

# ISSUE BRIEF

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## TRENDS IN WELFARE-TO-WORK

### Welfare Clients' Employment Obstacles in Rural and Urban Areas: Lessons from Nebraska

by Alicia Meckstroth, Michael Ponza, and Michelle K. Derr

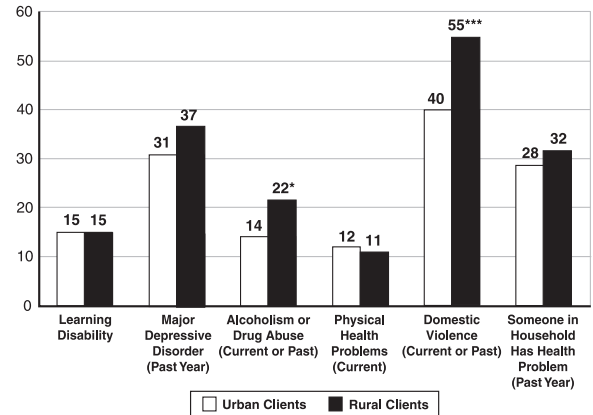
*This brief is based on Mathematica's evaluation of Nebraska's welfare program, Employment First. Through a one-year follow-up survey with a representative sample of over 400 single-mother TANF clients, we examined rural and urban clients' welfare receipt, employment experiences and obstacles, program participation and service use, and quality of life. We used well-tested batteries of questions to measure the prevalence of obstacles such as mental health problems, learning disabilities, substance abuse, and domestic violence. To complement the survey, we conducted a qualitative assessment of program strategies to address clients' obstacles and prepare them for work. This assessment was based on two rounds of site visits to rural and urban programs in Nebraska.*

#### Filling a Research Gap

Although the nation's rural areas have shared in the country's economic prosperity, poverty continues to be more prevalent and persistent in these areas than in nonrural ones, with unemployment and underemployment generally higher and average earnings lower (Weber and Duncan 2001). The lower population densities and greater geographic dispersion that characterize rural areas often result in severe transportation problems and limited employment options. Moreover, key services may be difficult to access. Few studies have compared employment experiences and obstacles for TANF recipients in rural and urban areas. Similarly, little is known about the different challenges rural and urban service providers face. This research aimed to address these gaps.

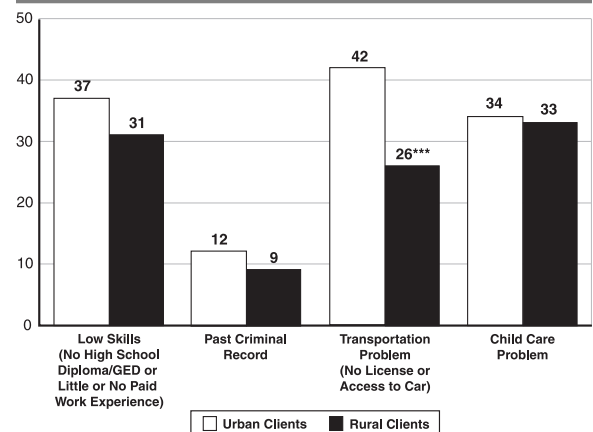
In both urban and rural areas in Nebraska, many welfare clients faced serious and multiple obstacles that can influence the likelihood they will get and keep jobs. Low skills, mental health problems,

**Figure 1: Rural Clients Somewhat More Likely to Face Personal Obstacles**



\*, \*\*, \*\*\*, significantly different from zero at the .10 level, .05 level, and .01 level, respectively.

**Figure 2: Other Obstacles Also Common**



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domestic violence, difficulties with child care and transportation, and caretaker responsibility for a child with special needs or for an elderly, sick, or disabled person were common—each affected at least 3 out of every 10 clients (Figures 1 and 2). Moreover, one in three faced two or more serious personal or family obstacles, and nearly one in four had low skills plus at least one serious personal or family obstacle.

Rural welfare clients were somewhat more likely than urban clients to face these personal obstacles. In particular, they were more likely to report having alcohol or drug abuse problems (22 percent versus 14 percent). They were also much more likely to have experienced domestic violence at the hands of a spouse or partner at some point in their lifetime (55 percent versus 40 percent). Rural clients were also slightly, but not significantly, more likely to have a major depressive disorder and caretaker responsibility for a household member with a health problem or other special need. In general, clients with obstacles—including low skills, serious health and other personal and family challenges, and logistical needs related to child care and transportation—were significantly less likely than other clients to work.

