

Non-employment and Unemployment

When we last spoke to her, Margaret Lowry, a mother of a two-year-old daughter, was about to begin a thirty-hour-per-week, minimum-wage job at a retail store. Shortly after the birth of her child (when we first met her), she had found herself in a situation in which it was almost impossible to work: She discovered her mother, who has a chronic disease, in her apartment unconscious and near death. At that instant, Lowry was swept into the full-time and extremely strenuous position of caring for both her infant and her ailing mother. It was a time in her life that she couldn't possibly also have taken on a job.

Although Lowry was able to receive help in the form of cash assistance, because of a sympathetic caseworker, there is no built-in safeguard under welfare restructuring for people who deal with the necessity of non-employment.

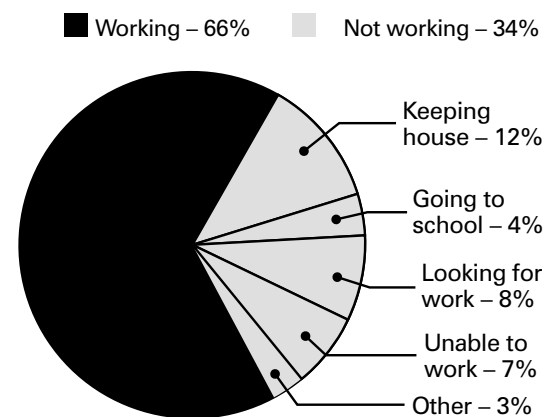
Though the majority of our respondents earn an income through employment, about one-third of those we spoke to during our first tracking did not work outside the home. Some were seeking employment, but others—for a variety of reasons—could not work.

Five percent of our sample classified themselves as unable to work due to a disability. Based on our in-depth interviews, this small number is not representative of how many respondents actually suffer from debilitating illnesses and injuries. Others struggle with childcare difficulties or the lack of transpor-

tation. Some make the decision to go to school or pursue a training program. Others opt to stay home and tend their children, though this frequently leads to considerable economic hardship.

Many of those who had jobs when we interviewed them felt no certainty about staying employed, expecting that they would, at some point, face unemployment. We found little job security among people we interviewed, but rather a sense of being trapped in a pattern of horizontal job mobility.

Work Status and Reasons for Not Working (12–15 months after leaving assistance)



Source: First and Second Surveys of Welfare and Food Stamp Leavers and Diverted Study

Employees in the low-wage sector are plagued by uncertainty. It's not unusual for businesses to cut back on positions suddenly or to dismiss workers for the slightest cause—one too many days away with a sick child or hours missed because of an unreliable car.

Do Employers Care about the Lives of Low-wage Workers?

Sometimes, workers get to the point where they realize that the low wages they're making are so inadequate, they have to seek another job. Respondents said the low-wage working life is an unpredictable, bumpy road of being employed one day and out of work the next.

Elana Heiser powerfully illustrates this point. A divorced woman of mixed race in her thirties — and the mother of five children (some of whom live with their fathers) — Heiser was engaged in a painful custody battle for several years. Even at the height of the legal complications, she was told by her AFS case manager that she had to find a job.

“They're so wrapped up in their policies that they don't look at the individual,” Heiser said. She maintains that she and her family would have achieved a stronger sense of stability if she had been able deal with crises before being forced to work.

But Heiser did go to work. And just about every job she found was temporary. She either

Top 15 Barriers to Getting and/or Keeping a Job

Rank Order	Employed		Not Employed	
1	Available jobs have low pay	(13%)	Own health	(20%)
2	Transportation problems	(11%)	Transportation problems	(11%)
3	Cost of child care	(9%)	Lack of training, skills	(11%)
4	Lack of training, skills	(8%)	Permanent disability	(9%)
5	Own health	(8%)	Other barriers	(9%)
6	Can't find quality child care	(7%)	Pregnancy	(6%)
7	Jobs have irregular hours	(6%)	Cost of child care	(6%)
8	No jobs available	(5%)	Can't find quality child care	(6%)
9	Other barriers	(3.5%)	Available jobs have low pay	(5%)
10	Jobs available don't have benefits	(3%)	Being in school	(5%)
11	Trouble with child care	(3%)	Jobs have irregular hours	(4%)
12	Pregnancy	(1%)	No jobs available	(3%)
13	Domestic violence	(1%)	No adequate place to live	(2%)
14	Being in school	(<1%)	Trouble with child care	(2%)
15	Permanent disability	(<1%)	Jobs available don't have benefits	(3%)

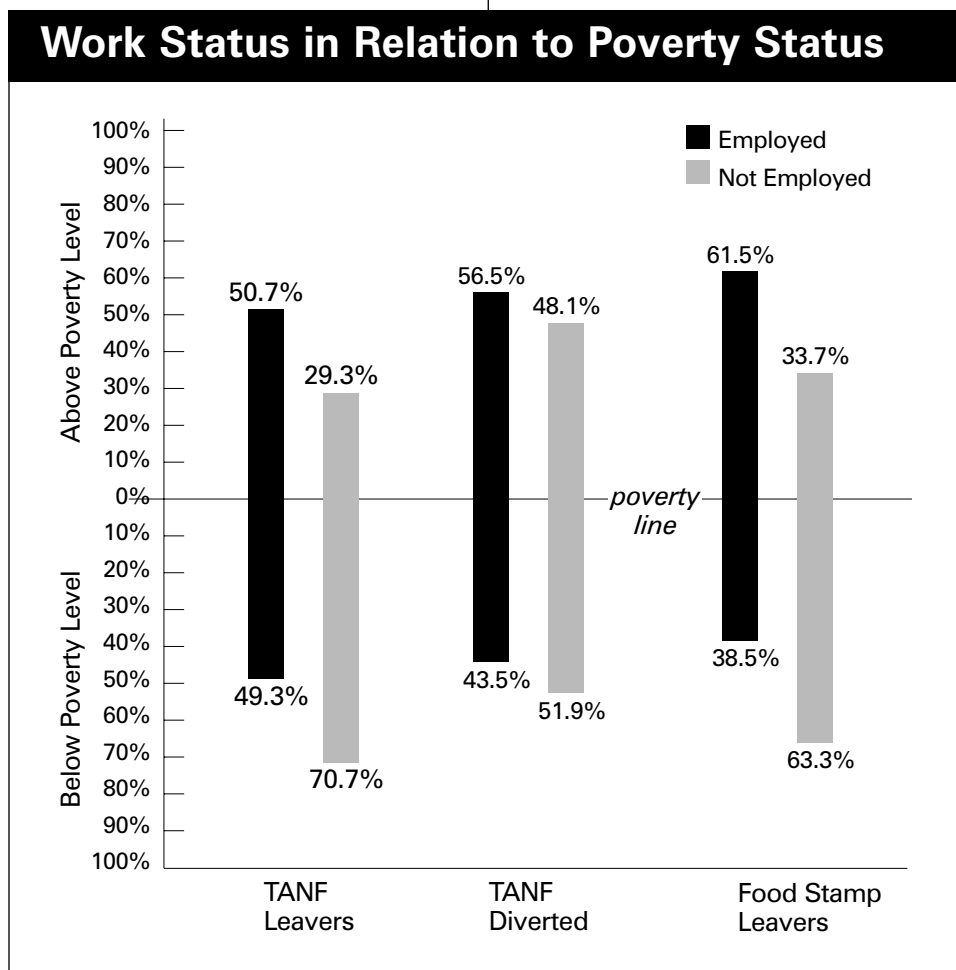
Source: First Survey of Welfare and Food Stamp Leavers and Diverted Study

