

## What do We Know?

### Welfare Reform in Rural America.

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*While suggestive of rural/urban differences in some areas, we know very little about others.*

*Less clear are the long term implications of these differences.*

In 1996, Congress passed legislation creating the latest welfare reform. However, even though poverty in rural areas differs from that in urban centers, the legislation and regulations did not contain specific rural provisions. Instead, the legislation gave greater flexibility to the states with the intention that they would be in the best position to design programs tailored to “respond more effectively to the needs of families within their own unique environments” (DHHS, 1997: Preamble).

This is the first of two Rural Issues Briefs examining welfare reform in rural America. This Brief examines some of what we know about the impacts and implications of the 1996 welfare reform for rural America. The second *Rural Issues Brief* examines why we don’t know more. Both of these *Rural Issues Briefs* are drawn from the Chapter “Welfare Reform in Rural Areas: A Voyage Through Uncharted Waters” written for the book Challenges for Rural America in the 21st Century.

#### Welfare Reform and Rural America

Welfare recipients face many similar issues across rural and urban areas including meeting work requirements, gaining economic independence, and maintaining family and child well-being.

However, rural areas comprise economic, political, and service landscapes different from their urban counterparts. These differences include fewer economic opportunities and lower earnings, differences in occupational skill levels, as well as issues associated with less access to formal child care, lack of transportation options, and limitations in housing and the availability of health care (RUPRI, 1999).

Since the legislation, a large amount of welfare reform research has emerged. However, by contrast, rural research and results have been scattered and are much more limited. Even less common are investigations that examine differences across the diversity of rural areas.

#### Caseloads

Between 1994 and 2000, the number of families receiving cash assistance declined by 56 percent (DHHS, 2000). A number of factors contributed to this declining caseload nationally including the 1996 welfare reform legislation, state experimentation through federal waivers to Aid to Families with Dependent Children (AFDC) and an expanding economy.

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Heralded by many as a harbinger of success, caseload declines were seen as evidence of declining dependency on cash assistance.

However, state declines ranged considerably and regionally, the South shifted from having the highest number of recipients to being among the lowest (Zimmerman, 1999).

**Similarly, caseload declines have also not been evenly distributed across rural and urban areas.**

For example, researchers found that rural areas in Tennessee and Wisconsin experienced a higher rate of caseload decline (CBER, 1998; Cancian et al., 1999).

By contrast, results from Texas, Kentucky, and Virginia report slower rates of caseload decline for rural areas (Swensen, et al, 2002; Bosley and Mills, 1999; Dyk and Zimmerman, 2000). Even more variation emerged when rural areas were disaggregated (RUPRI, 1999). Less clear is why these variations occurred.

## Employment

While recipients leave cash assistance for a myriad of reasons, employment has become one of the overriding policy concerns.

**Some results suggest that rural recipients may exhibit lower rates of employment after leaving cash assistance.**

Bosley and Mills, for example, found that the rural southwestern region of Virginia had lower rates of moving from welfare to employment (1999).

In Oregon, Acker et al. (2001) found lower rates of employment for TANF leavers in the

predominantly rural Central and Eastern regions of the state.

Among closed and denied cases in Oklahoma, Kickham et al., (2000) found that rural areas had a statistically significant lower proportion of full time employment and a higher proportion of part-time employment.

**For those remaining on assistance some results suggest that rural recipients may have higher rates of employment but are still receiving cash assistance**

Among those cases in Kentucky who either are or were work eligible, (excluding child only cases and those exempt from work requirement) Dyk and Zimmerman found a higher share of adult recipients in nonmetro areas being employed but still remaining on assistance (2000).

In Tennessee, a larger proportion of rural recipient families were employed with even larger rural/urban differences for 2 adult cases (CBER, 1998).

In an analysis of Iowa's AFDC waiver from 1993-1995, Jensen et al. (2000) found that a higher share of recipients in nonmetro areas received wage income compared to metro areas.

**Even with employment while receiving assistance, there is also evidence of lower incomes for rural recipients** (Kickham et al., 2000; CBER, 1998; Schexnayder et al., 2001; Bosley and Mills, 1999).

Barriers to employment for recipients living in rural communities are familiar (McKernan et al., 2001), including a lack of affordable housing, limited availability of mental health, substance abuse, and domestic violence services, as well

as more limited availability of emergency food and shelter.

## Sanctions

Employment is not the only reason recipients leave welfare. The new TANF program also brought the possibility of financial sanctions for noncompliance.

Westra and Routley (2000) found that Arizona's rural counties had a lower share of cases closed due to sanctions.

By contrast, Swensen et al. (2002) found evidence in Texas that while overall sanctions were applied fairly evenly across rural and urban areas, since access to job services varied for rural and urban areas, sanctions associated with access to these services were not evenly distributed.

**In Texas, Swensen et al. (2002) also found that while recipients with less education were more likely to be sanctioned in both rural and urban areas of the state, this was even more so the case in rural areas.**

## Transportation

While outcomes such as caseload declines and employment have produced variations in results, other issues appear to more consistently evidence a rural/urban difference.

