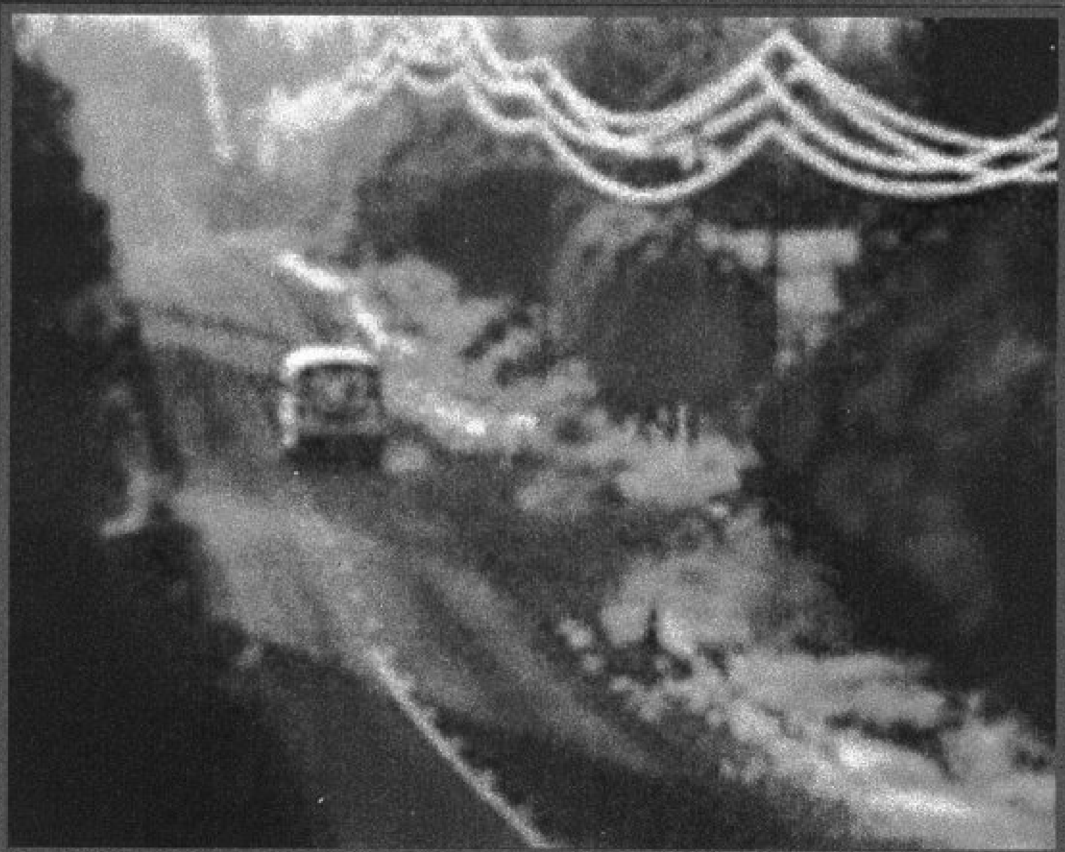
RURAL WELFARE TO WORK STRATEGIES

RESEARCH SYNTHESIS



MACRO INTERNATIONAL INC.

RURAL WELFARE TO WORK STRATEGIES

Research Synthesis

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TABLE OF CONTENTS

LIST OF EXHIBITS

Page

EXECUTIVE SUMMARY

The enactment of the Personal Responsibility and Work Opportunity Act in 1996 signalled a dramatic shift in the nation's approach to providing assistance to those among the country's neediest populations. The concept of welfare in the United States shifted from cash assistance to economic self-sufficiency.

Rural welfare populations possess unique characteristics and face unique circumstances that will affect their ability to achieve the requirements and intent of welfare reform. To build knowledge and research about effective approaches in working with rural populations, the Administration for Children and Families (ACF) awarded planning grants to ten states to help develop and study strategies to move rural families from welfare to work.

Although there are extensive bodies of literature both on rural matters and on welfare-related matters, there is relatively little information about rural welfare issues. This report synthesizes available knowledge and, where appropriate, draws inferences from studies about the ways that welfare reform is likely to affect rural welfare to work strategies.

BACKGROUND

Rural America, despite perceptions to the contrary, displays a wide range of cultural and economic diversity and is home to many different economic activities, including farming, mining, manufacturing, and services. Rural areas have populations that are proportionately older, less educated, and more racially homogeneous than urban areas.

In terms of employment, most rural residents have jobs in the service sector. Wages are lower in rural areas than in urban areas. When compared with urban workers, rural workers are more likely to earn minimum wage and more likely to be underemployed.

Rural poverty is more severe, more persistent, and often less visible than urban poverty. As a whole, the rural population in the United States has lower incomes, lower employment rates, and higher poverty levels than urban and suburban populations.

Relatively little information is available about the rural welfare population, but the literature shows that they are slightly more likely to be married and more likely to be working (or at least report working) than their urban counterparts. Welfare participation is lower, and spells on public assistance are shorter in rural areas than in urban ones.

WELFARE REFORM IN RURAL AREAS

Rural communities may face significant barriers in implementing welfare reform because of:

- geographic isolation and population dispersion;
- depressed economies with high levels of unemployment and underemployment;
- spatial inequities in transportation, child care, technology and infrastructure;
- educational attainment and job opportunities and advancement; and
- limited administrative skills and expertise for implementing decentralized programs.

Of the issues facing rural communities under welfare reform, absorbing welfare recipients into rural economies may be the most significant challenge. This challenge is particularly acute because the number and types of jobs available to rural workers are not the same as those available to workers in suburban or urban areas—they have more seasonal jobs, have lower levels of manufacturing and technology jobs, and face geographic dispersion.

WELFARE TO WORK STRATEGIES

Although the present knowledge base to inform welfare to work strategies is vast, the wealth of existing information is largely silent on rural welfare to work strategies. To help inform ACF's project, we attempted to cull from the literature pertinent lessons about the intersection between key features of rural areas and factors about welfare recipients' abilities to achieve economic self-sufficiency. Findings are discussed in seven areas, each of which is summarized below.

Rural Economic Development

To successfully move welfare recipients to self-sufficiency, rural communities will need to consider strategies that will generate a sufficient number of good-paying, stable jobs. Creating jobs and fostering economic development are more often achieved when woven into an organized, holistic approach to rural job creation that includes:

- working with employers to create jobs and improve benefits;
- encouraging employers to expand lines of business;
- attracting new employers;
- providing financial capital;

- capturing more local dollars; and
- capturing more global dollars.

Workforce Development

Research indicates that the most successful programs for achieving positive welfare to work outcomes combine the “human capital” approach with a “work first” approach. The primary challenges for welfare to work programs—helping recipients for whom the job search is not successful, helping recipients find better jobs with higher wages, and helping recipients stay employed—are best addressed through a variety of employer- and recipient-focused activities. These include linkages with local employers, support for job search and job readiness endeavors, education and training, soft skills development, unpaid work experience, and publicly funded jobs.

Community Commitment

Both anecdotal and systematic evidence point to the value of community commitment in effecting positive change among disadvantaged populations. Communities that work together and accept responsibility for devising and implementing welfare to work strategies are more likely to experience greater success in helping people achieve economic self-sufficiency.

Transportation

Rural areas present many unique conditions for the transportation challenge in welfare reform. Unlike urban areas, rural areas have fewer jobs available, and they may have greater distances between job sites. With the influx of welfare participants who need transportation to travel to education, training, work experience, or employment locations, providing new transportation options to disadvantaged rural residents will be a critical feature of programs designed to help the poor achieve economic self-sufficiency. Possible options include expanding public transportation, facilitating private vehicle ownership, and using other strategies, such as public school buses, taxi subsidies, vouchers for gasoline, and carpooling.

Child Care

As more and more parents enter the workforce to meet welfare reform requirements, the need for child care will increase, providers may need to expand services during nontraditional hours, and services may be necessary for sick or special needs children. Strategies to expand child care in rural areas include creating apprenticeship/training programs, forming collaboratives to establish child care initiatives, developing child care facilities, and establishing incentives for employers to provide assistance.

Hard-to-Serve Welfare to Work Participants

An unknown proportion of the rural welfare population faces barriers to employment, which may include mental health problems, substance abuse, domestic violence, and low basic skills and learning disabilities. Although there are no solid measures about the effects of barriers on a welfare recipient's ability to secure and retain gainful employment, the hard-to-serve population will almost undoubtedly require greater assistance in complying with current work requirements. Approaches for serving this population include accurate assessment of the barriers, identification of appropriate jobs, post-employment services, and intensive case management.

Restructuring Administrative Elements of the Welfare System

The far-reaching changes of welfare reform include changes in administrative structures that provide services to welfare recipients. Rural agency staff may face additional challenges in implementing welfare reform practices because they are less likely to have the human capital and financial resources needed for public administration, economic development, and strategic planning. Three administrative aspects of the welfare system that are likely to affect practices in rural areas are case management, coordination of services, and changing the culture of the welfare office.

CONCLUSIONS

The research literature has very little systematic evaluative information about rural welfare to work strategies. That population and subject have received very little attention from the welfare research industry for several reasons, among them the low number of welfare recipients in rural areas, which presents methodological challenges, results in less public and political attention, and would require substantial resources to produce statistically valid findings.

Although we tried to capitalize on available information and make plausible inferences from other information about rural welfare programs and populations, a long list of research questions remains unanswered. Foremost among them is: ***What set of strategies is most likely to produce economic self-sufficiency, for what types of welfare recipients, and under what conditions?*** Answers to this question can help policymakers, program planners, and community members as they work to accomplish the goals of welfare reform.

I. INTRODUCTION[1]

The current era of welfare reform grows from an evolution in public policy and public sentiment toward the nation's needy populations. For decades, welfare programs have struggled to balance the moral responsibility of helping those in need with the economic responsibility of encouraging their self-sufficiency. Now, the balance has shifted to a philosophy that strongly emphasizes paid employment, with limited public assistance to help low-income families achieve that end.

THE SETTING

Beginning in the 1960s, federal welfare programs focused on recipients of Aid to Families with Dependent Children (AFDC)—primarily women with children—to eliminate barriers to employment and economic self-sufficiency. In 1988, Congress enacted the Family Support Act with the goal of increasing the economic self-sufficiency of families receiving AFDC benefits. The legislation increased levels of child support enforcement and launched a new welfare to work initiative, the Job Opportunities and Basic Skills Training (JOBS) program. JOBS targeted long-term AFDC recipients and emphasized education, skills training, job readiness activities, placement, case management, and two or more of the following: group and individual searches, on-the-job training, work supplementation, and community work experience (Gueron and Pauly, 1991).

Even as JOBS programs were implemented nationwide, the number of families receiving AFDC benefits grew by 1.2 million between 1989 and 1993, and single mothers accounted for about half of the growth (U.S. General Accounting Office, 1995c). Nationally, the AFDC caseload averaged 4.98 million per month in 1993 (U.S. General Accounting Office, 1995b), about 14 million people total when recipients' children are included.

With the enactment of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), the United States instituted a profound shift in providing assistance to those among the nation's neediest populations, and the president's commitment to "end welfare as we know it" is being fulfilled. The country's concept of welfare has shifted from a program that had attained entitlement status to a program that promotes achieving economic self-sufficiency.

[1] The authors extend sincere thanks to the following, who commented on an earlier version of this synthesis: James Dolson, Helen Howerton, Jamie Kendall, and Howard Rolston of the Administration for Children and Families, U.S. Department of Health and Human Services; Bo Beaulieu, Southern Rural Development Center; Kathleen Miller, University of Missouri; and Ila Schneibel, Minnesota Department of Human Services.

The block grant portion of PRWORA—Temporary Assistance for Needy Families (TANF)—includes numerous changes from previous welfare initiatives:

- After two years of receiving TANF support, most recipients must work.
- Lifetime TANF limits of 5 years are imposed on welfare recipients (although states may exempt 20 percent of their caseloads).
- States may qualify for bonus payments based on their "high performance" and reduction in out-of-wedlock births.
- States may use funds to create community service jobs, provide subsidies, or offer hiring incentives to employers.
- Unmarried teenage parents must live with a responsible adult and participate in educational and training activities.

Already welfare reform is being hailed as a success (Harris, 1998). In conjunction with a healthy economy, efforts already begun under Sec. 1115 waivers designed to decrease dependency, the imposition of JOBS sanctions, and the implementation of TANF requirements, the United States has witnessed a significant drop in welfare caseloads. From January 1993 to March 1998, the number of families receiving AFDC/TANF dropped by 35 percent; during that same period, 18 states had the number of recipients receiving public support drop by more than 50 percent (U.S. Department of Health and Human Services, n.d.).

Rural welfare populations possess unique circumstances that will affect the states' ability to achieve the requirements and intent of PRWORA. These situations include the following, which often overlap in producing the challenges that human services agencies face in producing positive outcomes for TANF clients:

- geographic dispersion—the distances between home, work opportunities, training sites, and child care can present significant challenges;
- rural labor markets—rural employment is more likely to be in low-paying jobs that do not provide families with livable incomes;
- low prevalence of ancillary services—in comparison with urban settings, rural areas have less in the way of transportation, child care, and workforce development offerings;
- local capacity issues—rural local governments are less likely to have the professional staff to respond to state block grant opportunities, and local professionals may face resource constraints when trying to fashion programs; and

- attitude toward public assistance—low-income residents in rural areas face a level of social and self-imposed shame that is far higher than that in the nation's cities.

