

FAMILY WELL-BEING AND WELFARE REFORM IN IOWA

A Study of Income Support,
Health, and Social Policies for
Low-Income People in Iowa

Welfare Reform in Seven Iowa Communities

One phase of the Family Well-being and Welfare Reform project focuses on the local impact of Iowa's welfare reform policies in seven Iowa communities.

There is growing political sentiment in Iowa that more responsibility for welfare program design and policy-making should move to the local level. The capacity of local communities to carry out new responsibilities will affect the lives of many families and the future of communities. This publication describes seven community case studies—the social and economic characteristics of each community and county, and baseline findings from community interviews conducted by ISU Extension staff in fall 1997.

Communities were selected to show a range in population size, the presence or absence of a sizable Hispanic population, adjacency or nonadjacency to a metropolitan area, and geographic dispersion throughout the state (see Figure 1). The communities, all county seats, were Cedar Rapids, Marshalltown, Fort Madison, Storm Lake, Manchester, Hampton, and Mount Ayr.

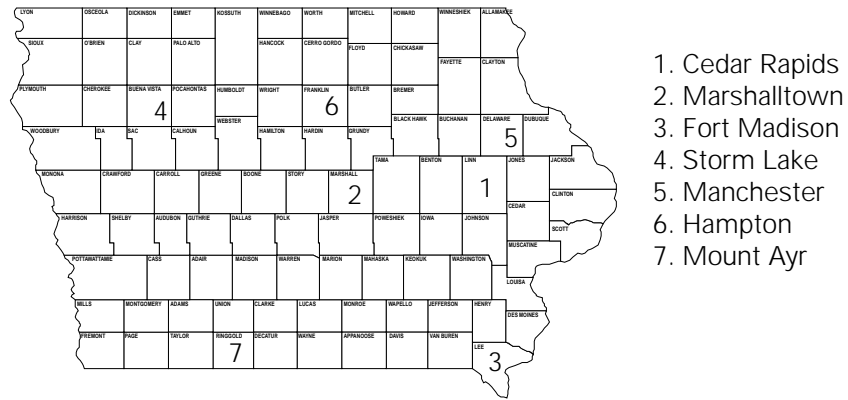
Project staff assembled an extensive database of population, employment, welfare program participation, and poverty data on each community. Teams of extension staff conducted personal interviews with key administrators in local human service agencies and nonprofit organizations, local government, health care providers, and the business sector. Line workers in income support and child welfare agencies participated in group discussions of vignettes that described two hypothetical families in each community in need of assistance. Teams in each community interviewed 9 to 16 key informants and conducted the vignette sessions. Information presented here, and hence the authors' interpretations, depend almost entirely on the interviews. Steps were taken to maintain the anonymity of respondents.

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Key Study Conclusions

A close look at social and economic indicators shows a number of striking differences and some similarities among the seven communities and their respective counties.

Figure 1. Seven Iowa Communities Selected for Study



The success of welfare reform initiatives depends to a considerable degree upon a healthy economy.

Rural-Urban Differences

Cedar Rapids, Marshalltown, and Manchester are located in counties that experienced population growth during the 1990s (see Table 1). Fort Madison, Storm Lake, Hampton, and Mount Ayr are in counties that lost population. Marshalltown, Storm Lake, and Hampton have seen a growing number of Hispanic families move to their communities, drawn by meat packing and farm labor opportunities. Although all seven counties saw a significant drop in the number of families on the Family Investment Program (FIP) rolls between 1993 and 1997, the proportion of school children receiving free or reduced-priced lunches remained quite steady in four counties and increased in three during the same time period. A similar paradox exists in food stamp versus local food pantry usage. All seven counties experienced a decline in food stamp rolls between 1993 and 1997, yet every community described a growing demand for food pantry services in 1997.

The diversity among the seven communities in their capacities to serve the needs of low-income families is illustrated in Table 2. Asterisks indicate the existence of selected critical services within the community itself. The larger the community, the more likely that job training, social, and emergency services are located in the community. In rural areas, residents often must travel to another community for services, or programs simply may not exist.

