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What About the Rural Poor?

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“What About the Rural Poor?”

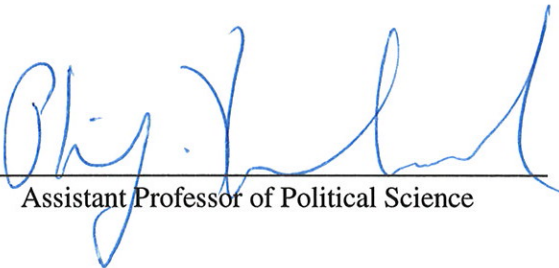
A Thesis
The Honors Program
College of St. Benedict / St. John’s University

In Partial Fulfillment
of the Requirements for the Distinction “All College Honors”
and the Degree Bachelor of Arts
In the Department of Government

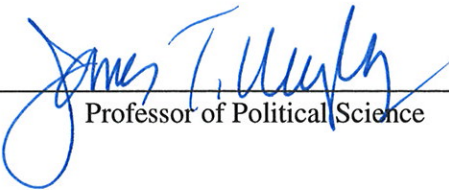
by
Melissa Jo Petrangelo
May, 1996

"What About the Rural Poor ?"


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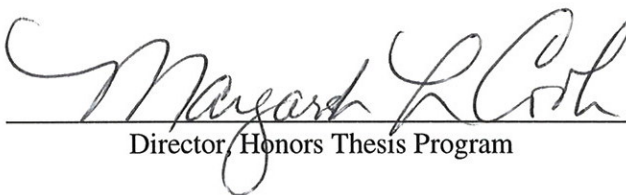
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1. Introduction

Friendship, New York is a region of cornfields and shale-encrusted hills near the Pennsylvania border. It was once swept with wealth in the form of crude oil. Now these very same hills conceal pockets of poverty. Where 100 years ago oil barons lived in splendor, today an estimated 1 in 4 is poor, about the same percentage as in Brooklyn. Yet amid last year's vigorous push to change welfare rules, there was little discussion of the problems that afflict the rural poor. The debate focused almost entirely on one thing: reducing welfare costs in big cities. Politicians, "whose main goal was to curb what they considered increased welfare rolls and abuse in urban areas," tightened rules creating hurdles that are far higher for the rural poor than the urban poor (Dao 1).

The American public generally perceives poverty as an urban problem. This perception likely stems from the greater visibility of the urban poor, particularly in central cities. However, the incidence of poverty is actually higher in rural areas (Rural, Rural 88). Current poverty policy¹ reflects the American public's perception. Where you are poor makes a difference. What is overlooked in poverty policy is the distinguishing characteristics and needs of the rural poor. In the United States, the rural poor are more likely to be in two-parent families, living in the South, employed, and elderly (Duncan, Rural 14). Given these clear distinctions from the urban poor, it seems that a multidimensional public poverty policy is necessary. Aid to Families with

¹Whenever I use the terms "poverty policy," "assistance," "social services," or "welfare" I am specifically referring to AFDC and/or food stamp legislation. I am not referring to other government assistance programs such as Social Security or Supplemental Security Income.

Dependent Children and Food Stamp legislation are less effective in reducing poverty in rural areas.

The purpose of this paper is not to solve rural poverty by getting to the roots of the problem. That is beyond the scope of this paper. I recognize some of the ways to get to the roots of the problem are: creating “good” paying jobs with benefits, raising the minimum wage, improving the educational system in general, having more educational and training programs for those already employed, and extending Medicaid to all poor (United, Family 196).

When most Americans see rural communities they see dim blurs alongside superhighways that carries them into what they tell themselves is an ever-brighter future, urban America. If anyone notices those blurs along the highways at all, it is usually to laugh at their quaintness, perhaps warmly a la writer and humorist Garrison Keillor, or to shake their heads at the backwardness of their unfortunate rural cousins. Few people stop or slow down long enough to allow the blurs to differentiate themselves into real people, in real communities, with real problems to be solved (Davidson 71).

The kind of ignorance that is associated with rural America is astonishing, especially because we live in the “information age.” Our computer revolution enables us to have access to analyze amazing amounts of information. Information is more accessible than ever before to politicians, government agencies, journalists and the public (Davidson 71). For instance, when I was in Washington, D.C. recently there was a Congressional Colloquium held on issues dealing with rural poverty. Every Senate and House office was given information about the presentation. Congress was not in session, but still very few senatorial or congressional staff attended the colloquium. Every office was also given a Rural Poverty Resource Directory to be able to

contact professionals dealing with this issue if any questions should arise. Because of the wide array of information that is at such an easy access, the excuse of “out of sight out of mind” is less valid. Not all problems are necessarily invisible, maybe just ignored (Davidson 71).

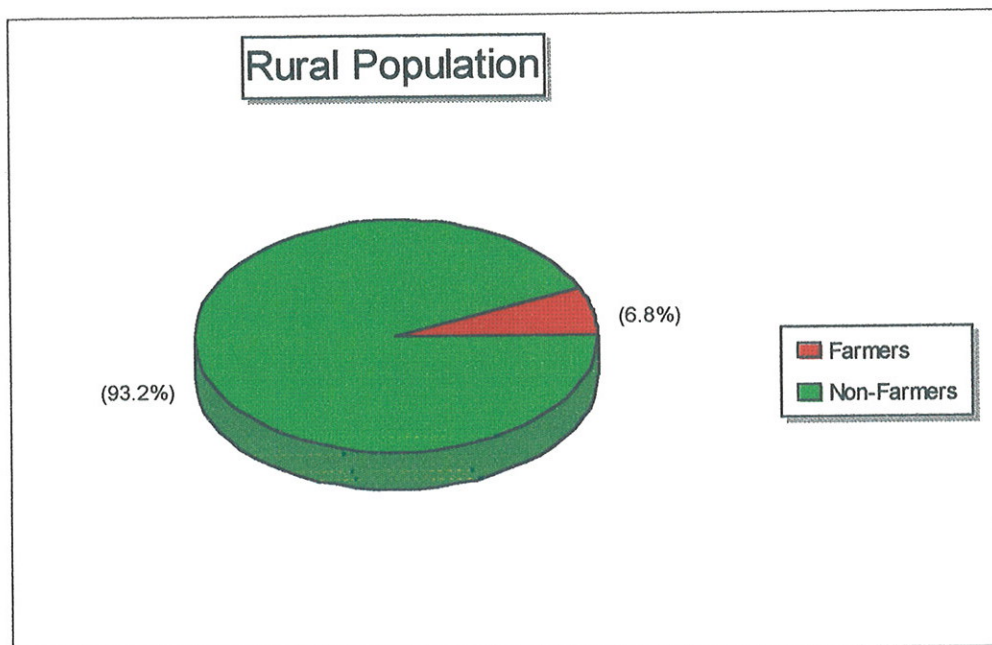
To those who live in crowded urban and suburban areas of the country, small-town living is associated with a pastoral community life. It is commonly assumed by middle-class metropolitan Americans that small rural communities offer simple face-to-face relationships, civic involvement opportunities, and economies that thrive on small businesses and hard work (Duncan, Rural xix). When we think of rural America we tend to think of hardworking people on the farm and/or small communities. “The image most Americans have of country life in which children grow up happily and healthily is sharply at odds with today’s rural reality” (Davidson 97). We also like to think of rural America as shielded from the poverty and social disintegration that are rampant elsewhere. It gives us a measure of confidence to think that whatever is wrecking our inner cities won’t affect small-town America (Davidson 72).

Urban America’s perception of rural America has lead some to ask, “Why don’t the rural poor simply grow the food they need?” Growing their own food would seem like the only obvious answer for those who are poor and hungry and live in America’s breadbasket, but for many reasons this is not the answer (Davidson 78). First of all, the majority of the rural population does not even live on farms. According to Figure #1, the rural farm population rate is only 6.8% of the rural population, a much smaller population than might be expected in America’s countryside. According to the Census Bureau, the recent definition of a farm resident population is mentioned as “persons living on farms in rural areas. It does not include persons

living on the relatively few farms that are located in urban areas. It is a place that sold \$1,000 or more in agricultural products during the previous year” (Residents 1-2).

Figure #1

Year: 1991



Source: Bureau of the Census. Residents of Farms and Rural Areas: 1991. Page 1- 3. Issued August 1993.

Only 1.5% of the nation's poor live on farms, but the poverty rate among farmers is high. Of all farmers in the United States, who account for 4,632,000 (1.9%) of the total United States population, 11.2% of them lived below the poverty line. This means that 1 out every 9 farmers are poor. Even though the total number of farmers in rural America is small, the amount of poverty they face is significant (Census, Residents 32).

A second reason why the rural poor cannot grow their own food is because a good portion of the rural poor are elderly, persons over 65 years old. In comparison to the urban poor, the rural poor have a higher percentage of the elderly population. In 1994, the elderly poverty rate in rural America was 23% as compared to 14% in urban America (Congressional 5). They would not be able to maintain a garden that would be large enough to supply an adequate amount of food (Davidson 78).

Then one might ask, "What about those who are young enough?" Traditionally, in the Midwest, the woman of the family usually did raise a garden while her husband was farming or working at another job. But because of current economic conditions, most families require both parents to find work. Having one parent stay home is just as much of a luxury for those in rural America as it is elsewhere. Because of the need for both parents to find work outside of the home, there is simply not enough time to grow enough food that would be needed to feed a family. Even if they had the time, another obstacle is money. A garden that would be large enough to feed a family would require a large cash investment for fertilizer and equipment. For rural Americans this would simply be too risky of an investment. If a natural disaster were to occur, the family would end up with no food and no money to buy food. The costs just simply outweigh the benefits (Davidson 78-79).

2. Invisibility and Isolation of the Rural Poor

Because the rural poor live in many small scattered towns and villages in “picturesque” country surroundings, they are relatively invisible to the average American citizen. The urban poor live in densely populated areas which brings them in contact with a large number of the population. Because the rural poor have less close contact to the general population their behavior is seen as less threatening to the public on a day-to-day basis and they are perceived as different. Therefore, they receive less national press (Duncan, Rural 3).

Because the rural poor are somewhat isolated, they find it hard to make their voices heard, whereas the urban poor are vocal, highly visible, and have a measure of political power. The poor in the cities are not easily ignored because of their unity. The rural and urban poor’s frustrations with their situation often take a form that requires immediate attention and responses. But because of their unity, vocalness, and strength in numbers, the government programs to rid poverty have been tailored to fit the urban poor (Institute 6). When I was interning at the Minnesota State Capitol for the 1995 session the Minnesota Welfare Reform Act was of top priority. While the Act was going through many changes there was a group called the Minnesota Welfare Rights Group spent much of its time and energy protesting certain provisions that did not meet its needs. This group was urban based, primarily from Minneapolis and St. Paul. None of its members were from rural areas, even though in Minnesota, as can be seen from the map #3, that is where the poverty rate is the highest.

I know that my experience is within only one state and is far from conclusive. However, it does show that their relative invisibility may be a reason why policy-makers overlook the rural poor - out of sight, out of mind (Institute 6).

3. Definitions of Residency

Throughout this paper, I classify residence as the Census Bureau does, as metropolitan or nonmetropolitan. “The Census Bureau refers to the population in metropolitan statistical areas (MSA’s) as the metropolitan population; and it designates the largest city in each MSA as a central city” (Congressional 1). An area is classified as an MSA if it includes a city of at least 50,000 in population or if it includes a Census Bureau-defined urbanized area of at least 100,000. This definition includes suburbs around each large city (Census, Poverty United, A-1). The Census Bureau definition for a non-metropolitan area is the territory outside a metropolitan statistical area (Census, Poverty United, A-1). As is conventional throughout my sources, urban refers to metropolitan data, rural to nonmetropolitan, inner city to central city data, and suburban to outside central city data.

The definition of poverty consists of a set of money income thresholds that vary by family size and composition. It excludes inmates of institutions, Armed Forces members in barracks, and unrelated individuals under fifteen years of age. Poverty thresholds are updated every year to reflect changes in the Consumer Price Index. They are based on pre-tax money income, excludes capital gains and does not include noncash benefits. In 1991, some poverty thresholds included: 1 person living alone = \$6,932; Family of four = \$13, 924; Family of nine or more = \$27,942 (Census, Poverty United xi).

4. Poverty Data by Residence

When most people think of poverty they think of it as a central city problem. However, the rural poverty rate in 1994 (27%) was actually higher than the urban poverty rate (21.8%). These poverty rates are the “absolute” poverty rates, meaning before any government cash transfers are accounted for. Even when breaking down the urban poverty rate to just the inner city poverty rate (29.8%), the rural poverty rate (27%) is comparably higher than most would think (Congressional 2).

Table #1

POVERTY RATES BEFORE AND AFTER CASH TRANSFERS, 1994

Residence	Poverty Rate Before Cash Transfers (Percent)	Poverty Rate After Cash Transfers (Percent)	Reduction in Poverty Rate (Percent)
Urban	21.8	14.2	7.6 Percentage Points
Inner City	29.8	20.9	8.9 Percentage Points
Suburban	17.1	10.3	6.8 Percentage Points
Rural	27.0	16.0	11 Percentage Points

Source: U.S. Census Bureau. Supplemental Tables: Historical Income, Historical Poverty, Valuing Noncash Benefits, and Health Insurance Coverage (excerpts from forthcoming report P60-189). Table 13. Issued October 5, 1995.

In 1994, almost one in six persons in nonmetropolitan areas was classified as poor after cash transfers. These cash payments include earnings, interest, public and private pensions, child support and alimony, payments from social insurance programs such as Social Security and unemployment compensation, and cash welfare payments from programs like Aid to Families

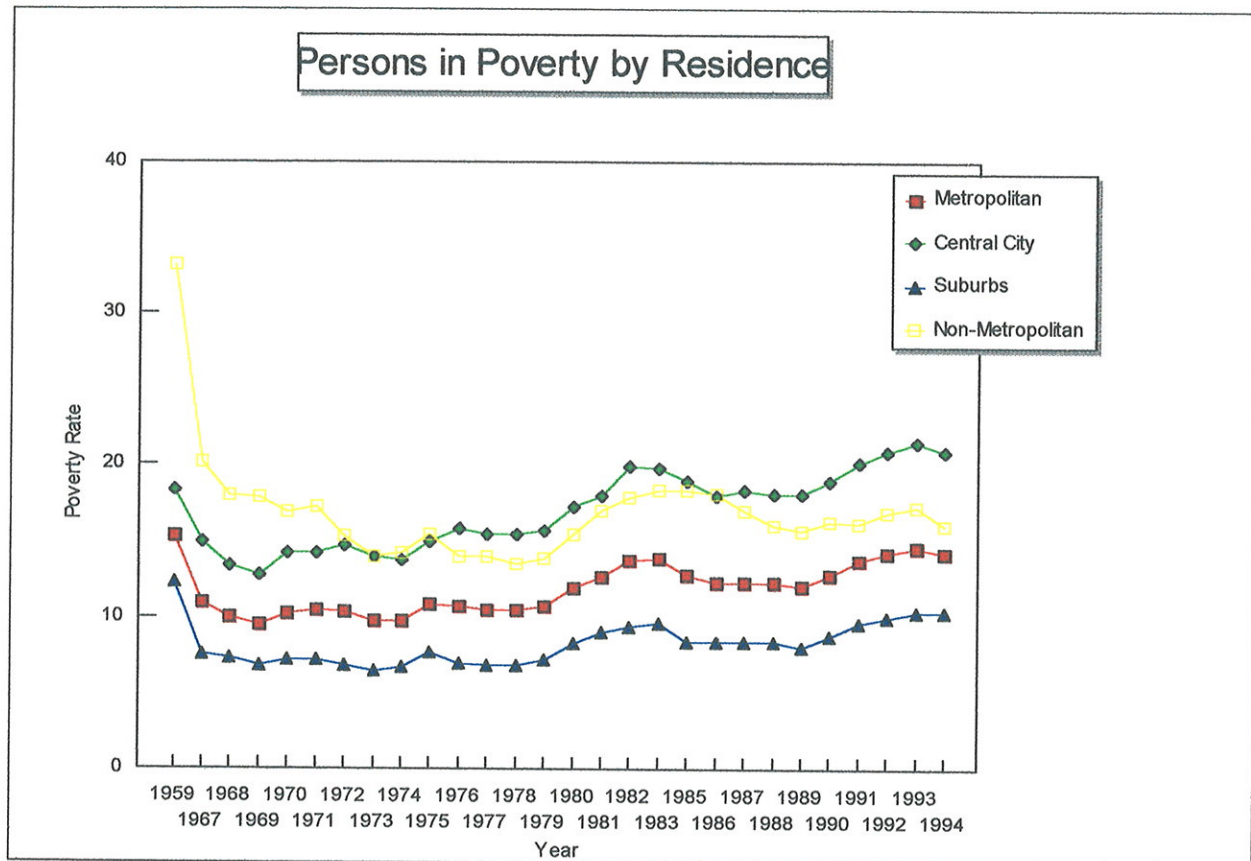
with Dependent Children (AFDC) and Supplemental Security Income (SSI). Not counted are capital gains and income from noncash benefits like food stamps and Medicaid (Congressional 2).

As can be seen from Table #1, even after cash transfers the rural poverty rate (16%) in 1994 was higher than the urban poverty rate (14.2%). However, after these government cash transfers, the rural poverty rate did experience the largest drop. This is primarily because government cash transfers include Social Security payments, Supplemental Security Income, and Aid to Families with Dependent Children. Because of the larger number of elderly (23% compared with 14%) and disabled persons (11% compared with 8%) in rural areas, rural households were more likely than urban households to receive Social Security (33% compared with 26%) and SSI benefits (5.2% compared with 3.8%), but less likely than urban households to receive AFDC (4.9% compared with 5.3%). Therefore, it is because of Social Security and SSI benefits that government cash transfers are more effective in reducing rural than urban poverty. It is not because of AFDC benefits (Congressional 2).

A high rural poverty rate in the United States is not something that has occurred in the last few years. Our nation's experience with rural poverty stretches far back into this country's past. In the 1890s many impoverished Southern tenant farmers searched for a better life "out west." The problem became so great that many just wrote the initials G.T.T. on their boarded up doors and left. Everyone knew that these letters stood for: Gone to Texas (Davidson 72).