The needs and realities of rural welfare to work strategies receive little attention in the vast literature on welfare programs, practices, and politics. In fact, "while there is a great deal of excellent evaluation research being conducted across the nation, the research focusing on rural issues is limited to relatively few projects" ("Thirteen States . . . ," 1998).

THE RURAL WELFARE TO WORK STRATEGIES PROJECT

The Office of Planning, Research, and Evaluation of the Administration for Children and Families in the U.S. Department of Health and Human Services is sponsoring an initiative to:

> encourage states with substantial rural populations who are or would be on welfare to engage in the development and study of better strategies to move more families from welfare to work and to promote sustained employment and job progression. The goal . . . is to increase knowledge through information-sharing and through research to provide sound information about effective approaches in working with rural populations.

To accomplish the objectives and goals of this initiative, ACF invited states to submit proposals for a 17-month planning grant and selected ten states to participate: Illinois, Iowa, Louisiana, Maryland, Minnesota, Mississippi, Missouri, New York, Vermont, and Washington. Each state is implementing a project that responds to its unique conditions and concerns. Exhibit 1 presents descriptions of the ten states' welfare programs, and Exhibit 2 presents the states' proposed projects on rural welfare to work strategies.

ACF has contracted with Macro International and its subcontractor, the Rural Policy Research Institute, to provide:

> technical and evaluation assistance to ACF state agency grantees for the purpose of defining, developing, and refining rural welfare to work strategies, expert guidance in the development of appropriate evaluation designs, and assistance in developing demonstration and evaluation study criteria.

This literature synthesis is the first product to emerge from the ACF initiative. To prepare the synthesis, we conducted a literature search to identify both published and unpublished materials. Although there are extensive bodies of work both on rural matters and on welfare-related matters, there is relatively little information about rural welfare issues. This report incorporates available knowledge and, where appropriate, draws inferences from studies about the ways that welfare reform is likely to affect rural welfare to work strategies.

Exhibit 1

Characteristics of States Participating in ACF's Rural Welfare to Work Strategies Project*

Characteristic	Iowa	Illinois	Louisiana	Maryland	Minnesota	Mississippi	Missouri	New York	Vermont[1]	Washington
Total TANF Recipients[a]										
August 1996	85,831	642,644	228,115	194,127	169,744	123,828	222,820	1,143,962	24,331	268,927
September 1998	61,786	449,466	121,772	108,636	141,440	45,009	139,475	862,162	18,804	184,584
Percent Change 96-98	-27%	-30%	-47%	-44%	-17%	-64%	-37%	-25%	-23%	-31%
Time Limits[b]										
Maximum Number of Months to Receive Assistance	60	24 for adults w/child>13; 60 for others[2]	lifetime of 60; 24 inter-mittent	lifetime of 60; 24 conditional	60	lifetime of 60; 24 conditional	60	60	none	60
Work Activity Requirement[c]										
Number of Months Allowed Before Work	none	24	24	none (job search)	up to6 (county option)	24	24	24	15 for 2-parent; 30 for single parent	none
Young Child Exemption	none	child<1 yr	child<1 yr	child<1 yr (limit of 12 months)	child<1 yr. for some who re-quest such (limit of 12 months)	child<1 yr	child<1 yr	child<3 mo (can be extended to child<1 yr)	child<18 months	child<1 yr (limit of 12 months)

Exhibit 1 (cont'd)

Characteristic	Iowa	Illinois	Louisiana	Maryland	Minnesota	Mississippi	Missouri	New York	Vermont[1]	Washington
Eligibility Assessment[d]										
Resource Levels	recipients: $5,000 applicants: $2,000	$3,000	$2,000	$2,000	recipients: $5,000 applicants: $2,000	$2,000	$1,000 $5,000-social contracts	$2,000	$1,000	$1,000; $3,000 in savings
Maximum Assets Allowed from Vehicle Ownership	$3,889 for each adult and work-ing teen	excludes primary car	$10,000	excludes primary car	$7,500	excludes car of highest value	excludes primary car	$4,650	excludes primary car	$5,000
Supplemental Assitance[e]										
Transitional Medical Assistance	12 months	12 months	12 months	12 months	12 months	12 months	2 years	12 months	12 months	12 months
Transitional Child Care	24 months	up to 50% of state median income	sliding scale up to 85% state median income	12 months	12 months	12 months	up to 135% poverty	12 months up to 200% of poverty level for family of 4	12 months	up to 175% of federal poverty level
Up-front Diversion Assistance	local pilot programs	no	no	up to 12 months	up to 4 months	no	no	yes	no	$1,500

Exhibit 1 (cont'd)

Characteristic	Iowa	Illinois	Louisiana	Maryland	Minnesota	Mississippi	Missouri	New York	Vermont[1]	Washington
Sanctions[d]										
Self-Sufficiency Plan	lose cash grant for 6 months after subsequent noncompl-iance	lose entire grant; miscompli-ance: lose adult portion for 3 months	lose entire grant if re-peat offense caused cash loss for 3 months	lose entire grant	lose 10% or 30% of grant	lose entire grant	lose part of grant	lose part of check	vendor payments eventually shut off	noncompli-ier's share of grant or $40% (whichever is more)
Maximum for Noncompliance with Work Activity Requirement	lose cash for 6 months	lose cash for 3 months; miscompli-ance: adult portion lost for 3 months	lose cash	lose cash for 30 days after third occurrence	lose part of grant	lose cash for lifetime	cash reduced	cash reduced	vendor payments	noncompli-er's share of grant or $40% (whichever is more)
Child-Support Non-Compliance	reduce cash assistance (28%)	terminate cash assis-tance; mis-compliance: lose adult portion for 3 months	terminate cash assistance	terminate cash assistance	reduce cash assistance	terminate cash assistance	reduce cash assistance	reduce cash assistance	reduce cash assistance (25%)	reduce cash assistance (25%)

* As indicated below, several sources were used to put this exhibit together. In reviewing the information, we observed that some states had practices not fully captured in the cited sources, so we asked each state contact person for the Rural Welfare to Work Strategies project to review information about his or her state. Whenever there were discrepancies between the published information and the information the state contact person provided, we used the latter.

[a] Source: Office of Public Affairs, Administration for Children and Families, U.S. Department of Health and Human Services, January 1999.

[b] Source: National Conference of State Legislatures, Welfare Reform Database.

[c] Source: TANF Report to Congress, Table 9.1, part a.

[d] Source: TANF Report To Congress, Part IX, Specific Provisions of State Programs (www. acf.dhhs.gov/news/welfare/congress/tanfp9.htm).

[e] Source: National Governors' Association Center for Best Practices, *Round Two Summary of Selected Elements of State Programs for Temporary Assistance for Needy Families,* December 3, 1998.

[1] Vermont: Information presented refers to Group 3 in the state's demonstration project.

[2] Recipients who work at least 25 hours/week (or however many hours are required by the federal participation rate) do not have those months counted toward the time limit.

Exhibit 2
Rural Welfare to Work Strategies Project: Information from State Grant Applications

State	Project Approach	Strategies												Environmental Conditions							Geographic Area of Interest
		Employer involvement	Job creation	Self employment	Job training/readiness	Labor market analysis	Child care	Transportation	Housing	Food	Service delivery	Economic delivery	Health care	Tribal matters	Change in industry	Legislation	Dispersion	Child poverty	Range of rural conditions	Rural psychology	
IL	Examine programs addressing rural barriers; improve job acquisition, retention, advancement	✓	✓		✓	✓	✓	✓			✓		✓		✓	✓		✓			14 contiguous counties
IA	Research transportation issues, challenges; test program						✓	✓									✓				1 county
LA	Explore link: welfare to work and economic development	✓	✓		✓	✓						✓				✓					1 parish
MD	Define successful public/ private welfare to work partnerships	✓	✓		✓	✓					✓						✓				1 county
MN	Identify strategies for clients to successfully acquire and retain work				✓		✓	✓						✓	✓		✓		✓		statewide
MS	Examine rural labor market areas and their proximity to metropolitan economies	✓	✓		✓	✓	✓	✓				✓									3 labor market areas
MO	Provide understanding of perceived and actual barriers recipients face				✓	✓	✓	✓													4 counties in bootheel (southeast part of state)
NY	Expand ongoing research on client problems, service use, barriers to self-sufficiency		✓				✓	✓			✓	✓	✓				✓	✓	✓	✓	statewide
VT	Collect, analyze, and share information about current welfare to work initiatives	✓	✓	✓	✓		✓	✓				✓					✓				statewide; emphasis on 3 contiguous northeastern counties
WA	Identify strategies that pro-mote sustained employment and job progression	✓	✓	✓	✓		✓	✓	✓	✓			✓	✓	✓	✓					6 counties

II. BACKGROUND

When most people think of rural areas in America, they picture an agrarian landscape dotted with farms or forests. Historically, rural areas have been viewed as containing relatively homogeneous cultures and were assumed to depend on farming and natural resource extraction for their economic livelihood. In fact, rural America displays great cultural and economic diversity and is home to many different economic activities, including farming, mining, manufacturing, and services.

DEMOGRAPHICS OF RURAL AMERICA

Demographic trends suggest that nonmetropolitan[2] America is proportionally older and more racially homogeneous than urban America. In 1990, in America's nonmetropolitan counties (U.S. Census, 1990):

- 16 percent of the population was age 65 or older, compared to 12 percent in metropolitan counties.[3]

- 88 percent of residents were white, 8 percent were African American, 2 percent were American Indian or Alaska Native, and less than 0.5 percent were Asian and Pacific Islander.

- 4 percent of the population identified themselves as Hispanic.[4]

Female-headed households are the fastest growing household type in rural areas, and the proportion of rural female-headed households now rivals that of urban areas. Since 1980, the birth rate among rural unmarried mothers has risen faster than among urban unmarried mothers,

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[2] Statistical information in this document comes from a wide array of sources, some of which distinguish between "rural" and "nonmetropolitan," according to different definitions and constructs established by the Census Bureau, the U.S. Office of Management and Budget, and the U.S. Department of Agriculture. Because this document synthesizes information from many studies, we use the terms interchangably, following the practices established by others who have similarly synthesized information (e.g., Castle, 1995).

[3] The concentration of the elderly population in nonmetropolitan areas varies by region: most nonmetropolitan counties with an elderly population of 20 percent or more are clustered in the Great Plains, specifically North Dakota, South Dakota, and Nebraska, which have experienced a large outmigration of their younger age groups (Fuguitt, 1995).

[4] The concentration of racial groups varies by region: in 1990, 91 percent of all nonmetropolitan African Americans lived in the South, and Hispanics were concentrated in the Southwest and the West (Fuguitt, 1995). Because people who identify themselves as Hispanic may be of any race, this category may overlap with other categories.

thus narrowing the urban-rural difference the birth rate of unmarried mothers.[5] Rural mothers are more likely to be teenagers than their urban counterparts: in 1994, 1 out of every 9 infants born in rural areas had an unmarried teenage mother, compared with 1 out of every 10 infants born in urban areas (Frenzen and Butler, 1997).

Adult residents in rural areas have lower education attainment levels than those in urban areas. In 1997, of the population 25 years and older, rural residents had less education than urban residents (Exhibit 3). Although rural areas have high school graduation rates that match or better those in urban areas, fewer students in rural areas attain a college degree (Gibbs et al., 1998). In many cases, those with higher educational levels seek and find employment outside their rural home communities (Lichter et al., 1995), although this outmigration trend seems to have slowed or reversed itself over the past decade (Nord and Cromartie, 1998).

Exhibit 3

Educational Attainment as of March 1997 (in percents)

Attainment	**Metropolitan Areas**	**Nonmetropolitan Areas**
High school graduate or more	83.4	76.8
Some college or more	58.0	35.3
Bachelor’s degree or more	26.0	14.8

Source: Day and Curry, 1998.

RURAL EMPLOYMENT

Rural America accounts for 76 percent of all counties, 83 percent of the nation’s land, and 25 percent of the nation’s population. Less than 10 percent of the rural population lives on farms. From 1969 to 1996, the proportion of the rural population employed in farming declined by half (from over 14 percent to just under 7 percent). In nonmetropolitan areas, jobs in the service sector account for the largest portion of employment, followed by retail, manufacturing, and government jobs (Exhibit 4).

[5] By 1994, unmarried mothers accounted for 31 percent of all rural births, compared to 33 percent of all urban births (Frenzen and Butler, 1997).

Exhibit 4

Jobs in Nonmetropolitan Areas, by Industry, 1996

Industry	**Number of Jobs (in thousands)**	**Percent of Nonmetropolitan Jobs**
farm	1,799	6.6
agricultural services, forestry, fishing, and other	479	1.8
mining	358	1.3
construction	1,529	5.6
manufacturing	4,419	16.3
transportation and public utilities	1,096	4.0
wholesale trade	855	3.1
retail trade	4,679	17.2
finance, insurance, real estate	1,264	4.7
services	6,325	23.3
government	4,345	16.0
Total	27,148	100.0

Source: Economic Research Service, n.d.

Wages in rural areas are lower than in urban areas (Exhibit 5), and rural employment opportunities are dominated by industries, such as the retail and services sectors, that pay lower wages. Rural employment in the manufacturing sector—which traditionally has higher paying jobs—has been decreasing since 1970, while rural employment in the services sector has been increasing (Mills, 1995).

