

Implications of Welfare Reform: Perceptions of the Stanislaus County, CA Business Community and the Public Welfare Agency

Randall D. Harris & John Garcia
California State University, Stanislaus

ABSTRACT

As a first attempt to understand the implications of Welfare Reform, an attitudinal survey was administered to two distinct stakeholders in Welfare Reform: the local business community, to whom former welfare recipients would pursue employment, and the local public assistance agency, from whom current welfare recipients receive assistance. The a priori research hypothesis was that the business community would be far more negative with regards to Welfare Reform and its potential impact than the public assistance community. The results of the surveys indicate that this is not the case. Both the business community and the public assistance agency indicated similar attitudes and beliefs. Implications for this result are discussed.

INTRODUCTION

With the passage of HR 3734, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, federal assistance programs have been radically altered (US Dept. of HHS, 1996). In line with federal guidelines, state guidelines have also been adapted to meet the new welfare-to-work requirements (California Assembly Bill Number 1542, 1997). There are two critical elements to these new mandates: (1) the establishment of time limits for adult public assistance, and (2) the establishment of a work expectation for assistance recipients.

As a result of this altered public assistance mandate, social services providers are beginning to explore the possibilities of private and public sector employment for their adult caseloads. Public and private sector employers are therefore beginning to be faced with a traditionally underrepresented worker: the former welfare recipient.

As a prelude to a major study of welfare reform, this preliminary study sought to establish some baseline business community attitudes with regard to welfare reform. For example: What does the business community think of these former public assistance recipients? Do the attitudes of the business community differ from the social services providers that serve welfare recipients? Further, what does the business community regard as the costs of hiring these former welfare recipients?

RESEARCH HYPOTHESIS

The primary hypotheses of this study was (1) that the business community would be negative regarding their attitudes toward the potential impact of former welfare recipients in the workforce. Social services providers, in contrast, were hypothesized (2) to be optimistic and hopeful regarding their attitudes toward former welfare recipients. Further, it was hypothesized (3) that the business community would be negative in comparison to social services providers, who were hypothesized to be much more optimistic, hopeful and positive than the business

community regarding welfare reform. Statistically, it was predicted that these differences would be strong and significant.

METHODS

Members of the Stanislaus County, CA business community and Human Services Department were surveyed in the winter and spring of 1996-1997. Members of four business associations were asked to complete a questionnaire during a monthly business meeting, netting a sample size of n=116. A similar questionnaire was distributed to social workers, eligibility workers and supervisors at the county Human Services Department. This yielded a sample size of n=126. The response rate for the business community was 34.94% and for Human Services 31.5%.

The questionnaire that was distributed to both groups consisted of two sections, with the first section identical for both groups. The first section of both surveys measured attitudes toward welfare reform with their responses forming a Likert scale: 1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, and 5 = Strongly Disagree. At the end of the first section, demographic information was collected from both groups. A second section was developed specifically for each group, business and social services. The second section for business focused on common types of jobs in their workplace, their specific experiences with former welfare recipients, and their attitudes regarding hiring former welfare recipients in the future. The second section for social services focused on questions regarding their experiences actually assessing and placing welfare recipients into the workforce.

After collecting the surveys, the results were analyzed both separately and together. The attitudinal sections, with identical questions to both groups, were directly compared with each other using independent sample t-tests. These tests were conducted using SPSS.

The mean age of business respondents was 50, compared with a mean age of 41 for social services respondents. The largest majority of both groups was white, with 15% of social services workers identifying themselves as Hispanic. The majority of both groups was married, with 84% of business respondents and 63% of Social Services respondents married. Business respondents held more BA, BS and advanced degrees (68%), while the social services workers were more likely to have high school diplomas or AA degrees as their highest educational credential (44%). A majority of the business respondents was male (69%), while the majority of social service workers (80%) was female.

RESULTS

Table One presents a summary of the attitudinal survey results. Out of the nine questions reported in this table, seven questions have a majority of the business community agreeing with negative statements about former welfare recipients. A majority of social services providers agreed with five negative statements.

