

CalWORKs Project

California Work Opportunities
and Responsibility to Kids

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POLICY AND PRACTICE BRIEF

Overall, one year after implementation of welfare reform, 46% of TANF recipients were working. About half of those working still received some cash aid.

Impact of Alcohol and Other Drugs, Mental Health Problems and Domestic Violence on Employment and Welfare Tenure

RESULTS IN BRIEF

Despite the large reductions in the welfare rolls during the last several years, many persons who receive cash assistance through Temporary Assistance to Needy Families (TANF) face substantial obstacles to finding and retaining employment. This Policy and Practice Brief summarizes the degree to which barriers to employment burden a randomly selected TANF population of 579 women in two California counties. One year after implementation of welfare reform, 46% were working; of these, half were no longer on TANF and half were still receiving some cash assistance. The number of barriers is inversely related to the percentage of women working. Eighty-two percent of those with one barrier worked at least 20 hours a week, while only 13% of those with seven or more barriers did so.

With other barriers controlled statistically, alcohol and other drug (AOD) problems and mental health (MH) problems exerted a strong negative influence on whether such participants worked at least 26 hours a week. For example, only 15% of those with mental health problems worked at least 26 hours a week, compared to 37% of those without mental health problems. Domestic violence (DV) was a significant deterrent to work in one of the two counties. Roughly one-quarter of those with a serious AOD or MH issue reported no income from either work or welfare—twice the rate as those without these issues.

Our results show the potential to nearly double employment rates by remediating AOD/MH/DV and other common barriers to employment. Accomplishing this requires a TANF system that has effective specialized programs and supportive services that are adequately funded. Federal reauthorization legislation should require TANF programs to identify and provide services for AOD/MH/DV issues and specify that such efforts are included in the definition of work-related activities.

The major goal of the 1996 welfare reform legislation—The Personal Responsibility and Work Opportunity Reconciliation Act—was to assist poor parents in becoming economically self-sufficient by making the transition from welfare to work. Families can move out of poverty through full-time employment, even at low-wage jobs (when combined with ancillary support such as the Earned Income Tax Credit). Yet not all TANF (Temporary Assistance to Needy Families) adults are able to find or retain such employment. Many of these persons have difficulty finding and retaining employment as a result of substantial obstacles—including alcohol and other drugs (AOD), mental health (MH), and domestic violence (DV) issues.

This *Policy and Practice Brief* reports

research results regarding the ways in which barriers to employment hamper a randomly selected TANF population in two California counties. At the time of the first interview in 1999, all Stanislaus County research participants were just becoming eligible for TANF cash aid, while all of the Kern County research participants had received aid for a minimum of one year (range of one to 25 years). The outcomes reported in this *Brief* are drawn from a second interview one year later.

While a total of 18 potential hurdles to employment are included in our analysis, we focus primarily on AOD/MH/DV issues. *Policy and Practice Brief No. 1* reported that within a two-year period, 17% of TANF single female heads of household participating in the study had a serious AOD

TANF participants who are not working—whether still receiving cash assistance or not—have substantially more barriers than those who are working. The more barriers, the less likely the participant is to be working.

THE RESEARCH

This report summarizes information from two rounds of intensive research interviews in 1999 and 2000 with a random sample of women in Kern County who had received TANF cash aid for at least one year, and a random sample in Stanislaus County who just were applying for TANF. Participants were required to be: Age 18–59, fluent in English or Spanish, and a female head of the household (relative-caretakers and two-parent families were not eligible). In Kern County, a total of 273 of 287 (95 percent) Round I respondents were re-interviewed in Round II. In Stanislaus County, 306 of the original 356 respondents (86 percent) were re-interviewed, yielding a total sample of 579 respondents who were present in both interview rounds.

problem, 26% a serious MH problem, and 32% experienced serious domestic violence. Despite those high percentages, some people with serious AOD, or MH, or DV issues do work. Of particular importance in formulating TANF policies and practices, therefore, is measurement of the *extent* to which these issues actually constitute significant barriers to employment.

EMPLOYMENT AND WELFARE STATUS

Cash assistance can supplement earnings during the five years of allowable TANF eligibility. A family can continue to receive cash assistance even while working provided that their household income does not exceed that particular state’s income disregard level.¹ Therefore, examination of the ways in which welfare status interacts with employment is just as important as monitoring employment outcomes.

