

# Barriers to Employment

## Deborah Satyanathan

Many individuals who receive welfare would like to work but discover that finding and retaining employment is difficult for a number of reasons. Those who are able to leave welfare for work often earn too little to support their families. Current data shows that many of these individuals face significant barriers to employment, and individuals with multiple barriers are less likely to successfully enter the workforce than those with one or no barriers.

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### What are the employment barriers for single mothers in Michigan?

The University of Michigan conducted a study on single mother welfare recipients in an urban county in Michigan. The researchers found that mothers who had one of nine barriers were significantly less likely to be working than mothers who did not have the barrier. Table 1 lists these barriers and shows the percentage of women in the sample reporting the barrier and the national percentage of women with the barrier. It also shows the percentage of women in the sample, with and without barriers, that were working 20 or more hours per week.

**Table 1. Prevalence of Employment Barriers in Michigan**

Employment Barrier	Percent of Women with Barrier		Percent of Michigan Sample Working 20 or more hours	
	Michigan Sample	National Samples	With Barriers	Without Barriers
Less than a high school education or GED	31.4	12.7	38.7	66.3
Low work experience	15.4		33.3	62.3
Previously used fewer than 4 job skills	21.1		34.2	64.0
Had 4 or more prior perceived experiences of job discrimination	9.1		56.7	57.8
Lack of access to a car and/or license	47.1	7.6	44.8	69.2
Recent major depressive disorder	25.4	12.9	47.9	61.0
Drug Dependence	3.3	1.9	40.0	58.3
Mother's Poor Health	19.4		39.0	62.2
Had a child with health, learning or emotional problems	22.1	15.7	48.5	60.6

Source: Danziger et al. (2000) [1].

In addition, 85% of recipients had at least one barrier and 74% had two or more barriers. The study found that the probability that a mother worked twenty hours or more decreases as her number of barriers to employment increases.

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*Another Michigan study suggests that TANF caseworkers do not understand special needs children, have little knowledge of community resources for special needs children and are not aware of how special needs children can impede a parent's ability to find employment.*

### **What does the current research say about barriers to employment?**

Researchers have conducted many studies on potential barriers to employment for welfare recipients. Four of the major barriers identified by analysts at the Center on Budget and Policy Priorities include [2]:

#### *1. Little or no employment skills or education*

- Many studies have found that most welfare recipients do not have the education or skills required by most employers.
- Further education and/or training can assist former welfare recipients in becoming financially independent.
- One study's results suggest that women with an associate's degree can earn hourly wages that are 19 to 23 percent higher than similar women who did not have the degree.

#### *2. Little or no prior work experience*

- Inner cities and rural areas often do not have enough jobs that do not require previous work experience for all of the individuals competing for those jobs.
- As welfare caseloads decrease, states will be forced to assist individuals with little or no work experience in finding employment.

#### *3. Substandard housing conditions or lack of affordable housing*

- Nationally, 75% of all families receiving welfare do not receive housing assistance.
- Substandard housing has been linked to poor physical health among children.
- A study of 13 states found that parents were not able to focus on work activities until they addressed their housing needs.
- Higher housing costs in the suburbs often prevent families from moving to areas with a larger number of available jobs.

#### *4. Having a child with special needs*

- A Michigan study found that 20% of single mothers on welfare reported having a child with a health, learning or emotional problem.
- Parents are unable to find adequate child care for disabled children because of untrained staff or inaccessible locations.
- Another Michigan study's results suggest that TANF caseworkers do not understand special needs children, have little knowledge of community resources for special needs children and are not aware of how special needs children can impede a parent's ability to find employment.

### **Policy Implications**

As time limits begin to run out for many families receiving TANF funds, the number of individuals without work or welfare will increase unless significant attention is paid to the barriers to employment that these individuals face. Based on analyses from the Center on Budget and Policy Priorities, Charts 1 and 2 describe four policy proposals to decrease and/or eliminate possible barriers to work.

