



## Complex Rules and Barriers to Self-Sufficiency in Safety Net Programs: Perspectives of Working Parents

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### Highlights

This brief discusses the perspectives of a group of working parents on receipt of federal benefits. Based on information generated from parent focus groups, it examines program design and implementation, participation barriers, and factors that could help working parents more readily reach financial independence. Highlights are:

- Most parents in the study were ambivalent about the programs in which they participated, finding them both valuable for supporting their families and frustrating to manage.
- Program rules were widely considered unclear, intrusive, and often illogical or arbitrary, and many participants saw program reporting requirements as unreasonably demanding.
- Parents said that program administration—including case manager actions—contributed to difficulties in gaining and maintaining benefits. Some, however, viewed interactions with program case workers and systems as helpful.
- Most parents saw program benefits as inadequate for subsistence and for helping them achieve upward economic mobility.
- Some study participants said they felt trapped by a system not actually intended to promote financial independence, and recommended greater investment in effective pathways to self-sufficiency as an alternative to what they saw as a fragmented current system.

### Introduction

Federal safety net programs were established to assist families unable to support themselves financially. At the same time, many of these programs seek to avoid supplanting work. To do this, programs have sometimes-complex rules for eligibility and continuation of benefits, and many phase out benefits as participants' earnings rise. This can lead to large benefit reductions as earnings increase (also known as high marginal tax rates). Research has found that participants view these rules as overly complex and the administration of rules can be uneven within and across programs and locations.<sup>3</sup> This, in turn, may make it challenging for participants to navigate systems effectively to achieve financial independence. This brief explores the perspectives of a small group of safety net participants, using data collected from focus groups with 44 working parents. We use direct quotes from parent participants (with pseudonyms to maintain confidentiality). We synthesize parents' comments about the importance of these benefit programs to their families' lives, perceptions about program design and implementation, their experience with program barriers, and factors they felt could help them reach financial independence.

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<sup>3</sup> Herd & Moynihan (2018). *Administrative burden: Policymaking by other means*. New York: Russell Sage Foundation.

This brief is based on data collected from a qualitative study that sought to learn about the perceptions of marginal tax rates among a sample of working parents, and how those perceptions appeared to influence their labor force decisions (see Box 1). As part of these discussions, we also asked parents about their experiences more generally with federal safety net benefits and administrative systems, focusing on six programs (see Table 1). Other briefs from this study focus on parents' perspectives on the risk of increasing earnings and on marginal tax rates. The findings from this brief come from the perspectives of benefit recipients, and as such may not portray actual rules and policies of benefit programs. Additionally, the data were collected prior to the COVID-19 pandemic, and do not reflect changes in benefit programs since then.

### Box 1. Methods and Sample

ASPE partnered with Insight Policy Research to conduct nine focus groups in 2019 with a convenience sample of working parents with at least one child under age 13. We sought to better understand their perceptions of marginal tax rates and benefit reductions, and how these perceptions appear to influence labor force decisions. Marginal tax rates refer to how much of new earnings are effectively reduced by income tax, payroll tax, and – the focus of this study – a reduction in government benefits. Focus group participants (n = 44) received one or more of the following benefits: Supplemental Nutrition Assistance Program (SNAP, 73 percent of participants), Medicaid/Children's Health Insurance (CHIP, 48 percent), Earned Income Tax Credits (EITC, 27 percent), rental assistance (43 percent), child care subsidies (20 percent), and Temporary Assistance for Needy Families (TANF, 36 percent). Focus groups were conducted in English in Ohio, Virginia, and California. The majority (73 percent) of participants were female, 71 percent had an annual income below \$30,000, 34 percent had a high school degree/GED or less, and 50 percent worked fewer than 25 hours per week. Focus group participants were non-Hispanic Black (49 percent), non-Hispanic white (16 percent), non-Hispanic other (14 percent), and Hispanic (21 percent). Discussions were recorded and transcribed, and analyzed using Nvivo 12.

## Findings

### Most parents had mixed feelings about the federal benefit programs they participated in, finding them valuable even as they wished they could do without them.

Most study participants saw the programs they used as helpful and important to their family's well-being. Many saw the benefits they received as secure, unlike their jobs which they perceived to be often unstable. Participants said that personal circumstances that made steady employment difficult to obtain or retain also made the relative stability of benefits particularly valuable. Such circumstances include health concerns and caregiving responsibilities for young children or other adults. Some suggested that this led them to prioritize maintaining benefits over maintaining employment.