Exhibit 5

Earnings by Job Sector, 1990

Earnings/Worker by Industry	**Metropolitan Areas**	**Nonmetropolitan Areas**
farm	$16.49	$14.39
agricultural services, forestry, fishing, and other	$12.83	$11.14
mining	$35.52	$29.88
construction	$26.68	$19.99
manufacturing	$30.52	$21.54
transportation and public utilities	$30.46	$26.80
wholesale trade	$29.67	$20.05
retail trade	$12.50	$10.09
finance, insurance, real estate	$20.93	$10.51
services	$21.38	$14.73
federal government (civilian)	$28.64	$24.50
state or local government	$22.95	$17.87

Source: Mills, 1995.

Because of the prevalence of low-wage jobs, a higher proportion of rural workers (12 percent) than urban workers (7 percent) earn minimum wage (Parker and Whitener, 1997). Those who are employed in rural areas are also more likely to be underemployed and less likely to be able to improve their employment circumstances over time.[6] Overall, nonmetropolitan workers are (Findeis and Jensen, 1998):

- almost 40 percent less likely to move out of poor jobs than central city residents;
- 20 percent less likely to find adequate jobs than 25 years ago; and
- more likely to be underemployed (among those who want full-time employment but are able to work only part-time, 80 percent are less likely to find adequate jobs now than 25 years ago).

[6] The fact that rural areas (in comparison with urban areas) have more residents who are working, but still in poverty, is probably due to some combination of lower educational levels and lower-paying jobs in rural areas.

As a result, (1) incomes in rural areas tend to be lower than in urban areas and (2) rural employed workers are more likely than urban employed workers to have incomes below poverty levels. Twenty-six percent of rural residents lived in households with incomes between one and two times the poverty line; for metropolitan residents, this figure was 18 percent (Nord, 1997). Workers in rural areas are more likely than their urban counterparts to be "near poor" at 200 percent of the poverty line: 39 percent versus 29 percent, respectively (Cook and Dagata, 1997).

Rural-urban earnings differentials are further exacerbated for women. In 1993, rural women made 75 percent of what urban women earned, 69 percent of what rural men earned, and 54 percent of what urban men earned (Rogers, 1997). Furthermore, rural women who left welfare earned less than urban women (Meyer and Cancian, 1998).

A Rural Economics Case Study

A recent study examined small town business patterns in Iowa and found that:

- Small town businesses employ more part-time than full-time employees and are less likely to provide employee benefits than small businesses in general.
- Where benefits were provided, levels for part-time employees were significantly lower than for full-time employees.
- The dominance of retail and service sectors (59.9 percent) among small town employers contributes to the low percentage of full-time employment opportunities offered by small town businesses.
- Only a small percentage of firms (11.8 percent) are owned by a larger company or a franchise of a larger company. Including locally owned franchises, almost 96 percent of small town businesses are locally owned.
- Most rural community employers are not just small, they are microenterprises with fewer than four employees; two-thirds of employees worked in businesses with fewer than 51 employees.
- Larger businesses (those with more than 51 employees) account for 3 percent of all business establishments and one-third of all employees.

Source: Besser, 1998.

Rural areas may be hard hit in a recession (Hamrick, 1997) because rural labor markets respond quickly to business cycles and appear to show signs of recession and expansion before urban labor markets. Some rural labor market groups, such as underemployed workers and discouraged workers (i.e., those who are not currently searching for jobs), respond less to business cycle movements (Findeis and Jensen, 1998). Therefore, an economic expansion is less likely to benefit underemployed and discouraged workers in rural areas than those in urban areas. A souring economy may also hurt rural workers more than urban workers because it creates more competition for existing jobs.

Recent figures show that economic conditions in rural areas have improved in recent years. Poverty rates in nonmetropolitan areas, which had begun to rise in 1989, began to slow their rates of increase or reverse that trend (Nord, 1996b). Per capita income has grown since 1990 for rural residents, closing the urban-rural income gap to about 25 percent (Angle and Nord, 1996). Employment rates continue to rise, reflecting modest and consistent economic growth (Nord, 1996a).

RURAL POVERTY

Rural poverty in America is more severe, more persistent, and often less visible than urban poverty. As a whole, the country's rural population has lower incomes, lower employment levels, and higher poverty levels than urban and suburban America (Dudenhefer, 1993).[7] In 1997, the poverty rate in nonmetropolitan counties was 16 percent, compared to 13 percent in metropolitan counties (U.S. Department of Commerce, 1998). Poverty levels in metropolitan areas are decreasing while they have stayed fairly constant in nonmetropolitan areas (U.S. Department of Commerce, 1998).[8]

How much does it cost to live in rural vs. urban communities?

(costs calculated as a percentage of annual income)

	rural	**urban**
average annual income	$32,299	$41,072
food	12.8%	11.9%
housing	25.5%	28.5%
utilities	7.7%	5.9%
transportation	26.2%	15.7%
health care	6.2%	4.4%

Source: Consumer Expenditure Survey, Bureau of Labor Statistics, 1997.

The structure of poor families differs between rural and urban areas. As shown in Exhibit 6, although the percentage of poor married-couple families in rural areas has declined over time, it still is substantially higher than the percentage of poor married-couple families in urban areas. A

[7] Across the United States, there are dramatic differences in poverty levels in rural areas (Shaw, 1997).

[8] There is a great diversity among regions, however, with rural poverty disproportionately found in the South, the "core" of the Appalachian region, the border counties of the lower Rio Grande Valley, and on American Indian reservations.

matter of concern is that although the percentage of poor mother-only families in urban areas has declined, it has risen in rural areas. These changes in family structure account for a great deal of the increase in poverty among rural children (Lichter and Eggebeen, 1992).

Exhibit 6

Comparison of Urban and Rural Family Structure: Share of Poor Families

Item	Urban	Rural
1979		
married-couple families	44.3	66.1
mother-only families	55.7	33.9
1989		
married-couple families	42.7	58.2
mother-only families	52.5	38.1
1993		
married-couple families	42.8	56.9
mother-only families	51.9	39.6

Source: Rogers, 1997 (data are from the 1980 and 1990 decennial census and the March 1994 Current Population Survey).

Nonmetropolitan counties have a higher percentage of children living in poverty than metropolitan counties. In 1990, the poverty rate for rural children was 23 percent, compared to 20 percent in urban counties.[9] In 1997, among nonmetropolitan children, 23 percent of all children and 26 percent of children under age 6 were in poverty (U.S. Department of Commerce, 1998).

Most of the total rural population lives in two-parent families. Among the rural poor, half are in female-headed families with no husband present or are women living alone. The poverty rates are very high for children in female-headed households: in rural female-headed households in 1997, 55 percent of children were poor, and 66 percent of all children under age 6 were poor (U.S. Department of Commerce, 1998). The child poverty rate has declined in central cities and suburban areas over time, but has remained steady in rural areas (U.S. Department of Commerce, 1998).

[9] Data from the 1997 Current Population Survey (the most recent one available) show that the percentages of children living in poverty in rural areas, suburban areas, and central cities were, respectively, 23, 14, and 30 percent.

Nonmetropolitan children are more likely to experience persistent, longer term poverty conditions (Sherman, 1992) because those who become poor are more likely than their metropolitan counterparts to continue in poverty. Those in female-headed families seem to be at even greater risk of persistent poverty. Among children in female-headed families who were ever poor between 1978 and 1982, 80 percent in nonmetropolitan areas stayed poor for three years or more, compared to 47 percent in metropolitan areas (Sherman, 1992). Persistent poverty has a strong impact on the cognitive development and behavior of children, and the duration of poverty is a strong predictor of school attainment and early patterns of employment (Duncan et al., 1998; Duncan et al., 1994; Caspi et al., 1998).

THE RURAL WELFARE POPULATION

Relatively little information is available about the rural welfare population because studies that describe the welfare population—both descriptively and in terms of outcomes—tend to provide (1) national (or statewide) statistics and trends or (2) findings from experiments usually conducted in metropolitan areas. The information that is available about rural welfare recipients is presented below.[10]

In 1997, 21 percent of the nation's welfare recipients lived in rural areas. According to data from the 1997 Current Population Survey, from 1992 to 1997, the percentage of the country's low-income population[11] receiving public assistance declined from 16 to 11 percent; the percentage in nonmetropolitan areas declined from 12 to 8 percent (Hirschl, in press).

Rural welfare recipients have unique familial and labor force characteristics. Compared to urban participants, rural recipients are slightly more likely to be married and are more likely to work (or at least report work) than their central city counterparts (Rank and Hirschl, 1988; Nord et al., 1998; Porterfield and McBride, 1997). This may indicate the greater presence of lower-wage employment in rural areas. Welfare participation among eligible residents is lower in rural areas (Fitzgerald, 1995; O'Neill et al., 1987; Porterfield, 1998), probably because those who would be eligible for cash assistance have:

- less knowledge about welfare eligibility criteria (Rank and Hirschl, 1993);
- greater difficulties accessing services (Hirschl and Rank, 1991); and

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[10] Almost all the information in this section concerns the rural AFDC population. Other than data about decreases in caseloads, very little analysis has yet to emerge on the TANF population. There is reason to believe that characteristics of the current TANF population are quite similar to those of the recent AFDC population.

[11] "Low-income population" is defined as those with incomes below 125 percent of the poverty level, which is a rough gauge of the population in need of public assistance.

- a greater sense of stigma attached to program participation (Duncan, 1996; Osgood, 1977; Rank and Hirschl, 1988).

> THE CHALLENGES OF RURAL POVERTY
>
> In September 1997, *The Detroit News* ran a series of articles on "Denise," a welfare recipient with three children living in rural Sunfield, Michigan. Denise lived in a trailer next to her parents' burned-out farmhouse, 21½ miles from the village center. The closest neighbor was a half mile down a dirt road. That previous summer, Denise's 1991 Plymouth Acclaim was destroyed in an accident. Up until that point Denise had been with Michigan's Work First program and had a small business cleaning houses. After the accident, Denise was "trailer trapped and increasingly desperate." She lost her housekeeping jobs and telephone and missed her appointments with Michigan's human services staff. For a while, she tried to go into Sunfield on a old 10-speed bicycle and to call a local woman who would ferry her around for a few dollars.
>
> In Denise's case, living in a remote rural area, coupled with the loss of her car, resulted in a downward spiral away from employment and participation in the Work First program.
>
> Denise wanted to be a medical assistant, but there were no educational programs or jobs in this field in Sunfield or nearby. Denise's housecleaning vocation also proved difficult because of the low population density around where she lived. Unable to meet the requirements of Work First, Denise lost public assistance and food stamp benefits for a period of time.
>
> Source: Hodges, 1998.

Spells on public assistance are shorter in rural areas than in urban areas. As shown in Exhibit 7, data comparing rural and urban families that received welfare during the 1992-93 period show that rural families had a shorter duration on welfare, a higher percentage had left welfare after two years, and a lower percentage remained on welfare after three years.[12] Also, female heads of households on welfare in rural areas were, compared to their urban counterparts, more likely to have finished high school, to be or have been married, to have been currently employed, and to have been working full-time (Porterfield, 1998).

[12] These results are very comparable to older data from a single state (Wisconsin). After 3 years, 79 percent of rural recipients had left welfare, compared to 54 percent in urban areas and 67 percent in mixed urban/rural areas (Rank and Hirschl, 1988). They are also comparable to findings from 1984 and 1985 Survey of Income and Program Participation (SIPP) panels (Fitzgerald, 1995).

Exhibit 7

Comparison of Rural Female-Headed Families Receiving Welfare with Urban Female-Headed Families Receiving Welfare

Item	Rural	Urban
spell duration (median)	12.2 months	15.1 months
families with spells of 4 or fewer months	20 percent	17 percent
families that had left welfare after 2 years	70 percent	64 percent
families on welfare after 3 years	20 percent	26 percent

Source: Porterfield, 1998, using data from the 1992 and 1993 panels of the Survey of Income and Program Participation.

One interesting feature of the welfare system particularly affects rural low-income families. An important principle behind welfare is that public assistance payments can help to alleviate the effects of poverty. In rural areas, the dollar amount received by welfare families is significantly less than the dollar amount received by urban families, so the rural population has not received as beneficial a subsidy as the urban population (Jensen, 1988). It seems that the disparity is not because of some bias that favors urban areas, but because states with large rural populations also tend to be states that have low per capita income levels (Nord, 1998).

SUMMARY

The population in rural areas is different from the population in urban areas: it is older, more racially homogeneous, and has less education. Farming-related employment in rural areas has decreased, and jobs in the service sector have increased. Wages in rural areas are lower than in urban areas, and rural employment opportunities are dominated by industries that pay lower wages.

As a result, incomes in rural areas tend to be lower than in urban areas, and rural employed workers are more likely than urban employed workers to have incomes below the poverty level. Rural poverty is more severe, more persistent, and often less visible than urban poverty.

Compared to urban welfare recipients, those in rural areas are more likely to be married and more likely to work. The rate of receiving cash assistance in rural areas is lower than in urban areas, and spells on public assistance are shorter.

III. WELFARE REFORM IN RURAL AREAS

As noted previously, the Personal Responsibility and Work Opportunity Reconciliation Act is perhaps the most significant change in American social policy since the first social welfare programs were established in the 1930s. PRWORA also shifts substantial authority to states for matters related to program design (including time limits and sanctions) and program operations.

