

Welfare Reform, TANF Caseload Changes, and Latinos: A Preliminary Assessment

By Eric Rodriguez and Kaydee Kirk*

INTRODUCTION

Since the enactment of the 1996 welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) (PRWORA), researchers and policy analysts have been monitoring its implementation and its impact on states, communities, and families. This particular round of welfare reform initiated the most profound change in eligibility standards and benefits for low-income mothers with children in six decades by eliminating the federal guarantee of cash

assistance and other safety net services, giving greater flexibility and responsibility to states, and emphasizing “work first” objectives.

The 1996 welfare law abolished the Aid to Families with Dependent Children (AFDC) and Job Opportunities and Basic Skills training (JOBS) programs and replaced them with the “Temporary Assistance for Needy Families” (TANF) block grant. New welfare legislation created additional state reporting and data requirements for the TANF program and provided flexibility and bonuses to states for reducing caseloads. In addition, the 1996 welfare law

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imposed strict work participation requirements for recipients of welfare, implemented time limits on cash assistance and, further, required cuts in federal assistance to legal immigrants. The inclusion of punitive provisions, especially, created a heightened concern for advocates, policymakers, and researchers who believed these measures would deepen poverty among women and children. The result of this uneasiness is a significant increase in the volume of reports, briefs, and articles that have examined closely the effects of welfare reform implementation on families and children.

As many of these reports describe, since 1996 welfare caseloads nationwide have dropped dramatically and some have proclaimed the law a resounding success. However, other studies have examined the impact of welfare reform in broader terms, raising serious questions as to whether the law has improved measurably the lives of the nation's poor. While these reports reflect an effort to get a complete picture of the impact of welfare reform implementation, they have not included the effect of welfare reform on specific populations like the Latino* community. The dearth of research on Latinos is troubling. NCLR's initial assessment of the 1996 law suggested that Hispanics were likely to become a larger segment of the nation's welfare population over time, while the cornerstones of the new welfare bill would be the most potentially harmful areas for Latinos.

In light of such concerns, this issue brief highlights the changes in TANF caseloads for Hispanic women and children nationwide, offers a preliminary assessment of implementation thus far, and reviews the caseload status in Puerto

Rico and the three states with the largest numbers of Latinos on the TANF rolls. Because welfare reform implementation is only entering its fourth year, and information on Hispanics and TANF is limited, the paper lays the groundwork and offers a first step toward examining how Latinos have fared thus far under welfare reform. In addition, welfare reform encompasses more than changes to the TANF program, but because many have focused on TANF caseload reductions as an indicator of welfare reform's success, the scope of this issue brief is limited to this program.

PUBLIC LAW 104-193: 1996 WELFARE REFORM LAW

Welfare reform changed the nation's welfare system to require work in exchange for time-limited assistance. The "work first" approach focuses primarily on placing recipients into jobs and job-search programs rather than educational or training programs. Under PRWORA, states were given broad flexibility in the design and operation of their welfare programs but had to use funds consistent with the main tenets of the new law that, among other things, imposed strict work requirements, placed a time limit on assistance, and denied benefits to presumably "undeserving" groups (e.g., certain categories of legal immigrants).

Civil rights and anti-poverty groups such as NCLR, in large part opposed PRWORA because it was believed that the central tenets of reform would destabilize families and punish recipients

* The terms "Latino" and "Hispanic" are used interchangeably throughout this issue brief.

of aid, pushing them deeper into poverty. The law's primary goal was to lower the welfare rolls; it was not developed with the intent of reducing poverty and placing recipients into more stable employment with greater income potential. These advocates argued that the outcome of this effort seemed predetermined - greater numbers of working poor families while the poorest families would get poorer.

