

# From Welfare to Worse?

## Children, Welfare Reform, and Local Realities

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Loyola University Center for Urban Research and Learning  
Policy Research Action Group  
Organization of the NorthEast  
Howard Area Community Center

### Preface

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, and in doing so, fundamentally changed the nature of our country's social welfare system. In response to this unraveling of the social safety net, Loyola University's Center for Urban Research and Learning (CURL), and Policy Research Action Group (DRAG), joined in collaboration with two community-based organizations, Howard Area Community Center (HACC) and Organization of the NorthEast (ONE), to study the potential adverse impact of welfare policy changes on different types of public benefit recipients in the Chicago neighborhoods of Uptown, Edgewater and Rogers Park. This collaboration is motivated by the partners' grave concerns over how low-income individuals and families would survive when faced with the termination of life-sustaining public benefits, and how the communities would cope with increased impoverishment and diminished funds.

This particular report explores the early effects of welfare reform on low-income families with children in Uptown, Edgewater, and Rogers Park. This report is the second in a series of linked studies on the consequences of welfare reform. The first report,

Unraveling *the* Safety Net: 1997 and Welfare *Reform* (Rose), focused on legal immigrants as they were one of the first groups to be targeted by welfare cuts. Subsequent reports will focus on welfare-to-work related issues such as job training and job creation.

The Loyola University Center for Urban Research and Learning (CURL) engages in university-community collaborative research on society's most pressing social issues. It is supported by a grant and endowment from the Robert R McCormick Tribune Foundation and a grant from the John D. and Catherine T MacArthur Foundation.

Policy Research Action Group (DRAG) also does collaborative research through its network of four universities and twenty community organizations in the Chicago metropolitan area.

Howard Area Community Center (HACC) is a multi-service community-based organization located in Rogers Park.

Organization of the NorthEast (ONE) is a community-based organization that engages in organizing and advocacy for the Uptown and Edgewater communities.

## EXECUTIVE SUMMARY

Families with children face a series of obstacles to moving from welfare to work that are not addressed in the current "Work First" climate in Illinois. Our study found that Uptown, Edgewater and Rogers Park have significant numbers of low-income parents with children, many of whom utilize Temporary Assistance to Needy Families (TANF), child care subsidies, or other public benefit programs.

Major obstacles to successful welfare to work transitions include problems with TANF implementation, particularly with the creation of Responsibility and Service Plans (RASPs) by all TANF recipients; low TANF benefit levels; and a lack of affordable and available child care options. Parents reported a severe shortage of quality child care facilities, frustration with the unavailability of after-school programs, and difficulty affording higher child care co-payments.

Welfare reform's adverse outcomes will be felt by tens of thousands of low-income Illinois Children as a multitude of safety net programs are eroded. The termination of guaranteed cash support for impoverished children and their families, denial of food stamps to immigrant children, cuts in the children's Supplemental Security Income (SSI) program, loss of subsidized child care support for low-income parents, and unaffordable child care co-payments mean that many disadvantaged children and their families will be negatively affected by federal and state welfare policy changes. This report explores how low-income families will cope with these changes, particularly those related to TANF and subsidized child care. It is our hope that this report will contribute to the ongoing debate over welfare policy and particularly to discussions on how to substantially minimize the threat welfare reform poses to the well being of low-income families and their children.

### Income-Eligible Public Benefit Programs for Families with Children Discussed in this Report

Child care subsidies:  
TANF and non-TANF parents of children under 13.

SSI:  
Supplemental Security Income, for people with disabilities

TANF:  
Temporary Assistance to Needy Families, formerly AFDC

## RECOMMENDATIONS.

Drawing from our research findings, we recommend:

1. IDHS must train their caseworkers to develop constructive relationships with clients, especially in the creation and implementation of their RASPs.
2. The quality and quantity of child care must be expanded. Wages for child care workers and rates of reimbursement for providers must be increased. Also, co-payments must be reduced significantly, and eligibility for child care subsidies needs to be expanded to include parents who make up to 60 percent of the state median income and parents who are in education or training programs but who are not working 20 hours per week.
3. Effective welfare-to-work programs must be created with an emphasis on job readiness, education and training – not simply "Work First."
4. Comprehensive employment and human service delivery systems must be developed that network the public and private sectors.
5. Community-based organizations must be viewed by government and private industry as full collaborators in the implementation of welfare reform and the expansion of job opportunities for low-income people.

