

Barriers to employment, welfare time-limit exemptions and material hardship
among long-term welfare recipients in California.

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Poverty researchers in the United States are increasingly focused on the “disconnected poor”: families, typically headed by single mothers, who are neither working nor receiving welfare. Many of these families have timed out or have been sanctioned off the rolls. The labor market participation of very poor single mothers during the decade after welfare reform increased substantially, but even in periods of low unemployment, approximately 2.2 million single-mother households – raising between them 4 million children -- were “disconnected”.¹

A proposal attracting considerable interest is to create a program of short-term income assistance that would provide more intensive employment services, as well as strategies to address health, mental health and physical health problems, for these families. Disconnected parents’ employment barriers would be assessed, and based on that assessment they would be enrolled in this new and specialized temporary assistance program, and provided income supports and case management.

Like many other states, California has adopted a TANF program (CalWORKs) that permits a set of exemptions from the time limit similar to the eligibility criteria that have been proposed for a short-term non-welfare assistance program to aid very poor nonworking parents (see, e.g., Blank, 2007). These exemptions are for: a disabling (but short-term) physical or mental health problem; care giving responsibilities for a sick child or other family member; and a recent history of domestic violence.

Implementing a program of short-term welfare assistance for families with such barriers requires that welfare staff are able to accurately identify these cases. How accurately and completely California welfare staff have made these identifications is a central topic of this paper. The second part of the paper explores the impacts of barriers on earnings and on material hardships.

The data are from an evaluation of the CalWORKs welfare time limit. We link administrative welfare and UI data spanning three years collected from six counties that together capture more than half of California’s welfare caseload to a two-wave survey of a random sample of recipients (n=1080 for most of these analyses) selected from the administrative data, who were approaching the five-year welfare time limit.

¹ Blank and Kovak, 2007. Policy Brief: Helping Disconnected Single Mothers At www.npc.umich.edu/publications/policy_briefs/brief10/policy_brief10.pdf

Exemptions and Employment Barriers

A wealth of research has established that long-term welfare recipients are held back in the labor market by a number of barriers, including health problems, mental health difficulties, caregiving obligations, and domestic violence. Respondents to this survey follow this pattern, as the results in Exhibit 6 show. This table reports the prevalence at both survey waves of the eight employment barriers the survey explored. These are: whether the respondent's ability to work was limited by physical or mental health problems; whether s/he had at least two indicators of poor mental health other than work limitation due to mental health (including meeting criteria for clinical depression); whether her spouse or cohabiting partner was limited by physical or mental health problems; whether she was primary caregiver for a disabled spouse or other adult in the household; whether she had a disabled child for whom she was primary caregiver, or whose health problems interfered with her ability to work; or whether she had experienced an episode of domestic violence in the preceding year.

Several of these barriers are measured in the survey in multiple ways. We selected the measure that most strongly predicted reduced earnings or hours of work; that is, we attempted to identify measure that actually corresponded to the notion of a work barrier.² The estimated impacts on earnings and employment are reported later in the report.

We find remarkable consistency between the two surveys in rates at which the various problems show up, even though different people have those problems. Between one-third and half of respondents who had a problem in one year did not report it the next year (and conversely, one-third to one-half people with a problem in Wave 2 did not have it at Wave 1) but the overall prevalence of most problems changed very little from year to year. About one-quarter reported an employment-limiting physical health problem, one in six had an employment-limiting mental health problem and another one-third had a less severe mental health problem, one-quarter of spouses/partners had a work-limiting health or mental health problem, 11 percent had a disabled child whose condition interfered with work, another 11 percent had experienced recent domestic violence, and so on. More than half (56 percent) of the sample had at least one of these barriers at Wave 1. One-quarter (26 percent) had exactly one barrier, one-sixth (16 percent) had two, and one-seventh (14 percent) had three or four.

The prevalence of barriers fell modestly- but significantly – between the two waves, because of a decline in reported depression within the past year (where the depression was not serious enough for the respondent to consider it employment-limiting. Fewer respondents at Wave 2 than at Wave 1 reported depression had been depressed within the preceding year.³

² Earlier publications from this project used somewhat different definitions of barriers. Our choice to define barriers in terms of survey items that most closely predict reduced earnings is an attempt to provide an empirical basis for the definition of barrier.

