Child TRENDS
RESEARCH BRIEF

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Teens, Jobs, and Welfare: Implications for Social Policy

By Brett Brown, Ph.D. August 2001

The upcoming reauthorization of the Temporary Assistance for Needy Families (TANF) block grant – the centerpiece of the 1996 federal welfare reform law – is prompting closer scrutiny of how families affected by the law are faring. This Research Brief examines teen employment in the context of welfare reform, drawing on data from the National Survey of America's Families (NSAF) to describe employment patterns among teens ages 14 to 17. Teens in families receiving welfare benefits are much less likely to have jobs than those in families that have left the welfare rolls. Moreover, working teens in families that have recently left the welfare rolls are much more likely to work long hours than any other group of youth. We also find large differences across states in the proportion of teens who work. These findings suggest that enhancing the employment opportunities for youth in welfare families, while considering pressures to work overly-long hours, should be a focus of the TANF reauthorization debate. They also demonstrate that states face very different needs in the youth employment area and suggest that the focus and scope of state youth employment programs should take this into account.

This brief is one of a series being prepared by researchers at Child Trends to help inform the public debate surrounding the 2002 reauthorization of TANF.

Work Matters

Youth who fail to make a successful transition into the labor force are at greatly increased risk of being dependent on public assistance when they become adults. This is particularly true of youth in families receiving welfare and in other low-income families.[1] Enhancing employment experiences during the teen years may play an important role in the long-term reduction of welfare rolls by providing at-risk youth with skills and experience that can be translated into later labor force success.[2, 3]

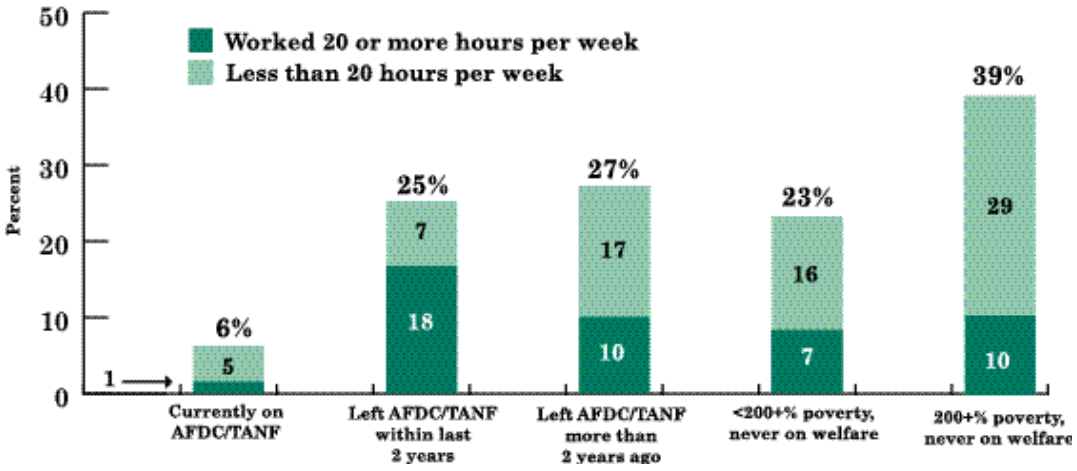
Two Sides of Teen Employment

Research on the effects of youth employment has examined its relationship to numerous short-term and long-term outcomes. A mixed picture emerges. Many studies have found a positive relationship between paid employment among older teens and employment success after high school.[4] In fact, some studies have found gains in employment and income up to ten years later.[3] While long hours of work during the high school years have been associated with higher dropout rates and lower educational attainment in adulthood, [3,5] several studies indicate a positive relationship between *moderate* amounts of work (20 hours per week or less) and higher levels of subsequent educational attainment. [2,6]

Research also presents contrasting findings about how family life is affected when teens hold jobs. On the negative side, employment has been found to decrease the time young people spend with parents and in family activities, to increase the frequency of disagreements with parents, and possibly to decrease the amount of household chores that young people perform.[4,7] On the positive side, several studies have shown that working youth in low-income families contribute earnings to help support the family.[8]

FIGURE 1

The percentage of teens who worked was lower in welfare families than in families that recently left or never received welfare.



