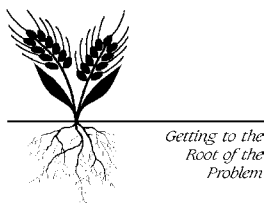


*Assessing the Effectiveness of  
Welfare-to-Work Programs in New York State:  
Recommendations for Economic Security*

**A Survey of the Performance of New York State's Welfare-to-Work Programs According to  
Its Participants**

**June 2001**



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***Assessing the Effectiveness of  
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Recommendations for Economic Security***

*“The truth is that the reforms already in place have made a huge difference. Work is now at the center of the system . . . learning the value and the rewards of work . . . . The aura of hopelessness gradually giving way to new energy and promise.”*

\* Brian Wing, Commissioner, NYS Office of Temporary and Disability Assistance, 3/22/01

*“They want you to do workfare, but workfare does nothing for you. It does not work because they want you to work for free. I have skills but they told me they didn’t have any jobs available. It makes me angry just thinking about it.”*

\* Frannie, W.E.P. worker and Hunger Action member, 5/30/01

Sixty-eight percent (68%) of recently polled likely voters in New York State believe that the government should help people develop skills and get jobs where they have opportunities for advancement, so that they can be successful in the workforce and not need government assistance in the future.

\* Independent polling of 1,000 individuals from March 22, 2001 through March 29, 2001

## **Executive Summary**

Federal welfare reform brought federal lifetime limits to states for individual receipt of federal Temporary Assistance to Needy Families (TANF) funds. In New York State, that lifetime limit for federal assistance was set at five years.<sup>1</sup> With the clock ticking on receipt of federal assistance, the federal government did allocate welfare-to-work funds to assist people in obtaining training and other assistance to get a job. There were also additional funds made available unexpectedly, due to the welfare “surplus” that grew as a result of the rapidly decreasing welfare caseload. The single mothers who comprise the majority of TANF beneficiaries thus were presented with an ultimatum in the form of time limits and a promise in the form of welfare-to-work funding and assistance to obtain work.

The Hunger Action Network’s survey study was conducted to assess whether government welfare-to-work programs are providing the promised assistance. The survey took a snapshot of the welfare-to-work experiences of 234 current and former welfare beneficiaries between October and November of 2000 in 16 counties in New York State, including New York City. The study provides a cross-sectional view of the experiences that these individuals have had with the State's welfare-to-work programs, including welfare work programs (such as workfare and New York City’s Work Experience Program (W.E.P.)), job preparation or job readiness program, job placement services, and transitional benefits services. The study also includes the experiences of the beneficiaries with other components of the State's welfare program such as the sanctioning and employability assessment processes.

Eight-two percent of the survey respondents were single parents with an average of two children. Nearly 60 percent had been required to do workfare or W.E.P. and job preparation or job readiness activities. The survey found that, despite the large number of people who were required to engage in the programs, workfare or W.E.P. led to a paid job for only 14 percent of the respondents. Job preparation or job readiness led to paid jobs averaging \$7.18 per hour for 28 percent of the respondents.

Most of the survey respondents had managed to find employment. However, 70 percent found their job on their own, and only 10 percent obtained their job through the Department of Social Services (D.S.S.) or the Human Resources Administration (H.R.A.), the New York City welfare agency. The respondents earned an average of \$7.28 per hour and worked an average of 34 hours per week. This rate of pay places the average respondent household (single parent with two children) at below the federal poverty level and significantly below the Self-Sufficiency Standard.<sup>2</sup> It is then not surprising that 83 percent of these respondents indicated that the amount of earnings they took home was not sufficient to support themselves and their households without the help of family, friends, or outside organizations.

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<sup>1</sup> Because of New York State's Constitutional protection under Article 17 requiring that all in need are provided for, families hitting their federal time limits will be eligible for the state's "non-cash" Safety Net assistance program.

<sup>2</sup> The Self-Sufficiency Standard measures how much income is needed, for a family of a given composition in a given place, to adequately meet its basic needs—without public or private assistance.

The apparent challenges the State's programs face in assisting welfare beneficiaries to find employment that pays family-sustaining wages is a trend found by Hunger Action surveys of previous years. Hunger Action's 1999 welfare-to-work survey in New York City showed a low percentage of H.R.A. job placements, and many responding working families struggled in poverty-level wages. Despite the continuing concern, the State and most of its Counties continue to adhere to a "work first" philosophy that restricts access to education and training and promotes job search and job preparation activities intended to get quick job placement, regardless of the level of wages.

It is estimated that 73,000 households in New York State who currently receive Family Assistance, the state's TANF program, will hit their federal TANF time limits by the end of 2001.<sup>3</sup> The results of this survey report should give some pause to those making welfare-to-work policy decisions. Should D.S.S./H.R.A. continue to run programs such as workfare or W.E.P. if they are not effective in assisting people to obtain jobs? Why do low-wage job placements that keep people in poverty continue to be considered a welfare reform "success"? Why continue to restrict access to education and training for people trying to lift themselves and their families out of poverty, when studies clearly indicate that education and training increase potential earnings?

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<sup>3</sup> Fiscal Policy Institute

## I. Introduction

In August of 1996, President Clinton signed into policy the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). This controversial new law effectively ended, for millions of poor families, the federal entitlement of a safety net that was initially guaranteed through the Social Security Act.<sup>4</sup> Response to the Act was heated and vocal, with comments varying from “the worst thing Bill Clinton has done,” to “a political tool,” to “one of the few real accomplishments of the last Republican Congress.”<sup>5</sup> Opponents predicted more hunger and homelessness, and the Urban Institute estimated that 2.6 million people, including 1.1 million children, would move deeper into poverty.<sup>6</sup>

The new legislation called for stringent “work first” policies that have disallowed education and training for TANF recipients. Opponents of PRWORA suggest that this policy serves to keep work first, or welfare-to-work, participants in low-end, minimum wage jobs that offer little or no possibility of future advancement.<sup>7</sup> Statistics from the Urban Institute suggest that 38.7 percent of welfare-to-work participants had no work experience at all prior to receiving TANF, and 46.9 percent had less than a high school diploma.<sup>8</sup> Others further suggest that not only are there not enough jobs for all welfare recipients expected to enter the job market with work first, those that are available do not provide a livable wage or opportunities for advancement.<sup>9</sup>

Former President Bill Clinton, in signing the federal welfare reform law in 1996, promised a “hand up” to individuals and their families who were welfare beneficiaries. This rhetoric blended with the drive of Congress to “end welfare as we know it” for the single mothers and their children who comprised 87 percent of the welfare (Aid to Families with Dependent Children—AFDC) caseload. One year later, New York State enacted the New York State Welfare Reform Act of 1997. The Act incorporated these federal changes, as well as new changes to the State’s Home Relief program for low-income individuals not eligible for AFDC, such as adults with no children in their household.

Five years after welfare reform, it has become clear that a “hand up” was not synonymous with alleviating poverty, nor has it translated into increased opportunities for training or education or for jobs paying family-sustaining wages. Instead, the policy priority has clearly been to reduce welfare rolls, with little emphasis on transitional benefits and services that maintain employment.<sup>10</sup> Though the welfare caseload was already steadily declining prior to 1997 due to the good economy, welfare reform led to an even greater decline in New York State. Since welfare reform, the welfare rolls have decreased by over 50 percent as a result of a number of commonly-cited factors: people

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<sup>4</sup> Mink, 1998; Aaronson & Hartmann, 1996

<sup>5</sup> Edelman, 1997; Mills, 1996; Withorn, 1998

<sup>6</sup> Edelman, 1997; Aaronson & Hartmann, 1996

<sup>7</sup> Cancian & Meyer, 2000

<sup>8</sup> Edwards et al, 1999

<sup>9</sup> Zinn, 1999; Pearlmutter & Bartle, 2000; Boisjoly et al., 1998; Riemer, 1997

<sup>10</sup> Hunger Action’s report *Bridging the Gap – Transitional Benefits: An Overview and Survey of 15 Counties* found that many individuals who are entitled to transitional benefits are failing to obtain them and that there is a lack of public education about transitional benefits.

leaving welfare for jobs in the booming economy, diversion policies moving people in need away from welfare assistance, aggressive sanctioning policies (cutting or reducing welfare grants), and the policy requiring disabled people to work in exchange for their welfare checks.

