

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 Storm Lake

Buena Vista County and its county seat, Storm Lake (population 8,880), are located in northwest Iowa. This community is home of Iowa's fourth largest lake and Buena Vista University. The county's population in 1997 was estimated at 19,565, a 2 percent decrease since 1990. Compared with similar rural Iowa counties that are not adjacent to metropolitan areas, Buena Vista County has proportionately more residents age 18 to 44 and more people age 25 and older who are college graduates.¹ (See Table 1.)

Storm Lake has seen considerable growth in its minority population as evidenced by school enrollments. In 1987, minorities were 2.1 percent of the K-12 students. A decade later, minorities represented 16.3 percent of enrollments. This included 408 Hispanics, 258 Asian Americans, and 43 African American students. ISU Census Services estimates that the Hispanic population of Buena Vista County grew from 160 in 1990 to 3,095 in 1997 (15.8 percent of the total population).

Median household income for 1993 in Buena Vista County (\$30,452) exceeded that of

similar rural nonadjacent counties (\$27,468) and the statewide average (\$28,867). The unemployment rate in 1997 was very low (2.2 percent) and average earnings per job in 1996 of \$22,779 exceeded that of similar counties (\$20,965), but was lower than average earnings per job in the state (\$24,646). Services, manufacturing, and retail provide the bulk of the employment in the county (about one-fifth of full- and part-time jobs were in each of the three sectors in 1996), but manufacturing and farming were the top two sectors in terms of earnings (23 and 21 percent of proprietor, wage, and salary income of all firms in Buena Vista County in 1996). Two of the largest employers are meat processing (turkey and pork) plants. Bil-Mar and Iowa Beef Processors (IBP) together employ 1,700 workers, about 500 of whom are minorities.

Buena Vista County has proportionately fewer residents participating in the Family Investment Program (FIP) or receiving food stamps compared with like counties. However, a higher percentage (37.3) of school children receive free or reduced price school meals than is true for similar counties or for the state as a

Storm Lake, Buena Vista County

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¹Rural nonadjacent counties have no cities with populations of more than 20,000 and are not adjacent to a metropolitan area. Iowa has 45 rural nonadjacent counties.

Table 1. Buena Vista County Socioeconomic Profile

	Buena Vista County	Rural nonadjacent	Iowa
Population characteristics (1997)			
% White	96.9	99.1	96.5
% Black	0.3	0.2	1.9
% Hispanic origin (can be of any race)	15.8	1.2	2.3
Age distribution (1990)			
% population age 0–17	25.8	25.9	25.9
% population age 18–44	38.9	34.3	39.9
% population age 45–64	17.4	19.8	18.8
% population age 65+	17.9	20.0	15.4
Educational status (1990)			
% population 25+ high school graduates	40.2	41.5	38.5
% population 25+ bachelor's degree	11.6	8.7	11.7
Family status (1990)			
% married couples w/related children	41.9	39.1	39.4
% female headed w/related children	4.7	4.8	7.0
Income and employment			
Median household income (\$) 1993	30,452	27,468	28,867
Earnings per job (\$) 1994	22,779	20,965	24,646

The network of social services in Storm

Lake serves a diverse ethnic population, making communication difficult and time-consuming.

whole. Some of these children are from immigrant families, who generally tend not to seek out the welfare system (or are barred from certain programs, even if they are legal immigrants). These data support the view of one community informant who stated that “immigrants are viewed as ‘those people’ and they tend to get blamed for welfare problems even though the truth is few of them benefit from welfare.”

Moving Families from Welfare to Work

The network of social services in Storm Lake serves a diverse ethnic population, making communication difficult and time-consuming. A small Department of Human Services (DHS) staff struggles with large caseloads (reported by one worker as 230 cases per worker compared with 145 in the 1980s) and complicated policies increasing the likelihood of calculation errors for which their unit may be sanctioned. Two income maintenance workers process FIP applications in the Storm Lake office. A DHS spokesperson said that

overall, FIP was a successful program because people were motivated to get off welfare and find pride in becoming self-sufficient.

The local DHS office strives to meet the needs of its non-English speaking clientele. At the time of the interviews in fall 1997, a Spanish interpreter was available on Tuesday mornings and materials were available in Spanish. However, other non-English speakers must bring their own interpreter to apply for DHS assistance. The staff’s repeated requests to obtain a Spanish version of an important orientation videotape that is shown to all clients explaining their rights and responsibilities have gone unmet. One DHS staff person indicated that these conditions can cause frustration and low morale.

