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Job Stability and Wage Progression Patterns among Early TANF Leavers

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This article reports on first-year employment experiences of a randomly selected sample of 213 Illinois TANF leavers. Aggregate employment levels were 70 percent at exit, and leavers typically generated earnings from a single full-time job. However, employment often was unstable, so that only about one-fourth of leavers had the same job both at exit and when interviewed 10–11 months later. Employment instability resulted from the marginal or temporary nature of many jobs, as well as employment barriers such as health problems and lack of day care. Average wage levels easily exceeded the minimum wage and grew during the first year after exit, but nonetheless often were insufficient to provide incomes above the poverty level. The findings underscore the need to develop post-employment service strategies that assist persons in accessing work-related benefits such as child care and Medicaid, as well as improved income support strategies such as expansion of the Earned Income Tax Credit.

Since the Personal Responsibility and Work Opportunities Reconciliation Act of 1996 (PRWORA) established state Temporary Assistance for Needy Families (TANF) programs, public

assistance caseloads have declined nationally by over 40 percent (U.S. Department of Health and Human Services, 1999). While these caseload declines have led to optimism concerning the impact of TANF in reducing welfare dependency, they also have raised questions about the wellbeing of persons who have left TANF. Particularly troubling are early findings indicating that TANF leavers typically do not earn enough to raise incomes above the poverty level (Brauner & Loprest, 1999; Tweedie & Reichert, 1998).

A related issue not well addressed in early TANF studies concerns the stability of employment and the progression of wages over time. From a theoretical perspective, the assumption underlying optimistic visions of welfare reform is that TANF leavers will gain experience in early jobs, which will translate into human capital required for higher paying jobs (Becker, 1967). However, a competing view is that TANF leavers are likely to be consigned to a secondary component of a dual labor market, in which movement from low-paying and unstable jobs to higher income careers in primary labor markets is difficult (Gordon, 1972).

The employment experiences of TANF leavers are important in assessing both these theoretical perspectives and related public policy implications. This article reports on first year employment patterns of a random sample of TANF leavers in Illinois. We will emphasize leaver experiences with wage changes, job changes, and job loss, as well as factors associated with difficulties in maintaining employment. Based on these findings, recommendations for welfare policy and program development, as well as for additional research, are presented.

PREVIOUS RESEARCH ON WELFARE AND WORK

Research has shown that employment and earnings levels are among the most important factors in predicting initial welfare entries, welfare exits, and welfare recidivism (Bane & Ellwood, 1994; Boisjoly, Harris, & Duncan, 1998; Harris, 1993, 1996; Pavetti, 1993). Harris (1993) found that two-thirds of all AFDC exits were related to increased earnings. Partially because these employment exits often do not succeed, welfare recycling or recidivism is common (Harris, 1996; Pavetti, 1993; Spalter-Roth, Burr, Hartmann, &

Shaw, 1995). For example, Pavetti (1993) found that almost two-thirds of women who left welfare for work returned to welfare at least once, and Harris (1996) reported that earnings reductions were the primary reason for the high number of returns to welfare. Wagner, Herr, Chang, and Brooks' (1998) longitudinal study of welfare recipients participating in a voluntary employment and training project in Chicago further suggests how unstable employment patterns contribute to frequent welfare recidivism. Most participants in their study lost initial jobs quickly. Although many were able to obtain other jobs and eventually achieve steady employment, this process took considerable time and often involved intermittent public assistance receipt.

Both the structural characteristics of jobs and the characteristics of workers are important in understanding why employment exits so often fail. Several studies have shown that the jobs held by current and former welfare recipients are usually low-paying and tenuous, largely because welfare recipients typically lack the education and other human capital required to obtain higher paying jobs (Edin & Lein, 1997; Pavetti, Holcomb, & Duke, 1995; Riccio, Friedlander, & Freedman, 1994). Welfare recipients' levels of education and amounts of job experience likewise have been found to predict success in exiting welfare (Pavetti, 1993; Pavetti & Acs, 1997).