## HOW DOES WELFARE REFORM AFFECT FAMILIES WITH CHILDREN?

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 dramatically altered our nation's social welfare system. Significant cuts were made to a variety of cash and non-cash public benefit programs serving low-income people. One of the most profound changes was the termination of the sixty-year-old Aid to Families with Dependent Children (AFDC) program which "guaranteed cash assistance for low-income single-parent families, [and allowed] mothers to remain home with their children" (Larner, 1997). Temporary Assistance to Needy Families (TANF) replaced AFDC, and now low-income families with children can only receive federal cash assistance for a lifetime maximum of five-years. No longer are mothers allowed to stay home to take care of their children. Instead, TANF imposes work requirements on parents in order for them to receive cash benefits. According to AFDC family caseload data collected as of May, 1997, approximately 167,000 Illinois families will be subject to the new TANF guidelines, while in metropolitan Chicago 109,000 families will be affected (Dobmeyer and Barry:11)

Will parents on TANF be able to successfully move from welfare-to-work? What obstacles will parents on TANF confront in their efforts to leave welfare? Can TANF recipients transition quickly from welfare-to-work in order to reserve as much future time as possible under the new lifetime limits for cash assistance? As parents on TANF cope with welfare reform, how will their children be affected? Exploring these questions will be the main focus of this report.

There have also been major changes in Illinois state policy regarding subsidized child care. First, the increase in child care co-payments increased child care fees for many low-income families. Second, there are new eligibility criteria for subsidized child care which impose significant restrictions on low income families.

Again, major questions need to be answered. How will low-income families cope with higher child care co-payments? Will parents be able to keep their

children in their current child care settings? How will new eligibility criteria affect low-income parents involved in education or training programs? Will such parents be limited in their efforts to improve their families' economic status? These questions are also explored in this report.

Welfare reform also *affects families* with children through benefit cuts to legal immigrants and eligibility changes in the children's Supplemental Security Income program (SSI). While these issues are not addressed in detail in this report, we mention them now in order to highlight the overall context of welfare reform's impact on children. One of the most significant aspects of the 1996 welfare law was the reduced benefits for legal immigrants. In September, 1996, it was estimated that immigrants would "bear 44 percent of the budget cuts imposed by the welfare bill" although nationally they only accounted for five percent of all welfare recipients (Seubert, 1996). However, since that time, national and local advocacy efforts have succeeded in restoring important safety net benefits to some immigrants. For instance, federal food stamp benefits were restored for legal immigrants under eighteen, elderly and disabled immigrants provided they were legally residing in the United States prior August 22, 1996. According to the Illinois Coalition for Immigrant and Refugee Rights, an estimated 3,152 immigrant children in Illinois are now eligible for food stamps (Illinois Coalition for Immigrant and Refugee Rights, 1998). Medicaid was restored in May, 1998, by the Illinois State Legislature for all legal immigrant and refugee children regardless of when they entered the country: Other safety net programs for immigrants are currently being negotiated on the state level, including the restoration of an SSI-type program to non-disabled seniors.

Changes in eligibility criteria for the SSI program for children with disabilities resulted in tightened eligibility guidelines that raise the disability threshold. Children must now show that their medical impairments are more severe or cause greater functional limitations than before to establish a disability claim. According to the Social Security Administration (SSA), in Illinois, approximately 17,000 cases of children who were previously found eligible for SSI based on the Individual Functional Assessment will be or have been reviewed in terms of the new standard. Data from March 1998

indicate that of the approximately 12,600 cases that have been reviewed so far, 69 percent of the children (8,800) have been found not disabled under the new standard. Children who have appealed have been reinstated at high rates, although 36 percent of terminated cases have not filed appeals. Approximately 2,400 children have appealed, with nearly 86 percent (2,100) reestablishing a disability claim. Therefore, the termination rate is approximately 53 percent when the appeal rate is taken into account (SSI Coalition, 1997).

Barbara Otto, Executive Director of the SSI Coalition, believes that many families may not be taking advantage of the appeal process because they are confused by the notices SSA sends out advising them of their rights. Otto said the letters are "so complex that people don't know what to do when they receive them." Consequently, many children are being denied benefits that they might otherwise still receive.

