Passing the Buck
W-2 and Emergency Services in Milwaukee County
Summary Version

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Between 1995 and 2000, Aid to Families With Dependent Children (AFDC), the program that had assisted families in crisis for 60 years, was dismantled. Time-limited, work-based assistance replaced welfare, and access to federal entitlements (including Food Stamps and Medicaid) was limited by the introduction of new procedures for receiving aid. When changes in federal legislation gave states new latitude to design assistance programs, Wisconsin implemented the most demanding and rigorous program in the country, known as Wisconsin Works (W-2). W-2 was implemented with the stated goal of moving families toward self-sufficiency. Routinely, state and federal policymakers characterize reduced welfare case-loads as an indicator of family self-sufficiency. This study shows that the number of families on welfare is not an accurate gauge of need in the community. Many Milwaukee-area families, on welfare and off, rely on the private, voluntary safety net to make ends meet.

Welfare replacement reduced the number of families that could receive aid, imposed time limits on families that were able to enroll and pushed thousands of women with children into low-wage, no-benefit jobs. Research shows that many of these families continue to live in poverty. Research by the State of Wisconsin estimated that at least half of W-2 leavers have jobs with wages at or below the poverty line. In the early years of W-2, many families were also routinely denied access to the federal entitlement programs that comprised the only remaining safety net.

This study reviews trends in demand for emergency services from 1995-2000, showing that community organizations have become the default provider of emergency services for many Milwaukee County residents. The study traces key indicators in demand for and use of emergency services in three critical basic needs areas: food security, housing and medical care. Findings are based on administrative data and interviews with fifteen administrators of community service organizations. The results of this review of administrative data are complemented by a survey of Milwaukee area congregations, which evaluates the experiences of religious organizations that served low-income families during the same period.

In the six years reviewed for this study, the private-sector safety net was overwhelmed with increased demand for services that help families in crisis meet their basic needs. The government “passed the buck” to community services. Evidence in this study demonstrates that it is critical for the government to reclaim responsibility for maintaining a safety net for families in crisis.
Low-income families have had much more difficulty maintaining safe, affordable, quality housing in the last five years. City and County agencies disbursed over one-half million dollars in emergency housing assistance in 2000, twice as much in 1995. Despite this increased spending to prevent homelessness, homeless shelters and services have been overwhelmed by the growth in need for assistance to help families recover from period of homelessness or to prevent homelessness.

- Evictions increased by 13% between 1995 and 2001. A local landlords’ association estimated that four to eight times as many families skipped out on overdue rent bills before evictions were processed.
- Call volume at Milwaukee County’s centralized shelter referral hotline increased by 88% between 1998 and 2000.
- Referrals to emergency shelter by the same hotline increased 53% between 1998 and 2000.
- Shelters operate at capacity almost constantly; overflow shelters served three times as many people per night in 2000 as in 1997.
- The gap between demand for emergency shelter and available space has increased by 406% since 1997.
Our survey of over 150 congregations in Milwaukee County showed they are an integral part of the community safety net for families in crisis. During the period 1995-2000, Milwaukee County congregations saw significant increases in requests for help and in the level of assistance they provide to people in need. Only 15% of the congregation respondents believed that the situation for families in need has improved since 1995. The congregation survey findings demonstrate that diminished welfare caseloads do not indicate diminished levels of need in the community.

- 87% of respondents to the congregation survey reported that requests for assistance in 2000 were at the same or higher levels than in 1995.
- 88% of respondents reported that, in 2000, they served the same number or more people than in 1995.
- Only 38% of respondents reported that they had developed new kinds of services for families in crisis since 1995.

Since 1995, low-income families have encountered significant barriers to accessing primary and preventive health care services. Enrollment in Medicaid was denied to many eligible families when W-2 was implemented. Emergency room use in Milwaukee increased and the amount of charitable medical care provided by area hospitals doubled. In addition, there was a dramatic increase in the number of patients who defaulted on medical bills.

- Emergency room use by Milwaukee residents increased by 26% between 1995 and 1998.
- The number of people receiving health care they could not pay for increased by 89% from 1995 to 1999. Cases of charitable health care doubled while cases of bad debt increased by 82%.
Since 1995, Milwaukee-area low-income families have encountered new barriers to maintaining access to food. In the past, the Food Stamps program provided a safety net to families that had difficulty assuring their monthly food supply, but in the 1990s access to Food Stamps became much more limited. As enrollments in Food Stamps declined, families in need relied on community organizations for food assistance. When rent and health care costs exhaust scarce cash resources, families turn to community organizations for food provision. Community organizations are now serving more families overall, more families with children, and more people that are working.

- Food-related referrals to community hotlines increased by 136% from 1996-2000.
- Hunger Task Force of Milwaukee and Second Harvest of Wisconsin increased their distribution of food to community food assistance organizations by 58% between 1998 and 2000.
- From 1995-2000, there was a 49% increase in number of people served per month by a sample of area food pantries.
These findings indicate the need for state and federal policy to reconstruct a safety net for families in crisis. The safety net provided by community services is overwhelmed and cannot continue to face increasing levels of need.

Recommendations for state-level policymakers to strengthen the safety net include:

- Create new W-2 enrollment procedures so families in need receive all the services they are eligible for
- Expand childcare subsidies, BadgerCare, tax credits, transportation assistance and other supports for the working poor
- Help employers create jobs for W-2 workers
- Allow families to work part-time while receiving financial assistance
- Improve education and training opportunities for W-2 participants

Policy changes at the federal level are also critical. By October 2002, Congress must revisit and reauthorize the legislation and funding that replaced welfare with Temporary Assistance to Needy Families (TANF). TANF reauthorization offers the opportunity to modify state work programs so that they include safety net programs.

Policy recommendations for federal reauthorization of TANF include:

- Provide adequate federal funding to support low-income families
- Target federal funding to poverty reduction instead of caseload reduction
- Eliminate time limits, so that W-2 participants receive assistance until they are self-sufficient
- Improve support services - such as housing services or drug treatment - for families in crisis

Emergency Services Utilization Research Project and Policy Education Initiative

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