NATIONAL WELFARE CASELOAD TRENDS¹

A snapshot of the national TANF caseload and trends serves as a starting-point for a preliminary assessment of welfare reform's impact. For example;

- ▶ **The U.S. has experienced a substantial decline in the proportion of the population receiving welfare between 1993 and 1999.** According to data from the U.S. Department of Health and Human Services (HHS), In 1993, 5.5% of the U.S. population was receiving AFDC, compared to 4.7% in 1996 and 2.5% in June 1999. As a result, there were 7.2 million fewer recipients on the TANF rolls in 1999 than in 1993.
- ▶ **The U.S. has experienced a significant drop in welfare recipient caseloads between 1996 and 1999.** According to recent data from HHS, since the enactment of the welfare reform law in 1996, the nationwide welfare caseload has been reduced by 44.7%, from 11.4 million recipients reported for January 1997, to 6.3 million recipients reported for December 1999. There were 5.1 million fewer welfare recipients in 1999 than in early 1997.

- ▶ **The number of children on welfare has dropped substantially between 1996 and 1999.** According to data from HHS, the caseload changes for children have paralleled that of overall TANF recipients. During the period from October 1995 to September 1996 and from October 1998 to September 1999, the number of children receiving assistance has dropped from 8.7 million to 5.3 million: (39.1%).

PRELIMINARY ASSESSMENT OF IMPLEMENTATION

As these data show, since the passage of welfare reform in 1996, a significant number of poor families have moved off the TANF rolls. Notwithstanding these presumably positive indicators, two primary questions remain: (1) did the 1996 welfare reform law directly result in greater TANF caseload reductions; and (2) does smaller TANF rolls mean poor single mothers have experienced measurable improvements in income, poverty, and economic well-being?

With respect to PRWORA's impact on the caseload, President Clinton's Council of Economic Advisors (CEA) issued a paper that attributed one-third of caseload declines between 1996 and 1998 to welfare reform and 8-10 percent to the strong labor market (low unemployment).² While this study is not the definitive word on this question, and the exact segment of caseload reduction that is due to PRWORA is difficult to discern, most researchers and analysts agree that welfare reform has played an important role in reducing the TANF rolls. Given this general agreement, to the extent that AFDC caseload reduction was an important stated public policy goal, welfare reform has been successful. However, many researchers and policy analysts

have been more concerned with the question of whether welfare reform and tumbling TANF rolls have translated into measurable improvements in economic status and well-being for poor single mothers.

In terms of welfare reform's impact on overall economic status, the results are unclear. For instance, while Census data show increases in income and reductions in poverty for single-mother families between 1996 and 1998, these numbers are explained, in large part, by improvements for female-headed families with children who did not work. Between 1996 and 1998 the poverty rate for single mothers 16-64 who did not work declined from 82.8% to 76.7%.^{*} In the meantime, for mother-only families who did work (where the householder was 16-64 years old) the poverty rate remained steady while the number of poor families actually grew by 142,000 between 1996 and 1998, an increase of 7.3%.³ Accordingly, overall nationwide improvements in poverty and income for single-mothers can hardly be linked to welfare reform, but more than likely are due to the economic expansion. On the other hand, a swelling working-poor population may reflect more closely the movement of poor mothers from welfare into low-paying jobs.

With respect to welfare reform's impact on economic well-being, several well-known studies of welfare "leavers" nationally, and in several key states, found gains in employment and earnings

for welfare recipients but also unstable employment and high levels of TANF recidivism. Specifically:

- **A significant number of welfare recipients who left the rolls found employment.** A recent study by the Urban Institute found that 69% of welfare "leavers" who reported a reason for leaving welfare said it was due to increased earnings or a new job.^{**} In addition, a recent study of welfare recipients in Michigan found that between fall 1997 and fall 1998 the number of former recipients who were working increased from 56.8% to 61.5%.^{††} Furthermore, state surveys compiled by the National Conference of State Legislatures showed that out of 19 states, four states reported more than 60% found work, 12 states reported 50-60% of adults leaving welfare worked at some point, while 3 states reported less than half found work.⁵
- **Former welfare recipients, who were employed, relied less on welfare and maintained relatively fair earning levels.** The Michigan study found an increase in the number of recipients working and no longer receiving welfare, from 19.9% in the fall of 1997 to 37.3% in the fall of 1998.⁶ In addition, a report by the Urban Institute found that median monthly earnings of former recipients' families (\$1,149) were higher than those of families

* This may reflect increases in family income from other sources besides wages and earnings (e.g., other family members).