While many parents saw value in their program benefits, most were ambivalent about relying on public assistance, and many expressed a preference to be "self-sufficient," a phrase several used. Many said they preferred working both for its financial benefits and non-financial benefits to their families, including being a positive model for their children. One father from California observed, "...I'm not trying to teach my kids how to game the system. I want them to know the value of hard work and to try to move forward."

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"I got four kids, so as resilient as I may be, to go eat ramen every day and hotdogs and whatever the cheapest thing at the grocery store is, I gotta make sure these kids eat, regardless of my pride and [desire] to be off the system. These kids gotta eat." *Tony (Virginia)*

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## Parents widely considered program rules unclear and often arbitrary.

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“We don't know the details of the math that they're using to configure what everything is gonna be. They don't tell us to the tee what it is. When we get these increases or decreases, I don't know what they're using to determine...whether it's raised or lowered.” *Diana (California)*

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Many parents also had negative feelings about the programs, focusing on a range of characteristics that they said made program participation—and reaching financial security—more difficult. Many said they found program rules to be unclear, confusing, and inconsistent. Most parents in the focus groups appeared to understand the broad strokes of program rules. For example, they knew that participants needed to report changes in earnings, hours, assets, and/or family or household circumstances, and that making too much money from work or other sources could result in a loss of benefits or program eligibility. Few, however, felt certain about the details of

program rules. These rules included the specific amount of money they could earn under different circumstances without triggering a reduction or loss of benefits, or exactly how often they needed to report changes in their financial, work, or personal situations.

Some participants said that when they lost benefits, they were not sure exactly why, and they could not predict how much they would lose. A few said they thought program rules were confusing by design to ensure that participants could not “game the system a bit,” as one father put it.

Parents we spoke with said that policies across federal assistance programs interacted in complex ways. One change could create ripple effects across multiple programs in a way that could be unpredictable and undesirable, for instance by reducing benefits or requiring interactions with program caseworkers to address a newly created problem. Said a mother from Ohio, “one thing changes, [and] it all changes across the board and never in your favor.” In addition, parents who had lived in more than one state or locality noted that rules for many programs differed across jurisdictional lines in ways that were confusing to those who had to relocate.

## Most participants saw program reporting requirements as unreasonably demanding.

The parents almost universally agreed that participating in programs entailed many reporting requirements, with variations across assistance programs that they did not always understand. A mother in Virginia summed up the general sense that “you have to report [everything], they want to know everything.” Many participants felt that what had to be reported and for what time period was not always clear. Many also indicated that they found reporting requirements oppressive. Another mother in Virginia offered an example, saying “You have to report [any] extra money, like, ‘Oh, well, my mom gave me \$20 to buy some toilet paper’ or something like that.”

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“It pulls you and weighs you down...They'll tell you one thing. ‘You need to bring this. You need to bring that.’ Then [after you bring it] ‘oh, this ain't enough. You need to go back and get this, and go back and get that.’” *Tricia (Virginia)*

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Parents did not agree on how to address reporting requirements, possibly because of the confusion about them. In particular, they varied in how promptly they thought one should report changes. A few said it was best not to rush because it often meant a benefit cut, while others felt that if they delayed reporting they risked being accused of fraud.

However, some felt the expectations were warranted. One mother in California expressed impatience with people who complained about the requirements and saw the requirements as

reasonable expectations which were not onerous. “I look at it this way,” she said. “It’s like a gift from the government, helps you out in a time of need, so it’s our duty to report things.”

### **Program administration—including case manager actions—contributed to difficulties in gaining and maintaining benefits, parents said.**

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“They give you a phone call. You might not be able to answer that phone call, or you may not hear it. Then, if you try to call ‘em back, it’s gonna take you three hours to get through that line, and then they just cut your benefits off, just like that. Then you reapply, goin’ through the process all over again.” *Carter (Ohio)*

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The demanding nature of meeting programs’ requirements could disrupt parents’ ability to work or attend school, several parents said. One mother in Ohio described the difficulty in reaching agency staff, juxtaposed against the speed with which participants could be cut off for not responding. Several parents indicated that they believed their case managers already had access to much of the information they were required to report, and suggested these requirements were an unnecessary test.

Many parents said that the system often could not accurately accommodate the type of inconsistent income flow common to low-wage jobs with erratic hours or schedules, or irregular payments such as child support. One mother said her benefits were based on her child support court order, not what she actually received. To correct this she had to provide extensive documentation over multiple visits to the program office.

