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Layoffs may return workers to welfare

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Medill News Service

Cassandra Logan, 48, of Chicago, was a witness to the transforming power of work preached by the massive welfare reform of 1996.

An 18-year welfare veteran, the single mother of four worked her way off the rolls from 1996 through 1998 as a casino switchboard operator. Last year she became a lock box clerk with Bank One Corp., earning \$1,800 a month, eight times what she received on public aid.

"It made a big difference in my life," Logan said.

But her new-found sense of personal and financial independence is fading. Laid off by the bank last March, Logan has been struggling to find a job — "to no avail," she said.

Logan is hardly alone. With the recession, thousands who were pushed from welfare to work by welfare reform see their jobs at risk as companies slash paychecks and cut back hours.

In Illinois since 1997, when welfare reform commenced here, 145,000 out of 180,000 eligible-to-work welfare families have left the rolls, one third for jobs.

Still, only 364, or roughly 13 percent, of the 2,753 welfare cases that were terminated due to employment in the 24 months prior to October have reapplied for assistance, according to Cameron Kline, spokesperson for the Illinois Department of Human Services.

In fact, the rolls continue to drop, from 34,639 in September to 33,657 in October to 32,862 in November.

Experts offer some theories, but no one knows for sure why.

Demand at social service agencies is up, said Paul Kleppner, director of social policy research at Northern Illinois University. "So we might suspect some of the folks who otherwise might be getting back to welfare are instead in homeless shelters or food pantries or things of that nature."

People also may be turned off by the cumbersome paperwork and

process to re-enter the system, social workers say. In addition, the state's powerful pro-work message, reinforced by the wish to stay independent, may steer them away from re-joining the rolls.

Even for those who keep their jobs, life isn't easy.

A study by Women Employed shows that in 2001, the hourly wage needed for a family of one adult and two minor dependents to meet basic household needs is \$18.13 in Chicago, well above the median \$7 wage earned by welfare recipients and former recipients.

And the outlook for those who have lost their jobs "is pretty grim" as companies with large entry-level and temporary work pools reduce hours or slow hiring, said Davis Jenkins, director of the Workforce Development Partnership Program at the Great Cities Institute.

"Since Sept. 11, many of the low-wage jobs held by those who recently left welfare have experienced lots of layoffs," Jenkins said. "Services

jobs, especially in areas of hospitality, restaurants and hotels are very much at risk at the moment."

For instance, Marriot International Inc., which has employed about 100 former Illinois welfare recipients each year, has instituted a hiring freeze as part of its corporate cost-cutting.

The Bethesda, Md.-based hotel chain also is considering scaling back its welfare-to-work trainee program in its O'Hare Airport market, according to Mark Kaufman, a senior manager for Marriott.

In some Marriot locations weekly hours were trimmed to 32 from 40 to reflect the 10 to 30 percent decline in room occupancy, he said.

And monthly requests from retail and hospitality employers have dropped by 30 percent and 50 percent respectively since the Sept. 11 attacks, said Sylvia Benson, chief operating officer at the Chicago operation of Strive, a national job placement agency for the disadvantaged.

"The impact has been devastating," she said.