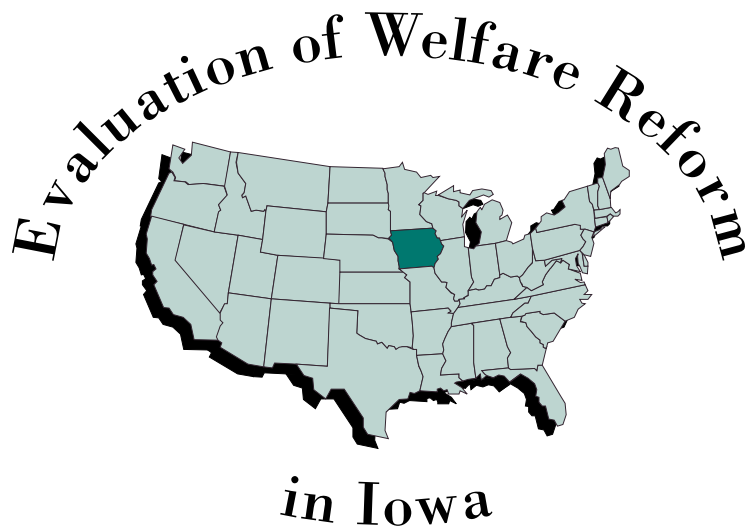


WORK AND WELFARE

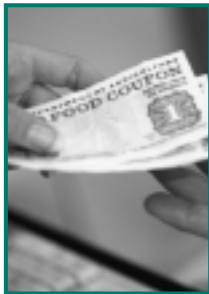
IOWA FAMILIES TELL THEIR STORIES



MATHEMATICA
Policy Research, Inc.

WORK AND WELFARE

Iowa Families Tell Their Stories



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I. WELFARE REFORM IN IOWA: THE FAMILY INVESTMENT PROGRAM

Throughout the 1990s, states have been transforming their welfare programs to downplay income maintenance and emphasize the transition to employment and self-sufficiency. In October 1993, under waivers from the federal government, Iowa replaced its cash assistance program, Aid to Families with Dependent Children (AFDC), with the Family Investment Program (FIP). FIP promotes employment and self-sufficiency by providing employment and training services, requiring participants to develop and fulfill plans for self-sufficiency, and imposing consequences for families that do not take mutually agreed upon steps (such as engaging in job search activities) towards self-sufficiency. When the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 replaced AFDC with Temporary Assistance for Needy Families (TANF) nationwide, FIP became Iowa's TANF program.

Under most TANF programs, people who receive cash assistance must work or perform community service within two years, and families cannot receive cash assistance for more than five years. In

Iowa, adult FIP recipients who are capable of working must begin participating in the PROMISE JOBS program immediately after their eligibility for cash assistance is verified, and must meet with their caseworker to develop and carry out a plan for achieving self-sufficiency. The PROMISE JOBS program is designed to increase employment and training opportunities for FIP recipients. Only adult FIP recipients who are disabled and 16-19 year olds who are not parents and who attend school full-time are exempt from PROMISE JOBS.¹

To help FIP recipients move from welfare to work, the state disregards a greater percentage of earnings from employment in determining eligibility and benefits under FIP than under AFDC. It also disregards the cost of verified child care for employed FIP recipients. In addition, former FIP recipients who obtain employment can receive up to two years of transitional child care assistance (rather than one year under AFDC), and subsequently may receive Child Care Assistance from the state as long as they remain income eligible.² Current and former FIP

¹Parents caring for newborns are not exempt, but may revise their self-sufficiency plan to account for their situation.

²In July 1999, Iowa implemented a seamless child care program which combined four previous child care programs (the FIP Child Care Disregard, PROMISE JOBS Child Care, Transitional Child Care, and Child Care Assistance) into a single program called Child Care Assistance (CCA). This program established one set of requirements for all families receiving child care assistance from the state. CCA is available for any length of time to those families meeting the eligibility requirements. Current FIP recipients are automatically eligible for CCA, but their child care provider must be approved by CCA and must meet CCA health and safety requirements.

recipients who meet income eligibility requirements and apply for benefits can also receive Food Stamps and Medicaid. Transitional Medicaid benefits are available for former welfare recipients who are working and earning income above what would normally make them eligible for Medicaid. Transitional Medicaid is available for 12 months for families who received assistance from the Family Medical Assistance Program, part of Iowa's Medicaid program, for three out of the six months prior to when their earnings made them otherwise ineligible for Medicaid.

As a result of FIP, many welfare recipients in Iowa are working. In 1998, the employment rate among welfare recipients in Iowa—that is, the percentage working at least 20 hours per week—was 56.9 percent, the fifth highest in the nation. In addition, many recipients in Iowa are finding jobs and leaving welfare all together. Between January 1994 and December 1998, the FIP caseload dropped by 44 percent, from 39,536 to 22,153 people. But while many families are moving from welfare to work, little is known about what this transition really means in terms of the well-being of current and former welfare recipients and their children.

In May 1998, the Iowa state legislature appropriated funds for a study to examine the

effects that moving unemployed FIP parents into jobs has on the well-being of children, parents, and families. How is employment affecting parents' self-esteem? How is it affecting family relationships—especially between parents and children—and family functioning? Has employment affected children's educational achievement or families' use of supportive social services? This report, prepared by Mathematica Policy Research, Inc. (MPR) for the Iowa Department of Human Services (DHS), presents the perceptions of parents and children in current and former FIP families on these important issues.

This report is based on in-person interviews, or case studies, with 16 families regarding the transition from welfare to work. One of our goals in conducting the case studies was to help us design a survey of approximately two hundred and fifty Iowa families that will be conducted in the winter of 2000. The case studies, however, yield data that are very interesting and useful in their own right. This brief report presents our analysis of the case study data. The data provide insight into the range of experiences as families move from welfare to work. However, because the sample size is small, the case study data cannot indicate the extent to which other families moving from welfare to work share these experiences. A more extensive subsequent report will present findings from the pending survey of welfare families and will provide information on the prevalence of experiences reported here.