Jobs

The success of welfare reform initiatives depends to a considerable degree upon a healthy economy. Unemployment in 1997 was extremely low in five counties (ranging from 2.2 to 3.2 percent) and modestly above the statewide rate of 3.3 percent in two (4.9 and 5.5 percent). Regardless of unemployment rates, local employers in all seven communities reported difficulty finding sufficient numbers of dependable and motivated employees. One business manager in Marshalltown believed this situation created a window of opportunity for individuals with limited jobs skills and experience; businesses may be willing to overlook these factors and give people a chance to prove themselves despite a poor work history.

Table 1. Population, Employment, Program Participation, and Poverty Statistics

	Linn	Marshall	Lee	Buena Vista	Delaware	Franklin	Ringgold
County population, 1997 (estimate)	181,704	38,789	38,654	19,565	18,449	10,874	5,337
% change 1990-97	7.7	1.3	-0.1	-2.0	2.3	-4.3	-1.5
Population of target community, 1996 (estimate)	113,482	25,321	11,613	8,880	5,398	4,030	1,694
% unemployed, 1997	2.6	3.1	5.5	2.2	4.9	3.2	3.0
% of total 1996 earnings in —							
manufacturing	26.3	34.8	38.7	22.8	21.0	16.7	8.9
services ¹	27.1	17.4	15.9	15.8	11.2	14.5	18.8
% of all persons below poverty, 1995	7.8	9.5	11.6	9.0	10.9	9.6	15.9
% of children below poverty, 1995	11.2	13.3	17.0	11.5	14.5	12.9	21.1
% of population on FIP ² , 1997	2.5	3.2	4.1	1.7	1.6	1.7	2.5
% change in average monthly number of FIP recipients, 1993-97	-22.9	-25.7	-23.7	-22.3	-25.0	-23.8	-15.5
% of population receiving food stamps, 1997	4.9	6.9	7.6	4.3	3.8	4.7	8.2
% change in number of persons receiving food stamps, 1993-1997	-17.7	-11.6	-20.0	-12.1	-30.2	-20.2	-18.1
% of students on free/reduced-price school lunches, 1997-98	22.4	35.8	31.7	37.3	24.4	29.0	43.2

Table 1 is continued on page 4.

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Table 1. Population, Employment, Program Participation, and Poverty Statistics

(Continued)

	Linn	Marshall	Lee	Buena Vista	Delaware	Franklin	Ringgold
Difference in % of students receiving free/reduced-priced school lunches ³	+0.1	+7.0	+8.3	+6.8	+1.9	-2.0	+0.9
Minorities as % of K-12 students, 1997 (# of minority students)	8.1 (2840)	11.6 (795)	7.4 (535)	16.3 (709)	1.7 (69)	7.3 (150)	0.8 (8)
Hispanics as % of K-12 students, 1997 (# of Hispanics students)	1.4 (473)	8.2 (560)	2.4 (172)	9.4 (408)	0.5 (22)	6.9 (141)	0.2 (2)

¹Excluding retail and wholesale trade; financial, insurance and real estate services

²Family Investment Program

³1997-98 minus 1992-93

Informants from all seven communities identified “lack of transportation” as an issue for local families striving to be self-sufficient.

Informants in every community reported availability of sales and service jobs paying wages in the \$5–\$6 per hour range. These jobs may provide the opportunity to gain work experience but are unlikely to generate self-sufficiency in single-earner households, since they often do not pay insurance benefits and offer little opportunity for advancement.

Marshalltown, Storm Lake, and Hampton host food processing and other manufacturing firms that operate around the clock and pay better-than-average wages to dependable employees with minimal skills. New employees generally start on swing shift, which creates a child care problem for single parents. Hampton and Mount Ayr, farming-based communities, are experiencing population decline. Although they have low unemployment rates, they have limited career opportunities as many local businesses continue to contract rather than expand. A Mount Ayr business manager indicated that entry-level jobs in the area include non-skilled production, waiting tables, retail, clerical, and

construction work. Commonly, starting wages are around \$5.50, and advancement is minimal. Not surprisingly, many residents seek work in Osceola, 40 minutes away, or in Des Moines, more than an hour away. To do so, they must have dependable transportation.

