

## Disconnected Families: No Welfare Benefits and No Job

Since the passing of *The Personal Responsibility and Work Opportunity Reconciliation Act*, known as Welfare Reform in 1996, many poor mothers left the welfare rolls and do not seem to have replaced their only source of income with other means because Temporary Assistance for Needy Families (TANF) is the only cash program available for many. Additional benefit programs may be available for persons who are elderly or have disabilities. This has become a concern for many advocates because of the economic hardship these families would face without public assistance and the likelihood that they may face multiple barriers should they desire to join the workforce and seek employment.

The Urban Institute recently released a report, *Understanding the Dynamics of Disconnection from Employment and Assistance* to examine the lives of what it refers to “disconnected” women. These disconnected women receive no income from either employment or TANF benefits. The study consisted 90-minute interviews with 29 unmarried women in Los Angeles and 22 in Southeast Michigan. According to the study, the Great Recession had economically devastated Southeast Michigan, and Los Angeles had a large Latino immigrant population. The study covered many aspects of the lives of the participants, but we will look at the main reasons for disconnection from employment and from TANF.

<http://www.urban.org/UploadedPDF/412393-Dynamics-of-Being-Disconnected-from-Work-and-TANF.pdf>

### ***Limited job opportunities and work experience kept women unemployed.***

*Dynamics of Disconnection* explained that women in Michigan cited the lack of employment opportunities in the area as being the main reason they were still unemployed. This is consistent with experiences of many other low-income mothers in many parts of the country as they realize that the jobs they qualify are low-wage jobs. The proliferation of low-wage service jobs is partly the result of the changing economy, where high paying jobs require advanced skills and educational attainment, which very low-income workers do not possess. It has been documented that the unskilled workers work in jobs that are physically demanding, pay low, do not provide benefits, and have unpredictable work schedules.



Workers who work in these occupations report housing instability, food insecurity, and challenge of accessing to public benefits. These hardships also affect the well-being of the children who live in these disconnected households as they even find it difficult to stay home when a child is sick. It is also common to see the very low-income unable to save from the meager earning they receive from these low-wage and part-time jobs. This pushes these families to not experience banking relationships but rather use alternative costly financial transactions. When the very low-income cannot have ends meet but need to supplement their incomes through loans, they become victims of predatory lending.

Another factor that limits work opportunities cited in the report is the length of time they had been unemployed. As the Great Recession took long to recover, workers with low skills experienced the longest duration of unemployment as employers find easy to fill needs with people with recent work history. During this time, the level of soft skills and work experience they had attained would erode, further impairing their employability. Some of the women reported that they had run out of unemployment benefits.

***Many immigrant women lacked working papers and English proficiency.***

It is no surprise that not having legal status in the United States would be a barrier to employment. *Dynamics of Disconnection* described instances in which employers took advantage of their circumstances to pay very low wage. Even those who had work experience did not fare well in the labor market. Although immigration status can be a barrier, a lack of skills and limited English proficiency would substantially diminish a person’s ability to obtain employment. In order to support their families some took odd jobs, like cleaning homes and cutting hair and selling food on streets, according to the report.



This study reports the employment barriers facing immigrant women in Los Angeles. Similar circumstances exist in other communities that experienced an influx of new ethnic populations and the accompanying economic hardship on families.

***Women struggled to balance caregiving responsibilities with employment outside the home.***

The report documents that many women had to make tough choices whether to seek employment or tend to children despite the foregone income and the material hardship. They also opted not to work until they young children are ready to start school. Their contribution to family earnings is missing. Women joined the workforce after the war as opportunities came when the economy expanded. However, the participation required balancing with family priorities.

The very low-income face a dilemma in choosing whether to stay home and care for a child or become employed. If they work and do not earn enough, the cost of care outweighs the benefits. On the other side, if they stay home and rely on unpredictable source of income, they face material hardship, and it is more likely that the children growing in those households mainly headed by single females would perpetuate the cycle of poverty, and enforce generational poverty.



