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Lost in transition: welfare to work in Louisiana

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LOST IN TRANSITION: WELFARE TO WORK IN LOUISIANA

A Dissertation

Submitted to the Graduate Faculty of the Louisiana State University and Agricultural and Mechanical College
In partial fulfillment of the requirements for the degree of Doctor of Philosophy

in

The Department of Sociology

by

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ABSTRACT

The decline in welfare rolls coupled with the increase in work activity among former recipients since the mid-nineties might indicate that welfare reform legislation has been a success. This is only part of the story describing the impact of welfare reform. Although many have exited the rolls, a significant number still have not found work, others remain on aid, and some struggle through the transition relying on a combination of welfare and work. Even those who fit the narrow definition of “success” and have left welfare for formal employment experience significant hardship. Overall, regardless of work and welfare status, most remain in poverty.

This study examines the impact of welfare reform in Louisiana by analyzing the determinants of group classification in the welfare-to-work transition. I analyze data from the Louisiana Welfare Panel Survey to determine the factors that place recipients into one of four groups based on welfare and work status: work only, welfare only, work and welfare, no work or welfare. Next I use this same data to analyze how placement into each of the four groups impacts two well-being outcomes: relationship to the poverty level and material hardships. Finally, I report the findings from in-depth qualitative interviews with a select subsample of these respondents to gauge their survival strategies, vulnerability to hardships, and experiences with welfare reform policy.

The findings indicate that individual-level factors such as education, being African American, and having good health are important in determining work/welfare group location. Different types of social support are also key in determining whether one remains on aid, exits for work, or exits without work. Group location, along with household structure and certain individual factors, influences relationship to poverty level
and vulnerability to material hardships. Based on my findings, I discuss policy implications and contributions to theories of poverty.
CHAPTER 1: INTRODUCTION

The “Success” of Welfare-to-Work

It has been nearly ten years since the passage of welfare reform legislation known as the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). Radical changes in our system of support for the poor include the devolution of program implementation from the federal government to individual states, a lifetime limit on receipt of welfare benefits, and an overarching emphasis on work activity. These changes were spurred by decades of criticism that welfare sustained a single-parent culture, discouraged work activity, and perpetuated poverty.

These policies have been successful in two major aspects. They are partially responsible for a dramatic reduction of the welfare rolls and they have enabled most former recipients to maintain or increase income levels through work force participation (Lichter and Jayakody, 2002). Further, there was no increase in caseloads during the recent economic recession. A claim of success, however, is premature and narrowly defined. It is still too early to assess the long-term effects of time-limits and work requirements. Many have not yet reached their time limits and some have only begun to make their attachment to the labor force. Also, many former recipients who are working face multiple obstacles to economic self-sufficiency including low wages, job instability, child-care arrangements, and lack of reliable transportation (Anderson et al., 2000; Taylor and Barusch, 2004). These challenges may vary by geographic location as well. Moreover, we know very little about those who are still making this transition to work, and still less about those who have left without work.
Although previous literature shows that many former recipients are finding work and leaving welfare, it must be acknowledged that the conditions upon exit are generally not helping them escape poverty (Cancian and Meyer, 2000; Weil, 2002). As stated earlier, one major critique of the welfare system is that it did not eliminate poverty. It is clear that we must consider a careful description of the “success” of reform policy in this regard.

This project analyzes different classifications in the welfare-to-work transition and also examines the determinants of two specific outcomes: income-to-poverty ratio and material hardships. A number of social theories contribute to a better understanding of this process. The analyses contained in this dissertation give a depiction of different classifications of welfare use and work activity and the hardships and economic circumstances at each point. Poverty and hardship measures provide a picture of outcomes and help to gauge whether welfare reform can accurately be labeled a “success”.

**Work after Welfare**

Employment was the centerpiece of the 1996 legislation. Indeed, many have found full-time work in occupations and industries such as cashiers, clerical workers, and other service jobs, with wages generally falling between $6 and $8 per hour (Anderson et al., 2000; Cancian et al., 2002). However, many individuals remain on welfare due to significant barriers that affect their ability to find and keep work. Poor physical or mental health, low levels of education, having young children in the household, and lack of transportation have been identified as factors that inhibit a transition toward work (Zedlewski, 2003).
Most of this literature focused on outcomes of those who have left welfare for work. Research on barriers to work generally examined those who remained on welfare. An important area that needs further investigation is the vulnerability of groups undergoing the transition from welfare to work. Literature suggests that those involved in such a substantial economic transition were more likely to experience hardships such as food insecurity, housing difficulties, health care access, and child-care problems (Boushey and Gunderson, 2001; Polit, et al., 2000).

This dissertation contributes to the literature by describing outcomes of those in different classifications of the welfare-to-work transition and also identifies specific factors that affect location in each group. Moreover, although certain elements such as higher levels of education and reliable transportation provide advantages in the transition toward work, little information exists concerning specific formal supports and social policies that might be helpful in that progression. One portion of my dissertation involves in-depth, personal interviews with women who are experiencing welfare reform and identifies, in their own words, what might be helpful in making their transitions more “successful”.

The Geographic Context

All of these findings are of particular importance in the context of rural areas. Theoretical and empirical research has established the influence geographic location has on individual outcomes through different occupational and industrial compositions within labor markets, presence or absence of unions, wages offered, educational facilities, and a variety of other traits (Labao, 1993; Piore, 1975; Tickamyer and Bokemeier, 1993). Rural regions are distinct from urban areas in that they tend to have higher rates of
poverty, less diversity in occupations and industries, and more service employment which pays less and is more unstable (Brown and Hirschl, 1995; Haynie and Gorman, 1999). Regardless of the individual characteristics of those exiting welfare, the areas in which they live will shape their experiences and outcomes.

The geographic isolation and scarcity of social services in rural areas can impede welfare exits. Recent research has shown that there are known disadvantages for those in rural areas transitioning from welfare-to-work, such as higher costs for workforce participation and lower earnings (Brown and Lichter, 2004; Mills and Hazarika, 2003). However, other studies find smaller differences between rural and urban areas in employment outcomes (McKernan et al., 2002; Whitener et al., 2001). I examine these possibilities through an analysis of poverty and material hardships in metropolitan and non-metropolitan regions in Louisiana. It is likely that there are differences in these areas, but we do not yet know the extent of these challenges and my dissertation explores these salient issues.

**Poverty and Hardships**

As stated previously, welfare leavers generally earn low wages and work in industries and occupations that offer little opportunity for advancement and are unstable in their tenure. These conditions make it highly unlikely that the goal of poverty reduction will be achieved. However, income and wages are not the only measure of well-being. A comprehensive picture of the effect of welfare reform should extend beyond static measures of economic well-being to examine vulnerability to material hardships among the poor.
Bok and Simmons (2002) reviewed several studies and found that a third of former welfare families had to reduce the size of or skip meals altogether because they did not have enough money for food. In addition, they report that demand for emergency shelter increased by 15% in 2000 as families with children became homeless. Welfare policy has also caused a loss in Medicaid benefits among eligible low-income families. Finally, as millions of women continue to enter the workforce there is an insufficient supply of quality, affordable child care for these families.

The disadvantages, previously described, in rural regions will pose added challenges where workers will have to travel further to work, contend with higher costs for necessary services, and struggle with an overall lack of available services such as transportation and child-care. While measures of income poverty following reform are important and will contribute to a clearer understanding of economic outcomes, material hardships provide an additional measure of poverty that assesses a family’s ability to meet food, medical and other needs not always captured by income measures. Indeed, previous research has shown that poverty statistics do not necessarily provide reliable information about the prevalence of material hardships (Mayer and Jencks, 1989). My dissertation examines the determinants of both income-to-poverty ratio and material hardships, considering different geographic contexts, and therefore contributes to a richer understanding of economic conditions after reform.

Exiting Welfare Without Work

Despite the growing literature about the effects of welfare reform, there is surprisingly little knowledge about those who no longer receive welfare but do not have jobs. What is known about this population, according to Loprest (2003), is that about one
in seven adults who left welfare recently was “disconnected”, or not working, without a
working spouse, and not receiving welfare or disability benefits. Zedlewski and Loprest
(in Blank and Haskins, 2001) compared non-working leavers with all leavers and
employed former recipients and reported that significantly more non-workers had a child
on SSI, very poor health, and less than a high school education. Although it was unclear
why this group had not returned to TANF (Temporary Assistance to Needy Families), it
is possible that they chose to “bank” their remaining cash benefits. Other studies found
those who were not working tended to have lower levels of education, were in poorer
health, had young children, and were younger themselves (Johns Hopkins University
Policy Brief, 2000). In qualitative interviews, respondents cited poor health, job scarcity,
and the desire to remain at home to care for their children as the top reasons why they
remained unemployed (Zedlewski et al, 2003).

While important barriers to work have been identified, we do not know enough
about the economic and material circumstances of this “disconnected” group. We also do
not know why they have not returned to TANF. Further, we do not know if and how
their geographic location contributes to their circumstances. This dissertation seeks
answers to each of these questions. In addition, this is a unique group of leavers that may
require a reevaluation of welfare-to-work policy. PRWORA (The Personal
Responsibility and Work Opportunity Reconciliation Act) was based on the assumption
that work would provide the route to self-sufficiency. Given that such a substantial
portion of leavers have not found work, it is likely that policy will need to be
reconstructed in order to deal with their unique circumstances.
Welfare Reform in Louisiana

Described briefly at the beginning of this section, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) brought sweeping changes to the governmental support system for the poor. One of the most significant provisions was the devolution of control of policy implementation to individual states. With this provision, individual states were given the freedom to design and implement their own versions of the TANF (Temporary Assistance to Needy Families) program. Indeed, there are significant variations in several key aspects of program implementation across states including varying time limits, differences in treatment of earnings while transitioning off of TANF, and different approaches to support after leaving TANF (Bloom et al., 2002). Louisiana implemented its own TANF program, called the Family Independence Temporary Assistance Program (FITAP), in 1997 with specific programs and policies designed to address the needs of recipients in the state. This section describes Louisiana’s time limits, earnings disregard, kinship care program, and job preparation program.

Twenty-three states have adopted a time-limit policy that most closely adheres to the federal TANF provisions of 60 months total over one’s lifetime. The remaining states, Louisiana included, have altered this policy in some form (Bloom et al., 2002). Louisiana’s state-specific policy limits recipients to 24 months of benefits within a 60-month period. While the lifetime limit is still 60 months of receipt over the lifetime, one can only remain on benefits for two years within any given five-year period of time (Valvano and Abe, 2002). These limits can be extended or exempted in specific situations such as when a recipient is caring for a disabled family member, is a victim of
domestic violence, is pregnant, or has other significant barriers such as substance abuse or low literacy (Bloom et al., 2002).

Under TANF provisions each state is allowed to disregard a portion of the recipient’s earnings when determining both benefit levels and eligibility for program participation. All states participate in an earnings disregard program, but the flexibility given to states results in significant variations among states. Louisiana disregards $120 per month in determining eligibility and $1020 for 6 months, plus $120 in subsequent months when determining benefit levels (DHHS Annual Report to Congress, 2002).

The Kinship Care Subsidy Program (KCSP) was another important provision under TANF. This program provides support for a relative, other than a parent, who is caring for a child in their home. Implemented in 2000, this program provides up to $222 per month in support for each eligible child. A child receiving KCSP funds may not receive any other TANF funds, however, this amount provides a higher level of benefits than the FITAP cash benefits (Valvano and Abe, 2002).

Although many states require immediate work activity, as stated earlier, Louisiana allows recipients to remain on aid for up to 24 months. However, FITAP provides opportunities for recipients to participate in job-readiness programs. The Strategies to Empower People (STEP) program facilitates the welfare-to-work transition by providing specific support services to recipients. These services include unpaid work experience, subsidized employment, on-the-job training, job search/readiness, vocational education, and GED preparation (Louisiana Department of Social Services website, accessed May 2005).
Given the unique aspects of TANF implementation in Louisiana, broad generalizations about reform outcomes must be made cautiously. In addition, the choice of Louisiana for the study of welfare reform poses generalization issues due to extremely low welfare benefits and the persistently poor counties of the Mississippi Delta region. However, this study may be replicated with other state or national data and the hypotheses contained herein should be tested on other poor populations.

Summary

Welfare reform legislation radically changed the system of support for the poor upon enactment in 1996. The full affect of these changes is still unknown and questions remain. My research informs the extant literature by asking four interrelated research questions about the well-being, broadly conceived, of former welfare recipients in Louisiana. First, why do some transition successfully toward work while others do not? I investigate the determinants of being in one of four groups based on work and welfare status: those who work, those who rely on aid, those who combine work and aid, and those who have neither. Second, how have current and former recipients fared economically under the new policy? I analyze the determinants of income-to-poverty ratio in order to gauge recent outcomes of reform policy. Third, what are the hardship experiences of current and former recipients? I investigate how welfare-to-work policy has affected food security, access to medical care, evictions, and other measures to get a more complete picture of challenges faced by Louisiana’s poor. Fourth, what are former recipients “lost in transition” (off welfare, not working) doing to secure a livelihood? I supplement the quantitative data with information from qualitative in-depth interviews to uncover livelihood strategies of former recipients.
This research makes important contributions to the literature in four specific ways. I compare and contrast well-being among four groups who, at the time of the survey, had transitioned into different combinations of work, welfare, or neither. Much of the existing literature presents outcomes as dichotomous: those who left welfare for work and those who remain on aid. The outcomes of reform policy are more complex and my research identifies and analyzes those complexities. In addition, I investigate both financial outcomes and material hardships. This gives a richer and more comprehensive picture of the state of families transitioning from welfare to work. Furthermore, this dissertation includes an in-depth ethnographic study of women who are experiencing reform policy first-hand. Many of these women have exited TANF without work, and there is little known about this subgroup welfare leavers. Finally, I consider these outcomes in both rural and urban contexts. Louisiana is an ideal state to study outcomes as the welfare caseload is situated in three distinct labor markets: the metropolitan city of New Orleans, the non-metropolitan Mississippi Delta region, and the adjacent city of Monroe. By examining the relationship between location and economic and material hardships, I determine the extent to which geographic location matters for reform outcomes.

**Presentation of the Dissertation**

I have organized the remaining chapters of the dissertation as follows:

**Chapter 2:** This chapter reviews the theoretical literature that informs my investigation of factors that shape the transition from welfare to work. The first portion of the chapter reviews the major components of welfare reform legislation, including the ideologies that culminated in the final legislative act. Then, individual level, family and
resource, and labor market theories and perspectives are reviewed for their contributions to an understanding of this process.

**Chapter 3:** The data and methods used are described in this chapter. This includes the measurement of independent, dependent, and control variables used for all stages of the quantitative analyses. Sample descriptives are also included here. Finally, I outline the analytical strategies used.

**Chapter 4:** Chapter four focuses on the four TANF and work status groups. I begin with an analysis of mean differences among the four groups and then, using multinomial logistic regression, examine the determinants of placement in each of the four groups.

**Chapter 5:** This chapter presents the quantitative analyses of the determinants of income-to-poverty ratio and material hardships. Using linear regression techniques, the analyses examine the influence of individual, family and resource, labor market, and TANF/work status on both outcome measures.

**Chapter 6:** Qualitative findings are presented in this chapter. I describe the qualitative sample and the methodology used for this portion of my analyses. The findings are organized in terms of three broad themes: surviving without the safety net of welfare, hardships women experience since reform, and transitional issues in the shift from welfare to work.

**Chapter 7:** The final chapter of my dissertation summarizes my research findings and contributions to the literature. I address limitations of the current study, outline contributions to theory and policy, and suggest areas for future research.
CHAPTER 2: THEORETICAL PERSPECTIVES: FACTORS AFFECTING THE WELFARE-TO-WORK TRANSITION

Introduction

This dissertation focuses on those factors that shape outcomes of reform policy, including the determinants of work and TANF status, exits without work, and well-being indicators such as income-to-poverty ratio and material hardship. As Chapter One points out, there are significant barriers and challenges facing families as they make the transition from welfare-to-work and outcomes do not always involve formal work activity and liveable wages. To better understand this complicated process, I develop a theoretical framework to analyze the outcomes of welfare reform. This framework guides and informs both my quantitative and qualitative investigations of the welfare-to-work transition.

Several substantive areas in the theoretical literature are relevant for an analysis of these issues. I begin this chapter with a brief overview of Welfare-to-Work, the central principle of the Personal Responsibility and Work Opportunity and Reconciliation Act (PRWORA). I then discuss those theories and perspectives that I feel contribute to an understanding of the welfare-to-work process. There are three overarching areas in this theoretical literature: theories that inform individual level factors, those that address specific family, household structure, and resource factors, and perspectives that examine how the labor market context shapes outcomes. I conclude this chapter with a brief summary and statement of my research questions.
**Welfare-to-Work**

Before presenting the theoretical framework that informed this analysis, I outline the basic tenets of welfare reform legislation. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 established a lifetime limit of five cumulative years of welfare receipt. What was once Aid to Families with Dependent Children (AFDC) became a block grant known as TANF (Temporary Assistance to Needy Families). As a result of this fundamental change, recipients must now find work before their welfare benefits expire. This “work first” approach to welfare reform assumes the best route to self-sufficiency and economic independence is through work activity.

Welfare reform legislation was created as a response to criticisms about the previous welfare system that had been charged with doing little to alleviate poverty. Critics also claimed that the welfare system discouraged work activity and contributed to the breakdown of the family (Coleman and Rebach, 2001; Pavetti and Wemmerus, 1999). These criticisms came from varying camps, but all advocated for a change in the current system.

An early critique of social welfare policy was articulated by Daniel Patrick Moynihan in his 1965 report on the state of the African American family and community. According to Moynihan, welfare programs and other government policy designed to provide support and opportunity for African Americans only served to create a “tangle of pathology” resulting in a matriarchal family structure, juvenile delinquency and crime, and low levels of educational attainment. The welfare system, in effect, created a “culture of poverty” among African Americans that perpetuated inequality and
deprivation (Moynihan, 1965). This claim of a poor subculture was echoed in further arguments against welfare.

In “Losing Ground”, policy analyst Charles Murray argued that social policy created dependency and therefore perpetuated poverty. Means-tested welfare policies implemented during the Great Society made virtually all low-income persons eligible for welfare and made the receipt of welfare benefits more socially acceptable. This eliminated the pride and status of the working poor, previously surviving without handouts or charity. Personal and economic rewards for holding a job were undermined and work incentives were diminished (Murray, 1984). Though both Moynihan and Murray were critical of welfare, the basis of their arguments differed. While Moynihan’s argument was designed to influence government policy to ensure racial equality, Murray’s perspective was highly critical of poverty policy altogether. While Moynihan attributed the current state of the poor blacks to a legacy of slavery, Murray attacked the notion that structural conditions were to blame for inequality (O’Connor, 2001).

“We tried to provide more for the poor and produced more poor instead. We tried to remove the barriers to escape from poverty, and inadvertently built a trap” (Murray, 1984:9). Social policy eradicated incentives to work, contributed to the growing number of female-headed households, and subsequently increased rates of poverty. Murray proposed the elimination of the entire federal welfare and income-support structure. This would restore the rewards associated with work effort, alter behaviors of the poor such that they would encourage and expect work from the younger generations, and reverse the trends in the breakup of poor families and births to teenage
mothers. In essence, this would do what anti-poverty policy had claimed as its goal but had never achieved: help the poor get out of poverty (Murray, 1984).

Author Mickey Kaus (1986) also argued that welfare harmed the poor. However, instead of creating the underclass, as Murray had argued, welfare policy sustained it. According to Kaus’ perspective, welfare supports did not directly create a single-parent culture but functioned as an economic support system under which this culture could survive and perpetuate itself. Welfare did not cause the break-up of the two-parent family, but instead prevented the formation of two-parent families through subsidies to single-parent households. The AFDC program supported a single-parent household structure by providing aid to unwed mothers. This did little to alleviate poverty.

The arguments critical of welfare policy from varying perspectives continued into the 1990’s. President Clinton began to address the issue of welfare reform in June 1994. In a hearing on the Work and Responsibility Act, Donna Shalala, the Secretary of Health and Human Resources at that time, charged the current welfare system with being the source of poverty instead of the solution:

“The Work and Responsibility Act of 1994 will fundamentally change this country’s approach to helping young parents move from dependency to independence. And, equally important, it will improve the quality of life for millions of young children…The welfare system will continue to be part of the problem rather than part of the solution unless dramatic changes are made.” (p. 578 in Mink & Solinger, 2003)

In the struggle to address poverty, social welfare policy has been accused of causing or, at best perpetuating the problem. The legislative act that ultimately took place in 1996, The Personal Responsibility and Work Opportunity Reconciliation Act,
eliminated AFDC, imposed time limits on receipt of benefits, and promoted a “work first” policy to improve the state of the poor. As recipients begin to transition from welfare to work, there are numerous factors that will determine successful transitions, affect their economic well-being, and shape their experience with hardships. These factors include: the individual characteristics of the recipient, various family and social resources, and the labor market context. The following section outlines the theoretical framework I use to analyze those influential factors.

