

# 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 Mount Ayr

Ringgold County is located in the rolling hills of south central Iowa, bordering Missouri. In 1996, Mount Ayr, the county seat, had an estimated population of 1,694, a decline of 5.5 percent since 1990. County population in 1997 was estimated at 5,337, declining 1.5 percent since 1990. Compared with other rural nonadjacent counties and with Iowa as a whole, Ringgold has proportionately fewer residents in the younger productive ages (18 to 44) and a higher proportion of elderly residents 65 and older (24.2 percent), suggesting a pattern of recent and long-term net out-migration.<sup>1</sup> The proportion of college graduates is less than that of similar counties or the state of Iowa, but the proportion of residents who are high school graduates is notably higher than these two comparison groups. Ringgold County has less than 1 percent racial or ethnic minority population. (See Table 1.)

Ringgold County is a family farming community, with 28 percent of its jobs in farming. However, farming represented only 5.5 percent of total earnings in 1996, suggesting that most farmers are part-time farmers. The next largest sectors are services and government, each representing less than 18 percent

of total county full- and part-time employment. The retail sector is not strong—nearly 60 percent of residents' retail purchases are made outside the county. The 1993 estimates show that median household income in Ringgold County (\$23,324) falls significantly below that of similar rural nonadjacent counties (\$27,468) and Iowa overall (\$28,867). Earnings per job in 1996 was very low, averaging \$13,548 in Ringgold County compared with \$20,965 in similar counties and \$24,646 for the state. The lowest earnings per job was that of farmers (at a time when agriculture was doing well in Iowa as a whole), followed by retail trade and services. Unemployment in 1997 was below the average for Iowa (3.0 percent versus 3.3 percent), and well below the national rate; underemployment may be substantially higher. Comparatively few people are employed in manufacturing; the largest single source of earnings is from government-related jobs (27.2 percent of earnings in 1996; mostly state and local government).

Ringgold County has high poverty rates among children and people of all ages (21.1 and nearly 16 percent, respectively, 1995 figures). Compared with the state overall,

## Mount Ayr, Ringgold County

*Ringgold County exceeds the state average by around 50 percent on the percentages of the population on food stamps, and school children receiving free or reduced-price school meals.*

<sup>1</sup>Rural 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. Ringgold County Socioeconomic Profile**

	Ringgold County	Rural nonadjacent	Iowa
Population characteristics (1997)			
% White	99.4	99.1	96.5
% Black	0.1	0.2	1.9
% Hispanic origin (can be of any race)	0.2	1.2	2.3
Age distribution (1990)			
% population age 0–17	24.1	25.9	25.9
% population age 18–44	29.0	34.3	39.9
% population age 45–64	22.7	19.8	18.8
% population age 65+	24.2	20.0	15.4
Educational status (1990)			
% population 25+ high school graduates	44.7	41.5	38.5
% population 25+ bachelor's degree	6.6	8.7	11.7
Family status (1990)			
% married couples w/related children	35.7	39.1	39.4
% female headed w/related children	3.3	4.8	7.0
Income and employment			
Median household income (\$) 1993	23,324	27,468	28,867
Earnings per job (\$) 1996	13,548	20,965	24,646

*"I would say half of Mount Ayr is on some kind of state assistance. When you live in a small town like Mount Ayr, it's hard to find jobs. If you don't have no job, where else are you going to go?"*

—FIP recipient

slightly higher percentages of the population receive Family Investment Program (FIP) benefits. The county has high percentages of the population on food stamps, and school children receiving free or reduced-price school meals. Ringgold County exceeds the state average by around 50 percent on these measures. Even recipients seem aware of the high use of government programs. One commented, "They help out a lot of families in Mount Ayr that need help. Actually, I would say half of Mount Ayr is on some kind of state assistance. When you live in a small town like Mount Ayr, it's hard to find jobs. If you don't have no job, where else are you going to go?"

### **Moving Families from Welfare to Work**

Although Iowa's FIP client population has decreased 26 percent between 1993 and 1997, the number of recipients in Ringgold County has declined about 16 percent over the same period. Regardless, one local Department of Human Services (DHS) official reported that implementation of FIP was going well; increased resources (such as funding for child care and transportation) and more information management support (by way of computers, training, and staff support positions) have contributed to improved agency operations. The DHS office in Mount Ayr is part of a four-county cluster. The headquarters of the cluster is in Leon in neighboring Decatur

County. The clustering of county offices has facilitated the subsequent move to greater job specialization. In previous years, agency workers held “generic” positions serving clients in all programs. Increased specialization is one way the organization has dealt with job complexity and regulation manuals that “are like encyclopedias.” At the time of the interviews, 10 professionals collectively served the four counties. One difficulty local FIP clients encounter is that PROMISE JOBS (PJ) and the local community college are located in Creston, which is 35 miles away. Clients can be reimbursed for transportation expenses incurred for travel to PJ or the college but many still struggle with the overall expense of maintaining a dependable vehicle. In general, FIP clients with higher skill levels have been the most successful in finding work.

