



Who Gets Ahead? Work Profiles of Former Welfare Recipients in Illinois

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Illinois has passed the seven-year mark on the major welfare reforms that were signed into law in 1996 and implemented in the state in 1997. The law's "work first" philosophy emphasized labor force participation as a panacea for welfare dependency, although previous Illinois Families Study (IFS) reports have shown that close to half of IFS respondents who left welfare do not regularly participate in the labor force. Now that the initial enthusiasm over welfare reform has died down, how have individuals and families been affected by the policy changes?

Drawing upon IFS results collected between 1999 and 2003, this policy brief reveals a sobering picture of those who work and their job type.

Responses from 1999-00 to 2003 show steady proportions of working respondents and sharp declines in Temporary Assistance for Needy Families (TANF) use. The percentage of respondents working across all four survey years held steady at approximately 50 percent while the proportion receiving TANF dropped from 53 percent to 11 percent.

Approximately 70 percent of respondents received no type of employer benefit in 2003, with only 30 percent receiving employer-sponsored health insurance.

Of the 50 percent of IFS respondents working in 2003, the majority held jobs in the occupations of personal care, administrative support, sales, and health care support (see Table 1). The top four industries where the majority of respondents worked were health care and social assistance, educational services, accommodations and food service, and retail trade (see Table 2).

While employed respondents made gains in hourly wages across all occupations and industries, the average amount earned per hour remained relatively low. Across the top four occupations, the average hourly wage was \$9.44, up from \$7.61 in 1999-00. Across the top four industries, the average hourly wage was \$8.94, up from \$7.06 in 1999-00.

Although the proportion of respondents receiving employer-sponsored benefits increased over the years of the study, approximately 70 percent of respondents received no type of employer benefit, with only 30 percent of working respondents

Table 1: Current Occupation

	2003 (n=462)
Personal care and service	23.2%
Office and administrative support	17.4%
Sales and related occupations	11.2%
Health care support	10.8%
Education, training, and library	5.7%
Building/grounds cleaning and maintenance	4.8%
Management	4.5%
Food preparation and service related	4.4%
Protective service	4.0%
Production	3.8%
Other	10.0%

Table 2: Current Industry

	2003 (n=462)
Health care and social assistance	38.0%
Educational services	12.5%
Accommodations and food service	9.5%
Retail trade	9.1%
Transportation and warehousing	5.4%
Management, administrative and support, and waste management	5.3%
Manufacturing	3.5%
Finance and insurance	2.5%
Other	14.3%

The IFS asks respondents who are working about their current employment occupation and industry. Occupation responses were coded according to the 2000 Standard Occupational Classification System and industry responses according to the 1997 North American Industry Classification System from the U.S. Census Bureau. Web site: <http://www.census.gov/hhes/www/loindex/view.html>

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receiving employer-sponsored health insurance in 2003. Examining the four most common occupations, respondents in administrative support were more likely to receive employer health benefits than other occupations in 2003. For example, 50 percent of employees in administrative support received health insurance compared to 24 percent of those working in personal care. Respondents working in the most popular occupation-personal care-were the least likely to receive any type of employer-sponsored benefit.

While there were modest improvements in earnings, it is hard to make a case for work providing a vehicle to independence.

Overall, movement between occupations and between industries was very common. For respondents working over the four years of the study, less than 13 percent remained in the same occupation and less than 6 percent remained in the same industry. The one exception was for those working in the health care and social assistance industry, which saw approximately 20 percent of workers remaining in this industry over time. High rates of movement between occupations and between industries suggest that very few respondents remained in the same job over time.

Under the most optimistic interpretation, the data show a great deal of "churning," that is, movement in and out of different sectors. While there were some improvements in earnings, it is hard to make a case for work providing a vehicle to independence. Wages remained very low, and the data indicate that of those working consistently, less than 13 percent stay in the same job over several years, although higher rates remain in the same industry over time. This high

turnover suggests low rates of job advancement. While few would dispute that working is better than receiving welfare, this world of work needs serious reform if it is to provide poor mothers and their children the basics of a decent life.

About this study

The goal of the Illinois Families Study (IFS) is to inform policymakers about how Illinois families have been faring since welfare reform was implemented. The study is conducted by a consortium of researchers from five Illinois universities: Northwestern University, Roosevelt University, Northern Illinois University, University of Illinois at Chicago, and the University of Chicago. Metropolitan Chicago Information Center (MCIC) conducted the interviews.

A total of 1,363 current and former welfare recipients from nine Illinois counties were interviewed at Wave I of the study (November 1999-September 2000). Of those respondents, 1,183 were interviewed at Wave 2 (February 2001-September 2001), 1,011 at Wave 3 (February 2002-September 2002), and 967 at Wave 4 (February 2003-September 2003). Response rates were 87 percent at Wave I, 87 percent at Wave 2, 91 percent at Wave 3, and 90 percent at Wave 4. All analyses were weighted to adjust for regional stratification and non-response.

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For more information about the IFS and a more detailed explanation of work, occupation, and industry findings from the IFS, please go to www.northwestern.edu/uti/pr/research/ifs.html