MOVING FROM WELFARE TO WORK

ASSET-BUILDING PRACTICES IN WELFARE REFORM

Federal requirements under welfare reform have emphasized work-seeking activities, sanctions for non-compliance, and time-limited assistance. At the same time, states have had considerable flexibility in the use of funds. To accomplish welfare to work, some states have used strategies that can promote the building of assets. This BRIEF presents examples of state organizational structures and program elements with the potential for building assets in TANF recipients; it is not a comprehensive survey. This is the third in the series on welfare reform.

REORGANIZING STATE SYSTEMS FOR WELFARE TO WORK

In changing the philosophy of welfare from ongoing assistance to time-limited support for work search, all states developed strategies for adhering to the federal specifications for Temporary Assistance for Needy Families (TANF)—emphasizing work first, using sanctions for non-compliance, establishing time-limited access to federally-supported assistance, and meeting the federal requirements for the percentage of the caseload that must be engaged in work.

Within this framework, states have adopted somewhat different philosophical approaches. While Wisconsin, for example, has placed total responsibility for accomplishing employment on the recipient, other states have used a Personal Responsibility Agreement that specifies a shared state-recipient responsibility for accomplishing employment.

States have varied in their administrative structures and the ways in which they have organized services, reflecting local political cultures, level of sophistication in program formulation, and local circumstances. TANF has resulted in systems reorganization, change in job assignments, and public-private partnerships, as illustrated by the experience in some states, outlined below.

STRATEGIES USED

Creating partnership between state employment and social service agencies

- In Ohio, this partnership culminated in a merger of the two departments.
Moving from state level control and operation to a more diverse locally-driven structure

- Ohio has devolved responsibility for welfare reform to the counties, establishing a franchise agreement between the county commissioners and the state. In addition, Ohio paralleled the federal-to-state devolution of funds with a state-to-county devolution, sending a block grant of pooled funds (covering 11 funding streams) down to the counties. This has resulted in programming unique to each county.

Consolidating functions that had been separate into a single case manager

- In many states, welfare recipients are assigned to “integrated” case managers responsible for both welfare eligibility and service planning for employment training and social services.

Accessing expertise by utilizing teams

- Wisconsin created job centers that brought together staff with expertise in mental health, substance abuse, Head Start, public health, and vocational/technical training.²

Using contracts with community agencies to provide case management, job search training, and other functions

- Although Oregon defined the components of the welfare to work program, each district was allowed to customize the components. The Portland area welfare offices designed the program in collaboration with local community agencies and implemented it through a cooperative partnership between the welfare department and various local service providers. Partners have included the local community colleges, chambers of commerce, Job Training and Partnership Act (JTPA) agencies, the state Department of Employment, and others. Many program services are provided by the local community colleges and are of high quality.³

- Michigan has used public/private partnerships involving service organizations and religious groups to fill local gaps in childcare, transportation, mentoring, counseling, etc.⁴

- In Minnesota, counties utilized grants from the McKnight Foundation to develop partnerships to identify and fill gaps in services.⁵

- After a collaborative planning process involving the state, the city, the Pew Charitable Trust, and community organizations, Philadelphia developed an independent nonprofit entity, the Transitional Work Corporation, to manage welfare to work.⁶

CHARACTERISTICS THAT SUPPORT EFFECTIVENESS

Characteristics that enabled states to serve substance abusers through TANF were identified through a survey of state administrators. These findings are also relevant to the effectiveness of other aspects of TANF.

- Support from political and legislative officials resulted in the legal mandate and leadership for integrated policy development and public support.

- Collaboration among state agencies resulted in a uniform vision at the state level to achieve program goals and coordination of local agencies, guidance from top level officials, cross agency training, and cross agency tracking systems. It was easier to achieve these accomplishments when responsibilities for various program components were located within the same agency.

- Organizations had the capacity to meet the new challenges involved in assessment, training staff, and collecting data, as well as overcoming reluctance of front line workers to talk about difficult issues.

