

Office of the Assistant Secretary for Planning and Evaluation

Grants for Policy Research on Selected Poverty and Dependency Topics

AGENCY: Office of the Assistant Secretary for Planning and Evaluation.

ACTION: Request for applications to conduct policy research concerning low wage labor markets, parental responsibility and support, child development outcomes, and adolescent pregnancy.

SUMMARY: Office of the Assistant Secretary for Planning and Evaluation announces the availability of funds and invites applications for short-term policy research projects with emphasis on four priority areas.

CLOSING DATE: The closing date for submitting applications under this announcement is August 28, 1995.

FOR APPLICATION KITS OR FURTHER INFORMATION CONTACT: Grants Officer, Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, 200 Independence Avenue, S.W., Room 405F, Hubert H. Humphrey Building, Washington, D.C. 20201, Phone (202) 690-8794.

Part I. Background and Purpose

A. Purpose of Grant Program

The purpose of these grants is to stimulate interest in conducting policy relevant research on a broad range of topics related to poverty, welfare dependency, labor markets, child and youth development and parental responsibility. These grants are for short-term efforts which are designed to be completed within one year. Our intent is to sponsor research efforts and not to fund the provision of services. While research may be conducted in service settings, proposals of this nature will be carefully scrutinized to assure that these funds are not used for other purposes, no matter how worthwhile. Within the context of this announcement, the term "parent" and "family" should be understood to include both mothers and fathers whether living together or apart.

B. Eligible Applicants and Funding

Pursuant to section 1110 of the Social Security Act, any public and private nonprofit organizations including universities and other institutions of higher education may apply. Applications may also be submitted by private for-profit organizations. However, no grant funds may be paid as profit, i.e., any amount in excess of

allowable direct and indirect costs of the recipient (45 CFR 74.705). As a result of this competition between 10 and 15 awards are expected to be made from funds appropriated for fiscal years 1995 and another five awards with funds for 1996 provided funds are available. Awards will be limited to one year of support. The average award is expected to be approximately \$75,000.

Part II. Topics of Priority Interest

A. Research on Low-wage Labor Markets, Employment and Training Programs

The employment problems of families receiving welfare encompass fundamental questions which are at the heart of the current debate regarding the direction of welfare reform. Whether these problems primarily reflect problems on the demand or the supply sides of the labor market frequently drives disagreements over interpretation of evidence and policy prescriptions. Some commentators emphasize that the structural changes in the economy have left those with poor skills, health, and transportation with few available jobs. Others would argue that low-wage jobs are readily available, and that what is lacking is willingness to search for and accept jobs at these wages. This view would hold that the existence of welfare payments is a decisive disincentive to work.

Recent shifts in employment away from traditional industrial sectors, such as manufacturing, from occupations requiring less skill and education, and from inner-city areas have allegedly resulted in a "mismatch" between the required skills and/or geographic locations of employers, on the one hand, and the skills and residential locations of many AFDC recipients, on the other.

For families receiving AFDC, these mismatches caused by demand shifts may be particularly severe, due to their greater relative concentrations in sectors or areas that are declining (such as jobs requiring less education or located in the inner-cities), their greater dependence on particular industries (like manufacturing) for obtaining better wages, or their greater difficulty in relocating to other sectors or areas in response to demand shifts (due to discrimination or higher skill requirements in the growing sectors).

In addition, the prospective policy of time-limited benefits under the proposed welfare reform raises many questions about the operation of the labor markets for current recipients of AFDC.

The result is a broad array of issues that can be explored in support of

reducing poverty, assuring economic security, and encouraging self-reliance. Researchers are encouraged to submit their own ideas for potential topics. The topics listed below are given only for purposes of illustration:

The low wage labor market, particularly for women, is characterized by intermittent periods of being out of the labor force and, if in the labor forced, in and out of employment.

- What are the influences of welfare and unemployment insurance systems on keeping low skilled women with children out of poverty?

- What policy changes might make these systems a better safety net for these woman given the operation of the labor market? What effect might these policy changes have on the poverty rate of children?

- To what extent does low wage work reduce poverty or welfare receipt?

- What is the link between the training that welfare recipients are offered and the types of jobs that are available? Are welfare recipients being trained for jobs that are realistically available to them?

- Do entrants into low wage jobs have an opportunity to advance? What are the determinants of workers' success once they enter the low wage labor market?

- What types of training are most successful in preparing welfare recipients for jobs and in job retention?

- What is the experience with subsidized work strategies of the past? What steps are critical to the creation of subsidized jobs for welfare recipients? How much can be done by the private sector? What can be done by nonprofits? When are subsidized jobs most likely to lead to long term unsubsidized employment?

- What are the implications for an increase in the minimum wage for welfare recipients?

- What are the experiences of low skilled/educated men and how do they compare with that of women?

- What are the relationships between unemployment, low wages and family formation/dissolution?

Technical questions concerning this topic should be directed to Audrey Mirsky at 202-401-6640.

B. Research on Parental Responsibility and Support

Child support is a critical component for ensuring economic stability for millions of single-parent families. While many single parents can and do raise their children on their own, the financial burden of serving as the family's sole provider puts children at risk of living in poverty. The present child support system too often functions