

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 Marshalltown

Marshalltown (population 25,321) is located in central Iowa, approximately 60 miles northeast of Des Moines. The county seat is home of Marshalltown Community College and the Iowa Veteran's Home. Marshall County's population has increased 1.3 percent since 1990 to an estimated 38,789 in 1997. Compared with similar urban non-metropolitan Iowa counties, Marshall County has slightly more people age 25 and older who have graduated from high school and college, more elderly, and fewer female headed families.¹ According to 1995 estimates, the proportion of people of all ages and children (age 0–17) below poverty fell slightly below that of similar counties, but mirrored statewide poverty rates.

Marshalltown has become a much more diverse community in recent years as evidenced by school enrollments. In 1987, 2.9 percent of the K-12 students were minorities. In 1997, minorities represented 11.6 percent of the school enrollments. This included 560 Hispanic, 108 African American, 106 Asian American, and 21 American Indian children. An ISU Census Services estimate suggests that the total Hispanic population in Marshall County has increased nearly tenfold since 1990, from 292 to 2,260 in 1997.

1993 data show that median household income in Marshall County (\$31,868) exceeds that of similar urban non-metro counties (\$30,652) and the statewide average of \$28,867. Earnings per job of \$24,377 is comparable to similar counties (\$24,856) and the state average (\$24,646). (See Table 1.) Unemployment in the county is low, having averaged 3.1 percent in 1997 which was slightly below the statewide average unemployment rate of 3.3 percent. Manufacturing occupies a prominent place in the local economy, generating about one-third of total earnings in the county. Approximately 40 percent of the labor force is employed at Fisher Controls, Lennox Industries, or at the Swift's meat packing plant. One community informant commented that "the city and county are very vulnerable if one of the big three leaves or suffers an economic down turn."

Marshall County experienced a nearly 26 percent drop in the average number of Family Investment Program (FIP) cases between 1993 and 1997, and a nearly 12 percent drop in the number of households using food stamps over the same period. However, the percent of school children receiving free or reduced-price school meals in the county (35.8 percent) has

Marshalltown, Marshall County

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¹ Urban non-metropolitan counties contain an urban population of 20,000 or more. There are nine urban non-metro counties in Iowa.

Table 1. Marshall County Socioeconomic Profile

	Marshall County	Urban non-metro	Iowa
Population characteristics (1997)			
% White	97.8	96.7	96.5
% Black	0.8	1.7	1.9
% Hispanic origin (can be of any race)	5.8	3.0	2.3
Age distribution (1990)			
% population age 0–17	25.1	25.1	25.9
% population age 18–44	36.9	40.1	39.9
% population age 45–64	20.6	19.0	18.8
% population age 65+	17.4	15.8	15.4
Educational status (1990)			
% population 25+ high school graduates	39.1	37.6	38.5
% population 25+ bachelor's degree	11.2	10.6	11.7
Family status (1990)			
% married couples w/related children	37.5	38.4	39.4
% female headed w/related children	6.7	7.8	7.0
Income and employment			
Median household income (\$) 1993	31,868	30,652	28,867
Earnings per job (\$) 1996	24,377	24,856	24,646

grown in recent years and exceeds the statewide average of 27.6 percent.

Moving Families from Welfare to Work

While the Department of Human Services (DHS) and Workforce Development Center are the core agencies serving families moving from welfare to work, they are augmented by a wide array of other agencies and institutions in Marshalltown. And, with access to the city bus system, Marshalltown residents have somewhat better access to these various agencies compared to those in towns without a public transit system.

A DHS spokesperson noted that there has been a shift in public assistance to employment, not just job training. However, this informant felt that it was a challenge to get local staff “on board” and understanding this change: “The train has left the station, and we’d better be on it.” This staff person identified other challenges facing the agency: “engaging the community in helping attain

positive outcomes,” the need for higher-paying jobs for welfare recipients, and gaining the commitment from employers to “take a chance” on hiring long-term unemployed people who may not be “the world’s best employees” for a while.

Marshalltown’s Workforce Development Center is one of the first in the state to institute the “one-stop shop” concept—housing several employment-related services, including PROMISE JOBS (PJ) and Job Training Partnership Act (JTPA), under one roof. The center is located near Marshalltown Community College which offers basic skills training and General Equivalency Diploma (GED) completion. Mid-Iowa Community Action provides Family Development Self-Sufficiency (FaDSS) programming at the center 2 days a week and is developing job training programs to assist clients with the “job-keeping” skills identified by area employers as essential (appropriate grooming, punctuality, etc.). According to staff, agency funding is inadequate with high caseloads for

“Clients today have more barriers than 4 years ago ... there is a lack of funds to help individuals overcome them.”

—Workforce Development Center employee

PJ (130 to 150 compared to 80 to 85 for JTPA) and a JTPA budget that is half what it was 7 years ago.