In the midst of the increased work and other requirements now mandatory for welfare beneficiary households, Hunger Action attempted to assess the success of the “hand up” promised by former President Clinton. We asked: how were the government welfare-to-work programs performing in helping people find jobs; are these jobs paying enough to improve the economic situation for these families? This survey project is the third in a line of workfare and welfare-to-work survey projects that Hunger Action has conducted over the past four years, as we attempt to take a “snapshot” of the experiences of individuals experiencing the welfare-to-work programs and to assess the impact of these programs on these individuals.

### **Acknowledgments**

Hunger Action would like to thank the hard-working workfare/W.E.P. individuals—those cleaning the toilets in city buildings, sweeping the parks, waiting the counters, and filing the paperwork without a paycheck—who took the time to answer the survey questions and give us their heart-felt comments. We also thank our statewide members and community and organizational network that conducted survey outreach. This survey report was made possible in part by funds from the Charles H. Revson Foundation, the Robert Sterling Clark Foundation, the North Star Fund, the Solidago Foundation, and the Presbyterian Hunger Program. The statements made and views expressed, however, are solely the responsibility of the Hunger Action Network of New York State.

## II. The Sample

Hunger Action was unable to obtain the necessary data from D.S.S. and H.R.A. to allow for a random sample to be selected. We instead accessed target survey respondents through agencies and organizations in our network that provide various services to these individuals. A small convenience sample was utilized instead for the purposes of this descriptive, cross-sectional study.

Surveys were mailed to a broad array of community organizations and service providers including from child care centers, Headstart programs, social service providers, food pantries (about one-third of food pantry guest have earned income from employment), and educational and job training programs. The surveys were completed by several different methods: we conducted the surveys by phone for those participants calling into the New York City or Albany offices; in-person surveys were conducted at some welfare centers and during welfare reform workshops conducted by Hunger Action; service providers conducted the survey for clients; and participants self-administered the survey. We also mailed surveys to workfare survey participants from past years, though only a small number of these were returned. The surveys were conducted in English and Spanish and provided in both languages to those who self-administered the survey. Training was provided to those staff and service providers who conducted the surveys.

A total of 234 current and former welfare beneficiaries were surveyed between October and November of 2000 in 16 counties in New York State, including New York City. The counties with the largest number of surveys conducted were New York City, Westchester, Cayuga, Albany and Allegany counties. All participants had, within two years of taking the survey, been engaged in some type of welfare work activity, or received welfare and obtained a job. We had made a concerted effort to reach out to places where working individuals would likely be found and, as a result, 60 percent of entire pool of 234 participants had received a paycheck sometime in the past two years of taking the survey.

### *Findings from Hunger Action's 1999 Welfare-to-Work Surveys.*

In 1999, Hunger Action conducted surveys of 375 individuals in New York City. Based on that initial study, and on feedback from advocates and welfare recipients, the surveys were slightly modified for this current study. There were remarkable similarities between the survey results from both years. However, since the 1999 surveys were conducted only in New York City and the 2000 surveys were conducted statewide, no direct correlation of the two surveys can be made. The survey trends are nevertheless noteworthy. Throughout this report, we will provide data and charts to illustrate our findings.

### III. Study Findings

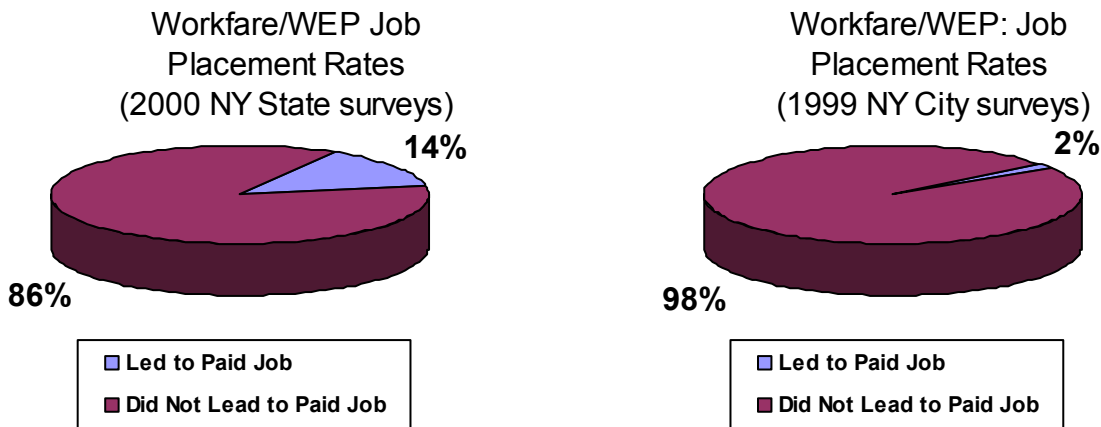
#### A. Family Profile

The demographic makeup of the families in the survey fit the national average for households receiving welfare assistance: 82 percent were single parents with an average of 2 children under 18 years of age in the household.<sup>11</sup> The average number of adults in the household was 1.37.

#### B. Welfare Work Activities

##### 1. Effectiveness of H.R.A./D.S.S. Workfare or Work Experience Program (W.E.P.)

Of the sample, 59 percent had been required to do workfare or Work Experience Program (W.E.P.) for an average of 11 months. Nearly half the respondents believed they had received valuable job training or experience from their workfare/W.E.P. assignment (48 percent).<sup>12</sup> However, in only 14 percent of the cases did the assignment lead to a paid job. This job placement performance is only slightly improved from 1999, when merely two percent of the surveyed workfare/W.E.P. assignments had led to paid jobs. However, the trend over both years reveals the vast majority of participants are having difficulty finding employment through the workfare/W.E.P. programs.

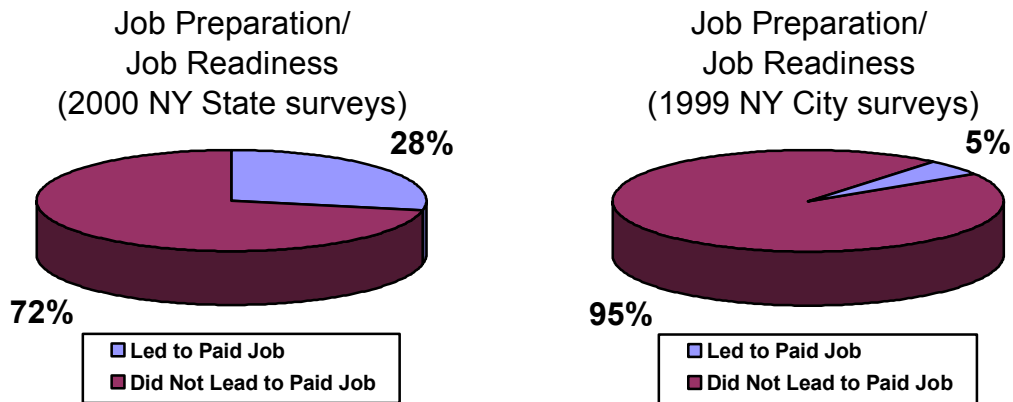


<sup>11</sup> For this report, survey participants who did not answer a question were not included in tabulation of data. For example, for the question on family profile, 40 respondents did not indicate either yes or no to the single parent question. These respondents were not counted in the final percentage tabulation.

<sup>12</sup> This was similar to the results obtained from the Suffolk County survey in which 48 percent believed they had received valuable experience. "How Well Is Welfare In Suffolk County? A Study of Current and Former Welfare Recipients" by the Welfare-to-Work Subcommittee of the Suffolk County Department of Social Services Commissioner's Advisory Council. May 23, 2000. Hunger Action Network is a member of the Subcommittee.

## 2. Effectiveness of H.R.A./D.S.S. Job Preparation/Job Readiness Activities

We asked individuals whether they had been required to do job preparation or job readiness activities such as job search, resume drafting, or job readiness programs. Of the sample, 58 percent had been required to do job preparation or job readiness activities for an average of five months. Similar to workfare/W.E.P., 60 percent believed they had received valuable job training or experience. Job preparation/job readiness activities led to paid jobs for 28% of the participants<sup>13</sup>— jobs that averaged \$7.18 per hour. Respondents were employed in their jobs for an average of ten months. This number increased significantly from the prior year survey, in which merely five percent of the placements had led to paid jobs.



