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Working, but Poor: A Study of Georgia's Economic Self-Sufficiency Policies

Rosa B. Hayes

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ABSTRACT

The “work first” philosophy of the Personal Responsibility and Work Opportunity Reconciliation Act sent millions of people into the labor force, many for the first time. The result was a dramatic increase in the number of workers whose earnings failed to pull them and their families out of poverty. Assistance in the form of childcare, transportation, medical coverage, and the Earned Income Tax Credit is beginning to receive attention as support mechanisms for people who do not earn adequate wages and receive little benefits from their employers.

This study examines the effectiveness of Georgia’s approach to providing work support programs to its working poor citizens. No single entity is responsible for making work supports accessible. Thus, services often go underutilized because those who might qualify are not aware of their potential eligibility. Further, there is no state level strategy for ensuring that wage advancement is considered by agencies providing work support services. Using client administrative wage data from the Georgia Department of Labor and qualitative interviews from program staff, the state’s structure for assisting the working poor is examined.

WORKING, BUT POOR: A STUDY OF GEORGIA’S ECONOMIC SELF-SUFFICIENCY POLICIES

by

ROSA B. HAYES

A Dissertation Submitted in Partial Fulfillment of the Requirements for the Degree of

Doctor of Philosophy

in the College of Arts and Sciences

Georgia State University

2006
WORKING, BUT POOR: A STUDY OF GEORGIA’S ECONOMIC SELF-SUFFICIENCY POLICIES

by

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I also dedicate this work to my mother, Allean, who taught me, by example, that a woman can do anything and to my late father, James, who taught me, also by example, lessons of hard work and perseverance.

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<tr>
<td>AFDC</td>
<td>Aid to Families with Dependent Children</td>
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<td>BLS</td>
<td>Bureau of Labor Statistics</td>
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<td>CAPS</td>
<td>Childcare and Parent Services</td>
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<td>DFCS</td>
<td>Division of Family and Children Services</td>
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<td>EITC</td>
<td>Earned Income Tax Credit</td>
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<td>ES</td>
<td>Employment Services</td>
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<td>FNS</td>
<td>Food and Nutrition Service</td>
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<td>Federal Poverty Level</td>
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<td>FS</td>
<td>Field Services</td>
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<td>Food Stamp Program</td>
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<td>Georgia Department of Human Resources</td>
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<td>GDOL</td>
<td>Georgia Department of Labor</td>
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<td>HHS</td>
<td>Health and Human Services</td>
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<tr>
<td>IRS</td>
<td>Internal Revenue Service</td>
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<td>IT</td>
<td>Information Technology</td>
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<tr>
<td>LMI</td>
<td>Labor Market Information</td>
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<td>MDRC</td>
<td>Manpower Demonstration Research Corporation</td>
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<td>MFIP</td>
<td>Minnesota Family Investment Program</td>
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<tr>
<td>NCCP</td>
<td>National Center For Children in Poverty</td>
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<td>ODJFS</td>
<td>Ohio Department of Job and Family Services</td>
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<tr>
<td>OWF</td>
<td>Ohio Works First</td>
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<td>PRWORA</td>
<td>Personal Responsibility and Work Opportunity Reconciliation Act</td>
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<td>Survey of Income and Program Participation</td>
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<td>Self-Sufficiency Project</td>
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<td>UI</td>
<td>Unemployment Insurance</td>
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<td>USDA</td>
<td>United States Department Agriculture</td>
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<td>Volunteers In Service To America</td>
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CHAPTER 1: INTRODUCTION

The Paradox of Poverty in America

The beginnings of social policy in America date back as far as the colonial era. Early Americans soon realized that even though they had escaped poverty and persecution to experience the bounty of the new world, they needed to give serious attention to the problems of the less fortunate. While America was evolving into a birthplace of dreams and opportunity, growing numbers of the elderly, the widowed and the disabled required assistance due to circumstances beyond their control. In addition, labor market conditions, urban growth, and a number of other factors left many unable to adequately provide for their own welfare (Trattner 1999, 26). America is still coming to grips with the paradox of “poverty amid plenty” (Government Printing Office 1969, 1).

America, with its public education system, free market economy, and abundant natural resources, is thought to be the wealthiest nation in the world. The country’s history is full of examples of accomplishments in science, industry, the arts, entertainment, and many other areas. In addition to a democratic government, a plethora of laws exist that guarantee equal opportunity and prohibit unlawful discrimination. Such an environment seemingly allows everyone to thrive and achieve with no boundaries or restrictions except those of their own making. With these widely held assumptions of mass prosperity, the very existence of a welfare state should be inconceivable. Yet, the fact that want and suffering co-exist with wealth and, it might even be argued, excess, has puzzled scholars for many years.

Anti-poverty policies in the United States that focused on work have only been around for a relatively short period of time. The decline in welfare rolls coupled with the increase in work activity among former recipients since the mid-1990’s might indicate that welfare reform
has been a success. However, welfare reform tells only part of the story on the issue of the working poor. Regardless of work and welfare status, many Americans remain in poverty.

Like other states, Georgia has a substantial number of working poor citizens. This dissertation explores the types and accessibility of work support programs needed by these citizens. To arrive at recommendations for policymakers, a comparison of work support program delivery in Ohio and Georgia will be conducted. The following research questions will be addressed.

1) What type of support programs do low-wage workers need to retain employment and to advance their skill level and earning potential?

2) What is the most efficient means of delivering these support programs?

An examination of work support program delivery in Georgia and Ohio will be conducted. Earnings data from the Georgia Department of Labor (GDOL) will be analyzed to determine the impact of these services on client earnings. Using wage records from 2001 through 2003, this study will determine whether the work support programs in Georgia contributed to clients’ wage progression. A similar data request for wage records from Ohio has been made. However, the records had not been made available as of the final draft of this dissertation. As an alternative, and to make a direct comparison between the work support programs of Ohio and Georgia, I include data and analysis from the National Center for Children in Poverty. I also report findings from in-depth qualitative interviews with a select group of program staff from the Ohio Department of Job and Family Services (ODJFS), Cayahoga Workforce Development Services, Georgia Department of Human Resources (GDHR) and GDOL to report on their experiences administering work support programs and their opinions on the programs’ accessibility.
The findings suggest that public policy based on a consolidated approach to providing work support programs would be more effective. These programs are instrumental in determining whether individuals remain at the poverty level while working. Based on my findings, I discuss policy implications and contributions to theories of the working poor. This project reviews the array of federal and state services that can support the efforts of low-wage workers. However, to fully understand policies for assisting the working poor, it is instructive to first examine the concepts of 1) poverty as a political issue, 2) poverty as a public policy issue, and 3) the incidence of the working poor as a subgroup of the poor in America. A large body of research contributes to a better understanding of these concepts.

**Poverty As A Political Issue**

What does it mean to be among the poor in America? This study approaches that question from the perspective of two academic disciplines, Political Science and Public Administration. Political scientists have searched for solutions based largely on American political principles. Two opposing philosophical viewpoints, conservative and liberal, claim that it is their philosophy that most closely comports with these principles. Public administrators have been more concerned with the design and administration of poverty programs than with attacking poverty at its root cause. An examination of the approach of both fields yields important results. However, some might question whether poverty can even be considered a political issue.

The literature confirms the notion that poverty is as much a political concern as it is a social policy concern (Moynihan 1973; Wilson 1987; Katz 1989; and Gilens 1999). Social policy may be viewed as political because it begs the answer to the classic question of politics – who gets what, when and how? Piven and Cloward (1993) argued that the birth of federal anti-
poverty programs was intended to foster the political support and allegiance of people living in America’s inner cities. The social strife, coalition-building, and inflated political rhetoric that have historically preceded social policy reform highlight the political nature of the problem of poverty. Illustrations of the relationship between politics and poverty can be found in Roosevelt’s New Deal legislation, the New Frontier administration of John F. Kennedy, the emergence of Lyndon Johnson’s Great Society programs, and present-day debates on the redistribution of wealth.

The New Deal legislation of the Roosevelt administration was a response to the devastating economic conditions created by the Great Depression. Roosevelt asked Congress to put in place certain safeguards so that the less fortunate would have insurance against a repeat of this dark period in American history. In response, a series of programs were designed to provide a safety net to avoid future periods of persistent economic instability. Social Security, unemployment compensation, and Aid to Families With Dependent Children (AFDC) were among the programs intended to provide this safety net.

Kennedy’s New Frontier administration continued to emphasize the role of the president and the federal government in implementing antipoverty initiatives in America. Reacting to urban violence and other social, political, and economic problems of the time, the Kennedy administration made its mark in attempting to address, or at least reduce, the effects of poverty. In 1961, AFDC was made available to poor two-parent families whose heads of household were out of work and had exhausted eligibility for unemployment benefits. This revision in the law was intended to keep poor families together by discouraging unemployed fathers from deserting their families. The Kennedy administration also spearheaded the 1962 Public Welfare Amendments to the Social Security Act. This legislation, known as the Social Service
Amendments, significantly increased federal support to the states through local welfare
departments. Activities including casework, job training, job placement, and other services for
public assistance recipients were to be carried out by these local offices. Kennedy put the power
of the White House behind the drive for welfare reform and further reinforced the notion that the
federal government had the responsibility to help poor Americans to help themselves. Lyndon B.
Johnson would continue that tradition.

Lyndon Johnson wanted to craft his own version of New Deal legislation. He called upon
Congress to join him in declaring an “unconditional war on poverty,” calling poverty a
“domestic enemy which threatens the strength of our Nation and the welfare of our people”
(Government Printing Office 1964, 3). The result was the establishment of the Economic
Opportunity Act, which created an independent federal agency headed by a director responsible
to the president. The measure also called for the creation of Volunteers in Service to America or
V.I.S.T.A., a domestic peace corps, a Job Corps for school dropouts; an Upward Bound program
to encourage bright slum children to go to college; a Neighborhood Youth Corps for jobless
teenagers; Operation Head Start, a project to give preschool training to children; special
programs of grants and loans to low-income rural families and migrant workers; a
comprehensive Community Action Program designed, in theory, to empower the poor by
securing their involvement in the creation and operation of community action agencies to combat
poverty in their communities; and a number of other programs designed to alleviate destitution in
America.

The development of community action agencies, local empowerment and neighborhood
control gave way to the political will of the national government. These local projects were
designed to be experimental, demonstration projects and thus, took on many different
characteristics. This idea did not fit with the president’s desire for a national response to poverty. Further, the War on Poverty heightened and exaggerated hidden political conflicts within community action and, indeed, may have led to the political demise of the program (Knapp and Polk 1974).

From the New Deal to the 1970’s, the Democrats achieved political success by combining economic prosperity for the middle class with social welfare programs. In periods of great economic progress when the middle class is rising, they were willing to share some of their income and jobs with those less fortunate than themselves, but they were not willing to reduce their real standard of living to help either minorities or the poor (Thurow 1981). In the wake of the economic downturn of the 1980’s, Ronald Reagan was able to convince the middle class that their living standards were declining because of the poor and particularly, minorities.

During the 1990’s two political trends swept the country: devolution and personal responsibility. Devolution authorized states to make their own policy choices as opposed to having them dictated by the federal government. Social policy, particularly in the areas of welfare, childcare and medical assistance, experienced significant change as a result of devolution (Meyers, Gornick, and Peck 2001). Personal responsibility required that individuals who were able to work must do so as a condition of receiving public benefits. The devolution trend accelerated with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (Mead 1986, 1997).

**Public Policy, Poverty and Work**

Developing public policies aimed at redistributing wealth to the less fortunate is one of the most politically charged and contentious activities in American government. Scholars have long studied the distinct political dynamic of policymaking process in this area (Lerner and
Lasswell 1951). The literature indicates that redistribution policy formulation is based on the influence brought to bear by voter support, party affiliation, governmental paternalism, and state funding levels.

Voter support plays a major role in the formulation of redistribution theory. Erickson, Wright, and McIver (1993) argue that state policy, and AFDC and Medicaid policy in particular, were the result of liberal public tendencies. For example, they found a linear increase in AFDC expenditures as state political opinion grew more liberal (McIver, Erickson, and Wright 2001). Class differences among voters have also influenced redistribution policies. Hill and Leighley argue that “the greater the degree of upper-class bias in a state’s electorate, the greater the degree to which distributive policies will favor the interests of higher-income citizens” (1992, 353).

Research has also found that racism influences public policy regarding treatment of the poor. Hero and Tolbert argue that “much of state politics and policy is a product of racial/ethnic diversity” (1996, 853) and specifically that Medicaid expenditures linearly decrease as states grow more diverse. Race has also been found to be the factor in studies reflecting that increasing numbers of African Americans receiving welfare result in states becoming less liberal in their welfare policies (Brown 1997; Hero 1998; Soss et al. 2001).

Political party affiliation influences redistribution policies as demonstrated in a study by Mark Smith (1997). According to his findings, each time a Democratic seat was added to a state legislature, a corresponding increase in state welfare expenditures occurred. Barrilleaux, Holbrook, and Langer (2002), found Democrats more prone to support welfare spending when there was an increase in political opposition for their seats. More liberal state governments spend more on welfare than less liberal governments (Erickson, Wright, and McIver 1993). Each of these studies confirms that as party pressure for welfare generosity decreases (i.e.,
Republicans gain legislative seats, Democrats are elected by wider margins, or a state
government becomes more conservative) the generosity of a state redistribution program will
decrease.

Another redistribution theory is based on the view that government is paternalistic (Mead
1997). The notion that there is an underlying moral intent behind government redistribution is
based on two different theories. First, redistribution policies may be based on how society views
the promiscuous sexual behavior of the poor (Mead 1997). A study by Soss et al. (2001)
explores this theory by examining whether states adopt less liberal welfare policies as the unwed
birth rate among women increases. According to Charles Murray (1984), state policymakers act
to make welfare increasingly less attractive as this “immoral” behavior grows, since welfare may
be seen as a viable source of funds for “immoral” behavior. The proportion of a state’s
population who receive public assistance may cause policymakers to cut back welfare benefits.
Soss et al. (2001) theorizes as state welfare rolls increase, policymakers may enact measures for
less generous welfare rules in efforts to restrict eligibility.

The funding levels of a state play a role in its redistribution policies. States with more
resources will provide more welfare benefits than states with less discretionary resources. As
financial resources become scarce, states are less likely to ensure provisions for the poor
Tweedie (1994). Further, interstate competition over resources has an influence on state
redistribution policies. Research has found a relationship between the spending level
fluctuations of states. For example, states will increase or decrease their welfare spending in
response to similar policies in neighboring states. Failure to copy a neighboring state’s spending
results in becoming a “welfare magnet” for welfare clients seeking the maximum benefit amount
(Volden 2002).
Different approaches to welfare policy are related to the distinct and complex combination of political characteristics of each state. Implementation of Temporary Assistance to Needy Families (TANF) has dramatically transformed the power structure of welfare politics by devolving a substantial amount of policy authority to the states. However, it certainly has not changed the politics of welfare policy. State policymakers have used the authority granted to them by welfare reform to behave in accordance with the unique political pressures of their states.

Devolution of power concerning welfare policy has created a patchwork of state program rules. These differences translate to layers of politics for state level welfare policy. The result of this new pressure and more politicized policy formulation may be a population of poor people who have little or no hope for their cause to be championed.

Public policy concerning impoverished Americans shifted from a war on poverty to a war on the welfare state during the Reagan Administration. Fueled by scholars like Lawrence Mead, the concept of a “culture of poverty” began to gain momentum across the country. Mead stated that “the challenge to welfare statesmanship is not so much to change the extent of benefits as to couple them with serious work and other obligations that would encourage functioning and thus promote the integration of recipients.” He argued that the programs of the Great Society failed to overcome poverty and, in effect, increased dependency because the “behavioral problems of the poor” were ignored. Welfare recipients received new services and benefits but were not told “with any authority that they ought to behave differently.” Mead attributes a good deal of the welfare dependency to a “sociological logic” ascribing the responsibilities for the difficulties experienced by the disadvantaged entirely to the social
environment, a logic that still “blocks government from expecting or obligating the poor to behave differently than they do” (Mead 1986, 4,61).

With the 1996 TANF legislation, more emphasis was placed on requiring work as the principle component of welfare reform. For that segment of the population accustomed to working and scratching out a living solely from meager earnings, the requirement to work was nothing new. What did happen was that welfare reform caused the numbers of working poor to dramatically increase. More Americans than ever before worked in low-paying jobs with little or no chance for advancement. This latest change in public policy has had major implications for America’s working poor. The policy change from cash assistance to jobs and support should have been a rising tide lifting all low-income workers out of poverty. The next section examines whether that has been the case.

The Working Poor

Under the 1996 reform, federal funding was provided to states in the form of block grants. In most states, a state’s TANF grant was equivalent to its level of spending in 1994 or 1995, when welfare caseloads were at historic peaks in many states. The 1996 reform also required states to continue spending at least 75 percent of the amount they were spending on AFDC in 1994 or 1995 as a “maintenance of effort” for programs serving disadvantaged families (United States Department of Health and Human Services, Fact Sheet, PRWORA, 1996).

Since 1996, an important factor contributing to innovation in TANF has been states’ ability to redirect money saved from reduced spending on cash assistance. By examining states’ policies and programs during this period of extraordinary change and experimentation, decision-makers have had the opportunity to draw important lessons for their communities. What is known about the working poor or low-wage workers? Researchers have used several definitions
to describe the low-wage labor market. One approach has been to define low-wage workers as those whose hourly wages are below a cutoff value. Some researchers have defined the cutoff value as the hourly wage at which a full-time worker would have annual earnings below the poverty level for a family of three or four (Bernstein and Hartmann 1999; Mitnik et al. 2002; and Ryscavage 1996). The wage cutoff value has also been defined as the minimum wage (Smith and Vavrichek 1992).

Researchers have also defined low-wage workers as those whose annual earnings are below a cutoff value to account both for hourly wages that workers receive and for the amount that they work (that is, to adjust for the possibility that workers may not work enough hours to meet their families' needs). Mishel et al. (2001) define low-wage workers as those who worked full or part time involuntarily, but whose annual earnings were not high enough to reach the poverty level for a family of three. In addition, some studies have defined the working poor as a low-income worker if the total annual income of the person’s family is below a given level and if the person worked a minimum number of hours during the year. For example, three papers by the U.S. Bureau of Labor Statistics (BLS) researchers define a worker as low-wage if his or her family’s total income was below the federal poverty level (the official U.S. Census Bureau definition) and if he or she worked or looked for work in at least 27 weeks over the past calendar year (Gardner and Herz 1992; Hale 1997; and Klein and Roens 1989). Throughout this dissertation, the terms working poor and low-wage workers (as defined by Mishel et al. 2001, Carnivale and Rose 2001 and the BLS) will be used interchangeably.

Mitnik et al. 2002 found that in the 1990’s and 2000’s 25 percent of all workers in 2001 were low-wage workers. Carnevale and Rose (2001) found that of all people who worked in
1998, 32 percent were low earners, who they define as those with annual earnings below $15,000, which was just above the amount needed to keep a family of three out of poverty.

