

## Highlighting New Poverty Research

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“Barriers to Employment Among TANF Applicants and Their Consequences for Self-Sufficiency,” published in *Families in Society*, Vol. 88, No. 3 (July-September 2007)

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The West Coast Poverty Center’s “POVERTY RESEARCH FLASH” highlights new research by Center faculty affiliates and others on causes, consequences, and effective policy responses to poverty, with an emphasis on changing labor markets, demographic shifts, family structure, and social and economic inequality. More information about the West Coast Poverty Center is available from our website: [www.wcpc.washington.edu](http://www.wcpc.washington.edu)

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# Barriers to Employment Among TANF Applicants and Their Consequences for Self-Sufficiency

**Background.** One goal of the Personal Responsibility and Work Opportunity Reconciliation Act, the federal welfare reform legislation that replaced Aid to Families with Dependent Children (AFDC) with Temporary Assistance to Needy Families (TANF) in 1996, is to reduce dependence on government benefits by promoting work. Under PRWORA, individuals may be eligible to receive cash assistance and noncash benefits in exchange for their participation in work and work-like activities (e.g., job-training), and states are required to have a certain percentage of their TANF recipients in work activities. However, personal characteristics or life situations, such as poor health or limited education, may make it difficult for some individuals to find and keep a job or earn enough to support their families.

**Methods.** WCPC Affiliate Mark Courtney and co-author Amy Dworsky used survey and administrative data from a sample of over 1,000 Milwaukee County parents who had applied for assistance from Wisconsin’s TANF program between March and August 1999 to examine the prevalence of various barriers to employment among TANF applicants and to measure the effect of those barriers on the likelihood of being employed in the first year post-application and (if employed) on quarterly earnings. Barriers included having a disability, caring for a family member with a disability, having a child under the age of one year, being in fair or poor health, having a mental health problem, having a drug or alcohol problem, lacking a high school diploma or GED, not having work experience, being in an abusive relationship, and being categorized as depressed based on responses to the 20-item Center for Epidemiological Studies Depression (CES-D) scale.

**Findings.** At the time they applied for TANF, approximately 9 out of 10 of the parents reported at least one barrier to employment, and more than half reported three or more. The three most common barriers were not having a high school diploma or GED (57 percent), being categorized as depressed (47 percent), and being in poor or fair health (25 percent).

Several barriers were associated with a significant reduction in the odds of being employed in any of the first four quarters following application even after controlling for gender, race/ethnicity, age, marital status, and number of children. Not having any work experience had the biggest effect, reducing the odds of being employed by 71 percent. In addition, not having a high school diploma or GED reduced the odds by 30 percent, being in fair or poor health reduced the odds by 27 percent and having a disability reduced the odds by 23 percent. The number of reported barriers also made a difference, with each additional barrier reducing the odds of being employed by 15 percent.

The researchers also found a relationship between specific barriers and earnings from employment among those who were employed. Not having a high school diploma or GED had the largest impact, reducing parents’ earnings by an average of \$865 in each quarter that they worked. Having a drug or alcohol problem, caring for a family member with a disability, and having no work experience also had a negative impact on quarterly earnings. As with employment, the number of barriers mattered, with each additional barrier reducing quarterly earnings by an average of \$136.

Over all, these findings suggest that this population faces significant barriers to economic self-sufficiency. States may need to find new ways to identify and address these barriers if they are to meet increasing work participation requirements.

# Poverty Research Flash

The West Coast Poverty Center serves as a hub for research, education, and policy analysis leading to greater understanding of the causes and consequences of poverty and effective approaches to reducing it in the west coast states. The Center, located at the University of Washington, is one of three regional poverty centers funded by the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (ASPE). More information about the West Coast Poverty Center is available from our website: [www.wcpc.washington.edu](http://www.wcpc.washington.edu)

## Poverty Research Flash 2008-11

### Barriers to Employment Among TANF Applicants and Their Consequences for Self-Sufficiency

New research from Mark E. Courtney and Amy Dworsky

#### Key Findings

- At the time of application, 9 out of 10 welfare applicants in a Milwaukee sample reported at least one barrier to employment, such as limited education, no work experience, or having physical or mental health problems. Over half (53 percent) of applicants reported three or more barriers.
- The three most common barriers were not having a high school diploma or GED (57 percent), being categorized as depressed (47 percent), and being in poor or fair health (25 percent).
- All else being equal, not having a GED or high school diploma had a significant impact on both employment and earnings. Applicants without a high school diploma or GED were 30 percent less likely to be employed in any of the first four quarters after application and, when employed, earned an average of \$865 less each quarter than those with a high school diploma or GED.
- Having multiple barriers reduced applicants' odds of being employed as well as their earnings if they did work: each additional barrier reduced the odds of being employed by 15 percent and, for those who were employed, reduced their earnings by an average of \$136 per quarter.