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PROTECTING BATTERED WOMEN AND THEIR CHILDREN

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Jobless, Penniless, Often Homeless: State General Assistance Cuts Leave "Employables" Struggling for Survival

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This piece is the executive summary of a longer publication with the same title.

I. Introduction

Tens of thousands of individuals have been left homeless, and many others hungry and sick, as in recent years states have purged persons deemed "employable" from their GA programs. States did not say that they wanted to cause such misery. Rather, they said that relatively healthy individuals who could sustain themselves through work should be terminated from the GA program after a fixed time period or be denied benefits altogether. They contended that "able-bodied" GA recipients could and would find jobs or could otherwise survive by conserving resources and accepting help from others. Despite evidence that jobs were not available and warnings from advocates that great hardship would follow, these states adopted strict definitions of disability and removed "employables" from the rolls and in many cases ended health care benefits as well. Unfortunately, the disastrous results predicted by advocates have now been confirmed by research reports from several states.

The nation has begun a broad debate on welfare reform for families. The Clinton Administration and several states have suggested imposing time limits on AFDC benefits, arguing that many recipients are able-bodied people who would work if only the ethic of the program changed, an opportunity for short-term training or unpaid work experience was provided, and the "umbilical cord" to cash assistance cut. No additional evidence exists that jobs are available, and advocates are again pessimistic about results.

The studies detailed in this report, following the recent GA cuts in Michigan, Ohio, and Illinois, demonstrate that the "employability" assumptions guiding those actions were faulty, with devastating consequences for many former recipients. The research shows:

- While the GA population was extremely diverse, including women and men of every age and race, most recipients faced profound personal and structural barriers to locating employment, barriers apparent long before program termination.

- The vast majority of "employable" persons terminated from GA programs did not find jobs despite motivation, effort, and lack of income from other sources. For those who found it, employment was typically temporary, low-wage, and/or part-time.
- Large numbers of former recipients suffered severe crises as a result of GA program cuts, including homelessness, hunger, poor health, and increased social isolation. Communities also suffered enormously as a result of the cuts.

This current research confirms findings from research on similar cuts in Pennsylvania in 1982.

II. Persons Terminated from GA

A. *Defining Employable*

Michigan, Ohio, Illinois, and Pennsylvania all restricted or time-limited their GA programs by excluding persons labeled employable. Over 350,000 recipients were terminated from income support by these actions, and many lost health coverage as well. The definitions of employability used by these states proved arbitrary, having little to do with individuals' actual ability to work or to locate a job in the local economy, and not reflecting either labor market conditions or the numerous personal and structural barriers to employment that GA recipients face. Apparently, the cuts were motivated principally by the cost savings predicted from these actions.

A number of other states have enacted dramatic GA program reductions since 1991, including three that also eliminated aid to employables. Still others either stopped aiding the nondisabled during the 1980s or do not provide any cash assistance to this population.

B. *Characteristics of Those Terminated*

GA recipients are often stereotyped as young, healthy, primarily minority men who dropped out of school and have trouble keeping a job. This picture ignores the vast majority of individuals receiving GA in every state studied. The life circumstances of each recipient tell a different story about why they are poor and the barriers they face in escaping poverty. Among the recipients were high school dropouts with little employment history who could not find jobs, but also former assembly-line workers who lost their jobs due to downsizing; "displaced housewives" with education but no job experience or training; individuals who were too ill to work but not considered disabled by SSA; persons needed at home to care for relatives with disabilities; and even families with children who did not qualify for other income support programs.

The following general conclusions can be drawn from a review of the demographics of the GA population:

- While all races were represented on the GA rolls, the cuts had a severe impact on minority communities, particularly the African American community. Although researchers concluded

that racial differences are a proxy for racial residential patterns and poverty generated by urban economic conditions, the racial effects of the cuts are undeniable.

- Women made up a sizable share of the GA caseload in every state, although patterns varied. Gender varied considerably by age, with women overrepresented in both the oldest and youngest age groups.
- Most GA recipients were between 25 and 45 years old; many were older. In Michigan, about 42 percent of all recipients were over age 40. In Cook County, Illinois (Chicago), almost 20 percent were 45 or older, and in Cuyahoga County, Ohio (Cleveland), more than 20 percent were 46 or older.
- An overwhelming proportion of former GA recipients were on the rolls less than two years when terminated from the program, and close to half were on for one year or less. Moreover, when patterns of completed GA use are compared over time, the data reveal that very few recipients stayed on aid for more than five years, and most left GA within two years.
- Close to half of the GA population in the states studied lacked a high school diploma or GED, more than double the percentage in the general population.
- Most GA recipients had some past or present work force participation, although jobs were often temporary, low-wage, and part-time.
- The GA population was heavily urban, with GA recipients most concentrated in densely populated neighborhoods with high rates of poverty and unemployment and an unstable economic base.
- A large proportion of GA recipients suffered from chronic illness or other medical problems impairing their employability. Indeed, a significant percentage of individuals who were classified by states as employable were found eligible for SSI or other disability programs within the year.

