The Continuum of Connection: Low-income Families and Economic Support during the Great Recession

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Interest in the “disconnected,” that is, low-income families who appear to have no earnings and receive no welfare or other cash assistance, has been growing in recent years. Most research has focused on a narrowly defining and then counting and describing this group. Yet, such a limited definition does not: 1) capture families who are inadequately connected to work or other sources of support; 2) provide insight about the circumstances leading to disconnection; 3) nor uncover the challenges families face in becoming and staying connected to sources of support, particularly during the economic downturn. In this paper we propose a new lens through which to examine “disconnectedness” that is a multi-dimensional continuum of connection to cash resources and other supports. We apply this continuum to qualitative data to illustrate the circumstances that lead to a spell of disconnection and the challenges in connecting to public programs.
The Continuum of Connection: Low-income Families and Economic Support During the Great Recession

Several years after implementation of the 1996 welfare reform, researchers and policy makers became concerned about a small, but growing, group of single mother-headed families with children who appeared to have no earnings and were not receiving cash assistance. In other words, these families were both disconnected from the labor market and from at least part of the safety net. Estimates of the number of families who are disconnected and the types of assistance included or excluded in making that calculation vary by study, although the conventional approach is to treat the status of being disconnected as dichotomous; either a family meets the criteria for being disconnected or it does not. Yet, such a limited definition may not capture families who are inadequately connected to work, welfare, or other sources of support. Analyses focused on defining, counting, and describing the disconnected also provide limited insight about the circumstances leading up to a spell of disconnection. Additionally, the fallout from the Great Recession, during which time unemployment rates rose to over 10 percent, could mean that a greater number of single mother families, and not just those with recent ties to the welfare system, have become disconnected. Finally, a focus on a dichotomous definition of disconnection does not address the challenges families face in becoming and staying connected to sources of support.

In this paper we propose a new lens through which to examine “disconnectedness.” We argue that it may be more useful to think of low-income families as being on a continuum of connection to cash-based sources of income, centered on the types of public benefits they receive or the extent to which they have secure employment. An additional aspect of the continuum is receipt of other forms of support, ranging from food stamps to help from friends and family. The
continuum is also multi-dimensional in that it considers the strength of connection to these sources of support. We then apply this continuum to data from a longitudinal qualitative study and develop typologies that capture experiences of different groups of women who experience disconnection. We use specific cases from the study to illustrate: 1) the circumstances that lead to a spell of disconnection; and 2) the challenges in connecting to public programs. We conclude with a discussion of the implications of our findings for conceptualizing disconnection and developing policies to address it.

**Previous Research**

Most of the work on the disconnected has focused on developing a definition that captures the phenomenon of concern - poor families who, since welfare reform, are headed by an adult who does not work nor receive some sort of public cash assistance. After implementation of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, which replaced the nation’s cash welfare program (Aid to Families with Dependent Children) with a temporary, work-driven system (Temporary Assistance to Needy Families- TANF), cash welfare caseloads declined steeply. Although many former welfare recipients found jobs, those jobs were often not stable (Acs and Loprest, 2004), and at least some families cycled between welfare and employment. Another group of families left welfare without finding jobs. They may have been sanctioned for failure to follow various program rules, or they may have exhausted their benefits, particularly in states with time limits lower than the federal requirement of 60 months (Bloom et al., 2002). While some of these families may have had other sources of income available to them, such as earnings of other household members, others may not. It is the latter group whom researchers and policy makers typically refer to as “the disconnected.”
In developing a definition of “the disconnected,” researchers and policymakers have focused on narrowing the types of economic supports that a family received so that resulting group of disconnected represents potentially the most economically disadvantaged of all poor families. In one of the first analyses on this topic, Loprest (2003) defined the disconnected as former welfare recipients who were not currently receiving TANF benefits, not working, not living with a working spouse, nor receiving disability benefits.

Building upon this definition, Turner, Danziger, and Seefeldt (2006) developed a measure of chronic disconnection over time, putting into that category current and former recipients in Michigan who spent at least a quarter of the months during a 79 month period (from 1997 through 2003) without earnings (either from their own job or the job of a partner), TANF, disability, or Unemployment Insurance benefits. Ovwhigo, Kolupanowich, and Born (2009) also used longitudinal data to examine disconnection among Maryland TANF recipients over a period of time, grouping their respondents into categories of consistently connected (no interruptions from work or welfare), sometimes disconnected (at least one spell of disconnection), and the chronically disconnected who had no work and no receipt of welfare benefits in a five year period after initially leaving welfare. Receipt of other benefits is not considered in the Maryland study.