II. THE STUDY OF WORK AND WELFARE

Data for the case study component of the Study of Work and Welfare came from semi-structured in-depth interviews with 16 current and former FIP families. The goal of these case studies was to learn—directly from newly employed parents and their children—what working means for family well-being. To achieve this goal, we interviewed only families in which there was a parent who was on FIP and unemployed in the summer of 1998 (June, July, and August) and who gained employment in the fall of 1998 (September, October, or November). All parents interviewed had been unemployed for at least three months in a row before gaining employment. We defined employment as working at a regular, unsubsidized job for pay for at least 20 hours per week.

We used a purposive sampling process to select families for the case studies; consequently, findings from the case studies cannot be generalized to the entire population of current and former FIP recipients who gained employment in the fall of 1998. We used state administrative data to identify FIP parents in selected counties—urban and rural—throughout Iowa who met our employment criteria. We then called these parents and administered a brief questionnaire to them to verify their employment

status and seek their participation in an in-person interview. To encourage participation, we offered a \$50 incentive payment to all families who completed an in-person interview. Among those who agreed to participate, we selected a group of families that would represent a range of employment experiences (some who were still employed and off FIP at the time of our call, some who were still employed and on FIP, and some who were no longer employed). We also selected families so that our sample would include a mix of parents whose youngest child was under age 3, age 3-5, age 6-12, or age 13-17. Though the sex of the parent was not a factor in selecting families, all parents in our sample were women.

Case study interviews occurred in March and April of 1999. Whenever possible, we attempted to interview children in addition to their parents. Most interviews lasted approximately 60-90 minutes and took place in the family's home (a few participants preferred to be interviewed in a public location in their neighborhood). A simple protocol consisting of six general topics provided structure for the interviews, which were tape-recorded and then

transcribed. This report is organized around the four themes that emerged from the case studies:

- **Employed parents with standard work schedules often spend less time, but higher quality time, with family members.**
- **Support systems—family members, colleagues, and government assistance programs—make work more possible for low-income families.**
- **Employment usually improves financial well-being, but most families still have difficulty making ends meet.**
- **Work can be physically demanding, but it is also emotionally rewarding.**

While these themes capture, to a great extent, the effects of moving from unemployment to employment on family well-being, we have also developed “vignettes” of selected participants’ experiences to enrich the reader’s understanding of how families experience the transition from welfare to work. These vignettes convey the nuances and richness of participants’ experiences. Names in the vignettes have been changed to protect the confidentiality of study participants.



III. EMPLOYMENT AND FAMILY RELATIONSHIPS

Employed Parents with Standard Work Schedules Often Spend Less Time, but Higher Quality Time, with Family Members.

Employment improves the relationships that most FIP parents participating in the case studies have with their children and other family members. Family relationships improve because work adds more structure to family life; gives parents more concrete goals, activities, and responsibilities; and requires parents to develop and use good interpersonal communication skills. Work is more likely to strengthen family relationships when mothers work standard, weekday hours. It can strain family relationships when mothers work evenings, weekends, or overtime. Among the 16 parents we spoke with, 4 worked most recently at full-time jobs, and 12 worked most recently at part-time jobs of no more than 30 hours per week. Twelve worked standard, weekday hours at their most recent jobs, and four regularly worked on evenings and/or weekends.

Standard work schedules usually enhance family relationships.

Work usually strengthens family relationships when mothers work standard hours. A standard work schedule makes for a more stable family routine that is in sync with routines for school and most commercial day care providers. A standard schedule also gives mothers and preschool children a break from being together around the clock so they are less likely to get on each other's nerves, and mothers tend to be more patient with their children. Although working mothers usually have less time with their children, they can share the same morning and evening routines with their children and they feel they spend higher quality time with their children. In the words of some working mothers:

“Well, I guess why I like to work is because it gets me away from my kids. Now that can sound bad, but I would rather have quality time with my children than a lot of time with my children.... I can go to work and we both come home at the same time. They're happy to see me and I'm happy to see them....I take a break working, which makes us money and gives us a break from each other.”

“Since I’m not there all the time like I used to be, I really try to do more stuff with her.”

“When I had more time with them I didn’t do as much with them, because I was just back to not feeling good about myself, and that does a lot to a person.”

“I find myself helping with homework more. And once again teaching them responsibility. Because I have responsibilities and it’s time the kids have their own responsibilities. So I just kind of guide them.”

By working, mothers in our case studies earn greater respect from their children, parents, grandparents, and siblings. Other family members are also often more supportive when mothers work and tell the mothers they are proud of their accomplishments and their efforts to overcome the obstacles they faced in finding a job. Working mothers also find that the interpersonal skills they developed to succeed at work have resulted in better interactions at home. They also have more to bring to their relationships with their children, sharing their thoughts and feelings about their work activities, experiences, and responsibilities. By taking steps toward self-sufficiency, the women feel that they are setting a good example for their children. Some mothers explained:

“I’m dealing with professional people at work. So I think I’m learning to handle situations a little better at home . . . instead of yelling at [my son] I’ll sit him down with me and say, ‘You know, this is why we can’t do these things.’ You know, more rational, more reasoning.”

“I’ll tell them about my day, and they’ll tell me about their day, and we compare.”

“We talk more than we did before.”

“My goal is to be self-sufficient. It’s something I want to do, not only for myself, but for my son. I can show him that life is what you make it.”

Work often adds structure to family life.

When they were not working, many mothers told us that they were not very productive—that they did not use their time well. They often slept late and did not feel motivated to do very much. Some were depressed and felt sorry for themselves; and because they were depressed, they did not interact with their children as much as they did after they started working. In the absence of work and a family routine, the children were not expected to be in bed at a certain time, so some stayed up very late. When the mothers began working on a regular schedule, they noticed that the routine added structure to family life. Children who were staying up late started going to bed at an earlier time on a regular basis. This allowed them to get at least eight hours of sleep and wake up early enough to get ready for school or daycare. As some mothers said:

“...whereas now everybody knows their place in life and what they do and stuff like that. The kids know that every morning they get up early and they go to [their babysitter’s] house. They come home and they go to bed at 9:00...Before [my son] used to stay up to 11 or 12 o’clock at night.”