Welfare reform's effect will be felt by tens of thousands of low-income Illinois children as a multitude of safety net programs are eroded. The termination of guaranteed cash support for impoverished children and their families, denial of food stamps to immigrant children, cuts in the children's SSI program, loss of subsidized child care support for low-income parents, and unaffordable child care co-payments mean that many disadvantaged children and their families will be negatively affected by federal and state welfare policy changes. This report explores how low-income families will cope with these changes, particularly those related to TANF and subsidized child care. It is our hope that this report will contribute to the ongoing debate over welfare policy and particularly to discussions on how to substantially minimize the threat welfare reform poses to the well being of low-income families and their children.

## METHODOLOGY

To prepare this report, we conducted in-depth interviews with social service providers and low income parents. We also conducted one focus group of parents with children in child care. The social service providers offer a range of social services, including child care, GED ESL, job readiness training, job placement, food assistance, and shelter for homeless women and chil-

dren. Additionally, we interviewed an elementary school nurse and two school social workers. In all, we talked with thirteen social service providers and pursued themes related to the impact of welfare reform on families with children.

We also completed detailed interviews with 19 low-income individuals. Approximately two-thirds were women receiving Temporary Assistance to Needy Families (TANF) and with them we discussed the welfare-to-work transition. Another one-third were women who received other types of welfare benefits and who participated in a focus group specifically on issues related to child care. The Howard Area Community Center (HACC) administered the Coalition on Human Needs' welfare reform survey to 77 parents. This survey explored the relationship between public benefits and quality of life.

Although our research does not represent a comprehensive survey of recipients and providers, it does provide a representative overview of their concerns regarding welfare and child care policy changes on families with children.

This study focuses on welfare reform's impact in three Chicago communities: Uptown, Edgewater, and Rogers Park. These are among the most ethnically, racially, and economically diverse communities in the nation - noteworthy characteristics when one considers the preponderance of segregated and disinvested urban neighborhoods that exist in the United States. Therefore, in view of the important urban models that Uptown, Edgewater, and Rogers Park represent, the collaborative partners agreed to investigate any potential threats to the economic and ethnic diversity of these neighborhoods.

## HOW WILL WELFARE REFORM AFFECT UPTOWN, EDGEWATER, AND ROGERS PARK?

There are significant numbers of low income people in the communities of Uptown, Edgewater, and Rogers Park. According to the 1990 census, poverty rates are 31 percent for Uptown, 17 percent for

Edgewater, and 20 percent for Rogers Park. This amounts to approximately 42,000 people out of about 185,000 in the three Chicago lakefront communities (Chicago Fact Book Consortium, 1995).

The Illinois Board of Education's School Report Cards list the percentage of low-income children attending each school. We found that the rates of low-income children in public elementary schools are 91 percent for Uptown, 90 percent for Edgewater and 91 percent for Rogers Park. The Board defines low-income children as those who are eligible for the subsidized lunch program (Illinois Board of Education, 1996).

According to Illinois Department of Human Services (IDHS) data, 12,249

persons were receiving AFDC/ TANF as of June, 1997, in the district roughly congruent with the three community areas (these figures were calculated by zip codes). This amounts to approximately seven percent of the total population of Uptown, Edgewater, and Rogers Park. Of the 12,249 recipients receiving TANF, 70 percent of them are children (8,567).

According to the SSI Coalition, in an area slightly larger than the three communities, approximately 573 cases of disabled low-income children receiving SSI will be reviewed in view of the tightened eligibility standards (SSI Coalition, 1997). Based on statewide data indicating a 53 percent termination rate, it is predicted that approximately 300 children from low-income families will have their benefits terminated. In Illinois, for 1997, the average monthly benefit is \$386.00 while the maximum benefit is \$494.00 per child. Potentially, approximately \$116,000 per month or close to \$1.4 million per year may be lost to an area slightly larger **than the three communities** due to the denial of children's SSI benefits.