Job Opportunities—Many local residents travel to Osceola (46 miles away) and even Des Moines (85 miles away) for work because well-paying jobs in Ringgold County are hard to find and few new jobs have been created. A local manager explained that typical jobs available for entry-level workers included nonskilled production, waiting tables, retail, clerical, and construction. A starting wage of \$5.50 is common for such jobs and salaries increase little, if any, over the years. Some people get their first work experience in the nursing home, which is feeling increased competition for workers from home health care. Many families must seek low-income housing, food stamps, and Medicaid (many employers do not provide insurance) to maintain an adequate standard of living. Local manufacturing firms pay higher wages (between \$6 and \$7 per hour) for seasonal work involving occasional short weeks, layoffs, and overtime hours. Most manufacturers run both day and evening shifts, and employ a sizable number of commuters from northern

Missouri (25 miles away). Finding new hires who are willing to work, are motivated, and possess positive self-esteem can be difficult. One employer who had sent descriptions of open positions to PJ was not aware of incentives for hiring people making the transition from FIP to work.

Child Care—At the time of the interviews in fall 1997, child care availability in Mount Ayr had increased when one local nonprofit child care facility moved from its original location to the new Family Resource Center. Community support from civic organizations, a community fund-raiser, and leadership from a bank employee were central in establishing the resource center (along with a federal grant of \$600,000). The child care center, originally licensed for capacity of 30, can now accept up to 48 children. It is open 12 hours per day (starting at 5:45 a.m.) Monday through Friday, but weekend, overnight, or sick-child care is not available. When it first opened it had mostly DHS clients and few private-pay clients; but at the time of the interviews that situation has reversed itself. The child care center charges “by the hour” only for the time children are there, \$1.65 for the first child and \$1 for each additional child. Two children for a full-working day would cost approximately \$21. This amount approaches half the daily earnings of a family with one wage earner, if he or she has an entry-level job in Ringgold County and receives no subsidy for child care. Direct caregivers make only minimum wage because the center operates on a very tight budget. In addition to the center, some 30 individual providers are licensed, although they may not all be active at any given time. The Head Start program in Mount Ayr is administered through the six-county community action agency, MATURA, headquartered in Creston. Subsequent to the interviews, it moved into the Family Resource Center.

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### Meeting Emergency Needs

Food and Shelter—Families with incomes of less than \$2,800 during a 3-month period can turn to the local food pantry each month for a 5- to 7-day supply of groceries. According to an informant, the number of families served by the pantry has increased steadily over the past 4 years. The pantry is associated with the food bank in Creston, and is housed in the Ringgold Neighborhood Center (Community Action Program, CAP agency). One staff person oversees coordination of the pantry and its 25 volunteers (some serve up to 40 hours per month). Clients of the pantry are families of all ages, many of whom run out of food stamps or Social Security money for the month. Area churches provide most of the food, and local schools and cub scouts organize yearly food drives.

Local demand for fuel assistance also has increased in recent years. One neighborhood center worker reported that some families rely upon open wood burning in barrels and the kitchen stove to warm their homes during winter. Sometimes the cost of utilities drives some families to near homelessness. In such dire situations, they may qualify for up to \$500 of emergency assistance.

Both local residents and transients can seek assistance from the ministerial association twice a year; they can receive a \$20 voucher for groceries and \$10 for gas, which are distributed through the sheriff's office. In emergency situations local families are sometimes provided up to \$200 for rent and/or utilities. The association collects food for the neighborhood center food pantry and receives referrals from Public Health for clients needing help with medical bills and medicines they cannot afford. A local minister said the financial needs of low-income families were real, but he believed a more pressing need among them was to overcome isolation and become part of the greater community. The association is composed of 20 churches that donate membership fees of \$35 and special offerings to the charity fund. The annual operating budget is between \$3,000

and \$4,000 depending upon demand. At the time of the interviews, the association did not have the resources to help more families (ministers sometimes gave their own money when funds were short).

