

Many Welfare Recipients Lack the Basic Skills Needed to Succeed in the Workplace

Large reductions in welfare caseloads have led many to conclude that welfare reform initiated by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 has been a success. In California, for example, the number of families receiving welfare declined 22 percent between January 1997 and September 1998. This decline, although impressive and certainly one indicator of success, occurred during a period of strong economic growth. The ability of welfare recipients to transition from welfare to work during a recession is less certain. Even the large decline in welfare caseloads during this period of economic growth was not necessarily due to welfare recipients' success in finding work. Some of the decline was due to a drop in the number of applications for welfare. Additionally, some may have left the welfare rolls, relying instead on friends and family for financial support. Many questions remain about the ability of welfare recipients to find work and the quality of jobs that they do find.

In *The Basic Skills of Welfare Recipients: Implications for Welfare Reform*, Hans P. Johnson and Sonya M. Tafoya use data from a national literacy survey to examine the basic skills of welfare recipients in both California and the nation. The authors conclude that the labor force prospects for people on welfare are not promising. In most cases, welfare recipients—if they find work at all—are unlikely to find jobs with wages high enough to lift them above the poverty level.

The National Adult Literacy Survey

In 1992, the National Center for Education Statistics and the Educational Testing Service conducted the National Adult Literacy Survey, administering the survey to a nationally representative group of adults, including welfare recipients. Twelve states, including California, sponsored increased sample sizes for their states to obtain reliable information at the state level. The survey was designed to mea-

sure people's ability to deal with practical analytical problems involving reading, writing, and calculating—problems they are likely to encounter in their work, home, and civic lives. The survey included tasks such as completing a job application, calculating the total cost of a purchase from an order form, totaling a bank deposit entry, using a bus schedule, and writing a brief letter explaining an error on a credit card bill. Johnson and Tafoya used these data to analyze the difference between the basic skills of welfare recipients and those of other adults and of workers in particular. They also determined how much of the skill gap between workers and welfare recipients can be explained by education, and identified the types of jobs held by people with skills and characteristics similar to those of welfare recipients.

Some Disturbing Findings

Almost one in four American adults has very low basic skills. This means that they are generally unable to follow simple written directions for performing a single mathematical operation using numbers easily located in the text. Californians have slightly lower average scores than adults in the rest of the country, and the distribution of basic skills is more extreme in California, with larger percentages of people falling into the very lowest and very highest skill levels.

As might be expected, the basic skills of welfare recipients are lower than those of the general adult population, and the skills of people heavily dependent on welfare (welfare recipients who did not work in the year preceding the survey) are even lower. Welfare recipients in California tend to have substantially lower basic skills than welfare recipients in the rest of the nation, and the basic skills gap between welfare recipients and workers is greater in California than in the nation. These circumstances suggest that California will have a more difficult task than most states in moving people from welfare to full-time work. Indeed, the Golden State

has not had as much success as other states—between January 1993 and September 1997, 46 states realized a greater percentage decline in their welfare rolls.

The Role of Education and Demographics

Because of a lack of data on the basic skills of welfare recipients, researchers and policymakers have used educational attainment as a proxy for skills. However, analysis of the survey data shows that welfare recipients with the *same* levels of education as other adults tend to have substantially lower basic skills. Only about 40 percent of the difference in basic skills scores between welfare recipients and other adults can be attributed to lower educational attainment.

The authors also evaluated differences in basic skills that might be due to differences in age, gender, language spoken at home, and physical and mental disabilities. They found that the basic skills gap between welfare recipients and others persisted even when they controlled for all of these characteristics and education. In other words, the skills gap between welfare recipients and other adults cannot be fully explained by a host of sociodemographic factors.

These findings have important implications for designing programs to improve the skill levels of welfare recipients. They suggest that the basic skills deficiencies of most welfare recipients are not due to easily identifiable problems such as English proficiency or mental disabilities.

Employment Prospects for Welfare Recipients

To assess the potential labor force outcomes of welfare recipients, the authors examined two other groups: welfare workers (people who received welfare and who worked at some point in the 12 months preceding the survey) and welfare counterparts (people who did not receive welfare but who had basic skills and sociodemographic characteristics similar to welfare recipients).

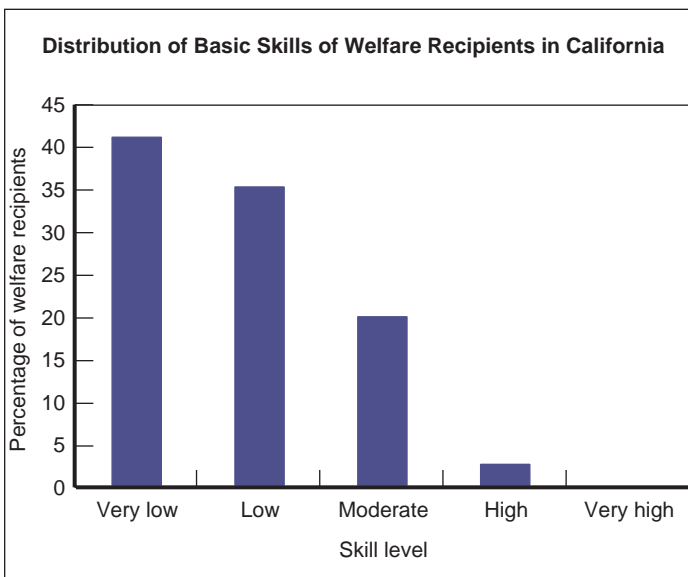
They found that in California, almost 40 percent of welfare counterparts were not employed, and an additional 23 percent were employed only part time or semi-permanently. When the welfare counterparts did find work, their earnings were meager. Those who found work earned an average annual income of \$12,400. Those with very low basic skills averaged less than \$10,000 per year; 70 percent did not earn enough to lift a family of three out of poverty.

Policy Implications

The low skills of welfare recipients are not easily amenable to change. Many recipients have graduated from high school, yet even after a dozen years of schooling they are unable to perform simple tasks commonly encountered in the workplace. The track record of training programs is not especially promising, and it is unlikely that on-the-job training will provide basic skills, given the types of jobs that welfare recipients might hold.

The difficulty in improving the basic skills of welfare recipients does not mean that we should not try. It does mean that we need to be realistic about the costs of providing meaningful training and improving these skills. The most promising training programs are those that focus on employment and integrate real job situations into vocational and basic skills training.

Ultimately, we may have to accept that a substantial portion of welfare recipients will continue to need some form of income support, either because their very low skills make them virtually unemployable or because the work they find is of such low quality and quantity that they are still living in poverty.



The proportion of welfare recipients with very low skills is substantially higher in California than in the rest of the nation (41 percent compared to 24 percent). In California, almost four out of five welfare recipients have either low or very low basic skills.

This research brief summarizes a report by Hans P. Johnson and Sonya M. Tafaya, The Basic Skills of Welfare Recipients: Implications for Welfare Reform. The report may be ordered by calling (800) 232-5343 [mainland U.S.] or (415) 291-4415 [Canada, Hawaii, overseas]. A copy of the full text is also available on the Internet (www.ppic.org). The Public Policy Institute of California is a private, nonprofit organization dedicated to independent, nonpartisan research on economic, social, and political issues that affect the lives of Californians.