

# WHEN WORK IS NOT ENOUGH

TOWARD BETTER POLICY TO SUPPORT WISCONSIN'S WORKING FAMILIES  
MAY 2017

## INTRODUCTION

In the United States, work is the presumptive and primary approach to ending poverty. In Wisconsin, policy makers are designing increasingly punitive legislation to that end. But this approach ignores abundant evidence about job accessibility and job quality. Simply put, many jobs in the state do not provide the income and benefits that families need and, further, many workers face substantial structural barriers to obtaining or maintaining steady employment.

In Wisconsin, almost 1 in 10 working families (8.1 percent) earn less than the official US poverty threshold (which is \$24,036 for a family of four). These are very low levels of income. Indeed, the federal poverty threshold is so paltry that many families with income well above poverty are still struggling to meet basic expenses. More than a quarter of all Wisconsin working families (26.9 percent, totaling more than 163,000 families) make less than twice the official poverty threshold – which means that they live in very modest circumstances.<sup>1</sup> All these families are devoted to work, but their jobs are characterized by low wages, volatile hours (both unpredictable and insufficient), and very shoddy benefits packages.

The fact that work is so often unable to sustain families is one reason that Wisconsin took a lead in the 1990s to create programs that support working families with very low income. Wisconsin Shares (child care subsidies), FoodShare (food stamps), and BadgerCare (health insurance) are all part of the infrastructure established to support working families. As this paper will highlight, these programs have requirements that are unrealistic given the structure and instability of low-wage work, and the presumption punishes low-wage working people and their children. The central problems for these workers are both the quality of jobs (workers may be hired “full time” but get irregular and unpredictable hours) and the accessibility of jobs (workers may not have the transportation needed to get to work). If work supports require documentation of regular work, these critical support systems become inaccessible for the workers who need them the most.

<sup>1</sup> Data comes from Working Poor Families Project 2017, which partnered with the Population Reference Bureau to generate data on the conditions of working families based on the 2015 American Community Survey data (the most recent available). The poverty line for a family of 4 (2 adults and 2 children) is \$24,036. Twice the poverty threshold is \$48,072.

## ACKNOWLEDGEMENTS

COWS is grateful to the Working Poor Families Project for financial and intellectual resources which support this project. COWS would also like to thank Jon Peacock and Tamarine Cornelius of the Wisconsin Budget Project and Vicky Selkove of Legal Action of Wisconsin for their thoughtful suggestions and review.

## ABOUT COWS

COWS is a nonprofit think-and-do tank, based at the University of Wisconsin-Madison, that promotes “high road” solutions to social problems. These treat shared growth and opportunity, environmental sustainability, and resilient democratic institutions as necessary and achievable complements in human development. Through our various projects, we work with cities around the country to promote innovation and the implementation of high road policy. COWS is nonpartisan but values-based. We seek a world of equal opportunity and security for all.

**COWS**

BUILDING THE  
HIGH ROAD

And policymakers are increasingly adopting more punitive and unrealistic approaches to these programs, in spite of these essential structural barriers for low-wage workers. Punitive approaches and restrictions are becoming more common, but there is little evidence that these approaches will help workers and families thrive.

This paper explores how restrictive and punitive approaches to boosting employment miss the mark for working families in the state. Insisting that people work does not create jobs or improve their quality. Insisting that people work a steady schedule does not create jobs that provide regular hours. And while fortunately unemployment rates are lower than they have been in years, requiring work does not mean that enough family-sustaining jobs are available where people need them.<sup>2</sup>

In summary, work alone does not solve the income problem because many jobs are not enough to make ends meet: they offer low wages, inadequate benefits and erratic scheduling. Furthermore, for too many job seekers, opportunities are not accessible. Long distances in rural areas of the state and lack of sufficient public transportation in urban areas are just a few examples of problems that put barriers between workers and opportunities.

The problem is not a lack of commitment to work among Wisconsin residents, but the persistent structural barriers to full, well-paying employment and inadequate or misdirected policy interventions that do not accommodate the realities of low-wage work.

We hope to provide here a more nuanced understanding of what work is like in the state, the challenges that working people face, and the range of policies that can help low-income workers thrive. We close with policy priorities focused on raising the quality of jobs and bolstering public supports that help working families stay in jobs.

## WHEN WORK IS NOT ENOUGH

In Wisconsin, over half of families below the poverty line (54.9 percent) and over three-quarters below twice the poverty line (76.2 percent) are working.<sup>3</sup> The problem is not that these families are not committed to work. It is that these working families do not make enough to cover basic expenses. And basic living expenses are much higher than the federal poverty line. The poverty threshold defined in 2015 –\$24,036 annually for a family of four (two adults and two children) – is extremely low. Indeed, if you ask what a minimal standard of living is, many will answer with numbers closer to 200 percent of the poverty line (\$48,072).