Statewide, child care and transportation problems confounded both urban and rural clients' employment efforts. One-third reported having child care problems during the past year, such as not being able to find care during the time or day it was needed, or having to use a provider too far from home or work. Similarly, about one-third reported not having access to a car that worked or not having a valid driver's license. Urban clients were more likely than rural ones to report lacking a reliable car or a driver's license (42 percent versus 26 percent). However, Nebraska's urban communities offer public transportation that, although limited, helps to alleviate problems for some clients. In contrast, public transportation in Nebraska's rural communities is almost nonexistent. When we defined a transportation problem more broadly as lack of a reliable car, driver's license, or some form of public transportation in the community, 18 percent of rural clients and 13 percent of urban ones reported such an obstacle.

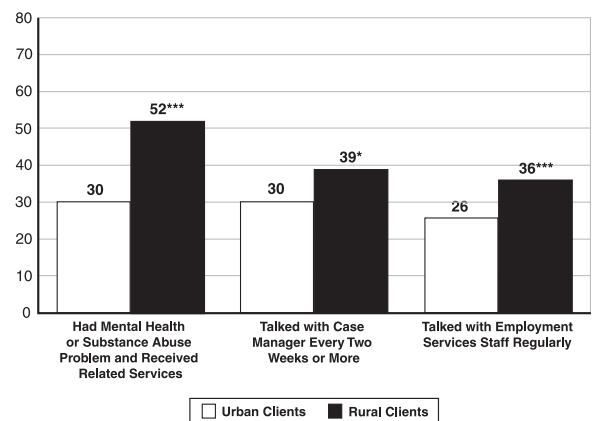
### Connecting with Services and Opportunities

Employment First uses individualized case management to provide TANF recipients with employment-related opportunities and supportive services. Along with the

incentives created by sanctions and a two-year time limit, various opportunities and services are available to help clients develop skills, address challenges, and move into employment within a two-year period.

Rural clients were more likely to talk frequently with program staff and receive services to address personal obstacles (Figure 3). About 4 in 10 rural clients, compared with 3 in 10 urban ones, talked with their case manager at least every two weeks. Similar percentages reported talking with an employment services staff member regularly. In addition, for clients who had major depression or a substance abuse problem in the past year, over 5 in 10 rural clients received services to address their needs, compared with 3 in 10 urban clients. Rural clients with serious personal obstacles revolving around mental health, substance abuse, or domestic violence were also much more likely to talk with their case manager about the problem (about 4 in 10, compared with 2 in 10).

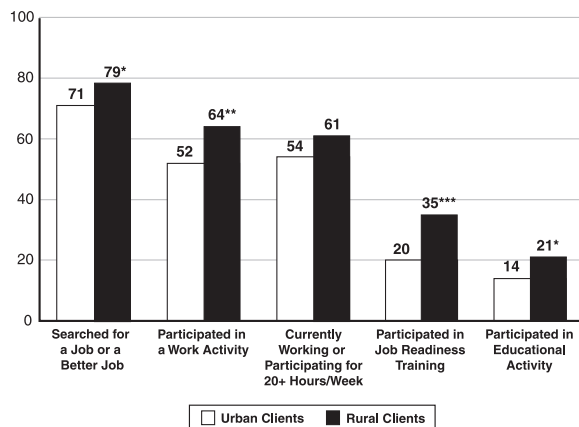
**Figure 3: Rural Clients More Connected with Staff and Services**



\*, \*\*, \*\*\*, significantly different from zero at the .10 level, .05 level, and .01 level, respectively.

Rural clients were more likely to participate in employment-related activities compared with their urban counterparts (Figure 4). Rural clients were also more likely to look for a job during the past year, participate in a work activity, receive job readiness and life skills training, and participate in education or training. For example, over 6 in 10 rural clients participated in a work activity during the past year, compared with about 5 in 10 urban clients. Overall, work participation rates were high in Nebraska relative to the national average. From October 1998 to September 1999, 63 percent of Nebraska's TANF caseload was either working or participating in an

**Figure 4: Rural Clients More Likely to Participate in Work Activities**



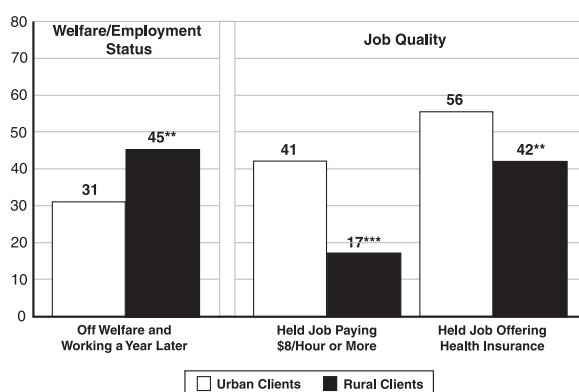
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employment activity, compared with 42 percent of TANF clients nationally (U.S. Department of Health and Human Services 2001).