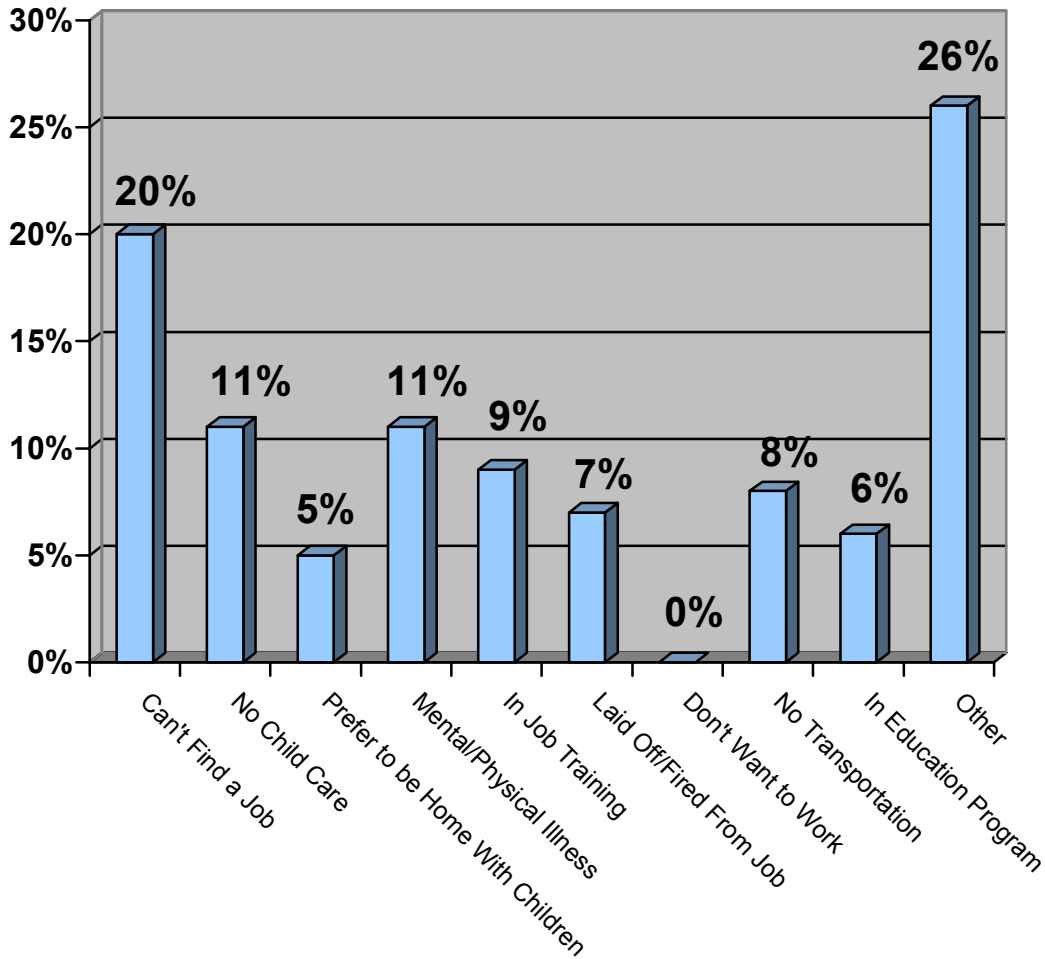
<sup>13</sup> In New York City, a recent report issued by the Center for an Urban Future *The Workforce Challenge: To Place is to Win* found similar job placement rates for job preparation or job readiness providers: a 21.4 percent job placement rate for the Skills Assessment and Job Placement (SAP) contractors and a 22.5 percent job placement rate for the Employment Services and Job Placement (ESP) providers.

### 3. Why Some Participants Could Not Work

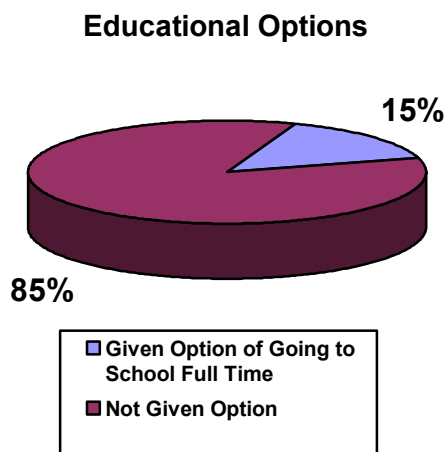
We asked unemployed individuals to indicate what prevents them from obtaining a job. Respondents were allowed to check more than one answer and were given the option of adding “other reasons.” Most of the respondents chose to submit their own reasons for not being employed, including: domestic violence situations, applying for disability benefits, disabled children, recent delivery of a baby, substance abuse treatment, displaced homemaker, hospitalization, and homelessness.

Some of the most commonly chosen problems were that: participants couldn't find a job (20 percent), had no child care or couldn't afford child care (11 percent), or had a mental or physical illness (11 percent).

**Percentage of Respondants Citing a Reason For Not Working For Pay**



#### 4. Lack of Access to education



The survey found that 85 percent of respondents were not given the option of going to school full-time.<sup>14</sup> School includes GED, high school, Adult Basic Education, literacy, English as a Second Language, and college. For those who were able to attend school full-time, the amount of time spent in the educational programs was very short. For GED, high school, ABE, or literacy, 2.5 months was the average attendance. For ESL, an even shorter 1.3 months of attendance was reported, and for college, 3 months.

#### 5. Participants' Overall Opinion of the Effectiveness of the Welfare-to-Work Programs

Respondents were provided the opportunity to state their overall opinion of their individual experiences with the welfare-to-work programs. Some of their responses include:

- “[They’re] pushing you into jobs that you don’t want to do and most of the time, there’s no choice. [You are] threatened to do something, not asked to [do it].”
- “I think it is a good idea, but you should allow mothers to stay home with their children for one year.”
- “It helped me find a job by utilization of various media of employment: computer job-hunts, newspapers, employment agencies.”
- “It didn’t make sense. [I] was already working for pay, but H.R.A. was still trying to make [me] do W.E.P. on top of it. [My] caseworker made a mistake and [I] didn’t get benefits for a whole year. [My] caseworker did not process the paperwork she was supposed to. [I] was working 27-35 hours/week.”
- “I am 58 years old, have crippling arthritis, asthma, and an enlarged heart, but H.R.A. assigned me to W.E.P. maintenance. H.R.A. never sent me to trainings, even though I wanted it.”

<sup>14</sup> This percentage is consistent with data from City University of New York (CUNY) showing that welfare reform policies have denied access to education for welfare beneficiaries. Since welfare reform, 23,000 out of 28,000 students on welfare who were enrolled in CUNY have had to leave college.

- “Though I had a good experience at [a community organization] which I got through my mom who is a welfare caseworker, I had negative experiences when I was assigned to park and housing maintenance. I had six years experience operating a forklift at warehouses but H.R.A. only sent me to do mass assembly line jobs. H.R.A. tells me I can’t start for a GED instead of W.E.P.. H.R.A.’s welfare-to-work is bad. If you don’t have a community organization that can help you and is behind you, you’re going to be really bad off.”
- “Job prep is not helpful at all—the places don’t have the job contacts they claim. You’re better off doing it yourself. The program is designed to keep you where you are at—on welfare!”
- “They called me when my child was 3 months old and I brought a resume but H.R.A. wanted me to do maintenance. I wanted some training instead. With all the pressure they put on you it’s like being a domestic violence victim without the [physical] violence. You have to do what H.R.A. makes you do, even if it’s putting you in the wrong slot. It’s not right to threaten people when they need help.”
- “If H.R.A. sends people to the proper place (that has job opening opportunities) then it’s a good system, but it’s because of H.R.A. child care payment problems that I lost my licensed child care. Now my two year old daughter is in an unlicensed child care and she’s still not getting transitional child care.”
- “Both of my daughters are sickly (asthma, bad legs) and I went to BEGIN and brought the child care voucher bill, but they wouldn’t accept it because the date on the voucher was expired. I’m afraid I’m going to be sanctioned because I lost the childcare provider. A lot of things get messed up, like childcare. I want to work towards something—a job. A W.E.P. program that gives you work experience you already have, that’s not good experience.”
- “The system stinks—they want you to work for \$5/hour and pay money to live in a shelter. They will not allow me to go to school because they say I am able to work. They don’t give enough money for rent. They expect me to live in a 2 bedroom [apartment] with 3 children.”
- “This service is good for persons that have zero job/school experience. From my encounters with D.S.S., I was told ‘you will work for what we give you.’”