“You get up, you get moving, your metabolism gets started. I get more done. When I come home from work, I get things done. I can spend time with the boys. We can go do things...We play games...”

“It was a free for all before...I was not happy with myself and I just kind of let [the children] go wild...but things are more structured now. Getting myself together into a routine has just brought us together to the point where we work well together again, and we’re a family and we were a mess before.”

“I’m more awake because I’m actually doing something instead of just cleaning up after a three-year-old...It keeps me more in a routine. So I’m more awake.”

Irregular, weekend, evening, and overtime work schedules can strain family relations and routines.

The mothers who work weekend, evening, and overtime hours or who have work schedules that change every week feel that their work schedule strains their relationships with their children and other family members because it conflicts with the schedules of their children. For example, mothers who work during the evening catch up on sleep during the day when they could be spending time with their children. The routine mothers must maintain because of nonstandard work hours is usually out of sync with their children’s routine for school hours. Furthermore, it is more difficult to find childcare during the evenings and weekends than it is during standard weekday hours. Consequently, some mothers rely more heavily on other family members for child care, putting even more stress on these familial relationships. As some mothers said:

“And I get back to [town] after work at 12:30 or 1:00 [in the morning]. So I just grab him from the babysitter, take him home and put him back to bed and then get him up 5 hours later. I don’t think that’s good.”

“I think my Mom is getting more stressed out...I can’t expect my 75-year old mother to watch my two kids all day, everyday.”

“They want me to stay home...‘Don’t stay late at work tonight mom. Come home.’”

When one child was asked whether or not he likes his mother working (his mother occasionally needs to work overtime to meet deadlines), he replied:

“I like it, but in another way I don’t like it because a lot of times she’s late, and I like her being home at the regular time.”

Parent’s employment has affected their children’s behavior in a variety of ways.

Many of the mothers in our case studies feel that work has had no effect on their children’s behavior. Others believe that work has improved their children’s behavior, and still others believe that their behavior has become worse. For example, one mother said that her children help around the house more since she started working because they realize that she has less time at home to do all the household chores. Another mother said that her son’s performance in school improved soon after her work schedule changed from the graveyard shift to standard hours. Two mothers had this to say about their experiences:

“If mom’s home, mom can do it. I think that they’re better about helping out.”

“I had a teacher actually call me and say that [my son] was doing really well now.”

Some mothers told us about the adverse effects of work on their children’s behavior. They attribute

the poorer behavior to two main factors: work has left them with very limited time to spend with their children, and their children learn bad behavior at day care. Three mothers expressed the following concerns:

“We were not getting any time together. We weren’t getting any special time. We didn’t go anywhere. I went to work. I took care of the baby, and I slept, and that’s about all I managed to do....Their school work went down. They started having problems at school. They started fighting with each other.”

“He doesn’t listen to me as well as he used to....when I go to work then he kind of gets a little upset....He was really getting developed on certain things and it has slowed down because I have switched hours.”

“[My daughter] just got an attitude problem. She’ll roll her eyes and she’ll come up and hit me sometimes. Or when I call her she’ll just turn me off and go do something else. So, yeah, its changed a lot since I began working. I attribute that to her being in child care.”

CAROL: HER FAMILY'S WELL-BEING IMPROVED DRAMATICALLY AFTER SHE BEGAN WORKING STANDARD HOURS

Carol is a divorced mother of four children, ages 8 months and 4, 11, and 12 years old. She has a degree in Industrial Maintenance from a community college. She works full-time (40 hours per week) as an engineer for a hotel from 8:00 AM to 4:30 PM on weekdays and earns \$9 per hour. Before working at the hotel, she was an engineer for 3 months at a bakery, working midnight to 8:00 AM, and making almost \$12 per hour. Carol was not receiving FIP cash assistance at the time of the interview.

Carol believes that working standard hours is much better for her family than working the graveyard shift or not working at all. When Carol was unemployed and on FIP, she felt depressed. Her primary activities were sleeping and cooking for her children. She did not take her children anywhere, did not have good bathing habits, and did not clean her house or maintain her yard. Because Carol felt depressed, she did less with her children even though she was at home full time: “I did a lot less when I should have had a lot more time.”

Carol started looking for a job after she received a letter from PROMISE JOBS telling her that she would have to attend classes on how to find a job. Carol decided that looking for a job would be better than sitting in a class about how to find a job. She found the job at the bakery within a few weeks. Although the job at the bakery paid very well, her hours (midnight to 8:00 AM) were taking a toll on her family life. Carol spent very little time with her children because her routine was completely out of sync with theirs. Carol needed to sleep or take care of her baby while her other children were awake. Because their mother was not available, the children began to get bad grades in school and they started fighting with each other: “Midnight to 8 AM—my kids are falling apart!”

Carol realized that her children needed her attention, so she found a job with standard hours. Once she began working standard hours at the hotel, the quality of her life and her family's life improved dramatically. Carol began feeling better about herself, and she had more energy. Her colleagues like her work and have given her a lot of responsibilities. “Now that I'm at this job, there's not anything there I can't do.” Carol is spending more time with her children—reading, playing games, and watching television. Within three weeks after she changed jobs, one of her son's teachers called to tell her that her son was doing really well in school. Since her income is higher than when she was on FIP, she is also preparing nicer dinners for her children than she was before she went back to work.

Even though Carol works full time and earns substantially more than the minimum wage, she still has trouble making ends meet. To get by, Carol relies on child care assistance from the state, Medicaid, her family, and charitable organizations. Without this assistance, Carol would not have been able to return to work. With help from a state program Carol pays about \$5 per day for daycare. Carol's mother has often loaned her money for house payments and car repairs, and her sister lets her use a credit card to purchase gas. Since she is enrolled in Medicaid, she does not have to pay a high premium to enroll in the health plan offered by her employer. To save money on items for her baby, Carol “shops” at the Salvation Army.



