

FAMILY WELL-BEING AND WELFARE REFORM IN IOWA

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

A Profile of Cedar Rapids

Cedar Rapids (population 113,482), the second largest city in the state, is located in eastern Iowa. The population of Linn County has increased significantly (7.7 percent) since 1990 to an estimated 181,704 in 1997. The growth has fiscal repercussions. The county has bumped up against a state-imposed property tax rate limitation for 4 consecutive years. The demographic characteristics of Linn County residents mirror other metropolitan counties with respect to the age distribution, educational, and marital status of its residents.¹ (See Table 1.) Compared with the state as a whole, the county has proportionately fewer elderly and more college graduates.

Cedar Rapids is a manufacturing town. The two largest economic sectors in Linn County are manufacturing and services, which in 1996 represented 26.3 and 27.1 percent of total earnings and 16.6 and 31.9 percent of full- and part-time jobs, respectively. Health services and business services each account for over 30 percent of earnings from services. Many business services support the manufacturing sector, which has higher earnings per job than any other sector. Several telemarketing firms in the city provide part-time entry-level jobs in the \$7-\$8 per hour range. Data from 1993 show that median household income in Linn County (\$37,430) was strong, exceeding that of other metro

counties (\$34,349) and Iowa counties in general (\$28,867). According to 1996 figures, average earnings per job of \$29,048 is much higher than similar counties (\$24,913) and the state average (\$24,646). Unemployment is lower than the statewide average (2.6 percent compared to 3.3 percent in 1997).

Although many enjoy the prosperity of this growing metropolitan county, about 8 percent of the population lives in poverty. While the proportion of Linn County residents receiving Family Investment Program (FIP) benefits and the proportion receiving food stamps have fallen since 1993, the percentage of school children receiving free or reduced-price school meals in the county (22.4 percent) has remained steady over the same period.

Moving Families from Welfare to Work

Cedar Rapids has developed a unique approach to delivering services to low-income families. The community is viewed, as one informant stated, "as a leader in a systems approach" in meeting families' needs. The Department of Human Services (DHS) maintains its downtown Cedar Rapids office serving inner city residents in a traditional fashion. But also within the city are four family resource centers that coordinate a team of service workers from various agencies—

Cedar Rapids, Linn County

Although many enjoy the prosperity of this growing metropolitan county, about 8 percent of the population lives in poverty.

¹Metropolitan counties are those in an area that contains a population of 250,000 or more. There are 10 metro counties in Iowa.

Table 1. Linn County Socioeconomic Profile

	Linn County	Metro counties	Iowa
Population characteristics (1997)			
% White	96.4	95.4	96.5
% Black	2.2	2.6	1.9
% Hispanic origin (can be of any race)	1.3	3.2	2.3
Age distribution (1990)			
% population age 0–17	25.2	26.2	25.9
% population age 18–44	43.4	43.3	39.9
% population age 45–64	19.2	19.1	18.8
% population age 65+	12.2	12.4	15.4
Educational status (1990)			
% population 25+ high school graduates	34.8	36.6	38.5
% population 25+ bachelor's degree	15.3	13.9	11.7
Family status (1990)			
% married couples w/related children	38.9	40.3	39.4
% female headed w/related children	7.5	8.3	7.0
Income and employment			
Median household income (\$) 1993	37,430	34,349	28,867
Earnings per job (\$) 1996	29,048	24,913	24,646

“Education pays off for recipients and society.”

—PROMISE JOBS
spokesperson

including DHS—to deliver programs within neighborhoods. A fifth center operates in a rural part of the county. Community informants reported mixed attitudes about the approach. Clients benefit from improved access to services and the case management strategy. Coordination among agencies has improved. On the other hand, one DHS representative reported that service personnel struggle to “fulfill their job role and also be part of the team.” This spokesperson identified staffing as the greatest challenge for this agency that has income maintenance caseloads exceeding 250 clients per worker.

