

Southern Rural Development Center Mississippi State University

Economic Downturns and Welfare Reform: An Exploratory County-Level Analysis

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Over the past 20 years, the U.S. economy has experienced remarkable growth. The combination of rising incomes, low and declining rates of unemployment, low interest rates, and rapid GDP growth have led to a booming stock market. Since new firms are being created and many old firms are expanding, job creation has been rapid. While the strong economy makes it easier for individuals to move off welfare, problems remain. First, not all areas of the United States are sharing equally in the growing economy. Second, certain welfare recipients, primarily younger and less-educated workers, face different and often more limited employment prospects than those of most workers. Third, past welfare recipients still face a variety of barriers to employment that are beyond their control.

In this study, the authors examine the relationship between recipients' characteristics, local economic conditions, and the decline in welfare program participation in Kentucky counties. They develop a statistical model to quantify the effect of an economic downturn on welfare caseloads, and to separate the effects of welfare recipients' characteristics from the effect of local economic conditions on changes in welfare case-

loads. Their dependent variable is a function of the reduction in county-level adult caseloads between June 1997 and January 1998.

County economic conditions affecting caseload reductions include the unemployment rate, recent job growth, and the number of retail sector jobs per adult welfare recipient. Other factors that may affect transitions into the workforce—and that are beyond the control of individuals—include availability of daycare for children and the presence of Family Resource Youth Service Centers. Whether a welfare recipient lives adjacent to a metro area should also affect the likelihood of transitions. The authors use five variables to capture individual characteristics of adult welfare recipients that affect transitions into the workforce, independent of local county conditions: age of the recipients, average number of children per recipient, previous amount of time on assistance, educational attainment, and previous work experience.

Their results show that an increase in the unemployment rate, a decrease in the availability of retail sector jobs, and rural status of a county each reduce the rate at which caseloads decline. The directions of these effects match theoretical expectations, and the effects are statistically significant. The proportion of recipients who are young, who have been on welfare rolls for longer periods, who have less prior work experience, and who have low levels of educational attainment all had negative effects on caseload decline, everything else being equal. The average education of recipients and the unemployment rate in a county were the most important factors affecting caseload reductions. Thus, the authors suggest that a combination of policies targeted at raising the education attainment of former recipients and stimulating job growth would be more effective than other policies in maintaining caseload reductions during a recession. Overall, they found recipients' individual characteristics "explained" 33 percent more of the variation in caseload reductions than did county-level economic conditions, even though more variables were included for economic conditions than for individual characteristics.

Assessing Food Insecurity in Kentucky

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The purpose of this study is to measure the nature and extent of food insecurity in Kentucky using a relatively inexpensive, reliable survey method. The authors used the University of Kentucky Phone Survey, a telephone survey of approximately 1260 Kentucky households in which each residential telephone line has as an equal chance of being contacted. The survey was conducted in March/April and July 1999. The authors modified food security questions from the National Health and Nutrition Examination Survey (NHANES) III for their survey. They asked respondents to provide answers that represented their own and their family's experience. Five questions were asked, including one question specifically concerning children in the household.

Survey respondents were representative of the demographics of the State, with a small over-representation of higher income and educated people due to phone access. To compensate for this, results were statistically weighted to account for the population without phones.

The authors classified households as food insecure when the respondents answered that they and their family sometimes or often did not have enough to eat. The results showed an estimated 6.5 percent of Kentucky households were food insecure, with 1.1 percent responding positively to "often not having enough to eat" and 5.4 percent responding to "sometimes not having enough to eat." Sixty-six percent of food insecure households indicated experiencing at least one day in the past 12 months without food or money to buy food. Of those indicating at least one day without food, 88.5 percent reported that this was due to not having enough money, food stamps, or WIC vouchers. Households with children had more than double the rate of food insecurity as households without children. The proportion of food-insecure minority households was 14.5 percent, almost triple the non-Hispanic white level of 5.2 percent.

The results of the Kentucky survey are not directly comparable to national survey data on food insecurity. However, Kurzynske and McGough found that food-insecure households in Kentucky have demographic characteristics similar to national samples: they are the poor, those with less formal education, families with children, minorities, and Food Stamp and WIC program participants. They conclude that the Kentucky Research Survey Center's telephone survey of Kentucky households is a relatively inexpensive, expedient method to monitor State food insecurity trends.