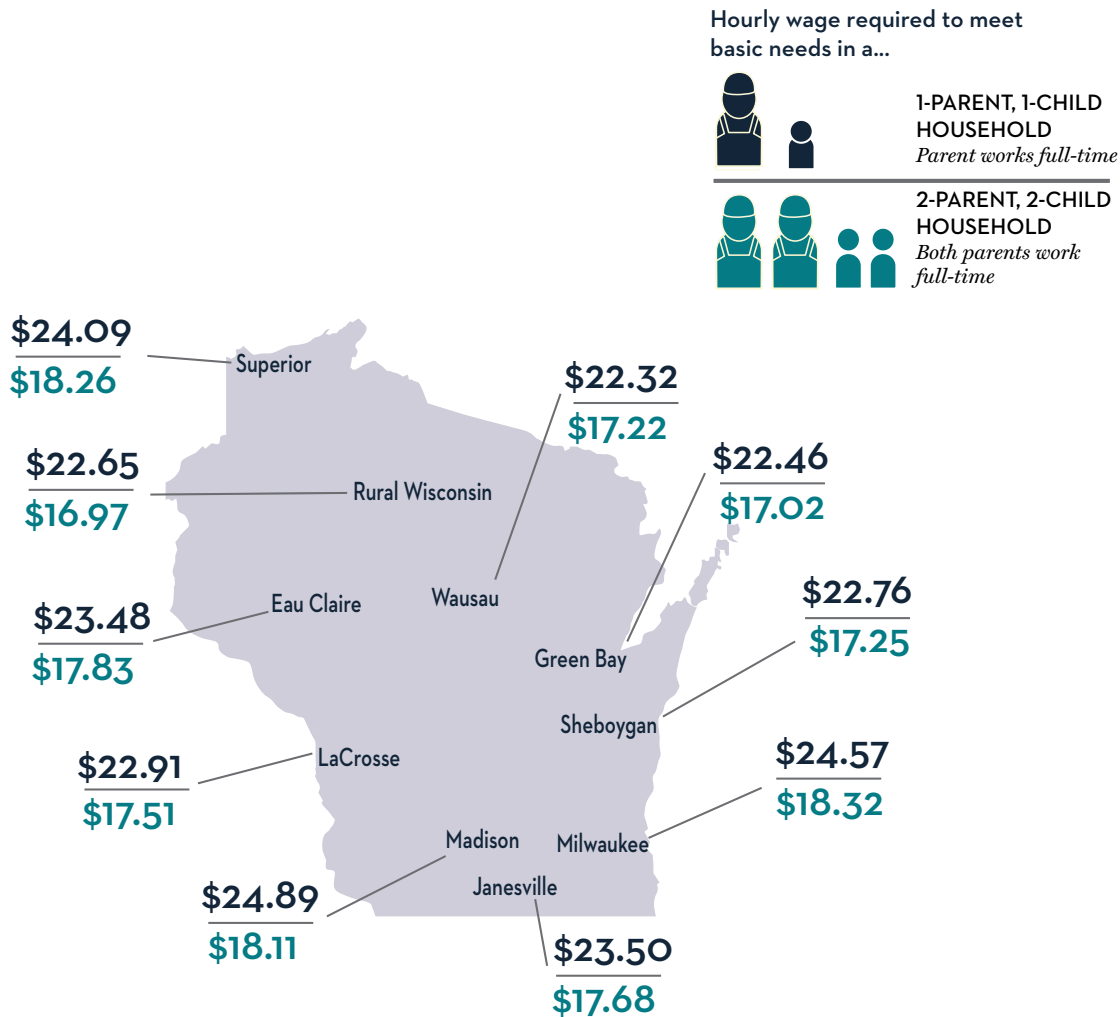
Figure 1 shows just how high the cost of living is. The Economic Policy Institute calculates an estimated minimal family budget for various parts of the state. It is apparent that the cost of living far outstrips the poverty line. For instance, for a family of four in Milwaukee, the hourly wage of two adults working full-time that is required to cover basic expenses (\$18.32) means that the annual income required is above \$76,000, far above the 200 percent of the poverty line standard mentioned above.

<sup>2</sup> In fact, while a lower unemployment rate is always better, less unemployment does not necessarily mean more jobs. The rate of unemployment decreases also when people retire or exit the labor market to go to school or take care of family members.

<sup>3</sup> Working Poor Families Project and Population Reference Bureau 2017 data series.

Figure 1

## FAMILY BUDGETS FOR DIFFERENT CITIES IN WISCONSIN



Source: Economic Policy Institute Family Budget Calculator, 2015, <http://www.epi.org/resources/budget/>

The problem here is one of job quality. People are working, but not making enough money to sustain their families. To get a handle on job quality in the state, we turn to an analysis of Wisconsin jobs. To help make job quality clear, we identify a group of jobs at the bottom of the labor market. We define “poverty-wage jobs” as jobs that pay less than \$11.56/hour, where a worker working full-time, year-round, would still not make enough to keep a family of four out of poverty. Note that this is a measure of job quality and focused on the structure of jobs (not the income status of families). Workers might work in poverty wage jobs but not live in poverty (because, for example, other household members earn money) or a worker might not earn poverty wages but still live in poverty (because they do not have sufficient hours of work or they are supporting a large family).