According to Figure #2, in 1959 the poverty rate in rural areas was twice that of urban areas, 33.2% as compared to 15.3% in urban areas. During the 1960s and 1970s the gap did begin to close between rural and urban poverty rates, and by 1979, it nearly converged with the

Figure #2



Note: Data not available for 1960 - 1966 and 1984

Source: U.S. Bureau of the Census CD-ROM, Income and Poverty: 1993. Table 8.

rural poverty rate at 14 percent and urban at 11 percent. The gap then began to widen again during the 1980s when rural areas had a harder time recovering from the recession (Census, Poverty Residence, Table 8).

In the late 1970's the overall poverty rate began to increase. One major reason for this

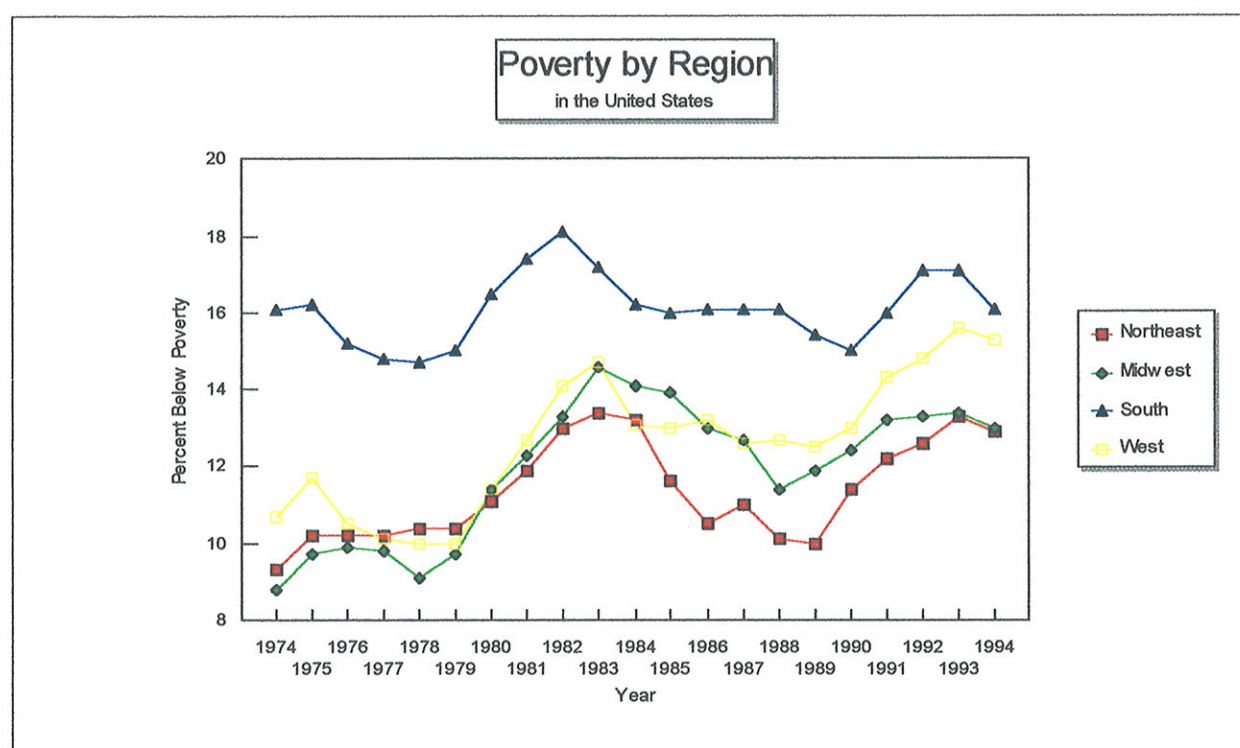
was the stagnation of the economy. In the 1950s and 1960s the economy grew at a fast pace. After the 1970s, the economy slowed down dramatically, unemployment rose, and wages and family income eroded. Historically, it can be shown that when the unemployment rate rises, the poverty rate rises right along with it (U.S. Dept. of Commerce in United, Family 30). Besides having to cope with cuts in social policy legislation, rural America also had a hard time recovering from the recession of the 1980's. The nonmetro economy was affected more seriously than the metro economy from this recession. The result of this was an uncertain future and a higher poverty rate (O'Hare, Rise 6; USDA 30). Unemployment rates reached higher levels in nonmetro areas and the nonmetro economy recovered more slowly. As can be seen from Figure #2 the slow recovery was also reflected in the nonmetro poverty rate, which did not decline from its 198's peak until 1988, years after the decline began in metro areas and years after the economy recovered from the 1981-82 recession (United, Family 13; Deavers, Hoppe, and Ross 302; and Census, Poverty Residence Table 8).

Persistent poverty is also something that relates more to the rural than the urban poor. According to the Census Bureau's Survey of Income and Program Participation (SIPP), the rural poverty rate is not only higher than the urban poverty rate, but rural poverty spells last longer than urban spells. According to data from SIPP, 16.4% of rural persons were poor in an average month in 1990, compared with 11.8% of urban persons. The median duration of poverty was also longer in rural areas, lasting 4.7 months; in urban areas 3.9 months (Congressional 3).

5. Geographic Dispersement of Poverty

While more geographical area of the country is nonmetropolitan, two-thirds of the nation's counties, they contain only 22 percent of the nation's people. As is shown by maps #1 and #2, most of the United States contains areas of low population density (O'Hare, Rise 3; Census, Poverty United Table 1).

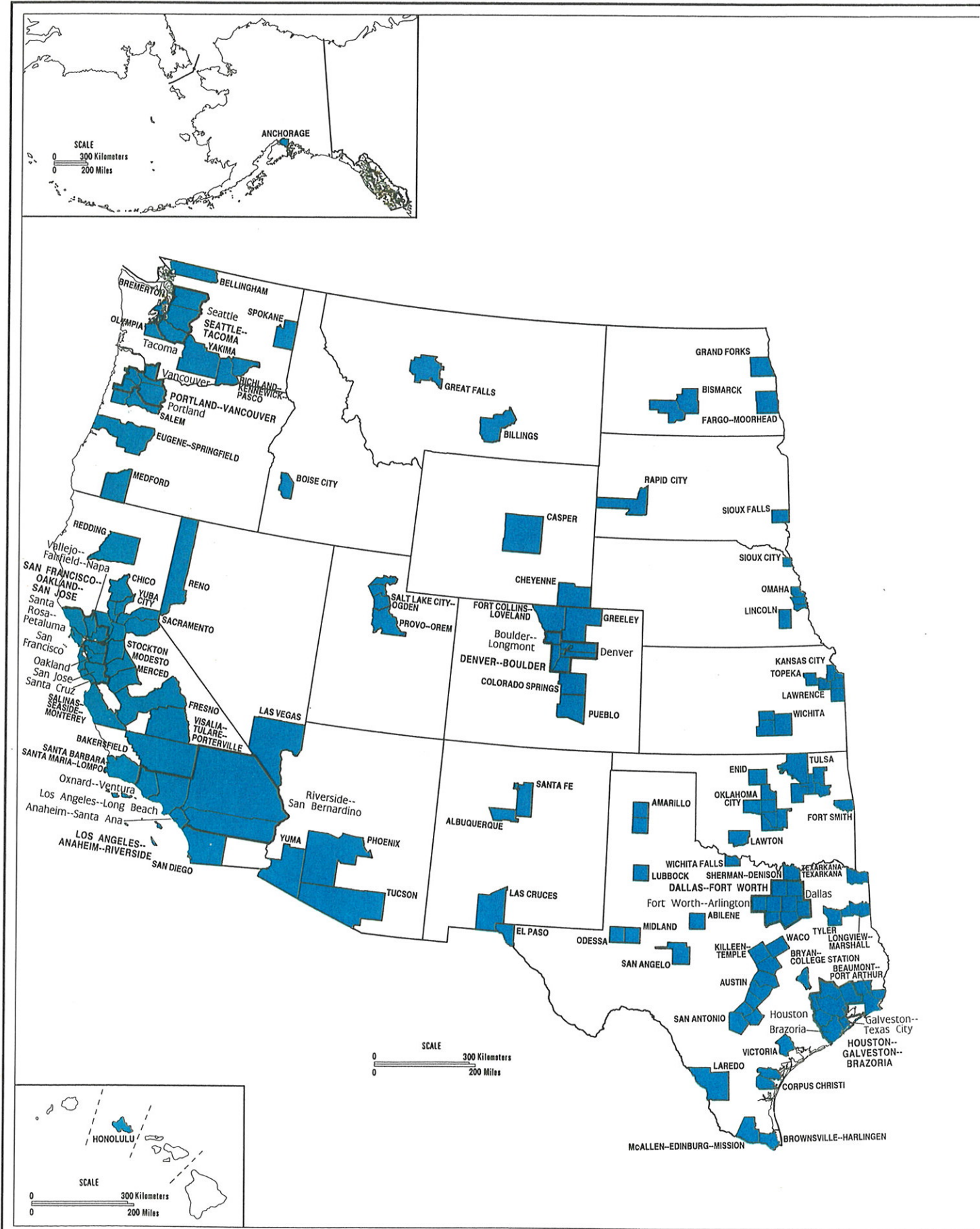
Figure #3



Source: U.S. Bureau of the Census CD-ROM, Income and Poverty: 1993. Table 10.

According to Figure #3 and map #3 based on 1990 Census Bureau data, the areas with the highest poverty rates are primarily non-metropolitan and/or in the South. For example,

Metropolitan Areas of the United States: 1990



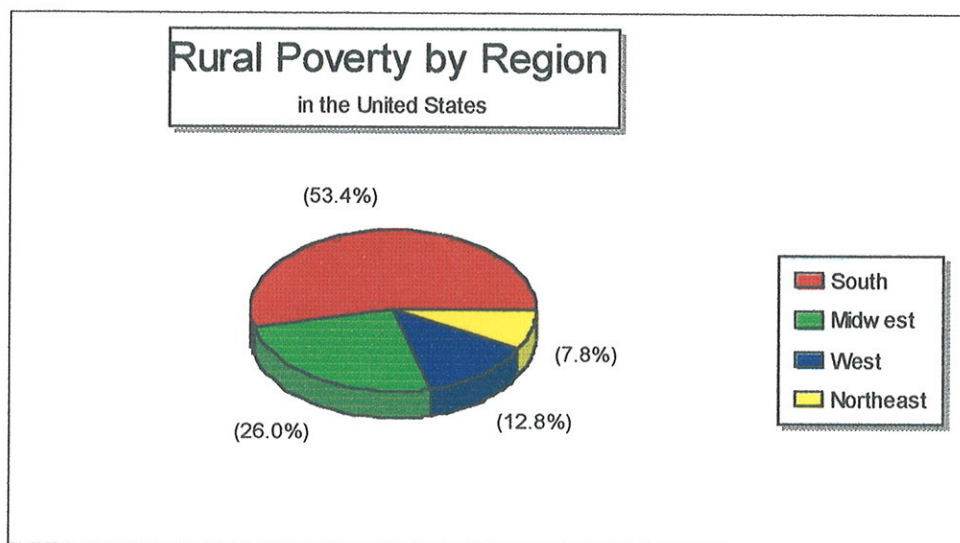
looking at the state of Minnesota on map #3, one of the areas with the lowest poverty rates is the Twin Cities area. Many major metropolitan areas across the country have the lowest poverty rates in their states. Poverty in the United States is also primarily a southern problem.

According to Figure #3, in the United States for the past two decades, the Southern region has had the highest poverty rate. This region includes: Delaware, Maryland, D.C., Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas (USDC, Statistical 43).

The Southern region also has the highest rural poverty rate. According to Figure #4, in

Figure #4

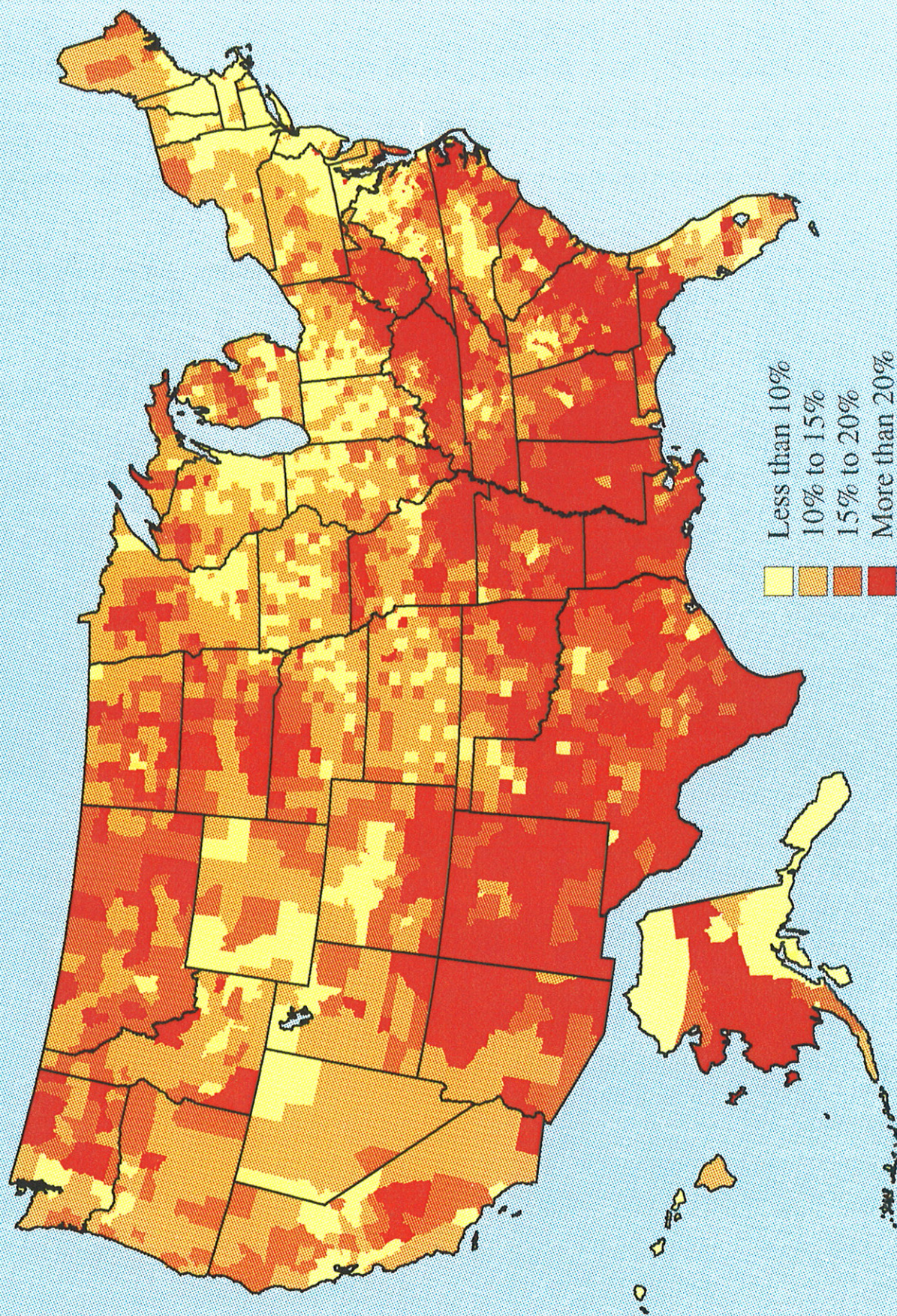
1992



Source: U.S. Bureau of the Census, Poverty in the United States: 1992. Table 8.

1992, the South had a non-metropolitan poverty rate of 53.4% (5,075,000). The Midwest region

Poverty Rate 1990



Source: Prepared by ERS based on data from the U.S. Bureau of the Census STF3C, 1990

was next in line with a rural poverty rate of 26.0% (2,473,000), while the West had a rural poverty rate of 12.8% (1,221,000). In terms of numbers and poverty rates the Northeast experienced the least amount of rural poverty, with a rate of 7.8% (739,000) (Census, Poverty United 43-58).

The nonmetro South has been characterized by the United States Department of Agriculture as having poverty that is more persistent than in other regions of the country. Of the USDA counties characterized as “low-income counties,” all but 18 were located in the South, and nearly half of these were located in just three Southern states - Kentucky, Mississippi, and Tennessee - all states with large rural populations (Porter, Poverty 19).

6. About That Supposed Lower Cost of Living in Rural Areas

Some have argued that rural poverty is not as severe as it seems because there are not adjustments made when measuring poverty for the supposedly lower cost of living in rural areas. Rural areas may seem to have a lower cost of living, but it is not possible to find out what the exact difference is. The reason for this is that there is no index in the United States that has ever measured cost-of living differences between rural and urban areas. Some expenditures in rural households may be lower than in urban ones, but that might reflect more than lower prices for some similar items. Since rural people have a lower income on the average, they may buy fewer or lower quality goods and services (United, Family 21).

In 1981, Linda M. Ghelfi of the Economic Research Service division of the United States Department of Agriculture did a study on cost of living differences, in the state of Wisconsin. While the costs in Wisconsin may not be representative of the range of costs elsewhere in the United States, data from the Consumer Expenditure Survey (CES), conducted annually by the U.S. Department of Commerce, shows that households in the Wisconsin survey do share many characteristics with urban and rural households nationwide. The percentages of income spent on essentials followed the same pattern in urban and rural areas nationwide as in Wisconsin's rural and urban areas. Ghelfi found that rural households in 1981 spent higher percentages of their income on food, transportation, utilities, and health care while urban households spent more on clothing and housing (Ghelfi 34).

In 1981, Wisconsin's nonmetro residents got by on less income than their metro counterpart did, but that is not because things cost less in the rural areas. Wisconsin's rural areas had higher concentrations of households that had paid up mortgages and more households headed

by an elderly person. Such households generally need less income to make ends meet (Ghelfi 30). Housing costs were found to be the most sensitive expenditure to population density. It was recognized that cost would be significantly different in a small town of a population of 1,000 than in downtown Milwaukee (Ghelfi 34). On the average, in 1994 rural welfare recipients' shelter expenses were 20% lower than urban recipients' costs (Congressional 5).

Linda Ghelfi concluded in her survey in 1981 that the similarities in expenditure patterns suggest that in the nation, as in Wisconsin, lower costs may not totally account for lower rural expenditures. Lower rural income and more rural households with paid-up mortgages may account for these lower rural expenditures (34).

As Linda Ghelfi has pointed out, the assumption that it costs less to live in a rural setting is not necessarily true. Her study is far from conclusive. What needs to be done is an extensive study state by state to differentiate the different costs of living in rural and urban areas so that adequate need standards and benefit levels can be determined.