The Impact of Food Stamp Reforms on Elderly in Mississippi

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This study examined the nature and extent of hunger, food insecurity, and nutritional health issues in the elderly population of Mississippi. Lokken combined research and teaching to conduct the study, using a two-phase data collection process. In phase I, students conducted 62 face-to-face interviews with elderly individuals, collecting qualitative data which they used to develop the survey instrument for phase II of the study. The students were responsible for conducting telephone interviews during phase II of the study, resulting in 212 completed interviews.

Lokken and her students explored the following issues: (a) the adequacy of current food stamp allotments, (b) the effects of food stamp reforms on the elderly, (c) the degree of hunger and food insecurity and the patterns of eating among low-income elderly in Mississippi, and (d) the characteristics of the high-risk elderly. Qualitative findings from phase I indicate hunger and food insecurity in Mississippi. The major food issue affecting low-income elderly is the lack of sufficient money to purchase healthful foods, including fresh produce and meat. Other issues include lack of

access to transportation, poor overall health, and lack of nutrition education.

For the second phase, respondents were randomly selected from a purchased telephone list of 10,000 Mississippi residents who were 55 years of age or older and had household incomes of 150 percent or less of the poverty level for a family of two. Of the 212 respondents, 19.4 percent were currently receiving food assistance, 49.5 percent had less than a high school education, 47.9 percent were White and 49.3 percent were African American, and 77.4 percent were female.

Lokken tested several hypotheses in the second phase of the study. First, she expected to find that low-income elderly currently receiving food stamps would be made better off (that is have lower levels of hunger, food insecurity, and nutritional risk) than those not receiving food stamps. Her regression results showed that three factors have a significant impact on food insecurity: current food assistance receipt, ethnicity, and access to adequate cooking utensils. However, without controlling for factors affecting the individual's decision to participate in the Food Stamp Program, this result cannot be taken as an indicator of the effect of food stamp receipt on food insecurity.

A second set of hypotheses examined a number of possible predictors of food insecurity and hunger among low-income elderly in Mississippi. Lokken found a number of factors statistically related to experiencing food insecurity and hunger, including food stamp participation, ethnicity, level of education, recent changes in weight, poor health, eating fewer than two meals per day, often being without enough money to buy food, lacking adequate cooking utensils, and having tooth or mouth problems.

Food Assistance in East Alabama: Issues of Access and Need

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Food banks are a relatively recent private, nonprofit response to changes in the welfare system and the growing recognition that hunger is a real and relatively widespread problem. The growing reliance on private food assistance makes it increasingly important that information be gathered on how private food banks operate and on the needs of the client and potential client base for these institutions.

This study focuses on the East Alabama Food Bank (EAFB), which is part of the Second Harvest system of food banks. It serves several counties in east central Alabama and covers a mix of rural and urban communities. Through probability-in-proportion-to-size methods, Molnar et al. randomly selected six rural and six urban member agencies of the EAFB. They focused specifically on food pantries that distribute food for

home preparation and consumption. They developed a case study of these agencies through site visits and interviews with directors.

The authors also conducted face-to-face interviews of a sample of over 200 low-income community residents, including food bank users and nonusers. They collected data on demographic characteristics, economic characteristics, reasons for their need for food assistance, level of “food insecurity,” transportation needs and availability, history of food pantry use, perceived obstacles to food pantry use, and use of government programs such as food stamps or Temporary Assistance for Needy Families.

Molnar et al. examined their survey results for differences in urban and rural responses. A large portion of the total sample had children under 18 years old living at home. Many respondents were single mothers. A sizable subgroup of rural pantry users were elderly people. The majority of respondents had incomes less than \$15,000 per year, with rural residents somewhat more likely to be in the lowest income brackets.

Food pantry users reported a high level of satisfaction with the services received. Transportation to the pantry site was a problem at least sometimes for a quarter of pantry users both in rural and urban locations. The biggest obstacle for nonusers appeared to be lack of knowledge. A central finding of the study is the high degree of variability in the operation of the different food pantries within the EAFB system.

