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WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

1997-98

(session year)

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(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
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W-2 (Wisconsin Works)
An Analysis of Feasibility and Impact

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BACKGROUND

As of January 1999, Aid to Families with Dependent Children will no longer exist in Wisconsin. AFDC currently provides for approximately one quarter of a million very low-income people in Wisconsin, 70% of whom are children. The program Governor Thompson is proposing as a replacement is called *W-2 (Wisconsin Works)*. The key change under W-2 is that cash assistance will no longer be an entitlement for families with needy children. Instead, low-income parents can choose to participate in the W-2 system, which offers four employment options including private employment, subsidized private employment, community service jobs, and supervised transitional work.

Those persons unable to find private employment would participate in one of three time-limited employment programs. The community service and supervised transitional employment would provide the head of household with a monthly subsidy, roughly equivalent to previous welfare payments, which the person would "work off" doing 40 hours of community service or supervised transitional labor. Because these programs would be considered service for the subsidy, participants would not be covered by minimum wage requirements and would not be eligible for the Earned Income Tax Credit which provides economic assistance to the working poor.

Given the fundamental change in policy direction that ending AFDC signifies it is important to understand the basis for the 60 year-old program W-2 proposes to replace.

Aid to Dependent Children was established by the Social Security Act of 1935 as a cash grant program to enable States to aid needy children without fathers. Renamed Aid to Families with Dependent Children (AFDC), the program provides cash welfare payments for (1) needy children who have been deprived of parental support or care because their father or mother is absent from the home continuously, is incapacitated, is deceased or is unemployed, and (2) certain others in the household of such child.¹

The debate about welfare reform has been hampered by a reliance on misconceptions about AFDC. Reasoned public policy decision-making must integrate factual information with the values of the society to ensure that policy changes are supported by the public and do not cause undue harm to those least able to speak on their own behalf: children.

INTRODUCTION

Governor Thompson calls W-2 “a dramatic break with the past” but the impact of this “break” has not been evaluated. **The fundamental policy change at the heart of W-2 is that the state will remove itself from any direct obligation to provide for needy children.** Under W-2, the state's only role will be to help parents to help themselves; and, if a parent can't or won't, to remove the child from the home. The primary determinant to success under W-2 is presumed to be the effort of the adult participants. The W-2 plan makes a number of assumptions about:

- the reasons for AFDC dependency,
- labor market conditions,
- family support systems, and
- the potential for economic self-sufficiency among entry-level workers.

These assumptions were not examined in a comprehensive and empirical manner.

Because W-2 is a significant shift in social policy and will have serious consequences for the more than 76,000 households receiving AFDC in Wisconsin, the Institute for Wisconsin's Future (IWF) has conducted a study of the feasibility and potential impact of the W-2 proposal. This study is designed to address four major issues:

- 1) The capacity of the state's economic system to absorb substantial numbers of new job seekers;
- 2) The compatibility of existing educational levels among AFDC recipients with the educational requirements of available jobs;
- 3) The availability of support systems necessary for parents' participation in the work force; and
- 4) The impact of an influx of low-wage workers on the state economy.

To examine these issues, IWF collected data from four Wisconsin counties which represent urban and rural areas of different sizes. However, since 59% of all Wisconsin welfare recipients live in Milwaukee County, this community was targeted for more detailed analysis. Data for additional Wisconsin counties can be found in Appendix 1.

FINDINGS

Labor Market Conditions

- 1. Statewide, there are less than half the jobs necessary to employ the total number of current AFDC recipients and unemployed persons.**

An examination of employment projections generated by Wisconsin's Department of Industry, Labor, and Human Relations (DILHR) demonstrates that there is an insufficient number of job openings to meet the employment needs of those heads of households currently receiving public assistance. There are currently 69,039 adult recipients of AFDC who would have 24 months to find unsubsidized employment under the W-2 plan. These new entrants to the workforce would be competing for private sector jobs with the unemployed population, currently 125,639 people. Together, this constitutes nearly 195,000 people in need of employment in the state. The average annual job openings for the state, as projected by DILHR through the year 2005, is 85,464.

TABLE 1. Four-county labor market assessment of job availability versus placements needed.

	Milwaukee	Rock	Marinette	Eau Claire	Wisconsin
Job Openings²	20,035	2,877	829	1,624	85,464
AFDC adult³	32,013	2,363	491	1,297	69,039
Unemployed⁴	18,913	3,227	1,342	3,967	125,639
Total Jobseekers	50,926	5,590	1,833	4,295	194,678
Job Gap	39,891	2,773	1,004	2,671	109,214

Job Service Experience

To better understand the circumstances faced by AFDC recipients entering the job market, it is instructive to examine the experience of Job Service clients in Wisconsin. A striking example from Marinette County shows that in July 1995 there were 57.8 applicants for every clerical job opening on file with the local Job Service office⁵. More specifically relevant is the role Job Service plays in the employment of welfare recipients.

"During this program year the State administered a variety of employment and training programs for those receiving AFDC. During the year Job Service was the dominant provider of such services through a series of contracts with the Wisconsin DHSS and county social services departments providing services in 63 counties and tribal units. Services provided included enrollment, job search, case management and a limited amount of training and supportive services."⁶

Chart A. Number of AFDC recipients placed by Job Service⁷

State Total	1988	1989
Program Participants	33,594	36,476
Clients Placed	13,758	15,764
Percent of Clients Not Placed	59%	56%

Chart B. Job Service applicant to openings ratio, July 1995⁸

COUNTY	RATIO OF APPLICANTS/JOBS
Milwaukee	10.8 to 1
Marinette	11.1 to 1
Rock	21.5 to 1
Eau Claire	15.1 to 1

The point here is not to criticize Job Service, but to note that if the "dominant provider" of employment services to welfare recipients has had less than a 50% success rate in placing AFDC recipients in jobs, and the total number of placements statewide was approximately 16,000 for the entire year, then the challenge of now placing 70,000 recipients as quickly as possible should not be taken lightly.

2. Without funded training programs, there will continue to be a serious mismatch between the skill levels of AFDC recipients and the skills required for most openings.

The state job shortage is further exacerbated when jobs requiring education beyond high school are eliminated from the total pool of available jobs. According to a recent survey of job openings done by the Employment and Training Institute of UW-Milwaukee, 61% of the full-time openings in the metro Milwaukee area "required education, training or occupation-specific experience beyond high school."⁹

The availability of entry level jobs is critical, as these are the types of jobs needed by welfare recipients, who typically have less formal education, less recent labor market experience, and fewer job skills than the currently employed.

In Wisconsin, approximately 40 % of AFDC recipients have not finished high school and only 12% have post-secondary education (**See Chart D. below**). This discrepancy will reduce the number of jobs available to the AFDC mothers attempting to enter the labor market and leave employers with a continuing shortage of skilled workers.

Chart C. Educational Status of AFDC Recipients¹⁰

EDUCATION LEVEL	AFDC RECIPIENTS
AFDC recipients with less than a high school education	38.6% of all recipients (26,649 persons)
Recipients with High School Diploma or GED Certificate	37.3% of all recipients (25,752 persons)
Recipients with post-secondary training or education	12.4% of all recipients (8,561 persons)
Educational levels unknown	11.8% of all recipients (8,009 persons)

When the number of AFDC recipients who would be entering the job market as entry-level workers is calculated and compared to the available number of entry-level job openings, there is a significant gap statewide. In the Wisconsin entry-level labor market, there are roughly 33,000 entry-level job openings and 52,000 job seekers. The full table showing the comparison of entry-level openings to entry-level recipients follows.

TABLE 2. Four-county and statewide comparison of entry level jobs available to low-skill workers entering the workforce under the W-2 program. *

	Milwaukee	Rock	Marinette	Eau Claire	Wisconsin
Entry-level Jobs¹¹	7,814	1,126	323	633	33,330
Entry-level AFDC applicants.¹²	24,297	1,793	373	984	52,401
Entry-level job gap	16,483	667	50	351	19,071

* This table does not include the current population of non-AFDC unemployed persons seeking jobs in these counties.

The Case of Milwaukee County

While it is important to understand what impact W-2 will have in each Wisconsin county, special attention must be given to the feasibility of W-2 in Milwaukee County, since it contains over half of the state's AFDC recipients. If W-2 does not succeed in Milwaukee County, then Wisconsin Works won't work. The labor market projections for Milwaukee County suggest that training programs will be crucial to ensure program success. Of the 32,000 adult recipients who would be entering the job market, about 24,000 have educational levels of high school or less. When this number of new entry-level workers is compared to the projected number of entry-level openings (8,000), the job gap is obvious. When the percentage of the 19,000 currently unemployed workers who would also be vying for the entry-level jobs is added, the situation is even worse.

Supportive Services

- 3. Crucial support systems for newly employed parents, including child care and public transportation, are not available to substantial numbers of persons in designated counties.**

Child Care Resources

The Wisconsin Council on Children and Families estimates that there are over 70,000 children under the age of five in the state of Wisconsin who will require daycare services if their mothers enter the workforce. This would require up to a 50% increase in the number of daycare slots available in Wisconsin. In Milwaukee County alone 30,000 children under the age of five could need care, a 136% increase over current capacity.

Under the state proposal, child care services are to be expanded by lowering standards for child care licensing. W-2 has come under significant criticism by state child advocacy groups who fear that "provisional care" by untrained, unmonitored caregivers could lead to a higher risk of abuse for young children, a reduction in wages for child care workers and a general lowering of child care standards. They see this proposal as a reversal of the progress that has been made over the years to professionalize child care and improve conditions for children being cared for out of the home.

The W-2 plan calls for participant co-payments toward child care costs. The amounts of payment have not been specified, but for low-wage workers even minimal child care payments could reduce family access to regulated care, forcing parents to base child care decisions on what is cheapest, not on what is best for their children.

