



# ASPE

## RESEARCH BRIEF

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### POTENTIAL EMPLOYMENT LIABILITIES AMONG TANF RECIPIENTS

#### Background

Employment is a key component of the TANF program. With the introduction of work requirements under PRWORA, states now work more closely with recipients on encouraging participation in work activities to facilitate transitions out of welfare toward greater independence. Consequently, it is important to understand the potential limitations or liabilities that recipients may bring to the labor market, as well as the effect that these challenges may or may not have on employment.

To address these issues, the Office of the Assistant Secretary for Planning and Evaluation (ASPE) funded a round of competitive state and local research grants to study the characteristics and circumstances of individuals and families receiving cash assistance from the TANF program. Each grantee gathered and analyzed data based on a common survey instrument that focused on three broad domains of potential assets and liabilities of work for welfare recipients:

- **human capital assets/deficits** (education levels, work experience, job skills);
- **personal and family-related liabilities** (physical and mental health problems, chemical dependence, learning disabilities, criminal record, caring for a child with special health needs, and domestic violence); and
- **community-level challenges** (transportation problems, childcare problems, unstable housing, and neighborhood problems).

All studies were based on random samples of the population of single-parent TANF recipients in one given month. Survey data from all six studies – Colorado, the District of Columbia, Illinois, Maryland, Missouri, and South Carolina – were merged by ASPE staff, who conducted a pooled analysis of employment liabilities and work among welfare recipients.

#### Research Findings

As shown in the “Summary of Results” table below, research findings fall into three major areas: (1) prevalence rates for each of the 15 potential liabilities; (2) the descriptive relationship of each liability to work status; and (3) results from a multivariate analysis of the relationship of each liability and employment, net of other liabilities measured in the study.

## Summary of Results

Liability	Prevalence of 20% or more	Liability related to work	Independent effect on work
LT High School/No GED	✓	✓	✓
Low work experience	✓	✓	✓
Few job tasks	✓	✓	NS
Physical health	✓	✓	✓
Mental health	✓	✓	NS
Pregnant	No	✓	✓
Chemical dependence	No	NS	NS
Learning disability	No	NS	NS
Criminal record	No	NS	NS
Child w/special needs	✓	NS	NS
Domestic violence	No	NS	NS
Transportation	✓	✓	NS
Childcare	✓	✓	✓
Housing	✓	✓	NS
Neighborhood	✓	NS	NS

All three human capital deficits, three of the more health-related personal and family problems, and all four logistical or situational challenges were more common than other liabilities among TANF recipients in the study, as shown in the first column of the table. “More common” was defined as having a prevalence rate of 20 percent or more.

Fewer of these liabilities, however, were significantly related to work status, as shown in the second and third columns. For human capital investments, both work experience and education remained critical. Among personal and family challenges, physical health remained an important factor; however, while 30 percent of respondents had mental health problems, these problems were not significantly related to employment net of other factors. Similarly, the presence of a child with special health needs was fairly common among respondents; yet this family-level responsibility was not significantly related to work for TANF recipients in the study. In contrast, only a small share of the caseload reported being pregnant, yet pregnancy was significantly related to work independent of other liabilities and characteristics.

**Overall, of the liabilities that were most consistently related to work – low education levels, low work experience, poor physical health, and childcare problems – were *also* among those liabilities that were more common among TANF recipients.** These results reinforce the importance of building up employment assets such as work experience and education among TANF recipients. To achieve this, however, the results also suggest that screening and understanding more about physical health issues among recipients, as well as understanding the range of childcare issues that recipients may face, is also very important.

A full copy of the paper can be accessed at: <http://aspe.hhs.gov/hsp/leavers99/emp-liab04>