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**NEW REPORT SHOWS WELFARE FAMILIES HAVE GONE TO WORK
BUT REMAIN POOR**

*Part-time and Temporary Jobs Leave Many Below Poverty Level,
Says Major New Study of Welfare Reform in the Midwest*

Hundreds of thousands of Midwest welfare recipients have gone to work since 1996, but most have taken jobs that pay low wages, are part-time, or don't last, according to a major report released today by the Joyce Foundation. As a result, most of those who have made the transition from welfare to work remain poor. As Congress reconsiders the 1996 welfare reform law this summer, proposals that improve access to job training and other supports will be critical to helping low-income working families move out of poverty and into stable employment.

These findings and recommendations were released today in *Welfare to Work: What Have We Learned?* The report presents leading research on welfare-to-work initiatives in the Midwest, including Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin. Midwest states have been innovators on welfare policy both before and since the 1996 national welfare reform.

"This research makes clear that Midwest welfare recipients have done what the country asked them to do – go to work," said Ellen Alberding, president of the Joyce Foundation.

“Yet many thousands of these families remain poor. We hope policymakers will use this information to build on the gains of the last five years, stabilize working families, help them weather economic downturns, and provide the supports they need to climb out of poverty. Meanwhile, we need strategies to reach out to the poorest families still untouched by policy reforms or national prosperity.”

Welfare to Work: What Have We Learned? offers a comprehensive look at results of state efforts to move welfare recipients into the workforce during the first five years of reform. Major findings include:

- Caseloads have declined across the board, led by declines of 75% in Illinois and 71% in Wisconsin.
- Most people who left welfare went to work.
- Part-time and temporary work and low wages leave families in most states below the federal poverty level of \$14,630 for a family of three.
- Hunger, utility shutoffs, lack of health care, and other hardships affect substantial numbers of families.
- Many former recipients express satisfaction about getting jobs.
- Programs such as Medicaid, food stamps, the Earned Income Tax Credit, and subsidized child care are helping many working families, but some are not getting the information they need about available assistance.

Joyce and other leading foundations funded much of the research summarized in the report. The Joyce Foundation commissioned the report so that the research findings could inform policymaking during debates over reauthorization of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act. The U.S. Congress is scheduled to begin debate on reauthorization in early May.

Drawing on research at leading universities and think tanks, the report reveals that employment-based policies adopted by many states – especially in economic good times – have helped some families get a toehold on the economic ladder. Illinois, for example, enabled working families to continue to receive welfare payments out of state funds without exhausting federal time limits on benefits. Wisconsin extended medical coverage to former recipients who went to work. Ohio gave county officials flexibility to craft policies to meet the needs of local families.

But the research also shows that most who left welfare entered a job market that, even in the economic good times of the 1990s, found many people cycling in and out of low-wage jobs. Others have faced serious barriers, including health and mental health problems, that have prevented them from taking jobs despite the pressure to do so.

With tax revenues down throughout the Midwest and welfare caseloads in many states beginning to creep back up, states are facing difficult choices about program cuts and policy changes. Layoffs in such sectors as hospitality and tourism – where many welfare leavers have found jobs – exacerbate the situation.

Recommendations drawn from the research include:

- **Invest in effective education and training.** The research identifies lack of education and training as a barrier to getting and keeping jobs. Combining work experience and training can boost the skills of low-wage workers, and enable them to qualify for jobs in other sectors where openings exist.
- **Maintain funding levels.** The 1996 block grants, which remained in place as welfare rolls declined, provided funding for various forms of non-cash assistance that have provided essential support for people moving from welfare to work.
- **Restructure the safety net to build supports around work.** Research suggests that many working families do not know they can still qualify for benefits like Medicaid and food stamps, suggesting the need to improve communication and cut red tape that prevents eligible people from qualifying for these benefits.
- **Maintain state innovation and flexibility to help individual families.** Creative and innovative programs, many of them pioneered by Midwest states, offer models for other states seeking to boost employment and income.

Welfare to Work: What Have We Learned? focuses on how families are faring in the journey from welfare to work and from poverty to economic stability based on employment. Other welfare policy issues (family formation, teen pregnancy, health, child welfare, general family well-being) were not the focus of the Joyce-funded research nor of the report.

The Joyce Foundation has invested over \$8 million in research to study the effects of welfare reform in the Midwest. Based in Chicago with assets of just under \$800 million, the Foundation supports efforts to strengthen public policies in ways that improve the quality of life in the Great Lakes region. Its Employment Program supports development of public policies that train people for work, help them get jobs, enable them to move up the job ladder, and increase the incentives and benefits of staying employed. Other grantmaking areas are education, environment, gun violence prevention, money and politics, and culture.