
Investing in Family Well-Being, a Family-Friendly Workplace and a More Stable Workforce:

A "Win-Win" Approach to Welfare and Low-Wage Policy

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Making Work Pay in the
Low-Income Labor Market

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PREFACE

Changes in the American economy can be obvious, like the emergence and retrenchment of the dot.coms, or easily quantifiable, like the rise and fall (and rise again) of the federal budget deficit.

Or they can be quiet and overlooked – but equally significant. That is precisely the case with the profound changes in the low-wage labor market in the past two decades. Once largely thought of as a place where teenagers worked part-time to save for college, the low-wage labor market is now the permanent economy for approximately 30 percent of the American workforce.

There is no single factor behind this phenomenon. Changes in family structure, demographics, the service economy, immigration, employer practices, and welfare policy have all contributed to this dramatic shift. While more jobs have been created, the end result is an economic treadmill that is just as hard to escape from as it is to succeed in.

Poor pay is only part of the story. The low-wage worker often has no health insurance, little or no sick leave or vacation time, no access to unemployment insurance, inadequate (if any) child care support, and limited transportation options. At the same time, employers, struggling to adjust to the global economy, are shifting to part-time workers, nonstandard schedules, contract labor, suburban worksites, and fewer benefits.

The families of these workers are caught in the crossfire. Because the new economic trends are complicated and diverse – and because the workers are largely invisible – little attention has been paid to the impact on family life.

This paper sheds critical light on these developments by outlining a series of policy options that would begin to address the realities of low-wage working life.

The enormous size of the low-wage labor market should be enough to prompt attention. But as we consider the consequences for the nation as a whole – a shrinking middle class, overburdened families, balkanized school systems, and a workforce unprepared for the 21st century – we should all be truly concerned.

This paper is a wake-up call. It dismantles long-held assumptions and challenges the idea that "work" is a one-word solution to every low-income problem. The paper's findings and recommendations are merely a first step; our hope is that they spur you to further research, deeper policy examination, and new avenues of inquiry. Please let us know if we can provide further information.

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EXECUTIVE SUMMARY

All parents face challenges in balancing work and family responsibilities, but the issues are particularly acute for low-income parents because they are likely to have greater caregiving responsibilities, fewer resources to address family needs, and less flexible employment arrangements. While forward-looking innovations and investments are being made in some communities and by some employers, the majority of low-wage workers, including those making the transition from welfare, lack the supports they need both as parents and as workers.

As Congress works to reauthorize the Temporary Assistance for Needy Families (TANF) Program and the Child Care and Development Fund (CCDF) in 2002 – and as the states move to implement these new laws – our nation has an opportunity to reexamine these programs with an eye toward more effectively addressing work-family concerns.

This paper proposes a number of federal and state policy solutions that can begin to meet these needs, including policies beyond TANF that apply to low-income families in general. The policy ideas presented include:

1. States should collect information about the "family-friendliness" of available jobs; provide this information to all job seekers; and allow parents a reasonable period of time in which to find such jobs during required job search.
2. States should establish reasonable protections for TANF parents who have good cause for their inability to meet work requirements because of the needs of children and other family members.
3. States should provide additional options and choices for low-income parents of infants.
4. States should provide additional options and choices for families in which a child or other family member has special needs.
5. States should place stronger emphasis on helping families with diverse child care needs, such as non-standard hour, infant care, care for children with special needs, and care for school-age children. States should be provided with additional resources from the federal government to address these needs.
6. States should provide an annual "family impact report" describing their efforts to promote access to family-friendly jobs and to support workers whose jobs do not provide needed flexibility.
7. States should consider a range of policies to stimulate more family-friendly behavior by employers, including measures that expand access to and affordability of time for family caregiving.
8. The federal government should initiate a research and evaluation agenda to promote family-friendly employment.

I. INTRODUCTION

The 1990s saw a dramatic increase in employment among low-income families, including an unprecedented expansion in employment among single mothers. Large numbers of parents left welfare and entered or reentered employment. The strong national economy and expansion of key supports for work contributed to this development. As more low-income parents entered the workforce, it became increasingly clear that like most parents, they faced significant challenges in managing the requirements of work and the needs of children and other family members. However, for low-income parents, the challenges are often especially severe. They are likely to have greater caregiving needs and fewer resources with which to address them. And they are less likely to enter jobs that provide the flexibility and benefits that could help them care adequately for their children.¹

Families and employers alike suffer from these problems. Workers are either unable to hold on to the jobs they need to support their families or hard-pressed to find the time to care for their families—or both. Children pay the price in their physical, social, emotional, and educational development. Employers face the costs of high turnover and work disruption.