was fired or left the position by mutual consent, because of the constant interference caused by court dates, calls from attorneys, and the like. Her family life grew increasingly unstable as Heiser was financially and emotionally pummeled, and she found herself unable to maintain a steady course for herself and her children.

After her legal situation calmed down, Heiser sought a job that would truly get her back on her feet. But her AFS case manager pressured her to quickly secure employment, no matter what it was. Heiser argued that it was better to remain unemployed for a few weeks or months so she could hold out for a decent job,

one with a good salary, benefits, and opportunities for advancement. “I really don’t want a job I’m not going to be happy at,” she said during her second in-depth interview. “It doesn’t work for me to go out and get a job, a run-of-the-mill job and then get back on assistance in a few months.”

To push Heiser and others like her into jobs before their lives are stable enough for good employment is to court disaster and perpetuate hardship. The frequent bouts of non-employment and unemployment experienced by those we spoke to, once again, reveals the need for stable, living-wage jobs that offer some hope for advancement.



Note: Poverty status measured in relation to “last month’s family income,” Second Survey

Unemployment On the Rise (While Assistance Falls)

**Statistics cited from the Oregon Labor Market Information System, Oregon Employment Department.*

As this report went to press, Oregon's unemployment rate became the highest in the nation, reaching 8 percent as of January 2002.*

Unemployment Insurance is often inadequate or unavailable to workers in the low-wage labor sector, because they have not been in the workforce long enough or because they are part-time workers. Welfare restructuring has greatly restricted the ability of unemployed workers to receive immediate assistance.

What Happens When People Who Are Poor Get Sick?

When asked to identify the primary barrier to work, 20 percent of those not employed at our first survey said illness or injury had kept them from getting or keeping a job. Eight percent of those who were employed told us their own health challenges made job security precarious. More than one third of the respondents in our in-depth sample reported experiencing serious disabilities and/or illnesses. Half of this group were unable to work or were severely limited by their conditions.

It's no surprise that poverty affects poor health. The lack of wholesome food and regular meals is a major deterrent to vitality, as is substandard housing, persistent fatigue, stress associated with poor-quality childcare and bad jobs, and anxiety over how to make ends meet.

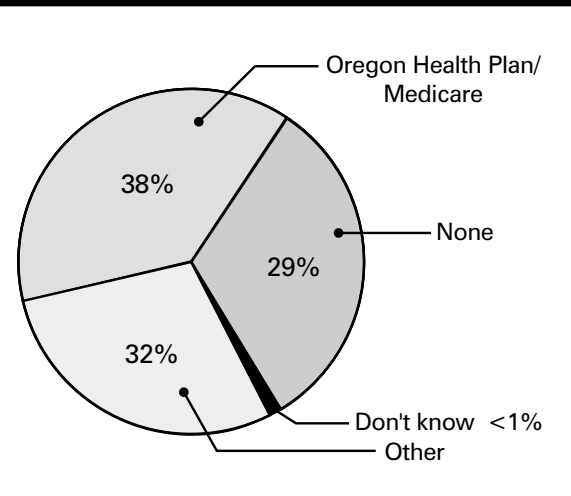
Those who experience injury on the job, or who come down with a serious illness or disease, often are mired in poor health for years. Low-

income families have few opportunities for sustained and careful healing. Many are barely hanging on to the Oregon Health Plan, while others live with no health insurance at all.

Sally Arnold, a divorced mother of three children, is perhaps the most striking example of the challenges those with poor health face under the welfare system. Arnold, who died of cancer during the course of our study, had sought aid from welfare because her illness so threatened her family's financial stability. Her chemotherapy treatments, hospital stays, and surgeries caused major disruptions in her employment—she was employed in clerical work, accounting, and later manufacturing. Twice, she was asked to resign by employers who could not manage with her frequent absences. Even when she found a more secure and supportive job, her wages were too low to sustain her family. At one point when her income did rise to a more reasonable level, she no longer qualified for much needed Food Stamps.

People such as Arnold who are seriously ill face overwhelming difficulties in finding and keep-

Types of Health Insurance Coverage Among Respondents



Source: Second Survey of Welfare and Food Stamp Leavers and Diverted Study

Although caring for ill or hurt family members has high demands, it is often not an acceptable activity under welfare restructuring guidelines.

ing a job. And yet, if they don't find employment, they are often forced to live in poverty.

For instance, Irene Miller, a woman in her early forties who has raised three children, was plagued with health problems during our study. Since leaving TANF, she had undergone two major surgeries related to a chronic pulmonary condition. She lives in constant pain and is easily winded. She suffers from depression, as well. Miller, whose main preoccupation was trying to minimize her pain, could not maintain any kind of regular work schedule. Yet, when we spoke to her, she hadn't been able to receive Social Security disability benefits and she was cut off from TANF cash assistance, because her youngest child had recently turned eighteen. Her situation was very bleak.

Valerie Peters, a thirty-six-year-old woman with teenage children, was diagnosed with diabetes around the time of our interviews. Unable to seek work because of serious health problems, Peters, too, lost TANF cash assistance and, like Miller, has not been able to receive Social Security disability payments.

Freda Perez, who lost her eligibility for Food Stamps, had to undergo major surgery because of a central nervous system condition. Continuing health problems after the surgery made it impossible for Perez to return to the taxing physical work she had done for many years. She and her husband, who was also disabled, can no longer receive TANF cash assistance, because their children are over eighteen—even though at least one child and one grandchild still live in their home—

and have to rely on relatives for small bits of financial help.

Others we interviewed were the only caretakers available for ill or hurt family members. Although this type of care has high demands, it is often not an acceptable activity under welfare restructuring guidelines.

Lois Taylor, for instance, was the primary caretaker for her ill mother. Taylor had to work a fulltime night shift so she could care for her mother during the day. Even while she was at work, Taylor was on-call for emergencies concerning her mother, a situation that sporadically caused her to lose hours at work. Stressed, exhausted, and lacking resources, Taylor lived in constant anxiety that her conflicting family obligations might cause her to lose her job at any moment.