**Individual Factors Effecting the Transition to Self-Sufficiency**

Social theories that address individual level factors can contribute to an understanding of the likelihood of successful exits toward work and economic outcomes following reform. Three theoretical perspectives informed this dissertation. They are human capital theory, the culture of poverty, and perspectives on race.

**Human Capital Theory**

The theory of human capital argues that characteristics of individuals shape economic outcomes. Human capital perspectives emerged from neoclassical economic theory and influenced a variety of sociological theories of occupational and income attainment. Investment in human capital is defined as “the employment of resources for the development of human capacities from which an improvement of individual welfare in the future occurs” (Bodenhofer, 1967:433). An important component of this investment is formal education. However, the acquisition of skills and education through on-the-job training is equally important for outcomes in the labor market. These educational and job training investments enable workers to become more competitive in the labor market and therefore earn higher wages and ascend the occupational ladder.
While education is the investment most often considered, the theory can apply to other types of investments, such as physical health, that would lead to improved returns (Mushkin, 1962). Individuals with better health are able to be more productive and effective and may expect better economic returns (Mushkin, 1962). Thus, more education, training, and better health will lead to better outcomes in the job market.

Human capital theory can be applied to the welfare-to-work transition. According to this theoretical perspective, the specific attributes of former welfare recipients influence their chances in the labor market, including the ability to find employment, increase their wages and improve job status, and ultimately leave welfare permanently. Key to economic well-being and self-sufficiency is the ability to find and maintain employment following reform. The education, job skills, and other investments that current and former recipients bring with them to the labor market will likely effect their outcomes.

Indeed, these factors do prove to be important in the welfare to work transition as a shortage of human capital investment can serve as a barrier to securing jobs and, ultimately, overall economic self-sufficiency. These barriers include low levels of education, limited work experience, and lack of appropriate skills or job training (Cancian et al., 2002; Corcoran et al., 2000; Zedlewski, 2003). In addition, Boushey (2003) found that the higher the quality of a woman’s first job the longer her employment duration. The better the job, the more likely she is to remain and receive further skills and training that are needed for advancement. Finally, poor physical health has been identified as another significant barrier to employment (Loprest, 2001; Zedlewski, 2003).
Culture of Poverty

In addition to human capital, economic outcomes following welfare can be influenced by one’s background. The transition from welfare to economic self-sufficiency may be difficult for those who have a history of reliance on welfare. Culture of poverty theories developed in the late 1950’s and argued that the poor lived in a different culture than the rest of society (Corcoran, 1995). The Moynihan report of 1965 argued that several factors contributed to the proliferation of poverty among African Americans: the matriarchal structure of the family, the lack of male role models, and high rates of crime and delinquency (Moynihan, 1965). Essentially, the culture of poverty perspective characterized the culture of the poor as one of deviant values, such as low motivation to work and destructive behaviors that did not coincide with those of mainstream society. This “culture” explained poverty and its persistence over the generations.

The goal of welfare to work legislation was to encourage economic independence by eliminating welfare reliance. A successful and permanent exit from welfare to work would require an ability to leave behind this so-called “culture of poverty”. However, research has established that the longer one receives welfare, the poorer the economic and employment outcomes suggesting continued dependency or at the very least, returns to welfare (Keng et al., 2002). Further, the longer one receives welfare, the lower their likelihood of leaving permanently (Sandefur and Cook, 1998). This implies that there may indeed be a “culture of poverty” that will remain persistently poor and therefore heavily and continually reliant on welfare.
Race

U.S. society is characterized by a history of racial discrimination in education, housing, employment, and a variety of other areas that has impeded the progress of African Americans. Neubeck and Cazenave (2001) define “welfare racism” as the “formation, implementation, and outcomes of U.S. welfare policy” that are manifestations of racism (p. 35). From this theoretical perspective, racist ideologies have supported discriminatory policies and perpetuated racial inequality. Neubeck and Cazenave argue that administrative practices in the implementation of welfare policy disproportionately negatively affect African Americans. According to this argument, African Americans will be unfairly disadvantaged by the implementation of certain policies under welfare reform.

Research has documented that minorities, including African Americans, have higher rates of welfare participation rates, and this is attributed largely to the legacy of racism and discrimination in our society. Moreover, research has shown that blacks are disproportionately affected by specific social welfare policies. For example, Kalil et al. (2002) examined the influence that sanctions had on hardships. Sanctions are a form of benefit reduction or complete case closure for those families who do not comply with welfare regulations. Under current welfare reform, recipients are subject to sanctions if they do not conform to work requirements. Kalil’s investigation showed that race was a significant factor affecting the likelihood of sanctions. Specifically, being African American made one more likely to be subject to sanctions, even when controlling for other personal and demographic characteristics. Further, those who were sanctioned
were much more likely to experience economic and material hardships after leaving welfare.

If welfare policies disproportionately disadvantage African Americans, this will likely affect their ability to make a successful transition from welfare to work. This theoretical perspective has received empirical support as African Americans often receive differential treatment and are subject to discrimination in the labor market (Bobo, 1995; Kirschenmen and Neckerman, 1991). If transitioning recipients experience difficulties in the labor market, they may quit or lose their jobs and therefore be more likely to be sanctioned from benefits. This will challenge their ability to become self-sufficient, and may increase material and economic hardship.

**Family Structure and Social Support**

While individual level attributes are salient in determining outcomes of welfare reform, family structure - including marital status and number of children in the household - and social resources available to former recipients will also play a role in the successful transition from welfare to work.

**Family Structure**

Perspectives on family structure demonstrate that household composition can effect well-being. The size of the family indicates need for and use of resources within the household. Further, the number of adults indicates the ability to contribute to the needs of the family. The concept of the “feminization of poverty” describes the higher rates of economic hardship experienced by households headed by women. There has been a significant increase in this particular household structure over the past several decades. In 2000, the poverty rate of female-headed families with children was six times
that of married-couple families. Further, there is a greater propensity for African American families to be female-headed (Magnum, Magnum, and Sum; 2003). Not only does this type of family structure contribute to poverty rates, it also creates challenges for those women who are attempting to leave welfare and maintain employment.

Economic well-being and hardships are dramatically affected by family and household structure, particularly when that family is headed by a female. Early research by McLanahan and Booth (1989) found economic well-being severely challenged by the low earning capacity of women. In addition, these women were disadvantaged due to lack of child support from absent fathers and the low amount of public benefits received.

The number of children in a household can effect welfare to work outcomes as well. Harris (1996) examined the impact of family structure on economic and material outcomes. The number of children in a household had significant effects on women’s ability to remain off of welfare. Specifically, those women with three or more children had dramatically higher probabilities of returns to welfare than those with just one or two children. Further challenges included the difficulties in securing safe and reliable childcare and the costs associated with these services. The structure of families clearly affects the ability of women to leave welfare permanently, and creates childcare hardships for those who do leave.

Social Support

The concept of social support has been used to characterize aspects of social relationships including their existence, their structure, or their functional content. It has been most commonly used, however, to describe the function of relationships such as emotional concern, sharing of information, and tangible aid (House, 1987). Although
some of this literature describes perceptions of emotional support received from others, a portion of the literature on social support examines functional aid provided by relationships (Pierce et al., 1996). Functional, or instrumental, forms of support such as food, childcare, or money are some examples of tangible aid granted through social relationships (Jackson, 1998). Further, other research examines tangible aid from both formal sources, such as community organizations, and informal sources, such as family and friends (Beggs et al., 1996).

Sources of social support have been examined along with the types of support previously described. A key source of social support is through ties with friends, relatives, and other community members (Wellman, 1990). These ties provide emotional aid, services, companionship and financial assistance. Social ties, or networks, can be conceptualized as a social resource (Campbell et al., 1986) or as the composition of social capital (Wellman, 1990).

Social capital is defined as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” (Bourdieu, 1985). Without these social ties, the achievement of certain ends and the securing of resources would not be possible (Coleman, 1988). Social capital functions as a source of social support and a source of benefits from extrafamilial networks (Portes, 1998).

For those attempting to decrease their reliance on welfare, familial types of assistance may be necessary. Efforts to transition from welfare dependency to economic self-sufficiency can be facilitated by help from household members, extended kin networks, and others outside the family. Help from family members and others in one’s
neighborhood or community can help to ease the transition from welfare to work, provide information about jobs, and reduce vulnerability to hardships.

For a successful transition from welfare to work, diversified forms of support may be necessary for families. While empirical research has highlighted the importance of kin networks for income and other resources (Stack, 1974), the poor must often rely on other forms of support. For example, Edin and Lein (1996) found that many single mothers on welfare received income assistance from a community group, a local charity, or some other non-welfare agency. Other sources of support, then, are often necessary in order to lessen economic hardship. This is especially important in light of recent findings challenging the assumption that African Americans have abundant access to familial networks and the assistance they provide. McDonald and Armstrong (2001) conducted in-depth interviews with African American women and found that intergenerational support from kin was not as substantial as is frequently assumed. Kin-centered networks were not always generous with assistance and there was often conflict over child-rearing issues between mothers and their families.

Family networks are generally, however, a source of substantial social support. Theories of social support are substantiated by research that demonstrates the importance of kin relationships for securing material and economic resources among the poor. For example, Hogan et al. (1990) compared white and African American single-mothers and found that participation in a support network was especially important for African American women. These mothers were more likely to receive childcare assistance from kin, and they were more likely to receive half or more of their income from kin and friends. In Teitler’s (2004) research, unwed mothers overwhelmingly relied on a
combination of public assistance and informal support. Most reported receiving income supports from fathers of their children, family, and friends. Like Hogan et al., Teitler found that childcare needs were met mostly by family networks.

Information about jobs is another resource that is particularly important in the welfare-to-work context. Network theory, developed by Granovetter, argued that the strength of one’s interpersonal ties is key in obtaining and accessing resources. The strength of a tie is measured by the “amount of time, emotional intensity, intimacy, and reciprocal services that characterize that tie” (Granovetter, 1973:1361). Following this argument, those ties that are weaker tend to move in different circles from our own and therefore have access to information that might not otherwise be available. Weak ties can provide access to information and resources that offer opportunities that close relationships would not. Strong ties tend to provide information and resources that are already available, therefore providing little benefit to the individual.

Empirical research has established support for Granovetter’s theory about the advantages of weak ties. Lin et al. (1981) found that the use of weak ties among job seekers affected the ability to reach a contact of high status. In other words, the social resources or social capital that the job seeker uses are strongly associated with the status of the job he or she attains. In a more recent study of women on welfare in San Francisco, Chapple (2001) found that women with children, compared to those without children, were more likely to use contacts in their search for jobs. Specifically, they used acquaintances (weak ties) as opposed to close friends or family members to find information about jobs. Further, those who found jobs through social contacts secured more stable and satisfying jobs.
For those who are seeking economic self-sufficiency following welfare, the ability to find stable and well-paid employment is crucial. Social networks, particularly those made up of weak ties, provide links to the information and contacts necessary to obtain jobs. However, factors beyond the individual and family are important in shaping outcomes following welfare reform. The labor market context also determines successful, or difficult, transitions from welfare to work.

**The Labor Market Context**

Individual factors such as human capital investments, history of poverty and welfare receipt, and race begin to address varied outcomes during and after exits from welfare. However, these theoretical perspectives do not fully explain all patterns in the welfare-to-work transition. Household structure, number of dependent children, varieties of familial and organizational support, and network resources also influence economic well-being and hardships. All of these processes occur within a particular labor market context. Labor market perspectives contribute to a contextual understanding of the welfare-to-work transition.

**The Labor Market**

The local labor market can be defined as “a geographic area within which transactions between buyers and sellers of labor are situated and occur on a regular basis” (Horan and Tolbert, 1984:10). The local labor market is influenced by national and regional economic forces but also by the local organization of production. As a result, it is an important source of inequality that offers workers, often with similar levels of human capital, different employment prospects and opportunities (Killian and Tolbert, 1993). Workers’ choices and income potentials are constrained by those opportunities.
available in their local labor market area. Therefore, socioeconomic well-being is shaped by factors beyond the individual characteristics of workers (Kalleberg and Sorensen, 1979; Labao, 1993).

Labor markets influence economic outcomes through their particular characteristics and can be distinguished by a variety of factors. These include their industrial and occupational composition, presence or absence of unions, and skill and education levels of workers (Killian and Tolbert, 1993). Labor markets can also be delineated by the amount, type, and wages of employment, educational facilities, and cultural traits of an area (Tickameyer and Bokemeier, 1993).

The types of jobs available in a labor market are an important determinant of individual outcomes. Theoretical perspectives on divisions in the labor market address how outcomes are determined by the nature of jobs. Dual labor market theory argued that earnings are a function of the structure of jobs. The primary labor market offers jobs with high wages, job security, favorable working conditions, and opportunities for advancement. The secondary labor market is characterized by low wages, poor working conditions, and unstable job tenure. The primary labor market tends to offer workers avenues for advancement and economic gain. The secondary sector does not generally offer such opportunities (Piore, 1975). The concept of deindustrialization highlights the shift over the past few decades from manufacturing jobs to an abundance of service-related jobs (Danziger and Gottchalk, 1995). Service jobs generally pay lower wages and this has exacerbated wage inequality. Service related jobs are located in what Piore (1975) called the secondary labor market. Deindustrialization has created more jobs in this sector of the labor market (Aronowitz and DiFazio, 1996).
Dual labor market perspectives frame our understanding of outcomes such as employment status and wages of welfare leavers. Although many employed leavers are earning above the minimum wage, their hourly wages are still low, averaging around $7 per hour (Anderson et al., 2000; Brauner and Loprest, 1999; Loprest, 2001). Welfare leavers generally work in service-related jobs such as restaurants, sales and cashiering, and clerical work (Anderson et al., 2000; Brauner and Loprest, 1999). However, the quality of those jobs is found to be the source of many returns to welfare. Litt et al. (2000) found that women who left their jobs and returned to welfare cited low wages, lack of advancement opportunity, and lack of flexible hours. Other reasons cited for returns to welfare included the temporary or seasonal nature of jobs and poor work environment (Anderson et al., 2000). Clearly, the characteristics of jobs in the secondary labor market effect the transition toward self-sufficiency.

Social Isolation

Labor market theories assert that economic outcomes such as employment and wages, are not simply a result of individual characteristics, but of the geographic context in which this takes place. In addition, the social context of location influences outcomes. William Julius Wilson (1987) chronicled the loss of stable manufacturing jobs, the out-migration of middle-class African Americans from the inner cities, and the subsequent rise in joblessness and poverty that began in the 1970’s. The population remaining in the inner cities were those who were the most disadvantaged and most vulnerable to poverty and spells of welfare dependency. This resulted in a concentration of socially disadvantaged individuals limited in their ability to access jobs. Further, the loss of middle-class African Americans took away any social “buffer” that might have
previously existed to absorb the impact of uneven economic growth and recessions. The effects of this concentration and social isolation included inadequate access to jobs and the social networks that might lead to jobs, decreasing availability of marriage partners, lack of exposure to conventional role models, and lack of contact with mainstream society.

The transition from welfare to work is shaped by the opportunities available to welfare recipients in their labor market locations. However, in areas with high concentrations of poor residents, those opportunities are greatly limited. As stated previously, social contacts are one important way that individuals find employment after leaving welfare. Those leaving aid will likely be seeking employment in their immediate labor market area. Social isolation is a barrier to those attempting to achieve self-sufficiency. In a review of empirical findings on the challenges for former welfare recipients in urban areas, Coulton (2003) indicated three specific problems for inner-city residents. First, many jobs were found to be available in suburban areas outside of the city. This resulted in transportation difficulties for inner-city residents who needed to commute to work. Second, residents were limited by social networks that could provide them with little or no information about jobs beyond their geographic location. Even though jobs were available in areas outside the city, individual networks generally did not extend far enough to be aware of these opportunities. Finally, welfare recipients were found to be even more spatially concentrated than the general population of poor in metropolitan areas. This isolation was found to be even more severe for African American welfare populations.
In general, these empirical findings establish support for Wilson’s hypothesis of social isolation and its subsequent disadvantages. These labor market factors suggest implications for the welfare to work transition in terms of access to jobs and information about jobs. However, the social isolation perspectives focused on urban labor markets. These labor markets differ from rural labor markets in their opportunities and constraints. Rural areas have unique conditions that will shape the transition from aid to independence.

**Rural Poverty**

Another way that labor markets can be differentiated is on an urban-rural dimension. The characteristics of rural areas put residents at higher risk of poverty and diminished well-being. This is partly due to less diversity in occupations and industries within rural areas. The decline of manufacturing employment and the rise in the service industry has contributed to the rise in rural poverty. This economic restructuring has resulted in a decrease in the quality and security of rural employment. Indeed, service employment in rural areas tends to be lower paid and less stable than in urban areas. Further, even within the manufacturing sector, there has been a decline in lower-skill production jobs which further reduces the opportunities for rural residents with limited human capital (Brown and Hirschl, 1995; Haynie and Gorman, 1999).

Those who are at risk of poverty in urban areas, such as African Americans, children, and those in female-headed households, are even more likely to be poor if they reside in rural areas (Tickamyer and Duncan, 1990). Rural residents are more likely to live in a family where the head is working either part- or full-time.
employed, however, they experience higher poverty rates than those in urban areas (Cotter, 2002; Lichter et al., 1994).

Characteristics of rural labor markets have been shown to influence the transition from welfare to work. When compared with urban labor markets, rural labor markets show job growth, earnings, and wage progression to fall below the national average. Overall, it remains harder to get a job and harder to get a higher-wage job in a rural area than an urban location (Gibbs, 2001). Lee et al. (2002) examined caseload levels in Louisiana and found that nonmetropolitan caseloads declined more rapidly than metropolitan caseloads. Nonmetropolitan parishes, however, were less likely to offer an array of JOBS (Job Opportunity and Basic Skills Training) programs when compared to metropolitan areas. The fewer educational and training opportunities are an added disadvantage for those transitioning from welfare to work in areas that offer fewer employment opportunities overall.

Mills and Hazarika (2003) investigated workforce participation of single mothers in both urban and rural areas. They found that the returns to education were higher for urban single mothers than rural mothers. However, while rural women received lower wages on average, their costs to workforce participation were lower as urban women faced a barrier when they had young children in the household. Finally, Brown and Lichter (2004) examined livelihood strategies used by single mothers in rural areas. They found that although the strategies women used to survive in rural areas were similar to those used by urban residents (cohabitation with a partner, co-residence with another adult, etc.), those strategies were less likely to improve family income in rural areas.
These findings support the argument that rural labor markets offer different opportunity structures than urban labor markets and that these result in different economic outcomes for residents. In the transition from welfare to work, human capital, family structure, social resources, and labor market characteristics will shape economic outcomes and hardship experiences for those making the transition toward self-sufficiency.

**Summary and Research Question**

The goal of welfare reform was to reduce poverty, encourage work activity, and ultimately facilitate self-sufficiency. The theoretical perspectives reviewed provide a context for understanding and analyzing experiences and outcomes in the transition from welfare to work. My purpose in this dissertation is to inform the extant literature on outcomes of reform by asking **four** interrelated research questions about the well-being, broadly conceived, of former welfare recipients in Louisiana.

The previously discussed literature focused largely on dichotomous outcomes: those who leave welfare for work and those who remain on welfare. However, many families must rely, if only temporarily, on a combination of work and aid. Indeed, research has highlighted the specific economic vulnerability of families who combine work and aid as they make their transition (Boushey and Gunderson, 2001; Polit, London, and Martinez, 2000). Further, some families have exited welfare without employment. Different classifications in the welfare-to-work transition have different economic consequences and hardship challenges. Therefore, my **first** research question asks what factors effect recipients’ ability to leave welfare. To that end, I investigate the determinants of being in one of four groups based on work and welfare status: those who
work, those who rely on aid, those who combine work and aid, and those who have neither.