7. The Rural “Working Poor” Family

To get an idea of who the rural poor are, Osha Gray Davidson paints a picture of a hard working poor family in rural America in his book Broken Heartland:

Donald Webster, a 34-year old, truck driver in eastern Iowa, is a father of two children under the age of ten. Webster worked for the same trucking company for the last five years. Although he works full-time, often on the road for nine weeks at a time, he does not bring home enough money to raise a family above the poverty line. The Webster's daughter, Brenda, was born with a serious respiratory problem. Because Donald's job does not provide medical insurance, Brenda's last hospital stay depleted what little savings the family had managed to set aside. The extra medical expenses added to the cost of feeding and clothing a family of four, which cause the family to fall behind on payments on their tiny two-bedroom house, so they moved into a small trailer on the edge of town.

“Our choice this month,” says Donald's wife, Donna, on a bitter cold January morning “is whether we should buy enough heating oil so Brenda doesn't get sick in the first place, or save the money for medicine in case she does.” “I am doing the best I can, you know?” adds Donald. “But it doesn't seem to do any good.” (74-75)

Despite Donald Webster's attachment to the labor force, what he is doing just isn't enough. The insufficient wages in rural areas in a full-time job are not enough to lift a family out of poverty, yet they are ineligible for assistance (Davidson 75).

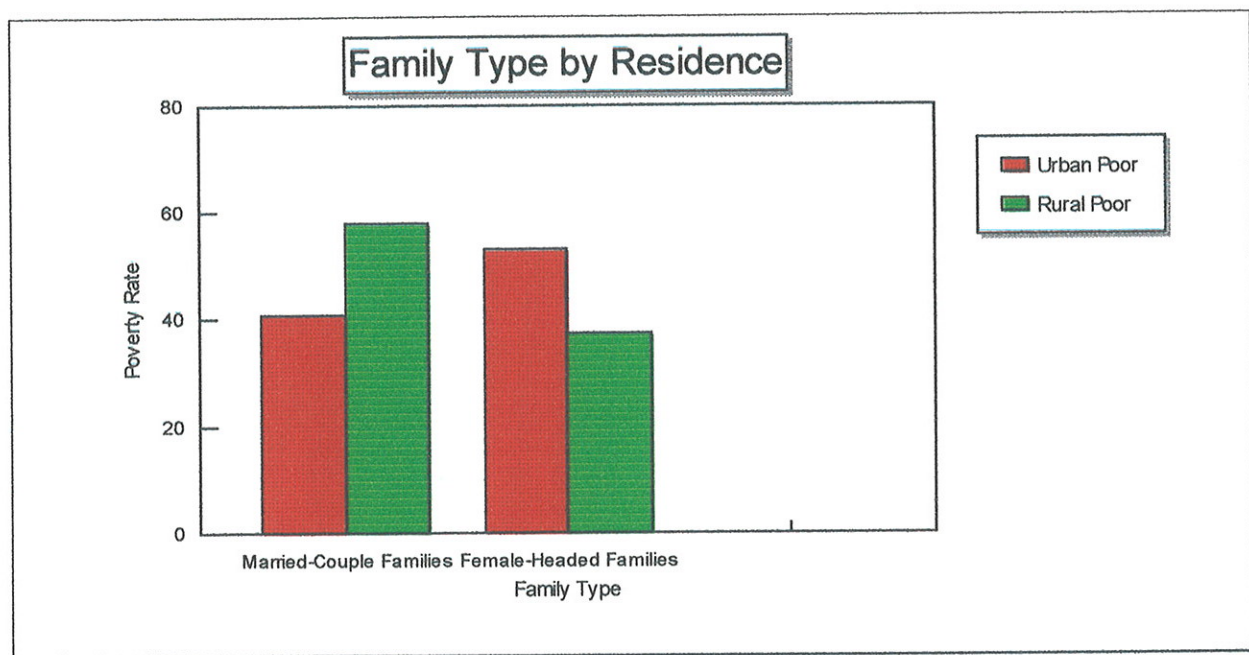
Public assistance programs are particularly inequitable in their disregard of the needs of

poor families with working fathers. There is a high prevalence of these families in rural areas. These working poor are excluded from assistance due to a misplaced concern for work motivation and a general desire to contain public expenditures. The rural poor, more often than the urban poor, fit the description of the working poor (United, Family 86).

At a Select Committee on Hunger Congressional hearing in 1991 it was found that even though the rural poor are more likely to have one family member working, they still lie below the poverty line. With one family member employed in a full-time year-round job, it is even possible to go hungry (United, Food 2).

The Webster family fits the description of a typical poor rural family because they are a married-couple family with children, with one family head working, yet they remain poor. In rural America, the institution of the family is held to be very important. Rural America has a higher rate of two-parent families in its social structure than urban America does. According to Figure #5, in 1992, of all poor families in non-metropolitan areas, 58% of them were married-couple families. In metropolitan areas the rate was significantly lower, only 41% of all poor families in metro areas resided in married-couple families (Census, Poverty United Table 8).

The typical poor family in urban areas is more likely to be female-headed. In 1992, the Census Bureau showed that the number of female-headed households in urban areas was disproportionately higher than in rural areas. Of all poor families in urban areas, 53.1% were female-headed families. In rural areas, 37.4% of all poor families were headed by a female householder (Poverty United, Table 8).

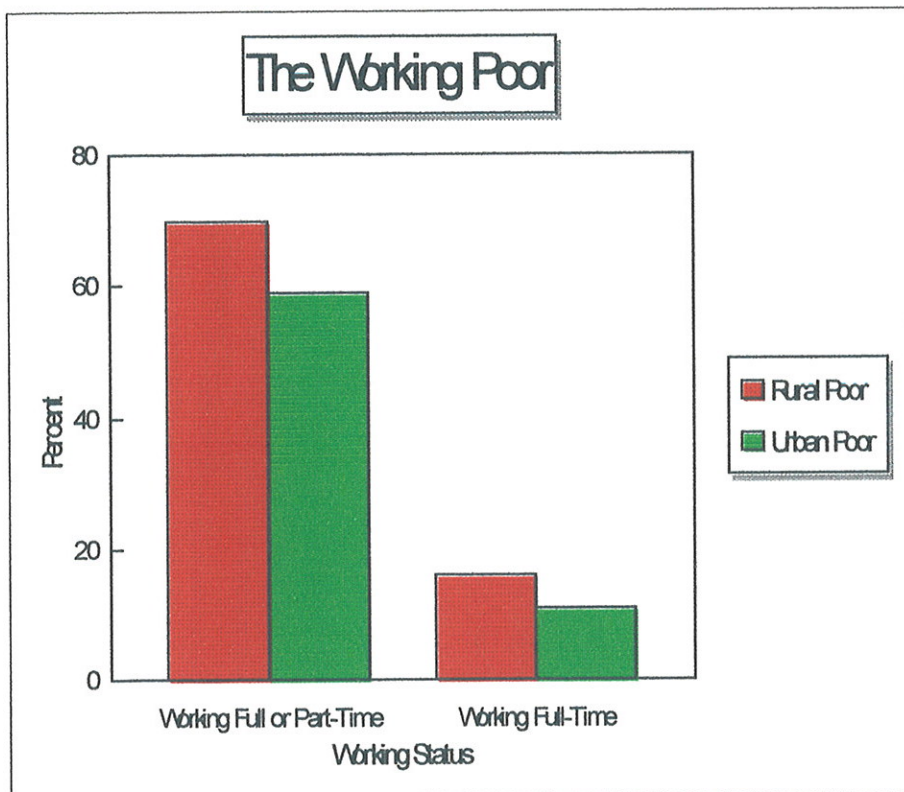
Figure #5**1992**

Source: U.S. Bureau of the Census, Poverty in the United States: 1992. Table 8.

Donald Webster is one of many rural Americans who works, yet is still poor. In comparison to the urban poor, the rural poor are more likely to have one family member working. According Figure #6, in 1990, almost three-fourths (70%) of the rural poor had at least one family member working, with 16% of these jobs being full-time year round employment. Of the urban poor, just over half (59%) had one family member working, with only 11% of these jobs being full-time year round employment. Moreover, the reasons why a majority of the

remaining 30% of the rural poor did not work were because 88% of them were ill, disabled, or elderly. These same reasons only accounted for 68% of the remaining 41% of the urban poor who were not working (Census, Metropolitan Table 24).

Figure #6
1990



Source: U.S. Bureau of the Census, Poverty Status in 1989 of Families and Persons: 1990. Table 24.

A family in which the household head works is more likely to be poor in rural areas than

in an urban area (Duncan, Rural 250). As of 1994 the average amounts of income for rural recipients were on the average 5% higher than urban recipients. Poor rural households were also more likely to have earnings, yet remain poor - 28% compared to 17% (Congressional 5). In rural areas it is also less effective to send more people into the workplace because of the lack of "good" jobs. Even though it is less effective to ward off poverty by working in rural areas, more rural people still try to find a job and work (O'Hare, Rise 11).

Of those rural poor who did not work and were able-bodied, many of them were able-bodied single mothers who stayed home to care for their children. Furthermore, according to 1990 Census data, even among these single parents, more than one-half (59%) of them worked. In urban areas, of all poor single mothers less than half (48%) of them were employed outside of the home (Census, Metropolitan Table 24).

It seems almost ironic that where there is a strong attachment to the labor force there is high unemployment. This higher unemployment in rural areas is partially due to rapid shifts in technology and more sensitive macroeconomic policy, business cycles, and overseas competition (Brown and others in USDA 13).

If there is a strong attachment to the labor force in rural areas, why is the overall poverty rate so high? The jobs that are available to workers in rural areas primarily consist of jobs in the service, manufacturing, and agricultural sectors. The commonality of these low-wage sectors in rural areas is an important cause of rural poverty (Tickamyer and Duncan in Duncan, Rural 42). According to Table #2, workers are placed into 6 different occupation categories: managerial and professional specialty; technical sales and administrative support; service; farming, forestry and fishing; precision production, craft and repair; and operators, fabricators, and laborers.

Occupations found in rural areas are easily affected by intermestic policies that send jobs abroad and import products. In urban areas, there is a high percentage of workers in the managerial and professional specialty and technical, sales, and administrative support occupations. In the rural environment there are more workers in service; farming, forestry, and fishing; precision production, craft, and repair; and operators, fabricators, and laborers occupations (Census, Metropolitan Table 3).

Between 1950 and 1990, most rural areas experienced faster growth in the number of families living in poverty, in a large part due to a continuing decline in manufacturing jobs. Many rural areas were left with low-paying service jobs that rarely provide benefits like health insurance. State's rural areas are losing ground to its metropolitan regions. Rural areas have higher unemployment rates, lower per-capita income and smaller percentage of adults with college educations (Dao B4).

Table #2 - 1990

Residence	Managerial and Professional Specialty Occupations	Technical, Sales, and Administrative Support Occupations	Service Occupation	Farming, Forestry, and Fishing Occupation	Precision Production, Craft, and Repair Occupation	Operators, Fabricators and Laborers
Metro	28.1%	33.3%	13.0%	1.5%	10.8%	13.4%
Non-Metro	19.8%	25.8%	14.2%	6.0%	13.4%	20.7%

Source: U.S. Bureau of the Census, Summary of Occupation, Income and Poverty Characteristics: 1990. Table 3

8. History and Evolution of Aid to Families with Dependent Children

The two largest government welfare programs that are available to assist the rural poor and all poor alike are Aid to Families with Dependent Children (AFDC) and the Food Stamp program. From the original intent of AFDC it is easy to see that there was one main target group, women and children in female-headed households. Through the evolution of AFDC the intent has changed very little, which in turn affects the rural poor. What has changed is America.

Under the New Deal program in the 1930's, President Roosevelt and Congress were very reluctant to establish any "welfare programs" as we know them today. Instead, most of the programs attempted to aid the poor in other ways. During the Depression work relief programs were established. To aid the unemployed and elderly the President and Congress established unemployment and Social Security Insurance. Even though these programs did give cash assistance they were not labeled "welfare" programs because there was no income test for eligibility. Instead they were called entitlements (United, Family 24).

The only "welfare" program established was Aid for Dependent Children (ADC), later renamed AFDC, which was aimed to assist nonelderly, nondisabled poor. Aid for Dependent Children's original intent was only to be temporary and only to assist a small group of the poor: widows with children or wives with disabled husbands. This type of welfare program was deemed acceptable because these people were labeled as the "deserving poor." It was also deemed acceptable because a mother's principle role was seen as that of a care giver and homemaker, not that of a breadwinner (United, Family 25).

By the mid-1960's many beneficiaries of ADC were however, no longer just widows and orphans, as had been the case in the Depression. Rather the scope of recipients expanded. It now

included mothers who had never been married or who had been divorced or deserted by husbands who failed to provide financial support for their children. This new expansion of AFDC, as we knew it before the Family Support Act of 1988, primarily affected the urban poor, where most female-headed households have been prominent (United, Family 27). During this time, welfare rights groups also began to form, which were predominately urban based (United, Family 26).

What helped contribute to the rise of poverty during the 1970s was the decrease in benefits under AFDC. Starting in the 1970s AFDC benefits began to lag behind the inflation rate (United, Family 30-31). Although the main effect of this decrease in benefits was to make poor AFDC families even poorer, what it also did was take additional families who had been lifted out of poverty by AFDC benefits and bring them back down below the poverty level (United, Family 31).

While AFDC's main target group of families continued to grow, the real value of welfare benefits declined (United, Family 31). Just when more of the rural poor could have been helped because the target group of AFDC also increased in rural America, benefits declined to exacerbate the already growing problem of poverty.

As one can see, Aid to Families with Dependent Children has historically focused on female-headed households and has had inadequate benefit levels. The criteria for eligibility itself shows that there was little attention to the rural poor. The number of female-headed families in rural areas who need assistance is only one-third of all of the families in comparison to over half of all families in urban areas. What about the other two-thirds of the rural poor? This question was somewhat answered by the Family Support Act of 1988 when AFDC was changed on a federal level to AFDC-UP, which expanded eligibility to two-parent families where

the main breadwinner is unemployed. Unfortunately, the problem of low benefit levels was not answered by the Family Support Act.

9. The Effect of Reaganomics on the Rural Poor

The conditions of rural America have changed dramatically since the 1970's. The two Republican administrations of the 1980s and 1990s worked selectively and progressively to dismantle major components of social spending in America that together was successful at taking apart rural policy initiatives in the heartland of America (Rural, Persistent 309). According to many who live in rural America, a large part of the problem they faced then and now can be traced back to the Reagan revolution. Throughout the Reagan administration, the federal government slashed the amount of federal funds available to the states for social service programs (Davidson 98). In 1981, the administration wanted to reduce Federal support for AFDC, Medicaid, food stamps, and the school lunch program (United, Family 33).

During the Reagan administration, AFDC was transformed from a system combining work and welfare to a system encouraging a choice between work and welfare (Levitan; Danziger and Feaster in Deavers, Hoppe, and Ross 300). "The Reagan administration made it difficult for people to receive welfare if they worked on a regular basis (Cottingham and Ellwood 47)." This policy established strict income limits, severely reduced the earned disregard when calculating benefits, placed a \$75 monthly limit on deductions for work-related expenses, and placed a \$160 per month limit on deductions for child-care expenses (University of Wisconsin-Madison in Deavers, Hoppe, and Ross 300). The message from the Reagan administration was clear, that welfare and helping the poor was not a top priority of the federal government (Cottingham and Ellwood 18).

The 1980s were a hard time for rural communities. Ordinarily local governments had few funds in times of increased public need, they could turn to the federal government for help.

The Reagan administration's fight to get government off the backs of the people basically knocked rural communities off their feet and flat on their backs (Davidson 66). These harsh policies couldn't have come at a worse possible time for rural Americans, when rural people needed social services the most (Davidson 98).

During the mid-1980s it was apparent that President Reagan's spending reductions on social welfare contributed to an increase in poverty (General Accounting Office, the Congressional Research Service, the Urban Institute, the Congressional Budget Office, and others in United, Family 33). According to Figure #2, between 1979 and 1983, poverty at all levels experienced a large increase. During this time period the nonmetro poverty rate increased from 13% to 18%, the central city poverty rate from 16% to 19%, and the metro poverty rate from 11% to 14%. There are three major factors that contributed to this increase:

1. Prices increased more rapidly than income in the late 1970s and early 1980s.

Because the poverty thresholds are adjusted for inflation, they increased as rapidly as prices. This caused people whose income was just marginally above the poverty level to fall into poverty as their income grew slower than prices and the poverty thresholds.

2. The economic downturn from 1980 to 1982 reduced the earnings of some people enough to make them poor.

3. Tightened eligibility requirements during the Reagan administration increased poverty by removing people from the welfare rolls or by reducing benefits.

(Getz and Hoppe; U.S. Bureau of the Census; and Levitan in Rural, Persistent 24).

10. The Inadequacy of AFDC Need Standards

Many benefits that welfare recipients receive just aren't enough. One underlying reason these benefits are inadequate is because the state defined need standards they are based on are inadequate. Betsy Brown is one recipient of West Virginia that says the benefits just aren't enough to attain an adequate living. She was crying because the 20th of the month had come and gone. She sat in the living room of the house she and her husband, Johnny, built with their own hands down in the creek bottom, out of cinder block, plywood, and wallboard. She wept as she told two visiting members of Congress that there was not enough to eat in her house. There was no milk and the only thing left in the icebox was a piece of roast and some ice. She told the Congressmen that it's always that way after the 20th of the month because she is always out of food stamps and welfare money by then. Mr. Brown is unable to work because he had been disabled while cutting support posts for the mine, and his wife was under a doctor's care for a blood disorder. Their family just can't support themselves and their two children all the way through the month on the \$600 a month in total benefits the government gives them (Ayes 18).

The Congressmen, Rep. Mickey Leland of Texas and Rep. Harley O. Staggers Jr. of West Virginia, both Democrats and members of the House Select Committee on Hunger, went to the economically depressed hollows of the coal country of south central West Virginia to find out how the nation's major food assistance and welfare programs were working. Both Congressmen agreed that the welfare safety net was full of holes (Ayes 18). Income plus benefits must provide a sustainable living style. The reevaluation of states need standards would help.