Programs frequently made benefit errors, parents in the focus groups said, usually to participants’ detriment. Where the mistake benefited the participant, they later had to return the overpayment, and sometimes experienced accusations of fraud. Where a mistake resulted in a cut to their benefits, it could be difficult to remedy later. A father in California summed up this view: “Their mistake, it’s too bad for you. Your mistake, it’s still too bad for you.”

Some participants said they simply stopped seeking assistance because the burden was too great. Others said they saw no alternative but to participate in the system. “They have so much control over your life that you want to say, ‘I can’t do this no more,’” said a Virginia mother participating in rental assistance. “At the same time you have no choice because you got a family to raise.” The level of perceived administrative burden appeared to be greater in some programs than others.

### **Parents viewed some interactions with program administration as helpful.**

Not all parents in the focus groups had negative perceptions of program administration. A few said they found programs relatively easy to work with. This study wasn’t designed to identify all of the factors that made one program easier to interact with than another. Several participants gave examples of case managers who notified them of benefits for which they were eligible or assisted in other ways, or said that systems such as the 211 community information and service referral number made reaching assistance easier and more effective than it had been in the past.

### **Program benefits were typically seen as inadequate for achieving financial independence.**

While most participants valued the benefits they received, many said they did not provide enough to meet basic family needs, though a few felt the benefits were reasonable. Several participants said that benefit amounts for programs they participated in had decreased over recent years, and that it was generally harder to get benefits than in the past.

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“It is low...they don’t want to give you nothing.” *Pam (Ohio)*

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Some participants in the TANF program highlighted its time limits and modest cash assistance amounts, saying they were insufficient to meet their family’s basic needs. Participants in rental assistance programs noted that the increased cost of the general housing market in their regions meant that subsidized housing was harder to find. They also cited economic and racial “redlining”—bias against potential renters based on their economic status or race. Several suggested that the programs in which they participated were meager because “they” (presumably the general public and policymakers) did not care about the well-being of their families.

A few said that a second source of unreported income was necessary for their families to get by. “You’re gonna have to have another job that they don’t know about because if you don’t, you’re not gonna make it,” said a mother in Ohio. Parents cited a range of survival strategies, such as using foodbanks, donating blood plasma, and buying formula on Craigslist where it was cheaper.

### **Some parents said program rules interfered with decisions about living arrangements and marriage.**

Some participants viewed program rules as intrusive and damaging to their families.<sup>4</sup> Several parents said that the rules interfered with their personal lives, in some cases preventing them from taking steps—including marriage—that they felt would be positive for their families. One mother declined to let a relative join her household despite her feeling that this would be otherwise beneficial for her family. Another said she chose not to cohabitate with a romantic partner for fear that the additional household income he would bring would cause her to lose assistance and harm her family.

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“I went to my social worker and asked her about this guy that I was seeing and wanted to take steps forward. [The social worker] said, ‘if you want to lose your benefits, go right ahead.’ I had to think about it...We’ve been together for some years, but at the same time, I had to think about my daughter.” *Tricia (Virginia)*

A mother in Virginia perceived a marriage penalty in that state’s TANF and SNAP programs and believed there was a prohibition on cohabitation in the TANF program; she said they kept her from living as a family with her new baby’s father. She said she found her experience with the programs demeaning.

“I had just had a little baby, [and] it’s basically like they’re saying, ‘Because you’re low class, you don’t deserve the right to have a family’.... That’s how a lot of us feel. That’s how I feel pretty much every day.” *Kween (Virginia)*

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### **Some participants said they felt trapped by a system not actually intended to promote financial independence.**

Some participants viewed the overall system of benefits as a “trap” that was not actually designed to help them become financially independent. While many of the parents we spoke with said they

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<sup>4</sup> The TANF participants in our focus groups seemed to see that program as particularly intrusive, though it is difficult to generalize since our sample was small, with only three TANF groups with a total of 13 participants.

wanted to be “self-sufficient,” several said that the system was not intended to help families become secure; instead, the system took away help as soon as they gained a little ground. A few parents with children with disabilities in particular emphasized that while they aspired to self-sufficiency, they felt they could not take steps that might risk the assistance their families relied upon.

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“It’s not a system that’s made to [help] people go and be where they need to be and not be on assistance at all. It’s to keep the people where they are...and to basically punish people. They say they’re not doing it, but that’s what they’re doing... from the beginning to the end.” *Anastasia (Ohio)*

“I think a lot of times, the government keeps the people on the system for a reason and makes it harder for them to try and get a better job. Because the resources for us to get a better job or get the education aren’t there...there’s not really nothing there.” *Nicole (Virginia)*

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Several parents said they felt that the system existed to keep people poor rather than to give them the employment assistance and education they needed to become truly financially secure.