Transportation Access

It has been well-publicized that there is a geography gap in the labor market. A Wisconsin Policy Research Institute report on employment and transportation issues for the metro-Milwaukee area states that 7 out of 10 new jobs created between 1970 and 1990 were located outside the city of Milwaukee.¹³ The Employment and Training Institute's survey shows that just 26.5% of metro area job openings are located in the city of Milwaukee, 29.5% in Milwaukee County suburbs, and 43.2% in the WOW counties (Waukesha, Ozaukee and Washington Counties.)¹⁴ The majority of Milwaukee County's potential AFDC workforce lives in the city of Milwaukee. Since less than 5% of all AFDC clients own cars, the average value of which is \$526,¹⁵ this group is dependent on public transportation not only to get to and from work, but to deliver and pick up children from daycare sites. According to officials from the Milwaukee County Transit Company, transportation from Milwaukee's central city to outlying areas is fragmentary and time consuming. Daily bus rides to daycare facilities and suburban job sites

can take up to two hours each way and cost (with proposed fare increases) up to \$100 monthly. For a single parent, the addition of up to four hours of travel time on to an eight hour work day lessens the chances of a successful transition from welfare to employment.

The single bus route that is considered adequate to reach the northwest suburbs is the Fond du Lac Avenue route. There is only one bus route that goes west into Waukesha. This bus stops at Brookfield Square and connects to the Waukesha busline. This route is long and connections are difficult. There are no bus routes to the newly established Franklin Industrial Park. Menomonee Falls buses run from the suburbs into the downtown area in the morning and back in the evening; there are no day shift routes leaving the city that go to Menomonee Falls. The metro link bus service to the southwest side was canceled and no buses go from central Milwaukee to the cluster of nursing homes on Green Tree Road and Mill Road. In short, public transportation as currently constituted cannot meet more than a small portion of the transportation needs of this newly mandated workforce.

Impact on the State Economy

- 4) The influx of even a portion of current welfare recipients into the low-wage labor market will result in a substantial reduction in wages to those currently employed in low and moderate wage jobs.**

A basic economic tenet holds that, other things being equal, when labor supply increases, wages tend to be depressed by the larger number of workers competing for available jobs. The Economic Policy Institute of Washington, D.C. (EPI) has just published a report in which they estimate the impact of the welfare reform bill currently before the U.S. Senate. This proposal would place about one-fifth of adults currently on welfare in Wisconsin in jobs. These former welfare recipients would be competing for jobs primarily with those who are already low-wage workers. EPI estimates that low and moderate wage workers in Wisconsin — defined as those earning less than \$7.27 an hour — would see their wages fall 8% with even this limited influx of welfare recipients¹⁶. The W-2 proposal (with its much greater movement of new entrants into the work force) would obviously compound this effect.

This is especially true in Milwaukee County where 32,000 AFDC recipients would enter the workforce and where unemployment is high and wages are already lower than in outlying areas. Economics Professor Robert Drago of UW-Milwaukee has found that "workers residing outside the county of Milwaukee earn around \$6,000 more per year than workers living inside the county... and unemployment falls from over 18% to less than 3% as we move from the inner city to the suburbs outside Milwaukee County."¹⁷

Workers in Milwaukee County can ill afford to suffer any more disadvantage in the form of wage depression. An astounding "83.2% of Milwaukee's net employment growth between 1980 and 1990 was workers earning under \$20,000 annually," according to Professor Marc Levine of the UW-Milwaukee Center for Economic Development.¹⁸

CONCLUSION

The W-2 proposal represents a change in the public assistance system on a scale and at a pace never before attempted. This proposal which replaces welfare with an employment program is based on a set of implicit assumptions that have not been clearly stated or verified by the administration. These assumptions include:

- that there are enough jobs to enable the current population of 70,000 AFDC adults to create a self-sufficient lifestyle for themselves and their 153,000 children.
- that current AFDC adults entering the workforce under W-2 have the education and skills necessary to be hired into the existing pool of jobs.
- that there are a sufficient number of qualified providers to care for the thousands of young children whose mothers will be entering full time jobs.
- that parents have access to transportation, not only to the parents' job site but also to the children's daycare facilities.
- that the influx of large numbers of new workers will not negatively impact the wage level for existing workers.

The data compiled in this study indicates that these assumptions are not correct.

There are not a sufficient number of jobs to meet the employment needs of AFDC recipients and the current population of unemployed persons in Wisconsin.

There is a serious mismatch between the skills of the AFDC population being directed into the marketplace and the skill requirements for over 60% of the available jobs.

There are not adequate numbers of day care facilities for the small children whose parents are supposed to be employed outside the home for forty hours each week.

AFDC recipients, especially in Milwaukee County, do not have sufficient means of transportation to reach outlying suburban areas where jobs are clustered.

The influx of entry-level workers into the economy will depress wages for the bottom one-third of the current working population, which in turn threatens their ability to maintain economic self-sufficiency.

As written, W-2 appears to ignore the economic and social conditions in which welfare reform is taking place. Given the findings of the study, it is recommended that policymakers delay passage of this proposal until sufficient provisions are included to address the primary barriers to successful implementation. Additional planning is required to address the significant need for training that will enable current AFDC recipients to obtain the skills needed to meet employer needs. The proposal must address the serious gap in childcare and transportation services requisite for sustained employment. And finally, the proposal must address, directly, the clear need for public and private job creation to ensure family supporting jobs for these thousands of parents required to achieve family self-sufficiency within 24 months.

The precarious position of the population affected, including more than 153,000 children who already face difficult conditions for growing into healthy and successful adults, suggests that a slower, more reasoned approach to welfare reform would better ensure the parents' successful transition to work. This approach must take into account the continued need to invest in Wisconsin's human resources and not resort to a quick-savings or punitive approach that leaves the state with ever higher numbers of families living in poverty.

NOTES

1. U.S. House of Representatives. (1994) Green Book: Background Material and Data on Programs within the Jurisdiction of the Committee on Ways and Means, page 324.
2. Openings: Average Annual Openings by County and Service Delivery Area. (Eau Claire, Marinette County and La Crosse projections are based on their share of regional employment) WI Department of Industry, Labor and Human Relations. "Wisconsin Occupational Projections to 2000" 1989, the most recent publication of regional projections. State projections are based on the 1995 edition of "Wisconsin Occupational Projections to 2005."
3. AFDC Adult: 1994 monthly average AFDC adults. WI Department of Health and Social Services, 1995.
4. Unemployed: Civilian Labor Force Estimates, January 1995. WI Department of Industry, Labor and Human Relations.
5. WI Department of Industry, Labor and Human Relations. (1995) Table 2A: "Job Service Applicants and Openings by Major Occupational Group." By county, July 1995.
6. WI Department of Industry, Labor and Human Relations. (1990) "Job Service Wisconsin Annual Report," page 7.
7. Ibid, and 1989 Annual Report, page 13.
8. WI Department of Industry, Labor and Human Relations. (1995) Table 2A: "Job Service Applicants and Openings by Major Occupational Group." By county, July 1995.
9. Employment and Training Institute and Social Science Research Facility at UW-Milwaukee. (1995) "Survey of Job Openings in the Milwaukee Metro Area," page 7.
10. U.S. Department of Health and Human Services. (1991) "Characteristics and Financial Circumstances of AFDC Recipients," Table 29: "AFDC Adult Recipients by Years of Education."
11. Entry-level jobs here represent 39% of total openings, based on ETI's findings that 61% of jobs in their survey required some post-secondary training.

Since the Milwaukee metropolitan region may not be representative of the state as a whole in terms of job opening requirements, another calculation was done based on the education or training levels needed to fill the jobs with the most projected openings in Wisconsin for the next ten years (WI Department of Industry, Labor and Human Relations. (1993) "Wisconsin Occupational Projections to 2000," Table 4.4: "Occupations with the Most Job Openings Wisconsin 1990 to 2005.")

Of the occupations listed in DILHR's projection, a slightly lower number of 51% require education or training beyond high school. The following table represents the number of low-skilled openings for each of the counties and the state now using 49% of total openings as the calculation for entry level jobs. In only one county, Marinette, does the difference in methods make a difference. In all other counties shown and for the state, the number of low-skill job openings is insufficient to absorb the number of AFDC recipients who would be entering the labor market under W-2, let alone the number of currently unemployed persons, not all of whom would fall into the low-skilled category.

Alternate TABLE 2. Four-county and statewide comparison of entry level jobs available to low-skill workers entering the workforce under the W-2 program

	Milwaukee	Rock	Marinette	Eau Claire	State
Entry-Level Jobs	9,817	1,410	406	796	41,877
Entry-level AFDC apps	24,297	1,793	373	984	52,401
Entry-level Job gap	14,480	383	none	188	10,524

12. 75.9% of AFDC Adults (those with a high school diploma or less). Figures on educational levels are from US DHHS, see note 10 above.
13. Wisconsin Policy Research Institute. (1993) "Getting Milwaukee To Work: Antipoverty Strategy Where Rubber Meets Road," page 1.
14. ETI, page 23.
15. U.S. Department of Health and Human Services. (1993) "Characteristics and Financial Circumstances of AFDC Recipients," Table 43: "AFDC Families with Countable Assets by Type and Value."
16. Lawrence Mishel and John Schmitt, EPI Briefing Paper; Oct. 1995.
17. Robert Drago. (1994) "Jobs, Skills, Location and Discrimination: An Analysis of Milwaukee's Inner City and Metro Area," page iii.
18. Marc Levine. (1994) "The Crisis of Low Wages in Milwaukee: Wage Polarization in the Metropolitan Labor Market, 1970-1990," page 12.

APPENDIX 1

Labor market assessment of job availability versus placements needed

	Racine Kenosha Walworth	Winnebago Fond du Lac Green Lake	La Crosse	North West counties*
Job Openings²	6,114	5,149	2,287	2,831
AFDC Adults³	5,295	2,047	1,417	2,463
Unemployed⁴	9,214	6,307	2,560	7,118
Total Jobseekers	14,509	8,354	3,977	9,581
Job Gap	8,395	3,205	1,690	6,750

* North West Service Delivery Area for the Department of Industry, Labor and Human Relations includes: Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn counties, calculations made on regional level for this area.