Work and welfare coexist in four possible combinations: work only; work and welfare; welfare only; or no work and no welfare. This report includes two additional “child-only” categories (working and not working) as well because they constitute almost one-third of California’s cases. In this study sample, child-only cases resulted in large part from California’s sanction policy that keeps the children on aid while the parent’s portion of the grant is eliminated.²

Round II interviews were conducted on the study samples one year after the first interview. At this time, all of the Stanislaus County subjects still receiving TANF had participated in welfare-

to-work activities for at least a year; work activity requirements were begun with Kern County subjects at some point in the year, which varied among individual participants.

Table 1: Round II Welfare & Work Status

<i>Welfare and Work Status</i>	<i>Total N=577</i>
Working, no welfare	21%
No working, welfare	34%
Working and welfare	22%
Not working, no welfare	12%
Child only, working	3%
Child only, not working	8%
TOTAL	100%

- Forty-six percent of the sample participants were working one year after welfare-to-work requirements came into effect.
- Thirty-three percent of the sample participants were “leavers”—that is, they did not receive any cash aid at the time of the second interview. Two-thirds of the leavers were working, while one-third (12% of the total sample) received no welfare and were not working. If the child-only cases are considered “leavers” since the parent is no longer receiving aid, then 54% of all leavers were working. These findings are in line with a recent synthesis of 15 leavers studies, which in the aggregate reported that a median 57% of leavers were working in the first (and the fourth) quarter after leaving welfare.³

Weeks worked as an outcome. Because employment status fluctuates, more people work cumulatively over the course of a year than at any one time. Thus, it is important to look at the number of weeks worked in the year. In this sample, 70 percent worked at least one week in the year before the Round II interview. Table 2 compares the number of weeks worked for each of these categories.

Table 2: Relationship of Weeks Worked in Last Year to Work/Welfare Status at Round II Interview, Both Counties Combined

<i>Work and Welfare Status at Time of R2 Interview</i>	<i>Number of Respondents</i>	<i>Mean Weeks Worked in Year</i>
Work not welfare	119	39.1
Welfare not work	181	8.9
Welfare and work	129	36.2
Not work, not welfare	66	12.4
Child only	57	9.1

- The average number of weeks worked in the last year as reported at the Round II interview for those still on welfare (36.2 weeks) and those no longer on welfare but working (39.1 weeks) was essentially the same. Employment alone did not ensure reduced dependence on welfare.
- Those who were not working and not on cash assistance at the time of the Round II interview worked on average less than four months in the year before, as did those only receiving a family or child-only cash grant.

CUMULATIVE IMPACT OF MULTIPLE HURDLES ON EMPLOYMENT

We measured 18 potential barriers or obstacles to employment based either on the literature or, in some cases, to ensure comparability with the Women Employment Study.⁴ They fall into four categories:

Human resource or job-related

- lacks high school diploma
- limited English
- three or fewer of nine work skills
- unemployed in year before first interview
- reports job discrimination often or very often

Demographic

- age over 36
- race

Health or disability-related

- physical health problems
- very low self-esteem
- disabled child at home
- history of learning disability or special education

Situational factors

- not living in own residence
- child or children under age 3
- child care very difficult to arrange
- no driver's license.