Of the nine attitudinal questions posed in this table, only three show significant differences ($p < 0.05$) in results between the business community and the social services community. Additionally, though significant, all three significant results are statistical in nature only. For example, with regard to perceptions regarding the acquisition of new skills, the mean results are 2.43 and 2.83, respectively. Translating from the Likert scale, this means that both groups

TABLE ONE
Attitudes about Welfare Recipient Motivation
Percentage Agreeing or Strongly Agreeing

<i>Survey Question</i>	<i>Business n = 116</i>	<i>Sample Mean (Std. Dev.)</i>	<i>Social Services n = 126</i>	<i>Sample Mean (Std. Dev.)</i>
Dependence on government assistance adversely affects a person's attitude toward work	89.9%	1.63 (0.88)	83.3%	1.79 (0.95)
Persons who have been receiving government assistance for an extended period of time are less likely to have desirable skills	81.7%	1.97 (0.91)	81.0%	2.07 (0.95)
Given the opportunity, former long-term welfare recipients are not as likely as other people to be interested in learning new skills	61.5%	2.43** (1.12)	49.6%	2.83** (1.22)
Work habits of former long-term welfare recipients are not as likely to be acceptable as those of other people	61.5%	2.52 (1.04)	50.0%	2.72 (1.12)
Absenteeism is likely to be a problem with former long-term welfare recipients	61.4%	2.43 (1.02)	56.3%	2.48 (1.09)
Former long-term welfare recipients are more likely to be involved in worker compensation claims	53.6%	2.50** (1.00)	31.0%	2.97** (1.06)
Former long-term welfare recipients are not as dependable as other people	51.8%	2.49** (0.90)	33.3%	2.84** (0.96)
Long-term welfare recipients do not have the required education levels to find jobs	43.5%	2.78 (1.04)	47.6%	2.77 (1.17)
Former long-term welfare recipients are not as likely to be eager for a paid work opportunity	41.4%	2.94 (1.16)	29.4%	3.31 (1.14)

** Mean differences significant at $p < 0.05$

Responses form a Likert Scale: 1=Strongly agree, 5 = Strongly Disagree

moderately agreed with the statement: “given the opportunity, former long-term welfare recipients are not as likely as other people to be interested in learning new skills.” Although the difference in the two groups’ responses was statistically significant, the results are actually quite similar.

Even more striking is what both groups agreed upon. Both groups strongly agree that dependence upon government assistance adversely affects a person’s attitude toward work, and that persons receiving public assistance are less likely to have desirable skills. Both groups also perceive work habits, absenteeism and a lack of workforce skills as significant barriers to workforce entry for former welfare recipients.

Table Two presents results regarding the business community’s perceptions of the cost of hiring former welfare recipients. These results indicate that employers perceive that their turnover rates will increase and that they will incur extra costs orienting and training former welfare recipients for work. The business community also moderately believes that they do not have adequate resources to hire and train former welfare recipients. Employers do not appear to think that employee morale or product quality will be affected by former welfare recipient hiring.

TABLE TWO
The Perceived Cost of Hiring Former Welfare Recipients
Percentage Agreeing or Strongly Agreeing

<i>Survey Question</i>	<i>% Agree or Strongly Agree</i>	<i>Sample Mean (Standard Deviation)</i>
The employee turnover rate would probably increase for a company hiring former long-term welfare recipients	64.2%	2.56 (0.92)
Former long-term welfare recipients are more costly to orient and train for the job	62.4%	2.66 (1.06)
My company does not have the resources to hire and train a former long-term welfare recipient	50.0%	3.14 (1.16)
Hiring a former long-term welfare recipient would be an extra burden for my company	43.2%	2.72 (0.96)
Hiring a former long-term welfare recipient would adversely affect my current employees’ morale	19.3%	3.22 (0.94)
Hiring a former long-term welfare recipient would lower the quality of my company’s product or service	18.9%	3.28 (0.98)

Responses form a Likert Scale: 1=Strongly agree, 5 = Strongly Disagree

DISCUSSION

Two of the three research hypotheses were not confirmed by this study's results. The first hypothesis, that business community perceptions would be negative with regard to welfare reform, was confirmed. The business community, by and large, was quite negative regarding the impact and consequences of welfare reform. Interestingly, though their responses were negative, the business community did feel that welfare reform was necessary. Business respondents did not perceive, however, that the outcome would be positive.