Studies have consistently concluded that low-wage workers are disproportionately female, minority, young, and without a college education (Bernstein and Hartmann 1999; Carvenale and Rose 2001; Mishel et al. 2001; and Mitnik et al. 2002). Another common theme among these findings is that low-wage workers are also much more likely to live in households with children that are headed by single females, contain fewer adults, and have fewer secondary workers.

Several studies examine the characteristics of jobs held by the working poor and their overall employment characteristics (Acs et al. 2001; Bernstein and Hartmann 1999; Carnevale and Rose 2001; Mishel et al. 2001; and Mitnik et al. 2002). These studies focus on such characteristics as annual hours and weeks worked (in the low-wage job and in all jobs), job tenure, number of jobs held, benefits available on the job, and job occupations and industries. The studies indicate that most low earners receive low hourly wages and are not full-time, full-year workers. Low-wage workers are represented in all occupations and all industries, but they are found disproportionately in retail trade industries, low-end service and sales occupations, and nonunion jobs (Acs 1999; Bernstein and Hartmann 2000; Carnevale and Rose 2001; Mitnik et al. 2002; and Mishel et al. 2002). Some evidence exists of occupational shifts over time within the low-wage sector (Bernstein and Hartmann 2000). For example, low-wage workers became less likely to work in clerical occupations and more likely to work in low-wage sales occupations than higher-wage workers. Similarly, by industry, low-wage workers became less likely to work in manufacturing and more likely to work in low-wage services such as retail trade.
In the last decade, hunger relief agencies have found that the greatest increase in hungry Americans has been among the working poor. Despite a strong economy in the 1990’s, and continued economic recovery from the 2001 recession, American families are finding it more difficult to make ends meet with low-paying jobs. Increasingly, they are turning to charities for hunger relief. During 2001, 39 percent of emergency food recipient households (those served in soup kitchens, food pantries, and emergency shelters) had a family member who worked. According to the most recent survey on hunger and homelessness conducted by the Conference of Mayors, 34 percent of adults requesting emergency food assistance were employed. In addition, 13 of the 27 cities surveyed cited low-paying jobs as a factor influencing hunger in their area (Lowe 2005).

How do working poor families compare to middle-class working families? In almost all instances at least one parent in families above the poverty level has a high school diploma. Children in these families are twice as likely to live in homes owned by their parents. The rates of car ownership rates, participation in paid childcare, and health insurance coverage are higher for middle class working families. Each of these comparison categories emphasizes the difficulties faced by working poor families. Without some type of assistance, they must pay for all of their living expenses at the same level as their middle-class counterparts. Thus, their attachment to the labor market is tenuous at best. (Wertheimer 1999).

Many working poor families have difficulty finding affordable housing. Almost one in six households is cost burdened, paying more than 30 percent of household income on housing expenses. Median-level shelter costs, including mortgage payments, real estate taxes, property insurance, rent, and utilities, account for 20 percent of the average non-poor household’s income. For poor households, the median expenditure can be as high as 60 percent of household income
In addition, poor families may face long waiting lists for available subsidized housing units, especially in rural areas.

Research that is specifically targeted to the working poor is needed. Policymakers must have the benefit of more knowledge about this segment of society. Until that occurs, America cannot take pride in shrinking welfare rolls -- not while so many are struggling to provide for themselves and their families. In reality, welfare reform has only transferred masses of people from one undesirable predicament to another.

Presentation of Dissertation

Historically, America has depended on scientific research to provide the bases for addressing social problems. The problem of poverty is no exception. Social science researchers have studied poverty in an effort to create a body of knowledge that would instruct the formulation of effective policies and ultimately, motivate society to act. The paradox of poverty in America has spurred research to determine how, in the land of plenty, such a thing could even exist. Further, poverty research has exposed a complex social issue. Millions of Americans are working, yet they still languish among the masses of the poor. The result is an even more challenging unit of analysis, the working poor. This segment of society is the subject of a growing body of research.

This dissertation will add to that research by assessing programs designed to lift working poor Americans out of poverty. Work support programs supplement low-level earnings with assistance such as the earned income tax credit, food stamps, medical assistance, and childcare. This project will introduce an important element absent from research on work support programs -- wage advancement. Incorporating employment, training, and wage advancement as essential components of work support initiatives ensures that the working poor receive finite assistance
rather than infinite entitlement to public assistance. Research has shown that the public supports non-cash assistance in the form of vouchers and counseling. Vouchers limit the incidence of abuse because they can only be used for an intended purpose. Counseling and career advisement educates, informs, and empowers. On-going direct cash payments, on the other hand, leave the door open for fraud and abuse of public dollars, i.e., purchasing alcohol, drugs or other non-necessities (Steuerle and Twombly 2002).

This dissertation examines the effectiveness of Georgia’s economic self-sufficiency policies by comparing the state’s provision of work support programs to that of Ohio. Two factors have contributed to an integrated work support system in Georgia. First, in 1997, the GDHR and the GDOL entered into an agreement designed to expedite the transition of welfare recipients to the workforce. The agreement required unprecedented data sharing, the implementation of referral procedures, and the provision of specialized support services to TANF clients. Second, the Workforce Investment Act of 2000 set forth integration and coordination requirements across agency boundaries and, in some instances, merged federal funding streams. The former, a state-level agreement and the latter, a federal law, should have contributed to greater economic self-sufficiency for working poor people in Georgia and Ohio.

Using these two developments as a benchmark, I will investigate the labor market experiences of former TANF recipients. Examination of the earnings level of individuals who registered for assistance from the GDOL and who were also former clients of DFCS will answer important questions regarding how TANF clients fare under Georgia’s integrated service policy. By using this population as a representation of the working poor in Georgia, I am able to make assumptions about the relationship between work support interventions and earnings. In addition, I will use case study methodology to examine the work support program delivery
strategies of ODJFS and GDOL. I will compare both approaches as a means of assessing Georgia’s economic self-sufficiency policies for the working poor.

The foregoing discussion of the paradox of poverty, poverty as a political and public policy issue, and the notion of the working poor, lays the foundation for my investigation of the use of work support programs as an effective means of assisting the working poor in Georgia.

I have organized the remaining chapters of the dissertation as follows:

Chapter 2: This chapter reviews the poverty research literature that shaped national social policy and influenced political behavior concerning poverty. I also review work support programs as a means of promoting the economic self-sufficiency of low-income workers.

Chapter 3: The challenges inherent in attempting to access work support programs are discussed in this chapter. I also include a survey of the issues of program costs and budget constraints.

Chapter 4: A description of the methods and data used are described in this chapter. This includes a description of the use of quantitative and qualitative analysis, an explanation of data sources utilized, and an explanation of the procedures used for data collection.

Chapter 5: This chapter presents the case studies selected for analysis. I review the service delivery strategies of GDOL and ODJFS.

Chapter 6: Quantitative and Qualitative findings are analyzed in this chapter. The quantitative results are presented using wage and employment data from GDOL. The qualitative results are organized in terms of three broad themes: additional services by low-wage workers, the challenges to providing the services, and wage advancement as a component of work support programs.
Chapter 7: The final chapter of this dissertation summarizes my research findings. I address theoretical and policy-related implications, outline the limitations of the study, and make recommendations for further research.
CHAPTER 2: LITERATURE REVIEW

Survey of Poverty Research

This survey of poverty research begins with the social surveys of the Progressive Era dating from the late 1800’s to the early 1900’s. Included in these works are the Hull House Maps and Papers by various Hull House residents and associates, including founder Jane Addams, and The Philadelphia Negro by W.E.B. Dubois. These surveys are relevant for establishing a framework within which poverty could be investigated as a problem of political or social origins and of the policies and practices governing the distribution of income and wealth. The social survey aimed to be both comprehensive and contextual. These early studies, conducted in the early stages of empirical research in the United States, provide a model for the way poverty research should be conducted today and remain unrivaled in their depth, analysis and context on the subject of poverty (as opposed to the poor) by the more technically sophisticated and presumably non-political quantitative surveys of the poor (as opposed to the condition of poverty) that are conducted today (Lacey and Turner 1993).

In the early writings about poverty from Adam Smith and Malthus onward, a steady stream of inquiries into the problem of poverty appears. These writers faced questions of how to relate the disordered poor to the more respectable working classes, and whether to emphasize personal morality or social causes in the explanations of poverty – issues we still face today. Speaking generally, authors of the 19th Century do distinguish pauper from poor and are highly moralistic, stressing the need for the moral improvement of the disordered (Olasky 1992, chap 1-9).

Progressive Era poverty research shifted from political economy to social ecology. The political climate was ripe for explanations of social turbulence including race riots and
immigrant bashing that began in the 1920’s. Chicago School sociologists, eager to distinguish sociology from social work and reform, provided palatable explanations for this turmoil. These sociologists developed a framework for understanding ethnic conflict as an inevitable part of urban modernization – a path that would eventually lead to assimilation (Cazenave 1993, 52-68).

Research based on cultural explanations for poverty began to develop during the height of, and immediately following, the Great Depression. The prosperity experienced by many Americans following World War II redefined poverty as a paradox of a few during a time of plenty. Post-war America saw an expansion in the resources allocated for behavioral research by foundations like the Carnegie Foundation, Russell Sage, and the Ford Foundation. Rampant anti-communist sentiment of post-war America served to further minimize structural explanations for poverty. Indeed, the consensus was that personal rehabilitation would resolve the poverty paradox.

Neo-classical economics relied on a market-centered approach to shaping poverty discourse and public policy. Poverty came to be defined as issues involving income, wages, and employment – specifically, high unemployment, inadequate job growth, and individual human capital. The turbulent 1960’s ushered in the declaration of the “War on Poverty.” Here reform re-emerged as a goal for research, but the research itself remains embedded within poverty as individual pathology framework – foreshadowing the arguments that were soon to come, namely that intervention of any sort was both futile and wrong. Seeking to minimize claims against society by the poor, conservatives sought to frame a poverty personality where need stems from the features of the poor than on outward unfairness. Supposedly, the poor lacked the intelligence or other strengths needed to take care of themselves. Today, some still argue that the poor, or
minority groups that are largely poor, have lower intelligence than other groups (Herrenstein and Murray 1994).

It is puzzling that despite years of research, in the most affluent country in the world, poverty remains a reality for millions. Part of the inability to resolve the issue lies in the poverty industry itself that had developed a dependency problem of its own – adroitly responding to a constantly changing funding climate but less adaptable to crafting an independent policy agenda for dealing with poverty at its roots. The focus of social science research on individual outcomes has led to erroneous conclusions, such as single-female headed households cause poverty rather than are a response to poverty. This erroneous approach has resulted in social policies that, instead of easing poverty, end up punishing children for having the misfortune to be born out of wedlock. One study by Mary Jo Bane and David Ellwood concluded that welfare benefits (in 1975 dollars) to a family of four (a 38 percent increase over the median state benefit level for that year) would increase the number of female-headed households by 15 percent. However, the study found that most of this increase resulted from the movement of single mothers out of the homes of their parents (Bane and Ellwood 1986).

A consistent theme among the schools of thought in poverty knowledge took shape: The primary cause of poverty could be found within the poor themselves rather than the economic and institutional relationships in which they were embedded. It is within this definition of poverty as individual pathology that conservatives have been quite effective in shaping public and political opinion and in redefining poverty research to more narrowly focus on welfare reform. The capstone of punitive policies concerning poverty was the Personal Responsibility and Work Opportunity Reconciliation Act signed into law by President Bill Clinton in 1996. Most researchers in the poverty area were strongly opposed to the passage of the welfare reform
bill. However, it was actually the research industry that aided in the conditions that allowed the conservatives to validate their own agenda (Weir 1998, 361-416).

Prior to the passage of the new welfare law, poverty research was usually tied to discussions of welfare reform. However, what followed was a body of literature that examines the plight of the working poor. Some studies are notable in their attempt to conceptualize and operationalize a challenging social and political phenomenon. Barbara Ehrenreich’s *Nickel and Dimed* makes the claim that in today’s economy, a woman coming off welfare into a low-wage job can’t earn enough to pay for basic living expenses. Ehrenreich spent time as a waitress, a maid and a Wal-Mart clerk to experience first-hand the life of low-wage workers. Admittedly, the book avoids mention of economic theories, charts, graphs, and policy-speak so dominant in social science research. However, the richness of the experience documented by Ehrenreich should not be dismissed.

*The Working Poor* by David Shipler lays out an argument similar to that of Ehrenreich. Shipler gives a more comprehensive account of the struggles of the working poor by addressing important economic and cultural issues as part of his study. His research argues that it is often dysfunctional behavior and bad choices, not a broken economy, that prevents people from escaping poverty. For Shipler and Ehrenreich, the United States has robbed the poor from its share of the American dream.

Other studies delve deeper into the problem of the working poor seeking to both understand the problem from a sociological perspective and to find practical ways to create economic self-sufficiency for this segment of the population. These studies, undertaken primarily by research organizations, are beginning to yield interesting results. *Hand Up for the Bottom Third: Toward a New Agenda for Low-Income Working Families* addresses the
question of how sustainable improvements in the conditions faced by low-income working Americans can be made. Isabel Sawhill and Adam Thomas (2001) examine the Earned Income Tax Credit (EITC), childcare subsidies, and the possibility of increasing the minimum wage for working parents as a means of supporting and encouraging work. The study uses data from the Census Bureau’s annual household survey to assess the impact that expansions in these policies would have on improving the circumstances of low-wage workers. The findings suggest that supplemental support programs or work support programs generate increases in income as large as or even larger than their marginal cost. A limitation of the study is that it presumes a robust economy where the demand for labor among employers is high. Different findings may be reported during an economic downturn.

All In One Stop (Richer, Kubo, and Frank 2003) presents the results of a survey of the accessibility of work support programs at One Stop Centers. The Workforce Investment Act (WIA) required that states design one-stop delivery systems to make workforce development user-friendly for job-seekers and employers. The centers are intended to offer a broad array of employment-related services at one location. Typically, these services include job search assistance, training, public assistance or TANF, and services for employers. WIA did not mandate how states were to set up these one-stop systems. Consequently, a tremendous amount of variety exists between the states. All In One Stop argues for the inclusion of work support programs at One Stop Centers as a means of increasing program accessibility.

Another study discusses the importance of the federal government to supplement states’ efforts to provide assistance to the working poor. Working Hard, Falling Short: America’s Working Families and the Pursuit of Economic Security, a report of the Working Poor Families Project, funded by the Annie E. Casey, Ford and Rockefeller foundations, argues that it is in the
nation’s best interest to provide “enough skilled workers to keep the economy thriving.”

Increased globalization and improved productivity are resulting in a number of manufacturing and middle-income jobs being lost. Further, the pool of workers with more than a high school education is not keeping pace with the demand for skilled workers. State governments alone are unable to make an effective link between workers, skills and wages in America. Thus, a national response to the problem is needed.

One element receiving little attention in work support studies is an examination of the impact of the wage levels on achieving economic self-sufficiency. “How Work Supports Impact Family Budgets: An Analysis of the Interaction of Public Policies and Wages” (Pearce 2004), fills in this gap by assessing the impact of wage supports on wage adequacy. The study introduces the concept of the self-sufficiency standard. The self-sufficiency standard measures what a family needs to meet their needs at a minimally adequate level. It accounts for the number of children and adults as well as for the ages of the children, and most notably, the cost of differentials by geography. The standard also estimates the level of income necessary for a given family to meet their needs without assistance. The self-sufficiency standard and the federal poverty line both measure income adequacy. However, the standard provides a more accurate measure of what it actually costs to live. Pearce finds that public policy choices can have a substantial impact on the ability of families to become self-sufficient.

In Raise The Floor, Skylar, Mykyta and Wefald (2001), an argument for the increase in the federal minimum wage is made. The authors contend that the minimum wage should be increased from $5.15 to $8 per hour. They believe this policy change is needed to supplement work supports such as the Earned Income Tax Credit and public healthcare. Moreover, they view a higher minimum wage as an economic boost for the country. Higher wages can reduce
turnover and training costs, raise productivity and increase worker purchasing power. The authors conclude that today’s minimum wage workers earn a third less in real wages than their counterparts did more than 30 years ago. They find that “after adjusting for inflation since the 1968 minimum wage peak, the new minimum wage would be $13.80 if it had kept pace with productivity; $13.02 if it had kept pace with domestic profits; and $20.46 if it had kept pace with profits in the retail industry, which employs more than half the nation’s hourly employees paid at or below minimum wage.”

Most of the research reviewed has been devoid of relevant discussion of the inherently political nature of poverty and the working poor. The current state of the field does not acknowledge that politics plays any role in public policy regarding the working poor. Indeed, the contemporary debate is the result of conservative ideological assumptions about how the nation should address the problem of poverty. The challenge is for poverty researchers to come to terms with the role and the potential of research to build links with social issues and ultimately to help inform and influence political and economic reform. In this sense, we can move toward an analysis of the working poor that is more concerned with addressing economic inequality and less concerned with regulating poor people.

Different views are held concerning the origins of social policy in America. Theda Skocpol’s Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States (1994) dates the beginning of national policy on the poor at the time of the Civil War. She explains that during the late 19th Century, competitive party politics in American democracy led to the rapid expansion of benefits for Union Civil War veterans and their families. Some hoped to expand veterans’ benefits into pensions for all of the needy, elderly and social insurance for working men and their families. However, such hopes were contrary to the prevailing thought of

**Studies of Work Support Programs**

Despite the best efforts of the working poor to succeed in the workplace, many find it nearly impossible to build the savings and assets that are critical for all families to achieve genuine economic security. Even though many are working harder and longer, too many continue to find it exceedingly difficult to get by let alone get ahead. However, literature suggests that problems of food insecurity, housing difficulties, healthcare access, and childcare problems are being addressed using work supports strategies as both a buffer against these hardships and as a bridge to higher paying jobs. Further, participation in work support programs may provide the resources needed to lift many low-wage workers above the poverty income level. A number of studies point to federal and state implementation of work support programs as a worthy policy goal.

Edin and Lein (1997) discuss a sometimes overlooked issue: the cost associated with going to work. This study describes the experiences of women who had no problem getting jobs but experienced difficulty keeping them because of the hidden expense of working. Edin and Lein concluded that the wages offered in the low-wage labor market are not sufficient to cover these costs. For example, working mothers face increased expenses of childcare, medical care, transportation, housing, and appropriate work clothing. The women in Edin and Lein’s study
who were able to consistently work benefited from a variety of “special circumstances” -- such as co-residence with relatives or friends and its associated benefits, free childcare provided by relatives or friends, receipt of regular and substantial child support, and access to transportation - that allowed them to work and avoid returning to welfare.

David Ellwood urged in *Poor Support* (1988) that the answer to welfare was to make work pay by providing new wage, childcare, and healthcare benefits, as well as better child support, so that single mothers could survive without AFDC. This idea became the basis for the Clinton welfare reform plan, although it was overtaken by the Personal Responsibility and Work Opportunity Reform Act (PRWORA). Ellwood also concluded from the demographics and psychology of poor single mothers that they simply could not work their way off AFDC unless government provided them a support system outside welfare (Bane and Ellwood 1994).