- Responsibility was devolved to the local level. Local officials participated in state decision making.⁷
PROGRAM ELEMENTS THAT BUILD ASSETS

Building assets refers to using approaches or activities that promote the strengths of clients and enhance their capabilities. While building assets is not a TANF objective, some states have components in their programming that might be used to promote that objective.

- Some welfare-to-work programs emphasize services tailored to the needs of each recipient.
- A few states—despite the federal limitations—recognize that enhancing capacity through education results in better and more stable employment outcomes.
- Some programming emphasized increased economic resources through higher paying jobs or use of transitional assistance, briefly reviewed in BRIEF No. 27. Increased family income has been found to be correlated with better outcomes for children. A very few areas have experimented with building capital assets, i.e., savings accounts or access to other resources that can be used for education, housing, or income development (to be explored in a future BRIEF).

INDIVIDUALIZING SERVICES

Many states recognized that welfare recipients are diverse in their capacities and life circumstances and tailored their program accordingly. States have developed individualized strategies for case management, assessment, and service planning, recognizing that needs vary among families.

Case Management

Under TANF, assistance staff have become “case managers.” In most states, these positions are not filled by trained social workers. Rather, assistance staff now function as sales persons or coaches, directing their efforts to convincing TANF recipients that employment is possible. In some states, persons with prior experience as a welfare recipient are employed as case managers, which presumably lends credibility to their coaching.

With the objective to move people off the assistance rolls as rapidly as possible, case managers in some states have provided only as much service as was needed or asked for. In others, such as Maryland, efforts were made to improve education, training, and job retention through intensive case management and service coordination.

Assessment and Service Planning

Given the characteristics of the caseload, states have found that intervention services are often needed in order to make recipients employable.

- **Training TANF staff to identify special needs**
  - Kansas has refined a tool for case managers to use to diagnose learning disabilities.
  - Illinois has trained TANF staff to identify and refer substance abusers to assessment and treatment resources.
  - A New York City project is using a computer program to identify applicants who need further assessment and services for mental health problems.

- **Placing specialized staff in welfare offices for a professional assessment**

  Various provisions have been put in place to use professionals to assess strengths and needs on site. This results in accomplishing assessments for the 30-50 percent of recipients that don’t follow through when referred off site.

  - Nevada assigned social workers to welfare offices to build bridges between social work services, welfare, and substance abuse treatment.
  - North Carolina placed a qualified substance abuse professional, employed by mental health, in every welfare office.
  - Ohio assigned a drug and alcohol clinician to do assessments within the TANF office.
Kansas locates domestic violence counselors in the larger field offices and also cross trains caseworkers.

Kentucky placed trained clinicians in TANF office to identify and address issues of domestic violence, substance abuse, mental health, and learning disabilities. They assess, refer, and follow up recipients and also provide consultation to case managers.\(^\text{15}\)

**Specializing services**

Ohio uses special employment and training grants for women on assistance for 24 months or longer and women who have characteristics that could lead to long-term dependency (e.g., teen mothers, multiple barriers to work, and those without a high school diploma). The county must submit a plan to serve this population, using community resources. Special programming can serve as alternatives to employment for up to 20 percent of the caseload in Ohio. These alternatives include housing search, school enrollment, or sheltered work as well as parenting classes or substance abuse treatment and counseling for domestic violence.

Tennessee refers families with barriers to employment to a Family Services Counseling program where a social worker undertakes a thorough assessment and addresses the barriers identified. The resulting work plan includes barrier-removal activities. Work requirements or time limits can be temporarily suspended.\(^\text{16}\)

Philadelphia’s transitional work program for long-term recipients provides paid work experience resulting in a work history and references.

The Building Nebraska Families program offers individualized home-based education and mentoring to help participants develop life skills and overcome barriers, thus indirectly enhancing their employability.\(^\text{17}\)

**Targeting Special Populations**

- Kansas has developed specialized programs/protocols for men and women newly released from prison.

**Support for Job Retention**

Some states, particularly those with transitional employment programs, have found that on-the-job support enhances the likelihood of successful placements.