### *C. Physical and Mental Health Limitations or Domestic Violence*

Over one half (52 percent) of respondents indicated that they had a physical or mental health limitation;<sup>15</sup> 45 percent indicated they had domestic violence issues in their lives, but that H.R.A./D.S.S. did not ask them if they had these limiting conditions in their lives. Even after the limitations were raised as an issue in their lives, an astonishing 48 percent were not asked by H.R.A./D.S.S. for medical documentation, and 65 percent were not referred for a medical determination of their limitations. In addition, 59 percent of these individuals reported that they did not have their limitations reasonably taken into consideration when they were assigned to a workfare/W.E.P. jobs site.

H.R.A./D.S.S. performed even more poorly for participants with domestic violence issues in their lives. Similar to those with physical and mental health limitation, 45 percent of the respondents reported that they were not asked by H.R.A./D.S.S., as is required by state law, whether they were victims of domestic violence. Even after the issue was raised, in 80 percent of the cases, the respondent was not referred for a Domestic Violence assessment for work limitations. In 74 percent of the cases, the respondent was not excused from participating in a work activity, and 68 percent were not referred for domestic violence services.

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<sup>15</sup> The survey responses are slightly higher than percentages cited by the Center on Budget and Policy Priorities which estimated that about 1/3 to 1/4 of current TANF recipients have a serious mental health problem and that about 1/5 have physical impairments that limit their ability to work. "Recent Studies Indicate that Many Parents Who are Current or Former Welfare Recipients Have Disabilities or Other Medical Conditions." Eileen P. Sweeny. February 29, 2000.

## D. Sanctions

A little over one third (36 percent) of respondents had been sanctioned (had their welfare benefits terminated or reduced) for non-compliance with welfare work requirements. The most frequently cited reason for the sanction was due to a “missed appointment” (48 percent),<sup>16</sup> and 42 percent chose “other” reasons than those listed in the survey as the cause of the sanction.<sup>17</sup> Nearly tied as additional causes of sanctions were “refused workfare/work activity” (18 percent)<sup>18</sup> and “your contact with H.R.A./D.S.S. about a missed appointment was not acknowledged” (17 percent).

- “Have not received appointment for BEGIN. Because of my worker my child is without health coverage at six months of age.”
- “I was sick and couldn’t comply with my W.E.P. assignment.”
- “I have Jiggetts [a rent supplement program] and every time I’m sanctioned I lose Jiggetts. I was sanctioned because of my sick children and transportation problems.”
- “I did not have the papers they wanted. I’m on the verge of being kicked out [of my home].”
- “I am sanctioned at this present time due to the baby’s father missing an appointment. I can’t buy my daughter a bus pass to get back and forth to high school.”

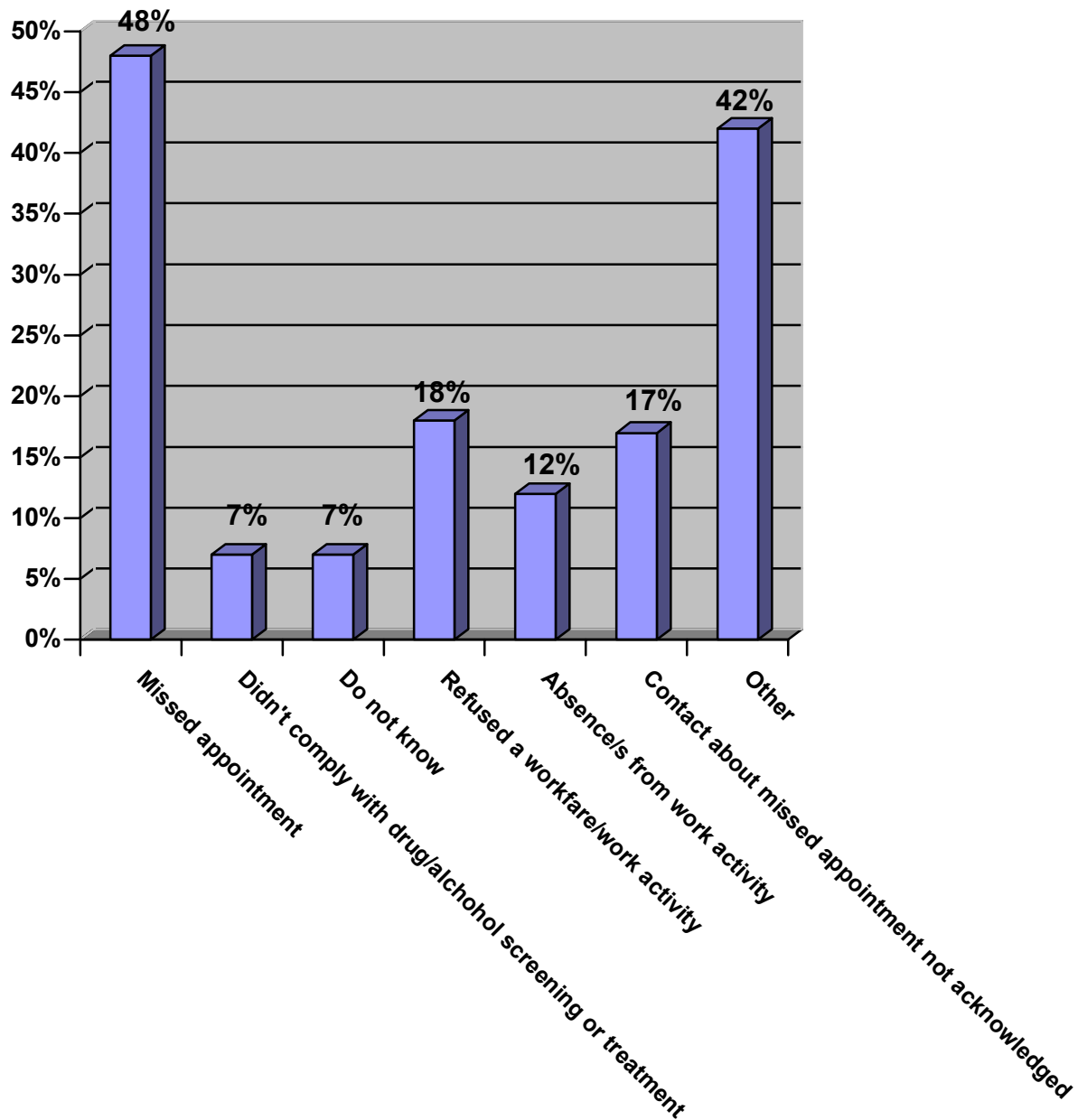
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<sup>16</sup> Again, the Suffolk County study resulted in a similar figure; 37 percent cited missing an appointment as the reason for the sanction.

<sup>17</sup> Note that the percentages in this section add to over 100 percent because some welfare participants are sanctioned more than one time. For survey length, we did not ask survey participants to connect reason for sanction to the sanction number.

<sup>18</sup> Though the survey did not ask why they had refused the assignment, a few participants did explain. One stated that she was already working part-time and refused the workfare assignment. The Suffolk County survey posed this as an open-ended question. That survey resulted in some very enlightening comments, indicating that individuals had personal or family health problems, were dealing with homelessness, faced verbal and violent abuse from the work site supervisor, and chose to finish school rather than participate in workfare.