The Demographics of Poverty

Who's Poor in Oregon?

The population in Oregon is predominately white, a fact reflected in the demographics of our study: 82 percent of our respondents were white. Clearly, people of color involved in the study—7 percent of whom were Hispanic, 4 percent African-American, 3 percent American Indian, 2 percent mixed race, and 1 percent Asian-American—have issues related to race that create additional challenges for their families as they struggle to move out of poverty

During our study we found that some respondents were consigned to agricultural, housekeeping, or other physically demand-

ing work due to language barriers. For instance, Lydia Mendez, a forty-four-year-old Hispanic woman with two young children, as well as an older daughter and grandchildren, speaks Spanish and limited English. She lacks a high school degree but does have a computer certification. Her lack of English-language skills, however, kept her from getting a job in the computer industry. Since moving to Oregon, Mendez has been stuck in low-wage jobs in canneries or in agricultural fields that require her to stand for hours and perform repetitive tasks.

Compared with whites, Latino workers are the most disadvantaged in terms of wages.

Poverty and Race

Nationwide, the incidence of poverty is greater among families of color. According to the Northwest Job Gap Study,* people of color who are looking for work are more likely to be unemployed or marginally employed.

In August 2001, the Oregon Center for Public Policy released a report** on economic disparities across race in Multnomah County, the most populous county in the state. The report concludes: "Blacks and Latinos together represent about 23 percent of the total workforce in the state, but 34 percent of the workforce earning less than a poverty-level wage."

Workers of color in Oregon tend to be concentrated in industries paying lower wages and offering contingent work. The OCPP report cites some key reasons for this—language barriers, education differences, job segregation, and job and wage discrimination. Underlying all these issues is the legacy of historic racism in Oregon, along with ongoing patterns of racial discrimination.

**Northwest Job Gap Study, "Searching for Work that Pays," 2001.*

***Leachman, et al., "What Color is Your Paycheck? Disparities in Annual Pay Between White and Minority Workers Living in Multnomah County," Oregon Center for Public Policy (August 2001).*

Hispanic respondents in our study stand out statistically as the most disadvantaged, when we compare their household incomes to the poverty level. Compared with whites and other respondents of color, Hispanic families were much more likely to report incomes below the poverty line.

According to 2000 Census data, 7.4 percent of Oregon residents were born outside the United States (mainly arriving from Mexico,

**M. Leachman, et al, "Improving the TANF Program for Legal Immigrants: Recommendations based on the Oregon experience," Oregon Center for Public Policy, 2002, p. 1.*

other Latin American countries, Asian countries, Russia, or European countries). Non-citizen immigrants account for 4.9 percent of Oregon's population, and are more likely to be employed in low-wage work or to be living at or below the poverty line.*

Immigrant children, or children born in the United States who live in households with non-citizen relatives, are more vulnerable to poverty as well. Language is a considerable barrier for many immigrants, often narrowing their job options and limiting their ability to find adequate housing, health care, and other

"Greater fluency in English results in higher earnings. Those workers living in Multnomah County who reported speaking English 'well' or 'very well' earn about \$22,000 in an average year, while workers who speak English 'not well' or 'not at all' earn just \$14,000. Even those bilingual and multilingual workers who speak English well, though, do not earn as much as workers who speak only English."

— Leachman, et al., "What Color is Your Paycheck? Disparities in Annual Pay Between White and Minority Workers Living in Multnomah County," Oregon Center for Public Policy, 2001

"Many Hispanic workers, especially those with limited English abilities and less than high school educations, can only find jobs where their co-workers don't speak English and/or where there are very limited opportunities for advancement. This segregation of the worker is often associated with little or no on-the-job training that would prepare workers for better jobs.... Most jobs in agriculture, primary materials processing (especially agricultural products), hotels, fast food outlets, restaurants ... domestic laborers, to name a few, have such limitations."

— M. McGlade, & M. Dahlstrom, "Salir Adelante: A Needs Assessment of the Hispanic Community in Multnomah County," Latino Network, 2001, p. 14

resources. The actual status of the state's immigrant population is difficult to determine, when so many undocumented residents are not represented in official data and are not eligible for public supports of any kind.

Under PWORA, immigrant eligibility for TANF and other public assistance programs has been greatly reduced. Oregon is one of twenty-one states that do provide TANF to non-citizen families who are able to qualify. Even so, federal restrictions often keep them from receiving other benefits, such as Food Stamps, Medicaid (the Oregon Health Plan), and Social Security income.

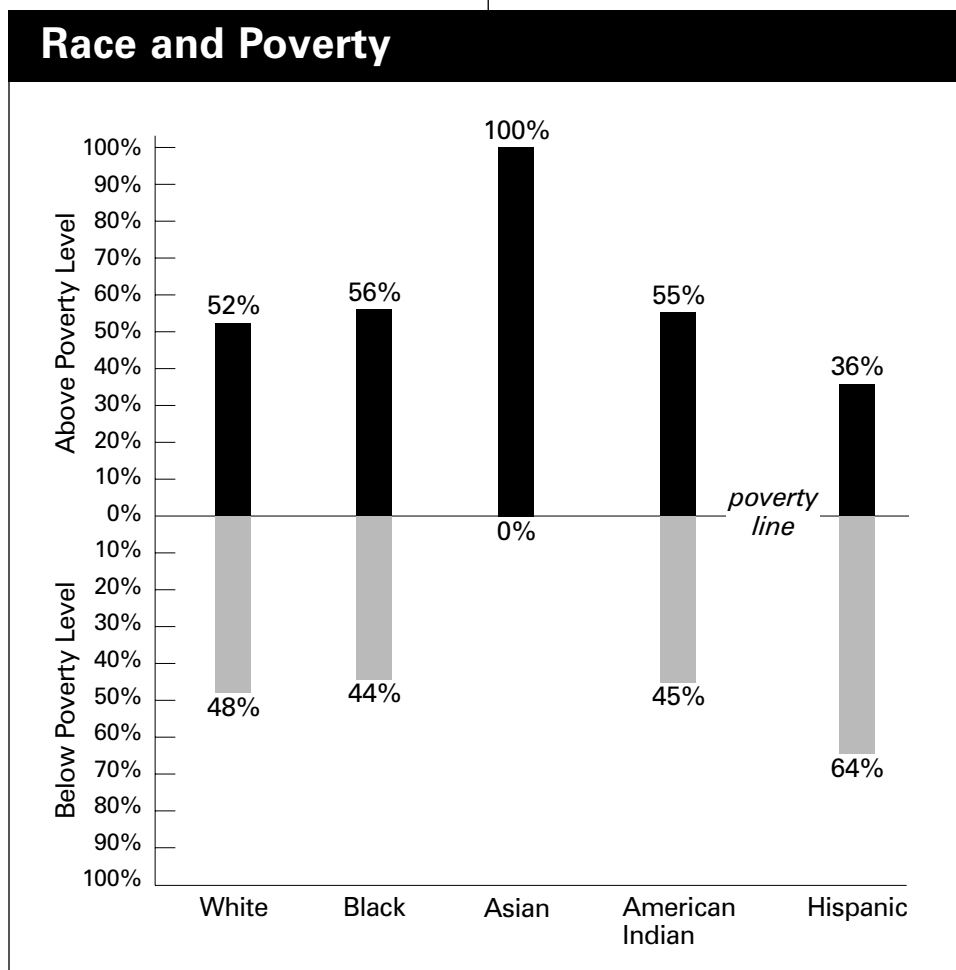
Even if immigrants are eligible, the atmosphere of surveillance and fear that has accompanied both welfare restructuring and immigration reform deter many from seeking much needed resources. The likelihood is high for labor exploitation and hardship within such a marginalized population.