Health Care—Ringgold County Hospital is affiliated with a large hospital in Des Moines that provides management, support services, and some of the visiting physicians that staff the hospital's outpatient clinics. In 1994, the hospital bought a private physician's practice and at the time of the interviews the three most recent doctors recruited to the community were hospital employees. The hospital does not refuse treatment to anyone but attempts to "address payment problems up front," according to one official. Low-income families are charged fees based on a graduated income scale and those in danger of incurring extreme expenses or requiring long-term care may be referred to the University of Iowa Hospitals and Clinics. Hospital administration and staff experience ongoing and increasing problems operating the emergency room because families without insurance or a family doctor tend to show up there. Among the most vulnerable low-income people in the county are farm families that don't qualify for assistance programs and cannot afford private insurance.

Market and demographic forces challenge the hospital's attempt to provide comprehensive care to its rural population. A declining and aging population due to chronic out-migration complicates the recruitment of health care professionals. Physicians moving to the community do not qualify for loan forgiveness, babies are not delivered locally, and there is an influx of low-income families (referred to by one informant as the "rural ghetto from Kansas City"), perceived as draining county and community resources.

A public nonprofit agency, Ringgold County Public Health provides free services to those who can't pay and services to others on a sliding fee scale. Public Health offers two major personal health services: home health

and immunizations. Home health visits increased by 25 percent in the year prior to the interviews (from 4,000 to 5,000). Immunizations are provided free to the schools, to families and children who are Medicaid eligible, and on a sliding fee scale or for a nominal “donation” to others without health insurance. With few doctors serving the community, some patients are dissatisfied with the overbooked physician clinics. Instead, they choose to be seen by a public health nurse. Public Health officials are concerned that changes in federal and state programs will decrease the availability of Women, Infants and Children (WIC) and Maternal and Child Health clinics (sponsored 1 day a month in Mount Ayr by the local CAP agency). To ensure access to care and to expand services, Public Health actively seeks grant money. Grant writing was described as “tough work” by one Public Health worker because proposals must often be submitted for multicounty areas since the number of clients served in a single-county area may not be sufficient to qualify.

### **Coordination of Services**

Families rely on referrals from agency workers in key organizations such as DHS, Public Health, and the neighborhood center, as well as recommendations from acquaintances, to locate services they need. An interagency council meets monthly for agency workers to share information and discuss needs of their clients, although few informants from the service community mentioned it. A spokesperson for the ministerial association said pastors were unaware of what other groups were doing for low-income families.

County supervisors voiced similar concerns about lack of information regarding implementation of welfare reform. Neither city nor county government has specific goals for low-income children and families. However, both were involved with activities (grant writing and fund raising) for development of the Family Resource Center. In addition to child care services, the center will serve as a site for Head Start, a preschool for handicapped

children, and community college adult literacy programs. County government is involved with low-income families indirectly because it funds programs for mentally handicapped residents and allocates General Assistance (GA) dollars. Mount Ayr city government has as major concerns improving local housing and increasing employment opportunities. Quality housing at an affordable price is difficult to find so the city has plans to increase rental housing for low-income families of all ages. City and county governments seem to collaborate little on these efforts, and do not appear to consult with social service agencies in planning for housing programs.

### **Issues**

Outcomes of Welfare Reform—Several respondents mentioned that generating decent-paying jobs is key to welfare reform having a positive outcome in Ringgold County. County officials believed that both positive and negative outcomes would be associated with welfare reform. On one hand, they anticipated more crime and child neglect, leading to the need for increased law enforcement. On the positive side, they believed that if the state would increase funding for social welfare programs for a while and they could draw in a few small factories to improve employment opportunities, welfare reform would be a positive factor. An emergency services worker reported that the changes in welfare have driven some people to “stealing and dishonesty,” including cattle rustling and operating methamphetamine labs in nearby counties. One informant expressed concern regarding the influx of outsiders (thought to be coming from Omaha and Kansas City) to the area and felt they were contributing to the crime rate. These newcomers were “transient families” (younger people) living in standard houses and trailers. A local landlord reportedly had actively recruited these families to the area.

Demand for child welfare services in the county is increasing as children and parents experience more problems, said a DHS

*Generating decent-paying jobs is key to welfare reform having a positive outcome in Ringgold County.*

official. Multiple respondents reported child neglect/abuse and spousal/partner abuse to be on the rise in the county. One argued that many clients lack parenting skills, don't spend enough time with (and supervise) their children, and do not reinforce appropriate behaviors in their children. Thus, welfare reform may be positive when parents go to work and their children spend time in a structured child care setting. However, this informant believed that as more welfare parents go to work or school there would be increased need for services that help families deal with the new challenges and pressures associated with balancing work and family responsibilities.

