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**THE REAL EMPLOYMENT OPPORTUNITIES
OF WOMEN PARTICIPATING IN AFDC:
WHAT THE MARKET CAN PROVIDE**

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IWPR's ongoing research investigates how single mothers participating in the AFDC program actually "package" income from several different sources to provide for themselves and their families. Our nationally representative research sample includes 1,181 single mothers who had AFDC income for at least two out of 24 months. The sample is drawn from the Census Bureau's Survey of Income and Program Participation for the years 1984 through 1990 and represents approximately 2.7 million women. While mothers participating in AFDC probably do not report all their income sources to the Census Bureau interviewers, because maintaining their AFDC eligibility generally requires not having much other income, they do apparently report more income than is reported elsewhere.

We found that only about a third of the mothers report that they rely on AFDC alone, without other income from family members, paid employment, or other assistance programs. More than 40 percent of the mothers combine receipt of AFDC with earnings, some simultaneously (having both income sources in the same months) and some sequentially (moving on or off welfare or cycling between them). Those who package AFDC with employment work about 900 hours a year (about the same as all mothers in the labor force) and earn \$4.29 per hour in 1990 dollars. They generally work close to full-time but for fewer than half the weeks across the two-year period studied. They hold an average of 1.7 jobs over the two years. They thus do not have steady full-time employment. Both the nature of their jobs and demands of their families likely contribute to the instability of their employment patterns. We found that, because of this instability and overall low earnings, only about 10 percent of the packagers had any income from unemployment insurance, despite their considerable work effort.

Even though their family situations and the nature of the low wage labor market obviously limit these women's work effort, most current proposals for welfare reform, such as the concept that welfare benefits would be limited to two years, are based on the notion that single mothers will and can work full-time. Rather than receive welfare to supplement their earnings (as many do now) they would receive expanded earned income tax credits (EIC) and other supplements such as food stamps. We found, however, that given the characteristics of their work, these mothers would receive on average \$1,200 in EIC benefits and would lose \$2,350 in AFDC benefits. Thus unless these women can work more or at higher wages, they could wind up worse off after a transition to work that "frees" them from dependence on welfare. If low wage jobs are taken as given, additional income supplementation will be necessary not only to maintain the support they are currently receiving, but especially to move these families out of poverty.

Expanded eligibility for unemployment insurance, including extension of UI benefits to new entrants and re-entrants, as well as new income replacement programs for family care would go a long way toward enabling these women to rely more on employment as their primary source of income.

In addition, or as an alternative, to accepting the low wage labor market, and these women's place in it, as given, is the development of strategies to improve the low-wage labor market and these women's access to the better jobs. A higher minimum wage, pay equity, anti-discrimination enforcement, and unionization, as well as full-employment policies, would work to improve jobs at the bottom and enhance women's access to better jobs.

For the last several years, IWPR has been engaged in extensive research on the economic survival strategies of a nationally representative sample of single mothers who receive AFDC for at least two out of the 24 month survey period. Our research uses data from the U.S. Bureau of the Census' Survey of Income and Program Participation (SIPP)--a panel survey especially designed to capture the labor force experience, job characteristics, earnings, family structure, and sources of public and private income available to U.S. households. The data used in our research are from 1984 through 1990. The 1,181 single mothers in our sample represent about 2.7 million women.

In our current research, we are examining the "income packaging strategies" that these women are using to support their families. Analyzing the SIPP data shows us how women combine paid employment, the receipt of AFDC and other means and non-means tested benefits, and other income sources (including financial support from other family members). We are analyzing the effectiveness of this kind of income-packaging strategy as an alternative anti-poverty strategy because our previous research concerning low-income families indicates that many single mothers could not bring their families out of poverty either through unstable low-wage jobs or through means-tested benefits alone (IWPR, 1989). While mothers participating in AFDC probably do not report all their income sources to the Census Bureau interviewers, because maintaining their AFDC eligibility generally requires not having much other income, they do apparently report more income than is reported elsewhere.