More than one-in-four workers in Wisconsin (27.5 percent) hold poverty-wage jobs. Table 1 below shows that workers of color and those with lower levels of education are over-represented in the state's lowest wage jobs. About one-quarter of all white workers in the state work poverty-wage jobs, compared to much higher rates for people of color: 39 percent of all black workers, almost half of all Latino workers, and 37 percent of other people of color in Wisconsin are working poverty-wage jobs. Higher educational attainment is associated with increased wages and a reduced chance of working a poverty-wage job. But even a college degree doesn't guarantee wages above \$11.56 – 14 percent of the state's poverty-wage workers have a four-year college degree.

Table 1

## POVERTY-WAGE AND ABOVE POVERTY-WAGE JOBS IN WISCONSIN

	<i>Poverty-wage jobs</i>	<i>Above poverty-wage jobs</i>
Number of workers	741,806	1,956,101
as percentage of workers in WI	27.5	72.5
Wage		
Median hourly wage (\$)	7.96	21.32
Gender		
as percentage of female workers in WI	31.3	68.7
Race/Ethnicity		
as percentage of white workers in WI	24.9	75.1
as percentage of black workers in WI	39.1	60.9
as percentage of hispanic workers in WI	48.7	51.3
Education composition within each group (%)		
HS or less	45.1	28.6
Some College, no degree	32.1	21.2
Associates degree	8.7	12.9
Bachelor's degree or more	14.1	37.3
English proficiency, percentage within each group		
Percentage of workers who speak little or no english	2.9	0.8
Health insurance coverage (% within each group)		
No health insurance coverage	17.3	5.6
Through employer/union	52.1	79.8
Private purchase	10.9	7.9
Public insurance (Medicare, Medicaid, other)	19.7	6.7

Source: COWS analysis of American Community Survey 2014 one-year estimates

---

*The very workers who face the lowest wages in jobs also must face the loss of income when they are sick. Some simply can't afford to stay home and show up sick, a worrisome practice especially in the food service and retail industries where direct customer contact is common.*

---

Poverty-wage jobs are disproportionately concentrated in specific industries. About 63 percent of workers in the food service sector, 48 percent in retail, and 41 percent in residential and home health care earn poverty wages. Low wages in certain industries result in negative consequences for society as a whole. A recent report documented that almost a fifth (18 percent) of long-term care facilities in Wisconsin had to limit admissions and decline care to more than 5,300 vulnerable people. The reason is lack of qualified staff. At a median starting wage of \$10.75, Medicaid-funded long-term care providers find it increasingly difficult to recruit and retain qualified direct care workers.<sup>4</sup> Given the state's aging population, jobs in hands-on health care are projected to grow. Without serious investment in Medicaid, however, wages will remain low and jobs will become increasingly difficult to fill.

These are not just low-wage jobs, however, as they also offer very weak benefit packages. This is especially evident with regard to health insurance. While 80 percent of workers in better-paying jobs get health insurance through their employment, just half of workers in poverty-wage jobs have employer-provided health insurance. Another fifth of Wisconsin's poverty-wage workers get health insurance through Medicaid (BadgerCare). One in six poverty-wage workers (17.3 percent) go without health insurance altogether. For workers in better-wage jobs, just 5.6 percent have no health insurance from any source.

Data on paid sick leave provision are not captured by the Census Bureau (which produces the American Community Survey), but other national research demonstrates that paid sick leave is not widely available – 40 percent of workers have no access to even a single day of sick leave.<sup>5</sup> Lower-wage workers are much less likely to have paid sick days than higher-paid workers: while only one in three full-time workers earning less than \$15,000 per year have paid sick leave, more than 85 percent of full-time workers earning over \$65,000 do. So, the very workers who face the lowest wages in jobs also must face the loss of income when they are sick. Some simply can't afford to stay home and show up sick, a worrisome practice especially in the food service and retail industries where direct customer contact is common.

---

4 Leading Age Wisconsin, Wisconsin Health Care Association / Wisconsin Center for Assisted Living, Wisconsin Assisted Living Association, Residential Services Association of Wisconsin, "The Long-Term Care Workforce Crisis: A 2016 Report" (2017), available at <http://www.leadingagewi.org/media/34782/Workforce-Report-2016.pdf>.