From Welfare Reliance to Wage Work: A Report on Food Security Among Louisiana's Rural Welfare Population

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The purpose of this study is to advance knowledge and understanding of welfare reform and food assistance issues in the rural South through interviews with former and soon-to-be former welfare-reliant women in Louisiana. The authors are interested in the early progress, barriers to success, and needs of welfare-reliant families, with particular emphasis on issues such as the nontraditional mechanisms women use to establish food security and make ends meet for their families. Their paper is a preliminary report from a second round of qualitative interviews with a targeted group of rural Louisiana women.

From fall 1997 through spring 1998, the research team conducted the first round of qualitative interviews with 84 women in 7 rural Louisiana parishes at the sites where the women participated in GED classes or training programs. Beginning in late fall 1998, the team began visiting these women again; at the time of their initial report on the research, 52 women had been interviewed in the second round. Respondents were asked a wide variety of questions pertaining to their transition away from welfare reliance, including those on the short form of the USDA Food Security module. The authors summarize the quantitative responses the women gave to the food security items and to related

open-ended questions about food sources and strategies for feeding their families.

By the second interview, only 21 percent of the women were still participating in the welfare program through the Family Independence Temporary Assistance Program (FITAP), Louisiana's Temporary Assistance to Needy Families program. Approximately two-thirds of the women reported still receiving Medicaid benefits for themselves while just over 90 percent of the women reported that their children were still receiving Medicaid benefits. Most of the women (87 percent) still received food stamps for their household. The average monthly food stamp benefit of those still participating in the program was \$249. Few women indicated that church or community food banks or pantries were available in their communities. More than 86 percent of the women reported that their children ate free or reduced-price school breakfasts and lunches.

A majority of the women reported food security in their households. However, approximately 20 percent of the women reported concerns over their food security; these women may be experiencing anxiety over their food supply. The food insecurity of these women seemed to be attributable to their inability to serve "balanced meals" as often as they would like, rather than to an actual shortage of food. The provisioning strategies of these women were typical of strategies reported in the research literature: they reduced the size of meals, skipped meals, served meals they did not consider nutritionally balanced, and let their children eat first, taking what was left for the adults in the family.

For the women interviewed for this study, and for women like them around the Nation, the transition from welfare reliance to wage-based self sufficiency is just beginning. The authors suggest it will be important to continue monitoring such women and their families to ensure that food assistance programs like food stamps support their transition.

Assessing the Benefits and Problems Associated with the Use of Electronic Benefits Transfer for Food Stamps in Macon County, Alabama

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Zekeri collected qualitative and survey data in Macon County, AL, to examine the benefits and problems associated with Electronic Benefits Transfer (EBT) from the recipients' point of view. Recipients were asked to identify benefits and problems with using EBT and whether EBT reduces benefit waste, fraud, and abuse. Of the 1,100 food stamp recipients in the county randomly selected to participate in the study, 857 responded to the questionnaire.

Zekeri found a majority of the sampled recipients (75.3 percent) felt that the EBT system is a "good" method of delivering Food Stamp Program benefits. Sixteen percent rated the system "fair." Only a few respondents rated EBT "poor." The responses to other questions indicated that large majorities of Macon County food stamp recipients prefer EBT to coupons. Most respondents (74 percent) found the EBT card easier and better to use than paper coupons.

Approximately 63 percent said the system reduces the stigma associated with using food stamps in grocery stores.

Most recipients (87 percent) believe the EBT system is a safe method of delivering food stamp benefits. Seventy-nine percent felt that EBT is more reliable and secure than coupons. According to recipients, then, the EBT system may reduce costs of issuing and redeeming program benefits by reducing losses from fraud and abuse.

Overall, food stamp recipients in Macon County, AL, who have experienced both the EBT and coupon systems overwhelmingly prefer EBT. Reasons reported for preferring EBT included general convenience, increased security against loss or theft, and reduced embarrassment or stigma.

The majority of food stamp recipients surveyed saw no major problems with the EBT system. Nearly three-fourths of all respondents indicated that there were no problems with the system. Specific issues respondents rated as "not a problem" included using the card to buy food (84 percent), keeping the Personal Identification Number (PIN) secret, knowing your Food Stamp account balance (79 percent), taking good care of the card (75 percent), getting help from store cashiers (75 percent), remembering your Personal Identification Number or changing it (67 percent), replacing lost cards (66 percent), and using the card outside of Alabama (61 percent).