The Manpower Demonstration Research Corporation (MDRC) conducted a study of three innovative work support programs: Milwaukee’s New Hope Project, the Minnesota Family Investment Program, and Canada’s Self-Sufficiency Project. These projects were designed to reduce poverty and to address the issue of low-wage work by providing earnings supplements to low-wage workers. Milwaukee’s New Hope Project, operated between 1994 and 1998, functioned independent of the state’s AFDC program. It brought together financial assistance and other support for individuals who worked full-time, but earned low wages. To be eligible, individuals had to live in one of two inner-city neighborhoods, be age 18 or older, work at least 30 hours per week, and have a household income no higher than 150 percent of the federal poverty level. The project was voluntary and participation could last up to three years. It included payment of a monthly earnings supplement, subsidized health insurance and childcare, and assistance obtaining unsubsidized employment or access to temporary minimum-wage
community service jobs. The earnings supplement, when combined with the Earned Income Tax Credit, raised most of the participants above the poverty level. The childcare subsidy decreased as earnings increased.

The Minnesota Family Investment Program (MFIP) used the welfare program to encourage work by changing the rules on the welfare earnings disregard. The earnings disregard allows the recipient to continue to receive cash assistance while working. Basic benefits were increased by up to 20 percent for working recipients. The program also required long-term welfare recipients to participate in employment-related activities designed to help them obtain full-time work. Participants in the project could continue to receive benefits as long as they met the income requirements. MFIP became Minnesota’s state welfare program in 1998.

Canada’s Self-sufficiency Project (SSP) experimented with a work-based alternative to welfare. It paid a substantial supplement to long-term welfare recipients who went to work. SSP was operated by private agencies between 1992 and 1999 in Vancouver, British Columbia and parts of New Brunswick. The program’s earnings supplement was paid to participants who maintained full-time employment for up to three years.

The MDRC study found that earnings increased and poverty declined for participants in MFIP and SSP. MFIP workers earned 23 percent more than families in a control group. In addition, the programs resulted in better outcomes for participants’ children and improved family functioning. Domestic violence, depression, alcohol, drug use, and delinquent behavior decreased among participants. New Hope’s results were not as promising. Participants in the program worked fewer hours than members of a control group.
An Alternative Approach

“Workforce Intermediaries: Powering Regional Economies in the New Century” (2005), discusses three workforce development programs that represent a new approach to achieving economic self-sufficiency. Workforce intermediaries are quasi-governmental entities that maximize local workforce development efforts by providing coordination of fund sources and local stakeholders. The role of the intermediary is to make sense of the often confusing array of workforce development program rules and requirements and to resolve complicated policy issues that may interfere with effective outcomes.

The emphasis in the intermediary approach is on shared goals rather than on rigid organizational structures. Participating organizations are not required to give up their identity, but must embrace a dedication to an agreed upon goal. State and local government agencies, employer organizations, community-based organizations and local workforce boards have successfully employed this new strategy.

The Annie E. Casey Foundation’s Jobs Initiative has experienced significant results using workforce intermediaries. The goal of the Jobs Initiative was “to reform local labor markets and help local labor markets and help connect low-income, low-skilled young people to good jobs.” Local organizations were identified to act as intermediaries in each of the six cities that participated in the initiative. They had two missions: “operating successful jobs programs and advocating for positive change in local workforce systems” (Fischer 2005, p 4). These simple, yet powerful philosophical goals had dramatic results for the participating local labor markets. Low-wage workers were able to obtain jobs paying an average of $9.15 per hour. In addition, funds from different sources were leveraged so that more training opportunities could be made available.
These studies are unique in that they supplemented their technical findings with observations about the poverty problem and made recommendations for solving it. This combination of elements, along with concrete evidence, is what is needed to command attention and thus to influence decisions. Further evaluation can also rigorously connect policy to results through experimentation. As more states seek to find innovative ways to assist the working poor, the potential for field study to illuminate social policy will increase. Research focused on experimental state and local programs may discover promising new ideas that have the potential for broader application. Creativity and innovation such as that described in these projects are sorely needed. The next chapter describes the program characteristics that make it difficult to access work support programs.
CHAPTER 3: THE CHALLENGE OF WORK SUPPORT PROGRAM ACCESS

The federal government and most states offer a variety of services and programs to aid the working poor. However, many of these initiatives are underutilized. Research findings have identified reasons that potentially eligible individuals do not apply for these benefits (Ellwood 1999; Ellwood and Irvin 2000; Kenney, Haley and Dubay 2001). Fragmented service delivery systems and lack of awareness make it almost impossible for work support services to reach those who need them most. Further, some of these programs contain requirements that make participation cumbersome and undesirable. This chapter explores the challenges that many face in accessing work support programs. A discussion follows of the Food Stamp Program, the Childcare and Development Fund, the Earned Income Tax Credit, Medicaid, and the State Children’s Health Insurance Program.

The Food Stamp Program (FSP) is a well-known option for working poor families. The earnings of low-wage workers are often insufficient to support their families. Thus, the need for an adequate supply of food can be viewed as the most critical and basic work support. However, participating in the FSP can be a considerable challenge. For instance, a family of three, in which a parent works 30 hours per week for the minimum wage, qualifies for up to $247 in food stamps. However, only about half of all eligible families actually receive food stamps. To address this problem, the federal government, in the fall of 2002, passed a number of new state options designed to make the food stamp program more accessible. These options provide incentive awards to states with effective outreach programs and that provide better service to eligible families. These options also encourage a simplified application and recertification process, waivers for unemployed adults with no children, and reinstatement eligibility for legal immigrants. Most importantly, the options align the asset test in the food stamp program with
To date, many states have taken advantage of the accessibility options. Massachusetts streamlined its application and reporting requirements, raised the asset limit for cars and savings, gave exemptions for child support payments, and implemented automated food stamp eligibility for families making the transition from welfare to work. Massachusetts also implemented the Coordinated Food Stamp Outreach Program so successfully that the number of applications from eligible families doubled in one month for the city of Boston. Pennsylvania, Washington, Illinois and Wisconsin also took steps to improve access to food stamps for low-wage workers in their states (Pavetti, Maloy, and Schott 2002).

Reliable childcare is an important work support on which all families with young children depend for sustained employment, regardless of income. This is especially true for the working poor. For these families, work is not even an option if the cost of childcare exceeds the wages earned. Federal funding for child-care subsidies includes the Childcare Development Fund and the TANF block grant. The choices states make about the subsidy levels and eligibility for childcare assistance has important implications for the childcare options available to low-wage workers. Affordable, quality, flexible and reliable childcare is important for children’s positive developmental outcomes. In fact, research has found a relationship between childcare quality and positive child outcomes (Gormley 1999; Uttal 2002; and Vandell and Wolfe 2002).

The Childcare and Development Fund (CCDF) is a much-needed resource that often goes untapped. The CCDF made $4.8 billion available to states in fiscal year 2005. Authorized by the PRWORA of 1996, the CCDF “assists low-income families, families receiving temporary public assistance, and those transitioning from public assistance in obtaining childcare so they
can work or attend training/education.” (website, acf.hhs.gov). Eligible parents receive childcare via contracts with providers or through the receipt of childcare vouchers. Unfortunately, many parents do not make use of the program because they are either unaware of it or are deterred by a convoluted application process.

The Earned Income Tax Credit (EITC) is a refundable federal income tax credit for low-income working individuals and families. Approved by Congress in 1975, the EITC was intended to help offset the cost of Social Security taxes and offer an incentive for people to work. Between 1990 and 1998, changes in the EITC law resulted in marked increases in the amount of the tax credit. Eligibility for the EITC is based on family earnings and other income and family size. For example, in tax year 2005, a two-parent family with two or more children and an income of less than $37,263 could qualify for up to $4,400. Application for the tax credit is made through the filing of the annual tax return. The program is administered through the Internal Revenue Service (IRS) and is based on federal requirements. Many working poor families do not take advantage of the EITC. Increased public awareness has been achieved through the use of national campaigns.

Medicaid is a jointly funded federal-state health insurance program with rules that vary from state to state in terms of income limits and resource caps. Contrary to popular belief, Medicaid does not extend coverage to all poor persons. Several different groups of individuals qualify for Medicaid benefits. Within these groups, certain eligibility criteria must be met. These criteria include age, pregnancy, disability, personal income and resources, citizenship and immigrant status.

The State Children’s Health Insurance Program (SCHIP) is jointly financed by federal and state governments and is administered by the states. The federal government provides
matching funds to states so that children in families earning above the Medicaid limits can have access to private health insurance. The SCHIP legislation contained provisions for matching funds from fiscal years 1997 through 2007. It is up to each state to design its own administrative and operating procedures. Depending on the program design, individuals may receive services from more than one entity. Services covered under the program include regular check-ups, dental visits, immunizations, prescription drugs, lab tests, x-rays, and hospital visits. SCHIP may or may not be administered by the same entity that administers Medicaid.

**Program Costs and Budget Issues**

This is a difficult time to consider additional federal spending. Both houses of Congress have Republican majorities that are currently focused on tax cuts and deficit reduction. The war in Iraq has been more costly than the Bush administration imagined it would be. The federal deficit is breaking records. What hope is there for reform in this context? There is little hope of assembling a congressional majority to enact costly new benefits for the working poor anytime soon, even though the working poor are the “deserving” poor. Fortunately, that is not necessary. New federal programs with new benefits are not required in order to significantly enhance the generosity of the work support system. That can be accomplished by improving access to existing program benefits. Any federal agenda for reform should focus on program participation.

The 1996 TANF legislation devolved much of the responsibility for supporting working poor families to the states. In 1996, at the time of its enactment, America was enjoying a robust economy and entry-level jobs were plentiful. However, the recession of 2001 and the subsequent years have strapped many states financially. In addition, the federal government has moved away from social policy priorities.
On February 8, 2006, the Deficit Reduction Act of 2005 was signed into law. The act includes a five-year reauthorization of the Temporary Assistance for Needy Families (TANF) program. The legislation reduces funding for domestic programs aimed at low-income families by $182 billion over five years while at the same time cutting taxes for high-income families by an estimated $285 billion over five years. The legislation also contains changes to the TANF program that reach beyond earlier proposals to increase work requirements. At issue are several provisions that would shift more than $6.8 billion in costs to state governments.

There will be pressure on states to increase work requirements on all families. Families that receive cash assistance services, childcare assistance, and families that participate in educational activities designed to increase self-sufficiency, job training, and work will now be included in the state work participation requirements. There will be an estimated $844 million cut from the food stamp program over five years. Families receiving TANF-funded services are no longer automatically eligible for food stamp benefits. Further proposed is the elimination of the Survey of Income and Program Participation (SIPP), a critical source of data on poverty and income for the Census Bureau and researchers. The SIPP is unique because it is the only large-scale survey explicitly designed to measure the effects of policy on the same individuals over time. SIPP is critical to researching which programs effectively raise families out of poverty and how budget cuts affect program beneficiaries. (S. 1932 Deficit Reduction Act 2005).

As a result of increased work requirements, states may lose funds resulting from penalties that HHS may apply because states cannot meet these new work requirements. States may also decide to eliminate TANF cash assistance to all two-parent families. States could also eliminate other programs funded with state dollars that serve adults who cannot currently meet the federal work requirements.
The bill also reauthorizes the federal mandatory childcare funds with few changes and almost no increase in childcare funding. Childcare funding would increase by $200 million in FY 2006 (less than a 5 percent increase in funding). Federal funding for childcare would not increase from 2006-2010. Any future increases in federal childcare funding would depend on annual congressional appropriations decisions. Congress has not approved any increases in childcare funding since 2002 and since that date childcare funding has been reduced. Prior to the changes made in this bill, the Bush Administration had already projected a five-year loss in federally subsidized childcare slots. With these changes, less federal childcare assistance will be available for the next five years. The increased TANF work requirements coupled with the lack of increases in discretionary childcare funds, means that the demand for childcare services will be even greater while funding will not increase. These changes will also create pressure on states to move the TANF funds they are currently using to provide childcare to fund other services such as training, transportation, tracking of TANF requirements and subsidized employment.

The foregoing discussion reviews potential state impacts as a result of the new federal budget priorities. Should states experience budget shortfalls, cuts can be expected in programs that assist low-wage workers. These workers, the most vulnerable with the fewest resources to fall back on, cannot afford to shoulder expenses such as healthcare and childcare. It is unlikely that additional resources will come pouring in from the federal government. Thus, it is crucial that existing resources be used in such a manner that everyone who may be eligible for them has access to them.
Service Fragmentation

Examination of work support programs finds that they differ based on fund source, eligibility requirements, the duration of eligibility, and the administration of the program. Increasing the number of people who use work support programs is challenging because of the lack of national administrative oversight for such programs. Some programs, such as the Earned Income Tax Credit, have standard requirements. However, as discussed earlier, the federal Food Stamp program provides for state variations and options. Health care and childcare subsidies, though federally funded, also vary extensively across states. States also have latitude in how funds are used to provide for transportation, cash assistance and other assistance for the working poor through the TANF block grant (See Table 1, page 39).

Outreach and awareness efforts should be used to educate the working poor on the various types of assistance available to them. Unfortunately, just as there is a lack of national administrative oversight for these programs, there is no single source of information for low-wage workers to learn about them. The barriers of inconsistent rules of eligibility, different documentation requirements, complex and lengthy application procedures, and the requirements for continued eligibility must be removed. More research is needed to determine how this can be done so that eligible working poor people have an opportunity for self-sufficiency.

It is critical for states to maximize existing resources in this era of declining federal social service resources. Vital programs and services that can be used to support the working poor cannot go underutilized. Each of the existing work support programs offers basic, fundamental assistance to low-wage workers. Further, various aspects of the programs are complemented by local efforts such as transportation, housing and food banks. However, standing alone, none of the programs are sufficient to address the enormity of the needs of the working poor. A
comprehensive strategy for providing work support services in a manner that is holistic and rational is required. Such an approach would require financial and non-financial agreements between agencies, the packaging of resources, and creative service strategies.

**Bridging the Gap: Workforce Development Services and Work Support Programs**

Workforce development is at its core about economic self-sufficiency. Employment enables people to support themselves and their families. The workforce development system seeks to instill confidence and knowledge about how to conduct a successful job search and negotiate salaries and benefits, arming participants with marketable skills and preparing them to manage relationships with supervisors and co-workers. However, employment does not always guarantee self-sufficiency, as has been discussed.

Connecting low-wage workers with work support programs is a logical evolution of workforce development. Given the demands of performance-based contracting, focusing on economic security allows workforce professionals to improve program performance and to meet federal requirements. Because retention is becoming increasingly important, emphasis on the provision of work supports can mean improved performance and increased revenue.

There is no “one stop” for work supports. Transitional welfare benefits are managed by local social service offices, the U.S. Department of Agriculture administers Food Stamps, and Earned Income Tax Credit refunds are distributed by the Internal Revenue Service. With no centralized approach to supporting low-wage workers, access and receipt of work supports is frequently hit or miss. In contrast, workforce development organizations are in a unique position: practitioners are right there with participants in the nexus of employment and unemployment. As such, they have an opportunity to help participants access the very supports
that will improve their chance of obtaining and retaining employment and encourage them to pursue career advancement.

Linking workforce development systems with work support programs has important benefits. First, busy working people can have the benefit of all of the support they need in one system. Through the pooling of resources, agencies will have a fuller and more accessible package of services to offer participants. Second, consolidating and incorporating workforce development and work support programs may reduce the stigma often associated with receiving work supports. The goal for this type of program design is for the working poor to begin associating food stamps, Medicaid, and subsidized childcare with employment rather than with welfare.

This model will require both the workforce professional and the social service professional to shift their emphasis. Both will have to develop techniques that guide clients toward the pursuit of long-term career goals and wage advancement. Workforce professionals will have to move away from their current “job placement-only” orientation to helping clients to chart a course for themselves that leads to progressively better earnings. Social service professionals will have to move beyond their inclination of “case manage for compliance” mentality. Customer interactions should be based on helping clients to find better jobs, with opportunities for raises and promotions, and to complete education and training programs.
Table 1. Program Characteristics that Affect Access for Working Families

<table>
<thead>
<tr>
<th>Feature</th>
<th>Medicaid</th>
<th>SCHIP</th>
<th>Food stamps</th>
<th>Childcare</th>
<th>EITC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Place for access</td>
<td>Varies by state and eligibility group. Includes welfare offices, health centers, hospitals, physician offices, and community organizations. Also, internet and mail applications.</td>
<td>Varies by state. Includes health centers, hospitals, physician offices, and community organizations. Also, internet and mail applications.</td>
<td>Welfare office.</td>
<td>Varies across states and localities. Includes welfare offices, subsidy agencies and sometimes providers.</td>
<td>Individual tax return can be filed by mail or internet.</td>
</tr>
<tr>
<td>Funding</td>
<td>Uncapped, federal and state matching formula.</td>
<td>Capped federal funding, federal and state matching formula at a higher match than under Medicaid.</td>
<td>Uncapped, federal government pays all but half administrative costs</td>
<td>Capped block grant with state match, plus allowable transfers from TANF; some states spend more.</td>
<td>Uncapped federal payment.</td>
</tr>
<tr>
<td>Child support requirement</td>
<td>Custodial parents must cooperate with state’s child support enforcement agency to pursue rights to private health coverage. (Parent may be denied, not child).</td>
<td>None</td>
<td>Must register for enforcement.</td>
<td>Not required by federal law; some states require cooperation.</td>
<td>None</td>
</tr>
<tr>
<td>Other program interactions</td>
<td>If receive SSI, complex interaction with TANF.</td>
<td>Varies by state with federal approval-some exclude those with employer coverage or offer; some have uninsurance waiting period.</td>
<td>Nearly automatic if receive TANF or SSI.</td>
<td>TANF recipients and TANF leavers often given first priority.</td>
<td>None</td>
</tr>
<tr>
<td>Payment type</td>
<td>Payment to provider or managed care organization.</td>
<td>Payment to provider or managed care organization.</td>
<td>EBT card.</td>
<td>Primarily payment to provider (most vouchers, some contracts), some states pay some parents directly.</td>
<td>Cash to family.</td>
</tr>
<tr>
<td>Specific work requirements</td>
<td>Work history requirements for some parents in some states for some eligibility groups.</td>
<td>None</td>
<td>Earned income disregard; about one third subject to work participation rules.</td>
<td>Must be working (some states have a minimum hours requirement) or in approved work-related activities if TANF recipient.</td>
<td>Benefit increases with earnings.</td>
</tr>
<tr>
<td>Continuation requirements</td>
<td>Varies by state and eligibility category. Can include continuous eligibility of up to a year.</td>
<td>Varies by state. Can include continuous eligibility of up to a year.</td>
<td>Varies by state. Generally three to twelve months depending on eligibility category.</td>
<td>Varies by state. Generally six to twelve months with no change in circumstance, can be shorter.</td>
<td>Not applicable.</td>
</tr>
</tbody>
</table>

CHAPTER FOUR: METHODS

This dissertation posed two interrelated research questions regarding the effectiveness of work support programs in helping the working poor to achieve economic self-sufficiency. To answer these questions, a research strategy that combined quantitative and qualitative methodologies was used. Published research indicates that scholars are using a variety of research designs to understand the conditions of working poor Americans (Sawhill and Thomas 2001; Holzer 2004; Waldron 2004; and Pearce 2004). These studies used multiple instruments and methods to provide data that is both expansive and rich in detail. The simultaneous use of quantitative and qualitative research techniques has been cited as ideal for quantifying and understanding the complicated processes and interactions resulting from social policy (King, Keohane, and Verba 1994).