Even the most brief review of the characteristics of the GA recipient population reveals that many face numerous obstacles to obtaining paid employment, including profound lack of education, low skill levels, minimal job experience, and chronic illness. Structural barriers, such as racial discrimination, lack of housing, and inadequate public transportation systems are also known blocks to finding and keeping jobs. Moreover, the GA population is to a large extent concentrated in urban areas with depressed labor markets. Even the most attractive job candidates have trouble locating positions in the communities in which GA recipients now must fight even harder to survive.

III. Finding Employment

Impact studies conducted after GA termination uniformly show that the vast majority of "employable" persons whose cash assistance was discontinued did not enter jobs in the following

one to two years. For those who have found work, it is typically low-wage, temporary, and part-time.

From both the economic information available at the time of the cuts and the characteristics of the GA population, it was predictable that people would not find jobs. GA cuts often occurred in peak recessionary periods when securing a job was difficult for even the most qualified candidates, and recipients faced numerous personal and systemic barriers to employment.

Among the study results:

- In Michigan, over 80 percent of former GA recipients, nearly 66,000 individuals, did not work for most of the year following GA termination. For those who did work, the work appears to have been sporadic.
- In Pennsylvania, nearly two-thirds (64 percent) of a random sample of "employable" former GA recipients surveyed lacked paid employment two full years after the cut, during an entire six-month period. An even greater percentage (74 percent) had no job covered by unemployment compensation in that period. Over the five quarters beginning with termination, 64 percent had no covered job at all, and less than 3 percent had covered employment in all five quarters.
- In Cuyahoga County, Ohio (Cleveland), surveys showed that the percentage working rose by only 2 percentage points (from 15 to 17 percent) six months after aid ceased, a statistically insignificant amount.

Overall, the data overwhelmingly undermine the primary justification offered by states to rationalize GA cuts: that thousands of able-bodied individuals who could be absorbed by the labor market in significant numbers were being supported by the state. The reality is that most persons terminated from GA have not entered jobs in the mainstream economy, and further absorption seems unlikely given the many barriers to employment that GA recipients face. Efforts to provide more employment and training slots for those cut off have largely not been successful.

IV. The Human Impact of GA Cuts

Program termination took a devastating toll on the hundreds of thousands of recipients left without income support or employment for all or part of the year. Homelessness and hunger soared, and many were left in declining health with nowhere to turn.

The research demonstrates, among other things:

- Twenty-five percent of Michigan GA recipients reported being homeless within seven months after program termination, up from 2 percent before termination.

- Homelessness increased 17 percent within six months of the GA program reductions in Ohio according to academic estimates, from 23 percent homeless before the cuts to 27 percent afterward.
- Michigan researchers estimate that 27,000 former GA recipients in eight counties went without food for 24 hours or more following GA termination.
- The proportion of Cuyahoga County, Ohio, recipients surveyed who said they were unable to obtain needed medical care rose from 20 percent to 33 percent following termination, while the percentage under a physician's care or receiving medications for serious medical conditions did not drop significantly.
- A Pennsylvania survey reveals that 26 percent of former recipients surveyed stated that their health was worse after leaving GA, and 33 percent reported that "health problems kept them from working."

It is not surprising that former GA recipients have generally not been found eligible for other cash assistance programs, since GA provides for persons who do not fit into the categories of persons covered by other programs. It is surprising, however, that a significant number were soon found eligible for disability-related assistance despite state assertions that they should not get GA since they were "employable." Indeed, despite the stringent disability test applied for social security and SSI, in Michigan 13 percent were receiving SSI within two years after termination, and in Cuyahoga County 10 percent were receiving SSI or social security disability within one year.

The studies reveal that former GA recipients have been largely unable to rely on other sources to meet their needs. Two separate surveys of private emergency service providers in Michigan revealed their inability to meet the increased need resulting from termination of GA. Although states rationalized GA cuts by asserting the ability of the GA population to find employment or otherwise survive without government aid, it appears that states were principally motivated by their sense that cuts in such programs would be politically acceptable in times of budget crises. While eliminating a program that disburses monthly cash grants to individuals may reduce the short-term welfare budget, it is unclear whether costs are saved in the long run or are simply shifted to different agencies or arms of government, such as publicly funded shelters, public hospitals, other publicly funded service providers, and the criminal justice system. And if public shelters and services are not available, more people may be living in the streets, subways, transportation terminals, and other public spaces at the expense of the entire community.

Since GA recipients were concentrated in a limited number of urban neighborhoods, the impact of program cuts has been similarly targeted, with a harsh effect on commerce and community life in those areas. More fundamentally, to the extent that needs not met by taxpayer-supported operations are not met at all, or are met by persons and institutions in impoverished neighborhoods, the cuts have transferred the shared "pain" of paying taxes to hardships suffered by poor individuals, families, or neighborhood institutions.

The research to date shows the profound impact that the elimination of GA has had on affected individuals, states, and communities. As the nation moves forward on "welfare reform" for families

with children, the implications of this research must be seriously examined in order to avoid additional human tragedy.