Will community poverty levels increase due to welfare reform? How will welfare reform influence community institutions, community-based organizations and businesses? Will welfare reform contribute to community destabilization? Clearly it is too early to offer complete answers to these important questions

since the implementation of welfare reform is in its beginning stages. Nevertheless it is necessary for researchers, policy makers, community-based organizations (CBOs) and others to begin addressing and researching these issues. Accordingly, the following report attempts to fulfill this need with its preliminary exploration of welfare reform's impact on low-income families with children in the communities of Uptown, Edgewater, and Rogers Park.

## HOW DO TANF RECIPIENTS VIEW WELFARE REFORM?

### "IT'S A GOOD THING BUT..."

A typical comment in our interviews began, "Welfare reform is a good thing, but..." A common belief is that parents will be better able to economically support their families and become better role models for their children if they can successfully manage the welfare-to-work transition. Many are fearful, however, of

**Of the 12,249 recipients receiving TANF [in Rogers Park, Uptown and Edgewater], 70 percent of them are children (8,567).**

having benefits terminated due to non-compliance and TANF lifetime limits. According to our interviews, several significant obstacles stand in the way of welfare-to-work success. These obstacles are: 1) TANF/ RASP implementation, 2) low TANF benefit levels, and 3) child care affordability and accessibility.

## OBSTACLE #1 - THE TIME CLOCKS ARE TICKING: TANF/RASP IMPLEMENTATION

TANF recipients, primarily single women with children under 18, have a five-year lifetime limit on cash assistance that began on July 1, 1997. As of July 1, 1998, some TANF recipients will have used up 20 percent of their lifetime eligibility- Once a parent has used 60 months of TANF, both the parents and the

FROM WELFARE TO WORSE

children are no longer eligible or cash assistance. Our research found that most parents wanted to get off welfare, but they were afraid of being pushed off of cash assistance without viable alternatives.

Our research indicated that as of early March, 1998, some IDHS caseworkers had not met with all TANF recipients to personally inform them of welfare policy changes and create their Responsibility and Service Plans(RASP). In fact, some TANF recipients had not even heard of the RASP. This plan, which is com

pleted with the assistance of the recipient's caseworker, spells out the steps each recipient must take in order to become self-sufficient before lifetime tune limits on cash assistance expire.

Our research shows that caseworker/client relationships vary

widely in the level of information provided about welfare reform. According to one recipient, caseworkers only "say a few words" about welfare reform. Some recipients put their families in jeopardy because they do not understand welfare policies in terms of employment issues, particularly in regard to the Illinois Work Pays program- The program's guidelines stipulate that if TANF recipients' earnings are not more than the federal poverty level for their household size, for every

\$3.00 a TANF recipient earns, IDHS will deduct \$1.00 from their grant. Many recipients believe that their welfare checks will be immediately stopped, rather than reduced, when they find a job. IDHS can correlate their TANF caseloads with Illinois Department of Employment Security data and identify recipients who are trying to hide their work activities.

Due to this lack of information, some TANF recipients are afraid to inform IDHS when they become employed because they do not want to have their

TANF checks stopped. One mother told us she planned to tell her caseworker about her new job as a cashier after a 90 day probationary period. She explains, "I did not want them to just snatch me off [TANF]. I have never been off it before. It is like a crutch, and I'm holding on

**Chart 1: Federal Work Requirements for Illinois to Get a Full Block Grant**

Year	Single Parent Families		Two Parent Families	
	Weekly Work Requirements (Hours)	Participation Rate (%)	Weekly Work Requirements (Hours)	Participation Rate (%)
1998	20	30	35	75
1999	25	35	35	90
2000	30	40	35	90
2001	30	45	35	90
2002	30	50	35	90

Department of Human Services. 1998. Policy Guidelines. Springfield: Illinois Department of Human Services

until I can deal with [moving from welfare-to-work]." Also since she is "only making \$5.75 an hour and sometimes only working a 20 hour week," she did not think she could make it on her wages alone. .

Legally, recipients must inform their caseworkers within five days of becoming employed. Since she violated this rule, she suffered sanctions and her benefits were reduced by IDHS. According to this recipient, she did not know about the Work Pays program or the five day rule. According to Donna Clay, Administrator of the Northern IDHS

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office, of their 5,000 TANF cases, only 35 had received sanctions as of May 12, 1998. Ms. Clay stated that this number will increase as caseworkers dedicate more time to enforcing the RASPS of their clients.