Quantitative methods facilitate the use of statistical techniques such as regression and other measures of association which can lead to conclusions based on more precise findings. Qualitative methods are useful because they allow researchers to use interview techniques that permit the subjects to articulate their opinions and thoughts without being forced to select answers from survey instruments (Burgess 1997). Using both quantitative and qualitative research methods permitted a thorough examination of work support programs in Ohio and Georgia. The quantitative methods used administrative data from Georgia. Corresponding wage data from Ohio was not available. The qualitative methodology used interviews with program staff from both states.

Site Selection/Features

While Ohio and Georgia differ demographically, geographically and in many other aspects, each site was selected for this study based on their different approaches to assisting the
working poor. The agency used in the analysis of Ohio’s work support programs is the Ohio Department of Jobs and Family Services (ODJFS). Ohio’s merger of administrative oversight of several social service agencies is based on the implementation of the Workforce Investment Act (WIA). Georgia’s work support services are housed among several state agencies, each with many years of program experience. For the comparison purpose of this study, staff members of the Georgia Department of Labor and the Georgia Department of Human Resources, Division of Family and Children Services, the Cuyahoga County Department of Workforce Development of Cleveland Ohio, and the Ohio Department of Job and Family Services were interviewed. The Georgia model depends on formal and informal collaborative arrangements between agencies as well as the WIA. The Ohio model is the result of the WIA and a state-level response to dwindling public resources. The question for this study is which model is most advantageous for the economic self-sufficiency of the working poor.

**Quantitative Methodology**

Using administrative data from the Georgia Department of Labor allowed comparisons to be made between the general population and their working poor counterparts. The purpose of using unemployment insurance wage data is that it is the most accurate, real-time indication of state-level earning data available. This data, arrayed by calendar quarters, allows quick analysis and comparisons of individual earnings. The administrative data also shows the individual’s education, age, industry or job classification, and whether they received or applied for TANF or food stamps. This combination of characteristics allows generalizations and inferences to be made and has a number of social policy implications.

Georgia Employment Security Law requires that the state’s employers complete and file with the Georgia Department of Labor an “Employer Quarterly Tax and Wage Report.” The law
states that the report of wages paid and taxes due must be filed with the department on or before the last day of the month following the end of each calendar quarter. These reports are entered into the department’s wage file and become available for calculating potential eligibility for unemployment compensation should the employee become unemployed. The Georgia Department of Labor Unemployment Insurance system files, including form (ES-202), individual wage, and claims data, will be used to determine the earnings level of Georgia’s total population in comparison with the earnings level of individuals who receive TANF and food stamps.

Wage data is a resource of information on the population with reported wages that is unique in that, in order to comply with Federal Unemployment Insurance and Employment Insurance requirements, every state must gather and maintain the data in a common format, and share it, primarily for the purpose of Interstate and Combined Wage Unemployment Insurance benefit claims, with other states. It is by far the most comprehensive database related to earnings. Every non-exempt employer (in general, all but U.S. government and religious institutions) must report each quarter the total wages paid to all persons to whom it paid wages in the preceding quarter by Social Security number.

Since the data is kept for years, longitudinal studies are possible, and since all states keep the data in the same format, interstate (latitudinal) comparisons can be made. The uses to which such information can be put are inexhaustible. For instance, by summing all wages reported, and dividing by the number of persons on whom wages have been reported, one arrives at the average earnings per working person. By looking at this single indicator over years, one can see whether that average rises or falls, and by what rate. By comparing this average earnings figure with other states, one can discover the distribution of average earnings across the United States.
The data is not without limitations. The only reportable wages are included, some types of earnings do not exist as wages, and there are the usual reporting errors and data corruption issues; but there is nothing else anywhere nearly as comprehensive as wage data.

Inquiry into the combined effect of the various efforts brought to bear since the Clinton Administration ended lifetime entitlement to welfare can benefit greatly from the use of wage data to do both longitudinal and latitudinal analysis. In Georgia, the Commissioners of Labor (Michael Thurmond) and Human Resources (B.J. Walker) partnered to expedite the transition of welfare recipients into the workforce. A key component to that partnership was the sharing of data between agencies. Specifically, the Department of Human Resources (GDHR) began sending the Department of Labor (GDOL) a weekly update by Social Security number of all TANF applicants and recipients, food stamp applicants and recipients, and non-custodial parents. This enabled GDOL staff persons contracted to provide specialized services to TANF customers to identify them when they came into the GDOL career centers for service. More importantly, for purposes of this study, it facilitated the comparison of the earnings of the TANF subpopulation to that of the general population.

What is proposed, then, is that the reported earnings of the whole and the part of the years just prior to the beginning of the end of welfare entitlement, and for each successive year since, be presented for discovery of trends. It would be expected that the earnings of the TANF population would be substantially less than that of the general population, and that a smaller percentage of the TANF population than of the general population had any reported wage at all, and that both of those factors changed over time as a result of the combined effects of the laws and services brought to bear to mandate and enable employment in the TANF population. It is expected that gradually the earnings of the TANF population would increase, and that a higher
percentage of the TANF population would report wages. It is also expected that the difference in earnings between the general population and the TANF population will have decreased.

Finer analysis is also possible from the same data. By looking at earnings prior to receipt of employment and employability services, and looking at earnings after receipt of services, the data should show whether and to what extent these interventions impacted earnings compared to that population that did not receive employment assistance. The assumptions might include that persons receiving employability services earn more wages in the quarters following services than they did before. But that might not be revealed; earnings data may be overwhelmed with negative trends due to the substitution of service sector jobs for manufacturing jobs.

Initial inquiries into the efficacy of this approach has revealed that the amount of data available and the constantly changing technologies for storing and manipulating it, make even seemingly basic, macro scale displays problematic. In the course of providing reports to the federal government recently, it was discovered that the data itself required extensive “scrubbing” due to data entry errors and incomplete data entry.

**Quantitative Data Collection**

The following is a high-level work request to the Information Technology (IT) division of GDOL.

Provide the average wage for:

1. All persons with Georgia wages (i.e. total wages earned divided by total number of wage earners)

2. All persons registered with GDOL with Georgia wages (i.e., total wages earned by persons registered with the GDOL divided by total number of persons registered with the GDOL).
3. All TANF/FS applicants/ recipients with Georgia wages (i.e., total wages earned by all TANF/Fs applicants/ recipients divided by total number of TANF/FS applicants/ recipients).

For the following program years:

- PY00 (July 1, 2000 through June 30, 2001)
- PY01 (July 1, 2001 through June 30, 2002)
- PY02 (July 1, 2002 through June 30, 2003)
- PY03 (July 1, 2003 through June 30, 2004)

For all persons registered with GDOL:

1. Average earnings two quarters prior to registration. For all persons who were new registrants with GDOL during each of the four program years, present average of the sum of their earnings for the two quarters prior to registration.

2. Average earnings for third and fourth quarters after quarter of registration. For all persons who were new registrants with GDOL during each of the four program years, present average of the sum of their earnings for the third and fourth quarters after the quarter in which they registered.

3. Entered employment rate for all new registrants in each of the four program years.

For TANF/ Food Stamps Applicants and Recipients:

1. Average earnings two quarters prior to registration. For all TANF/ Food Stamp applicants and recipients who were new registrants with GDOL during each of the four program years, present average of the sum of their earnings for the two quarters prior to registration.
2. Average earnings for the third and fourth quarters after quarter of registration. For all TANF/Food Stamp applicants and recipients who were new registrants with GDOL during each of the four program years, present average of the sum of their earnings for the third and fourth quarters after the quarter in which they registered.

Entered employment rate for TANF/Food Stamp applicants and recipients in each of the four program years.

**Qualitative Methodology**

The goal of the qualitative research is to conduct a case study of work support programs in Georgia and Ohio. Social policy issues such as poverty and unemployment have been examined using quantitative methodology; however, limited qualitative research has been done with respect to the working poor. Thus, missing from the literature is the completeness in observing, describing, understanding and explaining the experiences of low-wage workers.

As this research was exploratory in nature, open-ended interview questions were used to gain a sense of how services are provided by ODJFS and GDOL. The interviews were conducted with a questionnaire used as a guide for obtaining information on a variety of topics. This insured that all participants were given the opportunity to respond to a core set of questions. Probes were used as needed to gain more insight and a deeper understanding about the topic of interest. This approach allowed the interviewer freedom to ask about anything that seemed relevant to exploring the experiences of the respondent. Participants were interviewed with a semi-structured protocol that asked them to describe their jobs, their clients, and their opinion of the concept of service consolidation.
Responses to each question were compared and categorized. Responses were then compared across questions. This facilitated the identification of several recurring themes within all of the responses. The themes will be presented in Chapter Six.

Two samples were chosen for this research based on their different approaches to work support strategies. The Georgia Department of Labor received national recognition for its success in putting the unemployed back to work. Further, the Department of Human Resources’ Division of Family and Children Services has received national recognition for its efficiency in shrinking its TANF roles. Coordination between the two agencies is accomplished with a performance-based contract designed to move TANF applicants and recipients into the workforce. A separate system of 20 workforce development areas provides training assistance under the Workforce Investment Act (WIA). Thus, it might appear that Georgia has a progressive approach to reducing poverty through work. While no single agency has the responsibility for administering work support programs, the programs are available and a degree of integration and coordination takes place among the agencies with the mission of employment, public assistance and work support. The Ohio Department of Job and Family Services (ODJFS) combines the agencies that provide employment, TANF, and WIA-funded training into one agency. It should be noted that ODJFS is an administrative entity and does not provide direct services to the citizens of Ohio.

Internal documents were reviewed from both agencies including memoranda, strategic plans, operating budgets, relevant state legislation, program performance reports, and press releases. These documents guided in the development of background information on which the interview questions were based. An interview guide was used to develop in-depth, open-ended interview questions. The use of the interview guide ensured that there was some structure to the
interviews, even though they were treated as conversations during which the interviewer drew out detailed information and comments from the respondents. “One way to provide more structure than in the completely unstructured, informal conversational interview, while maintaining a relatively high degree of flexibility, is to use the interview guide strategy” (Rubin and Babbie 2001, 407).

Data was reduced and analyzed by means of thematic codes and concepts in a three-level process. Themes gradually emerged as a result of the combined process of becoming intimate with the data, making logical associations with the interview questions, and considering what was learned during the initial review of the literature. At subsequent stages, themes moved from a low level of abstraction to become major, overarching themes rooted in the concrete evidence provided by the data.

In-depth interviews of four program and administrative staff from the GDOL and the ODJFS, for a total of eight interview subjects, were conducted. Program staff members were used because of their “front-line” perspective on program outcomes and the administrative staff for their sense of managing and oversight of the programs. The goal was to determine whether these employees believed program consolidation would achieve the goal of economic self-sufficiency. In addition, feedback from the staff helped to identify challenges or issues related to consolidation of services. The data set used to frame the quantitative methodology was intended to determine the success of Georgia’s work support program; the interviews were to gauge the success of the programs from the perspective of the professional staff charged with carrying them out.

The interviews were conducted via telephone beginning in the month of May 2006. Prior to the interviews, the subjects were given detailed information regarding the study and the
importance of their role in the research. They were also provided them with Informed Consent forms approved for use by the Institutional Review Board. The consent forms were returned prior to the interviews. The subjects were provided with telephone contact information in the event that they had any questions about the research.

Before beginning the telephone interviews, the subjects were advised that participation in the interview was voluntary, that they could refrain from answering any questions they were uncomfortable with, and they could end the interview at any time. The interviews lasted between 45 minutes and one hour, depending on the responses of the subjects. The responses describe delivery of work support programs in Georgia and Ohio and the issues inherent in consolidating the programs.

The emphasis of the qualitative methods is to build on the labor market experiences of individuals who have participated in work support programs by investigating the experiences of the program staff involved in providing the services. I also wanted to determine whether the staff believed that working poor people took advantage of these services. Therefore, central to the research was an examination of the accessibility to work support services. An argument is made that greater levels of self-sufficiency are reached when the design and delivery of work support programs is packaged in a cohesive, comprehensive manner. To assist in developing recommendations for improving the outcomes of these programs, insight into the importance of work support strategies in increasing the economic self-sufficiency of the working poor is provided.

**Qualitative Data Collection**

A research protocol was developed to facilitate the gathering of consistent information between the states. Yin (2002) suggests that the development of the rules and procedures
contained in the protocol enhance the reliability of case study research. An important aspect of
case study research is the variety of evidence obtained through diverse data collection
techniques. Utilizing multiple sources of data increases the reliability of the data and the process
of gathering it (Yin 2002). Stake (1995) identified at least six sources of evidence in case
studies: documents, archival records, interviews, direct observation, participant-observation, and
physical artifacts. This case study used three of the foregoing as secondary sources of
information: (1) documents, (2) archival records, and (3) reports and articles.

Documents. These included documents such as reports, evaluation studies, memoranda
and public opinion polls and surveys.

Archival Records. Included are internal communications and records from the United
States Department of Health and Human Services, Georgia Department of Labor, and the
Georgia Department of Human Resources, and the Ohio Department of Job and Family Services.

Reports and Articles. Published reports from major newspapers are included, and public
agencies and public policy research institutions were examined to assess the implementation and
success of work support programs.

Data was obtained from three primary sources. First, a review was made of program
information including employment and earnings, health insurance, childcare, perceived barriers
to self-sufficiency, and attitudes toward support services. Written materials describing
administrative structures, assessment tools, and service delivery models were also gathered for
review. In addition, an examination of reports summarizing client characteristics, job
placements rates, earnings, and other performance measures was conducted.

Second, in-depth interviews were conducted with state officials and program
administrators charged with implementing various work support programs. The interviews with
work support program staff to provide a detailed picture of these services and describe the key challenges and lessons learned at the state level in providing services. Conclusions about each state’s economic self-sufficiency policies were drawn by comparing their approach to the utilization of work support programs.

Finally, after the in-depth interviews, a comprehensive summary of findings was prepared. These reports of findings served as the basis of comparative analysis of specific issues regarding economic self-sufficiency policies in Georgia and Ohio. The responses from the program staff also assisted formulation of recommendations for further study.
CHAPTER FIVE: DESCRIPTION OF CASE STUDIES

As described in Chapter Two, a number of work support programs exist that have the potential to lift working families out of poverty. In Chapter Three, the concept of adding workforce development as a key component of work supports was introduced. With the trend of devolution and passage of the Personal Responsibility and Work Opportunity Reconciliation Act, significant variations now exist in key aspects of work support program designs across states (Bloom et al. 2002). These variations include, but are not limited to, differences in time limits, eligibility criteria, earnings calculations, and overall program design. The states of Ohio and Georgia provide support for low-wage workers in the form of specific programs and policies.

Data in tables 2 through 6, pages 72-76 below, compares the economic self-sufficiency policies of Georgia and Ohio. The tables were created using “data wizards” developed by the National Center for Children in Poverty (NCCP). The 50-state “data wizards” allow web-based calculation of state-specific work support policies. Information is derived from state and federal work support policies, including data on rules, recipient levels, and spending. A quick comparison is possible by selecting the state and the policies to be examined. The policies selected for the comparison purposes of this study include public health insurance, childcare, food stamps and the Earned Income Tax Credit. The following sections describe Medicaid, Food Stamps, Childcare, Child Health Insurance, Earned Income Tax Credit, and workforce development programs in Ohio and Georgia.

Georgia Department of Labor

Child Health Insurance. PeachCare is an alternative for children who are not eligible for Medicaid. In 1997, Congress created Title XXI of the Social Security Act, to create the State Children’s Health Insurance Program (SCHIP), to provide health care for the growing number of
uninsured children in the United States. This legislation provided states with the opportunity to create programs to increase access to affordable health insurance. In Georgia, this program is known as PeachCare for Kids.

PeachCare for Kids began covering children in 1999, providing comprehensive health care to children through the age of 18 who do not qualify for Medicaid and live in households with incomes at or below 235 percent of the federal poverty level. This means that a family of three can earn more than $39,000 a year and that a family of four can earn $47,000 a year in 2006. To be eligible for PeachCare, recipients must be 18 years of age and under, uninsured, and citizens of the United States or must have resided legally in the United States for at least five years. Citizen children of non-citizen parents are eligible for coverage.

Premiums increase on a sliding scale based on household income. There is no cost for children under age five. Starting at age six, premiums are $10 to $35 for one child in a family. For two or more children, the premium will cost from $20 to $70, depending on household income. Monthly premiums will not exceed $70, regardless of the number of children in a family. There are no co-payments or deductibles required for benefits covered by PeachCare for Kids.

PeachCare for Kids requires that children must be uninsured for the six months prior to applying for coverage. There are exceptions for children who have lost coverage involuntarily (for example, if a child was covered through a parent’s employer and the parent lost the job, or the employer dropped coverage for dependent children). The waiting period does not apply to families who had independently purchased private insurance outside of an employer group. An on-line application for PeachCare is available.
Medicaid. Medicaid is a federal program that is administered by the states. In Georgia, the Department of Community Health is the lead planning agency for all health issues in the state, and provides Medicare services through its Division of Medical Assistance. Medicaid is a financial assistance program. To qualify for Medicaid, an individual must meet certain criteria. In Georgia, there are more than 20 different coverage categories of Medicaid, known as classes of assistance, and each one has its own set of eligibility criteria. The classes of assistance are determined by a person’s living arrangement, types and amounts of income, marital status, and prior Medicaid coverage, among other factors.

For every class, an individual must meet the following criteria:

- Be age 65 or older, or be totally disabled, or blind.
- Be a U.S. citizen or an alien lawfully admitted prior to August 22, 1996.
- Be a resident of Georgia (there is no time limit to establish residency, only the intention to permanently live in Georgia).
- Agree to assign all health insurance benefits to the Georgia Department of Community Health.
- Apply and accept any other benefits which may help to pay for medical expenses.
- Meet financial eligibility guidelines for income and assets. The financial criteria are different for every class of assistance.

In determining eligibility, the local Department of Family and Children Services (DFCS) must consider the total gross monthly income of an individual from all sources. This includes Social Security benefits, any pensions, retirement, interest, dividends, etc. If the applicant is living with a spouse, DFCS must also consider the income of the spouse (the assets of both the wife and the husband are considered). Countable assets do not include the individual’s home and
one automobile. Countable assets do not include any real property other than the home, saving and checking accounts, investments such as certificates of deposit, stocks, bonds, mortgages, and promissory notes, life insurance, inherited property, and jointly owned assets. An asset counts against the Medicaid limit if the individual has legal ownership and the legal right to sell the asset. There is a $2,000 asset limit.