As part of this research, we compared the demographic and human capital characteristics of AFDC recipients whose income package reflects reliance on means-tested

benefits (such as AFDC) with those recipients for whom paid work constitutes a major share of the income package (Spalter-Roth, Hartmann, and Andrews, 1992). We have examined the factors that increase the likelihood that paid employment will be a significant part of the income packages single mothers put together, the characteristics of the jobs held by income-packagers, and the factors (including types of jobs, access to family supports, and access to welfare and other benefits) that increase the likelihood that single mothers can bring their families out of poverty.

Our research is especially relevant now as the Administration and Congress consider another round of welfare reform (Spalter-Roth, 1993). This round will likely emphasize transitions to paid employment rather than "welfare dependency." Policy priorities are likely to be refocused to assist the working poor by making participation in low-wage jobs a viable means of family support, so that families in which an individual works full-time, year-round would not be poor. The current Administration has pledged itself to two goals: "ending welfare as we know it" and "to make work pay" so that "no one who works full-time and has children at home should be poor anymore" (Clinton and Gore, 1992). To improve the economic incentive to work full-time, year-round, the Administration (with the support of Congress) has expanded the Earned Income Tax Credit (EIC) as the major policy strategy to supplement income from low-wage work. The food stamp program, another means tested public assistance program, has also been expanded.

Numerous researchers and advocates have questioned whether AFDC recipients can reasonably be expected to bring their families out of poverty by working full-time, year-round (Greenberg, 1992; Greenstein and Shapiro, 1993; Jencks and Edin, 1990). Two

factors cast doubt on the feasibility of this policy assumption. The first is the volatility of the low-wage labor market. Many researchers suggest that the characteristics of the low-wage jobs being generated -- with a high proportion of part-time and short-term jobs -- prevent low-wage workers from becoming economically self-sufficient. The second is the extreme burden that full-time work places on single mothers; can they reasonably be expected to be both mother and father to their children, while engaging in paid employment for at least 2,000 hours per year? In spite of these important factors, key administrative proposals assume that full-time, year-round employment is the normative work pattern.

To date, our research shows the following:

(1) Packaging Work and Welfare. In contrast to policy makers who view paid work and welfare as mutually exclusive income sources, we found that more than four out of 10 AFDC recipients engage in substantial hours of paid work (an average of 900 hours per year), either simultaneously combining income from earnings with receipt of AFDC or cycling between them. This group has higher levels of education (two-thirds have at least a high school diploma), more job training (about one-third have some additional job training), more work experience (they average about six years of work experience), fewer months receiving AFDC (an average of 14.0 months during the 24 month period), and a relative lack of work-inhibiting disabilities compared to those AFDC recipients who do not engage in paid employment and are largely reliant on AFDC (see Table 1). They are also more likely to have access to support from other family members (see Table 2) and to reside in a state with a low unemployment rate. Those women who are less likely to work are more likely to have a toddler, less likely to have attended high school, more likely to have a work limiting disability, more likely to live in a state with high unemployment, and less likely to have access to support from other family members (see Tables 1 and 2). Recipients with prior welfare spells were equally as likely to be currently reliant on AFDC or to include significant amounts of paid employment in their income package, indicating that welfare history is not a barrier to paid employment.

Forty-three percent of current AFDC recipients report substantial paid employment during a two-year period. To "make work pay" for this group of mothers through various supplementation programs requires knowing the characteristics of employment patterns and

job opportunities available to them. The quality of jobs available (including their longevity, their wage levels, and the likelihood that they result in upward mobility) will determine both the type and the magnitude of financial and other supports required to keep working families out of poverty. Can we, for example, expect steady work patterns, even if at low wages? If so, the EIC may be the appropriate supplement. If employment is sporadic can Unemployment Insurance bridge the gaps? If not, what other support programs will be needed?

The work patterns of these work/welfare packagers and the characteristics of the jobs they hold are likely reflective of the kinds of opportunities available to the more employable AFDC recipients. Therefore, we suggest that the work patterns and job characteristics of this group represent an overly *optimistic* picture of the quality of employment opportunities available to the *total* population of recipients (including the six out of 10 who currently do not include paid employment in their income package) who would be expected to make a full transition from AFDC to paid employment under the various proposals to "end welfare as we know it." And, this optimistic picture is not bright.

