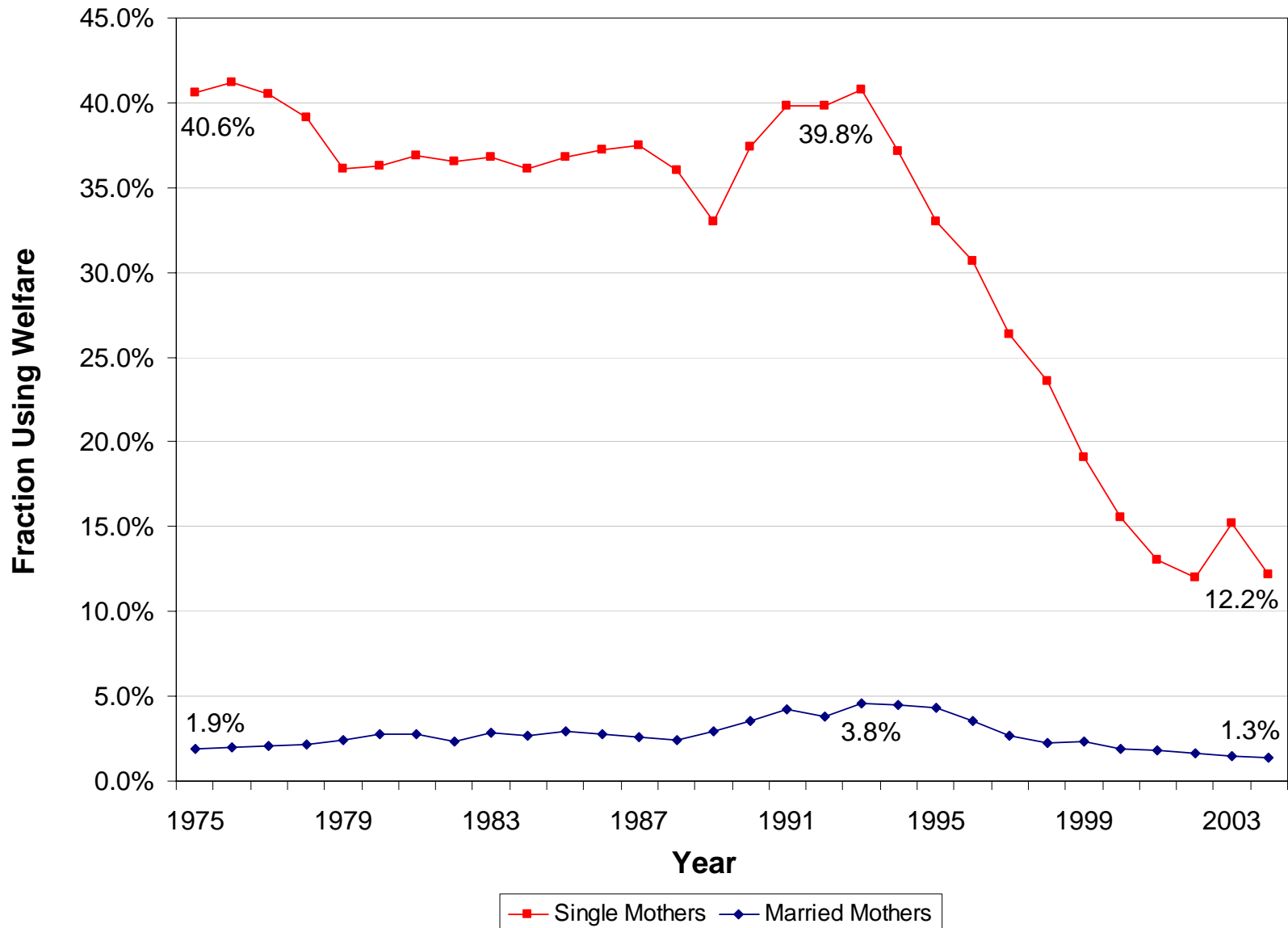


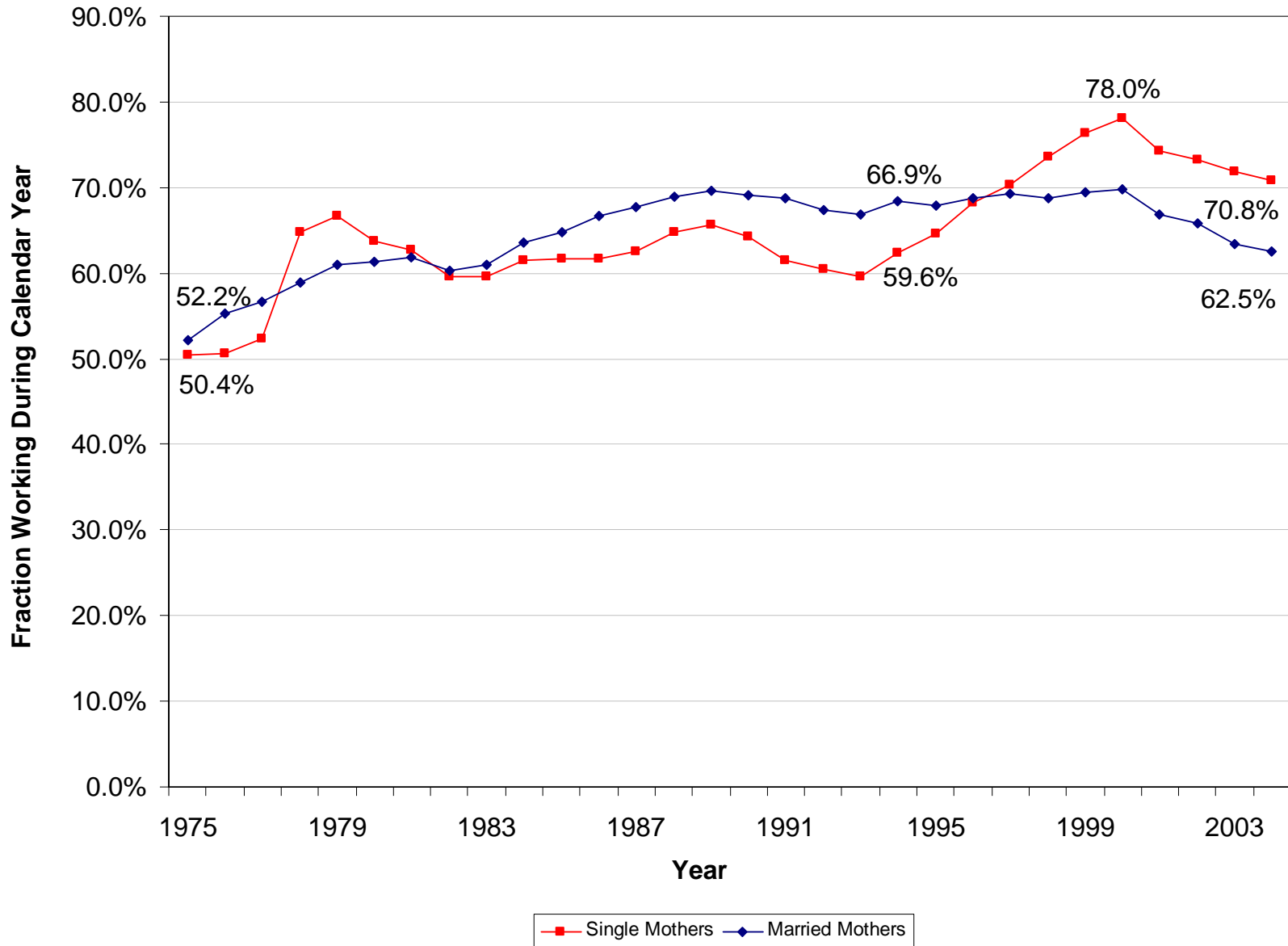
# FROM WELFARE TO THE LOW-WAGE LABOR MARKET

