

# Women, Poverty and Welfare Reform

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The current welfare system operates under TANF (Temporary Assistance to Needy Families), created by the Welfare Reform Law (AKA The Personal Responsibility and Work Opportunity Act) of 1996. It replaced the AFDC (Aid to Families with Dependent Children), EA (Emergency Assistance), and JOBS (Job Opportunities and Basic Skills Training) programs. TANF ended federal entitlements to assistance by providing states with the federal funds to develop their own welfare programs. Its main features include requiring work in exchange for assistance and placing a 5-year lifetime limit on assistance. Its goals include reducing dependency, promoting work, and promoting 2-parent families. Given their new flexibility in creating welfare programs, states have implemented TANF in a variety of ways. Some established shorter time limits on welfare receipt and increased the use of sanctions for noncompliance with work requirements. Many chose to transfer a larger portion of their grant toward child care, and nearly all states allowed greater mixing of earnings and welfare benefits (Manpower Demonstration Research Corporation).

Overall, welfare caseloads have decreased, and employment among recipients has increased. However, women on welfare are working mainly low-paid jobs with few or no benefits. Further, in many states, decreasing caseloads are matched by an increasing homeless census (Connecticut Coalition to End Homelessness, 1998; U.S. Department of Education, 1998). Additional issues that remain salient for women on TANF include domestic violence services and adequate child care assistance.

TANF will be up for reauthorization by Congress by September 30, 2002. There are three primary issues which have raised disagreement thus far: eligibility requirements and standards for TANF; caseload reduction versus poverty reduction; and the Administration's emphasis on promoting marriage (MDRC). In addition to these, there are critical issues of low wages and child care which must be addressed.

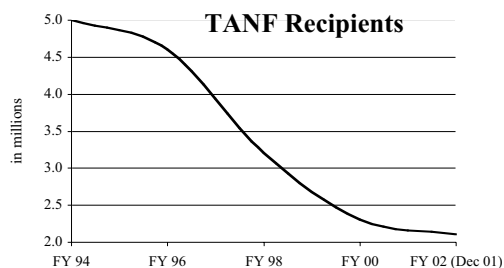
For women on TANF, wages are so low that they are offset by the loss in welfare benefits. As a result, poverty did not decline for recipients in the late 1990s, whereas it declined for all other groups during the same period.

Note: FY=Fiscal Year. Ex: FY 00=Oct 99-Oct 00

## WELFARE CASELOAD

**About 90% of TANF recipients are women. The welfare caseload has declined dramatically over the last decade, to approximately 2 million recipients (Department of Health and Human Services).**

<http://www.hhs.gov/news/press/2002pres/childcare.html>



### About 90% of TANF recipients are women

Total recipients (in millions)	
FY 94	5.0
FY 96	4.6
FY 98	3.2
FY 00	2.3
FY 02 (Dec 01)	2.1

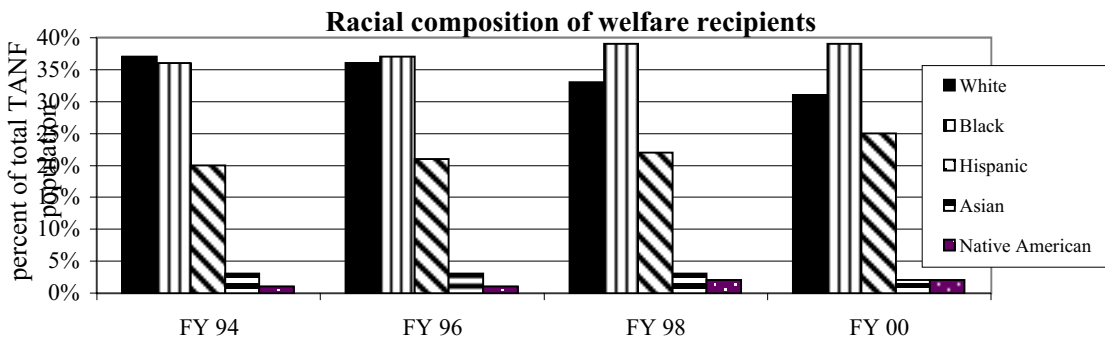
\* Most states experienced an increase in the caseload in the last half of 2001 due to economic recession.

\* In 1993 welfare recipients comprised over 5% of the U.S. population. In 2002, they are less than 1% of the population.

- ∞ In 2000, the average age of welfare recipients was 31 years. Half had a formal education of 12 years or more.
- ∞ Seven percent of recipients are teens, 12% are married, and 8% are legal immigrants.
- ∞ California and New York had the highest caseloads and together, continue to account for 1/2 of all TANF cash payments.
- ∞ In 2001-02, the largest caseload increase was in Nevada, and the largest decrease was in New York.