***High child care expenses made working not worth it financially.***

“For women who did want to work, lack of affordable and reliable child care was a large constraint for women, particularly in Los Angeles,” the report authors write. Working in a low-wage job would not cover the growing cost of child care. Today’s care cost is even beyond the reach of two working parents much less of a single earner. The other challenge is the reliability of care. As described above, not only low-wage jobs do not pay enough to cover but also the unpredictable schedules make difficult to arrange care when needed. Some of the women in

the study did not trust unregulated care, and indicated that the caregiver without a notice would quit when they were expected to provide care.

The following statement from the report sums up the challenges these disconnected women face when it comes to child care: “Women also had issues arranging care with hours that matched jobs’ unpredictable or nonstandard hours, finding care for multiple children or children with special needs, and accessing public programs such as Head Start, prekindergarten, and child care subsidies, which had waiting lists.”



***Transportation was a significant barrier to finding and maintaining employment.***

“Transportation was also reported as a major barrier to working and retaining jobs, particularly in Michigan where public transportation was not a viable solution for many mothers because it did not reach available jobs, was infrequent, or did not run at necessary hours,” report authors write. It is common to see the very poor still concentrated in city centers, and rely on public transportation routes designed before employer landscape has changed. Many jobs, especially those in service industry, have moved to peripheral areas where rent is cheaper and taxes may be lower. Even when limited transportation exists, work schedules may not be aligned with it.

Operating their own vehicles for many low-income households is too costly as they face rising fuel, insurance, and maintenance costs.

**Disconnection from TANF Benefits**

The report cited several reasons for the TANF disconnection, including reaching the time limit the states set. Other participants the application process as cumbersome by requiring to provide documentation in order to qualify, and the long time one has to wait in the lobby to meet eligibility counselors. The report also cited confusion that if an applicant receives these benefits, it could disqualify them from other benefits such as SSI and child support. Misconception about these benefits is also widespread among immigrant women in Los Angeles. Other participants mentioned that they were not clear why their benefits were terminated. The stigma associated with welfare was another factor.

**How families coped material hardships.**

“In both sites, women implemented different strategies to manage financially” cite the report authors. When participants realized the difficulty in accessing TANF, it became apparent that families seek other less stringent but important to supplement their incomes. These included the Supplemental Nutrition Assistance Program (SNAP) and Women, Infant, and Children (WIC) benefits for those with young children. These benefits would allow families to use money saved, by not spending on food, for other purposes. Similarly, obtaining Medicaid assistance helped them cover health care costs and hence reduce further financial burden.

Working side jobs such as selling food, caring a neighbor's child informally, and cleaning homes provided extra intermittent income that allowed supporting their families. Subsidized housing and moving into cramped homes with extended family and relatives were ways to ease housing hardship as some of the women shared.

Despite help from some government benefits, relatives, and other sporadic sources, disconnected women experienced extreme poverty and constantly faced material hardships that related to housing instability, food insecurity, and inability to meet basic needs. They also incurred debts that they could not pay off, which push them deeply into extreme poverty.

Although the study addressed the material hardships women with no welfare and employment face, it however serves as an educational opportunity for those who serve similar populations in many communities. A challenge some providers face is the lack of deep understanding about the vulnerability of the very low-income, and the limitations of their options.

As the study has demonstrated, there were no clear interventions to resolve the hardships study participants face. However, programs that provide assistance need to carefully assess the source of the hardships documented in this study. From jobs perspective, lack of marketable skills, transportation, accessible to and affordable childcare, and stable and safe housing is a recipe for perpetual poverty to the children growing in those households.

Rather than chasing an elusive employment-based self-sufficiency, restoring public benefits that these households could be eligible for, and perhaps relaxing the welfare rules would be a good beginning. According to a report by the Urban Institute, *Addressing Deep and Persistent Poverty, A Framework for Philanthropic Planning and Investment*, strengthening or expanding public funded programs and services is among several approaches for addressing deep and persistent poverty. Housing assistance, SNAP, TANF, and Medicaid are among benefits available to families in deep poverty.

<http://www.urban.org/UploadedPDF/412983-addressing-deep-poverty.pdf>

In Tennessee, TANF is also known as Families First, and it is provided by the Tennessee Department of Human Services.

<http://www.tn.gov/humanserv/progserv.html>