5 "Paid Sick Days Access and Usage Rates Vary by Race/Ethnicity, Occupation, and Earnings" (2016), Institute for Women's Policy Research, available at <https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/B356.pdf>

## LIMITED AND VOLATILE HOURS SHRINK INCOME AND INCREASE STRESS

Wages are low, but that is not the only problem in jobs at the bottom of the labor market. Low-wage jobs often offer short and volatile hours, leaving workers with low income in part because they can't get enough shifts. Representative data on workers' schedules are not available but there are some hints about the scale of the problem.<sup>6</sup> Various data sources show that workers are working in part-time jobs but seeking full-time hours, or employed in low-wage jobs in temporary services or contingent situations, or in jobs that do not provide stable or predictable schedules: the composite picture shows that some workers are not able to secure the stability of work that so many take for granted. Nationally more than five million workers are working part-time but wish they could find full-time hours.<sup>7</sup> Estimates for Wisconsin suggest that, among the 18 to 64 year old labor force, 3.2 percent of workers are in this situation.<sup>8</sup>

Temp work is an area where long-term employment and good hours can be hard to secure. While the temp sector has remained relatively stable in the US since the 1990s, employing roughly 2.5 percent of the workforce, in some industries use of staffing services is much more prevalent: in the late 2000s, 38.7 percent of temp workers went to manufacturing, 13.9 percent to trade, transportation and utilities, and 18.4 percent to professional and business services.<sup>9</sup> **DATA ON WAGES SHOWS THAT TEMP WORKERS ARE DISPROPORTIONALLY CONCENTRATED IN LOWER-PAYING OCCUPATIONS IN THESE INDUSTRIES.**<sup>10</sup>

Subcontracting is another issue for workers, especially those in low-wage jobs, because **SUBCONTRACTING CAN LEAD TO EXPLOITATION AND PRECARIOUS WORKING CONDITIONS.** This is perhaps especially true in retail, janitorial services and the fast food industry.<sup>11</sup> Retail, janitorial and fast food are also industries with very low median wages and where a disproportionate number of workers of color are employed.

Further, over the past two decades, changes in scheduling norms have extracted a toll from workers as well. "Just in time" scheduling is a model deployed in key service industries: retail, food service, and hospitality all have versions of this approach. Workers' schedules are posted just a week or two in advance, and managers adapting to shifting customer patterns are allowed to cancel shifts. In the most extreme cases, workers are sent home after reporting for work (incurring all the transportation and associated costs of the job but not getting the promised hours). Not knowing the work schedule in advance and being subjected to constantly changing schedules makes it difficult, for instance, to find child care arrangements and/or to secure a second job that could make up for lack of hours in the first. At the extreme, people simply must leave jobs because they have to take care of children or older adults, or cannot easily arrange long commutes from work to distant workplaces.

6 One very important source of information on this topic is the Contingent Worker Supplement of the Current Population Survey, which unfortunately was implemented for the last time in 2005.

7 Lonnie Golden, Irregular Work Scheduling and Its Consequences, Economic Policy Institute, April 9th, 2015, <http://www.epi.org/publication/irregular-work-scheduling-and-its-consequences/>

8 Working Poor Families Project and Population Reference Bureau 2017 data series.

9 Dey, Houseman and Polivka. 2009. "What Do We Know about Contracting Out in the United States? Evidence from Household and Establishment Surveys." Working Paper No. 09-157. Kalamazoo, MI: Upjohn Institute.

10 Annette Bernhardt. (2014). "Labor Standards and the Reorganization of Work: Gaps in Data and Research". IRL Working Paper No. 100-14. <http://irle.berkeley.edu/workingpapers/106-14.pdf>.

11 David Weil. 2011. "Enforcing Labor Standards in Fissured Workplaces: The US Experience." *Economic and Labour Relations Review* 22(2): 33.

---

*The working poor are workers who, despite their hard work, cannot get ahead.*

---

A telling report of scheduling practices of major retail employers in New York City reflects national trends toward the adoption of this sort of scheduling. The report finds that “60 percent of the retail workforce is hired as part-time, temporary or holiday, and only 17 percent of workers surveyed have a set schedule. The vast majority, 70 percent, only knows their schedules within a week.”<sup>12</sup>

A similar report of workers in restaurants and retail shops in NYC finds that it is the poor and the near poor (those with earnings less than 200 percent of the federal poverty line) who receive their work schedule with less than 24 hours’ notice most often. More than four out of five restaurant workers and half of retail workers get their schedules with less than two weeks’ notice.<sup>13</sup> Many workers in these industries reported they have had to quit because of their inability to juggle unpredictable work schedules with family, child care and school responsibilities.

The working poor are workers who, despite their hard work, cannot get ahead. As we describe here, these are workers in nonstandard employment situations in industries where unstable work means also low pay and precarious conditions, and workers who do not know their schedule in advance and are sometimes forced out of work. Workers in these situations are individuals who disproportionately fall behind on rent or mortgage, are unable to afford a train or bus fare, skip meals or do not fill prescriptions because they don’t have enough money, have utilities turned off because they can’t pay the bills, and are threatened with foreclosure or eviction.

## GETTING TO WORK IS CHALLENGING

Wisconsin’s economic restructuring in the 1970s and 1980s mirrored regional trends: (1) many manufacturing firms de-urbanized their manufacturing operations, moving plants to rural areas, to the Southern US, and overseas, (2) other firms from various industries relocated from the inner cities to the suburbs, and (3) population followed those jobs and many, often whites with higher incomes, fled cities for suburbs. The core areas of many Midwestern cities were stripped of economic assets and political capital and the population in these declining cities were isolated from economic opportunity. This has created a need to provide means of “reverse commuting” from central cities out to economic opportunity. But the journey is difficult and expensive in a car and often impossible to make without a car. These dynamics have been evident in Milwaukee, where the job base accessible to central city residents has shifted away from Milwaukee. Transportation can be a significant barrier to work, especially when your income is low and public transit is weak.