** The study also noted that three in ten total welfare leavers in that study did not report a reason for leaving.

† The study of Michigan recipients is one of the most widely cited studies of welfare leavers because it focuses on economic well-being.

with income less than 150% of poverty (\$1,031) but slightly less (although not statistically significant) than those of families with income less than 200% of poverty (\$1,240).⁷

- ▶ **Sustained employment remained a challenge for welfare leavers, and a significant number returned to the TANF rolls.** In 1999, the General Accounting Office (GAO) testified before Congress that available state data reported only between 61% to 71% of former recipients were employed during the follow-up period.⁸ Moreover, an Urban Institute study of welfare leavers found that only 61% of those still off the rolls were working at the time of the follow-up interview and that 29% of those who left welfare between 1995 and 1997 returned to the rolls.⁹ In addition, the GAO found that, “the percentage of families who initially left welfare and then returned to the rolls was significant, ranging from 19 percent after 3 months in Maryland to 30 percent after 15 months in Wisconsin.”¹⁰
- ▶ **Families who left the TANF rolls still reported struggling financially.** The Urban Institute found one-third (33.4%) of former recipients, compared to one-quarter (24.7%) of low-income mothers (below 150% of poverty), reported needing to cut the size of meals or skipping meals because there was not enough food.¹¹ In addition, the Michigan study found that, regardless of

level of work, a significant segment reported “serious economic difficulties and subjective financial strain.” In this study of former welfare recipients, one in five (19.3%) reported two or more hardships including lack of health insurance.¹² Moreover, a recent Children’s Defense Fund report highlighted several notable studies that found a significant number of families who left welfare in South Carolina, Florida, and Wisconsin reported hardship and a dramatic increase in food insecurity between 1997 and 1998.¹³

Taken together, the evidence suggests that welfare reform did contribute to moving families off the TANF rolls. However, data and studies suggest that while there is a linkage between shrinking TANF caseloads and increased employment and earnings for many poor single mothers, TANF caseload reduction alone is not a good indicator of the success of welfare reform. The studies show that PRWORA itself has not conclusively led to overall improvements in the well-being and stability of poor mothers. Moreover, other news reports have revealed that welfare reform implementation itself has led to administrative practices that may have long-term nationwide implications. For example;

- ▶ **Since welfare reform was enacted, families have been pushed off the rolls regardless of need.** Federal data, noted in a 1998 *Washington Post* article, showed that over a three month period in 1997, 38% of the recipients who left welfare

* The year when states undertook follow-up interviews ranged from 1996 (Indiana) to 1998 (Washington and Wisconsin).

did so because of “state sanctions, ordered for infractions [ranging from] missing appointments with caseworkers to refusing to search for work.” The article also found that states such as Indiana and Florida were using sanctions and rules violations to close a significant proportion of cases.¹⁴

- **In some regions, a decline in the TANF caseload also reflected fewer welfare applications being approved instead of a reduction in need for TANF assistance or increased employment for poor single mothers.** For instance, New York City welfare offices have made a deliberate effort to divert needy families from initially applying for or receiving public assistance. An article by the *New York Times* reported that two welfare offices (one in Brooklyn, the other in Queens) reported major declines in caseloads that were attributable to fewer applications for TANF being accepted.¹⁵

Because there is limited information, if any, on the experience of eligible families after being denied or discouraged from receiving TANF assistance, it is difficult to tell conclusively how these practices harmed families. But, if nothing else, the evidence suggests that welfare reform altered materially the philosophy and, correspondingly, the behavior of welfare administrators nationwide and these practices, which have nothing to do with welfare reform’s success, likely contributed to smaller TANF caseloads.

WELFARE REFORM, CASELOAD CHANGES, AND LATINOS

The experience of Hispanic poor mothers and their children who receive TANF has been

mixed, and overall TANF caseload data show both positive and negative trends.