She also noted that some barriers to reform lie with clients themselves. Some fail to meet with the PROMISE JOBS (PJ) caseworker because they do not believe that benefits will be reduced, or they simply don’t understand what they are supposed to do (which may be

due to language barriers). Other clients are taking reform policy seriously and struggle to hold onto low-paying jobs despite the high cost of transportation and child care. Although DHS staff commented that there is an expectation to treat all clients with respect, one Latino recipient disagreed: “Some of their people are racist—that I have seen. Some people are not treated the way they should be ... and there are people who are charged with giving adequate care, but who do not perform the way they should.” A DHS employee has seen a change in attitude among clientele over the years. She observed, “Before people were grateful and thanked you because they could get some help. But now they come in and demand and expect it. ‘It’s my right to have this.’ ... I don’t know if it’s their attitude or my attitude that has changed over the years. I think a lot of it is their attitude.”

PJ staff, located in Spencer (35 miles north of Storm Lake), contact FIP applicants by mail, arranging for them to meet with a caseworker who visits Storm Lake 1 day a week. Local DHS staff expressed their confidence in the PJ program for placing FIP clients in training and employment programs, although it also is faced with staff shortages. Currently, there is a single PJ worker for the entire county. Insufficient staff is considered the biggest challenge Workforce Development faces in achieving its goals as well as the lack of a reliable management information system to track client participation hours.

Child Care—Child care is an important link in moving welfare families into the workforce. Storm Lake is proud of its efforts to address this need. However, several community informants expressed concerns about the availability and quality of child care in general, the lack of infant care, the lack of third-shift care, and the inability of low-income working families to pay for quality child care. When asked what would be of greatest benefit to her in helping her toward self-sufficiency, one FIP recipient in Storm Lake commented, “It would be nice if they had more care in the workplace so you could take your kids with you.” Another commented “a day care that was affordable.”

The Gingerbread House is Storm Lake’s largest child care center. Informants spoke highly of the center’s reputation for offering quality care and employing a professional staff, with fees based on families’ ability to pay. The Gingerbread House is not open during evenings or weekends and the two meat processing plants do not provide child care facilities. A manager from one of these firms said there had been a few cases, especially for third-shift employees, where workers had to give up their job because they couldn’t find child care (most new employees work third shift to get their foot in the door). The Gingerbread House would like to accommodate requests for evening and weekend care but finding, and paying for, qualified employees is currently not feasible without community-wide commitment for such an expansion. Describing the growth and success of this nonprofit center, one informant explained that Storm Lake residents are “much more educated about the need for quality child care ... we were able to get \$200,000 from the community to help build this place.” An elected official spoke with pride of Buena Vista County’s 10-year history of subsidizing child care. At the time of the interviews the board of supervisors budgeted more than \$10,000 to subsidize care for working parents who have gone off welfare, and whose income has increased enough to make them no longer eligible for sliding fee scales. Through a cooperative effort with DHS, the county helps six to eight families each month, until their next pay increase allows them to pay for it themselves.

Job Opportunities—An informant representing the business community cited low unemployment and a favorable job market as factors that have facilitated absorption of the welfare population seeking work. Meat cutting and boning jobs pay more than \$8.00 per hour and are readily available at Bil-Mar and IBP. Sales and service jobs with downtown employers pay lower wages, in the \$5–\$6 per hour range, and often lack insurance benefits. Issues related to welfare reform have not come up in Chamber of Commerce discussions or decisions relating to economic development and job expansion. The Storm

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—DHS worker

Lake Area Development Corporation is actively seeking other types of manufacturing business and job creation, but low unemployment rates discourage new companies from moving to the area. “For now there is certainly no lack of opportunity to work for people willing to put in an honest day’s work,” said one local manager. However, many of the best paying jobs are second and third shift. A local DHS worker said one of the fears clients face when going off public assistance is the loss of medical benefits: “They panic and would almost rather take a cut in pay, cut in hours, anything so that they don’t have to lose their medical assistance.”

Meeting Emergency Needs

Public and private resources provide for many of the emergency needs of Storm Lake families, yet several “holes” exist in the local safety net. In 1997 county government spent \$34,975 on General Assistance (GA) to meet emergency needs of 172 individuals. Local residents can request assistance no more than three times each year. Interestingly, GA expenditures have decreased somewhat in recent years. However, an informant suggested that the faith community isn’t giving as much money to energy assistance as it used to because of increased demands for charitable assistance among church members. Bil-Mar and IBP have been described as being “good about giving” to the community action agency. An elected official does not anticipate that private charities will take a bigger role in meeting the needs of low-income families unless they “are brought to the table and become aware of certain needs.”

