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How State Welfare Rules Affect Low-Income Single Mothers without Cash Incomes

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As the 1996 Personal Responsibility and Work Opportunities Reconciliation Act marks its twentieth anniversary, researchers are still exploring the impact of this law, called “welfare reform.” Although this law’s Temporary Assistance for Needy Families program helps some groups of poor people, it leaves others without any stable cash support. One group seriously at risk consists of low-income single mothers with children who end up with no incomes from either welfare or paid jobs. Researchers call them “economically disconnected.”

Why Should We Care?

Low-income mothers and children who have have no documented cash income of their own may be eligible for Temporary Assistance to Needy Families, yet many do not get those benefits. This is a cause concern, because families suffer when they have no cash at all. And we can also ask whether these programs are sufficiently accessible to those in most need. Available data show that “take-up rates,” that is, use of benefits, fell to about 30 percent in 2009 for eligible families. In 1990, moreover, studies found that about ten percent of low-income women subsisted without any cash; but the proportion rose to more than 20 percent by 2010.

Such “disconnected mothers” with little or no income are among America’s most economically vulnerable people. They are more likely than other low-income single mothers to live in public housing as opposed to apartments, and they experience severe hardships, sometimes even going without food. Prior studies have identified a number of reasons why certain poor women become so cut off from both work and public cash assistance. Many find it hard to get or keep jobs, because they lack childcare or transportation, or because they have to care for an ill family member. Many of these women also suffer physical and mental health problems that prevent them from working; or they have few opportunities due to limited work experience, learning disabilities, and low levels of educational attainment.

Do State Welfare Push Women to the Margins?

Many, if not all, of these families appear to qualify financially for public benefits that could reduce their hardship, yet are not receiving any cash assistance. Why? Although some very needy women may simply decide not to apply for benefits, many may make choices influenced by program rules that make them ineligible despite severe financial need. The 1996 welfare law prompted major changes in the delivery of welfare benefits across all U.S. states. All states must deal with fixed federal grants and are required to institute time limits for people to get cash benefits. Nevertheless, states have some flexibility in how they define welfare rules and allocate the funds. Consequently, variations in state rules and procedures can affect decisions by poor mothers about applying for and using temporary assistance benefits.

Very low benefit rates in certain states may discourage women from applying – and some states actively try to divert poor women into programs other than Temporary Assistance for Needy Families. State rules about time limits, sanctions, and exceptions can also influence how long women receive cash assistance. Some may leave or get pushed out of programs before they have jobs. Although shorter time limits for welfare are meant to prod women into jobs, in practice positive employment outcomes do not happen for many of these mothers.

Research by my associates and I focuses on how state welfare rules relate to the likelihood of poor women ending up without any income from work or welfare. We explored these issues using data from the Survey of Income and Program Participation and the Welfare Rules Database covering the period from April 1996 to January 2007 – a decade of great change and variation in state welfare rules. In a way that protected personal information, the data analysis was conducted at the New York Census Research Data Center at Baruch College, a secure laboratory operated in partnership with the U.S. Census Bureau's Center for Economic

Studies.

Time Limits, Benefit Levels, and Diversion Programs

Our findings indicate that state Temporary Assistance rules do matter, helping to explain why very needy women do – or do not – end up severely marginalized, without any cash income.

Our strongest finding is that **poor women who live in state with lower time limits for cash welfare assistance are more likely to end up disconnected, trying to survive without any cash** income. Because time limits are visible and easily understood, this is not surprising. Some poor women in these states may have collected welfare benefits for a period and simply reached the lifetime limit, losing eligibility. But others who could apply may be discouraged by the strict limit. Extending limits in states where they are very strict would not only allow very needy recipients to remain in the Temporary Assistance program longer; such a step might also encourage very needy women to apply when they actually are eligible. They might become less worried about losing eligibility for a time of future need. It is also possible that very strict limits signal a harsh administrative process, in which caseworkers tend to discourage needy mothers.

Two additional program rules also have a significant impact. **States with more generous benefits tend to put poor women less at risk for becoming disconnected – and the higher benefit levels do not discourage employment.**

On the other hand, **states that try to divert needy women into programs that provide just short-term cash help rather than longer-term benefits tend to end up with more disconnected needy women trying to get by without any cash income.** Furthermore, short-term diversion programs do not seem to help women find work. These programs may not function as intended.

For the foreseeable future, U.S. welfare programs are likely to remain in the hands of the states. Our research shows that specific state rules matter – and states that want to prevent the neediest women from falling into severe economic distress without any cash income, should start by reconsidering overly strict time limits for Temporary Assistance. Such limits can end up sending overly discouraging messages to women truly in need and potentially eligible for public help.

Read more in Andrea Hetling, Jinwoo Kwon, Correne Saunders, "The Relationship between State Welfare Rules and Economic Disconnection among Low-Income Single Mothers" *Social Service Review* 89, no. 4 (2015) 653-685.