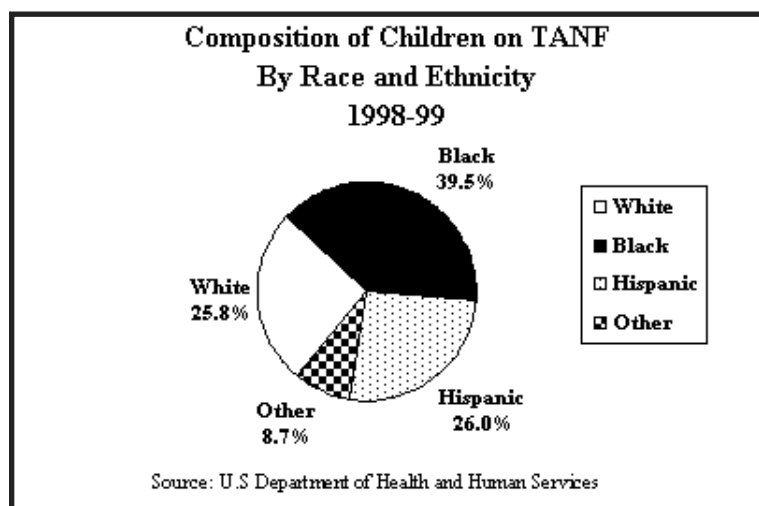
NATIONAL RACIAL AND ETHNIC TANF CASELOAD COMPOSITION¹⁶

- **The number of Latino families on the TANF rolls declined between 1995-96 and 1998-99, but at a slower rate than for White and Black families.** Between 1995-96 and 1998-99, the number of Hispanic families on TANF nationwide dropped by almost 300,000, a decline of 31.5%. However, in comparison, during the same period, the number of White and Black families declined by 50.6% and 39.6%, respectively.
- **The share of all families receiving TANF/AFDC that is Hispanic increased by 17.7% between 1995-96 and 1998-99.** According to HHS data, between October 1998 and September 1999, 24.5% of all families receiving TANF were Hispanic, whereas 38.3% were Black and 30.5% were White. However, between 1995 and 1996 Hispanics constituted 20.8% of all families receiving AFDC, while 36.9% were Black and 35.9% were White.
- **The segment of all children receiving TANF/AFDC that is Latino grew by 16.1% between 1995-96 and 1998-99.** Between October 1998 and September 1999, 26.0% of all children on TANF were Hispanic, while 39.5% were Black and 25.8% were White. However, between 1995 and 1996 Hispanics constituted 22.4% of the AFDC caseload, while 38.4% were Black and 31.6% were White.

In addition, a recent study of welfare “leavers” revealed that Hispanics only constituted 13.1% of former recipients who left the TANF rolls during the study period (between 1995 and 1997) while more than half (52.2%) were White non-Hispanic.¹⁷

and extended restrictions to other safety-net programs like Supplemental Security Income (SSI), Food Stamps, and Medicaid, Hispanic families were disproportionately and adversely harmed by the 1996 law.¹⁸ With respect to TANF, because legal immigrants made up a small

segment of participants (only 5.9% between 1995-96),¹⁹ these provisions more than likely had a more modest direct effect on the nationwide TANF caseload. Nevertheless, confusion on the part of welfare administrators over eligibility for categories of legal immigrants in a range of services undoubtedly impacted immigrant families in need of, and eligible for, TANF assistance.²⁰



Moreover, welfare reform’s immigrant provisions coupled

PRELIMINARY ASSESSMENT OF IMPLEMENTATION ON LATINAS

Although data show that the number of Hispanic families on TANF has declined, welfare reform overall had a dramatic effect on Hispanic families and Latino families and children constitute a growing share of the TANF caseload. This is largely because PRWORA: 1) targeted legal immigrants for cuts in assistance; 2) heightened discrimination against families in need of TANF assistance; and 3) emphasized work instead of training and skill-building including English-as-a-Second Language (ESL) training, which is critical toward helping Hispanic women move from welfare to work.

with its emphasis on reducing the caseload appears to have provided, at least implicitly, tacit encouragement to welfare administrators to openly discriminate against Hispanic and other families in need of TANF, especially those with language barriers. For instance, an investigation conducted by the HHS Office for Civil Rights (OCR) in 1999 found serious levels of discrimination against Limited English Proficient (LEP) clients among several welfare offices in New York. The report states that OCR found that due to lack of language assistance, “LEP clients experience significant difficulties when applying for or accessing benefits and, as a result, are effectively denied meaningful access to the New York State Medicaid and TANF programs.”²¹ Among their findings, OCR discovered that several New York welfare offices frequently denied LEP per-