Transportation—People who seek out assistance and job opportunities must overcome the most commonly cited barrier for low-income families in Mount Ayr—lack of transportation. There is a local “trolley service” operated by the Area Agency on Aging, which serves a seven-county area. The trolley transports a variety of riders (elderly, Head Start children, physically and mentally disabled residents, DHS clients) to both close and distant locations. Although a ride within the community is fairly inexpensive (\$1 per person), fees for nonregularly scheduled routes are more substantial because riders pay hourly rates and mileage fees. For example, the trolley makes a regularly scheduled run to Des Moines once a month, which costs approximately \$10; the same ride to Des Moines (nonscheduled) might cost \$100 or more. A spokesperson for the trolley service said Ringgold County residents were at a disadvantage because many needed services were not local. The trolley is somewhat underused, but apparently does not pick up people in the country.

Lack of adequate housing and transportation problems reinforce each other as is illustrated by the situation of a FIP recipient who was forced to move to the country because of

substandard housing in town:

It's out in the middle of nowhere. If there's an emergency ... I'm without transportation. There's nothing I could do. I have no phone ... We have problems with electricity when the wind blows. The wires flap and everything goes. The water is well water. It turns itself off—you have to go outside, try to find your way through it, and turn it back on with a switch inside the well. ... It's well water ... it tastes like rust.

Youth Issues—Many typical youth activities are available in the community such as 4-H, Boy Scouts, Girl Scouts, church groups, and organized sports. However, there are minimal support groups for at-risk and troubled youth. One social worker said many clients' children did not participate in these mainstream activities because of their financial status, as well as the commitment and time demands they place on parents. Members of the city council are concerned by recent reports of violence among local juveniles; one member said their youth must experience better quality of living for things to improve in the community in years to come.

Family planning is one service that is least accessible locally; residents must seek help from a private physician (which is expensive) or go to Planned Parenthood in Creston (35 miles away). Pregnancy prevention is first introduced in the sixth grade at local schools and then is part of the curriculum up to 10th grade. One school official reported that teenage students seeking birth control tend to be from middle- and upper-income families, whereas those seeking help dealing with pregnancy tend to be from low-income families. This informant believed there were adequate agencies and services to address teen pregnancy issues. She felt that one positive impact welfare reform might have would be to discourage “pregnancy as a way out.” If teenagers are required to stay in school to receive welfare benefits, it could help break the welfare cycle.

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*—School official*

## Summary

Mount Ayr demonstrated its ability for successful goal setting and collaboration when it built the Family Resource Center. The community is fortunate to have support from local churches. The local DHS cluster has increased its technical efficiency since the introduction of FIP. Members of the social service community, government officials, and private citizens express guarded optimism toward welfare reform.

Still, Mount Ayr and Ringgold County face difficult economic and social issues. A general concern is that with limited job opportunities and already high rates of poverty, the likelihood of most low-income families making the transition from “welfare to work” is questionable. Those who do find employment may not be better off financially because of the local wage structure. Demand for social and emergency services continues to increase while a geographically dispersed service network creates difficulties for providers as well as clients. The community faces significant challenges in addressing the needs of low-income families and demands of welfare reform. These include the need to

- improve local job opportunities (quality is more important than quantity);
- increase transportation options;
- strengthen the collaboration among social service organizations, including the “emergency” services run by the faith community, and with local government;
- continue to meet increasing demand for emergency services and maintain support of the faith community; and
- increase opportunities for youth.

Among all the counties studied, Ringgold County arguably lacks an economic engine for employment growth and for improving job quality. It may represent several agricultural counties in southern Iowa. But, unlike some of its neighbors, Mount Ayr has a strong civic orientation. People are attached to their community, are locally oriented, and are very active in community organizations, and there is a strong base for community development efforts (Ryan et al., 1995). Whether that strong social capital extends to most low-income residents (one respondent suggested that it did not) remains to be determined. Self-development (home grown economic initiatives) may be an appropriate approach. That does not preclude—in fact it requires—community and economic development assistance from the outside.

*Ringgold County lacks an economic engine for employment growth and for improving job quality. But Mount Ayr has a strong civic orientation.*

# 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 Mount Ayr consisted of Donna Donald, Tim Eggers, Judy Hensley, Alan Jensen, and Sharon Johnson. 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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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.

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