(2) Characteristics of Jobs Held by Packagers. The more than four out of 10 AFDC recipients who packaged paid employment with receipt of AFDC during the two-year survey period worked for an average of 1800 hours, approximately the same number of hours as all working mothers. They held an average of 1.7 jobs (with 44 percent holding two or more jobs), for a total of 54 weeks (with their longest job lasting an average of 46 weeks). They worked at paid employment for an average of 34 hours per week, suggesting that when employed, they are more likely to have sporadic full-time jobs than steady part-time jobs. On average, these women spent almost 4 months on layoff or looking for work (see Table 1).

When employed, they were most likely to be employed at low-wage jobs such as cashiers, nursing aids, food service workers, janitors and maids, and machine operators (see Table 3). These jobs paid an average of \$4.40 per hour (in 1990 dollars). Food service jobs, among the most likely to be held by these women, have

the shortest duration (30 weeks) and paid among the lowest wages (\$3.73 per hour). Sales and cleaning service jobs paid slightly more (\$3.94 and \$4.08 respectively). Jobs in all three of these occupations were among the most likely to be worked part-time. The highest paid jobs were the white collar jobs: managerial, professional, technical, and administrative jobs at hourly wage rates ranging from \$5.24 to \$6.40. The blue collar jobs in precision production paid \$4.38 per hour and machine operatives earned \$4.65 per hour on average. Besides managerial jobs, these blue collar jobs were the most likely to be worked full-time. For the 44 percent of welfare recipients who had more than one job, there was no evidence that job change resulted in a better job in terms of increased wages, length of employment, or likelihood of working full-time.

Among the race and ethnic groups studied (see Table 4), black mothers worked the longest hours, the most weeks, and the most full-time weeks. Like Hispanic women, they were substantially less likely than white mothers to work in managerial, professional, technical or sales jobs, and more likely to work in administrative support and clerical jobs and as machine operators. Black women, but not Hispanics, were significantly more likely than whites to work as precision production, craft, and repair workers. Within the service occupations, which employ about 40 percent of the mothers in all groups, white women were substantially more likely to work in food service jobs and less likely to work in cleaning or personal service jobs than were both blacks and Hispanics.

During the two-year study period these work/welfare packagers earned an average of \$4,300 (in 1990 dollars) per year, and received an average of about \$2,300 in AFDC benefits (see Table 2). In spite of additional income from other family members (including child support) the income to poverty ratio for these families was about 95 percent of the poverty line and their families spent almost two-thirds of the 24 months in poverty. Even if they worked full-time, year-round at the jobs they held, these women would generally not have been able to bring their families above the poverty level through their work alone.

These findings demonstrate that without major change in the low-wage labor market, full-time, year-round work alone is not a likely basis for bringing families out of poverty; policies that assume this basis will be ineffective for many poor families.

(3) Factors That Bring Families Out of Poverty. Single mothers who received AFDC during the two-year survey period were significantly more likely to be able to bring their families out of poverty if they had a high school diploma and if they held full-time, year-round, non-service jobs with a union contract. They were also significantly more likely to live in states with low unemployment rates. But, these women's jobs, in themselves, were not enough to bring their families out of poverty. Access to other sources of income, both private and public, were equally important. These sources included: earnings from other family members, income from child support, and access to higher payment levels from means and non-means tested benefits. Without access to these additional sources, the probability of having above poverty level incomes was much lower.

Table 5 shows that even AFDC-reliant families (those without substantial earnings in our study) frequently have considerable other sources of income, typically from family members. About 2/5 of those women we label the AFDC-reliants have additional income from other family members (a minimum of \$1,000 over the 24 month period). Of those without additional income from family members 98 percent are in poverty, on average, over the two-year period. Those with both AFDC and family income have a lower poverty rate, 72.2 percent. Those who combine work and AFDC, but lack family resources fare nearly as well, with an average poverty rate of 80.2 percent. The smallest group, with access to all income sources, has the lowest average poverty rate over the two-year period, 43.8 percent.