I have described the previous literature on outcomes including employment and wages following reform. Welfare reform policy was predicated on the assumption that exits from TANF and engagement in work activity would bring economic self-sufficiency. Therefore, my second research question asks how those involved in the transition have fared economically since reform. I analyze the determinants of income-to-poverty ratio in order to gauge the economic status of families since reform.

Individual, family, and labor market factors all shape the welfare-to-work transition. However, success can be measured in various ways. Much of the literature has examined strictly economic outcomes such as wages and income. While these are crucial to our understanding of reform, they are not the only measure of well-being. Therefore, my third research question asks what are the hardship vulnerabilities since reform. To analyze hardships, I investigate how welfare-to-work policies have affected food security, access to medical care, evictions, and other measures to get a more complete picture of challenges faced by Louisiana’s poor.

Finally, a large gap exits in the empirical literature: information about the circumstances of those who have left welfare but are not attached to the labor force. Very little is known about this population, including: their economic circumstances, hardship experiences, and survival strategies. Therefore, my fourth research question asks what former recipients who are “lost in transition” (off welfare, not working), are doing to secure a livelihood. I investigate this question through an in-depth ethnographic study of a sub-sample of the survey population.
My analysis of welfare to work outcomes will be conducted using a sample of Louisiana residents. Welfare reform legislation resulted in block grants given to states with the purpose of allowing individual states to design policy to address their specific needs. Louisiana is no exception and has designed specific programs and provisions in order to deal with the unique social and economic circumstances of welfare recipients in the state. My findings will speak specifically to policy needs and issues within the state of Louisiana. However, given the diversity of labor markets that I am studying, I will be able to speak to broader issues such as the influence of geographic location on the welfare to work transition.

To address these research questions, I test six hypotheses regarding the affect of individual, family and social support, and labor market factors on transitions from welfare-to-work in Louisiana.

My first hypothesis is based on the literature in human capital theory (Bodenhofer, 1967; Mushkin, 1962). Based on this literature, I expect that higher investments in human capital will yield better outcomes in the welfare-to-work transition.

My second hypothesis arises from the literature on the culture of poverty (Moynihan, 1965) which argues that the culture and behaviors of the poor, including dependency on governmental support, explain their persistent state of poverty. Thus, I hypothesize that a history of welfare dependency will contribute to poorer outcomes.

In my third hypothesis, I test for the effects of race on outcomes. Perspectives on race (Neubeck and Cazenave, 2001) suggest that African Americans have been negatively effected by a history of racism and discrimination in the economic, social, and
political arenas. Following this argument, I hypothesize that being black will result in poorer economic outcomes.

Family structure has been demonstrated to effect economic well-being (Mangum et al., 2003; McLanahan and Booth, 1989). Therefore my fourth hypothesis tests the effect of family structure on reform outcomes. I hypothesize that having fewer children, a parent, and a partner or spouse in the household will result in better economic outcomes.

My fifth hypothesis examines the relationship between social support and well-being. The literature on social capital (Bourdieu, 1985; Coleman, 1988; Portes, 1998), social ties (Granovetter, 1973; Wellman, 1990), and the social support received from those ties (Edin and Lein, 1996; House, 1987; Stack, 1974) informed my investigation. I hypothesize that social support received from family, friends, and organizations will have different effects on outcomes. I hypothesize that some forms of support may assist in the transition to work, others may assist survival without work.

My sixth hypothesis examines the relationship between geographic location and economic well-being. Perspectives on labor markets (Kalleberg and Sorensen, 1979; Killian and Tolbert, 1993; Piore, 1975), social isolation in the inner city (Wilson, 1987), and poverty in rural areas (Brown and Hirschl, 1995; Haynie and Gorman, 1999; Tickamyer and Duncan, 1990) all suggest that characteristics of one’s location will shape economic outcomes. Thus, I hypothesize that rural or urban location will affect transitions from welfare-to-work. The literature on rural areas suggests poor outcomes for those seeking employment and liveable wages. The literature on social isolation in the inner cities also suggests poor outcomes. I expect, however, that those in the rural
areas will have worse outcomes. Despite the possibility of extreme social isolation within the inner city of New Orleans, there are greater opportunities provided by the service industry and more transportation options compared with the rural areas of Northeastern Louisiana.

My next chapter describes the data and methods used for the analyses in this dissertation. This chapter also includes a description of my sample and outlines my analytical strategy for answering these questions.
CHAPTER 3: DATA AND METHODS

In the beginning of this dissertation I posed four interrelated research questions asking what factors influence a successful transition from welfare to work. I also asked about the economic well-being and hardship experiences of those who are in this process. In order to answer these questions, I pursued a research strategy that combined both quantitative and qualitative methods. The quantitative design, to be described in this chapter, involved two stages of analysis. The qualitative design will be discussed in an upcoming chapter in detail. This chapter describes the data used, sample, measurement of variables, and analytic strategy.

Data

The data for the quantitative analyses in this dissertation come from the Louisiana Welfare Panel Survey. This longitudinal panel study began in 1998, shortly after the implementation of the TANF program in Louisiana in January 1997 (Valvano and Abe, 2002). The original sample was randomly obtained from current welfare recipients in three New Orleans welfare districts and 12 parishes in northeastern Louisiana (Delta region). The twelve parishes in the Delta region form two contiguous labor market areas: the metropolitan area of Monroe and a largely non-metropolitan area without a metropolitan core. These labor market areas were selected based on the expectation that the welfare-to-work transition would operate under different constraints in metropolitan and non-metropolitan areas. Metropolitan areas generally have public transportation, offer a variety of support services such as daycare and medical services, and jobs are more geographically concentrated. Transportation systems do not exist in the rural Delta
labor market areas. New Orleans was selected because it is Louisiana’s largest city and
has the most extensive ethnic mix of all cities in the state. The metro and non-metro
Delta areas (which includes the city of Monroe) were chosen because of their
geographical isolation and high degree of poverty. Indeed, the non-metro parishes
included in this analysis are classified as persistent poverty counties, having poverty rates
of 20% or more for the past four decades (Henry and Lewis, 2001).

The initial survey population consisted of persons 18 years of age or older who,
according to administrative records, had been on public assistance as of May 1998. The
same respondents were interviewed each year, concluding with the fifth and final wave in
2003. Most respondents were interviewed via Computer-Assisted Telephone
Interviewing (CATI). Telephone surveys have several advantages over face-to-face
interviews including lower cost, easier accessibility to a large population, time efficiency,
and reduction in interviewer error. However, due to the nature of the AFDC/TANF
population, many respondents could not be reached via telephone. Every effort was
made to contact those who were not reached by phone. Field researchers traveled to
respondents’ last known address or traced them through contact information gathered at
the end of each survey wave. Once respondents were located, they were interviewed
face-to-face using laptop computers to complete the survey or with the use of a cell-
phone to reach the CATI lab.

This dissertation project investigated the effects of welfare reform legislation on a
sample of current and former welfare recipients in Louisiana. Data used were from the
first and final waves of the Louisiana Welfare Panel Survey. The dependent variables,

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1 The analyses use the original 1990, one-county designation for Ouachita county which contains the city of
Monroe. Union parish has since been designated part of the Monroe metropolitan area, but is not
however, come from the fifth (final) wave of the survey in order to assess the most recent outcomes and experiences of the respondents.

**Dependent Variables**

**Work and TANF Status**

The dependent variables in the first stage of the analysis measure all possible work and TANF outcomes of welfare reform policy. There are four outcomes, and four variables dummy coded to reflect location in one of the four classifications. **Work Only** are those who have left TANF and are employed in the labor market, either full or part-time. **TANF Only** are those who are on TANF and report no formal work activity. **Work and TANF** are those who combine income from formal employment yet still receive some welfare benefits. **No Work and No TANF** are those who have left TANF and are not working in the formal labor market.

**Income-to-Poverty Ratio**

There are two dependent variables in the second stage of the quantitative analysis: income-to-poverty ratio and material hardship. The first variable is based on the official Federal poverty threshold. This threshold was developed by Mollie Orshansky in 1963 using U.S. Department of Agriculture food budget guidelines and data about what portion of income families spend on food. Orshansky’s intent was to develop a measure that reflected the relative risks of low economic status (Fisher, 1992). Poverty thresholds vary according to size of family and the ages of the members.

In order to create the **income-to-poverty ratio** for each case in my sample, I

considered so here.
divided the total family income\(^2\) reported by the poverty threshold for that family size. Respondents in the final wave reported their total family income for the year 2001 so U.S. Census Bureau poverty thresholds for that corresponding year were used in the calculation. Survey respondents were asked to report their total family income according to one of eight categories with the final category capped at $35,000 or more. I took the midpoint of the income category reported (Lochner et al., 2001) and divided that by the poverty threshold for that family size\(^3\) and age of head of household.

The result is a continuous variable that can be understood as follows. A ratio of less than 1.00 indicates that the family is below poverty. A ratio between 1.00 – 1.99 indicates that the family is near poor. A ratio that is equal to or greater than 2.00, indicates an income that is 200% of the poverty threshold and therefore not considered poor.

The official poverty measure has been criticized for its inability to adequately measure the deprivation and severity of poverty (Brady, 2003). Since the poverty threshold is a standardized measure based solely on family income, I also measure hardships experienced by those in the welfare to work transition. While poverty measures based on income can suggest the ability to meet material needs, hardship measures capture a variety of well-being indicators, thereby expanding the definition of poverty beyond static income standards.

Material Hardships

An 11-item scale of material hardship, developed by the Urban Institute, was

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\(^2\) Income does not include noncash benefits such as food stamps and housing subsidies and therefore were not included in the calculation.

\(^3\) Family includes all those related family members. Those identified as “partner” were counted as spouse.
used to identify difficulties experienced in the past six months.\textsuperscript{4} These items included: (1) could not meet essential expenses, (2) could not pay full rent/mortgage, (3) evicted for nonpayment, (4) could not pay full utilities, (5) had utilities disconnected, (6) had phone disconnected, (7) needed to see doctor but could not go, (8) needed to see dentist but could not go, (9) kid(s) needed to see doctor but could not go, (10) kid(s) needed to see a dentist but could not go, (11) not enough to eat. A factor analysis was conducted and the scale was found to load on three factors. In order to construct a more robust measure of hardships that occur more often in Louisiana, I created a unidimensional scale consisting of seven specific hardships. These include: could not meet essential expenses, could not pay full rent or mortgage, could not pay full utilities, had phone disconnected, respondent needed to see a doctor but could not go, respondent needed to see a dentist but could not go, and did not have enough to eat. These final seven hardships compose my dependent variable.

Each response was coded as a dummy with zero as not having that hardship and one as having that hardship. The positive responses were then added up and the result is a variable measuring total number of hardships for each case.

**Independent Variables**

The independent variables in this analysis relate directly to the theoretical argument outlined in chapter two. The transition from welfare to work is hypothesized to be affected by individual level factors, family structure and resources, and local labor market location.

\textsuperscript{4} The hardship scale has an alpha coefficient of .709.
Individual Factors

**Age** is measured as respondent’s age in wave 5. Human capital theory states that age can impede occupational attainment if one is older (Bodenhofer, 1967). Following this argument, the older one is when they exit TANF, the lower their returns in the labor market, and therefore I expect that they will have a lower income-to-poverty ratio. Further, older ages are related to poorer health, a significant barrier to employment after reform, I therefore expect that the older one is, the less likely they are to be working.

**Education** is a dummy variable coded as one if the respondent has at least a G.E.D. or high school diploma. Human capital theory states that educational investments garner better returns in the job market, so I expect a higher level of education to increase income-to-poverty ratio and reduce material hardships.

Job history is measured through two variables: **job training** was coded as one if they reported receiving job training after high school and **number of jobs ever held** is a continuous variable that measures total number of jobs, part-time or full-time. According to human capital theory, I expect job training to increase the likelihood that one is working after TANF exit and to raise income-to-poverty ratio. Number of jobs, however, can be an indication of instability in employment which can lower wages. Conversely, job turnover has been shown to result in wage gains (Anderson, et al., 2000). Therefore, the expected direction of the relationship between number of jobs and economic outcomes is uncertain.

**Race** is coded as zero for whites and one for all non-whites. Only about 2% of non-whites in this sample are some race other than black, therefore they are included in the non-white category, identified from this point on as “African American” or black
(Keiser, 2004). Prior research has shown that blacks are a higher proportion of TANF recipients and that when they do exit they are less likely to move out of low-income status (O’Hara, 2002; Peterson et al., 2002). Therefore, I expect race to lower income-to-poverty ratio and decreased the likelihood of TANF exits.

A dummy variable for **health** is coded as one for those who self-report to be in good or excellent health, and zero for those who report fair or poor health. Poor health is one significant barrier to a work exit from TANF (Taylor and Barusch, 2004; Zedlewski, 2003) and therefore I expect that the poorer one’s health, the less likely they will be employed. In addition, given that health problems prevent stable work activity, I expect greater hardships among those who have poor health.

Finally, **years on AFDC** is a continuous variable reflecting respondents’ self-reported total years they have received AFDC or TANF. The likelihood of leaving TANF permanently decreases with the length of time one receives benefits (Sandefur and Cook, 1998), so I expect that more years on AFDC will reduce the likelihood of working. In addition, research has shown that those who have left welfare in more recent years experience more hardships (Loprest, 2001) so I expect a positive relationship between length of time on TANF and number of material hardships.

**Family Structure & Social Support**

Family structure variables can indicate resources contributed to and used within the household. **Spouse/Partner in Household** is dummy coded zero for none and one if they report having a spouse or partner in their household. Permanent exits from TANF are shown to be influenced by the presence of a spouse or partner who works (Harris, 1996). I expect the presence of a spouse or partner to be positively associated with

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5 This question was not asked in the Wave 5 survey so data was taken from Wave 1.
leaving TANF. Further, I expect this to increase the income-to-poverty ratio. While there is some debate about whether cohabiting household members contribute less to household economic resources than spouses, research has shown that for cross-sectional studies, counting nonfamily members who share the same household is not problematic for inferring poverty (Bauman, 1999). Therefore, I include those who have been identified as a “partner” in the measurement with spouses.  

**Parent in the household** was coded one if the respondent reported living with a parent. Shared housing is shown to improve economic prospects for young women trying to gain self-sufficiency by serving as a form of economic and social support (Sandfort and Hill, 1996), so I expect the presence of a parent to increase income-to-poverty ratio and decrease material hardships.

Both **number of children** and **number of young children**, ages 5 and under, in the household are continuous variables. The likelihood of leaving TANF is shown to be reduced by the number of children in the household (Sandefur and Cook, 1998), therefore I expect that those who have more children are less likely to exit welfare. Those who have younger children in the household may have more need for childcare, have more difficulty securing these services, and therefore be less likely to leave TANF (Bok and Simmons, 2002). In addition, when they do leave TANF they have difficulty paying for childcare costs and so I expect that those with young children will experience more hardships due to expenditures on childcare.

Support received from family, friends, and formal organizations are an important safety net for the poor. Various resources are important in facilitating the transition from welfare to work. Transportation is a significant barrier to work (Corcoran et al., 2000),

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6 Eight respondents identified living with a “partner” in wave 5.
so I expect that those who do not have access to reliable transportation are less likely to be working. If they do not have transportation and are less likely to be working I would expect a lower income-to-poverty ratio. **Transportation** is coded as one if the respondent owns or has access to a reliable car.

Social capital perspectives illustrate that relationships can provide various resources among network members (Bourdieu, 1985; Coleman, 1988). The resource variables used in this dissertation are based on a series of questions that ask about type of assistance (money, food, childcare, housing, and transportation) and source of assistance (parents, siblings, other relatives, absentee parent of a child, and friends) that respondents receive. **Kin assistance** is dummy coded one if the respondent reported receiving any type of assistance from any of the sources. Research has found that women who are working are more likely to receive help from family members (Edin and Lein, 1996), therefore I expect that those who have kin resources are more likely to be working. Further, having a combination of income from work and resources from family should result in a higher income-to-poverty ratio and lower hardships.

Respondents were also asked about the same types of assistance received from organizations such as charitable groups or churches. **Organizational assistance** is also dummy coded one if they receive any type of assistance from an organization. Women who are welfare reliant are found to be more likely to use assistance from community groups (Edin and Lein, 1996), therefore I expect that those who report organizational assistance will be more likely to be on TANF.
**Labor Market Context**

All labor market variables are dummy coded one to reflect residence in either New Orleans, the city of Monroe, or the rural Mississippi Delta area. The city of New Orleans includes the districts of Midtown, Algiers, and Gentilly. Monroe is within the Mississippi Delta region but is a metropolitan city of about 53,000 in the parish of Ouachita. Parishes in the rural Delta area include Caldwell, Catahoula, Concordia, East Carroll, Franklin, LaSalle, Madison, Morehouse, Richland, Tensas, Union, and West Carroll.

Research has demonstrated the diversity in labor markets and its effects on individual outcomes (Coulton, 2003; Fitzgerald, 1995). Since rural areas are established to be geographically isolated and have higher rates of poverty (Gibbs, 2001), I expect non-metropolitan residence to have a negative effect on income-to-poverty ratio and a positive effect on material hardships. Further, the theory of social isolation highlights the extreme poverty and isolation in inner cities that contributes to sustained poverty and disadvantage (Wilson, 1987). Given this framework, I would expect those in Monroe to have poorer outcomes compared to New Orleans due to fewer opportunities in that labor market area. New Orleans provides opportunities for work throughout the city as well as outer suburbs, while Monroe remains relatively isolated in comparison.

**Control Variables**

Two variables were used as controls in the second stage of the analyses. **SSI Receipt** is dummy coded one if the respondent reported receiving SSI (Supplemental Security Income) during wave 5. SSI provides considerably more cash assistance than the average TANF benefit in Louisiana but can be a temporary form of support. **Child-**
Only Cases are also controlled for. This variable is dummy coded one for receipt of TANF benefits for a child or children only and not the respondent. I control for these variables in order to better reflect the circumstances of those in the four different work and welfare status groups.

Sample

My analytical strategy includes descriptive statistics, multinomial logistic regression, and ordinary least squares regression. Before describing these strategies, I present descriptive sample information.

Sample Description

The final wave of the survey resulted in 425 cases for analyses, with 391 complete interviews. Interviews were counted as incomplete if they did not reach the final survey question about total family income for the previous year. I conducted the final analyses using all cases from wave 5 of the survey, including incomplete interviews. Including incomplete cases results in a number of missing values due to listwise deletion procedure in SPSS (Statistical Package for Social Sciences). Further, these incomplete interviews were terminated at various points during the survey, therefore missing information will vary depending upon when each survey ended. This results in varying “N’s” for the analysis.

The sample means and standard deviations for dependent variables are given in table 3.1. The mean income-to-poverty ratio is .58 with a standard deviation of .56. This figure shows that on average these families are far below the federal poverty threshold. In fact, only about 4% of the sample would be considered “comfortably” above poverty level. Indeed, the median annual family income for the sample is just $7500. Even when
respondents are working, one measure of the “success” of welfare reform, they fall short of income necessary to pull them out of poverty.

The second dependent variable, material hardships, is also telling. On average, women in the sample experienced 2.18 hardships within a 6-month period. While severe hardships such as home evictions and utility disconnects were less common, nearly half the sample (43%) reported having trouble meeting “essential expenses”. Other commonly reported hardships included the inability of the respondent to see a doctor or a dentist and struggles to pay the full gas or electric bill. National studies have shown these types of hardships to be common among welfare populations (Beverly, 2001; Boushey and Gundersen, 2001). My upcoming qualitative chapter will discuss the variety and depth of hardships experienced by a subgroup of women in my sample as they transition from welfare-to-work.

Sample means and standard deviations for independent variables are also presented in table 3.1. The average age of the women in my sample is 37.88 with a standard deviation of 11.80. Sixty-two percent of the women have a G.E.D. or high school diploma or higher and 45% report having received job training. The mean number of previous jobs, full or part time, among those sampled is 4.71 with a standard deviation of 4.86. About 92% of the women are African American. About 55% of the respondents report good or excellent health. According to theories of human capital, factors such as higher levels of education, job training, and good health suggest a greater likelihood of finding work after leaving welfare and being able to secure wages that would raise income levels. My upcoming analyses will test for work outcomes and economic outcomes.
Twelve percent of the women are married or have a partner in the household. Thirteen percent report living with a parent. Average number of children in the household is 2.51 and average number of young children is .72. Forty-eight percent have access to reliable transportation or own their own vehicle.\textsuperscript{8} Fifty-nine percent report receiving some type of help from family and/or friends, and 13% get assistance of some kind from a formal organization. Assistance of various kinds is crucial to the day-to-day survival of poor populations, and can also be beneficial in the transition off of welfare.