## Reasons for HRA/DSS Sanctions, by percentage



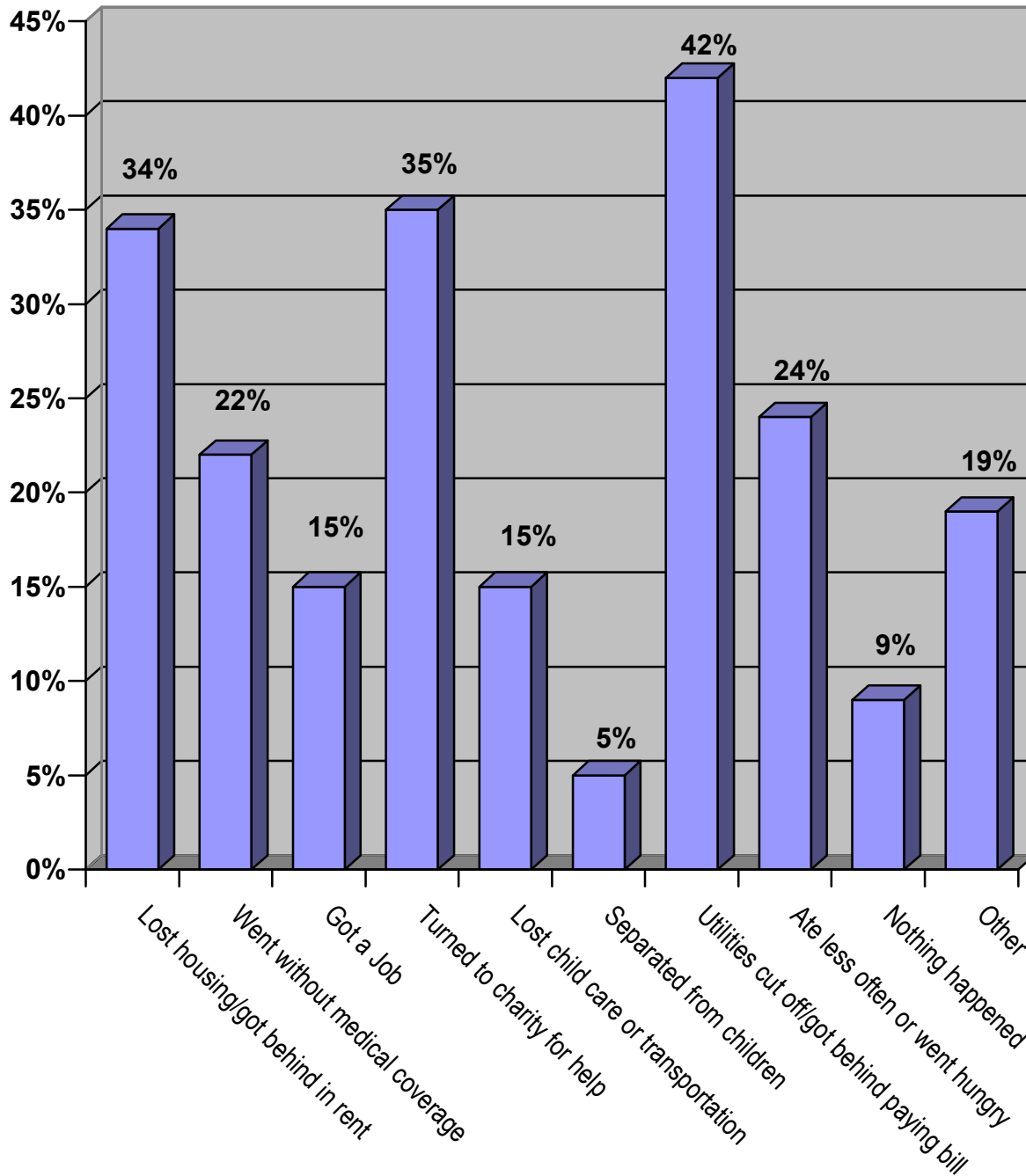
## The results of the sanctioning

Understandably, with the loss of all or a portion of welfare assistance, families had difficulty paying bills and had to turn to others for help. Forty-two percent of the respondents indicated that their utilities were disconnected or that they were behind with their bills. Over a third of the respondents told us they lost their housing or were behind in rent payments, and they indicated that they had to turn to charity for help.

Though some in the government, such as H.R.A. Commissioner Jason Turner, have posited that introducing challenges in the life of welfare participants will motivate them to get jobs, only 12 respondents (15 percent) said that they got a job after they were sanctioned. Some of the respondents who did find jobs also indicated that there were numerous negative effects from their sanction including: went without medical coverage, turned to charity for help, lost child care or transportation, utilities cut off/got behind in bills, ate less often or was hungry, lost housing/got behind in rent. Eight of these twelve respondents had negative opinions of the effectiveness of the H.R.A./D.S.S. program in helping them find jobs: two said “it’s a joke,” and four said the programs didn’t help them or were not very good. Two other respondents were sanctioned because they had initially quit other jobs, and their opinions of the effectiveness of H.R.A./D.S.S. welfare-to-work programs were “[it’s] a big hassle” and “useless.” Additionally, two other respondents found only temporary jobs: one worked for only two months, and the other was no longer employed at the time of the survey.

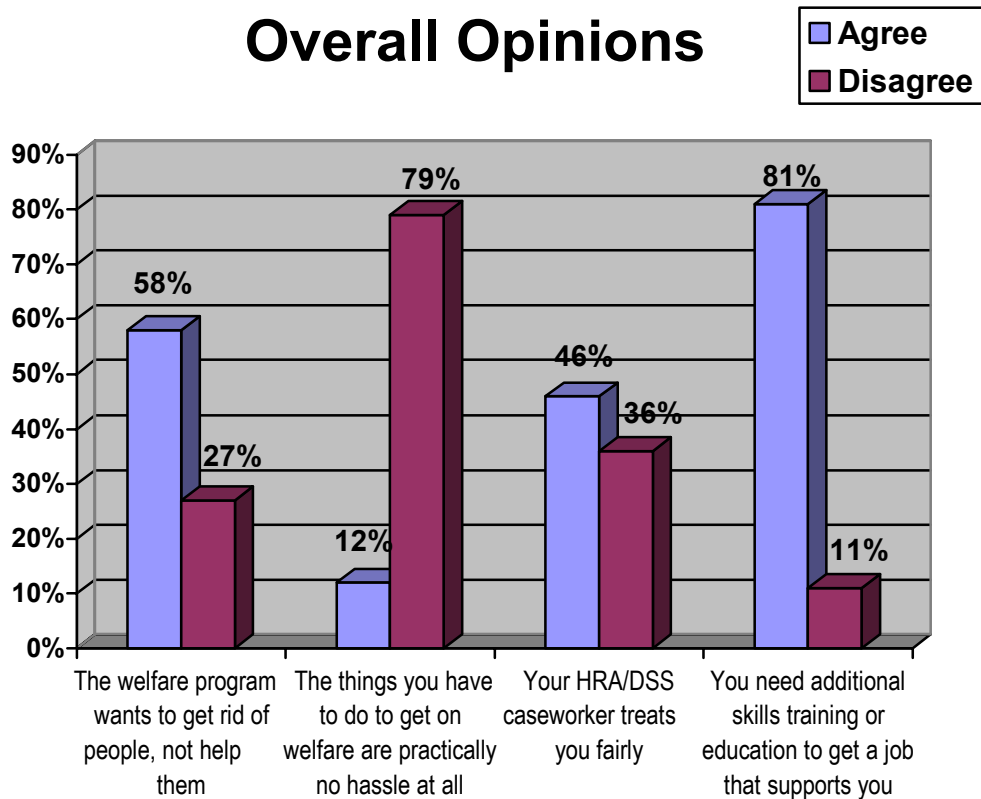
- “My lite was cut off and my gas because what P.A. give me is not enough for me and my kids.”
- “Our food stamps were cut to \$49 for 5 people in the family—it used to be \$267—my children will go hungry. Our cash [assistance was] cut also.”

# Results of Sanctions



**E. Overall Statement/Opinion (Welfare Work Activities)**

We also asked respondents their overall opinion of the welfare program by asking them if they agreed, disagreed or had no strong opinion of specific statements. The strongest response was an 81 percent agreement to the statement, “You need additional skills training or education to get a job that supports your household.” When asked about the welfare process, 79 percent of the respondents disagreed that “the things you have to do to get on welfare are practically no hassle at all,” and 58 percent agreed, “the welfare program wants to get rid of people, not help them” (compared with 27 percent who disagreed). Lastly, in our work monitoring the welfare agencies, we often witness or hear of incidents of welfare caseworker abuse and mistreatment of clients. In the survey, 36 percent of respondents felt their caseworkers did not treat them fairly (compared with 46 percent who did). Though more respondents received fair treatment, it is alarming that over one third of welfare “customers”—as Westchester County terms their welfare clients—indicated that they believe they were not treated fairly.