In 1996, Congress foresaw the need to provide child care so that mothers could participate in the workforce. States have taken on this challenge with varying degrees of success. But policymakers have paid far too little attention to many other work-family issues faced by low-income workers. Data describing the extent and nature of these issues was not on the radar screen at the time, and the 1996 law did not adequately address them.

Now, as Congress is reauthorizing the Temporary Assistance for Needy Families (TANF) Program and the Child Care and Development Fund (CCDF) – and in the next year, as states examine their current policies and approaches in light of the reauthorized laws – our nation has an opportunity to consider how to more effectively address work-family balance issues for all workers, and for low-income families in particular. This paper proposes a number of policy solutions that can begin to meet those needs.

Whatever decisions are made during reauthorization of TANF and CCDF, the next critical set of decisions will be made by states. It now seems likely that reauthorization will result in a substantial increase in work-related requirements for families receiving TANF assistance, perhaps leading to even greater workforce participation by low-income parents. At the same time, the reauthorization process is also acknowledging the centrality of improving the well-being of children, and again emphasizing the crucial importance of child care assistance for low-income families.

In the coming legislative sessions, states will have an important opportunity to frame their goals and policies for the next stages of welfare reform and for policies affecting low-income working families in general. As states do so, they should actively consider how policies to promote workforce engagement and policies to promote child well-being can be melded together to help parents meet both work and family needs.

II. AT THE FAMILY LEVEL

- Every day at 4:30 a.m., Tracy left her son at home – beginning at age seven – to catch a bus to the south side of Milwaukee where she boarded a van to take her to an outlying area for her temp job. She reversed the process at the end of the day. After nearly two years, she decided she couldn't leave her son on his own any more. The temp agency had no assignment closer to home. She applied for the state TANF program known as Wisconsin Works (W-2) but was denied on the grounds that she was "job ready." Since hers was a "voluntary quit," she was also denied unemployment insurance.
- Terry has an autistic daughter. She searched for special needs child care and eventually found it, which made a big difference for her daughter. But each time she went to an appointment with child care providers to discuss how to help her child, she was sanctioned for showing up late at the TANF agency.
- Audrey's son's illness met the "serious illness" definition of the Family and Medical Leave Act (FMLA). The firm she worked for had more than 50 employees. Audrey had passed the probationary period on her job. Still, she was not eligible for FMLA leave because she had not been on the job long enough. She had accrued no paid sick days, and even if she had, her employer specified that sick days were to be used only in case of the employee's illness, not the illness of a family member.
- Mary lives in a dangerous neighborhood. She would like her work hours to match her children's school hours so that she could walk them back and forth. But the part-time jobs she found had lower hourly pay, no sick days, no holidays, and no vacation.
- Andrea worked as a security guard at a mall, earning \$7 an hour. Her 10-year-old son was suspended from school for getting in a fight. Andrea had to take a day off to deal with school officials and care for her son. Although she notified her employer, she was suspended for a week without pay as a result of the absence.

These are not isolated incidents. They reflect the dilemmas faced by large numbers of working parents every day, and the consequences of these policies on children are costs this society cannot afford.

III. AND ON THE BUSINESS SIDE: SHARED CHALLENGES

As low-income parents struggle to balance work and family responsibilities, employers in the low-wage labor market face the costs in employee retention and productivity.

LATE ATTENDANCE AND POOR COMMUNICATION

→ **Many employers experience problems with late attendance and poor communication among entry-level workers who are struggling with competing work and family demands.**

Absenteeism is a key performance and retention issue, according to a 2001 Urban Institute study of welfare recipients conducted in Chicago, Cleveland, Los Angeles, and Milwaukee.² Interviews carried out for the study "suggested that difficulties with child care, health, and transportation are the primary causes of absenteeism."

As part of the "Across the Boundaries" study, the Radcliffe Public Policy Center and 9to5, National Association of Working Women, conducted in-depth interviews of supervisors of low-wage workers in Milwaukee, Boston, and Denver.³ The supervisors reported multiple difficulties stemming from work-family conflicts for low-wage workers. A Milwaukee nursing home supervisor stated that many employees lack access to a phone and are unable to leave children home alone in order to use a pay phone. "At the entry level for nurse's aides," she pointed out, "ninety-eight percent of turnover is related to no calls or no shows." The supervisor was concerned that many managers – herself included – have very little understanding of the circumstances faced by their low-wage workers. She described a bitterly cold day when an employee brought her two little girls with her when she came to pick up her check.