Does the Low-wage Sector Discriminate?

Patterns of discrimination and segregation in the low-wage sector tend to position minority women at the bottom of the earnings hierarchy. Linda Perkins, an African-American respondent in her late thirties who is raising two children, described experiences that point to institutionalized racism. Although she worked as head housekeeper in the same establishment for sixteen months and had supervisory duties, she made only \$7 per hour with no benefits. Perkins was ambitious and received excellent ratings on her evaluations. Yet, she was stuck with wages that could not possibly support her family.

The exploitation she experienced at the workplace was troubling: If other employees did not show up for work, Perkins was expected to cover for them. If business at the motel slowed down, she was expected to cut her hours. And her schedule was so erratic, she could not make proper arrangements for her children.

Perkins's case is an example of a larger pattern of disproportionate poverty among people of color. While policy makers disagree about the extent to which racial discrimination shapes employment and earnings, the experiences shared by families of color in our study suggest that continued racial discrimination intersects with new welfare policies in ways that disadvantage children of color.



Source: Second Survey of Welfare and Food Stamp Leavers and Diverted Study

Note: Poverty status measured in relation to "last month's family income," Second Survey

Job Segregation by Race

**Leachman, et al., "What Color is Your Paycheck? Disparities in Annual Pay Between White and Minority Workers Living in Multnomah County," Oregon Center for Public Policy, 2001, p.5.*

The Oregon Center for Public Policy* found that African Americans in Oregon are "most likely to work in clerical and non-managerial service occupations." More than 41 percent of all black workers in the state are employed in such low paying-jobs.

Our study also reveals troubling evidence that welfare restructuring is harder on poor women than poor men. Across the low-wage sector, women tend to earn lower wages than men. In fact, women in our study typically earned only 70 percent of what men earned.

Does Labor Have a Gender Divide?

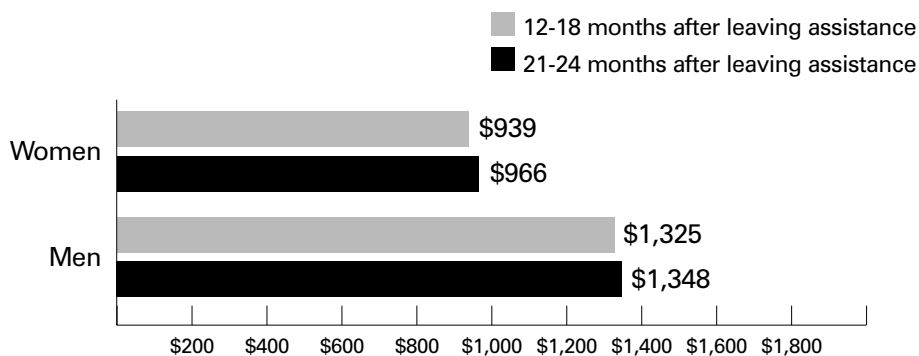
While women earn less than men in the labor force, they are expected to take care of many family responsibilities in ways that dramatically affect their work options and choices.

Caring for children and aging parents, cooking, shopping, cleaning—domestic life is overwhelmingly the purview of women. And all that work is invisible to the welfare system, at least it appears to be when one looks at the expectations placed on these individuals by case workers and state policies.

Ivy Jacobs is a disturbing example of how little caring for children seems to be valued under welfare restructuring. A fifty-year-old African-American woman, Jacobs found herself the sole caretaker for her grandson after her daughter disappeared. She receives no child support and, although she receives a small TANF grant for the boy, she herself is not entitled to TANF assistance because she is a grandparent, not a parent. She is sole caretaker with the monumental task of raising her grandchild, even though she recently experienced a small stroke.

At the time of our interview, Jacobs was surviving on a pittance of cash assistance and Food Stamps. Unable to find steady work, she and the boy were living in a noisy, dirty area of town in squalid conditions. Even then, Jacobs did not know how she would pay the rent. Left with few resources, she felt helpless and alone. Clearly, welfare's income support

Mean Monthly Earnings: Men and Women



Source: First and Second Surveys of Welfare and Food Stamp Leavers and Diverted Study

Policies that force women into the labor market without ensuring good childcare or adequate income tend also to force women into relationships with men that can be damaging to themselves and their children. For some, having a man to help around the house and with the family income seems like the only route to economic security.

system has a jagged crack in it for families such as Jacob's.

While Jacobs's circumstances are extreme, other women we interviewed faced similar problems. Nearly every woman in our in-depth sample voiced concern about the impossibility of balancing duties at home and at work. Some expressed concern about the impact time away was having on their children. Deep fatigue and unrelenting anxiety were taking a toll. "I come home, I'm tired," said Janet Philips. "I've been on my feet all

The Gender Gap

The earnings advantage of men persists when we look at earning differences by gender in both part-time and fulltime jobs. Our sample is similar to the U.S. population as a whole when we consider gender and work. Married women are in the paid labor force at lower proportions than non-married women. Married men are more often employed than married women. And overall, women earn about 70 percent of what men do.

Source: "Labor Force Participation Rates by Marital Status, Sex, and Age: 1960 to 1999," Statistical Abstract of the United States, U.S. Census Bureau

day. My lower back is killing me. I've still got dinner to make, get us all in the shower and to bed. There's no quality time here."

TANF leaver Janis Woods, a woman in her early twenties, was supported by her caseworker in completing an Associate degree. When we last spoke with her, she was relieved to be placing her child in a better daycare. Since Woods and her husband both have full-time jobs, they were able to afford the higher fees. Even though the cost represents a continual strain for the family, Woods said it is worth it for the peace of mind it gives her concerning her son's care.

Education, Training, and Job Advancement

Does “Welfare Reform” Provide a Route Out of Poverty?