In terms of labor market location, 35% of respondents live in a rural area, 19% live in the small metropolitan area of Monroe, and the remaining 45% reside in New Orleans. For the control variables, about 33% of respondents reported SSI receipt during wave 5 and child-only cases made up just 6% of the sample.

Finally, TANF/Work status groups are as follows: thirty-nine percent rely only on work, 22% rely solely on TANF, 10% combine work with TANF, and 29% do not work or receive TANF. The first regression analysis will determine what factors influence location in each of these four classifications.

\textbf{Analytical Techniques}

The analysis of quantitative survey data involved a preliminary step of testing for mean differences among the four TANF and work status groups. Once these differences were identified, I proceeded to analyze the determinants of location in one of these four classifications in the welfare-to-work transition. The final stage of my analyses examined the determinants of the two dependent variables: income-to-poverty ratio and material hardships.

\textsuperscript{7} This figure is closely representative of the welfare population in Louisiana (Valvano & Abe, 2002).\textsuperscript{8} Just under 30% of respondents actually own their own vehicle.
Means Tests for Group Differences

Before I conducted the regression analyses, I performed a difference of means test\(^9\) to analyze significant differences among the categories of my first dependent variable.

Table 3.1: Means and Standard Deviations of Dependent and Independent Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income-to-Poverty Ratio</td>
<td>352</td>
<td>.58</td>
<td>.56</td>
<td>.07</td>
<td>2.98</td>
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<tr>
<td>Hardships</td>
<td>389</td>
<td>2.18</td>
<td>1.94</td>
<td>.00</td>
<td>7.00</td>
</tr>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Individual Factors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>425</td>
<td>37.88</td>
<td>11.80</td>
<td>22.00</td>
<td>77.00</td>
</tr>
<tr>
<td>High School Diploma or GED</td>
<td>416</td>
<td>0.62</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Job Training</td>
<td>420</td>
<td>0.45</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Number of Previous Jobs</td>
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<td>4.87</td>
<td>.00</td>
<td>50.00</td>
</tr>
<tr>
<td>African American</td>
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<td>1.00</td>
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<td>Good Health</td>
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<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
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<td>Years on AFDC</td>
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<td>6.80</td>
<td>5.97</td>
<td>.00</td>
<td>49.00</td>
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<tr>
<td><strong>Family &amp; Support</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse/Partner in Household</td>
<td>425</td>
<td>0.12</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Parent in Household</td>
<td>425</td>
<td>0.13</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Number of Children in Household</td>
<td>418</td>
<td>2.51</td>
<td>1.78</td>
<td>.00</td>
<td>11.00</td>
</tr>
<tr>
<td>Number of Young Children in Household</td>
<td>425</td>
<td>0.72</td>
<td>0.99</td>
<td>.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Access to Transportation</td>
<td>425</td>
<td>0.48</td>
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<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Kin Assistance</td>
<td>425</td>
<td>0.59</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Organizational Assistance</td>
<td>425</td>
<td>0.13</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Labor Market</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban</td>
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<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Rural</td>
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<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Control Variables</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSI Receipt</td>
<td>390</td>
<td>0.33</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Child-Only Case</td>
<td>425</td>
<td>0.06</td>
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<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>TANF/Work Groups</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Only</td>
<td>413</td>
<td>0.39</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>TANF Only</td>
<td>413</td>
<td>0.22</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Work &amp; TANF</td>
<td>413</td>
<td>0.10</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>No Work &amp; No TANF</td>
<td>413</td>
<td>0.29</td>
<td></td>
<td>.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>

\(^9\) The analysis of variance test (ANOVA).
variable, work/TANF status. This information enabled me to identify the distinctions among these four categories of interest, which would be used as predictors in further stages of the analyses. These descriptive findings are presented in the following chapter.

**Stage 1: Determinants of Work/TANF Status**

To analyze those specific factors associated with leaving TANF, I conducted three logistic regressions. I examined the factors that explain exits from TANF, the “success” of exiting for work, and the factors that explain exiting without work. Next I performed a multinomial logistic regression predicting location in one of the four classifications in the welfare to work transition: Work Only, TANF Only, Work and TANF, and No Work and No TANF. Multinomial Logit Models are appropriate when the categories are nominal and unordered. Further, the effects of the independent variables are allowed to differ for each outcome (Long and Freese, 2003).

**Stage 2: Linear Regression Analysis of Determinants of Income-to-Poverty Ratio and Material Hardship**

The second stage of the analysis assessed the determinants of the two dependent variables of interest: income-to-poverty ratio and material hardship. Individual, family and resource, and labor market variables were all regressed on the dependent variables. This also included control variables. Finally, the work/TANF status categories from the previous analyses were used as predictor variables to assess how one’s location in the welfare to work transition might affect economic and hardship outcomes.

The following chapter presents the mean group differences among the four work and TANF status groups in the welfare-to-work transition. This chapter will also identify
the determinants of work/TANF classification and present the findings from the three logistic regression analyses.
CHAPTER 4: GROUP DIFFERENCES IN THE WELFARE TO WORK TRANSITION

The previous chapter reported the means and standard deviations for all independent and dependent variables. Sample descriptives indicate that most of the women are below poverty and experience significant hardships. Reform policy suggests that work activity will improve economic circumstances yet for most of the women in my sample, struggles are prevalent. However, over half of the women have at least a G.E.D. or high school diploma, a majority report good health, and nearly half have had some type of job training. These important human capital investments suggest further benefits in the transition to work. While a small percent report a spouse, partner, or parent living in the household, the average number of children remains relatively low, at less than three. Family structure characteristics can both contribute to and drain household resources. In addition, over half report receiving assistance from friends or family, and nearly half have access to reliable transportation. Previous literature has established that kin assistance and access to transportation are important components in the process of leaving welfare permanently. These relationships are further investigated in this chapter through the analysis of different classifications in the welfare to work transition. First I compare mean differences among the four classifications and then I analyze the determinants of group location.

Mean Group Differences in the Welfare to Work Transition

This portion of the analysis describes characteristics of individuals who are in different classifications in the welfare to work transition. I compared respondents based on groupings of TANF and work status as reported during the final wave of the survey.¹⁰

¹⁰ ANOVA test for group differences
These four groups are: those on TANF and working, those on TANF and not working, those off TANF and working, and those off TANF and not working. Each group is characterized by a different combination of work and TANF reliance (or none at all) and findings show the complexity of reform outcomes. These different classifications based on work and TANF status will be the first stage in my analysis of economic outcomes and material hardships. I grouped the variables of interest based on individual-level factors, family and social support measures, and labor market context. In addition, I compared the groups with regard to income-to-poverty ratio and hardships, the two dependent variables in my analysis. Results are presented in table 4.1.

**Individual-Level Factors**

I compared the four groups on measures of age, education level, job training received, number of jobs ever held, health, age at first receipt, length of time on aid, and race.

On several individual level variables, those who are working seem to be the most advantaged. They are the youngest, with an average age of 35. Education level is also significantly different. Those who are working are most likely to have a high school diploma or GED, followed closely by those who combine work with TANF. There are no significant differences on job training and number of previous jobs held. Those who combine work with TANF are the most likely to report being in good health, and this is a significant difference among the groups. It is possible that they are working because they have good health status. Indeed, physical as well as mental health has been identified in numerous studies as a significant barrier to work activity for welfare recipients (Danziger et al., 2000; Loprest, 2003; Zedlewski, 2003). Further, if they are combining work with
TANF, they may be more likely to have access to health care through their TANF benefits compared to who rely only on work.

The respondent’s own personal history of AFDC receipt shows significant variation. Those who are not working appear to be at a disadvantage. Those who are relying only on TANF report the highest number of years on AFDC, an average of nearly nine years. This group is followed closely by those who are neither working or on TANF, who have an average of just over 7 years of AFDC receipt. This is consistent with results from a recent report which finds that those who have multiple barriers to employment also tend to be those who have remained on welfare the longest (Zedlewski, 2003).

**Family Structure and Social Support**

The four work and TANF groups were also compared on measures of family structure and resources. These include presence of a spouse or partner in household, presence of a parent in household, number of children in household, and number of young children in household. Finally, transportation, help from kin, and help from organizations provided measures of social resources.

On measures of household composition, only the presence of a spouse or partner in the household shows significance. Those who rely solely on TANF are the least likely to have a spouse or partner in the home. Given that an additional income in the household is an advantage, it is possible that those without this benefit are the most economically vulnerable, and therefore most likely to need welfare support. There are no significant differences on comparisons of the presence of a parent in the household.
Likewise, the number of children and the number of young children in the household show no significant variation.

All of the social support variables show significant variation among the groups. Those who are relying solely on work are most likely to have their own car or access to reliable transportation. Again, the work only groups seems to be the most advantaged as transportation is key in finding and maintaining employment. The group that does not work or receive aid are most likely to have assistance from friends and family. Finally, those who combine work and aid are most likely to report receiving some form of organizational assistance. Clearly, alternative forms of social support are crucial for these two groups. Indeed, previous research has shown that women who rely on welfare, even if they are able to supplement aid with formal employment, are more likely to turn to organizations for help with utilities and other necessities than those who are reliant solely on formal employment (Edin & Lein, 1997). To the extent that these two groups are reliant on these forms of support, it is possible that they are at risk of extreme hardship should any of these support systems dissipate. Upcoming analyses will identify if location in either of these groups is significant in determining hardship vulnerability and economic deprivation.

**Labor Market Context**

The four groups were also compared to see if there were any significant differences based upon urban, isolated urban, or rural location. There is no significant variation among the groups on labor market location. While research on rural and urban differences (Fisher & Weber, 2002; Mills & Hazarika, 2003) would suggest that those in rural areas would be at a particular disadvantage in the welfare to work transition, this
finding is not reflected here. However, there are two possible explanations for this finding in my research. First, it is possible that there is a diversity in the rural areas that is not reflected when grouping all rural parishes together. For example, the more sparsely populated the rural area is, the less access to jobs there are (Whitener, Weber, and Duncan, 2001). This grouping together of parishes, including those that are relatively highly populated, may average out diversity and therefore make rural areas appear more similar to urban. Second, this project looks at a “snapshot” in time of the outcomes following reform. A longitudinal analysis, which could trace work history and TANF use over time, may identify patterns that are not evident in this cross-sectional analysis. For example, it is possible that work history, including types of jobs and tenure, generates more returns in an urban labor market versus a rural.

Control Variables

The control variables were also tested for significant differences. SSI receipt is highest among those who are not working or on TANF. Child-only cases exist only among those who are receiving TANF.

Income and Hardships

The groups were compared for differences among the two dependent variables to be used in the final stage of the analyses: income-to-poverty ratio and material hardships. Both dependent variables show significant variation. Those who rely only on work have the highest income-to-poverty ratio at .68. Interestingly, those who rely solely on TANF, and not those who report no source of income (no work and no TANF), have the lowest income-to-poverty ratio. This is consistent, however, with recent research showing a slight economic advantage for those who are off welfare and
Table 4.1: Difference of Means among Work and TANF Categories

<table>
<thead>
<tr>
<th>Variable</th>
<th>Work Only</th>
<th>Neither Work Nor TANF</th>
<th>TANF Only</th>
<th>Work and TANF</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>161</td>
<td>119</td>
<td>90</td>
<td>43</td>
</tr>
<tr>
<td><strong>Individual</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>35.07***</td>
<td>40.63</td>
<td>40.09</td>
<td>36.30</td>
</tr>
<tr>
<td>High School/GED</td>
<td>0.73**</td>
<td>0.51</td>
<td>0.52</td>
<td>0.70</td>
</tr>
<tr>
<td>Job Training</td>
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<td>0.46</td>
<td>0.47</td>
<td>0.42</td>
</tr>
<tr>
<td>Number of Previous Jobs</td>
<td>4.44</td>
<td>4.74</td>
<td>5.53</td>
<td>3.90</td>
</tr>
<tr>
<td>Good Health</td>
<td>0.65***</td>
<td>0.47</td>
<td>0.37</td>
<td>0.74</td>
</tr>
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<td>Years on AFDC</td>
<td>5.99**</td>
<td>7.05</td>
<td>8.78</td>
<td>5.57</td>
</tr>
<tr>
<td>African American</td>
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<td>0.87</td>
<td>0.93</td>
<td>0.93</td>
</tr>
<tr>
<td><strong>Family &amp; Social Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse/Partner in Household</td>
<td>0.13*</td>
<td>0.15</td>
<td>0.04</td>
<td>0.19</td>
</tr>
<tr>
<td>Parent in Household</td>
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<td>0.12</td>
<td>0.19</td>
<td>0.09</td>
</tr>
<tr>
<td>Number of Children</td>
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<td>2.36</td>
<td>2.64</td>
<td>2.67</td>
</tr>
<tr>
<td>Number of Young Children</td>
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<td>0.62</td>
<td>0.84</td>
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</tr>
<tr>
<td>Access to Transportation</td>
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<td>0.48</td>
<td>0.24</td>
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</tr>
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<td>Kin Assistance</td>
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<td>0.71</td>
<td>0.55</td>
<td>0.51</td>
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<td>Organizational Assistance</td>
<td>0.07*</td>
<td>0.18</td>
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<tr>
<td><strong>Labor Market</strong></td>
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</tr>
<tr>
<td>New Orleans</td>
<td>0.44</td>
<td>0.40</td>
<td>0.47</td>
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</tr>
<tr>
<td>Monroe</td>
<td>0.18</td>
<td>0.22</td>
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<tr>
<td>Rural</td>
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<td>0.38</td>
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<tr>
<td><strong>Control Variables</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSI Receipt</td>
<td>0.13***</td>
<td>0.50</td>
<td>0.49</td>
<td>0.22</td>
</tr>
<tr>
<td>Child-Only Case</td>
<td>0.00***</td>
<td>0.00</td>
<td>0.19</td>
<td>0.16</td>
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<tr>
<td><strong>Income &amp; Hardships</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income-to-Poverty Ratio</td>
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<td>0.58</td>
<td>0.42</td>
<td>0.59</td>
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<td>Material Hardships</td>
<td>1.94**</td>
<td>2.31</td>
<td>2.77</td>
<td>2.95</td>
</tr>
</tbody>
</table>

*p ≤ .05; **p ≤ .01; ***p ≤ .001

not working compared to those who rely solely on welfare or combine work with welfare (Polit, London and Martinez, 2000). While those who remain on TANF are the most poor, it is important to note that even those who are working fall far below the poverty threshold.
Those who combine work and TANF report the highest number of material hardships, an average of 2.95. This group does not have the lowest income-to-poverty ratio, however. This finding suggests a distinction between sheer economic measures such as poverty threshold and the experience of material hardships. Further, the distinct characteristics of this group have been shown in other studies to make them particularly vulnerable to hardships (Bauman, 2000).

**Factors Associated with Leaving Welfare**

This portion of the analysis examines those factors that influence exits from TANF. Table 4.2 presents the findings that analyze the factors that affect exits from TANF, regardless of whether those exits involve formal labor market activity. The two factors that increase the odds of leaving welfare are social support from kin and access to transportation.

The finding that assistance from family and friends is key in leaving welfare lends support to social support perspectives that highlight the importance of ties with kin networks (Stack, 1974; Edin and Lein, 1997). Indeed, empirical research has established that family and friends can facilitate exits from welfare (Anderson et al., 2004). Transportation, or access to reliable transportation, is also an important resource for those leaving TANF. What is not consistent with theoretical perspectives is the finding that human capital investments are not consequential in TANF exits. Education, job history, and health are not significant here. Culture of poverty theories are also not supported as AFDC history shows no significance. Finally, there is no effect for labor market variables, thereby challenging structural perspectives.
Table 4.2: Logistic Regression Determinants of Exiting TANF

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>(S.E.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N=338</td>
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<td></td>
</tr>
<tr>
<td><strong>Individual Factors</strong></td>
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<td></td>
</tr>
<tr>
<td>Age</td>
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<td>.012</td>
</tr>
<tr>
<td>Job Training</td>
<td>-.040</td>
<td>.249</td>
</tr>
<tr>
<td>Number of Jobs</td>
<td>-.020</td>
<td>.025</td>
</tr>
<tr>
<td>HS Diploma or GED</td>
<td>-.086</td>
<td>.265</td>
</tr>
<tr>
<td>African American</td>
<td>.180</td>
<td>.504</td>
</tr>
<tr>
<td>Good Health</td>
<td>.306</td>
<td>.260</td>
</tr>
<tr>
<td>Years on AFDC</td>
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<td>.022</td>
</tr>
<tr>
<td><strong>Family &amp; Support</strong></td>
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<td></td>
</tr>
<tr>
<td>Spouse/partner in HH</td>
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<td>.425</td>
</tr>
<tr>
<td>Parent in HH</td>
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<td>.400</td>
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<tr>
<td>Number of Children in HH</td>
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<td>.086</td>
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<tr>
<td>Number of Young Children in HH</td>
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<td>.152</td>
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<tr>
<td>Transportation</td>
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<tr>
<td>Kin Assistance</td>
<td>.633*</td>
<td>.261</td>
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<tr>
<td>Organizational Assistance</td>
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<td>.355</td>
</tr>
<tr>
<td><strong>Labor Market</strong></td>
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<td></td>
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<tr>
<td>Rural</td>
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<td>.272</td>
</tr>
<tr>
<td>Nagelkerke R²</td>
<td>.128</td>
<td></td>
</tr>
</tbody>
</table>

*p ≤ .05; **p ≤ .01; ***p ≤ .001

**Factors Associated with Leaving Welfare for Work**

Social support, such as kin assistance and transportation, are important factors that facilitate exits from welfare. To further evaluate the “success” of welfare reform, I present the findings analyzing the determinants of exits toward work. The logistic regression results are presented in table 4.3.

Results show that age decreases the likelihood of leaving TANF for work. However, individual factors such as having a high school education, being African American, and having good health increases the odds of leaving for work. Having access to transportation also shows a positive association but having organizational assistance decreases the odds of an exit toward work.
Table 4.3: Logistic Regression Determinants of Exiting TANF for Work

<table>
<thead>
<tr>
<th>Variable</th>
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<th>(S.E.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N=338</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Individual Factors</strong></td>
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<td></td>
</tr>
<tr>
<td>Age</td>
<td>-.045**</td>
<td>.014</td>
</tr>
<tr>
<td>Job Training</td>
<td>-.051</td>
<td>.255</td>
</tr>
<tr>
<td>Number of Jobs</td>
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<td>.029</td>
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<tr>
<td>HS Diploma or GED</td>
<td>.662*</td>
<td>.277</td>
</tr>
<tr>
<td>African American</td>
<td>1.423**</td>
<td>.557</td>
</tr>
<tr>
<td>Good Health</td>
<td>.617*</td>
<td>.263</td>
</tr>
<tr>
<td>Years on AFDC</td>
<td>.006</td>
<td>.024</td>
</tr>
<tr>
<td><strong>Family &amp; Support</strong></td>
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<td></td>
</tr>
<tr>
<td>Spouse/partner in HH</td>
<td>.098</td>
<td>.395</td>
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<td>Parent in HH</td>
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<td>.388</td>
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<tr>
<td>Number of Children in HH</td>
<td>-.077</td>
<td>.096</td>
</tr>
<tr>
<td>Number of Young Children in HH</td>
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<td>.159</td>
</tr>
<tr>
<td>Transportation</td>
<td>1.167***</td>
<td>.265</td>
</tr>
<tr>
<td>Kin Assistance</td>
<td>-.214</td>
<td>.267</td>
</tr>
<tr>
<td>Organizational Assistance</td>
<td>-.929*</td>
<td>.407</td>
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<td><strong>Labor Market</strong></td>
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<td></td>
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<tr>
<td>Rural</td>
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<td>.275</td>
</tr>
<tr>
<td><strong>Nagelkerke R²</strong></td>
<td>.243</td>
<td></td>
</tr>
</tbody>
</table>

* \(p < .05\); ** \(p < .01\); *** \(p < .001\)

Human capital theory argues that greater investments result in greater returns in the job market (Bodenhofer, 1967; Mushkin, 1962). This contention appears to be supported here as education and health factors increase the likelihood of exiting welfare toward work. Increasing age, however, decreases the likelihood of a “successful” exit. Perspectives on race suggest that blacks might be disadvantaged in the transition process (Neubeck and Cazenave, 2001), but this is not supported here. Although household structure does not affect work exits, social support factors do. The likelihood of leaving for work increases if one has transportation, and is decreased by reliance on organizational assistance. Findings on agency-based support show that women who work are less likely than those reliant on welfare to turn to churches or community centers to assist with food, clothing, cash and the like (Edin and Lein, 1997). My findings reflect
Table 4.4: Logistic Regression Determinants of Exiting TANF without Work

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>(S.E.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N=338</td>
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<tr>
<td><strong>Individual Factors</strong></td>
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</tr>
<tr>
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<td>0.012</td>
</tr>
<tr>
<td>Job Training</td>
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<td>0.264</td>
</tr>
<tr>
<td>Number of Jobs</td>
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<td>0.028</td>
</tr>
<tr>
<td>HS Diploma or GED</td>
<td>-0.740*</td>
<td>0.280</td>
</tr>
<tr>
<td>African American</td>
<td>-1.118*</td>
<td>0.472</td>
</tr>
<tr>
<td>Good Health</td>
<td>-0.375</td>
<td>0.269</td>
</tr>
<tr>
<td>Years on AFDC</td>
<td>-0.029</td>
<td>0.025</td>
</tr>
<tr>
<td><strong>Family &amp; Support</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse/partner in HH</td>
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<td>0.396</td>
</tr>
<tr>
<td>Parent in HH</td>
<td>0.069</td>
<td>0.417</td>
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<tr>
<td>Number of Children in HH</td>
<td>0.027</td>
<td>0.092</td>
</tr>
<tr>
<td>Number of Young Children</td>
<td></td>
<td></td>
</tr>
<tr>
<td>in HH</td>
<td>-0.137</td>
<td>0.169</td>
</tr>
<tr>
<td>Transportation</td>
<td>-0.180</td>
<td>0.280</td>
</tr>
<tr>
<td>Kin Assistance</td>
<td>0.930**</td>
<td>0.300</td>
</tr>
<tr>
<td>Organizational Assistance</td>
<td>0.440</td>
<td>0.367</td>
</tr>
<tr>
<td><strong>Labor Market</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>-0.150</td>
<td>0.281</td>
</tr>
<tr>
<td>Nagelkerke $R^2$</td>
<td></td>
<td>0.172</td>
</tr>
</tbody>
</table>

*p< .05; **p< .01; ***p< .001

that those who use organizational assistance are less likely to have made a successful transition toward work.

