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on LAW & POLICY

Justice and Economic Security for all Coloradans

# Services for Colorado's refugee families should account for their unique barriers to economic security

**ISSUE BRIEF**  
**June 16, 2011**

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**This paper offers an overview of some of the issues to be addressed in detail in the *Economic Self-Sufficiency Standard for Colorado Refugee Families*, scheduled for release in November 2011. The report will include estimates of the income required for refugees to pay basic expenses in each of Colorado's 64 counties.**

Colorado could help the thousands of refugee families that have resettled here to integrate more quickly and effectively if the programs designed to help refugees accounted for their unique barriers to economic security. Refugee families face additional costs not borne by native-born families such as language acquisition, travel loan payback, orientation, employment assistance, certification and a higher prevalence of health and mental health needs.

Rather than using "welfare avoidance" as a definition of a refugee's economic self-sufficiency, programs designed to help refugees could improve effectiveness by using a realistic, research-based measure of the cost of making ends meet for refugee families. Along with that measurement, refugees would benefit from a careful assessment of their needs, regular evaluation of their progress and better coordination among service agencies. In addition, rules for cash-assistance programs should be amended for refugees to allow pursuit of micro-enterprise and job re-certification as eligible work activities.

Crafting policies to address the unique needs of refugee families is just one phase of reforms necessary to ensure public services are responsive to the needs of all families. Abandoning the one-size-fits-all approach to public services, regardless of the recipient's refugee status, fosters a quicker path to economic self-sufficiency and wiser stewardship of public resources.

## **The goal of 'welfare avoidance' sets up refugee families for failure**

Refugees flee their countries of origin because of a well-founded fear of persecution based on race, religion, nationality, membership in a social group or political opinion. Legal status is granted by the U.S. Citizenship and Immigration Services. The term "refugee" encompasses people who are eligible to participate in refugee program services and receive public benefits designated for refugees. They include refugees, asylees, Cuban and Haitian entrants, special immigrants from Afghanistan and Iraq, victims of a severe form of trafficking who receive certification or eligibility letters from the Office of Refugee Resettlement (ORR) and certain Amerasians from Vietnam.

Colorado's refugee families come from more than 60 countries and speak more than 80 languages. Colorado receives 1.5 percent to 1.9 percent of the nation's refugees. ORR funds state agencies to serve newly arrived refugees and other entrants, unaccompanied alien children and victims of trafficking and torture. Support includes time-limited cash and medical assistance, English instruction and job training to help new arrivals achieve economic self-sufficiency. The

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Colorado Department of Human Services Refugee Services Program receives about \$14 million of its \$19 million annual budget from ORR. The state agency is 100 percent federally funded.

The federal definition of economic self-sufficiency encompasses only “welfare avoidance,” which could mean refugee families move from public assistance into unaided poverty. Like all families, for refugee families to succeed in Colorado their economic self-sufficiency must be measured by a standard that offers at least a sense of family wellbeing and long-term security. That measurement must include costs unique to a refugee family such as job recertification, cultural orientation, language acquisition, expanded health care including mental health services and original travel expenses.

Without an accurate picture of what it takes for a refugee family to become economically self-sufficient, program administrators may be consigning clients to failure by denying or removing benefits before a family has reached true self-sufficiency. The abrupt withdrawal of public benefits when a family reaches an eligibility threshold, such as a certain income level, is known among researchers as the “cliff effect.” It can create a cycle of moving in and out of public programs and punish families for reaching preliminary levels of self-sufficiency.

### **Welfare avoidance is inadequate as a measure of economic self-sufficiency**

The income thresholds in the official Federal Poverty Level are widely recognized as inadequate for determining the income required to make ends meet. An alternative measure, the Self-Sufficiency Standard for Colorado: A Family Needs Budget, defines family economic self-sufficiency as the income a household requires to meet basic needs including health care, housing, child care, transportation, food and miscellaneous items. That accounting of wage adequacy also considers family size, the ages of children and where the family lives.<sup>1</sup>

By that measurement, the annual income needed for a family of three ranges from \$26,000 to \$66,000. The same family would no longer qualify for basic cash assistance under state rules once the household annual income reaches about \$15,000. The minimum gap between being declared economically self-sufficient in terms of welfare avoidance and actually reaching economic self-sufficiency in Colorado is \$11,000 in annual income for a family of three.

The “work first” model pursued in welfare avoidance self-sufficiency programs does not take into account the nature of work a family must attain to make ends meet. Moreover, time limitations that accompany the model ignore systemic barriers such as economic conditions or the lack of affordable child care, which participants need as they search for employment. The incentive to expedite job placement and remove reliance on welfare could force participants to take any employment available even if the result is a greater loss in supportive services than what can be gained with less-than-adequate income.

