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The JOBS Program and Rural Areas

The Family Support Act of 1988 is the latest attempt to help welfare recipients find jobs and avoid long-term dependence on public assistance. States face difficulties trying to provide job-market services to rural residents. Some rural counties will have no program at all. Others will not offer a full range of training and employment services. Statewide JOBS programs must be set up by late 1992.

Most Americans seem to agree that adults who are able to work should contribute to their own economic support. Reflecting that consensus, major welfare reform legislation, the Family Support Act of 1988, was enacted into law. The centerpiece of this legislation is the Job Opportunities and Basic Skills Training (JOBS) Program, a program that creates education, training, and employment opportunities for those who receive welfare assistance under the Aid to Families with Dependent Children (AFDC) Program. The act requires most AFDC recipients to participate in employment or training activities designed to help them obtain adequate employment and avoid long-term dependence on welfare (see box, "About the JOBS Program").

Policy analysts argue that past Federal welfare, employment, and training programs have not adequately or equitably served rural areas. They point to inequitable and limited funding, insufficient training facilities, limited employment opportunities, failure to link training with jobs, rural isolation, and lack of support services. Employment and training programs under the Job Training and Partnership Act (JTPA) of 1983 may be an exception. Recent research suggests that JTPA may be operating as well in rural areas as in urban. However, most evaluations suggest that Federal

employment and welfare programs in both rural and urban areas have more often than not had minimal effect. Will the JOBS program be different?

States are just now implementing their JOBS programs, so data are not yet available to assess their effectiveness in rural areas. However, our knowledge of current rural conditions, the outcomes of past employment-related programs, and basic provisions of JOBS provide useful insights into the rural potential of the JOBS program. As of December 1989, when research for this article was begun, 25 States had submitted JOBS plans and received approval from the U.S. Department of Health and Human Services to begin program operation. Although all States have now received approval for their JOBS programs, I

draw from the first 25 plans to illustrate the variety of options available to States and to identify some issues relevant to the operation of JOBS in rural areas.

JOBS programs will probably have different outcomes in rural and urban areas depending on funding levels, program objectives, program choices made by each State, and local area characteristics. Some issues, such as selection of program goals and availability of State and Federal funding, have implications for both rural and urban areas of a State. Other issues, including geographic coverage, types and needs of the participants to be served, mix of activities offered, health of the local economy, and adequacy of local service delivery systems, have particular relevance for rural areas.

States Select Their Program Objectives and Goals

Controversy over welfare-to-work programs has focused on program goals and whether such programs aim at reducing poverty or reducing welfare dependence. Advocates for reducing



The success of the JOBS program in rural areas will depend in part on the availability of employment in the local area.

Leslie Whitener is a sociologist with the Agriculture and Rural Economy Division, ERS.

poverty, arguing that insufficient human capital (skills, training, and education) is the critical reason for continued poverty, encourage intensive education and training services and adequate child care for those who leave welfare to take employment. Advocates for reducing welfare dependence assert that appropriate jobs are available but that welfare recipients are unwilling or too discouraged to seek work. These proponents advocate lower cost job placement assistance and mandatory participation in work programs to move families off the welfare rolls.

States have considerable flexibility in designing their JOBS programs to respond to local situations. However, the combined Federal and State resources authorized by the legislation will be insufficient to allow States to offer comprehensive, intensive employment and training services to all AFDC recipients. States will have to choose between serving larger numbers of participants with lower cost services or providing more intensive and expensive (but perhaps more effective) services to fewer people. The decision will depend on a State's primary program objective: to help families move out of poverty or to reduce AFDC dependence by removing families from welfare rolls.

Funding Levels Constrain Program Development

The coverage of State programs will depend on the State's ability to match Federal funding. The act authorized \$800 million in Federal funds to match State expenditures for JOBS in 1990, increasing to \$1.3 billion in 1995. Federal matching funds are also available to cover child care costs for JOBS participants and other AFDC recipients needing child care. The funds available for the JOBS program in each State will influence program decisions and may constrain the number and types of participants served, the types of services offered, and the area covered in the State.