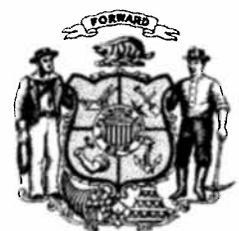
Comparison of the number of entry-level jobs available to the number of low-skill workers entering workforce under W-2 program.*

	Racine Kenosha Walworth	Winnebago Fond du Lac Green Lake	La Crosse	North West counties*
Entry-level Jobs¹¹	2,384	2,008	892	1,104
Entry-level AFDC applicants¹²	4,019	1,554	1,075	1,869
Entry-level job gap	1,635	0	183	765

* This table does not include the current population of non-AFDC unemployed persons seeking jobs in these counties.



WISCONSIN STATE LEGISLATURE



**TRAINING AND WAGE LEVELS IN WISCONSIN'S JOB MARKET:
An Analysis of the Relationship Between Wage Levels
and Educational Requirements in Occupational Growth Areas.**

Part I. Introduction

On September 1, 1997, Aid to Families with Dependent Children will no longer exist in Wisconsin. AFDC currently provides for approximately one quarter of a million very low-income people in Wisconsin, 70% of whom are children. The new program, *W-2 (Wisconsin Works)*, eliminates cash assistance and, instead, places low-income parents in four employment options including private employment, subsidized private employment, community service jobs, and supervised transitional work.

The viability of this plan is being examined from a range of viewpoints. In this paper, the Institute for Wisconsin's Future (IWF) examines the feasibility of securing jobs in the state's labor market and the impact of training, or the lack of it, on both access to employment and wage levels. This report utilizes updated information from a previous IWF study on the labor market along with new information that pertains to training and wage level variability. Hopefully, this information can be useful in designing and evaluating the current programmatic models designed to assist AFDC recipients enter the work force.

Part II. Labor Market Analysis

In a previous analysis of the Wisconsin labor market, the Institute for Wisconsin's Future (IWF) assessed:

1. The capacity of the state's economic system to absorb substantial numbers of new job seekers.
2. The compatibility of existing educational levels among AFDC recipients with the educational requirements of available jobs.

Findings

Labor Market Conditions

1. **Statewide, there are not a sufficient number of jobs to employ the total number of current AFDC recipients and unemployed persons.**

An examination of employment projections generated by the Wisconsin Department of Workforce Development demonstrates that there is an insufficient number of job openings to meet the employment needs of all unemployed persons, including those individuals currently receiving public assistance. There are currently 39,336 adult recipients of AFDC who would have 24 months to find unsubsidized employment under the W-2 plan. These new entrants to the workforce would be competing for private sector jobs with the unemployed population, currently 95,174 people. Together, this constitutes 134,510 people in need of employment in the state. The average annual job openings projected for the state through the year 2005 is 85,464.

TABLE 1. Four-county labor market assessment of job availability versus placements needed.

	Milwaukee	Rock	Marinette	Eau Claire	Wisconsin
Job Openings ¹	20,035	2,877	829	1,624	85,464
AFDC adult ²	24,599	880	158	458	39,336
Unemployed ³	20,118	3,218	1,039	2,472	95,174
Total Jobseekers	44,717	4,098	1,197	2,930	134,510
Job Gap	24,682	1,221	368	1306	49,046

2. Without funded training programs, there will continue to be a serious mismatch between the skill levels of AFDC recipients and the skills required for most openings.

The state job shortage is further exacerbated when jobs requiring education beyond high school are eliminated from the total pool of available jobs. According to a recent survey of job openings done by the Employment and Training Institute of UW-Milwaukee, 61% of the full-time openings in the metro Milwaukee area "required education, training or occupation-specific experience beyond high school."⁴ The availability of entry level jobs is critical, as these are the type of jobs needed by welfare recipients, who typically have less formal education, less recent labor market experience, and fewer job skills than the currently employed. In Wisconsin, approximately 40% of AFDC recipients have not finished high school and only 12% have post secondary education (See **Chart A below**). This discrepancy will reduce the number of jobs available to the AFDC mothers attempting to enter the labor market and leave employers with a continuing shortage of skilled workers.

Chart A. Educational Status of AFDC Recipients.⁵

Education Level	AFDC Recipients
AFDC recipients with less than a high school education	38.6% of all recipients (15,184 persons)
Recipients with High School Diploma or GED Certificate	37.3% of all recipients (14,672 persons)
Recipients with post-secondary training or education	12.4% of all recipients (4,878 persons)
Educational levels unknown	11.8% of all recipients (4,642 persons)

Part III. Assessment of the Relationship between Training and Wage Levels

Given the narrow window of job opportunity for AFDC clients entering the market, it has been suggested that training provides two significant benefits. Training expands the occupational options for persons entering the labor market and reduces the competition for low-skill jobs. Training also provides opportunities for persons entering the workforce to secure employment that pays higher wage levels thus reducing the dependence of households on supplementary public assistance and hastening families toward real self-sufficiency.

To examine these possible impact of training in the W-2 transition process, the Institute for Wisconsin's Future reviewed data on both those occupations that are projected to have the most openings and those occupations that are expanding the most rapidly in the state. IWF employed data from the Department of Workforce Development's projections to determine the wage levels and the training requirements for these occupations. This data is summarized below in Tables 3 and 4.

Table 3: Wisconsin's Top 15 Fastest Growing Occupations With 500+ Employment

<u>Occupational Title⁶</u>	<u>Level of Education and Training⁷</u>	<u>Annual Wage⁸</u>
1. Computer Engineers	Bachelor's Degree	\$32,461
2. Systems Analysts	Bachelors Degree	36,206
3. Human Service Workers	Moderate-Length T/E	20,720
4. Demonstrators, Promoters, Models	N/A	N/A
5. Personal Home Care Aides	Short-Term T/E	19,240
6. Home Health Aides	Short-Term T/E	12,898
7. Electronic Pagination Systems Operators	Long-Term T/E	26,624
8. Paralegals	Associate Degree	26,536
9. Detectives and Investigators	Work Experience/Moderate T/E ⁹	30,160
10. Corrections Officers and Jailers	Long-Term T/E	24,066
11. Teachers, Special Education	Bachelor's Degree	40,560
12. Nursery Workers	Short-Term T/E	17,181
13. Insurance Adjusters, Investigator	Long-Term T/E	27,270
14. Child Care Workers	Short-Term T/E	11,480
15. Dental Hygienist	Associate's Degree	37,440

Key:

T/E = Training and Experience

N/A = Not Available

Short-Term Training/Experience = up to 1 month of on-the-job-experience.

Moderate-Length Training/Experience = 1 to 12 months of combined on-the-job experience and informal training.

Long-Term Training/Experience = more than 12 months of on-the-job training.

Source: Bureau of Labor Statistics, Occupational Outlook Handbook, "Employment from 1994-2005, by Level of Education and Training." (<http://stats.bls.gov/oco/ocotjt1.htm>)

Wage levels for high skills jobs are more than 250% higher than the low skill, minimal training jobs. Average wages for the high skill jobs are \$33,331 compared to \$14,685 per year for low skill jobs which is only 120% of poverty (\$12,278 for a family of three).

Part IV. Conclusion

While the Wisconsin economy is in a strong growth period, a large discrepancy between the number of persons seeking employment and the number of job openings available still exists. This is particularly true for jobs at the entry level and low skill end of the labor market. When examining those occupations that have the most openings available and those growing at the fastest rate, two facts are evident.

- The number of jobs available to jobseekers increases with the amount of training that person receives.
- Wage levels paid to workers are substantially higher in those occupations that require more extensive training.

Based on this information, it would appear that the design for W-2 should include a comprehensive training component. This would ensure that recipients have the skills needed to secure employment and that the employment pays wages adequate to establish secure and self-sufficient households.

Notes

¹ Openings: Average Annual Openings by County and Service Delivery Area. (Eau Claire, Marinette County and La Crosse projections are based on their share of regional employment) WI Department of Industry, Labor and Human Relations. Wisconsin Occupational Projections to 2000 (1989), the most recent publication of regional projections. State projections are based on the 1995 edition of Wisconsin Occupational Projections, 1992-2005.

² AFDC Adult: May, 1997. WI Department of Health and Social Services, 1997.

³ Unemployed: Local Area Unemployment Statistics, May 1997, Department of Workforce Development. (<http://www.dwd.state.wi.us/dwelmi>)

⁴ Employment and Training Institute and Social Science Research Facility at UW-Milwaukee. (1995) "Survey of Job Openings in the Milwaukee Metro Area," page 7.

⁵ U.S. Department of Health and Human Services. (1991) "Characteristics and Financial Circumstances of AFDC Recipients," Table 29: "AFDC Adult Recipients by Years of Education."

⁶ Wisconsin Projections, 1992-2005, page 52.

⁷ Bureau of Labor Statistics, Table of OES Occupations by Education and Training and 1994 Employment. (ftp://stats.bls.gov/pub/special.requests/ep/miscellaneous/oes_trn.txt)

⁸ Wisconsin Department of Workforce Development, OES Occupations and Annual Wage, 1995. (<http://www.dwd.state.wi.us/dwelmi>)

⁹ Public Detectives require work experience, while non-public ones require moderate training and experience.

¹⁰ Wisconsin Projections, 1992-2005, page 53.

¹¹ Bureau of Labor Statistics, Table of OES Occupations by Education and Training and 1994 Employment. (ftp://stats.bls.gov/pub/special.requests/ep/miscellaneous/oes_trn.txt) ; Bureau of Labor Statistics, Occupational Outlook Handbook, "Employment from 1994-2005, by Level of Education and Training." (<http://stats.bls.gov/oco/ocotjt1.htm>)

¹² Wisconsin Department of Workforce Development, OES Occupations and Annual Wage, 1995. (<http://www.dwd.state.wi.us/dwelmi>)



The Value of a Technical College Degree

The 16 districts in the Wisconsin Technical College System surveyed recent graduates of programs in their respective fields. The following information was obtained from the results of that survey, conducted between October and December 1995 (82% response rate). It is a sampling, based on higher enrollment fields, of the over 300 career programs offered in the Wisconsin Technical Colleges System. The degrees below are two-year associate degrees unless otherwise specified.