Problems in accessing medical care, child care, transportation, and other support services also may undercut attempts to leave welfare for work (Pavetti, 1993; Edin & Lein, 1997). These problems, when coupled with low wage levels, stimulated several analyses suggesting that low-wage work did not result in substantial improvements in economic wellbeing for welfare recipients (Bane & Ellwood, 1994; Brooks & Buckner, 1996; Edin & Lein, 1997; Gueron & Pauley, 1991; Jencks, 1992;). Correspondingly, public policy debates have focused on developing programs and policies to better support low-wage work efforts. As a result, the Family Support Act of 1988 and several federal Aid to Families with Dependent Children (AFDC) waiver demonstration programs emphasized the availability of these support services and improved earnings disregard rates, as have many TANF programs (Hagen & Davis, 1994; U.S. General Accounting Office, 1998). The expansions of the Earned Income Credit for low-wage workers

during the 1990's also have been geared toward making low-wage work more economically attractive (Ozawa, 1995).

Personal difficulties of individuals, such as poor physical or mental health, substance abuse, and domestic violence, also have been shown to influence the work efforts of welfare mothers (Kalil, et al., 1998). In addition, analyses of welfare to work demonstration projects have found that recipients often lost jobs because of problems with absenteeism, punctuality, or not following work rules and responsibilities (Berg, Olson, & Conrad, 1991; Hershey & Pavetti, 1997).

Considerable evidence is available on the effectiveness of pre-TANF work programs conducted under federal AFDC waivers. Though a review of these program results is available elsewhere (Friedlander & Burtless, 1995; Gueron & Pauley, 1991), a few points are pertinent. On the positive side, evidence suggests that welfare programs that emphasized a rapid attachment to the work force often led to increased earnings and decreased reliance on welfare, and hence were seen as cost effective from the governmental perspective (Friedlander & Burtless, 1995; Gueron & Pauley, 1991). However, in terms of overall disposable income, program participants in the short run generally ended up little if any better off than control subjects in traditional non-work oriented welfare programs. This resulted from the low initial wage structure of jobs into which AFDC recipients typically exited; difficulties in advancing to higher paying jobs; reductions in welfare benefit receipt as earnings increased; and work-related costs not incurred by those who did not work (Edin & Lein, 1997; Friedlander & Burtless, 1995; Pavetti & Acs, 1997).

Since TANF implementation, many states have initiated studies to investigate the employment experiences and economic wellbeing of TANF leavers. Early results from these studies have found fairly high levels of employment among leavers, but have presented little information on how employment at welfare exit changes over time (Brauner & Loprest, 1999; Tweedie & Reichert, 1998). Neither has research to date examined wage impacts associated with job changes by TANF leavers, nor the most prevalent reasons that TANF leavers offer for leaving jobs. The study findings presented here take an initial step in addressing these issues.

METHODS

Program Environment

Because TANF programs vary between states, research on employment patterns among TANF leavers is needed in a variety of program environments. Both because of its size and program characteristics, Illinois provides one important such environment. One year after the implementation of state TANF programs, Illinois had the third highest TANF caseloads in the country (New York Times, 1999). Like most states, Illinois emphasizes a rapid attachment to the labor force through mandatory job search soon after recipients enter the program (State of Illinois, 1997). However, Illinois also has been ranked highly among states in terms of developing policies designed to reward and reinforce work efforts (Center on Hunger and Poverty, 1998). Illinois parallels other states in continuing Medicaid coverage for up to a year for those leaving welfare for work, and coverage past a year is available for children. Working leavers also are eligible for day care assistance, with a sliding scale of co-payments based on income. Those TANF recipients who combine work with welfare are allowed to keep \$2 of every \$3 earned, which is one of the more generous state earnings disregard policies. Unlike most states, Illinois does not apply time limits as long as a recipient is working at least 30 hours per week, but does follow the federal policy of requiring work within two years for continued receipt.

Sample

The study findings are based on telephone interviews conducted with a random sample of persons who left TANF in December, 1997, about six months after the Illinois TANF program began. The sample was stratified to allow regional comparisons. For sampling purposes, persons were included in the sampling frame only if they left in December 1997, and also remained off TANF in January 1998. This "two-months off" criterion was intended to assure that those interviewed really left the TANF program. That is, previous research has shown that many welfare recipients may leave welfare temporarily due to administrative errors, temporary failure to comply with program requirements, or misunderstandings with caseworkers, and then quickly be reinstated once corrective actions are taken (Pavetti, 1993).