A State must commit some of its own funds to receive Federal funds for the JOBS program. The Federal share for JOBS is either 60 percent or the State's Medicaid match rate (the percentage of Medicaid paid to each State by the Federal Government), whichever is greater. State Medicaid rates varied from 50 to 80 percent in 1989. For example, Tennessee's Federal Medicaid match rate is 70 percent, so the State must provide 30 percent of the funds for JOBS to receive Federal funding for its program. However, Tennessee is having difficulty making a commitment to the JOBS program

and turned back almost \$11 million in Federal JOBS money in fiscal year 1990 because it had not appropriated enough to use the full Federal match. Other States, such as North Carolina, are also facing budget deficits and additional States may face problems of insufficient funding with a slow economic recovery.

States Decide on Geographic Coverage

The Family Support Act required each State to establish a JOBS program offering educational, training, and employment activities to AFDC adults by October 1990. State programs must offer four mandatory activities: basic educational activities (including high school or equivalent education, literacy achievement, and English-language training), job skills training, job-readiness activities, and job development and placement. In addition, State programs must include at least two of four optional work activities:

- group and individual job search,
- on-the-job training,
- work-supplementation programs (in which the State pays a private employer the recipient's welfare payment which is used to subsidize wages), and
- community work experience (in

About the JOBS Program

JOBS is the latest in a long history of welfare-to-work programs in America. Aid to Families with Dependent Children (AFDC) was established in 1935 under the Social Security Act and was originally designed to give cash support to poor single parents with children. It was not until 1967, however, that the first discretionary AFDC work program, the Work Incentive (WIN) Program, was established to provide skill assessments, job training and placement, and supportive social services for AFDC recipients. By 1981, additional legislation had given States the option to replace their WIN Programs with customized employment and training programs under the Work Incentive Demonstration Program and to implement Community Work Experience Programs (CWEP)

where recipients work off their welfare grants by performing community work. Many States took advantage of these programs and have been able to build on their experiences in developing their tailor-made JOBS programs.

The JOBS program was designed to "assure that needy families with children obtain the education, training, and employment that will help them avoid long-term welfare dependence." To this end, State JOBS programs must provide basic educational activities to any adult on AFDC who lacks a high school diploma or basic literacy skills. States must also provide job skills training, job development and placement services, and two of the following options: job search, on-the-job-training, work supplementation programs (where the recipient's welfare payment is used to subsidize wages paid by a private employer), and com-

munity work experience programs. In addition, JOBS introduces a "learnfare" provision which requires teenage custodial parents to participate in an educational activity. The act requires States to guarantee child care when necessary for a welfare recipient to participate in JOBS activities or accept employment, and to reimburse or pay for transportation for an individual's participation in JOBS.

JOBS requires all nonexempt AFDC recipients to participate in employment and training activities to the extent resources are available and appropriate child care is guaranteed. Individuals can be exempted from participation based on age of children; age, health, and employment status of parents; or residence in remote areas where participation is not feasible.

Welfare and welfare reform have become almost synonymous. There always seems to be a better way than the one currently in vogue to assist the needy. No reform seems to work as well as its proponents hope.

(Institute for Research on Poverty, 1989)

which recipients are required to work off their welfare grants by performing community work).

The act also requires each county to have a JOBS program, if feasible, by October 1, 1992. States determine program feasibility based on the number of prospective participants and local economic conditions. However, regulations specify that a JOBS program will be considered statewide and satisfy the intent of the law if (1) a minimal program (offering high school education, job referral services, and one of the four optional components) is available to 95 percent of adult AFDC recipients or (2) a complete program (offering all mandatory activities and two optional components) is available to 75 percent of the adult AFDC population in the State. States not meeting these criteria must provide justification to the U.S. Department of Health and Human Services.

Many rural counties will not have JOBS programs because of their small number of AFDC recipients or local economic conditions. For example, Florida's program, Project Independence, does not offer JOBS programs in 15 rural counties because they are considered remote and each has fewer than 100 AFDC cases. Florida proposes to include these counties by 1992, if funding is available. Even if a State meets the statewide criteria specified above, it will not necessarily operate a JOBS program in every county. Iowa, for example, can meet the statewide criteria by operating a complete JOBS program in only 31 of its 99 counties, serving an estimated 88 percent of the AFDC population.

