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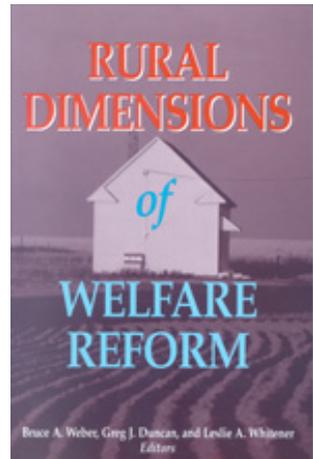
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# Introduction: As the Dust Settles: Welfare Reform and Rural America

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# Introduction

## As the Dust Settles: Welfare Reform and Rural America

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The Personal Responsibility and Work Opportunity Act of 1996 (PRWORA) dramatically transformed the federal safety net and the food assistance landscape for low-income households in the United States. Although considerable research has focused on understanding how these reforms are affecting the lives of low-income families, most research to date has focused on urban settings. Yet there is reason to think that welfare reform may not be working as well for the almost 7.5 million people living in poverty in nonmetropolitan areas (Rural Policy Research Institute 2001; Cook and Dagata 1997). America's recent economic boom has left a poorer menu of job options for rural than urban families, and unemployment, underemployment, and poverty levels remain higher in rural than in urban places (Cook and Gibbs 2000).

In May 2000, the Economic Research Service of the U.S. Department of Agriculture, the Northwestern University/University of Chicago Joint Center for Poverty Research, and the Rural Policy Research Institute co-sponsored a research conference to explore the rural dimensions of welfare reform and food assistance policy. This conference brought together some of the nation's leading academic researchers, poverty policy evaluators, rural scholars, and welfare policy

experts to review current research on welfare reform outcomes in rural areas. This volume contains revised versions of over half of the papers presented at the conference, selected on the basis of policy relevance, plus one additional paper specifically commissioned for this volume.<sup>1</sup> It represents the first comprehensive look at the spatial dimensions of PRWORA, examining how welfare reform is affecting caseloads, employment, earnings, and family well-being in rural and urban areas.

## **REFORMING WELFARE**

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 is the most significant social welfare legislation in more than 60 years, modifying the nation's cash welfare system and having both direct and indirect effects for food stamps and other federal assistance programs. The long-term guarantee of benefits under a variety of programs has been eliminated in favor of a short-term temporary assistance program to help families get back on their feet. States have been given more flexibility in designing and implementing programs that meet their needs, and individuals have been given added personal responsibility to provide for themselves through job earnings and for their children through child-support payments by absentee parents. The key provisions of PRWORA are summarized in Table 1.

Specifically, the new legislation replaced the entitlement program Aid to Families with Dependent Children (AFDC) with the Temporary Assistance for Needy Families (TANF) program, which is funded through block grants to states. TANF emphasizes moving from welfare to work by imposing a five-year lifetime limit on receiving federal welfare benefits, requiring recipients to participate in work activities within two years of receiving benefits, and penalizing states that have too few recipients in work activities by reducing the federal contribution to their TANF funds. The federal government provides a block grant of fixed size to each state and no longer shares in the cost increases or decreases associated with rising or falling caseloads.

Assessment of the effects of welfare reform in rural and urban areas is complicated by the increased variation among state programs. Diversity in state welfare policies was already under way in the early to