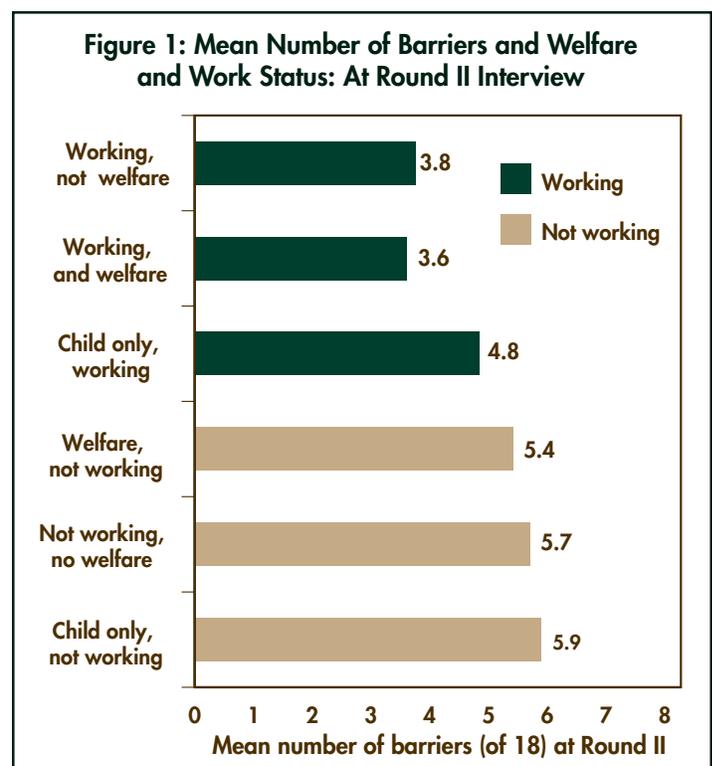
■ *Alcohol and other drug (AOD), mental health (MH), and domestic violence (DV) issues* were defined for the year prior to the Round II interview as follows:

AOD: a diagnosis of abuse or dependence; losing or failing to get a job because of AOD issues; being under the influence at the interview; or, having received some treatment for AOD problems within the last 12 months. This group made up 13% of the sample.

MH: unable to perform daily activities at least five out of the last 30 days because of a mental health problem. Participants with this level of mental health impairment totaled 14.5% of the sample.

DV: physical injury; subjected to choking or beating; stalked; under threat to kidnap children or call Child Protective Services; subjected to death threats or threats that the abuser would commit suicide; prevention by the abuser from working; or, being harassed at work by the abuser. In Stanislaus County, this group comprised 20%; in Kern County, 15% of the sample.

Figure 1 reveals the degree to which the 18 barriers affected work and welfare status at the time of the Round II interviews. Overall, those who were not working (whether on welfare or

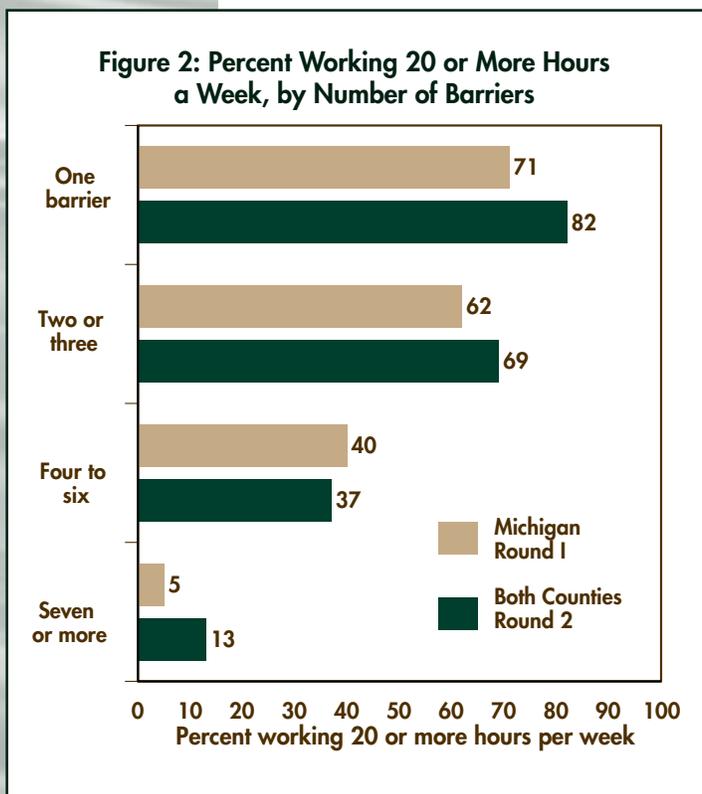


Having an AOD or MH problem substantially reduces the likelihood of working at least 26 hours a week.

not) confronted an average of 5.5 barriers, compared to 3.7 for those working (whether on welfare or not)—a statistically significant difference. Here, as in Table 1 and 2, the child-only cases appear to be at a particular disadvantage.