For states with good environmental conditions—stable economies, large numbers of entry level jobs, significant job creation potential, readily accessible support services (such as child care, education and training, and transportation), and a high proportion of counties with developed human service programs and delivery systems—TANF is an opportunity to help welfare recipients move more quickly to work. These environmental conditions, however, are not always found in rural localities. Some rural communities (especially those proximate to urban and suburban areas with healthy economies) may have the setting and service mix to help public assistance recipients become employed. Other rural communities may face considerable challenges in moving welfare recipients to self-sufficiency—challenges not necessarily faced by metropolitan or suburban areas (Cook and Dagata, 1997).

Rural communities implementing TANF requirements may face significant barriers because of (Kaplan, 1998):

- geographic isolation and population dispersion;
- depressed economies with high levels of unemployment and underemployment;
- spatial inequities in transportation, child care, technology and infrastructure;
- limited educational attainment and job opportunities and advancement; and
- limited administrative skills and expertise for implementing decentralized programs.

Achieving self-sufficiency for rural welfare recipients will require states and localities to (Cook and Dagata, 1997):

- create enough jobs in local labor markets to absorb TANF participants without displacing low-income employees who do not receive welfare;
- work with welfare families to find and keep jobs that pay a livable wage and provide opportunities for advancement;

- establish or make accessible essential support services (such as child care, transportation, and education and training) to individuals living in geographically dispersed areas; and

- obtain the programmatic, fiscal, and evaluative skills necessary to adequately implement devolved social programs.

ABSORBING WELFARE RECIPIENTS INTO THE RURAL ECONOMY

Of the issues facing rural communities, absorbing welfare recipients into rural economies will possibly be the most significant challenge. To achieve self-sufficiency, current welfare recipients will require essentially full-time work at pay above the minimum wage (Edin and Lein, 1997) or a combination of earnings, tax credits, and other public assistance programs (which are not always fully understood and utilized) such as child care subsidies and Medicaid benefits (Acs et al., 1998).

Recent employment growth and economic prosperity enjoyed by much of the nation has bypassed many, but not all, rural areas. While national unemployment rates are at record lows and metropolitan areas have large numbers of unfilled entry-level positions (especially in the retail and service sectors), many rural areas have not experienced this employment boom. Composite state unemployment rates hide the spatial inequities in employment patterns between rural and urban communities (Howell, 1997).

Rural communities characterized by high welfare dependency already have corresponding high levels of unemployment and underemployment. In 1994, of the nation’s 586 rural counties that were classified as “highly welfare dependent,” 60 percent were also high-unemployment counties. Many of these counties have had poverty rates in excess of 20 percent for several decades (Findeis and Jensen, 1998).

Currently, the number and types of jobs available to rural workers are not the same as those available to workers in suburban or urban areas. A larger segment of rural employment is seasonal. Shifts in manufacturing practices and technology have favored urban areas and have resulted in fewer manufacturing processes and fewer corresponding jobs in rural areas, and the entry-level jobs available in rural areas are primarily with small businesses or the service sector. They tend to offer low wages, few fringe benefits, and little opportunity for job growth (Besser, 1998). Welfare recipients in remote rural areas have fewer employment opportunities than those who live closer to metropolitan areas.

Earning potential in rural communities is adversely impacted by the lack of diversity in employment opportunities. Many available jobs pay only minimum wage or slightly above, which does not constitute a “livable wage” for most families.

The gap between rural workers’ educational background, skills, and work experience and that required by most businesses and industries presents a two-fold problem (Zimmerman and Garkovich, 1998):

- Workers are not qualified for available jobs or jobs that pay above the minimum wage, and

- The lack of a well-educated and trained labor pool makes it even more difficult for rural communities to recruit new businesses that bring good jobs.

Many rural workers, particularly those leaving welfare for work, lack necessary skills to meet the minimum requirements for good-paying jobs. Welfare parents faced with work requirements and time limits may find themselves entering a labor market where they cannot achieve income higher than the welfare assistance they have been receiving and, as a result of working, may actually see a decline in their real income. The lack of high-skilled jobs in rural communities has resulted in workers with desirable employment skills migrating out of rural areas.

The challenges of geographic dispersion and isolation can be daunting. Geographic and social isolation in rural communities has significant impacts on welfare parents’ ability to work, but geographic isolation is more than a lack of personal transportation. The geographic isolation of many rural communities has created a “spatial mismatch” between workers and employment. Individuals living in isolated geographic areas have a much more difficult time linking their skills and interests with available employment.

Geographically isolated rural areas are often hard to access. They are not near major highways or other transportation arteries. Human services in these areas are often limited to the county seat or some other central location, which can be a significant distance for much of the welfare population to travel.

Some rural welfare recipients may experience social isolation, which can result from being far from neighbors and family, without a phone or primary means of communication. The social network available to urban welfare recipients that provides information on programs and services as well as informal and formal support with daily activities is often unavailable to rural welfare recipients.

SUMMARY

It is clear that conditions in rural America are far different from those in urban America for matters related to demographics, employment, poverty, and the welfare population. For virtually every one of these matters, the rural setting is more disadvantaged than the urban setting. This is the context within which welfare reform is being implemented, and these factors are likely to affect program operations and outcomes (Exhibit 8).

Exhibit 8

The Rural Prism

Rural Characteristic	**Implications for Service Delivery**
low population density	high per unit cost of service lack of specialized services lack of full range of services low quality of available services lack of market forces/competition lack of economies of scale
mobility disadvantages	inaccessibility of services limited public transportation inadequate roads limit coordination of services limited hours of service undependable transportation reliance on car increases miles driven
isolation	incomplete knowledge of available services low utilization rates inadequate response time in emergencies isolation of professionals challenges in attracting and retaining qualified staff
scarcity of fiscal resources	services not provided at all services not adequately funded to meet need outreach services in rural areas cut during budget crunches block grants historically not distributed equitably to rural areas obsolete technology and office support systems
lack of expertise and human resources	understaffing of functions incompetence/outdated knowledge and skills overworked service providers, burn-out lower quality low provider morale administrative requirements can be burdensome smaller pool of talent to draw from
personal familiarity	subjectivity on part of decision makers reluctance to seek certain services undermining of professional image
resistance to change/innovation	lag behind in adoption of new services and processes difficulty in breaking intergenerational cycle of poverty denial of problems
lack of ancillary services	inappropriate transfer of urban models to rural areas

Source: Rural Services Institute, 1995.

At the same time that disadvantages associated with the rural setting are likely to affect TANF's implementation, several factors unique to service delivery in a rural environment may facilitate TANF's implementation. These factors that may facilitate the transition of individuals from welfare to work in rural settings include:

- the smaller scale (structure and size) of rural human service agencies (Ginsberg, 1998);
- less bureaucratization within and between human services agencies (Martinez-Brawley, 1998);
- more personalized service between service provider and recipient (Ginsberg, 1998; Miller, 1998);
- the nature of the relationship between service provider and recipient, which is often viewed in a more egalitarian manner and as a more collaborative partnership in rural than in urban areas (Martinez-Brawley, 1998);
- a greater number of informal resource and support networks (Southern Regional Education Board, 1998); and
- the existence of natural helping systems versus more formally organized social service networks (Mermelstein and Sundet, 1995).

An additional aspect of human services delivery in rural areas is its importance to the rural economy. Service and transfer programs may contribute significantly to a community's income, tax revenue, and real estate industry. Although this is true in metropolitan areas as well, the influence of this factor is relatively minor in comparison to its impact on the economy as a whole (Ginsberg, 1998). This suggests that changes in human services delivery systems, which are likely under TANF, may receive greater attention in a rural area because those changes may have meaningful consequences for the rural area's economy.

IV. WELFARE TO WORK STRATEGIES

The knowledge base that currently exists to inform welfare to work strategies is vast. For many years, the federal government has sponsored large-scale evaluations to determine the effectiveness of various interventions and program design approaches, and a recent spate of evaluations of state practices under Sec. 1115 waivers continues to expand understanding among many interested parties, including policymakers, program planners, service delivery providers, and researchers.

Key findings (in very brief form) of lessons learned from these studies include:[13]

- Strong welfare to work programs can result in significantly increased earnings and decreased public assistance payments (Freedman et al., 1996).
- Even when welfare recipients receive extensive assistance, they do not necessarily obtain better-paying jobs, rise above poverty-level incomes, or leave welfare (Riccio et al., 1994).
- Welfare to work strategies fall on a spectrum that ranges from labor force attachment to human capital development and virtually all points between.[14] The former tend to show more immediate payoff, but may not have longer-term benefits; the latter have potential for longer-lasting economic success, but they tend to cost more and may not produce early results (Bloom, 1997).
- Participants trained in skill-building programs to prepare for jobs that meet local labor market needs show positive outcomes (Seninger, 1998).
- Many former welfare recipients obtain marginal jobs and face substantial challenges to sustaining employment, so support may be necessary to help these individuals retain jobs and obtain better-paying ones (Rangarajan, 1998a).
- Supportive services, such as child care, medical coverage, and transportation assistance, may be essential for helping welfare recipients achieve economic self-sufficiency (Scrivener et al., 1998).

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[13] A thorough overview of lessons from federal demonstration programs is presented in Bloom, 1997. Evaluations of state waiver programs are listed in Administration for Children and Families, 1998; they have not yet been synthesized. Findings about job retention and advancement are presented in Fishman et al., 1998.

[14] "Labor force attachment" models focus on getting participants into paid employment as quickly as possible. "Human capital development" models center on investing in educational and training services that develop skills needed for higher-paying jobs.

- Successful programs customize their services to meet community needs and also to match services to target group needs (Rangarajan et al., 1998b).

Interestingly, *the wealth of existing information is largely silent on rural welfare to work strategies*. With rare exception, the studies and evaluations that have been conducted center on midsize metropolitan areas or statewide results (and the latter obscure important place differences). The exceptions and their major findings for rural welfare to work strategies are as follows:[15]

- California's Greater Avenues for Independence Program (GAIN), which began in 1989, was a statewide initiative to increase employment and self-sufficiency of AFDC recipients. A large-scale evaluation of GAIN was conducted in six counties; of these, one is rural (Tulare) and another is a mixture of urban and rural (Riverside). Under GAIN, AFDC recipients participated in education, training, or job search activities; failure to participate could lead to a reduction in cash assistance. Over a three-year period, GAIN participants in Riverside County significantly increased their earnings, and AFDC payments decreased significantly. In Tulare County, earnings significantly increased in only one of the three years, and AFDC payments did not decrease (Riccio et al., 1994).

- In 1994, Minnesota began the Minnesota Family Investment Program (MFIP), which combines mandatory work activities and increased financial incentives to help families achieve economic self-sufficiency. An evaluation is comparing results from three groups: recipients subject to MFIP requirements of work and incentives, recipients who receive incentives only, and recipients who remain subject to AFDC requirements. In assessing 18-month impacts, in urban areas MFIP produced slight increases in employment, no increases in earnings, and increased welfare payments; in rural areas MFIP produced no increases in employment, no increases in earnings, and increased welfare payments (Miller et al., 1997).

To help inform ACF's project on Rural Welfare to Work Strategies, we have attempted to cull from the literature pertinent lessons about the intersection between key features of rural areas and factors about welfare recipients' abilities to achieve economic self-sufficiency. Below, we address seven of these areas where the two matters intersect:

- rural economic development

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[15] Other evaluations specifically mention that rural areas are included in the study sample, such as those conducted on welfare experiments in Iowa and Vermont (Fraker et al., 1998; Bloom et al., 1998). Results, however, are not presented by county in a way that enables the reader to draw conclusions about rural outcomes. Presumably, with access to the data and a sufficient sample size, rural findings could be examined.

- workforce development
- community commitment
- transportation
- child care
- hard-to-serve welfare to work participants
- restructuring administrative elements of the welfare system

Throughout the discussion that follows, we have drawn from the literature on rural welfare and low-income populations whenever possible. Wherever practical, we summarize findings from studies in non-rural areas, apply them to what is known about the rural setting in that regard, and draw reasonable inferences about ways that the issue could play out in rural areas.

RURAL ECONOMIC DEVELOPMENT

Many of the nation's rural communities are plagued by high levels of unemployment and underemployment—signifying that in rural communities there is no shortage of workers, only jobs. This existing labor pressure will be exacerbated by TANF work requirements and time limits. To successfully move current TANF recipients to self-sufficiency without displacing current workers, rural communities will need to consider strategies that will *generate* a sufficient number of good-paying, stable jobs (Beneria, 1998).

Traditional rural industries such as farming and mining have experienced significant declines in employment and real earnings. Even manufacturing, which enjoyed employment growth during the 1980s, has seen static income levels that reflect cost containment measures resulting from increased global competition. From 1979 to 1987, metropolitan area employment grew almost 18 percent, while that of rural areas grew only 8 percent (Galston, 1992). Although many rural economies have revived in the 1990s, the growth has been mainly in part-time and service sector jobs, which tend to be lower-wage positions without fringe benefits.

Rural areas face many challenges in job creation, including geographic isolation, outdated infrastructure, and a dispersed labor force with limited skills and educational background. These basic issues result in barriers to creating and retaining jobs in rural settings (Besser, 1998):

- Low wages depress tax revenues, thus affecting local public services such as education, libraries, and infrastructure.

- Local businesses are limited in their ability to expand operations and replace workers who leave.