Gloria Mason, a young African-American woman, cried the first time she dropped her children—three and four years old—at day-care. Like many mothers, Mason found it wrenching to leave her preschoolers in a stranger’s care so she could go to work. “I figured this is life,” the twenty-one-year-old told a CSWS interviewer. “This is what being a single mother is all about—working and not seeing your kids half the time.”

Mason expressed feelings shared by most of the single mothers who participated in our study: Yes, she would like to stay home and raise her children but understands that, under welfare restructuring, the complicated demands of paid employment come first. An added frustration is the few educational opportunities available that might offer hope for a stronger, more prosperous future.

Mason wants to continue her education, which she sees as the only route out of poverty. However, welfare restructuring does not recognize higher education or “hard-skills” training as legitimate reasons not to work.

Even so, Mason set a goal of earning a college degree, even though the community college courses she took clarified painfully how difficult the road ahead would be. She could not

qualify for TANF benefits if she was enrolled in college and not working. Thus, Mason struggled under the multiple roles of sole parent, student, and low-wage earner in a department store job, which didn’t quite cover expenses. Mason said she did not want a handout, but she needed support. “It’s not truly going to get better unless I complete college,” she told the interviewer. “I just don’t know where to begin.”

Gender Segregation and Low-wage Jobs

“While many women are moving quickly into jobs, the majority of those jobs are unstable and pay very low wages. This is a result of many welfare recipients’ low basic skills and the gender-segregated labor market that distributes women disproportionately to low-paying ‘women’s jobs.’ The tendency for women welfare recipients to find employment in the lowest paying sectors of the labor market is exacerbated by overall labor market trends that show disproportionate growth in the service sector.”

—“Working First But Working Poor: The Need for Education and Training Following Welfare Reform,” Institute for Women’s Policy Research, 2001, p. 5

**Low-wage workers are often stuck with
the prospect of a lifetime of horizontal mobility—
from one low paying job to the next.**

Like Mason, Kim Smith, a woman in her early twenties raising two young children by herself, longs for an education. She wants a chance to improve her family's financial situation and to have a job she looks forward to each day. Though Smith previously earned a scholarship that has allowed her to pursue an Associate degree in health services, she faced daily pressures to make ends meet, surviving only because of Food Stamps, a housing subsidy, and free childcare from her extended family. She did not qualify for TANF because she was pursuing her education, instead of seeking employment.

Then Smith's already tenuous situation quickly unraveled. Tired of scraping by financially, she accepted a job as a cocktail waitress to earn extra funds. Just as Smith was juggling almost more than she could handle, her mother fell acutely ill and could no longer care for Smith's children. Stuck without adequate childcare and not enough money to hire a caregiver, Smith dropped out of school, leaving her with an obligation to repay \$1,800 in educational grants.

During her last interview with us, Smith described a bleak family life. She worked four nights a week at her \$7-per-hour job away from her children, while neighbors or other relatives cared for them. She saw her eldest child only on Sundays, because the child's school schedule kept her away from home during Smith's off-work hours. Smith was chronically sleep deprived, never finding a chance to catch up. And completion of school was a more distant dream than ever. Smith felt as though she'd hit a dead end: In her current

job she has no access to health benefits or paid leave; she has no opportunities for skill development or job advancement of any kind.

"They'll pay for you to work—they'll pay for your daycare so you can work a minimum-wage job for the rest of your life if they chose to," Smith said. "But they won't pay for daycare for a year or two for you to go to school and get a degree so you can get more successful."

Beyond the many stories we heard about blocked access to education and training, we found strong correlations between education and employment and between education and the ability to escape poverty. Those without a high school diploma or with only a high school diploma had lower employment rates. Moreover, poverty rates fell as levels of education rose. More than 80 percent of our respondents without a high school degree had incomes below the poverty line, while 47 percent of those with some college had incomes below the poverty line.

Why Can't People Who Are Poor Access Education?

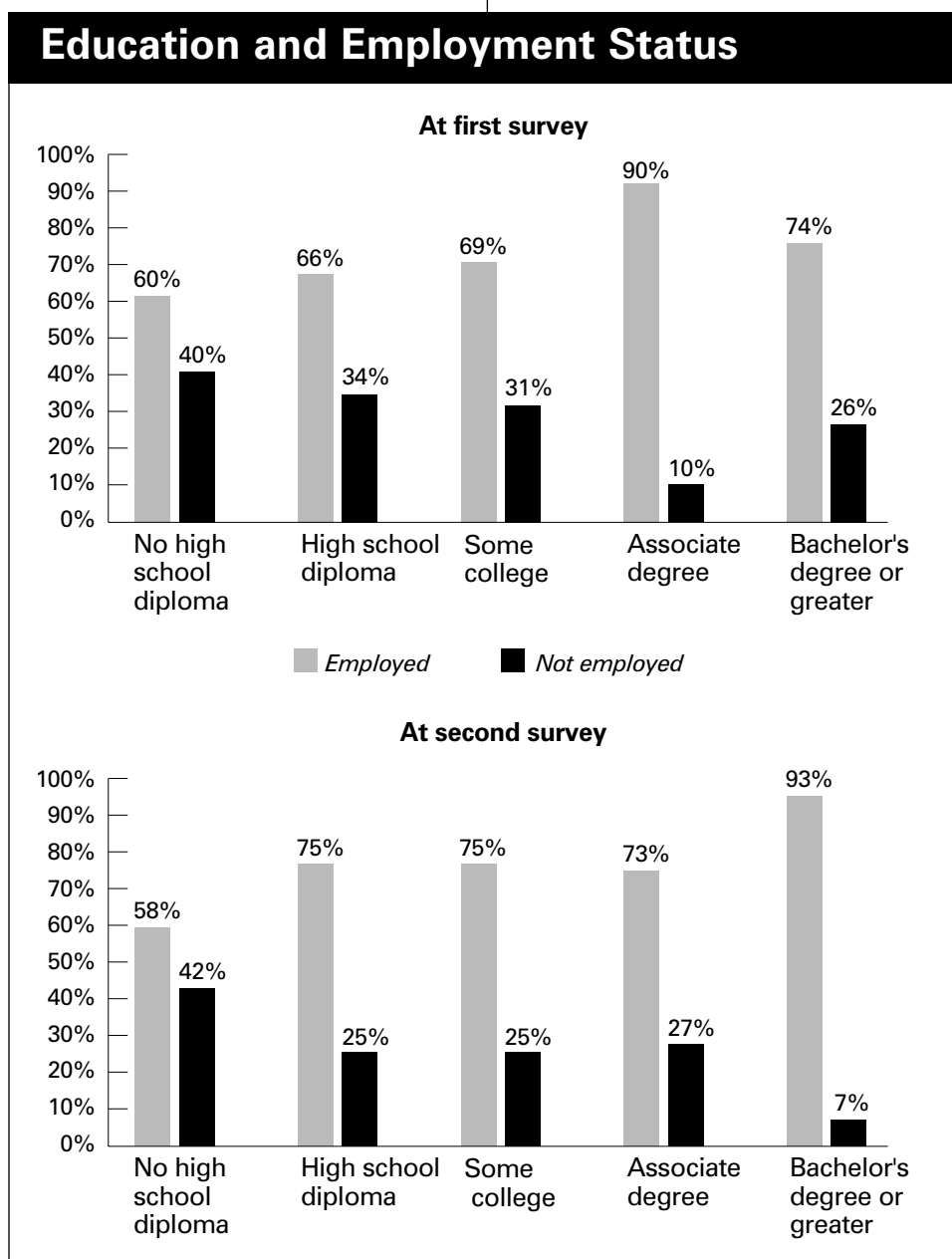
Mason and Smith are only two of hundreds of TANF leavers frustrated over their inability to seek higher or continuing education. In fact, 84 percent of those interviewed in our study desired more education or training to help them pursue higher-wage jobs. One in five respondents lacked even a high school degree or GED. Many of those with a high school degree were motivated to seek further