Figure 2 shows the number of potential barriers in relationship to the percentage of participants working 20 hours or more per week at the time of the Round II interview, compared to the Michigan Women’s Employment Survey (WES) figures at the time of their first interview.⁵ Despite definitional, geographic, and time differences, the cumulative impact of multiple hurdles is comparable and potent. In the CalWORKs sample, 21% of participants had to cope with seven or more potential barriers and only 13% worked; 47% faced four to six barriers and only 37% worked; 25% had two or three barriers and 69% worked.

Figure 2: Percent Working 20 or More Hours a Week, by Number of Barriers

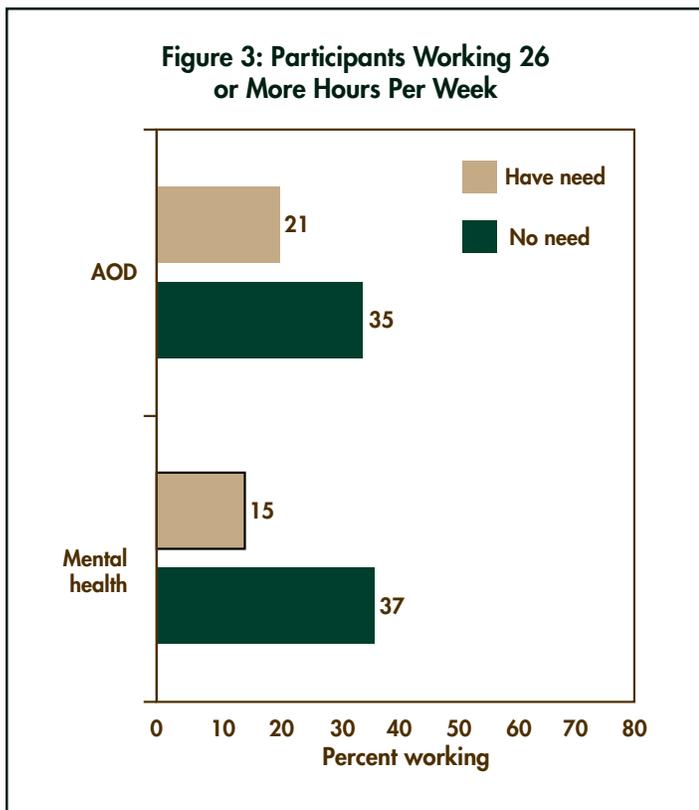


EFFECT OF AOD, MH, AND DV BARRIERS ON WORK AND WELFARE TENURE

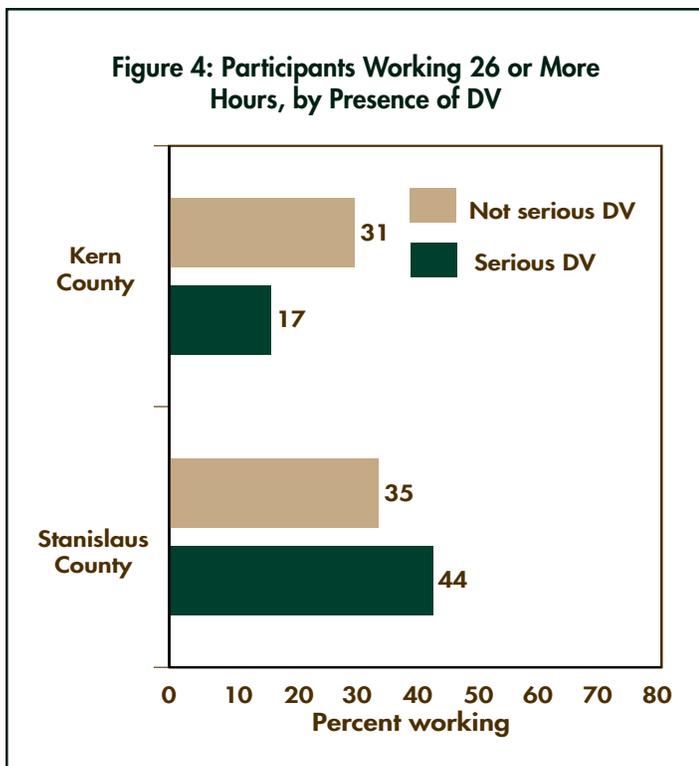
Because most participants had multiple barriers (only 6% of study participants had fewer than two barriers), it is difficult to know the extent to which each co-occurring barrier is responsible for decreasing the likelihood of working. We disentangled these interrelationships through a statistical multivariate analysis, which determines the effect of any particular barrier while holding the others constant.