---

<sup>12</sup> Stephanie Luce and Naoki Fujita, “Discounted Jobs: How Retailers Sell Workers Short” (2012), City University of New York and Retail Action Project, available at [http://retailactionproject.org/wp-content/uploads/2012/01/FINAL\\_RAP.pdf](http://retailactionproject.org/wp-content/uploads/2012/01/FINAL_RAP.pdf).

<sup>13</sup> Community Service Society, “How Unpredictable Schedules Keep Low-Income New Yorkers from Getting Ahead” (2016), available at [http://lghhttp.58547.nexcesscdn.net/803F44A/images/nycss/images/uploads/pubs/Scheduling\\_12\\_19\\_16\\_Final\\_Web.pdf](http://lghhttp.58547.nexcesscdn.net/803F44A/images/nycss/images/uploads/pubs/Scheduling_12_19_16_Final_Web.pdf).

Between the mid-1990s and 2010, Milwaukee lost about 30,000 jobs, while the surrounding suburbs gained about 50,000.<sup>14</sup> At the same time, between 2001 and 2011, the Milwaukee County Transit System's bus miles were reduced by 22 percent. The transit service was mostly cut back in suburban areas, while the service in the city remained the same.<sup>15</sup> This means that over the last two decades, traveling to job opportunities in the suburbs has become more difficult for residents of the inner cities who don't have a car. And this has happened over the same period when traveling away from the city to get to jobs has become more necessary. The situation is just as difficult, although for different reasons, for low-income people who have a car but are particularly at risk of losing their driver's license.

Milwaukee County accounts for only 13 percent of the drivers in the state of Wisconsin. Yet it accounts for more than 20 percent of Wisconsin's license suspensions for failure to pay fines for small traffic violations – like driving with a broken taillight.<sup>16</sup> It is people with very limited means who are often the ones who fail to pay for traffic tickets, receive increased penalties for these failures, and don't show up in court when they are cited for these kinds of fines. Moreover, the system is markedly punitive in these cases. Driving with a suspended license in the state of Wisconsin is penalized with a year of not being allowed to drive at all (a driver who injures someone in a hit-and-run is penalized with one year and is eligible for an occupational license, which people who don't pay fines are not).

For the working poor, driving can make a world of difference. Studies have found that for those with little formal education, being able to drive and get to job opportunities can be decisive in whether they find a job or remain unemployed.<sup>17</sup> Unfortunately, the situation can be dire for the working poor with cars. Not only are these workers less able to pay for fines when they receive a ticket; they are also more likely to receive a ticket for things like broken taillights or driving without insurance, because the police officers patrol more heavily the areas where the poor live on the grounds that these are areas where crime is higher. Anecdotal accounts and research evidence show that penalties fall harder on the poor who are also people of color (a white driver is more likely to receive a verbal warning).<sup>18</sup>

## THE INTERACTION OF LOW-WAGE JOBS AND SYSTEMS INTENDED TO SUPPORT WORKERS AND FAMILIES

Wisconsin, one of the states pushing farthest for welfare reform in the 1990s, has a long history of providing supports to working families. However, in the state, some policies have never been well aligned with the volatile hours of so many low-wage jobs, and recent policy proposals move toward an increasingly punitive and restrictive approach to these programs as well. And that means working families who need support will be increasingly pushed out of these programs. Next we mention a few examples.

<sup>14</sup> Vivian Wang, "Ticket to nowhere: The hidden cost of driver's license suspensions," Milwaukee Journal Sentinel, Aug. 15 2015, available at <http://archive.jsonline.com/news/milwaukee/ticket-to-nowhere-the-hidden-cost-of-drivers-license-suspensions-b99547649z1-321972931.html>.

<sup>15</sup> Center for Economic Development at the University of Wisconsin-Milwaukee, "Public Transit and Access to Jobs in the Milwaukee Metropolitan Area, 2001-2014" (2015), [https://www4.uwm.edu/ced/publications/Transit2015\\_FINAL-1.pdf](https://www4.uwm.edu/ced/publications/Transit2015_FINAL-1.pdf).

<sup>16</sup> Wang, 2015.

<sup>17</sup> John Pawasarat and Lois M. Quinn, "The EARN (Early Assessment and Retention Network) Model for Effectively Targeting WIA and TANF Resources to Participants" (2007), Employment and Training Institute, University of Wisconsin-Milwaukee, available at <http://www4.uwm.edu/eti/2007/EARNModel.pdf>.