**Table 1 Key Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996**

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<p>Establishes Temporary Assistance for Needy Families (TANF) that</p> <ul style="list-style-type: none"> <li>• Replaces former entitlement programs with federal block grants</li> <li>• Devolves authority and responsibility for welfare programs from federal to state government</li> <li>• Emphasizes moving from welfare to work through time limits and work requirements</li> </ul> <p>Changes eligibility standards for Supplemental Security Income (SSI) child disability benefits</p> <ul style="list-style-type: none"> <li>• Restricts certain formerly eligible children from receiving benefits</li> <li>• Changes eligibility rules for new applicants and eligibility redetermination</li> </ul> <p>Requires states to enforce a strong child support program for collection of child support payments</p> <p>Restricts aliens' eligibility for welfare and other public benefits</p> <ul style="list-style-type: none"> <li>• Denies illegal aliens most public benefits, except emergency medical services</li> <li>• Restricts most legal aliens from receiving food stamps and SSI benefits until they become citizens or work for at least 10 years</li> <li>• Allows states the option of providing federal cash assistance to legal aliens already in the country</li> <li>• Restricts most new legal aliens from receiving federal cash assistance for five years</li> <li>• Allows states the option of using state funds to provide cash assistance to nonqualifying aliens</li> </ul> <p>Provides resources for foster care data systems and a national child welfare study</p> <p>Establishes a block grant to states to provide child care for working parents</p> <p>Alters eligibility criteria and benefits for child nutrition programs</p> <ul style="list-style-type: none"> <li>• Modifies reimbursement rates</li> <li>• Makes families (including aliens) that are eligible for free public education also eligible for school meal benefits</li> </ul> <p>Tightens national standards for food stamps and commodity distribution</p> <ul style="list-style-type: none"> <li>• Reduces the maximum food stamp benefit from 103 percent to 100 percent of the Thrifty Food Plan</li> <li>• Caps standard deduction at fiscal year 1995 level</li> <li>• Limits receipt of benefits to three months in every three years by childless able-bodied adults age 18–50 unless working or in training.</li> </ul>	
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mid 1990s through a process that permitted waivers to federal welfare requirements for state experiments or pilot programs. In response to the flexibility provided through waivers and then under TANF, state programs varied widely as governments made their own decisions about eligibility and benefits, time limits, work participation requirements, and other aspects of personal responsibility. State programs differ, for example, on sanctions imposed for noncompliance, the amounts and types of assets that are used in determining eligibility and benefits, the time period for work requirements, and the design of child care and transportation assistance programs (Gallagher et al. 1998; Liebschutz 2000; Nightingale 1997).

An equally important state variant is the level of responsibility assigned to the administration of welfare. Thirty-five states have vested responsibility for policymaking, funding, and administration in the state government, but the remaining 15 states have devolved responsibility to local counties and communities.<sup>2</sup> Liebschutz (2000) argued that this “second-order devolution” leads to heightened discretion for local governments and allows greater flexibility in the types and delivery of services offered to families. Gais et al. (2001) caution that local administration will be difficult unless states create an information infrastructure to help local administrators understand the magnitude and nature of the problems facing families in their areas. This volume helps to capture the diversity of state programs by examining program operation and welfare reform outcomes in 12 predominantly nonmetropolitan states.

In addition, PRWORA has had direct and indirect implications for the Food Stamp program, the largest federal food assistance program and a mainstay of the federal safety net.<sup>3</sup> Although the legislation decentralized the welfare system with block grants to states, the centralization of the Food Stamp program was maintained at the federal level. Directly, the 1996 legislation affected the Food Stamp program by

- reducing the maximum food stamp benefit from 103 percent to 100 percent of the Thrifty Food Plan;
- limiting benefits to 3 months in every 36 months for able-bodied adults without dependents, unless they are working or in training;
- limiting deductions from income when calculating benefits;

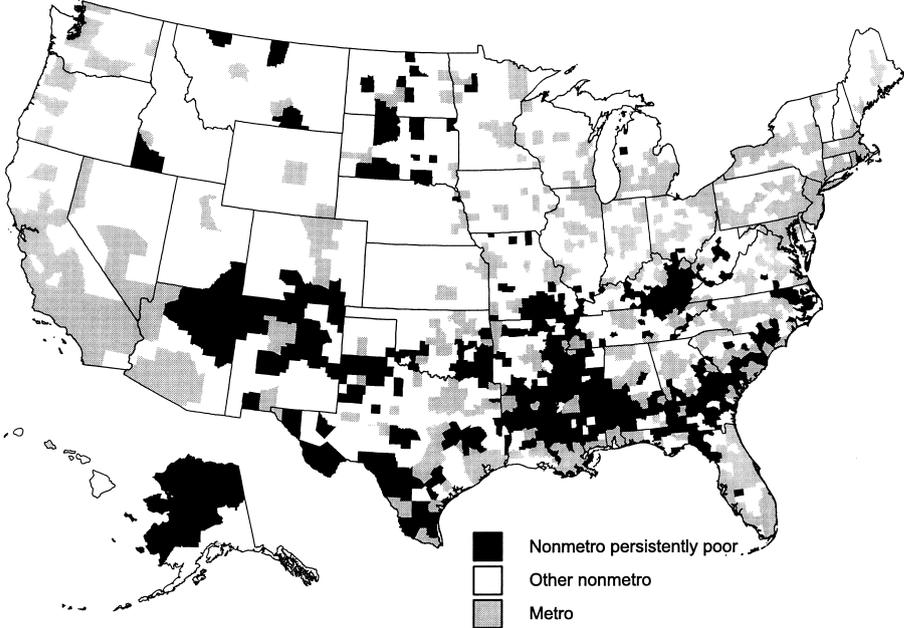
- giving states increased powers to reduce or eliminate food stamp benefits if the recipient does not comply with the rules of other public assistance programs; and
- restricting most legal aliens from receiving benefits until they become citizens or work for at least 10 years.