These findings suggest that achieving the goal of moving single-mother families out of poverty requires policies to increase earnings, for both the mother and other family members, and to provide income support from the government. Unless the low wage labor market is substantially reformed, income support policies will need to be especially tailored to the characteristics of the low-wage jobs these women are likely to obtain.

Since the EIC is regarded as the primary means of providing income support to the families of low wage workers, it is reasonable to ask whether the EIC, as currently conceived, is an adequate substitute for AFDC in these women's income packages, were they all to make the transitions from welfare to work. Our preliminary estimates of the impact of the recently expanded EIC program assume that our entire sample would exhibit the current work patterns, earnings, additional taxable income, and the number of children that are observed among the 43 percent who currently work during the two year period. We estimate that about 99 percent of these work/welfare packagers would qualify for an EIC benefit in at least one year and that about two-thirds would qualify for an EIC benefit in two consecutive years. We estimate that those who would qualify would receive an average annual benefit of about \$1,450 (in 1994 dollars). This benefit level is substantially less than the average annual amount of income that this same group of work/welfare packagers currently receives from AFDC, \$2,100 (see Figure 1). For the entire group of packagers, including those who would not receive an EIC benefit, the average estimated EIC benefit is only \$1,200 annually, while the estimated AFDC loss is \$2,350. Unless more of these women are able to obtain longer-term or higher-wage jobs, we estimate that, based on their earnings, only about 35 percent of those who qualify for an EIC benefit (and 28 percent of all packagers) would receive \$2,000 or more in EIC benefits. Thus, unless employment patterns change or EIC benefits are increased further, many families could be worse off if the mothers were to lose AFDC benefits as the result of new time limits on welfare receipt or other means of forcing transitions from AFDC to employment.

Income supplements to single mothers who rely on low-wage jobs as their primary means of support must deal with the instability of their jobs. Another source of uneven work experience for these women is their responsibility for their families. A second policy question, therefore, is what happens to these women during periods of unemployment or periods out of the labor force as a result of childbirth, childcare, eldercare, or other family needs? Unlike AFDC, EIC benefits are not received during periods of non-employment (or at the end of a tax year in which there was no income from work), and therefore they will often not stabilize the family- and job-based income instability many single mothers experience.

The traditional government program for periods of unemployment is Unemployment Insurance (UI). Our research indicates that only 11 percent of these work/welfare packagers received this benefit, despite their substantial work effort (see Table 6). Their lack of eligibility for UI can be partially explained by the low wages and short work periods many of these women experienced. Those who did receive this benefit were employed for an additional four weeks, had fewer weeks of part-time work, more spells of employment, received an additional 70 cents per hour, and were substantially less likely to be employed in service occupations than those work/welfare packagers who did not receive UI (they were more likely to be employed in sales and administrative support and clerical occupations). For those women who did qualify for UI benefits, almost half did not begin a new job at the end of their spell of UI benefits but rather began an AFDC spell.

Furthermore, because single mothers often have no other adult with whom to share family care, they are much more likely (than are other parents) to have to leave jobs to

meet family care needs. These interruptions (most likely considered "voluntary quits" and not eligible for immediate unemployment benefits in most states), along with their low and sporadic earnings, undoubtedly contribute to the low rate of receipt of UI benefits observed among women who head households alone. In general, female heads of household are twice as likely as male heads to face unemployment without UI benefits (Falk, 1990). UI, as currently structured, is not an adequate income support program for dealing with the periods of unemployment and the periods of non-employment that the single mothers in this study experienced. If AFDC becomes time-limited, UI would likely need to be restructured to increase eligibility (through decreasing the work experience and earnings requirements and by providing transitional UI benefits for those entering or returning to work).

Neither the EIC nor UI provide income support for time spent out of the labor force as a result of serious illness, or the serious illness of children or elderly parents. The Family and Medical Leave Act of 1993 provides only a job guarantee, not income support, during such absences. One possible program to provide income support in times of illness and family need would be to extend temporary disability insurance (TDI) as it currently exists in five states to all other states and to expand it to cover serious family emergencies. The current state programs vary in their eligibility requirements, but generally are about as restrictive as UI programs. In order to encourage the replication of TDI, IWPR is currently conducting cost estimates for new and expanded TDI programs under a variety of assumptions.