"I asked her why she didn't come into work the day before," the supervisor said. "She said her baby was sick and the child care wouldn't take her. She asked me if I knew what a typical day was like for her. She gets up at 4:00 am to take three buses to get the kids to the daycare and then takes a bus to get to work. I couldn't believe what [people] have to do to come to work for a minimum wage job. Very few have cars to get them here. I couldn't stop thinking – these babies were standing at a bus stop at 5:00 a.m.!"

FAMILY CARE ISSUES

→ **Employers say that family care issues often prevent entry-level employees from taking advantage of available career training benefits.**

The "Across the Boundaries" interviews also revealed the frustration of employers who offer education benefits for career advancement but find few entry-level workers can take advantage of them. A supervisor for a cable television company in Denver observed that many low-wage workers aren't able to use the benefits they may be eligible for, such as tuition reimbursement, because of family issues.⁴ "They have no personal time," he noted. "It's impossible for them to go to school for advancement. They can't even take advantage of overtime. Lots of supervisors don't present a very flexible picture when dealing with low-wage workers. It's a 'my way or the highway' mentality. Give the government the ability to reward companies that do offer [family-friendly policies]. Get people doing it, give them a little incentive. Others will see it and may do it, too."

Indeed, the Work Opportunity Tax Credit and the Welfare to Work Tax Credit reward employers for hiring and retaining welfare-to-work employees. But no incentives exist to reward employers who institute family-friendly working conditions.⁵

III. AND ON THE BUSINESS SIDE: SHARED CHALLENGES

MISMATCH BETWEEN WORK AND FAMILY NEEDS

→ **Employers are struggling with the mismatch between the work schedule and the child care and transportation needs of low-wage workers.**

While the number of nonstandard hour jobs held by welfare leavers varies across states, a review of state studies by the Center for Law and Social Policy indicated that "close to half work some or most weekends, between one-quarter and one-half work evening, night, or early morning hours, and up to one-quarter work a changing schedule."⁶ Neither child care programs nor transit systems support the needs of these workers and their employers.

In 1998, Wider Opportunities for Women asked the George Mason University Center for Regional Analysis to conduct a metropolitan regional study of employers seeking to fill entry-level jobs. Researchers found that employers' key requirements for successful entry-level employees were on-time arrival, low rate of absenteeism, and flexibility in scheduling. However, the lack of work-family supports made it more difficult for parents to meet each of these key employer requirements:

- Sixty percent of entry-level jobs offered by these employers required nonstandard hours; few welfare-to-work clients had access to reliable child care during these hours.
- Thirty percent of the jobs had frequently changing shifts; many employees were unable to alter their family care arrangements with less than one week's notice.
- Public transportation schedules were designed to meet the traditional 9-to-5, Monday-through-Friday work week.

The study found that employers were receptive to hiring welfare recipients to fill these jobs, had policies of skills training and promotion from within to help them advance, and paid better than average wages and benefits for the positions. Yet single parents found it difficult to live with the required work schedules. These employers had high turnover rates and large numbers of vacancies in their entry-level positions, and were losing business as a result.⁷

A study by the Welfare to Work Partnership (a nationwide network of employers who pledge to hire workers leaving welfare) reported that 18 percent of their employer members complained that public transportation doesn't operate during hours related to their work schedules.⁸

→ **Other employers cite difficulties in meeting the needs for ongoing support mechanisms for their entry-level employees.**

More than 40 percent of employers surveyed by Jobs for the Future (JFF) in 2001 reported they needed assistance in meeting the post-employment supportive services needs of their entry-level workers, especially for child care and transportation. The findings from this survey, conducted with the U.S. Chamber of Commerce and National Association of Manufacturers, suggest that most employers cannot solve these needs alone. The study makes several recommendations, including greater targeting of public funds for meeting such needs and public support for collaborations that link employers with appropriate community organizations. In a 1999 study which specifically addressed employer experiences with employees making the welfare-to-work transition, JFF found that the employers they interviewed were trying to develop models to address these needs but "see these services as properly provided by publicly funded programs and agencies."¹⁰

IV. INNOVATIONS POINT THE WAY TO CHANGE

Across the country, some employers are dealing with these challenges in creative and ultimately business-enhancing ways:

→ **Replacing rigid rules with "problem-solving management" and flexibility.**

A Denver-based initiative for low-wage health care workers is one example of creative problem-solving. The project financed the development of a two-tiered training curriculum – *Working it Out*, a curriculum for entry-level workers, and *Managing to Work it Out*, a curriculum to help supervisors address the needs of entry-level employees. *Working it Out* focuses on clear communication about the barriers being faced in meeting workplace requirements and communicating the effort involved. *Managing to Work it Out* teaches supervisors that the goal is retention – not termination – of the worker facing these barriers and suggests how to help address the problems.¹¹

→ **Directly subsidizing the caregiving needs of employees.**

Among companies involved in the Welfare to Work Partnership, 29 percent provide direct subsidies for child care, 29 percent provide information and referral to local child care assistance organizations, 24 percent provide access to an in-house child care center, and 24 percent offer subsidized in-home care. The Partnership has documented that offering child care and caregiving supports has a positive impact for these employers, with 67 percent reporting greater worker retention, reduced absenteeism, and improved work performance. Forty-three percent of those surveyed said their efforts to support child care "have saved the company money in the long run."¹²

→ **Investing in more extensive benefits to help low-wage workers manage their work and family responsibilities.**

A nonprofit director in Milwaukee, for example, described the extremely low turnover rate at her agency. Unlike many firms, which offer no sick leave or none until after the first year, this agency provides paid sick leave and vacation leave and pays the full premium for employee health care. "My view is that I have good employees and they work hard," she said. "I deal with the reality of life and work with them."¹³

V. FOR MOST, THE SITUATION REMAINS “LOSE-LOSE”

Forward-looking innovations and investments are being made in some communities and by some employers. But the majority of low-wage workers, including those making the welfare-to-work transition, lack the work-family supports they need. As Heymann et al. have documented,¹⁴ most of these workers experience dramatic barriers to meeting their work and family responsibilities. Neither the public nor the private sector has yet implemented the supports necessary to help workers meet these challenges.

Most commonly, employers leave solutions to the discretion of supervisors, many of whom are not prepared to simultaneously address the work-family problems of employees and the scheduling needs and other business demands that have long been the norms of the workplace. Some are willing to "bend the rules" for certain workers. Others are not. This is problematic for the entry-level workers whose capacity to meet the rules is so affected by conditions outside their control.

All too often, addressing the "jobs problem" of low-income families creates "family problems," which in turn create "job problems" for both workers and employers. Clearly, reform is needed.

VI. THE TIME IS RIPE FOR A WIN-WIN APPROACH

A win-win approach is needed, one that will require investments by both the private and public sectors. The private sector can implement family-friendly policies, train supervisors to be more flexible and provide resources to directly address work-family dilemmas. But public policy change and increased public expenditures are also needed.

Studies of win-win approaches find benefits for employers and employees alike. One example comes from the National Study of the Changing Workplace, a nationally representative study of the U.S. workforce conducted by the Families and Work Institute in 1997. Low-wage employees in low-income households who had greater schedule flexibility were found to be more committed, more loyal, and less likely to quit their jobs than were similar employees who lacked these policies.

What can be done to encourage employers to provide more flexible policies, to help families enter jobs that provide such benefits, and to expand the resources available to low-earning parents? The reauthorization of the TANF and CCDF Programs – and the state policies that will be developed in legislative sessions after the federal reauthorizations – provide an important opportunity to pilot new policies, provide incentives for better practices, and fund supports for entry-level workers and their employers. Such reforms could help both those moving off welfare and low-income workers in general.

VII. POLICY RECOMMENDATIONS

In this section, we describe eight steps that policymakers can take to help low-income families and their employers meet the work-family challenge. We hope this will prompt discussions of additional steps that might be taken. And while our recommendations focus on the potential role for government, many of the key decisions that could lead to a more family-supporting workplace are ones that necessarily must be made by businesses.

Our recommendations for governments fall within three principal categories. First, there is much that states can do to help low-income parents find family-friendly jobs. And if government more consciously sought to target family-friendly jobs in job placement efforts, businesses might be encouraged to improve their practices in order to be more competitive. Second, when parents do enter jobs that lack needed supports and flexibility, government should see that child care and other needed supports are provided in order to ensure that employment is not at the expense of child well-being. Third, there are some situations in which ongoing full-time employment is not possible in light of the needs of children or other family members, and public policy should identify those situations and provide help to those families.

Recommendation #1:

States should collect information about the "family-friendliness" of available jobs; provide this information to job seekers; and allow parents a reasonable period of time in which to find such employment during required job search.