Indirectly, research has suggested that welfare reform has operated in several ways to reduce food stamp participation. A recent review of studies of TANF “leavers” found that many TANF participants who have left the cash welfare program have also stopped receiving food stamp benefits, even though they are likely to still be eligible (Dion and Pavetti 2000). State diversion policies, local office practices, and misinformation about the program may be operating to increase the difficulty for eligible families to enter the Food Stamp program (Wilde et al. 2000). Three of the chapters in this volume address issues related to the effects of welfare reform on food stamp participation and its outcomes.

## UNDERSTANDING THE RURAL CONTEXT

What do we mean by “rural”? Our understanding of the rural context and its importance for assessing policy and program effectiveness is complicated by the lack of a consistent definition of rural. Often when researchers and policy analysts discuss conditions in rural America, they are referring to conditions in nonmetropolitan areas. Metropolitan areas are defined by the Office of Management and Budget to include core counties with one or more central cities of at least 50,000 residents or with an urbanized area of 50,000 or more and total area population of at least 100,000. Fringe counties (suburbs) that are economically tied to the core counties are also included in metropolitan areas. Nonmetropolitan counties are outside the boundaries of metro areas and have no cities with 50,000 residents or more (Figure 1, nonmetro counties shown in black or white). Although most analysts use the terms “nonmetropolitan” and “rural” interchangeably, the official definitions are quite different. According to the Bureau of the Census, *rural areas* are defined as places (incorporated or unincorporated)

Figure 1 Over 500 Nonmetro Counties Are Classified as Persistently Poor



NOTE: *Persistently poor* counties are defined as nonmetro counties with 20% or more of their population in poverty in each of the years 1960, 1970, 1980, and 1990, as measured by the decennial censuses.

SOURCE: Economic Research Service, USDA.

with fewer than 2,500 residents and open territory. *Urban areas* comprise larger places and densely settled areas around them.<sup>4</sup> Most (but not all) of the studies in this volume use the metropolitan/nonmetropolitan classification of counties in their analyses, and most use the terms “rural” and “nonmetropolitan” interchangeably. Readers are encouraged to examine the definition of “rural” used in each chapter.

During the 1990s, the national economy enjoyed an unprecedented period of economic growth. Unemployment rates reached 30-year lows, and employment continued to expand. Efforts by the Federal Reserve Board successfully restrained inflation while sustaining economic growth. Rural areas, in general, shared in the good economic times. Yet, even in the face of strong economic growth, rural labor markets will often follow the improving national patterns, but they will not converge with urban trends. Thus, at the close of the century, nonmetro poverty remained 2 percentage points higher than in metropolitan areas, with over 14 percent of the nonmetro population living below poverty. Unemployment and underemployment remained higher in nonmetro than metro labor markets, and job growth was slower. Nonmetro areas lagged metro areas in both per capita income and earnings per job (Cook and Gibbs 2000). Thus, rural families are facing fewer job options than urban families at a time when large numbers of lower-skilled rural residents will be leaving the welfare rolls and entering the labor force.

Also, many rural areas are characterized by conditions that are likely to impede the move from welfare to work, irrespective of population characteristics or the health of the local economy. As a result of low population densities in rural areas, distances to jobs are often great, creating needs for reliable transportation; key social and educational services may be unavailable or are available only with a long commute; and child care options are fewer and harder to arrange. To the extent that rural and urban areas differ in their support services, policy impacts may vary. Several chapters in this book address issues related to barriers affecting the welfare-to-work transitions for low-income families in rural areas.

Yet, rural America is characterized by diversity. Some areas have participated in the economic progress of the nation, while others have not (Economic Research Service 1995). For example, more than 500 nonmetro counties have been characterized by chronically high levels

of poverty and unemployment over the last four decades and offer special challenges for welfare reform (Figure 1).<sup>5</sup> Welfare reform successes in these persistently poor areas may be more difficult to achieve than in many other nonmetro areas because of structural and human capital disadvantages inherent in the history and culture of the areas and the general weakness of their local economies. A main distinguishing feature of these persistently poor counties is the disproportionate number of economically at-risk people, including racial/ethnic minorities, female-headed households, and high school dropouts (Table 2). At the same time, the local economies of these areas do less well than other nonmetro places. Population and employment growth for persistently poor counties fall below that of nonmetro counties as a whole; unemployment and poverty rates are considerably higher; and earnings per job and per capita income are considerably lower.