Factors Associated with Leaving Welfare without Work

Table 4.4 reports the findings for the logistic regression analyzing exits without work. A high school diploma and being African American decrease the likelihood of an exit without work. These are the only individual level factors that show significance. Although family structure variables are not significant, the receipt of kin assistance is shown to increase the likelihood of a non-work exit. Rural residence shows no relationship.

A common finding among each model is the importance of social support factors in shaping exits from TANF. However, different types of support lead to different
outcomes. The first model showed that transportation and kin assistance facilitate an exit. An exit toward work, however, is distinguished by access to transportation and a lack of reliance on formal organizations. An exit without work is facilitated by social support from kin networks. Clearly, different types of support result in different outcomes in the transition off of welfare. Education is the only human capital variable showing significance. A high school education makes it less likely one will exit without work. Job training and history have no bearing on this particular outcome which runs contrary to human capital theories regarding investment in skills and training (Bodenhofer, 1967). As with all previous models, culture of poverty is not a factor in post-reform outcomes.

**Determinants of Group Classification in the Welfare to Work Transition**

The previous section presented the factors associated with leaving welfare. In order to further analyze conditions associated with different classifications in the transition, I conducted an analysis of the determinants of group membership. The four classifications in the welfare to work transition are those who: rely solely on work, rely solely on TANF, combine work with TANF, do not work or receive TANF.

The results of the multinomial logistic regression model are presented in table 4.5. This model predicts the chances that one will work, be on TANF, or combine work with TANF, rather than become “lost in transition”. I chose this lost group as the base category for comparison because of their particularly unique position. They are not attached to the labor market or the welfare system, and therefore their situation is distinct compared to the other groups. The results are presented as relative risk ratios, which
represents the “risk” that they will be in one of the three comparison categories, rather than the baseline category of “lost” (no work and no TANF). A ratio of 1 represents an equal risk of falling into the comparison or baseline category. A ratio of less than one denotes a decreased risk of falling into the comparison category. A ratio of greater than one represents an increased risk of being in the comparison category.

Several factors may affect the transition from welfare to work. These include individual, family structure and resources, and labor market factors. These factors are used to predict one’s location in the welfare-to-work transition. The three columns of table 4.5 report the relative risk that former recipients will be relying on work only, relying on TANF only, or combining work with TANF, rather than “lost” (not employed, no longer receiving TANF).

Several individual level factors are significant. The ratio for age shows that the older one is, the less likely she is to be working rather than lost. Descriptive findings earlier showed that those who are lost are the oldest on average. However, aging may also be related to poorer health which is a significant barrier to employment. Having a G.E.D. or high school diploma increases one’s risk of being engaged in work activity as well. Education increases the likelihood that one will be relying only on work or combining TANF with work. It is likely that individuals in the “transitional” work and TANF group are in the process of making a full transition from TANF to work, and a high school diploma is important in ensuring that they end up working, versus becoming lost. This is consistent with human capital theory suggesting that education garners returns in the labor market. Inconsistent with human capital theory is the finding that job training and job history are not significant. It is possible that in the context of low-wage
work, an education is more important than prior job training or a work history to demonstrate aptitude to potential employers. Those who are in good health are more likely to be working or combining work with aid. As stated previously, health is a salient factor in the transition from welfare-to-work and can also be viewed as an providing an important human capital advantage in the labor market (Danziger et al., 2000; Mushkin, 1962).

Family structure variables show no variation in the risks of becoming lost versus other classifications. However, three resource variables are important. Compared to those who are lost, the working are more likely to have access to transportation. Conversely, those reliant solely on TANF are less likely to have transportation. Research has established that lack of transportation can severely limit the ability to get and keep a job therefore this finding is not surprising. Having assistance from friends and family make it more likely that one will be lost compared to all other groups. The presence of this type of support appears to be the key in the “risk” of becoming disconnected from both work and welfare. It is possible that this particular group is able to survive economically because of the resources provided by their family and friends. Location in other stages of the transition may indicate a lack of this type of support, and therefore TANF or work, or a combination, are necessary to get by. Indeed, substantial research has shown the importance of family and friends in the lives of poor women (Edin and Lein, 1991; Hays, 2003). However, while reliance on kin may be a crucial part of their survival strategies, additional research has shown that the presence of kin, especially those who are not working, decreases the likelihood employment (Parish et al., 1991). Therefore, my findings suggest that the presence of kin support inhibits one’s ability to
make a successful transition toward employment once leaving TANF. Also, assistance from formal organizations makes it less likely that one would be working. It is possible that those who have friends, family, or organizations to rely upon may be better able to survive without work. Likewise, those who are working may be in less need of the supports that these systems can provide. However, they may be relying on informal supports because they are unable to work. Transportation is also a significant variable here. Access to transportation makes it more likely one will be working and less likely one will be reliant on TANF only versus lost. Clearly, transportation helps one to leave TANF, even if it is without formal employment.

It is important to note here that geographic location is not significant in determining one’s classification in the welfare-to-work transition. This is contrary to what I would expect given the disadvantage, thoroughly established in the literature, of rural areas (Brown and Hirschl, 1995; Haynie and Gorman, 1999; Tickamyer and Duncan, 1990). Further, recent research shows a disadvantage for welfare recipients following reform (Brown and Lichter, 2004; Mills and Hazarika, 2003). However, my findings suggest that, at least at this one point in time, there is little difference in outcomes in rural and urban areas. The possibility exists for diversity in the rural areas that is not being captured in this analysis. Growth of service industry occupations in rural areas may have created more job opportunities in some areas while others remain with very little employment opportunity. These differences may blend and reflect an overall homogeneity that makes rural areas seem very similar to urban areas. However, these findings are not necessarily anomalous. Other research has shown a narrowing of the gap between urban and rural areas in terms of reform outcomes (McKernan et al., 2002).
Further, a longitudinal analysis that could more accurately capture and control for the job histories and welfare tenures of recipients might reveal geographic differences.

**Table 4.5 Multinomial Logistic Regression on TANF/Work Status Classifications: Relative Risk Ratios**

<table>
<thead>
<tr>
<th></th>
<th>Work Only</th>
<th>TANF Only</th>
<th>Work &amp; TANF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual Factors</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.946***</td>
<td>0.991</td>
<td>0.968</td>
</tr>
<tr>
<td>HS Diploma/GED</td>
<td>2.658**</td>
<td>1.475</td>
<td>2.66*</td>
</tr>
<tr>
<td>Job Training</td>
<td>0.968</td>
<td>1.178</td>
<td>0.957</td>
</tr>
<tr>
<td>Number of Jobs</td>
<td>1.003</td>
<td>1.046</td>
<td>0.886</td>
</tr>
<tr>
<td>African American</td>
<td>5.259**</td>
<td>1.726</td>
<td>1.315</td>
</tr>
<tr>
<td>Good Health</td>
<td>1.961*</td>
<td>0.658</td>
<td>2.804*</td>
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<td>1.041</td>
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<td><strong>Family &amp; Support</strong></td>
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</tr>
<tr>
<td>Spouse/Partner in Household</td>
<td>0.783</td>
<td>0.331</td>
<td>0.749</td>
</tr>
<tr>
<td>Parent in Household</td>
<td>0.978</td>
<td>1.099</td>
<td>0.571</td>
</tr>
<tr>
<td>Number of Children</td>
<td>0.935</td>
<td>0.956</td>
<td>1.111</td>
</tr>
<tr>
<td>Number of Young Children</td>
<td>0.993</td>
<td>1.499</td>
<td>0.859</td>
</tr>
<tr>
<td>Transportation</td>
<td>2.411**</td>
<td>0.381**</td>
<td>1.290</td>
</tr>
<tr>
<td>Kin Assistance</td>
<td>0.422**</td>
<td>0.361**</td>
<td>0.319**</td>
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<tr>
<td>Organizational Assistance</td>
<td>0.398*</td>
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<td>0.997</td>
</tr>
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<tr>
<td>Monroe</td>
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<td>0.782</td>
<td>1.113</td>
</tr>
<tr>
<td>Rural Delta</td>
<td>1.398</td>
<td>1.122</td>
<td>0.567</td>
</tr>
</tbody>
</table>

**N** 338  
**Pseudo R\_2** 0.155  
**Log Likelihood** -371.058  
**Probability >X\_2** 0.000***  

*\(p< .05; **p< .01; ***p< .001\)

In sum, factors such as education, good health, and being African American help to ensure an exit from TANF results in formal employment. Resources from kin and reliable transportation make it less likely that one will remain on TANF, although transportation is key to securing work. Finally, reliance on organizational assistance is the main distinction between those who leave for work and those who leave without
work. Essentially, those who leave without employment are more likely to rely on family, friends, and formal organizations for their survival.

The next chapter further examines the relationship of work/TANF classification to outcomes following reform. The following chapter reports findings from the analysis of economic and hardship outcomes. I will present the determinants of income-to-poverty ratio and determinants of material hardships based on group membership and other important factors.
CHAPTER 5: ANALYSIS OF ECONOMIC WELL-BEING AND HARDSHIPS AFTER REFORM

In this chapter I examine the relationship of individual, family, and labor market characteristics to key economic measures and material hardship indicators. As noted in the review of the literature, many of these factors have shown a relationship to income and poverty levels. However, these factors have not been fully investigated for their impact on hardships. To better describe the outcomes following reform, income-to-poverty and material hardships are modeled. While income-to-poverty provides a standard measure of annual household income and its relation to the federal poverty threshold, material hardships provide more descriptive information about family well-being. Material hardships can help to identify difficulties in meeting minimum levels of basic goods and services such as food and medical care, that are not captured in standard income measures (Beverly, 2001).

This portion of my analysis further explores the relationship of various factors to poverty level and material hardship following reform. In addition, I explore the relationship between different classifications in the welfare-to-work transition and these two outcomes.

Determinants of Income-to-Poverty Ratio

Table 5.1 provides the results for the analysis of income-to-poverty ratio. At the individual level age and race show a relationship to the income-to-poverty ratio. Age is positively associated with income-to-poverty ratio. While this is contrary to what human capital theory predicts, it is possible that the older one is, the more likely they would be to have gained work experience, therefore higher wages, and overall higher income. Race is negatively associated with income-to-poverty ratio. A recent study has shown
that African Americans who are no longer receiving welfare have experienced an increase in the percentage of low-income single parent households when compared with Whites who have the same characteristics. Whites seem to have an easier time moving out of low-income populations after exiting TANF (Peterson et al., 2002). This suggests racial differences in the welfare-to-work process.

It is important to note for this analysis, years on aid show no significance. Following the Culture of Poverty perspective, one would expect that this measure would show a relationship to income levels. This is not the case. Clearly, a history of welfare use has no impact on income-to-poverty ratio.

Several family and social support variables show significant relationships to the income-to-poverty ratio. The presence of a spouse or partner in the household raises the level of the dependent variable. The presence of a parent in the household does the same. Number of children in the household, however, lowers one’s income-to-poverty ratio. Number of young children has no significant effect. These findings are consistent with previous research on the effects of family structure on poverty (Eggebeen & Lichter, 1991). Another wage earner in the household raises the income-to-poverty ratio and more children require more resources and therefore lower the income-to-poverty ratio.

As for the social resources, transportation is the only variable that shows a significant impact on the income-to-poverty ratio. Having access to transportation raises one’s income-to-poverty ratio. Lack of transportation is consistently found to be a significant barrier to women trying to find work upon exiting welfare. Prior research has established a clear link between access to transportation and the ability to hold a job, and
therefore transportation is key in the ability to contribute to household income (Corcoran et al., 2000).

There are no significant relationships between labor market area and income-to-poverty ratio. However, work and TANF status show significance. Those who remain reliant on TANF have a significantly lowered income-to-poverty ratio. Those who combine work and aid also have a lower income-to-poverty ratio. A recent study that examined income sources for poor female-headed families with children found that earnings from employment have increased since 1993 but cash transfer earnings have decreased (Haskins, 2001). These factors are more pronounced given the extremely low cash benefits for families in the state of Louisiana. Extremely low benefits likely contribute quite significantly to the low income-to-poverty ratio of those who still rely on TANF. Indeed, of the four work/TANF groups examined in this dissertation, those dependent solely on TANF are the most poor. This would seem to suggest that reform efforts to encourage work activity were well-intended and would ultimately be successful in reducing poverty. It is important to note, however, that while those who work have a higher income-to-poverty ratio, they are, on average, still well below the poverty level.

Finally, those who receive a TANF check for a child-only case have a higher income-to-poverty ratio. In Louisiana, the Kinship Care Subsidy Program provides $222 per month in cash benefits to those who must care for a relative’s child. This is more than the average TANF benefit provided to families with children. It is not surprising, then that these households would fare better economically than those who receive welfare benefits for their own children. Indeed, a review of recent research found that while
child-only families still struggle with various hardships and financial difficulties, average income is twice that of TANF families (Charlesworth, et al., 2002).

Table 5.1: Regression Determinants of Income-to-Poverty Ratio

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>S. E.</th>
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<tbody>
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<tr>
<td>Intercept</td>
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<td>.197</td>
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<td>Individual Factors</td>
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<td></td>
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<tr>
<td>Age</td>
<td>.007*</td>
<td>.003</td>
</tr>
<tr>
<td>Job Training</td>
<td>.039</td>
<td>.054</td>
</tr>
<tr>
<td>Number of Jobs</td>
<td>-.005</td>
<td>.006</td>
</tr>
<tr>
<td>HS Diploma or GED</td>
<td>.091</td>
<td>.060</td>
</tr>
<tr>
<td>African American</td>
<td>-.203*</td>
<td>.105</td>
</tr>
<tr>
<td>Good Health</td>
<td>.058</td>
<td>.060</td>
</tr>
<tr>
<td>Years on AFDC</td>
<td>-.001</td>
<td>.005</td>
</tr>
<tr>
<td>Family &amp; Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse/partner in HH</td>
<td>.307***</td>
<td>.084</td>
</tr>
<tr>
<td>Parent in HH</td>
<td>.188*</td>
<td>.086</td>
</tr>
<tr>
<td>Number of Children in HH</td>
<td>-.084***</td>
<td>.019</td>
</tr>
<tr>
<td>Number of Young Children</td>
<td>-.019</td>
<td>.034</td>
</tr>
<tr>
<td>Access to Transportation</td>
<td>.153**</td>
<td>.059</td>
</tr>
<tr>
<td>Kin Assistance</td>
<td>.043</td>
<td>.058</td>
</tr>
<tr>
<td>Organizational Assistance</td>
<td>-.095</td>
<td>.080</td>
</tr>
<tr>
<td>Labor Market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>-.058</td>
<td>.059</td>
</tr>
<tr>
<td>Work/TANF Groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neither Work nor TANF</td>
<td>-.102</td>
<td>.075</td>
</tr>
<tr>
<td>TANF Only</td>
<td>-.190*</td>
<td>.083</td>
</tr>
<tr>
<td>Work &amp; TANF</td>
<td>-.192*</td>
<td>.097</td>
</tr>
<tr>
<td>Control Variables</td>
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<tr>
<td>SSI Receipt</td>
<td>.043</td>
<td>.064</td>
</tr>
<tr>
<td>Child-Only Case</td>
<td>.266*</td>
<td>.136</td>
</tr>
</tbody>
</table>

Adj. R2 = .249

*p≤.05; **p≤.01; ***p≤.001

Determinants of Material Hardships

Table 5.2 reports on the regression results for hardship measures. This final analysis examines an outcome of the welfare-to-work transition that goes beyond simple economic measures. Material hardships tell a more complete story of the transition to
self-sufficiency. While poverty measures give an absolute measure of economic resources, hardships give a more general measure of well-being.

When examining the relationship between individual characteristics and total hardships experienced, the number of jobs reported shows a significant and positive relationship to hardships. While number of jobs might be viewed as a measure of job experience or the ability to get a job, and therefore be a proxy for human capital, in the context of hardships, this is clearly not the case. Number of jobs is more likely a measure of instability in job history. It is possible that the number of jobs is related to hardships because it measures the inability to maintain reliable and consistent employment, due to poor health, childcare responsibilities, or some other barrier, and ultimately, to meet daily needs. An expected finding is that reported good health reduces the number of hardships experienced. Again, good health allows one to take and maintain employment, thereby contributing to household income and reducing hardships due to lack of money.

Certain family and social support factors also show significant relationships to hardships. Having a parent in the household helps to reduce hardships. Interestingly, the presence of a spouse or partner does not. However, results from my qualitative research show that living with a parent reduces or eliminates concerns about rent or housing costs, which is not the case when living with a partner or spouse. Further, this “doubling-up” with parents can pool resources for food and utility payments. As the number of children in the household increases, so do the level of hardships. More children can lead to more utility use and higher bills, more strain on the food budget, and overall more expenses.

It is significant to note here that welfare reform policy suggests the way to self-sufficiency and financial stability is through marriage. However, while a spouse/partner
in the home does contribute to household income and reduction of poverty ratios, it does not assist in reducing hardships. When it comes to hardships, only the presence of a parent is important. It is possible a parent in the home is able to assist with housing, childcare, additional transportation, and other needs that reduce hardship vulnerability. This is an important consideration for the evaluation of the success of welfare reform, as a broader measure of well-being should take into account more than just household finances.

While labor market factors show no relationship to hardships, work/TANF status variables show a relationship. Compared to those who rely only on employment, those who combine work with aid experience significantly more hardships. In Louisiana, $120 in earnings can be disregarded in determining TANF benefits (U.S. Department of Health and Human Services; 2002 Annual Report to Congress). Therefore, for 6 months this portion of one’s earnings is not counted when determining the amount of cash assistance. While this may be helpful for recipients transitioning to work, the reduction in benefits may not compensate for lower wages earned at the outset of employment. This transitional state may result in increased hardships until a more stable employment situation with higher wages can be attained.

Discussion

In sum, the analyses in this chapter examined the relationship of individual, family and social support, labor market, and work and TANF status to two specific outcomes: income-to-poverty ratio, and material hardships. Selected individual, family structure, and resource variables were important determinants of the dependent variables.
However, the analyses generated some questions that will be addressed in the following chapter.