Some States have designed JOBS programs to serve groups of counties.

South Carolina's Work Support Services Program, for example, establishes 17 target areas, grouping some of its rural counties with an urban county to ensure a sufficient number of clients to justify and support the operation of the program. Nebraska, New Hampshire, and Rhode Island also meet statewide criteria but provide services through multi-county districts. AFDC recipients in these county groupings will have access to JOBS program activities, but may not have a JOBS program in their home county. Counties without JOBS programs will most likely be rural, with small numbers of AFDC recipients, limited funding, and limited employment and training services and facilities.

States Decide Types of Programs To Be Offered

The JOBS program requires States to provide certain types of training and placement activities, as well as two of four optional program components-- job search, work supplementation,

community work experience (CWEP), and on-the-job training (OJT). Work supplementation and, to a lesser extent, OJT and CWEP, provide increased employment for participants while they are in the program and may lead to future unsubsidized employment. Since job opportunities are generally limited in rural areas, activities with a job creation or a temporary employment component may be more effective than other programs for helping rural AFDC recipients.

All 25 States listed in table 1 provide individual and group job search activities (the least expensive optional program), but 4 States did not offer CWEP, 3 States did not provide OJT, and 11 States made no provision for work supplementation programs. The States that offer the more expensive components generally serve small numbers of AFDC recipients. For example, Georgia's program, Positive Employment and Community Help (PEACH), estimates that it served about 4,000 clients with educational assistance, 3,500 in job search and

Table 1--State JOBS programs offer different program activities

State	Optional components			
	Job search	Work supplementation	Community work experience	On-the-job training
Arkansas (9) ¹	X	-	X	X
California (50)	X	X	X	X
Connecticut (36)	X	-	-	X
Delaware (31)	X	-	X	X
Florida (43)	X	X	X	X
Georgia (17)	X	X	X	X
Iowa (14)	X	-	X	-
Kansas (24)	X	X	X	X
Maryland (38)	X	X	-	X
Massachusetts (41)	X	X	-	X
Michigan (32)	X	X	X	X
Minnesota (25)	X	X	X	X
Nebraska (19)	X	-	X	X
New Jersey (49)	X	X	X	X
Nevada (46)	X	X	X	X
New Hampshire (10)	X	-	-	X
Ohio (34)	X	X	X	-
Oklahoma (26)	X	X	X	-
Pennsylvania (30)	X	-	X	X
Rhode Island (48)	X	X	X	X
South Carolina (13)	X	-	X	X
South Dakota (3)	X	-	X	X
Utah (44)	X	-	X	X
West Virginia (2)	X	-	X	X
Wisconsin (20)	X	X	X	X

X = Components provided

¹Numbers in parentheses represent the ranking of States by proportion of population that was rural in 1980. Low rankings identify States with the largest rural proportions.

Source: State JOBS and supportive services plans submitted to the Family Support Administration, U.S. Department of Health and Human Services.

development, 90 in CWEP, 30 in OJT, and 30 in work supplementation in FY 1990. The Ohio JOBS program expected to have served 11,000 in job search, 14,000 in education and training, 8,500 in CWEP, and 2,000 in work supplementation in FY 1990. Thus, the components offering a job creation activity, which may be most beneficial to rural areas, serve only small numbers of participants.

Also, States are not required to provide all components in all counties, and JOBS participation in some rural parts of States may be hindered by the lack of program activities easily accessible to a widely dispersed population. Minnesota's PATHS program offers job search in all counties, but the choice of a second component is based on local needs and resources. The JOBS program in South Dakota offers all basic services and three components except in the more rural parts of the State where such efforts would be impractical and cost-prohibitive. South Dakota's most populated areas will be targeted first. Nebraska's Job Support Program offers JOBS activities through eight multi-county districts, but some districts have no

post-secondary education institutions and cannot provide a complete range of education and training programs.

JOBS activities in multi-county groupings may be less accessible to remote rural residents, depending on the number and size of the counties joined together. None of the 17 South Carolina target groups includes more than 4 counties, but some AFDC recipients might have to travel over 80 miles on rural roads to reach program activities on the far side of the target area. Distances in Nebraska's eight Job Support Program districts are much greater. The JOBS program specifies that eligible recipients are not required (although they may volunteer) to participate in JOBS training or employment activities if they must travel more than an hour to reach the activity.