IV. EMPLOYMENT AND SUPPORT SYSTEMS

Support Systems—Family Members, Colleagues, and Government Assistance Programs—Make Work More Possible for Low-Income Families.

Many FIP mothers we interviewed owe their ability to work, manage responsibilities at home, and provide for their children largely to the vital support they receive from family members, colleagues, and government assistance programs. These supports can help low-income families break through the two most often cited barriers to work: the absence of affordable and reliable child care, and lack of transportation. The family members of many of the women we spoke with provide low-cost or free child care, purchase diapers, and provide loans to help the women maintain and operate the cars they use to travel to work. Families are also an important source of emotional support and encouragement. To help make ends meet, several FIP families also receive free or low-cost housing from their families as

well as food stamps, child care assistance, and Medicaid from the government. In addition, support and positive feedback from their colleagues at work are a major source of job satisfaction.

Parents who receive the support they need at home and at work are more likely to remain employed. Those who do not tend to cycle in and out of jobs. At the time of the interview (spring 1999), six of the 16 mothers in our case studies were working in the same job they had obtained in the fall of 1998; six were working in their second job; three were no longer employed; and one was no longer employed, but attending school. Many of these mothers were unemployed or working in their second job because they did not receive all the support they needed while they were working at their first job. For example, some mothers resigned or were fired from their first job because they could not find reliable or quality child care, they did not have reliable transportation to work, or they did not have good relationships with their colleagues at work. The instability of employment for many FIP parents has implications for family well-being and underscores the need for support services as they transition from welfare to work.

Affordable, reliable, and quality child care is critical to finding and keeping a job.

Finding affordable, reliable, and quality child care is one of the biggest obstacles faced by many low-income mothers. It is especially difficult for mothers who have children with special needs and mothers who work irregular or nonstandard hours. Several families receive financial assistance for child care from the state; without it, they would not be able to afford decent child care. Some receive free or low-cost child care from their parents. Parents with school-age children who have part-time jobs that coincide with their children's school hours are fortunate in this regard: they do not need child care. Two mothers had this to say about their experiences:

“Right now PROMISE JOBS is paying for daycare or else I could never afford childcare ... They can right now, run you, for... a baby, about oh, between \$3 and \$7 an hour. And for somebody [my son's] age [2-years old], about \$4 to \$8 per hour... I can't afford that... It's hard to afford childcare when you're on welfare unless you get help through the state, or PROMISE JOBS, or school or something.”

“I don't need child care. I'm at work when she's in school. I can pick her up and drop her off.”

Even if mothers can afford child care or if they receive state help to pay for it, some have difficulty finding reliable and quality child care. One mother found numerous unacceptable day care centers. Another lost her job because she could not find reliable child care. Here is what two working mothers said:

“All the other day cares that I can take them to have child abuse on their records.”

“I just didn't like that [the child care provider] would call me on my job, you know. Because my boss started getting on me about the calls... I was trying to look for another child care provider. But, with everything else going on, I had to wait a week and my boss said I couldn't miss another day. So I had to let [the job] go. Or he was going to let me go.”

Employed parents greatly value continued access to food stamps and Medicaid.

Food stamps and Medicaid are an important, and often necessary, source of support for families leaving welfare. Food stamps guarantee these families some food during the month, freeing up funds for other bills, such as rent and utilities. And in the absence of employer-sponsored insurance, Medicaid covers care for otherwise very costly conditions, including injury, acute illness, and such chronic conditions as attention deficit hyperactivity disorder that require constant treatment. Like most parents moving from welfare to work, most of the parents we spoke with do not have access to employer-sponsored health insurance because they work in low-wage and/or part-time jobs where health insurance is not a benefit. The few parents who do have access to insurance coverage through their employer often do not enroll because they cannot afford the premiums. Several mothers expressed concern that they might lose eligibility for Medicaid in the near future. Some were concerned about losing eligibility because of increased income or nearing the end of their transitional medical assistance. However, one

mother incorrectly assumed that time limits on cash assistance also apply to Medicaid, and a few incorrectly assumed that leaving FIP renders one ineligible for Medicaid. As some mothers said:

“We get a little over \$100 a month in food stamps. That really helps...We never know exactly how long the food stamps will last because we don’t get checks. We worry about that but we figure just tighten the belt. More than that we worry about the medical part and when that will run out.”

“My kids are still on Medicaid as a supplement to pick up the slack...I’ve got an incredible medications bill between the three of us, with the blood pressure and the psychological problems and the ADD [attention deficit disorder]. We’re on about \$300 of medication a month.”

“Welfare is not that important. I mean it is because I like the medical. The medical, I love the medical.”

Family is an important source of financial and emotional support for employed parents.

Financial help, child care, and emotional support from family members are the most important supports the FIP families in our case studies receive outside of state and federal government assistance programs. Many FIP parents described the extensive financial assistance they receive from other family members in the form of loans, diapers, transportation, and free or low-cost child care and housing. A few mothers initially heard about their jobs from another family member. Family members also provide encouragement and positive feedback, and tell the mothers that they are proud that they are working. A few mothers said that the support they received from their

families increased after they started working. In the words of some working mothers:

“I’m just thankful that my mom and dad let me stay with them. Otherwise, I would be in a grim situation to tell you the truth.”

“I live with my mother-in-law...I pay \$200 a month. But if I was to live on my own, it would be \$450-\$525.”

“I’ve had family members that took care of my son a lot of times without pay...the farther I’ve gone, the more support I’ve gotten.”

The FIP families we spoke with generally receive less support from community-based organizations, neighbors, or friends than they do from their families. A few mothers described the help they receive from the Salvation Army, their church, or child development centers like Family Connections. Most mothers who used such community organizations at some point relied on them less after they became employed. Some mothers have neighbors or friends who take care of their children while they are at work or who give them emotional support. However, many of the mothers do not rely on neighbors or friends at all for support. Some mothers explained:

“I don’t have no friends...Neighbors? No, we just say, ‘Hi,’ ‘Bye,’ and ‘How you doing.’ It’s nothing else...Since I have a daughter now, it’s been a lot of support [from my family]...they help out watching her...they buy her clothes and stuff...[My family] is very supportive.”

