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# Poverty, Place and Appropriate Policy: Facilitating Successful Transitions Into Work

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## U.S. welfare reform or PRWORA, a 'work first' policy, was criticized on two issues:

- Ability of welfare recipients to become employed:

*Find a job?*

*Become adequately employed?*

- Ability of jobs to provide opportunities for advancement to reduce incidence of 'working poverty'



## Three questions:

1. To what extent does employment adequacy vary across place or space? Upward mobility?
2. Do barriers to finding and maintaining employment differ across space?
3. Based on recent evidence from 1 and 2, **can we do better** in terms of policies and programs to facilitate successful transitions into work and out of poverty?



## **Presentation draws on data from two sources:**

### **1. Current Population Survey (CPS), March Demographic File**

- National coverage, with data collected by Bureau of the Census
- Data frequently used to assess employment status and unemployment
- March CPS contains employment and income data useful for measuring labor underemployment, a measure of employment distress
- ‘Short panel’ data sets can be developed from March CPS
- Some degree of differentiation by place: nonmetro, metro central city and metro noncentral city

## 2. Mellon Community Bridge Project: 10-year effort to improve employment prospects by initiating a partnership between:

*Former welfare recipients*

*Local employers*

*Community mentors*

**Project focuses on rural and urban sites in Pennsylvania.**

**Project coupled with a USDA National Research Initiative Project involving focus groups, surveys of low-income participants and employers, and face-to-face interviews. One phase examines perceived barriers to finding and maintaining employment.**

### Note:

Participants may not be representative of entire low-income population.

Results limited to first 3 years of data.



## Question 1: What is known about variations in employment adequacy (or employment inadequacy or distress) and upward mobility across space?

- Examine recent studies of economic underemployment using the Labor Utilization Framework (LUF). Types of labor underemployment include:

*Discouraged workers, unemployed, involuntary part-time workers, low-wage workers*

- Examine transitions from underemployment using matched CPS data.