Currently, AFDC functions as unemployment and temporary disability insurance for poor single mothers--those with sporadic, low wage jobs at best and without substantial

other family resources to tide them over during family emergencies and job loss. Given that single mothers receiving AFDC have significant work experience (3 years for reliant, 6 years for packagers), expanded social insurance programs, such as TDI and UI, in which benefits are based on work experience, would likely help these single mothers significantly (provided that eligibility was not set too restrictively in terms of earnings levels). Providing income security through this type of program could go a long way toward reducing the need of these single women to rely on AFDC.

CONCLUSION

There are two different policy strategies that can successfully alter the circumstances of poor single mothers and bring them and their families out of poverty.

One strategy accepts the low-wage labor market as given and focuses on encouraging work effort and providing earnings supplements. If enough supplementation is provided, for *all* the sources of earnings losses common to single mothers, this strategy could work. This is the strategy being pursued by the current administration, but, because these policy makers have not dealt with earnings loss due to the instability of low-wage jobs or family needs, they have not as yet proposed enough supplements to make it possible for most single mothers currently receiving AFDC to rise above poverty.

The second strategy, rather than permanently subsidizing low-wage, short-duration jobs, would focus on improving pay in low-wage jobs, changing the low-wage labor market, and improving access to higher wage jobs. Perhaps foremost among the needed policies in this area is a full-employment policy. Efforts to move AFDC recipients to

employment will fail in the absence of jobs; in addition, high unemployment contributes to the low wages of the jobs that do exist. Policies focused on eliminating gender- and race/ethnicity-based discrimination, such as pay equity policies and stronger enforcement of existing laws and regulations, are also extremely important for this group of single mothers. Raising the minimum wage and encouraging collective bargaining would also help this group of women. Finally, education and training can provide greater access to higher paying and/or more stable jobs. While the current administration is preparing a major job training initiative, little has been said about the other components of this type of jobs-based strategy. This strategy could be less expensive in the long run than the strategy that accepts the low-wage labor market as given.

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APPENDIX

The Sample Population of Work/Welfare Packagers

We use the 1984, 1986, 1987, and 1988 panels of the U.S. Bureau of the Census' longitudinal study, the Survey of Income and Program Participation (SIPP) to develop a sample of single mothers who received AFDC for at least two out of 24 survey months. These women were interviewed for all 24 months, were mothers for at least 12 months, and were single for at least 12 months. We further divided the resulting sample of 1,181 women (representing approximately 2.7 million AFDC recipients) into two sub-groups. The first group includes those who did not have at least 300 hours of work experience during the survey period and were largely reliant on AFDC benefits for their economic well-being. The second group contained those who included both AFDC receipt and at least 300 hours of paid employment in their income package. We refer to this second group as work/welfare packagers. We further divided these work/welfare packagers on the basis of whether they package paid employment and AFDC receipt sequentially (sequential packagers) or at the same time (simultaneous packagers) for at least four months. These work/welfare packagers represent 43 percent of the total sample--about 1.2 million women.

TABLE 1
Average Characteristics of Work/Welfare Groups

CHARACTERISTIC	FULL SAMPLE	AFDC RELIANT	PACKAGERS
Population	2,797,286	1,598,332	1,198,955
As % of Population	100.0%	57.1%	42.9%
Sample	1181	679	502
FAMILY			
Age of Mother*	29.2	29.3	29.1
Previously Married *	48.2%	47.0%	49.8%
Number of children	2.1	2.2	1.9
Child under 2* or birth during survey	40.8%	43.8%	36.7%
Solo Mother	71.2%	72.5%	69.4%
Number of other earners in household	0.5	0.5	0.6
HUMAN CAPITAL			
No High School *	12.8%	15.5%	9.2%
High School Diploma **	54.5%	45.4%	66.8%
Student during survey	33.9%	30.1%	39.0%
Job Training (ever or current)	27.2%	22.4%	33.7%
Work – limiting disability	21.2%	24.9%	16.2%
Work experience (years)	4.3	3.2	5.7
WORK BEHAVIOR			
Jobs During Survey	1.3	1.1	1.7
Total hours of labor	790.8	17.8	1821.3
Weeks employed	23.8	1.2	54.0
Weeks looking for work/on layoff	15.0	14.4	15.9
RACE/ETHNICITY			
Anglo – American	39.2%	35.4%	44.2%
African – American	45.2%	47.3%	42.4%
Hispanic	13.7%	15.8%	10.8%
Other Racial Background	1.9%	1.4%	2.5%
AFDC HISTORY			
Months on AFDC	18.4	21.7	14.0
Number of AFDC spells during survey	1.2	1.1	1.3
Previous AFDC spell ***	22.9%	21.9%	24.3%
STATE CHARACTERISTICS			
Unemployment rate	6.7	6.9	6.6