Source: Child Trends' tabulations of the 1997 and 1999 National Survey of America's Families combined; based on the employment experience of teens ages 14-17 in the 4 weeks preceding the interview.

Employment can also have mixed consequences for teens' own development. Moderate amounts of work have been associated with greater life satisfaction. Employed teens feel themselves to be more dependable and responsible than those who are not employed and are perceived by parents as being more independent. Yet long hours of work have been related to deficits in sleep, exercise, and nutrition; higher levels of stress; and higher rates of cigarette, alcohol, and other drug use.[4]

Varying Patterns of Teen Employment

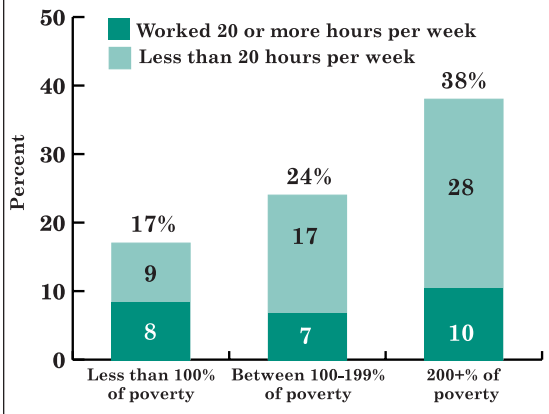
The National Survey of America's Families (NSAF) collected data on the work status and average number of hours worked by teens between the ages of 14 and 17.[9] The survey asked about their activities in the four weeks prior to the interview. (Because the work patterns of teens are so different during the summer months than the rest of the year, analyses are limited to interviews during the school year.) Data from the 1997 and 1999 surveys were combined for these analyses in order to produce more stable estimates.[10] Several distinct patterns of youth employment emerged that are relevant to welfare reform.[11]

Differences by Welfare Receipt History. Teens' family history with welfare seems to be a determining factor in whether they work and, if so, how much they work. Very few teens (6 percent) in families receiving Aid to Families with Dependent Children (AFDC) or Temporary Assistance to Needy Families (TANF) had jobs at the time of the interview. And, among those who did work, relatively few (about 20 percent) worked long hours.[12] In contrast, teens in families that left the welfare rolls within two years before the interview were much more likely to be employed (25 percent), and most of them were working 20 or more hours a week. Teens in families that had been off welfare a longer period of time (more than two years) and teens in low-income families that had never received AFDC or TANF showed a third pattern. They were just as likely to be employed as youth in families that recently left welfare, but only about a third of those who worked were working long hours. Figure 1 shows the very distinct work patterns of these groups.

Differences by Poverty Level. Teens from poor families were less than half as likely to be employed as those in more prosperous families (those with incomes 200 percent or more above the poverty line).[13] Seventeen percent of poor teens had jobs, compared with 38 percent of youth in the more well-to-do families. The employment gap between the poor teens and those in families in the middle-income category (those with incomes between 100 and 199 percent of the poverty line) were more modest – 17 percent versus 24 percent.

FIGURE 2

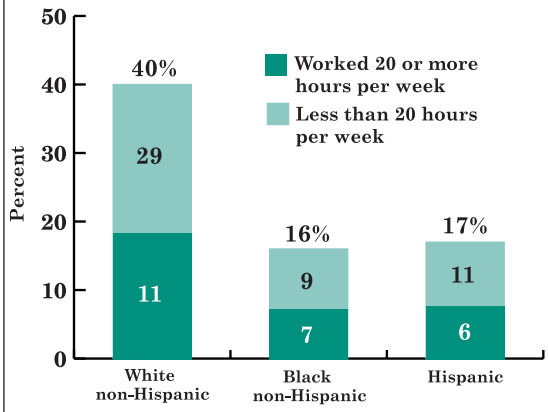
The percentage of teens in poor famlies who worked was lower than the percentage of teens in other income categories who worked.



Source: Child Trends' tabulations of the 1997 and 1999 National Survey of America's Families combined; based on the employment experience of teens ages 14-17 in the 4 weeks preceding the interview.