Transportation

Without exception, informants from all seven communities identified “lack of transportation” as an issue for local families striving to be self-sufficient. Only Cedar Rapids and Marshalltown have public transit systems. Low-income families face the high costs associated with purchasing and maintaining a vehicle, or they must rely on friends and family for transportation. Transportation appears most problematic for residents of the smaller communities, who may travel considerable distances to the nearest job training office, community college, or well-paying job in a larger town. Residents of Manchester must travel nearly 40 miles to the nearest community college. Limited transportation also means limited access to child care.

Table 2. Proximity of Services for Seven Iowa Communities

Service	Community (County)						
	Cedar Rapids (Linn)	Marshalltown (Marshall)	Fort Madison (Lee)	Storm Lake (Buena Vista)	Manchester (Delaware)	Hampton (Franklin)	Mount Ayr (Ringgold)
PROMISE JOBS/JTPA	*	*	*	*	*		
Community college	*	*		*			
Other college	*	*		*	*		
Food pantry	*	*	*	*	*	*	*
Soup kitchen	*	*					
Shelter:							
Adult males	*	*	*				
Adult females	*	*	*				
Children	*	*					
Youth	*	*					
Mental health	*	*	*	*	*	*	*
Drug/alcohol treatment	*	*	*	*	*	*	*

*Indicates service located within community itself

Although Cedar Rapids has a bus system, community informants similarly identify “lack of access to transportation” as a major barrier for low-income families. The city is experimenting with a van service (after city buses no longer run) in the southeast section of town, which is especially helpful for people working swing shift. One city official said the pilot program is so successful that the service will be expanded to other neighborhoods. Mount Ayr families can use a “trolley service” operated by the Area Agency on Aging. Although a ride within the community is fairly inexpensive (\$1 per person), fees for non-regularly scheduled distant routes are more substantial because clients pay hourly rates and mileage fees. At the time of the

interviews in fall 1997—among all seven communities—only informants from Cedar Rapids identified community efforts to increase the availability of public transportation.

Child Care

The availability of child care varies considerably by community. Some informants, particularly in smaller communities, report there are not enough child care providers and that toddler and infant care is very difficult to find. In other larger communities, there are sufficient numbers of providers, but many low-income families struggle to afford the higher rates associated with better quality care. In all communities, evening and weekend care is most difficult to obtain.

The larger the community, the more likely that job training, social, and emergency services are located in the community. In rural areas, residents often must travel to another community for services, or programs simply may not exist.

Workers within core local agencies see themselves as devoted to meeting the needs of their clients and report cooperative, well-established interagency relations. In contrast, some FIP recipients indicated bewilderment with “the system.”

Few local employers provide child care benefits or facilities for their workers. Child care can be very expensive in relation to a single parent’s salary. Social service workers and child care providers in all communities voiced concern about low-wage working families whose incomes slightly exceed the guidelines for receiving subsidized child care; they must bear the full cost of child care and their entry-level jobs generally do not provide health or other fringe benefits. In a few communities, these families may receive limited assistance from county government. Buena Vista County (Storm Lake) has a 10-year history of subsidizing child care and budgets \$10,000 to assist families who are working, have gone off welfare, and whose income has increased enough to make them ineligible for other child care funds. Marshall County (Marshalltown) has offered similar benefits but, due to funding cuts, eliminated its \$50,000 annual child care budget line. One informant cited the need for what she termed a “holistic” approach to assisting families making the transition to financial independence, which requires addressing needs for quality affordable child care, dependable transportation, access to health care, and affordable housing. Interagency collaboration is a prerequisite for such an approach.