- New businesses are reluctant to relocate to rural areas, given labor force skill levels and infrastructure.

- Low-quality employment opportunities make it difficult for communities to attract and retain residents, especially younger, well-educated people.

- An inadequate supply of affordable housing makes it difficult to attract new residents or businesses.

Factors Influencing Rural Economic Growth

Recent research suggests that some factors appear to be consistent with rural economic growth during the 1980s. These factors include the following (Aldrich and Kusmin, 1997):

- low initial labor costs measured as earnings per job;

- status as a "retirement county" (i.e., one that attracts retirees to move there);

- high education spending per pupil;

- the presence of a passenger service airport within 50 miles;

- state right-to-work laws;

- the percentage of adults who have completed high school; and

- access or proximity to an interstate highway system.

The diversity in the factors affecting rural economic growth reflects the diversity of rural areas. There are also substantial unexplained variations in rural economic growth, which implies that having favorable conditions for growth does not directly translate into robust growth. Individualized strategies that focus on a rural locality's strengths and other unquantifiable factors play a significant role in successful job creation and economic development in rural areas (Sears and Reid, 1992).

Rural areas may have some advantages over urban areas in generating jobs. Previously, rural development depended on place-specific natural resources, and geographic isolation was ameliorated by natural transportation systems such as rivers. During the 1980s, rural areas entered a different phase where new businesses and monies were attracted by “amenity values” (Galston, 1992). Retirees and recreational interests have drawn service businesses and, as a result, have become important contributors to fledgling rural economies.

Rural communities also face unique barriers to economic growth. Residents in some rural communities strongly oppose growth because it is viewed as a threat to the community’s “values” or “traditional way of life.” These individuals perceive economic development efforts as a threat to their rural context. Rural businesses may also oppose growth for fear of increased competition, wages, and taxes (Finsterbusch and Kuennen, 1992).

Approaches to Job Creation in Rural Communities

Rural economic development begins with a close examination of the rural resources (human and material) and values. Strategies to create jobs and foster economic development work best when woven into an organized, holistic approach to rural job creation that includes six basic precepts (“Elements of Economic Development,” 1987; RUPRI Rural Finance Task Force, 1997):

- work with existing employers to create jobs and improve benefits;
- encourage employers to expand lines of business;
- attract new employers;
- provide financial capital;
- capture more local dollars; and
- capture more global dollars.

The following sections discuss these basic features in more detail and outline job creation strategies that states and rural areas have used.

Work with Existing Employers to Create Jobs and Improve Benefits

Working with existing rural employers can be a cost-effective approach to job creation. To be successful, this effort concentrates on two levels: the small rural employer and the large rural employer. Both groups present an important resource to rural communities, but no general set of job creation strategies can be equally applied to both groups.

Existing *small* businesses and employers present opportunities for job creation. Most rural businesses are small and locally owned and, as a result, have a special attachment to their communities. Many businesses show ample signs of vitality. For example, 59 percent of rural small businesses in Iowa plan to expand, and the average business has had an increase of 30 percent in employment during the past five years (Besser, 1998).

Research on rural employment trends suggests that many of these rural businesses are microenterprises or small employers, are heavily concentrated in the retail and service industries, employ a large percentage of part-time labor, and offer few fringe benefits (Besser, 1998). Nevertheless, targeting job creation strategies toward these small rural businesses could increase the number of slots available for TANF participants.

Large existing businesses in rural areas are an excellent source of potential new jobs. In many cases, these businesses have the potential to be global in focus and to expand their business operations. Rural planners can help large businesses capitalize on their potential and, as a result, create new jobs, primarily by helping these businesses improve their competitiveness in the larger marketplace. This approach achieves two goals: it enables businesses to expand and encourages them to remain in the community.

Effective approaches for working with small employers include emphasizing opportunities to increase business capacity and, therefore, future wages, benefits, and job training. Effective approaches for working with large employers include developing strong relationships with key managers at large local businesses. These relationships facilitate communication on management and business issues, and strategies for job creation can be tailored to individual employers. Given the need for individualized approaches, states and communities have implemented many job creation strategies in partnership with small and large businesses (Exhibit 9).

Encourage Employers to Expand Lines of Business

When businesses grow in new directions, they can create new jobs and retain the essential structure of the rural community's economic base ("Creating New Enterprises," 1987). Rural communities can foster businesses' sense of entrepreneurship by providing essential support services and promoting the community's untapped resources. As shown in Exhibit 10, economic development experts promote five general strategies to encourage employers to develop new lines of business.

Exhibit 9

Job Creation Strategies: Working with Rural Businesses

Small Businesses

Approach	Comments
Collaboration among businesses to take advantages of economies of scale	Communities have businesses, public entities, and nonprofits collaborate to take advantage of economies of scale in providing employee benefits, offering employee training, sharing information and technology, and pooling child care and transportation services.
Community career ladders	Local community development enterprises work with rural small businesses to implement career ladders between firms that provide advancement and training opportunities for employees.
Business roundtables	Discussion groups are sponsored by rural development agencies to share successes of high-growth, low-turnover firms. Additionally, rural development agencies target these firms as a job creation resource and work to customize programs and promote growth.
Business and marketing consulting services	Development agencies identify small businesses with high turnover and work with them to develop strategies to keep employees.
Direct farm marketing	Individuals and communities promote direct farm sales to urban consumers. Opportunities exist with “pick-your-own” and organic farming, direct mail, and urban farmers markets.

Large Businesses

Approach	Comments
Job training programs and continuing education for employees	Work with employers to identify training needs and provide new skills training and continuing education training. Rural communities can build partnerships with state governments, universities, colleges, vocational schools, and other educational institutions.
Business counseling	Economic development entities (e.g., Chamber of Commerce, Department of Economic Development, Regional Development Council) provide training and consulting to local businesses to improve management and profitability.
Provide assistance with technological improvements that benefit local businesses	Work with existing businesses to assess current and future technology needs. Rural communities can contribute to technological innovation through infrastructure improvements, labor force development, grants, and other types of financial business assistance.
Develop community and business marketing plans	Invest local resources in developing and executing marketing plans for the rural community and its businesses. This strategy not only promotes current business, but also may attract new businesses.
Improve downtowns	In many rural communities, downtown areas have become increasingly vacant as retail shops leave. This space may be renovated into offices and other types of affordable space for both new and older businesses.

Sources: Besser, 1998; “Assisting Local Enterprises,” 1987.

Exhibit 10

Strategies to Encourage New Business at Existing Employers

Approach	Comments
Import substitution	Take advantage of opportunities where something can be economically produced locally to take the place of something that must now be imported.
Value-added goods and services	Look for opportunities where raw goods and services are produced locally but "finished" elsewhere.
Resource enhancement	Are there local resources that no one is using? For example, recycling and waste minimization, alternative agricultural enterprises, and special job skills in the local labor pool.
Financial resources	Work with businesses to secure grants and preferable financing packages that will support and encourage growth.
Management resources	Provide business consulting services, informational support, and analyses of business plans that may be important in acquiring financing or realizing new opportunities.

Source: ("Creating New Enterprises," 1987).

Attract New Employers

Many rural communities, particularly those that lost significant manufacturing or other industries during the 1980s and 1990s, see attracting new employers as the job creation approach with the largest potential benefits. In fact, one of the leading problems cited by mayors of rural towns of less than 50,000 is that of attracting new businesses or industries to the community (Finsterbusch and Kuennen, 1992).

Attracting new employers to rural communities has become harder, given the global marketplace and the availability of cheap labor overseas—and, at the same time, easier, given advances in technology that have reduced the effects of geographic isolation. Attracting new employers to rural communities requires organization and analysis. Employers looking to expand or relocate often have numerous locations vying for their business, including foreign countries, so successful ways to compete for new businesses involve techniques of ("Attracting New Enterprises," 1987):

- organization;
- surveys and analyses to identify community strengths and assets;
- targeting specific industries that match community assets; and
- marketing.

Businesses looking to relocate closely examine communities' strengths and weaknesses, including labor availability and costs, available industrial or business space, community amenities, taxes, and infrastructure. States and communities have used many strategies to attract new businesses, often combining strategies into a comprehensive incentive package. A summary of key approaches is provided in Exhibit 11.

Exhibit 11

Summary of Strategies for Attracting New Businesses

Approach	Comments
Revolving loan funds	These are locally controlled capital funds that provide below-market rate loans to businesses relocating to an underserved community, or that have an insufficient credit history for obtaining credit from the private sector.
Business incubators	Business incubators provide shared services, technical assistance, and synergistic environments to start-up firms and firms relocating to an area. These incubators sometimes take form as industrial parks, office sites, and commercial sites that are prepared for and marketed to potential businesses.
Technical assistance programs	Provide professional support to both established and relocating businesses on their management practices, product or service marketing, and labor force requirements.
Tax credits or tax increment districts	States and communities may offer special tax credits or tax abatements to businesses as an incentive to relocate or continue business operations within their community. In the case of tax increment districts, the district obtains funds to finance development by issuing bonds that are backed by projected increases in property tax revenues.
Rural industry clusters	Rural industry clusters encourage the location and expansion of businesses in rural communities by creating interdependent links between customers and suppliers or by using a common local resource.
Industrial Development Agency	This is a nonprofit or governmental agency created at the request of a rural community that promotes, develops, and encourages industrial manufacturing and commercial facilities development. It may offer financial incentives to attract, retain, and expand business enterprises in its jurisdiction.
Business-led initiatives	Rural communities work with rural businesses to recruit similar or compatible industries. This effort often results in a more favorable business environment.
Infrastructure improvements	Rural community infrastructure is upgraded to accommodate the needs of specific businesses or industries. Infrastructure may include roads, public utilities, and telecommunications.
Rural Enterprise Zones	Rural Enterprise Zones provide incentives to businesses for investing in a designated distressed area. Incentives may take the form of tax credits, infrastructure improvements, or other types of business incentives.

Another type of "new employer" comes from the creation of home-based and micro-business enterprises. A recent study in Mississippi found a wide variety of home-based businesses, including business information management, construction, crafts, secretarial, maintenance and repair, and computer; more than one-third were in rural areas that had populations of less than 1,000 ("Home-Based . . .," n.d.). In the same study, half of the businesses were profitable, one in five was breaking even, and less than one in five was losing money.

Provide Financial Capital

Historically, rural investment activities have been funded through earnings, debt and equity capital, governmental assistance, and support from foundations, but these sources have not always met the capital needs of rural areas (RUPRI Rural Finance Task Force, 1997). Loans for development in rural areas are often perceived as of higher risk, access to equity capital in rural areas is more constrained than in urban areas, and financial institutions do not fully use available mechanisms to address needs for rural capital.

Even when rural financial markets function efficiently, policy interventions may be necessary to provide sufficient financial capital for economic development (RUPRI Rural Finance Task Force, 1997):

- Public policy can be used to encourage financial institutions to meet economic development goals (e.g., creating state-level programs that provide access to capital).

- Alternative institutions, including community development corporations, could be used to overcome constraints inherent in the present structure of financial institutions.

- Special funds could be designated for micro-lending to support small-business development.

- Regulations and statutes designed for urban settings may have adverse consequences for rural areas, so ways to compensate for their effects should be considered.

- Tax incentives can be structured to encourage equity, infrastructure, and housing investment, which in turn will support economic development.

- States can enhance the capacity of community bankers through technical assistance and can facilitate the formation of partnerships across sectors and regions.

Capture More Local Dollars

Job creation and economic development in a rural community can be undermined by escaping local wealth. Some rural economies have been described as “porous”—that is, money that comes into the community leaks out, yet holding onto community wealth is essential to attracting new businesses, keeping and expanding businesses, and retaining and attracting residents. “Leaks” in community wealth can be plugged by encouraging local businesses to grow and expand and by community governments and residents working to plug holes (Exhibit 12).

Exhibit 12 **Ways to Plug “Leaks” in Community Wealth**
Local businesses can
Establish import substitution policies that provide for local production of goods imported from outside the community Expand into value-added industries Enhance or expand the use of underutilized resources
Communities can
Improve energy efficiency—energy conservation programs have a multiplier effect, increasing the disposable income of businesses and residents Expand human services to ensure an adequate supply, which affects business and residential decisions to stay or relocate to a community Develop recreational activities so that people will want to live there Rehabilitate the housing stock to improve the tax base and ensure an adequate supply of affordable housing Establish community schools as a resource center, which can make better use of the community’s human and physical capital Engage in self-development, where a local organization or government entity develops and invests local resources in a business enterprise, which is then owned and controlled by the locality

Sources: “Capturing Local Wealth,” 1987; Flora et. al., 1992.

Capture More Global Dollars

Rural economies are now part of a global economy. No matter how physically isolated a community may be, telecommunications, the Internet, satellite television, and increasingly efficient transportation systems now link rural communities to the outside world. In this environment, rural communities are better positioned to market unique aspects of their location to outside businesses without having to face many of the challenges of geographic isolation (“Capturing Local Wealth,” 1987).

Taking advantage of de-isolation can be a strategic economic development tool. Rural communities can assess what they have to offer and target a number of business enterprises for relocation and job creation. Strategies that have been used include:

- Tourism—Many rural communities have natural resources, historical sites, and other attractions that are (or could be) of interest to tourists. Investing in services for travelers, accommodations, and the attractions themselves are ways to bring businesses and jobs to rural communities.