Table 5.2: Regression Determinants of Material Hardships

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>S. E.</th>
</tr>
</thead>
<tbody>
<tr>
<td>N=334</td>
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<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>2.590***</td>
<td>.735</td>
</tr>
<tr>
<td><strong>Individual Factors</strong></td>
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<td></td>
</tr>
<tr>
<td>Age</td>
<td>-.001</td>
<td>.011</td>
</tr>
<tr>
<td>Job Training</td>
<td>-.181</td>
<td>.204</td>
</tr>
<tr>
<td>Number of Jobs</td>
<td>.062**</td>
<td>.022</td>
</tr>
<tr>
<td>HS Diploma or GED</td>
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<td>.224</td>
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<tr>
<td>African American</td>
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<td>.400</td>
</tr>
<tr>
<td>Good Health</td>
<td>-.679**</td>
<td>.220</td>
</tr>
<tr>
<td>Years on AFDC</td>
<td>.016</td>
<td>.019</td>
</tr>
<tr>
<td><strong>Family &amp; Support</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse/partner in HH</td>
<td>-.465</td>
<td>.319</td>
</tr>
<tr>
<td>Parent in HH</td>
<td>-1.022**</td>
<td>.321</td>
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<tr>
<td>Number of Children in HH</td>
<td>.191**</td>
<td>.072</td>
</tr>
<tr>
<td>Number of Young Children</td>
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<td>.128</td>
</tr>
<tr>
<td>Transportation</td>
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<td>.224</td>
</tr>
<tr>
<td>Kin Assistance</td>
<td>.206</td>
<td>.220</td>
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<tr>
<td>Organizational Assistance</td>
<td>.359</td>
<td>.299</td>
</tr>
<tr>
<td><strong>Labor Market</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>.077</td>
<td>.220</td>
</tr>
<tr>
<td><strong>Work/TANF Groups</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neither Work nor TANF</td>
<td>.121</td>
<td>.282</td>
</tr>
<tr>
<td>TANF Only</td>
<td>.485</td>
<td>.320</td>
</tr>
<tr>
<td>Work &amp; TANF</td>
<td>1.112**</td>
<td>.367</td>
</tr>
<tr>
<td><strong>Control Variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSI Receipt</td>
<td>-.273</td>
<td>.242</td>
</tr>
<tr>
<td>Child-Only Case</td>
<td>-.028</td>
<td>.485</td>
</tr>
<tr>
<td>Adj. R2 = .143</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p ≤ .05; **p ≤ .01; ***p ≤ .001

Those who rely solely on aid and those who combine work and aid have poorer outcomes. Given the extremely low cash provisions in Louisiana, this is not a surprising finding. What is surprising is that those who do not receive TANF and do not work show no particular disadvantage. The circumstances of this unique group will be explored in further detail in the following chapter of this dissertation.
Labor market factors do not appear to be important in the vulnerability to hardships. While previous literature would suggest that those in rural areas may have more difficulty, due to their isolation, with issues such as getting to the doctor’s office, this is not evident in the analyses. However, the survey from which this data is analyzed asked if respondents experienced hardships due to “lack of money”. Urban and rural differences may not be apparent due to the responses generated from this question. It may be that isolation of location, and not simply lack of money, is the central issue. This also will be explored further in the next chapter.
CHAPTER 6: WORK, WELL-BEING, AND SURVIVAL: VOICES FROM THE FIELD

The previous chapter presented findings from quantitative analyses examining the economic and hardship outcomes of reform. This chapter presents the findings from qualitative interviews that provide an in-depth look at the experiences of 15 women in the context of time limits and work-first policies.

Four central research questions addressed in this dissertation guided the interview process. Why do some recipients transition successfully toward employment while others do not? What is the economic well-being of current and former recipients under welfare reform? What are the hardship vulnerabilities of the poor since reform? What are those who are no longer on TANF and not employed (“lost”) doing to secure a livelihood? My goal was to gain an in-depth understanding of how women and their families are experiencing welfare reform. Therefore, I interviewed women who had become “lost” in the transition: they were not working and no longer on welfare. I also spoke with women who were working, were reliant on SSI, and one woman who was receiving TANF.

The quantitative investigation uncovered the following findings about the sample. First, successful transitions toward employment are facilitated by higher levels of education, good physical health, and access to transportation. Second, investigations of economic well-being show that regardless of work/TANF status, most remain in poverty. In addition, resources provided by friends, family, and formal organizations are important for those who have become “lost” in the transition and are not working yet not receiving TANF. Third, hardships are common among all groups, but more pronounced for those who remain on TANF. Fourth, analyses have shown that the “lost”, while still below
poverty and experiencing material hardship, appear to have an advantage over those who remain on TANF.

While much was learned about these women through the quantitative analyses of the survey data, specific questions remained unanswered about how, overall, women were experiencing welfare reform policy. First, while the data can identify what can facilitate a successful transition, it could not tell me what specific supports might be necessary for those in different work/TANF classifications in this progression from welfare to work. Second, while generalizations could be made about economic measures such as poverty and income, the data could not tell me how women were experiencing the loss of TANF on a daily basis and if they felt that their well-being had been compromised. In addition, while the findings show that kin and organizational supports were crucial, it could not describe if and how this importance has changed since reform. Third, while hardships were prevalent and specific types were identified, I wanted to find out if there were any other hardships that they were experiencing since reform that could not be captured with survey data. For example, were there different hardships at different points in the transition and did these vary depending upon geographic location? Finally, while the data could give some clues about the survival mechanisms of those who are “lost”, such as formal and informal supports, it could not illustrate the concrete strategies and techniques that enabled the lost to survive without work or TANF.

This chapter presents the findings from my qualitative research. I will first describe my sample and the selection process. Then I present the three major themes that organize my findings. First I discuss how the women reported their economic well-being, including survival strategies, in light of reform policy. Second, I describe the
various hardships that women and their families experience as they strive to maintain self-sufficiency. Finally, I address the question of “successful” transitions from welfare to work, with descriptions of challenges women face as they gain self-reliance. This includes specific state support programs that the women have found helpful in the transition.

The Sample

While the majority of the women interviewed were not employed and did not receive TANF, their characteristics and experiences were quite diverse. Four of the women were currently SSI participants, two were employed full-time, one had returned to TANF, two were “child-only” grandmother cases who also received SSI, and the final six were “lost” (not employed nor on TANF). Of the six “lost”, one left due to sanctions, two had reached time-limits, and the remaining left for other reasons. The women ranged in age from 24 to 67 years old. The number of children in the household ranged from one to six. One respondent was married, two lived with a boyfriend, and the rest were either single or had a boyfriend who was not living with them. (see Table 6.1)

Methodology

I chose this sample of women based on characteristics that were culled from the quantitative survey data. First, I selected eleven women who had no visible means of support. These are the women I call “lost”. I wanted to find out what these women were doing to make a living and how they were surviving without TANF or formal employment. At the time of the survey they reported doing no work for money and receiving no TANF income. When I interviewed these women, four of the nine had
Table 6.1: Qualitative Sample

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Children in Household</th>
<th>TANF/ Work Status</th>
<th>SSI Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tracy</td>
<td>37</td>
<td>6 children</td>
<td>Lost</td>
<td></td>
</tr>
<tr>
<td>Ethel</td>
<td>63</td>
<td>1 grandchild</td>
<td>Child-only TANF</td>
<td>SSI</td>
</tr>
<tr>
<td>Ada</td>
<td>50</td>
<td>Adult daughter &amp; grandchild</td>
<td>Lost</td>
<td>SSI</td>
</tr>
<tr>
<td>Viola</td>
<td>30</td>
<td>1 child</td>
<td>Lost</td>
<td></td>
</tr>
<tr>
<td>Alexis</td>
<td>24</td>
<td>3 children</td>
<td>Work Full-Time</td>
<td></td>
</tr>
<tr>
<td>Nina</td>
<td>29</td>
<td>3 children</td>
<td>Lost</td>
<td></td>
</tr>
<tr>
<td>Shanika</td>
<td>33</td>
<td>1 child</td>
<td>Lost</td>
<td></td>
</tr>
<tr>
<td>Sam</td>
<td>35</td>
<td>3 children</td>
<td>On TANF</td>
<td></td>
</tr>
<tr>
<td>Martha</td>
<td>49</td>
<td>1 adult child, 1 child</td>
<td>Lost</td>
<td>SSI</td>
</tr>
<tr>
<td>Leena</td>
<td>67</td>
<td>1 grandchild</td>
<td>Child-only TANF</td>
<td>SSI</td>
</tr>
</tbody>
</table>

**Major Metropolitan**

- Tracy
- Ethel
- Ada
- Viola
- Alexis

**Metropolitan**

- Nina
- Shanika
- Sam
- Martha
- Leena

**Rural**

- Rhonda
- Darlene
- Carla
- Opal
- Marlene

converted to SSI support and one had returned to TANF. Of this group, I selected two who had met their time limits and one who had been sanctioned. Previous research has shown that those sanctioned from welfare benefits often have worse outcomes than those who leave due to other reasons (Lee et al., 2004). In addition to uncovering their survival strategies, I wanted to find out how time limits and sanctions had effected them.

Second, I chose two women who were reportedly working during wave 5. While these women might fit the narrow definition of success under reform policy, the survey data indicated that they were still poor and experiencing material hardships. I wanted to find out what factors had helped them to transition toward work, what resources allowed them to maintain employment, if they experienced new or different hardships due to work
participation, and what formal supports might be necessary to ensure they did not return to TANF.

Third, I interviewed two women who are defined as “child-only” cases. In other words, these are women who are responsible for a relative’s child or children, and their TANF income is solely for that purpose. The women I found were caring for grandchildren. They had taken responsibility for these children due to a parent’s drug use or incarceration. These women could be considered a subcategory of those relying on TANF, as they were not working and relied heavily on their child-only TANF payments. The percentage of TANF cases that are child-only cases increased by nearly 50% in recent years and these are homes generally characterized by high levels of poverty and hardship (Charlesworth et al., 2002). I wanted to learn more about hardships that were specific to these types of cases and if these families had been affected by changes brought on by reform (Hegar and Scannapieco, 2000).

The field interviews were conducted during the months of November 2004 through January 2005. As stated previously, the women were selected based on criteria from the final wave of the Louisiana Welfare Panel Survey. Therefore, they were recent participants in the panel survey. Five women were interviewed in New Orleans and five in Monroe. The other five interviews took place in four small towns in Northeastern Louisiana: Ferriday, Winnsboro, Tallulah, and Bastrop. After I selected the women I would interview, I mailed letters telling them about my research, their role in that research, and approximately when I would be in their town. I sent the letters out the week before I visited their city, and therefore the information was still fresh in their
minds. I included my business card and a phone number where I could be reached if they had any questions about the research.

I went to each woman’s home, knocked on the door, explained who I was, and was given entry. I informed them that they did not have to participate, they could refrain from answering any questions they were uncomfortable with, and they could end the interview at any time. Each respondent then signed a consent form. The interviews lasted between 45 minutes to two hours, depending upon the responses of the subjects.

The following sections discuss three overriding themes: how the women survive without welfare, the hardships they are experiencing, and transition issues as they strive to reach self-sufficiency.

**Survival Without a Safety Net: “I’m Making it, but I Could do Better”**

A recent study of welfare leavers found that, depending upon how “leaver” was defined, those who have exited welfare but are not employed comprise anywhere from two to fifteen percent of former recipients (Turner, Danziger and Seefeldt, 2004). Another study of TANF participants conducted over the course of five years found that, at any given period during the study, around 25% were off welfare and not working. Further, there has been an increase in recent years in these “disconnected” leavers (Fremstad, 2004). Given these numbers, it is important to know how families get by without welfare or work. The backdrop of time-limited receipt makes this information even more crucial to an understanding of the long-term effect of reform policy on the poor. The following portion of my dissertation describes the survival strategies of women in a variety of different economic circumstances, including those not employed and no longer on welfare.
Nearly all the women interviewed felt that they were doing better without their TANF checks. The reasons stated for the improved economic situation include: earnings from a variety of work in the informal labor market, assistance from friends, family members, or formal organizations, and, various other strategies, including shifts to Supplemental Security Income (SSI) programs, that enabled them to make a living.

The Informal Labor Market

While not reported during previous panel interviews, five women were working in the informal labor market, and most had been doing so even while receiving TANF. The most common activities included doing hair, housecleaning, and babysitting. One respondent runs errands for her boyfriend’s business. Another “sits” for a mentally retarded woman once per year during a family trip. When asked about how they were doing without TANF, many of the women felt they were doing better. From their perspective, earning even a small amount of money doing hair or cleaning homes helped to provide them with an income, and supplement the loss of TANF. Further, a common complaint about welfare was that it was a meager amount of money issued only once per month. While informal labor market activity did not pay huge sums, the possibility of earning throughout the month was a relief. Overall, when weighed against what they describe as the “hassles” of the welfare office, earning modest amounts of cash frequently throughout the month made up for the loss of welfare benefits.

Nina is a 29-year-old mother of 3 who exited TANF due to 2-year time limits. She admitted readily that the loss of TANF was difficult at first, and while she had always done hair, she needed additional help from a variety of family members in adjusting to the change. Overall, however, she felt she was better off. She describes how
she felt about being on welfare and how she makes a better living doing hair. Her response regarding the small amount of benefits and the once-per-month receipt was typical:

“I hated it. I just hated it because I don’t want to wait for no once a month to get no… I got $234 when my baby came along [the third child]. And I was like, uh-uh, you make more money doing hair, because you can spend that [TANF] in the blink of an eye.”

Tracy, a 37-year-old with six children, began cleaning homes and doing hair when she lost her TANF benefits due to sanctions several years ago. While she cited the advantages of having cash throughout the month, the work is sporadic and the pay is fairly low. With such a large family, she finds the earnings from informal labor market activity challenging to live on largely because the work is so infrequent:

“It doesn’t give me enough. If I have a good month, it’s nice. But I don’t always have a good month, it’s still pretty tight. With having six kids, and five of them are boys, it is no picnic.”

Despite the difficulties Tracy faced without her TANF check, she, like others, explained that dealings with the welfare office were a considerable hassle. A common sentiment among those who were no longer receiving benefits was the freedom from the rules and regulations required for state support. While some women involuntarily lost benefits due to sanctions or time limits, their informal labor market activity sustained them relatively well, and they no longer had to deal with the headaches of the welfare office.
Shanika, a 33-year old with one daughter, recently completed beauty school and is awaiting a license to do officially do hair. Her description of the “hassles of welfare” was echoed by many of the women interviewed:

“You have to do a lot to get nothing, because they expect a lot from you, but they’re not gonna give you much...they want all your information, you have to go to three or four appointments at one time within a month, you gotta go fill out the application, go home if they don’t want to see you that morning, you go home, they mail you the application and you have to go back. You gotta go run around town and get all the information that they need, then you have to go to another appointment to go to the child support office. There’s a lot you have to do.”

Darlene, a 26-year-old mother of five, also described the hassles of depending on the system. She was more explicit in describing her decision to rely on doing hair informally versus picking up a welfare check. She left welfare voluntarily because the small amount of support was not enough to compensate for the time involved in the education and training programs for recipients. Further, these requirements interfered with her ability to take care of her responsibilities at home:

“Maybe if they wouldn’t have given so many hours, and you gotta go a whole week, that was really hard. So you could be able to do stuff at home and have stuff ready for your kids, then have time to go to school too. But you have to go the whole day, every day, and by the time your kids make it home, you’re just getting home and you’ll be late cooking.”
Clearly, for those women who possessed skills, such as hairstyling, the loss of welfare benefits did not lead to a total loss of income. Human capital theory suggests the need for formal investments such as education and job skills training to participate in the labor market. Some of these women have sidestepped these formal requirements and developed skills that they use informally to survive. Further, in their view, they have achieved a level of “success” by remaining off welfare.

Support Networks: Family, Friends and Community

Many of the women spoke of the important role of family and friends in providing various forms of informal support. Nina, described above, found herself relying more on her mother, grandmother, and brother for money, clothes, and even “luxury” items such as gifts and trips to the movies, when she lost her welfare benefits. Other women mentioned resources such as transportation, food, childcare, and cash money when necessary. Shanika, the 33-year-old with one child, had reached her five-year time limit when she exited TANF in 2003. She described the transition as relatively easy with the help of family:

“I had help from my mother. It wasn’t really hard. She’d buy our personal items and the clothes and stuff we needed. So no, it wasn’t really hard. And her [child’s] Daddy, he’d bring stuff on birthdays, when school starts, holidays, stuff like that. He helps me out every now and then when he can.”

Family, and occasionally friends or neighbors, provided assistance in various forms to the women interviewed. Some family members provided help through shared living arrangements. Others provided transportation and childcare when needed.
Additionally, some women found formal organizations were necessary in certain situations. For example, Ethel, a 63 year-old grandmother who relies on one TANF check for a grandchild and her monthly SSI check, often turns to a community center to get help paying her electric bill. Sam, a 35 year-old mother of three teenagers, has no family or friends who can be of help, also must rely on a community center to pay her utility and water bills when she cannot. She pointed out however, that she can only request help from the center once per year. Therefore, when she struggles during other months, she visits a Christian organization in her community for additional help throughout the year.

One important aspect of welfare reform has been the enforcement of child support. Since passage of PRWORA in 1996, states are required to establish registries of child support orders as well as monitor collection and disbursement of payments (Garfinkel in Blank & Haskins, eds. 2001). While some of the women reported receiving court-ordered child support, others simply relied on informal help from fathers. However, Shanika, Rhonda, and Alexis, all of whom are among the “lost”, have all reported paternal information and have yet to receive any child support payments. The child support office has been unable to locate the father of one of Rhonda’s sons. Alexis has two cases pending, and regularly calls the child support office to check on their status. Shanika reported her 15-year-old daughter’s paternity when she was just 3 months old and has never received compensation. Nina, however, purposely avoids the child support office knowing that she will be more likely to receive support informally:

“I took him [child’s father] off in April 2002 because he owed the state back pay. They said he had to pay a certain amount. They won’t give you
that much, the woman, the mother, that much. So, he’s supposed to be helping me out. We’ll do it this way.”

Nina was marginally successful in this strategy as she often argued with the paternal father to make sure he provided the help. While Nina found a way to ensure she would at least get some child support by keeping the father’s name from the enforcement office, the other women seemed resigned to the fact that they may never see any money to help support their children.

**Formal Supports**

Overall, the women must piece together a variety of supports in order to provide the necessities for their families throughout the month. An important component to these support strategies since welfare reform are Supplemental Security Income (SSI) payments for those with a disability. Rhonda is a 29 year-old mother of five who finds that her son’s disability check provides a comparable amount of money to her paycheck from a former nursing assistant job. Ethel, the grandmother previously mentioned, lives on her SSI check in combination with a TANF check for her grandson. Ada, a 50 year old woman whose daughter and granddaughter live with her in project apartments, pieces together a living based on her own SSI check, income from her daughter’s part-time fast food job, and groceries from her daughter’s food stamp income.

Supplemental Security Income is not the only program that many were heavily reliant upon. Most of the women were in Section 8 housing programs that they characterized as being necessary for reduction of rent payments. Also, all but one of the women received food stamps. Those who received food stamps described how crucial this form of support is for their families’ nutritional needs. For example, Tracy, the 37-
year-old who has six children in the household, attempted, unsuccessfully, to try and make it without her food stamp allotment. She left TANF due to sanctions, and after the initial financial shock had worn off, tried to make it without any state assistance:

“I actually stopped getting food stamps for about three months, and I tried to do it on my own…I thought those kids were gonna eat me! You have less meals you know, you have less food, you have smaller portions. And you see that big boy? [oldest son] He’s the biggest one, he’s the oldest…oh man! It was really tough for us to keep food in their mouths…they’re used to me having enough to feed them, because of getting food stamps, and it was a tough three months.”

Food stamps were a crucial form of support for all of the women. However, policy changes have affected some in their ability to get food stamps, or lessened the amount they receive monthly. Ada is unsure whether she is still eligible to receive food stamps since she is no longer receiving TANF for her adult daughter. She therefore relies on her daughter’s food stamp allotment. Others spoke about the amount they received being reduced due to changes in income, either due to work or SSI receipt.

While all reported that their food stamps were a necessary part of their survival, and most reported that the amount they receive is enough, a few were struggling to provide for their families on the amounts they were given monthly. For example, Alexis, a mother of 3 who works full-time had her food stamps reduced to just $39 per month when she began working. When the survey first interviewed her in 1998, she had been collecting over $300. By the final wave, she was down to just $163. The recent reduction left her feeling worried and frustrated. Martha also reported a reduction in food
stamps. She suffers from diabetes and now receives SSI, which has lowered her food stamp allotment to just $10 per month, down from the $144 she received in previous years. Both women struggle to provide enough food for their families.