Applying these criteria, a total of 4,050 Illinois TANF cases were closed in December 1997. From this sampling frame, 700 were randomly selected to be approached for interviews. Of these, 30.5 percent or 213 leavers were interviewed. Most of the non-response was due to inability to locate subjects, as opposed to refusals from those we were able to contact. Less than 10 percent of those with whom contacts were made declined to be interviewed.

The average respondent in the resulting sample was about 30 years old and had two children, and three-fourths of respondents were not living with a spouse or unmarried cohabitant. Respondents typically had limited education, with over two-thirds having received at most a high school diploma. Slightly over half were African-Americans, while 40 percent were white. The average of 5.6 years ever having received welfare indicates that respondents generally had considerable experience with the welfare system.

A comparison of respondents and non-respondents using administrative data provided by The Illinois Department of Human Services (IDHS) indicated that the sample closely resembled the population on most important variables. Respondents did not differ significantly from non-respondents on gender, age, number of children, and educational level. Respondents were slightly less likely to be married than non-respondents (21.9 versus 26.9 percent). In addition, respondents were somewhat more likely than non-respondents to be either white or African-American, and less likely to be Hispanic.

Survey Development and Conduct

The authors developed the survey instrument in collaboration with IDHS staff. In addition to detailing employment experiences since leaving welfare, respondents were asked about their reasons for leaving welfare, barriers to employment, use of support services since leaving welfare, hardships experienced before and after leaving welfare, and family and demographic characteristics. Although the survey design is not longitudinal, useful information was captured on employment dynamics not available from other cross-sectional studies. Respondents were asked about their employment both when they left TANF and most recently, which allowed for analysis of job stability and wage changes.

Based on addresses provided by IDHS, all leavers selected for study were mailed a letter that described the study and offered \$15 if they would complete an interview about their experiences since leaving TANF. A toll free number was provided to contact if they were interested. Calls also were made to potential respondents based on IDHS provided telephone numbers. Because many addresses and telephone numbers were outdated, other data bases subsequently were used to find updated address and telephone information. For those recipients for whom working telephone numbers were found, at least 12 calls were made on various days and times of day before the case was closed as a non-response.

Trained survey research staff conducted the telephone interviews, which generally lasted from 20 to 30 minutes. Interviews were conducted in October and November 1998, 10 to 11 months after the December 1997 TANF exit used as selection criteria. At the time of interviews, 77 percent of respondents had not returned to TANF at any time before being interviewed, and 8 percent had returned to TANF at some time but were off again when interviewed. About 15 percent were back on TANF when interviewed.

FINDINGS

This section presents study findings on respondent employment patterns. Aggregate data are presented first on work status, hours worked, types of work, and wage levels both at TANF exit and at interview. To demonstrate the dynamic nature of post-TANF employment patterns, we then examine how the employment patterns of respondents changed during the period between TANF exits and study interviews.

EMPLOYMENT RATES, WAGES, AND TYPES OF WORK

Slightly over 70 percent of study leavers were employed when they left TANF (Table 1). Employment rates had declined slightly to 64.8 percent at the time of interviews 10 to 11 months later, but this decline was not statistically significant. While slightly over 35 percent of leavers thus were unemployed when interviewed, about one-third of these lived in households in which spouses or other household members were working. As a result, about one-fourth of all respondents were living in a household in which no one was working.

Table 1

Household employment patterns for study leavers (N = 213)

	% At Exit (n)	% At Interview (n)
Total		
Employed	70.4 (150)	64.8 (138)
Unemployed but other household member employed	10.8 (23)	11.7 (25)
Unemployed and no other household member employed	18.8 (40)	23.5 (50)
	100.0 (213)	100.0 (213)
Cases with no Partner Present		
Employed	73.5 (122)	67.1 (108)
Unemployed but other household member employed	4.2 (7)	4.3 (7)
Unemployed and no other household member employed	22.3 (37)	28.6 (46)
	100.0 (166)	100.0 (161)
Cases with Partner Present		
Employed, but partner unemployed	26.1 (12)	23.5 (12)
Employed and partner employed	32.6 (15)	35.3 (18)
Unemployed, but partner or other household member employed	34.8 (16)	35.3 (18)
Unemployed, and no other household member employed	6.5 (3)	5.9 (3)
	100.0 (46)	100.0 (51)

Working leavers typically found jobs that approximated full-time work. The mean weekly hours worked at the time of exit was 36.4, and this number remained stable at 37.4 hours at interview. Both at exit and at interview, only about one-fifth of working leavers were working less than 30 hours per week. Further, over 90 percent of working leavers were able to generate their work hours from a single job, indicating that the norm for working leavers was full-time work at a single job.

