

## S U M M A R Y

## The issues behind the outcomes for African American welfare participants

Minnesota state records show that American Indian, African American, Hmong, and Somali participants in MFIP (Minnesota's welfare program) are less likely than others to have jobs or leave welfare after two to three years. For example, looking at all the people who were receiving MFIP assistance in January 1998, the following percentages were still receiving assistance two years later, in May 2000:

- 35% of White participants
- 61% of Asian participants
- 55% of American Indian participants
- 53% of Blacks (including African Americans and African immigrants)

Clearly these are big differences, but the numbers cannot tell us why this is happening, or how the welfare system could better serve those who are having the most difficulty becoming self-supporting. To learn more about this, Wilder Research Center talked with 40 groups of current and former welfare recipients in the spring and summer of 2002. Led by facilitators from the same cultural background, these groups talked about their experiences with welfare and employment.

Like welfare recipients of any cultural group, many in these groups are successfully started on a path to self-sufficiency. However, they also described many ways in which they face different obstacles that limit their ability to get and keep jobs and leave welfare. Besides barriers related to the welfare system itself, they also talked about other difficulties such as discrimination, availability of child support, housing, and access to transportation.

### People's general views of MFIP

Most participants in the focus groups accept the basic idea of welfare as a two-way agreement, where MFIP provides the help they need to become self-sufficient, while they follow its rules and work to become self-supporting. However, many find that MFIP in its actual operation is demeaning or even hostile rather than supportive. Some feel the system deliberately hides rules and benefits, and is designed to discourage true independence. The quality of their relationship with the MFIP job counselor is crucial to their opinions about MFIP and their success in meeting its expectations.

### Work requirements of MFIP

Most participants in the focus groups expect and want to work. However, many have been discouraged by their experiences trying to get and keep jobs. They consider it fair to expect people to work, but they also tend to add that MFIP should make more exceptions for those who are old, disabled, or caring for sick or disabled family members. They also report that MFIP does not give enough help to people who can work but need help getting ready. These people may lack work experience, English language skills, or basic skills such as reading or writing, or they may have other personal barriers such as mental illness or learning deficits. In addition, many described job-related discrimination based on religion, language, family size, welfare status, and race.

### Help from MFIP for getting and keeping a job

Participants in the focus groups report extensive need for supports that will help them get and keep jobs. These include help with transportation and child care, training costs, and job counselors' help looking for or

keeping work. When they receive these supports they generally find them helpful. However, many report that they need more help with these things than MFIP has provided.

### **The rewards of work**

Participants are grateful that MFIP has helped them to survive when they were unable to support themselves. They recognize that the idea of MFIP is to make work more rewarding than welfare. Almost all prefer working to not working, especially because it means freedom from the demands of MFIP, as well as an increased sense of worth and dignity.

On the other side, a great many people said that MFIP cuts off benefits too soon and too suddenly when people start working. They report that the loss of benefits offsets the gain from wages, especially counting their new work expenses (such as transportation costs and medical insurance) against the loss of non-cash benefits, including help with the costs for child care and rent.

## **What could be done to help more participants succeed?**

### **Participants' readiness for work**

This research suggests that smaller caseloads would make a big difference, allowing job counselors to more quickly identify those who need more help, and start helping them. It would also encourage more familiarity and trust so participants would be more willing to reveal valid reasons for exemptions and thus start addressing them and avoid long, futile job searches. In addition, immigrants need more translation and interpreter support to help them understand the rules and benefits. English-speaking participants may also need more help with reading and comprehending the rules and paperwork.

### **The job market's readiness for welfare participants**

Participants could be helped to access work if their job counselors worked with employers to address discrimination and communication issues on the job. Also, the job market may not be able to provide jobs for all welfare recipients who have work barriers. For

these participants, instead of continuing to require work searches that are unlikely to result in employment, the government could: exempt more recipients from work requirements; revise work requirements to allow more education and other activities to reduce work barriers; or develop and fund more non-market (supported work) jobs.

### **Availability of supports that help people work**

The welfare system could better support participants' work if it studied what the actual needs are and identified gaps where supports are insufficient. Information about the supports that are available should also be better communicated to recipients, not only to counter the perception that the system hides benefits, but also to help participants understand the limits of welfare funding, and how resources are distributed within those limits.