### Moving Up, Staying On

Rural clients were more likely to work and exit welfare. Despite facing somewhat higher instances of personal obstacles, they were less dependent on welfare and, consistent with other studies, more likely to work. Close to half (45 percent) were employed and off TANF within a year. In comparison, fewer than a third (31 percent) of urban clients had the same outcome (Figure 5). Overall, urban clients appeared to be more entrenched in the welfare system—a significantly higher fraction remained on welfare and did not work a year after (30 percent compared with 20 percent).

**Figure 5: Rural Clients More Likely to Work But Less Likely to Find Good Jobs**



\*, \*\*, \*\*\*, significantly different from zero at the .10 level, .05 level, and .01 level, respectively.

Although rural clients were more likely to work, they were less likely to find good jobs. Perhaps because the economic base is weaker in rural communities and jobs are more difficult to access, rural clients were considerably less likely to find good-paying jobs with benefits. For example, although they were no less likely to work full-time, a smaller fraction of working rural clients held jobs paying over \$8 an hour (fewer than 2 in 10, compared with 4 in 10).

The average wage for urban clients was \$7.85 per hour, compared with \$6.75 per hour for rural clients. In addition, urban clients were more likely to hold jobs that offered fringe benefits: about 6 in 10 had a job with health insurance, compared with about 4 in 10 rural clients. Employed clients statewide were most likely to hold jobs in the service sector, sales, or administrative support, but rural clients more often held food service jobs. Rural clients were also more likely to work evenings or other nonstandard times.

### Understanding the Rural Picture

Why are rural clients more likely than their urban counterparts to participate in employment activities, receive services, and leave welfare for work, despite a higher level of personal obstacles and access to fewer opportunities and services? Compared with Nebraska’s urban areas, rural areas have:

- **Less long-term welfare dependency.** Norms in rural areas may be less accepting of welfare. At the time of the survey, about 2 in 10 rural clients, compared with over 4 in 10 urban ones, had received welfare cash assistance for 48 months or more since 1992.
- **A more supportive social fabric.** Since rural communities are smaller, closer-knit, and less transient, welfare staff may have more solid personal connections with clients and service providers, which help them connect clients with services. This supportive social fabric may also facilitate a strong work ethic, by making clients feel more accountable to community norms related to work and economic independence.
- **Less complex service delivery systems.** There are fewer service providers in rural areas, minimizing turf issues and reducing administrative challenges in cross-agency collaboration. Developing strong organizational partnerships, maximizing resources, and connecting clients with needed services are less time-consuming and complicated.

- **More experienced case managers.** Staff turnover is lower in rural areas, promoting better staff development over time. Hiring well-qualified case managers may also be easier, since fewer competing job opportunities exist.
- **Smaller caseloads.** Rural case managers work with a slightly smaller number of clients, allowing them to get to know clients better and provide more individualized services and support.

### Next Steps: Program Priorities

The evaluation's findings suggest numerous program and policy recommendations. While most are relevant in both types of settings, rural and urban areas demand different emphases and have distinct priorities. States deciding on how to improve their welfare programs may want to consider the following priorities:

- **In rural areas, enhance support for job retention and advancement.** Despite a high prevalence of obstacles, many clients receive services, work, and leave welfare. Still, their jobs tend to be low-paying and lack benefits; job turnover is also common. These clients may benefit from enhanced job retention and advancement services. For example, individualized postemployment support and career counseling, continued support for education and training, expanded public transportation, and child care during nonstandard work hours may be beneficial.
- **In urban areas, strengthen strategies for hard-to-employ clients and cultivate community partnerships.** Many clients are long-term recipients. Despite opportunities and services in their communities, a high fraction neither receive services nor participate in work activities. To help them achieve the same employment outcomes as their rural counterparts, urban areas may need to focus on providing more intensive support for the hard-to-employ and collaborating more closely with community organizations that can provide specialized services and employment preparation opportunities for this group.

### References

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