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## The Impact of Welfare Reform on Wisconsin's Hmong Aid Recipients

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*Summary Version*

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# Rationale and Methodology

As of August 1999 there were over 39,000 Hmong residents in Wisconsin, political refugees who had resettled in this state following the defeat of the United States in Vietnam. Due to cultural differences, language and skill barriers, a number of Wisconsin's Hmong families have relied on welfare to survive this transition.

In 1997, Wisconsin initiated a work-based assistance program (Wisconsin Works or W-2) to replace welfare, impacting 31,336 families receiving cash assistance in Wisconsin; of those, an estimated 1,194 were Hmong. For those with barriers to employment, W-2 was charged with providing participants with work experience and job training in preparation for the unsubsidized job market.

For the Hmong families enrolled in W-2 since 1997, their allowable two-years of participation in W-2's employment positions is nearing an end. This study documents the employment-related characteristics of Hmong aid recipients, the efficacy of the W-2 system in assisting Hmong participants to overcome skill and education deficits and the impact of W-2 on the well-being of Hmong families.

In 1998-99, in conjunction with the Milwaukee Hmong/American Friendship Association, 137 interviews were completed; the Hmong families surveyed represent a convenience sample of approximately 50% of the total statewide Hmong population receiving aid. Approximately 85% of respondents were enrolled in W-2 at the time of the surveys; more than 90% were also former AFDC recipients.

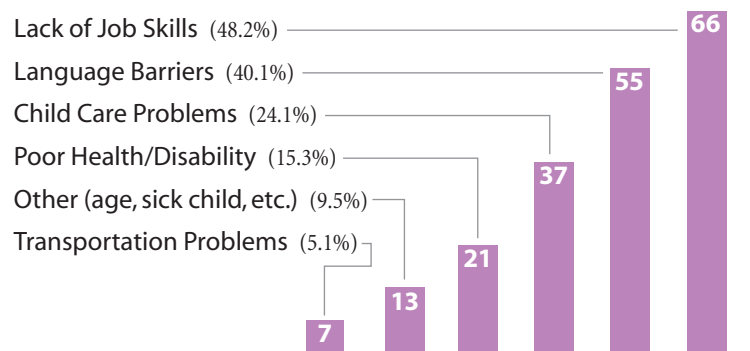
## Major Findings

### I. Barriers to Work

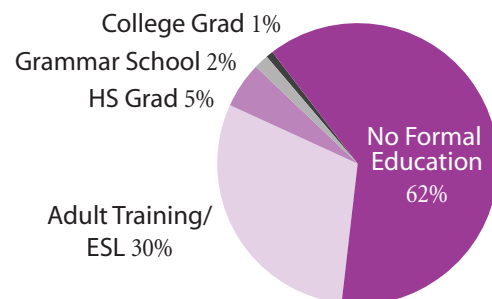
*Hmong respondents are primarily middle-aged and have large, two-parent families.* More than 90% of the survey respondents are 30 years of age or older, and more than 60% are 40 years of age or older. Nearly four out of five are married. More than 50% have five or more children under the age of 18, and nearly one in five respondents (18%) indicate that they have eight or more children under the age of 18.

*The vast majority of Hmong respondents possess few marketable job skills.* Although nearly three out of four respondents want to work, 48.2% report that their lack of job skills has prevented them from working. Ninety-five percent do not have skills in any of W-2's targeted employment areas. Furthermore, more than 90% read little or no English, and over 70% have little or no literacy in Hmong. Over half (55.5%) indicate that they need either technical training, apprenticeships, or more education; one in five (20%) feel they need English as a Second Language (ESL) classes.