Estimates of the prevalence disconnected families vary depending upon the definition used, although most studies find fairly similar proportions of disconnected. Loprest (2003) found just under ten percent of former recipients nationally were disconnected (i.e., not working, not receiving welfare, not living with a working spouse, not receiving disability) at a point in time in 1999, although that figure rose to 13.8 percent in 2002. A study of poor families residing in three cities (Chicago, San Antonio, and Boston) found that in 2005, more than twenty percent of the
sample was disconnected (Cherlin et al., 2009). More recently, a study of Colorado welfare leavers that used the same definition of disconnected as Loprest found that 13.4 percent were disconnected in 2008 (Farrell, 2009). The Michigan and Maryland studies found smaller proportions, nine and ten percent respectively, of chronically disconnected families over a longer period of time, although more than a third of the Maryland sample had at least one spell of disconnection.

All of the studies cited above examined the status of families who had recent ties to the welfare system, usually right around the time that the reforms went into effect. Blank and Kovak (2009), using the Current Population Survey, estimated the proportion of families headed by single women with a high school degree or less (regardless of former welfare use) who were disconnected, which they defined as not being in school, having earnings of less than $2,000 a year, and welfare and/or disability payments of less than $1,000 a year. Just over 20 percent of single mothers met this definition in 2005. While many of these women lived with other adults who may have helped support the household, more than half—55 percent—lived with no other adult.

In addition to estimating the prevalence of disconnectedness, these studies also examined the characteristics of the disconnected, finding, in general, that the disconnected are more disadvantaged than other single mothers in the domains of health, substance abuse problems, and education levels and learning disabilities (Loprest, 2003: Turner, Danziger, and Seefeldt, 2006). The disconnected also appear to have more food-related hardships, such as skipping meals and running out of food, but compared to other welfare leaving families, they report similar levels of housing problems (Loprest, 2003).
More limited is information on how women become disconnected and challenges they face in connecting to the public assistance system when in between jobs. Blank and Kovak (2009) document a variety of reasons that women become disconnected, the most common being loss of earnings (58 percent of all spells). Turner et al. (2006) similarly find that most women in their sample became disconnected because they lost a job, not because they lost welfare benefits. However, because of findings suggesting that the disconnected have more personal challenges than similar women who are not disconnected, policy recommendations to assist the disconnected have typically focused on addressing various barriers and connecting women not only with cash assistance but also with services such as substance abuse treatment and other health services (Loprest, 2003; Turner, Danziger, and Seefeldt, 2006). Blank (2007) recommended the development of a new alternative to TANF that would provide disconnected mothers intensive case management and referral to services until they were deemed able to work.

A different and largely separate literature has examined barriers to take up of public assistance programs, but given that part of what drives disconnection to public assistance is non-use of programs, findings from these studies may be relevant. Much of this literature has focused on factors such information costs, stigma, and transaction costs as limiting use of public benefits (Currie, 2006). Information costs are the costs of learning about various assistance programs and then learning how to apply. If these costs are highs, some otherwise eligible individuals will not use the programs. For example, individuals who have never before used the welfare system may find its rules and processes confusing and may judge the costs of learning too high relative to the benefits they might receive. Other individuals may choose not to apply for welfare because of negative perceptions about the program and people who use it, thus avoiding welfare because of its stigma. Finally, transaction costs, or the costs associated with dealing with the welfare
bureaucracy, the application process, or other program rules, may deter people from applying or may lead them not to complete their applications.

In a review of the research about program take-up, Currie (2006) noted strong evidence supporting the transaction costs hypothesis. Moreover, these transaction costs may have increased with welfare reform. Moffitt (2003) found that policies including work requirements, sanctions, and diversion (offering other services in exchange for not applying for ongoing assistance) negatively affected entry and exit into the TANF program. Additionally, a study of welfare reform implementation in 11 sites in four states found evidence that the number of steps that individuals have to complete before becoming eligible for assistance has increased (Meyers and Lurie, 2005). Making welfare benefits more difficult to obtain can be thought of as a form of “soft” diversion, in that some subset of individuals will be deterred from applying or completing an application because of the cumbersomeness of the process.

Since the onset of the Great Recession, poverty rates have increased, rising to 15.1 percent in 2010 (up from 12.3 percent in 2006), and child poverty rose to 22 percent, up 17.4 percent prior to the recession. According to data from the Bureau of Labor Statistics, unemployment rates for single mothers have been consistently in the double digits and above national averages. Yet TANF caseloads in many states have remained relatively flat, suggesting that some combination of welfare’s work requirements and policies such as diversion, are keeping at least some families off the rolls (Pavetti, Trisi, and Schott, 2011).

However, the welfare system may not be the only cash public benefit to which single mothers might become connected following job loss. In the late 1990s and early into the 2000s, employment rates of single mothers, regardless of their prior ties to the welfare system, increased dramatically (Seefeldt, 2008). For those with stronger employment histories, Unemployment
Insurance (UI), the federal-state program designed to partially replace the wages of those who have been laid off, might be the more appropriate source of cash support, as opposed to TANF. However, prior to this most recent recession, only an estimated 22 percent of unemployed low-wage workers and 39 percent of moderate-income workers received UI benefits during a spell of unemployment (Simms, 2008). Lower-wage workers may be less likely to qualify for UI, due to requirements that workers earn a certain amount before becoming eligible. Additionally, UI benefits are only available to workers who have lost their jobs through no fault of their own and who have been involuntarily separated from their jobs. Lower-wage workers, particularly women, may quit jobs due to family or other emergencies, thus rendering them ineligible (Simms, 2008). Recent research has also indicated that less educated workers may believe themselves to be ineligible for UI and do not apply, even though they likely could receive the benefit (Shaefer, 2010).