education as a means of improving their chances to secure better-paying jobs.

The ones who expressed some hope for advancement worked in public-sector jobs, growing private industries, or unionized workplaces. But mothers who held other types of low-wage jobs found that, without specific training or degrees, their jobs offered no upward mobility.

The frustrations of the women and men we interviewed around the lack of access to education and training resources, as well the high cost of education, points to a growing problem in Oregon’s low-wage sector: Opportunities to increase one’s skill level are too difficult for the working poor to find.

Can former welfare recipients work, care for families, and pursue education or training



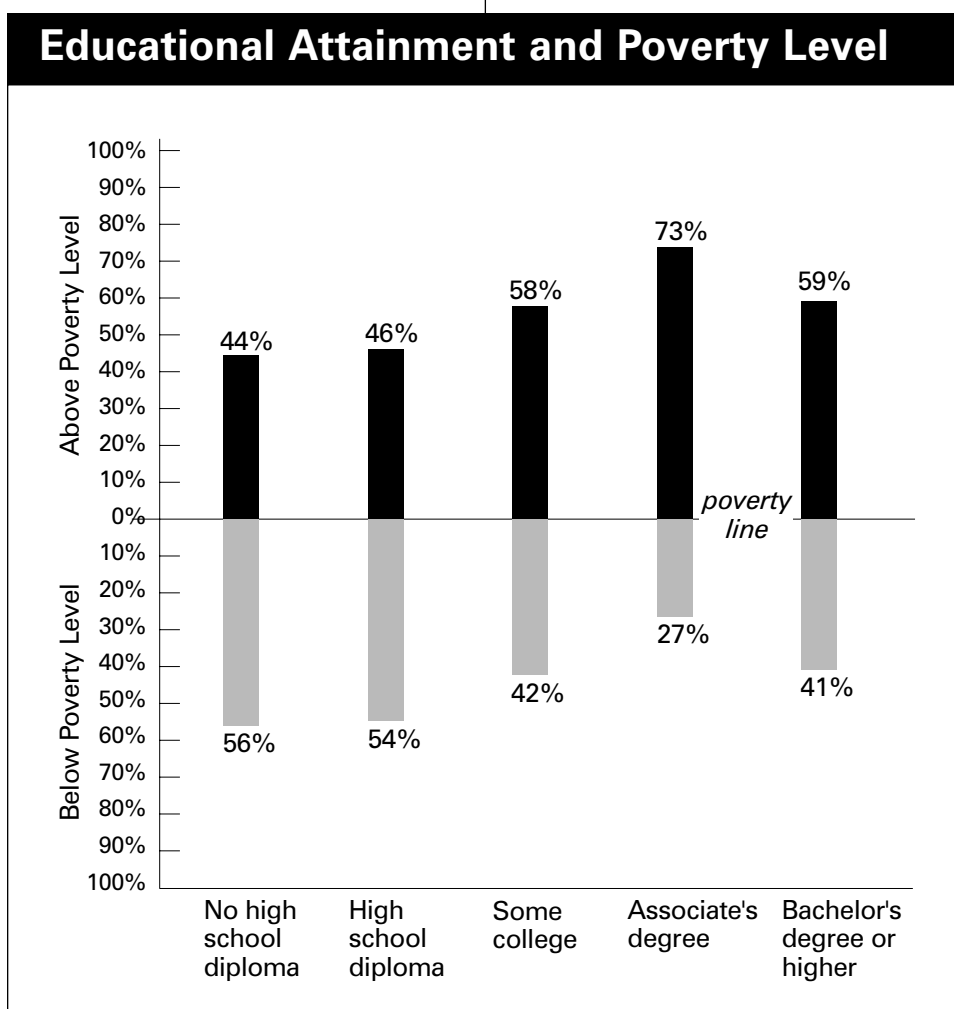
simultaneously? Survey responses from women and men who listed “more education” as a primary goal helped us answer this question.

We discovered that education is an elusive target for low-wage workers. Out of the 756 people we interviewed twice, only fifteen had obtained a high school diploma in the two-year period of the study, even though 20 percent of our respondents lacked this. Others made limited progress toward an educational goal, though very few were able to gain educational skills that would lead to better jobs.

What Makes Educational Attainment Possible?

One woman who did earn a degree during the time of our study is Janis Woods, a woman in her early twenties with a three-year-old son. Prior to earning her degree, Woods hopped from one low-wage, low-skill job to another. The education she subsequently received—with the support of her welfare caseworker—greatly boosted her family’s economic stability.

With an Associate degree in hand, Woods found a permanent job in a state office, where



Source: Second Survey of Welfare and Food Stamp Leavers and Diverted Study

Note: Includes all three sample groups — TANF leavers and diverted and Food Stamp leavers

she receives regular raises, promotions, and comprehensive benefits. The last time we interviewed Woods, she was attending college night courses to finish a four-year degree. Woods was able to pursue her education because of the support of her caseworker, who allowed her to finish a community college program while receiving TANF. To a great degree, Woods's access to an advanced education has led to a more stable income and better prospects for the future.

Sharon Janey, an African-American woman in her thirties, is an example of someone who found a good deal of stability through a training program. Previously employed in child-care, Janey began taking computer classes at a local community college after work. Even though she lamented the large periods of time away from her son—two days a week they didn't even see each other—she realized that enduring the grueling schedule of fulltime work and night classes paid off.

At our last interview, Janey had just accepted a position with a growing company and was promised benefits, the potential for raises, and opportunities for growth. She even had begun saving for a down payment on a house. Though she voiced no regrets, Janey said she wished she'd received more support for her desire to gain new skills. "How can I be self-sufficient and work at the same time and go to school?" she asked. "I don't know. Unless you do it at night. Well, when do you have time to be with your family?"