Persistently poor counties are heavily concentrated in the South, with representation in Appalachia, the Ozark-Ouachita area, the Mississippi Delta, the Rio Grande Valley, and the Native American reservations of the Southwest and Northern Plains. These chronically poor counties contained 19 percent of the nonmetro population and 32 percent (2.7 million) of the nonmetro poor in 1990. The nature of the welfare reform challenges facing some of these persistently poor, nonmetro counties is discussed in several of the state studies presented in this volume.

## **ASSESSING THE OUTCOMES OF WELFARE REFORM**

A major goal of PRWORA is to reduce long-term welfare dependency in favor of employment. Both cash assistance and food stamp participation have fallen dramatically in recent years (Figure 2). AFDC and TANF caseloads declined 47 percent, falling from a high of 14 million in 1994 to 7.5 million in 1999. Food Stamp program participation fell from 27.5 million participants in 1994 to 19.4 million participants in 1999, a 30 percent decline. Most of the decline for these two programs took place from 1996–1998, following the enactment of PRWORA and during a period of unprecedented and sustained national economic growth. These trends demonstrate the responsiveness of poverty

**Table 2 Counties with Persistent Poverty: Selected Characteristics**

Characteristic	Counties with persistent poverty	All nonmetro counties
No. of counties	535	2,276
% of nonmetro population, 1999 <sup>a</sup>	18.5	100
Population change <sup>a</sup> (%)		
1980–90	–0.16	2.69
1990–99	6.15	7.61
Annualized employment change <sup>b</sup> (%)		
1979–89	0.5	0.9
1989–99	0.8	1.1
Unemployment rate <sup>b</sup> (%)		
1990	8.1	6.5
1999	7.1	5.2
Poverty rate, 1990 <sup>c</sup> (%)	29.1	18.3
Black population, 1990 <sup>c</sup> (%)	21.2	8.0
Hispanic population, 1990 <sup>c</sup> (%)	7.8	4.3
Female-headed households with children, 1990 <sup>c</sup> (%)	7.5	5.2
High school dropouts <sup>c</sup> (%)	14.3	11
Earnings per job, 1998 <sup>d</sup> (\$)	22,931	24,408
Per capita income, 1998 <sup>d</sup> (\$)	17,910	21,384

<sup>a</sup> Bureau of the Census.

<sup>b</sup> Bureau of Labor Statistics, Local Area Unemployment Statistics.

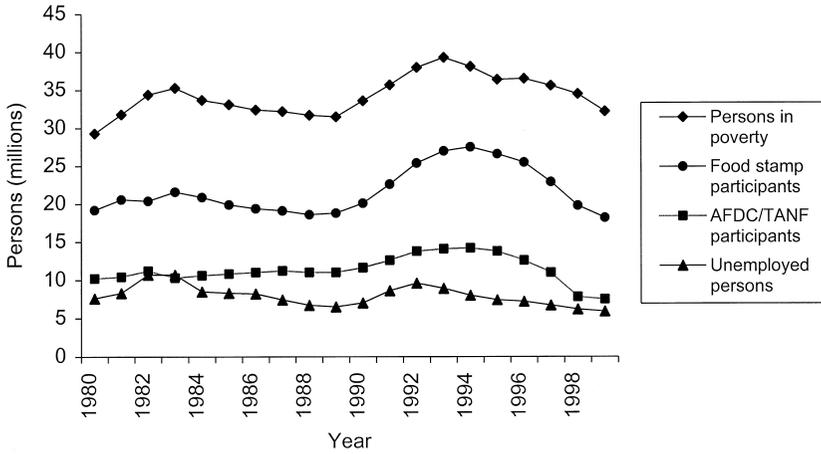
<sup>c</sup> 1990 Census of Population.

<sup>d</sup> Bureau of Economic Analysis.

SOURCE: Calculated by USDA, Economic Research Service.

and caseloads to economic conditions (as measured by unemployment), but they also suggest that a large proportion of the nation's poor has not been participating in the two major federal safety net programs, even before enactment of PRWORA. In 1995, for example, almost 10 million people living in poverty were not receiving food stamps, and over 23 million were not receiving cash assistance under AFDC. Little is known about rural/urban contrasts in caseload responses, especially in states where county unemployment and poverty rates range widely.