PRELIMINARY DATA

- * Variable based on response in first wave of survey.
- ** Variable based on response in third wave of survey.
- *** AFDC history variables apply only to persons with repeat spells.

Source: IWPR calculations based on the Survey of Income and Program Participation.

TABLE 2
Economic Well-Being of Work/Welfare Groups
(Average Annual Income by Income Sources, Health Coverage, and Poverty Status)
in 1990 dollars

CHARACTERISTIC	FULL SAMPLE	AFDC RELIANT	PACKAGERS
Population	2,797,286	1,598,332	1,198,955
As % of Population	100.0%	32.1%	21.5%
Sample	1181	679	502
Total Family Cash Income *	\$9,899	\$8,547	\$11,702
Family Earnings	4,170	2,012	7,047
Mother's Earnings	1,868	35	4,312
Others' Earnings	2,302	1,977	2,735
Total Means - Tested Benefits*	3,654	4,563	2,443
AFDC	3,341	4,090	2,343
Cash Benefits (excluding AFDC)	313	772	134
WIC and Food Stamps*	1,706	1,985	1,335
General Assistance	36	57	8
Supplemental Security	251	392	63
Other Welfare	26	24	29
Non - Means - Tested Benefits	299	332	255
Private Benefits	16	17	14
All Child Support	182	127	254
All Informal Sources	66	55	80
Miscellaneous Income **	1,512	1,440	1,608
Health Coverage			
Months with health insurance	21.7	22.9	20.0
Months with public insurance	20.0	22.7	16.4
Months with private insurance	2.5	0.9	4.7
Poverty Status			
Family Income as % of Poverty Line	77.2%	64.1%	94.6%
Annual Family Poverty Line	\$12,751	\$13,015	\$12,399
Months in Poverty	18.7	21.0	15.7

PRELIMINARY DATA

- * The cash value of WIC and Food Stamps are not included in either Total Family Cash Income or in Total Means - Tested Benefits.
- ** Miscellaneous income includes gains or losses from financial investments and other family members' unearned income.

Source: IWPR calculations based on the Survey of Income and Program Participation.

TABLE 3
 Job and Worker Characteristics By Occupation -- All Jobs*
 Work/Welfare Packagers

OCCUPATION	Total Jobs	Wage & Salary Job	Weeks	Full-Time Weeks	% of Wks Part-Time	Avg Wkly Hours	Hourly Earnings
Managerial	23	91.3%	41.5	33.5	19.3%	37.5	\$5.42
Professional	34	97.1%	37.6	20.2	46.3%	29.6	6.40
Technician	11	100.0%	36.4	25.5	30.0%	37.5	6.28
Sales	117	96.6%	30.3	14.8	51.1%	31.5	3.94
Administrative	152	100.0%	31.8	19.2	39.7%	32.5	5.24
Food Service	124	100.0%	29.7	11.3	61.8%	28.5	3.73
Cleaning Service	67	92.5%	44.3	15.6	64.7%	25.1	4.08
Personal Service	66	71.2%	34.3	21.3	37.8%	32.9	2.86
Other Service	73	100.0%	38.3	26.9	29.7%	33.8	4.28
Farming, Forestry	13	92.3%	15.2	11.0	27.4%	37.4	4.00
Precision Production	25	100.0%	30.6	24.2	20.9%	34.7	4.38
Operators & Laborers	151	100.0%	33.4	25.5	23.5%	36.6	4.65
All Occupations	856	96.3%	33.6	19.7	43.0%	32.3	4.40

PRELIMINARY DATA

* The average number of jobs held by a work/welfare packager is 1.7. These data are unweighted.