**Childcare.** When parents are working, they need reliable, affordable childcare in their communities. For some families, the cost of childcare is a burden that makes it hard to pay all of the bills. The Childcare and Parent Services (CAPS) program helps families in Georgia pay for early childhood and school age care and education programs. Parents or guardians who have a limited income and are working, attending school, or in training may qualify to receive subsidized childcare. Subsidized care is available for children from birth to age 13 or up to age 18 if the child has special needs.

Families that qualify for the CAPS program can choose the childcare providers that they want to care for the children. Some eligible families pay a portion of the childcare fee to the provider and CAPS pays a portion of the fee to the provider. The fee is based on the number of people in the family and the amount of income the family earns. To apply for the CAPS program, the parent or adult responsible for the child needs to contact the local DFCS in the county where they live. A staff member at the county DFCS office determines if funding is available and makes childcare eligibility decisions. CAPS is available in all of Georgia’s 159 counties.

The Department of Human Resources helps many families afford childcare through the CAPS program. Division of Family and Children Services childcare workers determine if the families meet the eligibility requirements. If the family is eligible, then the workers can help
them find and arrange for childcare. To be eligible for the CAPS program, the parent(s) or responsible person(s) in the family must work, attend a job training program, or attend GED or high school classes. Some adults may be eligible for CAPS while they are looking for a job. Families that qualify have a limited income. The income that a family can earn and qualify for CAPS is based on the number of people in the family. There are no “resource” limits for CAPS; recipients may own their own home, car, etc., and still be eligible if income criteria are met and if there are funds available.

When needed to participate in a work activity, childcare is available at no cost to all TANF applicants and recipients. Families leaving TANF for work-related reasons have access to subsidized childcare for one year if program requirements continue to be met during the year. They are assessed a minimal fee if they receive any type of public assistance during this transitional year. If no one in the family receives public assistance, the family’s fee is based on gross income and family size. After one year of transitional care, they can continue in the program as long as they meet eligibility requirements and funds are available.

By statute, all eligible children must be under the age of 13 (or 18 if they have special needs) and reside with a family whose gross income does not exceed 160 percent of the federal poverty guidelines for a family of the same size and whose parent(s) are working or attending a job training or educational program or who receive or need to receive protective services. Children who are under court supervision or who are physically and/or mentally incapable of self-care are eligible with an upper age limit of 18. There are other eligibility requirements for CAPS: each adult in two-adult families must participate in approved activities (job, job training, etc.) for at least 35 hours per week. In single adult families, the adult must participate in approved activities for at least 25 hours per week.
Food Stamps. The food stamp program provides monthly benefits to low-income households to help pay for the cost of food. Applications for food stamps may be made at any county DFCS office. The application may be downloaded from the Internet and failed or faxed to the local DFCS office. After the application is filed, an interview must take place by phone, through the mail or in person. The caseworker will need to have proof of the household situation:

- Proof of identity
- Social Security numbers for persons applying for benefits
- Proof of income for each household member (check stub, award letters for Social Security or Veterans Administration, unemployment benefits, contributions from family or friends, child support, etc.)
- Last month’s rent receipt or mortgage payment book
- Last month’s telephone, electric, gas, water bill, etc.
- A statement written by a third party listing who lives in your household
- Medical bills for persons age 60 or older and/or disabled
- Information on education expense for person enrolled in colleges, technical or vocational schools
- Childcare receipts for children whose parents are working, in school, or in training
- Proof of child support payments
- Additional information and proof may be required depending on the applicant’s situation

To be determined eligible, individuals must

- Be a citizen of the United States or have a certain legal alien status
- Provide all of the required documents as proof of the household situation
- Disclose resources such as checking accounts, savings accounts, and savings bonds are limited to a combined value of no more than $2,000. A household with at least one person who is disabled or age 60 or older has a resource limit of $3,000.
- The applicant or the applicant’s household must comply with work requirements
- Meet requirements for the household’s gross monthly income (must not exceed the income limits based on the number of people who live in the household)
• Meet requirements for the rent or mortgage payment, utility bills, and in some cases medical, childcare and child support expenses are considered in the eligibility determination process if proof of the expenses is provided

In Georgia, benefits are issued using an electric benefit transfer (EBT) card and Personal Identification Number (PIN). If eligible for benefits an EBT card and PIN are mailed to the household. The household uses the EBT card in authorized stores to purchase food.

**Earned Income Tax Credit.** Georgia does not have a state Earned Income Tax Credit program. As of January 2006, 19 states have passed EITCs. State EITCs have bipartisan political support. The program’s popularity is due to continued child poverty, welfare reform, and low wages. Research shows that the credit has contributed to a significant increase in labor force participation among single mothers. By failing to enact a state EITC, Georgia is missing a great opportunity to lift thousands of its low-income workers and their children out of poverty.

**Workforce Development.** The Georgia Department of Labor provides workforce development services in the state of Georgia. The Department of Labor is empowered to administer federal labor programs and to enforce various state laws pertaining to labor, with an overall mission to promote the economic well-being of the state. GDOL is structured using a centralized management model (see Chart 1, page 59 below, GDOL organizational chart). Fifty-three career centers take direction from a centralized administrative bureaucracy. The department also provides funding and program oversight to 20 workforce development areas covered by the Workforce Investment Act. GDOL’s program oversight responsibility does not include the direct provision of training services.
Chart 1: Organizational Chart, Georgia Department of Labor
The department’s core businesses include:

1) Economic Stability

The department reduces the adverse impact of unemployment by providing monetary payment to eligible individuals for a limited period. Workers who become unemployed through no fault of their own may be eligible to receive unemployment insurance benefits while seeking a new job. Employers pay for unemployment insurance through payroll taxes. The department also provides technical assistance to employers by assisting them in minimizing their unemployment insurance tax liability.

Disability Adjudication Services determines eligibility for Supplemental Security Income and Social Security Disability Income benefits to ensure that individuals who are no longer eligible to receive these services discontinue receiving benefits.

2) Employment, Employability and Training Assistance

In a joint partnership with businesses and other community leaders, the department provides job training to economically disadvantaged individuals, non-traditional employees and dislocated workers to increase employment opportunities and improve the quality of the labor force in Georgia. Authorized by the Workforce Investment Act, the department provides administration, allocates funds, offers technical assistance, helps ensure compliance with federal and state laws and coordinates with related programs and agencies. The one-stop system delivers these comprehensive workforce development services to customers. For employers, the department provides “no cost” labor exchange services that include the maintenance of interstate and intrastate job banks, employment screening, on the job training programs, and tax credits through the federal Worker Opportunities Tax Credit Act.
One of the department’s primary responsibilities is the administration of the public employment service in the state through a statewide network of 53 offices. The department provides an array of services, including: the referral of qualified applicants to employers; counseling and other services to help evaluate workers’ job skills and better prepare them for available jobs; and the referral to services provided by other agencies in the community, such as job training, adult education, vocational rehabilitation, veterans’ programs, medical care, and supportive services.

The Division of Rehabilitation Services provides opportunities for work and personal independence for Georgians with disabilities. In pursuit of this goal, the division administers several programs: the Business Enterprise Program, which assists severely visually impaired individuals in becoming private vendors; Georgia Industries for the Blind, which provides employment for severely visually impaired and disabled individuals; Vocational Rehabilitation, which assists people with disabilities to go to work; and Roosevelt Warm Springs Institute for Rehabilitation.

Additionally, the department serves at-risk youth through its Jobs for Georgia Graduates program, which offers career exploration, leadership skill development and mentoring services to assist high school students in completing their secondary education and to prepare them for higher education, military service or employment.

Compiling and disseminating labor market information is another responsibility of the department. Available information includes data on employment, worker availability, wages and historic projected trends. Several of the statistical series published by the department, such as Georgia Labor Market Trends and Area Labor Profiles, serve as key indicators of the state’s economic health.
The Roosevelt Warm Springs Institute is a comprehensive rehabilitation facility, serving people with severe disabilities. The goal of the institute is to increase the self-sufficiency of people with disabilities so that they can better manage their disabilities, live independently and maintain employment.

The responsibility for promoting and protecting the safety of Georgia’s citizens and workplaces is carried out through a variety of state and federal programs administered by the Department’s Safety Engineering Division. The division conducts occupational safety and health data collection monitoring workplace illnesses, accidents and fatalities. The division also has regulatory responsibility for equipment such as elevators, escalators, safety glass, amusement and carnival rides, high voltage apparatus, boilers, and pressure vessels.

The services provided by the Georgia Departments of Community Health, Human Resources, and Labor do not intersect in a meaningful way that would promote economic self-sufficiency for the working poor. Coordination and cooperation exists between Human Resources and Labor because of a financial contract for services. That contract allows Human Resources to refer TANF applicants and recipients to Labor for intensive employability services. The arrangement specifies that 50 percent of the customers referred must obtain employment. During interviews professional staff from both agencies provided their views on how this arrangement might be improved upon.

**Ohio Department of Job and Family Services**

**Child Health Insurance.** The Ohio SCHIP Medicaid expansion was combined with a regular Medicaid expansion. Uninsured children in the expansion population are covered by SCHIP, and their services are reimbursed at the SCHIP enhanced rate. Under-insured children are covered by regular Medicaid and get the regular match rate. The Healthy Start expansion to
150 percent of FPL was implemented on January 1, 1009. In July of 2000, Ohio further expanded Healthy Start under SCHIP. This expansion raised the income limit for eligibility to 200 percent of FPL. For this second SCHIP, there was no complementary Medicaid expansion for under-insured children, so children in this income range (151-200 percent of FPL) must be uninsured to be eligible.

Medicaid’s Healthy Start Program has been available to children and pregnant women since 1989. In 1997, the State Children’s Health Insurance Program (SCHIP) was also created to cover uninsured children. In Ohio, the SCHIP program is administered through the Healthy Start program. The Healthy Start program covers children (up to age 19) in families with incomes up to 200 percent of the federal poverty level (FPL) and pregnant women in families with incomes up to 150 percent FPL. Applicants must be U.S. citizens or meet Medicaid citizenship requirements; they must be residents of Ohio with Social Security numbers or applications for Social Security; and meet certain financial requirements.

When applying for Healthy Start, proof of income, pregnancy, citizenship and other health insurance is required. No face-to-face interview is required. Healthy Start is a program of the Ohio Department of Job and Family Services.

Medicaid. In Ohio, Medicaid is administered by the Ohio Department of Job and Family Services via 88 local county offices of the Department of Job and Family Services. Medicaid began in Ohio in 1968. To qualify, a person must:

- Be a U.S. citizen or meet Medicaid citizenship requirements
- Be an Ohio resident
- Have or get a social security number and
- Meet certain financial requirements
Ohio provides coverage to the following:

- Children up to age 19
- Pregnant women
- Families with children under 18
- Adults age 65 or older
- Individuals who are legally blind
- Individuals with disabilities
- Certain women screened for breast and/or cervical cancer under the Center for Disease Control and Prevention’s Breast & Cervical Cancer Early Detection Program

Ohio has a one-stop application process for medical assistance. A face-to-face interview is necessary. Medicaid coverage for families in Ohio is called Healthy Families. In July 1996, the state established the earned income disregard of $250 plus 50 percent of the remainder, which matched the OWF program disregards. With a payment standard of $362, the disregard meant that a family of three could qualify for Medicaid if its income was about 85 percent of the FPL. If both parents in a family worked, they would each receive the earnings disregard that allowed families to earn much more and still qualify for Medicaid,

In July 2000, Ohio expanded Medicaid coverage by allowing families to disregard all income, earned and unearned, up to 100 percent of FPL ($1,179 per month for a family of three). Families can use the disregard for 24 months; thereafter, a family either moves into Transitional Medical Assistance if it has an increase in earned income or loses eligibility for one month. In the latter case, the family can reapply and receive the 100 percent FPL income disregard for another 24 months. Families began reaching the 24-month limit in July 2002.

In July 2000, the state made several changes to the application and reapplication process for Healthy Families and Healthy Start and combined the application for Healthy Families coverage with that for Healthy Start. Families can request an application through a hot line and complete their application over the telephone. Healthy Start eligibility can be processed
completely through the mail. The state also revised the verification policies for Medicaid; applicants must still verify income, but they can self-declare birth, age, and Social Security number.

Healthy Families eligibility is re-determined every six months and for Healthy Start every 12 months; families can complete the re-determination by mail.

**Childcare.** Parents who are working or in school can apply for help to pay for their childcare in the county where they live by contacting the county Department of Job and Family Services. Parents must choose a licensed childcare center, school latch-key program, Head Start, a home provider (relative or non-relative) or in-home aid that is certified by the ODJFS in order to get help. Payment may still be required for part of childcare costs, called a fee or co-payment. The amount paid is based on income, family size and the number of children in childcare. Parents may be eligible for help to pay for childcare if they receive cash from Ohio Works First (OWF), formerly called welfare, if they no longer receive OWF cash assistance or if they never received OWF, but their income is low.

Childcare eligibility was expanded in 1997 and 1998, so that by 2003 state-subsidized childcare covered families with incomes up to 185 percent of the poverty level. Over the 1997 and 2003 period, program participation increased by 66 percent and spending increased by 91 percent in real terms. But changes made in June 2003 (effective October 2003) tightened eligibility, lowering eligibility for continuing care to 165 percent. Also, excessive increases in co-payments made the program more expensive for parents. These changes reduced growth in subsidized childcare spending and participation to four percent in 2003. Lower eligibility ceilings increase turnover and can create perverse incentives for low-income families because small improvements in income can result in losses of large subsidies.
Food Stamps. The food stamp program in Ohio is administered by the ODJFS. Beginning in summer 2001, Ohio implemented the federal option that allows the states to modify the FSP vehicle rules to comply with OWF such that the value of all vehicles is excluded. If all members in the food stamp household are also in the OWF assistance group, then clients are subject to the work and training provisions in the self-sufficiency contract signed by the head of household when applying for OWF; otherwise, household members are subject to Food Stamp Employment and Training rules. (The self-sufficiency contract is a document that each adult OWF head of household must sign as a condition of receiving benefits. The contract lists the client’s rights and responsibilities as well as the tasks ad activities that the client must undertake to move toward self-sufficiency.) Ohio state law requires expedited food stamp applications to be processed within 72 hours. Ohio also has instituted a change reporting waiver for the FSP; families are required to report only those changes in income over $80.

Economic Self-sufficiency and Work Support Programs in Ohio

Ohio’s experience reflected the nationwide trend on these issues. Eligibility for Medicaid, childcare, and SCHIP was expanded in the late 1990’s, and expenditures for these programs increased accordingly. At the same time, the economic downturn created more need. Ohio began to lose jobs in 2000, before the U.S. economy officially went into recession in March 2001. As of September 2004, the state still had approximately 264 fewer jobs than it had in the peak employment month of June 2000.

In the recessionary environment, the lack of increased TANF participation reflected the implementation of more stringent program rules rather than the needs of Ohio’s low-wage population; other types of assistance for economically distressed individuals, such as food stamps and food banks, showed significant increases in demand. In response to weak recovery
and stagnant state revenues, legislatures across the country began to propose large cuts to Medicaid, childcare and other work supports.

**Earned Income State Credit.** Eighteen states offer their own EITC based on the federal model. Unfortunately, Ohio is not one of them. A study by the Institute for Women’s Policy Research and Policy Matters Ohio found that a state EITC would help Ohio families escape poverty or meet basic expenses. In 2001, about one in six Ohio children lived below the official poverty line. A state EITC would lift more than 8,000 of these children above that threshold.

A state EITC would also make Ohio’s state and local tax distribution less regressive. In 2002, the poorest fifth of Ohio families (earning less than $15,000 annually) paid 10.9 percent of their income in state taxes, while the top one percent of families (earning an average $660,200) paid just 6.7 percent of their income toward such taxes after the federal deduction offset.

In tax year 2000, the federal EITC credited 676,466 Ohio taxpayers with an average of $1,587 each, for a total $1,074,000 in federal credits to Ohio families. Only seven states saw more families claim the credit than Ohio. Ohio could build on this commitment by the federal government to Ohio’s working families. The result would be less poverty, more ability to work, and a more just tax system for employed Ohioans. During the last legislative session, no deliberations took place to institute a state EITC.

**Workforce Development.** In order to help Ohioans enter and maintain meaningful employment, gain self-sufficiency and achieve financial independence, the Office of Workforce Development is dedicated to providing quality services to businesses, job seekers, service providers, and county partners. The Office of Workforce Development is a division of the Ohio Department of Job and Family Services (see Figure B, ODJFS organizational chart). The office also assists Ohio businesses with recruiting a skilled and qualified workforce, provides assistance with
identification of financial resources for skills training for new and incumbent workers and offers
other support services tailored to meet the needs of the business community. The office
collaborates with public and private agencies, businesses, and Workforce Development Boards.
The ODJFS is an administrative entity and does not provide direct work support or workforce
development services. Unlike the state of Georgia, Ohio’s model for providing these services is
entirely local with local operating and managerial structure headed primarily by chief local
elected officials.

The Workforce Investment Act provides a variety of employment-related services
through a statewide system of local and regional One-Stop Centers throughout Ohio. Local areas
are provided with WIA funding in three categories: adult, dislocated worker, and youth funds.
Workforce Investment Boards plan for and oversee services to meet the needs of adults,
dislocated workers and youth. Adult and dislocated worker services are provided to improve the
quality of the local labor force, assist workers impacted by temporary or permanent closures,
increase employment opportunities, and provide the necessary training to meet the demand for
tomorrow’s workforce.

The Workforce Investment Act youth program provides a comprehensive mix of services
to at-risk low-income youth ages 14-21. These youth face barriers to high school graduation,
securing and sustaining employment, basic skills, and may have disabilities that require
additional assistance in completing their education and obtaining meaningful employment.
Ohio’s adult, dislocated worker and youth programs met or exceeded all 17 federal performance
measures in SFY 2004.
Chart 2: Organizational Chart, Ohio DJFS

OHIO DEPARTMENT OF JOB AND FAMILY SERVICES
EXECUTIVE OFFICES
As of June 2005

[Diagram of organizational chart]

Director

- OPERATIONS
  - CONTRACTS & ACQUISITIONS
  - EMPLOYEE & BUSINESS SERVICES
  - FISCAL SERVICES
  - LEGAL SERVICES
  - MANAGEMENT INFORMATION SERVICES

- SERVICES TO FAMILIES
  - CHILD SUPPORT
  - CHILDREN AND FAMILIES
  - FAMILY STABILITY
  - OHIO HEALTH PLANS

- SERVICES TO EMPLOYERS
  - LOCAL OPERATIONS
  - UNEMPLOYMENT COMPENSATION
  - WORKFORCE DEVELOPMENT

- CHIEF INSPECTOR
- COMMUNICATIONS
- LEGISLATION
- RESEARCH, ASSESSMENT, & ACCOUNTABILITY
Other services provided by the Office of Workforce Development include:

1) **One-Stop System**

Comprised of federal, state, and local workforce development partners, the One Stop centers serve as the primary public resource for job and career counseling, training, job search employment services, and a range of ancillary services that include childcare and transportation. The goal of the One Stop is to assist individuals in becoming employed and self-sufficient.