The wage levels of leavers generally were well above the minimum wage, and mean hourly wages rose slightly from \$7.36 for those working at exit to \$7.95 for those working when interviewed. This indicates that there was potential for earnings growth. However, low wages remained a problem for many leavers, which is reflected when the recent employment experiences of leavers who were unemployed when interviewed but had worked since leaving TANF are included in the analysis. About 15 percent of respondents who had worked since leaving TANF earned the minimum wage (\$5.15) or less on their current or most recent job, and 35 percent earned \$6 per hour or less. Assuming that a leaver relied totally upon her own earnings, a wage level of at least \$7.20 per hour would be required to raise a family of three above the poverty level. Over half of study leavers earned less than this wage level on their current or most recent job.

Respondents who were unemployed when interviewed but had worked since leaving TANF typically reported lower wages on their most recent jobs than did workers who were working when interviewed. Thirty-seven percent of these unemployed leavers earned the minimum wage or less on their most recent job, and 57 percent earned \$6 an hour or less. Mean hourly earnings on the most recent job for these leavers were \$6.62, or \$1.33 an hour less than mean hourly wages for those who were working when interviewed.

Nearly three-fourths of working leavers had service-related jobs when they left TANF. Sales/cashier (23.5 percent of working leavers) and clerical (18.8 percent) were the most common service jobs, and substantial numbers also worked in hospitality services and hospital services. While some patterns of occupational job shifting occurred between exit and interviews, respondents typically remained in service-related jobs.

EMPLOYMENT DIFFERENCES BY MARITAL OR CO-HABITATION STATUS

Slightly over one-fifth of study respondents lived with a partner, either a spouse or an unmarried co-habitant. Table 1 reveals variations within overall employment patterns according to whether respondents lived with such a partner. Those

leavers not living with a partner were more likely to be working both at exit and interview than their married or co-habiting counterparts. However, this gap had narrowed by the time of interviews, because employment rates for those living with a partner remained stable while rates for those not living with a partner declined slightly.

Because partners often worked, those living with a partner were much less likely to live in households where no one worked. Only 6 percent of those living with a partner lived in households where no one was working at the time of interview, as compared to nearly 29 percent of those not living with a partner. In addition, about one-third of those living with a partner lived in households in which both the leaver and the partner were employed. As a result, those living with partners reported mean household incomes of \$1,677 in the month immediately preceding interviews, as compared to only \$932 for those not living with a partner. While leavers with partners also had on average higher income needs because of larger household sizes, per capita income differences remained when household size was taken in account.

JOB TURNOVER AND WAGE CHANGES

The similarity of aggregate employment levels at exit and interview may suggest fairly stable employment patterns for TANF leavers. However, more detailed analysis of individual employment patterns reveals considerable movement both into and out of jobs over the 10 to 11 month period between exits and interviews. Table 2 shows that 87.3 percent of study leavers worked at some time during the study period, and correspondingly that only 12.7 percent were continually unemployed. However, employment frequently was sporadic. Only 51.6 percent of study leavers were working both when they left TANF and when interviewed, and just 38.0 percent of those leavers who were working at exit still had the same job when interviewed. About 19 percent of leavers were employed at exit but unemployed when interviewed, while 13 percent were unemployed at exit but employed when interviewed. These sporadic employment patterns were similar for the partners of leavers, although partners who were working at exit were more likely to have the same job when interviewed than leavers were.

Table 2

Employment patterns between exit and interview for study leavers and their spouses/partners

	Percent of leavers (<i>n</i> = 213)	Percent of spouse/partners (<i>n</i> = 38)*
Employed some since leaving	87.3 (186)	76.3 (29)
Employed both at exit and Interview	51.6 (110)	55.3 (21)
Employed at interview/Unemployed at exit	13.1 (28)	13.2 (5)
Unemployed at interview/Employed at exit	18.8 (40)	7.9 (3)
Unemployed at exit and Interview— some work Between	3.8 (8)	0.0 (0)
Continually unemployed since left	12.7 (27)	23.7 (9)
Still have same job as at exit	38.0 (57)**	58.3 (14)**

* This number includes the employment patterns for spouses/partners only for those cases in which the respondent was living with a partner both at exit and interview.