“I’ve got a Salvation Army card that’s like \$35 credit now, where you can go and use it to buy stuff. I need to go and get [my daughter] a baby bed... There is a church...that helped with my electric and gas bill.”

“Actually, I haven’t been to the food pantry in a long, long time. They have a [pantry] here that gives you diapers and stuff like that. I haven’t been there in...months. And I pride myself on that.”

Positive relationships with colleagues can facilitate the transition from welfare to work.

When we asked the 16 parents what they most enjoyed about working, the overwhelming majority said that they like their colleagues and customers. For these mothers, a supportive work environment makes going to work fun and gives them a great deal of job satisfaction. They enjoy the interaction with their colleagues and supervisors, who give them positive feedback and help them learn how to do their jobs. Here is what some working mothers said:

“I like the person I work with...Time just flies with her, you know.”

“Actually, I was talking with the nurse manager yesterday morning after work and she was very supportive. She told me that the staff was very glad to have me. Told me I’ve done a wonderful job and just really inspired me.”

“[My colleagues] told me to just do my best and to do the job the best way I can do it...They give me a positive outlook and say, ‘If you make a mistake you can do it again’...[my supervisor] points me in the right direction. She doesn’t expect any more of me, just do the best I can.”

“[My colleagues] are very helpful. One of them has been there for five years. One has been there for one year, so it’s pretty fresh in their memory what it was like to be the new one.”

GAIL: HEADING TOWARD SELF-SUFFICIENCY WITH SUPPORT FROM FAMILY MEMBERS, GOVERNMENT PROGRAMS, COMMUNITY-BASED ORGANIZATIONS, AND COLLEAGUES

Gail is separated from her husband, who is the father of her 7-year-old son. She works about 26 hours a week at a hospital as a licensed practical nurse, earning \$10.56 per hour. In addition, she is a full-time nursing student at the local community college. She works 12 hour shifts on Fridays and Saturdays from 7:00 PM to 7:00 AM. Sometimes she works from 3:00 PM to 11:00 PM on Thursdays or Fridays. Gail moved to Iowa from Indiana two months before she started working. Since living in Iowa, Gail has cycled on and off of FIP several times and was receiving a small cash grant from FIP at the time of the interview. Her goal is to become self-sufficient.

Gail has been able to take the first steps toward self-sufficiency with assistance from her family, government programs, community based organizations, and colleagues. One of her biggest challenges since she began working is finding child care. It is expensive, and it is not readily available during her nonstandard working hours. Her family has been a tremendous help by watching her son free of charge. Her husband takes care of their son when he is not working and helps pay for a babysitter when he is not available. If Gail is at work when her son needs transportation to school, her husband picks up their son and takes him to Gail's sister's house where her sister gets him ready for school. Gail's mother has traveled from Indiana to Iowa just to take care of her grandson so that Gail could work or attend clinics. In addition to providing child care, Gail's family has given her a great deal of emotional support and has told her that they are very proud of her.

Gail has barely been able to get by financially. She has relied on financial assistance from several government agencies and community-based organizations. A housing program pays about 60 percent of her rent. She receives food stamps, which have sometimes made the difference between eating or not. She is enrolled in Medicaid, which supplements the health insurance coverage she receives through her employer. A crisis center has supplied Gail with food, school supplies, and clothing for her son. Her church has been a source of emotional support and, in emergencies, financial assistance as well.

Gail enjoys her work and is a highly valued employee. After only three months on the job, she received a raise. Her colleagues and managers have given her much support and positive feedback. A manager told her that she's been doing a wonderful job and that the staff are very glad to have her. Her colleagues encouraged her to go back to school to become a registered nurse, and they provided her with letters of recommendation when she first applied to the nursing program at the community college.

Work has improved Gail's self-esteem and her outlook for the future. However, the 12-hour shifts that she works have put a strain on her and her family. Her husband and son prefer that she work standard hours so that she can spend more time with her son, but Gail feels that she has to accept the nonstandard hours because she is just starting out. Eventually, she hopes to work the day shift and only one weekend per month. Since she started working, Gail usually gets only six hours of sleep a night, and she has a "horrible" diet, which often includes candy bars and fast food. But Gail is very content with her life and thinks that the future will only be better.



V. EMPLOYMENT AND FINANCIAL WELL-BEING

Employment Usually Improves Financial Well-Being, but Most Families Still Have Difficulty Making Ends Meet.

On average, case study participants earn just under \$500 more per month at their jobs than they received from FIP before they began working.³ Some also continue to receive FIP while employed, further increasing their monthly income. Most women feel that the additional income from employment has eased financial pressures and improved their standard of living. For some women, working and being off FIP also enables them to keep more of the child support collected on their children's behalf, further increasing their monthly income.⁴ However,

many women have experienced an increase in living expenses since becoming employed; they are incurring more child care and transportation costs and generally find that as they earn more, they accumulate more bills. Greater earnings also reduce the food stamp benefit for some parents and make others completely ineligible for food stamps. The end result is that many working women still struggle to make ends meet on their own, and they view their current, relatively favorable, economic circumstances as precarious.

Work makes it easier for most parents to pay the bills and for some parents to provide "extras" for their children.

For many parents we spoke with, simply the amount of money they earn on the job has made

³The FIP grant is \$361 for a family of two, \$426 for a family of three, \$495 for a family of four, and \$548 for a family of five (all case study participants have between 1 and 4 children). The average monthly gross earnings from employment among case study participants is \$892.

⁴Currently, when a family is on FIP, the state retains all of the child support collected on the children's behalf. When a family is not on FIP, the family receives all of the child support collected on the children's behalf. In Iowa and nationwide, however, most families with an absent parent do not receive any child support on a regular basis due to low rates of paternity establishment, court order establishment, collection and enforcement.

a difference in their lives. They can cover their expenses and have enough left over for small treats, such as ice-cream, or recreational activities, such as renting videos or taking trips to the zoo, that were once beyond reach for themselves and their children. One mother said:

“I’m making more now—about twice as much as I did on FIP. I get from pay period to pay period and still have money left... Its easier now... If the kids want to rent a video game, I just look in my checkbook and say, ‘Okay,’ instead of, ‘You know better than that, we can’t do that.’ We can have some extras... I just think about it ahead of time and put the money aside where the money just wasn’t there to put aside before.”