## *F. Employment*

### **1. What kind of jobs are they getting?**

#### *Wages*

Seventy-one percent of the respondents indicated that they had received a paycheck in the past two years; they made an average of \$7.28 per hour and worked an average of 34 hours per week. The jobs had lasted an average of nine months. At this rate of pay, the average annual salary for the worker would be \$247.52 per week or \$12,871 per year. This wage is below the federal poverty level for a family of three, which was slightly over \$14,000 per year in the year 2000. This wage level is also significantly below the Self-Sufficiency Standard, which in New York City, varies by borough from \$20.93 per hour for a family of three in the Bronx to \$35.15 per hour for a family of three in Lower Manhattan.<sup>19</sup> It is therefore not surprising that 83 percent of respondents indicated that their earnings were not sufficient to support themselves and their households without the help of family, friends or outside organizations. Additionally, 65 percent agreed with the statement “you feel you are barely making it from day to day.”

Similar results were found with the 1999 survey. The average hourly wage was \$7.00 per hour for a 32-hour work week. However, one year ago, only 26 percent of the respondents indicated that they “are barely making it from day to day”—this number more than doubled in the year between studies.

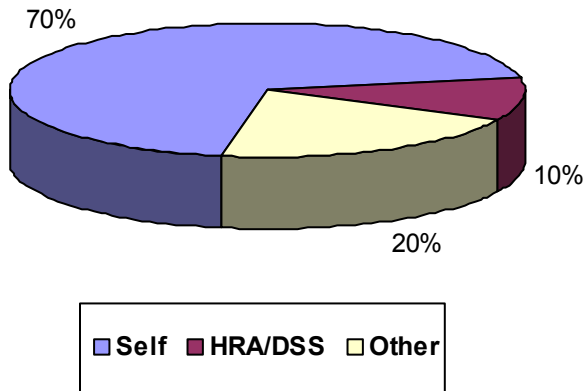
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<sup>19</sup> “The Self-Sufficiency Standard for the City of New York.” Prepared for the Women’s Center for Education and Career Advancement by Diana Pearce, Ph.D. with Jennifer Brooks. September 2000.

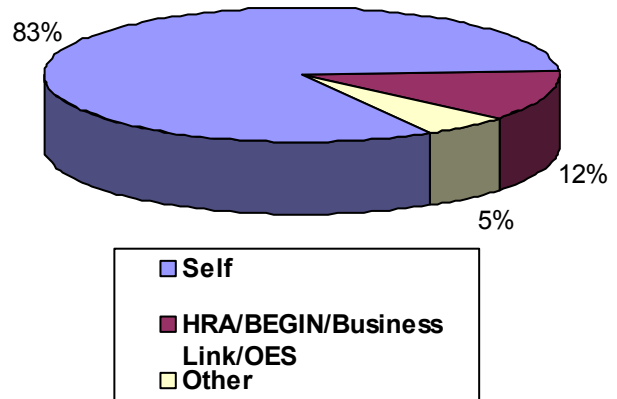
How They Found their Job

When asked how they had found their job, the vast majority (90 percent) indicated that they had not found their job through H.R.A. or D.S.S.. Most (70 percent) found the jobs themselves, and 20 percent indicated “other” sources such as through family or friends<sup>20</sup>.

How Respondents Found Jobs  
(2000 NY State surveys)



How Respondents Found Jobs  
(1999 NY City surveys)

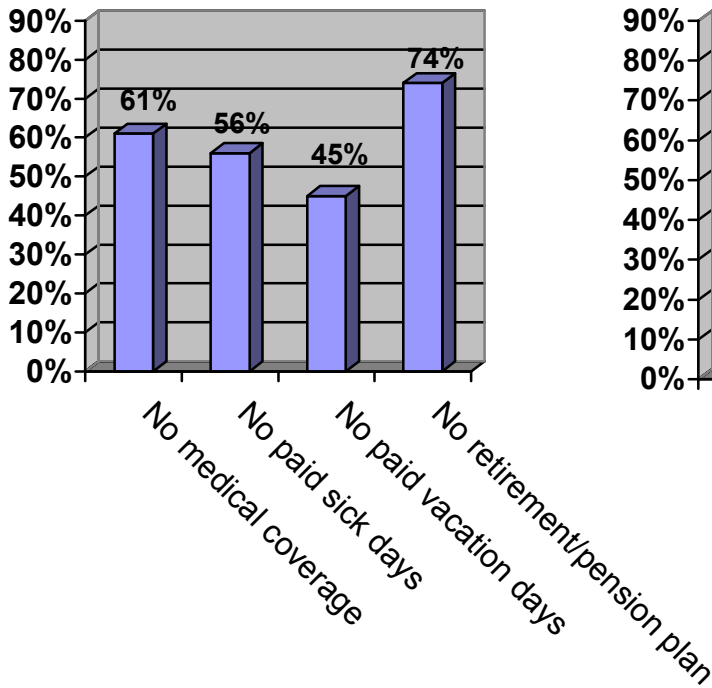


<sup>20</sup> Even for individuals referred to welfare-to-work contractors, a significant number find employment themselves. The Center for an Urban Future report, *The Workforce Challenge: To Place is to Win*, quoted a placement contractor as estimating that as much as 30 percent of its job placements were a result of “independent job search” efforts on the part participants.

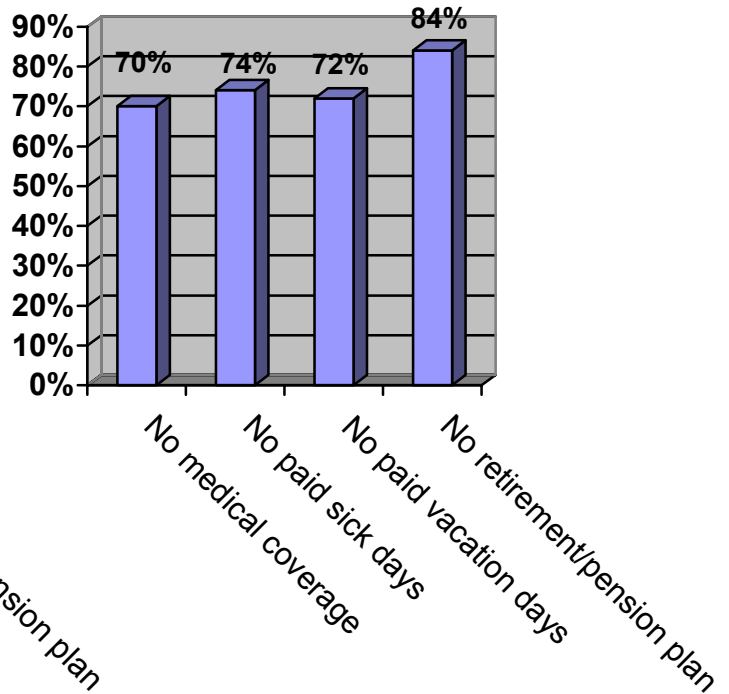
Benefits

The survey found that most of the employed respondents had obtained jobs that did not provide benefits: 61 percent did not receive medical coverage, 56 percent did not receive paid sick days, 45 percent did not receive paid vacation days, and 74 percent did not receive retirement/pension plans.

**Jobs Without Benefits  
(2000 NY State surveys)**



**Jobs Without Benefits  
(1999 NY City surveys)**



### Even With a Job, Respondents Face Serious Financial Problems

Low-wage jobs with little or no benefits explain why a significant proportion of the respondents fell into financial problems after beginning their jobs. A little over one third had to either turn to family or friends for help (36 percent) or had to turn to charity for help (34 percent). A little less than one third either lost housing/got behind in rent, had their utilities cut off/got behind in bills, or went without medical coverage. In addition, 18 percent ate less often or went hungry, and 10 percent lost daycare/child care. Fifteen percent marked “other,” and one respondent provided the following:

- “[Bills] are too much and I’m probably going to quit my job. I make \$150/week but spend \$100/week on child care.”

#### **2. Are respondents able to obtain employment-support benefits such as food and medical assistance?**

For those respondents working and no longer receiving public assistance, 48 percent did not continue to receive Food Stamps and 36 percent did not continue to receive Medicaid. Though not all individuals and households leaving welfare for employment are eligible for these benefits, the average household in the survey would have been eligible for Food Stamps. The average monthly salary in this survey is \$1,071—nearly \$500 under the income limit for Food Stamps for the average family of three.<sup>21</sup>

In addition, 56 percent told us that they would not be able to continue working once their transitional Medicaid and transitional child care expires (generally after one year of work). These results are similar to other surveys done nationally and in New York State.<sup>22</sup> Some respondents commented:

- “I now have a job which is why I no longer get food stamps, even though I am a single mother, paying all bills on my own [with] \$25 child support. The food stamps would have had a huge difference in not going hungry.”
- “H.R.A. just closed my two kids’ Food Stamp and Public Assistance case because of my work income.”
- “I do not want to apply for Food Stamps. My son’s Medicaid will expire on May 1, 2001 and I hope my work will give him insurance.”