Sheldon Danziger, Henry J. Meyer  
Distinguished University Professor of  
Public Policy, University of Michigan

# Welfare Receipt, Women with Children, High School Degree or Less, 1975-2004, By Marital Status

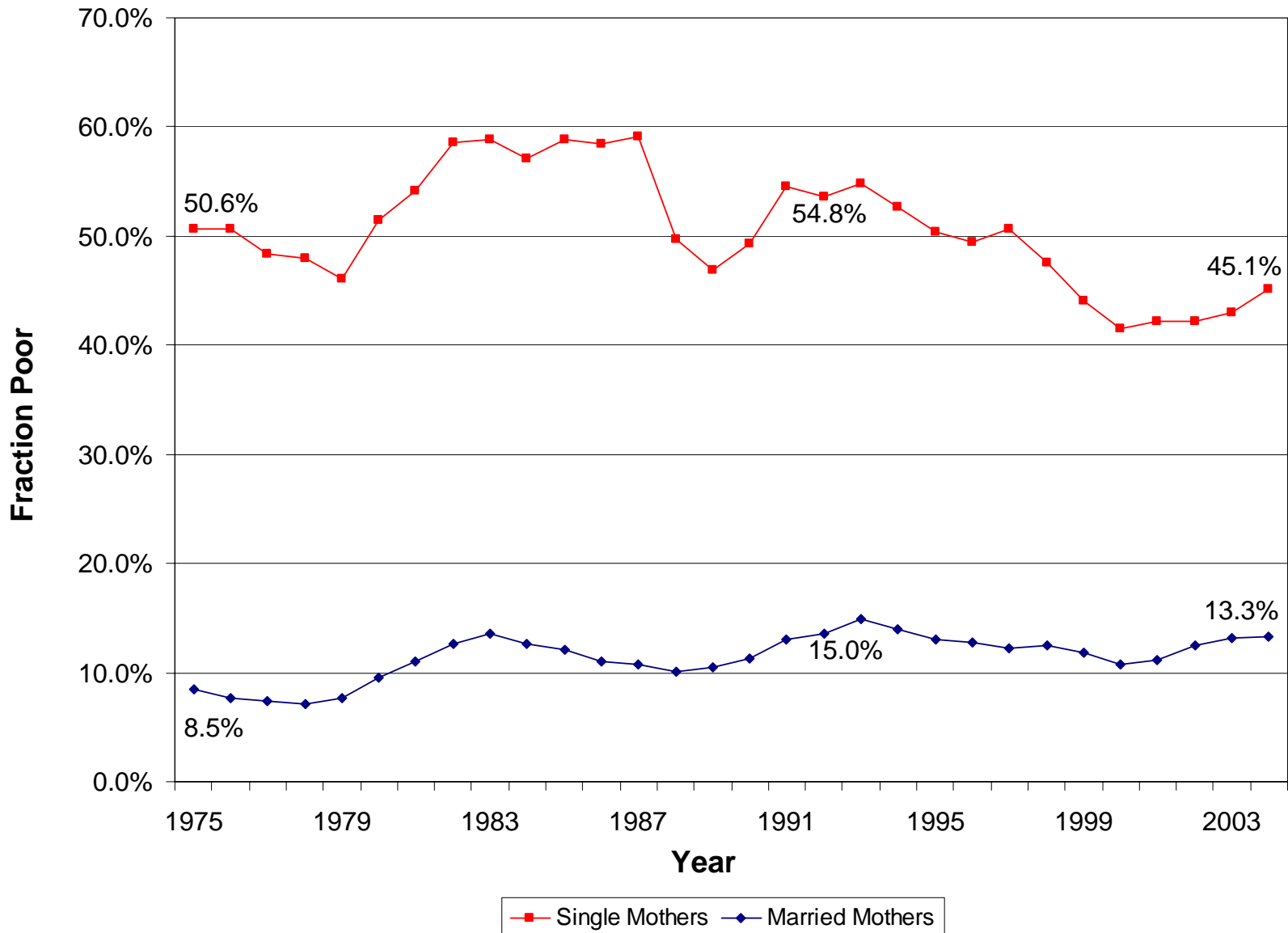


# Employment Rate, Women with Children, High School Degree or Less, 1975-2004, By