³ The barrier measure of "other mental health problems" is constructed as a scale from a number of questions, and we defined a barrier as corresponding to a score of 2 or more. These questions include questions about anxiety, stress and depression, and include the CIDI diagnostic inventory for major depression in the past year. It is plausible that this apparent decline in recent or current depression is only an artifact of the time frame referenced in the question: the average time between interviews was 11, not 12 months, and respondents at Wave 2 probably

Exhibit 1
Barriers at Wave 1 and Wave 2

	Had barrier in Wave 1	Had barrier in Wave 2	Had this barrier in both waves	% of those with barrier in Wave 1 who also had barrier in Wave 2
Respondent's work is limited by physical health problem(s)	23.1%	25.1%	15.1%	67.8%
Respondent's work is limited by mental health problem(s)	15.3%	17.0%	9.3%	59.0%
Other mental health problems: Respondent had at least two indicators of poor mental health other than a report of work limitation due to mental health	32.8%	23.0%	14.7%	46.1%
Spouse/partner's work is limited by physical health problem(s)	6.7%#	6.6%#	4.0%#	60.5%
Spouse/partner's work is limited by mental health problem(s)	3.6%#	3.8%#	1.9%#	59.0%
Child has health condition that interferes with R's ability to work , or R is primary caregiver for disabled child	11.0%	10.6%	5.9%	49.7%
Any domestic violence in preceding 12 months	11.2%	8.4%	4.2%	37.0%
Respondent is primary caregiver for disabled spouse or other adult	4.6%	3.6%	1.5%	32.7%
At least one of these eight barriers.	56.1%	50.3%	38.3%	67.8%
Sample size	1552	1156		

*The prevalence of conditions among spouse/partners is reported for the entire sample; rates would be about three times higher if calculated only for the 34 percent of the cases who had a spouse or cohabiting partner.

The listed barriers potentially qualify recipients for an exemption from the time limit. Exemptions are important not only because they stop the clock, and thereby extend the time a family can receive a full-family rather than a safety-net grant, but also because a client who is identified for an exemption is likely to also be steered towards services to address the barrier. These might include health care and mental health care, domestic violence counseling, or, if disabling conditions are severe, support in applying for SSI or SSDI.

The report prior to this one explored the data on exemptions in some detail. We do not recapitulate that discussion here, but summarize only the key results. Approximately one-quarter (24 percent) of the people who in the survey reported barriers had received an exemption. (Of those who reported no barrier, 4 percent had an exemption, and half of these are domestic violence exemptions.) Reporting two or more barriers, or reporting a barrier at both Wave 1 and Wave 2 (which would suggest a more persistent and, perhaps, severe problem) have only a small impact on the chances of receiving an exemption.

thought about the period only since the last interview. In contrast, respondents to Wave 1 may have “telescoped”, reporting episodes of depression as if they were within the last 12 months when in fact they were more distant.

Counties vary widely in the rate at which they award exemptions. In fact, among those with a barrier at Wave 1, the strongest predictor of receiving an exemption is county of residence: this is more significant than (for example) whether the barrier persists to the Wave 2 interview, or whether the person has two or more barriers. Regression models show that cases with exemptions for disability or care giving are significantly more likely to continue on CalWORKs (and have higher grants) a year later than cases with no exemptions.

Exhibit 2 groups the six study counties into those with low rates of exemption, those with average rates, and those with high rates. The high-exemption counties exempt at more than double the rate of the low-exemption counties, a larger difference than the gap in exemption rates by type of barrier. Although domestic violence and care giving for children have lower exemption rates (at about 20 percent) than physical and health limitations (with exemption rates over 30 percent) these differentials pale in comparison to the gap between high-exemption and low-exemption counties.