Program	Salary Range	Median Salary
	(6 months after graduation)	
Business		
Accounting	\$10,392 - 39,996	\$17,998
Administrative Assistant-Secretarial	10,392 - 35,976	15,972
CIS Microcomputer Specialist	14,556 - 38,880	21,828
CIS Programmer/Analyst	12,468 - 72,792	26,052
Finance	10,392 - 24,000	16,512
Medical Secretary	12,372 - 23,124	15,588
Paralegal	12,468 - 28,908	17,832
One-Year Diploma		
Accounting Assistant	9,180 - 16,908	14,256
Information Processing Specialist	10,008 - 18,780	13,776
Health		
Dental Hygienist	26,208 - 43,668	36,000
Nursing	12,468 - 52,860	29,112
Occupational Therapy Assistant	15,024 - 51,948	23,016
Respiratory Care Practitioner	19,848 - 45,252	24,948
One-Year Diploma		
Practical Nursing	16,632 - 44,196	21,084
Medical Assistant	12,024 - 24,948	16,476
Industrial		
Automotive Technician	10,392 - 33,600	16,464
Machine Tooling Technics	14,556 - 44,196	22,980
One-Year Diploma		
Auto Body & Paint Technician	10,200 - 24,960	16,248
Automotive Maintenance Technician	12,996 - 26,004	18,708
Electrical Power Distribution	13,512 - 37,500	22,872
Machine Tool Operation	10,596 - 33,696	21,840
Welding	9,600 - 31,200	21,144
Short-Term Diploma (3-6 Months)		
Air Conditioning, Refrigeration & Heating	14,592 - 37,428	27,804
Truck Driving	14,400 - 50,952	24,756

Program	Salary Range	Median Salary
	(6 months after graduation)	
Agribusiness		
Agribusiness/Science Technology	\$ 8,832 - 28,464	\$18,048
Biotechnology Laboratory Technician	18,996 - 20,796	19,896
Natural Resources Technician	10,392 - 19,656	15,888
Veterinary Technician	9,612 - 18,708	14,556
One-Year Diploma		
Dairy Herd Management	8,400 - 27,288	16,644
Short-Term Diploma (3 to 6 Months)		
Farm Business & Production Management	9,000 - 49,992	19,992
Marketing		
Hospitality & Tourism Management	10,392 - 25,992	17,484
Marketing	10,404 - 62,400	17,676
Supervisory Management	15,804 - 64,992	31,176
Short-Term Diploma (3 to 6 Months)		
Travel Agent	10,392 - 31,992	16,044
Graphics and Applied Arts		
Commercial Art	11,952 - 33,792	18,564
Printing and Publishing	14,028 - 23,400	16,884
One-Year Diploma		
Printing	11,436 - 23,448	16,116
Home Economics		
Child Care and Development	7,920 - 27,012	13,512
Culinary Arts	10,068 - 25,092	17,568
Interior Design	9,636 - 26,988	16,632
One-Year Diploma		
Barber/Cosmetologist	8,856 - 22,872	11,952
Child Care Services	8,652 - 18,612	11,436
Food Service Production	8,880 - 24,996	15,960
Short-Term Diploma (3 to 6 Months)		
Child Day Care	9,624 - 33,276	11,952
Service		
Fire Science	20,520 - 42,000	33,720
Human Services Associate	11,268 - 22,908	17,556
Police Science	11,844 - 42,000	20,784
Technical		
Air Conditioning, Heating and Refrigeration Technology	15,276 - 37,428	21,096
Architectural	13,080 - 33,000	21,060
Automotive Technology	14,040 - 48,000	22,548
Electro-Mechanical	14,556 - 45,000	24,564
Electronics	14,184 - 40,872	20,712
Industrial Engineering Technician	17,628 - 51,000	27,036
Mechanical Design Technician	14,556 - 54,588	22,776

JOYCE EVANS

No education, no progress under W-2

Welfare reform, or Wisconsin Works (W-2), without a higher education option revives a life of sharecropping. I'm a sharecropper's daughter, so I'll tell you all about it.

My daddy didn't get an education. He was too busy tending the land. He didn't go to the Army because his parents kept him out. They applied for a hardship exemption. His father was ill, and his parents needed my dad to work the land.

Sharecroppers barely survived. They tended the land for rent, food and a paltry share of the crops — even when they brought in money.

Under welfare reform, most women will work in low-paying jobs. They'll barely have rent and food.

I don't want to relive a
sharecropper mentality in
an age when educated
people are needed to make
people, companies and the
country productive.

Many women and children will fall through the cracks — with a few exceptions. It'll be torture, with long-term adverse effects for children.

Sharecropping was torturous, and some

of the adults on welfare have sharecropper backgrounds. A sharecropper's children were kept out of school to take care of the crops. Many of these children today lack education, just as their parents did.

Sharecroppers who left the farm had unemployment problems about six months out of the year. My parents moved to a city without enough industry for unskilled laborers to survive. It was a city where surrounding small-town farmers, who no longer had sharecroppers, came to pick up their farm laborers.

Farm owners loved "colored" folks' back-breaking skills and work ethic. We worked all day long for pennies.

When sharecroppers couldn't pay for baby-sitters, they kept their oldest children home from school or took the baby to the field.

If W-2 families don't have enough money to pay for child care, if the younger children get too sick to attend school, watch out, older kids. I know the drill.

Education was something in the far-off, unforeseen future, and sharecroppers like my parents needed baby-sitters more than children who could read.

Under welfare reform, or W-2, women have to work. W-2 and sharecropping share the worst of evils: no educational opportunities.

The irony is that Wisconsin had a strong educational program with Learnfare. Women attended school in such great numbers that Milwaukee Area Technical College built a day-care center.

Now the center's quotas are down, which most likely means single women on welfare have dropped out of school.

Gov. Tommy Thompson's controversial programs weren't perfect, but he was smart and progressive-thinking back then. Few if any other states had such programs. Thompson boasted about his cutting-edge welfare programs.

Then Thompson lost his way or got blinded by the bright lights in Washington and the politics of welfare reform.

Now how many women do you think can do high-tech jobs, or roll into the year 2000 with the right skills, if they don't go on to technical schools or colleges?

How many schools do you think will raise tuition because of the shortfall? How many businesses do you think will lack education and skilled employees?

How much money do you think the state will spend before it declares W-2 a failure? And who do you think will get blamed if this one-size-fits-all cure isn't altered enough to succeed?

Because of these questions, I'm compelled to raise these questions about W-2 as I see it. I don't want to relive a sharecropper mentality in an age when educated people are needed to make people, companies and the country productive.

(continued)

Of MATC's 1994 associate degree and diploma program graduates, 790 were "economically disadvantaged." Of those students 91% found employment six months after graduation. Average starting salary for 1994 associate degree graduates was \$24,000 a year, and for diploma program graduates, \$19,250. This clearly demonstrates the important role of technical education in changing lives and permanently reducing dependency on public assistance.

A large portion of MATC part-time students (65%) are also "economically disadvantaged." In fact nearly all day students enrolled in basic skills and English as a Second Language are enrolled part time and are economically disadvantaged (96%). This training is essential to disadvantaged students as they work to meet the qualifications demanded by employers.

Career Skills Vital to End Dependency

It is crucial, then, that the type of education and training provided by MATC play a major role in welfare reform. The college has helped many students transition from dependency to careers. To truly be effective in welfare reform, W-2 must provide career and lifelong skills training opportunities. An MATC education has proven to be the best way for the economically disadvantaged to become economically advantaged.

TO MAKE W-2 FAIR
FOR STUDENTS, THE
FOLLOWING AMENDMENT
IS NEEDED. -

HOURS SPENT IN CLASS
PLUS TWO HOURS OF
STUDY TIME FOR EVERY
HOUR SPENT IN CLASS
MEETS THE WORK RE-
QUIREMENT OF THE W-2
WELFARE REFORM LE-
GISLATION.

Milwaukee Area Technical College

PROJECT GET STARTED

Status Report

Project Goals:

- To effectively assess and prepare an Employability Development Plan for 2,400 (previously exempt) AFDC/Caseloads with children under one year of age.
- To analyze priority needs for this group based on infant-toddler child care, education, parenting skills, work activity and other services necessary to successfully engage this group in W-2 transition.
- To make recommendations based on the above needs as they will impact W-2 plans/or contracts.
- To engage 75% in some level of appropriate job readiness, education, parenting skills, or work activity for at least 10 hours per week.

Initial Strategies:

1. To select a leadership person within the MATC structure by 12/13/96 (Completed).
2. To convene a planning group to fully develop the project plan/timetable by 12/23/96 (Completed).
3. To organize at least four 3-person teams, 2 appointment schedulers, 2 outreach persons, and 4 data entry persons by 1/10/97.
4. To initiate project activity with final planning, orientations and training week of January 13.
5. To schedule at least a 20% sample for assessment and EDP preparation and to complete an assessment of needs/program implications by 2/15/97.
6. Based on the assessments and EDP, make assignments for 75% of the target group to the appropriate activity.

<u>Total Project Budget:</u>	\$457,883
<u>Total Project Revenue:</u>	\$420,000
<u>MATC Match:</u>	\$ 37,883

Budget Notes:

1. The project may be extended to respond to the next target group of 1,000 plus pregnant persons based on its effectiveness.
2. Child Care costs are not included in operating costs.

Revenue:

The base revenue is calculated at \$175 per completed case x 2,400 cases with children between 12 weeks and 12 months of age = \$420,000.

For all persons who are engaged the MJC� will earn \$500.

The initial estimate of revenue to expense is as follows:

Part 1 - \$175 per assessment/EDP for Project Get Started

Part 2 - \$85 per case for interim pre-employment- motivational seminars for 30 - 90 days for Project Get-Started

Part 3 - \$240 per case net earnings per JOBS provider for case management and movement to employment.