Marital Status

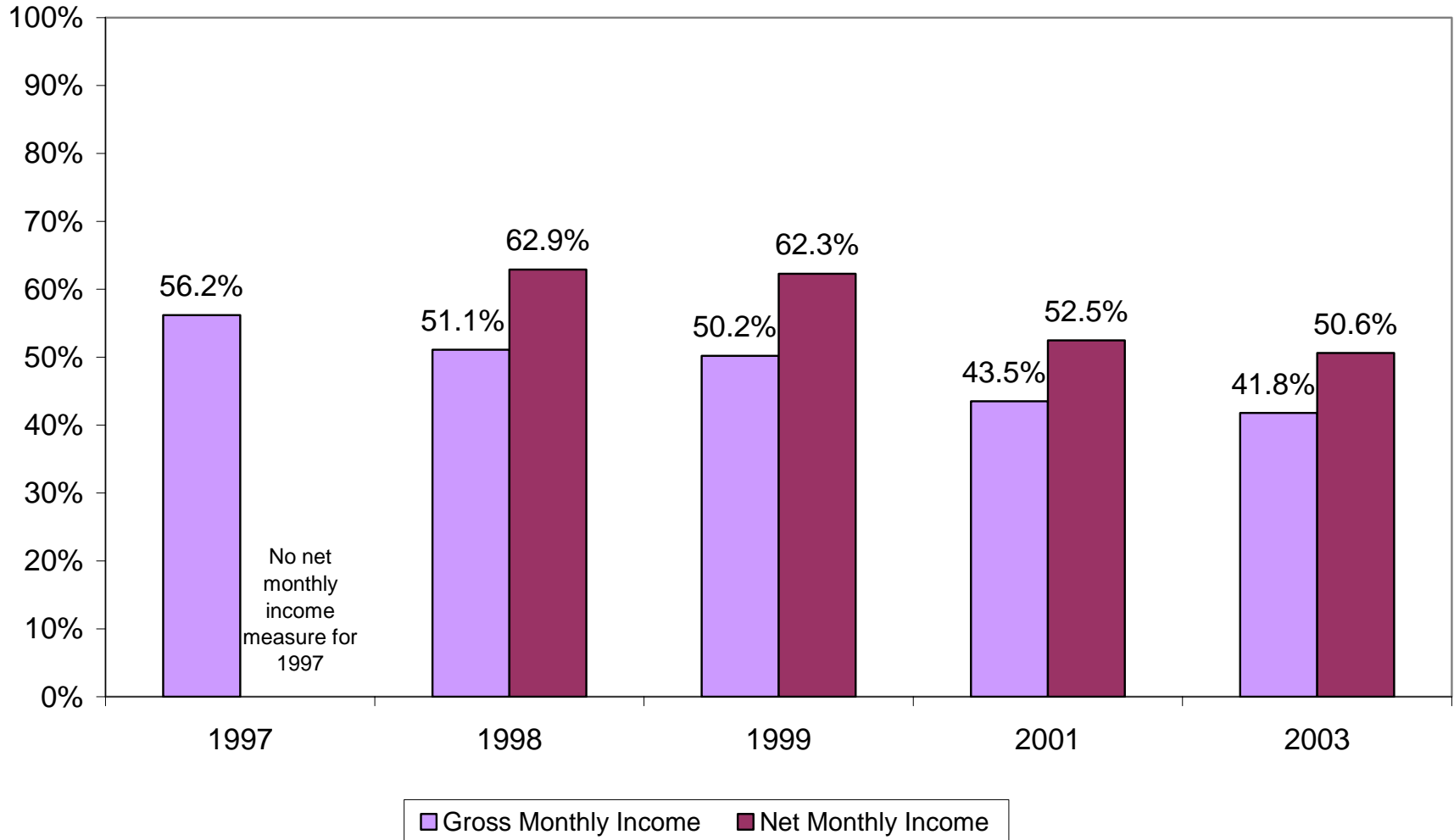


Source: Computations from March Current Population Surveys

# Official Poverty Rate, Women with Children, High School Degree or Less, 1975-2004, By Marital Status



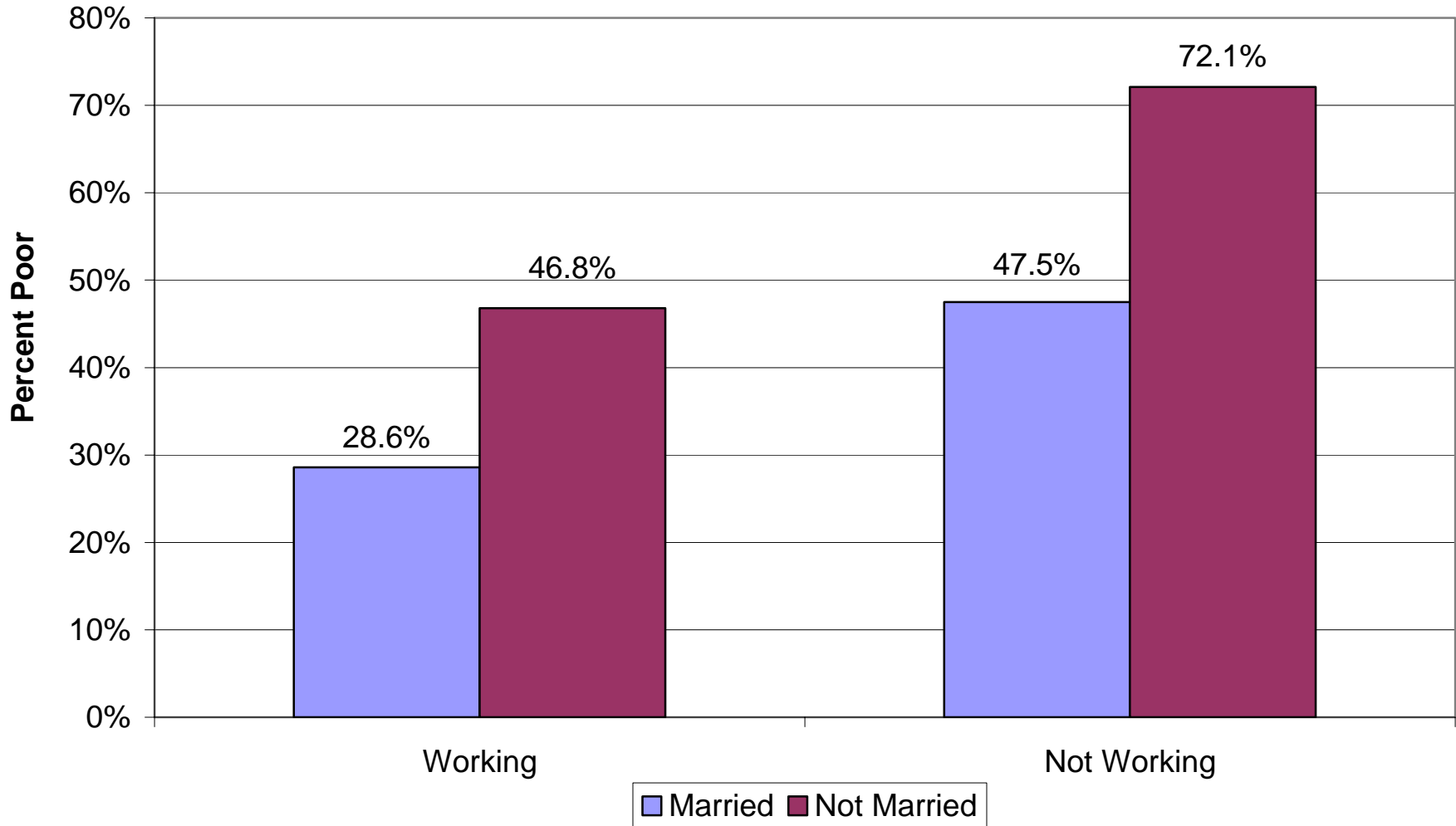
# Monthly Poverty Rate, Current and Former Welfare Recipients, 1997-2003