**Chart 1. Potential Strategies to Remove Barriers to Employment**

Strategy	Rationale and Description
<p><b>Access to Education and Training</b></p>	<p>Under the federal law, states are able to use TANF or MOE funds for education and training activities. Expenditures can include tuition and other educational costs, supportive services such as child care and transportation, and cash assistance for living expenses. To provide welfare recipients with the opportunity for education or training, states could:</p> <ul style="list-style-type: none"> <li>• Allow participation in education or training to meet state’s full work requirements.</li> <li>• Allow parents to combine classroom, study, and work hours.</li> </ul>
<p><b>Transitional Jobs</b></p>	<p>By creating publicly-funded transitional jobs, states can enable welfare recipients to earn wages and gain valuable work experience while also alleviating job shortages. These jobs can provide a “stepping-stone” for individuals with little or no prior work experience. Approaches to transitional jobs could include:</p> <ul style="list-style-type: none"> <li>• Providing cash assistance large enough to pay participants the entire cost of wages associated with half-time work at the minimum wage.</li> <li>• Integrating education and training.</li> <li>• Allowing participants to work more than 20 hours per week.</li> <li>• Paying wages higher than the minimum wage.</li> </ul>
<p><b>Housing Assistance</b></p>	<p>A housing program targeted towards current and former welfare recipients whose housing problems are a barrier to work can be an effective component of welfare reform efforts. Housing assistance also offers a measure of security that enables parents to focus on employment goals and challenges. Some key issues to look at when designing a housing program include:</p> <ul style="list-style-type: none"> <li>• Eligible families.</li> <li>• Time limits.</li> <li>• Subsidy amount.</li> <li>• Funding sources.</li> </ul>
<p><b>Child Care for Children with Special Needs</b></p>	<p>States have the ability to tap a variety of funding sources, including TANF, the Social Services Block Grant (SSBG) or the Child Care Development Fund (CCDF) to expand the supply of appropriate child care for children with special needs. Promising strategies include:</p> <ul style="list-style-type: none"> <li>• Financial incentives to develop specialized child care services in inclusive settings.</li> <li>• Training and counseling for existing child care providers</li> <li>• Exemption of parents from TANF work requirements when appropriate child care is not available.</li> </ul>

Source: Sweeney et al. (2000). Center on Budget and Policy Priorities [2].

**Chart 2. State and Local Examples of Strategies to Remove Barriers to Employment**

Strategy	Selected State/Local Examples
<p><b>Access to Education and Training</b></p>	<p>Illinois allows students to attend post-secondary education, vocational education, or training programs without also requiring work. The state also suspends the time limit for up to four years for full-time students with at least a 2.5 grade point average.</p> <p>Michigan allows students to meet the state’s 30-hour per week TANF work requirement through classroom, study and work hours. Parents can count up to 20 hours of school and study time toward the work requirement. Participants must be engaged in work activities for the remaining 10 hours.</p>
<p><b>Transitional Jobs</b></p>	<p>Washington and Vermont are operating statewide programs that create transitional jobs, and New York is testing a similar program.</p> <p>Baltimore, Detroit, Philadelphia and San Francisco are also operating transitional job programs.</p>
<p><b>Housing Assistance</b></p>	<p>Connecticut provides vouchers for one year that pay rental costs exceeding about 40% of family income.</p> <p>New Jersey offers vouchers for three years, with the portion of rental costs paid by families increasing from 45% of income in the first year to 65% of income in the third year.</p> <p>Minnesota’s program allows eligibility for five years and pays at least 30% of a family’s income in rent, with a maximum subsidy of \$250 per month.</p>
<p><b>Child Care for Children with Special Needs</b></p>	<p>Alaska, Delaware, Kentucky, Missouri, Oklahoma and Oregon offer or plan to offer higher reimbursement rates for children with special needs.</p> <p>Utah and Michigan provide supplemental grants to providers in recognition of the higher costs of caring for children with special needs. Georgia and Illinois treat caregiving as a work activity when parents remain home with children who are disabled.</p>

Source: Sweeney et al. (2000). Center on Budget and Policy Priorities [2].