## **Spatial variations in alternative forms of employment distress, as measured by underemployment:**

**Lichter and Costanzo 1987**

**Lichter 1989**

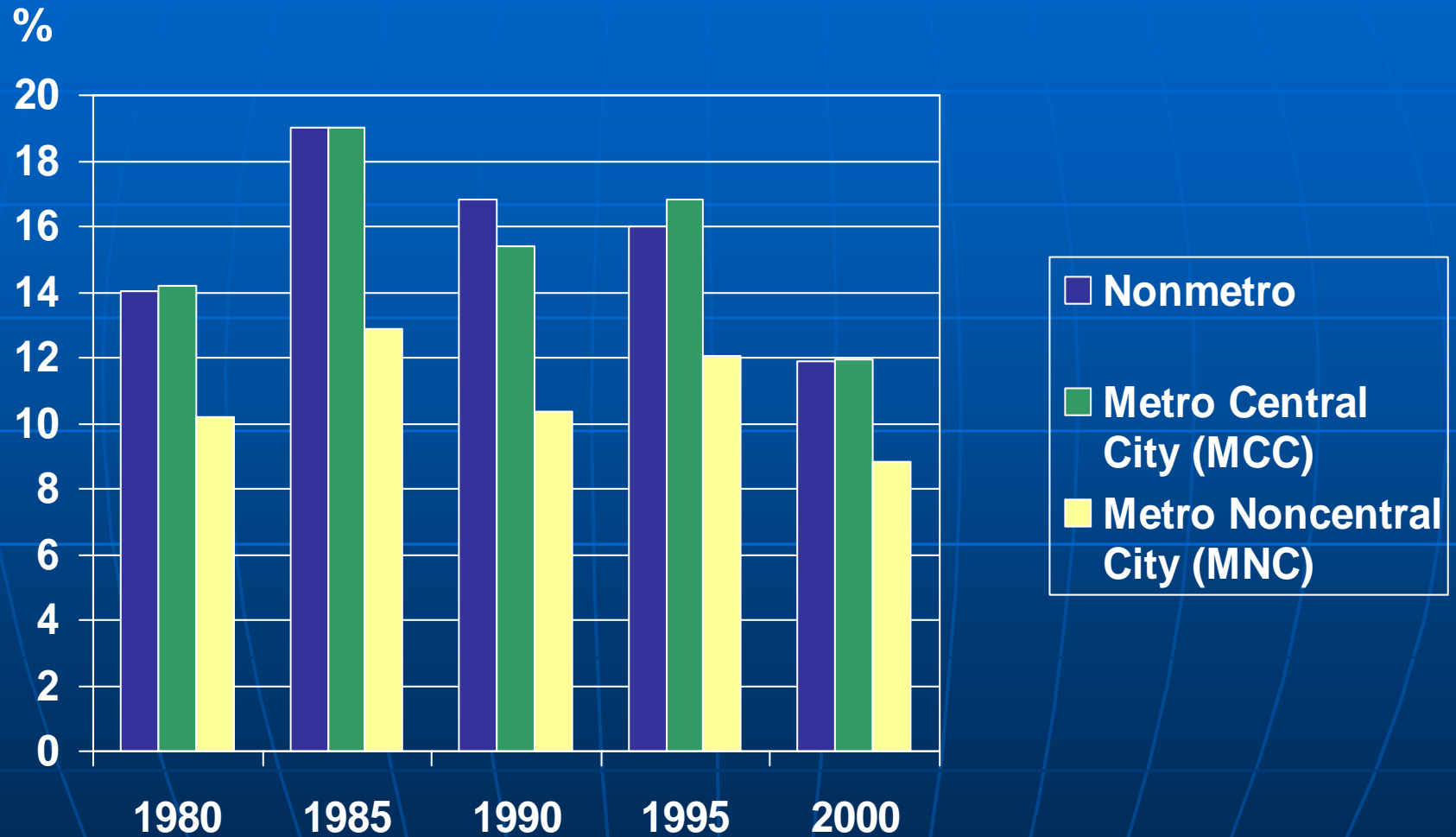