Because welfare reform targeted legal immigrants - many of whom are Hispanic - for cuts,

sons language interpreter assistance and instructed such persons to bring their own interpreters to eligibility interviews and other appointments. The investigation also found that the number of bilingual staff employed at the various offices was sparse, even in predominantly Hispanic communities. Moreover, OCR discovered that, on several occasions, LEP applicants were sent away because they did not bring an interpreter. In addition, a study of the Food Stamp program in Oregon found that non-English speakers waited four times longer than English speakers for applications in their language.²² Although little is known about the experience of Hispanic families denied or discouraged from receiving TANF assistance, arguably these practices have had serious effects on families.

Furthermore, welfare reform's "work first" focus appears to have contributed to the slower rate of case closures for Hispanics than for White and Black TANF families between 1995-96 and 1998-99. This is largely because of the well-documented skill-barriers of single Hispanic mothers.²³ Of those recipients who have left the TANF rolls with a job, the bulk had relatively few barriers to employment. For this reason, most recipients still on the caseload tend to be the least skilled and so-called "hard to serve," facing significant, multiple, and interrelated barriers to employment. As a result, from 1994 to 1997, the percentage of the TANF caseload that had been receiving assistance for five years or more had increased from 19% to 24%.²⁴

Furthermore, research shows that the modest portion of immigrant women on the TANF rolls have had a difficult time moving off the rolls. By 1998-99, despite a decline in the number of participants, the segment of the TANF caseload that was non-citizen grew from 5.9% in 1995-96 to 11.7%, and a recent study revealed that welfare reform has not succeeded in moving many immigrant women, because of skill-barriers, into self-sufficient employment.²⁵

Moreover, although information on the experience of Latina mothers who have left the rolls since 1996 is limited, Census data reveal that the number of working-poor Hispanic single mothers 16 to 64 years of age grew by 61,000 between 1996 and 1998, an increase of 18.3%. In comparison, during the same period, the number of similar poor Black and White families increased 7.8% and 6.6%, respectively.²⁶ These data suggest that even those Latinas leaving the rolls for work may be less likely to escape poverty than their White and Black counterparts.

Taken together, since 1996 Hispanic women with children have left the TANF rolls in substantial numbers and many, undoubtedly, have found jobs. But PRWORA had a sweeping affect on Hispanic families, and arguably helped to increase discrimination against Hispanic families in need of TANF assistance. Moreover, because "work first" has not been as successful for Hispanic and Black women as for their White counterparts, an increasingly larger share of families on the TANF rolls is either Black or Hispanic.

* Similar to overall nationwide trends, between 1996 and 1998 the number of poor Hispanic households headed by women (with children) who did not work declined by 110,000. Also, the poverty rate for these families declined from 87.7% in 1996 to 82.2% in 1998. This also reflects increases in income from other sources besides wages and earnings.

PROFILES OF THREE KEY STATES AND PUERTO RICO²⁷

Because TANF is a highly devolved program, states have played a significant role in shaping and implementing welfare reform. Tables 1-4 reflect changes in the number and composition of welfare caseloads for the island of Puerto Rico and the states with the greatest number of Hispanics - California, New York, and Texas.

As the data in Table 1 indicate, between 1997 and 1999 Texas nearly matched the national average in total TANF caseload declines (-50% and -51%, respectively). Meanwhile, California (-30%), New York (-26%), and Puerto Rico (-29%) reported significant but more modest TANF caseload declines as compared to the national average.

Furthermore, data in Table 2 show the growth in the share of Latino families on the TANF rolls between 1997 and 1999 was particularly evident in Texas and California. In addition, both Table 2 and Table 4 show that in Texas, more than half of all families and all children on the TANF rolls between 1997 and 1999 were Hispanic. Moreover, the tables show that in California the growth rate was particularly profound as the share of both families and children on TANF caseload that were Latino increased by about 23% between 1997 and 1999.