- Retirees—As the population ages and the elderly become wealthier, creating rural retirement destination communities becomes a viable economic development strategy. Retiree attraction has been found to increase localities' tax bases, stimulate service-related industries targeted to the elderly, and boost local churches, charities, volunteerism, and other civic activities (Reeder, 1996). There are some drawbacks to this strategy: many of the created jobs are low-wage service sector jobs; elderly residents may require certain public services, especially health-related ones; and retirees sometimes have views on public policy issues (such as taxes, schools, and development) that differ from those of an area's indigenous residents.

- Housing development—Rural communities in close proximity to larger urban areas can market themselves as "bedroom communities." Bedroom communities attract more affluent residents to the community, thereby increasing the tax base, the need for localized services, and the construction industry. Some drawbacks to this type of "residential recruitment" are that new residents can significantly alter the culture of the community and many jobs created by housing development are low-wage and in the retail and service sectors.

WORKFORCE DEVELOPMENT

Over time, the primary welfare to work strategy shifted from a "human capital" approach to a "work first" approach (Cohen, 1998a; Holcomb et al., 1998). "Work first" emphasizes job placement over education and training and encourages quick job placement (regardless of pay).

Research indicates that the most successful programs are actually a cross between the human capital approach and work first, using a mix of employment and skill-building services (Strawn, 1998). This situation is complicated by TANF, which places time limits on welfare assistance and limits the extent to which other activities, such as education and training, count toward meeting work participation requirements (Cohen, 1998a; Strawn, 1998).

With this increased emphasis on quick entry into the paid labor force and self-sufficiency, there is a higher demand for workforce development. Many welfare recipients have very low educational and workplace skill levels. A 1995 study of single welfare mothers found that nearly 65 percent did not have high school diplomas (Spalter-Roth et al., 1995). The problem is further exacerbated because an estimated 25 to 40 percent of welfare recipients have learning disabilities (Cohen, 1998a).

The primary challenges faced by welfare to work programs are (Strawn, 1998):

- helping recipients for whom the job search is not successful,
- helping recipients find better jobs with higher wages, and
- helping recipients stay employed.

To meet the challenges, programs must adopt a variety of both employer- and recipient-focused approaches to workforce development. The following presents various activities under the topic of workforce development.

Employer Involvement

It is critical that workforce development programs establish strong linkages with local employers (National Governors' Association, 1997, 1998; Brown et al., 1998). Programs need to work closely with the private sector and other employers to ensure that recipients are trained and prepared to meet the needs of employers. By working together, programs can better prepare recipients for available jobs and employers can work to continue recipients' training and skill development.

Job Search and Job Readiness

Job search activities vary from program to program, ranging from telling applicants to look for a job to providing structured assistance. Practices include having participants conduct a job search before engaging in other activities, staff stressing the importance of finding work quickly, and programs imposing strict work requirements and enforcing sanctions for noncompliance (Holcomb et al., 1998).

Education and Training

Education and training activities are broad and include vocational training, on-the-job training, basic skills training, and post-secondary education. The focus on education and training has been greatly reduced under the "work first" approach as the emphasis has been shifted to "quick entry into the workforce" (Holcomb et al., 1998). Still, there is a need to upgrade the skills of entry-level workers because meaningful job advancement and wage increases are often possible only through additional education and training (Elliott et al., 1998).

In rural areas, education and training activities intersect with welfare to work strategies in an important way: many areas do not have enough low-skilled jobs for recipients who lack advanced skills (Cohen, 1998a), but education and training opportunities to prepare rural residents for high-skilled occupations are more limited (U.S. General Accounting Office, 1992).

Soft Skills Development

Some welfare recipients are not equipped with the skills and attitudes necessary to succeed in the workplace. Programs prepare these recipients with the necessary "soft skills"—such as how to balance work and family, appropriate workplace behavior, communication skills, work ethics, and punctuality. Several programs even simulate the work environment during job search and training activities (Elliott et al., 1998).

Unpaid Work Experience

Unpaid work experience, also known as community work experience, community service, or workfare, has welfare recipients work for public or nonprofit employers in exchange for welfare benefits. A review of evaluations of unpaid work experience programs from the 1980s showed little evidence that such placements affected recipients' future employment and earnings (Brock et al., 1993). However, this approach has increased in prevalence since the implementation of welfare reform, with its requirements for work participation (Cohen, 1998b). Those participating in unpaid work experience tend to be recipients who are unable to get paid employment or are not ready to enter the workforce (Holcomb et al., 1998).

Publicly Funded Jobs

Publicly funded jobs appear to have a greater effect on recipients' future employment and earnings than unpaid work experiences (Cohen, 1998b). Also known as subsidized employment, publicly funded jobs provide an opportunity for recipients to work for employers, which in turn receive subsidies that are diverted from welfare payments. To date, very limited numbers of TANF participants have been placed in publicly funded jobs; more common in urban than in rural areas, it is an option that some programs reserve for recipients who are not able to find a job after the specified period of job search.

Workforce Investment Act

The Workforce Investment Act (WIA) of 1998 (P.L. 105-220) has important implications for welfare to work strategies. Administered by the U.S. Department of Labor and consistent with the "work first" approach, WIA coordinates job training, adult education and literacy, and vocational rehabilitation programs. WIA could become a solid resource for TANF recipients, especially because the law emphasizes linkages between programs in several ways, including (1) a State Workforce Board with representatives from business and 14 programs (including public assistance) and (2) one-stop delivery systems for helping individuals get access to employment, training, and education programs ("Workforce Investment Act of 1998," 1998).

COMMUNITY COMMITMENT

Both anecdotal and systematic evidence point to the value of community commitment in effecting positive change among disadvantaged populations (e.g., Schorr, 1997). In short, communities that work together and accept responsibility for devising and implementing welfare to work strategies are more likely to experience greater success in helping people achieve economic self-sufficiency than those that pursue isolated, segmented strategies. With this approach, the entire community—business, education, human services, faith institutions, local government, and the like—becomes involved in welfare to work strategies (Beaulieu, 1999).

The community commitment strategy has evolved from two converging streams in service delivery that have been developing over the past few decades. The first derives from the concept of "social capital" (Jacobs, 1961), which posits that social and economic systems function better when actors in the systems connect with each other, develop trust, and engage in a collective approach to matters facing their community (Briggs, 1998; Gittell and Vidal, 1998; Putnam, 1995). The second is often referred to as "service integration," which derives from the practice of multiple agencies working together to focus on common issues and overcome boundaries inherent in categorical programs, separate accountability mechanisms, and diverse programmatic emphases (Kahn and Kamerman, 1992).

Factors that facilitate the development of community commitment include (Gardner, 1989; Flora, 1997; Schorr, 1997; Gittell and Vidal, 1998):

- a clear mission and objectives
- genuine, visible involvement from key leaders and stakeholders
- professional, well-trained staff
- strong ties to the target community
- networks and bridges across diverse groups
- availability of flexible funds

- authority to act and accountability for actions taken

- broad-based participation

A major challenge that pervades efforts at community commitment is the seeming inability to "scale up" from small, successful programs to those designed to serve a larger population (Nelson, 1993; *Wingspread Conference*, 1993). Although the community commitment approach has not yet been documented in the research literature on rural welfare to work strategies, it seems particularly appropriate, given the relatively small size of the rural TANF population and the emerging practice of linking rural service providers—both public and private, formal and informal—to work with that population.

TRANSPORTATION

Providing transportation options to low-income residents is frequently mentioned by service agencies as a factor in welfare to work programs. When county welfare administrators were asked to identify the most common reasons job-ready participants do not get jobs, lack of transportation was one of the top barriers identified and the second most frequently cited reason for individuals not being employed (Hughes, 1997).

As stated by Rodney Slater, the Secretary of Transportation, "Transportation provides the 'to' in 'welfare to work.'" Rural areas face many unique circumstances in meeting the transportation challenge in welfare reform. Unlike urban areas, rural areas have fewer jobs available, and they may have greater distances between job sites. With the influx of TANF participants who need transportation to travel to education, training, work experience, or employment locations, providing new transportation options to disadvantaged rural residents will be a critical feature of programs designed to help the poor achieve economic self-sufficiency.

Rural Transportation Needs

Many rural residents must leave their communities and go "into town" or to the closest population center to find employment. Nationally, nearly three out of four rural counties have an average out-commuting rate from their towns of more than 35 percent (Aldrich et al., 1998). The smaller the rural settlement, the more likely that its residents travel to another town for employment.

About one-third of all rural residents are classified as transit dependent (Rucker, 1994).[16]

[16] A "transit dependent" individual is one who is elderly, disabled, or poor.

Employment and human service agencies are the main destinations for rural public transit riders: 20 percent of all trips are work-related, 17 percent are associated with human services, another 14 percent are for medical services, and the remainder are for assorted reasons (Rucker, 1994). This suggests that the Section 18 public transportation services[17] are already serving a large proportion of the rural welfare population.

Public Transportation

Although Section 18 public transportation provides over 95 million trips for rural residents each year, close to 40 percent of all rural residents live in areas with no form of public transportation (Rucker, 1994; Kaplan, 1997). Another 28 percent live in areas with very low levels of service provision (Community Transportation Association of America, 1995). Compared to urban areas, rural America is relatively underserved by public transportation. Some form of public transportation is in 64 percent of all nonmetropolitan counties adjacent to urban areas with sizable populations, compared to 44 percent of those counties not adjacent to an urban area. Data from the National Personal Transportation Survey suggest that nearly 80 percent of rural counties have no public bus service (U.S. Department of Transportation, 1995).

Rural economic development can be positively affected by transportation programs because they provide links to jobs, offer rural businesses access to customers, and enhance the movement of commercial products (*Economic Development Digest*, 1998). Nearly 1,200 public transportation systems now exist in rural communities across the United States. These systems create significant benefits where they exist, and many communities without such systems are working to have them implemented (Burkhardt et al., 1997).

Public transportation can provide low-income residents the ability to commute to jobs, but public transportation entails relatively high costs and planning challenges in rural areas. To serve the TANF population effectively, public transportation might need to be expanded in terms of routes (to include multiple stops) and the addition of nonpeak and night service hours—which could further increase costs.

Recently, geographic information systems (GIS) mapping software has played a role in improving public transportation systems. GIS has been used by case workers and others to determine where most public assistance recipients live, along with the location of suitable employment opportunities, day care centers, and job training sites. GIS mapping software makes

[17] In 1978, Congress created a program of transit assistance to areas other than urbanized areas. Section 18 funds are apportioned to the states according to a statutory formula based on each state's population in rural areas and places of less than 50,000 residents. These funds are used for a wide range of rural public transportation programs, including Fixed Route, Demand Response, and Subscription programs. In 1994, Section 18 programs were renamed Section 5311.

it possible to engineer the most efficient and plausible routes to transport people to all of these services. It is also a powerful tool for understanding the specific dimensions of mobility problems and can be used for planning and maintaining geographic data on a particular transit system (Community Transportation Association of America, 1998).

Private Vehicles

To help rural TANF recipients with their transportation needs, expanding public transportation is one (potentially costly) option; facilitating private vehicle ownership is another. The prevalence of private vehicle ownership is slightly higher in rural areas than in urban areas, but nearly one out of every 14 rural households does not own a vehicle (Burkhardt et al., 1997) and nearly 57 percent of the rural poor do not own a car (Rucker, 1994).

Because public transportation is limited in many rural areas, many individuals have had to rely on some form of private transportation for their commuting needs. In 1990, nearly 90 percent of all nonmetropolitan commutes were in private vehicles (Pisarski, 1996). In the past, family and community networks played an important role in facilitating travel for some low-income rural residents. Several recent studies indicate that a large number of welfare recipients carpool or rely on friends for rides to work (Brister et al., 1997; Cummings, 1998; Hattervig, 1998), but these studies are limited by relatively low response rates.

Transportation issues in rural areas are very much interrelated with other welfare to work issues, especially the issue of child care. Given the greater distance between work and child care sites in rural areas, effective public transportation services may need to be more flexible, allow for multiple stops, and allow for greater total distances traveled. This reality contributes to the popularity of private vehicle ownership programs in rural sites because private vehicles provide greater flexibility than public transportation.

Many challenges are associated with promoting private vehicle ownership among welfare recipients:

- The relatively high cost of owning a private vehicle creates a barrier for many welfare recipients.
- Individuals without a license (including those with suspended licenses) cannot use this form of transportation.
- Some welfare recipients may need to develop skills necessary to purchase and care for a car, such as money management and automobile maintenance.

Transportation Strategies

Rural organizations, governments, and human services agencies have used various strategies to provide transportation for rural residents making the transition from welfare to work. Some transportation issues have been addressed on an individual level through vouchers, donations, and programs to promote individual car ownership. Public transportation issues have been addressed through better coordination of resources, increasing collaboration among agencies, public/private partnerships, and strategic planning. Strategies used in rural transportation programs are summarized in Exhibit 13.