Job Search and Training—Welfare-to-work programs, including PROMISE JOBS (PJ) and Job Training Partnership Act (JPTA), are collaboratively administered by Iowa Workforce Development (IWD), the East Iowa Employment and Training Consortium, and Kirkwood Community College. Kirkwood, located on the southern outskirts

of Cedar Rapids, offers a range of job training offerings for PJ clients. Informants said the goal is to serve the long-term interests of clients by directing them to programs and careers that are in demand and have decent earning potential, rather than “dead-end” jobs. Although funding for PJ has increased, a spokesperson said more education and training is needed: “Education pays off for recipients and society.” However, this informant saw many clients with learning disabilities who weren’t successful in school and didn’t become self-sufficient in FIP. Transportation is another barrier for many seeking training. Although Cedar Rapids has an extensive bus system, it is difficult for many PJ participants to get to the Kirkwood campus. One FIP participant commented on the partnership between PJ and Kirkwood. She said, “I didn’t have to go out there at Kirkwood and take a placement test. Kirkwood came to PROMISE JOBS where we could take the placement test there. They help motivate you. They talk

about attitude and self-esteem.” At the time of the interviews, the community college was building an “urban campus” for delivering General Equivalency Diploma (GED) coursework. However, transportation to the main campus for additional coursework remains a problem.

Job Opportunities—The local economy is strong; starting wages for most entry-level jobs are around \$6 per hour and unemployment is low. Many companies are paying \$7-\$8 per hour to attract entry-level workers, although a business representative indicated that these workers might have problems with child care and transportation because most are not “eight-to-five” jobs. One FIP recipient commented when asked about the supply of jobs in Cedar Rapids, “Crap[py] jobs that pay you \$5 per hour that you can’t live on are easy to come by. You can get lots of those jobs.” Several telemarketing firms in the city offer good starting wages although they need people who are available evenings and weekends—and provide mostly part-time employment with no benefits. Local employers in discussions with the Chamber of Commerce say people who can’t get a job in the area are those who cannot communicate clearly, are unable to solve problems, and/or have “bad” attitudes. A representative of the local community college viewed the problem as a mismatch between skill levels and available jobs. While anyone with reasonable communication skills can get a job “making cold calls,” there is a real shortage of individuals with technical skills. He acknowledged that high living expenses (particularly transportation and child care) quickly deplete families’ disposable income. This informant said that because employers are having difficulty finding qualified employees, now may be a window of opportunity to convince employers to invest in the future of their company and community by providing people with job training.

Child Care—Low-income families paying for child care out of their own pockets may have to spend up to \$100 a week in the Cedar Rapids area, said one local provider. According to this informant, high quality child care is generally available in the community, but infant and toddler care and providers offering evening and weekend care are in short supply. Without a subsidy, many families cannot afford quality child care. When parents begin making “decent” wages they lose eligibility for subsidized child care and may be worse off than when they were unemployed. Commented one mother of two preschool children, “You’re going to work to pay your babysitter—you’re not helping yourself out at all because then they take your FIP and all the money you are getting goes to pay for your babysitter.” A child care provider called for a “holistic” approach to assisting families making the transition to financial independence. In addition to quality child care, this informant described the needs that low-income families have for dependable transportation, access to health care, and affordable housing. This informant saw the strain that is placed on families as they manage work and family life, and a need for parent support. “It’s scary to see how fragile families are. We see a lot of behavior problems because of the stress in the home.” A county official voiced similar sentiments, saying, “Child care, transportation, and a strong economy are needed to make welfare reform work; work has been the main focus but there has not been an emphasis on the support system.” Echoing this concern, a welfare mother said, “A lot of people are working their butt off and they get a quarter of their paycheck after it’s all done. They need more programs that could help low-income families. A lot of kids don’t get to see their parents because they’re working so much.”

“Child care, transportation, and a strong economy are needed to make welfare reform work; work has been the main focus but there has not been an emphasis on the support system.”

—County official

“... the feeling of the board of supervisors and county governments in general is that welfare reform is not reforming welfare, it is transferring costs.”