All the women who were no longer receiving TANF were glad to be off of the program. However, when I asked them if they foresaw ever having to return to welfare, there were indications, based on their awareness of their tenuous financial situations, that returns could be in their future. They expressed strong convictions about never returning to TANF unless some medical crises occurred or they became unable to provide the basic necessities for their children. Viola, a 30 year-old woman with an 8 year-old daughter and another child on the way, explained how she views TANF as a last resort:

“I try my hardest to basically stay off of it. Because I really don’t like to get involved with it, but if I had to I would. But I wouldn’t just say, oh, I’m struggling so I’m going back. It would have to be a financial situation where it’s gonna affect my children, to the point where they’re not eating or I can’t buy them decent clothing or pay no bills.”

Viola’s views were typical of the entire sample, including Sam, who had to return to TANF very recently. For Sam, TANF is, in a sense, her survival strategy. She had existed by taking care of her disabled brother full-time, and she and her children had been living off the disability check he received. When he died, she found she had spent so many years taking care of him, that she had no other job skills, and no G.E.D., to make her marketable. Therefore, she reluctantly returned to the system:
“I didn’t want it at first, I really struggled with this decision for so long. I knew that I would be just another statistic, just another person on welfare that can’t get a job.”

Other Strategies

In addition to informal labor market activity, support from friends and family, and formal types of assistance, some of the women had developed other strategies to get the things they needed. Viola draws out a strict budget each month, using a combination of child-support, student loan, and food stamp income. She also takes advantage of rent reductions from section 8 housing when she is not employed. Rhonda lives in subsidized housing where her rent payment also includes all her utilities, combining her major expenses into one simple payment. Ethel completed a home-buyers course in 2000 and escaped the rental she had been living in that required a multitude of repairs. She described the waste of money that had gone into rent and how her low-income housing loan is a relief economically and emotionally. When she stops receiving the TANF check for her grandson, she plans to take on a roommate to help with the mortgage.

Creative food strategies were also used. Martha described buying cheap food in bulk such as potatoes and chicken backs and finding inventive ways to cook them so her children would have variety in their meals. Nina has been paid in “trade” for doing hair. Her clients have given her a used washer, dryer, and a deep-freezer. She explained that she must use her food stamps completely or risk having the amount reduced. Since she doesn’t have ready transportation to and from the grocery store, her deep freezer comes in handy for the bulk foods she must store throughout the month. She describes how she
shops carefully, often at different markets, to get all the food products she needs for the month:

“I got my stamps yesterday, I went to the store yesterday, I didn’t make all my groceries, I have to go and get my meats. You have to go to a certain market that got reasonable prices for meat. They have 5-packs of meat, you can get 5-packs for $20. Big family packs and stuff. So I wrap it up, I fill my deep freezer to the top…when you got a deep freezer it come in handy.”

Survival strategies were varied and creative. However, the women’s lives held a medley of economic struggles. A common theme expressed by many of the women was the knowledge that hard times are unavoidable and imminent, generally based on past experience with financial difficulties. The following section will describe various hardships experienced by women as they piece together their survival strategies.

**Hardships in the Context of Reform: “You Got to be a Soldier to Deal with It”**

While most of the women reported being better off without TANF, hardships were prevalent for all. The predominance of hardships was demonstrated in the quantitative analyses, however, the specific types, varieties, and connectedness of hardships were gleaned through the field interviews. The most commonly discussed hardships centered around utility and other monthly bills, struggles with housing situations, difficulties brought on by changes in Medicaid, and transportation deficiencies. Other hardships include meeting basic food needs and providing for children’s school needs.
Monthly Bills

Struggles to meet monthly bills were common and immediate concerns. For Ada, the loss of welfare income when her daughter turned 18 was a difficult transition:

“Yeah, it’s very difficult now. Because I mean I have bills, even though I get a check for $564 [SSI], my rent is like $199. One time it was $299, my daughter was working and she lived here, so it put a toll on my heart. I don’t even pay the bills like I used to…you know, the money doesn’t cover it all.”

Tracy was sanctioned for not providing paternity information for her two oldest children. She described the welfare office as requiring mothers to be “private detectives”. When she was unable to produce the necessary information, she was abruptly sanctioned:

“When I say worse off, I don’t mean worse where that [AFDC] was my only hope. You know what I’m saying, I couldn’t do anything else. It was, it was just, they cut me off and I didn’t have anything and by then I had, oh god, I had about five kids by then…I’ve been up and down, up and down.”

While Tracy was one of the few women to discuss difficulties immediately following the loss of TANF, her story was not unique in the larger frame of welfare policy. Previous research has shown that women who are sanctioned from their benefits experience a greater likelihood of hardships, such as utility shut-offs, and also a greater expectation of encountering these hardships in the future (Kalil, et al., 2002).
Overall, I found that struggles to pay utility bills were one of the most commonly discussed hardships experienced by the women. Indeed, these are the most common hardships identified in the quantitative analysis. However, the experience of this hardship is more keenly depicted in the words of the women themselves. They described coming up short on their payments, not being able to pay at all, and matter-of-fact expectations of shut-offs. In fact, Ethel repeated several times during our interview that she expects, once she loses her grandparent TANF check, to have her electricity disconnected. Martha produced her electricity statement, which was just over $700, as evidence of the amount of her bills and explained the inadequacy of her current income to cover the amounts. As the women described the difficulties they faced on a near daily basis, it was clear that each financial hardship was tied to one or more other hardship. For example, some of the women explained that the homes they lived in were poorly insulated and this led to exorbitant electric bills.

**Housing**

Alexis embodies the welfare “success” story. She has a high school diploma and has worked for several years at her current job. She is married to the father of her third and youngest child. He works and attends a chef training school. Their household income is considerably higher than the average of the survey data. Though she doesn’t have a car, she works full-time in a convenience store that is within walking distance from the home they rent. However, like the homes of many of the women, it is in disrepair and therefore contributes to high energy bills. Her description of her housing problems and subsequently high electricity bills was typical:
“I done lived in this house for quite some time. This house don’t really have insulation. So, utility bills, my light bill, half the time my light bills be more than my rent. Because of the, we got cracks in the front of the walls, from the floor. And in the summertime it’s hard to keep the house cool and it’s hard in the winter-time to keep it warm.”

She described further how she turns on her gas stove and burners in order to keep the house warm. The house was equipped with a floor furnace but it had been deemed a hazard by the energy company so she never used it. In addition, the walls were in such bad condition that when it rained, the water seeped into the house. Therefore she was unable to put furniture against the walls or decorate the walls with pictures or other hangings.

Darlene, a 26-year-old mother of five living in a small rural town also described housing problems. The home was owned by her mother, so she did not worry about rent, but she was unable to keep up with repairs needed on her dilapidated home:

“"I know I need help with this house, my car, everything. Pipes, food cabinets, doors and stuff. Heaters, new heaters…I use kerosene in that heater ‘cause my heater broke. And by me not having enough money, it takes more to get it fixed. To find somebody to go up under there and blow it out, blow the pipes out.”

It was a cold day and her home smelled strongly of kerosene. There were no doors, only old blankets, separating the bedrooms from the rest of the house. It was a manufactured home that was very old and raised above the ground, contributing to the challenge of keeping it heated.
Medical Care

The quantitative survey data showed that very few had problems with getting medical care for their children due to lack of money. Indeed, money was not generally the issue for the women as they struggled to ensure their children and grandchildren received the medical attention they needed. Transportation and policy changes provided the most significant challenges. In addition, one of the women had no insurance, and therefore medical care for herself, rather than her children, was the problem.

Three of the women described problems with medical care. Tracy, the mother of six who left TANF due to sanctions is without medical insurance for herself and is often unable to pay for prescriptions. Both Ethel and Nina explained how recent changes in Medicaid have precluded emergency room visits for the children. Nina reported that new policies require visits to the primary care physician and this is problematic if one of her children gets sick after hours. Ethel has difficulties with the grandchild she cares for as well as her own medical care needs. She suffers from diabetes and has found that changes in Medicaid have resulted in a shift in physicians. Therefore, the doctors she is required to see, in lieu of an emergency room visit, are far from her neighborhood, and some even off of the bus line altogether.

“I was going to Dr. ___...but he quit, he not gonna have no Medicare anymore...the doctors is getting out of this, they don’t want no part of this...now the only way I can see him I’m gonna have to go way to the East. I don’t know how I’m gonna get out there. So you see, what do I do? I wouldn’t wish this on nobody.”
Medical care is a hardship for some of the women and the transportation needed to receive it is in short supply. As stated earlier, many of the hardships are intertwined with others. Transportation, or lack of it, created difficulties in accessing medical care and in performing every day activities, including informal labor market work.

**Transportation**

The survey data show that only about 30% of the sample own their own vehicle. The majority must rely on public transportation or rides from friends or family who have vehicles. However, even when transportation could be found, the lack of flexibility of these arrangements caused considerable hardships for the women I interviewed. Two of the fifteen women owned a vehicle that was running. The rest relied on friends, family, or neighbors for rides, took the bus if there was a bus-line nearby, or walked. Tracey used to ride her bicycle to the homes that she cleaned, but it had been stolen and now she relies on the bus.

Nina finds her lack of transportation a hindrance to her in-home work as a hairstylist. She needs transportation in order to purchase the supplies that are required to do hair. She describes how sometimes she takes the bus, but finds the schedule inconvenient. However, when she asks for rides, she is subject to the schedules of friends and family. Since her funds are usually low, she waits for a set hair appointment before purchasing the supplies. However, this is often problematic as clients want their hair done on short notice and this leaves little time for her to find a ride to purchase supplies.

Sam, who is receiving TANF and studying for her GED, lives in a neighborhood that is a few miles outside the central city. She has no vehicle, and while she is provided with a bus card, the bus line begins about 2 miles from her home. Therefore, she must
walk a significant distance to catch the bus. She anticipates the problems this will cause when she gets a job in the near future.

**Other Challenges**

As described previously, the majority of the women felt they had enough income from food stamps to provide for their families. However, three of the women were still facing hardships in terms of food and nutrition. Alexis, the welfare reform “success story”, found her food stamp allotment reduced once she became employed. She felt that because she was honest about her employment and earnings, the “system” had penalized her by reducing her food stamps. She now receives just $39 per month to help provide for her family’s food needs.

Carla, a 35-year-old mother of four works one full-time and one part-time job, both at nursing homes as a C.N.A. Despite the many long hours she puts in at her jobs, her reported income in the survey is very low and she experienced a higher than average number of hardships. She gets paid $5.70 per hour at her full-time position and $6.25 at her part-time job. The wages reduced her food stamps from about $600 when she was on welfare to just $264 per month. She finds it a challenge to provide enough food, especially for the two older children who are growing and eat more.

Martha experienced more severe food hardships. Martha is a 49-year-old woman with two children in the home. Her son is 22 years old and her daughter, who receives an SSI check for a disability, is 15. The month prior to our interview she had gone through a surgery to amputate three of her toes, a complication from diabetes. The survey data show that she had been relying on approximately $536 per month in food stamps. By the time I visited with her, her food stamps had been reduced to just $10 monthly. Her
strategy for survival was to skip meals, which further aggravated her diabetic condition. Her doctor advised her to increase her protein intake, but she has reduced herself to one meal per day in order to save money on food:

“They want me to eat three meals a day, I’m lucky if I get one. And like I tell them, sometimes I have to make a choice, either eat breakfast or eat dinner. Because my daughter eats in school, and then I be here most of the time in the daytime by myself, like I might call someone to bring me a hamburger, but you can’t have people come feed you everyday.”

She further explained what she felt to be an “unbalanced situation” with the welfare system. In her experience, when one program increases your income, another support program is cut. This theme of “imbalance” was common among the women. When she began receiving SSI her Section 8 rent was raised and her food stamps were reduced. Given the reliance on food stamps that the other women expressed, it appeared that this program was crucial in Martha’s situation and she was paying the price by aggravating an already fragile health condition.

Providing beyond simple bare necessities for one’s children also proved difficult for the women. Both Tracy and Nina described feeling unable to adequately provide Christmas gifts. In fact, Tracy linked this directly to the loss of her welfare income:

“As far as welfare, I mean, I was like I don’t care what bill has to be paid all I know is I had my Christmas. So in November I would put them up a really nice layaway for Christmas, for each one of them. And the month of Christmas I would take my check and just get the whole, you know, the whole thing out.”
Nina’s story was similar. She had experienced a slow month doing hair and had been unable to provide anything for her three daughters for the holiday. On Christmas Eve her mother and the children’s father came through with some cash and gifts.

Providing school supplies was an issue for many of the women. Several women commented on their ability to assist with fees and supplies through their informal labor market participation. They pointed out that while receiving TANF, they were unable to provide certain necessities that came up throughout the month as they had to wait on their end-of-the-month welfare checks. Informal employment provided the impromptu cash needed for school events and activities. However, Darlene, the mother of five living in the small rural town found these necessities a hardship.

“School be having so much stuff going on that your kids have to pay for. Trips and fees and parties and all that. And I got a little boy in Head Start they constantly need stuff. They’re always sending home tickets…that’s $20 that you have to sell. Around here people don’t have money so you got to pay for them tickets in order for your child to participate in parades and whatever they have. And they always need more crayons and a lot of different stuff, paper towels, Kleenex.”

The location in which Darlene lived exacerbated the difficulties she had providing school supplies. Parents were expected to contribute to the program’s needs, often through raffles, and yet the families in her neighborhood had no expendable income to purchase the tickets for these activities. Darlene was either forced to purchase the raffle tickets herself or write letters to the school explaining that she was unable to contribute.
Survival strategies were multi-faceted and hardships were ubiquitous for the women interviewed. However, the reasons why most had not transitioned “successfully” toward full formal employment still remain unexplored. The following section begins to address these questions with a discussion of why most of these women were not working, how time limits under reform have affected their transitions toward work, and what policies have been helpful in shaping their future self-sufficiency.

**Transitions Toward Self-Sufficiency: “If You Got a Family, the System is Not Where You Want to Be”**

All of the women expressed a common desire to get or remain off of welfare. Their desire to reach self-sufficiency involved financial concerns such as the difficulty in supporting a family with welfare, but also the need to set an example for their children. While most found the economics of being on welfare nearly impossible, some also felt that they wanted their children to be exposed to a different way of life. They wanted for their children what they wanted for themselves: a decent job that provided independence and a living wage. Yet most had not found that.

While many of the women interviewed were involved in informal labor market activity, many were not working at all. For those who were involved in informal work, some aspired to enter the formal labor market. However, though they had left welfare, many had not found stable employment. Childcare responsibilities were most commonly cited for not having formal employment. Barriers to finding formal employment including not having a G.E.D. and limited job opportunities in their labor market area. Finally, a few women identified specific programs that they felt were helpful as they transitioned toward independence.
Childcare Responsibilities

Conflicts between the need to work and to care for children were the reason many of the “lost” women gave for not working. Viola, Rhonda, Darlene, and Nina all have young children and felt a “pull” to remain home. Viola explained that when she became pregnant recently with her second child, she realized she was having difficulty concentrating and being productive at her part-time job, so she quit. She also explained that she does not want to work hours that would leave her 8-year-old daughter alone. Therefore she relies on Pell Grants and student loans, food stamps, and rent reductions from section 8 in order to stay home to prepare for the birth of her child and care for her daughter.

Rhonda and Nina expressed the same reasons for not holding a formal job. Rhonda had worked for several years as a Certified Nursing Assistant, but quit shortly after she had her youngest child. She explained that it was stressful at work and then stressful to come home and deal with the needs of the children. While her other children were able to attend school, she did not have a sitter for the youngest. She also felt that the regulations for dealing with sick days made it difficult to hold her former job. She was required to find an immediate replacement if she was unable to work a shift due to a child’s illness and she found this regulation difficult with sudden illnesses. Fortunately, her son’s SSI disability check, which he began receiving shortly before she left her C.N.A. position, was nearly equal to her paycheck. Nina, who does hair informally to make a living, explained that the fast food jobs available in her town required working hours when her daughters were not in school and she didn’t have anyone to watch them.
She is able to do hair in her home and be there for her children after school and on weekends.

Though she is employed full-time, childcare is a critical issue for Alexis as well. When her youngest daughter was born, Alexis tried to get childcare assistance so that she could maintain her job. In her view the assistance was of little help:

“The state has something they call childcare assistance for the working parent, but they wasn’t supplying, helping me at all. I was footing more of the bill, they only was doing, I was paying $200 something dollars a month and they was paying just $100 a month and I feel like for them to have to hassle you, for a person that is working, to me they treat a person that’s working poorly, than they would the person that’s on AFDC.”

For Alexis, the hassle and expense involved in putting her daughter in daycare was too much. She pulled her daughter out of daycare and now relies on the child’s grandfather to care for her while Alexis and her husband work. The lack of affordable daycare is a significant barrier to work for those who are unemployed and an important concern for those who are employed.

Struggles to Find Employment

Despite the responsibilities of home and family, some women were actively seeking employment. Rhonda would prefer something different than the Nursing Assistant work she had been doing before she quit. She has filled out several applications and even interviewed but has not been hired. While she doesn’t have a high school diploma, she feels that the main problem is that the retail establishments and stores in her
small rural town just aren’t hiring. When I asked her how she felt about time limits on welfare, she spoke about the availability of jobs in her area:

“In a way it’s a bad idea because what if you don’t have no job, you can’t find none. Down here it’s hard to get hired, you fill out a application and they don’t call you and they ain’t hiring. It’s a bad idea.”

Darlene also connected her difficulties in trying to find a job with changes brought on by reform. She felt that the dilemmas in finding a job in her rural town were due to the “welfare hires” who worked for their TANF benefits. In her view, businesses would rather hire individuals who will work for “free” than regular non-TANF employees. She further explained that the G.E.D. preparation and job-training courses required through TANF involved too much time and interfered with her duties at home. In addition, the transportation to the education and training programs provided rides only once per day each way, therefore participants who might need to vary their schedule would have to find their own transportation. However, Darlene did plan to find work once her youngest child began school. Without her G.E.D. she recognizes that this will be a challenge.

While Martha was not required to find work due to her surgery, she spoke about her experiences with employment and her perspectives on finding work in northern Louisiana. She had suffered from diabetes since 1989 and complications from the disease forced her to take too many sick days while she was working. After being laid off from several jobs due to her attendance, she quit looking for work. She now receives SSI. When I asked her if she felt the welfare system was helpful in transitioning people to work, this is how she replied:
“It’s just that lots of times there’s no jobs for them to get off. You can’t ask somebody to get, to stop an income that’s coming in, and there’s no jobs for them to go to work. Some people are just not gonna let their kids starve.”

Martha went on to explain that two large businesses in her town had closed down and the remaining jobs were convenience stores, restaurants, and WalMart. She described the low pay, long hours, and physical toll involved in working some of these jobs. At the age of 49, she felt that most of these jobs would be too hard on her body and therefore did not consider trying to find work.

While Martha had given up trying to find work due to her health condition, Sam was just beginning this process. Her welfare time clock was ticking and she was rigorously studying for her G.E.D. so that she would have a better chance in the job market. She expressed concern over the time pressure to both complete her G.E.D. and find a job within the seventeen months she had left on the TANF program:

“It’s in the back of my head, it never goes away. Like, Sam, you have GOT to focus more, work harder at it. I mean, we don’t have that much time. We are SO on the line, everything is. And when my time limit’s up, I get off, what am I gonna do then, I don’t have no job. I have no idea what I will do.”

Sam spoke from experience. She had followed the instructions laid out in the STEP (Strategies to Empower People) job readiness program and spent four months applying for 161 jobs. She had a first interview with a fast food chicken restaurant, but not a second interview. She got a call from another fast food restaurant, but they wanted
her for a location across town and off the bus line. Further, the buses in her town only run until 9pm and most fast food requires much later shifts.

Though there were many barriers keeping the women from employment including health, lack of education and job skills, and transportation deficiencies, many pointed out that TANF programs could indeed be helpful in assisting women trying to become independent.

What Might Work

Despite the various difficulties that the women identified, when asked if there were any positives about the system, many responded emphatically. Sam, while struggling to find secure employment, explained how the STEP program was helpful in readying her for the job market.

“They would provide you with things like that, dress clothes and stuff. We have classes and they tell you how to act and how to be prepared in an interview, what things to say, what things not to say. Look directly into people’s eyes when you speak to them, which is, I think you should already know that anyhow…but, that was really good for me, it was like a brush-up for what I did know and what I didn’t know. So, it was real helpful for me.”