## RACE AND WELFARE

*While the percentage of white welfare recipients has decreased, there has been a significant increase in Hispanic recipients and a slight increase in the percentage of Black recipients. Evidence shows that discriminatory practices in welfare sanctioning and employment policy makes it harder for racial minorities to leave welfare.*



	White	Black	Hispanic	Asian	Native American
FY 94	37%	36%	20%	3%	1%
FY 96	36%	37%	21%	3%	1%
FY 98	33%	39%	22%	3%	2%
FY 00	31%	39%	25%	2%	2%

from Department of Health and Human Services

∞ The fact that the percentage of White recipients has declined, while that of Blacks, Hispanics, and Native Americans has increased, may be consistent with the concern that White single mothers can more easily escape poverty than can minority women.

∞ The percentage of Blacks on welfare has increased slightly. Blacks are also the only racial group that experienced an increase in the percentage of low-income, non-welfare recipients (not below poverty). Studies show that white TANF recipients are referred to educational programs in much higher percentages than Black recipients. Employers also tend to allow more time for job interviews with white recipients than for Black recipients. (Gooden)

∞ Moreover, 54% of White recipients and 64% of Black recipients are under threat of full family sanctions (Soss 2002). **More White recipients leave welfare due to increased income than due to sanctions--the opposite is true for Black recipients (Ibid.)**

∞ With the recent setback in the economy, there are concerns that minority women will suffer the most, as they have fewer assets, non-citizen barriers, and face discrimination by employers.

### DOMESTIC VIOLENCE

*Twenty to 30% of women on welfare report currently suffering domestic violence (Tolman and Raphael 2000). The rates of domestic violence for recipient women is higher than for women of other socioeconomic groups. There are concerns that there is insufficient DV screening at welfare agencies. (Ganow)*

The Family Violence Prevention and Services Act of 1994 made the federal government responsible for several domestic violence activities. Bill Clinton authorized the Act through 2000 as part of the Crime Bill. It provides grants to states and tribes for shelter and counseling services. The Violence Against Women Act, also part of the Crime Bill, created 5 national resources centers with toll-free hotlines and provided \$1.6 billion over 5 years for DV training and prosecution.

∞ Rates of domestic violence are reportedly higher among low-income women than among women of other socioeconomic levels. The rate for welfare recipients is 3 times higher than that of non-recipient, low-income women (Johnson and Meckstroth 1998). DV survivors tend to cycle on and off of welfare because of difficulties in maintaining employment. They frequently suffer from poor health and are prevented by their abusers from completing education and training programs (Ganow 2001).

∞ DV survivors are waived from TANF work requirements and immigration restrictions, under the Family Violence Option. However, states have the freedom to determine who is a "qualified alien", eligible for public services.

∞ There is a large discrepancy regarding the low rate of DV that caseworkers report of their clients and the high rates reported by researchers. This raises concerns over the carefulness of the DV screening process at welfare agencies.

### FEDERAL FUNDING for TANF

***Unless the budget for TANF is increased with reauthorization, states may no longer be able to afford current levels of spending on low-income assistance.***

TANF provides a total of \$16.5 billion in federal funds to states and tribes each year through 2002. This covers both welfare services and administrative costs. Through FY 2003, states can receive bonuses for: increasing employment and reducing out-of-wedlock births and abortions. Poorer states may receive other grants and loans. (Department of HHS)

In the last few years, states have increased their expenditures of TANF funds for assistance to low-income families and former welfare recipients, from \$13.3 billion in FY 98 to \$18.6 billion in FY 01 (Final Monthly Treasury Statement). This is despite the decline in the welfare caseload. However, they have done so mainly by using unspent funds from previous years (Parrott and Neuberger).

Currently, reserves from previous years are diminishing, and Congress has frozen the future TANF budget at \$16.7 billion. Therefore, states may not be able to maintain current service levels.

**TANF REAUTHORIZATION**

***While the Administration is urging funding for religious-based charity organizations and emphasis on the promotion of marriage, advocates are urging greater child care assistance, adequate wages, and a restructuring of time limits.***

TANF will be up for reauthorization by Congress by September 30, 2002. Both the House and Senate passed bills including \$200 million of funding for marriage promotion. Subsidies would fund state programs to provide bonuses to 2-parent families and classes on healthy marriages.

There is disagreement over work requirements for welfare recipients, with the House advocating 40 hours/week and the Senate advocating 30 hours. The Senate Finance Committee approved an increase of \$1 billion for child care assistance.

Important issues related to women that Congress must address include: state guarantees for child care to TANF recipients; special employment barriers that women suffering domestic violence face; the structure of time limits and sanctions; adequate wages and benefits; and measures to prevent racial inequities. Additionally, feminist perspectives question the social impact of the Administration's emphasis on the traditional 2-parent family. Part of the reauthorization debate involves disagreement over the purpose of welfare--either to reduce poverty or increase marriage.

**POVERTY**

***Poverty declined (among all ethnic groups) between 1996 and 2000, except for women receiving TANF.***

The decline in poverty is attributed mainly to the EITC (Earned Income Tax Credit) program and to the economic growth of the late 1990s (U.S. Census Bureau). However, for women on welfare, any increased earnings from work have been offset by loss in public assistance (Institute for Women's Policy Research, July 2002).