Caseworker/client relationships vary in the quality of communication. Several recipients feel they are treated disrespectfully by IDHS caseworkers. One parent complains that her caseworker "was real cruel" to her. Another woman said the caseworkers "treat us like dogs," and do not realize "we are just people that were born into a bad situation." Some individuals felt that caseworkers deliberately treat welfare recipients badly in order to motivate them to get off public assistance. In the event of poor communication, appropriate RASPS may not be created and the problem of recipients being uninformed about the complexity of welfare reform will be exacerbated.

## **OBSTACLE #2 TANF CASH BENEFIT LEVELS ARE TOO LOW**

TANF benefits are not sufficient to provide a healthy life for a family. Tony Scott, Director of the Good News Soup Kitchen, stated recipients are not given "enough money to even afford housing." He noted that welfare benefits are so low that many recipients call their checks, "the Koolaid check." Scott explained they give their checks this name since, like small packets of Koolaid that get used up quickly once mixed with sugar and water, welfare checks don't go very far in terms of providing recipients with what they need. For example, a family of three receives a maximum benefit of \$377 dollars a month.

According to an article in the Illinois Welfare News, one reason for the low benefit levels is that they have not kept up with inflation. Since 1989 there have been no increase in monthly cash welfare benefits despite "spiraling housing, utility, and other living costs" (Welfare Reform Information Center, 1998).

Of the 77 parents who completed the Coalition for Human Needs survey at HACC, 36 percent report that it is harder to pay rent than six months earlier. Additionally, 32 percent said that it is harder to pay for child

care. To compound the difficulty of surviving on low benefits, only 37 percent of the 77 parents who completed the Coalition for Human Needs Survey with HACC were receiving any regular child support.

## **OBSTACLE #3 - WHO WILL WATCH THE KIDS? CHILD CARE AND WELFARE-TO-WORK**

Most parents find the lack of affordable and accessible child care to be the biggest barrier facing them in their quest to enter the workforce. Over and over again, welfare recipients express fear over who will care for their children as they are required to go to work. This sentiment is recognized by William Lowry, Jr., chair of Chicago's Welfare Reform Task Force. In a Chicago *Defender* newspaper article on welfare recipients and child care needs, Lowry stated, "Welfare to work is not just about adults, it's about the children . . . . If these parents are supposed to work, these kids are supposed to be taken care of. They have to find someone to take care of the children" (Dangerfield, 1998).

According to our research, finding someone to take care of the children will be no simple matter for parents needing to make the welfare-to-work transition. There are a multitude of obstacles low-income parents face in their attempt to find affordable and accessible quality child care: 1) severe shortage of child care facilities, 2) higher child care co-payments, and 3) unavailability of after-school programs.

### **1) Severe Shortage of Child Care Facilities**

There are simply not enough child care facilities for all those in need. Christopher House in Uptown serves almost 300 children daily, yet it has a waiting list of over 1,000 children. More than 100 names are on the list for Howard Area Community Center, which serves 80 children in Rogers Park. With such long lists, parents can wait up to two years in some cases until their children gain admittance to a quality program.

According to the Cook County Child Care Resource and Referral (CCR&R) database, operated

FROM WELFARE TO WORSE

by the Day Care Action Council of Illinois, there are 15 child care centers in Rogers Park. Yet only 10 of the 15 are licensed, and only eight offer subsidized care for approximately 334 children. The numbers are a bit better for day care offered in someone's home. Out of 21 family care providers in Rogers Park, 17 are licensed, and 15 offer subsidized care for approximately

Child care is in great demand during non-traditional work hours. Since many welfare recipients are low-skilled and inexperienced workers, many of the jobs open to them will be during second and third shifts. If parents cannot find appropriate child care for their children, they will not likely be able to take advantage of jobs that exist during non-traditional work hours

94 children. It is important to note, however, that while child care capacity in Rogers Park is boosted by providers offering home care, typically fewer children are cared for in a home child care setting than in non-home environments.

For those increasing numbers of single parents who are finding that job openings require work outside of the 9:00 a.m. to

5:00 p.m. hours, the absence of non-traditional hours child care is a major obstacle to welfare to work success.