**Figure 2 AFDC/TANF and Food Stamp Participants, Persons in Poverty, and Unemployed Persons, 1980–1999**



SOURCE: Calculated by ERS based on data from the Bureau of the Census, USDA Food and Nutrition Service, Department of Health and Human Services, and Bureau of Labor Statistics.

Disentangling the influence of a healthy economy and policy changes is important to understanding what lies ahead for federal assistance programs in both rural and urban areas. Several chapters in this volume focus attention on the determinants of changing TANF and food stamp caseloads in rural areas.

A second goal of welfare reform is to increase self-sufficiency of former welfare recipients through employment. National-level studies have suggested that welfare reform is playing a major role in raising the employment rates of single mothers, with some research finding that more than half of mothers leaving the welfare rolls are employed at some time after ending their welfare participation (Cancian et al. 1999; Holzer 1999). Questions about how rural recipients who have left the rolls are faring and if their experience differs from that of their urban counterparts remain unanswered. Can rural welfare recipients find work? Have welfare-to-work transitions improved the economic well-being of rural recipients? Have declines in welfare and food stamp assistance increased food insecurity and hunger for low-income rural

families? Many of the chapters in this volume address these questions. The booming economy of the late 1990s created the best possible environment for former welfare recipients entering the labor market. However, reductions in caseloads do not mean that all rural and urban families who leave the rolls are making ends meet. As Lionel Beaulieu, Director of the Southern Rural Development Center, has said, “The measure of success of this legislation should not be tied to the numerical decline in the number of welfare cases. Rather, it should be linked to how well we have succeeded in offering welfare participants a genuine opportunity to realize substantive improvement in the quality of their family and work life” (Beaulieu 2000).

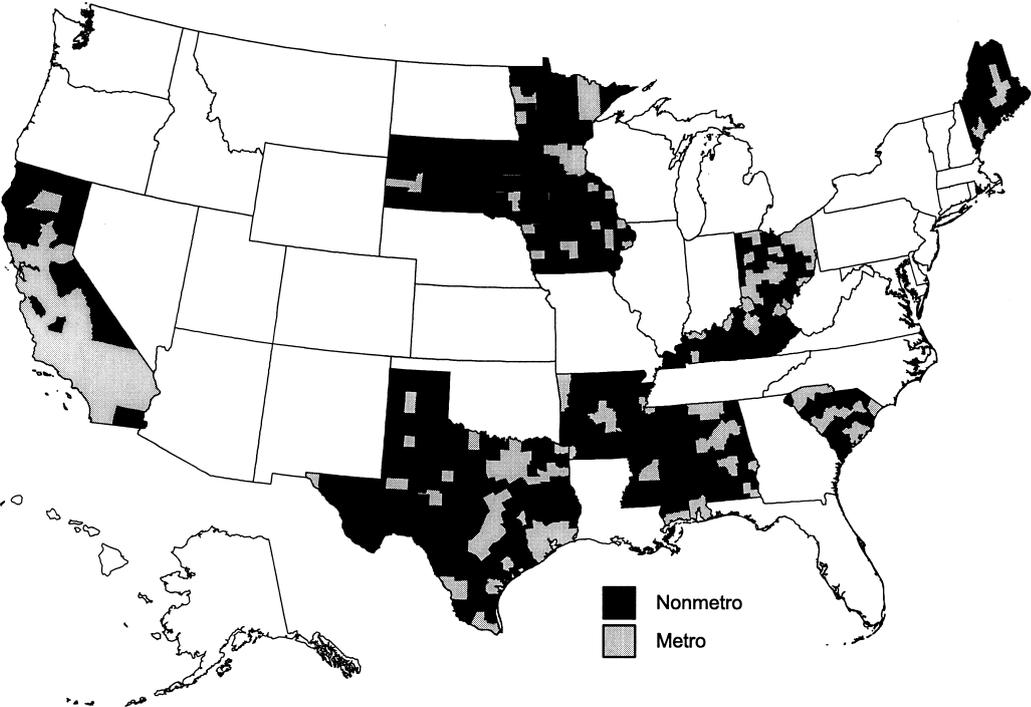
Although there are reasons to suggest that welfare reform may not be working as well for the one-fifth of the nation’s poor living in rural areas, there has been no systematic look at the rural dimensions of welfare reform. In this volume, leading policy-oriented researchers explore the rural context of welfare reform and food assistance policy and summarize the early results from qualitative and quantitative studies of welfare reform outcomes in rural and urban places. National-level analyses and information on welfare reform outcomes in 12 individual states are included. Most of the states are predominantly nonmetropolitan in character, and they represent all four major geographic regions of the country (Figure 3). Collectively, the chapters provide a sound empirical basis for the design of state policies to increase employment and well-being of low-income families in rural and urban regions.