At the same time, other data reveal that composition changes may have been more intense in inner cities where there are large numbers of Latinos. For instance, an article in the New York Times reported that the caseload in New York

Table 1

TOTAL TANF RECIPIENT CASELOAD 1993-1999 Top Three States with the Greatest Number of Latinos and Puerto Rico

STATE	Jan '93	Jan '97	June '99	Percent change ('93-'97)	Percent change '97-'99)
California	2,415,121	2,476,564	1,735,103	+3%	-30%
New York	1,179,522	1,074,189	795,030	-9%	-26%
Texas	785,271	626,617	313,823	-20%	-50%
Puerto Rico	191,261	145,749	103,220	-24%	-29%
U.S. TOTAL	14,114,992	12,876,661	6,889,315	-13%	-51%

Source: Administration for Children and Families, Department of Health and Human Services

Table 2

DISTRIBUTION OF TANF FAMILIES BY RACE AND ETHNICITY 1995/96 - 1998/99

Top Three States with the Greatest Number of Latinos and Puerto Rico

STATE	Hispanic		White		Black	
	1995/96	1998/99	1995/96	1998/99	1995/96	1998/99
California	37.9%	46.4%	31.2%	25.1%	16.8%	18.1%
New York	7.2%	38.2%	19.9%	17.1%	34.6%	42.1%
Texas	46.6%	49.6%	19.9%	20.2%	32.1%	29.4%
Puerto Rico	99.4%	98.4%	.3%	0.7%	.2%	0.0%
U.S. TOTAL	20.8%	24.5%	35.9%	30.5%	36.9%	38.3%

Source: Administration for Children and Families, Department of Health and Human Services

Table 3

DISTRIBUTION OF TANF ADULT RECIPIENTS BY RACE/ETHNICITY October 1998-September 1999

Top Three States with the Greatest Number of Latinos and Puerto Rico

STATE	Hispanic	White	Black
California	36.8%	29.7%	18.7%
New York	36.8%	19.1%	41.3%
Texas	50.4%	21.7%	26.8%
Puerto Rico	98.4%	0.7%	0.7%
U.S. TOTAL	23.1%	32.4%	36.4%

Source: Administration for Children and Families, Department of Health and Human Services

Table 4
DISTRIBUTION OF TANF FAMILIES BY RACE AND ETHNICITY
1995/96 - 1998/99

Top Three States with the Greatest Number of Latinos and Puerto Rico

STATE	Hispanic		White		Black	
	1995/96	1998/99	1995/96	1998/99	1995/96	1998/99
California	40.3%	49.0%	27.2%	20.2%	16.2%	20.2%
New York	39.7%	37.7%	15.4%	16.3%	34.8%	40.8%
Texas	47.7%	52.8%	17.7%	16.9%	33.5%	29.0%
Puerto Rico	n/a	99.4%	n/a	0.2%	n/a	0.1%
U.S. TOTAL	22.4%	26.0%	31.6%	25.8%	38.4%	39.5%

Source: Administration for Children and Families, Department of Health and Human Services

City had drastically changed to reflect the growing presence of minorities unable to move off the rolls.²⁸ Moreover, a recent report on major U.S. cities and welfare reform revealed that 20 counties (containing some of the largest cities) experienced a 2.7% increase in the share of the caseload that was Hispanic between 1996 and 1999. Meanwhile, the study showed that share of the caseload that was African American in these cities increased by 0.6% during this period and the share that was White decreased by 3.3%.^{*29}

CONCLUSIONS

The data presented in this brief reveal that welfare reform contributed, in some measure, to a reduction in the TANF caseload for women and children between 1996 and 1999. During this period, other studies show an increase in employment for former welfare recipients nationwide. Recent studies and welfare reform evaluation research also confirm that many

women have moved from welfare into work and many have experienced significant gains in income and earnings.

Nevertheless, many of these same studies also substantiate that improvements in economic well-being remains elusive for many families that have left the rolls; many have not been able to sustain employment and many have, or have needed to, return to the TANF rolls.