Many families have felt the positive effect of working not only in terms of extra income but also in terms of a more frequent pay schedule. Families that previously received FIP checks once a month now receive paychecks twice a month, every two weeks, or even every week. Many parents whose cash assistance often ran out before the end of the month have been able to pace their spending with the help of a new, more frequent pay schedule. Their ability to “pay as they go” throughout the month affords them the peace of mind that comes with knowing that there will be something left for the end of the month. Two mothers explained:

“I would say now, I can pretty much be independent without saying to myself, ‘You’ll only get \$361 this month and what are you going to do at the middle of the month?’ So now I can get like three-something at the beginning of the month and then know that I have something else to fall back on in the middle of the month. So, I would say its a lot more stable—to know that you’ve got something coming in extra.”

“Well, even though I only make \$400 to \$500 every two weeks, its a lot better. You know you’re going to get that check in the middle of the month...And so I like not having to worry about, ‘Oh the first of the month, the first of the month!’ because the money doesn’t stretch to the first of the month. [My standard of living] is ten times better. I don’t have financial worries. I mean everybody does, but not to the extent that I did. So that eases my mind a lot.”

Budgeting is still important, and many parents have trouble supporting their families with their earnings alone.

Although parents often receive more income from jobs than the maximum cash assistance they can receive from FIP, they still need to budget and make every penny count. Not counting any FIP cash assistance they still may receive, the earnings of case study respondents range from 39 percent to 138 percent of the federal poverty level.⁵ In fact, all but five respondents earn below the poverty level for their family size. As illustrated in section IV, the challenge of making ends meet has led many parents to look beyond employment income for support. To supplement their earnings, most parents still rely on government assistance—from FIP and other programs—and family members. They also seek in-kind support from family members such as free or low-cost child care. Indeed, many have been able to keep their jobs only because they have this support. Others have been able to maintain employment due to fortunate circumstances that have lowered the cost of going to work—they own a car or their work schedule coincides with

⁵The 1998 U.S. Census Bureau poverty threshold for a single parent family was \$11,235 for a family of two, \$13,133 for a family of three, \$16,588 for a family of four, and \$19,155 for a family of five.

their children's school schedules. As some mothers said:

"How do I make ends meet? Very carefully. Budget. It's not really called budgeting, it's just a tight fist—whatever money you have left after paying bills."

"And sometimes ends still don't meet. Mom said, 'I'm going to pay your car insurance and electric bills this month.'"

Many working families are at risk of going back on welfare, and some are concerned about the availability of a safety net should they need it.

Most women who participated in the case studies feel positive and hopeful about their financial future, but they are also keenly aware of the fragility of their current economic status. If support from family members became unavailable or fortunate circumstances took a turn for the worse, some parents would be left on shaky ground, potentially unable to work or get along as well as they have been. Some expressed concern about what would happen in the event of a change in circumstances, particularly in light of

time limits on cash assistance. They hope not to need FIP in the future but worry that it will not be available if they do need it. Two mothers expressed the following concerns:

"Actually they give you 5 years...Which, you know, it takes some people 5 years to get off of it. But then again, if they lose a job or if we hit an economic depression or something like that, what's going to happen when their five years is used up? They have no income? How are they going to support their kids if they can't get a job, if times are really bad and they lose their job? There's nothing there for them."

"I'm scared. Especially because I have a lot of bills now. And my student loans are going to be coming in very soon. And it is really scaring me. How am I really going to make it? Especially without the help and support of the system...."

JOAN: FINANCIALLY BETTER OFF WORKING, BUT STILL WORRIED ABOUT MAKING ENDS MEET

Joan is a married mother of three children, ages 11, 14, and 17. She is in her late 40s, has been married for 20 years, and has completed one year of college. She works in the kitchen of a day care center for 25 hours per week earning \$5.15 per hour. Her husband is employed 35 hours per week as a janitor and a bus driver. She was working at the time of the case study interview and was not receiving FIP.

Joan feels that her standard of living has improved since she started working in September 1998. When she was receiving cash assistance, her entire FIP check went toward rent; there was little left over to cover other bills. She faced difficult choices when she could not afford to meet all of her family's needs at once; she often had to purchase some basic necessities in one month (e.g., shoes) and wait until the following month to purchase others (e.g., haircuts). Now that she receives a paycheck, she and her husband are better able to pay the bills and can more easily budget and plan in order to meet their family and personal needs.

Although they can now afford some extras once in a while (such as taking the children out for hamburgers), Joan and her husband are extremely cautious about their spending. They live in a rural community, and both drive to work in cars they own. They know that without reliable transportation, they would not be able to get to and from work. They worry that they will fall into trouble financially if anything goes wrong with one of their vehicles—that they would not be able to afford necessary repairs or that they would not be able to keep their jobs. Joan also worries about what will happen when her transitional Medicaid runs out; neither she nor her husband have medical insurance through work, and she thinks that she will become ineligible for Medicaid within a year. She also worries about her food stamps lasting through the month, as the \$100 benefit she still receives from the Food Stamp Program remains an important source of support for her family. Even with two incomes, a strong work ethic, government assistance, and a relatively stable household environment, Joan and her family face financial uncertainty.

Joan is fortunate in that her work schedule allows her to be home before and after school to care for her children; day care is not an issue. What she enjoys most about working at the day care center is the contact she has with the children there and the interaction with her colleagues. Although she finds work much more stimulating than staying home all day, being on her feet for hours on end makes her extremely tired and puts stress on her already bad knees. Joan feels that although working has raised her self-esteem and given structure to her day, it has not had much impact on the lives of her children. She does find that her oldest son helps with household chores more now that she is working and feels that her relationship with her husband has improved since her financial contribution has alleviated some stress.