## **ORGANIZATION OF THE BOOK**

The remainder of the book is organized into four sections that address issues related to the impacts and outcomes of welfare reform in rural areas. The first section, “Welfare Reform, Rural Labor Markets, and Rural Poverty,” sets a context for the subsequent discussion about policy outcomes. It provides an overview of the economic and policy environment in which welfare reform has been implemented.

Sheldon Danziger opens this section by summarizing three general lessons learned from studies of welfare reform effects at the national level: 1) earnings and employment have increased since 1996 due

Figure 3 States Represented in this Volume



SOURCE: Mapped by Economic Research Service, USDA, using OMB's 1993 metro/nonmetro county designations.

to a combination of favorable economic conditions and federal and state policy changes; 2) there is uncertainty about how welfare reform will play out under less favorable economic conditions; and 3) poverty levels have decreased little despite dramatic caseload declines. Using national Current Population Survey data, Danziger finds similar patterns of work effort, welfare receipt, and poverty for central city, “suburban,” and nonmetropolitan working, single mothers with children. Then, based on a panel study of urban single mothers with children who received public assistance, he finds that many welfare recipients face multiple barriers that impede work effort, and that lower work effort is associated with higher poverty status. He suggests that many current recipients who might be willing to work will “hit the time limits” because of their personal barriers, even if favorable economic conditions continue.

Robert Gibbs provides an in-depth examination of the rural labor markets within which rural welfare recipients often begin their transitions into the workforce. His chapter describes the distinctive nature of many rural labor markets, focusing on characteristics that constrain job availability and earnings and thus affect the prospects for the economic success of welfare recipients. He argues that rural labor markets may be better positioned for welfare reform than often supposed because rural and urban job structures appear to be converging. At the same time, however, rural labor markets also face significant welfare reform challenges in terms of higher unemployment and a persistent rural/urban earnings gap. In particular, Gibbs notes that the apparent lack of opportunity for many former welfare recipients to move from their low-wage to higher-paying jobs without additional education is likely to be a serious stumbling block to a sustainable wage.

Daniel Lichter and Leif Jensen provide a detailed national picture of changing rates of poverty, sources of income, and employment among rural and urban female-headed families with children. Using national data from the Current Population Survey, they find similar trends in poverty (including deep poverty), welfare receipt, labor force participation, and earnings among these rural and urban families: employment and earnings have increased and welfare receipt and poverty have declined. Nonetheless, there are disturbingly high rates of poverty among rural working women; one-third of working female heads are in poverty.

A remarkable outcome of the 1996 welfare reform act has been the unprecedented decline in welfare caseloads. The second section of the book, "Welfare Dynamics in Rural and Urban Areas," looks at the changes in caseloads in rural and urban areas of selected states, examines the interaction between welfare use and employment of low-income populations, and explores rural/urban differences in welfare reform barriers and outcomes in selected states.

Mark Henry and others use county-level AFDC, TANF, and food stamp data from Mississippi and South Carolina to examine rural and urban caseload trends within the context of local economic conditions. Their analysis shows no consistent pattern of caseload declines across rural and urban counties in these two states. However, when they control for local economic conditions, incentives facing potential workers, and policy changes, their findings suggest that rural areas will have more difficulty than urban areas in reducing both welfare and food stamp participation rates.

Henry Brady and his coauthors show that welfare use patterns in rural and agricultural counties differ from those in urban counties, largely due to differences in employment patterns and labor market structures. Using a unique combination of administrative data sets from California, they show that seasonality of employment in rural and agricultural counties has led welfare recipients to combine seasonal work with welfare in the off-season, when unemployment rates rise to high levels. With the advent of time limits, these families will have to find other ways to support themselves in the off-season once their welfare benefits have ended. Brady and his coauthors argue that rural and agricultural areas face significant challenges in finding paths from welfare to work for these families who have traditionally had work opportunities for only part of the year.

Helen Jensen and her coauthors use state administrative data to examine why some low-income households who were active in Iowa's Family Assistance Program successfully left public assistance during the 1993–1995 period and why others who left later returned. They find that rural recipients in Iowa are more likely to return to welfare than their urban counterparts during the first two quarters after leaving the program, but after this initial period, rates of return are quite similar in both areas.