Legal services and homeless programs were identified as important unmet needs. Upper Des Moines Community Action Agency at one time employed a legal services worker but dropped the program a few years ago due to a lack of funding. There is no organization within the community that has as its mission serving the homeless population. An elected official said homelessness in the county isn’t in the form of people living in boxes or under bridges, but the doubling or tripling up of families in a single home. She described one situation in which more than 30 people

resided in a single unit, with 11 school-age children leaving for school in the morning. The children were healthy, safe, and never without a mother’s supervision. For short-term emergency shelter, people can stay at the Salvation Army for one night. Other than in cases of abuse, there is no local organization providing short-term shelter for the homeless.

Health Care—Several community informants discussed the impacts of current health care policies on the local health care system. One informant predicted that Public Health might have to spend more time and money on treatment services and prevention programs if local citizens could not afford health insurance or were ineligible for Medicaid. A public health official described tuberculosis (TB) prevention as a big challenge, stating that the county has the highest percentage of residents with TB in the state (one informant attributed this to the county’s high number of foreign-born residents).

This informant saw the community’s ability and willingness to serve low-income populations as contingent upon private physician practice. Some have a “closed door to low-income” residents because of their current patient load and financial risks associated with serving them. Language barriers can lead to misunderstandings of symptoms and health history. Clients who cannot pay often go to the Buena Vista County Hospital emergency room (ER) or, in nonemergency situations, are sent to Sioux City or Iowa City for treatment. In addition, even when adequately understood and treated, low-income immigrants may be unable to afford prescription medications. Commented one, “I had Medicaid. Then they took it away according to the new regulations they adopted. It was very difficult for me and I worried a lot about it. I have asked for help from my doctors and they help me out with samples ... some medicines I have to buy because there are no samples available.”

Uncompensated services are the fastest growing line items in the hospital’s revenue picture. These services have grown from 1.2 percent to nearly 25 percent of the total services in the past 10 years. Uncompensated

services include amounts over both Medicare- and Medicaid-approved charges, charity, and bad debt. A high proportion of children is treated in the ER. Transient residents contribute substantially to the number of patients without a regular physician seeking treatment there. The hospital recently formed a non-profit foundation and purchased an adjacent clinic with hopes that access to the clinic will reduce the burden on the ER. However, there are conflicting reports on how many doctors will accept new (and low-income) patients.

A case management worker employed by the hospital reported that work is becoming increasingly complex and demanding: “Our jobs just melt together with DHS, the court system, juvenile justice—you find yourself filling so many roles.” This caseworker is concerned about the effect of welfare reform on the vulnerable populations, given the high percentage of women and children she sees who receive some form of low-income benefits. She is very concerned about the 5-year limit (on FIP benefits) and about what will happen to those who will never be off welfare. As many as eight different language groups come to the ER. The hospital has relied on nearly 40 on-call volunteers for translation services, but began paying translators 2 years ago to avoid burnout. When treating people with different cultural beliefs, case managers are crucial because they are familiar with the community and become trusted by the clients.

Coordination of Services

The Storm Lake community relies mostly upon the skills and experience of agency workers to establish connections between organizations and make appropriate referrals for low-income families. Many workers feel very positive about this referral system although they may not have the time and resources to follow-up with clients. An informal interagency council meets monthly to discuss common concerns and issues. The meetings are fairly “relaxed,” focusing on information exchange among the various agencies. Public Health, PJ, DHS, Child Abuse Prevention, ISU Extension, and the Area Education Agency are organizations

represented at these meetings. Representatives of local government, law enforcement, and the faith community have not attended.

At the time of the interviews in fall 1997, decategorization of youth services had not been implemented in Buena Vista County. Perhaps the only specific effort to move toward greater community collaboration and a broader case management approach, was a plan to create a “community team” of support for families receiving DHS child welfare services. Several informants described this as an effort to promote a strength-based approach to deal with the isolation of many families. It will be interesting to watch the extent to which either or both of these initiatives fuel a broader-based effort to coordinate services for low-income families in Storm Lake.

Issues

Important issues that affect many different segments of the community were identified by informants as they discussed the future of welfare reform and the challenges facing low-income families in Storm Lake as they attempt to move from welfare to work and self-sufficiency.

Immigrant Issues—Nearly every service provider mentioned the challenges of working with a diverse ethnic population. One informant said, “There used to be an attitude that if we ignore them, they will go away—but the community is now getting to know them and not exclude them as much ... starting to see their needs.” Many informants cited positive steps that specific agencies have taken to respond to an increasingly diverse population. The Catholic Diocese of Sioux City supports an outreach ministry to welcome new immigrants to the “community” (which includes Estherville, Denison, Fort Dodge, and Storm Lake), but because of the large service area and a lack of funds for additional workers, many needs go unmet. A person knowledgeable about this project believed that as people are cut off welfare, more will be seeking aid and assistance while “the generosity of people wears out.” This person described service professionals who

“Our jobs just melt together with DHS, the court system, juvenile justice—you find yourself filling so many roles.”