<sup>18</sup> Center for Economic Development at the University of Wisconsin-Milwaukee, "Public Transit and Access to Jobs in the Milwaukee Metropolitan Area, 2001-2014" (2015), [https://www4.uwm.edu/ced/publications/Transit2015\\_FINAL-1.pdf](https://www4.uwm.edu/ced/publications/Transit2015_FINAL-1.pdf).



*Uncertain hours keep many low-wage workers from being eligible. They are committed to work, but their employer designs work in such a way that they cannot secure these supports.*

**CHILD CARE.** The **WISCONSIN SHARES PROGRAM** was created in 1995<sup>19</sup> as a support system to provide low-income (earning less than 185 percent of the federal poverty line) working families with subsidy assistance to make child care affordable. The program requires recipients to be working or finishing high school or equivalency programs to be eligible.<sup>20</sup> Recently adopted guidelines require that “parents must be prepared to provide up to four weeks of either their actual or their anticipated schedules” for the authorization worker to “determine the correct number of subsidized child care hours the family is eligible to use for work.”<sup>21</sup> Given the erratic scheduling practices used by many low-wage employers, this requirement makes child care subsidies nearly impossible to secure. Uncertain hours, which are unavoidable for some workers, keep many low-wage workers from being eligible. They are committed to work, but their employer designs work in such a way that they cannot secure these supports. This means that it is essentially the structure of the job that is keeping an otherwise eligible working family from desperately needed support.

Additionally, the state has also reduced investments in the Wisconsin Shares program, leading to decreased accessibility of child care for working families. The Wisconsin Council on Children and Families found that 21 percent fewer children statewide were benefitting from the program in FY2015 compared to FY2008. Over that same period, Wisconsin Shares payments to child care providers dropped by \$131 million, a decline of 36 percent.<sup>22</sup> Also, COWS has documented that most providers in the child care industry are actually working at poverty wages themselves,<sup>23</sup> making this decreased investment a double blow to both low-wage workers in the industry as well as those working parents who rely on child care.

**FOOD ASSISTANCE.** Wisconsin has also adopted **AN INCREASINGLY PUNITIVE POLICY APPROACH TO FOOD ASSISTANCE FOR ADULTS LIVING IN POVERTY (NOW, POSSIBLY, THOSE WITH CHILDREN AS WELL)**. In 2013, Governor Scott Walker spearheaded a push to require able-bodied, childless adults to be employed in order to receive food assistance; the program rolled out in April 2015 as the FoodShare Employment & Training Program (FSET).<sup>24</sup> The Milwaukee-based Hunger Task Force found that the program’s impact in Milwaukee County resulted in only a 7 percent job placement rate, while 53 percent of affected adults in the service area lost their FoodShare benefits. Additionally, 40 percent of FoodShare adults in the state work, but are still eligible for FoodShare due to low wages. FSET training is unpaid.

19 Wisconsin Legislative Audit Bureau, “Wisconsin Shares Child Care Subsidy Program,” January 2001, available at <http://legis.wisconsin.gov/lab/reports/01-1tear.htm>.

20 Wisconsin Department of Children and Families, “Wisconsin Shares Eligibility Guidelines,” available at <https://dcf.wisconsin.gov/wishares/eligibility>.

21 Wisconsin Department of Children and Families, “Policy Changes Regarding Parent’s Work Schedules” (2017), available at <https://dcf.wisconsin.gov/files/youngstar/pdf/ys-newsletter/ys-newsletter-spring2017.pdf>.

22 Wisconsin Council on Children and Families, “Increasing Economic Security for Every Working Family” (2017), available at <http://www.wccf.org/assets/WCCF-Child-Poverty-Report-52745-final.pdf>.

23 Javier Rodriguez S., Mel Meder, and Laura Dresser, “Wisconsin’s Child Care Workforce” (2016), Wisconsin Early Childhood Association and COWS, available at [http://www.cows.org/\\_data/documents/1794.pdf](http://www.cows.org/_data/documents/1794.pdf).

24 Hunger Task Force, “Pushing People Into Dependency,” available at [https://www.hungertaskforce.org/wp-content/uploads/2014/07/HTE\\_FSET\\_policy-paper\\_WEB.pdf](https://www.hungertaskforce.org/wp-content/uploads/2014/07/HTE_FSET_policy-paper_WEB.pdf).

---

*As a consequence of state policy choices, low-income working families face many challenges when it comes to health care.*

---

The Governor recently proposed expanding this approach to able-bodied parents with children, suggesting that the children would still receive FoodShare benefits even if their parents become ineligible due to not working at least 80 hours per month or not receiving job training.<sup>25</sup> This suggestion shows a dangerous misunderstanding: revoking adult benefits for parents who cannot find work at least 20 hours per week, or who are unable to attend placement classes due to lack of adequate transportation, would also harm children in poor families.