- Chicago found that helping clients with conflict resolution and basic problem solving can be a significant contribution of case management toward job retention.\(^\text{18}\)

**ENHANCING CAPACITIES THROUGH EDUCATION AND TRAINING**

Federal regulations specify high school completion for adolescent parents. With this exception, few states—for both philosophical and fiscal reasons—have used an education and training strategy. In most states, “training” has been limited to job search skills or the minimal preparation required for entry jobs.

Nonetheless, for those with low education and skills, finding and keeping jobs and moving out of poverty requires a conscious effort to upgrade competencies. Each year of additional schooling for welfare recipients has been found to represent a 7 percent increase in wages.\(^\text{19}\) States that have included education and training have been more effective in earnings growth.

Education and training components have included high school completion, occupational skills training, community college, and college.

- Oregon provides educational opportunity from a few weeks to two years duration, based on job market requirements. As a result, Oregon’s employment and earnings gains have surpassed those of any other state.\(^\text{20}\) Portland utilizes a more “mixed services” strategy than is typically found in “work first” programs. There is no single uniform path through the program. Persons with workplace skills receive assistance in finding a good job. Those with less education and work
experience are assigned to obtaining a GED, vocational training, personalized work experience (in non-profit and for-profits), and life skills training to improve their employability. Over half of those with a high school diploma attend community college or college.²¹

- In Colorado, occupational skills training has resulted in sizeable earnings growth in the year after exiting welfare. Recipients without this training have not increased earnings.²²
- Ohio counties have variously promoted vocational education and training for such skills as car repair, apprenticeships in skilled trades, service jobs, and nurses aide training.
- In Minnesota, recipients can participate in 12 months of post secondary training or education plus an additional 12 months; participants have a commitment to repay the state once income exceeds 150% of poverty.
- In Illinois, full-time students with at least a 2.5 grade point average can be covered for college attendance for up to four years.²³ Kentucky and Maine also allow for extended college attendance.²⁴

With barriers to employment in a weakening job market and more concern about issues of job retention and movement out of poverty for those who do find jobs, training and education strategies become more important. States are beginning to find it pays to be more flexible in providing these options.²⁵

Training programs tend to be most effective when recipients select the program rather than being enrolled in an available slot and when training is coupled with careful service planning and case management.²⁶ The experience of states before and after TANF indicates that completion of high school plus occupational skills training, or post secondary education paired with a clear employment focus, rather than education alone, results in more effective placement and higher earnings.²⁷

ENHANCING CAPACITIES THROUGH TRANSITIONAL WORK PROGRAMS

A transitional period providing a mix of case management, training and ongoing job support has proven to be an effective way to move people with multiple barriers into work. Philadelphia, Milwaukee, St. Paul and the state of Washington provide a comprehensive flexible balance of work and training to the hardest to employ clients. A study by Mathematica Policy Research found that 81 to 94 percent of individuals who complete these programs find jobs.²⁸

Philadelphia’s Transitional Employment Program

With a caseload that generally had failed to complete at least three other welfare-to-work programs, Philadelphia decided that a transitional employment program was the best way to upgrade skills, promote job retention, and maintain and enhance income. Women receive child care and transportation subsidies throughout the process as well as provisions that enhance income and make work more attractive than welfare.

Orientation Period. Long-term welfare recipients are placed on the payroll of the Transitional Work Corporation (TWC) at minimum wage. A facilitator identifies and addresses barriers to employment, providing support and motivation through a relationship-based approach. For two weeks, participants attend 25 hours of orientation to develop appropriate skills including interviewing, resume writing, and professional etiquette. They then interview for a transitional job in nonprofit organizations or government.

Transitional Employment Period. For approximately four months, women continue to receive wages from the TWC, work for 25 hours a week, attend 10 hours per week of professional development training, and receive mentoring from an on-site work partner and TWC staff.

Professional development involves upgrading basic skills in reading, math, English, and computers, as well as exploration of employment goals and advancement for careers in health care,
hospitality, professional services, child care, or data processing. A career advisor works with each client to develop goals in an Employment Development and Retention Plan.

TWC staff coach clients in handling time management and financial issues that can interfere with employment; maintaining enrollment in food stamps, child care, and housing assistance, as well as attendance at court proceedings, can be significant barriers for some women.