Unemployment Insurance claims have risen dramatically since 2006, with the U.S. Department of Labor reporting a record high 12 million individuals receiving UI benefits in early 2010. Yet, only about one in three unemployed workers receive regular UI payments (Leachman et al. 2011).

Given low rates of TANF use and potentially uneven coverage by UI benefits, many families- and not just those who may have had attachment to the welfare system-- may be vulnerable to disconnection. As such, the concept of “disconnection” should be constructed more broadly, capturing the experiences of a larger swath of lower-income families, including families who perhaps had a toehold in the working or lower middle class, those headed by a low-wage worker, as well as those in more precarious positions, as defined by prior research on the disconnected. By doing so, such a model could identify multiple points where families might
become disconnected. Further, merely being connected to a source of support may not be the only factor important for a family’s well-being; that support might be difficult to maintain or may not be enough to meet a family’s needs. A dichotomous measure of being disconnected, as studies to date have used, cannot provide this more nuanced view.

Below we develop a new model to capture the permutations of being connected or disconnected to cash income and other sources of support. This model both considers the generosity of some sources of support relative to others and the receipt of other benefits that a family may need in order to achieve economic stability. The model also allows for movement between different statuses over time, so that events that mark disconnection can be uncovered.

**A new model of disconnection and connection**

This model conceptualizes connection as a continuum and has several dimensions to it. First, instead of defining “connection” in relation to either cash assistance or earnings from employment, we consider a range of potential sources of income for lower-income families, ordering them along a continuum of support. We limit our focus to *cash* support for this first dimension, since in-kind benefits such as food stamps (now called the Supplemental Nutrition Assistance Program – SNAP) are limited in their use (e.g., they cannot substitute for cash to pay rent or other bills). Figure 1a below lays out this dimension of the continuum. The right half of the continuum shows sources cash that are employment-based, while the left half lays out the various types of cash assistance available as a replacement for wages.

When placing families on the continuum, the furthest to the left are families who receive cash welfare (TANF) and do not work. Moving to the right are families whose main source of cash support is disability or related benefits and then Unemployment Insurance payments. Because TANF payments are typically less generous than monthly benefits from federal and
other disability programs, we consider families whose cash income comes primarily from TANF to have fewer cash resources compared to women receiving disability. According to data compiled by the Urban Institute (Kassabian et al, 2011), the median monthly TANF benefit level in 2010 for a family of three with no earnings was approximately $429. By contrast, average monthly payments (as of November, 2011) for SSI beneficiaries were more than $500 for adults and close to $600 if the payment is received on behalf of a child.

The most generous source of public cash support on the continuum is UI payments, although we note that because the amount of the benefit is based upon an individual’s most recent wage and the state of residence, this might not always be true. In late 2009, the average UI payment was just under $300 per week, although again, state-by-state variation is great, and lower-wage workers can expect to receive much less than the average (Congressional Budget Office, 2010).

The continuum then moves from sources of cash via public programs to cash earned from employment. The first type of employment is that which occurs in the informal economy. By this we mean labor that is performed “off the books” or “underground” such that any income earned is not reported to the Internal Revenue Service or other authorities (see Venkatesh, 2006). Examples of this type of work include providing child care, cooking and selling meals, or braiding hair. The distinction between formal and informal work may be murky, and some who engage in informal work might consider themselves to be self-employed entrepreneurs. We judge working in the informal economy as being different due to the unreported nature of income. Within the formal sector, families headed by a full-time worker whose job pays a living wage are assumed to have the most disposable cash income, with those working full-time in low-
wage jobs, and those part-time, temporary, or otherwise unstable jobs (e.g., varying hours, irregular schedules) having less.

This continuum does not take into account all possible combinations or sources of cash support. For example, in many states it is theoretically possible to combine welfare with income from work. According to administrative data, only about 12 percent of the TANF caseload reported earned income in 2009, indicating that this arrangement is not all that common. It is also possible that families might combine TANF or other benefits with earnings from the informal economy (Edin and Lein, 1997; Venkatesh, 2006).

<Figure 1a about here>

The second dimension of the continuum brings in other types of support, which we consider to be secondary sources of support to cash income. These include both cash and in-kind supports. In the former category we include refunds through the Earned Income Tax Credit (EITC). Although the EITC can provide a substantial windfall for low-income families (the maximum credit in 2011 was about $5,700), its receipt is contingent upon someone in the household working. Another secondary cash support would be child support. A different category of secondary supports are in-kind benefits. These include food stamps, housing assistance in the form of rental vouchers or public housing, child care assistance, and medical coverage, either through a public or private source. Although receipt of in-kind benefits can increase a family’s purchasing power, these benefits are not perfectly substitutable for cash (e.g., food stamps cannot be used to pay one’s rent).