VI. EMPLOYMENT, PHYSICAL HEALTH, AND EMOTIONAL WELL-BEING

Work Can Be Physically Demanding, but It Is Also Emotionally Rewarding.

Most parents we spoke with view the primary benefits of working in financial terms. However, when asked about other nontangible benefits, they immediately mention the positive effect of work on their self-esteem. Their increased self-reliance increases their sense of self-worth. Most parents also like their work environment and hope to advance at their current place of employment. The emotional rewards do not come without a price, however. The exhausting nature of their jobs and their efforts to manage responsibilities at home and at work take a toll on parents. Many lack the time for adequate sleep and a healthy diet. Poor attitudes toward co-workers and inexperience in dealing with conflicts in the workplace also can negatively influence job satisfaction and retention. Still, most parents believe that the emotional rewards of work outweigh the challenges.

Employed parents often have trouble maintaining healthy sleeping and eating habits, and they experience some stress in balancing responsibilities at home and at work.

The jobs available to many women in the low-wage labor market (e.g., waitress, cashier, housekeeper, teacher's aide, laborer) keep them on their feet with few breaks much of the day. To add to this, when parents—and especially single parents—are not at work, they must care for their children and keep up with household chores. Some parents we spoke with find it difficult to muster the energy to meet their responsibilities both at home and on the job, leaving them feeling overwhelmed. In addition, many parents have trouble taking good care of themselves when they work; they often eat on the run and get little sleep. One of their biggest challenges is simply finding time to rest, eat

properly, or do the things that they enjoy. In the words of some working parents:

“I guess the worst thing about [working] is that I’m so tired. I work all day long, get up really early, and I’m so tired by the end of the night that I just don’t have much energy to do much. That’s my biggest challenge—my energy. I’m just exhausted by the end of the day...My feet hurt, my back hurts, my head hurts...One thing I do need to work on is finding a balance in between knowing that I have to go home and do my work—cook dinner and take care of the kids or whatever...I mean, I leave one full time job and go to another.”

“Most of the time it’s like you grab a candy bar on the way to school or you get a sandwich on your way from work. And at work you hardly have enough time to really sit down. My diet is terrible right now.”

“I barely got sleep at all. There was barely six hours of sleep. That’s about all I got. Because my daughter...when I did get home from work I had to see about her. And do the laundry, cooking, and cleaning.”

Work has an extremely positive effect on self-esteem.

Most women who participated in the case studies feel better about themselves when they work. They are proud to be making a contribution to society and to their families—to be earning their income rather than relying solely on the welfare system for cash assistance. And though some still rely on the government for food and medical assistance, they feel that they are making it on their own. Working even has inspired some parents to pay more attention to personal hygiene. While some parents—particularly those with young children—are conflicted about the tradeoff between staying at home to care for their children or going to work and leaving their

children in someone else’s care, most feel better about the impression they make on their children when they work. For some, this raises their opinion of themselves as parents and role models. Some mothers explained:

“[The best thing about going back to work is] feeling good about myself. And knowing that I am doing this all on my own. The self-reliance.”

“I was to the point that my bathing habits weren’t as good. Being overweight didn’t help either, and my self-esteem was really bad and I just sat in my house. [Since going back to work] I started taking better care of myself.”

“I feel better working. Because I’m not so stressed. Just overall I feel better working because I know that I’m contributing to my family and I’m contributing to my children having a better life and not living on welfare.”

“You know, one thing that always kind of nagged at me was that I never wanted [my child] to grow up and they’d say, ‘Well what does your mother do?’ and he’d have to say, ‘Nothing.’ And so now I’ve changed that. And now he can say, ‘Mom’s a nurse,’ and feel real good about where I’m at.”

Most parents find work enjoyable, but negative attitudes and an inability or unwillingness to practice “conflict resolution” can result in negative experiences on the job.

Most case study participants seem to enjoy the work that they do, deriving personal satisfaction from a day of hard work and a job well-done. Most value the interaction with other people in the workplace and the praise they receive for their accomplishments. As some mothers said:

“[The job] was a lot of fun. I was around a lot of good, good people and stuff. It was nice.”

“I like working with the teachers I work with. I love working with kids—getting to know them and what they like and what they dislike and helping them out with their needs...and just being appreciated for being there.”

“I like it when they see that I can do the job. When they give me responsibilities...then I like it. I try to please everybody and do everything....They like my work.”

However, some parents have had negative experiences at work—either because of a poor attitude toward work or because they are insecure about dealing with conflict in the workplace. Some women do not know how to appropriately handle or are not comfortable handling problems that may arise on the job. This may lead to untimely terminations—voluntary and involuntary. Perhaps many newly employed FIP parents can benefit from training on resolving conflicts, interacting with supervisors or co-workers, and dealing with other challenges in the workplace. Mothers had this to say about their experiences:

“I switched hours because I didn’t like the lady from the daytime, she was rude....There were rude customers because it was the Christmas rush. I got along with my co-workers, but the head cashier...I was nice to her but I just couldn’t take her attitude—which was another reason I quit.”

“Well, I had that one problem with someone that was... just above me on the team at the grocery store. And she had tried to cause problems for me three different times. [She] accused me of pocketing the money. And another time she had said that I was repeatedly showing up late for work. And the last thing that she did was she said that there was \$9 missing from my drawer....And she got defensive with me....And I was afraid that if I didn’t get out of the grocery store at that time she would end up saying that there was like \$200 missing from the drawer....And that would really hurt me a lot.... So I got out of there before that happened. Otherwise I’d probably still be working there.”

“I tried to make the job work for me but I felt that my co-workers were, I don’t want to say harassing me, but they said things about me and it made the job difficult to the point that I didn’t want to be there anymore. It was too stressful. You’ve got these people that want to do better for themselves and you have to go to work and listen to people talk about you.”

PAULA: AFTER PROBLEMS AT TWO PREVIOUS JOBS, FOUND WORK THAT IS REWARDING BUT EXHAUSTING

Paula is a married mother of two toddlers, ages 2 and 4. She is 24 years old and has a high school diploma. She and her husband have both worked on and off for the past year, relying on FIP during times of unemployment. At the time of the case study interview, Paula was working as a housekeeper at a nursing home full time (7:15 AM to 3:15 PM each week day) earning \$6.79 per hour. She was not receiving FIP.