Cynthia Fletcher and her colleagues, drawing on state and commu-

nity interviews with service providers and welfare recipients, examine rural and urban differences in welfare reform barriers and outcomes in seven Iowa communities selected to represent a continuum of rural and urban places. They find important differences across the rural/urban continuum related to accessibility and distance to jobs and support services. For rural families moving from welfare to work, fewer services are available locally, and when they are available, rural families have less access. The accessibility of jobs, job training and education, health care, child care, and emergency services are particularly problematic for recipients in rural areas.

In a qualitative study of local welfare administrators and welfare recipients in rural Appalachian counties in Ohio, Ann Tickamyer and coauthors find that local administrators share the values about responsibility and work that underlie welfare reform but are pessimistic about the prospects for their clients given the barriers they face and the lack of jobs in rural areas. At the same time, welfare administrators work to create interventions that make welfare clients more “work-ready” and are enthusiastic about the local autonomy they have been given in Ohio. Program participants, however, believe that local authority to impose rules has led to some capricious and irrational barriers. Some recipients view the new work-readiness interventions as paternalistic.

A major objective of welfare reform is to increase family well-being in low-income populations through employment. The third section of the book, “Employment and Family Well-Being under Welfare Reform,” looks at the impacts of welfare policies on the welfare-to-work transitions of welfare recipients.

Signe-Mary McKernan and her coauthors use the Current Population Survey, as well as data from fieldwork in 12 selected rural areas in 4 states, to assess whether the employment responsiveness of single mothers differs in rural and urban areas. The qualitative fieldwork identifies inadequate transportation, limited employment services, weak labor markets, low education levels, and shortfalls in transitional benefits as problems in rural areas. The quantitative analysis with national data finds that welfare reform is playing a major role in raising the employment of single mothers ages 19–45, but that, contrary to expectations, the gains are approximately as high in rural as in urban areas. However, although additional child care benefits increased urban employment of single mothers, they did not increase the employment of their rural

counterparts. For young single mothers with low education, moreover, welfare reform increased employment significantly more in urban than rural areas.

Lisa Gennetian and her colleagues examine the impact of an early pilot welfare reform program, the Minnesota Family Investment Program (MFIP), on employment and earnings of welfare recipients in rural and urban Minnesota. This pilot program required recipients to participate in training, offered a benefit structure to make work pay more, and streamlined benefits by, among other things, cashing out food stamps. Using an experimental analytical design in which they followed MFIP and regular AFDC participants for two years after random assignment, the authors find that MFIP increased employment in both rural and urban counties. The MFIP program had a large and lasting impact on urban participants; its impact on rural participants was smaller and it diminished over time, so that the rural effect was less than half of the urban effect by the second year. MFIP had, moreover, a significant positive impact on earnings in both years for urban participants, but it had no significant impact on rural participant earnings in either year.

“Will there be enough jobs for those leaving welfare?” is a question that has been raised frequently in welfare reform debates. This question has particular salience in rural regions, where unemployment rates are generally higher. Frank Howell assesses the capacity of labor markets in Mississippi to absorb the 1996 cohort of TANF recipients by “matching” their educational credentials with the educational profile needed for projected jobs in each labor market area from 1997–2002. He also assesses the capacity of local labor markets to provide child care. The author concludes that urban labor markets will be better able to provide both “skill-matched” jobs for welfare leavers and child care services than rural labor markets.

Because transitions to jobs are critical to the success to welfare reform, a key question focuses on employers’ view of the potential workforce of former welfare participants. Drawing on a survey of 130 Minnesota employers who participated in local welfare-to-work partnerships, Greg Owen and his coauthors first looked at the needs and attitudes of these employers in rural and suburban/urban areas. They find very little difference in attitudes between the areas, concluding that employers generally view lack of “soft skills” as the primary barrier to

workforce participation. Employers also believe their main contribution to welfare reform is their willingness to consider hiring; most employers did not believe it was their responsibility to help participants overcome their barriers. Owen and his colleagues also interviewed 395 randomly selected participants in the Minnesota Family Investment Program in rural and urban areas to determine perceived barriers to employment and self-sufficiency. In contrast with employers, welfare recipients in both rural and urban areas tended to cite structural problems such as low wages, lack of child care, and lack of education as primary barriers.

