

Welfare Reform and its Aftermath

Working After Welfare: How Women Balance Jobs and Family in the Wake of Welfare Reform. By Kristin S. Seefeldt, Kalamazoo, MI, W.E. Upjohn Institute for Employment Research, 2008, 171 pp., \$40/hardback.

Working After Welfare author Kristin S. Seefeldt, who holds a faculty research appointment at the Gerald R. Ford School of Public Policy at the University of Michigan as well as an assistant directorship at the National Poverty Center, begins her book: “Several years ago, *The New York Times* quoted a former executive who decided to stay home with her children as saying ‘Most of us thought we would work and have kids...But really we were kind of duped. None of us realized how hard it is.’” The *Times* article also acknowledged that a particular group of women—single mothers—posed an exception to any trend from paid work in the formal economy to staying at home with the children. Welfare reform beginning in 1996, along with other policy changes, helped fuel an increase in single mothers’ labor force participation as an intended consequence—from about 62 percent in 1995 to about 73 percent by 2000. The result for many single mothers, who tend to be far more likely to earn low wages and struggle to pay for child care than married mothers, was that reducing the number of hours they work was no longer a viable option.

According to Seefeldt, the policies that are in place to address work-family balance issues tend to benefit those who work in well-paid jobs. For example, the Family and Medical Leave Act of 1997 requires employers to provide up to 12 weeks of leave to certain classes of employees so that

they can perform certain caretaking responsibilities—however, that time is unpaid. Workers in low-wage jobs, particularly single mothers who are sole earners for their families, usually cannot afford lengthy absences without pay. And to qualify, employees must have been working in the job for at least 12 months. Higher than average turnover characterizes the low-wage labor market, so many mothers may not work in one job long enough to be eligible for unpaid leave.

A number of teams launched major research projects designed to track the well-being of those families affected by the change in social policy triggered by Welfare-to-Work. Barriers to work for low-income individuals typically included low education levels, spotty employment histories, health issues, and child care and transportation problems. And, compared to national samples of women, welfare recipients were more likely to suffer from depression and other mental health disorders and to have recently experienced domestic violence.

To help former welfare recipients maintain steady, secure employment, states began offering services ranging from transportation assistance and counseling for handling workplace disputes—support that might help workers keep existing jobs—to opportunities to participate in vocational training activities. The Women’s Employment Study—a collaborative effort among a multidisciplinary group of University of Michigan researchers—collected data from a sample of Michigan women who received cash welfare beginning in 1997, just after welfare reform was implemented in Michigan, until August 2003. They numbered 750 recipients, the majority of whom worked in any given month. For those who worked earnings did increase over time, although

many still did not earn their way out of poverty. Unstable employment patterns were characteristic of just about half of these workers. Most of the sample left welfare by 2003 and did not return. At the end of the survey just over two-thirds, 68.6 percent, were employed.

The results of the Women’s Employment Study regarding barriers to employment indicated that 29.9 percent of the women had less than a high school education/no GED, 13.3 percent had a learning disability, 13.9 percent had low work experience, 21.1 percent work skills barriers, 8.9 percent “work norms” barriers, and 14.7 percent had experienced prior discrimination—all considered “human capital” deficits. Among other employment challenges faced by those in this group, 64.6 percent had pre-school aged children, 41.8 percent had a child aged two or younger, 22.9 percent had a child with a health problem, 42.9 percent had a transportation barrier, 36.9 percent had a mental health problem, 16.0 percent faced domestic violence, 22.0 percent were involved in drug use, and 19.4 percent had a physical health problem. Many experienced more than one of these challenges.

Surveys by employers, most notably Georgetown professor and chief economist for the U.S. Department of Labor in the Clinton Administration Harry Holzer, showed that even entry-level job openings required high school diplomas and the ability to perform simple reading and computational skills. Yet many welfare recipients lacked these credentials. Another concern was that welfare recipients who had minimal work histories were perhaps not accustomed to the culture of work. Employers sometime look for a strong prior attachment to the labor market as a signal of the ability to perform a variety of job-re-

lated tasks or as a proxy for the ability to show up for work reliably.

Median hourly wage rates in 1997 were \$6.66 (in 2003 inflation adjusted dollars) and wage rates increased by 25 percent over the 1997–2003 study period, reaching a median of \$8.35 an hour by 2003. Many women held service jobs, such as cashiers in retail stores or fast-food outlets, janitors, or health care aides. The proportion of workers whose employers offered paid sick days, paid vacation days, and health plans and retirement benefits all increased over the 6 year period. Inflation-adjusted wages also increased modestly over the study period. In 2003, about 16 percent of the women made between \$10 and \$12 an hour compared to just 7 percent in 1997, and more women—17.3 percent—earned at least \$12 an hour. The percentage of women earning less than \$7 an hour fell from 53 to about 30 percent.

About 17 percent of women who started in a poverty-wage job ended in one, and about 25 percent started in a poverty-wage job and moved into a higher paying position. Thirteen percent of those working at the start were not employed in the 12 months prior to the 2003 interview. About a quarter of the workers, 26.1 percent, both began and ended in jobs paying above poverty wages. Just under a tenth (9.3 percent) moved from above poverty wages to a poverty-level job; similar percentages started in jobs above poverty-level wages but were not employed at all in 2003.

The reasons Seefeldt sees for women remaining in poverty-wage jobs:

1. Women with large families tend to stay in very low-wage jobs if the positions that pay better are less flexible in regard to scheduling. More children often mean greater challenges to achieving child care, particularly if that care must be with different providers.
2. Not knowing appropriate workplace norms: this could lead to issues with absenteeism; late arrival, extended breaks, and early departure; personality conflicts; and refusal to do tasks outside the “job description.”
3. Having previously experienced discrimination in the workplace increases the probability of staying in a poverty-wage job relative to moving up the ladder and to later unemployment. A worker discouraged about her prospects for obtaining a better job may not seek one out.

Seefeldt sees that many of the challenges faced by working mothers, whether they are the women who participated in the Women’s Employment Study or higher-paid executives, are generated by conditions inherent in the way American employment and educational institutions are structured. The Alfred P. Sloan Foundation, a leader in funding research on work and family, states that, “While the demographics of the

American work-force have changed dramatically over the last 30 years, the structure of the American workplace has not. It retains its full-time, year-round form, which no longer makes sense when most employees live in dual-earner or single-parent households (and often have considerable care-giving responsibilities).” This is also supported by the Bureau of Labor Statistics’ Time Use Survey data which show that, even when women work outside the home in two-gender households, they still usually carry the responsibilities of helping and caring for household members and purchasing goods and services.

Seefeldt makes a number of recommendations. She feels a shorter work-week and more generous leave policies could enable welfare mothers to get a better education and, simultaneously, encourage men to devote more time to family responsibilities. She also recommends additional funding for high-quality child care and a government policy of health care for all.

Working After Welfare, tapping into the quantitative and qualitative evidence gathered in the Women’s Employment Study of an urban Michigan county, offers valuable insights into how women who left welfare for work balanced job and family in the wake of welfare reform. I recommend it. □

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