Among these, transportation is often found to be a key rural/urban difference (Acker et al., 2001; CBER, 1998; Schexnayder et al., 2001; Fletcher and Jensen, 2000).

In Oregon, for example, Acker et al. (2001) found that those rural recipients who had use of a vehicle were more likely to be employed.

In Iowa, Fletcher and Jensen (2000) found that the lack of reliable transportation posed a barrier not only to employment,

but also to accessing child care and other daily needs. Those who owned a car often described them as old and unreliable. As a result, many recipients relied on a **“patchwork of friends and family” which often included reciprocating rides.** Except for the school bus, public transportation was rarely mentioned.

Recipients in a rural Texas county reported **driving up to 50 miles round trip not only to jobs, but also to welfare offices and health services** resulting in “more frequent and severe examples of difficulties in acquiring medical treatment” (Schexnayder et al., 2001:4).

### Services

There were also rural/urban differences in overall service provision and availability.

For example, in one rural county in Iowa, while emergency food assistance was available, the service was only open for two hours at a time, two days a week (Fletcher et al., 2000).

Swensen et al. (2002) report that the job service program in Texas was first implemented in all of the state’s urban areas and a selection of rural areas, with service more sparsely distributed in rural areas.

Kraybill and Labao (2001) also found that rural county governments were much less likely to have implemented an employment program in response to welfare reform.

In addition, even when they did have a program, the researchers found that rural county governments were **less successful at placing former TANF recipients in jobs than programs in metropolitan areas.**

### Child Care

Child care and child support provision have also received increased attention under welfare reform. Jensen et al. (2000) found that during Iowa’s waiver, a higher proportion of households in non-metro areas received child support. Similar results were found in Tennessee (CBER, 1998).

By contrast, in Kentucky the proportion of work eligible cases with child support collection was lower in nonmetro parts of the state (Dyk and Zimmerman, 2000).

Rural/urban differences are also found in relation to child care with recipients in rural areas relying less on formal child care and more on a family member or friend to meet their child care needs (CBER, 1998; Schexnayder et al., 2001).

### Rural Diversity: Why One Size Doesn’t Fit All

While it is common to contrast rural and urban areas, rural areas differ considerably from one another. While extremely limited, research suggests that this diversity is important for understanding welfare reform outcomes.

Examining changes in caseload levels, RUPRI (1999) examined trends in five states. Results revealed considerable variations not only between rural and urban areas, but across rural areas as well. **However, the pattern was not the same in all of the states.**

In their analysis of AFDC/TANF and food stamp caseloads in Mississippi and South Carolina, Henry et al. (2000) found that all else being equal, **rural areas in these states would have a more difficult time** reducing dependence on both cash assistance and food stamps. This

was especially the case for rural areas such as the Mississippi Delta region.

Brady et al. (2000) also examined cash assistance participation across rural areas in California. They found that the patterns differed for rural and agricultural counties compared to urban counties. For example, a larger share of the local population in both rural and agricultural counties relied on assistance with shorter spells and more cycling on and off assistance in rural areas.

They also identified **seasonal changes** in rural and agricultural counties with an increased likelihood that these recipients would exit assistance during the summer (Brady, et al., 2000:2).

In Mississippi, Howell (2000) estimated the prospects that local labor markets would be able to meet the employment needs of recipients. The results suggested wide variability across the state. **Those areas most challenged by the mismatch between jobs and recipients included rural areas of the Delta region.**

Examining only those cases that either are or were work eligible, Dyk and Zimmerman found differences in the caseload composition not only across the different rural areas of Kentucky but across its regions as well (2000). Results further indicated place-based differences in the likelihood of recipients’ cycling on and off assistance, the likelihood of being a recent recipient, and the likelihood of long term receipt of cash assistance.

### Issues and Implications

As research on welfare reform has grown exponentially, the knowledge base for rural areas constitutes only a very small piece in this body of work.

While research is suggestive of rural/urban differences in some areas, we know very little about many others. For example, does welfare reform affect rural child well-being differently than in urban settings? Are there implications for rural minorities (Moreland-Young et al., 2002)? And, what are the long term outcomes for families residing in persistent poverty areas?

While employment of welfare recipients has increased, less clear is whether this has increased the well-being of those in rural areas or increased their vulnerability.

Because rural poverty is already disproportionately found among those who are working, it is also unclear whether an employment-focused cash assistance program with time limits will be an effective long term policy for many rural areas.

Moreover, **what happens when families who are poor live in places that are poor?** How can families in persistent poverty areas transition from welfare to work when there are few employment opportunities to being with?

Rural areas encompass some of the highest persistent poverty regions of the nation (e.g., Mississippi Delta, Appalachia, Southern Black Belt, Native American reservations, Rio Grande). How effective is a block grant environment when these regions cross state lines (Wimberley and Morris, 1996)?

With policies varying state to state, each state facing its own political and economic changes, and the diversity of rural America, **the prospects for welfare reform in rural areas is likely as varied as the diversity of rural America itself.**

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