States set need standards and benefit levels. Within outer federal limits, they also establish income and asset rules. The need standard is a component of the eligibility and benefit

structure of Aid to Families with Dependent Children program. It provides a benchmark against which to measure the adequacy of AFDC benefit levels. A need standard is the minimum income that each state decides is required to sustain a family (Porter, Enough 1). Federal regulations require that a state AFDC plan be in operation on a statewide basis in accordance with equitable standards for assistance. The United States Department of Human Services permits need standards to contain area differentials, based on appreciable regional or sectional variation in the cost of shelter. For example, as of July 1995, Louisiana and Wisconsin had two regional standards, one for urban areas and a lower one for rural areas. Connecticut has three rent regions; Illinois and Virginia have three area standards; Pennsylvania, four; and Kansas, five. The result of these region standards are critically dependent upon methodology which only used shelter costs to establish the differentials (Congressional 4).

States are given the opportunity to set their need standard as they wish, and thereby determine whom they consider to be needy. Federal guidelines mandate that the determination of need "be made on an objective and equitable basis," but regulations do not require that any particular methodology be followed. As a result, standards vary significantly from state to state (Porter, Enough 1). If a particular federal methodology were established and need standards approved by the United States Department of Human Services, states would be required to provide adequate benefits. Furthermore, a requirement to provide benefits near the need standard must be established. This would particularly assist the rural poor who primarily live in states with low benefit levels. These benefits would bring them at an adequate living standard. Table #3 lists the need standard and maximum benefit level for each state (Porter, Enough 1).

Need standards in many states are inadequate to even a subsistence level of income. This

inadequacy is due to two factors: 1) the tendency of many states to use flawed methodologies which result in inadequate standards and 2) the failure of states to update standards to compensate for increases in the cost of living (Porter, Enough 1). A major reason why states, particularly poor rural ones, are reluctant to set need standards that adequately reflect living costs is that raising the need standard affects AFDC eligibility levels and the total costs of the program to the states budget. To be eligible for AFDC benefits applicants must pass a series of income tests. The family's total income must be less than 185 percent of the need standard. The family's countable income - total income minus certain deductions - must be less than the need standard (Porter, Enough 3). If need standards were increased, a large portion of the rural poor who work would qualify for some type of benefit because their countable income may not exceed the need standard. This would be one way to assist the rural poor.

The Family Support Act of 1988 required states to provide information on their AFDC need standards at least every three years and to report their findings to the U.S. Department of Health and Human Services. From the information reported to the HHS, a majority of states could not demonstrate that their need standards represented an amount of money necessary to purchase basic necessities. Many of the states even acknowledged that their standards were inadequate (Porter, Enough 5).

One major problem is that many different methodologies are used to construct need standards. Many of them are inadequate. These methodologies fall into six categories:

- 1) **Federal Poverty Guidelines** - Alabama, Arizona, Arkansas, Delaware, Florida, Georgia, Hawaii, Indiana, Kentucky, Mississippi, Nevada, New Mexico, Ohio, South Carolina - The poverty guidelines are based on calculations originally made in the mid-

Table #3
Standard of Need and Maximum Benefit Level for a
Family of Three, January 1992

<u>State</u>	<u>Standard of Need</u>	<u>Maximum Benefit</u>
Alabama	\$637	\$149
Alaska	924	924
Arizona	928	334
Arkansas	705	204
California	694	663
Colorado	421	356
Connecticut	680	680
Delaware	338	338
District of Columbia	712	409
Florida	928	303
Georgia	424	280
Hawaii	1067	666
Idaho	554	315
Illinois	844	367
Indiana	320	288
Iowa	849	426
Kansas	422	422
Kentucky	526	228
Louisiana	658	190
Maine	573	453
Maryland	522	377
Massachusetts	539	539
Michigan	551	459
Minnesota	532	532
Mississippi	368	120
Missouri	312	292
Montana	478	390
Nebraska	364	364
Nevada	620	372
New Hampshire	516	516
New Jersey	424	424
New Mexico	324	324
New York	577	324
North Carolina	544	272
North Dakota	401	401
Ohio	817	334
Oklahoma	471	341
Oregon	460	460
Pennsylvania	614	421
Rhode Island	554	554
South Carolina	440	210
South Dakota	404	404
Tennessee	426	185
Texas	574	184
Utah	537	402
Vermont	1112	673
Virginia	393	354
Washington	1014	531
West Virginia	497	249
Wisconsin	647	517
Wyoming	674	360

Source: Committee on Ways and Means, U.S. House of Representatives, 1991 Green Book: Background Material and Data on Programs within the jurisdiction of the Committee on Ways and Means, May 15, 1992.

1960s by Mollie Orshansky. Orshansky used a 1955 expenditure survey showing that the average family spent about one-third of its income on food. The poverty level was defined as three times the cost of the Economy Food Plan. The methodology and guideline is still the same. It is updated each year using the CPI. Only four states - Arizona, Arkansas, Florida, and Hawaii - actually set their need standards equal to the poverty guidelines. The remaining states determine their need standards some percentage of the federal poverty guidelines.

2) Lower Level Living Standard - Maine, New York, North Carolina, Pennsylvania, Tennessee, Wisconsin - Some states base their need standards on the cost of the Lower Living Standard established by the federal Bureau of Labor Statistics. The Lower Level Standard consists of a list of goods and services required by a typical family of four that maintains a “modest but adequate” standard of living. States that use the Lower Level Standard often modify the list of goods and services to eliminate items the state does not consider necessities.

3) Local Market Basket Surveys - Colorado, District of Columbia, Idaho, Iowa, Louisiana, Massachusetts, Missouri, Montana, Nebraska, Oklahoma, Oregon, Utah, Vermont, Washington - States using this approach determine local prices for a selection of goods and services the state considers essential, such as food, shelter, utilities, clothing, and certain personal items. The total cost of all the items in the market basket becomes the need standard.

4) Expenditure Ratio - Illinois, Wyoming - Data on consumer expenditure

surveys are used to determine average expenditures for both food and non-food items. The ratio of food to non-food expenditures is then multiplied by the cost of a modest but nutritionally adequate diet. The resulting figure is the need standard.

5) Legislative Determination - Maryland, Michigan, North Dakota - These states need standards are set by the legislature based on the level of funds appropriated for the AFDC program and are not related to living costs.

6) Average Payment - New Hampshire, New Jersey, Rhode Island - AFDC benefits were once determined on a case-by-case basis. When they converted to an AFDC program that provided standard benefit amounts, these states averaged the individually-determined benefit levels by family size. The averages were then used to set the need standard.

7) Unknown Methods - Alaska, Connecticut, Kansas, South Dakota, Virginia, West Virginia - These states established their standards so long ago that the methodology originally employed and the rationale for the standard have been lost. California, Minnesota, and Texas were unable to identify the methodology they used to set their need standards. (Porter, Enough 5-7)

The best way to set a need standard that accurately represents the cost of a minimal but decent standard of living is to conduct a comprehensive market basket study. This methodology enables a state to determine most precisely the needs of a low income family and the cost of the needed items at the local level. The need standard based on this study must be regularly updated for increases in the costs of the items included in the standard and for changes in the pattern of

spending or the standard will soon lose its claim on adequacy. According to Table #4, the states that currently use this method have failed because they have not updated their need standards regularly enough (Porter, Enough 37).

An adequate need standard serves as a point against which to measure the adequacy of AFDC benefits. In states where the AFDC benefit level is linked to the need standard, an increase in the need standard automatically results in an increase in benefits (Porter, Enough 4).

Table #4
States Using Local Market Basket Surveys and Year Survey Conducted or Updated

Colorado	1972	Idaho	1969
District of Columbia	N/A	Iowa	1976, 1981
Louisiana	N/A	Massachusetts	N/A
Missouri	1969, 1975	Montana	N/A
Nebraska	1986	Oklahoma	1985
Oregon	N/A	Utah	1982, 1983, 1984
Vermont	1958, 1966, 1970	Washington	1984

Source: Porter, Kathryn H. Enough to Live On: Setting An Appropriate Need Standard. Center on Budget and Policy Priorities. Washington, D.C. 1992

The majority of the rural poor live in states with low and inadequate need standards. These same states have even lower benefit levels (Porter, Enough 5). One way the Federal government can reduce rural poverty is to require states to establish that the sum of earned income and benefit levels be equal to their need standard. Having benefits plus a family's income equal a state's need standard would be crucial in lifting the rural out of poverty.

11. Eligibility Status and Benefits for the Rural Poor

To be eligible for AFDC a family must pass a number of separate tests based on family structure, employment status, and family income. One basic eligibility test is that the family must have children under age 18. As of 1994 rural households were less likely to contain children - 57% of rural households contained children compared with 62% of urban households (Congressional 5).

The Federal government provides the guiding framework for the administration of AFDC, but states have significant leeway in setting need standards to determine if a family is poor enough to receive assistance. States also determine the amount of AFDC benefits that a family might receive (United, Family 80).

There are two income tests that a family must pass to become eligible. As stated by the United States Department of Agriculture, the agency that deals with rural poverty issues, they are:

The family's gross income is compared with 185 percent of the need standard established in the State of residence for a family of given size. Families whose income exceeds 185 percent of the need standard are not eligible for AFDC.

The other income test compares the family's adjusted income (after income disregards are subtracted) with the State's payment level for a family of that size. (Family, 80)

The raising of need standards would especially be helpful to the rural poor. This is true not only because they more often have an income than the urban poor (28% compared to 17%), but also

because they have a higher income on the average (5% higher) (Congressional 5). Their income ends up disqualifying them for assistance. For families that have earnings, federal law requires states to reduce a family's AFDC check by most of the sum earned (Congressional 4). According to Table #3, in 31 States, primarily in the South, payment levels are below the state's defined need standard (United, Family 91; Porter, Enough 5). Many families with incomes low enough to be eligible for AFDC after the first income test have adjusted income above the State's payment level for their family size. They would thus be ineligible for assistance after the second income eligibility test (United, Family 80).

The low need standards and payment levels in many states ensure that if families acquire any income through working or from other sources they quickly become ineligible for assistance. This is true even though these families have incomes well below the federally established poverty line (United, Family 81).

In New York State in 1995 statistics from the Department of Social Services showed that New York City, with 40 percent of the state's residents, receives 72 percent of the states welfare spending (Dao B4). Because of current eligibility requirements rural households were less likely to receive unearned income (e.g. welfare, Social Security) than urban households (72% vs. 79%). Part of the reason for the difference in eligibility is because rural households are more likely to possess countable income and assets than urban households (34% vs.20%). For those with countable assets, rural households holdings were larger by more than 25% (Congressional 5).

Federal statutes and regulations establish ceilings on assets allowed welfare recipients. To the extent that cars exceed \$4,600, the fair market value of most vehicles is counted as a liquid asset for food stamp and AFDC eligibility purposes. These programs also have an "equity

value” test that says that the equity value of the car cannot exceed \$1,500 and states may set a lower amount. This test normally overrides the fair market value test. Liquid asset limits are \$2,000. This means that, for a household with no other liquid assets, a car for personal use worth more than \$6,600 is grounds for ineligibility, without regard to the households other financial circumstances or the amount owed on the vehicle. Limited public transportation in rural areas and the likely higher cost of some vehicles used for rural transportation, like 4-wheel drives, trucks, and vans, means that this rule may have more of an effect in rural areas (Congressional 6 and Tolchin 8).

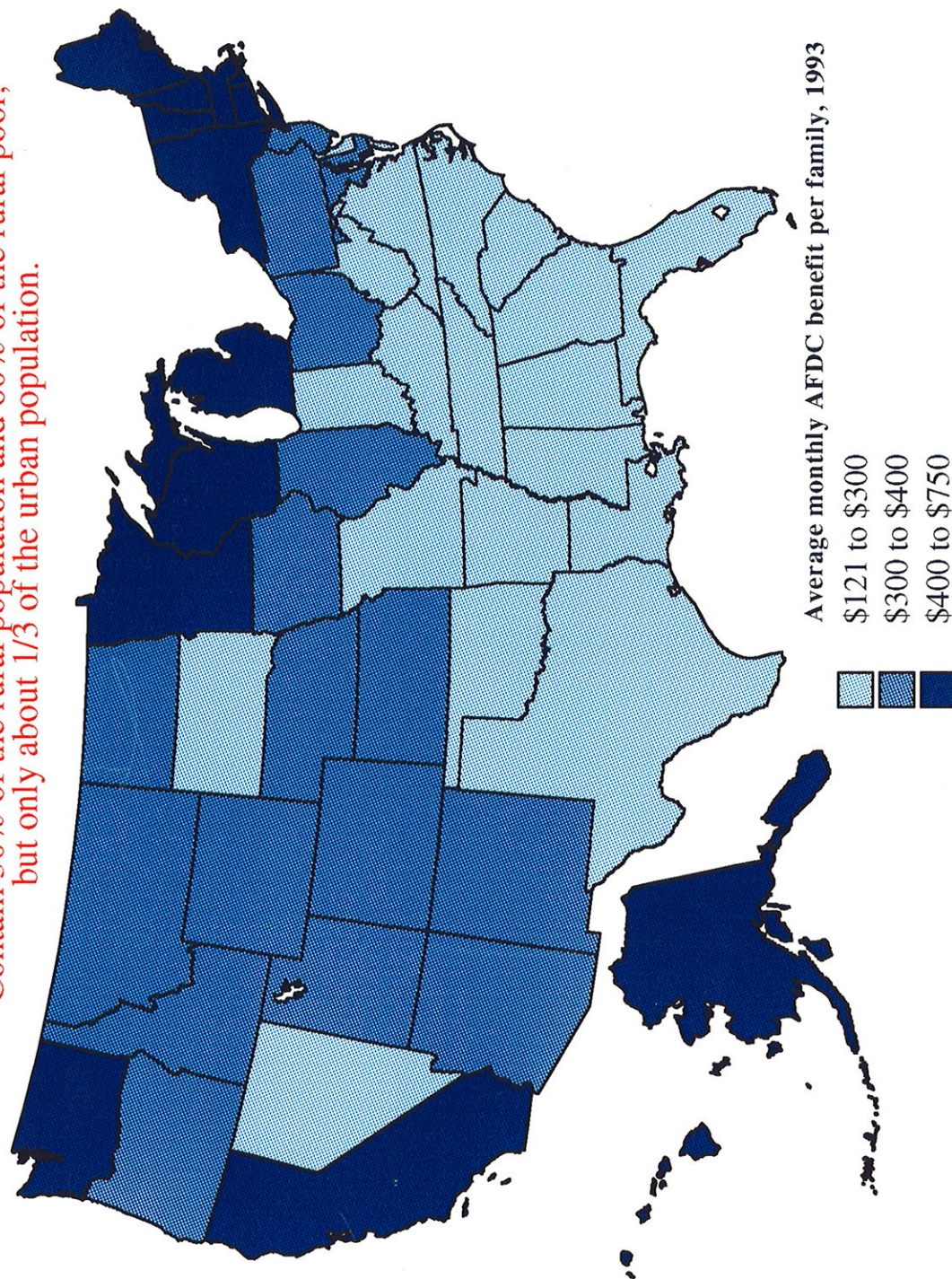
Depreciation of farm business assets is not allowed as a factor for reducing income counted for welfare eligibility and benefits. Farm property is excluded as a countable asset for 1-year after a farmer ceases to be self-employed as a farmer. Farmers that remain in business, yet are poor are unlikely to qualify for assistance. The value of their farm property is usually high enough to disqualify them from AFDC or food stamp benefits (Congressional 6).

Once on welfare, rural residents face certain obstacles that keep them from staying eligible. In some states, able-bodied adults will start losing their welfare benefits if they cannot demonstrate that they have contacted at least five different employers a week, with no repeats in the same month. For example, for the rural poor this requirement is hard to fill because of a lack of job openings and the lack of means to travel. In many rural areas, welfare recipients might not find 20 employers within a 30-square mile area. Meeting this rule could prove impossible (Dao A1).

Those who are eligible for AFDC and live in impoverished or unsympathetic states are maltreated by the system. Even after receiving assistance, they remain pitifully below acceptable

States with large rural populations offer lower levels of AFDC assistance

The low-benefit states (Average monthly benefit per family \$121 to \$300)
Contain 50% of the rural population and 60% of the rural poor,
but only about 1/3 of the urban population.



Source: Prepared by ERS based on Social Security Bulletin Annual Statistical Supplement 1995.

standards of living (Rural, Rural 98). The variation in states AFDC benefit levels is not just a reflection of cost-of-living variations alone. The rural poor disproportionately live in poor rural states which are unable to support welfare programs or other services at the same level or to the same extent as more prosperous states. Providing federal funds to assist low-income states meet a re-evaluated need standard would especially help the rural poor (Rural, Rural 92).

Even when the rural poor did receive assistance, the AFDC benefits that were received by the rural poor were more than 25% lower on average than the urban poor's benefits (Congressional 5). As can be seen from comparing map #3 and map #4, the poverty rate is the highest where the average monthly AFDC benefit per family is the lowest. There is great disparity between states' benefit levels, like Minnesota, which pays between \$400 and \$750 a month and Mississippi which only pays between \$121 and \$300. The states that pay the low-benefit levels contain 50% of the rural population and 60% of the rural poor, but only about 1/3 of the urban population. "States with large rural populations offer lower levels of AFDC assistance" (United, map #3).

12. Paperwork as a Problem

Many people who are eligible for welfare do not receive assistance because of problems with their applications. Illiteracy and other language barriers, transportation problems and the difficulty of providing necessary documents are keeping many needy people from assistance for which they are qualified. These problems are significant among the rural poor (Tolchin 1).

Sarah Shuptrine, a former South Carolina human services official, said that paperwork is a great deal of the problem. She said that it has become a process that is more concerned with verification and keeping ineligible people off welfare than in trying to help people become eligible (Tolchin 1). During the Reagan administration state officials tightened the application procedures. The program now works to exclude people and it was not necessarily designed to do that (Tolchin 8).

Minnesota is one of few states that has a combined application for food stamps and AFDC. The application is lengthy and requires a lot of detailed information (see Appendix A for application). At request, applications can be mailed to prospective recipients. This is very helpful to the rural poor who lack transportation and who fear being stigmatized by going to a welfare office. For many of the rural poor, the application itself poses problems because of the knowledge and education one must have to fill it out. There is assistance available to fill it out, but an applicant must have transportation to a welfare office to get the assistance (Summers interview).

13. The Family Support Act of 1988

Welfare reform emerged again on the national agenda in 1986 when President Reagan called for a thorough reexamination of the welfare system (United, Family 34). The Family Support Act (FSA) of 1988 is the welfare legislation and guidelines still being enacted. This act focuses on the AFDC program (United, Family I).