Source: IWPR calculations based on the Survey of Income and Program Participation.

TABLE 4
Characteristics of Primary Job for Work/Welfare Packagers by Race*

CHARACTERISTIC	WHITE	BLACK	HISPANIC	OTHER RACE
Population	529,979	508,881	130,009	30,086
Sample	237	197	56	12
JOB TYPE				
Percent Wage and Salary Job	94.3%	97.7%	98.1%	96.4%
Percent Self-Employment Job	5.7%	2.3%	1.9%	3.6%
Hours Worked	1506.0	1647.6	1538.4	1615.2
Weeks Worked	44.7	48.9	45.5	44.8
Full-Time Weeks Worked	26.8	31.7	29.4	31.0
Part-Time Weeks Worked	17.9	17.2	16.1	13.7
Predominantly Part-Time Jobs	27.7%	26.2%	33.5%	23.1%
Average workweek length	34.8	34.5	34.4	36.4
OCCUPATION				
Managerial and Executive	3.7%	2.4%	0.0%	5.0%
Professional	5.9%	0.0%	2.4%	4.5%
Technician	1.4%	0.6%	0.0%	0.8%
Sales and Related	14.0%	10.3%	5.9%	7.3%
Cashier	7.0%	7.2%	4.5%	2.5%
Administrative Support and Clerical	14.2%	17.7%	16.6%	15.6%
Service	40.0%	40.8%	38.7%	39.9%
Food Service	15.9%	8.9%	6.7%	7.0%
Cleaning Service	8.8%	9.6%	5.3%	6.3%
Personal Service	8.4%	11.1%	10.2%	13.2%
Other Service	6.9%	11.3%	16.5%	13.4%
Farming, Forestry and Fishing	0.3%	0.0%	10.7%	0.0%
Precision Production, Craft and Repair	1.9%	6.0%	1.5%	3.6%
Operators, Handlers and Laborers	18.4%	22.2%	24.2%	23.3%
INDUSTRY				
Agriculture	4.2%	2.2%	12.6%	3.1%
Mining	0.0%	0.0%	0.0%	0.0%
Construction	0.4%	0.7%	0.0%	0.0%
Manufacturing	16.7%	19.2%	19.0%	21.3%
Nondurables	5.7%	13.5%	9.8%	12.3%
Durables	11.0%	4.7%	9.2%	9.0%
Transportation, Communication and Utilities	1.3%	1.1%	0.0%	0.8%
Wholesale Trade	0.9%	4.0%	5.7%	2.0%
Retail Trade	30.4%	19.0%	12.6%	13.7%
Finance, Insurance and Real Estate	1.9%	4.6%	3.0%	3.3%
Service	39.3%	45.9%	45.3%	51.4%
Public Administration	2.6%	3.7%	1.8%	3.9%

PRELIMINARY DATA

* Primary job is the job at which the AFDC mother worked the longest hours.

Source: IWPR calculations based on the Survey of Income and Program Participation.

TABLE 5
Distribution Across Type of Income Packages
(Family, Market, and State) for Packagers and Reliants

Group	AFDC Only	% of Total	Market & AFDC	% of Total	Family & AFDC	% of Total	Market, Family & AFDC	% of Total	Total
All AFDC Reliants	929,976	58.2%	—	—	668,357	41.8%	—	—	1,598,323
Less Reliant	35,787	33.0%	—	—	72,767	67.0%	—	—	108,554
More Reliant	158,603	45.5%	—	—	190,185	54.5%	—	—	348,778
Fully Reliant	735,586	64.5%	—	—	405,405	35.5%	—	—	1,140,991
All Work/Welfare Packagers	—	—	622,618	51.9%	—	—	576,336	48.1%	1,198,954
Cyclers	—	—	311,991	49.0%	—	—	324,635	50.9%	636,626
Combiners	—	—	310,627	55.2%	—	—	251,701	44.8%	562,328
Group Totals	929,976	—	622,618	—	668,357	—	576,336	—	2,797,986
Group Total as Percent of All	33.3%	—	22.3%	—	23.9%	—	20.6%	—	101.0%
Percent in Poverty	98.0%	—	80.2%	—	72.2%	—	73.8%	—	82.9%

PRELIMINARY DATA

Definitions of Income Packagers:

AFDC Only — Income sources include receipt of AFDC and other means – tested benefits but other income is limited, including earnings from fewer than 300 hours of market work and less than \$1,000 in income from other family members over a 2 year period.

