

Food and Nutrition Programs

This issue of *Poverty Research News* highlights research funded by a special grant program of the Economic Research Service of the U.S. Department of Agriculture. The grant is awarded for research on food and nutrition assistance programs administered by the USDA. JCPR is one of five partner institutions in the small grants program. The articles examine an array of food programs and their effectiveness in alleviating hunger and food insecurity among a variety of populations.

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POVERTY RESEARCH NEWS

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JOINT CENTER FOR POVERTY RESEARCH

Research Development Grants RFP Food Assistance Research

The Northwestern University/University of Chicago Joint Center for Poverty Research announces its Research Development Grants program for social science scholars interested in food assistance research.

Grants will be awarded in amounts up to \$40,000 for the 2001-2002 program. Start-up projects and projects by young and less experienced scholars will be offered grants of up to \$20,000. Awards will be made to scholars who propose research including, but not limited to:

Food Assistance Research

- interactions between food assistance programs and other welfare programs with respect to participation, administration, budget exposure, and the role of food assistance as a personal and fiscal stabilizer
- the effects of the macroeconomic environment on the need for food assistance, level of participation, and food assistance program costs
- the well-being of current and former food assistance recipients.

Other topics related to welfare reform and macroeconomic interactions with food assistance will be considered.

This program is designed to encourage:

- experienced researchers in other areas to start projects in the area of food assistance
- research on food assistance using innovative approaches and research methods
- smaller, start-up projects with the potential to make a significant contribution to food assistance research
- younger and junior scholars to develop research agendas in the area of food assistance

Applications are due May 1, 2001. Absolutely no applications will be accepted after May 1. See the JCPR web site at www.jcpr.org for terms of the grant and application instructions. For more information, contact the Joint Center for Poverty Research at 847-491-4145 or povcen@northwestern.edu.

The awards will cover a period of performance beginning August 1, 2001, through November 30, 2002. Grant recipients must present their preliminary work at a workshop to be held in the spring of 2002 and are required to present their research at a conference in Washington, DC, in October 2002.

The U.S. Department of Agriculture's Economic Research Service provides funding for this program.

Food and Nutrition Assistance Research: ERS Small Grants Program

Ann Vandeman¹

The U.S. Department of Agriculture (USDA) food and nutrition assistance programs—16 in all, including Food Stamps, the Women, Infants, and Children (WIC) program, the school meals programs, and others—have been a component of public assistance to the poor since their origins in the 1930s. Today, they are a major component of the federal safety net. In fiscal year 1999, the \$33 billion spent on USDA food assistance programs was nearly double the \$17 billion spent on Temporary Assistance for Needy Families (TANF), and was nearly one-fifth of the total assistance spent on food, TANF, Supplemental Security Income (\$27 billion), and Medicaid (\$108 billion), according to the Office of Management and Budget.

The USDA has a particular interest in ensuring that food and nutrition assistance is as effective as possible at alleviating food insecurity and contributing to the goal of a healthy, well-nourished population. Fundamental changes in the public assistance programs brought about by welfare reform in the mid-1990s reduced income assistance and left food and nutrition assistance among the only remaining entitlement programs available to most low-income households in the United States. This change in the role of food and nutrition programs in the social safety net increased the significance of accurate information on how well the programs perform.

Beginning in 1998, the USDA Economic Research Service (ERS) received funding to conduct studies and evaluations of the food and nutrition assistance programs administered by USDA. One of the vehicles ERS created for this research was partnerships with five academic institutions and research institutes to operate a small grants program for food and nutrition assistance research. The program is similar to the Joint Center for Poverty Research (JCPR) research development grants, and, in fact, JCPR is one of the five partner institutions.

The ERS small grants program competitively awards research grants for one-year projects. Most grants range from \$20,000–\$40,000. The purposes of the program are to stimulate food and nutrition assistance research in a changing public assistance environment, and to broaden the participation of social science scholars in the research effort. Through the program, ERS seeks to give junior scholars an opportunity to gain research experience in food and nutrition assistance, and to encourage more senior scholars to apply their skills and knowledge in this area as well.

Five papers, one from each of the programs, are summarized in this newsletter. These papers report research findings from the first set of grants, which were awarded in the summer and fall of 1998. Recipients presented their findings at a conference at ERS in Washington, D.C., in October 1999. Most of the completed research papers can also be found on the web sites of the administering institutions (see boxed inset for links to institutions).

One of the unique features of the ERS small grants program is the wide diversity of individual researchers involved. Grant recipients come from a number of disciplines and employ a variety of approaches in their research. They include economists, sociologists, nutritionists, anthropologists, human development specialists, and social work and public health professionals. Some conduct exploratory research using ethnographic methods to examine underlying factors influencing program participation and outcomes. Others used descriptive statistics to characterize the populations of interest. Still others use statistical models to analyze program behavior. All the methods employed contribute to a growing body of knowledge on the food needs, coping behaviors, and food program outcomes of low-income families and individuals.