According to a review of a U. S . General Accounting Office study, in an analysis by the Annie E. Casey Foundation's Kids Count project, a "survey of child care providers in selected cities found that only a small percentage currently offer care during nontraditional hours. Yet the National Child Care Survey found that fully one-fourth of low-income working mothers (incomes above poverty but below \$25,000) work in the evenings or on weekends. Nationwide, businesses lose \$3 billion each year because of child care-related absenteeism, turnover, and lost productivity" (Annie E. Casey Foundation, 1998).

**Chart 2: Child Care Availability in Uptown, Edgewater, Rogers Park**

Child Care Setting	60626 Rogers Park	606-10 Uptown	60660 Edgewater
# of Child Care Centers	15	21	8
# of Licensed Child Care Centers	10	12	6
# of Centers with Subsidized Care	8	11	4
# of Centers with Care for Children Under the Age of Two	1	3	0
# of Centers Open Before 630 am	1	0	1
# of Centers Open After 600 p.m.	0	0	0
Total Capacity of All Centers	634	1504	638
# of Faintly Child Care Provides	21	27	12
# of Licensed Family Providers	17	20	10
# of Family Providers wish Subsidized Care	15	21	9
# of Family Providers with Care for Children Under the Age of Two	20	22	12
# of Family Providers Open Before 630 am	3	11	3
# of Family Providers Open After 6:00 p.m	7	3	2
Total Capacity of An Far* Providers	132	150	97

Day Care Action Council of Illinois. 1998. *Cook County Child Care Resource and Referral Database*. Chicago: Day Care Action Council of Illinois.

without jeopardizing their children's safety by keeping them in inappropriate child care situations.

CCR&R data shows that in Uptown there are no child care centers that are open before 6:30 a.m. or after 6:00 p.m., nor are there any centers that offer evening or overnight child care. Rogers Park and Edgewater each has one center that opens before 6:30 a.m. Parents needing child care during

non-traditional hours must use home child care providers, although the supply of such care represents a fraction of the demand. In Uptown, eleven home child care providers open before 6:30 a.m. but only three stay open after 6:00 p.m.

There are very few child care options for children under the age of two. In Rogers Park only one such center exists; there are three in Uptown and none in Edgewater. This shortage becomes more serious in light of TANF regulations that require parents with children aged one and over to become employed. While such parents will find more home child care providers than child care centers offering care for children under the age of two, it is likely that TANF recipients with children between the ages of one and



two will be extremely hard pressed to *find* appropriate care for their children.

Our research also shows that some parents are reluctant to use child care for their children due to safety concerns. They feel forced to leave their children with "just anybody" in order to meet IDHS work requirements.

A common theme is the parents' desire that their children's time be occupied with developmental and learning activities and not just watching TV. As one mom put it, "I want them in a place where they learn all day... where they are using their brains."

The lack of quality child care options in Uptown, Edgewater, and Rogers Park makes leaving welfare for work extremely difficult for many low-income parents. Since the availability of child care that is affordable, open during non-traditional hours, and that cares for young children is so limited, parents may be unable to find someone to take care of their children while they work.

### 2) Higher Child Care Co-Payments

The new parent co-payment scale for subsidized child care that went into effect October 1, 1997, has drastically increased child care costs for some families. Co-payments are

the fees charged to parents that help pay for their children's care. The fees vary according to income, family size, and the number of children receiving care.

A recent change in Illinois policy allows parents to disregard ten percent of their earned income when calculating income eligibility and co-payments for subsidized child care. Even with this more lenient calculation, our research indicates that many low-income parents will have great difficulty affording child care due to the higher co-payments. Sixty children have dropped out of the HACC child care center since October 1, 1997, because of higher co-payments. Other parents are keeping their children enrolled but are struggling to come up with the new fees. According to data from HACC, some families have had their monthly

co-payments rise by a factor often or more.

Although some parents can generate added income to pay the higher fees by working overtime at their jobs, this strategy can end up being self-defeating. Since co-payments are based in part on a family's gross annual income, some families will be assessed higher fees as their incomes rise.

### 3) Unavailability of After-School Programs

The lack of after-school child care is another obstacle confronting low-income parents. Roberta Buchanan, Executive Director of Howard Area Community Center (HACC), noted that in northeast Rogers Park, there are few licensed after-school programs. While there are several after-school programs run by social service agencies, schools, or churches, Buchanan noted that they have limited hours and don't come close to meeting the need.