■ *AOD and MH problems measurably reduce working 26 or more hours per week.*⁶ Figure 3 (at right) shows to what extent AOD and MH problems diminish the number of participants working 26 or more hours per week with all other covariates (barriers) held to their average score. For persons with no AOD service need, 35% were working, while employment totaled only 21% among participants with an AOD need (both counties combined). For mental health, the effect is even more pronounced: 37% of those without mental health impairment work at least 26 hours a week, compared to 15 percent of those who are impaired.

■ *How DV reduces the number of participants working 26 or more hours.* Figure 4 (at right) shows the degree to which domestic violence diminishes the number of participants working at least 26 hours per week at the time of the Round II interview. We show both counties separately because, unlike AOD and MH, serious DV did not have a consistent effect. In Kern County, women who reported serious DV were much less likely to be working at least 26 hours a week: 31% worked if no serious DV occurred, but only 17% worked in the presence of serious DV. Stanislaus County results were opposite: 35% not subject to serious DV work, while 44% worked even when they were subject to serious DV.



Percentage of combined samples working at least 26 hours per week, by presence of AOD and MH problems, adjusted for all other significant covariates.



Percentage of participants working at least 26 hours per week, by presence of serious domestic violence, adjusted for all other significant covariates.

■ *How multiple AOD, MH, and DV barriers deter working at least 26 hours.* Participants facing two or more AOD, MH, or DV problems are far less likely than single-issue TANF participants to be working at least 26 hours per week. In Round II, 11 percent of women reported having two or more issues. As seen in column 4 of Table 3, only 18 percent of those with two issues worked at least 26 hours a week, and none of those with all three issues did. Since these percentages are not based on multivariate analysis, they also reflect the co-occurrence of other barriers—shown in column 3.

Table 3: Overlapping AOD, MH, and DV Issues and 26-Hour Employment

Column 1	Column 2	Column 3	Column 4
Number of Issues	Percent of Sample	Average # Other Barriers	Working 26+ Hours
None	64%	4.0	45%
One only	25%	4.8	28%
Two	9%	5.0	18%
All three	2%	5.3	0%

Table 3 reveals how overlapping AOD, MH, DV issues diminish the number of participants working 26 or more hours at Round II, both counties combined.

■ *Impact of AOD/MH/DV barriers on other employment outcomes.* The AOD, MH, and DV barriers do not affect all employment outcomes equally. This Brief has described how presence of an AOD or MH problem reduced the likelihood of working at least 26 hours at the time of the Round II interview in both counties, and indicated that a DV issue diminished 26-hour employment in one of the counties. In addition, both DV and MH issues were influential in preventing some participants from working at all in the past year, while AOD problems were not. The relationship of the three barriers to the number of weeks individuals worked (if they worked at all) did not attain statistical significance. Thus, while, AOD/MH/DV variables appear to play an important role in determining whether someone works or doesn't work, they have little effect on duration on the job once employment is found.

■ *Impact of AOD, MH, and DV barriers on welfare tenure.* Corollary to the above findings on work, TANF participants with AOD, MH, and DV (in one county) issues are more likely to be totally reliant on cash assistance than those without.⁷ For example, 57% of those with serious MH problems were totally reliant on cash assistance at the Round II interview, in contrast to 40% of those without a

Our results show the potential to nearly double employment rates by eliminating barriers. To do so would require substantial new resources and a specific programmatic focus on AOD/MH/DV and health issues as well as on skills training, child care, housing, and transportation.

mental health problem. Even more troubling, however, is the significantly higher percentage of participants with these issues who are not working and who report receiving no cash assistance. Roughly one-quarter of those with a serious MH or AOD problem report no income from either welfare or work compared to 12% overall.