American Federation of Teachers, Local 212

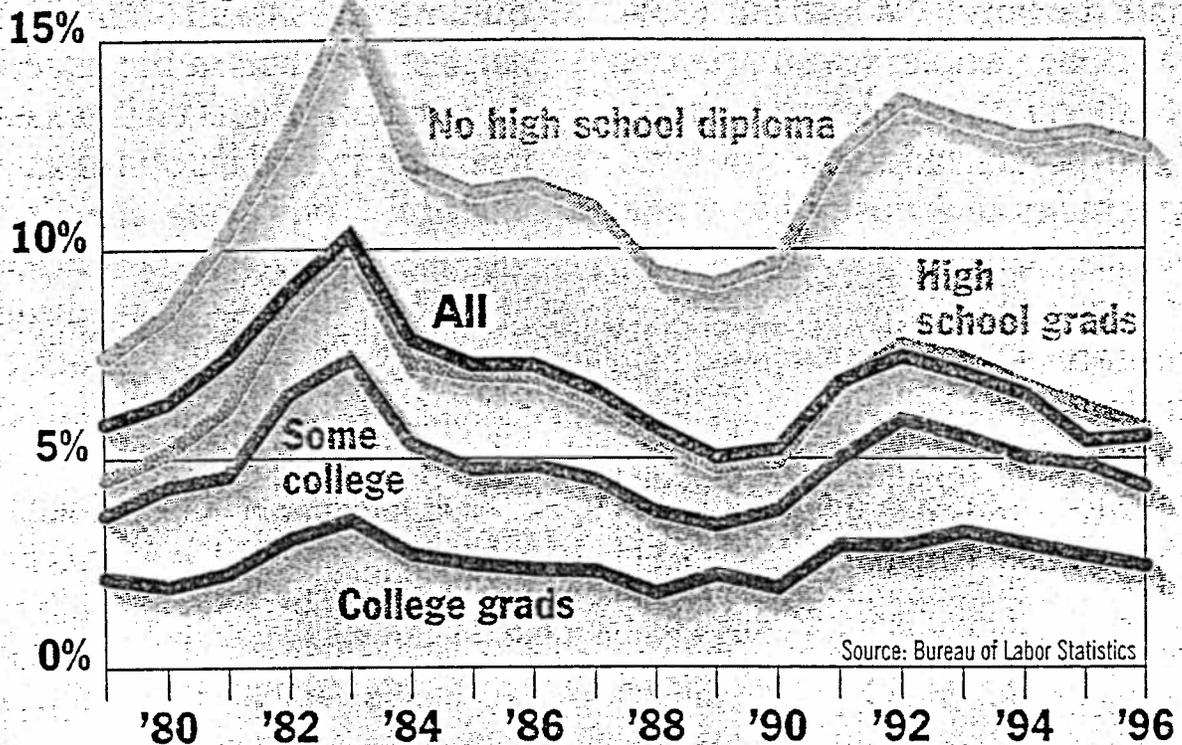
Milwaukee Area Technical College

Ernst F. Schnook, President
Frank Shansky, Director of Labor Relations
Mary A. Tews, Administrative Assistant
Pamela Bautch, Secretary

739 West Juneau Avenue Milwaukee, WI 53233-1416 Phone: (414) 765-0910 FAX: (414) 765-9141



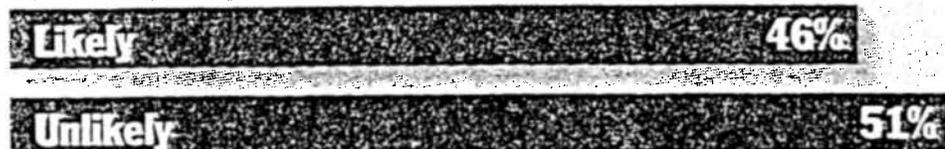
► Unemployment Rate by Education Level



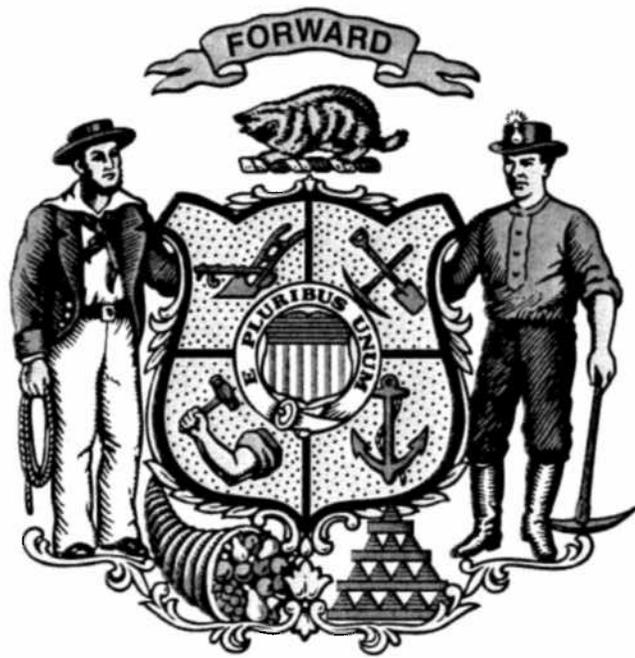
If you could, would you like to change jobs, or would you prefer to stay where you are now?



Is it likely or unlikely you will change jobs within the next five years?



From a telephone poll of 657 currently employed adult Americans for TIME/CNN on Jan. 8-9 by Yankelovich Partners Inc. Sampling error is $\pm 4.0\%$. "Not sures" omitted.



Survey of Job Openings in the Milwaukee Metropolitan Area: Week of October 20, 1997

The week of October 20, 1997, an estimated 31,874 full and part-time jobs were open for immediate hire in the four-county Milwaukee metropolitan area. These openings are the result of company expansions, labor shortages in difficult to fill positions, seasonal fluctuations, and normal turnover among the 780,700 employed workers in the area. Estimates of job openings are based on semi-annual surveys of area employers conducted by the University of Wisconsin-Milwaukee Employment and Training Institute and the UWM Institute for Survey and Policy Research, as part of a collaborative Labor Market Project with the City of Milwaukee, Milwaukee Area Technical College, Milwaukee Public Schools, and Private Industry Council of Milwaukee County. The project is supported by the government partners, the Helen Bader Foundation and the Milwaukee Foundation.

TOTAL OPENINGS

- In October employers were seeking an estimated 20,182 full-time workers and 11,692 part-time employees. Employers reported 2,949 more full-time job openings than one year ago and 140 fewer part-time openings.
- The largest numbers of full-time openings were concentrated in service industries (36 percent of total openings), manufacturing (23 percent), and retail and wholesale trade (20 percent). Job openings in service industries were 1,764 higher than a year ago and openings in manufacturing were up by nearly 1,600.
- Employers reported 522 fewer full-time openings in Waukesha, Ozaukee and Washington counties than a year ago. The WOW counties accounted for 39 percent of full-time and 42 percent of part-time openings in the metropolitan area.

EDUCATION AND TRAINING REQUIREMENTS

- The high demand for trained workers continues. Two-thirds (67 percent) of full-time openings required education, training or occupation-specific experience beyond high school. The survey showed an estimated 10,758 full-time jobs for experienced or technically trained workers, with 66 percent of these jobs identified as difficult to fill. Employers also reported that 58 percent of the 2,063 jobs for persons with four-year college degrees (or more) were difficult to fill.
- Full-time openings for four-year college graduates included jobs for engineers, computer programmers and systems analysts, sales supervisors, salaried managers, insurance sales staff and social workers. Frequently listed positions requiring certification, licensing or an associate degree included computer programmers, truck drivers, technicians (health and non-health), computer systems analysts, certified nursing assistants, salaried managers and automobile mechanics.



UNIVERSITY OF WISCONSIN • MILWAUKEE
UNIVERSITY OUTREACH

- The number of entry level jobs with no education or experience requirements was up compared to last year. In October employers reported 4,317 full-time openings in this category, compared to 2,989 openings last year.

Difficult-to-Fill Full-Time Job Openings with 100 or More Openings

4-Year College Degree or More	Certification, License, AA Degree, or Experience Req.	High School Completion, No Experience Required	No Experience or Education Required
computer programmers systems analysts sales supervisors salaried managers engineers	computer programmers systems analysts technicians (non-health) truck drivers welders and cutters salaried managers nursing aides + orderlies sales supervisors helpers/mechanics/repairers vehicle washers/cleaners automobile mechanics child care workers sales rep-manuf./wholesale health technologists/technicians sales workers lathe/turning machine set-up financial services sales	assemblers traffic, shipping and receiving clerks	printing machine operators assemblers groundskeepers/gardeners machinist apprentices stock handlers and baggers machine operators -- manufact.

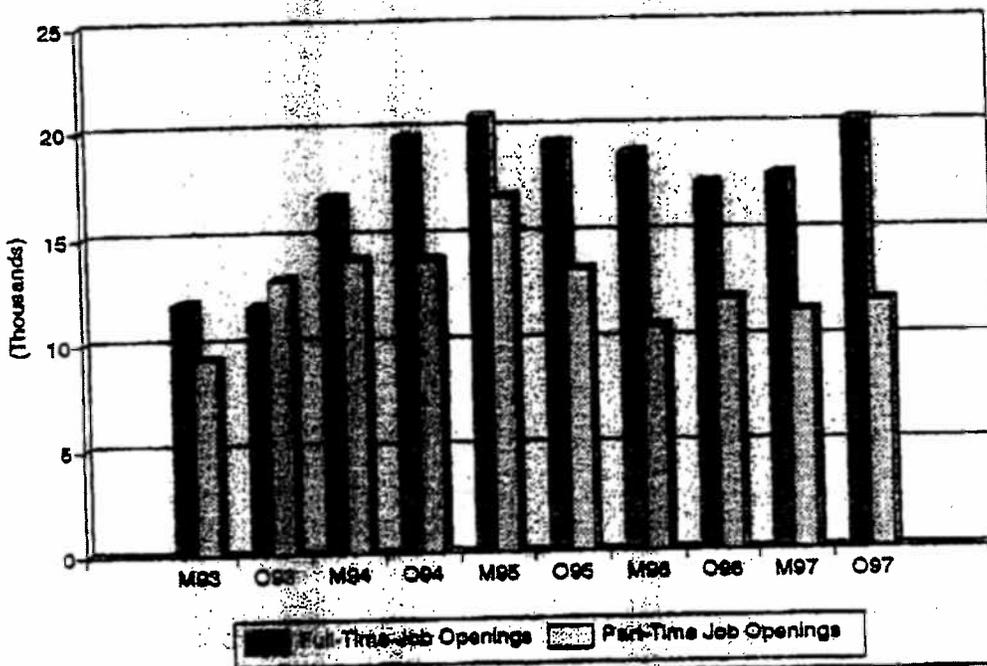
WAGE RATES

- The federal minimum wage was raised from \$4.25 to \$4.75 an hour on October 1, 1996, and to \$5.15 in September 1997. The majority of Milwaukee area employers were paying at or above \$5.15 for entry level work before the federal wage changes. Wages for the remaining entry-level positions have continued to climb -- likely in response to both the minimum wage law and the tight labor market. In October 1997 only 19 percent of full-time openings with no education or experience requirements paid less than \$6.00 an hour, compared with 40 percent of such openings in May 1996 before the minimum wage change. In October 1997 none of the full-time openings requiring high school completion but no experience or training paid under \$6.00, compared with 14 percent of such openings in May 1996.
- In October 1997, 78 percent of full-time openings could support two persons above the poverty level, compared with only 48 percent of openings in May 1996 prior to the minimum wage change. Entry-level jobs offered wages sufficient to support three persons above poverty for 56 percent of openings in October 1997 compared with 31 percent of such openings in May 1996. However, only 16 percent of the full-time job openings with no education or experience requirements offered health insurance and family-supporting wages for four-person families.