Moreover, there are strong indications that welfare reform altered profoundly the organizational culture and philosophy of welfare service delivery. One result of this change is that many families have been forced off the TANF rolls whether they are employed or not, and many eligible families have been denied access to, or deterred from, applying for TANF assistance and other services when they needed it and were eligible. While precise information on the number of families denied, discouraged, or cut off from TANF assistance is scarce, preliminary reports suggest that the impact was significant and in many cases dramatic.

Overall, welfare reform has had a disproportionate and adverse impact on Hispanics. The data show that Latinas have left the TANF rolls in large numbers, but poor single Hispanic women and Hispanic children, have become a larger segment of the welfare caseload nationwide. This is especially evident in key states and cities with large Latino populations like Texas and New York

* The study requested race and ethnic caseload composition information from the 25 counties containing the largest 25 cities including: Los Angeles, Chicago, Houston, Phoenix, San Diego, Detroit, Philadelphia, San Antonio, San Francisco, and El Paso. However, the following counties/cities did not respond: New York City, Baltimore, Memphis, Nashville, and Cleveland.

City. All indications are that Latinas are not moving off the rolls as quickly as White and Black clients because they tend to have a greater number of skill-barriers and are less likely to be job ready.

Furthermore, TANF caseload reductions do not reflect the full extent of PRWORA's impact on families. PRWORA made sweeping changes to safety-net programs beyond TANF. Modifications to the Food Stamp, Medicaid, and Supplemental Security Income programs have had a major affect on the ability of families to improve their economic well-being. In addition, PRWORA contained specific targeted provisions to immigrants. These provisions had an intense and immediate impact on families with legal immigrants, many of whom are Latino. Because Latinos are more likely to be foreign-born, and are more likely than White and Black families to have immigrant family members, these provisions disproportionately and adversely impacted Hispanics.

In spite of this, scholars and policy makers have paid little attention to how Latinas have fared under welfare reform. Few studies have collected Hispanic data, and even where the data are available, few have extracted and highlighted it. This is problematic because the nationwide caseload is becoming more Hispanic, and the success of welfare policy in the future may hinge on its ability to move Latinas from the welfare rolls into the workforce. In addition, mothers currently on the rolls, many of whom are Hispanic, will likely be reaching their five-year life-time limit under TANF in the next two years. How to serve these families best will be a paramount

concern in the years to come, yet, not enough is known about what works or how to improve substantially their employability in the context of the new policy and economic environment.

In addition, policymakers, researchers, and analysts have begun to focus on welfare leavers and policy options to keep them in the labor market. As a result, many have turned attention away from the hard-to-serve and those still on the rolls, and have assumed that those women who are still participating fully in the TANF program are unable to leave and have disabilities, health problems, or substance abuse challenges. This presumption limits the resources and attention necessary to move Latinas with severe skill-challenges into the labor market.

Based on this preliminary assessment, several major research questions deserve further exploration including:

1. What are the characteristics of the current caseload of Hispanic women? What do we know about their length of stay on welfare? When will they reach their life-time limit? What are their employment and support-service needs?
2. What do we know about the employment status, income, and poverty rates of Hispanic welfare leavers?
3. How have the different local economies contributed to or impeded the employment options for poor Hispanic single mothers?
4. What has been the effect of discrimination, denying or discouraging receipt of TANF and ancillary services, and diversion programs on Hispanic families?

5. Are there particular state programs that have been more successful than others in helping Hispanic women obtain and maintain employment? What are their common characteristics?

Even in the absence of all the data required to develop a comprehensive policy agenda to address the interests of Hispanic TANF recipients, sufficient evidence exists that should inform policy formation. As policymakers and advocates begin to consider how to reauthorize and reshape TANF and related programs, several broad areas need to be addressed in order to improve welfare policy outcomes for Latinas. These include:

- ▶ **Philosophy and framework.** The welfare reform law of 1996 altered substantially the framework and philosophy of the welfare system to emphasize TANF caseload reduction and immediate employment of welfare recipients as major policy goals. Although these objectives are important, the experience of welfare reform implementation suggests that they are unsuitable as primary goals for the nation's welfare system; caseloads are down, many welfare mothers are employed, but poverty persists and food insecurity is on the rise. Welfare reauthorization must establish a new policy framework that emphasizes the goals of reducing poverty and increasing long-lasting self-sufficiency through employment, and strengthening safety-net protections for those unable, through no fault of their own, to work.
- ▶ **Benefit restorations.** Although access to federal safety-net services for many legal

immigrants was restored between 1997 and 1999, a large segment of the U.S. legal immigrant community remains unprotected by the nation's major social safety-net programs. The bulk of those affected by current restrictions are hardworking Hispanics, often with U.S. citizen children who could be forced to go hungry or homeless if they, their parents, or another family member loses a job or becomes disabled. Welfare reform must strengthen the social safety-net to ensure that all eligible families and children in need have access to Medicaid, Food Stamps, TANF, child care, and job training. Such investments are critical to assisting families in their efforts to become self-sufficient and return to the work force.

- ▶ **Work first.** The "work first" philosophy has run its course, and whatever benefit it may have had has long passed. Those who were job-ready, but may have been deterred from moving into the labor force because of the absence of time limits, have since left the TANF rolls. Those left behind consist primarily of long-term dependents and hard-to-serve mothers with severe and multiple barriers to employment. A large and growing segment of those remaining on the TANF rolls are Latinas, suggesting that welfare policy must begin to address the skill-barriers of hard-to-serve Hispanic women if it is to continue to move mothers off the TANF rolls. Because the characteristics of the TANF population have changed since 1996, welfare policy must begin to shift away from the "work first" philosophy. The new welfare policy framework should emphasize quality long-term training, education, improved

access to transitional benefits and services, and employment in jobs that pay above poverty-level wages and provide fringe benefits.

- ▶ **Discrimination.** While discrimination in the delivery of welfare services did not begin with the 1996 welfare law, provisions within the law heightened the opportunities for and implications of this behavior for Latinos. These unlawful behaviors have disproportionately affected non-English speaking families, which include a substantial number of Latinos, and has resulted in families being effectively denied services that they need to avert destitution and become self-sufficient. Welfare reauthorization must strengthen oversight and increase accountability on the part of states and cities to ensure that families have access to the benefits and services for which they are eligible.
- ▶ **Language assistance and outreach.** The research reveals that the welfare system, by and large, has not responded well to

the growing need for language assistance. The lack of language services - including multilingual materials, staff, and forms - has resulted in eligible families in need of assistance essentially being denied access to services simply because they do not speak or understand English very well. The evidence shows that this problem is endemic and exists even in areas where a large segment of the community is made up of non-English speakers. The upcoming discussion over welfare reauthorization must address this issue in a serious manner if programs are to adequately serve a TANF population that is increasingly Hispanic and made up of non-English speaking families.

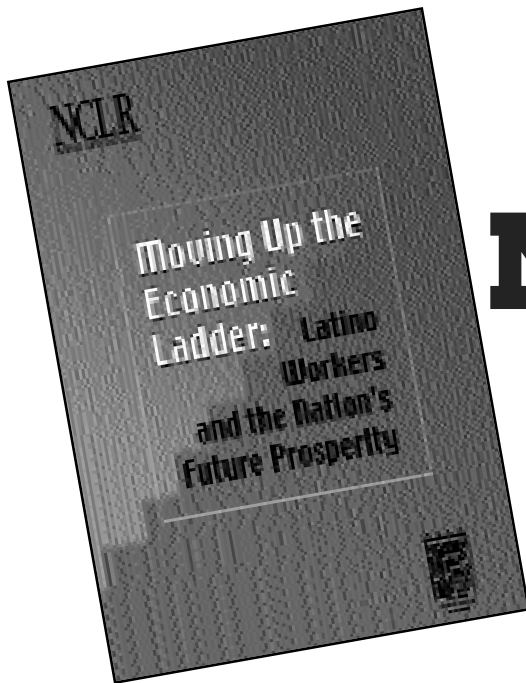
Given that the share of the TANF caseload that is Latino is increasing, and that changing demographics underscore the importance of Latino workers to sustaining the economy, it is incumbent to focus attention on this population. Given demographics, this is an economic imperative; services and federal investments must help people become self-sufficient.◆

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