Table 4: Percentage of Each Group Having No Cash Grant and Not Working

Overall	12%
AOD	26%
MH	24%
DV (Kern County only)	20%

THE POTENTIAL CHANGE IN EMPLOYMENT RATES IF WE HELP TANF PARTICIPANTS OVERCOME BARRIERS

Changing the probability of employment. The debate over federal reauthorization of TANF includes consideration of raising both the required hours of work activity and the required percentage of TANF participants meeting these standards. Considerable concern has been expressed about achieving a 70% work participation rate by 2007, as included in some proposals, particularly without additional funds.

We calculated for our sample the change in the *overall* predicted probability of working at least 26 hours a week if all the statistically significant and remediable barriers affecting that outcome were eliminated for each TANF participant in our sample.⁸ We explored potential results only for those barriers that are amenable to change.⁹ These barriers included,

besides the AOD/MH/DV issues, problems with child care, health difficulties, not having own housing, no driver's license, low work skills, and low self-esteem.

Thirty-eight percent of our sample was working at least 26 hours a week. Removing all of the significant remediable barriers to employment among this population would nearly double the predicted probability of working at least 26 hour per week, from the 38% to 71%.¹⁰ Actually eliminating all of these barriers would require a large infusion of resources including funds for child care, transportation, and housing.

More attention would clearly need to be paid to the AOD/MH/DV and health barriers that are inadequately identified at present and, in most states, are not the focus of specific categorical funding for services. Given funding and a will to do so, TANF programs can serve high proportions of TANF participants who have AOD/MH/DV issues. California provides specialized public services tied to CalWORKs, the California version of TANF. In 2002 this amounted to \$45 million for AOD treatment, \$45 million for MH treatment, and at least \$22.5 million for DV services (paid through counties). In some counties, as many as 18% of CalWORKs recipients during the course of a year are receiving public AOD or MH services.¹¹

POLICY AND PRACTICE RECOMMENDATIONS

These results clearly demonstrate the high degree to which serious AOD, MH, or DV problems interfere with employment—especially in conjunction with co-occurring situational, work-related, and health barriers. Welfare policies must therefore recognize the degree to which AOD/MH/DV constitute barriers to employment, and TANF programs should include procedures to identify and provide services to help attenuate these issues.

Policy recommendations

- *Reauthorization should require all TANF programs to screen, assess, and provide services to recipients with serious AOD, MH, and DV issues.* Research has confirmed that services for AOD, MH, and DV issues can help participants lead more productive, rewarding lives. AOD, MH, and DV services that focus specifically on overcoming the aspects of the problems that constitute barriers to employment are consistent with the work emphasis of TANF, and would be particularly helpful to recipients.
- *Hours spent receiving services for AOD, MH, and DV issues should count as allowable work activities for as long as necessary.* States that currently allow these services to be credited as work activities are penalized in calculation of their federal work participation rates. States should be given the flexibility to allow provision of services for these impairments as long as TANF agencies deem them necessary.¹²
- *The 60-month time clock should pause during any months in which a recipient is receiving AOD, MH, or DV services to overcome barriers to employment.* The seriousness of some of the AOD, MH, and DV conditions demands active comprehensive services that may require more than a few months to rectify.

Practice recommendations

- Remediable barriers, including AOD/MH/DV issues, have a strong and predictable effect on employment outcomes. If TANF programs identify the presence of these barriers, they can begin to help resolve them early in the participant's welfare tenure. Given the time limits built into welfare reform, this kind of early identification of barriers becomes critical.
- Our findings suggest that removing remediable barriers could nearly double the percentage of participants working 26+ hours a week. Removing these barriers, however, requires adequately funded, intensive, specialized programs that address AOD, MH, and DV problems and basic skills deficiencies as well as supportive services such as child care, transportation, and housing. Experience suggests that dedicating specific TANF funds and developing specialized programs yield more successful results than the general resources usually available to TANF participants.
- Given the clear and striking relationship between the number of barriers and the likelihood of working, TANF programs should develop special programs for individuals with a high number of barriers. The promise of TANF flexibility can be demonstrated if TANF programs design and implement innovative mixes of services to respond to the multiple needs of these participants. Ongoing intensive case management and support services should be included. This is an opportunity to make a real difference with a group of TANF participants who are facing the bleakest prospects.