Interagency and Community Collaboration

Each of the seven communities has some formal or informal structure that links organizations—public and private—serving the needs of low-income families. In place of any formal system, smaller communities rely primarily upon the skills and experience of agency workers to establish connections between organizations and make appropriate

referrals. In most communities, workers feel positive about their referral network and their dedication to locate resources for clients, although the amount of attention and follow-up Iowa Department of Human Services (DHS) workers can give to individuals is constrained by high case loads. In general, workers within core local agencies (such as DHS, Community Action, PROMISE JOBS, etc.) see themselves as devoted to meeting the needs of their clients and report cooperative, well-established interagency relations. In contrast, some FIP recipients indicated bewilderment with “the system.”

In addition to the largely informal “referral system,” some communities have interagency councils that meet regularly to exchange ideas, discuss common concerns, and share the needs of clients. Some councils are successful in facilitating the involvement of numerous local service agencies, whereas others struggle to remain organized. Formal efforts to coordinate services for many low-income families often are facilitated by development of a decategorization (decat) plan for child welfare services. Decat committees appear to draw support from a wider range of community organizations than do the interagency councils, and are helping communities move from crisis to preventive programming. Cedar Rapids (the only metropolitan city in this study) is the only community with a single umbrella organization addressing the needs of families. Foresight 2020 is a “visioning and strategic planning” initiative in which numerous local agencies and citizens have collaboratively established and adopted a set of eight outcomes for their community. The overall goal is to enhance the social and economic vitality of the county and quality of life for local families.

In most cases, community informants were hard pressed to provide examples in which local business or city government got involved with a broad array of issues directly related to low-income families. County governments are somewhat more active in planning and policy related to low-income families, but they are more likely to treat their social welfare programs [e.g., programs for disabled residents, General Assistance (GA), and in some instances, county-subsidized child care] in isolation. City and county governments are likely to be directly involved in issues confronting low-income families and welfare reform when their members serve on relevant local boards or committees.

Implications

Seven community case studies, completed in the same year (1997) that federal welfare reform policies were implemented in Iowa, suggest that the state and its communities are taking many positive steps to meet the needs of low-income families. Community leaders speak proudly of Iowa's welfare reforms and the dedication of those who work with low-income families. However, these same leaders see challenges ahead.

Meeting Basic Needs—The interviews suggest that churches and other nonprofit organizations contribute extensively to meeting the emergency needs of their members and the public. But church and community leaders say demand for food, clothing, shelter, and emergency funds is rising and they don't have the capacity to keep up. Many counties also report growing demand for GA provided by county government. There is skepticism that the intent of

devolution is not to reform welfare, but instead is designed to transfer costs from state and federal to local governments.

Employing and Supporting Families in Living-Wage Jobs—There is concern about the ability of many low-skilled welfare recipients to move from minimum wage to jobs that fully support families. Well-paying jobs for low-skilled workers simply are not available in many areas. Another concern relates to welfare recipients who may be difficult to employ. Observers describe many who remain on the welfare rolls as needing a wide range of support services. Getting jobs has been emphasized, but supports to help workers keep their jobs and manage work and family demands are missing in most communities. In the seven Iowa communities, the social service provider world and the world of economic development rarely intersect. Improving job opportunities may require not only community action, but income-support policy reform.

Creating Community Coalitions—Creating a broad support system for families as they move from welfare to work implies a community approach that brings diverse local and external resources to bear on the multiple causes of poverty and welfare dependence. The challenge will be bringing the community together—government, the schools, the faith community, economic development coalitions, as well as the traditional social service agencies—to build a coherent system and to affect public policy. Rural areas, facing dwindling populations and geographic distances, may find this a more daunting challenge than urban communities.

The challenge will be bringing the community together—government, the schools, the faith community, economic development coalitions, as well as the traditional social service agencies—to build a coherent system and to affect public policy.

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For the complete report, visit this Web site:

<http://www.extension.iastate.edu/Pages/pubs/reform.html>

Prepared by Jan Flora, professor and extension sociologist, Department of Sociology; Cynthia Needles Fletcher, professor and extension specialist, Department of Human Development and Family Studies; Hugh B. Hansen, graduate student, Department of Sociology; and Barbara J. Gaddis, research associate, Department of Human Development and Family Studies.

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