Exhibit 13

Transportation Strategies in Rural Areas

Approach	Comment
Public school buses	Programs using school buses work with local school districts to allow residents to ride on scheduled bus routes to work or for educational purposes.
Leasing vehicles	Vehicles are secured through donations of local businesses, and clients then lease a vehicle, subject to certain restrictions and obligations.
Private car ownership	Cars are obtained through donations from local businesses, and clients purchase the vehicles if they meet certain criteria and agree to specific conditions of car ownership.
Subsidies for taxis	Recipients are given a specific amount of money for transportation by taxi.
Gasoline vouchers	Local gas stations are reimbursed for vouchers presented to them by recipients.
Loans	Working with area banks and businesses, agencies help recipients secure low interest or no interest loans; payments are usually put back into a revolving loan fund for other recipients.
Carpooling	Residents with cars are linked with others from the same area who need transportation.
Volunteers	Area residents, including senior citizens, volunteer to transport recipients to jobs, medical appointments, and educational services.
Corrections officers, volunteer fire departments	Personnel provide rides during second and third shifts.
Subsidized public transportation	Employers pay transportation expenses.
Vans	In areas without buses, fleets of vans are used as an alternative form of public transportation.
Create public transit	Entities collaborate to create some form of a public transit system where there has been none, usually relying on a variety of transportation options.

Source: National Rural Development Partnership, 1998.

Virtually no research has been conducted that evaluates the results or impacts of various transportation options for rural TANF recipients, and no studies have been conducted on transportation options that provide rural TANF recipients the ability to gain or sustain employment. Many positive factors have been mentioned as resulting from rural transportation programs (Exhibit 14).

Exhibit 14

Positive Factors Resulting from Rural Transportation Programs

Factor	**Comment**
Collaboration	Government agencies, area businesses, school districts, and other entities join together to solve transportation problems. Through coordinated planning, transportation services are created around existing programs so as not to duplicate services.
Cost savings	Money for transportation needs is saved by using available equipment or joining with a program already in operation.
Flexibility	Programs can be designed to provide flexible transportation options or schedules, a valuable service for those working nontraditional hours.
Local transportation system gets more riders	Local residents are encouraged to use public transportation through financial help.
Help fill second and third shifts	Transportation program makes it possible to meet the needs of employers with nontraditional work hours.
Mentoring	Recipients have the opportunity to interact with volunteers.
Responsibility	Clients are given the opportunity to purchase a vehicle, make payments, and care for the vehicle.
Skills/training	Participants obtain additional skills when they take classes to learn more about owning and caring for a vehicle.

CHILD CARE

One of the most significant challenges for parents (especially single parents) working outside the home is getting affordable, accessible, high-quality child care. This need is particularly critical for preschool children, both because they need good care to meet their physical and safety needs and because of the importance of preschool years for social and cognitive development (Caspi et al., 1998; Duncan et al., 1994; *Starting Points*, 1994). Concerns have also been expressed about the need to increase the amount and improve the quality of care for school-age children (Riley et al., 1994).

PRWORA consolidated four major federal child care programs into the Child Care and Development Fund (CCDF), which is a block grant that, for fiscal year 1997, increased funding by 27 percent from previous levels (Long and Clark, 1997). The CCDF gives states flexibility in designing and funding child care services. States may use only federal funds, states may get additional federal support by raising their child care spending, and states may shift funds from TANF to child care.

Supply of Child Care

As more and more single parents enter the workforce to meet TANF requirements, the need for child care will increase. One recent study estimated that for children under 13, less than half could be served if states used all the federal funds available for the population, one-third could be served if states maintained their prior level of spending on child care, and about one-fourth could be served if states spent no state funds on child care (Long and Clark, 1997).

The need for additional child care slots is an issue in both urban and suburban areas. Where demand for child care will increase, providers may need to expand services during second- and third-shift hours, and services may need to be organized so that sick or special needs children can be taken care of (U.S. General Accounting Office, 1995a). This set of demands may even be a bigger challenge in rural areas, where low population density may result in fewer available child care centers (Kaplan, 1998).

Relative vs. Center-Based Child Care

Rural employed mothers are more likely than urban employed mothers to use relatives for child care; they are less likely to use center care (Casper 1996; Emlen, 1991; Hofferth et al., 1991). This situation may have implications for the ability of rural welfare recipients to achieve economic self-sufficiency because one study—although not based on rural experiences—found that working mothers who relied on relatives for child care were 2.2 times more likely to leave a job than working mothers who used day care centers ("Child Rearing and Employment Turnover," 1997).

Child Care in Rural vs. Urban Areas

Other than investigations into relative- vs. center-based care, very little research has explicitly compared child care provision in rural and urban areas, so knowledge about the subject is limited. The research that has been done shows that:

- Rural families with employed mothers and preschoolers spend less per week on child care than urban families (Hofferth et al., 1991), and the cost of child care is significantly lower in rural areas (Emlen, 1991).

- Distances traveled from home to child care are much greater in rural than urban areas—those in the most rural areas travel about double the distance traveled by those in the largest urban area (Emlen, 1991).

These differences suggest that lessons about the effectiveness of child care for welfare recipients—which are based almost exclusively on urban settings—cannot be automatically applied to rural settings. For example, although unlicensed, informal child care is generally thought to be of lesser quality than that provided in regulated child care centers (see, for example, Kontos et al., 1995), that knowledge comes from experiences in urban areas; whether it applies to rural areas has not yet been determined.

Given the importance of child care as a barrier to employment for mothers moving into the labor force, it is critical to know more about how the characteristics of rural child care (fewer choices, greater distances from home to child care, lower costs) affect the ability of rural parents to become self-sufficient and the well-being of their children.

Child Care Strategies

States and communities have tried various strategies to provide child care to welfare recipients, as displayed in Exhibit 15.

The following outcomes have been reported for rural child care programs:

- Collaboration—Government agencies, local businesses, churches, and others join together to solve local child care problems.

- Mentoring—Through programs, recipients and their children interact with volunteers.

- Parent education—Training classes are provided for participating parents.

- Mini-grants—Child care providers receive financial support to help them achieve their goals.

- Flexibility—Programs provide flexibility of child care options for parents in need of nontraditional child care.

- Intergenerational—Programs provide opportunities for children to interact with older residents.

Exhibit 15

Child Care Strategies

Approach	**Comment**
Establish child care initiative	Through a collaborative effort, communities identify child care needs and build partnerships for future action.
Apprenticeship/training	The goal is to prepare future child care providers to meet child care needs of the area.
Church-based child care	Child care program established in churches.
Nursing home-based child care	Child care provided in area nursing homes.
Employer-sponsored child care	Employees use child care facilities provided by their employers.
Facilities development	Loan funds and programs provide support for construction and renovation of child care facilities.
Employer incentives	Used to encourage employers to provide assistance, programs offer loans, grants, or tax incentives to employers that support child care facilities (e.g., by designating space for child care centers in business settings).
Head Start	Head Start programs may provide full-day, year-round services.

Sources: Kaplan, 1998; National Rural Development Partnership, 1998.

HARD-TO-SERVE WELFARE TO WORK PARTICIPANTS

As long as the country has had public assistance programs, individuals with special needs have been able to receive benefits and remain not particularly visible within the welfare system. Now, with TANF's work requirements, time limits, and sanctions, those who have special challenges in facing the shift to self-sufficiency are receiving additional attention. In fact, there is a growing consensus (although little direct evidence) that welfare reform, to date, has moved easier-to-serve, more employable TANF recipients into jobs, leaving those with more intransigent problems on the nation's welfare rolls (Kramer, 1998; Pavetti et al., 1996).

A review of the literature suggests eight factors that can affect a TANF recipient's transition from welfare to work (Olson and Pavetti, 1996):

- physical disabilities or health limitations

- mental health problems
- children's health or behavioral problems
- substance abuse
- domestic violence
- involvement with child welfare
- housing instability
- low basic skills and learning disabilities

Identifying Barriers

Most programs do not systematically assess welfare recipients to determine whether they have any of these barriers to employment (Seefeldt et al., 1998). In fact, there can be wide disagreement about (1) the definition of the barrier and (2) the numbers and percentages of individuals who face these kinds of challenges. For seven of the eight barriers listed above, the variance in estimated prevalence is at least 10 percentage points across various studies (Olson and Pavetti, 1996).

What's a Barrier?

There are no common definitions of barriers to employment, which means there are many ways of characterizing and counting the affected population.

In terms of *physical disability*, recent studies have found the following:

- woman or child has disability—30 percent of AFDC families
- disabled mother or severely disabled child—20 percent of AFDC families
- mother or child has disability or chronic health problem—43 percent of California AFDC families
- work limitation—17 to 19 percent of AFDC mothers
- serious disability—10 percent of AFDC mothers

For *substance abuse*, recent studies have found the following:

- alcohol or drug use—over one-third of women ages 26 to 33 who received welfare
- significant alcohol- or drug-related impairment—5 percent of AFDC recipients
- some alcohol- or drug-related impairment—11 percent of AFDC recipients
- use of any illegal substance—21 percent of AFDC recipients
- use of any illegal substance other than marijuana—11 percent of AFDC recipients

Sources: Jayakody et al., 1998; Kramer, 1998.

Multiple Barriers

One barrier to employment can be sufficient cause for concern, but multiple barriers can pose serious challenges to a TANF participant's ability to achieve economic self-sufficiency. Estimates of the size of the population with multiple barriers vary widely:

- A study of single mothers on welfare in an urban Michigan county found that 65 percent had more than two barriers (Danziger et al., 1998).
- In a program that served teen parents, staff records showed that 40 percent of participants had multiple problems (Quint, 1991).
- A review of case records in Utah concluded that one-third of public assistance recipients had more than one barrier and showed that longer-term participants were dramatically more likely to have multiple problems than shorter-term participants (Pavetti, 1995).
- Data from the National Longitudinal Survey of Youth show that nearly 50 percent have more than one of the eight barriers listed previously (Olson and Pavetti, 1996).

Effects of Barriers on Ability to Work

The low skill level among welfare recipients has been well documented as the most common barrier to work (Olson and Pavetti, 1996). Welfare recipients with low skill levels are likely to get jobs—if they are able to get jobs—with low pay, unpredictable hours, and few fringe benefits. Achieving self-sufficiency under these circumstances may be very difficult.

Information is not solid about the effects of other barriers—whether singly or in combination—on a welfare recipient's ability to secure and retain gainful employment. It is clear, for example, that many substance users can be sufficiently functional to get a job and keep it. National estimates are that just under 10 percent of the United States' workforce (both former welfare recipients and those who have never received welfare) is composed of heavy alcohol drinkers (Substance Abuse and Mental Health Services Administration, 1997), but they manage to keep that potential barrier enough out of the workplace to perform adequately. It is equally clear, however, that some sets of barriers could present nearly insurmountable challenges to achieving self-sufficiency. For instance, a mother who has a suspected learning disability, has been a victim of domestic violence, and has an asthmatic child could well face some intimidating events.

An indicator about the effects of barriers comes from employment histories of people with barriers to work. Research has shown that recent employment histories are no different for those who have barriers and those who do not. The problem comes from the lack of *continuous* employment for those with barriers to work: 7 percent of employed recipients with an employment barrier (other than low skill levels) had worked for at least 50 weeks of the preceding two years, whereas about 25 percent of recipients without employment barriers had worked for at least 50 weeks during that period (Olson and Pavetti, 1996).

Approaches to Serving the Hard-to-Serve Population

By definition, the hard-to-serve population—in both urban and rural areas—will almost undoubtedly require greater assistance in complying with TANF requirements. It is not clear, however, where different service strategies will be necessary for urban and rural areas. For example, rural areas are likely to have fewer shelters for abused women and their children, thus forcing the issue of how program providers can best meet their needs. At the same time, many urban areas have insufficient space to provide housing for victims of domestic violence.

The following are approaches that may prove beneficial in helping the hard-to-serve welfare population achieve self-sufficiency.

- Accurately diagnosing barriers is challenging. Many individuals are reluctant to disclose personal information, such as domestic violence or substance abuse, that can affect their ability to work. Assessment tools are not often used (Pavetti et al., 1996); moreover, there is little evidence that assessment tools are particularly effective in diagnosing barriers or helping participants get jobs. Without an accurate diagnosis, services provided may be inappropriate and needed services may be absent.

- The addition of transitional child care and Medicaid should be helpful, especially for parents who want to work but need help for their children (Olson and Pavetti, 1996).

- Because fully one-third of current welfare recipients demonstrate extremely low levels of skills, human services staff may need to pay special attention to identifying appropriate labor markets for these individuals and alternative education and training options (Olson and Pavetti, 1996).

- Post-employment services may be particularly important for ensuring that the hard-to-serve retain their jobs (Pavetti et al., 1996; Olson and Pavetti, 1996). Rather than considering these as “closed cases,” human services agencies may want to develop mechanisms for routine, supportive contact.

- The most effective way to prepare the hard-to-serve population for self-sufficiency appears to combine education and training with work experience (Hanken, 1998; Strawn, 1998).

- Intensive case management may be necessary for this segment of the population, with caseloads of between 20 and 50 per staff member. A trusting relationship between case worker and client appears to be of great importance in achieving success (Pavetti et al., 1996), which suggests that administrative aspects of the welfare system may need to be reviewed and restructured.

- Co-location of specialized staff (such as substance abuse clinicians) and welfare agency personnel can facilitate diagnosis and placement (Pavetti et al., 1996). Co-location can also alleviate case workers' responsibility for matters, such as determining a client's mental health status, that are usually beyond their purview and training to detect.

RESTRUCTURING ADMINISTRATIVE ELEMENTS OF THE WELFARE SYSTEM

The far-reaching changes that PRWORA and state public assistance programs have introduced into the welfare system include changes in administrative structures that provide services to welfare recipients. A primary example concerns the functions of front-line workers: once responsible mainly for eligibility determination, they now serve more as employment counselors (U.S. General Accounting Office, 1998).