### Barriers to Employment



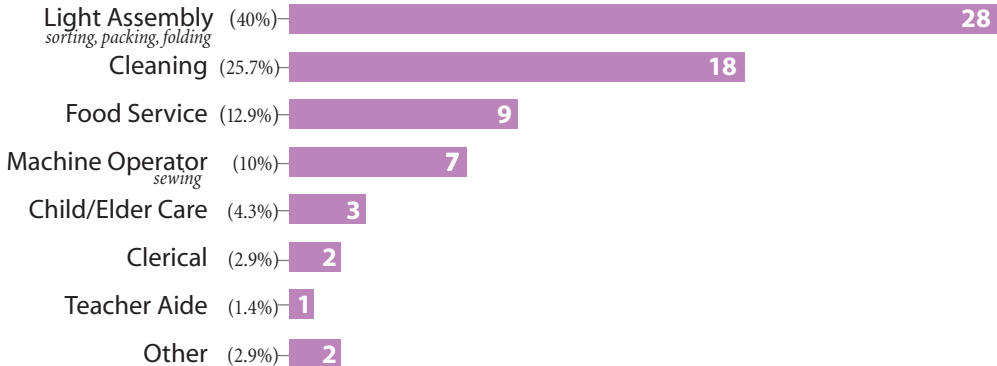
### Education Levels



## II. Experiences with the W-2 System

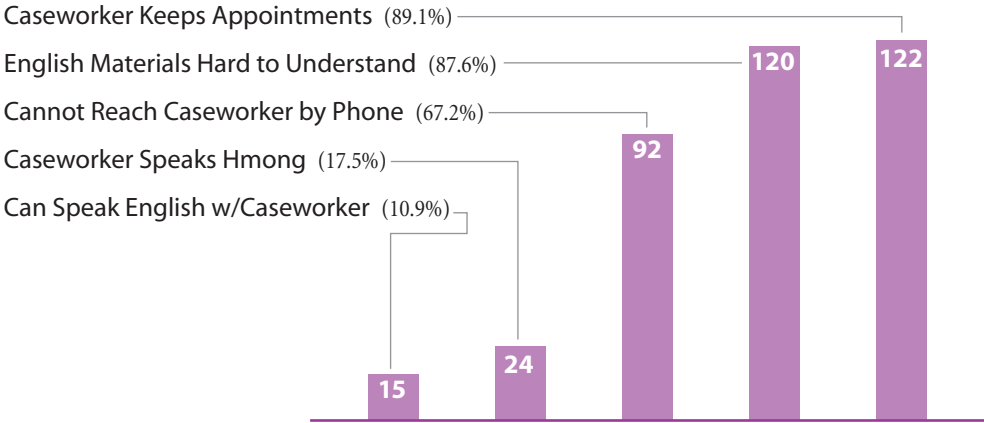
*W-2 work assignments are not being used to provide Hmong families with the training or education needed for unsubsidized employment.* Nine out of ten Hmong participants were placed in W-2’s subsidized job categories. Of those with W-2 work assignments, two out of three were assigned to light assembly and cleaning activities involving little or no skill development. Less than 10% of the Hmong W-2 participants were engaged in skills training or basic education classes. Only 13 respondents reported receiving training or taking classes as part of their W-2 assigned activities, and seven of these were taking ESL courses.

### W-2 Work Activities of Hmong Participants



*Hmong respondents are unable to adequately communicate with W-2 caseworkers.* Nearly seventy percent of Hmong respondents were unable to communicate verbally with their W-2 caseworkers; only 17.5% were assigned a caseworker who speaks Hmong. Fully 87.6% indicate that the materials they receive from the W-2 agency are in English and are hard to understand; these respondents rely on relatives, children and community organizations for translation of critical benefit information. Less than two in five (38%) had a positive attitude about their caseworker’s job performance.

### Communication with W-2 Program



### III. Impact of W-2 on Hmong Families

*Median family income under W-2 is lower for these Hmong families than under AFDC.* Under W-2, the families of those placed in Community Service Jobs receive \$673 a month while the families of those in the W-2 Transitions receive \$628. There is no adjustment for family size.

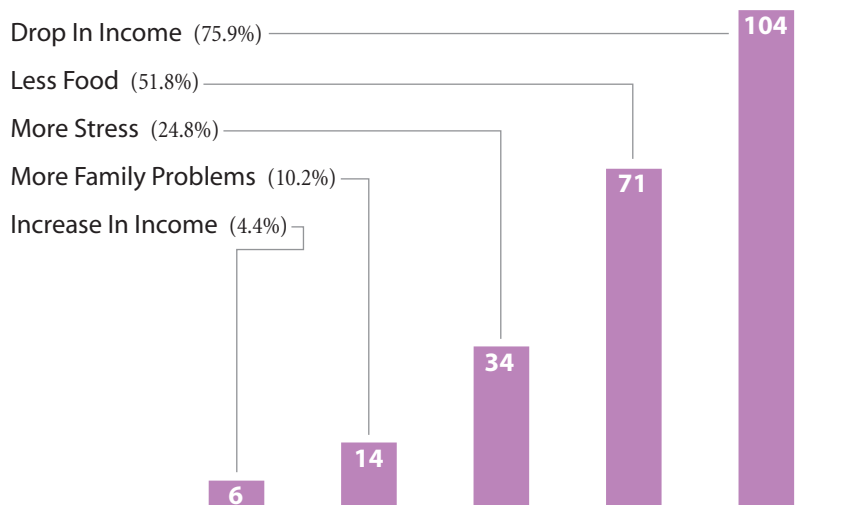
#### Monthly Benefits under AFDC and W-2 for Different Size Families