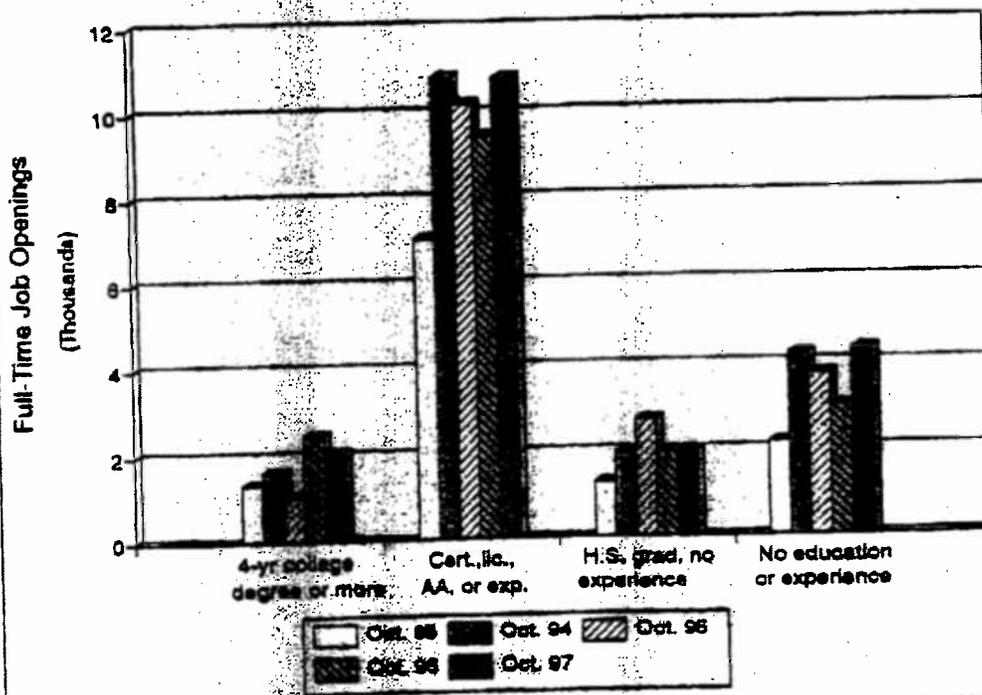
LABOR MARKET SUPPLY AND DEMAND

- Labor shortages were evident in Waukesha, Ozaukee and Washington counties where very low unemployment levels (1.9 to 2.5 percent) showed 6,500 unemployed adults compared to 7,963 full-time and 4,920 part-time job openings. Even in Milwaukee County the total number of jobs available (11,833 full-time and 6,532 part-time) was about equal to the number of officially counted unemployed job seekers (18,100). However, in the central city of Milwaukee Community Development Block Grant/Enterprise Community neighborhoods, full-time job openings (1,850) fell far short of the estimated 9,200 unemployed persons considered actively seeking work in October 1997.

Full-Time and Part-Time Job Openings Milwaukee SMSA: May/Oct. 1993-1997

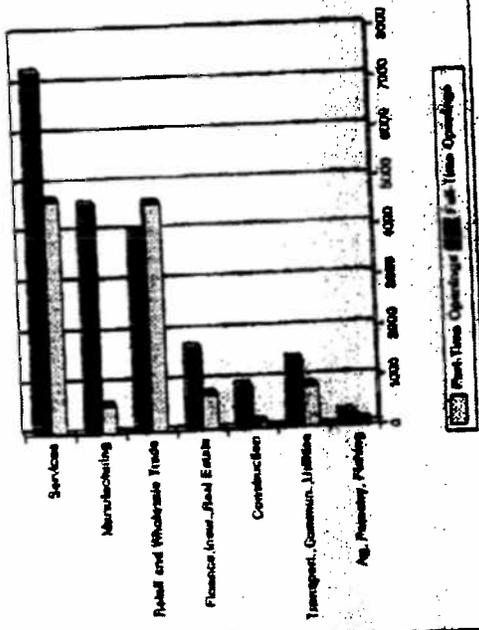


Requirements for Full-Time Job Openings Milwaukee SMSA: Oct. 1993 - Oct. 1997

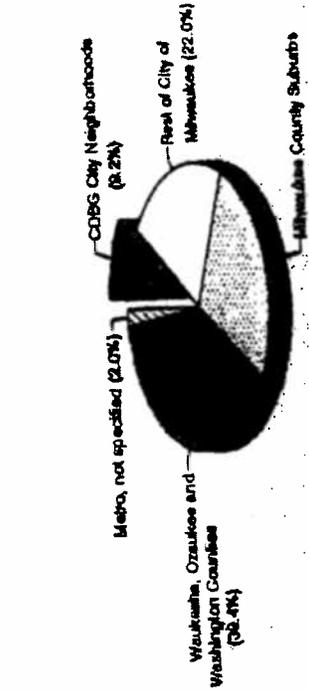


Biggest category jobs with training or experience

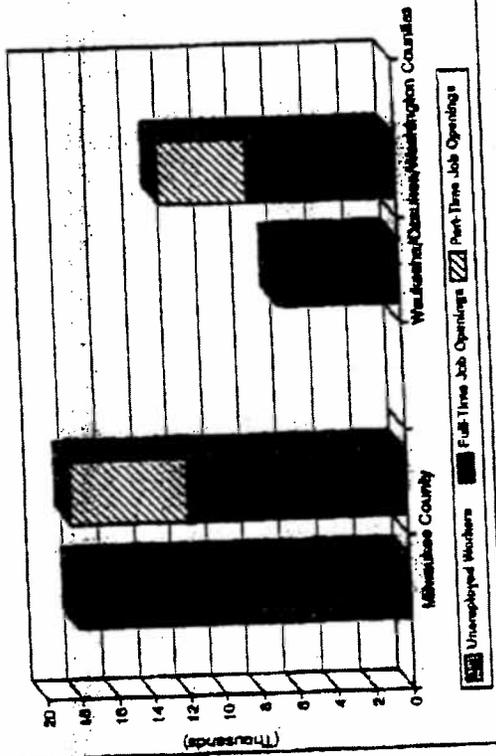
Job Openings by Type of Industry
Milwaukee SMSA: October 1997



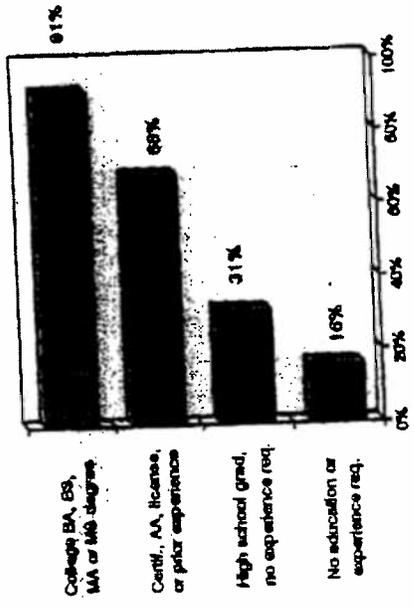
Work Sites for Full-Time Job Openings
Milwaukee SMSA: October 1997



Job Openings vs. Unemployed Workers
Milwaukee SMSA: October 1997



Percent of Job Openings Paying Family
Wages and Health Insurance*: Oct. 1997



*Jobs offering health insurance and wages of at least \$10,000 (\$8.00 an hour), the federal income standard needed to support a family of four above poverty.

Source: University of Wisconsin-Milwaukee Employment and Training Institute.
Summaries of prior employer surveys, research reports and policy papers are available on the Internet at www.uwm.edu/Dept/ETI/. Copies of the complete October 20, 1997, job openings study are available for \$15.00, including postage and handling, from the Employment and Training Institute, University of Wisconsin-Milwaukee, 161 W. Wisconsin Avenue, Suite 6000, Milwaukee, WI 53203. Phone (414) 227-3388.

III. Wage Rates by Job Qualifications

The number of jobs available at a given wage rate is dependent upon many factors, including the education and skills required for the types of openings available, the number of job seekers available and interested in the kind of work, and wage contracts with current workers. Most wages for job openings were directly related to prior education, training and experience. Wage rates were highest for full-time job openings requiring a minimum of a four-year college bachelor's degree, with 72 percent offering wages of more than \$14.00 per hour. Full-time jobs requiring prior occupational experience, certification, licensing or an associate degree showed a much wider range of wage rates with 33 percent of job openings at the \$14.00 or more per hour, and 59 percent offering \$10.00 an hour or more.

Over half (55 percent) of the full-time jobs requiring a high school diploma but no occupation-specific experience or training paid \$7.00 to \$8.99 an hour. About 18 percent of job openings for high school graduates without specific experience or training paid \$6.00-6.99 per hour, and none paid less than \$6.00 an hour. Those jobs requiring no previous experience or minimum education level usually fell into the lowest wage occupations, with 20 percent paying less than \$6.00 an hour and 51 percent paying \$6.00-7.99 an hour. Only 4 percent of these jobs offered \$10.00 or more per hour.