One center employee observed that “clients today have more barriers than 4 years ago” and “there is a lack of funds to help individuals overcome them.” Informants throughout the community repeatedly cited child care, transportation, and affordable housing as serious barriers to moving families off welfare and toward self-sufficiency. Several also described a sense of disbelief or denial about the time limits of the new welfare law as a significant barrier. Commented one welfare recipient about her friend, “She just went and had another baby thinking that she ... because before if you had another kid ... you could get it longer. ... Her years are going to run out, and she thinks that she’s still going to get it.” A service provider voiced concern for clients who “aren’t prepared for a future without welfare and don’t believe it will happen.” She predicted that shortly before being cut off, clients would panic and turn to a “quick job” but there would be an initial period of no income—creating huge pressure on emergency service providers, particularly for food and shelter.

Job Opportunities—In general, there is a labor shortage in Marshalltown; businesses need both entry-level and technically skilled people. A major goal of the local economic development committee is to attract businesses to Marshalltown offering higher salaries associated with non-entry-level jobs so the community wage base, which is currently in the \$8 to \$9 per hour range, increases. At the time of the interviews, the committee was not officially dealing with the issue of welfare reform although it had been the topic of discussions. While local employers were searching to fill job vacancies, they said job candidates must be trainable and have interpersonal skills to become viable employees. They claimed that many job applicants lacked basic literacy skills and job-keeping skills such as showing up on time, following instructions, solving problems, and managing conflict on the job. One informant from the

business sector believed employers should step forward to support welfare reform.

One service provider did not view lack of jobs as an issue in Marshalltown although the working poor were the ones “falling through the cracks.” However, some FIP recipients voiced concern about the quality of jobs available to them. “The biggest thing is for people like me. They need some kind of schooling—like college—but we can’t afford it so we can’t get it. So we have to take these little minimum wage jobs to get us by—we can’t get the higher paying jobs.”

Child Care—Many community informants said there were enough child care providers in Marshalltown, but low-income families have difficulty paying for and finding quality care. Commented one young mother employed as a \$5.65-per-hour cashier, “Yes, I want to work because I enjoy making money. I feel like I’ve accomplished something in my life. But why go back to work when three-fourths of your paycheck is going to go for babysitting? One quarter is for yourself. That one quarter has to pay the bills. ... They need to get something out there to help ... more than just that transitional child care.” Another Marshalltown mother of two children indicated that living on FIP currently provides “more money, more food, more everything” compared to when she was working and making \$7 per hour. By the time she paid a babysitter she had \$40 left over each week to pay rent, food, electricity, and other bills.

Options for parents with infants and those working second and third shift are minimal. At the time of the interviews, county government had cut funding for non-mandated human service projects including \$50,000 to Marshall County Child Care Services (MCCS). This money was used each year to supplement clients who did not fit financial eligibility requirements, but could not afford to pay full rates. Because of the cut, enrollment and revenue at the center decreased significantly. Clients turned to relatives, college students, and neighbors to care for their children and agency administrators felt

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—FIP recipient, earning \$5.65 per hour

their ability to retain quality staff had weakened. In the past there had been waiting lists at the agency but at the time of the interviews more people were making their own child care arrangements.

Subsidized child care reimbursement rates are adequate, said MCCA staff, and this helps retain and attract new providers. Some providers find it difficult taking on families utilizing child care block grant funds because reimbursement checks arrive anywhere from 4 to 6 weeks after services are rendered. Also, food program reimbursement reductions may affect the quality of meals or the operation costs of providers, and drive prices higher.

Meeting Emergency Needs

County government, the faith community, and other non-profit organizations and social service agencies have woven an extensive safety net to meet many of the emergency needs of vulnerable families in Marshalltown. In 1997 the county's General Assistance (GA) fund dispersed about \$40,000 to meet emergency needs in the county.

Health Care—Perhaps the most frequent unmet need discussed by Marshalltown informants during interviews in fall 1997 was access to the health care system. A wide range of barriers was mentioned. Some people lack information about services or distrust the system, said one hospital official. According to various community informants, some local doctors and clinics were refusing to take on Medicaid patients because of limited reimbursement rates and/or limited capacity. One Medicaid recipient expressed frustration: "Why isn't our insurance any good? Why do we have to travel from town to town to see a specialist for a root canal? I have to take (my daughter) to Iowa City to have it done."

While obtaining primary physician care may be difficult for low-income populations, other health services are readily accessible because the hospital provides a number of non-mandated services. The hospital sponsors nurse practitioner-run clinics for pregnant women and pediatric care, and supports two nurses who provide "case management"

services. The hospital also sponsors a free clinic operated out of a local church and has started a dental clinic. Local indigent care also is funded by the county's GA fund and an organization called Churches United in Compassion and Concern (CUCC). However, misunderstandings occur regarding CUCC's role as voiced by one FIP family: "No way do they like to deal with Hispanics. ... I went there once 3 years ago because the house I was in burned. They did not want to help me at all. They said they could only give a maximum of \$50." The "hole in the health care safety net," according to a health care professional, is those adults who earn more than the poverty level but less than a comfortable living wage.