Finally, some poor households may receive substantial help from friends and family members (Stack, 1973; Edin and Lein, 1997) as well as from private organizations. This
assistance might be in the form of cash, or it could be in-kind, such as offers to purchase groceries or providing food through a pantry.

In addition to sources of both cash and secondary supports, a third dimension of the continuum represents the strength of connection to those supports. The solid arrows in Figure 1c correspond to strong connections, whereas dashed arrows represent weaker links. For example, one individual might always be able to rely on family members to help out with monthly expenses (strong connection), whereas another individual may only be able to tap into that resource on infrequent occasions (partial connection). Or, an individual might continuously receive a certain benefit (strong connection), or she may experience many disruptions (partial connection).

Ideally, all lower-income families would be connected to a primary source of cash support and then receive as many other secondary supports as necessary to meet their needs. For families when TANF benefits are the main source of cash, receipt of multiple secondary supports, such as food stamps, housing assistance, Medicaid, and help from private organizations may be needed, whereas families headed by a worker earning a living wage may need fewer, perhaps just affordable health care coverage. Additionally, during periods of job loss or job turnover, families would quickly move down the continuum to receive the appropriate public income replacement program (e.g., TANF or UI).

In this model, disconnection would occur at times when families are not connected to any of the cash sources of support on the first dimension of the continuum and therefore must rely only upon secondary supports to meet their needs. Partial connection, a concept not discussed in
existing research, could occur through various means, for example, reductions of hours or erratic temporary work assignments or, on the benefit side, small TANF or other payments relative to need or difficulty maintaining eligibility for the program. In the remainder of the paper, we use this continuum to analyze the economic circumstances over time among a sample of low-income women.

Data and Methods

Data for this analysis comes from an ongoing, longitudinal qualitative study of 45 low and moderate income women living in the Detroit metropolitan area. Women were recruited into the study via two mechanisms. Nine of the women participated in a pilot of the study and continued with the main study; they were recruited via flyers that were sent home with children attending several charter schools in the Detroit area and that were posted in a local social service agency. The remaining cases were recruited into the study after they had participated in a large survey whose sample was drawn from adults living in low to moderate income census tracts in Southeastern Michigan. These respondents were selected based on their gender, race, income, and household composition. Most respondents have been interviewed each year since 2006, with interviews typically conducted during the summer, lasting 70 minutes, and occurring in women’s homes. The interviews were recorded and then transcribed into word processing files.

Of the 45 women in the study, we use data from 34 of the cases, excluding 11 women whose household earnings kept them at the far right end of the first dimension of the continuum; that is, they or their partners had steady jobs paying a living wage between 2006 and 2011 (in a couple of cases, earnings were replaced with pensions or Social Security checks once the earner retired). Reflecting the demographics of the Detroit area, the analytic sample is predominantly African American; five of the women were White, one of Hispanic origin and two who were
Lebanese immigrants. They ranged in age (in 2006) from 21 to 52 years old. Seven were married at the beginning of the study, but four of those marriages soon dissolved; one woman married after 2006. Three women were in cohabiting relationships. All but one of the women had children or grandchildren living at home with her. Although individuals’ income varied year to year, on average, household income was just slightly over the federal poverty line. With the exception of 2008, about two fifths of the sample in each year reported household income below half of the federal poverty line.

To conduct our analyses we read and re-read the transcripts associated with each of the 34 women. The first goal was to establish what types of movement along the continuum occurred over the six interview waves (2006-2011).\footnote{While response rates at each interview wave were uniformly high, we were unable to interview one respondent in two of the years, while we have missing interviews for two respondents for just one year. Additionally, one respondent died during the course of the study. We include the two interviews we have available for her.} For each year, we coded the household’s primary source of cash income (dimension one of the continuum) along with the types and amounts of secondary supports received. In some cases, families had more than one source of cash income, typically disability payments received on behalf of a household member and earnings from employment. In these instances, we coded the respondent as working, since employment represented the primary activity of the respondent, even though the disability payments may have been a stable source of cash. We also coded for the “strength” of the respondent’s connection to all types of support—both cash and secondary.

Even though we assigned “codes” to each individual, we also wrote detailed memos about each respondent at each wave. These memos described the nuances of her economic situation and the circumstances that may have prompted changes in her placement along the continuum, the secondary supports received, and the strength of those connections.
We then looked across all cases to determine if discrete patterns could be uncovered. That is, were there certain groups of women who shared common experiences related to how they moved along the continuum? If so, what characterized those groups? Finally, we looked at the transcripts for discussions of experiences and challenges with connecting to different types of public assistance, both those on the main part of the continuum and those that are secondary, coding for reasons why those difficulties occurred.