Market and AFDC — Income sources include receipt of AFDC and related programs, along with earnings from 300 hours or more of market work and less than \$1,000 in income from other family members.

Family and AFDC — Income sources include receipt of AFDC and related benefits and more than \$1,000 in income from other family members over a 2 year period, but income from earnings is limited to that from fewer than 300 hours of work.

Market, Family, & AFDC — Income sources include AFDC receipt, more than \$1,000 in income from other family members over a 2 year period, and earnings from more than 300 hours of market work.

Source: IWPR calculations based on the Survey of Income and Program Participation.

FIGURE 1:
Effectiveness of EIC as a Substitute for AFDC
Among Work/Welfare Packagers
1994 Dollars, 1995 Program Guidelines

◆ Estimated % of recipients who would qualify for the EIC in at least one of two years	99%
◆ Estimated % of recipients who would qualify for the EIC in two consecutive years	65%
◆ Estimated average % of recipients who would qualify for the EIC in a single year	82%
◆ Estimated average benefit for EIC qualifiers	\$1,450
Estimated average % receiving more than \$2,000/yr in EIC	35%
Estimated average AFDC loss for all EIC qualifiers	\$2,100
◆ Estimated average benefit for all packagers (includes both qualifiers and nonqualifiers)	\$1,200
Estimated average % receiving more than \$2000/yr in EIC	28%
Estimated average AFDC loss for all packagers (includes both those who would and would not receive an EIC benefit)	\$2,350

BASED ON PRELIMINARY IWPR ESTIMATES

Source: IWPR calculations from the Survey of Income and Program Participation.

TABLE 6
WORK/WELFARE PACKAGERS
 Worker and Job Characteristics of Individuals Who
 Received Unemployment Insurance Versus Individuals Who Did Not
 (2 Year Period)

Characteristic	All Work/Welfare Packagers	Not Unemployment Insurance Recipients	Unemployment Insurance Recipients
Packager Population (As % of Packagers)	1,198,955 100.0%	1,069,508 89.2%	129,447 10.8%
HUMAN CAPITAL			
Work Experience	5.7	5.4	7.08
Highest Grade Completed	11.3	11.3	11.1
Job Training (ever or current)	33.7%	32.9%	39.9%
Federal Job Training (ever or current)	14.4%	14.2%	15.8%
EMPLOYMENT PATTERNS – ALL JOBS			
Jobs During Survey	1.7	1.6	2.3
Employment Spells During Survey	1.7	1.6	2.2
Total Hours Worked	1821.3	1788.5	2092.6
Weeks With Employment	54.0	53.6	57.3
Weeks on Layoff of Looking for Work	15.9	15.2	29.8
PRIMARY JOB EARNINGS			
Total Earnings (in 1990 dollars)	\$7,366	\$7,296	\$7,945
Average Hourly Earnings (in 1990 dollars)	\$4.29	\$4.22	\$4.83
Full-Time Weeks Worked	29.2	28.9	32.0
Part-Time Weeks Worked	17.3	18.0	11.8
OCCUPATION – PRIMARY JOB			
Managerial, Professional, & Technical	6.7%	6.4%	8.7%
Sales and Related	12.5%	12.0%	17.0%
Administrative Support and Clerical	15.9%	14.8%	24.6%
Service	39.7%	41.7%	22.8%
Farming, Forestry, and Fishing	1.3%	0.6%	7.3%
Precision Production, Craft and Repair	3.8%	4.2%	0.0%
Operators, Handlers, and Laborers	20.2%	20.3%	19.5%

PRELIMINARY DATA

Source: IWPR calculations based on the 1984, 1986, 1987, and 1988 Survey of Income and Program Participation.

