

Families on TANF in Missouri: Employment Assets and Liabilities

Executive Summary

While there were substantial caseload declines in the years since the implementation of TANF, caseloads have stabilized and there are concerns that remaining members of the caseload may be more difficult to move into employment. The study presented in this report was designed to address this issue.

The data used in this report come from two sources—administrative records and a survey of a random sample of single-parent TANF recipients whose case was active on November 30, 2002. The survey was conducted throughout 2003, with a response rate of 57%. Sample members in active cases were more likely to respond to the survey than those whose cases had become inactive. Therefore, the results may overstate the work effort of TANF recipients and understate the incidence of barriers to employment.

Demographic and Household Characteristics

- Nearly all case heads were female (95%).
- Most (79%) were younger than 35.
- The majority of case heads were non-Hispanic African American (58%), but 41% were non-Hispanic white.
- More than half of the case heads had never been married (56%).
- Half (48%) of the households consisted solely of the single parent and her children.
- The other half of the households contained adults in addition to the case head.
- About three-quarters of the households had at least one child under the age of six.
- Nearly all single-parent case heads (93%) lived in housing units with 2 or more bedrooms.
- About 40% received some form of rental assistance, either through a rent subsidy (21%) or by living in public housing (17%).
- One-quarter (27%) of the respondents had unstable housing (moving 2+ times in the last 12 months).

Employment Experiences and Earnings

- Many single-parent TANF case heads had substantial work experience. Over half (57%) said they had been employed more than three-quarters of the time since age 18 and 67% had worked within the past year.

- When single parents work, they usually work 30 or more hours per week. The median number of hours worked was 38.
- Many jobs were of short duration. While some respondents had held their jobs for several years, the median number of months worked on the current or last job was five. One-quarter of working respondents were in temporary or seasonal jobs.
- About half of the respondents worked regular daytime shifts, a quarter worked evening or night shifts, and others worked split shifts or other irregular schedules.
- The five most common jobs held by TANF recipients were food services, health aides, office clerks, sales clerks, and cleaning jobs.
- Higher percentages of respondents said they had experience with a variety of common job tasks. Over 60% said they regularly talked with customers face-to-face, worked with electronic equipment other than a computer (e.g., cash register), and did arithmetic.
- Respondents who had worked in the past, but were not working at the time of the interview, reported their principal reason for not working. The most commonly cited reasons were child care problems; transportation problems; or a physical, mental health, or substance abuse problem.
- The most commonly cited reasons respondents gave for leaving prior employment were pregnancy or own health problems.

Education and Training

- Two-thirds (68%) of respondents had been in education, training, job preparation, or work experience programs in the past year.
- Nearly half (46%) of TANF recipients had been in GED classes, college classes, or specialized training programs in the past year.

Wage Rates and Benefits

- The median wage rate for working TANF recipients was \$7.00 per hour.
- Less than half of the respondents received each of the common job benefits—paid sick leave, paid vacation, paid holidays, or health insurance.
- Two-thirds of the respondents said their jobs had little or no opportunities for advancement.

Earnings and Household Income

- Median monthly earnings for respondents who worked in the month prior to the interview were \$700.
- TANF recipients get income from a variety of sources, including TANF cash payments and their own earnings. One-quarter of respondents said there were other adults in their household who worked for pay.

- Median household income, from all sources, was \$826, far less than the poverty threshold for a family of three (\$1,213).

Poverty

- Over 80% of the respondents were living in households with incomes below the poverty level.
- The median income to poverty ratio was 60%. That is, the typical respondent household had a monthly income that was 40% below the poverty threshold.

Barriers to Employment

- Single-parent TANF case heads can have personal, family, and community barriers to employment. This study examined 19 barriers to employment.
- The most common barriers were:
 - 49% said their neighborhood had at least one big problem: drugs, crime, deteriorating buildings, or unemployment
 - 40% did not have a high school diploma or GED
 - 37% had experienced child care problems in the past year
 - 35% had a mental health problem
 - 33% had a transportation problem
 - 27% had unstable housing in the past year
 - 20% had a physical health problem
 - 16-20% had experienced physical violence or threats from their spouse or partner in the past year.
- Most respondents faced multiple barriers to employment. On average, respondents had 3.55 barriers, one in each of the barrier categories.
 - Just 7% had no barriers.

Barriers and Service Use

- Respondents who acknowledged having a barrier to employment were asked about their use of services to remediate the barrier.
- More respondents sought services on their own than were referred to them by caseworkers.
- Most respondents who participated in a service completed the prescribed course.
- Among respondents who said they wanted services but didn't receive them, the chief reason was that they didn't know where to get services.

Effect of Barriers on Economic Outcomes

All of the factors examined in this study have been shown to be related to employment outcomes. However, most studies have not examined the barriers all at one time and many of them are correlated. A multivariate approach isolates the barriers

with the most significant effects. Further, some barriers influence some economic outcomes and not others. In general, lack of job experience, having caretaking responsibilities for an ill family member or friend, or having a physical health problem were shown to be barriers for several economic outcomes.

- The barriers leading to more months of TANF receipt were: having fewer than 4 common job skills, having a learning disability, having an infant, living in unstable housing, having to care for an ill family member or friend, and having a transportation barrier.
- The barriers associated with working in fewer months were: being employed less than 25% of the time since age 18, having to care for an ill family member or friend, and having a physical health problem.
- Having lower hourly wage rates were associated with having fewer than four common job skills.
- Having lower monthly earnings were related to working less than 25% of the time since age 18.
- Having lower household income was related to having a physical health problem.
- Respondents were more likely to be poor if they lived in neighborhoods where they considered crime to be a big problem.