**HEALTH CARE.** As a consequence of state policy choices, low-income working families face many challenges when it comes to health care. Access to affordable, comprehensive health care is a critical leg of the support system for working families, as parents who become unable to work due to a health condition lose much-needed income for the family, and a lack of health insurance can cause delays in treatment that harm the patient and cause greater expense as emergency care. Additionally, non-insured medical bills for any family member can decimate budgets. As such, it is important that low-wage workers—many of whom lack employer-provided insurance, as discussed—have sufficient access to publicly-supported health insurance systems, through Medicaid (called BadgerCare in Wisconsin, created in 1999 as a health insurance program to transition families from receiving welfare assistance to work).<sup>26</sup>

Wisconsin reduced eligibility for **BADGERCARE** in 2014, and most adults are now ineligible for that health care assistance if their income is above the poverty line (previously, parents were eligible with incomes up to 200 percent of the poverty line).<sup>27</sup> Wisconsin is one of 19 states that have not used supplemental federal funding to expand eligibility for adults to 138 percent of the poverty level.<sup>28</sup> As a result of the decision to cap eligibility at the poverty level, single parents with one child are currently ineligible for BadgerCare if they have a full-time job that pays more than \$7.81 per hour. Additionally, the Governor proposed a similar requirement as FSET to require childless adults to be working or in a work-training program to enroll in BadgerCare, which would have the same structural issues that make such a tactic an unsuitable approach to incentivizing work.<sup>29</sup>

---

25 Mary Spicuzza and Jason Stein, "Walker's welfare plan: Expand work requirements to parents," Milwaukee Journal Sentinel, Jan. 23 2017, available at <http://www.jsonline.com/story/news/politics/2017/01/23/scott-walker-set-announce-welfare-overhaul/96942732/>.

26 Kaiser Family Foundation, "Wisconsin's BadgerCare Program and the ACA," Feb. 25 2014, available at <http://kff.org/medicaid/fact-sheet/wisconsins-badgercare-program-and-the-aca/>.

27 Wisconsin Council on Children and Families, "Be Aware of the Ides of March and Other Key Health Insurance Dates" (2014), available at <http://www.wccf.org/assets/Be-Aware-of-the-Ides-of-March-3-5-141.pdf>.

28 Kaiser Family Foundation, "Status of State Action on the Medicaid Expansion Decision," Jan. 1 2017, available at <http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

29 Wisconsin Budget Project, "A Summary of the Governor's Proposed Budget for Health Care," Mar. 1 2017, available at <http://www.wisconsinbudgetproject.org/a-summary-of-the-governors-proposed-budget-for-health-care>.

## SOLUTIONS TO SUPPORT WISCONSIN'S WORKING FAMILIES

The landscape of public support systems is changing in the state of Wisconsin, in the direction of making benefits more difficult to access for people who toil in bad jobs or cannot secure employment at all. A sharp turn toward more accessibility by redesigning the work requirements and better understanding the nature of bad jobs is needed.

### MANDATING WORK DOES NOT CREATE JOBS.

Program requirements that require “work” – especially specific hours of work – are punitive and do not respond to the structure of low-wage jobs or the realities of the distribution of access to opportunity in the state.<sup>30</sup> FSET policy is one place to align policy more closely with economic reality. FoodShare time limits could be eliminated in places with high unemployment, because it is in those places where people can't find work despite any training they receive. Making these individuals ineligible for FoodShare only furthers the difficulties for them and their families.

Similarly, as the Hunger Task Force points out,<sup>31</sup> some FSET requirements should be revised. Even if the target of the rules is adults, children are the ones who suffer from discontinuing the benefits. For instance, parents who can't find a job sometimes miss child-support payments because they haven't earned enough money to pay for them. If missing a child-support payment means losing benefits, as proposed in the budget bill, the penalty ultimately falls on the children who end up going hungry.

### WORKERS CAN'T BE ASKED TO PROVIDE WORK SCHEDULES AHEAD OF TIME IF THEY THEMSELVES DON'T KNOW THEM.

Practices like “just-in-time scheduling” are increasingly common in low-wage, service-sector jobs. It is very common for workers in these jobs to learn their schedules only a couple of days in advance (and sometimes the day before). The current requirement of the Wisconsin Shares program of asking parents to provide their anticipated schedules (up to four weeks ahead of time) simply does not make sense in the context of non-standard jobs with unpredictable schedules and prevents parents in need of child care from benefiting from the subsidies provided by the state. Until the state moves (as others are beginning to) to create a framework for standards on scheduling practices, state programs should be designed to connect to workers in these volatile and unpredictable work settings.

### WORKERS NEED SUPPORT GETTING TO JOB OPPORTUNITIES.

For individuals with little education and limited job opportunities, being able to drive a car can be the determining factor in finding a job or being unemployed. As the Employment & Training Institute at UW-Milwaukee has argued, this insight requires a complete restructuring of our approach to license suspensions and driver's education.<sup>32</sup> First, the working poor would benefit from a less punitive approach in case they fail to pay for minor traffic violations like driving with a burnt-out taillight. Second, they would benefit from

30 We have documented these trends in the State of Working Wisconsin, available here: [http://www.cows.org/\\_data/documents/1799.pdf](http://www.cows.org/_data/documents/1799.pdf).