Exhibit 2
Exemptions for Specific Barriers, by County Type

Percentage of respondents with an exemption for one of the three types of barriers, before the survey or up to six months after survey				
	All counties	Low-exempting counties	Mid-exempting counties	High-exempting counties
All surveyed cases	16.4%	10.9%	18.2%	23.7%
Respondent has at least one of the eight barriers.	23.6%	15.4%	24.8%	30.7%
Respondent's work is limited by physical health problem(s)	30.8%	26.5%	31.3%	42.4%
Respondent's work is limited by mental health problem(s)	30.5%	36.5%	24.5%	38.1%
Has at least one indicator of poor mental health other than work limitation due to mental health	22.1%	17.0%	23.7%	28.4%
Spouse/partner's work is limited by physical health problem(s)	33.7%	15.2%	23.9%	58.0%
Spouse/partner's work is limited by mental health problem(s)	34.7%	16.7%	25.0%	58.8%
Child has health condition that interferes with R's ability to work	19.7%	13.6%	26.1%	10.5%
Any domestic violence in preceding 12 months	20.8%	15.7%	22.4%	28.6%
Respondent is primary caregiver for disabled spouse or other adult	30.8%	21.4%	17.4%	55.6%
None of these barriers and no others identified	3.6%	0.8%	4.2%	0.8%

Sample size	1187	412	548	177
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The measures selected from the survey to identify the barriers are with average earnings and hours of work significantly lower than those without the barrier in simple bivariate comparisons,, some of which are shown in Exhibit 3. That table reports average earnings and hours for cases with and without various barriers at Waves 1 and 2, separating single parents from couples and matching the Wave 1 barriers 1 to outcomes at Wave 1, and barriers reported at Wave 2 to outcomes for Wave 2.

Exhibit 3
Average Earnings and Work Hours,
for Groups with Barriers

	Single in both waves				Married./cohabiting in both waves			
	Wave 1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2
	Average monthly earnings		Average weekly work hours		Average monthly earnings		Average weekly work hours	
Averages for entire sample	\$302	\$386	12.3	13.4	\$702	\$946	24.7	30.2
<i>No barriers: Respondent's work is not limited by any of the following barriers:</i>								
Earnings and work hours:	\$384***	\$488***	15.4***	16.3***	\$849***	\$1081***	29.1**	34.8**
<i>Respondent's work is limited by at least one of the eight barriers:</i>								
Earnings and work hours:	\$244***	\$313***	10.0***	11.3***	\$579***	\$838***	21.0**	26.4**
<i>Selected types of Barriers:</i>								
<i>Respondent's work is limited by physical health problem(s)</i>								
Earnings and work hours:	\$206***	\$208***	8.1***	8.3***	\$325***	\$750(*)	18.5**	24.4*
<i>Respondent's work is limited by mental health problem(s)</i>								
Earnings and work hours:	\$146***	\$147***	5.9***	6.2***	\$315***	\$612*	19.6*	20.1**
<i>Respondent had two or more indicators of poor mental health other than a report of work limitation due to mental health problems</i>								
Earnings and work hours:	\$217***	\$220***	9.3***	10.1***	\$550*	\$945	23.9	30.7
<i>Spouse/partner's work is limited by physical health</i>								
Earnings and work hours:	--	--	--	--	\$510*	\$468***	16.8***	17.6***
<i>Spouse/partner's work is limited by mental health</i>								
Earnings and work hours:	--	--	--	--	\$329***	\$430***	14.1***	17.2***
Sample size	800	803	802	803	292	292	296	296
Exempted cases (almost all of whom have barriers) :								
<i>Exempted for disability</i>								
Percent with this exemption	10%				14%			
Earnings and work hours:	\$120***	\$105***	3.9***	6.0***	\$357**	\$575**	15.1***	21.0*
<i>Exempted for care giving</i>								
Percent with this exemption	3%				3%			
Earnings and work hours:	\$125*	\$106**	5.5*	5.2**	\$215**	\$195***	14.4 *	8.8***
<i>Exempted for domestic violence</i>								
Percent with this exemption	4%				3%			
Earnings and work hours:	\$364	\$191*	12.3	8.6(*)	\$828	\$1166	30.6	38.1

<i>Exempted for being Cal-Learn/high school student, age>=60, non-parent caregiver</i>								
Percent w/ one of these exemptions	1%				2%			
Earnings and work hours:	\$171	\$413	6.1	11.9	\$615	\$1155	29.9	41.3
Sample size	570	570	570	570	212	212	226	226

In Exhibit 4, the impacts of barriers on employment outcomes are estimated using multivariate models that control for demographic traits, county of residence and other (non-welfare) income.