NOTES

- ¹ California, where this study is being conducted, has a high income disregard, which allows recipients to retain up to \$225 in earned income with no reduction in their grant. Each dollar of earnings above \$225 results in a 50 cent reduction in the grant.
- ² The other major sources of child-only cases in California are ineligibility of the parent(s) because of immigration status or because parents are on SSI; these groups are not included in our sample.
- ³ Acs, G., P. Loprest, and T. Roberts. *Final Synthesis Report of Findings from ASPE "Leavers" Grants: The Urban Institute*, 2100 M Street NW, Washington, DC 20037: <http://aspe.hhs.gov/hsp/leavers99/synthesis02/index.htm#EE>.
- ⁴ The Women's Employment Survey is described in Danziger, S., M. Corcoran, C. Heflin, A. Kalil, J. Levine, D. Rosen, et al. 1998. *Barriers to the Employment of Welfare Recipients* Ann Arbor: University of Michigan, Poverty Research and Training Center: www.ssw.umich.edu/poverty/pubs.html.
- ⁵ The 14 barriers used by the WES in 1997 are similar but not exactly the same as the 18 used for the CalWORKs study in 2000. Those with 0 barriers were dropped due to a very low N.
- ⁶ The 26-hour delineation is significant because both counties required welfare-to-work activities (including work) to total at least 26 hours per week.
- ⁷ For this analysis, we have included the child-only cases with a parent working in the work-welfare category, and unemployed child-only participants in the welfare-only category.
- ⁸ For all the variables except self-esteem, the change in predicted probability is for the condition moving from 0 to 1, or 1 to 0. For self-esteem, a continuous variable, we predicted the probability for moving from 1/2 standard deviation below the mean to 1/2 standard deviation above the mean.
- ⁹ For example, we do not show the discrete change in probability of not having worked in the year prior to the first interview even though this had a substantial impact on the probability of working because it is an event that already occurred and so cannot be changed. Having a child under age 3 is presented on the hypothesis that a barrier results from lack of appropriate childcare, which is a barrier that is amenable to change.
- ¹⁰ Eliminating just the remediable human resource, health and situational barriers would increase the predicted probability of members of the sample working at least 26 hours to 62%. Eliminating just the AOD/MH/DV barriers would yield a smaller but still important

NOTES continued on page 8

CalWORKs Project

Federal reauthorization should require TANF programs to identify and provide services for AOD/MH/DV issues, and specify that such efforts are included in the definition of work-related activities.

RESOURCES

Chandler, D., and J. Meisel. 2000. *The Prevalence of Mental Health, Alcohol and Other Drug, and Domestic Violence Issues Among CalWORKs Participants in Kern and Stanislaus Counties*. Sacramento: California Institute for Mental Health: www.cimh.org/calworks

Chandler, D., and J. Meisel. 2001. *Alcohol and Other Drugs, Mental Health, and Domestic Violence Issues in CalWORKs Programs: Need, Incidence, and Services*. Sacramento: California Institute for Mental Health: www.cimh.org/calworks

Meisel, J. 2002. *The Second CalWORKs Project Six-County Case Study Project Report*. Sacramento: California Institute for Mental Health: www.cimh.org/calworks



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NOTES from page 7

increase in employment of nine percentage points.

¹¹ The services covered were only those that were provided by specialized AOD or MH practitioners who are funded at least in part by state and/or county funds. As noted in *Policy and Practice Brief No. 1* many

participants receive services through their general medical practitioner in the case of MH, and by peer support groups for AOD.

¹² The president's proposal as incorporated into Rep. Wally Herger's bill (HR 4090) allows only three months of services for such problems.

THE CALWORKS PROJECT

CalWORKs (California Work Opportunity and Responsibility to Kids) is California's implementation of the federal Temporary Assistance to Needy Families (TANF) program. The CalWORKs Project is a collaborative effort of the California Institute for Mental Health, Children and Family Futures, and the Family Violence Prevention Fund. Funding from the California Department of Social Services, voluntary contributions from California counties, the David and Lucile Packard Foundation, the California Wellness Foundation, and a grant from the National Institute of Justice, support the Project's work. Additional information about the Project and products from the Project are available at www.cimh.org or by calling (916) 556-3480, ext. 111.