AFDC is less effective in reducing poverty in rural areas because the rural poor are less likely to have children, be unmarried, or be unemployed. Given the fact that the Family Support Act of 1988 was driven by images of the urban poor, there is at least some reason to question the effectiveness of AFDC in assisting the rural poor (United, Family 81). The focus of policy makers on central city poverty, where there are more families headed by women, does not reflect the situation that the rural poor face (United, Family 83).

Major provisions of the 1988 act are summarized as:

- All states must establish an AFDC-Unemployed Parent (AFDC-UP) program for two-parent families where the principal breadwinner is un-employed (with states having the option to provide benefits to these families for only 6 months)
- States are required to establish the Job Opportunities and Basic Skills Training (JOBS) program to help AFDC families become self-supporting. States must provide transportation, child care, and other services that AFDC recipients may need to participate in the JOBS program.
- Transitional child support and Medicaid may be provided to families for up to 12 months after leaving AFDC. These provisions apply to any family leaving AFDC, not just those participating in the JOBS program.

- To reduce the need for AFDC, the act requires stricter enforcement of child-support orders. (United, Family xii)

It is important to understand the driving force behind implementing the Family Support Act. It has already been established that poverty is generally perceived as an urban problem. “The Family Support Act itself was a response to concern over the urban underclass” (Solomon in United, Family 9). This underclass is concentrated in urban areas and consists predominately of African-Americans and Hispanics. The known existence of this growing underclass was a major factor in enacting the Family Support Act (FSA) (U.S. General Accounting Office in United, Family 6-7 and Rural, Rural 98). Even though the statistics show that poverty is proportionately higher in rural areas than in urban areas, this act was driven by observations of poverty that are more easily seen in urban areas (United, Family 9). “The recent concern over the urban underclass has, unfortunately, diverted public attention from other large groups of poor, including the nonmetro poor” (United, Family 10).

It is also important to remember that the FSA does not target the poor in general. Its main focus group is female-headed families. Because the number of female-headed households is significantly lower in rural areas compared to urban, the FSA affects more people in urban areas (United, Family 9-10) Extending AFDC to AFDC-UP will help, but more people clearly must be reached if rural poverty is to be reduced (United, Family xiv).

This act will help some poor rural families escape the welfare rolls but it is not a cure for poverty. States differ greatly in their ability to take advantage of the Family Support Act. One example includes, many rural areas lack employment for participants who complete the JOBS program. Moreover the rural poor are concentrated in the South where many states have

difficulties meeting matching requirements for Federal funding (United, Family I).

Finding out the effects of the Family Support Act in rural areas is important for two reasons. First, there are large numbers of rural poor who are affected by the act. Second, rural areas differ economically and socially from urban areas, which affects how the reforms are implemented (United, Family ii).

14. The Extension of AFDC to Unemployed Parents

The expansion of the Family Support Act to Aid to Families with Dependent Children - Unemployed Parent (AFDC-UP) has increased the number of eligible cases in many rural areas. However, since its implementation on October 1, 1990 there has been a relatively greater increase in numbers of eligible cases in urban areas. This overall increase in caseloads will not overwhelm local social services, unless there is a severe recession (United, Family 67). Despite their economic need, poor rural families, have lower eligibility rates for AFDC-UP than urban families. Rural poor families with children are more likely to be headed by married couples and the heads of these families are more likely to be employed full- or part-time. The combination of these characteristics make the rural poor less likely to be eligible for AFDC-UP than metro poor families (United, Family 88).

Through federal regulation, AFDC-UP was extended to all states, but states are allowed to limit benefits for a period as short as 6 months. Allowing states to limit benefits primarily affects poor married-couple families who live in poor states. Heads of married-couple families who are unemployed are most likely in this position as result of underemployment not an unwillingness to work. Until jobs are created, many will be living in poverty after their 6 months of benefits are up (United, Family 38).

AFDC-UP will not take care of rural poverty, but it will help some of the rural poor become eligible. AFDC-UP must become a permanent revision with no time limits. According to Figure #2, since its implementation on October 1, 1990, the poverty rate of all residencies actually increased, with a slight decline in 1994. While AFDC-UP did do something to increase the welfare rolls, it did little to reduce poverty. Increased benefits must accompany increased

eligibility.

Many of the new recipients may already have experience with the welfare system because they have received Food Stamps. Before AFDC was expanded to AFDC-UP, the Food Stamp program was the only major financial assistance program available for poor married-couple families. The lack of information dissemination systems and the relative isolation of the rural poor will lead to under use of AFDC-UP, if special efforts are not made to notify them of this program. For many families though, AFDC-UP will be their first exposure to the welfare system and bureaucratic red tape. This group will go through the “clientization” process and will experience the stigmatization that goes along with receiving public assistance in the United States. This reluctance to receive public assistance requires welfare offices to make special efforts at outreach, especially in rural areas (United, Family 67).

15. Implementing the Family Support Act in Rural Areas

One major obstacle in implementing the Family Support Act in rural areas is rural social services. Social services delivery is very different in rural and urban areas because of the lack of specialized social services in rural areas. Especially missing in rural areas are nongovernmental services (United, Family 53).

Rural areas have to rely more heavily on basic, government-provided services and on organizations whose primary purposes are other than delivering social services. Service delivery in rural areas is further complicated by low population density, which means individual rural clients are more dispersed and harder to reach. Moreover, the Family Support Act involves a different set of problems and resources in rural areas than in urban ones (United, Family 53).

Low population density in rural areas poses a significant problem in implementing social policies. The distance from the homes of clients to work sites or welfare offices where services are provided can be unreasonably long in rural areas (United, Family 59). “For example, one-way trips of 2 hours or more may occur in areas of such remote communities in Appalachia, in the Rocky Mountains, and on Indian Reservations” (United, Family 60).

Lack of transportation resources is yet another impediment to delivery of social services in rural areas. Long distances in rural areas make access to social services inconvenient for some and impossible for others. There are few, if any, rural bus lines in operation. Using a taxi as a means of transportation is very expensive, even if taxis do exist. Many privately owned transportation businesses have either left the business or withdrawn from small towns. For those who earn minimum or low wages, reliable automobiles may be too expensive to buy and maintain. In addition, ownership of such cars may end up disqualifying someone for assistance

anyway (Kidder in United, Family 60).

Having a welfare office at easy and close access is important to the poor. In a few states there are traveling offices that have staff members moving from region to region throughout the state . The cost of this traveling can be very high (Farley and others in United, Family 60 and Rural, Rural 89). This shows once again that accessible welfare costs money. The aid of traveling offices can be handled by mail so no travel is needed by either the welfare staff member or the recipient (United, Family 60).

“Delivery of services is typically less costly in urban areas because of economies of scale and geographic concentration of clients” (Martinez-Brawley in United, Family 60). Because of the inefficiency and high cost of providing full-time services in low density population areas, the policy decision ends up being to simply not locate offices in many rural areas or to serve rural areas with sporadic representatives and services (Honadle; Jenkins and Cook in United, Family 60 and Institute 6). This then means that in many cases, the rural poor typically have to travel to urban centers or county seats to apply for or receive services. Thus although such policies may make sense on the basis of organizational efficiencies, many of the rural poor fail to attain access to AFDC and food stamps because they cannot easily travel because of a disability, age, or low-income (Honadle in United, Family 60).

Long distances hinder communication about government social programs. Learning about the wide variety of services that are available is complicated in rural areas. While it is not difficult to learn about what types of social services are available through public service announcements distributed by the mass media this is not the way many eligible people really become informed about what is available. Most learn about available services through word of

mouth with relatives, neighbors, and social workers (Slowik and Paquette in United, Family 61).

Low-income people in urban areas usually learn about available services through their contacts with one another in their neighborhoods. The concentration of many eligible people in an urban setting provides many places and knowledgeable people about being a potential client. In rural areas, isolation and the lack of gathering places, the fewer agencies, and the fewer number of clients mean that people who may need help may not find it as easily as those who live in urban areas (United, Family 61).

Mark Rank and Thomas Hirschl reported in a study that they found a clear difference in the degree of interaction among welfare recipients. Welfare users in urban areas are more likely to interact with other welfare recipients.

A woman in her 40s was asked, "Currently among your friends, are there people you know who are receiving any kind of welfare assistance?" She replied, "Well, sure, because a lot of people within this very complex are. And I would suspect that I could say those are my friends. I guess it's so pretty well common that just about everybody that I work with knows somebody or has relatives or somebody who is on welfare." (Rural, 201)

Urban recipients often stated that their friends were "in the same boat." Rural recipients were less likely to know and associate with other recipients. A single woman in a small town was asked:

"What about some of your friends, do they.....have feelings about your being on welfare.....?" And she replied, "Well, there's a lot that don't know that I am. There's a lot of 'em I work with, ya' know. They make these terrible, nasty

comments, about people on AFDC, or welfare as they call it. An' I always say AFDC, 'cause it sounds better. But, I don't really say anything. It doesn't really bother me, 'cause I figure, well, keep my mouth shut. What they don't know won't hurt 'em. Ya' know. (Rank and Hirschl, Rural 202)

With this lack of communication and marketing of welfare programs, the rural poor fail to know of ways to access and become eligible for the assistance that they need.

Because of a lack of social services and frustrations with the system many of the rural poor have decided to not participate at all. Lack of knowledge and accessibility of programs and/or the rural poor's reliance on kin, close relatives or friends have kept many of the rural poor from enrolling in welfare programs. Many social, personal, and family problems are resolved through informal networks instead (Biegel and Naparstek; Whittaker and Garbarino in United, Family 54). Friends, relatives, neighbors, and organizations outside the formal social welfare networks help those who are in need. This informal network of resources is found throughout the country, but it appears to be more important in rural than urban areas (Martinez-Brawley; Jenkins and Cook in United, Family 54). Social workers acknowledge that people turn to those they know and those with whom they have daily contact for help rather than some type of government agency. Most problems are resolved with the help of friends and relatives (United, Family 54).

When households lack knowledge or are not eligible for government assistance they usually turn to private non-profit organizations. The lack of private non-profit organizations in rural areas leaves the rural poor no one to turn to for assistance in times of need other than family and friends. In urban America, especially in larger cities, there exists many proprietary and

nongovernment organizations (Jones in United, Family 61). Unfortunately, there are fewer such organizations in rural America because of the criteria needed for the services that they provide.

These criteria are:

- A sufficient concentration of population for services to be needed and efficiently delivered.
 - Sufficient numbers of people of means to make enough voluntary contributions to sustain united funds and comparable, centralized fund-raising efforts.
 - Sufficient investment capital and the promise of sufficient income to initiate proprietary services, and
 - The availability of professionally educated personnel to staff non-public services.
- (United, Family 61-62)

These prerequisites are easier to meet in urban areas with high population densities. This lack of nongovernment services is another reflection of the obstacles the rural poor face when trying to acquire assistance in times of need (United, Family 62). The rural poor regularly get denied assistance not only by government social programs, but also by private philanthropy organizations because of their lack of dispersement in rural areas.

In the mid and late 1980s some \$75 billion dollars was annually expended on private philanthropy in the United States (American in United, Family 62). Unfortunately for the rural poor, most of this money is spent in urban areas. Organizations such as the United Way are almost always located in and dedicated to urban areas, primarily in large cities (Erickson in United, Family 62).

When rural residents do find assistance in times of need through nongovernmental

services it is usually through their local church. The access to this nontraditional service helps compensate for the formal network that is lacking in rural areas (Honadle in United, Family 63).

An advantage of providing social services through churches is their even dispersement in rural communities. Most of the time they are more conveniently located than formal services in rural areas (United, Family 63). In the rural community the churches end up being the most active nontraditional service providers. When social workers come to rural areas to be of assistance their first stop is usually the local church (Martinez-Brawley in United, Families 64). These churches are a necessary part of the rural community for those who need assistance. They are the rural communities "safety net." They are the institutions that supplement the assistance provided or not provided through public programs. Many ministers must now receive more training in counseling techniques than they have had to in the past (Farley and others in United, Families 64).

One other reason why churches are so effective in the rural communities for providing assistance is because they have a minimum of red tape in extending their services. People in rural areas have trust in their church for help in emergency situations that they don't feel they can acquire through public programs. One particularly effective example is the Salvation Army. For many rural communities, the Salvation Army is the only social service provider available (United, Families 64).

The status of social services in rural areas is one of low access. The amount of services available, governmental and nongovernmental, is quite minimal. Nonetheless this problem could be reduced if there was greater coordination of those services that do exist (Watkins and Watkins; Farley and others in United, Family 66).

A tradition of self help also relates to the many strong communities that are found in rural areas. These communities become concerned about the social problems of some citizens and help them overcome their problems. This concern about members of the community may help explain why it is the nontraditional providers who end up delivering social services in rural areas (United, Family 72). “This does not mean that policy makers can forget about providing formal social services to the poor in rural areas. Formal services are crucial to the success of the act” (United, Family 73). The ability of nontraditional service providers to help solve the effects of rural poverty addressed by the Family Support Act is primarily limited to churches (United, Family 73).

16. Accessibility of the JOBS Program in Rural Areas

Under the Family Support Act of 1988, all states were required to establish and operate a Job Opportunities and Basic Skills Training (JOBS) program. This program is designed to provide education, training, and employment opportunities for recipients of AFDC (United, Family 108).

The operation and effectiveness of this program in rural areas is complicated by structural, social, and demographic characteristics that set rural areas apart from urban areas. Rural areas are more disadvantaged than urban areas on almost every key social and economic indicator (Freshwater; Reid and Frederick in United, Family 108). Despite these many differences, the JOBS program was developed and implemented with little attention to the unique characteristics of rural areas. Some policy analysts have argued that Federal welfare's employment and training programs have been designed to help the poor without adequately serving rural people or their communities (Jensen; Deavers and Hoppe; and Briggs in United, States 108).

JOBS requires all nonexempt AFDC recipients to participate in employment and training activities to the extent that resources are available and to the point that child care is guaranteed. Many individuals are exempted from mandatory participation based on age of children; age, health, and employment status of parents; or residence in remote areas where participation is not feasible. The last mentioned exemption includes a large portion of those who live in rural areas (United, Family 116).

Although the FSA requires each county to have a JOBS program, there are certain ways to exempt rural counties from having this program. These FSA regulations specify that a JOBS

program can meet the statewide requirement and satisfy the intent of the law if (1) a minimal program offering at least 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 is available to all Metropolitan Statistical Areas and offered to 75 percent of the adult AFDC population in the state (United, Family 123). This second provision almost exclusively disregards the needs of the nonmetropolitan poor.

In 14 states, the JOBS program is not available in all areas of the state - Colorado, Florida, Georgia, Idaho, Kentucky, Louisiana, Montana, Nevada, New Jersey, New Mexico, North Carolina, South Carolina, Texas, and Wyoming. Texas explains in its JOBS plan: "A statewide JOBS program is not feasible. JOBS is available in certain counties/political subdivisions described in the state plan" (Congressional 4). Low population density and widespread dispersal of population can require unreasonably long commutes in rural areas, and regulations exempt those who live in areas "remote" from a JOBS program or activity (Congressional 4).

For poor states, meeting matching funding requirements is a big problem in implementing the JOBS program. The match rate which states must contribute for JOBS is either 60 percent or the State's Medicaid match rate, whichever is greater. Poor states with large rural populations have trouble meeting these requirements and are particularly likely to find ways to limit the number of county JOBS programs. 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. Tennessee however, had difficulty making a commitment to the JOBS program. It had to turn back almost \$11 million in Federal JOBS money in fiscal year 1990 because it had not appropriated enough to

use the full Federal match. North Carolina also faced budget deficits during the recent recessionary period. Until these states reallocate funds or raise revenue for these programs, the poor in these states will be without a JOBS program (United, Family 122).

Getting rural residents out of poverty and into the workforce presents special problems because of the educational attainment and training of rural residents. Rural areas have larger proportions of high school dropouts, functional illiterates, and people with low education and skill levels than metro areas (United, Family 127 and Congressional 3). The nonmetro poverty population and AFDC population has greater proportions of particularly disadvantaged individuals who need the more comprehensive and intensive job services that JOBS won't provide in most rural counties (United, Family 128). Where the greatest need for JOBS training and education exists is exactly where there is the least access.

New rules enacted this year in some states will impose tougher penalties on welfare recipients who miss even one day of their public JOBS program. One unexcused absence can lead to 90-day suspension of benefits. Four absences can cause expulsion from welfare altogether. These penalties are likely to fall more heavily on rural people who, because of undependable transportation, are more apt to miss work or appointments at welfare offices. If a rural recipient does not have a license or a car that fits the value requirement, they don't know what they are supposed to do, but remain poor (Dao B4). "For many who do own dependable cars, they end up selling them to meet eligibility requirements" (Dao B4). They face a double edged sword because if they have reliable transportation they do not qualify for assistance, but when they don't have reliable transportation they can't meet certain program requirements.

You can't have reliable transportation at the eligibility requirement currently posed. Even

if welfare recipients can keep their cars the cost of upkeep, insurance, and gasoline eats away at their welfare benefits (Dao B4). For example, in New York City this requirement is not going to be a problem. How many people, especially the poor, in New York City, own cars? With current requirements, the rural poor have a hard time winning.

One major reason for the establishment of JOBS was the concern over the maintenance of the so-called American work ethic and to “end welfare as we know it.” The underlying worry of many is that providing cash and other benefits to jobless but able-bodied poor, without holding recipients responsible for giving anything in return, only fosters dependency, erodes the work ethic and ultimately contributes to rather than solves the problem of poverty. While there is strong disagreement over the empirical truth of these assumptions, the reality is that this thinking is driving legislation (Jensen, Will 1). Few would argue that welfare is better than work when it comes to ameliorating poverty, but a question which has been neglected is whether the current U.S. labor market can readily absorb the millions of welfare recipients who would be expected to work. The 1995 welfare reform debate focused on limiting welfare benefits to two years. It is unlikely that the labor market could absorb in two years the two million welfare recipients who would be required to work (Jensen, Will 12). Through his research, Lief Jensen found that the total job seekers to available jobs in metro areas was 35.2: 1. For nonmetro job seekers the ratio is even larger, 41.8: 1 (Will Table 4). The problem is not necessarily a lack of strive to work, but a lack of work available.