The opportunity to share questions, methods, and insights within such a diverse group has been a highlight of the annual small grants conferences. Bringing together a diversity of disciplines has enabled an atmosphere of support and collegiality that is rare at traditional conferences dominated by a single discipline. According to many conference participants, the dialogue that takes place in this atmosphere enhances the quality of their research.

Another unique characteristic of the ERS small grants program is the participation of five partner institutions. We wanted to attract the best and brightest from the national poverty research community to focus on food assistance. We also sought partners who could direct research toward particular populations and issues that do not typically receive focused attention in a national research program. The latter programs present some of the most challenging problems for researchers, and policymakers, to address.

Two of the five partner institutions, the Institute for Research on Poverty at the University of Wisconsin (IRP) and the Joint Center for Poverty Research are noted for their experience in conducting policy-relevant poverty research at the national level and their ability to attract prominent scholars from a variety of social science disciplines to work on poverty and hunger issues. IRP has a distinguished history of

1. Ann Vandeman is the ERS coordinator for the Small Grants Program and Assistant Director for Management in the Food and Rural Economics Division of the Economic Research Service.

research, including previous involvement in administering small research grants funded by the USDA Food and Nutrition Service. The JCPR research development grants program with HHS and the Census Bureau served as a model for the ERS small grants program.

Both IRP and JCPR awarded grants for studies of WIC in 1998. **Lori Kowaleski-Jones and Greg Duncan** used national data in their study, funded by IRP, that confirmed the positive effect of WIC on birth weight. Their results also suggest that prenatal WIC participation can improve later childhood social and behavioral development through a positive effect on infant temperament. JCPR small grant recipients **Bong Joo Lee and colleagues** used a unique, state-level administrative database to examine WIC program effects on children. Their study demonstrates how longitudinal data can show most graphically the significant number of children served by the major food and income assistance programs; they find that 52.7% of all children born in Illinois between 1990 and 1996 received WIC benefits at some time during their first two years of life.

The remaining three institutions are recognized for their ability to direct research on a particular subset of food assistance and nutrition issues or on a particular subpopulation of those eligible for food and nutrition assistance who are of particular policy interest to the USDA. Among these, the Department of Nutrition of the University of California at Davis (UC Davis) brings to the small grants program its expertise in nutrition education design and evaluation. A core group of faculty there has focused on identifying meaningful approaches to nutrition education development and evaluation for ethnically diverse, low-income families served by a variety of food assistance programs. They view multidisciplinary research as critical to effectively monitoring nutrition program outcomes.

The UC Davis project summarized here (see Frongillo and Lee) demonstrates the challenges involved in determining nutrition and health outcomes from food assistance program participation when differences between participants and nonparticipants interfere with measuring program effects. **Edward Frongillo and Jung Sun Lee** focused on food security among the elderly, and found that this group faces particular barriers to using food that do not affect the food security of most of the population, except for some with

disabilities and the homeless. Food security, as the USDA currently defines it, does not account for the effect of use.

The Southern Rural Development Center at Mississippi State University (SRDC) has established a reputation for its ability and commitment to conduct research on the problems of the rural poor in the South, and its particular focus on the effects of welfare reform on this population. The USDA has a special relation with the SRDC by virtue of the land grant status of its member institutions, including the historically black land grant colleges and universities created in 1890. The South is also of particular interest because of the region's large proportion of rural poor and rural African Americans.

Stephan Goetz and colleagues focus on the rural poor in their study of welfare caseloads in Kentucky, noting that the South has had the highest caseload declines of any region in the country. Their study sought to distinguish the effects on caseload changes that are a function of "place," and outside the individual's control, from those that are characteristic of the individual recipients (and may or may not be within their power to

change).

American Indian families living on reservations are a significant component of the low-income rural population in many of the Western and Plains states. The University of Arizona American Indian Studies Program (AISP) administers small grants for research focusing on the food assistance and nutrition needs and problems of American Indians. AISP is the home of the only doctoral program in American Indian studies in the country. The program maintains close ties to the tribal colleges, which were given land grant status in 1994. Their research involves faculty, students, and staff in addressing many issues unique to life on a reservation and in remote rural areas—sparse populations with limited access to services, few opportunities for employment, lack of transportation and telephone service, and roads made periodically impassible by weather.

A unique feature of food assistance on the reservation highlighted in the paper by **Rita Davis and coauthors** and summarized here is the tribal food distribution program. This is the oldest of the USDA food assistance programs. It began during the Depression of the 1930s as the primary source of federal food assistance to the poor. Today, the program

Links to organizations noted in the article

Institute for Research on Poverty, University of Wisconsin

<http://www.ssc.wisc.edu/irp/home.htm>

The Joint Center for Poverty Research, University of Chicago and Northwestern University

http://www.jcpr.org/small_grants/sgproqusda.html

The American Indian Studies Program, University of Arizona

<http://w3.arizona.edu/%7eaisp/98projects.html>

The Department of Nutrition at the University of California, Davis

<http://nutrition.ucdavis.edu/usdaers.html>

Southern Rural Development Center, Mississippi State University

<http://ext.msstate.edu/srdc/activities/food.htm>

distributes commodity foods to Native American families living on or near Indian reservations. Davis and coauthors find that, although participation in Food Stamps has been dropping on the Cheyenne reservation, participation in “commodities” has increased.