Three Components of Program Success:

1. Employment Opportunities

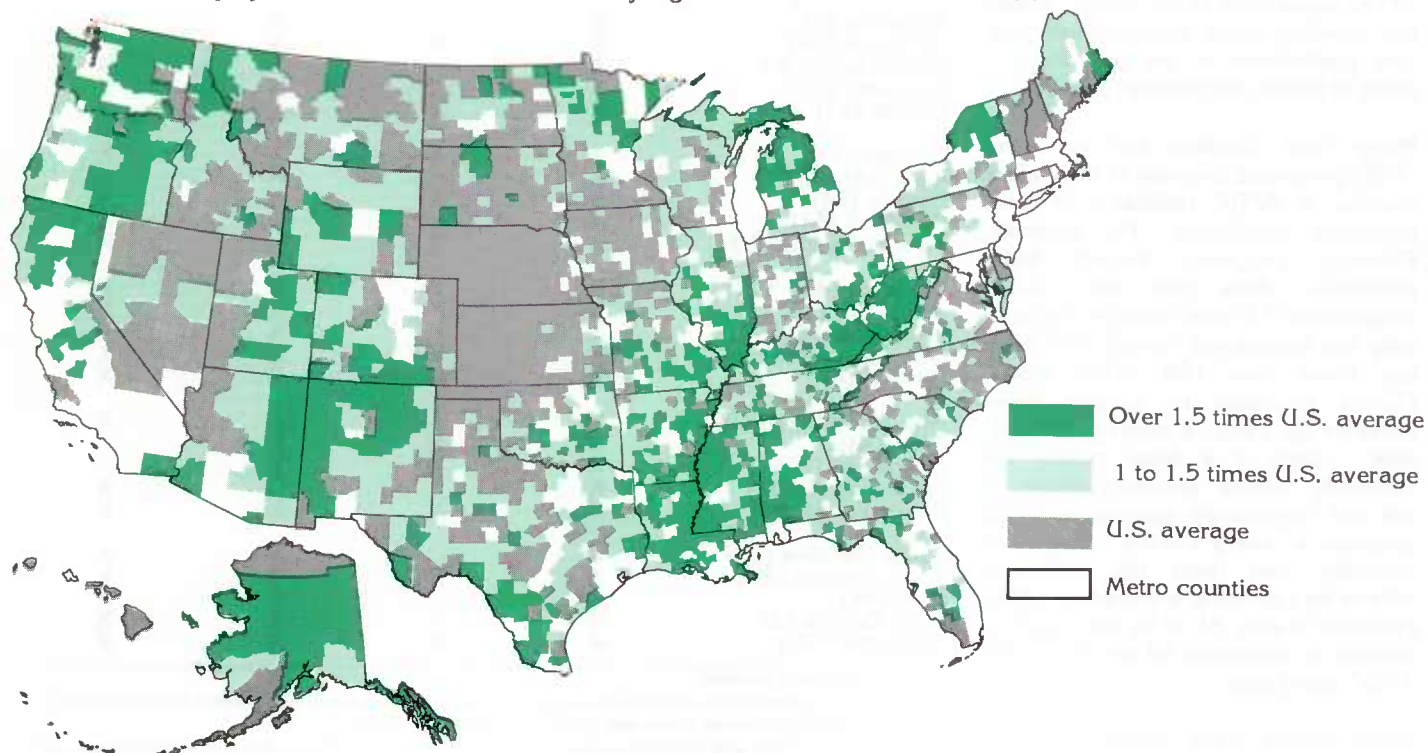
A key lesson learned from past welfare employment programs is that program success depends largely on local

economic conditions. Studies of past AFDC work programs in rural areas of West Virginia, Virginia, and Arkansas found that high unemployment, limited job opportunities, and isolated rural conditions hindered employment gains for AFDC recipients in these areas. These studies concluded that while welfare recipients can be encouraged or required to take regular jobs, jobs must be available and must pay an adequate wage.