FIGURE 3

The percentage of white non-Hispanic teens who worked was far higher than the percentages of black non-Hispanic and Hispanic teens.



Source: Child Trends' tabulations of the 1997 and 1999 National Survey of America's Families combined; based on the employment experience of teens ages 14-17 in the 4 weeks preceding the interview.

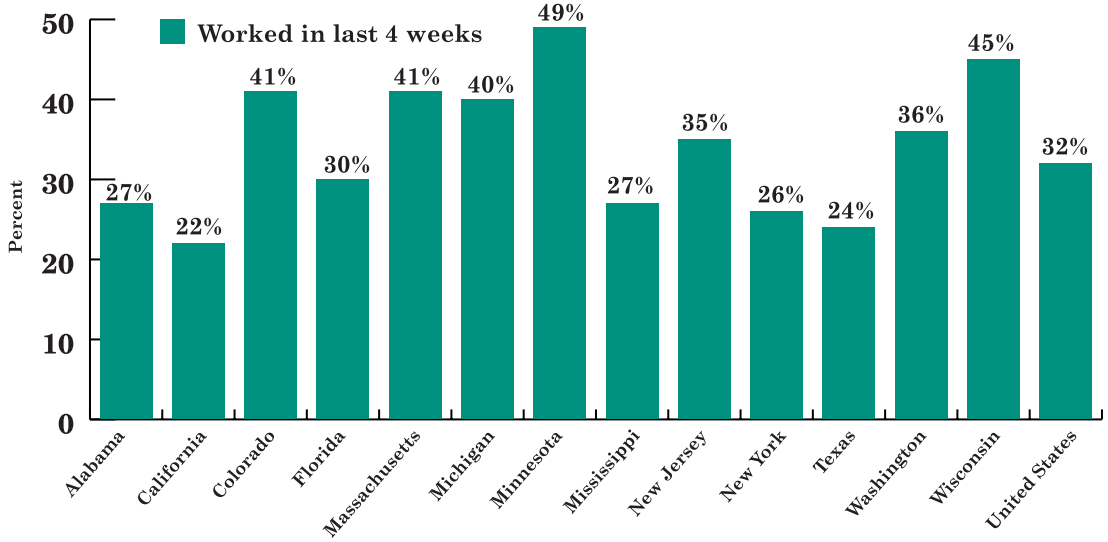
However, when poor teens were employed, they were much more likely to be working 20 or more hours a week than those in the other income categories (see Figure 2). Indeed, among all teens regardless of work status, the percentage of poor youth working long hours was nearly equal to teens in families above 200 percent of the poverty line (8 percent versus 10 percent).[14]

Differences by Race and Hispanic Origin. White teens were much more active in the labor force than minority teens. Non-Hispanic whites were more than twice as likely as Hispanic teens and non-Hispanic black teens to have worked in the four weeks before the interview. The figure for non-Hispanic white teens was 40 percent; for Hispanics, 17 percent; and for non-Hispanic black teens, 16 percent (see Figure 3). Among all employed teens, however, black youth were much more likely than white youth to be working 20 or more hours a week.

Differences by State. The connection of teens to the world of work varied substantially across the 13 states represented in the NSAF survey (see Figure 4). The percentage who worked in