Most part-time jobs requiring no previous experience or postsecondary education offered less than \$7.00 per hour wages. Of the part-time jobs open for college graduates, 43 percent paid \$12 or more per hour and only 24 percent paid less than \$10 per hour.

Minimum Wage Impact

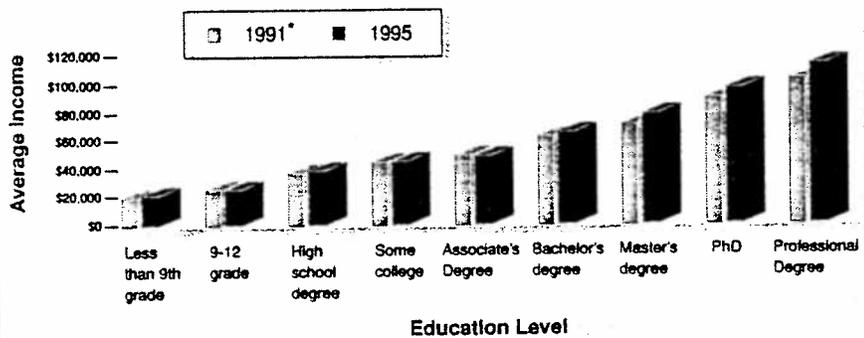
On October 1, 1996, the federal minimum wage was raised from \$4.25 to \$4.75 an hour. On September 1, 1997, the minimum wage rose another forty cents to \$5.15 an hour. The majority of Milwaukee area employers were paying at or above \$5.15 for entry level work before the federal wage changes. Wages for the remaining entry-level positions have continued to climb -- likely in response to both the minimum wage law and the tight labor market. In October 1997 only 20 percent of full-time openings with no education or experience requirements paid less than \$6.00 an hour, compared with 40 percent of such openings in May 1996 before the minimum wage change. None of the full-time openings requiring high school completion but no experience or training paid under \$6.00 an hour in October 1997, compared with 14 percent of such openings in May 1996.

Similarly, while 70 percent of part-time job openings with no education or experience requirements paid less than \$6.00 in May 1996, only 34 percent of these entry-level jobs offered pay below \$6.00 in October 1997. Of part-time job openings for high school graduates with no experience or training, 41 percent offered less than \$6.00 in May 1996, compared with 24 percent in October 1997.

EDUCATION WEEK 4/23/97

How Schooling Pays Off

The average income of people with higher levels of education rose between 1991 and 1995.



*1991 figures are converted to 1995 dollars by adjusting for inflation.

SOURCE: U.S. Bureau of the Census.



Life

Tuesday, August 9, 1994

THE MILWAUKEE JOURNAL

Education just part of the story

By JOEL DRESANG
Journal business reporter

A RECENT report from the US Census Bureau supports what guidance counselors have been haranguing about since they got out of college: The way to get ahead in life is to get a college degree.

According to the report, there's dramatic disparity in lifetime earnings between the education haves and the have-nots.

Between ages 25 and 65, according to the study, a high-school dropout can expect to make a total of \$608,810, vs.

more than \$3 million in the same period for a worker with a professional degree. Even between a high school graduate and a worker with a bachelor's degree, there's a \$600,000 difference — \$820,870 vs. \$1.4 million.

Another recent study, from the Federal Reserve Bank of Boston, suggests that the wage gap between workers of varying educations is the widest it has been since before World War II. The reason is that the demand for college-educated workers — especially those with job-related skills — has far outstripped supply.

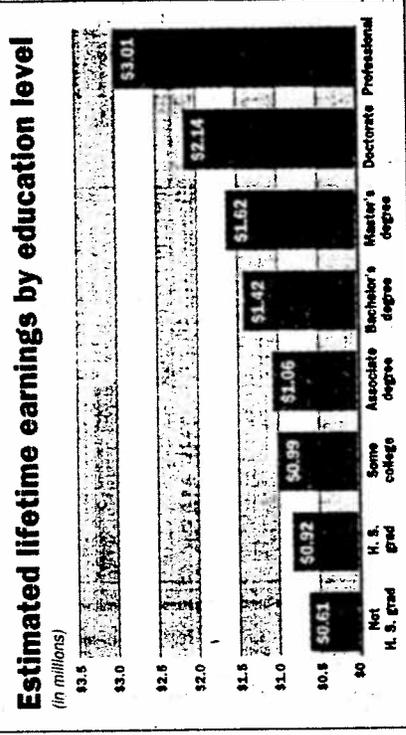
As often happens with research, though, the government reports don't tell the whole story.

Job placement specialists and head hunters agree that education can be a key that opens doors to opportunity. But getting invited through those doors and finding success once inside require more than a sheepskin.

Ricky Frank, 23, had a job lined up as a computer program analyst at Northwestern Mutual Life Insurance Co. even before he graduated from college in May. To get there, Frank got a degree in business and computer systems from the Milwaukee School of Engineering.

He also had an internship for a year and a half to gain experience and learn

Please see page 3



Graphic and page design by Journal artist Kenneth A. Miller

Personal bankbooks show the impact of education, flexibility, attitude

From page 1

about the workaday world. And, he was active in extracurricular programs to strengthen his leadership skills and his sense of responsibility.

"If I wouldn't have had the experience and those extra activities, I know for sure I would have had a lot harder time looking for a job," Frank said.

Sure, the education is important, but a number of intangibles make the big difference between Frank and recent graduates who either can't find jobs or are in positions beneath their expectations.

Job placement specialists and head hunters make it their business to spot the intangibles in workers that help them attain gainful employment. A review of their list:

- Communication skills. It's increasingly important for employees to work together, and communication is essential for

teamwork. You have to be able to get your point across as well as understand the points your co-workers are making.

- Experience. Demonstrated success in previous positions — even if they're part-time, temporary or in another field — can say a lot about the kind of worker you are.

"Do a good job wherever you are," said Tim Lawler, president of Management Recruiters of Milwaukee North in Whitefish Bay.

- Flexibility. In the days of lean corporations and leveraged buyouts, flexibility can mean success.

Being flexible means showing a willingness to try new jobs or add duties to those you already have. It means being open to transfers and keeping your options open to other jobs.

Inc. in Wauwatosa.

- Cross-training. Understand not only your job but eventually the jobs of those around you, your company, your competitors and the industry within which you work.

Such knowledge will help you complete your tasks better and pitch in on others' jobs when needed. You'll also have a better idea of where you want your career to go.

"If you know where you want to be, look at someone who's successful and what they did to get there," said Barbara Hammerberg, Wisconsin vice president for Robert Half International.

- Service. How you deal with customers — whether they're your bosses, outside agents or the general public — could help you distinguish you from someone who might have more technical knowledge but just doesn't employ good people skills.
- Training. "The world is not

stopping. It's changing daily, and the skills that are required are changing," said Sharon Cantor, director of strategic information for Glendale-based Manpower Inc.

"People have to build a portfolio of skills that can be continually updated. They have to be responsible for that."

Sharon Cantor, Manpower Inc.

"People have to build a portfolio of skills-to-go. They have to have a full repertoire of skills that can be continually updated. They have to be responsible for that."

while also have to check their attitudes occasionally. How you feel about your work can be reflected in your performance, which likely will have an effect on your employment future.

"Somebody who is unhappy, should do something about it," Lawler said. "Either change

things where you are, or go somewhere else.

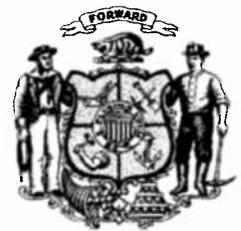
Just as education isn't everything, neither is money.

Still, education and the right approach to working can make a difference between flogging in any old job to get by and engaging yourself in something that provides personal satisfaction.

"It's not only a question of income, it's a question of control," said Kenneth McAteer, placement director for the Milwaukee School of Engineering. "With a college degree, you have options. With options, you're in control."



WISCONSIN STATE LEGISLATURE



Welfare reform slamming shut door to college

Recipients say losing their welfare benefits, leaving behind the classroom and taking a low-paying job mean putting the upbringing and future of their children in jeopardy.

By Ginger Thompson
TRIBUNE STAFF WRITER

MILWAUKEE—State officials would describe Sabrina Gillon as a welfare reform success story. To hear her tell it, she's been defeated.

A few months ago, Gillon, 27, got her final welfare check and started work as a registration clerk at Milwaukee Area Technical College.

She earns \$8 an hour, considerably more than the \$5.15 federal minimum wage. And the government provides health insurance and child-care subsidies for her 3-year-old son, Malcolm.

Gillon said, however, that helping other students enroll in college is "like a slap in the face." Last semester, she was a student at the same school, studying business administration. The government supported her with a \$440 welfare check each month, food stamps and money for day care.

Two semesters before she completed her associate's degree, a new welfare-to-work program called Wisconsin Works went into effect. Gillon was told she had to get a job to keep her benefits.

"I know that to get off welfare for good I need a degree," said Gillon, the daughter of a teacher's aide and a city bus driver who graduated from a Milwaukee Catholic high school. "But now all the government cares about is getting me a job, any job."

"What about my goals? What about my dreams? No one seems to care about those things. Because we have been on welfare, they feel they can take control of our lives."

Behind the impressive numbers that show millions of people moving off welfare into work, there are thousands of people like Gillon who have been forced to give up their dreams of finishing college and crossing over to the middle class.



Tribune photos by Charles Osgood

▲ 'I want more than a job. I want a career.' Chandra Johnson, nursing student

'I know that to get off welfare for good I need a degree. But now all the government cares about is getting me a job, any job.'

Sabrina Gillon, ex-student

'Most folks earn while they learn. All kinds of husbands and wives have worked their way through school. And so have a lot of single parents.'

David Blaska, welfare official



▲ 'I know I made a mistake. I got off track a little bit. I am working hard to make something of myself.'

Sandi Sabrowicz, information systems student



Tribune photo by Charles Osgood

Sabrina Gillon works as a registration clerk at the Milwaukee Area Technical College, where she had been a student until her welfare money was ended. She says she has been forced to give up her dreams.