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<sup>21</sup> 7.28 per hour times 34 hours per week = \$247.52 times 4.33 weeks per month = \$1,071

<sup>22</sup> Even the often-criticized survey of welfare “leavers” conducted in-house by the Human Resources Administration (H.R.A.) found that only 51 percent of those who were employed had health care from Medicaid even though all were eligible. “Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients.” September 1998.

## *G. Overall Statement/Opinion (Employment Section)*

As in the welfare work activity section, we asked respondents their overall opinion of their employment situation by presenting set statements and asking if they agreed, disagreed or had no strong opinion as to the statements. Over two thirds agreed, “unexpected problems (sick child or care breaking down) could easily cause me to lose my job.”

In addition, even though welfare grant levels are below federal poverty level<sup>23</sup> and have not been raised in New York State for ten years (including no adjustment for cost of living increases), nearly half the respondents (44 percent) told us they were doing no better financially while employed than when they were receiving welfare.<sup>24</sup>

Some of the statements from those feeling better off financially included:

- “My financial situation have been a little better but I am still struggle to make end meet.”
- “I’m not sure the assistance with day care is a help and transportation really helps a lot.”
- “It’s okay now but will be hard when I have to pay my own rent in transition.”
- “It has been better but still not enough. Good to have cash every week. Hard to accumulate for rent because always something happens.”
- “Have more cash but less medical insurance.”
- “I’m full of satisfaction working but my economic situation is very difficult . . . working to pay my bills.”
- “I feel great that I now have the skills and education. It feels good working financially. I’m still behind bills though and the salary is low but with education I know it will finally pay off someday.”

Some of the statements from those not feeling better off financially included:

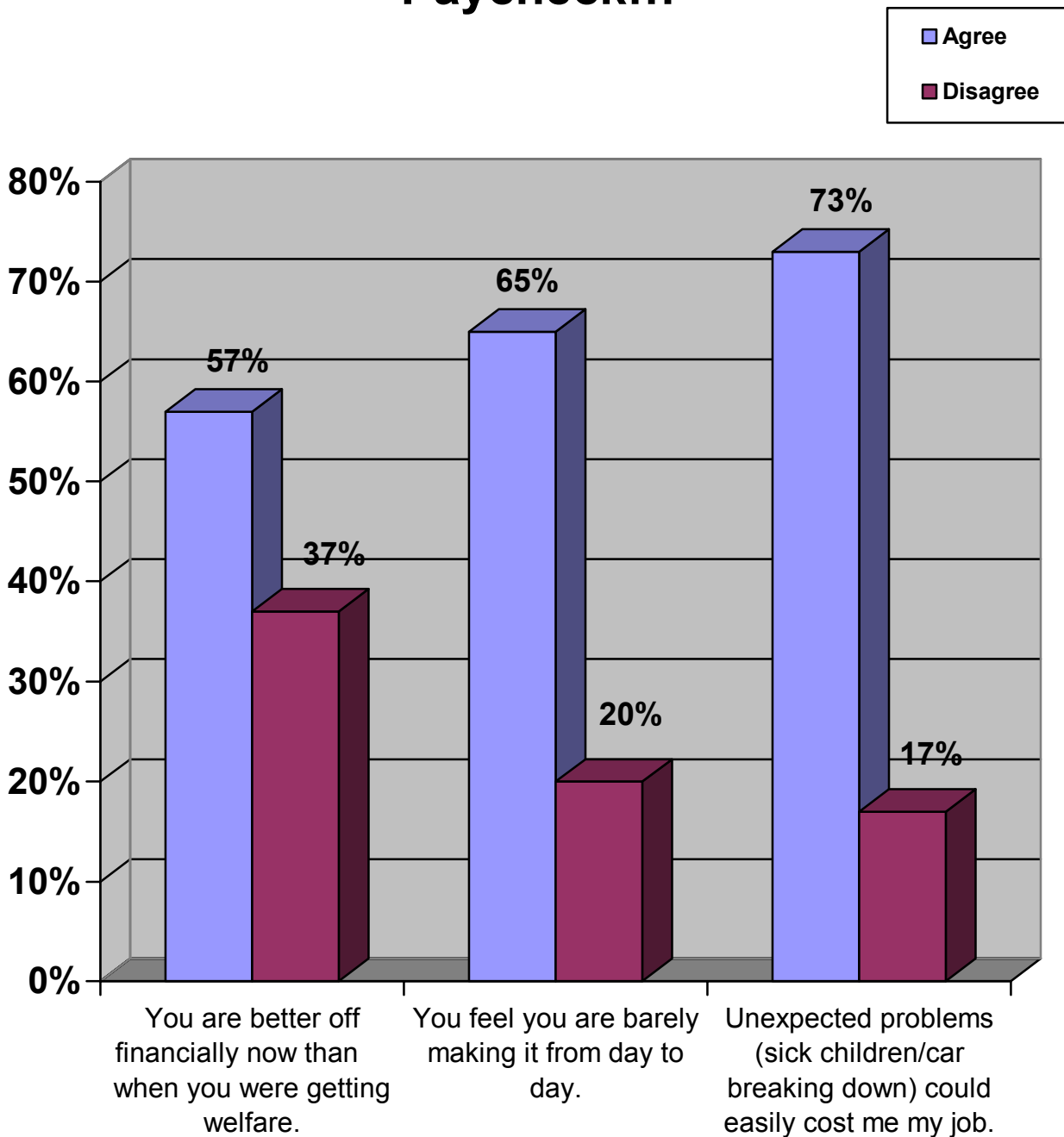
- “You get more not working than working, this is especially true with Jiggetts [a rent supplement program]. Who can afford rent when they get cut off?”
- “Better off on welfare due to transportation. Expenses would be easier if child care lasted longer, paid full amount. Also, child support benefits should not be reduced for 2 or 3 months [after beginning work] giving a chance to catch up.”
- “Too poor to get apartment or child care or basic needs.”
- “I need to find an apartment that costs less—can’t have a nice place due to income. Not enough food to eat. Can’t do extra things.”
- “As soon as D.S.S. [Department of Social Services] found out I was working, they kicked me off. We had no food or help!”
- “Barely making it, I go to the food pantry for food.”
- “Maintaining same living standard or less than when on D.S.S.. No medical coverage for self—no time to apply for D.S.S.—can’t afford to take time off from job.”

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<sup>23</sup> A mother with two children on welfare receives about \$6 per day for food, transportation, household supplies, school supplies and other general household expenditures.

<sup>24</sup> In the New York City Human Resources Administration “leavers” survey, 48 percent of those employed said that their income was the same or less then when on welfare.

# Overall Opinions, While Receiving a Paycheck...



## **IV. Analysis and Conclusions**

### *Effectiveness of Welfare-to-Work Programs*

The survey results indicate that New York State's workfare and job search/job readiness programs were not effective at placing most respondents into paid jobs. Although we recognize that our sampling method limits the generalizability of the study, a success rate of only 14 percent (for workfare/W.E.P.) or 28 percent (for job preparation/job search) does suggest that the program should be reassessed on a broader level and perhaps modified for significant improvement. This is especially important when we consider that of those respondents who did find paid employment, only 10 percent obtained their jobs through the welfare agencies conducting the welfare-to-work programs. From the perspective of individuals receiving welfare, the need for high quality employment services, education and training is even more important given the five-year federal time limits on TANF assistance. Though New York State has a safety-net program for those who reach federal time limits, preserving the eligibility for TANF assistance is important. Rather than engaging in workfare positions or engaging in job search or job readiness activities that lead to few jobs, respondents could have maximized their time with placement in training or educational programs.

Compounding the concern of lack of job placement are the punitive measures that accompany the workfare and job search or job readiness activities. A little over one third of the respondents had been sanctioned—and the cause for two thirds of the sanctions was a missed appointment. More of the respondents had their benefits terminated or reduced than found jobs.