Note: Income from all sources, including food stamps, and all household members. Net monthly income subtracts work related child care and transportation expenses and income and social security taxes

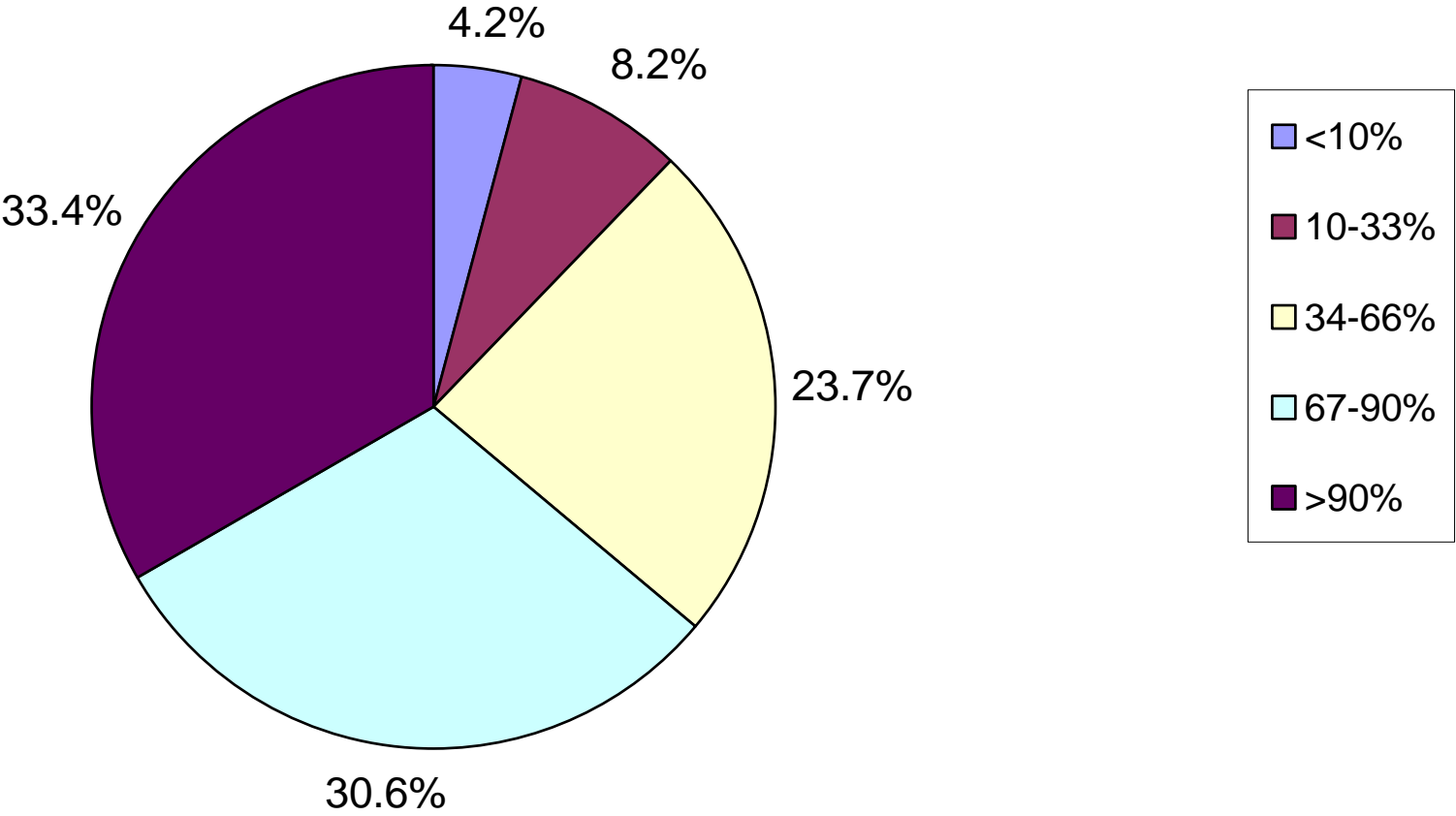
Source: Women's Employment Study, University of Michigan