FIGURE 4

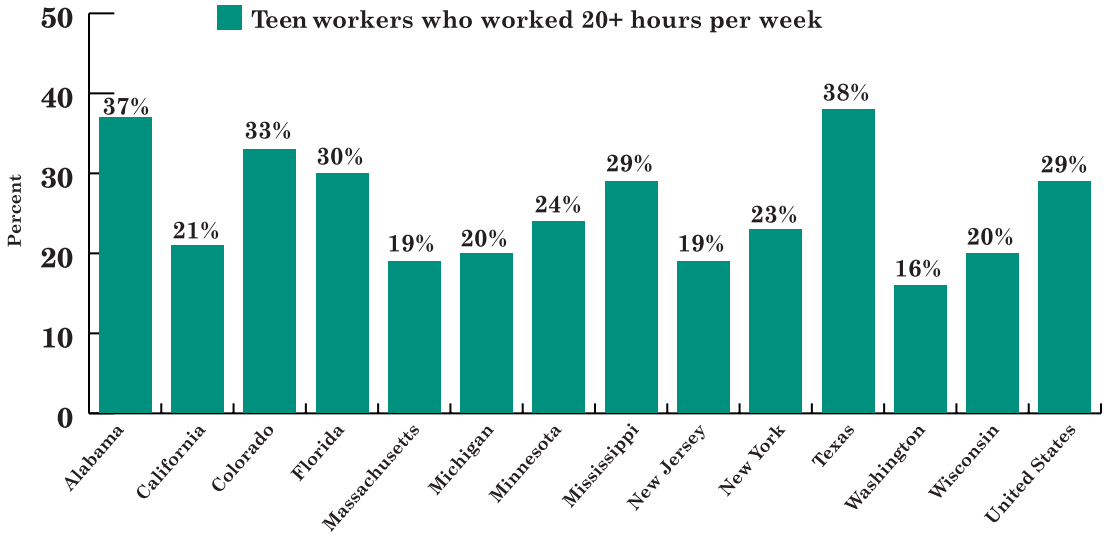
The percentage of teens who worked varied greatly among the 13 states.



Source: Child Trends' tabulations of the 1997 and 1999 National Survey of America's Families combined; based on the employment experience of teens ages 14-17 in the 4 weeks preceding the interview.

FIGURE 5

The percentage of teens who worked 20 or more hours also ranged widely across the 13 states.



Source: Child Trends' tabulations of the 1997 and 1999 National Survey of America's Families combined; based on the employment experience of teens ages 14-17 in the 4 weeks preceding the interview.

the four weeks before they were interviewed ranged from 22 percent in California to 49 percent in Minnesota. Five states (Colorado, Massachusetts, Michigan, Minnesota, and Wisconsin) ranked significantly above the national average of 32 percent, and five (Alabama, California, Mississippi, New York, and Texas) ranked significantly below the national average. The percentage of teen workers who worked long hours ranged from 16 percent in Washington to 38 percent in Texas (see Figure 5).

Summary

Several conclusions can be drawn about teen employment on the basis of our analysis of NSAF data:

- Teens from poor and minority backgrounds are much *less* likely to be working than other teens. Those who do work, however, are generally *more* likely to be working longer hours (20 or more hours in an average week).
- Teens from households currently receiving welfare benefits are much *less* likely to be employed than teens in other low-income families and youth in households that formerly received welfare benefits. Moreover, in contrast to other working disadvantaged teens, a smaller proportion of teens in households currently receiving welfare benefits are working long hours.
- Working teens in families that recently left the welfare rolls (within the past two years) are far *more* likely than other youth to be working 20 or more hours per week.
- There is substantial variation across states in the proportion of teens that work, and in the proportion that work 20 or more hours.

Implications for Policy

Several of the teen work patterns reported in this brief have important implications for public policy and welfare reauthorization. First, the low levels of employment for teens whose families currently receive welfare support should be a particular cause for concern. Teens in such families are isolated from the work force, even when compared with youth in other disadvantaged groups. For example, their work rate of six percent is about one-third the rate for all poor youth, and about one-fifth the rate for all youth ages 14-17 (32 percent). Such data underscore the need to create, support, and expand employment and school-to-work programs that target teens in welfare families. Doing so may pay additional dividends as a cost-efficient means of reducing future welfare rolls.

Second, for teens whose families left welfare within the previous two years, the pattern is different but also a potential cause for concern. A quarter of them work, a potentially positive pattern. However, more than 70 percent of such youth who had jobs worked 20 or more hours a week on average, far higher than any other subgroup analyzed, and nearly twice the rate for teens whose families left the welfare rolls more than two years before. The earnings from these youth may account for a substantial proportion of the household income of such families. A half-time job at $5 an hour can generate more than $5,000 in gross earnings over the course of the year, or about 30 percent of the poverty line income for a family of four ($17,760 in 2000). As welfare reform proceeds and time limits have their full impact, pressure may increase on disadvantaged youth to work long hours, possibly at the expense of their own educational, personal, and career aspirations. For other youth, such pressure may facilitate a transition to full-time employment and a more promising future.