States often require parents to engage in job search before providing access to other employment services. During job search, states may provide information about current vacancies with local employers, but the labor market information often contains little or no information about key dimensions of the jobs, such as schedule and availability of leave. A parent's failure to accept an offer of employment may result in loss or denial of assis-

tance, even if the job lacks benefits such as paid sick or vacation leave and even if the job schedule would require night, weekend or swing shift work. Thus a parent may lose assistance or end up in a job lacking important benefits, even though she might have been able to find a family-friendly job if she had had more help and more time in which to search. Three changes in state policies could address this problem:

First, each state could develop a family-friendly job profile which would expand the information available to job seekers about characteristics of available jobs. In addition to the standard information about job duties and wages, etc., the profile could include questions drawn from those in the following list, in order to provide information about key job dimensions that may be particularly relevant to parents:

Family Friendly Job Profile:

- **Sick leave:** Does the job provide at least five days of annual paid sick leave beginning to be available for use within three months or less? If so, describe. Does the job allow employees to use personal sick days to care for sick children or provide other paid leave for this purpose? If so, describe.
- **Vacation leave:** Does the job provide paid vacation leave? If so, describe.
- **Family and Medical Leave coverage:** Is the job covered by the Family and Medical Leave Act, or if not, does it provide family and medical leave commensurate with that required under the FMLA?
- **Health Care:** Does the job offer health care benefits for employees and their dependents at an affordable level of employee contribution? Are health benefits available to new hires within three months?
- **Schedule:** Are the normal hours for the job between 8:30 a.m. and 6 p.m.? Is working other than these standard hours completely voluntary? Do employees have any control over when they start and end their workdays

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within some range of hours ("flextime")? Might an employee be required to work a schedule different from the normal schedule more often than once per month? Are these schedule changes voluntary?

- **Overtime Policy:** Are overtime hours routine? Are they voluntary?
- **Flexibility for family needs:** Can employees occasionally take time off during the work day to take children to medical appointments, attend parent-teacher conferences, or deal with other crucial caregiving needs that cannot be addressed off hours?
- **Part-time employment benefits:** Do part-time employees receive prorated benefits? If so, describe.
- **Employer training:** Are managers trained to handle employees' work-family needs?

Second, job placement counselors should make the family-friendly profile available to parents looking for work, and should provide active assistance to parents in helping them find jobs responsive to their family circumstances and needs.

Third, parents subject to job search requirements in state TANF programs should have a reasonable period of time to look for a family-friendly job. For example, state law might say that during some period, e.g., the first six or 12 weeks of job search, a parent would not be penalized for declining a job offer if the job lacked key features on the family-friendly profile, so long as the parent continued to actively search for a family-friendly job. This approach would strike a balance between the interest in maximizing rapid employment entries and the reality that many parents might be able to find better jobs with some assistance and a reasonable time to look

The family-friendly job profile concept should be considered by Congress when the Workforce Investment Act is reauthorized in 2003. States should begin routine collection of information about key job dimensions important to parents, and should make the information available to all

job seekers and incumbent workers in state one-stop structures. This could stimulate better employer policies and help all job seekers make more informed choices.

Recommendation #2:

States should provide better choices for parents of infants.

In contrast with many other countries, the United States lacks a structure to provide paid parental leave for workers with very young children. In the United States, parents with sufficient income often opt to stay home for a period of time after a baby is born. Census data indicate that nationwide, only about one-third of mothers of infants (33.5 percent) work full-time; the remainder either work part-time (17 percent) or are not employed (50 percent). However, low-income single parents are less likely to have support from another adult in the initial months of employment; to have jobs providing family leave; to have income from temporary disability insurance for maternity-related leave; or to have jobs that provide sick or vacation leave during the infancy of a child. As a result, many low-income families are forced to turn to welfare for help after the birth of a child. In fact, recent research indicates that about one-third of new welfare applicants are parents of infants.¹⁵

When families with infants seek TANF assistance, states are free to impose immediate work requirements on them. Some states provide an exemption from work requirements for parents of children under age one, but 23 states impose work requirements before children reach age one (including 17 states that impose requirements at or before the child turns three or four months old). And even in those states that do not impose immediate work requirements, any months in which families with infants receive federally-funded TANF assistance count against the federal time limit, even if the parent is exempt from work requirements and receiving no employment-relat-

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ed services. Further, if a state does impose work requirements on the parent of an infant, the state has no obligation to help the family arrange needed child care, though the state is not supposed to cut a family's assistance if the parent is unable to meet work requirements due to lack of such care.