—County spokesperson

Meeting Emergency Needs

The Cedar Rapids community extends a wide range of services to meet basic needs of families. Perhaps the greatest challenge in the city is improving access to these existing resources. The faith community plays a prominent role in providing food, clothing, cash assistance, and many other supports to families in need. The county-funded General Assistance (GA) program meets basic needs of indigent families. Awareness of and transportation to emergency services are perhaps greater barriers than a lack of programs. Despite the strong economy, community informants describe a growing demand for GA and the emergency services available from charitable groups. There is a concern that welfare reform may place excessive demands upon the county and community non-profits.

Demand for GA has increased steadily over the years. In 1994 Linn County spent \$691,156 assisting 1,242 households; in 1997 the county allocated \$716,106 to 1,478 households; in 1998 expenditures were \$750,384 for 1,584 households. A county official described eligibility guidelines in the county as an attempt to strike a balance between meeting the needs of low-income residents and staying within budget. Linn County provides GA for 6 months in a 3-year period, but exceptions are made for people who cannot work. This helps stretch tax dollars and deters abuse and dependence upon the system. According to this informant, the board of supervisors believes offering “unlimited support” would serve neither the interests of the county nor the families needing help. A county spokesperson said, “They are supportive of limited resource families, but the feeling of the board of supervisors and county governments in general is that welfare reform is not reforming welfare, it is transferring

costs.” According to this informant, the board is concerned that it not become the funding source of last resort, and “at the end of 5 years be stuck with everything.”

Food—A community food pantry operated by volunteers from 58 local churches established a policy limiting the number of families served. As many as 38 families or individuals were seeking assistance daily and the pantry could not keep up with the demand. The pantry began limiting the number served daily to 20, and has reduced the voucher included with groceries from \$20 to \$5. A spokesperson for the pantry reported that it was possible to get one free, hot meal each day of the week in Cedar Rapids so “people are hungry, but not starving in this community.” Local churches established a single emergency cash fund for families having exhausted all other financial resources. This fund was set up to deter families from receiving cash assistance from multiple churches. The pantry spokesperson said local churches are doing their best to stretch their charities, but they are “giving at their maximum” and will not be able to compensate for deficits in other programs.

Shelter—A “homeless coalition board” oversees funding and services for three shelters, each serving a different population: single men, single women, and women and children. There also is a 14-bed youth shelter. In addition to emergency shelter services, transitional housing arrangements are managed by the local Community Action Program (CAP) agency. A spokesperson for the board said the county’s homeless shelter provides more than just a bed. All programs are goal-oriented and clients unwilling to establish and pursue goals may not continue to receive services. At the time of the interviews, there was no emergency shelter for homeless mentally ill. Since the new welfare reform law took effect, this informant said there had been increasing demand for shelter services and local hot meal programs.

Health Care—Access to outpatient health care for medically indigent residents is available through the county-funded Linn Health Services Program. This unique program helps fund physician visits, outpatient diagnostic exams and tests, prescription drugs, and limited adult dental care to uninsured adults who meet income guidelines. Between 1994 and 1997 program costs increased substantially from \$308,266 to \$415,365. In 1998 the county was able to decrease expenditures considerably (down to \$270,841) by enforcing use of the State Papers program and accessing federal funds to cover prescription drugs. The State Papers program covers large medical expenses of medically indigent lowans who receive care at the University of Iowa Hospitals and Clinics; Linn Health Services Program is filling an important need for local outpatient health care.

Health care professionals identify the working poor as the most vulnerable population in Cedar Rapids. Another informant cited the medical and psychiatric needs of refugees as critical, in part because they often get jobs that do not have health benefits and also because of health needs that “were not taken care of before they came.” In general, a wide variety of health services are offered at community clinics around the city and Medicaid is accepted by most physicians. But the number of physicians is limited, making it hard for some families to find a doctor.

Cedar Rapids has two local hospitals, St. Luke’s and Mercy Medical Center, located within a few miles of each other. Because the local economy is strong, said one hospital employee, “we have a relatively small Medicaid and uninsured population.” However, the provision of care for low-income and uninsured populations had not decreased at the time of the interviews. The administration exercises discretion with respect to offering uncompensated care and seeks options for

indigent patients such as utilizing the State Papers program. The future of health care for low-income residents depends much upon the economic health of the local community. This informant said, “Health care is a social issue. It has to do with good jobs, housing, and food. If you have access to those things you have healthy people —it’s a community issue!”