Experiences of Disconnection and Partial Connection: A View from the Continuum

Using a simple dichotomous measure of disconnection, whereby a woman is disconnected if she lacks income from earnings (either her own or another household member), TANF, disability payments, or Unemployment Insurance, at some point between 2006 and 2011, 18 of the 34 women experienced at least one spell of disconnection, and many more were only partially connected to certain supports. However, merely counting up spells overlooks the different trajectories that led to being disconnected. In analyzing these trajectories, three distinct types of experiences emerged.

The first group consists of women who had some toehold in the working or lower middle class and very limited experience with the public benefit system. Most had used cash welfare, food stamps, Medicaid, or other services many years in the past, when they first had children. Over the course of the recession, though, they experienced downward mobility and disconnection. The second group of women received some of the secondary supports on the continuum, but cash came primarily from stable low wage work. As jobs became more unstable and sometimes scarce, this group faced challenges connecting to needed supports. The final group, who were frequently disconnected, consisted of women who had limited work experience and/or significant barriers to employment. The economic downturn, coupled with other events in
their lives, contributed to disconnection for the first two groups, although the pathways to disconnection were very different. Only the last group fit the profile of disconnected mothers in previous research.

To illustrate how the different patterns leading to disconnection unfolded, we use the experiences of three women—Aleta, Tamara, and Danielle. While their experiences as a whole are not necessarily representative of other women, their movements along the continuum of connection highlight common events and challenges.

Downward Mobility: Aleta. Like other women who once held stable, well-paying jobs, Aleta’s experience with injury, job loss, and difficulties securing supports left her disconnected for a lengthy period of time. In 2005, Aleta worked on the assembly line at a well-known auto supply company, where she had been employed for more than five years. Prior to that, she held other well-paying jobs. While working, a piece of equipment fell on her, injuring her and rendering her unable to work. She filed for worker’s compensation benefits, but her claim was disputed, with the insurer arguing that her injury was the result of a pre-existing condition. Aleta was subsequently fired from her job after exhausting all of her leave. She hired an attorney to litigate the worker’s compensation denial and held onto her health insurance for a few months through COBRA (the Consolidated Omnibus Budget Reconciliation Act, which allows former employees to maintain health care for limited periods of time, although often at great expense). By 2006, she had no income and received just $150 in food stamps. Aleta also became the caretaker for one of her grandchildren.

Several months later in 2007, Aleta was able receive a small disability payment from the state while she waited for her case to be heard by a judge. This small check of approximately

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2 All names of study participants have been changed to pseudonyms. Additionally, certain details of their stories are either omitted or slightly altered in order to protect their privacy and ensure confidentiality.
$250 a month did not cover her expenses, leaving her only partially connected to this cash source. She also applied for Social Security Disability Insurance (SSDI) but was initially denied. The only way for her to manage financially was to “live off the charitable contributions of others.” She received some financial help from her adult children, although the child with the most resources lived out of state, and the two who lived nearby had little to give after losing jobs because of the recession, so this source of support was only partial. In 2008, the disputed worker’s compensation claim was settled out of court. However, after paying attorney’s fees, medical bills, and the state (which demanded repayment for the disability assistance she received while her case was pending), less than $10,000 remained from the $100,000 settlement payment.

Figure 2 depicts Aleta’s movement down the continuum, with a period of disconnection in 2006 when she was denied worker’s compensation benefits. A number of other women in this group faced circumstances similar to Aleta’s in that their claims to Unemployment Insurance or disability were contested by their employers. Both UI and SSDI are considered part of the social insurance system- that is, programs that are in place to protect workers (as opposed to the poor) who have “paid into the system” through their tax contributions but have lost their jobs through no fault of their own. Yet the women in this group had to fight- either through legal channels or formal appeal processes- to have their benefits started. During economic downturns, it is particularly vital to get such assistance, yet for these women, the assistance was given only after a period of disconnection.

Aleta’s experience also illustrates how little is available in terms of supplemental supports for women who are experiencing disconnection via downward mobility. In 2006 she was insured, but only by paying large monthly premiums. She moved onto a state-funded
medical program, but the coverage was limited. By the time she was moved onto the Medicare program, she had a great deal of medical debt. Other women in this group were likely to be uninsured during disconnected periods and had difficulty accessing other supports such as food stamps. Not having dealt with the public welfare bureaucracy for many years left them confused about the system’s workings. As one mother said, “now it seems like it’s harder to obtain” assistance. Finally, three of the women had spells of homelessness during times of disconnection, doubling up with others or staying in hotels.

**Unstably Connected: Tamara.** The next group we consider is comprised of women who had fairly steady records of employment in the low-wage labor market, with Tamara serving as the representative for this group. Tamara worked full-time in a nursing home, earning just above the minimum wage. Her job provided her with no benefits, but she and her children received food stamps and Medicaid, and most of her daycare costs were covered by the state. With her stable earnings, Tamara received fairly substantial EITC refunds each year. Additionally, her grandparents periodically gave her money in exchange for doing housework and other chores. With all of these sources of support, Tamara assessed her situation as being “tight” but “not that bad.”