Some parents in the discussions suggested there were better ways than the current benefits system to help them move to economic self-sufficiency. One mother in Ohio noted, “It would be nice if they created programs where we could move up, become stable, and get away from it [public assistance].” A father from California concluded, “I kind of thought about all this stuff. If they would take all of this money and benefits and tax credits and all that—if they would actually put it into a person’s income...like the hourly rate and all that stuff to get you above poverty, you wouldn’t need all of this.”

Overall, the parents we spoke with suggested that greater benefit coordination, program simplicity, and administrative responsiveness and efficiency could lead to improved family

well-being and upward economic mobility. Several study participants suggested that wage supports, improved job stability in the low-wage labor market, and more investment in education and training could help their families move toward financial independence more effectively than the current fragmented system of benefit programs.

## Considerations

The study had several limitations. The modest convenience sample of parents we talked with was not representative of all lower-income participants in federal safety net programs in the three study states or in the country as a whole, nor of all lower-income parents who were eligible for these programs. Because we spoke only with parents receiving safety net benefits, we did not learn perspectives of parents who did not use these programs for reasons such as lack of awareness, inability to navigate potentially complex systems, choice, or stigma. Further, these participant perspectives pre-dated the COVID-19 pandemic and did not reflect new waivers and flexibilities in some programs such as virtual delivery of case management and digital signatures.<sup>5</sup>

However, these conversations allowed us to learn in greater depth about factors that influenced parents’ participation in safety net programs as “normally” administered prior to the pandemic, and how they viewed trade-offs between benefit receipt and working for earnings. The study helps us understand better *why* lower-income parents may persist with program participation despite the challenges, or seek to leave programs for more work and greater economic independence. These

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<sup>5</sup> For more information, see <https://aspe.hhs.gov/virtual-human-service-delivery-scan-implementation-lessons-learned>

questions of perspective and motivation are difficult for quantitative research to address. This information can be valuable to policymakers, program administrators, and others who seek to better support American families aspiring to greater upward economic mobility and financial independence.

The low-income parents we spoke with expressed a strong desire to be independent of the federal benefit programs they used while at the same time they saw real value in them, particularly to help support their children. Their experiences with program policies and administration were, by and large, difficult. While they described the benefits as generally helpful, they felt interactions with the system were often frustrating or even demeaning. Many participants saw the system as disjointed, challenging to access, and indifferent to their families' stability and advancement.

Several policy considerations could begin to address the challenges study participants faced. First, recent experiences with program flexibilities and waivers<sup>6</sup> during the COVID-19 public health emergency point toward strategies to simplify application, recertification, and other key processes for program applicants and participants, as well as program staff. Examples include the use of electronic or verbal signatures for program documents rather than requiring in-person office visits to sign paperwork. Offering the option of virtual check-ins for required appointments could also ease reporting burdens for many participants. These types of process simplifications could increase participants' sense that their time and effort are valued.

To address program rules that can make moving to employment more difficult, such as asset limits and the sometimes-abrupt loss of work supports such as child care as earnings rise, agencies could examine their benefit programs and rules as a whole package to better understand how they help or hinder family's financial independence. A recent "Whole Family Approach to Jobs" initiative by the six New England states has attempted to do this in their administration of federal programs.<sup>7</sup>

To support participants in gaining the skills they need for higher-wage jobs—with wage support along the way—states could more widely adopt supported employment programs with wage supplements. Finally, to address perceptions about insufficient financial resources from benefit programs and from the low-wage jobs available to the parents we spoke, adoption of living wage standards could raise earnings for those working in the low-wage labor market. Higher entry-level wages could free some low-income parents from the need to rely on multiple public benefit programs.

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<sup>6</sup> For more information see: Benton et al. (2021). Lessons from virtual human services during COVID-19: <https://aspe.hhs.gov/pdf-report/lessons-learned-from-vhs>

<sup>7</sup> National Conference of State Legislatures (2019). Moving on up: Helping families climb the economic ladder by addressing benefits cliffs: [https://www.ncsl.org/Portals/1/Documents/cyf/Benefits-Cliffs\\_v03\\_web.pdf](https://www.ncsl.org/Portals/1/Documents/cyf/Benefits-Cliffs_v03_web.pdf)