Another issue facing the community is the lack of transportation alternatives to other cities in Iowa. This becomes important in light of the need to get to Iowa City for health care. Commented one recipient, "What about transportation? A lot of people don't have the money to go. But they don't care—as long as you get there. That's all they worry about. They don't provide transportation or even offer to pay. Sometimes I think we get really kicked around."

Shelter—At the time of the interviews, Marshalltown had one shelter for the homeless which began as the ministry of a church in 1993 and then moved to a new location when a local bank donated the building. At the time of the interviews, the shelter was run by a 12-member board and operated by volunteers with generous support by churches and the business community. The shelter's "guests" come from a variety of situations: some are ex-prisoners with no place to go; others suffer from mental illness and lack proper care and medication; some are substance abusers struggling to overcome addictions and gain employment. Many, however, are employed but don't make enough money to be self-sufficient. Many are people moving into the community. Between their first day at a new job and their first paycheck, they need a place to stay until they can afford rent, security, and utility deposits. Officially the shelter is open in the months of November through May, although it also operates on an emergency

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—Health care professional

basis other months. A goal of the shelter is to operate year round.

In years past the Salvation Army also provided shelter services, but the downtown hotel it referred clients to was demolished due to expansion of the hospital. The hospital, in turn, made a sizable donation to the shelter to help with a remodeling and expansion project. The shelter also operates two soup kitchens, one on site and the other at an elementary school—serving more than 80 people each evening. Expansion of the shelter is needed. As a board member put it, “there are more homeless people in Marshalltown than we ever imagined.” The shelter hosts as many as 15 people each night, including single men and women, and women with children. Augmenting the services of the shelter, the ministerial association provides emergency heat assistance and a “help yourself table” that individuals can visit twice each week for personal items ranging from toothpaste to laundry detergent.

Coordination of Services

Marshalltown has made strides in expanding and coordinating services that are targeted toward youth, but struggles with coordination of the broader array of services for welfare families. There is no formal means of coordination for clients referred from agency to agency. Coordination of local services is facilitated through various committees and individuals holding multiple board positions. The Youth and Violence Committee draws together the support and influence of 24 business and service organizations and serves as the advisory committee for the local decategorization of youth services initiative (in which 31 agencies participate). Funding proposals from the various agencies are reviewed by the advisory committee, with final decisions made by a four-person decat governing board. According to one board member, turf issues were a major barrier to coordination.

The well-being of local youth is also the goal of Caring Connection, which serves as an umbrella organization coordinating services to Marshalltown students. The variety of services and programs under its purview is extensive,

including health services via a community nurse, vocational/job experience classes—some of which are sponsored through JTPA, mental health services, youth runaway services, family services, and substance abuse counseling.

With the development and expansion of programs for the needy, lack of knowledge of available services or the appropriate “entry point” into the system may be one of the largest barriers facing families who are unfamiliar with the formal welfare system. Some families are afraid to access income maintenance services for various reasons; they may want to avoid the stigma of being a DHS client or may even fear their children could be taken away if they discuss family issues. The means by which families are guided through the service referral system may be problematic since there is no formal coordinating mechanism. As one DHS employee put it, “I don’t think we have anyone that will hang with you to make sure you get the services.”

Issues

Immigrants—Marshalltown has experienced steady growth in the number of Hispanic residents since the early 1990s. Mexican workers and their families have been recruited to the community to work in the local meat packing plant. As the Hispanic population increased, “so did prejudices,” said one city official, “but the community has made significant progress toward acceptance of their diverse population.” For example, one community informant described the recognition by the police department of a need to be more sensitive to people of other cultures: “They have a long way to go—a very long way to go—and publicly they are saying they know that.”

Local organizations are working to integrate the immigrant population; several have added bilingual staff (banks, schools, and social service agencies) and the community college developed a program in which it pays tuition of Hispanic students agreeing to translate at a local business for 5 years. Still, DHS is unable to provide translation services to all those needing the services. When asked about her

“... the community has made significant progress toward acceptance” of a diverse population.

—City official

experiences with DHS, one FIP recipient stated, “It was very difficult because the social worker I had did not speak Spanish.”

Two primary organizations serve immigrants: the community-based diversity committee and Hispanic Ministries whose activities in Marshalltown and other northeast Iowa communities are supported by the Catholic Diocese. The diversity committee works to dispel rumors and stereotypes, sponsors diversity training for city employees and other major employers, and makes efforts to increase interpreter services. The committee also was instrumental in working with one local employer to revise personnel policy serving to increase worker retention and hourly wages. In cooperation with the local newspaper, the committee sponsored a series of articles on Hispanic heritage and culture, and worked to improve the accuracy of news relating to minority populations.