# Monthly Poverty Rate, Fall 2003, Current and Former Welfare Recipients, By Work Status and Marital Status

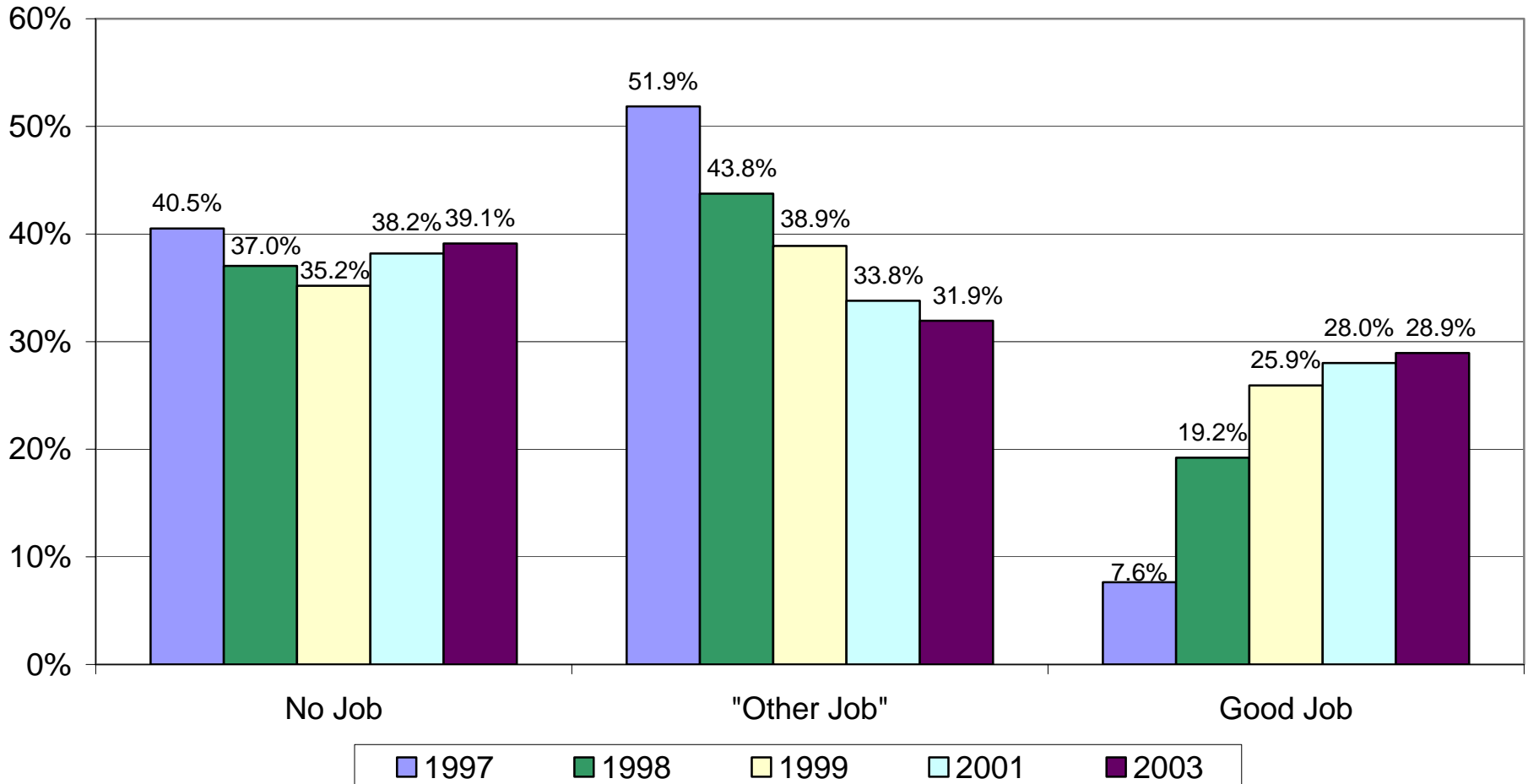


Source: Women's Employment Study, University of Michigan. All respondents received cash welfare in February 1997. In Fall 2003, only 19.6 percent received welfare. Sample size is 534. Poverty rate is measured as net household income which subtracts income and social security taxes and work-related and child care expenses

# Percentage of Months Worked, February 1997 to August 2003 (SSI recipients excluded)

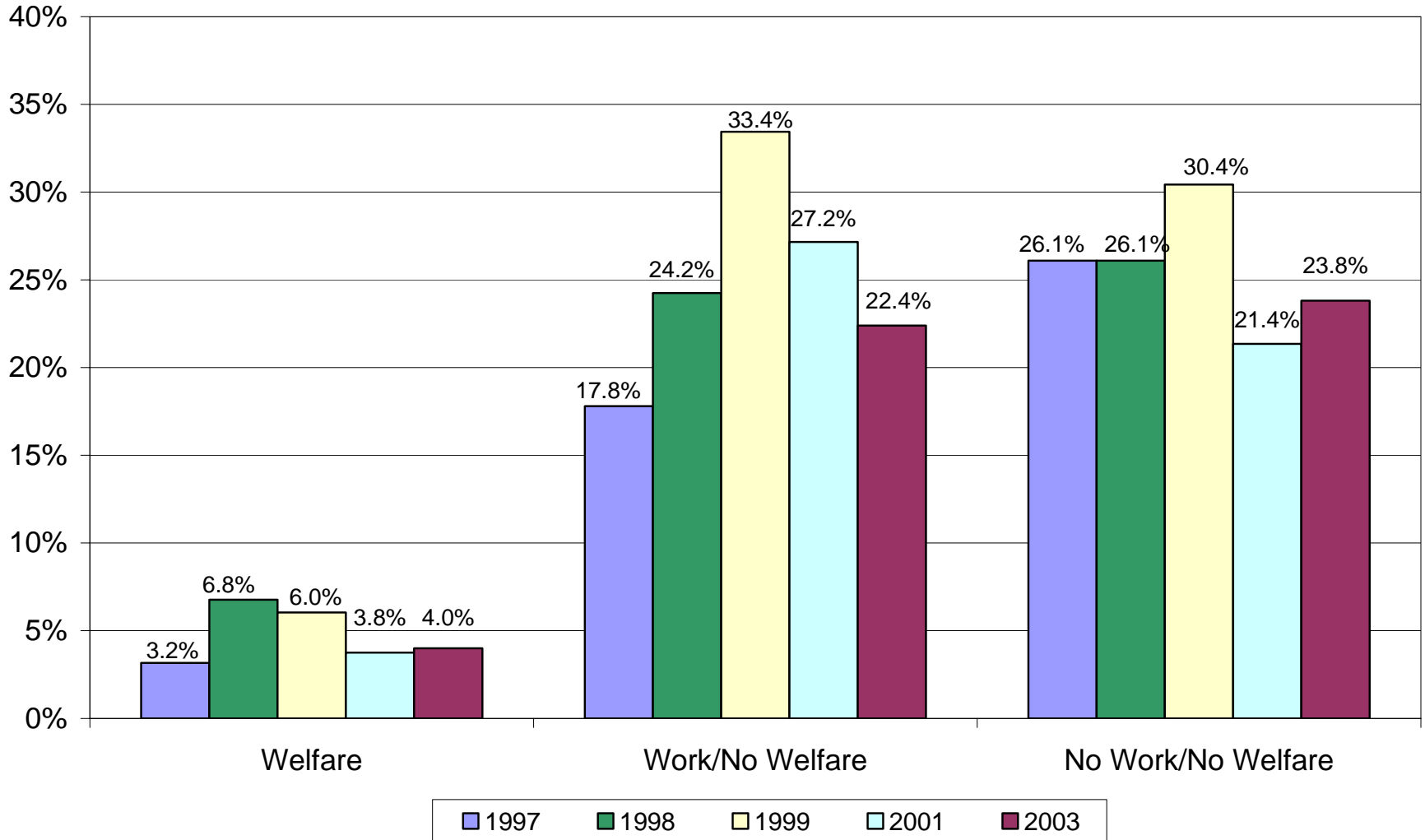


# Changes in Job Quality, 1997 – 2003 (in 1999 dollars)



Good job: Full time (35+ hours/week), at least \$7/hour and offers health benefits either immediately or after a trial period. OR, Full time, at least \$8.50/hour and no health benefits. (Those who meet the criteria, but who are working part-time jobs voluntarily (would not take more hours if the employer offered) are considered to have good jobs).