Shanika used her time on TANF to complete her G.E.D. She also participated in job training for office occupations. Though her time ran out before she could complete the training course and be placed in a job, she still felt she gained some useful skills. She was critical, however, of the time required to complete the job programs and the small TANF check that was the “pay” at the end of each month. Like many of the women, this
did not seem a fair trade for their labor, and she felt that just finding work on one’s own would be much better than working for a TANF “paycheck”.

The majority of the women did not have a high school diploma, and therefore emphasized the importance of education in determining where they were and where they might go in the future. Tracy quit school in the 11th grade and felt she might have gone on to college if she had graduated high school. Rhonda, Nina, and Sam are all studying for their G.E.D.’s.

Despite the recognition that a basic education and some job skills are important, critiques of the welfare system were common. These critiques involved the amount of hours and the low benefits. Shanika’s views were similar to those spoken by many of the women:

“I had opportunities to go and learn how to do office occupations and get my G.E.D. Those were the good things. And then they do give on the job training. The bad thing is, they don’t give you enough money to do it. To give up that many hours out of a day, you know, to go do a job from 8 to 4, Monday through Friday, for a whole month, and you only get $188.”

Shanika used her time on TANF to complete her G.E.D., but some of the other women were unable or unwilling to do so due to time requirements and transportation issues. Further, three of the women discussed problems passing the G.E.D. exam. Both Nina and Tracey struggled with math, and Nina had taken the exam more than once, with another try scheduled for the spring.
Discussion and Conclusion

The analysis presented in this chapter examined survival strategies, hardship experiences, and issues affecting the transition from welfare to self-sufficiency. The qualitative interviews revealed several key issues.

First, in general, the various survival strategies used seemed to offset the loss of TANF benefits. This is what distinguishes those women who are “lost” in transition. As many of the women stated, they felt they were doing better without TANF. However, in order to understand this process, the context of benefits in the state of Louisiana must be considered. The average cash grant in Louisiana is $200 per month. A mother with two children in the home will receive about $240 per month of TANF assistance. While the amount of benefits vary from state to state, Louisiana’s maximum cash benefit is quite low comparably. For example, a state such as Minnesota can receive up to $831 for that same family size (Valvano & Abe, 2002). Therefore, the informal labor market activity that many of the women engaged in could indeed be understood to easily compensate for welfare benefits lost. Further, the SSI benefits that four of the former lost had switched to are considerably more per month than TANF. Overall, the women expressed relief at not having to deal with the hassles of the welfare office, something they did not consider a fair trade for such a small amount of support. This relief, combined with sporadic income from informal work made them feel that, ultimately, they were better off.

Culture of poverty theory suggests that the welfare system has created or, at best, perpetuated poverty. This perspective asserts that the poor are enmeshed in a culture that is somehow different from the mainstream in its values and behaviors and this explains why the poor remain poor. Further, the welfare system has created dependency and
therefore a “trap” that the poor cannot escape from. This perspective forms the backbone of reform policy. In order to change the economic situation of the poor, they must be forced into self-sufficiency through time-limited exits from welfare. However, the findings presented in this chapter challenge this perspective. First, to suggest that welfare had been a way of life for these women is incorrect. Most of them bounced back and forth from welfare to paid or informal work, and overall spent limited amounts of time on benefits. Therefore, to claim that this is a way of life that they need to exit from is fundamentally flawed. Second, the notion that the elimination of welfare cash benefits will force behavioral change on the poor is also flawed. Most of the women who engaged in informal labor market activity did so while on welfare. Therefore when they left welfare, either through time limits, sanctions, or voluntarily, they continued to do what they had been doing while on welfare. The elimination of cash benefits has not led to a change in work-related behavior because these women were already engaged in work behavior. Further, they will continue in those activities that they are skilled in or familiar with: hair styling, housecleaning, or babysitting.

Second, social support from networks of family and friends, as well as support from formal community organizations, are key in the survival strategies of the women. Theories of social capital show that one’s social relationships provide essential resources. However, it appears that there are important differences in the types of support provided that may assist in transitioning women to formal employment. Childcare assistance is essential. Several of the women stated that lack of childcare was a key reason for being unemployed in the formal labor market. While some of these women received help from family and friends in the form of cash, transportation, and food, they did not receive
help in terms of childcare. For example, Nina’s mother was nearby and would sometimes provide cash or gifts for the kids, but she worked two jobs and could not help with childcare. Alexis’ father was able to watch her young daughter so that she could continue working at the convenience store full-time. Had he not been available to help, Alexis might have had to quit working. It seems from this analysis that not all types of support will facilitate a transition toward work, however, other types of support are crucial for overall survival.

Third, despite the finding that most of the women are doing better, in their view, without TANF, all continue to experience hardships. The women and their families struggle with utility bills, dilapidated housing, transportation deficiencies, food shortages, and supplying necessities for their children. The success stories that exist here, Alexis who is married and works full-time and Carla who works two jobs, are a narrow version of success. The definition of success under welfare reform includes leaving TANF and finding work. All but one of the women had left TANF, two were in formal labor market employment, five participated in informal activity, and the rest relied on some form of formal support such as SSI. Yet regardless of their work situation, the women were still poor and dependent upon various forms of government support. This is hardly success. Further, culture of poverty theories, which are the ideology behind welfare reform, would suggest that poverty will be alleviated through work activity. This has not been the case among the women I have spoken with. This is confirmed in the quantitative analyses from previous chapters.

These findings suggest important policy implications that will be addressed in the following chapter. The areas to be targeted include continuation of food stamp support,
childcare assistance for those transitioning and those already in the workforce, transportation help and subsidies, and educational assistance to ensure success after leaving welfare.
CHAPTER 7: DISCUSSION AND CONCLUSION

This study was motivated by growing concerns over the long-term effects of the 1996 welfare reform legislation: the removal of the safety net of public support, the effects of time limits, the ability of former recipients to successfully transition to work, and the influence of geographic location on this process. In the introductory chapter, I asked four related research questions that address, (1) what promotes a “successful” transition from welfare to work, (2) what is the overall economic well-being of current and former recipients, (3) what are the hardship vulnerabilities since reform, and (4) what happens to those who leave welfare without work. The resulting research attempted to answer these questions using a combination of qualitative and quantitative methods.

I developed a theoretical framework to examine the influence of welfare reform policy on current and former recipients in Louisiana. I hypothesized that individual, family and resource, and labor market factors would shape experiences in the transition from welfare to work. Human capital theories assert that education, job training, and health conditions affect economic outcomes. Family structure and social resource perspectives shed light on the experiences of poor families as they struggle to meet daily household needs. Labor market perspectives examine characteristics of location that determine reform outcomes. I used quantitative analysis of survey data in order to paint a broad depiction of outcomes in the state of Louisiana. To get a more descriptive picture of the experiences of those involved in the transition, I used in-depth qualitative methods. While labor market aspects are not salient for this particular project, various individual, family structure, and resource factors play an important role in the experiences and outcomes of this sample of women transitioning from welfare to work.


Summary of Major Findings

Empirical findings from the analysis of work and TANF groups show that individual, family structure, and resource factors influence group classification in the welfare-to-work transition. Those who are involved in work activity are advantaged by being younger, having higher levels of education, and access to transportation. Those who remain on TANF have the lowest level of education, poorest health, the most number of years on AFDC/TANF, and are the least likely to reside with a partner or spouse. There are interesting patterns among the assistance variables. Those who are “lost in transition” (not working or receiving TANF) are most likely to use kin-based assistance. It may be that those with no formal means of assistance must rely heavily upon family and friends to survive. It could also be that they are able to live without work or TANF because of the extensive help from family and friends. Indeed, some of the women I spoke with in the field indicated that they prefer not to deal with the hassles that come along with welfare, and reliance upon family and friends is a significantly more desirable alternative. Those who are combining the use of TANF and formal employment rely most upon organizational assistance. Interestingly, this is also the group that reports the most hardships. The field interviews have shed light on the relationship between hardships and survival mechanisms. Utility bills were one of the most commonly discussed hardships, and many reported using community centers and church organizations to assist with these bills. Therefore, it makes sense that this group with such significant hardships would be most likely to rely on organizational forms of assistance. This transitional stage generally involves a reduction in TANF benefits, while work income has not yet reached a level of complete self-sufficiency. In addition, if they
are not yet fully engaged in work activity, they may have the time to pursue various forms of organizational assistance whereas those who are reliant only on work do not.

While the descriptive findings show that overall, regardless of work and TANF status, most are still in poverty, the regression analyses provides specific determinants of income-to-poverty ratio. While age is a benefit, being African American is not. This is consistent with theoretical perspectives and empirical research showing that being black is a disadvantage in the welfare-to-work transition. This may be partly explained by the fact that blacks in my sample, compared to whites, are less likely to have important resources including transportation and another adult in the household. They are less likely to have key forms of support and overall they are poorer compared to whites.

Household structure is important in this model as well. Another adult in the household, whether spouse or parent, raises the poverty level. Number of children lowers income-to-poverty ratio. Transportation is an important resource in this economic measure as well. Kin and organizational assistance do not help raise income-to-poverty ratio. These findings suggest important policy implications. While theoretical and empirical research establishes the necessity of family and organizational support networks for the poor, these resources clearly cannot be relied upon to raise post-welfare families out of poverty. Policies under reform suggest that encouraging marriage might be a way to escape poverty. However, as is evident here, the presence of another adult in the household is what is significant, not necessarily the relationship of that individual. Further, “doubling up” is a common strategy for the poor, and this does not necessarily eliminate poverty. It seems that another adult member of the household is more of a survival mechanism, not a way out of poverty.
In the analysis described here, TANF status is significantly related to the income-to-poverty ratio. The previous analysis of differences between work and TANF status groups shows that on variables such as health, level of education, and years on aid, those who rely solely on TANF appear to be the most disadvantaged. This is also reflected in the regression analysis. Given the extremely low benefit levels in Louisiana, it is not surprising that this group is significantly poorer than the other work/TANF groups. However, they are also quite disadvantaged in terms of the characteristics just mentioned, which makes it less likely they will successfully exit TANF. Given these findings, time limits may be highly problematic in the long run, forcing these disadvantaged recipients to exit without the ability to support themselves.

Number of previous jobs and health status are important individual level determinants of material hardship. The number of jobs significantly increases hardships. This is likely a measure of instability and an indication of related hardships, such as poor health, that make it difficult to maintain employment. Good health decreases hardships probably because it allows for consistent work activity. Surprisingly, having a parent in the household decreases hardships, while a spouse or partner does not. This is an important finding in light of welfare reform policy assertions that marriage is a viable solution to poverty. While a spouse or partner does increase income-to-poverty ratio, it has no effect on hardships. If we are to consider broader measures of poverty, then this finding is important in challenging the assumption that marriage is a realistic solution for the poor. Finally, those who combine work and TANF experience significantly more hardships. This is consistent with other research establishing the vulnerability of this state. Again, this vulnerability was not fully captured by the poverty measures.
Qualitative findings supplemented what I learned from the analysis of the survey data. First, those women identified as “lost” (not working or receiving TANF) were found to have a myriad of supports that helped them to survive. Many were engaged in informal labor market activity, others relied upon networks of family, friends, and community organizations or churches, and others relied upon income from SSI. In addition, these women engaged in a variety of strategies to get by on a daily basis. Second, there were mixed responses on the effect of reform policy. A few of the women felt that the immediate loss of TANF benefits, either through sanctions, time limits, or some other type of exit, was a difficult transition. Others, however, felt that they were actually better off without welfare. However, this is largely because they would rather not deal with the “hassles” of the welfare office in exchange for such a small check. Further, they relied heavily upon the help of family to make the transition easier. Third, there were a significant variety of hardships reported, not all of which could have been identified through the survey data. For example, dilapidated housing was associated with extremely high utility bills, changes in Medicaid led to shifts in doctors that were no longer on bus lines, and children’s school supplies and activities created financial struggles for some of the women. Some of these hardships were directly tied to geographic location. For example, the isolated rural location of one woman made it difficult for her son to find neighbors who could afford to buy the raffle tickets he had to sell for school. Finally, the women were able to tell me, in their own words, what they felt would be helpful for them to become fully self-sufficient. These supports included: (1) affordable and reliable childcare, even during “off” hours, (2) job training courses that they could complete, even if their time limits ran out, (3) assistance with G.E.D. exams,
including tutoring if necessary, so that they could compete better in the workforce, and (4) an increase in monthly TANF benefits so that they could survive if they must rely on welfare.

**Limitations of the Study**

This study provided a “snapshot” picture of transitions, economic well-being, and hardship vulnerabilities following reform policy. The data used for this project are very recent, so outcomes were examined that reflect more current circumstances of these welfare populations. However, this study is not without its limitations.

First, in order to better investigate human capital characteristics for their effects on reform outcomes, longitudinal measures would be ideal. Measures of work history, types of jobs held, tenure of employment, and the like, for each case would be particularly useful in predicting economic outcomes. While I was able to control for number of jobs and if the respondent had received any early job training, this does not fully capture work history. Indeed, there are some longitudinal measures in the data set, but to use them would have significantly reduced my overall sample size, and for this particular project, I wanted to paint a broad picture of reform outcomes, necessitating use of the full sample from the final wave.

Second, while this research is valuable for its geographic diversity, it is restricted to the state of Louisiana. Therefore, any generalizations made must be done so very cautiously. Louisiana is unique in many ways. The Mississippi Delta region is made up of persistently poor counties, some of the poorest in the nation. In addition, the benefit levels in Louisiana are extremely low, thereby having different implications for the loss of TANF in this state versus others with higher benefit levels. While the diversity of
areas studied allow for some extrapolation, overall generalizations to the national welfare population must be carefully considered. However, though benefits levels vary greatly from state to state, the analyses performed in this dissertation could be duplicated with other state or national data. Economic outcome levels may be different, but the hypotheses in this research would be worth testing on other populations.

**Contributions of the Study**

Despite its limitations, this study makes several important contributions to our understanding of welfare-to-work processes. First, this research investigates a diversity of outcomes through the analysis of different classifications of the welfare-to-work transition. Most studies have chosen to look at those who remain on welfare or those who make it into the labor force. I have contributed by describing different locations in this transition and the economic circumstances unique to those groups. This gives a richer understanding of “transitional” experiences by examining those who combine welfare and work, and those who seemingly have no formal means of support. Second, I extend our understanding of poverty by including an analysis of hardship experiences. Poverty has many dimensions and static income measures do not fully capture these. I present a more multi-dimensional depiction of the difficulties encountered by welfare populations. My analysis of hardships portrays various attributes of family well-being. Third, extremely little is known about those families who exit TANF without work. This is a crucial area for investigation, and my study begins the dialogue about who these people are and how they are surviving without the safety net of welfare. More needs to be learned about this group of leavers, such as why they have left, why they have not returned to TANF, if they have barriers that keep them from working, and what services
and supports could assist them. Given the time limits of welfare, we can expect that this may be a growing segment of the post-welfare population and policy may need to be designed specifically for their needs. My ethnographic research makes a substantial contribution to our understanding of the overall process of welfare-to-work, and in particular, the experiences of those who are “lost” in the transition. While survey data can contribute to a general and broad picture of policy effects, my qualitative interviews allowed the women to describe in their own words what they are experiencing, how it is affecting their lives, and what they feel would be helpful to make this transition more “successful”. The interviews uncovered their unique and varied survival strategies, views on and experiences with the welfare system, diversity of hardships experienced, and the support systems they felt were necessary for families in their situation.

Relevance of Findings for Theory and Policy

The findings presented in this research contain a number of implications for both theory and policy. The theory of human capital framed my investigation of income-to-poverty ratio and hardships. Indeed, two of these measures, education and good health, were important determinants. However, job experience was not. Human capital theory suggests that this is one important investment that can help improve economic outcomes. This is not the case for my particular sample. It is possible that for this particular group of the poor, the job training they receive is for the types of jobs where there is little room for advancement and wage gain. Job training may bring more returns in occupations and industries other than those in which most former welfare recipients would find work. This does suggest important policy implications, however. Louisiana, like other states, provides training and employment programs to assist welfare recipients in becoming self-
sufficient. Given the findings here, the welfare population may be better served to ensure that they earn, at the very least, their high school diplomas. The in-depth interviews showed that many women were struggling to pass their G.E.D. exams, and therefore this may be a policy area that should be targeted more seriously and thoroughly to ensure “success” after welfare.

Culture of poverty theories abound in the general society and have profoundly influenced the welfare reform legislation of the 1990’s. The idea that the poor are somehow different from the mainstream society in their values and behaviors formed the basis of “work-first” policy. However, this theory does not hold up for this research. First, history of AFDC/TANF was not significant in any of my models. For the culture of poverty theory to be valid, I would expect some significant relationship between years on aid and outcomes. Second, my qualitative interviews showed that women, even many of those seemingly “lost” in transition, were engaged in various forms of work activity. The concept of work-first suggests that this is a behavior the poor are simply not engaged in and must be forced into. My interviews show differently. In addition, the women I spoke with consistently expressed a desire to complete or further their education, find respectable and legitimate employment, and set a good example for their children in these arenas. To claim a “culture of poverty” given these findings seems quite groundless. Policy should be designed without an overriding assumption that those on welfare do not want to work. As stated previously, educational assistance is crucial. Beyond this, however, much of the work that the women are already engaged in could be made “legitimate” through additional support. For example, women who do hair could be assisted in obtaining a stylist license or those who babysit could be helped to organize a
neighborhood daycare center for other post-TANF mothers returning to work. Women on welfare have been and continue to work in the informal labor market and these activities could be legitimated for the benefit of the women and their communities.

My findings, however, do not completely refute culture of poverty perspectives. It is clear that regardless of the welfare or work status of the women I studied, nearly all remain “dependent” on some form of government support. The most important of these are food stamps. While welfare reform legislation has been partially successful in reducing welfare rolls, food stamp receipt is prevalent. Indeed, many of the women I spoke with emphasized the importance of food stamps and their continued need for this income even while working. This finding suggests there is an aspect of dependency among this population and that until families can survive without these non-TANF supports, welfare reform cannot be termed a success.

Finally, theories of social support informed my investigation of the different classifications in the welfare-to-work transition. Considerable literature has established the importance of kin networks and formal organizations in the lives of the poor. However, there are clear distinctions in my findings about which forms of support are used in different work and/or TANF statuses. Those who are “lost” rely most heavily upon family and friends for help. Those who combine work with TANF seek assistance from formal organizations or churches. Social supports are clearly important here, but they differ depending upon whether one is working, relying on aid, or completely disconnected from both. Knowing that welfare and former welfare families are likely to be dependent on family networks in a similar economic situation to theirs, it is safe to
assume that resources are finite. Therefore, policy should address community level support.

Affordable childcare assistance is crucial for those beginning their transition off welfare but also for those who have found employment. After hours childcare is essential as those who work in the service industry can often expect to work shifts other than regular business hours. Transportation is key in several areas. First, changes in Medicaid have led to changes in physician location, creating hardships for those without transportation. In urban areas, funds for cab rides would assist those living at considerable distance from doctors. This would also assist New Orleans residents who must contend with bus lines that do not connect. In rural areas, buses do not exist therefore cab subsidies or some other form of organized transportation will be necessary. This includes subsidized transportation, such as vans or carpools, at varying time throughout the day to allow women to leave their education and training classes to be home for their children. Overall, findings show that policies that can target transportation systems, child-care establishments, and utility payment programs would be beneficial so as not to drain kin resources that are already being stretched to their limit in poor communities.

Conclusion

The findings from this research show that many former recipients have left TANF and many of these leavers are working in the formal labor market. However, many are still mired in poverty and experience significant hardships. While they have a variety of strategies and rely on various forms of support, struggles continue. As the years since reform legislation continue to pass, it will be crucial to continue studying the effect that
these policies have had on the poor. Further, as more recipients continue to exit welfare for work, given what we know about wages and incomes, research must focus on the experiences of the “working poor”. Policy will need to be redesigned to deal with the unique needs of those who no longer have welfare as a “back-up”, but must struggle to maintain employment. In addition, more research must be done on those who have exited welfare without work. They may have unique needs that are not currently addressed due to the assumption that eventually they will find work. Overall, we must expand our understanding of poverty in a way that reaches beyond static income measures and even beyond material hardships. For example, even those who meet the narrow definition of “success” under reform policy struggle with issues and deficiencies that put them at a disadvantage compared to the rest of society. We must find ways to measure these deficiencies in order to address their needs. Until we have a better understanding of the long-term effects of time-limits and work requirements, and a better understanding of what constitutes poverty and its dimensions, we cannot label welfare reform a “success”.
REFERENCES


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