In reexamining the current welfare-to-work program, important factors to be considered are the multiple barriers to employment that many current welfare beneficiaries face, including lack of skills, education, and English proficiency; physical and mental disabilities; and domestic violence issues. In New York State, 45 percent of Temporary Assistance to Needy Families (TANF) adult recipients have less than a twelfth-grade education level<sup>25</sup> and in New York City, 53 percent of welfare beneficiaries lack a High School education. Over half over New York City welfare beneficiaries lack English proficiency.

In addition, over one half of the survey respondents indicated that they had a physical or mental health limitation. Learning disabilities also plague many welfare beneficiaries. The Center on Budget and Policy Priorities cites three in-depth state studies that found that between one fifth and one third of current TANF recipients have learning disabilities. A report by the Presidential Task Force on Employment of Adults with Disabilities demonstrated that as much as 40 percent of the adult welfare population may have learning disabilities. Given the high proportion of individuals with these barriers to employment, New York State must develop a program that protects those not able to work, while providing customized employment training and services that meet the specialized needs.

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<sup>25</sup> Characteristics and Financial Circumstances of TANF Recipients Fiscal Year 1998, U.S. Department of Health and Human Services.

### *Economic Security of Employed Respondents and Effects of “Work First” Policies*

Though over half of the respondents felt they were better off financially than when they were getting welfare assistance, two thirds felt they were barely making it from day to day. With an average salary of \$7.28 per hour, perhaps a reasonable interpretation is that compared to the low level of welfare benefits, earning even a low salary is an improvement. However, the economic fact is that most respondents who have left welfare for employment are struggling financially. The vast majority of respondents answered that their earnings were not enough to support their households.

The welfare agencies’ “work first” policies have led to more people working but not earning enough to feed and clothe families and pay bills. Supporters of “work first” argue that these individuals will be able to increase their earnings by moving up the job ladder or by gaining experience and getting another, higher-paying job. However, a recent report reveals that less-educated workers not only tend to make less money, but that they also tend not to increase their wages as better-educated workers do.<sup>26</sup> Thus, getting workers in on the bottom rung will only allow them to stay on the bottom rung. This flattened wage result is also true even when considering the value of experience gained on the job. In order to climb the job ladder effectively and increase wages, these former welfare beneficiaries would need education and training.

### *Electoral Issues and Impact*

New York State and New York City will be holding important elections for a wide array of offices throughout the next several years, including the office of Governor and New York City Mayor; these offices wield enormous policy decision-making authority on welfare issues. Though welfare and poverty issues tend to not be high on the list of concerns for the average voter, some politicians (such as Mayor Rudolph Giuliani) have in the past highlighted their “success” as welfare reformers in the campaign process. A recent statewide poll of likely voters commissioned by a consortium of organizations, including Hunger Action Network, indicates that most New Yorkers support programs and services that assist welfare beneficiaries to become not only employed, but employed at living wage jobs.

The statewide poll showed that 59 percent of respondents supported allowing individuals on public assistance to attend two- and four-year colleges while continuing to receive benefits; they believe that this will lead to a better job (as compared with 37 percent who did not support this). Also, 89 percent supported allowing individuals to finish high school or get English language studies or a GED while they continue to receive public assistance (as compared with 9 percent who did not support this). Finally, 68 percent of the respondents do not support “work first” policies; they

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<sup>26</sup> “Returns to Tenure and Experience Revisited—Do Less Educated Workers Gain Less from Work Experience?” by Helen Connolly and Peter Gottschalk. Economics Department, Boston College. The report also cited that the wage growth within a job (i.e. through promotion, raises, etc.) for female college graduates is five times as large as it is for female high school dropouts. For male college graduates, wages increase at three times the rate of high school graduates. Male college graduates experience a 5.1 percent increase in earnings when they switch jobs (without a period in between), while those with less than high school get a 2.8 percent increase. The same trends are generally true of women. The survey period was from 1986-1993 and used data from the Survey of Income and Program Participation (SIPP), which surveyed over 30,000 individuals each year.

believe that the government should help people develop skills and get jobs where they have opportunities for advancement, so that they can be successful in the workforce and not require government assistance in the future (as compared with 28 percent who did not support this).

New York State's welfare-to-work program can be much more effective at helping people find employment and providing initial access to education and training, so that people can find jobs that pay family-sustaining wages. The State and counties should revise those "work first" policies that have led to families continuing to live in poverty and to struggle financially day to day. One reasonable, and publicly supported, route out of poverty is through access to vocational training, education, and other programs targeted at achieving higher-wage employment.

## V. Recommendations

A. Workfare was ineffective at helping the respondents obtain paid employment and should be reassessed and potentially modified to provide more effective vocational training and job placement.

1. A recent General Accounting Office report<sup>27</sup> on welfare work-site-based programs exhibited interesting national models that New York State should consider for work-ready individuals. For example, Philadelphia's *Paid Work Experience* delayed work-site program, and Massachusetts' *Supported Work* targeted work-site activity program, contain the following elements:

- Clients are not immediately assigned to workfare or welfare work activity.
- Single parents with non-school aged children under five years old are waived from work activities.
- Clients receive up to 24 months to find unsubsidized employment, attain an education, enter training, and participate in other employment development activities.
- Clients receive job search assistance where needed or referrals to training and education programs, including Workforce Investment Act (WIA) training programs.
- If an individual is not able to find employment after 24 months, then he or she is placed in a transitional jobs program that provides job placement at a paid transitional job wherein the individual will receive on the job training, skills training, and job placement assistance.

Legislation has been introduced in New York State to enact the Empire State Jobs Program (A6179, S.5292) that would create 8,000 transitional jobs for welfare and workfare participants. Statewide polling indicated that 87 percent of those polled supported providing jobs for up to 12 months for people unable to find employment, so that they can gain the skills and experience necessary to find a permanent job (compared with 13 percent who did not support this).

2. If workfare is to be continued as a welfare work activity, after a maximum of six months at the work site, all participants should be reassessed and promoted to the next level on the workforce development ladder. Options could include:

- Placement in a transitional employment program job.
- Providing a wage supplement to bring income to a living wage level.
- Providing civil service status to participants to ensure that the workfare hours count as real work experience.
- Preference for government-funded jobs.

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<sup>27</sup> "Work-Site-Based Activities Can Play an Important Role in TANF Programs." U.S. General Accounting Office. July 2000. GAO/HEHS-00-122

B. “Work-first” policies that provide individuals with only initial job search and job preparation activities (i.e., calling businesses in the yellow pages) are not sufficiently helping people find paid employment with family-sustaining wages.

- New York State should enact legislation that increases access to education and training:
  - The Basic Education Bill (A.7933) allows welfare beneficiaries to attend basic adult education, high school, GED, English language, and adult literacy classes instead of a workfare requirement.
  - The College Education Bill (sponsored by Assemblymember Ed Sullivan, Chair of the Higher Education Committee) allows welfare beneficiaries to attend two- and four-year college instead of a workfare requirement.
- New York State should enact legislation to increase the State Minimum Wage to \$8.45 per hour and include automatic annual inflation adjustments.

C. Increase availability and access to post-employment training and transitional benefits and other work-related benefits.

- Westchester County has developed the Family Employment Retention Services (FERS) program, which provides assistance to individuals who have left welfare for employment to remain in their jobs.
- New and innovative transitional benefits should be pursued, such as the transitional housing subsidies that a number of counties have pursued on a limited basis.
- See Appendix IV for additional recommendations on Transitional Benefits.

D. Protect mentally and physically disabled individuals by enforcing disability protections under the Americans with Disabilities Act (ADA) with regard to work rules requirements and other welfare program requirements.

E. Welfare time limits.

- Maximize federal exemptions to TANF time limits. The Office of Temporary and Disability Assistance (OTADA) currently does not exempt people employed in subsidized employment programs, although federal law allows for such exemptions.
- New York State should abolish the two-year time limit for the Safety Net Assistance non-restricted cash program, as almost all work-ready beneficiaries are engaged in a work activity. At minimum, all “work-ready” households that are engaged in welfare work activity should be exempted.
- New York State should not require a reapplication requirement for households reaching their welfare time limit.

F. New York State should conduct and publish a statewide assessment of the effectiveness of all welfare-to-work programs, which should include utilization of customer satisfaction surveys and outcome measurements.

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