**Findeis 1993**

**Findeis and Jensen 1998**

**Jensen *et al.* 1999**

**Wang 1999**

Figure 1. Underemployment Among Working-age U.S. Men in Selected Locations





**Figure 2. Underemployment (Minus Low-Wage Workers) Among Working-age U.S. Men in Selected Locations**

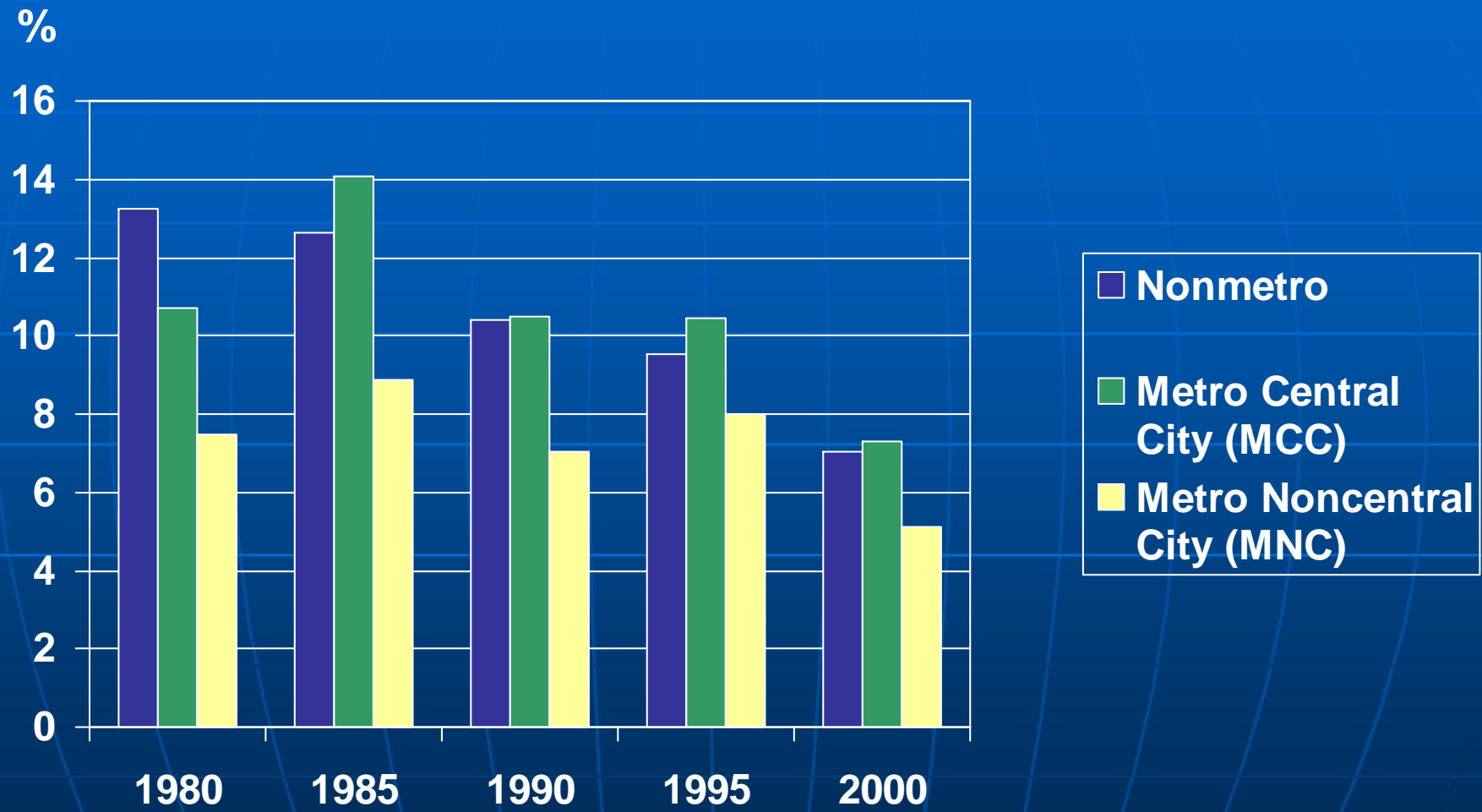
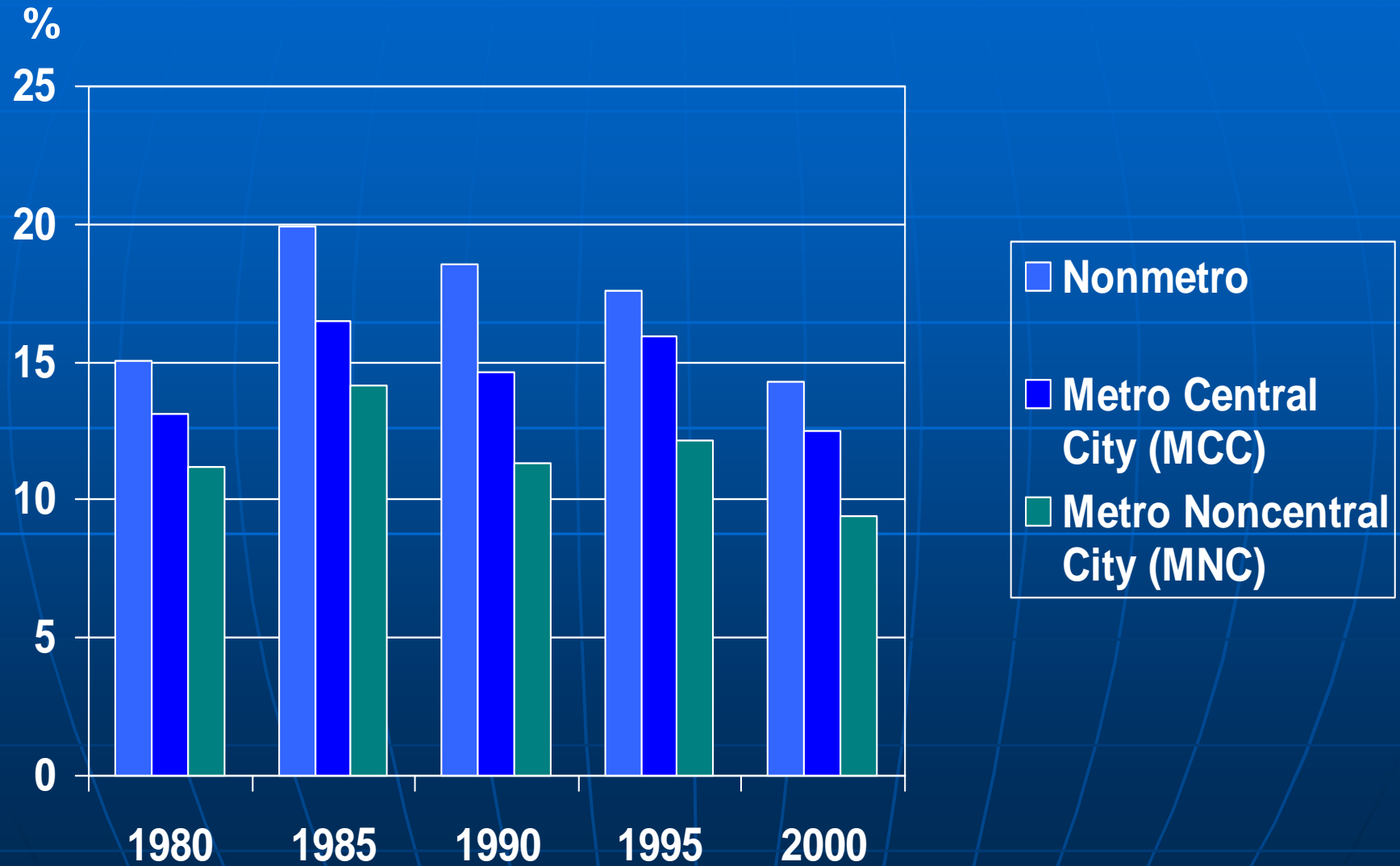
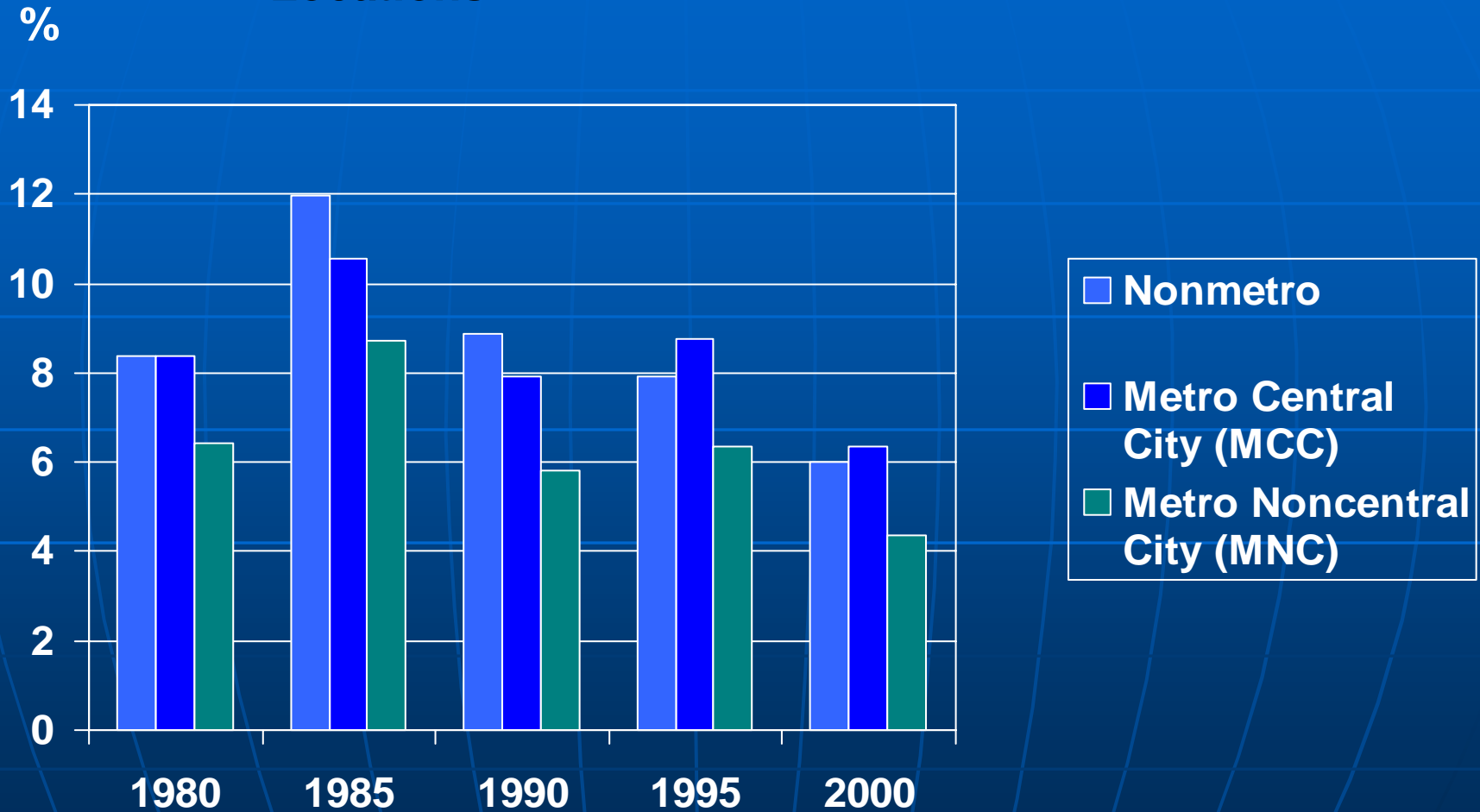