**The unique refugee family budget promotes the need for a new measure**  
The forthcoming *Economic Self-Sufficiency Standard for Colorado Refugee*

**The pursuit of economic self-sufficiency must include an indexed target that reflects a realistic measure of a family's basic needs. The basic needs for a refugee family are unique and change over time.**

*Families* examines the stages of attaining economic self-sufficiency over a minimum four-year period. The report accounts for costs incurred by refugee households that are not present in the core costs of the budget for a non-refugee family. The additional core costs for refugee families diminish with time and the family's ability to integrate into society, but those additional costs are critical considerations for the first three years of resettlement and need to be addressed through informed policy development.

During the first year, a refugee family's needs budget will include monthly costs for housing, child care, food, transportation, health care, language acquisition, travel loan payback, orientation, employment assistance/certification and household miscellaneous. The additional core costs of integration (language acquisition, travel loan payback, orientation, and employment assistance and certification) can almost double the required income needed for a single refugee adult to make ends meet in Colorado. Health care costs are increased due to the need for mental health and oral health care required ensuring the success of integration.

During the second and third years, refugee families might still have job training or re-certification costs as well as a need to service travel debts, but they might have moved beyond orientation and language classes. The refugee's family budget begins to reflect that of native-born Colorado families struggling to make ends meet. In the fourth year of resettlement and beyond, the refugee family's core costs mirror those of other families; the cost burdens of integration are mitigated and the family has successfully transitioned. At that point, the family can begin asset building and working toward long-term economic security.

### **The use of a new measure resets the bar for refugee-service programs**

The pursuit of economic self-sufficiency must include an indexed target that reflects a realistic measure of a family's basic needs. The basic needs for a refugee family are unique and change over time. The following recommendations incorporate those two premises and are designed to change current assumptions about welfare avoidance, economic self-sufficiency, poverty and long-term family economic security.

#### *One size does not fit all; consider "equity" over "equality"*

When considering the needs of the participants of a program, it is important to apply a concept of equity. Equity defined as the state, quality, or ideal of being just, impartial, and fair, means that the resources utilized for refugee families cannot be the same as those for native-born families. Providing equal resources, without regard for obvious disparities, is a disservice to refugee families.

#### *Enhance the initial survey assessment for families*

Creating a realistic baseline for service delivery can include a comprehensive budget analysis, and a comprehensive mental health baseline to accompany the work skill evaluation as a determination of job readiness and required supports. Most refugees experience some emotional distress as they adjust to their new homes and deal with the effects of their traumatic past. Commonly experienced symptoms include sleep disturbance, nightmares, loss of ability to concentrate,

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loneliness, irritability, repetitive painful memories, and unexplained fearfulness. Although the majority of refugees do not develop psychiatric disorders, the rates of psychiatric disorders among refugees are higher than the rates among the general population in the United States. Disorders most commonly seen are depression, post traumatic stress disorder, and anxiety disorders.<sup>2</sup>

#### *Redefine the goal*

Rather than the arbitrary “welfare avoidance” goal, use the Self-Sufficiency Standard for Colorado to assess what it will take to make ends meet, and create a timeline of supports required by the family until the goal is met.

#### *Regularly evaluate progress*

Have families assess their progress with a survey tool such as the Colorado self-sufficiency calculator, an online tool that enables people to determine self-sufficiency wages while accounting for a number of variables. That would encourage qualitative analysis of the program and empower refugees to participate more actively in their own pathways to success.

#### *Increase efficiency of service delivery and coordinated efforts*

All families seeking public assistance struggle with faulty technology, overworked staff and a lack of individual attention, but families that also face language barriers, cultural confusion and possible higher levels of anxiety are more likely to leave the system that is there to support them. An environment that is flexible enough to address a diverse group of participants is essential. Colorado needs to fix the technology that is critical to the timely delivery of public benefits. Counties need to increase coordination with nonprofit agencies, and others, to reduce finger pointing, frustration and general disrespect. Refugee families need to be treated with dignity and compassion as they navigate a complex and unfamiliar bureaucracy.

#### *Include the pursuit of micro-enterprise and job re-certification as eligible work activities for Temporary Assistance for Needy Families assistance*

Newly arrived refugees nearly always experience a temporary interruption of their work productivity. That does not necessarily indicate, though, the need to develop new skills, but rather the need to refine and adapt existing skills. The assumption that refugee workers did not have previous employment or job skills that are easily transferrable is the largest failing of the process. Broad recognition of that failing is relatively new, and more research and investigation are warranted. Teachers, shop owners, health care workers and politicians are just some of the groups represented among refugees. Their ability to transfer that knowledge provides Colorado with a greater skilled labor pool and restores the refugees’ faith in their abilities.

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<sup>1</sup> The Self-Sufficiency Standard for Colorado 2008: A FAMILY NEEDS BUDGET

[http://www.cclponline.org/publication\\_library/pub/single/600/the-self-sufficiency-standard-for-colorado-2008-a-family-needs-budget](http://www.cclponline.org/publication_library/pub/single/600/the-self-sufficiency-standard-for-colorado-2008-a-family-needs-budget)

<sup>2</sup> Understanding How Refugees Adjust to Life in Colorado, By Daniel Savin, Assistant Professor of Psychiatry, University of Colorado Health Sciences Center, Denver, 2005