Exhibit 4
Regression Estimates of Impacts of Barriers on Earnings and Work Hours

	Impact on Monthly After-Tax Earnings (including partner 's if married/cohabiting)		Impact on Weekly Work Hours (including partner 's if married/cohabiting)	
	Model 1: barriers and demographics	Model 2, including exemptions	Model 1: barriers and demographics	Model 2, including exemptions

	Wave 1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2
Average monthly earnings; average weekly work hours	\$413	\$543	\$413	\$543	16.6	19.7	16.6	19.7
Exempted for being Cal-Learn/high school student, age>=60, non-parent caregiver	--	--	-\$100	\$152	--	--	-0.6	5.8
Exempted for disability, caregiving, domestic violence	--	--	-\$93(*)	-\$175**			-5.0**	-5.5**
Respondent's work is limited by physical health problem(s)	-\$121**	-\$94(*)	-\$110**	-\$78**	-5.0***	-4.3**	-4.4**	-3.8*
Respondent's work is limited by mental health problem(s)	-\$139*	-\$138*	-\$135**	-\$132*	-4.7**	-5.4**	-4.5**	-5.2**
Had two or more indicators of poor mental health other than report of work limitation	-\$63(*)	-\$61	-\$58	-\$58	-1.8	-2.0	-1.5	-2.0
Spouse's work limited by physical health problem(s)	\$27	-\$315**	\$51	-\$211(*)	-5.4(*)	-8.5*	-4.3	-7.2*
Spouse's work limited by mental health problem(s)	-\$268*	\$94	-\$265*	\$84	-4.0	2.4	-3.8	2.1
R is primary caregiver for spouse or other adult in household	-\$29	-\$224(*)	-\$29	-\$265**	3.7	-4.4	3.7	-4.0
Child's disability/limitation requires R as caregiver or interferes w/R's ability to work	-\$6	-\$191**	-\$8	-\$186**	-0.7	-4.0*	-0.8	-3.8*
Any domestic violence in preceding 12 months, single	-\$90(*)	-\$21	-82(*)	-\$21	-2.6	-0.3	-2.1	-0.2
Any domestic violence in	-\$22	-\$106	-\$29	-\$103	0.0	13.4*	-0.6	13.5*

preceding 12 months, couple								
Sample size	1176	1144	1176	1144	1038	1026	1038	1026

Barrier as measured in Wave 1, if (Wave 1 models; as measured in in Wave 2, if Wave 2 models. All factors entered simultaneously Other covariates: County of residence; demographic variables (race/ethnicity, childrens' number and ages, language of interview, immigrant status, education level, married/partnered); amount of own other (non-welfare) income, spouse's other (non-welfare) income, and child support in Wave 1 OR in Wave 2.

Stars indicate that mean is statistically different from the group without that characteristic.

*** p<.001 ** p<0.01 * p<0.05

Once again, the consistency of findings across the two survey waves is remarkable, at least for the more frequently-reported barriers: health and mental health limitation of respondent. . As noted earlier, average earnings and hour worked were higher at Wave 2 than Wave 1, and this is also true for cases with barriers. However, average earnings were some 36 percent lower at both waves for single parents with barriers (compared to those with no barrier) and slightly less, by 32 percent (Wave 1) or 22 percent (Wave 2), among couples where at least one had a barrier. Among all the barriers, mental health problems apparently had the greatest impact on earnings.

Because of the very high correlations between some of the variables (especially between mental health and physical health work limitations for respondents, and for spouses) some variables are non-significant, and some have implausible signs. Nevertheless, the regression estimates overall provide a convincing supplement to the comparisons of raw differences in means. The fact that so many of the barriers show large and significant signs even when included in a regression model with other barriers and with exemption information suggests that each barriers captures a different dimension of labor market difficulties.