The second hypothesis, that the social services providers would be positive about welfare recipient motivation, was not confirmed. This was surprising. A typical "conventional wisdom" for the business community would be that social service providers would be quite positive about the potential for welfare recipients, and hopeful about the outcome of welfare reform. On the contrary, the results reported here seem to indicate that social services providers are almost as pessimistic about welfare recipients as the business community.

The third hypothesis results are mixed. That is, the evidence that social services providers are more optimistic than the business community regarding welfare reform is debatable. True, sample means for the social services providers is mostly more positive than the business community, but this outcome is only statistically significant for three of the nine questionnaire results reported. Further, though significant in three cases, these differences do not reflect fundamental differences in perceptions regarding likely outcomes. Instead of being very negative, for example, the social service workers may only be negative. Another possible explanation is that social services providers (the front line workers, no less!) perceive welfare recipients almost the same as the business community.

There are several possible conclusions to be drawn from the results of this study. The first is that the conventional wisdom about welfare reform is wrong. The business community is stereotypically perceived as the cynical profiteer while the social service community is regarded as enabling continued abuse of an arguably bankrupt system of social support. The results of this attitudinal survey don't appear to confirm these stereotypes. Rather, with regard to perceptions, the business and social service communities don't appear to be very far apart.

The social services community is arguably the best equipped to have clear perceptions regarding the impact of welfare reform upon former recipients. In this regard, business and social services appear to agree regarding the formidable task of placing former welfare recipients into the work force. Business may not be the problem in welfare reform. Rather, the new found emphasis that is being placed on job placement, skills and training by social services providers appears to be a rational response to the legitimate concerns of the business community and a legitimate attempt by social service providers to provide the skills necessary for former clients to enter the workforce.

Once in the workforce, business also anticipates a host of implementation issues. Increased turnover, costly orientation and training and a lack of resources to address these issues tops the business list of concerns. Social service providers will be challenged with facing these issues when they place former welfare recipients into the workforce. The task will not be just placement, but also retention and training. This would argue toward a continuous emphasis of support, rather than placement and termination of social support. Clearly, former welfare recipients face additional barriers and obstacles even after job placement.

Another explanation of the data is also suggested by a post hoc analysis of the data. Lacking significant differences between the two groups, business and social services, an analysis of variance was run against all of the demographic variables collected in the study: age, race, gender, etc. This analysis suggested that gender may be a key explanatory variable with regard to perceptual differences about welfare reform. Females in this study were much more likely to express positive attitudes about welfare recipients than males. Given that welfare recipients are disproportionately female, it is perhaps understandable that females also perceive the situation more positively. Clearly, the suggestion that perceptions of welfare recipients diverge along gender lines rather than career path is indicative of the need for further research to disentangle the effect that gender may play in perceptual outcomes.

The search for a common understanding is the key to welfare reform. Stereotypes to the contrary, it does not appear that perceptions of the different stakeholders in this process are truly as unique and different as may once have been thought. True, the reality does not lend itself to abundant optimism. However, recognizing the abundant common ground that appears available, it is hopeful that the search for a common solution can proceed.

BIBLIOGRAPHY

The muddled of Welfare to Work. (March 8, 1997). The Economist, p.25-26.

Kossek, E., Huber-Yoder, M., Castellino, D. & Lerner, J. (1997). "The Working Poor: Locked out of Careers and the Organizational Mainstream?" Academy of Management Executive, 11(1), 76-92.

SPSS, Inc. SPSS for Windows Base Systems User's Guide Release 6.0. Chicago, IL: SPSS Inc.

State of California. (1997). Assembly Bill Number 1542: The California Work Opportunity and Responsibility to Kids (CALWORKS) Program. [Draft]. Sacramento, CA: California Department of Social Services.

US Department of Health and Human Services. (1996). The Personal Responsibility and Work Opportunity Reconciliation Act of 1996. [Brochure]. Washington, DC: HHS Press Office.