31 Hunger Task Force, “Pushing People Into Dependency,” available at [https://www.hungertaskforce.org/wp-content/uploads/2014/07/HTF-FSET\\_policy-paper\\_WEB.pdf](https://www.hungertaskforce.org/wp-content/uploads/2014/07/HTF-FSET_policy-paper_WEB.pdf).

32 Employment and Training Institute, University of Wisconsin-Milwaukee, “Driver's License Issues and Recommendations” (2015), <http://www4.uwm.edu/eti/2015/DriversIssuesJune2015.pdf>.

---

*A sharp turn toward more accessibility by redesigning the work requirements and better understanding the nature of bad jobs is needed.*

---

better license recovery counseling services (for example, expanding the current efforts of the Center for Driver's License Recovery & Employability that currently serves only Milwaukee residents). Third, they would benefit from a different debt collection policy, for instance, one that does not rely on using "failure to pay forfeitures" license suspensions to collect municipal tickets, court judgments and fees unrelated to dangerous driving, or one that allows penalized drivers to obtain an occupation permit so they can drive to work and earn money to pay their fees.<sup>33</sup>

Finally, outside of these specific revisions and changes to current and proposed work support policies in Wisconsin, there are additional ways to aid the situation of the working poor in the state. We mention three of these broader solutions below:

### **INVEST IN THE DEMONSTRATED SUCCESS OF THE WISCONSIN TECHNICAL COLLEGE SYSTEM WORKFORCE TRAINING PROGRAMS.**

COWS has documented that an associate degree is often the key to unlock higher-paying wages.<sup>34</sup> Directing resources into already-successful WTCS programs can cultivate a skilled workforce that employers need while lifting up those trainees into higher-paying industries.

### **PRIORITIZE JOB PLACEMENT WITH HIGH ROAD EMPLOYERS.**

As COWS has outlined, it is an unwise use of public resources to provide "low road" employers (those paying low wages and offering scant benefits with erratic schedules) with assistance in the form of trainee-employees from publicly supported job training programs.<sup>35</sup> Instead, to better support working families, Wisconsin should focus its workforce development infrastructure to benefit only those employers who are offering family-supporting jobs.

### **RAISE THE MINIMUM WAGE.**

The most direct route to improving this situation is to raise the state's minimum wage. The minimum wage is moving up across the country as workers stand up for higher wages. Perhaps because it is clear that low wages simply cannot support families, and perhaps also because people are concerned that too many workers are seeing no benefit from economic growth, polling consistently shows strong majority support for higher minimum wages from conservatives and liberals alike.

---

<sup>33</sup> In these recommendations, we echo ETI's call for policy reform: Employment and Training Institute, University of Wisconsin-Milwaukee, "Driver's License Issues and Recommendations" (2015), <http://www4.uwm.edu/eti/2015/DriversIssuesJune2015.pdf>

<sup>34</sup> COWS, "The State of Working Wisconsin 2016" (2016), available at [http://www.cows.org/\\_data/documents/1799.pdf](http://www.cows.org/_data/documents/1799.pdf).

<sup>35</sup> COWS, Policy Matters Ohio, and the Keystone Research Center, "High Road WIOA: Building Higher Job Quality into Workforce Development" (2015), available at [http://www.cows.org/\\_data/documents/1753.pdf](http://www.cows.org/_data/documents/1753.pdf).

In April 2017, Democratic senators and representatives proposed the Raise the Wage Act to raise the federal minimum wage to \$15 per hour by 2024 in a gradual process.<sup>36</sup> The bill aims to boost the value of the minimum wage, whose real value has been eroding since the 1980s. A recent report by the Economic Policy Institute assesses the impact of such increase.<sup>37</sup> The highlights for Wisconsin are the following:

- Gradually raising the minimum wage to \$15 by 2024 would directly benefit 519,000 workers in the state (or 19 percent of the workforce). Another 364,000 workers would benefit from indirect spillover effects. In total, a whole third of the workforce in Wisconsin (32.5 percent) would benefit from such a raise.
- The measure would mostly benefit poor working families: 46.4 percent of the workers directly affected come from families with an annual income of less than \$15,000.
- It would also benefit mostly workers of color: 26.1 and 27.6 per cent of directly affected workers in the state would be African American and Hispanic workers, respectively.
- The proposed bill also includes “indexing” the minimum wage to the economy’s median wage after 2025. That would ensure that low-wage workers share broad improvements in the national living standards. It would also create a mechanism to prevent future growth in inequality between low- and middle-wage workers.

---

<sup>36</sup> The proponents of the bill include Senators Bernie Sanders (I-Vermont) and Patty Murray (D-Washington), and Representatives Bobby Scott (D-Virginia) and Keith Ellison (D-Minnesota).

<sup>37</sup> Cooper, David, “Raising the minimum wage to \$15 by 2024 would lift wages for 41 million American workers”, April 26th 2017, Economic Policy Institute, <http://www.epi.org/publication/15-by-2024-would-lift-wages-for-41-million/>