Paula began working at the nursing home in February 1999. She finds the work to be exhausting and physically demanding. She explains, “Cleaning is not an easy task. And you’re cleaning... and vacuuming and all kinds of things, so by the end of the night my body hurts.” Paula tries to eat one good meal a day but finds it difficult to find the time and energy to do so. She also has trouble finding the energy to manage all of her responsibilities at home after a full day’s work. Her husband works as well, and Paula finds herself trying to handle most of the household chores. Still, she loves her job, enjoys excellent relationships with the residents and her co-workers, and is proud of her accomplishments at work. She is less stressed financially and feels better knowing that she is contributing to the well-being of her children. She also likes the fact that work gives her a reprieve from caring for her children all day long; it is also something she can call her own.

Despite her now-stable job, Paula struggled with maintaining employment. In October 1998, she left FIP to work as a cashier. She enjoyed the job, but was fired for repeatedly missing work without notifying her supervisor in advance. She was fed up with the night shift—7 PM to 3 AM—and felt overworked and cheated out of overtime pay when she stayed late. She also had difficulties dealing with colleagues. As she explained, “Everybody complained about everybody else... complaints, complaints...and you just can’t work in a [place] like that.” After that job, Paula began working at a telemarketing firm. Although she owned her own car, it frequently broke down, forcing her to rely on a friend for transportation to and from work. But because the friend was irresponsible, Paula was late for work consistently, which eventually cost her that job as well. About one week after being dismissed from the telemarketing job, Paula was hired at the nursing home. Her goal now is to stay at the nursing home for at least a year—to achieve some job stability and good experience. Paula believes this will be possible because of her positive attitude about the job and the support she receives from her colleagues and supervisor. She also believes, though, that a financial incentive would go a long way in helping her and other families in her situation maintain employment. She explains, “Give an incentive...like a bonus or something. If people work for a year... then give them \$1,000 to buy a car or whatever they need, or to help with the bills... Do something so there is an incentive to work.”

Paula works at the nursing home from 7:15 AM to 3:15 PM, standard daytime hours that make it easy to find child care. Her financial situation is much better than it was before she began working, but she still claims, “There’s not a whole lot of spending money. You work to live. That’s pretty much it.” To help make ends meet, Paula receives WIC, Medicaid, and \$120 in Food Stamps per month. She lives with her mother-in-law (paying reduced rent) and relies on her own mother for emotional and sometimes financial support. She feels that her relationships with her husband and children have improved because work has raised her self-esteem, sharpened her communication skills, and provided a healthy break from the family.

VII. CONCLUSION

The views expressed by the women in our case studies provide valuable insight into how the transition from welfare to work affects the well-being of parents, children, and families. Their thoughts and feelings bring to life the struggles that many FIP mothers face in finding and keeping a job as well as the positive effects working can have on financial, emotional, and behavioral outcomes. How well FIP families fare after parents find jobs depends upon factors such as work schedules, the reliability of child care and transportation arrangements, the availability of support from social networks and government assistance programs other than FIP, and relationships with co-workers and supervisors. Usually, though, the transition from welfare to work is a mixed blessing. While socioeconomic status and family stability tend to improve as a result of employment, parents and children remain financially vulnerable and very much at risk of going back on welfare.

Findings from the case studies have important policy implications for Iowa and other states. They suggest the need for strong post-employment programs that emphasize job retention and advancement, and they suggest other ways in which programs and policies can support the transition from welfare to work. The study findings raise the following important concepts that may be of particular interest as

Iowa and other states continue efforts to fashion viable welfare and post-employment programs:

- Post-employment peer support groups, continuing education, and workshops on conflict resolution in the workplace can support job stability, continuity, and satisfaction.
- Training for employers on how to support welfare recipients entering the labor market can facilitate open communication about work issues and create a work environment that is less intimidating for recipients.
- One-time emergency assistance or diversion payments (e.g., to cover the cost of car repairs or emergency child care) can help prevent job loss due to temporary, short-term, or unforeseen barriers.
- Careful administrative oversight can ensure that employed former welfare recipients continue to receive Food Stamps and Medicaid as long as they are income and otherwise eligible.
- Continued support services such as child care and transportation—especially for parents who work nonstandard hours—can help former welfare recipients stay in their jobs.

While the findings from this study are valuable, it is important to bear in mind that they are based solely upon interviews with 16 current and former FIP families. Because of the small sample size and the nonrandom manner in which the case study families were selected, the findings cannot be generalized to all FIP families who have gained employment. The findings can provide insight into the range of experiences as families move from welfare to work, but cannot provide information on the prevalence of these experiences among the broader population. In addition, the findings are based on qualitative rather than quantitative data. While qualitative data provide a very rich description of family circumstances, experiences, and attitudes, the absence of quantitative data makes it difficult to measure the effects that moving from welfare to work has on family well-being.

To build upon the findings from the case studies, MPR and Iowa DHS will collaborate to conduct a telephone survey in the winter of 2000 with approximately two hundred and fifty FIP parents

who have recently gained employment. The methodology for the survey will be more rigorous than the methodology for the case studies; for the survey, we will select a random sample representative of FIP parents who have gained employment and will elicit a high response rate. We will use findings from the case studies to guide the design of a telephone survey instrument in order to make it sensitive to the most critical issues facing families moving from welfare to work. Findings from the case studies portray the effects of employment on family well-being largely in a positive light. However, they offer hints of some negative effects as well. The survey will elicit information on a broad range of outcomes, but will particularly explore in a more structured way the potentially positive and negative effects of employment on family well-being and other issues that were not addressed in the case studies in depth. The survey will be used to support descriptive statistical analysis of family well-being and the interaction between well-being and parental employment. Together, this report on the case studies and the pending report on the survey will provide a comprehensive picture of the effects of moving from welfare to work on parents and their families.

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