Parents needing to move from welfare-to-work are concerned about the safety of school-aged children once the school day has ended. In order to provide for such children, Buchanan states that there should be after-school programs that "make the link" between children's schools and child care facilities that move children

**The lack of child care offered during non-traditional work hours is likely to pose a serious problem for the many TANF parents needing to move from welfare-to-work. If parents cannot find appropriate child care for their children, they will not likely be able to take advantage of jobs that exist during non-traditional work hours.**

safely from one place to the other. Shy continues, "If children can be picked up from their schools and brought directly to after-school programs, then parents would feel secure that their children were being safely provided for while they were working."

Focus group parents stated that they will have to leave their children alone at home if there are no other child care options. Our research found that this is already happening. One TANF recipient told us that when she goes to work, her ten year-old daughter is left alone. She stated her daughter "won't open the door to anyone or play with the cooking gas" because she was raised to be responsible. Another mother said her thirteen year-old daughter is "running the house" which includes watching two younger siblings, ages four and

FROM WELFARE TO WORSE

five. Although this mother indicated that she knows "it's not right to leave children with children" she explained she had no choice since she had to "go out and make a living" for her family.

The predicaments of these families are repeated across the city, according to Bobbie Westcott, Director of New Life Shelter. She predicted that the numbers of "latchkey kids will skyrocket" as parents attempt to cope with welfare reform.

*Defender* article by Dalia Dangerfield where she indicates that child care centers have *difficulty holding on* to qualified workers due to low wages. "Because child care providers are earning about \$13,000 a year, they're leaving the system and heading for teaching positions at Chicago's Board of Education" (Dangerfield, 1998).

**2) Eligibility Restrictions on Child Care Subsidies**

Eligibility for child care subsidies has undergone a drastic series of changes in the past two years. Currently, low-income parents can receive subsidies if they are income eligible and meet mandated work or educational activities.

According to Leatha Asbury, Director of HACC's Early Childhood

Program, the denial of subsidized child care to low-income people who are trying to improve their economic livelihoods makes no sense. She commented, "They're saying that the GED [and ESL] classes are not acceptable. I don't see how that's not acceptable. They're still trying to better themselves, they're still trying to get ahead .... Why is that not acceptable? That part, I don't understand."

Without child care subsidies, low-income families will have to make one of two undesirable choices, states Women Employed Board member Edith Canter in a Chicago Tribune letter to the editor. Canter writes that state policy will require parents to either "place their children in inferior, possibly dangerous [child care] environments or quit their jobs or schooling." She argues that "as a community, we should not endorse either option" (Canter, 1998). Sarah Everson, Coordinator of HACC's Family Support Project, also

**Chart 3: Child Care Subsidy Co-Payment Schedule**

Fanny Size 3				
Gross Annual Income	1 Child		2 Children	
	Monthly Co-Pay	Weekly Co-Pay	Monthly Co-Pay	Weekly Co-Pay
\$ 0 - 4,564	4.33	1.00	8.67	2.00
4,565 - 6,546	13.00	3.00	17.33	4.00
6,547 - 8,728	21.67	5.00	30.33	7.00
8,729 - 10,910	34.66	8.00	52.00	12.00
10,911 - 13,092	47.66	11.00	73.66	17.00
13,093 - 15,274	65.00	15.00	112.66	26.00
15,275 - 17,456	86.66	20.00	147.32	34.00
17,457 - 19,638	108.33	25.00	190.65	44.00
19,639 - 21,819	134.32	31.00	233.98	54.00

Illinois Department of Human Services. 1997. *Policy Guidelines*. Springfield: Illinois Department of Human

**CONCERNS OF CBOs**

Social service providers and community-based organizations (CBOs) see the effects of welfare reform on a daily basis

because of their direct experience with low-income people. The need to increase rates for subsidized child care, which would allow wages of child care workers to also rise, was a major concern. Also prioritized is the elimination of eligibility restrictions that force parents to work while they attend school or training.