—Hospital case management worker

“We’ve known this is coming, but are poorly prepared—welfare reform may be the single largest test for local government.”

—Individual knowledgeable about county government

“hide behind their desks instead of relating to people” and a community that is not doing its part to support immigrants. An individual who acts as a volunteer interpreter, especially at clinics and dentists’ offices, said that immigrants in general are treated with a demeaning attitude. A notable shortcoming of the social service system is inadequate staff and funding for translation services. There is concern that the child welfare services are not reaching immigrant families because of these barriers that hamper efforts to identify families in need. Despite the diverse ethnic population in Storm Lake, there are few professionals from different cultures. The formation of a diversity task force in Storm Lake is a clear signal that the community is attempting to deal with its changing structure. The Even Start program is available for non-English speaking families to help children prepare for school, and English as a Second Language (ESL) classes are available through the schools.

Crime and Youth Issues—Crime, particularly among youth, is a growing concern for residents and local government. Youth problems may begin at an early age when many youth are “on their own,” as one social worker put it, while “mom works days and dad works nights.” A local mental health counselor stated that she was seeing more teenagers involved with drugs and alcohol and diagnosed with depression. An elected official viewed crime as related to family well-being and parenting skills. Failing to support low-income families “will cost the county dearly in housing them (referring to juvenile offenders) and processing them through the court system.” With a direct cost of \$100 per day to house juveniles at a detention center in Cherokee, the county at the time of the interviews budgeted \$50,000 but needed \$90,000 one year to cover these costs. With funding from juvenile court services, two “trackers” have been employed to monitor

attendance in the schools in Buena Vista County and work with parents of truant children. The local probation officer is described as seriously overworked. The Mayor’s Youth Council, consisting of youth and an adult coordinator, was created in recent years to look at community issues from the youths’ perspective. This proactive effort may be a step toward addressing youth needs and viewing youth as assets in the community.

Role of Local Governments—Storm Lake city government is not directly involved with issues related to welfare reform; a city official doubted the new legislation would have any dramatic impact on the town. A traditional city government, its priorities include public safety, emergency services, maintenance of physical infrastructure, and economic development. The city council does not have goals for low-income families, but goals addressing the needs of all families. A new comprehensive community plan is being formulated and includes the goals of preserving housing stock and helping make home ownership affordable for low-to-moderate income residents. Plans for the construction of a new civic center take into consideration accessibility for residents of all socioeconomic backgrounds. To accommodate growing ethnic populations (Hispanic and Asian), Storm Lake has added two “community service” officers to the police force.

Local residents describe the board of supervisors as having one “designated caring supervisor” who is the driving force behind county government’s involvement in family and children’s issues. When asked how the board was preparing for welfare reform, an individual knowledgeable about county government replied, “We’ve known this is coming, but are poorly prepared—welfare reform may be the single largest test for local government.” However, other than subsidizing child care, the board has no formal goals or vision regarding welfare reform issues.

Summary

Storm Lake is actively addressing many concerns related to low-income families in general, but efforts are directed towards issue-specific projects or groups—child care, immigrants, and to a lesser extent, youth. With low unemployment and entry-level jobs available at the meat packers, the community is not taking a proactive, collaborative approach to moving families from welfare to work.

Immigrants are much more of an immediate issue on the forefront of the community's collective conscience rather than low-income families in general. And, the community is making progress in integrating immigrants into the community.

There is a sense that the social service community is keeping its head above water, but work in these organizations is stressful. In this rural county 70 miles from the Sioux City metropolitan area, some services are staffed within the county whereas others are provided by agencies that make periodic visits to the county. Several critical services require families to travel to Fort Dodge, Spencer, or Sioux City, relying at times on a network of volunteers for transportation services.

As state and federal welfare reforms shift more of the responsibility of policy and program

determination to the local community, Storm Lake will need to consider

- creating a vision for the role of community in supporting families in their efforts to be self-sufficient;
- establishing a collaborative, community-based mechanism for comprehensively addressing the barriers that face Storm Lake families in their movement from welfare into secure jobs;
- engaging employers, local government, the faith community as well as the traditional social services in collaborative planning efforts;
- joining with low-income families, including minorities, in planning and developing community-based projects; and
- pursuing the resources that are needed to support the delivery of services and programs in a rural community with a diverse population.

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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 Storm Lake consisted of Rhonda Christensen, Paulelda Gilbert, Eugenia Hanlon, Earl Morris, Veronica Stantana, Mary Winter, Barb Wollan, and Beatriz Zapata. 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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