The helpfulness of job counselors could be greatly increased not only by reducing their caseloads but also by better preparing them for the challenges of their role. Study results suggest the need for several types of training including cross-cultural understanding, communicating with people with limited English, and working with participants who may be initially hostile or suspicious.

### **The rewards of working**

This research shows that the combination of work and welfare is not as financially rewarding as assumed. Working brings many new costs to a family, and these costs are not adequately addressed under MFIP. It may be important to examine the actual financial returns of working, including the real costs of housing, transportation, child care, and medical insurance.

### **Advancing to self-sufficiency from an entry-level job**

For many focus group participants, unskilled jobs appear unlikely to lead to eventual self-sufficiency. Five years may not be a realistic time frame for a new, unskilled worker to advance to self-supporting work without further training. This study suggests that members of these cultural populations may be even less likely to receive job advancement opportunities. It seems likely that recipients would welcome and benefit from a policy that would allow new workers, after some time in a low-skill or low-wage job, to have access to further training.

## Perceptions of welfare's intentions

While job counselors are told that their first goal is to support recipients' progress toward employment, the second goal is to enforce the rules of welfare policy. To the extent that job counselors emphasize the rules more than the support for success in the job market, some participants believe that the system actually discourages self-sufficiency, especially when the rules and benefits are not clear to them.

For welfare policies and services to be more successful, it is important to change these perceptions and experiences. Solutions include more diverse MFIP workers, better training for MFIP workers, smaller caseloads, and more balanced accountability from case workers as well as participants.

## Conclusions

Results of this study suggest that the greatest opportunity for improving the chances of success for American Indian, African American, Hmong, and Somali welfare participants lies in strengthening the individualized support. This begins with well-prepared job counselors whose caseloads are small enough to allow them to understand the recipient's situation and what kind of help they need to be ready to work. It also means that job counselors need to have access to suitable ways of meeting those needs.

## What we learned from the African American discussion groups

In addition to the general themes that were common to all four cultural groups, we heard these experiences from 41 African American people who participated in 11 discussion groups held in Minneapolis, Saint Paul, Duluth, and Rochester:

Participants generally agree with the welfare system's work expectations:

- Nearly all agreed that they would rather work.
- They value the freedom from MFIP's control, and they value the self-esteem that comes from having their own income.

Those who grew up on welfare generally also support the work requirements, but:

- Five years may not be long enough to get the necessary education, experience, and other preparation.
- For those who grew up with little exposure to working, this is a major life change that requires a corresponding level of personal support.

MFIP provides enough help to survive, but not to make progress:

- To make a living wage, many people need more education than MFIP allows.
- Many focus group participants said they lack both soft skills (general workplace norms) and hard skills (technical skills to do a certain job).
- Participants feel that job counselors should do more to assess people's readiness before sending them out to look for jobs.

Many African Americans feel the welfare system is designed to prevent them from getting ahead, because they perceive:

- Lack of access to education to increase their earning power.
- Withdrawal of benefits before the family is able to manage without them
- Rules, benefits, and sanctions not applied equally.
- Disrespectful treatment by MFIP workers.

People often have trouble understanding MFIP's rules and paperwork:

- Many have limited formal education or reading skills.
- Some feel overwhelmed with more information than they can absorb at one time.
- However, *not* learning all the rules and benefits early enough can lead to other problems.

In many groups, participants discussed how people have abused the system in the past:

- Some expressed resentment that past cheating by others has led to tighter rules, which hurt people who are genuinely trying to become self-supporting.
- Most said they disapprove of cheating the system, but many do not feel it is wrong to "work the system" just to survive when the system is not providing the support it is supposed to.

Many African American participants gave concrete examples of discrimination, both in hiring decisions and in the workplace. Most feel that welfare workers do not understand how this affects their job options and their success.

African American participants have serious concerns about child care:

- Many have children with special needs, making it difficult to find suitable care.
- Inflexible jobs often conflict with caregiving responsibilities.
- Some fear they will lose custody of their children if their child care arrangements are unsafe or unreliable.

Child support is a problem for many African Americans:

- Women feel they are penalized for fathers' lack of support.
- Men feel expectations are sometimes unrealistic, given their earning ability, and that penalties further reduce their ability to provide support.
- The pass-through of child support payment through the MFIP system is hard to understand.

Housing costs are a big problem for many, especially in the Twin Cities.

- Several participants noted that the cash grant has not been adjusted to allow for rising housing costs.
- The high cost of housing makes it difficult to survive on low-wage jobs.

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