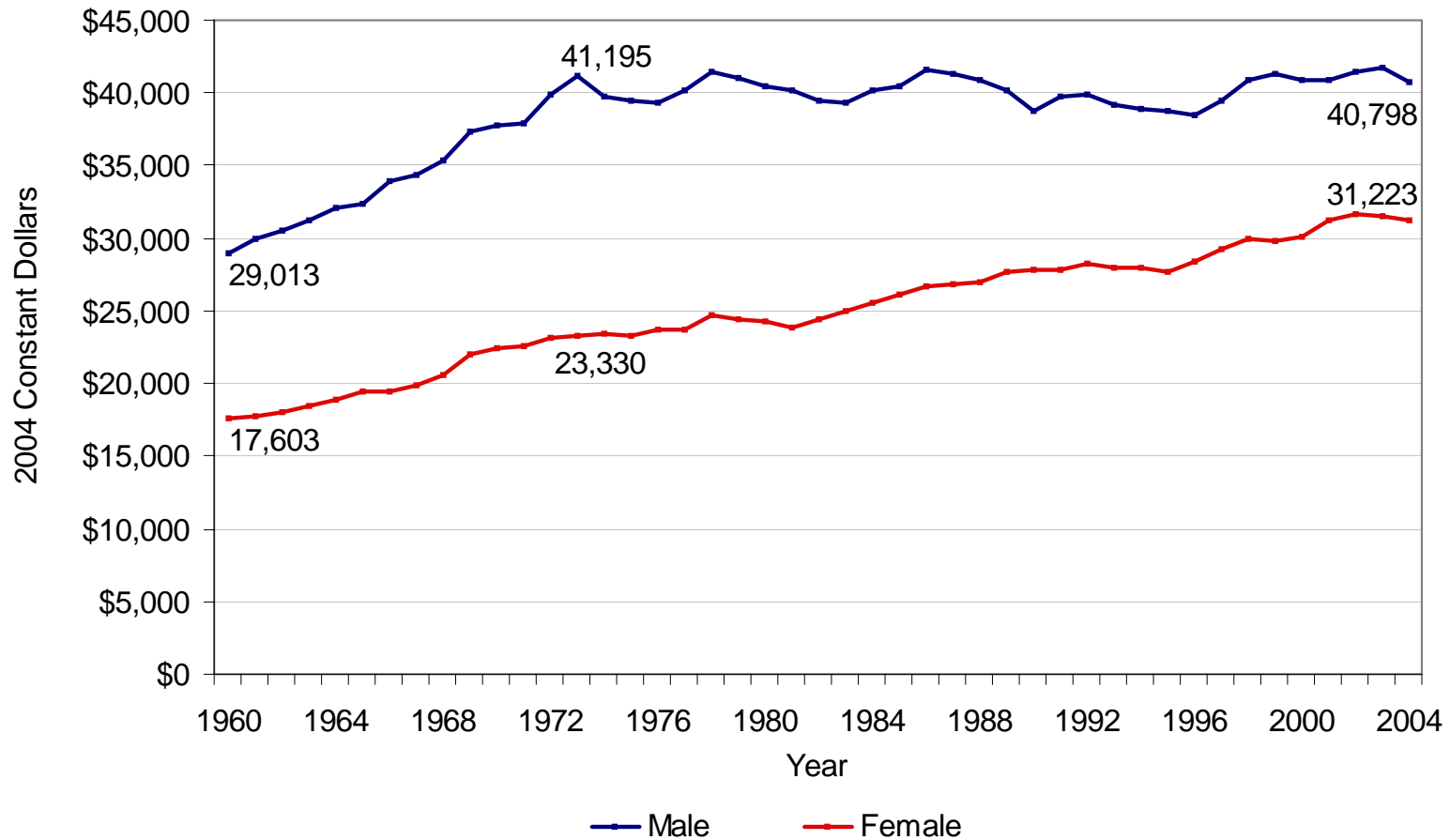
# Percent of Respondents with No Health Insurance by Work/Welfare Status (w5 Rs Only, n=536)



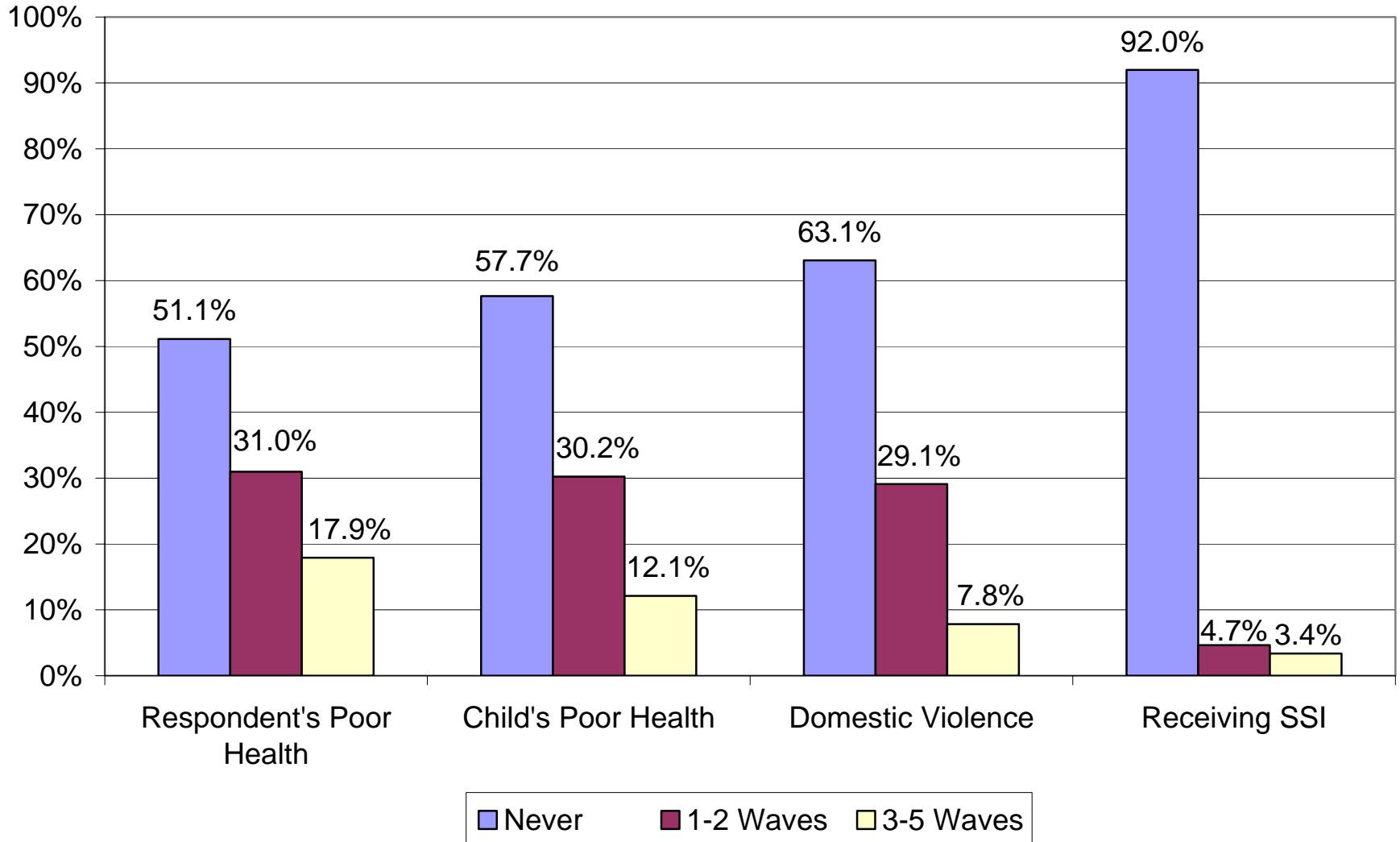
## **A modest antipoverty initiative to cut the U.S. poverty rate in half**