Mark Harvey and coauthors emphasize several dimensions of rural labor markets that are often neglected in more quantitative assessments of welfare reform. They examine labor market participation and involvement in assistance programs in persistently poor rural counties in Kentucky (Central Appalachia), Mississippi (Lower Mississippi River Delta), Texas (Lower Rio Grande Valley), and South Dakota (Indian reservations) to obtain a qualitative picture of the survival strategies of low-income families under welfare reform. Information was obtained from national data archives, state administrative data, records of non-governmental organizations, and interviews with community leaders and welfare recipients. Their analysis highlights the importance of the local “opportunity structures,” the centrality of the household in the labor market strategies of rural women, the central role of the informal economy in rural labor market decisions, and the importance of entrenched local power structures in the operation of rural labor markets.

The decline in food stamp caseloads after welfare reform raised concern about why eligible families are not participating in the Food Stamp program. The fourth section, “Food Assistance and Hunger: The Rural Dimension,” addresses this concern.

Sheena McConnell and James Ohls examine how well the Food Stamp program serves nonmetropolitan households. They conclude that the program is at least as successful in serving low-income nonmetropolitan households as it is in serving their metropolitan counterparts. Participation rates are higher in rural areas, and the recent declines in participation rates have occurred primarily in metropolitan areas. Their survey data suggest a high degree of satisfaction with the program in both metro and nonmetro areas.

Mark Nord uses data from the Current Population Survey Food Se-

curity Supplements to examine whether the declines in food stamp use are due to lower levels of food insecurity and hunger or to less access to the Food Stamp program. He finds that food insecurity increased substantially among low-income households not using food stamps, suggesting that the decline in food stamps is due to reduced access. However, because hunger among this population did not increase, he concludes that those who most need food assistance still have access to food stamps. Nonmetropolitan patterns are not substantially different from national patterns.

In the concluding chapter of this book, we summarize the findings of the studies presented in this volume and discuss policy implications and options. We draw several policy lessons for the federal design of welfare and food assistance policy and state implementation of welfare reform and food assistance programs.

In closing, we call attention to a statement taken from the 1995 report, *Understanding Rural America* (Economic Research Service 1995):

Understanding rural America is no easy task. It is tempting to generalize and oversimplify, to characterize rural areas as they once were or as they are now in only some places. Understanding rural America requires understanding the ongoing changes and diversity that shape it. The economies of individual rural areas differ, as do the resources upon which they are built and the opportunities and challenges they face. Some have participated in the economic progress of the Nation, while others have not. Even among those that have benefited in the past, many are not well positioned to compete in today's global economy. Each of those types of areas has different needs. No single policy can sufficiently address the needs of all.

The U.S. Congress now begins to prepare for the upcoming debate over reauthorization of PRWORA in 2002. The research studies presented in this book will provide a strong empirical basis to help inform the policy debate on reauthorization and will serve to identify some of the welfare challenges and opportunities facing rural people, their families, and their communities.

## Notes

1. Visit the JCPR Web site at <[www.jcpr.org](http://www.jcpr.org)> to download conference papers, the executive summary, and other relevant resources and information from the May 2000 conference, "Rural Dimensions of Welfare Reform."
2. For example, Wisconsin's 72 county governments and New York's 57 counties plus New York City are responsible for welfare administration in those states. In contrast, Florida, Mississippi, and Washington have state-centered welfare programs (Liebschutz 2000).
3. See Oliveira (1998) for a more detailed description of the effects of welfare reform on the food stamp and other food-assistance programs.
4. Using population counts from the 1990 Census, there were 50.9 million nonmetro county residents and 61.7 million rural residents in 1990. Thus, when using the nonmetro definition, we are missing some 29 million individuals who live in small rural towns with fewer than 2,500 residents or open territory but are classified as metropolitan residents because they live within the boundaries of a metropolitan county. At the same time, some 36 percent of nonmetro residents live in urban areas with 2,500 residents or more. See The Economic Research Service Web site at <[www.ers.usda.gov/briefing/rurality/whatisrural/](http://www.ers.usda.gov/briefing/rurality/whatisrural/)> for more information on these definitions.
5. The Economic Research Service has identified 535 persistent poverty counties that had poverty rates of 20 percent or higher in 1960, 1970, 1980, and 1990 (Cook and Mizer 1994). Persistently poor counties were not defined for metro counties as part of the ERS typology; therefore, persistently poor counties are all nonmetro. See the Economic Research Service Web site at <[www.ers.usda.gov/briefing/rurality/typology/](http://www.ers.usda.gov/briefing/rurality/typology/)> for more information on these and other county classifications.

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# **Rural Dimensions of Welfare Reform**

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