** The base for this percentage calculation is the number of respondents who were employed at exit.

Job tenure data further illustrate the short-term nature of many jobs for TANF leavers. For those who were working when interviewed, median tenure on their current job was six months, and over one-third had been in their current jobs three months or less. For those who had worked since leaving TANF but were currently unemployed, median job tenure on their most recent job was only three months.

Respondents who were employed both at exit and at interview frequently experienced wage gains between these time points (Table 3). The mean wage gain for these respondents was 71 cents per hour between exit and interview, and 58.6 percent had received wage increases. In comparison, 26.0 percent had the same wage as when they left, and 15.4 percent had wages decline.

While the short job tenures for many leavers suggest that spells of unemployment between jobs may be problematic, job

Table 3

Wage change patterns for leavers employed both at TANF exit and when interviewed

	<i>Total with jobs both at exit and interview (n = 104)*</i>	<i>Kept same job (n = 52)</i>	<i>Had different job (n = 52)</i>
Percent with:			
Wage increases	58.6 (61)	50.0 (26)	67.3 (35)
No change	26.0 (27)	40.4 (21)	11.5 (6)
Wage decreases	15.4 (16)	9.6 (5)	21.2 (11)
Mean wage change	\$0.71	\$0.41	\$1.02

* Six (6) respondents who worked both at exit and when interviewed were not included in this analysis, due to incomplete wage data.

changes often led to wage growth. In fact, respondents who had changed jobs were more likely to have received wage increases than those who kept the same job (Table 3). Slightly over two-thirds of those working respondents who had a different job when interviewed than at exit from TANF were receiving higher hourly wages, as opposed to 50 percent of those who had kept the same job. The average hourly wage gains for those who changed jobs was \$1.02, as compared to \$.41 for those who kept the same job.

In sum, the prevalence and nature of job turnover is complex. The nearly one-fifth of respondents who were working at exit but not at interview suggests that many working respondents had difficulty finding new jobs after job loss, and about one-fifth of those who changed jobs experienced wage reductions. However, changing jobs resulted in greater aggregate wage growth for those who remained employed, at least over the relatively short time period of this study.

WHY DO TANF LEAVERS HAVE TROUBLE FINDING OR KEEPING JOBS?

Respondents who had worked since exiting but were unemployed at the time of interview were asked why they had lost

their jobs. Analysis of the open-end responses for these 48 unemployed leavers again demonstrates the diversity of employment experiences, with both the structural characteristics of jobs and the personal characteristics of recipients prominently mentioned. Twenty-nine (29) percent of these unemployed leavers said they had lost jobs involuntarily. Most of these involuntary job losses resulted from the temporary or seasonal nature of the jobs, while a smaller number were due to firings. Another one-fourth indicated they had quit their jobs because of selected job characteristics, including low wages, inconvenient hours, and poor work environments. Health reasons or pregnancy were offered by slightly over one-fifth of respondents, with the health reasons about evenly split between respondents and their children. Finally, job support issues such as inadequate child care were mentioned by about 10 percent of these respondents.

All respondents also were asked a series of closed questions concerning whether they had experienced selected barriers to employment. Table 4 shows that various child care problems, transportation, and additional expenses related to work each were reported as barriers by over one-fourth of all respondents. Unemployed respondents were significantly more likely than employed respondents to report barriers related to health, transportation, and caring for an elderly or disabled relative. Differences in self-reported health barriers were particularly large, with 41 percent of unemployed but only 13 percent of employed respondents indicating such barriers.

The educational levels and ages of the youngest children also were compared for employed and unemployed leavers. Educational levels were found to be significantly different, with 71 percent of those with a high school degree or GED working at interview compared to 47 percent for those without these educational credentials (chi square = 10.2; $p < .01$). No differences in work patterns were found based on whether or not a respondent had a child under age three.