In dozens of interviews of recipients in rural counties in New York many said that they wanted to work but couldn't find accessible jobs. The New York Times in August of 1995 painted a picture of one such recipient:

Dan Barber lives in Belmont, a town of 1,000 people, one stoplight and a handful of stores. Though Belmont is the seat of rural Allegany County, Mr. Barber can visit all of its businesses in a day or two. Then he must go elsewhere to fulfill the job-search obligations. Because he can't afford a car, Mr. Barber, 25, does his job canvassing by foot, sometimes hitching rides. On Fridays, his day off from a county workfare program, he rises at 3 A.M. to travel 30 miles to Olean, a city of 18,000, where he scans want ads for minimum-wage jobs at grocery stores and fast-food restaurants. He is worried that he won't be able to reach five employers a week, as many state's new welfare rules require. Inevitably the subject of transportation arose in job interviews. The typical exchange has become depressingly familiar, said Mr. Barber, who is single and has been on welfare since 1991 when he severely injured his foot in a work accident. "They ask how I got there, I tell them I walked," he said. "After that, the interview doesn't go any farther." (Dao B4)

The JOBS program faces many obstacles in rural areas. Some rural counties will not even have a JOBS program while other will not offer a full range of training and employment services. The effectiveness of JOBS in rural areas depends on several factors, including funding resources, the way in which States develop and operate their program, the health of the local economy, the availability of job openings, the characteristics of the population to be served, and the ability of the local community to provide supportive services (United, Family 107).

17. Food Stamp Program

The other major welfare program I am examining is the food stamp program. This is one of the Great Society programs of the 1960s (O'Hare, America's 2). Unlike AFDC where funding is shared between states and the federal government, the food stamp program is entirely funded by the federal government (O'Hare, America's 10). It is currently operating under the provisions of the Food Stamp Act of 1977. "This program distributes coupons redeemable for food to individuals and families with incomes below 130 percent of the poverty line" (O'Hare, America's 4). Its intent is to permit low-income households to obtain a more nutritious diet. The Food Stamp program is administered through the Food and Nutrition Service of the United States Department of Agriculture and state and local welfare offices. This program is intended to provide benefits to all low-income households regardless of their characteristics (Census, Poverty United A-5). It will be shown that even though this is the intent of this program, it is not administered that way.

To get an idea about the rural poor's frustrations with usage of the food stamp program, Countryside and Small Stock Journal published a short article written by one of its readers. The article, "Rural Poor Use Fewer Food Stamps", suggests that urban people have a better understanding of the eligibility rules and are less likely to have negative attitudes about using welfare. These criticisms of food stamps come from the many frustrations with the program. A reader of this magazine wrote this personal account with the message that, "An attempt to be self-reliant can lead to the necessity for self-reliance":

Let me tell you about our experience in applying for food stamps. My husband and I live on a homestead farm that has been in my family for over 200

years. There are no encumbrances on the land or buildings. Our truck is 10 years old and paid for. We heat primarily with wood, using the oil furnace as a back-up.

We are not uneducated. I have 1 ½ years of college and my husband has 14 years of a college education. My husband is retired due to a mild form of epilepsy. He used to be a systems management consultant. I used to work part-time. Three years ago I was injured at work. This not only affected our income directly; it also limited the amount of work I was able to accomplish on the homestead. With the loss of my job we also lost health insurance.

So, we applied for food stamps to ease our burden until we could adjust to our new situation. To make a long and arduous tale short, we were approved. The amount: \$27.00 per month. Yes, this was better than nothing, but we had to fill out forms that took over three hours of our time, had to travel 30 miles to interviews that took four hours including travel time, and we had to attend these interviews twice before acceptance. My husband had to see a doctor who would verify his condition, which involved two more time-consuming trips. Yes, the doctor agreed to his condition, but without extensive and costly tests he could not declare him disabled. We figured it took at least three days of farm work away from us, plus travel expenses and doctor bills to gain \$27.00. To top it off, we had to do this again every 12 weeks. When renewal time came, we chose not to.

You may ask why the amount was so small. I did. The explanation: We don't have enough monthly expenses. We don't have rent (upkeep and property

taxes don't count); we don't have car payments; we have a low fuel bill; and last but not least, we don't have a child under 18 in the household. It was even suggested that we sell our tractor and other equipment to gain needed cash.

We have come to the conclusion that the government assistance programs are not set up to help the rural poor. They are biased towards urban areas by the qualifying requirements. I am sure we are not the only rural people who have endured this experience. Our only satisfaction comes from the fact that we now have so little income that we pay almost no income tax - so we are not supporting the system that is so biased against individuals like us. (2)

Clearly this woman's anger is justified. The opportunity cost of acquiring only \$27.00 per month was very high. This family had to spend a lot of time and money to get the amount allocated, too much time and too much money. The fact that they had to go through this process again every 12 weeks was reason enough for them to at least be frustrated. The amount they were awarded were not worth their missed opportunities.

At a United States Congress Select Committee on Hunger hearing held in Indiana in 1991, Congressmen and women found that the food stamp program is established in a way that it is impossible for all the poor to get assistance (Food, 60). "The myth is that government provides the basic needs for people, including food. The truth is that there are many barriers to receiving food stamps" (Food, 60). There are various barriers to the food stamp program itself:

- 1) It takes an inordinate amount of time and a good deal of out-of-pocket money just to qualify oneself for food stamps.
- 2) Transportation is a major access barrier. In many counties, the public

transportation only assists those in metropolitan areas. Commercial busses and trains that used to go from small town to small town are non-existent.

3) The regulations themselves in food stamps are a barrier. There is no consolidated standards of need as in AFDC regulations, so welfare offices have to verify little expense. That takes a lot of time and often many trips to the welfare office.

4) The marketing of food stamps is another barrier. Many rural people often do not know about the food stamp program. They think of “welfare” aid as something some ethnic group in New York lives on. They are very much unaware of the program, of what it entails, and of what they can get.

5) The food stamp amounts are a barrier. A client receives the same amount of food stamps across the 48 contiguous states whether they live in New York City or a small town in northern Indiana.

6) Food stamps usually only last about 21 days of the month. Much of the supplemental help, like county food banks, churches, or service organizations, are sporadic and seasonal.

7) The social stigma in using food stamps is often too high. People often do not come out for help until they are in desperate need.

8) In rural areas there is a scarcity of places to buy food, and again, transportation becomes a problem. In the rural areas, the grocery stores are not like the supermarkets of metropolitan areas and therefore charge more for the poorest of

citizens. (United, Food, 60-61)

In Allen county Indiana where the hearing was being held, one director of a welfare office testified that of all of those who applied in his office, only 58 percent went through the whole process. The other 42 percent were somehow stopped by one or another of the previous mentioned barriers (United, Food 16). The most recent survey of food stamp recipients by urban/rural residence was done in 1991. It showed that only 25% of food stamp recipient households were located in rural areas. It also showed that only, 20% of food stamp recipients with incomes under the federal income poverty guidelines lived in rural areas (Congressional 4).

To those who are eligible for welfare, participation relies on three key factors. First, the individual must know that a program exists. Without this basic knowledge, participation is very unlikely. Second, the individual must believe that he/she is eligible for the program. If someone knows about a program but do not think they are eligible they probably won't apply. Third, the individual must have the desire to go through the lengthy application process. Even though someone knows about a program and thinks that he/she is eligible, does not mean they will participate if they have negative attitudes towards being on welfare (Rank and Hirschl, Link 608).

Thomas Rank and Mark Hirschl found in their extensive study on the link between population density and welfare participation that there is solid evidence that these three factors differ according to population density. The first two depend on the marketing of the information. Individuals tend to find out about programs through word of mouth. These type of interactions are more likely to occur in areas of dense population. In addition, increased interaction between low-income households in urban areas can significantly reduce the social stigma associated with using public assistance. Indeed there is social stigma present in urban areas, but such disapproval appears to be greater in rural areas. Rural residents are more likely to associate being on welfare as lazy and dishonest (Link, 608-609).

18. Social Stigma as a Barrier for the Rural Poor

To many the use of welfare violates the American work ethic of “no work, no pay.” Social stigma has long been associated with welfare programs and has been well documented (Rank and Hirschl, Rural 191). Particularly in rural areas, the social stigma of using welfare, food stamps or AFDC, is very high. Many have argued that pride and a “sense of independence” are stronger among rural residents, which keeps many of them from enrolling in public assistance programs, even though they are eligible (O’Hare, Rise 13). Rural people are more determined to do it themselves and many purposefully avail themselves of social services offered (Waltman in Rural, Persistent 245). The rural community is also less sympathetic to those who are on welfare because of the strong beliefs in independence and self-sufficiency (Cassamo and Moore 404). Many other reasons include: a hesitation to expose private family matters, previous disappointments when seeking services, or fear of retaliation from officials (Johnson; Wellstone; and Korbin in Rural, Persistent 245).

The social stigma of using welfare is a lot to bear for eligible recipients in rural areas. There is a “pride” barrier that is very prominent in small communities. Those who live in small communities are notorious for knowing each other’s business. There is a fear of being labeled as a “welfare bum” in a rural community, which could lead to becoming a social outcast (United, Food 6). Janet Satterfield, the executive director of a local Indiana food bank, expressed the need for Washington to help in some way of removing the social stigma from asking for help and needing help. We are the ones that put on this stigma, the poor do not always put it on themselves (United, Food 29).

Because of this social stigma is felt more in rural areas, persons with a low-income in

urban areas are significantly more likely to use welfare. The urban poor have more accurate information about eligibility and less adverse ideas about using welfare. Residents of urban areas are more likely than rural residents to hold certain attitudes and engage in certain types of behavior. Among these include a greater tendency toward unconventional lifestyles, greater acceptance of stigmatized behavior, less conservative attitudes, and greater variance in family structure. These factors increase the likelihood of more welfare participation by the urban poor (Rank and Hirschl, Link 607-608).

Welfare recipients living in urban areas are in a more favorable position to develop an ideology that views welfare benefits in terms of citizenship rights. By sharing common reasons for being on welfare, individuals have an opportunity to discredit the common perception that welfare use arises from personal failures. Urban welfare recipients are more likely to view themselves and other recipients in terms of large structural processes, such as unemployment. Welfare recipients in rural areas have less opportunity to develop this type of ideology. They are more likely to view themselves and others in terms of personal failures. Because they have this outlook, it is more difficult for them to stay on welfare (Rank and Hirschl, Rural 192).

Virtually all recipients feel some level of social stigma, but recipients in rural areas feel greater degrees of stigma. For example, one rural woman often went into the metropolitan area to use her food stamps:

Well, when I went grocery shopping, I usually went to Ceders (a supermarket).

Because I figured a lot of people go in there and use 'em, you know, so I wouldn't feel out of place. Otherwise it would look bad, and I still felt stupid. 'Cause when on welfare it is...I don't know, I don't like the feeling. And then I always

felt like I was bein' watched. (Rank and Hirschl, Rural 200)

Another stigma that is prevalent in rural areas is associated with fieldwork. Many social service offices were visited by Mark Rank and Thomas Hirschl in both urban and rural locations. The urban offices were virtually unnoticed by the public. The rural offices however, were much more noticeable to locals (201).

For example, one social service agency located in a small town was located across the street from the local tavern. The case workers in the office detailed how men would often sit and gaze out the window of the tavern to observe who was going into the office. They would gossip and joke about who was on welfare and what their situations were. Potential welfare recipients entering the social service office were aware this was going on. This type of occurrence was nonexistent in urban welfare offices (Rank and Hirschl, Rural 201).

The previous qualitative data is far from conclusive, but it does suggest an underlying mechanism behind the effects of population density. It does provide evidence that indicates the greatest need for changes in welfare is in rural areas. Where the need for public assistance is the greatest, the constraints against using it are the strongest (Rank and Hirschl, Rural 204).

AFDC and the food stamp program require many changes if they are going to have a substantial affect on alleviating or reducing poverty. Having some sort of system that feeds people that would meet the basic needs of people will allow the time, energy, and money of other social services agencies and churches to work on bettering the quality of life for citizens.

19. Policy Recommendations for Food Stamps and AFDC

To become more effective in rural areas, the food stamp program must address many issues. It must first, raise the food stamp benefit allotments to recipients. These benefits are set each year based on the United States Department of Agriculture's cost of the "Thrifty Food Plan" (United, Food 67). This plan is the government's formula to define the costs and foods needed to obtain a minimally adequate diet. The cost of the TFP is the baseline used in determining poverty levels and is used to set benefit allotments for the Food Stamp Program (United, Food 68). "The USDA sets these costs by examining average food prices in supermarkets solely in urban areas. There is no consideration of the prices faced by the rural poor who more often rely on 'mom and pop' stores which consistently have higher prices and fewer choices" (United, Food 67).

Public Voice for Food and Health Policy did a nationwide study that examined supermarkets in rural America. It set out to determine the actual cost and availability of foods in a Thrifty Food Plan market basket in rural America. Their study concluded that poor rural communities depend on smaller, more expensive stores for their food because there were few, if any, competitively priced supermarkets in these areas. They also found many unstocked shelves, and very few vegetables, fresh fruits, or meat. The most important part of their study found that the allotment of food stamps given to the rural poor was far below a Thrifty Food Plan market basket where the rural poor grocery shopped. These findings probably underestimate the actual cost of shopping in a rural supermarket because the foods that were selected were among the least expensive. Consumer preferences and brand name items were ignored in this study (United, Food 68).

My second recommendation of the food stamp program is to re-evaluate the Thrifty Food

Plan. This plan is only useful for the urban poor, while completely inadequate for the rural poor because it is based on metropolitan grocery store prices. Also, the indexes that are used are based on the average consumer, rather than the low-income consumer, which makes them unrealistic measures of what the rural poor spend on food. The Thrifty Food Plan is also inadequate because it is only intended for a minimally adequate diet in emergency situations. It does nothing to insure a good nutritional status over a long period of time (United, Food 71).

I never said that improving the Food Stamp Program would be cheap. What else would be helpful to the rural poor would be to establish a three to five year federal grant demonstration program to support the creation of cooperative buying with established wholesalers for small/medium food markets in poor rural areas. A main reason why small/medium stores cannot sell food at comparable prices is because they are unable to purchase foods from wholesalers at the same price as supermarkets. The reason is because rural grocery stores purchase a smaller volume of food than supermarkets do and in turn end up paying more (United, Food 71-72).

The problem with limited transportation could be assisted with cooperation. The best option would be to try to match people up with a neighbor or somebody that is compassionate to try and cut down on the costs (United, Food 12). An information center at the welfare office would also be established. It would help coordinate those who need rides or those who would like to cut down on transportation costs (Friedrich Tutorial). Car-pooling to welfare offices would require rural residents to put aside their pride and not let social stigma get in the way. Establishing public transportation would be the ultimate solution, but more expensive and less practical.

The information center at the welfare office would also keep track of where potential and

current recipients are located. This way a traveling welfare office could choose certain times and locations to travel to rural areas throughout the state each month (Kronebusch Tutorial).

Another way to assist with eligibility and transportation is to increase the equity value allowed on vehicles owned by potential recipients. Those receiving assistance must be allowed to have dependable transportation. This will make fulfilling the JOBS requirement easier.

Reimbursement for gas expenses would also be helpful when traveling to and from workfare.

My proposal combines many aspects of AFDC and food stamps into one system that would help alleviate rural poverty. The following are the contents of my combined AFDC and food stamp proposal:

- First of all, I recommend that the Census Bureau accumulate data on a smaller level than counties. I live in Chisholm, Minnesota, which is rural, but in statistical data I am counted under a Metropolitan Statistical Area. This is only one example, but there are many more instances where a rural area is categorized under a MSA. If it is technologically feasible, I suggest that a Census track be established by a township by township basis (Kronebusch Tutorial).
- The Federal government must provide a safety net by requiring states to set their need standards based on a local market basket survey. This approach determines local prices for a selection of goods and services considered essential, such as food, shelter, utilities, clothing, transpiration, laundry, job search expenses and certain personal items (Porter, Enough 6). States will be divided up into regional standards. These regional standards are to reflect differences in costs of housing, transportation, food, etc. In rural areas shelter costs in general are lower, but transportation and food are generally higher costs.

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My proposal combines many aspects of AFDC and food stamps into one system that would help alleviate rural poverty. The following are the contents of my combined AFDC and food stamp proposal:

- First of all, I recommend that the Census Bureau accumulate data on a smaller level than counties. I live in Chisholm, Minnesota, which is rural, but in statistical data I am counted under a Metropolitan Statistical Area. This is only one example, but there are many more instances where a rural area is categorized under a MSA. If it is technologically feasible, I suggest that a Census track be established by a township by township basis (Kronebusch Tutorial).
- The Federal government must provide a safety net by requiring states to set their need standards based on a local market basket survey. This approach determines local prices for a selection of goods and services considered essential, such as food, shelter, utilities, clothing, transportation, laundry, job search expenses and certain personal items (Porter, Enough 6). States will be divided up into regional standards. These regional standards are to reflect differences in costs of housing, transportation, food, etc. In rural areas shelter costs in general are lower, but transportation and food are generally higher costs.

The opposite is true for urban areas (Congressional 4). The total cost of all the items in the market basket is the need standard.

- The costs of this study can be minimized by using data collected by certain federal agencies. The data for the food plans can come from the United States Department of Agriculture's Thrifty Food Plan. However, the data from the Thrifty Food Plan would come after my previously suggested revisions were made with the plan. Data on housing costs can be collected by the Department of Housing and Urban Development. The other data for the study can be done by contracting with local state universities (Porter, Enough 13).
- States must update their need standards a minimum of every five years to adjust for inflation and the changes in the cost of living.
- Benefits for families who qualify for food stamps and AFDC will be combined into one payment. Therefore, all states must provide a combined application, similar to the one the state of Minnesota provides (see Appendix A). The Federal government would mandate that the combined benefit for each state's region and a family's earned income must be at least 75% of the state determined need standard for that region. There is also a recommendation of providing at 100% of this need standard level. As a family's income increases, benefits will decrease by \$.75 for every dollar earned until the family no longer is eligible for assistance. This recommendation helps family's who are working, but are poor.

With benefits combined into one payment, with one application, assistance becomes more of a "one stop, one shop" operation. To have all agencies in one location

would add a matter of convenience that hasn't appeared in most programs (United, Food 21). This would also help the rural poor who have limited transportation resources. The largest benefit from this would be a cut in administration costs at every level, township, county, state, and federal. The funds saved from the cut in administration costs would be reallocated to help alleviate the additional costs in the raised benefit levels.