During the 1980's, unemployment rates were consistently higher in rural than in urban areas, and employment and earnings opportunities for rural residents were limited. In 1989, in almost 1,400 counties (60 percent of all nonmetro counties), unemployment rates exceeded the national average of 5.3 percent; over 600 nonmetro counties had unemployment levels over 1.5 times the national average (see map). High unemployment in some rural counties, such as in Appalachia and the Mississippi Delta, reflects a persistent lack of jobs and poorly trained populations. High unemployment in other counties (particularly in Michigan, Louisiana, and Texas) reflects structural problems associated with

Figure 1.
Unemployment rates for nonmetro counties, 1989

Nonmetro unemployment rates have been consistently higher than metro rates since 1982



specific industries such as automobile manufacturing and energy production. Also, nonmetro earnings continue to lag behind those of metro areas, with evidence that the gap is widening. In 1988, nonmetro earnings per job averaged \$17,409, only 74 percent of the metro average (\$23,679). Welfare employment programs tend to focus on the supply side of the labor market, but in many rural areas, the demand constraints are particularly serious.

2. Characteristics of the Eligible Rural Population

Particularly disadvantaged populations (high school dropouts, functional illiterates, those with language disabilities, or those facing multiple barriers to employment) often require intensive, more expensive services for a longer period of time. By selecting populations with minimal barriers, local areas can provide short-term, less expensive services to more people while enhancing program performance measures. In the long run, however, helping the seriously disadvantaged may produce greater results, because such people are at greater risk of becoming long-term (and thus more costly) welfare dependents. The JOBS program encourages States to provide services to particularly disadvantaged participants by giving priority to several target groups most likely to become long-term welfare recipients. States must spend 55 percent of their program funds on young participants without high school degrees or work experience, long-term welfare recipients, and recipients who are about to become ineligible because their children will be too old to qualify for AFDC.

Nonmetro areas in general have larger proportions of high school dropouts, functional illiterates, and people with low education and skill levels than metro areas. Since persons with these characteristics are concentrated at the low end of the income distribution, the nonmetro poverty population and AFDC population may have even greater proportions of particularly disadvantaged individuals who will require more comprehensive and intensive job services.

Not all eligible participants are suited for all program activities, and the characteristics of the individual determine the services needed. Some

JOBS participants, like those who are first-time welfare applicants and have recent work experience, generally require few comprehensive services but may benefit from job search and placement assistance. Others, with limited work histories, will benefit from on-the-job training and work supplementation programs to improve skills, or from vocational, secondary, or post-secondary school programs to raise education levels. Finally, long-term welfare recipients with no recent employment history are likely to have more severe problems requiring a more intensive mix of remedial training, basic education and skills training, and job-readiness.

While States will be able to offer a variety of services under the JOBS Program, studies of past AFDC work programs suggest that decisions about which services are offered depend heavily on available resources. For example, the bulk of assistance under the Work Incentive Demonstration Program, the precursor to the JOBS Program, focused on less expensive job search activities rather than skills training or work experience. To the extent that nonmetro areas have greater proportions of AFDC recipients requiring basic skills training or education, local programs that focus mainly on job search activities may not be much help to those in need. And, as noted earlier, job opportunities may be scarce in many rural areas.

3. Adequacy of Local Service Delivery Systems

The success of JOBS in rural areas also depends on the adequacy of the service delivery system, availability of educational and training facilities, and



Rural residents are often handicapped by lack of transportation. Those who cannot get to regular JOBS activities, such as training or work experience, may be assigned to individual job search or high school equivalency classes at a local school.

Photo © by J. Norman Reid

the ability of the local community to provide ancillary services, such as child care and transportation. Past employment-related programs have been hampered by inadequate community services and facilities to assist recipients. These problems may be more serious in rural areas, which traditionally have a more restricted tax base, due to lower rural incomes and fewer tax options, and frequently face problems of economies of scale and distance.