Work

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Federal welfare reforms, adopted last year, require "job-ready" welfare recipients—usually those with high school diplomas or prior work history—to go to work or actively look for work to remain eligible for day-care and medical benefits.

Each state designed its own program to meet federal welfare-to-work goals, and Wisconsin's plan is one of the nation's toughest. Now, the effect of the programs is starting to become clear in the Midwest and across the country.

At Milwaukee Area Technical College, the nation's largest technical college, the number of students on welfare has dropped from 1,600 to 244. At the City University of New York, the number of students on welfare has dropped from 27,000 to 14,500. And in Oregon, college administrators say that compared with a decade ago, the number of welfare recipients in two-year degree programs has dropped from 50 percent to less than 5 percent.

'Policymakers felt that people on welfare should be working, that they should go into jobs faster. The decision was made that pursuing higher education could be done in balance with the responsibilities people have to raise their kids.'

Michael Kharfen, Health and Human Services spokesman

"This new work-first environment is forcing us to refocus our efforts," said Nan Poppe, of Mt. Hood Community College in Portland, Ore. "Instead of pushing people into degree programs, we are trying to figure out ways to get them back in school once they have a job so they can work on improving their skills."

School officials have not surveyed students to find out exactly how many dropped out when they lost their welfare benefits, but advocates say most of them are unable to juggle school, child care and new work requirements.

Michael Rosen, head of the economics department at MATC, said nine students dropped out of his class last spring in the middle of the semester. He tracked them down and found that all of them had been ordered to find full-time jobs.

Wisconsin officials make no apologies for the new welfare rules.

David Blaska, spokesman for the Wisconsin Department of Workforce Development, said that welfare recipients should not be given privileges unavailable to most people in the U.S. If they want a college education, he said, they have to work for it.

Wisconsin Works, also known as W-2, "is about fairness," he said. "Most folks earn while they learn. All kinds of husbands and wives have worked their way through school. And so have a lot of single parents.

"There's no reason that a person cannot find a parent, grandparent, aunt, cousin or trusted neighbor to take care of their children if they want to go to school at night."

Some provisions for education exist within welfare reform rules. General education courses are offered to welfare recipients who did not finish high school. And about 8 percent of all people on welfare are permitted to receive short-term vocational training for specific jobs available in local factories.

However, there are no longer any allowances for welfare recipients to go to college.

The majority of Wisconsin's welfare recipients are getting jobs on assembly lines, as sales clerks or stock clerks, cooks and waiters, cleaning offices or answering phones. The average starting salary for most of these jobs is a little over \$6 an hour.

Chandra Johnson, 25, is studying at MATC to become a surgical assistant. She said she was sent to work at a factory stuffing Styrofoam packing materials into boxes for storage. After two weeks, she quit and found a part-time secretarial job. She also spends six hours a day completing her clinical work at St. Mary's Milwaukee Hospital and is scheduled to graduate next semester.

"I want more than a job," she said, "I want a career."

Students who got technical certificates in 1995 after one year of study at MATC earn an average of \$19,000 per year, Rosen said, and students who graduate with two-year associate's degrees earn an average of \$27,000.

"Once upon a time, the refrain in this country was that an education is the key to a successful future," he said. "But for certain people, we say a job—even a job at McDonald's—is better than staying in school to become a nurse or surgical assistant."

In response to the reforms, new groups have arisen on many campuses, including the University of Wyoming and the University of Massachusetts, to support students on welfare who are struggling to stay in school. The United States Student Association, a 50-year-old independent advocacy group that represents 3 million American students, organized a letter-writing campaign last summer calling for a softening of federal welfare rules.

In Washington next week, college presidents will discuss the dilemma of students on welfare at the annual meeting of the National Association of State Universities and Land Grant Colleges.

Ann Reynolds, president of the University of Alabama at Birmingham, is scheduled to lead the discussion.

Until last year, Reynolds served as chancellor of CUNY and lobbied New York City officials to give campus jobs to students on welfare so they could continue to make it to class.

In an interview, Reynolds said the welfare reforms are based on false stereotypes of welfare recipients as lazy and unmotivated. Rather than treating all welfare recipients equally, she said, there should be special educational opportunities for people who demonstrate their commitment to college with good grades and attendance.

"There needs to be an understanding that there are different tiers of welfare recipients," she said. "I don't think there is an understanding that there are people like these students who are eager to study, eager to do homework, eager to make better lives for themselves and their children."

President Clinton, in a meeting in New York, expressed concern over this issue and said he did not want to see students forced out of school. However, administration officials said they are striving to make welfare what it was originally designed to be: temporary assistance for families while people look for work.

Michael Kharfen, spokesman for the Department of Health and Human Services, said it would not be fair for the government to support welfare parents through school when working people have to pay their own way.

"Policymakers felt that people on welfare should be working, that they should go into jobs faster," Kharfen said. "The decision was made that pursuing higher education could be done in balance with the responsibilities people have to raise their kids."

Maintaining that balance has been especially hard for students on welfare in Wisconsin. While federal rules require job-ready welfare recipients to work at least 20 hours a week, the Wisconsin Works program requires that people work at least 35 hours to keep day-care and medical benefits.

Last fall, Gov. Tommy Thompson vetoed a bill that would have allowed welfare recipients to work 15 hours less each week and use that time for college.

Welfare clients deemed "job-ready" by their social workers are immediately cut off of any cash benefits, whether they have a job or not. Blaska, the spokesman for the Wisconsin Department of Workforce Development, said social workers keep files of hundreds of jobs available in their areas to help welfare recipients find work right away.

The new rules have caused fury and fear among welfare recipients who attend MATC, which has 63,000 students. During a W-2 meeting on campus, several students voiced their concerns about school and their determination to extricate themselves from the grip of poverty. Some said they are simply going to ignore W-2.

"They can cut me off if they want," shrugged Tania Jones, a 22-year-old mother who is one semester away from getting an associate's degree in accounting. "I am willing to sacrifice that welfare check if I have to because I'm going to finish school no matter what it takes."

"I have two kids, and I can't support them with a job at Popeye's."

Others say they will struggle to comply.

Juanita Hych said she works 35 hours a week at two part-time jobs; studies 20 hours a week to finish an associate's degree in MATC's administrative assistant program; and raises three sons, ages 14, 6 and 2.

Sometimes, she said, she finds herself bursting into tears for no reason. "I think it's because I'm under a lot of stress," she said. "Half the time I feel like I'm sleepwalking."

But quitting school is not an option.

"I do it for my boys," she said. "I want them to know that if their mama can sit up here and struggle to go to school to be something, they can do it too. I don't want them to let anyone tell them they can't do something or be somebody because of the color of their skin or because they don't have money in their pockets."

Almost all of the students on welfare at MATC said they were driven to get a college degree by their desire to provide stable financial lives for their children. What also came through in their conversations was that school has given them control of their destinies—something they never want to lose again.

Sandi Sabrowicz, 36, said she "fell off track" two years ago when she lost her job as a nanny because her employers moved. Then she broke up with her son's father and had to make it on her own. With only a high school education, she said, her most promising options were jobs at the mall. She decided she would collect welfare until she could finish school and get a job with benefits.

Next spring, she is scheduled to graduate with a degree in computer information systems.

Sabrowicz said she wanted more for herself and her son, Brandon, 4.

"School has made me feel good about myself again," she said beaming, showing off a report card full of A's and B's.

She said her caseworker has told her she must go out and find a job several times over the last few months, but MATC teachers have intervened on her behalf and got her work assignment postponed.

"I know I made a mistake. I got off track a little bit," she said. "I am working hard to make something of myself. And once I get there, if they let me get there, I'll never ask for their help again."





WORKING PAPER

**TRAINING AND WAGE LEVELS IN THE WISCONSIN JOB MARKET:
An Analysis of the Relationship Between Wage Levels
and Educational Requirements in Occupational Growth Areas**




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UWM ANNOUNCES PLAN FOR SPONSORING CHARTER SCHOOLS

MILWAUKEE—Today Chancellor John H. Schroeder announced that beginning in the fall of 1999, the University of Wisconsin–Milwaukee will sponsor at least one charter school in Milwaukee. The University of Wisconsin–Milwaukee is formulating guidelines by which it will sponsor, but not operate, charter schools.

The guidelines are in response to a provision in the 1997-99 State of Wisconsin biennial budget, which grants the chancellor of UWM authority to either sponsor or operate a charter school for children who reside within the city of Milwaukee. The budget bill was signed and became law in October 1997.

"The final charter school criteria, which will be presented to the UW System and UW Board of Regents this spring, are based on the recommendations of a faculty committee that has been meeting since the provision was first announced this summer," says Chancellor John H. Schroeder.

UWM's charter school committee members were appointed by School of Education Dean William Harvey. Chaired by Professor Paul Haubrich of the School of Education, the committee met with representatives of Milwaukee Public Schools and the Milwaukee Teacher Education Association. In addition, committee members studied charter school projects in other states and contacted universities in Michigan (which also have chartering authority).

"After several months of conducting research, gathering extensive information, and considering various options for UWM, the committee has recommended a course of action for the university that is consistent with state legislation," says Schroeder. "In making its recommendations, the committee took into account the considerable educational, fiscal and administrative complexities associated with establishing a charter school."

The committee's report specifies that schools chartered by UWM should focus on urban children who are "at risk" educationally; support development of innovative programs, not replicate existing programs; integrate sound research with special attention to reading and mathematics; work cooperatively with MPS and include community as well as parental involvement; and adopt clear standards of public accountability and defined benchmarks for oversight by UWM.

"I want to thank Dr. Haubrich, Dean Harvey, and the many individuals at UWM who have been involved in this planning process. They are to be commended for the time, energy and dedication they brought to this task," says Schroeder.

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The university's timeline projects the sponsoring of at least one charter school in Milwaukee beginning in fall 1999. Schroeder says, "By sponsoring well-organized charter schools working cooperatively with MPS, the university hopes to help educate Milwaukee children effectively—a goal that certainly is consistent with UWM's Urban Mission."

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