going to school, and I am setting an example, and I know she’s going to follow in my footsteps.”

— Mother with young child, welfare recipients

Welfare Reform as WE Know It, Applied Research Center

The Data

- **More low-income single parents are now working.** Since the 1996 changes in welfare (TANF) rules that focus on time limits for support and work-first requirements for recipients, the most employable recipients have been moved off the rolls. Whereas in 1995 about 35% of women receiving public assistance were in the labor force, almost 57% were by 2000. (R. M. Blank & L. Schmidt, “Work, wages, and welfare” in *The New World of Welfare*, Brookings Institution Press, 2001)
- **While welfare caseloads have dropped, economic self-sufficiency remains elusive, and child poverty has risen.** Welfare leavers typically have low earnings, face high levels of job instability, and experience little upward mobility. Without assistance, their families continue to suffer economically. (*Before and After Welfare Reform*, Institute for Women’s Policy Research, 2003)
- **A weaker economy significantly affects poor families.** Since 2001, states have experienced slight welfare caseload increases, and Food Stamp receipt has risen significantly. (H. Rahmanou & M. Greenberg, *Welfare Caseloads Increase in 27 States...*, CLASP, 2004) The proportion of leavers who were working declined from 50% to 42%. (P. Loprest, *Fewer Welfare Leavers Employed in a Weak Economy*, Urban Institute, 2003)

The Issues

- **Barriers to employment confront welfare recipients.** Almost 90% have at least one of the following barriers: low basic skills (67%), substance abuse (5% alcohol, 9% cocaine or crack use), a health limitation (10%), depression (13%), or a child with a chronic medical condition or serious disability. (K.K. Olson & L. Pavetti, *Personal and Family Challenges to the Successful Transition from Welfare to Work*, Urban Institute, 1996)
- **Education pays off.** The factor that most increases the earnings potential of the poor is additional years of education. Yet only 1% of federal TANF resources are invested in education and training. (Applied Research Center, *Race and Recession*, 2002) Overall, the educational attainment of single parents declined under the work-first policies of welfare reform. (*Before and After Welfare Reform*, above)
- **Child care costs keep low-wage workers in poverty.** If child care subsidies were available, the poverty rate of working parents who also receive welfare would decrease from 52% to 34% and for families of single mothers not receiving welfare from 15% to 8%. (H. Hartmann et.al., *Survival at the Bottom*, Institute for Women’s Policy Research, 2003)
- **Place matters in moving from welfare to work.** Single mothers in central cities and remote rural areas face the greatest barriers to moving from welfare to work. Job access is the key factor for urban women, while job availability is the issue facing rural women. (M.G. Fisher & B.A. Weber, *The Importance of Place in Welfare Reform*, The Brookings Institution & Rural Policy Research Institute, June, 2002)

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Options for Philanthropy

- **Supporting successful practice and replication of promising interventions.** Research finds some negative effects of work requirements on adolescents whose parents are transitioning into the workplace. These youth perform less well in school, are more likely to repeat a grade, and are more likely to be suspended or expelled or drop out of school. (*“Welfare Reform and Children’s Well-Being,”* Poverty Research Insights, Fall 2004) Support for effective after-school programs to provide youth and their younger siblings with supervision and engagement may be valuable complements to programs focused on parents and work.
- **Underwriting policy advocacy for work supports.** The availability of health insurance and reliable child care are critical factors for keeping former welfare recipients in the workplace. Welfare leavers with access to health insurance and child care are less likely to return. (P. Loprest, *Who Returns to Welfare?* Urban Institute, 2002) *Improving the Economic Success of Families* (available from www.cssp.org) describes policy options for these and related concerns of low income workers.
- **Convening a “big tent” of stakeholders for effective state efforts.** As welfare strategies get fine-tuned, advocates tend to array in camps focused on work-first or education-first. Research shows that both job-search-first and education -first strategies are effective, but neither is as effective as both combined. The challenge is to find ways to maintain an employment orientation while opening the door to additional education and training. (*What Works in Welfare?* 2002, www.mdrc.org/Reports2002/TANF/TANF-Introduction.htm)

Key Resources

- **Welfare Information Network.** A clearinghouse for information, policy analysis and research related to welfare, workforce development, and other human and community services. (www.financeprojectinfo.org/win)
- **Manpower Development Research Corporation.** Research and policy analysis on welfare and barriers to employment. (www.mdrc.org)
- **Center for Law and Social Policy.** Research and policy analysis on welfare policy, workforce development, transitional jobs, and child well-being. (www.clasp.org)
- **Joint Center on Poverty Research.** Research, newsletters,
- policy briefs about welfare specifically and poverty more broadly. (www.jcpr.org)



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