2) **Unemployment Insurance Compensation**

Customers may file for unemployment benefits by calling a toll-free number or by being placed on a mass layoff list that their employers have filed with ODJFS. After the transition, ODJFS will not provide in-person services for unemployment compensation.

3) **Registered Apprenticeship Program**

Apprenticeship is a proven training strategy that improves the skills of the American workforce. Becoming an apprentice offers the opportunity to find high quality, good paying jobs that meet the needs of U.S. industries. Examples of industries currently participating in registered apprenticeships include aerospace, energy, manufacturing, telecommunications, construction, and information technology.

4) **Work Opportunity Tax Credit and Welfare-to-Work Tax Credit Program**

Ohio employers hiring hard-to-place job seekers are eligible to receive federal income tax credits under one of two programs administered by the ODJFS: The Work Opportunity Tax Credit and the Welfare-to-Work Tax Credit Program. The programs help employers to reduce their federal income tax liability and help job seekers with significant barriers to find employment.
5) Ohio Training Tax Credit

Ohio employers may receive tax credits up to $100,000 to offset the cost of training their incumbent workforce. The credit may be used to pay for training materials, travel and wages of trainers/trainees.

6) Foreign Labor Certification

The Foreign Labor Certification program assists employers seeking to bring foreign workers into the United States. Certification may be obtained where it can be demonstrated that there is an insufficient labor force that is qualified and willing to work at the wages paid for the intended employment.

7) Veteran Services

Veteran Services ensures that Ohio’s veterans receive priority of service and access to the most current job openings through Ohio’s statewide public labor exchange system. Veterans also have access to training opportunities and supportive services through local veteran representatives in Ohio’s One Stop System. In addition, Ohio maintains a Veterans Hotline to answer questions about employment and training and to refer veterans to appropriate agencies, organizations or other community resources for assistance.

8) Labor Market Information (LMI)

In an effort to support the Governor’s Ohio Workforce Policy Board and Ohio’s One Stop Systems, LMI has assisted in the preparation of business plans that are required by the Workforce Policy Board. LMI also provides valuable information to a variety of target audiences regarding future job projections and growth industries to help them effectively use and understand labor market information.
### Table 2: Economic Self Sufficiency Policies – Ohio and Georgia

<table>
<thead>
<tr>
<th></th>
<th>CCDF Subsidies</th>
<th>50-State Data Wizard: Policies, Cross-State</th>
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<td><strong>Policies, Cross-State</strong></td>
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<td>Applicant earnings limit for 1-parent family of 3 (2005) $A$</td>
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<tr>
<td>Recipient earnings limit for 1-parent family of 3 (2005) $A$</td>
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<td>Qualifying child criteria $B$</td>
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<td>Applicant earnings limit for 1-parent family of 3 (2005) $A$</td>
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<td>Recipient earnings limit for 1-parent family of 3 (2005) $A$</td>
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<td>Eligible while attending school (2005) $A$</td>
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<td>Attending school is sufficient to fulfill work requirement (2005) $A$</td>
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<td>Max. years of school and/or highest level of degree allowed (2005) $A$</td>
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<td><strong>Benefit level</strong></td>
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<td>Provider payment rates at least 75th percentile of market rate (2005) $A$, [1]</td>
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<td>Monthly co-pay for family of 3 at 150% FPL, 1 child in care (2005) $A$, [2]</td>
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<td>Annual co-pay for family of 3 at 150% FPL, 1 child in care (2005) $A$, [2]</td>
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<td>Co-pay as % income, family of 3, 150% FPL, 1 child in care (2005) $A$, [2]</td>
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<tr>
<td><strong>C1t to family</strong></td>
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<td>Number of recipients</td>
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<td>Number of recipients (families) (FY 2004) $C$</td>
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<td>Number of recipients (children) (FY 2004) $C$</td>
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<td>Total spending (state and federal) (FY 2004) $B$, [D]</td>
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<td>Spending per family (FY 2004) $B$, [D]</td>
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<tr>
<td>Spending per child (FY 2004) $B$, [D]</td>
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</tbody>
</table>

### Ohio

- **Income eligibility criteria**: $\leq$ 3,005 year
- **Education as a work activity**: Yes
- **Benefit level**: No
- **C1t to family**: Yes
- **Number of recipients (families)**: 31,100 families
- **Number of recipients (children)**: 55,600 children
- **Benefit coverage**: Yes
- **Total spending**: $291.1 million
- **Spending per family**: $9,361 year
- **Spending per child**: $5,236

### Georgia

- **Income eligibility criteria**: $\leq$ 3,120 year
- **Education as a work activity**: Yes
- **Benefit level**: Yes
- **C1t to family**: No
- **Number of recipients (families)**: 32,900 families
- **Number of recipients (children)**: 59,500 children
- **Benefit coverage**: Yes
- **Total spending**: $212.3 million
- **Spending per family**: $6,452 year
- **Spending per child**: $3,569
<table>
<thead>
<tr>
<th>Income eligibility criteria</th>
<th>Treatment of child support income</th>
<th>Asset eligibility criteria</th>
<th>Benefit level</th>
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**Georgia**
- No state credit
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**Ohio**
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<th>Asset eligibility criteria</th>
<th>Benefit level</th>
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<td>$16,092 year</td>
<td>$20,928 year</td>
<td>Counted in full</td>
<td>No $2,000 household</td>
<td>Aligned to TANF-funded non-cash assistance rules</td>
<td>$399 month</td>
<td>$4,788 year</td>
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<td>Ohio</td>
<td>$16,092 year</td>
<td>$20,928 year</td>
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<td>Asset eligibility criteria</td>
<td>Cost to family</td>
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<td>Benefit coverage</td>
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<td><strong>Ohio</strong></td>
<td><strong>Georgia</strong></td>
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<td></td>
</tr>
<tr>
<td>$32,180 year</td>
<td>$21,400 year</td>
<td>Medicaid income limit for children ages 1-5 in family of 3 (2005) [15] [M]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$32,180 year</td>
<td>$16,090 year</td>
<td>Medicaid income limit for children ages 6-19 in family of 3 (2005) [15] [M]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No separate SCHIP</td>
<td>$37,812 year</td>
<td>SCHIP (separate program) income limit for children in family of 3 (2005) [16] [M]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>Assets disregarded for Medicaid eligibility (2005) [17] [M]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No separate SCHIP</td>
<td>Yes</td>
<td>Assets disregarded for SCHIP (separate program) eligibility (2005) [M]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0 year</td>
<td>$480 year [37]</td>
<td>Premium for family of 3 w/ 2 children at 151% FPL (2005) [M]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0 year</td>
<td>$672 year [37]</td>
<td>Premium for family of 3 w/ 2 children at 200% FPL (2005) [M]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>913,421 children</td>
<td>735,882 children</td>
<td>Number of children in Medicaid (including Medicaid SCHIP) (FY 2001) [18] [N]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>162,446 children</td>
<td>No Medicaid SCHIP</td>
<td>Number of children in Medicaid SCHIP (FY 2001) [19] [O]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No separate SCHIP</td>
<td>182,762 children</td>
<td>Number of children in separate SCHIP (FY 2001) [19] [O]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8%</td>
<td>12%</td>
<td>Percent of children without health insurance coverage (2004) [20] [P]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14%</td>
<td>18%</td>
<td>Percent of low-income children without health insurance coverage (2004) [21] [P]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,071.0 million</td>
<td>$834.3 million</td>
<td>Total spending on children in Medicaid (state and federal) (FY 2001) [22] [N]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$138.2 million</td>
<td>No Medicaid SCHIP</td>
<td>Total spending in Medicaid SCHIP (state and federal) (FY 2001) [23] [Q]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No separate SCHIP [38]</td>
<td>$107.4 million</td>
<td>Total spending in separate SCHIP (state and federal) (FY 2001) [24] [Q]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,172</td>
<td>$1,134</td>
<td>Spending per child in Medicaid (including Medicaid SCHIP) (FY 2001) [25] [N]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$851 year</td>
<td>No Medicaid SCHIP</td>
<td>Spending per child in Medicaid SCHIP (FY 2001) [26] [N] [Q]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No separate SCHIP</td>
<td>$588/year</td>
<td>Spending per child in separate SCHIP (FY 2001) [27] [N] [Q]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Income eligibility criteria</td>
<td>Asset eligibility criteria</td>
<td>Two-parent families’ eligibility</td>
<td>Number of recipients</td>
<td>Benefit coverage</td>
<td>Total spending</td>
<td>Spending per recipient</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>----------------------</td>
<td>------------------</td>
<td>----------------</td>
<td>------------------------</td>
</tr>
<tr>
<td></td>
<td><strong>Assets disregarded for eligibility determination (2005) [M]</strong></td>
<td><strong>Assets disregarded for eligibility determination (2005) [M]</strong></td>
<td>2-parent families eligible on same basis as 1-parent families (2002) [31] [R]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of recipients (adults) (FY 2001) [32] [N]</td>
<td>Number of recipients (adults) (FY 2001) [32] [N]</td>
<td>Percent of adults without health insurance coverage (2004) [33] [P]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total spending (state and federal) (FY 2001) [34] [N]</td>
<td>Total spending (state and federal) (FY 2001) [34] [N]</td>
<td>Spending per adult (FY 2001) [35] [N]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>$9,068/ year</td>
<td>$5,088/ year</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>253,525 adults</td>
<td>22% $518.7 million</td>
</tr>
<tr>
<td>Ohio</td>
<td>$14,481/ year</td>
<td>$14,481/ year</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>358,395 adults</td>
<td>15% $651.1 million</td>
</tr>
</tbody>
</table>
Definitions

1: Data reflect basic provider payment rates (higher rates may be available for particular types of care). Rates are considered below the 75th percentile if they are based on an out-dated market rate survey (more than 2 years old).

2: If the state calculates co-payments based on the cost of care, figure reflects the co-payment for a 4-year-old in licensed, non-accredited center care at the maximum state payment rate.

3: Data reflect the average monthly number served through CCDF (i.e., figures reported by states have been "adjusted" by the Childcare Bureau to reflect the number funded through CCDF only, including through TANF funds transferred into CCDF). Many states provide additional childcare subsidies outside of CCDF, through, for example, direct TANF childcare spending.

4: Note that subsidy eligibility criteria and application policies and procedures vary significantly between states.

5: Data reflect CCDF spending only, including spending of TANF funds transferred into CCDF. Many states provide additional childcare subsidies outside of CCDF, through, for example, direct TANF childcare spending.

6: Figure estimates average spending for a recipient enrolled in the program for a full year; typical spells of subsidy use are significantly shorter.

7: Income tax calculations do not take child support into account.

8: Income tax calculations do not take assets into account.

9: Households in which all members receive TANF cash assistance or SSI benefits do not have to meet gross income or asset eligibility criteria. Most states also waive these criteria for recipients of certain other benefits.

10: The asset limit for households with an elderly or disabled person is $3,000. Households in which all members receive TANF cash assistance or SSI benefits do not have to meet gross income or asset eligibility criteria. Most states also waive these criteria for recipients of certain other benefits.

11: This is an average monthly number.

12: Figure calculated by dividing number of recipient households with children (average monthly figure for FY 2001) by number of families with children that have income below 130 percent of the federal poverty level (CPS estimate averaged across 2000, 2001, 2002). 130 percent FPL is the gross income limit for food stamps; other food stamp eligibility criteria not taken into account. Value may over- or under-estimate the participation rate of food stamp-eligible households.

13: Figure reflects total spending on food stamp benefits, including benefits for households with and without children.

14: Figure calculated by dividing total spending by average monthly number of recipient households, including households with and without children.

15: Limit may refer to gross or net income depending on the state and includes SCHIP-funded Medicaid expansions, where applicable.

16: Limit may refer to gross or net income depending on the state.

17: Rule applies to SCHIP-funded Medicaid expansions, where applicable.

18: Figure reflects "Medicaid Eligibles" (i.e., persons enrolled in Medicaid during the year, whether or not they received health care services), whose "Basis of Eligibility" is "Child" or "Foster Care Child"; children who are blind/disabled are not included. Data are based on states' eligibility and claims data submitted through the Medicaid Statistical Information System (MSIS), and they include children enrolled in SCHIP-funded Medicaid expansions (for more
information about Medicaid data sources, see

19: Figure reflects number of persons enrolled during the year. Data are based on state
enrollment data submitted in the Statistical Enrollment Data System (SEDS).

20: Figure reflects the percent of children under age 18 who did not have health insurance
coverage at any point during the year.

21: Figure reflects the percent of children under age 19 at or below 200 percent of the poverty
level who were not covered by a health plan at any time in the year.

22: Figure reflects Medicaid payments for persons whose "Basis of Eligibility" is "Child" or
"Foster Care Child"; payments for children who are blind/disabled are not included. Data are
based on states' eligibility and claims data submitted through the Medicaid Statistical Information
System (MSIS), and they include spending on children enrolled in SCHIP-funded Medicaid
expansions, where applicable (for more information about Medicaid data sources, see

23: Data are based on the Quarterly Medicaid Statement of Expenditures for the Medical
Assistance Program (Form CMS-64) submitted by states (for more information about Medicaid
data sources, see http://www.cms.hhs.gov/medicaid/datasources.asp).

24: Figure may also include administration costs associated with expanding children's coverage
in an SCHIP-funded Medicaid expansion. Data are based on the Quarterly State Children's
Health Insurance Program Statement of Expenditures for Title XXI (Form CMS-21) submitted
by states (for more information about these data, see

25: Figure calculated by dividing total spending on children in Medicaid (state and federal) by
number of children in Medicaid. Data are based on states' eligibility and claims data submitted
through the Medicaid Statistical Information System (MSIS), and they include children enrolled
in SCHIP-funded Medicaid expansions (for more information about Medicaid data sources, see

26: Figure calculated by dividing total spending (based on the Quarterly Medicaid Statement of
Expenditures for the Medical Assistance Program - Form CMS-64 - submitted by states) by
number of children enrolled (based on state enrollment data submitted in the Statistical
Enrollment Data System).

27: Figure calculated by dividing total spending (based on the Quarterly State Children's Health
Insurance Program - Form CMS-21 - submitted by states) by number of children enrolled (based
on state enrollment data submitted in the Statistical Enrollment Data System).

28: Figure reflects limit under Medicaid plan with highest income eligibility limit for parents,
taking into account the value of earnings disregards (which may be time-limited in some cases).

29: Figure reflects limit under Medicaid plan with highest income eligibility for parents,
assuming the parent has no earned income.

30: Value reflects comparison of applicant earnings limit for a single parent with 2 children to the
highest Medicaid or SCHIP program eligibility limit for children ages 6-19.

31: In states that do not offer equivalent eligibility rules, two-parent families face stricter
requirements than single-parent families.
32: Figure reflects "Medicaid Eligibles" (i.e., persons enrolled in Medicaid during the year, whether or not they received health care services), whose "Basis of Eligibility" is "Adult"; elderly and blind/disabled are not included. Most eligible adults are either pregnant women or parents (or other caretaker relatives) of Medicaid-eligible children, though a few states use waivers to extend coverage to childless adults. Data are based on states' eligibility and claims data submitted through the Medicaid Statistical Information System (MSIS) (for more information about Medicaid data sources, see http://www.cms.hhs.gov/medicaid/datasources.asp).
33: Figure reflects the percent of adults ages 18-64 who did not have health insurance coverage at any point during the year.
34: Figure reflects Medicaid payments for persons whose "Basis of Eligibility" is "Adult"; payments for elderly and blind/disabled are not included. Most eligible adults are either pregnant women or parents (or other caretaker relatives) of Medicaid-eligible children, though a few states use waivers to extend coverage to childless adults. Data are based on states' eligibility and claims data submitted through the Medicaid Statistical Information System (MSIS) (for more information about Medicaid data sources, see http://www.cms.hhs.gov/medicaid/datasources.asp).
35: Figure calculated by dividing total spending on adults in Medicaid (state and federal) by number of adults in Medicaid. Data are based on states' eligibility and claims data submitted through the Medicaid Statistical Information System (MSIS) (for more information about Medicaid data sources, see http://www.cms.hhs.gov/medicaid/datasources.asp).

State-Specific Notes
36: Figure reflects the limit for children whose mothers are enrolled in Medicaid. The Medicaid limit for other children is 185 percent of the federal poverty level ($29,767 per year for a family of three).
37: No premiums are required for children under age 6.
38: Though this state does not have a separate SCHIP program, separate SCHIP expenditures of $2.2 million were reported.

Sources
E: Community Resources Information, Inc., TaxCreditResources.org, taxcreditresources.org (accessed April 19, 2005).


CHAPTER SIX: RESULTS AND ANALYSIS OF DATA

This chapter reviews findings from the data presented in Chapter Four, beginning with the results from study of the quantitative data. As discussed previously, the goal of the quantitative data was to draw some conclusions from the earning levels of the working poor by examining the wage records of TANF and food stamp recipients. Using this population as representative of working poor Georgians facilitated the identification of trends and comparisons between this group and general population wage earners in the state.

Regardless of work and welfare status, many Americans remain in poverty. What is the extent of poverty among workers?

- Wage data can help discover how many who report wages are reporting poverty level wages.

What type of support programs do low-income workers need to retain employment and to advance their skill level and earning potential? What is the most efficient means of delivering these support programs?

- Wage data can reveal whether wage earners who received services increased earnings.

The Unemployment Insurance (UI), Information Technology (IT), Employment Services (ES), Field Services (FS), and Workforce Information and Analysis (WI & A) divisions of the GDOL were instrumental in producing the data report. Ultimately it was decided, to acquire and present wage data on all customers, unemployment insurance recipients, and TANF (Food Stamp recipients of Temporary Assistance to Needy Families Act benefits) customers, for several years. For each year, the data presented would be the reported earnings for the four calendar quarters
preceding the quarter of the customers’ registration with GDOL, and the four quarters following that quarter.

The expectation was that by showing several years’ of data, trends over time related to economic conditions and policy changes might be apparent. By breaking out the three groups, the earning differences between the groups could be displayed. By presenting data before and after the quarter of registration, the impact of GDOL services on earnings could be displayed.

**Initial Expectations**

Before the data was available, it was expected that TANF customers’ wages would be higher in the four quarters after registration than in the quarters before registration, as a result of TANF Work First requirements, which, among others things requires recipients to register with GDOL for employment services. DFCS contracts with GDOL to provide intensive employability and labor exchange services to TANF customers. The table below illustrates surprising findings. The earnings of TANF customers in the quarters after registration were worse than those before registration.