Coordination of Services

There are numerous mechanisms for coordination of social services in Cedar Rapids. Foresight 2020 is an ongoing countywide visioning process that began in 1994. A set of eight expected community outcomes was adopted. Those outcomes relate to learning, families and community, crime and safety, environment and land use, recreation and culture, government for future generations, business growth and economic vitality, and community health care. An oversight committee of 85 citizens meets quarterly to monitor progress and support activities directed toward goal achievement. One city official reported, “Collaboration in this community is looked upon as a way to get things done—it has not been a push by any one force. It is a groundswell everywhere in Cedar Rapids.”

A research project conducted by the University of Iowa was the catalyst for implementing the family resource centers. Although the original project has ended, the centers represent an effort to continue the underlying family systems philosophy, and correspond to the systems approach being taken by Foresight 2020. In the words of one informant, the family resource centers “have really helped to improve coordination of services by pulling together professionals from different agencies who work with families in their communities and neighborhoods.”

“Collaboration in this community is looked upon as a way to get things done—it has not been a push by any one force. It is a groundswell everywhere in Cedar Rapids.”

—City official

Whatever the reasons, the demand for assistance and services upon both the public and private service sectors is increasing.

Another collaborative effort is a decategorization program for child welfare services that was initiated in Linn County in the early 1990s. In its first 5 years, more than \$2 million was invested in prevention and early intervention youth projects in Linn County. At the time of the interviews, Linn County had been designated one of 13 Innovation Zones in the state. This designation is another indicator of the initiative that the community has taken to work collaboratively to improve the quality of life for families. However, one informant voiced frustration “that movement is so slow.”

Issues

Availability of Services—Cedar Rapids has jobs available that attract people from rural areas. As these people move to town, they leave their “support system,” as one informant put it, and turn to GA for help. Often their needs exceed what they can receive from the county, so they turn to the churches. The result is a dual system of assistance. Informants also report that the city’s reputation of abundant services is attracting people from outside of Iowa. According to one DHS worker, there is a big influx of clients from other states, and one of the homeless shelters has received calls from people asking if they can reserve a space when they arrive. It appears that Cedar Rapids is very proactive in meeting the needs of its low-income population, which in turn has served to attract people to the area. An alternative explanation is that Cedar Rapids has an expanding economy and therefore attracts people seeking work, but perhaps lacking the skills for the jobs they desire. One family with three children came from Chicago “for a better job, a better life, a better neighborhood.” Whatever the reasons, the demand for assistance and services upon both the public and private service sectors is increasing.

The generosity of the community was particularly evident when a group of Somalian refugees arrived in 1996. A social worker who continues to be involved with these families said, “The community, especially churches, are wonderful, especially when the Somalians came. I think without their support, we could not have made it.” However, this informant cautioned that if there is another influx of refugees and an economic downturn, then it will be more difficult for the churches to help.

Transportation—When asked what the most pressing needs of clients are, most service providers immediately mention affordable housing, child care, and transportation. Despite an extensive bus system, community informants consistently identify transportation as a barrier for low-income families. One FIP recipient living on the edge of Cedar Rapids found the issue of transportation daunting. “I could have had a job on the 15th (of the month) but I didn’t have a vehicle.” She continued to describe her dilemma. “It takes about half an hour to 45 minutes just to get downtown on the bus. Then another 20 minutes after transferring to the appropriate bus. The buses don’t even start out here until 6:15 in the morning. So how the heck can I get to work by 6:30?”

The city has experimented with a neighborhood transportation program funded by community development block grant funds. A van service is available in the evenings (after city buses no longer run) in the southeast section of town, which is especially helpful for people working a night shift. One city official said the pilot program is so successful that the service will be expanded to other neighborhoods. In some cases, service organizations are overcoming the transportation challenge by increasing the number of service locations. The system of family resource centers is one such example and the Kirkwood Community College project to build classrooms downtown is another.