To explore the extent to which leavers experienced multiple employment barriers, an index was constructed that included six of the self-reported employment barriers plus whether or not the respondent had completed a high school education or GED. The six self-reported barriers included were health, cost of child care,

Table 4

Percentage of respondents indicating selected employment barriers

	Total (<i>n</i> = 213)	Employed when interviewed (<i>n</i> = 138)	Unemployed when interviewed (<i>n</i> = 75)
Health	23.0 (49)	13.0 (18)*	41.3 (31)*
Paying for child care	33.3 (71)	32.6 (45)	34.7 (26)
Finding someone to care for children	36.6 (78)	35.5 (49)	38.7 (29)
Finding child care at needed hours	28.6 (61)	26.1 (36)	33.3 (25)
Child care transportation	17.4 (37)	15.2 (21)	21.3 (16)
Caring for elderly or disabled relative	9.4 (20)	5.1 (7)*	17.3 (13)*
Additional expenses related to work	29.1 (62)	26.8 (37)	33.3 (25)
Transportation to and from work	29.6 (63)	24.6 (34)*	38.7 (29)*

Notes: Chi square difference of proportions—* $p < .05$.

finding a child care provider, child care transportation, caring for an elderly relative, and transportation to work. Respondents had an average of 1.7 of these seven barriers, with about half of the sample having two or more barriers. Unemployed leavers were significantly more likely to indicate these barriers than employed respondents, as they reported an average of 2.3 barriers versus 1.4 barriers for employed respondents ($t = 3.63$; $p < .01$).

While unemployed respondents thus had several problems which differentiated them from their working counterparts, employed respondents still reported fairly substantial problems in some areas, particularly in child care. The burden of child care costs also was suggested by responses to a question on out-of-pocket child care costs; of those reporting that they had paid child care arrangements, monthly out-of-pocket child care costs averaged \$172.

DISCUSSION

The findings from this study suggest both reasons for optimism and caution in interpreting the employment patterns of TANF leavers. Like initial TANF studies from other states (Brauner & Loprest, 1999), we found that Illinois TANF leavers typically were working at exit, and aggregate employment levels had declined only slightly one year later. Those who worked generally earned wages well above the minimum wage, and average wage levels at the time of interviews had risen. Further, most leavers who were employed both at exit and when interviewed had achieved wage gains. This suggests that leavers who maintain employment often gain job experience that improves their human capital and results in wage growth.

However, the jobs into which TANF recipients exited often did not last. Average job tenures were short, and only about one-fourth of study leavers held the same job both at exit and when interviewed. While some respondents lost work because of personal factors such as health problems, the temporary nature and poor quality of jobs were the most common reasons for job loss. Both the findings on high job turnover and reasons for job loss are consistent with pre-TANF research studies (Edin & Lein, 1997; Harris, 1996; Pavetti, 1993). This consistency should not be surprising because, as Boisjoly, Harris, and Duncan (1998) have noted, TANF largely ignored job quality issues.

The sporadic nature of work is consistent with the pathways model of welfare exit developed by Herr and Wagner (1995), which emphasizes that welfare recipients frequently cycle through several jobs before obtaining stable employment. There are several implications to this model for public policy. First, if it is recognized that initial employment efforts often are unsuccessful, the development of services that help those who lose jobs find new ones quickly appears important, as does the need for continued safety net supports as persons experience unemployment spells between jobs. Perhaps more fundamentally, the provision of a range of post-employment services may be necessary to improve the probabilities of successful work efforts. For example, the Project Match service model developed by Herr and Wagner (1995) provides follow-up counseling and trouble-shooting to

those who exit welfare for jobs, and also facilitates the provision of support services such as child care. These tasks are consistent with potential case management roles envisioned for TANF case-workers (Hagen, 1999), except that the provision of services does not end at the time of welfare exit.

The wage levels received by most study leavers also present reasons for concern. Consistent with early findings from other states, average wage levels often are inadequate to raise family incomes above the poverty level if they are the sole sources of income (Brauner & Loprest, 1999; Tweedie & Reichert, 1998). When coupled with study findings on job instability and the concentration of leavers in service jobs, these wage levels again raise the question of whether TANF leavers will work largely in secondary labor markets with limited chances of advancement. Information on the job experiences of leavers over a longer time period is needed to address this issue.