Some argue that work requirements should be imposed as soon as a child is born because non-TANF families need to return to work immediately. But, as noted above, as a practical matter, higher-income parents have more choices in determining whether and when to return to work because they are more likely to have sufficient resources (such as money for a nanny or a high-quality child care program) with which to handle a rapid return to work. Significant numbers of middle- and low-income families, however, lack such choices.

In the long run, policy should foster the ability of *all* parents to choose to return to work or to stay at home during the initial months after the birth of a child. To make this a viable choice, it will be necessary to improve the supply, quality, and availability of infant care for parents wishing to return to work and to establish a mechanism to provide financial assistance to parents who elect to provide in-home care for their infants. Several states have recently adopted a potential model.

For example, both Minnesota and Montana have enacted programs of At-Home Infant Care, under which parents who qualify for child care subsidies can elect either to have the subsidy pay for out-of-home care or to stay at home caring for their child and receive the subsidy as a replacement for lost wages. During reauthorization, Congress could opt to make At-Home Infant Care an explicit option for all states or fund a set of demonstrations. Whether or not Congress takes action, states can choose to establish programs as Minnesota and Montana have done.

One of the current TANF reauthorization proposals seeks to increase work requirements and

proposes that individuals must be engaged in work and other activities for 40 hours a week in order to fully count toward participation rates. In contrast, under current law, single parents with children under six can count toward state participation rates by being engaged in activities for 20 hours a week, and all other families can count with 30 hours of engagement. Under the proposal mentioned above, states would not be required to impose such requirements on single parents of children under age one, but if there is a significant increase in federal participation rate requirements, states may feel pressure to expand work requirements for parents of infants. Certain safeguards could be helpful such as:

- ➔ Maintaining the current structure of "hours" required to count toward participation rates, and rejecting proposals to impose forty-hour requirements;
- ➔ Providing that a state may not impose work-related requirements on a single parent with a child under age one unless the state provides child care resource and referral help and subsidy assistance, and unless the state determines that appropriate infant care is available to the family and that the parent can secure a job that meets the family-friendly profile; and
- ➔ Providing that the TANF time limit clock will not run while a single parent of a child under age one is exempt from work requirements.

However Congress resolves these issues in reauthorization, each state will likely have significant discretion in developing its policies relating to parents of infants, as states implement the reauthorized law. This would provide an important opportunity to examine or reexamine state policies concerning treatment of families with infants to ensure that any requirements are reasonable, to improve the quality and supply of infant care, and to explore development of programs such as the Minnesota-Montana At-home Infant Care approach.

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Recommendation #3:

States should improve supports for families in which a child or other family member has special needs.

Low-income families are more likely to have children with disabilities,¹⁶ and a substantial number of welfare recipients have a child with an illness, disability or emotional problem.¹⁷ However, in TANF, states may impose work requirements of any magnitude on families in which a family member has special needs, illness or disability, even if caregiving responsibilities limit the parent's ability to work outside of the home. If a state elects to provide an exemption from work requirements, the federal TANF time limit clock continues running for the family. If needed child care is unavailable for a child under age six, the state may not sanction the family, but the state has no obligation to help the family attain needed child care, and there is no TANF protection if the individual with special needs is age six or above. States do have significant obligations under the Americans with Disabilities Act in their TANF programs; however, it is only recently that some states have begun to look seriously at how the ADA applies to their policies and procedures in TANF. Others have not yet begun or made substantial progress in this process.

A parent caring for an ill or disabled family member may want to work outside the home and may need help to do so. Or a parent may find it difficult or virtually impossible to work outside the home because of the severity of the child or family member's condition, the lack of appropriate child care, or both. Possible reauthorization approaches might:

- Let states choose not to impose the federal time clock during a period in which a parent or caregiver is not able to meet state work requirements because she is caring for a family member with special needs;
- Let parents satisfy work requirements by caring for a seriously ill or disabled family member;

- Provide that a state's TANF plan must describe how the state, in compliance with the Americans with Disabilities Act, will offer services and supports to families with special needs, to help maximize their potential for employment and full participation in society.
- Encourage states to provide skills training, respite care and other assistance so that caregivers will be able to find adequate employment when they are no longer needed to provide full-time care at home.
- Provide states with increased child care funding targeted to children with disabilities to enable states to undertake initiatives to increase the supply of quality child care for children with disabilities, including activities such as provider training, the creation of networks of specialists on children with disabilities to support providers and assist parents, and the provision of financial assistance to providers to strengthen their capacity to serve children with disabilities.

Whatever decisions are made during TANF reauthorization, states legislatures should examine and identify ways to improve their policies concerning benefits, services, and expectations for families with children or other members with special needs – whether or not they have been on TANF.