**Permanent Employment.** TWC sales staff assess the client’s skills and interest, identify job leads, and support clients in their job search.

**SUMMARY**

TANF was not designed as a program to build assets in the parents and children in welfare families. The emphasis on reducing the cost of welfare framed the program with explicit requirements and sanctions. That some states incorporated provisions to improve recipients’ capacity and outcomes is a tribute to their thoughtful planning as well as to the flexibility allowed in the use of funds.

There is enormous variability in the way that states and counties have implemented TANF, and no systematic evaluation of alternative ways of operating has been undertaken. In general, reported data about outcomes reflects experience under pre-TANF experiments.

Some conclusions about the welfare-to-work experience seem evident.

- The shift from an entitlement to a “welfare to work” orientation has created changes in expectations and behavior for both staff and recipients.
- The flexibility accorded to the states in the use of TANF funding has promoted creativity, resulting in the capacity to provide individualized services and supports that address the issues in finding and retaining employment, development of some promising new service delivery systems for moving families from welfare to work, and some efforts at support for the continuing employment of low income working families.  

After placement, TWC staff continue to provide support for six months to overcome personal and family-related challenges. A payment of up to $800 rewards continuing employment.

**Costs.** Intake and assessment, orientation, job placement, retention services, and overhead total $3,044 per participant. Ninety-two percent of clients who complete the transitional employment phase obtain permanent jobs, 80 percent in for-profit companies. Sixty-two percent of those placed sustain employment for at least two quarters.

It would be unfortunate if, in a push to reduce welfare rolls even further, Congress and the administration impose requirements in the reauthorization of TANF that would limit a state’s options. Unrealistically high requirements for participation and work hours, for example, will favor punitive rather than creative programming. A return to one-size-fits-all services will benefit neither the states nor the recipients of welfare.

**Programs that Work**

Some analysts have suggested that the following characteristics make a difference in effectiveness.

- Meet the unique needs of poor families, including those with more serious barriers to employment.
- Respect that achieving self-sufficiency for low-income people can be a long-term process.
- Assess the client's personal barriers to employment early.
- Effectively train staff to identify and remove barriers to employment.
- Invest significantly in addressing personal barriers, with services often involving the entire family.
- Blend classroom education and training with hands-on skill building.
Include a mix of job search and life skills training, work-focused basic education, and occupational training.

Provide economic incentives for work through income supplements, earned income disregards, or tax credits. In its initial thrust during a time of prosperity, welfare reform has been judged by the more than 50 percent reduction in the numbers of families on welfare. TANF has resulted in neither the disaster predicted by liberals, nor the transformation sought by conservatives. Some recipients have been able to move to independence; others need a significant amount of support to become work-ready; a few may never be able to achieve full independence.

While the present economic and political climate remains focused on minimizing governmental expenditure, future policy makers are likely to judge this human experiment by broader measures, e.g. the extent to which families achieve incomes above the poverty level and stable employment, and are enabled to support the social-emotional and cognitive development of their children.

Additional Information About the Impact of TANF
The Henry J. Kaiser Family Foundation has two recent publications that review information on the impact of TANF.

- **Teens and TANF: How Adolescents Fare Under the Nation’s Welfare Program** (December 2003) provides background on the welfare program and summarizes research on and the implications of several TANF policies on low-income teen parents receiving TANF benefits, youth living in TANF families, and youth who participate in TANF-funded programs. Available at: [http://www.kff.org/womenshealth/3390-index.cfm](http://www.kff.org/womenshealth/3390-index.cfm)


NOTES
10. See BRIEF No. 27.
health needs and children with special needs. Issue Brief 2: Screening and Assessment. Washington, DC.

14. Georgetown University.


26. Lewis.

27. Martinson & Straws.


29. In 1997, two-thirds of the TANF funds went for cash assistance; in 2001, this amount was a little more than one-third. In addition to the supports for low income working families, TANF funds have been used for a wide range of community programs for low income families. TANF funded services currently are reaching 46 percent more families than receive welfare assistance. Waller.


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