**Data Analysis**

Table 7 – Wage Data for Reference Quarter 2 of 2002

<table>
<thead>
<tr>
<th>Reference quarter: 2nd of 2002</th>
<th>4.9% UI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All Customers</strong></td>
<td></td>
</tr>
<tr>
<td>Quarter</td>
<td>Year</td>
</tr>
<tr>
<td>2</td>
<td>2001</td>
</tr>
<tr>
<td>3</td>
<td>2001</td>
</tr>
<tr>
<td>4</td>
<td>2001</td>
</tr>
<tr>
<td>1</td>
<td>2002</td>
</tr>
<tr>
<td>2</td>
<td>2002</td>
</tr>
<tr>
<td>3</td>
<td>2002</td>
</tr>
<tr>
<td>4</td>
<td>2002</td>
</tr>
<tr>
<td>1</td>
<td>2003</td>
</tr>
<tr>
<td>2</td>
<td>2003</td>
</tr>
<tr>
<td>57.8% EE</td>
<td></td>
</tr>
</tbody>
</table>

| TANF customers | N   | Mean    |          |          |
|----------|-----|---------|          |          |
| 264      | 2001 | $2,222.42 |          |          |
| 269      | 2001 | $2,159.94 |          |          |
| 270      | 2001 | $2,397.64 |          |          |
| 252      | 2001 | $2,184.45 |          |          |
| 270      | 2002 | $1,339.41 |          |          |
| 287      | 2002 | $1,807.58 |          |          |
| 279      | 2002 | $1,708.08 |          |          |
| 288      | 2002 | $1,780.01 |          |          |
Above is one of the tables of data produced for this study. There is a separate table for each year.

This data is reported wages for all registered customers who

- Entered employment (EE) and/or maintained employment in the four quarters after their quarter of registration (evidenced by presence of earnings in wage file).
- AND had reported earnings in each of the four quarters proceeding the quarter in which they registered.
- AND who registered for service with the GDOL

Therefore, excluded from the report are customers who

- Were missing wages in any of the four quarters following their quarter of registration
- OR who were missing wages in any of the four quarters preceding their quarter of registration,
- OR who did not register for service with the GDOL

The wages are the mean for all customers.

The data for the subgroup UI claimants, although provided, correlated so highly to the all-customers data that it was not used in this report. The data for year 2000 is too corrupted to use. It was decided to use four tables, one each for the years 2001 through 2004, with the quarter of registration being the second quarter for each of the four years (Appendix A). Also unavailable was data for all wage earners, only wages of people who registered for services with the GDOL were available.
Table 8: Annotated Wage Data Table

Reference Quarter 2nd of 2002

<table>
<thead>
<tr>
<th>QTR year</th>
<th>Sample Size</th>
<th>Quarterly Earnings</th>
<th>Annual Earnings</th>
<th>Sample Size</th>
<th>Quarterly Earnings</th>
<th>Annual Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 2001</td>
<td>53,547</td>
<td>$5,468.18</td>
<td>$2,222.42</td>
<td>264</td>
<td>$2,222.42</td>
<td></td>
</tr>
<tr>
<td>3 2001</td>
<td>54,401</td>
<td>$5,455.43</td>
<td>$2,159.94</td>
<td>269</td>
<td>$2,159.94</td>
<td></td>
</tr>
<tr>
<td>4 2001</td>
<td>54,189</td>
<td>$5,678.07</td>
<td>$2,397.64</td>
<td>270</td>
<td>$2,397.64</td>
<td></td>
</tr>
<tr>
<td>1 2002</td>
<td>53,560</td>
<td>$5,510.94</td>
<td>$2,184.45</td>
<td>252</td>
<td>$2,184.45</td>
<td></td>
</tr>
</tbody>
</table>

$5,528.16 $22,112.62 $2,241.11 $8,964.45 41%
(TANF customers’ earnings as a percentage of All Customers’ before registration)

<table>
<thead>
<tr>
<th>QTR year</th>
<th>Sample Size</th>
<th>Quarterly Earnings</th>
<th>Annual Earnings</th>
<th>Sample Size</th>
<th>Quarterly Earnings</th>
<th>Annual Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 2002</td>
<td>55,973</td>
<td>$3,054.21</td>
<td>$1,339.41</td>
<td>270</td>
<td>$1,339.41</td>
<td></td>
</tr>
<tr>
<td>3 2002</td>
<td>56,221</td>
<td>$3,955.06</td>
<td>$1,807.58</td>
<td>287</td>
<td>$1,807.58</td>
<td></td>
</tr>
<tr>
<td>4 2002</td>
<td>55,814</td>
<td>$4,117.54</td>
<td>$1,708.08</td>
<td>279</td>
<td>$1,708.08</td>
<td></td>
</tr>
<tr>
<td>1 2003</td>
<td>56,684</td>
<td>$4,350.68</td>
<td>$1,780.01</td>
<td>288</td>
<td>$1,780.01</td>
<td></td>
</tr>
</tbody>
</table>

$3,869.37 $15,477.49 $1,658.77 $6,635.08 43%
(TANF customers’ earnings as a percentage of All Customers’ after registration)

quarterly loss $1,658.78 $582.34
annual loss $6,635.13 $2,329.37

56% 62%
Earnings replacement comparing 1st quarter after registration to corresponding quarter before registration

80% 80%
Earnings replacement comparing 4th quarter after registration to corresponding quarter before registration

24% 18%
Rate of increase in earnings replacement
Two phenomena are apparent, even from the raw data:

- Earnings for both groups FALL in the quarters after registration
- Earnings for TANF customers are less than half that for all customers

Somewhat more subtle:

- The trend for all customers toward restoration of pre-registration wages, while
- TANF customers seem to settle at a new, lower level.
- There is a fourth quarter bump in earnings for all customers. That much was expected.

Many workers take on extra work in the holiday season to pay for Christmas. Secondary employment is easy to find as employers hire extra help for the busiest retail season of the year.

TANF customers on food stamps with wages are the very definition of working poor.

Remember that each of the persons in these samples had wages in all four quarters before and after the quarter of registration. In order to qualify for TANF assistance, their income cannot exceed 80 percent of the Federal Poverty Guidelines. Receipt of TANF assistance documents their poverty. The fact that they earn wages completes the definition. Contrasts between the working poor versus the general population are very conservative; those without earnings are not factored in.

**Speculation**

The drop in post registration earnings for all customers indicates that much of population seeking unemployment insurance benefits and/or seeking employment for other reasons, are leaving jobs with higher earnings than the ones they are subsequently finding. This may reflect the structural unemployment which accompanies plant closures and downsizing in declining industries. Such
workers leave jobs at which they had seniority and work experience which were reflected in relatively higher wages, and find jobs in other industries in which they have little or no work experience with companies at which they have no seniority. This is reflected in relatively lower earnings in the quarters after registration.

The TANF population, however, is much more severely impacted than the rest. They resume employment at an even lower earnings replacement rate than the general customer, and they do not tend to improve from the new lower level. The poor do, indeed, get poorer. It may be that this population is more marginally employed than the general population, that it loses employment for reasons other than those for the general population, such as unreliable transportation, and childcare issues (remember, practically all TANF households are headed by single women). A broken car that one cannot afford to repair or replace ends employment off the bus lines. The loss of a childcare provider, without the means to replace that provider, means the parent must stay at home, and may have to substitute part time employment for full time employment.
Notice the slopes of the curves of the data for the two groups All Customers and TANF Customers. Although both groups have precipitous drops in earnings in the quarters after registration (the second quarter of year 2002 in this case), the All Customers group shows progress toward replacement of pre-registration wages, while the TANF group shows a plateau in earnings from the second quarter after registration.

What does registration imply? For all customers it means either a customer has lost a job, had applied for unemployment insurance benefits, and is seeking new employment, or, the registrant has a job and is either seeking a better job, is anticipating a layoff, and/or seeks secondary employment. The fact that mean employment for the all-customers group was lower, albeit rising, in the quarters after registration, indicates that the “average” registrant had lost employment, and found subsequent employment at lower wages. Given the low mean wages for all customers, registration may also indicate that, compared to the general population, registrants
are relatively distressed. That is, most people don’t lose or change jobs in a given year in the first place. Many who do change jobs do so electively, generally with the expectation of other, better employment. Many who lost their jobs unexpectedly become reemployed without resorting to the public labor exchange, perhaps because severance pay (which precludes unemployment insurance) bridges the gap to reemployment. In any case, it can be expected that by the time a job seeker resorts to utilizing the public labor exchange he or she has exhausted whatever resources were ready at hand.

The TANF population then is revealed by this data to be disadvantaged not just vis-à-vis the general population, but vis-à-vis a relatively desperate sub-group of the general population whose employment status changed, or even the sub-sub-group of job seekers who resorted to the public labor exchange.

**Longitudinal Perspective**

Chart 4 below graphs the same sort of data displayed in Chart 1, but does so for three successive years. The point of displaying three years’ data together is to discover whether data analysis for one year holds true for any other. The degree of similarity of one year to the next is remarkable.

For the all-customers group in the quarters after registration the curves are practically indistinguishable. To detect any differences in the other three displays, it is necessary to resort to the tables.

- Note slight decrease in mean earnings in quarters preceding registration for all customers each successive year since 2002. This is probably due to 4\textsuperscript{th} quarter bump referenced
above, during which earnings go up as people take on extra work to pay for holiday expenses; the other three quarters are practically identical.

• Note slight earnings increase for TANF and all customers for each successive year in the preceding quarters, but in the following quarters this goes away. For both groups, the loss of jobs leads to jobs at a lower level, the bottom of which did not rise during the three years. This is indicative of both groups having had reached employment levels at which at least some increase in earnings was experienced from year to year (less so for the TANF customers) before they registered with GDOL. When they re-enter the workforce, they re-enter at earnings rates that have not risen since 2002. This may mean that there is a higher incidence of re-employment at or near the legal or practical minimum wage, which has not risen.

• Note slight decrease in mean earnings in quarters preceding registration for all customers each successive year since 2002. This appears to be a correction from the fourth quarter bump discussed above.

Latitudinal Perspective

Since all states collect the same data, it may be possible to compare data across states to see to what extent the description of customers of departments of labor profile similarly everywhere in the country. There is a variety of different ways among the states that public labor exchanges work; since the data is comparable, these differences may manifest in the data. One interesting comparison would be with Ohio. Ohio has consolidated the agencies responsible for unemployment insurance, employment services, and TANF services into one department. It
would be interesting to compare Ohio’s data to Georgia’s to see if consolidation impacts earnings data.

Ideally, of course, it would be most informative to have comparable data from all states over longer periods of time. Initial contacts have been made with Ohio. It is reviewing GDOL’s data and will respond, after review, whether it can participate. Further analysis will be performed and shared for program improvement should this data become available.
Chart 4 – Reported Earnings

Reported earnings for all and TANF customers for the four quarters preceding and following their quarter of registration, the reference quarters being the second quarter of 2002, 2003, and 2004.
The analysis of qualitative data was derived primarily from in-depth interviews guided by a questionnaire (See Table 9 below). A variety of previously published sources informed development of the questions used in the questionnaire and the interviews (Strauss 1987, 265-86). The objective was to gather rich details about: (a) program staff’s experience working with the poor (b) resource and support management, and (c) what kind of system these individuals believed to be the most effective.

A questionnaire was designed that contained questions that were easily understood by the subjects and that provided accurate information to the researcher. Questions were analyzed and edited several times for clarity and to eliminate any evidence response bias.

### TABLE 9: INTERVIEW QUESTIONS

<table>
<thead>
<tr>
<th></th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>What is the mission of your agency/department?</td>
</tr>
<tr>
<td>2.</td>
<td>What services are provided in support of that mission?</td>
</tr>
<tr>
<td>3.</td>
<td>What are your responsibilities?</td>
</tr>
<tr>
<td>4.</td>
<td>How do you coordinate additional services needed by your clients?</td>
</tr>
<tr>
<td>5.</td>
<td>What barriers do you encounter in accessing these services?</td>
</tr>
<tr>
<td>6.</td>
<td>Do you think access would be improved if these services were consolidated?</td>
</tr>
<tr>
<td>7.</td>
<td>What problems might be associated with consolidation?</td>
</tr>
</tbody>
</table>

The researcher was often required to probe for additional information. Sample probes are shown in Table 10 below; the actual probes used may not have been worded in the same manner. Often additional questions were suggested by a participant’s response to a previous question. This gave the interviewer quite a bit of flexibility, and information flowed more freely and in a more confidential and conversational manner.
TABLE 10: INTERVIEW PROBES

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>What do you see as the difference between consolidation and coordination?</td>
</tr>
<tr>
<td>2.</td>
<td>Describe your sense of the degree to which administrators consider career/wage advancement?</td>
</tr>
<tr>
<td>3.</td>
<td>What is the role of the labor exchange in incorporating career/wage advancement into work supports?</td>
</tr>
<tr>
<td>4.</td>
<td>What strategy do you or would you use to facilitate a consolidated approach to work supports?</td>
</tr>
<tr>
<td>5.</td>
<td>Is there anything else that you would like to add or clarify?</td>
</tr>
</tbody>
</table>

The unstructured nature of the interviews required understanding of a concept unique to qualitative research known as “interviewer as instrument.” This terminology refers to the dynamic nature of the conversation between the research and participant. The interviewer must be able to immediately connect with the subjects. To do this effectively, a certain amount of openness and empathy must be employed. A good qualitative researcher “feels” the environmental context of the interview, and is able to use this to gently probe the other discussant about aspects of their experience that may otherwise go unnoticed. The researcher is often required to suspend personal beliefs and value systems to arrive at a greater understanding of the subject’s experience (Strauss 1987, 4).

The quantitative findings indicate that the working poor in Georgia have a much more difficult time replacing wages than the general population even with the intervention of reemployment services. Given these findings, it is even more critical that a strategy for work supports combined with a wage advancement strategy be considered. The qualitative research findings were used to investigate the degree to which program staff accepted this notion. While
much was learned about the earnings experienced by working poor individuals in the quantitative analyses, specific questions remained unanswered about the state of work support policy in Georgia. In addition, while data shows the types of supports available in Georgia, detailed information on the degree of accessibility of these programs was necessary. It was also important to determine if program staff experienced any hardships assisting clients in the current context of their jobs. Finally, while the data offered some clues about Georgia’s working poor, it could not illustrate the concrete strategies and techniques that may lead to greater economic self-sufficiency for these individuals.

Findings from the qualitative research are organized into three major themes. First, the services and programs needed by the working poor that are in addition to the services that are provided are discussed. Second, a description of the challenges that the staff experience in providing these services is given. Finally, the question of whether adding wage advancement strategies to these services is a worthy state policy goal is addressed.

**Additional Work Support Services Needed**

Everyone interviewed believed that the working poor needed additional assistance in order to sustain their presence in the labor market. Examples of the supplemental assistance included food stamps, medical care, transportation, housing, and childcare. Several respondents stated that the Food Stamp program was the most widely known and utilized work support. However, they agreed that many of the working poor do not know that they may be entitled to additional benefits. Respondents clearly supported the use of the EITC as a mechanism to sustain the presence of low-wage workers in the labor market. Nearly all of the Georgia program staff interviewed mentioned the fact that the federal EITC was underutilized by eligible working
families and that it is unlikely that the state legislature would take up deliberation on a state
EITC until more people participated in the federal program.

Respondent #1:

“Management has directed us to think outside the box to make sure TANF applicants and
recipients get the support they need to remain employed. Much of our thinking has been
on how to get more people educated on what is available to them. For example, we need
to get more people on board with filing for the federal Earned Income Tax Credit. Other
states have moved to put a state tax credit in place. We are clearly not there yet.”

All of the subjects were committed to the goal of economic self-sufficiency and believed
that their agencies/departments were also committed to that goal. One of the subjects speculated
that former TANF recipients were more familiar with the various benefit programs available
from the state. An outreach campaign needs to be developed that focuses on reaching low-wage
workers who had never tried to access these services.

Respondent #2:

“We should be working toward a goal of self-sufficiency rather than focusing solely on
work first. At some point we need to be concerned about what happens to low-income
workers and about how we can help them to get to the next level. Overall, sure clients
are better off working. However, in my opinion, the state needs to play a bigger role than
just ensuring that clients got jobs. I believe putting resources together in an easily
accessible format is the answer.”

Challenges to Providing Services

The notion to consolidate services was shared by the interviewees as a means of
addressing some of the burdens of access experienced by customers. Several respondents
expressed the concern that turf guarding may be the most prevalent challenge to the working poor gaining access to work supports. They believed that agencies would have difficulty sharing information and resources outside the boundaries of their own organizations. Respondent #3 was especially vocal on this point.

Respondent #3:

“The greatest challenge I see is turf guarding. Often we are too focused on getting credit for our little area and forget that we are all supposed to be working toward a common goal. The Workforce Investment Act was intended to merge funding streams and encourage a One Stop service philosophy. However, I have observed agencies that were co-located in the same facility, yet refused to share client data and program information with other agencies. This means that the customer is still forced to go from one agency to another without any type of coordinated effort to make their efforts less cumbersome. If the aim is to save time and gas, we have accomplished that. If the aim is to better serve customers, we still have a long way to go.”

The respondents provided similar solutions for the problem of turf guarding. Interestingly, none of them supported a completely consolidated approach. They believed it was unworkable, both administratively and politically. Rather, they believed what was needed was a state-level emphasis on economic self-sufficiency. Whether this took the form of agreements among several agencies or an executive order from the governor, the state needed to forcefully state its desire that all citizens have an opportunity to escape the cycles of poverty and dependency. The following statements reflect the sentiments of the respondents along these lines.
Respondent #4

“This job is bigger than one agency can handle alone and I’m not just talking from a budget standpoint. If everyone is worried about who gets credit, we might win as bureaucrats and politicians, but we lose as caring human beings. I just think there is more than enough work to go around for each agency independently. Collectively, we ought to have broader goals. The problem is that these programs have different eligibility criteria. But, it goes farther than that. The programs also have different reporting requirements and there are also different reapplication requirements. Meeting all mandates from all of the programs would be huge challenge. You also have legal, fiscal, and human resources considerations to deal with. The challenge is to deliver services in a holistic way. When writing policy, it should be considered whether that policy might impact another program.”

“We consolidated at the state level, but we are still separate. We do not coordinate services or policies. For instance, we hardly talk to Workforce Development staff. I could safely say that the folks at the county level do a better job of coordination than we do here at the state level.

One of the advantages of consolidation would be the ability to coordinate better in terms of funding. There would be the advantage of shifting funds from one program area to another.”
Respondent #2

“I believe the main reason that we were able to get so many people off TANF early on is that we worked together. During the GoodWorks Pilot, which is a transitional jobs service strategy, regular meetings were held where every partner agency showed up for regular meetings and put their resources on the table. We were able to accomplish more on behalf of the client because we designed a plan to do it. The state of Georgia should try to take that idea and run with it.”

“Customers need to know about all of the benefits that are out there. It’s a reality that childcare and transportation sometimes make the difference between keeping or losing a job.”