Family Size	AFDC Benefit	W-2 Benefits		Poverty Standard (monthly income)
		Community Service Jobs	W-2 Transitions	
<b>1</b>	<b>\$249</b>	<b>\$673</b>	<b>\$628</b>	<b>\$707</b>
<b>2</b>	<b>\$440</b>	<b>\$673</b>	<b>\$628</b>	<b>\$914</b>
<b>3</b>	<b>\$518</b>	<b>\$673</b>	<b>\$628</b>	<b>\$1,093</b>
<b>4</b>	<b>\$618</b>	<b>\$673</b>	<b>\$628</b>	<b>\$1,378</b>
<b>5</b>	<b>\$709</b>	<b>\$673</b>	<b>\$628</b>	<b>\$1,621</b>
<b>6</b>	<b>\$766</b>	<b>\$673</b>	<b>\$628</b>	<b>\$1,815</b>

Source: *Wisconsin's AFDC Handbook*, provided by Department of Workforce Development, Division of Economic Support

*These Hmong families are not able to meet their basic subsistence needs and four out of five Hmong respondents feel W-2 has made their family's life worse.* Nearly three-quarters of respondents (75.9%) indicate that they have less income since the transition from AFDC. Approximately one out of three Hmong families has run out of food in the last six months. Nine out of ten (89%) said that they did not have enough money to buy the clothing their family needs. None of the respondents agreed that they have more training or more jobs under W-2.

#### Specific Ways Life Changed with W-2



## Conclusion

This report documents the continuing obstacles to employment and self-sufficiency facing Hmong W-2 participants. Most Hmong aid recipients lack the job skills, educational attainment or language ability needed for employment and yet are receiving little or no skill training through the W-2 program. The majority of Hmong respondents experience serious difficulty communicating with their W-2 caseworkers. Overall, most Hmong aid recipients are facing greater hardship under W-2 due to reduced financial assistance. A substantial number of families are unable to meet their basic food and clothing needs.

The empirical data collected from Hmong families indicates that the W-2 program does not adequately address the needs of these vulnerable families. The data from this survey reveals that the W-2 program is not meeting its stated goal of helping these marginally skilled workers make a successful transition to self-sufficiency and increased family stability. Many Hmong W-2 participants are fast approaching the end of their allowable time in W-2's subsidized employment categories and will soon be ineligible for cash assistance. Without some meaningful program adjustment, many Hmong families will face severe crisis in the coming months.

## Recommendations

The survey findings indicate that Wisconsin's Hmong aid recipients face considerable obstacles to achieving self-sufficiency. As W-2 agencies confront the reality that those remaining on W-2 are also those with the most severe barriers to employment, it is essential that policymakers carefully consider the needs of the Hmong population and make necessary programmatic adjustments, including:

- 1) **Provide Hmong families with the language assistance they need to effectively communicate with caseworkers and succeed in the W-2 program.** W-2 agencies should develop explicit policies (i.e. hiring more bilingual staff, contracting with local Hmong organizations, etc.) to ensure that Hmong families are sufficiently informed about and able to participate in the W-2 program.
- 2) **Evaluate the English proficiency of all immigrant aid applicants and ensure that Hmong participants' W-2 activities include English language assistance.** Assessments of English proficiency and literacy should be conducted consistently to ensure that Hmong families in need of language assistance receive help through their W-2 placement activities.
- 3) **Expand education and technical training opportunities.** To achieve W-2's primary goal of achieving self-sufficiency through work, the program must do more to provide skill training and education if Hmong families are to overcome their significant skill and education deficits.
- 4) **Extend the two-year time limit on W-2 employment placements.** The current limits do not allow sufficient time for many participants to acquire the job and language skills they need to achieve self-sufficiency. These limits must be extended in recognition of the multiple barriers facing these Hmong families.
- 5) **Increase W-2 grant levels for larger families.** Hmong aid recipients are not able to meet their basic subsistence needs. W-2's current flat grant structure keeps these families far below the poverty line.

## Acknowledgements

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The Institute for Wisconsin's Future is a statewide policy research and community education center. IWF was established in 1994 by a coalition of concerned academics, community and religious leaders, labor organizations and business professionals to produce and disseminate analysis of key public policy issues to assist citizens in making informed public policy decisions.

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