Figure 3. Underemployment Among Working-age U.S. Women in Selected Locations





**Figure 4. Underemployment (Minus Low-Wage Workers) Among Working-age U.S. Women in Selected Locations**





## **Spatial variation in upward mobility or advancement:**

**Findeis and Jensen 1998**

**Jensen *et al.* 1999**

**Ritz 2001**

**Wang and Findeis 2005**

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**Question 2. Do barriers to finding and maintaining employment differ across space?**

**Table 1. Barriers to Effective Job Search, Mellon Community Bridge Project Participants**

	<u>Rural %</u>	<u>Urban %</u>
<u>Local labor demand: few local jobs</u>	59.26	47.06
<u>Skills match and credentialing</u>		
Lack job skills	44.45	41.17
Lack credentials	55.55	54.90
<u>Job search and interviewing skills</u>		
Don't know where to look	22.22	29.70
Lack good references	27.92	23.00
Lack appropriate clothes	51.85	43.00
Lack good interviewing skills	44.44	38.62
<u>Infrastructure to support job search</u>		
Good child care not available	33.33	71.43
Appropriate elder care not available	85.19	80.00
Transportation not available	50.26	50.50
<u>Lack family support for working</u>	22.22	12.75
<u>Criminal background checks a problem</u>	18.51	27.72

**Table 2. Characteristics of Jobs Open to Low-income Participants, Mellon Community Bridge Project**

	<u>Rural %</u>	<u>Urban %</u>
<b><u>Time requirements of available work</u></b>		
Full-time (> 35 hours per week)	53.85	58.83
Steady hours of work	42.30	59.40
Seasonal work	33.33	16.00
Flexible hours for child care, transport problems	40.74	24.75
Odd hours of work required	81.48	33.66
<b><u>Wages and benefits</u></b>		
Pay at or below min. wage (\$5.15 per hour)	33.33	23.53
Provide benefits (e.g., health insurance)	37.03	58.83
Provide paid sick and/or vacation days	37.03	60.79
<b><u>Advancement opportunities / conditions</u></b>		
Jobs reward worker for hard work	53.85	49.02
Offer advancement opportunities	25.93	55.44
Good working conditions	48.15	57.84
Involve employers who want to help welfare recipients	26.92	42.00

### Table 3. Critical Barriers to Maintaining Employment Among Mellon Community Bridge Project Participants

- Criminal background / background checks
- Lack of dependable transportation (65% in urban, 77% in rural)
- Lack of child care (especially for night shifts, odd hours, etc.)
- Lack of specific training/experience for job (rural);  
computer skills (urban)
- Employer shutdowns, temporary work, and lay-offs



**Question 3. Based on recent evidence from 1 and 2, can we do better in terms of policies and programs to facilitate successful transitions into work?**

- 1. Transition policies – enabling workers to transition into the workplace with interim support**
- 2. Partnerships**
- 3. Welfare to Work (WTW) Tax Credit**
- 4. Significant barriers to work**