In 2007, though, her employer reduced her hours to part-time. About the same time, her grandparents moved into an assisted living facility and did not need Tamara to work for them, thus cutting out another support. She maintained her child care and medical assistance but had great difficulty in getting her food stamp payments adjusted upward to reflect her loss of income. Help from other friends and family was not forthcoming because, as she said, “they’re all in debt.” For the next couple of years, Tamara’s financial circumstances were very difficult.
Tamara’s situation worsened in 2011 when she lost her job. Hurt on the job, Tamara understood herself to be on medical leave and then subsequently laid off because her injury left her unable to work. She applied for Unemployment Insurance but was told that she was still on the facility’s payroll and thus not eligible. Shortly thereafter, she received notice that instead of being laid off, she had been fired. With no income coming in, her car was repossessed and her utilities were on the verge of being turned off. She spoke to a caseworker about the possibility of applying for TANF, a program she had not used in more than six years, and was told that in order for her to be eligible, she would need to be able to work anywhere and take any kind of job offered. Still injured, Tamara worried that because of her injury, she would be denied TANF as well. Unsure of what would happen next, Tamara expressed incredulity that there seemed to be no program in place to help someone like her, particularly when the economy was in such bad shape.

Tamara and other women like her were attached to parts of the safety net, but still many holes appeared in that net when the economy began to sour. Prior to the downturn, nearly all women in this group either had worked at the same job for a number of years or reported that when they lost jobs, a new job was easy to find. Over time, women found their hours cut, and when jobs were lost, they faced great difficulty finding new employment. No income replacement program appeared available to these women when they were unemployed. Some were ineligible for UI because they had not been at their job long enough to meet minimum earnings requirements. Others left jobs voluntarily, rather than be fired and thus were ineligible. For a variety of reasons, many women in this group believed that they were not eligible for
TANF, or they judged the work and related requirements and the hassles of dealing with the welfare office not worth the relatively small checks they would receive.

Although more connected to secondary supports than the previous group, low wage workers reported numerous challenges maintaining their connections to these programs. Delays in having changes made to benefit levels were common, as were cases being closed due to administrative errors.

The Chronically Disconnected: Danielle. Danielle was disconnected for much of the study, relying on income from informal work in 2006 through 2009 and receiving TANF benefits for a few months in 2011. Prior to the downturn, Danielle made fairly good money braiding hair and selling meals, but as the economy slowed, many of her customers stopped using her services since they lost jobs or otherwise needed to cut back on expenses. Even in good times, her monthly under the table earnings were volatile, but by 2010 she had virtually no customers. Because she lived in public housing and did not report her earnings, Danielle paid no rent. She also received Medicaid and food stamps. Nevertheless, she experienced numerous hardships. Her utilities were frequently on the verge of being disconnected (if not shut-off), and she owed thousands of dollars in back payments to the utility company. Occasionally, when she needed household supplies that she could not purchase with food stamps, she would buy candy in bulk, which her son would sell to other children at his school, returning the cash to Danielle. Or, she called a male friend who might give her money in exchange for sex.

Danielle reported that she chose not to receive TANF due to the work requirements. Specifically, she did not like the periodic work assignments to which participants were sent. She reported having been bused to a stadium to clean the bathrooms and other facilities and during that day had no breaks nor any food to eat. After that experience, she stopped attending the
program and her benefits were terminated. In 2011, though, she decided to apply again, since her financial situation was only getting worse.

Similar to national trends, TANF use in this study was limited. During the six years of this study, only six women ever received TANF benefits, although many more appeared eligible, in that their incomes were low and they had minor aged children living in the house. Those who received TANF tended to do so for relatively short periods of time. For the most part, chronically disconnected women were stably attached to a number of secondary supports, including Medicaid, food stamps, and housing assistance, the latter of which mattered greatly. Women who lived in public housing or who received Section 8 vouchers had their rent reduced, frequently to zero, during periods of disconnection, alleviating a major monthly expense. Marie was one of the chronically disconnected who did not receive any housing assistance, and her home was eventually foreclosed upon due to property tax delinquency. However, as Danielle’s situation illustrates, housing assistance was not a panacea.

As the existing literature on the disconnected has documented, chronically disconnected women in this study faced numerous barriers to stability, including mental health problems, lack of a high school diploma, addiction, and domestic violence. Despite their attachment to a number of secondary supports, few of their problems were ever addressed.

**Difficulties Getting and Staying Connected**

Regardless of one’s position on the continuum, experiences of disconnection were often due to problems connecting with supports during job loss rather than because of personal barriers faced by individual women. Instead, barriers put up by former employers, welfare caseworkers and program rules were the largest challenge to becoming connected.
Early in the study, we asked women about experiences with the welfare offices, and many recounted that they chose not to receive benefits because they did not want to be treated as if they were “looking for a handout.” Rather, women conceptualized themselves as workers who had “paid into the system” and needed to use it because they were unemployed.