In addition, because of the way that the human services system is structured in rural areas, local agency staff may face challenges in implementing welfare reform practices. Public officials in rural communities often work part-time, and those communities are less likely to have the human capital and financial resources needed for public administration, economic development, and strategic planning (Garkovich, 1998; Garkovich and Irby, 1998). They are also less likely to have the capacity to respond to state block grant opportunities (Reeder, 1996).

This section reviews three administrative aspects of the welfare system and their associated changes: case management, co-location of services, and changing the culture of welfare offices. It also presents information about emerging changes in the welfare caseload that are attributed to changes in TANF's administrative structure. We emphasize that information presented in this section draws almost exclusively from knowledge about practices in urban settings, but it is plausible that the same conditions are being experienced in rural areas.

Case Management

Not long ago, case management was found primarily in health care settings. Case management was performed by social workers or nurses and centered on individuals—such as those released from long-term mental health facilities under deinstitutionalization practices—whose day-to-day needs exceeded those services available through any single agency or funding stream (Marks, 1994).

With the advent of JOBS under the Family Support Act of 1988, case management entered the welfare system in a substantial way (Gueron and Pauly, 1991). For the segment of the population subject to JOBS requirements, case workers conducted needs assessments, developed employability plans, monitored compliance, approved training and work activities, and became a single point of contact for the JOBS participant.

With TANF, case management has spread far further throughout the welfare system. This is due to both:

- the shift in philosophy underlying public assistance, from providing support to maximizing work; and
- the establishment of self-sufficiency plans, wherein a welfare recipient and the case worker jointly develop written statements about the activities that the recipient will pursue to obtain a job.

Under optimal conditions, the case manager has the tools necessary to conduct work, including assessment instruments that determine the recipient's areas of strength and weakness (including the barriers discussed above), a format for an employability plan that is substantively meaningful (rather than merely a checklist of referrals made), access to other providers in the human services system, and a sufficiently small caseload to maintain regular, in-person contact with those who need such interactions.

Case managers also need flexibility and the authority to treat their clients according to their individual needs. For instance, some successful programs do not stipulate the amount of contact that case managers must have with their clients, but rather defer to the case managers' judgment about the frequency of interacting with clients (Pavetti et al., 1996). To perform their responsibilities with flexibility and authority, case managers must also have the skills and training to adapt their job requirements so that they can meet individual needs (Johnson and Meckstroth, 1998). Adapting to new job responsibilities could be challenging for front-line workers who shifted from being intake workers conducting eligibility determinations according to set formulas to become, under TANF, counselors responsible for helping their clients obtain and retain employment (Hamilton et al., 1997).

Rural case managers are likely to face some issues their urban counterparts do not, such as:

- A major function of the case manager is to refer welfare recipients to other parts of the human services system that can provide needed support. In rural areas, those services (such as education and training) are likely to be in shorter supply or less accessible (especially for those who lack reliable transportation) than in urban areas.

- Rural areas do not have the anonymity of urban areas. A rural welfare recipient who has a substance abuse problem or is experiencing domestic violence may be more reluctant than an urban TANF recipient to reveal the matter to a case worker. The two may overlap in a small community in ways that are improbable in larger cities (e.g., at the grocery store, in church).

- The geographic dispersion, isolation, and limited transportation of rural areas means that case managers and their clients are not easily able to meet face-to-face. Given the importance of personal interaction in this relationship, the work they do together may be adversely affected.

Coordination of Services

In response to categorical programs that artificially separated elements of the human services system, many communities have responded by integrating services (Bender, 1998), co-locating services (Yates, 1998), or establishing other ways to coordinate services (Kogan et al., 1997). Under these models, representatives of multiple agencies work together—either in the same setting or in separate offices—to provide more wholistic services to TANF participants. The goal of coordinated services is to remove burdens from the welfare recipient, such as:

- going from one place to another and completing multiple intake procedures to be certified as eligible for services;

- obtaining necessary support (e.g., cash benefits, food stamps, transportation vouchers, child care referrals, and appointments for health care) from multiple, sometimes segmented providers; and

- encountering possible conflicts in program requirements.

With the breadth of services that many TANF recipients will need to achieve self-sufficiency—especially those who cannot readily find and keep jobs—service coordination is likely to grow. In establishing or expanding coordinated services, the predominant models generally involve:

1. Out-stationing staff, wherein each participating agency assigns a few staff members to a work site away from the central office, often in a place more accessible to the welfare population.

2. Linking service providers, often through face-to-face meetings, who are serving the same family.

3. Identifying one case manager who will help a given family navigate the human services delivery system.

With coordinated services, local entities must consider several factors. First, although these approaches offer a more comprehensive strategy than traditional service delivery models, they can affect staff work and morale both positively and negatively. To be effective, for example, out-stationed staff need electronic access to records (e.g., to determine eligibility, identify service providers with available slots, assess appropriateness of services already received), connections to the home base (e.g., for information sharing with colleagues, reporting to supervisors), and resources to do their jobs (e.g., if the agency distributes transportation vouchers, the out-stationed staff need to have transportation vouchers at their work site).

Second, staff members' authority must be made clear, especially with regard to (1) the decisions about services they can make and (2) information they can share with staff from other agencies. If, for example, they do not need a supervisor's permission to approve a client's enrollment in a job training course, both the staff member and the supervisor need to understand this clearly. Similarly, if staff members are not allowed to share potentially sensitive information about a welfare recipient (e.g., the individual is on a waiting list for residential substance abuse treatment), the lines need to be well-defined and carefully respected.

Third, performance measures need to recognize that staff serving in capacities that require them to coordinate services may not be able to meet job expectations held of other staff. Those who regularly attend staffing conferences with representatives of other agencies may, for example, not be able to sit on committees the same way that their office-based counterparts can.

> Enthusiasts [of streamlining] rightly point to pumped-up administrative productivity, better access for customers, and less demand for more expensive long-term services. But the nagging short-term cost problem may put a damper on these reforms until elected officials buy the long-term reasoning (Kraus, 1996).

Fourth, although coordinated services make good sense and hold substantial promise for helping TANF recipients achieve self-sufficiency, they may incur initial costs that exceed previous service delivery costs. In some cases, the additional costs may be due to increased caseloads (Kraus, 1996).

Changing the Culture of the Welfare Office

To the extent that PRWORA accomplishes its stated and intended goals, it will be through the work of welfare office staff (Hercik, 1998a). They are responsible for communicating the message of self-sufficiency to welfare recipients, helping recipients acquire services that will enable them to obtain and retain jobs, monitoring compliance with training and job-readiness programs, linking TANF participants with community resources, and supporting some clients through the dramatic shift from dependency to independence (Hercik, 1998b).

This set of responsibilities is significantly different from the work historically required of welfare agency staff. Previously, case workers focused on eligibility determination—checking pay stubs and utility bills, establishing the value of a recipient's assets, and so forth, then entering information into a system that automatically produced a monthly check. Now, case workers must focus on the individual—assessing a client's personal strengths and shortcomings, reviewing the person's educational and employment history, helping that client understand that public assistance is no longer available for indefinite periods, and providing counseling so the welfare recipient can get a job (Holcomb et al., 1998; U.S. General Accounting Office, 1998).

Although there has been much discussion about the need to change the "culture of welfare," very little has yet been documented about the specific ways that state and local offices of human services are implementing these changes. One set of preliminary findings indicates that (1) front-line staff have not yet fully embraced the philosophy of TANF and its emphasis on self-sufficiency; (2) local-level offices that go through some transition are more likely to evidence culture change than those that stay static in terms of operations; and (3) co-location may work against communicating the TANF message in that welfare recipients seem to understand the shift more when they need to go from one office to another (Lurie et al., 1998).

Moreover, the administrative structure surrounding TANF and the emphasis on "work first" have resulted in two unanticipated changes in the welfare caseload. First, the rate of decline in Medicaid and Food Stamp Program recipients has been unexpectedly precipitous, and some observers believe that the decrease in Medicaid and food stamp participation rates is probably linked to welfare reform (Sherman et al., 1998; Swarns, 1998). Under AFDC, Medicaid and food stamp eligibility was often automatically determined by the receipt of cash assistance. Under TANF, diversion programs designed to keep people off cash assistance may have the effect of deterring their eligibility determination for Medicaid and food stamps.[18] Additionally, there is some concern that (1) case managers may, purposefully or inadvertently, not fully inform TANF applicants and recipients leaving public assistance of their eligibility for other programs, and (2) individuals eligible for Medicaid and food stamps may not fully understand the requirements for enrolling in those programs (Sherman et al., 1998).

In light of these changes, programs designed to develop rural welfare to work strategies probably need to incorporate the following considerations:

- Not all front-line workers will welcome the shift from eligibility determination to employment counseling (Seefeldt et al., 1998).

- Case workers will have different levels of skills to respond to the changing environment. Some may require training and close supervision to perform their new responsibilities effectively (Seefeldt et al., 1998).

- Human services agencies may need to change the performance standards for evaluating staff (Meyers et al., 1998). For example, successes at job placement and retention may need to be added to traditional measures such as error rates.

- With the decreasing caseload, those who remain on welfare may present special needs that require case workers to extend themselves beyond familiar work zones. Staff will need to be particularly cognizant of welfare recipients whose barriers to employment may not be immediately obvious (e.g., domestic violence).

- The devolution of authority from the federal government to the states is in many instances being emulated in the devolution of authority from the states to the local levels. County departments of human services may require additional types of staff, training, and resources to manage these responsibilities effectively.

- For welfare reform to be ultimately successful, agencies will need to look beyond the immediate pressure to reduce caseloads and incorporate services that are available to help families achieve economic self-sufficiency.

[18]The Health Care Financing Administration is currently investigating this phenomenon in New York City to determine whether potential Medicaid and Food Stamp Program participants have been unfairly excluded from enrollment (Swarns, 1998), and a recent court decision requires changes in New York City's practices for TANF applicants (Swarns, 1999).

SUMMARY

This chapter has discussed several key areas where features of rural America and factors of welfare recipients' abilities to achieve economic self-sufficiency intersect. To have successful welfare to work strategies, rural areas will need to generate a sufficient number of stable jobs that pay good wages. Possible methods of doing so include working with employers to create jobs and improve benefits, encouraging employers to expand their businesses, attracting new employers, providing financial capital, and capturing more local and global dollars.

Transportation—or the lack of it—is particularly crucial in rural welfare to work initiatives. Because of geographic dispersion, welfare recipients need access to reliable, affordable transportation to get to work, training and educational opportunities, and child care. Rural communities have tried various strategies to provide transportation options, including vehicle ownership programs, use of public school buses, and volunteers.

Other aspects of rural welfare to work strategies have not received much attention in the research literature. These include workforce development, child care, barriers that recipients face in achieving economic self-sufficiency, and changes in the administration of welfare programs.

V. CONCLUSIONS

This document has synthesized available knowledge and, where appropriate, drawn inferences from studies about the ways that welfare reform is likely to affect rural welfare to work strategies. Current research shows the conditions that rural welfare recipients are likely to face and some ways that they differ from urban welfare recipients.

What is most remarkable, perhaps, is the relative dearth of systematic, evaluative information about rural welfare to work strategies. For several reasons, the population and the subject have received very little attention from the welfare research industry:

- The low number of welfare recipients in rural areas creates methodological challenges that evaluations cannot easily accommodate. The low figures mean that participants cannot be assigned to treatment and control groups that are large enough to draw statistically meaningful conclusions from.

- The diversity of rural areas impedes researchers' ability to "control" for environmental conditions.

- The low incidence of rural welfare participation means that rural welfare matters are less likely to generate public and political attention than urban welfare matters.

- The resources required to produce statistically valid findings about rural welfare matters are probably substantially higher, relative to the size of the population that could be affected by those findings.

- Until ACF began the rural welfare to work strategies initiative, the federal government (traditionally a major sponsor of important welfare-related research) had paid scant attention to welfare operations in rural settings.

Although we have tried to exploit available information and make plausible inferences where little research on rural matters has been conducted, we are struck by the long list of questions that remain unanswered. Foremost among them is: ***What set of strategies is most likely to produce economic self-sufficiency, for what types of welfare recipients, and under what conditions?*** Additional unanswered questions include the following:

1. Why is the use of cash assistance in rural areas less than in urban areas?

2. Are rural areas using TANF (or other) funds to help create stable, good-paying jobs? If so, how?

3. How prevalent are barriers to employment among rural TANF populations? How available are services to address their needs?

4. Is child support a problem for rural welfare recipients? If so, what approaches to obtaining child support are successful?

5. What is the extent of nontraditional work hours in rural areas, and what are communities doing to help welfare recipients with issues related to working during nontraditional hours (e.g., child care, transportation)?

6. How are micro-businesses and home-based businesses faring for TANF participants in rural areas? Has telecommuting become an employment option?

7. How are rural communities establishing cooperative ventures to achieve welfare to work success? Are joint ventures more successful than single-focus approaches?

8. What kinds of transportation options are most successful in helping rural welfare recipients get to appointments, jobs, training, and child care?

9. To what extent have rural communities demonstrated a commitment to welfare reform? How is this evident?

10. How do rural welfare agency staff differ from their urban counterparts, and what effect does this difference have on TANF participants' ability to achieve economic self-sufficiency?

Answers to these questions can help policymakers, program planners, and community members as they work to accomplish the goals of welfare reform.

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