Recommendation #4:

States should broaden the availability of non-standard hour child care, infant care, care for children with special needs, and care for school-age children. The federal government should provide additional resources to address these needs.

States and families routinely report that some of the most challenging child care situations involve the need for care for nonstandard hours, infants, family members with special needs, school-age child care, and care for sick children.

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In each of these areas, with the possible exception of sick child care, it seems clear that the supply of child care must be expanded; the mere provision of child care vouchers to families is not enough to ensure an adequate supply. Congress could act to address these needs in the reauthorization of the Child Care and Development Fund (CCDF) by:

- Providing that a state's CCDF plan must describe the need for child care for nonstandard hours, infants, special needs, and school-age children, and specifying how the state will use CCDF resources to expand the availability of such care.
- Increasing CCDF funds to enhance states' abilities to respond to these and other child care needs.
- Encouraging states to use some of their CCDF funds to increase the availability of child care slots for children with special needs in low-income families in inclusive child care settings.

These efforts would complement other initiatives to improve the quality of care, including efforts to increase the training and retention of child care employees.

Care for sick children is critically important, particularly for low-income workers whose children tend to experience more health problems. Viable non-parental options for sick child care, however, are few and quite expensive. Generally the best and most cost-effective solution for the care of mildly ill children is parental care at home. Thus, family-friendly policies allowing paid time off appear to be the most effective approach. Accordingly, state legislative efforts might explore efforts to encourage employers (perhaps through incentives) to provide paid time off for the care of sick children, since this is a major cause of absenteeism and job turnover among low-income parents.

Recommendation #5:

States should establish reasonable protections for parents who are unable to meet work requirements because of the needs of children and other family members.

In TANF, states are required to reduce or terminate assistance when an adult fails to comply with work requirements, subject to such exceptions as the state may determine. The state must provide for good cause when a single parent of a child under age six lacks needed child care; otherwise, it is entirely up to the state which, if any, good cause provisions to include.

State "good cause" policies should be designed to ensure that families are not penalized when parents are seeking to respond to the needs of their children. Ideally, federal law would establish minimum good cause protections, but if federal law fails to do so, states still have broad discretion in establishing their own policies. Good cause policies should include:

- Excessive travel time to and from employment or work-related activity;
- Unreasonably fluctuating hours of attendance;
- Employment necessitating that a parent be absent from home for unreasonable hours (as defined by the state);
- Lack of needed child care for a child under age 13 or a family member with special needs.

Protections such as these are an important way to ensure that a parent's participation in work activities not come at the expense of the safety and well-being of children.

VII. POLICY RECOMMENDATIONS

Recommendation #6:

States should provide an annual "family impact report" describing their efforts to promote access to family-friendly jobs and to support workers whose jobs do not provide needed flexibility.

States can take a wide array of approaches to promote access to family-friendly jobs. In the above discussion, we have highlighted the importance of collecting better labor market information and providing more assistance to help parents find family-friendly employment. However, a state might do much more by exploring such possibilities as actively working to foster greater awareness among employers, providing incentives to employers, providing performance incentives for program contractors, establishing minimum requirements for employers benefiting from program tax credits, etc.

Congress could encourage state initiatives and promote better national awareness of state approaches by requiring that states report annually on:

- The extent to which family-friendly employment opportunities are available to all workers, and to workers in low-wage employment;
- State efforts to promote and expand the availability of family-friendly employment in general;
- The extent to which families entering employment through the state's programs under TANF and the Workforce Investment Act are entering family-friendly jobs, and the nature of the state's efforts to improve such outcomes; and
- The supports being provided by the state to parents in jobs that lack important elements of flexibility for families.

Absent a federal statute requiring such reports, state legislatures could require that such reports be developed and presented to the governor and legislature on an annual basis. Or legislation could provide funding for state studies to assess

how to foster more family-friendly work environments. State legislators could also develop incentives for employers to develop family-friendly policies, and could authorize the state employment system to pilot such policies and evaluate their impact on both workers and productivity. State legislatures could require one-stop career centers in the Workforce Investment Act system to provide information on family-friendly jobs, and could direct funding to work supports to assist families in jobs which lack flexibility.

Recommendation #7:

States should consider a range of policies to stimulate more family-friendly behavior by employers, including measures that expand access to and affordability of time to care for family members.

