

Badger Institute: Report: W-2 transition program fails to connect low-income parents with work

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The Wisconsin Works (W-2) Transition program, designed to help low-income parents with disabilities or health limitations find work, is falling short in its mission, according to a new report by Dr. Angela Rachidi for the Badger Institute. The study found that instead of entering the workforce, many parents in the program end up leaving because of time limits or are shifted to disability insurance.

Former secretary of the Wisconsin Department of Children and Families (DCF) Eloise Anderson worked on the report with Rachidi, a resident scholar in poverty studies at the American Enterprise Institute.

“Parents in the W-2 Transition program face unique challenges when it comes to finding employment,” said Rachidi. “Many have the desire to work and the capacity to do so with the right assistance, but few actually gain a path toward economic security through the program. This trend is troubling for both the parents and their children.”

Next year marks the 25th anniversary of Wisconsin’s pioneering welfare-to-work model, which uses federal block grants through the Temporary Assistance for Needy Families (TANF) program to encourage upward mobility. The vision for W-2 in 1996 was that cash assistance to poor families would be both temporary and conditioned on work or preparation for work, giving poor Wisconsinites a legitimate shot at self-sufficiency.

“Wisconsin Works is in some ways a misnomer; in 2019, only 13% of W-2 Transition participants gained employment” said Mike Nichols, president of the Badger

Institute. “Many W-2 recipients face real challenges, but they have great capability too. They deserve what the rest of us have – the dignity and fulfillment of work.”

The report, “[W-2 2.0: Improving Wisconsin Works Transition for low-income parents](#),” makes several recommendations that policymakers should adopt to restore the programs’ original promise:

- DCF and the Wisconsin Department of Workforce Development’s Division of Vocational Rehabilitation should collaborate to give parents seeking W-2 assistance access to vocational rehabilitation services.
- DCF should conduct a review of W-2 Transition’s SSI/SSDI advocate program to determine whether it compels work-capable parents to remain idle.
- DCF should implement the 48-month W-2 time limit passed into law by the state Legislature in 2015 and ensure that W-2 Transition participants gain employment before reaching this limit.
- Wisconsin should track employment and disability outcomes for W-2 parents after they leave the program to assess program effectiveness.