Clearly, there is more the system can and must do to move from an emphasis on reducing welfare caseloads to reducing poverty.

Setting and Meeting the Goal of Poverty Reduction

Is “Welfare Reform” Reducing Poverty in Oregon?

Oregon’s Progress Board, an independent planning and oversight agency created in 1989, reports annually to the state legislature on benchmarks meant to reflect Oregon’s goal of poverty reduction. Over the past three years, the Progress Board has assessed many critical benchmarks and noted that poverty rates in Oregon are still too high, especially for children, women raising children on their own, families of color, and the elderly.

In 1999, the Progress Board reported that even fulltime work did not guarantee sufficient income to provide a family’s basic needs. In

**Oregon Progress Board, Achieving the Oregon Shines Vision: The 2001 Benchmark Performance Report, 2001*

2001, the board reported that the rate of families at or below the poverty line has remained steady over the past five years, despite the raise in Oregon’s minimum wage and a growing economy.*

Well before these findings were released, Oregon had set a new course on welfare restructuring. The state was the recipient of a federal waiver allowing for changes several years before the federal reform law passed. Thus, Oregon had a system in place before many states. Between 1996 and 1999, the period after reform, Oregon saw a 45 percent reduction in the number of its welfare recipients.

Yet researchers across the state have collected evidence that welfare caseload reduction is not a proxy for poverty reduction, suggesting that much more work needs to be done to reduce economic hardship and enhance child and family well-being.

Rather than assume from statistics that families have achieved stable economic lives, reauthorization presents a challenge to confront the actual conditions of those—employed or not—who have left welfare. Reauthorization of welfare carries with it a significant opportunity to shift the focus of restructuring from welfare caseloads to reducing poverty.

Well-being for low-income families requires living wages, expanded childcare benefits, affordable housing, accessible health care, and training and education that lead to better jobs. Family well-being also requires the time and resources to care for one’s family.

Low-wage work may never lead to poverty reduction. While families across income levels experience the high cost of living in a work-first society— a culture that requires parents to make hard choices between their jobs and their children— low-income families feel the strain most acutely.

Today’s welfare program encourages parents to make work a higher priority than their children. Even though we know society itself ends up paying the price for the lack of fami-

ly care for children and adolescents, there is staunch opposition to financial support for mothers who want to stay home and tend to their own.

Restructured welfare catches mothers in a difficult bind. Issues surrounding care for children in low-income families have not been examined closely enough in studies of welfare restructuring, on which policy makers now rely.

Oregon's legislature has set a goal to reduce poverty as part of the public policy effort to strengthen the state's economy. And yet, over the past ten years, policy changes and tax relief have aided primarily middle-class and wealthy families. Even though a viable service/clerical workforce is essential for a strong economy, the most pressing needs of low-wage workers are too often overlooked or disregarded.

Only improved pay and working conditions will overcome poverty. At the same time, it's important to recognize that some Oregonians are in situations that prevent them from working, often only temporarily, and these families need the supports offered by public assistance.

The gap between the wealthiest and the poorest sectors in Oregon and nationwide continues to grow. Poverty rates in Oregon still are as high as 20 percent for children. A serious wage disparity between men and women and between whites and people of color persists.

There is little recognition of the importance of work and care in the home, most often done by women. And many public policy/economic development programs pay scant attention to rural areas. It is critical to consider the needs of Oregon's poor families outside Portland and the Willamette Valley regions. But even living in the valley does not protect workers during economic downturns.

To help all Oregon families thrive, we must guarantee a standard for well-being. When heads of households who are unable to work are penalized for failing to meet work requirements, or when they are inadvertently punished for exceeding income levels for safety-net programs and lose essential aids, entire families feel the negative results.

The Effects of Welfare Restructuring on Children

In a recent report,* the Children's Defense Fund reviewed welfare-to-work data from

**S Arloc, "How Children Fare in Welfare Experiments Appears to Hinge on Income," Children's Defense Fund, 2001, p. 3.*

several programs in order to look more closely at the effects of welfare restructuring policies on children. The most significant findings indicate that child well-being is strongly associated with programs promoting increases in family income. Well-being is adversely affected by programs that result in losses in family income:

"The well-being of children was at the heart of concerns raised by both backers and critics

of the 1996 national welfare overhaul. Yet, until recently little has been known about how children fare when welfare policies shift. Research cannot yet isolate the reasons for the success of the income-lifting programs."

The lack of good measures of children's well-being makes it difficult to address the needs of children in families that are poor. The authors of the report maintain: "Rather than asking, 'Is welfare reform working?' policy makers should ask which policy changes are helping children and which are not working."

If the goal is to end poverty, support must include more than the mandate that heads of households find jobs.

Recommendations

Promote Living-wage Jobs

The well-being of our respondents was profoundly linked to the wages they earned. Respondents described the stress of managing on too little money, the anxiety of never being able to get ahead, and the sadness of being unable to meet the basic needs of their children.

Too few of those employed earn decent wages, a problem that cannot be solved without policies that support the development of higher-wage jobs and meaningful job ladders in the low-wage labor force. Additionally, the minimum wage should be sufficient to ensure that fulltime employment brings a family's income above the poverty line.

Strengthen the Safety Net

More than 200 respondents voiced concern about program eligibility, specifically the limits for safety-net programs on which they depend to stay afloat. Many asked for a system in which benefits decrease more gradually when people are working, instead of an abrupt loss of Food Stamps, childcare subsidies, or the Oregon Health Plan.

Families doing what they can to gain ground should not suffer the loss of the very benefits that could help them make positive strides.

State tax policy should be changed to provide *refundable* state EITC and childcare subsidies,

so that the poorest residents of the state benefit along with those with higher incomes.

The state should increase and target outreach efforts so that low-income families with and without an employed breadwinner understand and can access public assistance programs for which they are eligible.

Offer More Childcare Options

Family well-being depends partly on the quality of care for children. Yet more than one-third of our sample reported problems with childcare, most commonly problems with cost, accessibility and quality. More than half of the respondents with children under the age of six reported problems with childcare. Even those who said they were satisfied with their childcare faced cumbersome and precarious logistical arrangements.

Our respondents called for more and varied childcare options to meet the diverse needs of poor families, including

- expanded eligibility for subsidized childcare
- increased funding for childcare, to broaden support for families and improve working conditions for providers
- support for childcare resources outside an eight -to-five work schedule
- benefits to mothers who require maternity and postpartum leave from workplaces that lack such insurance
- allowance for parental choice — so mothers who want to can remain in the home as primary care provider for infants and very young children.

The above suggestions are all crucial elements in the argument to end the arbitrary five-year time limit on welfare. Many continue to need to care for family members, or struggle with health or other problems.

Create Affordable Housing

Only with strong policies regarding affordable housing will families overcome hardship.