- If a family is eligible for only food stamps or AFDC then they will be provided a portion of the need standard. For example, if a family qualifies only for food stamps, then the state will calculate a family's countable income and benefit to equal at least 75% of the need standard weighted for food. For families who qualify only for AFDC, that family's income plus their benefit must equal 75% of the need standard minus the weight given for food.
- Current AFDC benefit levels would be grand fathered in, meaning benefits could not be lowered after the local market basket survey is completed.
- All states methods of obtaining their need standards must be submitted and approved by the United States Department of Human Services within three years . They must also approve the benefit levels to assure the minimum is at least 75% of the need standard.
- The Federal Government's matching rate will be inversely related to State per capita income; thus, Federal matching for AFDC benefits will vary from state to state. They will range from 50% in States with high per capita incomes to close to 80% in Mississippi, a State with relatively low per capita income (Greenbook 43). Funding for the weight of the food portion of the benefits levels will come from funds currently allocated under the federal food stamp program. "Providing federal funds to assist poor

states meet need standards would especially help the rural poor” (Rural, Rural 92).

I do not know the total cost of my policy recommendations. Therefore, I do propose that an economic analysis be done to find out the exact costs before any of my recommendations are implemented. In 1988, a somewhat similar proposal was in the House version of the Family Support Act, but was taken out. This provision is similar to mine because its intent was to raise benefit levels. Although the intent is the same, my proposal goes about raising the benefit levels in a much different way. In 1988, a provision to establish a minimum benefit level across all states was proposed. The total cost of this additional provision would have been \$1.1 billion dollars for the first five years. The provision said that the federal government would pay for 90% of the additional costs and states would pay for the other 10% (Rural, Rural 92).

- To help alleviate the social stigma associated with welfare use and to save money, recipients in all states may access their AFDC portion of benefits from cash machines or have the benefits directly deposited into their bank accounts. Robin Brooks of Massachusetts has a cash debit card. She says that being able to access her benefits through cash machines is a matter of convenience. She also said that she knows that this way her money will always be there on time. Providing benefits this way has saved \$12 million a year in paperwork (Welfare ABC).

The benefits from food stamps would be placed on a “Lone Star Card.” This card is first “swiped” through the credit card machine for verification. This card cannot be used for items other than food, for instance, on items like tobacco products, alcohol, magazines, etc. Each time the recipient uses the card, the amount purchased is subtracted from the amount allotted the recipient. Access to use this card is currently

available in 16,000 grocery stores nationwide. This system also cuts down on fraud and the selling of food stamps for cash (Welfare ABC).

The amount given to recipients for food is placed in one account on the card and the amount given for AFDC benefits is in another account. This way the recipient can use the card to access each benefit. Also, if a recipient only qualifies for the food portion of the benefit than his/her card would be only able to access the account for food.

Currently, 34 states have “Lone Star Cards” available to access food stamp benefits. In these 34 states alone, an annual \$60 million has been saved from not having to print coupons. Furthermore, an annual \$24 million dollars has been saved from not having to shred food stamp coupons (Welfare ABC). I recommend that all 50 states adopt a system with debit credit “Lone Star” cards. The federal money saved would be reallocated to help curb the costs of increased benefit levels.

- The Family Support Act said that the AFDC-UP program will expire in 1998. This program has allowed many rural married-couple families who are poor to receive assistance. The government should be taking steps to encourage stable, two-parent families instead of drawing them apart. Current federal regulations say that an AFDC parent must work fewer than 100 hours in a month to be classified as unemployed. My recommendation is that the federal regulation be changed to what currently a few states define unemployment to mean, that the principal wage earner could work as much as 35 hours per week. This way, passing all income and eligibility tests, if a worker has worked a nearly full-time job yet remains poor, assistance would be given to “fill-the-gap” of being over the poverty line. The AFDC-UP element of the AFDC program will become a permanent provision with states having no option to limit benefits to 6 months.

One main reason why the two programs should be combined is that they are affecting and working against each other's benefits. The food stamp program considers AFDC payments to be countable income and reduces the food stamp benefit by \$.30 for each additional \$1 of AFDC income, the State therefore must expend a minimum of \$1.30 to obtain an effective \$1 increase in AFDC recipient's total income (Greenbook 43).

This proposal recognizes states rights in administering welfare and the diversity of recipients from state to state. It also allows the Federal government to be a safety net because poverty is a national problem.

In conclusion, recognition of the diversity of poverty populations is crucial for the design of effective policies and programs. Poverty among two-parent families with children can usually be attributed to low wages, seasonality of work, or disability, while different problems plague those in single-headed households. Some of the poor need basic income assistance and others need help obtaining work or the skills to work. Spatial and geographic factors need to be taken into just as much consideration as individual characteristics when discussing the use or nonuse of welfare. Although unseen, rural poverty is a significant problem in this country. We need to make sure we are assisting all of the poor, regardless of residency. Unfortunately, where the need for welfare is the greatest, the effectiveness and use of such programs is the smallest.

Appendix A

Case number

App.
MEMB
ADDR
ENBR

State of Minnesota

COMBINED APPLICATION - PART I

FOOD STAMPS, CASH ASSISTANCE AND MEDICAL ASSISTANCE

DHS-2852(02-91)
FZ-02852-04

PLEASE PRINT IN INK

Your application date, or the day your benefits can start, is the date we get a complete Part I of the Application form in the county agency. We can set your application date if we have your name, address, and signature. We must have Part II before we decide if you can get help.

Name

Address where you live

Street Address or RR #

City

County

State

Zip

Mailing Address (If different)

Street Address, RR #, Mailbox

City

County

State

Zip

Phone number where you can be reached

Home:

Other:

Has anyone in the household ever received public assistance, commodities or food stamps this month or anytime in the past? Yes ☐ No ☐

If yes, When? _____ Where? _____ What? _____

If you are not registered to vote where you live now, would you like to register here today? Yes ☐ No ☐

NOTE: You do not have to answer this question.

MEMBER INFORMATION

List yourself as person #1. List spouse as person #2. List all of the other persons in your home even if you are not applying for them. If anyone is pregnant, list "unborn child" and the due date.

Legal Name	First	MI	Last	Social Security Number	Date of Birth Mo./Day/Yr.	Sex	Relationship to you
1.							self
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
Copy 1-Agency				Copy 2-Client		Copy 3-E&T	

Some people can get food stamps within 24 hours. The questions below will help us decide if you can get an interview right away.

1. Do you need help now because of an eviction, foreclosure, utility shutoff or some other emergency? Yes ☐ No ☐
2. How much does your household pay for rent/mortgage and utilities? \$ _____
3. Did anyone in your household quit a job in the last 60 days? Yes ☐ No ☐
4. Did all of your household income recently stop? If yes, when? Yes ☐ No ☐
5. How much income (i.e. money or checks) did your household get so far this month? \$ _____
6. How much more income will your household get this month? \$ _____ When: _____
7. How much does your household (including children) have in cash, checking or savings? \$ _____
8. Is anyone in your household permanently disabled or blind? If yes, who? Yes ☐ No ☐
9. Is anyone in your household pregnant? Yes ☐ No ☐
10. Is anyone in your household a migrant or seasonal farmworker? Yes ☐ No ☐

I understand that by signing this application everyone in my home, who is approved to receive assistance with me, is automatically registered for EMPLOYMENT and TRAINING. I understand that taking part in EMPLOYMENT and TRAINING may be required to receive Cash Assistance or Food Stamps.

I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point.
PLEASE READ RIGHTS AND RESPONSIBILITIES ON THE BACK OF THIS FORM BEFORE SIGNING

Signature of Applicant or Authorized Representative

Date

Agency Signature

Date

YOUR RIGHTS

o **YOUR RIGHT TO PRIVACY.** Minnesota's Data Privacy Act, Minnesota Statutes 13.04 (2) and (3) says: you have the right to know why we ask for information and how we use it. We need this information: to see if you may get assistance; to allow us to get federal or state funds for assistance you get; and to meet federal or state reporting rules. You may refuse to give the requested information. However, if you refuse you may not get assistance.

o **HOW INFORMATION IS USED.** The information we get will be used by our public assistance staff and other agencies allowed to use it by law. We will also use it to refer you to other benefit programs. When you applied for help or at your last review, you were given a sheet explaining who we would share this information with. If you don't remember or never received that statement, or have any questions about this, ask your worker. If you move to another state or county, some information will be sent to them. After your case is closed, we will keep your file until federal, state and county rules let us destroy it.

o **YOUR RIGHT TO SEE INFORMATION.** You may review all of the information we get about you, except for information that is legally classified as "confidential." (Confidential information is information such as certain psychological or medical evaluations, records which will be used to prosecute a crime, etc. It is not shared with the person it affects.) You have the right to disagree with information that you think is wrong. For more information about your data privacy rights, ask your financial worker.

o **YOU HAVE THE RIGHT TO REAPPLY** at any time if your benefits stop.

o **YOU HAVE THE RIGHT TO KNOW WHY YOUR APPLICATION IS NOT PROCESSED PROMPTLY** (30 days for Food Stamp, GA, Work Readiness, AFDC and MSA for blind or aged, 45 days for MA and GAMC, 60 days for MSA and MA disability cases, 10 days for MA for pregnant women).

o **YOU HAVE THE RIGHT TO KNOW THE RULES FOR THE PROGRAM YOU ARE APPLYING** FOR and to be told how your grant is figured.

o **YOU HAVE THE RIGHT TO CHOOSE WHERE AND WHO YOU LIVE WITH** and within certain limits, to choose your own doctor, hospital etc.

o **APPEAL RIGHTS.** If you are unhappy with the action taken or feel the agency did not act on your request for assistance, you may appeal orally or in writing within 30 days to the county agency, or write directly to the State Appeals Office at the Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3813. (If you show good cause for not appealing, the state agency can accept your appeal for up to 90 days from the date of the notice.)

If you wish your assistance to continue until the hearing you must appeal before the date of the proposed action, or within 10 days from the date of the agency notice, whichever is later. Ask your county worker to explain how the timing of your appeal could affect your present or future assistance.

ACCESS TO FREE LEGAL SERVICES. You may contact your worker for information on free legal services.

o **IF YOU FEEL YOU ARE TREATED DIFFERENTLY** in the handling of a public assistance application or payment because of race, color, national origin, political beliefs, marital status, religion, sex, age or because of physical, mental or emotional disability, you may file a complaint orally or in writing, with any of these agencies:

State Agencies

Department of Human Services
Human Services Building
444 Lafayette Road
St. Paul, Minnesota 55155-3833

Federal Agencies

U.S. Department of Health
and Human Services
Washington, D.C. 20201

Department of Human Rights
500 Bremer Tower
7th Place and Minnesota Street
St. Paul, Minnesota 55101

U.S. Department of Agriculture
FNS
Alexandria, Virginia 22302

YOUR RESPONSIBILITIES

NOTE: If you sign this application as an Authorized Representative of a person who is requesting or receiving assistance, you are agreeing to assume all of the following responsibilities on behalf of that person.

o **YOU MUST REPORT CHANGES WHICH MAY AFFECT YOUR BENEFITS TO THE COUNTY AGENCY.** This includes the following for everyone in your household:

- Employment - start or stop of a job or business; or change in hours, earnings, or expenses.
- Income - receipt or change in child support, Social Security, Veteran's Benefits, Unemployment Compensation, inheritance, insurance benefits, and other payments.
- Property - purchase, sale or transfer of a house, car or other items of value.
- Household - when a person dies, moves in or out of your home, or temporarily leaves.

- Address
- Absent Parent Custody or Visitation
- Marriage or Divorce
- School Attendance
- Health Insurance
- Housing Costs
- Filing a Lawsuit

You must report these changes within 10 days.

o **IF YOU GIVE US INFORMATION YOU KNOW IS UNTRUE, you may be prosecuted for fraud.** Any of the information you give may be checked out by the county, state, or federal agency. To get some information we must have your signed consent. However, if you don't allow the county to confirm your information, you might not get assistance.

o **SUPPORT COOPERATION**

- After AFDC, IV-E Foster Care or Medical Assistance (MA) is approved you must turn any support, maintenance or medical care payments over to the county agency

- If you receive MA only, any child support or maintenance payments that are collected for you will be sent to you.

- If you are approved for AFDC or MA, you must cooperate with the child support enforcement unit.

o **The State or Federal Quality Control Agency may randomly choose your case for review.** They will review statements you have made on forms. They will check to see if your eligibility was correctly figured. The state agency may seek information from other sources. You will be told of any contact they intend to make. Your consent is not needed to make these contacts. **IF YOU DO NOT COOPERATE, YOUR BENEFITS MAY STOP.**

o **CONTACT YOUR WORKER IF YOU HAVE ANY QUESTIONS OR ARE UNSURE ABOUT ANY REPORTING RULES.**

Case Number

AREP

State of Minnesota

COMBINED APPLICATION - PART II

FOOD STAMPS, CASH ASSISTANCE, AND MEDICAL ASSISTANCE

DHS-2853(02-91)
PZ-02853-05

This form will be used to decide:

- If you can get help.
- The amount and type of help you can get.
- The persons who can get help with you.

This form will be used for the following programs:

Cash Assistance

Aid to Families with Dependent Children (AFDC)
Refugee Cash Assistance(RCA)
General Assistance (GA)
Emergency Assistance (EA)
Work Readiness (WR)
Minnesota Supplemental Aid (MSA)
IV-E Foster Care

Food Stamps

Medical Assistance

Medical Assistance (MA)
General Assistance
Medical Care (GAMC)
Refugee Medical Assistance (RMA)

Name

Address

Phone

Directions to your home

How to Fill Out This Form

- Fill out this form in pen. PLEASE PRINT

- The other side of this page folds out. List the names of all persons who live with you. Answer all questions on pages 2 and 3 about each person who lives with you. If you check NO to all the questions on pages 2 and 3 for any person, you do not have to answer any more questions for that person.
- Use the foldout for all pages unless you are told not to use it.
- If you do not have enough room to enter all information on a page, ask your worker for more pages.
- There are some questions where the answer is the same for more than one person. Complete the answer for the first person. Write SAME if that answer fits the next person.
- If you miss your interview appointment, you must reschedule or your benefits may stop or may not be approved.
- The questions and directions are in yellow. The area in blue is for county use.

If you want help with personal or family problems or information on family planning, check this box. ☐

The following person will help me fill out my forms and apply for help from the county agency (for example, fill out forms or go to an interview). NOTE: If you do not want someone to help you, go to the next question.

Name

Address

Phone

Relationship (spouse, friend, etc.)

If you want to name someone to get your Food Stamps or use them to buy food for you, complete the boxes below:

Name

Address

Phone

Relationship (spouse, friend, etc.)


**LEAVE THIS PAGE UNFOLDED WHILE
YOU COMPLETE THIS APPLICATION**

HOUSEHOLD MEMBERS

LIST IN THIS ORDER:

- Yourself
- * Your spouse
- Other adult
- Children
- All other people
- Anyone temporarily away from home
- Unborn children (if anyone is pregnant)
- * List your spouse even if you live in a nursing home and your spouse lives in the community.

Household Member's Names			
Use Legal Names - Not Nicknames			
	Last	First	Middle
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

1. Is anyone in your household known by another name? (maiden name, nickname, etc.)				2. This form will be used to decide if you can get food stamps, cash and medical assistance. Check which types of assistance you want for each person. Program rules require some people to get benefits together.				3. Enter the marital status of each household member.		MEMB ALIA PROG TYPE	AGENCY USE
Yes <input type="checkbox"/> If yes, list the other name(s) below No <input type="checkbox"/> go to next question 				Cash Assistance		Medical Assistance		Food Stamps			
Last	First	MI		Yes	No	Yes	No	Yes	No		
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											

8. Is each person a U.S. citizen?

Yes ☐

go to next page



No ☐

If no, complete the questions below

Each household member who is not a citizen must show proof of their immigration status. Some proofs we can take include INS Forms I-94, I-151, I-551, I-181-B or a re-entry permit.

AGENCY USE

MEMB
ALIE

a. What is the date of entry into the U.S.?

Month /Day /Year

b. What is the person's nationality?

c. If anyone has a sponsor, complete the following:

Sponsor's Name

Sponsor's Address

Sponsor's Phone #

Verification

Alien Status

Alien ID #

1

2

3

4

5


6

7

8

9

10

9. What was the last grade of school completed?		10. What is the ethnic identity of each person? Black, not Hispanic Hispanic Asian or Pacific Islander American Indian or Alaskan Native White, not Hispanic	11. Does each person currently live in Minnesota and intend to make Minnesota their home? Yes <input type="checkbox"/> go to next page  No <input type="checkbox"/> If no, explain why below	AGENCY USE				MEMB
Note: GED = 12	Note: You do not have to answer this question.			EDUCATION	ETHNICITY	RESIDENCE	LIVING ARRANGEMENT	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

12. Is anyone temporarily out of the home? (For example, vacation, foster care, treatment facility, hospital, job search, nursing home)

Yes ☐



If yes, complete the information below

No ☐

go to next page



<p>ADRE</p> <p>AGENCY USE</p>		
Date Left Month/Day/Year	Place Address	Expected Return Date Month /Day /Year
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

13. Is anyone mentally or physically ill, incapacitated or disabled?				14. Is anyone unable to work for reasons <u>other than</u> illness, incapacity or disability?		AGENCY USE		DISA WREG
Yes <input type="checkbox"/> If yes, complete the section below		No <input type="checkbox"/> go to next question 		Yes <input type="checkbox"/> If yes, enter the reason below		No <input type="checkbox"/> go to next page 		GAWE STATUS
What is the medical problem?	Name	Information about doctor Address	Disability Start Date	Disability End Date	Reason	Verification	Status	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

15. Is the father of any person under age 19 absent from the home or dead?

Yes ☐

No ☐

If yes, complete absent parent information for each person below



go to next page

ABSA

AGENCY
USE

Father's Name	Social Security Number	Date of Birth	Address	Phone	Is he in military service?		Does he visit or share custody?		Good Cause/ IV-D Cooperation	Continued Absence
					Yes	No	Yes	No		
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										

DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

Do you have a child under age 19 in the home?

Yes ☐ No ☐

Are both parents of that child in the home?

Yes ☐ No ☐

Is at least one parent unemployed or working part-time?

Yes ☐ No ☐

IF YOU SAID YES TO ALL THREE QUESTIONS, COMPLETE THE SECTIONS ON THIS PAGE AND ON PAGE 11.
 IF YOU SAID NO TO ONE OR MORE OF THE QUESTIONS, GO TO PAGE 12. 

UPAR
QTRS (D)

AGENCY USE

Verification

PARENT #1

PARENT #2

Parent #1 Parent #2

Last

First

MI

Last

First

MI

NAME

NAME

17a. Amount earned in the
last 24 months \$ _____17b. Amount earned in the
last 24 months \$ _____

18a.