<p>Currently, 25% of female-headed households live in poverty. Between 1959 and 1998, the rate remained at or above 30% (Census Bureau 7-10).</p>	Poverty Statistics from 2000 Census		<p>The poverty rate among Blacks was 22%. This marks the lowest measured rate since 1959 (Census Bureau, 12). While the gap between Black and White poverty has narrowed since the 1990s, Blacks remain disproportionately poor. Thirty-five percent of Black female-headed households live in poverty (8).</p>	
	National rate			11%
	South			39%
	Metropolitan areas			77%
	Individuals			31 mil
	Women			over 8 mil
	Female-headed households			3.1 mil
		White		1.7 mil
	Black	1.3 mil		
	Hispanic	.5 mil		

**EMPLOYMENT**

***Employment among low-income single mothers has increased, but most women are concentrated in service, administrative, and retail occupations. For welfare recipients, employment has increased, however, access to health insurance has decreased.***

∞ Employment among low-income single mother household heads in general increased from 59% to 68% between 1996 and 2000 (Peterson et al). Low-income single mothers experienced greater gains in employment than did men, but their incomes continue to be less than those of low-income single fathers.

∞ The portion of women who receive child support has remained the same. Further, their incomes decreased slightly from an average of \$664/month to \$647/month (Peterson et al).

By FY 02 each state had to ensure that 50% of all families were working. Adults in a two-parent family are expected to work 35 hours a week. Single parent TANF recipients with a child under age 6 who are unable to afford child care cannot be penalized for not meeting work requirements.

2000 Welfare caseload (from HHS)

Employed	26%
Seeking work	50%
Not in labor force	25%
Involved in some work-related activity	42%

from Dept. of HHS

\* Work was mandatory for 60% of the welfare caseload.  
\* In the early 1990s, 11% of recipients were employed, compared to 26% in 2000.

∞ Welfare recipients did not gain greater access to health care. In fact, employed welfare recipients experienced a decline in access to work-based health insurance between 1996 and 2000 (Peterson et al). **Only 14% receive work-based health insurance.**

∞ The percentage of welfare recipients with a college education declined from 24% to 17% between 1996 and 2000 (Peterson et al). This indicates that education makes it is easier to leave welfare. Those on welfare who struggle to meet work requirements may face difficulties in acquiring the skills necessary for economic independence.

**Although low-income women are working more and are less dependent on welfare, their low wages and child support income are insufficient for economic stability.**

### CHILD CARE

**Funding for child care assistance has increased significantly but remains insufficient for the number of families in need.**

Due to inadequate funding, states have created stricter requirements for child care assistance eligibility. Many low-income women are unable to meet the eligibility requirements. Even when eligible, families experience long waiting-lists (HHS). Priority is given to parents on or leaving welfare.

Many states have not conducted enough outreach to eligible parents. In the three states which serve all low-income parents (Michigan, Washington, Wisconsin), many families remain unaware of child care assistance opportunities.

∞ There are approximately 4 million children in TANF families. In 2000, 10% of women on welfare received child support averaging \$174/month.

∞ In 2000 an estimated 2 million children benefitted from subsidies. Child care assistance funds have increased from \$2 billion in 1990 to \$8 billion in 2000 but still remain insufficient for the number of families in need.

∞ Families earning less than \$15K/year spend 25% of their income on child care (HHS).

#### Sources for Further Reading

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<http://www.clasp.org>

<http://www.iwpr.org>

<http://www.mdrc.org>

<http://www.urbaninstitute.org>

<http://www.welfareinfo.org>

For pending legislation on reauthorization:

<http://www.nowldef.org/html/issues/wel/HR4737Summary.pdf>

[http://www.nowldef.org/html/issues/wel/Welfare\\_SidebySide.pdf](http://www.nowldef.org/html/issues/wel/Welfare_SidebySide.pdf)

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"Gender and the Welfare State" by A.S. Orloff. Institute for Poverty Research, University of Wisconsin, 1996.

*Raise the Floor: Wages And Policies That Work For All Of Us* by Holly Sklar, Laryssa Mykyta and Susan Wefald, 2001.

#### Community Organizations

The National Resource Center on Domestic Violence (800-537-2238)

Grass Roots Organizing for Welfare Leadership (GROWL) 510/533-0922

Directory of Low-Income Organizations Working on Welfare Issues:

<http://www.echonyc.com/~wham/welfareorgs.html>

#### Videos

*Take it From Me: Life After Welfare.* ( New York: Filmmakers Library). Follows 4 welfare families over 2 years as they struggle to comply with new work requirements, find reliable child care and transportation, battle drug addiction and depression, confront domestic violence, and try to make ends meet in the new era of welfare reform. (2001, 79 minutes)

Eating Welfare. (Bronx, NY : Youth Leadership Project). Addresses the negative impact of welfare reform upon the Southeast Asian American

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