Thirty-eight percent of our respondents reported moving or changing residences within the previous eighteen months, signifying a degree of instability around housing that's a major impediment to family well-being.

At the same time, one-third of our respondents received rental subsidies, obtained low-income house loans, or lived rent-free, which gave them opportunities to establish stable homes.

These programs should be expanded so that people like Sue Jackson, a Food Stamp leaver, can create suitable living conditions. Jackson, who works fulltime and makes \$8.65 per hour, was able to purchase a three-bedroom house for herself and her two daughters because she found a loan through a federal program. Like many of the people we spoke to, Jackson noted that housing subsidies make economic survival possible.

Make Health Care Available to All

Oregon's official long-range planning goal is that 96 percent of Oregonians will have health insurance coverage by 2010. If this goal is to be met, the Oregon Health Plan

must be expanded, and income levels that disqualify low-wage workers must be reexamined. To ensure that Oregon meets this goal federal dollars for Medicaid and other health insurance programs for poor families must be increased.

However, today's shrinking state budget is leading to proposals to reduce coverage, reductions that most directly affect poor families. Many of the families to whom we spoke earned barely over the level to remain eligible for the Oregon Health Plan, yet they could not afford other insurance. When health benefits are offered through their workplaces, the premiums are often unmanageable.

Lucy Anderson is a case in point. When she took on a short-term, part-time job to get out of debt, she became ineligible for the Oregon Health Plan. Anderson couldn't afford private insurance and, because she could no longer pay for the medications she needs to maintain her health, she began rationing her pills and avoided seeing her physician. Because she made a few dollars over the limit—and only temporarily—Anderson's health was quickly in jeopardy.

Without the safeguard of insurance, low-income people have little choice but to push critical health issues aside, which can cause long-term and even more serious health problems.

Income eligibility for subsidized health care should be expanded to ensure that all families receive some health insurance coverage. Moreover, tax credits and other strategies should be employed to encourage more employers to provide affordable, high-quality insurance to employees and their families.

Encourage Education and Training

Many respondents want increased access to educational opportunity, particularly to higher education that will open options for employment and enhance their family's financial stability. A smart poverty reduction approach to welfare restructuring would enable those in school to receive TANF, Food Stamps, OHP, and childcare. This assumption is supported by ample evidence—that education and training lead to better jobs and long-term employment.

An expansion of the federal twelve-month time limit for vocational education and training—along with a much broader definition of training that includes the attainment of “hard” skills—are needed to move workers to higher-wage employment. Funding for training and education through the Workforce Investment Act should be increased. This kind of investment pays off in multiple ways for families and for the larger society.

Support Program Flexibility

States need a degree of flexibility to respond to the structural reasons for poverty that affect different groups, including women, families of color, legal immigrants, people with disabilities, and people in rural communities or communities without an adequate supply of jobs.

In Oregon, Hispanic respondents are more likely to have family incomes below the poverty line, compared to other respondents. If federal regulations prohibit the provision of TANF to legal immigrants who have lived in the United States less than five years, many children are adversely affected.

Moreover, as long as the wages of women, especially women of color, continue to be lower than those of men, and while women still bear disproportionate responsibility for caring for children, economic supports for families headed by women will be necessary to foster family and child well-being.

Furthermore, families in some rural areas have neither the job opportunities nor many of the human and educational services available to those who live in many urban areas. Yet they are subject to the same rules and regulations concerning employment and employment-related activities, often subjecting them to extreme hardship.

One size does not fit all, and policies that fail to take into account the particular needs of these different populations are both unfair and likely to be ineffective.

Respond To Client Needs

When people receiving assistance are treated with respect, and when their situations are assessed in a timely and careful manner, they are more likely to be helped out of poverty. Many public welfare workers put in great effort to improve the lives of clients, but they are too often limited by budgetary restrictions and problematic rules in doing quality work.

Workers are forced to carry high caseloads, leading to client stereotyping. This can mean they view their clients as poor welfare recipients, rather than as individuals.

Our respondents had many suggestions dealing with AFS policies and procedures. Above all, they wanted to be treated with respect and dignity.

In fact, despite suffering hardship, some of those we interviewed were glad to be off assistance—not because they didn’t need it, but because they no longer had to endure “has-sles” and “put downs.” Many were greatly relieved at being released from “the system.”

Gloria Mason, for one, said she was glad to be off welfare, where she felt disrespected. “They treat you like you’re always trying to get one over them,” she recalled. “They make you so frustrated sometimes that you don’t ever want to deal with them.”

A large proportion of respondents clearly indicated a need for welfare agency policy changes. Suggestions included improving caseworker attitudes and decreasing the climate of shame. Many hoped for more individualized attention, while others wanted more skilled caseworkers and more careful record keeping.

An End to Poverty?

Ending poverty requires workforce development, including the creation of jobs that pay enough to keep families from a daunting state of economic hardship. Changes in tax laws and a host of other policies that are outside the purview of TANF reauthorization are also necessary. Furthermore, it is necessary to create a coordinated anti-poverty effort at both the state and federal levels.

When state agencies become fragmented over responsibilities in regard to welfare, poor women and men fall through bureaucratic cracks. The goal of ending poverty requires that agencies work together in clearly delineated and complimentary roles and that states receive sufficient flexibility and resources to address the causes and solutions to poverty faced by their residents.

In reforming welfare, lawmakers now face a number of challenges:

- how to create a system that encourages work with decent wages and hope for long-term stability
- how to maintain a safety net for those for whom employment is not a realistic long-term option
- how to provide services that actually help people deal with barriers to work and economic well-being
- how to support unpaid but socially necessary family care work
- and how to pursue economic and labor force policies that reduce economic polarization, poverty, and social inequalities.

Across the nation, anti-poverty advocates, researchers, and low-income people, such as those who participated in our study, are urging lawmakers to remedy problems that exist in the current welfare policies, and to create a system that not only makes work pay but recognizes the value of the unpaid work of caring for family members in the home.

The clearest result of our two-year study of Oregon families is that there is still much work to be done. And that work requires more than “tinkering,” a well-drawn plan that encompasses stronger efforts for poverty reduction.

Extrapolating from Oregon low-income families, it’s obvious that a national, unified effort is necessary to help our country’s disadvantaged families.

This is a historical moment when security is at the top of our national agenda. Real national security depends on enhancing the economic security of all of America’s families and individuals. Yet, there is a national crisis playing out in far too many family homes, as

hunger, despair, and financial anxiety take their tolls. It is time to stop using “welfare reform” as a false proxy for much needed economic reforms that are critical to reversing troubling social and economic ills that run deep in U.S. society.

We can reverse the economic and political disenfranchisement that is harmful to so many with policies that are fair, affordable, and that value both paid work and the necessary work of caring for and sustaining families.

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