Additionally, women complained that the state’s employment program did not provide them with any real assistance; as workers, they believed that they knew how to interview for jobs and how to compile a resume. Given the amount of benefits they could expect to receive, women deemed the time and effort they would have to expend dealing with a bureaucracy that treated them poorly and a program that would not necessarily help them find work simply not worth the while. Instead, women opted to receive food stamps only, noting that interactions with the welfare office were minimal when using that program. As Brianna, a young mother, explained, “That’s when you have to deal with them a lot- if you getting’ cash. But if you not getting’ cash. …you only have to deal with them once a year if you’re not getting cash.” In other words, stigma and high transaction costs kept many women from using benefits.

In later years of the study, as the economy worsened, more women did try to apply for various benefits. In 2009, Nichelle, who had left the state for a time for other employment options, moved back to Michigan when she lost her out of state job. Before she moved back, she submitted an application online for assistance, hoping to have her case opened soon after she arrived in Detroit. Despite her planning, she waited more than a year for any benefits. Asked if she was receiving any public assistance, she said:

Actually I just got approved food stamps. I’ve been here a whole year without food stamps or medical… I actually applied for food stamps online [in the summer]..Then I got something in December saying I had to submit clarification… And then I know a week later I got saying that the case manager, the worker, had been changed. And then it took another two months, and then I get a letter saying I didn’t turn in my verification even though I had.
Even women who had more luck accessing public benefits faced challenges in maintaining them. Tykia was one of the few women who received TANF benefits on and off since she lost a relatively high-paying waitressing job in 2005. In early 2010, her caseworker went on an extended medical leave and did not process the necessary paper work to keep her case open. For three months she was without TANF or food stamps. Her retired father stepped in and provided help, but she noted, “I didn’t have no benefits or nothing. It was like really, really horrible, and I was going to school at the same time too so, it was horrible.”

Rhonda’s caseworker made a mistake when it was time for her food stamp case to be recertified (Rhonda’s eligibility for the program had to be determined every six months). Instead of continuing her benefits, the caseworker inadvertently closed the case and then, according to Rhonda, “she couldn’t figure out how to get it straightened out.” It took four months for the mistake to be undone, and Rhonda had to make repeated calls to her worker and file complaints with the supervisor to keep reminding them of her situation. She said, “[the caseworker] kept promising me she was going to do it… ‘I’ll do it today, I’ll do it today,’ and it never got done. All those months went by.” While Rhonda received a lump sum of back food stamp payments, in the interim, her hours at work were getting reduced and she subsequently lost her job. She said she felt fortunate to own a large freezer so that she had enough food stored to feed her family during those months.

Once determined eligible, disability was a fairly stable source of economic support for women who received this benefit for themselves or on behalf of a child in the household. Yet, the process to become eligible for disability is a lengthy one, often taking several years and a number of denials. In the interim, numerous costs may have been incurred. Geneva’s son was severely disabled, and she herself became disabled from an injury on the job. She and her son
both received large payments relative to what others in the sample received through disability, but she endured an extremely lengthy and costly process before receiving her payment. Like Aleta, profiled earlier, Geneva battled with her employer for several years in an attempt to receive workers’ compensation benefits before applying for disability. During that time she accumulated numerous bills, some incurred as a result of the injury, as well as missed car payments and back property taxes. Several years later, she was still attempting to come out from under the debts she carried, owing an estimated $13,000 to various services and providers. Rather than stigma or high transaction costs, these experiences illustrate fundamental problems in the day-to-day operations of programs that should protect workers during difficult times.

**Discussion and Policy Implications**

As noted earlier, much of the literature on the disconnected has focused on their personal and family challenges (e.g., Turner, Danziger, and Seefeldt, 2006; Blank and Kovak, 2009; Blank, 2007), suggesting that women’s health, mental health, substance abuse, and other problems need to be addressed so that they can move into employment. Blank (2007) recommends the development of a Temporary and Partial Work Waiver program, which would allow such women to work as much as deemed possible (for example, 15 hours a week), given the extent of their problems, and use the balance of time receiving services to ameliorate their problems. Participants would receive a cash grant, and those who were deemed to have significant problems would be assisted with the disability application process.

Such a program might help chronically disconnected women like Danielle. Although not formally diagnosed, Danielle suffered from what were plausibly bouts of depression, even contemplating suicide at one point. An intensive program that worked with these women to
connect them not only to economic support programs but also mental health, counseling, and other services might have improved their situations.

And while certainly researchers and policy makers should be concerned about women who appear to have no formal sources of cash support from work or TANF and who thus meet traditional definitions of disconnected, it is also important to note that women whose economic situation appears slightly better may also face many hardships. For example, a single mother who is working but has her hours at work reduced is still connected to the labor force, but her connection to other supports that can help her family manage when earnings are low may be tenuous or limited. Women who lose higher paying jobs may eventually receive Unemployment Insurance or another income replacement program, but doing so may be a long process, at times requiring appeals and legal action.

As the examples discussed earlier demonstrate, the process of getting and staying connected can be complicated and lengthy, adding hardship and stress to the lives of families who are already facing many difficulties. While lengthy delays in case openings and other administrative problems have long plagued the welfare system (see, for example, Brodkin, 1987), addressing the hurdles and challenges of connecting to public programs may be even more important now when access to other supports is limited due to changes in the safety net and labor market opportunities are fewer because of the continued poor economy.