- **“Make Work Pay” —increased aid for working poor**
  - Raise minimum wage to about 40% of average wage and index it for inflation—about \$6.75 now
  - Expand state child health insurance program (SCHIP) to cover parents—example: Badgercare in Wisconsin
  - Expanded earned income tax credit for single persons and childless couples
  - Make per capita child care credit in federal income tax refundable—poor who pay no federal income tax do not now receive it
- **“Transitional Jobs of Last Resort”**
  - For those no longer entitled to cash welfare, this provides cash for those willing to work who cannot find jobs

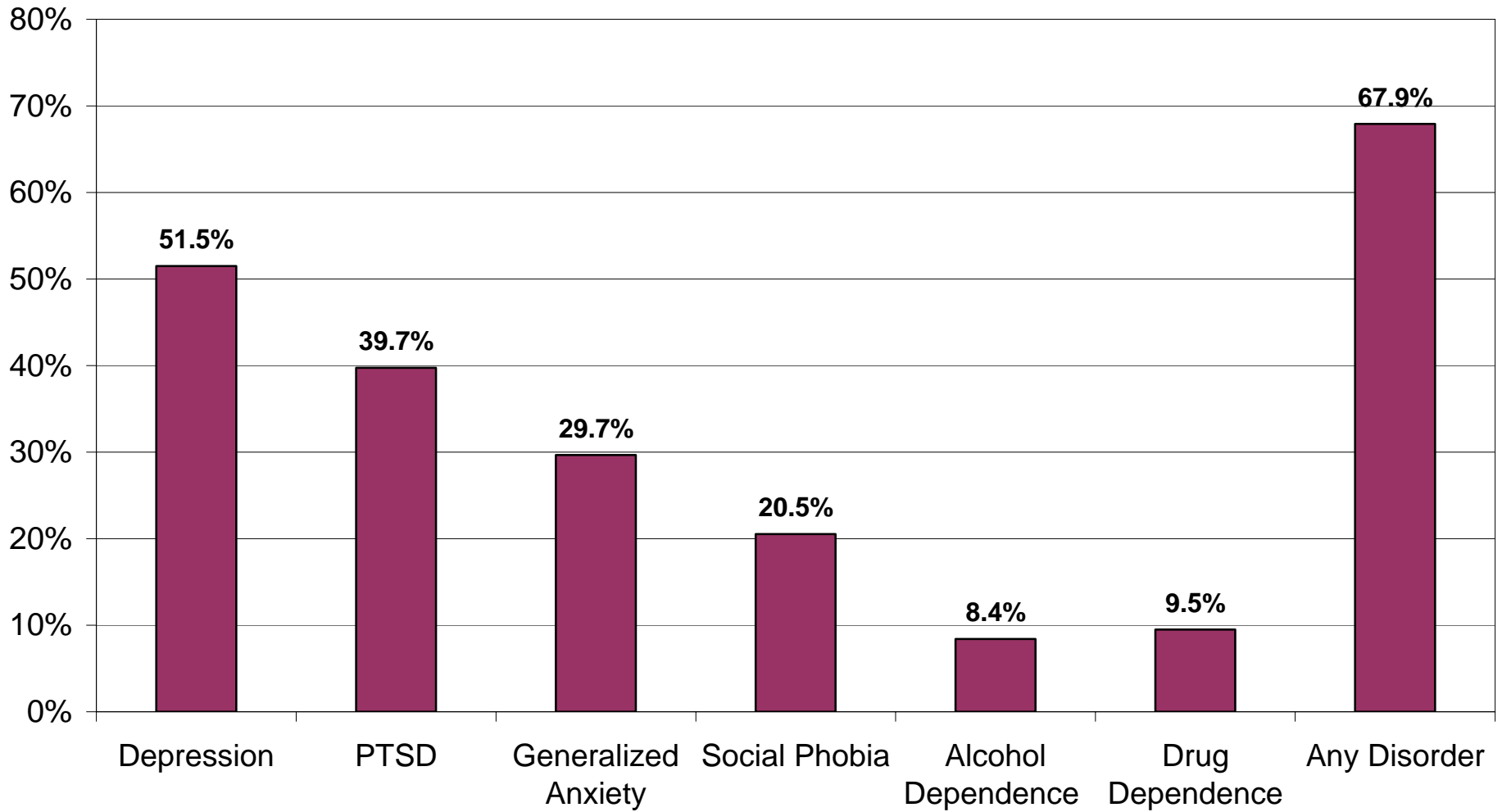
# Median earnings, Full-Time, Year Round Workers, 1960-2004