For training facilities, individual State JOBS programs throughout the States can contract with public or private schools, colleges, and universities, community-based organizations, local businesses, the Employment Service, and State employment and training programs authorized by the Job Training Partnership Act. However, when program funds are limited, local areas are most likely to place their JOBS participants in the less expensive local school programs. Programs offered through public educational institutions are usually less varied and less accessible to rural participants. While metro and nonmetro per capita school ex-

penditures are fairly equal, the cost of providing a given educational service is higher in some rural areas because it is spread over a small number of students. Frequently, rural schools cannot afford the range of programs available elsewhere. Small schools, which are disproportionately rural, provide few adult and cooperative education programs and have fewer area vocational centers.

Nonmetro residents also have more limited access to post-secondary institutions, such as technical schools, junior colleges, and 4-year colleges, which are potential sites for JOBS training activities. Only 22 percent of nonmetro counties had a public college or university in 1986, compared with 65 percent of metro counties.

Also, job placement services provided through local Federal-State Employment Service Offices are less readily available to rural residents. About 2,000 employment service offices serve over 3,100 U.S. counties. Some counties have more than one office, depending on population concentrations and employment needs. Others, particularly those in sparsely populated rural areas, have none.

Lack of transportation for some AFDC recipients creates barriers to participating in a program or taking a job. The JOBS program requires States to reimburse or pay for transportation and other work-related expenses necessary for an individual's participation in JOBS activities. However, States may exclude individuals from participating in the program if they reside in areas too remote to be served. Studies of past AFDC work programs showed that most individuals exempted from program participation or placed in inactive status for lack of transportation were in rural areas.

Transportation problems may limit participants' options without actually disqualifying them from participation. Those who cannot get to activities, such as training or work experience, may be assigned to individual job search or high school equivalency classes offered at a local school. Under the JOBS program, each State will set its own method and level of transportation assistance. Some participants will be reimbursed for mileage to and from the training site,

public transportation costs, even automobile repair costs, or assisted with a downpayment to buy a car.

Child care arrangements are required by the JOBS program for each child under 13, if child care is necessary for a welfare parent to participate in the program or accept a job. Custodial parents may be exempted from participation in the JOBS program if adequate child care is unavailable. States can provide child care in a variety of ways, including directly providing care, supplying a family with cash or vouchers in advance or as reimbursements, or contracting directly with providers. The JOBS program allows States to pay for a range of services, including care by nonprofessionals, family members, and friends.

Little information is available on the need for child care services under JOBS in rural areas. Past evaluations of AFDC work programs suggest that some programs, particularly in rural or inner city areas, had difficulty obtaining child care providers for participants. In some cases, participation was prevented by lack of child care; in others, participants were placed in programs during children's school hours rather than in education or training activities that required longer hours.

Group child care options, like nursery school, preschool, and day-care centers, are likely to be more limited in rural than in urban areas. Nonmetro working mothers with children 5 years old and under are less likely to use nursery schools and day-care centers than are mothers in central cities or suburban areas, according to the Census Bureau. This may be due to fewer such facilities in rural areas or to mothers' preferences. Data are not available on after-school child care needs for older rural children or on the number of rural women who do not work because child care is not available. More limited child care options, combined with transportation problems in some rural areas, will likely limit AFDC recipients' participation in JOBS.

Will Rural JOBS Succeed?

How successful will the JOBS program be in rural areas? The answer to that question is not a simple one and it will be some time before any empirically

based assessments can be made. JOBS activities will doubtless help some people under certain conditions. However, individual programs will have different outcomes depending on the program goals and choices made by individual States, the needs of the participants, the health of the local economy, and the adequacy of the delivery system. A JOBS program developed to serve AFDC participants in Mora County, New Mexico—a totally rural county where over a third of the largely Hispanic, low-educated population is unemployed—will operate differently with different results than a program designed to serve McPherson County, Nebraska, a largely agricultural rural community with relatively high educational levels and less than 2 percent unemployment. A JOBS program will be more difficult to operate in high-unemployment, low-education areas like Mora County because of limited employment opportunities and the need for more intensive program training for the eligible population.

It is important to understand the limited effects of JOBS on overall poverty and unemployment rates, particularly in rural areas. The AFDC population accounts for only a small proportion of the rural poor and the JOBS program will not be available to most of the AFDC participants. JOBS alone will not eliminate unemployment or abolish welfare assistance in either rural or urban areas. While the JOBS program does not hold all the answers, it does have the potential to help some rural people.

RDP

For Additional Reading...

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