Both the job instability and wage level findings underscore the importance of income supports for working TANF leavers. Assuring that low-wage workers receive the Earned Income Tax Credit (EITC) appears particularly important in this regard. While this credit has been expanded substantially in the 1990's (Ozawa, 1995), previous research has shown that welfare recipients often do not receive or understand it (Anderson, 1998). This suggests the need for further information dissemination efforts regarding the tax credit, as well as programs to assist low-income persons with tax preparation. At least part of such information dissemination could occur in TANF agencies, both in conjunction with employment and training activities and in exit interviews when persons leave TANF. Tax counseling projects for low income persons, which rely heavily on volunteers, also have helped persons in several cities obtain the EITC and could serve as useful program models (Center for Law and Human Services, 1998). In addition, further expansion of EITC credit amounts and the development of related state tax credits merit consideration, particularly given on-going policy debates regarding how to spend both federal and state budget surpluses.

Study findings parallel previous research on the importance of selected employment barriers. Respondents with poor educational credentials were significantly less likely to be employed,

and child care and transportation barriers were reported by substantial numbers of respondents. Health problems were frequently cited as a reason for losing jobs, and unemployed respondents were much more likely than employed respondents to report health problems. These findings reinforce the importance of the availability of health care and child care services for the working poor. Social workers and policy analysts should continue to advocate for the development of these critical support systems, and can play critical policy and program development roles in related service implementation.

Finally, the analysis of employment patterns by marital status again demonstrates the extremely difficult task of income provision facing low-income single working parents. While they were more likely to work than their counterparts who lived with a partner, single respondents fared considerably worse from an income perspective. Two-adult families benefit from the possibility of having two earners, or alternatively from choosing work opportunities according to which adult has the greatest earnings potential. The presence of the second adult also provides greater flexibility in making child care arrangements.

IMPLICATIONS FOR FURTHER RESEARCH

While this study has provided useful findings on initial income growth and employment stability patterns for a sample of TANF leavers, additional research is needed to examine these topics more fully. In particular, longitudinal studies that track the employment experiences of TANF leavers over several years would allow a more extensive assessment of wage growth patterns. This also would permit a detailed elaboration concerning whether leavers move into more stable career paths after gaining employment experience, including time frames over which such career growth may occur. Conducting such studies with sufficient samples to allow comparisons of employment experiences across varying local labor markets would be particularly useful. Research on whether the receipt of child care subsidies, the EITC, medical coverage, and other support services affects the stability of employment and prospects for wage growth also is needed.

The impact of job changes and job loss by TANF leavers also needs to be better understood. This study found that leavers who

changed jobs were more likely to have received wage increases than those who remained on the same job. Yet, many leavers who lost jobs had not found new employment by the time they were interviewed. It may be that the job changers who experienced wage gains typically made proactive moves to new jobs with higher wages, while others sought new jobs only after losing jobs. Research could identify the extent to which proactive job search strategies are used by persons who already are employed, as well as the job search methods and information sources used. Additional information also is needed on the lengths of unemployment spells generally encountered between job loss and reemployment, and the roles that social service systems play during these employment transitions. The relative ease with which those who lose jobs can re-apply for TANF is especially important in this regard.

This points to a final concern often overlooked in early leaver studies. That is, aggregate employment levels in TANF leaver studies generally are in the 50–70 percent range at exit, which indicates that substantial numbers are not working at the time they leave TANF. Little is yet known about the survival strategies of this subset of leavers, or about why they left TANF without being employed. Examining the role of TANF sanctions and leaver interactions with social service caseworkers appears to be important in investigating these issues. It also would be interesting to determine whether those who leave TANF without being employed subsequently are forced into lower paying jobs than those who are employed at exit.

CONCLUSION

Proponents of TANF argue that the program will lead to improved economic wellbeing through an increased focus on work, while skeptics counter that insufficient and poorly paid jobs will result in poor outcomes for TANF leavers. The findings from this study provide a more complex and dynamic picture of post-TANF employment experiences. While many leavers find good jobs and experience at least modest earnings gains if they can maintain employment, many others face uncertain job tenures and periods of unemployment. An important challenge for research is to learn more from both the employment successes and

failures of TANF leavers, so that public policies can be refined to maximize the probability that TANF work exits will result in economic security.

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