A number of policy changes- beyond those proposed in prior studies- are suggested by these findings, although all of these changes would require bold thinking and action. First, it seems apparent that the safety net in place for lower-wage workers and poor families no longer fits to the realities of their lives. TANF has become a program that is infrequently used and has been fairly unresponsive to the economic downturn. And, while debates continue about how long
to extend Unemployment Insurance benefits for those who have been unemployed long-term, many lower-wage workers have difficulty even accessing the program. Many states have undertaken efforts to “modernize” their Unemployment Insurance programs, for example by not excluding the most recent quarter of earnings when determining eligibility,\(^3\) or by providing benefits to individuals who leave jobs due to serious family reasons, a factor that affects low-wage working women more than other workers (Stone, Greenstein, and Coven, 2007).

Perhaps it is time for a wholesale re-thinking of the systems currently in place for assisting families without connections to the labor market. TANF might convert to a program similar to Blank’s Temporary and Partial Work Waiver, serving individuals who might otherwise be labeled “chronically disconnected.” Instead of enforcing work requirements, the program could focus on either preparing recipients for work by addressing various barriers or, for those with more serious problems, helping them to move onto the disability roles. Lower-wage workers, on the other hand, would be absorbed by the Unemployment Insurance program when they lost jobs, although modernization efforts would need to be somewhat uniform across states to ensure equitable treatment of former lower-wage workers.

Altering TANF and expanding UI would need to be accompanied by administrative changes in offices administering these and other secondary supports. Nearly all states allow applicants to apply for certain programs online, reducing the need for in-person visits (Center for Budget and Policy Priorities, 2011), although, as Nichelle’s case illustrates, simply providing an online application does not necessarily translate into faster processing. Public benefit offices should be provided with the means to increase the efficiency and accuracy of their case processing. Given technological advances, this task should be doable, although it requires that

\(^3\) To qualify for UI, individuals must have earned a minimum amount over a “base period.” In some states, the base period excludes the most recent quarter of earnings, which can make it difficult for lower-wage workers with recent job loss to achieve the minimum earnings figure.
funding be made available and that addressing the problem be made a priority. Some offices may require additional staff, particularly during times of great economic need.

With state budgets facing shortfalls, such recommendations would need federal backing and financial support. Given that unemployment rates continue to remain high and are predicted to do so for some time, and poverty rates will likely be slow to fall until a recovery is well into effect, such efforts seem crucial to protect the well-being of some of the nation’s most vulnerable families.
Citations


Figure 1a: Connection to Sources of Cash

- TANF, no work (or work very little)
- SSI or other disability program
- UI or workers’ comp.
- Work in informal economy
- Temp, part time, or other unstable low wage job
- Steady low wage job
- Steady job paying living wage
Figure 1b: Cash and Secondary Supports

**Dimension 1: Connection to Sources of Cash**

- TANF, no work (or work very little)
- SSI or other disability program
- UI or workers’ comp.
- Work in informal economy
- Temp, part time, or other unstable low wage job
- Steady low wage job
- Steady job paying living wage

**Dimension 2: Secondary Sources of Support**

- EITC
- Child Support
- Food Stamps/ SNAP
- Housing Assistance
- Child Care Assistance
- Medicaid
- Private health insurance
- Help from friends & family
- Help from private organizations
Figure 1c: Strength of Connections

Example: stable low-wage worker with continuous receipt of food stamps, Medicaid, and child care, regular EITC payments, but infrequent receipt of child support.

TANF, no work (or work very little)  SSI or other disability program  UI or workers’ comp.  Work in informal economy  Temp, part time, or other unstable low wage job  Steady low wage job  Steady job paying living wage

Child Support  EITC  Food Stamps  Medicaid  Child Care Assistance
Figure 2: Aleta

Cash assistance, no work (or work very little)

SSI or other disability program

UI or workers' comp

Work in informal economy

Temp, part time, or other unstable low wage job

Steady low wage job

Steady job paying living wage

Private health insurance

Medicare Settlement (2008)

Food Stamps, COBRA, State medical benefits

Help from family members

2007 2008-10 2006 2005
Figure 3: Tamara

Cash assistance, no work (or work very little)  
SSI or other disability program  
UI or workers' comp.  
Work in informal economy  
Temp, part-time, or other unstable low wage job  
Steady low wage job  
Steady job paying living wage

Food Stamps, Medicaid, EITC  
Child Care, Medicaid, EITC  
Food Stamps  
Food Stamps, Child Care, Medicaid, Help from family, EITC
Cash assistance, no work (or work very little)

Steady low wage job

Temp, part time, or other unstable low wage job

Food Stamps, Medicaid, Public Housing Other

Work in informal economy

UI or workers' comp.

SSI or other disability program

Steady job paying living wage

2011

2006-09 2010

Figure 4: Danielle