Youth—An oversight group called the Linn County Adolescent Pregnancy Prevention Council coordinates pregnancy prevention programs offered in schools, the community college, youth organizations, treatment facilities, churches, and family resource centers throughout the Cedar Rapids area. In addition, Planned Parenthood offers classes during evenings and on Saturdays, which contributes to the accessibility of prevention services. The rate of teen out-of-wedlock births in Linn County in 1995 exceeded state averages. Participation in a local prevention program has been increasing 10 percent each year, while state funding has been decreasing.

Although the community lacks a formal coordination system for services and activities targeted toward youth, informants said a number of groups in the community actively organize and develop programs. Cedar Rapids has established at-risk programs in each middle school and high school, and each of these schools has a program coordinator on site. One high school is an “alternative school.” A summer youth coalition composed of many organizations sponsor afternoon and evening activities when school is not in session.

Summary

Compared with many smaller communities, Cedar Rapids offers better opportunities to find work. The greatest challenge for this community may be to increase access to affordable housing and child care so that working families do more than simply “get by.”

Increased access to transportation is being addressed; other communities the authors have examined acknowledge that limited transportation is problematic for low-income families but have accepted it as a “given.” One of the community’s greatest strengths is the degree to which it has established collaborative and community-wide efforts to improve the quality of life for residents in general, including low-income families. This is seen in the Foresight 2020 initiative, the development of the family resource centers, and the establishment of Linn Health Services Program. The growing demand for GA, health care for the indigent, and emergency food and shelter may be attributable to in-migration triggered by a

growing local economy and perhaps by the array and quality of available social services.

Because of its extensive social service network, Cedar Rapids may be in a good position to address overtly some of the heretofore “hidden” barriers to self-sufficiency that were mentioned by many community informants: drug abuse, mental health problems, learning disabilities, and social isolation. These concerns suggest the need for different strategies tailored to families that are, as one informant described, “struggling to hold it together.” It would seem that if any community has the capacity to make welfare reform work, it is Cedar Rapids.

It would seem that if any community has the capacity to make welfare reform work, it is Cedar Rapids.

About the study

This report is part of a larger study of welfare reform in Iowa. In addition to a study of state-level policy and practice, seven communities representing a continuum along a rural-urban gradient were chosen for in-depth examination.

In fall 1997, a different team of extension field staff persons conducted interviews with service providers and other community leaders in each of the seven communities, and carried out the first wave of interviews with five welfare recipients in that community. The local service-provider interviews were conducted with Department of Human Services, PROMISE JOBS, and other public-sector personnel in the areas of health and education, with non-profit and for-profit service providers (including those providing emergency services such as soup kitchens, food pantries, and homeless shelters), city and

county government officials, and one or two private employers and/or their representatives (such as Chamber of Commerce personnel). The interview team in Cedar Rapids consisted of Linda Bigley, Linda Bostwick, Don Brown, Roberta Chrystal, Kristi Cooper, Barb Swanson Dunn, Jan Fields, Jan Garkey, Julie Mather, Mark Settle, Jan Temple, and Susan Uthoff. Taped interviews, summary notes, and supporting materials were forwarded to the community analysis team on the ISU campus, which consisted of Cynthia Needles Fletcher, Jan Flora, Barbara Gaddis, and Hugh Hansen, who drafted the community reports.

References

Burke, S.C. (1999, March). Counts (1990) and estimates (1997) of Iowa residents of Hispanic origin (Census Services Publication No. CS99-3). Ames, IA: Iowa State University Department of Sociology.

Iowa PROfiles: Public resources online. [On-line]. <http://www.profiles.iastate.edu/county/linn.html>

Novenario, M.J., Jensen, H.H., and Otto, D. (1998, May). Local economic impacts of welfare reform in Iowa: A state and local database. (CARD Staff Report 98-SR 86). Ames, IA: Iowa State University Center for Agricultural and Rural Development.

For the complete report, visit this Web site:
<http://www.extension.iastate.edu/Pages/pubs/reform.html>

IOWA STATE UNIVERSITY
University Extension

Helping Iowans become their best.

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Stanley R. Johnson, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.

... and justice for all
The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

File: Economics 3