A number of states have introduced or are considering a variety of policies that could help employees manage work and family responsibilities. These include:

- Allowing a certain number of hours of FMLA leave to be used for routine school and medical appointments;
- Expanding FMLA coverage to firms with 25 or more employees, instead of the 50 required by most state laws, and to include part-time workers;
- Creating a source of wage replacement for those on family leave;
- Allowing employees to use personal sick days to care for sick children;
- Requiring employers to provide a minimum number of days of annual paid sick leave;
- Limiting mandatory overtime;
- Requiring equity in base hourly pay and at least pro-rated benefits for part-time and other nonstandard employees;
- Reforming the unemployment insurance system to include part-time workers and those who leave a job for family care reasons, and to ensure that recent work history is consid-

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ered when determining unemployment insurance eligibility and benefits;

- ➔ Expanding health care benefits to cover a broader number of people;
- ➔ Expanding the Earned Income Tax Credit to cover a broader number of people;
- ➔ Adjusting benefit program eligibility rules so that employees who advance on their jobs do not suffer economically by a sudden loss of such supports;
- ➔ Investing in early childhood education programs, such as universal pre-kindergarten; and
- ➔ Investing in after-school programs.

Additionally, policies which strengthen the wage floor, including living wage ordinances and adjustments to the minimum wage, can be a boost to low-income parents.

Each of these issues could affect a wide range of workers, including families leaving welfare and other low-income parents. The surge in employment among low-income parents in recent years and the fact that such parents are so often entering jobs without basic benefits, make it particularly important to explore these options.

Recommendation #8:

The federal government should initiate a research and evaluation agenda to promote family-friendly employment.

In recent years, policymakers have become increasingly concerned about the need to promote employment, and have also shown strong interest in understanding the impact on children when parents go to work. These concerns are closely related. Family-friendly job benefits can be the deciding factor both in parents' ability to stay on the job and in the well-being of their children. While research has been conducted on policies that promote employment and on the circumstances of welfare leavers far less attention has

been paid to how job benefits and working conditions may affect employment retention and child well-being.

At the federal level, new funding should be dedicated to implementation of a family-friendly employment research and demonstration agenda. With dedicated funding, the Secretaries of Health and Human Services and Labor would be asked to commission research and provide states with technical assistance to:

- ➔ Better understand the extent to which families leaving TANF and other low-income working families have the job benefits and working conditions they need to care adequately for their families;
- ➔ Examine the role of paid leave and schedule flexibility in promoting stable employment and improved child outcomes;
- ➔ Identify best practices among states in promoting family-friendly employment for low-earning families;
- ➔ Identify best practices among states in providing support to low-earning workers in jobs that lack family-friendly benefits, and in encouraging employers to adopt more family-friendly policies; and
- ➔ Examine the relationship between family-friendly policies and job retention for low-wage workers.

Whether or not Congress expressly authorizes such research, the Department of Health and Human Services and/or the Department of Labor could develop such a research agenda. States too can play a role here, setting aside funds for state studies to address these questions.

VIII. CONCLUSION: MOVING A “WIN-WIN” AGENDA

Policymakers should place a high priority on encouraging more family-friendly business practices and on developing greater public resources to help low-wage working families address their work-family needs. Research strongly suggests that family-friendly policies in the workplace help low-income employees and provide tangible benefits to their employers.

Both public and private policy frameworks should recognize that the work-family problems of low-wage workers are not simply personal problems. They reflect inadequate wages and working conditions and an inadequate community infrastructure, which can be enhanced to the benefit of all. The business, public policy, and public interest communities would do well to unite in a common search for ways to:

- ➔ Provide recognition and financial incentives to help employers and communities support low-wage employees in meeting their work-family needs;
- ➔ Provide incentives for states to develop innovative ways to match low-income workers with family-friendly jobs and to enable low-wage workers to gain access to needed help without overburdening employers;
- ➔ Learn more about how employers, communities, the public interest community, and states can improve community infrastructures and policies to meet the needs of low-wage families and create a more stable workforce; and
- ➔ Provide policy "outs" for those families where community infrastructures and supports cannot be packaged to meet their needs.

Reauthorization of TANF and the Child Care and Development Fund could provide an important starting point for moving this agenda forward and forging new alliances. Other opportunities will appear as the states develop their own implementing legislation for these federal bills. Another opportunity would be present if the Workforce Investment Act is reauthorized in 2003. Perhaps most important, state legislators will have the chance to bring forward innovative policy ideas that can show the direction for future federal policy.

Our goal as a nation must be to improve the quality of life for all low-wage workers and their families – not just in the few workplaces where innovation is occurring today. This paper is a call to action to begin this process.

IX. ENDNOTES

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