Hispanic Ministries is focusing much of its staff’s time to assist immigrants applying for citizenship. Staff cited the need for more bilingual service professionals since they were aware of only one bilingual immigration lawyer in the state. They described changes in immigration law that make citizenship application difficult. For example, immigrants who report past use of welfare may have their application denied. An affidavit of support must be submitted documenting an income of more than \$15,000 per year and speculation exists that the amount will be increased to \$20,000.

A DHS employee believed demand for services declines as the immigrant population grows because they “tend to take care of their own” rather than rely on service organizations. But there are other reasons. The number of Hispanic women and children served by a wellness clinic decreased significantly in 1997 after Immigration and Naturalization Service (INS) raided a local employer. Past clients may have left the country or fear seeking help.

Youth—The formation of a youth and violence prevention committee acknowledges the community’s concern about juvenile crime

and increasingly complex youth problems. The committee began as an effort by community leaders to address youth problems which they believe contribute significantly to crime. By expanding evening, weekend, and summer youth programming, the committee hopes to reduce juvenile crime, and make a positive contribution to overall community and economic development. Several informants report seeing more “dual diagnosis cases” of substance abuse and mental health problems among youth. Rather than a source of support, parents often are users also. Despite a reduction in the number of pregnant sÜv ents at the high school, other agencies report seeing increasing numbers of teen parents.

Pregnancy prevention programs are offered by several agencies including the YM/WCA and the Women’s Health and Education Center. Marshalltown High School (MHS) offers a curriculum to help teen moms prevent repeat pregnancies, raise healthy babies, and graduate from high school. With state and local support, decat started a child care center in a church located near the school. MHS now averages 25 pregnant students per year, compared to nearly 40 a few years ago. An informant voiced concern for high school students who would be expected “to get on their feet when benefits limits are reached” despite their young age and limited skills. One youth worker cited the need for coordination of services among the various providers so that prevention programs are ongoing and consistent; there probably are enough pregnancy prevention services if youth are informed about them.

Marshalltown clearly is devoting more resources to address youth issues. At the time of the interviews, some programs were successful while others were not. Referrals among agencies have improved and more youth are participating in the youth and violence prevention committee’s programs. But juvenile crime has been increasing, said one committee member, and despite the involvement of numerous organizations “Marshalltown lacks community-wide accord at this time—Marshalltown needs a community vision for young people.”

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—Member, youth and violence prevention committee

Housing—Many community informants cited high rent and shortages of affordable housing as barriers to self-sufficiency. Some families resort to “sharing” but then may be faced with eviction which one social worker describes as a “Catch-22 situation—they can’t afford to live alone, but if they are sharing they can’t live there at all.” In fact, three of five

FIP families interviewed were sharing housing with either a friend or relative. Attempts by builders to construct low-income (non-subsidized) housing have been met with some resistance and negotiations of location were still underway. In late 1997, 250 families were approved to receive assistance from HUD in Marshalltown and there was a waiting list.

Summary

Marshalltown has a comprehensive assortment of services for low-income families and youth. With the exception of some medical care, nearly all of these services are available in the community. The challenge is not necessarily to add more services but to increase the resource base and access to them.

Interviews with county and local officials revealed strong support for the philosophy behind welfare reform to move program decision-making to the local level. Stated one elected official, “What works in Sioux City may not work in Marshalltown.” However, this informant voiced concern that “the state is not willing to shift responsibility to the locals except to pay for it.” Though mentioned by only one informant, an issue facing the town and county is establishing documentation that funds being received are having an impact in the lives of families and youth. As vulnerable families face the time clocks of welfare reform, Marshalltown will need to consider

- sustaining the collaboration and cooperation which the youth and violence prevention, diversity, and decat committees are tackling. The fact that both county and city government are involved in many of these collaborative efforts to support families and youth should be a plus in the long run.

- assessing the measurable outcomes from the high levels of community concern, discussion, and planning that have been invested in youth issues and programs. There appears to be an underlying frustration that progress does not come easy—evidenced by increasing crime and teen pregnancy, as well as complex cases involving drugs and behavior. The community has taken a strong stance toward youth programming as one means to long-term economic and social development.
- tackling the structural barriers that make self-sufficiency a difficult goal to achieve in Marshalltown. “Soft skills” training, third shift child care, and affordable housing were identified as priority needs. The fact that there is some awareness of the role of the private sector in achieving the goals of welfare reform puts this community in a good position to tackle these issues.

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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 Marshalltown consisted of Donna Andrusyk, Sherry Glenn, Pat Gorman, Bill Helgen, Ralph Manning, and Jill Weber. 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.

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