



## **W-2 Fails to Meet the Needs of Low-Income Families**

- **W-2 is difficult to enroll in**

Diversion is a stated goal of W-2 policy; limited data available suggests that less than 50% of people that inquire about W-2 are scheduled for an appointment. In the first contract, agencies were rewarded with higher profits for diverting applicants than for serving them.

An applicant can be declared job ready based on minimal qualifications (10<sup>th</sup> grade education, minimal history of part-time minimum-wage work). Meeting basic eligibility requirements – income, dependent children – does not guarantee placement in cash assistance. As a result, applicants are pushed into low-wage jobs (even part-time, seasonal, temporary, variable hours) rather than provided with skills and assistance to get better paying, full-time work. Furthermore, participants that seek W-2 when in a crisis have no guarantee of assistance to stave off homelessness, eviction, etc.

- **W-2 does not provide needed services to participants**

Even after participants enroll, they may not receive a full benefits check for 6-8 weeks. For participants in extreme difficulty, this timeline can be devastating. *Emergency assistance* is available, but few participants know about it or are able to access it.

W-2 participants have minimal access to education and training. Participants can only spend 10-12 hrs/wk total on e & t. In 2000, 40% of the caseload was enrolled in adult basic ed or high school equivalency/GED. Only 14% received ANY job skills training and less than half of 1% attended technical college.

Services are also too limited for participants with barriers to employment. Agencies are not required to do any standardized formal assessments. In 2000, only 7.9% of all participants received disability assessment; 6% received mental health counseling and less than 3% received AODA treatment.

- **Outcomes problems**

Leaver's studies show only 2/3 of participants that leave W-2 transition into work. The average wage, statewide, is \$11,988. Only 17% of W-2 leavers are out of poverty based on earnings alone; a total of 35% are out of poverty when earnings are combined with EITC (we can only make assumptions about level of uptake of EITC).

- **Lack of equity**

Recent research shows that people of color are much more likely to be sanctioned than white participants. In 2001, African American participants were 2/3 more likely to be sanctioned than whites, while Hispanic participants were 75% more likely to be sanctioned than whites.

Lack of assessments suggests inadequate compliance with Americans with Disabilities Act. Three area organizations filed a complaint with OCR last year alleging systemic problems related to treatment of participants with disabilities or who have disabled family members.

- **Community organizations are overwhelmed with increased need**

During the last half of the 1990s, a period of unprecedented economic growth, community organizations in Milwaukee County experienced greater levels of demand for emergency services. Food pantries, homeless shelters and hospitals saw sustained levels of increased need. A survey of area congregations showed that 88% believed the situation had not improved for poor families with the implementation of W-2.