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Third, the substantial variation in youth employment patterns across the 13 states represented in the NSAF survey indicates that states face different levels of need where youth employment is concerned. States with particularly low percentages of working youth, including such populous states as California and Texas, are facing major challenges in this area. The reauthorization of TANF provides an opportunity to consider how state programs might be reshaped to better support the particular employment needs of youth in each state.

Finally, though the employment picture is particularly bleak among youth in welfare families, poor and minority youth in general lag far behind others in labor force experience. More work alone, however, is not the whole answer for these youth. Existing research indicates that programs emphasizing well-structured, work-based learning, and effective school-to-work links are needed to develop the skills, self-confidence, and formal labor force connections that many at-risk youth need to make a successful transition to the world of work.[15]

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Endnotes

[1]Brown, Brett. 1999. "America's Disconnected Youth: Prevalence, Patterns, and Outcomes." In *America's Disconnected Youth: Toward a Preventive Strategy*. Douglas Besharov (ed). Washington, D.C.: Child Welfare League of America.

[2]Bureau of Labor Statistics. 2000. "The Relationship of Youth Employment to Future Educational Attainment and Labor Market Experience." In *Report of the Youth Labor Force*. U.S. Department of Labor, Bureau of Labor Statistics. http://www.bls.gov/opub/rylf/rylfhome.htm.

[3]Carr, R.V., Wright, J.D., and Brody, C.J. 1996. "Effects of High School Work Experience a Decade Later: Evidence from the National Longitudinal Survey." *Sociology of Education, 69* (January: 66-81).

[4]National Academy of Sciences. 1998. *Protecting Youth at Work: Health, Safety, and Development of Working Children and Adolescents in the United States*. Washington, D.C.: National Academy Press.

[5]D. Chaplin and J. Hannaway. 1996. "High School Enrollment: Meaningful Connections for At-Risk Youth." Paper presented at the annual meeting of the American Educational Research Association, New York; distributed by The Urban Institute, Washington, D.C.

[6]D'Amico, R.J. 1984. "Does employment during high school impair academic progress?" *Sociology of Education, 57*:152-164.

[7]However, a recent study that examines rural and urban youth separately found some benefits to work for rural youth, who maintained or improved emotional ties and time spent with parents. Shanahan, M.J., Elder, G.H., Burchinal, M., and Conger, R.D. 1996. "Adolescent earnings and relationships with parents: The work-family nexus in urban and rural ecologies." In *Adolescents, Work, and Family: An Intergenerational Developmental Analysis*. J.T. Mortimer and M.D. Finch, eds., Newbury Park, CA: Sage.

[8]Entwisle, D., Alexander, K., and Olson, L.S. 2000. "Early Work Histories of Urban Youth." *American Sociological Review, 65* (April: 279-297).

[9]Because of the substantial differences in work activity by age, the analyses presented in this brief were also performed separately for age groups 14-15 and 16-17. Because differences across population subgroups were fairly consistent across the two age groups, the decision was made to limit reporting to the larger age group of teens 14-17.

[10]For an analysis relating to labor force patterns and academic performance among 16- and 17-year-olds using NSAF data, see Lerman, R.I. 2000. "Are Teens in Low-Income and Welfare Families Working Too Much?" #B-25 in Series, "New Federalism: National Survey of America's Families," The Urban Institute, Washington, D.C.

[11]All contrasts discussed in this brief are statistically significant at the .05 level.

[12]These include an unknown number of families who are receiving welfare benefits because of a teen birth. However, separate analyses by gender revealed similar employment levels for male and female youth.

[13]In 2000, the poverty line for a family of four was $17,760. In 1997, the year of the survey on which this research brief was based, the poverty line income for a family of four was $16,400.

[14]Differences between Hispanic youth and non-Hispanic youth were not significant at the .05 level for this measure.

[15]Lerman, R.I. 1999. "Improving links between high school and careers." In *America's Disconnected Youth: Toward a Preventive Strategy*. Douglas Besharov (ed). Washington, D.C.: Child Welfare League of America.

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