**Wage Advancement As A Component of Work Support Services**

One important aspect of economic self-sufficiency is to ensure that workers are not trapped forever in low-wage jobs. Perpetually augmenting income by providing work supports is not sound policy. Planning workers’ wage advancement ensures that work supports do not become an entitlement program. Respondent #5 stressed this point as follows:

Respondent #5:

“I have been in this field a long time. I can tell you that the people that I see every day do not want to live their lives on public assistance. Unfortunately, we don’t make getting off of public assistance that easy. The partnership that we have here in Georgia has given us a terrific framework for what ought to be done. We have a model of cooperation and partnership that is perfect for what the next logical step should be for working poor people. Maybe I’m not talking about full-scale consolidation, but something close to it
that would allow agencies to make services more easily accessible for the people who need them. For example, if a client comes in to apply for Food Stamps, the worker should dig deeper to find out if they also need childcare, Medicaid, transportation, and a job. The worker should bundle these resources together, much like we got a financial aid package in college, and develop a plan for the client to apply for these services quickly. The plan should also include an assessment of that client’s skill and education level. If it is found that the only job that the client can get is a low-wage job, then the next step is for a wage advancement strategy to be developed. This is the real key to economic self-sufficiency.”

“I see our mandate as being that of helping people to become self-sufficient. We rely heavily on partnerships. However, communication and turf guarding are issues to be dealt with in consideration of consolidation. Nobody wants to give up anything. But, we all should think about what is best for the customer. Beyond these things, the institutional problems such as staff funding would have to be overcome. We could certainly maximize dollars if we had better coordination between agencies.”

Respondent #6

“Nobody wants to see a family tied to public assistance for a lifetime. If you work long enough, unfortunately, you do find yourself serving members of the same family. It would be wonderful to put an end to things like that. When we put people off of TANF and into low paying jobs, we are almost guaranteeing that they or someone in their family will be back some time in the future.”

“My situation is somewhat unique. My role and responsibility is to bridge gaps between programs and planning. I try to find out what’s in place and what is missing so that we
can come up with a plan of what to do. I then make recommendations on the best course to take. Because I don’t really belong to one agency, I believe it makes it easier for both parties involved to listen to me. I’m not viewed as having a vested interest in one agency. I believe they know that I am only trying to do what is best for the client.”

“Agencies might be more receptive to someone acting in this capacity if they brought something to the table. For example, offering the agencies technical assistance, grant writing support or even additional funding might make listening to outside parties easier.”

“We could certainly save a lot of money on duplicative services if there was more of a collaborative effort.”

Respondent #7:

“I am excited about the trends I’m reading about in the professional literature. At least the debate is now on careers and not just jobs. I’m encouraged by that and I think leadership in agencies and in state government should get behind the idea. Something that most state employees don’t mention in terms of better service for customers is the politics involved in our jobs. Whether it is in Washington or at the state capital, some politician’s hand is right in the middle of program administration. Often they are influenced by all kinds of things. Unfortunately, sometimes that influence has nothing to do with what underprivileged people need. I definitely think a challenge would be convincing politicians that their tax-paying constituents would support new ways of helping people become self-sufficient.”
Respondent #8:

“It would be great if we could get employers to see what they are doing to people when they don’t offer them good benefits. I know what it would mean for my family if I didn’t have health insurance. And, I would hate to think about what would happen if I couldn’t take off work to go to my child’s school or stay home sick with my child without worrying about losing my job. The majority of the people we serve want to work. Our bureaucracies should support that.”

Concluding Points

Broadening the support provided to the working poor will ensure that self-sufficiency is a reality for the citizens of the state of Georgia. The qualitative interviews revealed several key issues. First, in general, a culture of cooperation exists within and among social service agencies in the state of Georgia. In 1997, an effort was made to improve coordination between the Departments of Labor, Technical and Adult and Education and Human Resources. Dubbed “Team: Work,” the ambitious project sought to streamline applications for service and to automate customer referrals among the agencies. Key staff organized into workgroups covering areas such as marketing, case management, and administration, and met for approximately 12 months. The undertaking proved to be massive and was ultimately abandoned when a newly elected governor took office. Team: Work provided the foundation for the cooperative and collaborative relationships that exist among state agencies in Georgia. The respondents describe the work of their departments in terms of a common purpose to help improve the circumstances of others.
Second, political and administrative barriers exist that impede a truly consolidated approach to providing work support services. The respondents considered the many barriers that are evident whenever a sea change is introduced into Georgia state government. Agency heads, appointed by the governor, are subject to change and with each administration change, shifting priorities and policies are inevitable.

Third, it is critical that agencies begin considering how to advance the earnings of the working poor. Whether work is a way up and out of poverty depends on the position of the worker in the labor market. The upper rung of the labor market, characterized by adequate wages, paid vacations, employer-provided health insurance and the potential for future advancement, is beyond the reach of many low-wage workers. They reside on the lower rung of the labor market, characterized by low earnings, a lack of benefits, and little hope of upward mobility. The jobs on the lower rungs are often in the retail and service industries and offer unstable work hours and irregular durations of employment. Research on the prospects of low-wage workers finds that many never escape from low-paying jobs (Carnevale and Rose 2001, 46).

An emphasis on the workforce development needs of the low-wage worker may help connect these workers to the upper end of the labor market. Incorporating the public employment service, skill training, and education in efforts to support the working poor means greater potential for increased earning opportunities. Workforce development should be a part of job retention and upward mobility strategies. This type of approach may improve the low-wage worker’s rate of continued employment and wage progression.

Linkages between work support programs and earning advancement strategies should be continuously emphasized and reported to policy makers. The findings from the qualitative
interviews with program staff suggest that these professionals are not satisfied to leave their clients in dead-end jobs. They favor state policy that both encourages work and ends poverty. Further, their responses suggest that commitment to that goal exists, at least among their ranks. State legislators and agency heads should provide the political will and resources needed to transform that commitment into action.
CHAPTER 7: CONCLUSION

This study was motivated by growing concern over the plight of the working poor in Georgia. The 1996 welfare reform legislation increased the number of low-wage workers in the state. This removal of the safety net of public support, the question of the ability of former recipients to successfully transition to work, and the notion that many of the state’s working poor citizens fail to apply for the assistance that they need prompted a research-based response to the problem. In the introductory chapter, two related research questions were asked: (1) What type of work support programs do low-wage workers need to retain employment and to advance their skill levels and earning potential? (2) What is the most effective means of delivering these work support programs? The resulting research attempted to answer these questions using a combination of quantitative and qualitative methods.

A theoretical framework for this study that examined poverty, the working poor and work support programs was developed. Next, the treatment of the incidence of poverty in America, particularly, how research has been used to study poverty was discussed. Then, tracing social programs that addressed poverty from the colonial era to the present day, from policy and political perspectives, it was argued that American policy toward poverty has become less concerned with society’s moral obligation to the poor and more concerned with the behavior and attitudes of the poor regarding the value of work. Quantitative analysis of administrative wage data was used to provide a broad representation of earnings outcomes for the general population and the working poor in the state of Georgia. To get a more descriptive picture of the experiences of professionals charged with assisting low-wage workers, qualitative methodology
was used. While wage data is useful for drawing certain conclusions, the experience of program staff played an important role in the development of this study.

**Workforce Development and Wage Advancement in Georgia**

The study introduced the notion that workforce development must be considered to achieve wage advancement among low-wage workers. Further, qualitative and quantitative findings support the need for a consolidated work support program design. Agencies responsible for providing assistance to low-wage workers must share values that help clients obtain better paying jobs through higher skill levels, stable work histories, and more education. Workforce development also requires engaging the employer community. If job opportunities are not made available, efforts to develop a well-trained workforce are pointless. For the career advancement strategy to work, the state’s employers must be willing to step forward with higher paying jobs. In fact, a long-term work support program would include the private sector as a necessary partner.

The study indicated that the administrative framework most suitable for providing work support services was found in Georgia. The collaborative partnerships between the Georgia Departments of Labor, Human Resources, and Technical and Adult Education as supplemented by the 20 workforce development areas have built a foundation for working together to serve the state’s citizens. Still, as evidenced by the quantitative wage data, more can be done. While more people are participating in the labor market, the poor find it harder to recover if they should become unemployed. The level of creativity, flexibility and commitment required to make a difference in the lives of Georgia’s low-wage workers goes beyond “work first” and beyond any administrative model that currently exists.
Once individuals are placed in an entry level, low-skill job, program staff should monitor their eligibility for work support benefits over time. This is critical because most work supports begin to diminish or end altogether when earnings increase. While the wage increase is a positive outcome, the resulting loss of benefits may effectively reduce the individual’s net income. Clients should not be placed in this unfortunate position after accepting a position. Timely knowledge about the complexities of eligibility and income requirements can empower them to make the right career advancement decision.

Agency staff can also help clients to determine if and when making a career move is the right decision. Smart career moves involve more than accepting higher pay. For example, considerations regarding hours, proximity to home or to childcare, and the responsibilities of the job should be weighed prior to accepting a higher paying position. Helping clients find jobs that best fit their circumstances is crucial to a wage advancement strategy.

A career advancement plan or upward mobility plan that incorporates each of the foregoing points will ensure that state agency staff and the client become stakeholders in an ultimate outcome – self-sufficiency. Once the client earns enough wages to support themselves and their families and secures a job that provides adequate medical coverage, it will no longer be necessary for the state to intervene with work support services. This should be the ultimate measure of a successful outcome.

**Theoretical Implications of the Study**

The findings presented in this research contain a number of implications for both theory and policy. The theory of social welfare policy framed my investigation of the working poor and the assistance they needed to lift themselves out of poverty. Social welfare policy theory, now rooted in personal responsibility, has mirrored social and political trends in the United States.
Christian traditions and concerns with child welfare and public health have affected the country’s treatment of the poor and needy.

Culture of poverty theory suggests that the welfare state created, or at least, perpetuated poverty. This perspective asserts that the poor are enmeshed in a culture that is somehow different from the mainstream in its values and behaviors and this explains why the poor remain poor. Further, the welfare system has created dependency and a “trap” that the poor cannot escape. The perspective forms the backbone for welfare reform policy. The poor must be thrust into employment and threatened with time limits in order to ensure that they would one day become self-sufficient. However, this study has challenged culture of poverty theory. The welfare rolls have dropped significantly in Georgia and the use of work supports has increased. However, the corresponding increase in work supports has not been commensurate with welfare leavers. Low-wage workers are clearly not taking advantage of the services that are available to them.

Georgia, like other states, provides food stamps, childcare, transportation, public healthcare and other services for its poorest citizens. However, these services must be connected with an adequate wage level in order for the working poor to achieve economic self-sufficiency. The in-depth interviews showed that the majority of program staff believe this policy area should be targeted more seriously and thoroughly to ensure true success.

Policy Implications of the Study

Georgia has moved from the “work first” philosophy of the initial phases of welfare reform to an emphasis on assisting TANF recipients who have been termed as hardest to serve. This shift in policy has moved thousands off the welfare rolls and landed them in a new demographic – the working poor. The income gap in the state is widening, making the state
vulnerable to all of the societal ills associated with poverty. It is well documented that poverty is associated with higher incidents of crime, illiteracy, teen pregnancy, drug use, and spousal abuse. The justification for embracing work supports as a new policy direction is clear. It is time to rethink the policy of quick job search and placement. Economic self-sufficiency may be better achieved by strategies that consider retention and advancement during the initial job placement phase. Training and work support services can help to keep the working poor actively engaged in the labor market and in their own future.

This study suggests the need for policy makers to require more direct ties between the agencies concerned with workforce development and public assistance. A state-level mandate based on the goal of economic self-sufficiency for every Georgian, rather than on welfare and self-sufficiency, should be considered. It is time to remove the stigma of applying for and receiving public assistance. Georgians who have made the commitment to work and earn a living should be encouraged to apply for the work support assistance that they deserve. The governor’s office should launch a statewide campaign to communicate this message.

Aside from the altruistic and moralistic reasons for why society should be concerned for working poor people, significant economic and financial reasons support a policy that encourages not just work first, but work that is productive and that yields higher output from members of the labor market. The economic vibrancy of society suffers when the potential of workers goes untapped. One of the most important factors contributing to attracting high paying jobs to communities is the education and skill level of its workers. Thus, continuing to provide only low-skill jobs to the local workforce guarantees that high skill and higher paying jobs will locate elsewhere. Thus, the self-fulfilling prophesy of economic development. Designing state policies that promote wage advancement just makes good business sense.
Limitations of the study

This study provided a snapshot picture of the economic well being of low-wage workers in Georgia and the experiences of program administration responsible for assisting them. The data used for this project is very recent so outcomes were examined that reflect the more current circumstances of these workers and professional staff. However, this study is not without its limitations.

First, the complex and multifaceted nature of poverty makes any form of investigation tremendously challenging. Certainly the population of the working poor is no less so. Measures of work history, types of jobs held, tenure of employment, and the like would be ideal for studying economic outcomes. While this research was able to isolate earnings for the same period of time during a four-year period, it could not have fully captured the employment experiences of low-wage workers in Georgia. However, longitudinal measures of the entire data set would have made the project much larger in scope.

Second, more research is needed that would inform policy-makers on how long the state ought to offer work support services. To avoid the slippery slope of AFDC entitlement, a strategy that empowers the low-wage worker and involves them in the development of an upward mobility plan should be explored. An examination of the work support structure of other states may prove instructive on this point. Further, failure to consider the appropriate duration of work supports guarantees that funding levels and competing priorities would impede a successful program design.

Finally, more study of the living wage and a discussion of raising the minimum wage must be undertaken. The private sector must be held accountable for fixing the problem that they have helped to create. The continued refusal by business and industry to pay adequate
earnings to its workers forces government intercession to “take up the slack” and promote a stable economy. Living wage campaigns are cropping up in cities and states across America largely because the federal government has neglected to raise the minimum wage since 1997. These campaigns use formulas based on a number of factors to arrive at a wage level needed by local citizens to achieve self-sufficiency.

The nine-year lag in the minimum wage means that the federal earnings standard has not kept up with inflation. Unfortunately, it also means that a substantial number of workers cannot support themselves. Including the increase in the minimum wage in work support discussions enhances the material rewards gained from work for those at the bottom of the labor market. A higher federal minimum wage would signal the states that work is not only expected but is valued by society. Further, the government would no longer bait low-wage workers into the labor market with no intention of helping them to remain there.

**Contributions of the Study**

Despite its limitations, this study makes several important contributions to the understanding of the working poor. First, this research investigates a diversity of outcomes through the analysis of the different needs of low-wage workers. Most studies have chosen to focus on one aspect of work supports, i.e., Medicaid, food stamp, or childcare. Some have focused only on wage progression and career advancement. This study contributes to both views by describing the need for a full range of services and assistance designed to bridge the gap between state dependency and economic self-sufficiency. Thus giving a richer understanding of the experiences of this population and those who struggle to provide them with the help they need.
Second, this research expanded the understanding of the incidence of poverty by including a thorough review of poverty research and a historical discussion of social policy in America. In addition, it explained that poverty is both a political and policy-related issue and any solution for focusing on work as a way to eliminate poverty must include both elements. Therefore a multi-dimensional study depicting the long-standing hardships associated with being poor in our society was presented. The analysis of the difficulty of program staff in designing assistance in “administrative silos” illustrates the need for policy makers and administrators to at least begin a dialogue based on reducing the number of low-wage workers in Georgia.

**Recommendations for Further Study**

Three recommendations are offered for further research on the importance of work support programs as a means of achieving economic self-sufficiency. First, studies that seek to understand the process by which employers can be engaged as full partners in the networks that deliver workforce development services by actively participating in efforts to help individuals with barriers to work must receive attention. Second, more research is needed on the feasibility of Georgia implementing a state Earned Income Tax Credit. This useful tool alone may be instrumental in moving many workers out of poverty. Finally, a study of wage progression of low-wage workers and work support programs of other states would be helpful in encouraging policy makers to further explore this issue. Indeed, the inclusion of administrative wage data from the state of Ohio would have greatly enhanced the richness of this study.

**Conclusion**

The findings from this research show that much can be done to advance the earnings for low-wage workers. However, new policy choices focused on stronger coordination and consolidation of services is needed. While thousands of Georgians work to shoulder their share
of societal burdens by paying taxes, many are mired in poverty and experience significant hardships. The state offers a variety of services to assist them, but they are not provided in an easily accessible and strategic manner. Moreover, as we get farther down the road of welfare reform, it will be crucial to study what is really happening to people who leave welfare and go to work. Research must also focus on linking wages, skill levels and work support. The labor market experiences of working poor people must be thoroughly studied. Policies will need to be redesigned to deal with the unique needs of those who no longer have welfare as a safety net, but must struggle to maintain their presence in the labor market.

The knowledge and understanding of poverty must be expanded in a way that reaches beyond statistical measures. Narrowly defined program definitions and policy goals must not take precedence over common sense and doing what is right for the working poor. New ways of measuring success must be sought so that there is a better chance to address the needs of low-wage workers in ways that have meaning to them. At the state and national levels, welfare reform is heralded as a huge success because public assistance is based on the requirement to work. However, for many that requirement relegates them to a guaranteed place at the bottom of the economy. Establishing a more comprehensive approach to assist working poor Georgians will level the economic playing field in the state. When that happens, the result will be a healthier, more educated workforce capable of reaching its full potential of talents, skills and contributions. Failure to act means continued and sustained poverty in Georgia.
Appendix A Earnings Data

<table>
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<th>All Customers entered employed after registering with GDL in 2nd quarter of 2003</th>
<th>TANF customers</th>
<th>Reference quarter: 2nd of 2002</th>
<th>4.9% UI</th>
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<tr>
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<td>N Mean</td>
</tr>
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<tr>
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<td>$5,561.57</td>
</tr>
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59.4% EE rate

All Customers entered employed after registering with GDL in 2nd quarter of 2003

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59.3% EE rate

61.1% EE rate
## Appendix B  Earnings Data Charted

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Reported earnings for the four quarters preceding and following their quarter of registration with GDL second quarters of 2000 through 2004 for all and TANF customers.

![Graph showing earnings data](graph.png)
Appendix C

Definition of Terms

**Economic Justice** - The principle that all people have a right to participate in the economic life of society, that it is wrong for a person to be unfairly excluded or unable to participate or contribute to the economy, and that all members of society have an obligation to the poor and vulnerable.

**Federal Poverty Guidelines** – Issued by the U.S. Department of Health and Human Services, the guidelines are updated each year and are derived from a formula developed in 1964 based on the cost of food multiplied by three for a one-year period. The 2005 federal poverty level for a family of three is $16,090.

**Income Distribution** – The manner in which national income is divided among households in the economy.

**Income Redistribution** – The policy advocating a strong governmental role in redistributing income from the wealthy to the poor, those who are temporarily disadvantaged, and to the unemployed.

**Living Wage** – Refers to the hourly wage deemed necessary for a person to achieve a basic standard of living. Housing, food, transportation, healthcare and other factors are considered when calculating the amount of earnings needed to meet the living wage standard.

**Work Supports** – Services and programs to assist low-wage workers include. Work supports examples include childcare, food stamps, healthcare, housing subsidy, training allowances and tax credits.

**Working Poor** – Adults working in the labor force and earning a total household income ranging from below the federal poverty level up to 200 percent of poverty level.
BIBLIOGRAPHY


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