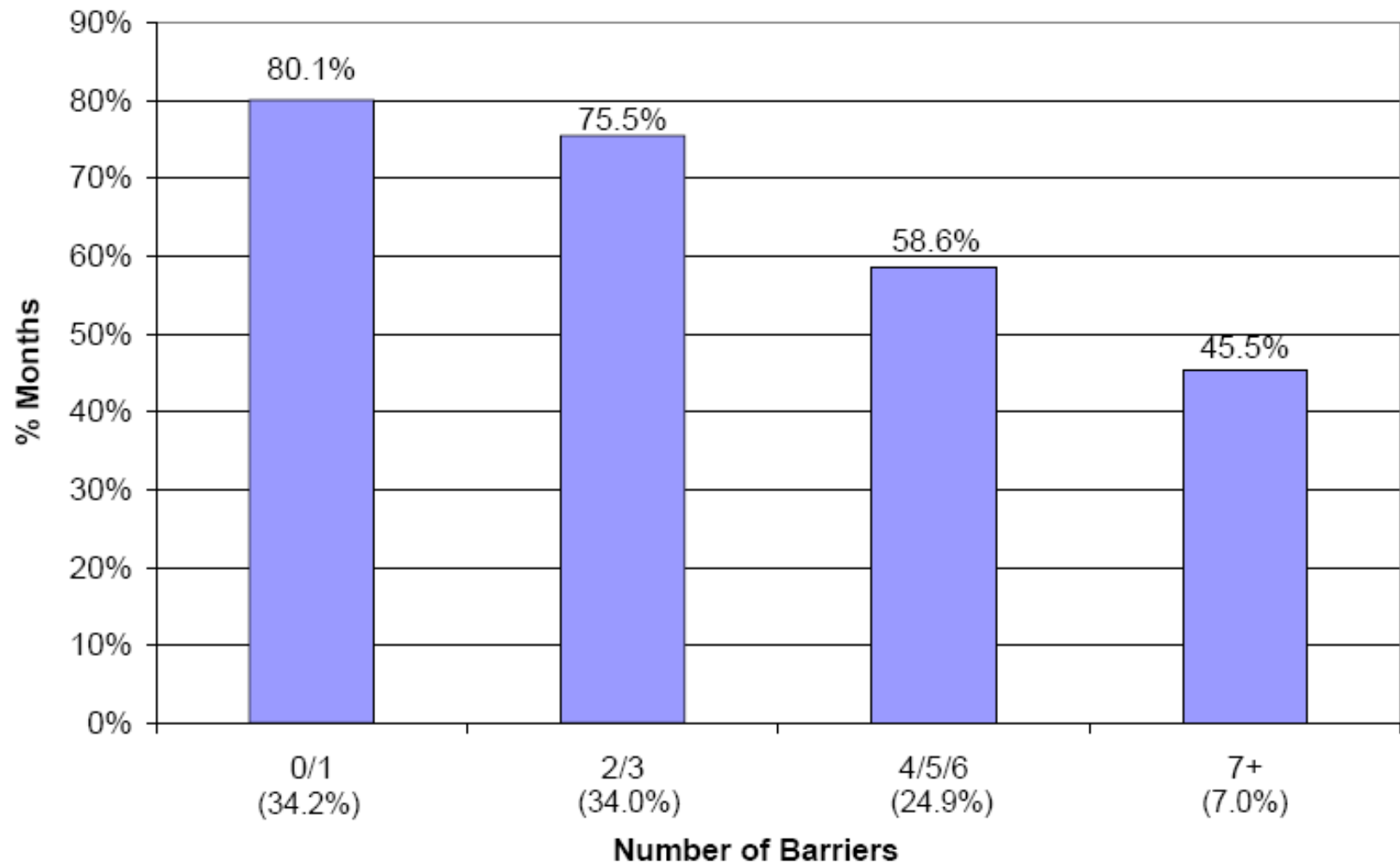
# Persistence of Selected Barriers, 1997 – 2003 (Percent of Respondents)



# Percent of Respondents who met Diagnostic Criteria for a Disorder at Least Once, 1997 – 2003 (Wave 5 R's only)

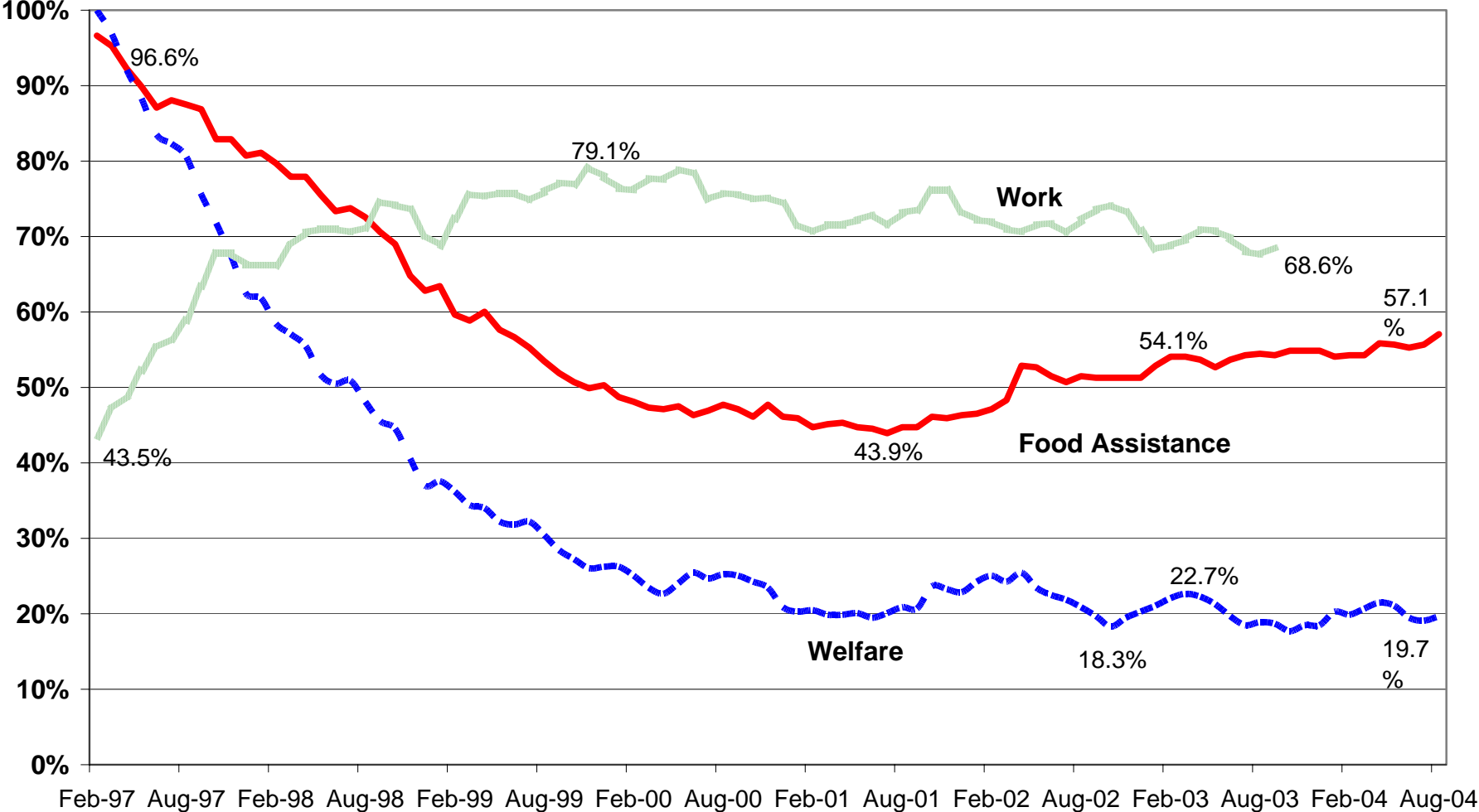


## Percent of Months Worked between February 1997 & August 2003 (79 months), By Number of Barriers at W1 (out of 17)



Barriers: less than high school ed, low work skills, low work exp, few work norms, alc dep, drug dep, major depression, generalized anxiety, PTSD, health prob, child with a health prob, domestic violence exp., transp. prob, discrimination exp, criminal conviction, read below 5th grade level, learning disability. n=503

# Percent Working, Receiving FIP, and Receiving Food Assistance by Month: February 1997 – August 2004 (W5 non-SSI recipients only, N = 503)



— Food Assistance    - - Welfare    — Work