HOURS WORKED

Last month _____

This month _____

Next month _____

18b.

HOURS WORKED

Last month _____

This month _____

Next month _____

19a. If you lost or refused employment
in the last 30 days, enter the following:

Date job was lost: _____

Reason job was lost: _____

19b. If you lost or refused employment
in the last 30 days, enter the following:

Date job was lost: _____



Reason job was lost: _____


Circle month of application.
Mark verified quarters.

E for employment
I for in-kind income
S for STRIDE, CWEP, WIN, WR
T for education, training, JTPA
(limit 4)

This Year	One	Two	Three	Four
Jan				
Feb				
Mar				
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				

[illegible]

22. In the last 90 days did anyone in the household: • leave a job or stop working? • ask to work fewer hours? • refuse to accept a job offer? Yes <input type="checkbox"/> If yes, complete the section below No <input type="checkbox"/> go to next question 		23. Is anyone in the household on strike? Yes <input type="checkbox"/> If yes, complete the section below No <input type="checkbox"/> go to next page 		AGENCY USE				STWK STRK
REASON for leaving, reducing, or refusing work	DATE left, reduced, or refused work Month / Day / Year	Date Strike Started Month / Day / Year	Quit			Pre-Strike Earnings		
			PWE	Vol.	Date			
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

24. Is anyone in the household in school? (include G.E.D. classes) Yes <input type="checkbox"/> If yes, complete the sections below No <input type="checkbox"/> go to next page 		SCHL AGENCY USE				
Name of School	Address of School (If Known)	School Status check one			Attendance Verification	School District Number
		Full Time	Half Time	Less than Half		

DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

25. Does anyone in the household have any cash?

Yes ☐ If yes, complete the section below
 No ☐ go to next question

26. Does anyone in the household have money in accounts such as:

- savings
- checking
- credit union
- IRA
- money market
- certificate of deposit
- employee retirement fund
- nursing home accounts
- Keogh

NOTE: Include joint accounts, childrens accounts, trust accounts.
 Yes ☐ If yes, complete the section below
 No ☐ go to next page



Owner	Amount	Owner	Type of Account	Account Number	Pays Interest Yes No	Account Location (Name/Address)	Account Balance
	\$						\$
	\$						\$
	\$						\$
	\$						\$
	\$						\$
	\$						\$
	\$						\$
	\$						\$

DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

27. Does anyone in the household own or are they buying securities such as:


life insurance

stocks

bonds

mortgage notes

contracts for deed

Yes ☐ If yes, complete the section belowNo ☐ go to next page 

AGENCY USE				CASH ACCT SECU		
Owner	Type of Resource	Account Number if Applicable	Cash Value	Verification	Account Types	Current Equity
			\$			
			\$			
			\$			
			\$			
			\$			
			\$			
			\$			
			\$			

VOID


DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

28. Does anyone in the household own or are they buying:

☐ car
☐ truck
☐ van
☐ camper
☐ motorcycle
☐ trailer
☐ any other vehicle

Yes ☐ If yes, complete the

section below

No ☐ go to next page 

CARS

AGENCY
USE

Verification

Owner	Type of Vehicle	Year, Make and Model	Value	DEBT		Value				
				Amount Owed	Owed to Whom	AFDC	FS	MA	DEBT	
			\$	\$						
			\$	\$						
			\$	\$						
			\$	\$						
			\$	\$						
			\$	\$						
			\$	\$						
			\$	\$						
			\$	\$						
			\$	\$						

DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

29. Does anyone in the household own or are they buying:		Location		Market Value	Debt		Is This Where You Live Now?		Equity	Status
land building	houses mobile homes life estates	Address	Legal Description		Amount Owed	Owed To Whom	Yes	No		
Yes <input type="checkbox"/>	If yes, complete the section below			\$						
No <input type="checkbox"/>	go to next page			\$						
				\$						
				\$						
				\$						
				\$						
				\$						
				\$						
				\$						


VOID

[illegible]

DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

32. Has anyone in the household given away, sold or traded anything of value in the last 30 months?
(Include any transfers made by a spouse not living with you.)

Yes ☐ If yes, complete the section below

No ☐ go to next page 

		AGENCY USE				TRAN			
Name of Person Who Transferred Property	Name of Person Who Got Property	What was Transferred	Reason For Transfer	Transfer Date	Value of Item Transferred	Amount Received	AFDC, GA MSA, WR	MA	FS
					\$	\$			
					\$	\$			
					\$	\$			
					\$	\$			
					\$	\$			
					\$	\$			
					\$	\$			
					\$	\$			
					\$	\$			

DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

33. Does anyone in the household have or expect to get any income for attending school, such as:

loans
grants
scholarships

Yes ☐

If yes, complete the questions below

No ☐

go to next page



STIC
STEC
STIN (D)

AGENCY
USE

Verification

Name	Type of Income	Amount	Date Received	Period Covered
		\$		from / to
		\$		from / to
		\$		from / to
		\$		from / to
		\$		from / to

Expenses	Period Covered	Income Period	Expenses Period
Tuition \$	from / to		
Fees \$	from / to		
Books \$	from / to		
Other \$	from / to		
Other \$	from / to		

Complete the following if there is a second person receiving student income.

Name	Type of Income	Amount	Date Received	Period Covered
		\$		from / to
		\$		from / to
		\$		from / to
		\$		from / to
		\$		from / to

Expenses	Period Covered	Income Period	Expenses Period
Tuition \$	from / to		
Fees \$	from / to		
Books \$	from / to		
Other \$	from / to		
Other \$	from / to		

34. Does anyone have or expect to get any unearned income such as:

RSDI (Social Security)

SSI (Supplemental Security Income)

VA (Veteran's Administration)

UC (Unemployment Compensation)

WC (Worker's Compensation)

military allotment

retirement benefit

public assistance benefit (AFDC,

GA, WR, MSA and RCA)

child support

alimony

foster care

dividends

interest

insurance benefits

contract for deed

tax refunds

Yes ☐ **If yes complete the section below**

☐ No ☐ go to next page

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35. Does anyone in the household have or expect to get income from self-employment such as:

product sales	Crop Reserve Program (CRP)	personal services
in-home daycare	roomers	property rental
farming	boarders	paper route

☐ Yes ☐ If yes, complete the section below
☐ No go to next page




		AGENCY USE		BUSI RBIC	
		FS		OTHER	
Person's Name:	Kind of Business:	Ownership: <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation		Monthly Gross	
Date Self-Employment Began	Gross Income this Month \$	Expenses this Month \$		Annual Gross	
Hours Worked Per Week	Gross Income Last Calendar Year \$	Expenses Last Calendar Year \$		Monthly Expenses	
Do you expect any changes in income, expenses or work hours? <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, explain.		Annual Expenses	
Complete the following if your household has a second source of self employment income.					
Person's Name:	Kind of Business:	Ownership: <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation		Monthly Gross	
Date Self-Employment Began	Gross Income this Month	Expenses this Month		Annual Gross	
Hours Worked Per Week	Gross Income Last Calendar Year \$	Expenses Last Calendar Year \$		Monthly Expenses	
Do you expect any changes in income, expenses or work hours? <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, explain.		Annual Expenses	

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36. Does anyone in the household work or expect to get income from a job this month *or* next month?

NOTE: Include income from Work Study and paid internships.

Yes ☐ If yes, complete the section below

No ☐ go to next page 

JOBS

**AGENCY
USE**

Name	Date Check Received	This Month's Work			Hours Worked	Next Month's Work Expected Gross Wages	Current Month	Next Month
		Gross Amount	Tips/Commission					
	1st	\$	\$		\$			
Employer	2nd	\$	\$		Expected Tips/Commission			
	3rd	\$	\$		\$			
Date Job Began	4th	\$	\$		Expected Hours			
	5th	\$	\$					

Complete the following if there is a second job in your household.

Name	Date Check Received	This Month's Work			Hours Worked	Next Month's Work Expected Gross Wages	Current Month	Next Month
		Gross Amount	Tips/Commission					
	1st	\$	\$		\$			
Employer	2nd	\$	\$		Expected Tips/Commission			
	3rd	\$	\$		\$			
Date Job Began	4th	\$	\$		Expected Hours			
	5th	\$	\$					

Do you have a third source of income? Yes ☐ No ☐

If yes, ask your worker for an additional page.

DCEX

37. Does your household have expenses for the care of a household member (child care or care of a disabled adult) so that another household member can work, attend training, or look for work?

Yes ☐ If yes, complete the section below



No ☐ go to next page

AGENCY
USE

Person Paying For The Care	Name Of The Care Provider	Address Where Care Is Provided	Payment This Month Amount Paid How Often	Expected Payment For Next Month	Verification
1			\$ per	\$	
2			\$ per	\$	
3			\$ per	\$	
4			\$ per	\$	
5			\$ per	\$	
6			\$ per	\$	
7			\$ per	\$	
8			\$ per	\$	
9			\$ per	\$	
10			\$ per	\$	

DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

38. Does anyone have any other work expenses, such as transportation, meals, uniforms or work expenses related to a disability?

Yes ☐ If yes, complete the section below

No ☐ go to next question



39. Does anyone pay court-ordered support, court-ordered alimony or contribute to a tax dependent who does not live in your home?

Yes ☐ If yes, complete the section below

No ☐ go to next page



WKEK
COEX

AGENCY
USE

Work
Expense

Support
Expense

Payment Type

Current Month
\$

Next Month
\$

Payment Type

Current Month
\$

Next Month
\$

Type of Payment

Name

Person(s) getting payment

Payment This Month
\$

Address of person getting payment

Payment Next Month
\$

Type of Payment

Name

Person(s) getting payment

Payment This Month
\$

Address of person getting payment

Payment Next Month
\$

Name

Type of Expense

Monthly Amount

\$

\$

\$

\$

Name

Type of Expense

Monthly Amount

\$

\$

\$

\$

DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

40. Does your household have the following expenses?						SHEL				
Kind of Expense	Yes		No		Amount of Expense	How Often Billed	Person Billed for Expense	AGENCY USE		Monthly Budget Amount
								FS	MSA	
Rent					\$					
Mobile Home Lot Rental					\$					
Mortgage (Include Contract for Deed)					\$					
Homeowner's Insurance (if not included in mortgage payment)					\$					
Real Estate Taxes (if not included in mortgage payment)					\$					
Room and Board					\$					
<p>A. Do you expect any changes in your housing costs? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B. Do you live in subsidized housing? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C. Are you billed for garage rent? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D. Do you share housing costs with anyone? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>										

DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

41. Does your household have the following expenses?					AGENCY USE			ACUT STUT
Kind of Expense	Yes	No	Amount of Bill	How Often Billed	Person Billed for Expense	Standard	Actual	Budget Amount FS MSA
Heating			\$					
Air Conditioning			\$					
Electricity			\$					
Phone			\$					
Cooking Fuel			\$					
Garbage			\$					
Water			\$					
Sewer			\$					

A. Do you share utility costs with anyone? ☐ Yes ☐ No

☐ ACTUAL UTILITY COSTS

or

☐ STANDARD UTILITY AMOUNT

B. Do you want your Food Stamps figured using

NOTE: If you do not know which choice is better for you, check with your worker.




Yes ☐ go to next page

No ☐ go to next page




AGENCY USE

MEDICAL EXPENSES

[illegible]

AGENCY USE		ACCI MED		
43. Does anyone have any paid or unpaid medical bills for this month or any past months? Yes <input type="checkbox"/> If yes, complete the section below No <input type="checkbox"/> go to next question 	44. Has anyone in the household been injured or had an accident? Yes <input type="checkbox"/> If yes, complete the section below No <input type="checkbox"/> go to next question 	45. Does anyone in the household have Medicare? Yes <input type="checkbox"/> If yes, complete the section below No <input type="checkbox"/> go to next page 	F.S. Med. Exp.	Accident Report
Place a check in the box of each person with medical bills.	Type of Accident or Injury	Medicare ID Number		
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				


MEDICAL INFORMATION

<p>46. Is anyone in the household covered by health or dental insurance or an HMO (Health Maintenance Organization) plan?</p> <p>Yes <input type="checkbox"/> If yes, complete the section below</p> <p>No <input type="checkbox"/> go to next question </p>			<p>47. Could anyone in the household get health or dental insurance or HMO coverage through a spouse, parent or employer?</p> <p>Yes <input type="checkbox"/> If yes, complete the section below</p> <p>No <input type="checkbox"/> go to next question </p>			<p>48. Household members under age 21, who are eligible for Medical Assistance, can get free health screening. Do you want a household member to get health screening?</p> <p>Yes <input type="checkbox"/> If yes, complete the section below</p> <p>No <input type="checkbox"/> go to next page </p>			<p>Place a check in the box of each person requesting health screening</p>			<p>INSB INSB COST EPSD</p> <p>AGENCY USE</p>		
Name of Insurance Plan			Name of Insurance Plan			Name of Insurance Plan			Name of Insurance Plan					
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														

DO NOT USE THE FOLDOUT TO COMPLETE THIS PAGE

49. Did anyone in the household get Supplemental Security Income (SSI) or Minnesota Supplemental Aid (MSA) in any month since April 1977?


Yes ☐ If yes, complete the section below

No ☐ go to next question 

Name	Type of Income	Income Start Date	Income End Date

50. Is anyone in your household on a prescribed diet?

Yes ☐ If yes, complete the section below

No ☐ go to next question 

a. Name:

Kind of Diet:

Doctor's Name:

Doctor's Address:

b. Name:

Kind of Diet:

Doctor's Name:

Doctor's Address:

51. If you or your spouse are 65 years of age, disabled or blind, do you eat **TWO OR MORE** of your meals in restaurants each day?

Yes ☐ No ☐

DIET
MSMA

AGENCY
USE

ONLY COMPLETE THIS PAGE IF YOU HAVE AN EMERGENCYEMAS
AGENCY
USE

52. Why are you applying for Emergency Assistance?

Did you or a member of your family get
Emergency Assistance during the last 12 months?☐ Yes ☐ No

If yes, Who got assistance? _____ In what county? _____

Has your family had a change in income?

☐ Yes ☐ No

If yes, explain:

Does your family expect a change in income?

☐ Yes ☐ No

If yes, explain:

List your regular bills for this month and last month.

BILLS	Rent/Mortgage	Fuel	Electricity	Phone	Car Payment/s	Installment & Credit Charges	Other	Other
Amount Due	\$							
This Month Amount Paid	\$							
Last Month Amount Due	\$							
Last Month Amount Paid	\$							

FORECLOSURE or SHUTOFF**FORECLOSURE****SHUTOFF**If you need help with a mortgage foreclosure or
utility shutoff, list your TOTAL FAMILY INCOME
for the past year. (current month and last 11 months)If you need help with a mortgage foreclosure, list your
TOTAL HOUSING COSTS, for the past year.
(current month and last 11 months)If you need help with a utility shutoff, list
your TOTAL UTILITY COSTS for the past year.
(current month and last 11 months)

Earnings	\$	Mortgage Payment	\$	\$	Fuel Oil	\$	\$
Cash Assistance (AFDC, GA, etc.)	\$	Property Tax	\$	\$	Natural Gas	\$	\$
Other	\$	Homeowner's Insurance	\$	\$	Electricity	\$	\$
Other	\$	Rent	\$	\$	Municipal Water & Sewer	\$	\$
Other	\$	Other	\$	\$	Other	\$	\$

Food Stamp Penalty Warning

If you get food stamps, you must follow the rules listed below. Any household member who breaks any of these rules can be barred from the Food Stamp Program for 6 months for the first fraud, 12 months for the second fraud, and permanently for the third fraud. The maximum penalty is a fine of \$10,000 or a jail term of 5 years, or both. A court can also bar a person for an additional 18 months from the Food Stamp Program.

- Do not give false information or hide information to get or continue to get food stamps.
- Do not trade or sell food stamps or authorization (ATP) cards.
- Do not change ATP cards to get food stamps you are not entitled to receive.
- Do not use food stamps to buy ineligible items, such as alcohol and tobacco.
- Do not use someone else's food stamps or ATP cards for your household

Assignment of Support

I understand that when AFDC, IV-E Foster Care, or MA for Long Term Care (LTC) services is approved, all rights to support or maintenance are assigned to the State of Minnesota (Minn. Stat. 256.74 Subd. 5). This assignment covers payments now overdue as well as any support due during the time we were on assistance. For MA-LTC this covers the total income and assets reduced by any share my spouse is allowed to keep (Minn. Stat. 256B.14, 256B.058-.059).

Medical Assignment

As a condition of eligibility for medical assistance, I assign to the State of Minnesota any rights available to me under automobile or private health care coverage and any rights to payment for medical care from any third party for myself or my dependents. I agree to cooperate with the State in any legal action brought against a third party for payment of medical expenses or subsistence.

Medical Release

I give my medical providers permission to release to the State of Minnesota any medical records developed while I get medical assistance (Minn. Stat. 256B27, Subd. 3 and 4). The State of Minnesota needs this information to justify payment of your medical providers. If I am covered by Medicare Part B, I give Medicare permission to directly pay my medical providers for any services while I get medical assistance.

Social Security Numbers

You must provide a Social Security Number (SSN) for each household member. (Food Stamp Act of 1977 as amended by PL 97-98 and the Social Security Act of 1935 (section 1137) as amended by PL 98-369). Your SSN will be used to check identity, prevent duplicate participation and to make mass changes. Your SSN will also be used for computer matches and program reviews and audits to make sure your household is eligible for programs such as food stamps, AFDC, MA, and the school lunch program.

I know my Cash Assistance and/or Food Stamps may be denied or changed because of information I have given on this form. I understand that if I report monthly changes may be made without 10 days advance notice. Written notice of any change will be sent to me no later than the effective date of the change for Cash Assistance or no later than the date Food Stamps are or would be received. I know that if I knowingly provide false information I may be subject to fraud prosecution.

I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point. If I give incorrect information, I may be prosecuted for fraud under Minnesota Statutes, Section 256.98. I also may be subject to penalties for perjury under Federal Law.

My rights and responsibilities have been explained to me and I received a copy of them.

Signature of Applicant	Date	Signature of Spouse or Second Applicant	Date
Signature of Authorized Representative	Date	Signature of Other Applicant	Date
Agency Signature	Date Received	Interview Date	Case Action(s) Change report form given? <input type="checkbox"/> Yes <input type="checkbox"/> No

[illegible]

Appendix B

RESOURCES CONSULTED FOR INFORMATION ON RURAL POVERTY

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