**1) Rates for Child Care Providers and Wages of Child Care Workers are Too Low**

Low state reimbursement rates for child care providers prevent them from raising the wages of their workers. According to Ida Galvan, Director of Social Services for HACC, it is very hard for children to receive high quality day care because wages are too low to attract highly skilled workers. She stated, "Even when you have a qualified [employee], the pay is so lousy, who's going to stay in that job for too long of a period?" This problem is highlighted in a Chicago

FROM WELFARE TO WORSE

that this state policy is misguided. She stated if low income parents cannot receive child care support to improve their job skills they will likely give up schooling and end up looking for work that

has "no future and no benefits." At HACK, approximately twenty-five parents will be affected by these new policies according to Executive Director, Roberta Buchanan. She stated, "This [policy] will have a drastic effect on them." Several parents affected by this new rule agree. They indicated, "This [policy] will just keep people like us down. It will keep people from bettering themselves."

welfare recipients in Uptown, Edgewater, and Rogers Park may not succeed in leaving welfare for work, and the communities will have to contend with the consequences stemming from increases

**One single mom told us her children were feeling the impact of her being absent from the home since IDHS was requiring her to work while she attended GED classes. She said her preschool children were missing her so much that they kept themselves awake past their bedtime so they could see her when she arrived home from work at 10:30 at night.**

in impoverished and destitute families and children.

Having listened to social service providers and to low income individuals, we recommend a number of steps to reduce the possible negative impact of welfare reform on the three lakefront communities. If adopted, these recommendations will improve the chances that welfare reform might increase the quality of life for low-income parents and their children.

1) IDHS must train their caseworkers to develop con-

**CONCLUSION:  
WELFARE TO  
WORK OR WELFARE TO  
WORSE?**

We have discussed how welfare policy changes may undermine the well-being of families, particularly children. The effects of welfare reform, however, will extend beyond TANF recipients, parents receiving child care subsidies, and their families. Large numbers of

structive relationships with clients, especially in the creation and implementation of their RASPs. Caseworkers must carefully consult with clients on the development of RASPs since clients can be sanctioned for not following the steps listed in their plans.

2) The quality and quantity of child care must be expanded, especially during non-traditional hours and for children under the age of two. Rates of reimbursement for providers and wages for child care workers must be increased. Also, co-payments must be re-

**Chart 4: Child Care Subsidy Eligibility Requirements Other Than Income for Parents with Children**

Eligible Activity	Restrictions
Work	Parents, not receiving TANF, working at least 20 hours per week.
Work and/or School	Parents receiving TANF, if the activity is included in their Responsibility and Service Plan.
Work and/or School	Parents in education or training, not receiving TANF, working at least 23 hours per week, limited to two years, cannot be used beyond a bachelor's degree.
Work and/or School	Teen parents obtaining a high school degree or equivalent, not-receiving TANF, does not count against two-year limit for parents in education or training.

Day Care Action Council of Illinois. 1998. *Policy Update*. Chicago: Day Care Action Council of Illinois

## FROM WELFARE TO WORSE

duced significantly, and eligibility for child care subsidies need to be expanded to include parents who make up to 60 percent of the state median income and parents who are in education or training programs but who are not working 20 hours per week.

3) Effective welfare-to-work programs must be created with an emphasis on job readiness, education and training -not simply "Work First." Secure, full time, and living wage jobs must be created through job development and efforts in the three communities and by linking recipients with suburban jobs via workable transportation strategies.

4) Comprehensive employment and human service delivery systems must be developed that network the public and private sectors.

5) Community-based organizations must be viewed by government and private industry as full collaborators in the implementation of welfare reform and the expansion of job opportunities for low-income people. IDHS must work closely with CBOs in order to enhance the rate of welfare-to-work success and to meet the specific needs of low-income people in Uptown, Edgewater, and Rogers Park.

Implementing the above recommendations would surely increase welfare-to-work success among low income people in the three communities.

A stronger focus by the private sector on job creation would go a long way toward addressing the needs of low-income families. Community economic development strategies, supported by public-private partnerships, need to make sure that new opportunities

in Rogers Park, Uptown and Edgewater do not displace low-income residents. Rather, these new opportunities should give these families living wage jobs and access to affordable housing that will lift them into a secure work and home environment.

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Center for Urban Research and Learning,  
Loyola University Chicago (312-915-7760)  
Organization of the NorthEast (773-769-3232) Howard  
Area Community Center (773-262-6622) Chicago, Illinois

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