

Missouri TANF White Paper:

Recipients' Work Barriers Pose Risk to State's Ability to Meet Work Requirements

A major study of current and former welfare recipients in Missouri found that many faced multiple barriers to economic attainment. Certain barriers reduced work effort and increased the probability of remaining on or returning to TANF. The study was based on interviews conducted in 2001 and 2002 with approximately 500 persons who left the TANF rolls in 1997 and 360 who had been on TANF continuously since 1998.

Work requirements are a key element of welfare reform.

Current federal TANF work requirements were adopted in 1996 and amended in 1998. For single parents they include:

- Able-bodied recipients must be in work-related activities after 2 years on TANF
- 50% of all TANF case heads must work
- Single case heads who work must average 30 hours/week
- Work-related activities can include specified training and job-search activities, as well as paid work

Congress is considering raising work requirements to:

- 70% of TANF case heads must work
- Working TANF adults must average 40 hours/week
- Further restrictions on non-paid work-related activities

Most long-term TANF recipients (stayers) did not perform enough paid work to meet current work requirements.

- Two-thirds of stayers were not working. The study did not collect information on whether any of the stayers who weren't working had received an exemption from the work requirement.
- Among those who were working, 38% were not working the required number of hours.

Unless their work effort improved, a majority of stayers would not perform enough paid work to meet the proposed new work requirements.

To meet the new requirement, stayers' work effort would have to exceed that even of leavers.

- 62% of leavers were working, compared with 32% of stayers.
- Among those working, 66% of leavers worked 40+ hours per week, compared with 39% of stayers. Of the total sample, 41% of leavers and only 12% of stayers worked 40+ hours per week.

Work Effort by Welfare Status

Number of Hours	Percent Working		
	Leavers	Cyclers	Stayers
0 Hours	40	53	69
1-29 Hours	6	8	12
30-39 Hours	13	11	7
40+ Hours	41	29	12

Technical Notes: “Leavers” left TANF in 1997Q4 and did not return to the caseload. “Cyclers” left TANF in 1997Q4 but returned at least once. “Stayers” remained on TANF from 1997Q4 through 2000.

Current and former TANF recipients having 2 or more major barriers were less likely to work.

Work Status by Number of Major Barriers

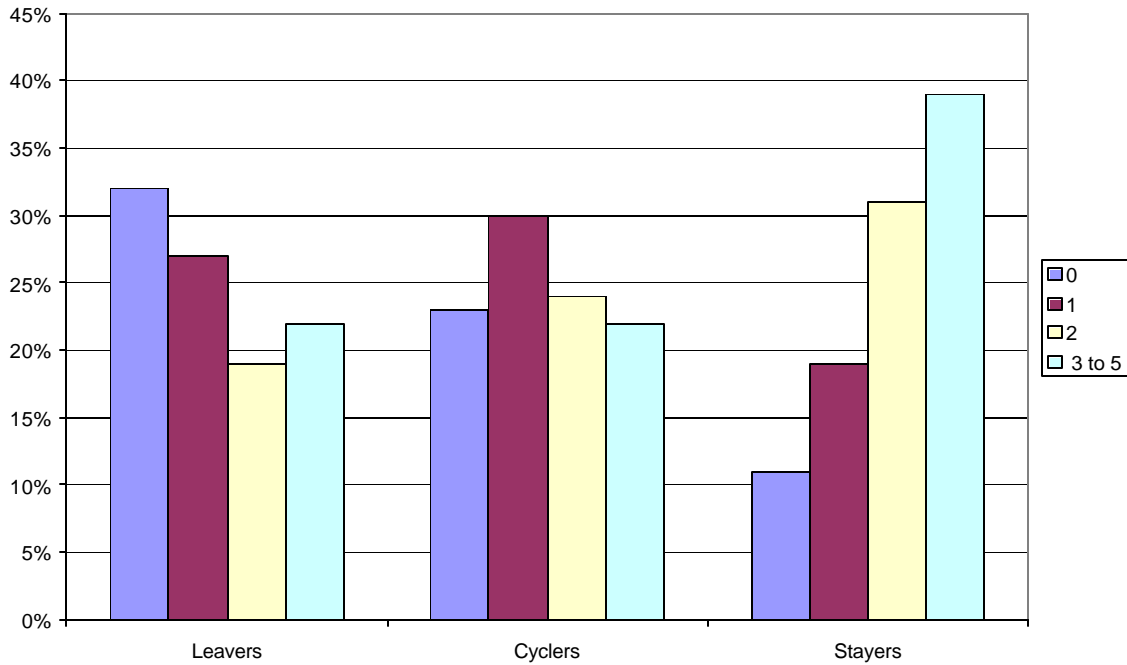
Number of Major Barriers	Percent	
	Not Working	Working
0	26	74
1	45	55
2	65	35
3-5	69	31
All	53	47

Technical note: The final report examined all barriers, not major barriers. Major barriers include: no drivers license; high mental distress; low physical health; low cognitive score; no high school diploma. Barriers were selected through a logistic regression model.

70% of stayers faced 2 or more major work barriers.

For stayers to meet work requirements as well as leavers do, there would have to be a 39% reduction in the number of stayers having 2 barriers and a 44% reduction in the number of stayers having 3-5 barriers.

Number of Major Barriers



Technical note: stayers disproportionately faced many additional barriers not analyzed here. See Policy Brief on barriers.

For current and former TANF recipients who did find work, barriers had a negative but relatively small impact on hours worked.

- 63% of working respondents with no major barriers were working 40+ hours per week, compared with 57% of those with 2 barriers.
- The effect was larger among those who had 3-5 barriers: just 41% were working full time.

Number of Barriers and Hours Worked

Number of Barriers	Percent Working		
	1-29 Hours	30-39 Hours	40+ Hour
0	16	21	63
1	17	26	58
2	23	21	57
3-5	30	29	41
All	20	24	56

Technical Note: working respondents

Policy Implications

- For majorities of long-term TANF recipients, the prospects for obtaining full-time paid employment are poor.
- Success at meeting more stringent work requirements will depend critically on what proportion of the caseload is made up of long-term recipients.
- Absent intensive efforts to overcome work barriers, many of long-term recipients will exhaust their benefit eligibility without finding full-time work and the state's ability to meet TANF work requirements will be limited.
- Allowances for a variety of non-paid "work-related activity" would help the state meet the work requirements.

The University of Kansas

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