The ERS small grants program is now in its fourth year. In addition to awarding 56 research grants, the program has provided support critical to building research capacity to better address food and nutrition assistance issues and programs, both within the established poverty research community and among a broader group of social scientists.

The partner institutions have also used the program to build relationships between research and primarily teaching institutions, particularly the historically black and tribal land grant colleges and universities. Although these institutions are often left out of research networks, many are located in high-poverty areas and serve some of the very communities that are in particular need of food assistance. Building their capacity to participate in analysis and policy debates guarantees that the fresh perspective needed to explore food and nutrition assistance issues will be included in future research. ■

Joint Center for Poverty Research

Research Development Grants for Policy Research on U.S. Poverty

The Northwestern University/University of Chicago Joint Center for Poverty Research seeks research proposals for research development grants in the following areas for the 2001-2002 academic year.

HHS-Funded Grants

Funded by the Department of Health and Human Services, these grants support research on the causes and consequences of poverty and policies aimed at alleviating the effects of poverty and inequality in the United States. Topics of specific interest are:

- the changing labor market
- the well-being of children and families
- concentrated urban poverty
- effects of recent policy changes, particularly on special populations such as (but not limited to) immigrants, low-skilled workers, persons with disabilities, and persons with substance abuse problems;
- teen-age and nonmarital childbearing.

Other topics will also be considered. Applicants must have completed their Ph.D. Preference will be given to untenured researchers with full-time academic appointments; and, researchers using new approaches and innovative methods. Funding requests up to \$30,000 will be considered.

Census-Funded Grants

U.S. Census Bureau funding supports two programs for research on the topics described above—one to support research using the Survey of Income and Program Participation (SIPP) and the other to support research using the Survey of Program Dynamics (SPD). Applicants must have completed their Ph.D. Funding requests up to \$30,000 will be considered; a minimum of three awards for SIPP and three for SPD research will be made. Preference will be given to researchers who have not received SIPP/SPD grants before. The Census funding for this program is pending budget approval. JCPR will provide an update regarding the funding by April 1, 2001.

Applications are due May 1, 2001.

Proposals must specify whether the request is for HHS or Census funding, and proposals for Census funding must identify whether the project uses SIPP or SPD data. See the terms of the grant and application instructions. Based on our funding cycle, the awards will cover a period of performance from September 29, 2001, through September 28, 2002. Grant recipients are required to present their research at a conference in Washington, DC, in September 2002.

See the JCPR web site at www.jcpr.org for terms of the grant and application instructions. For further information, contact the JCPR at jcpr@uchicago.edu or 773-702-0472.

Core funding for the JCPR is provided by the Office of the Assistant Secretary for Planning and Evaluation of the U.S. Department of Health and Human Services.

The Effects of WIC on Children's Health and Development

Based on research by Lori Kowaleski-Jones and Greg Duncan¹

Researchers have long studied the effects of the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) on children's health. Several of these studies find that WIC can improve birth weight (Kotelchuck et al., 1984, Caan et al., 1987; GAO, 1992) and the diets of children (Fraker, 1990; Rose et al., 1998). However, as Lori Kowaleski-Jones and Greg Duncan argue in their working paper, "The Effects of Participation in the WIC Food Assistance Program on Children's Health and Development," much of the research was conducted more than a decade ago and, because of data limitations, many of the evaluations failed to adjust for potentially important differences between mothers who used WIC and the comparison group of mothers who did not. Furthermore, few studies have focused on the effects of WIC participation on infant temperament or social development.

Kowaleski-Jones and Duncan address some of the limitations of prior research by using a national sample of children and siblings born to relatively older mothers. Specifically, they compare siblings whose mothers used WIC with one sibling but not the other. In addition to birth weight, they also examine two measures of infant development: temperament and motor and social skills. Their research supports the positive findings on infant birth weight, and finds a small, positive effect on infant temperament, but no established link to improved motor or social skills.

Data and Method

The WIC program provides federal grants to states for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breast-feeding, and postpartum women, their infants and children up to age 5 who are deemed at nutritional risk. To qualify for WIC, participants must have incomes at or below 185% of the poverty level (\$26,178 for a family of three in July 2000). Participation has

doubled in ten years, from roughly 3.5 million in 1988 to just over 7 million in 1999. The average monthly benefit per person in 1999 was \$32.50 (USDA, 2000).

The data are drawn from the National Longitudinal Survey of Youth (NLSY). The authors compiled a sample of roughly 2,000 children born between 1990 and 1996 to mothers who were between ages 25 and 38 at the time of their child's birth. The mothers, it should be noted, were relatively older parents, and their age could confer certain advantages to their children. From the sample, the authors extracted 104 pairs of siblings (also born between 1990 and 1996) whose mothers participated in WIC in at least one of the pregnancies. They then analyzed the 71 sibling groups in which the mother participated in WIC prior to one but not all of her children's births. This comparison allows the authors to adjust for the effects of unmeasured, persistent differences among mothers that might be affecting both the likelihood of participating in the program and the outcome of interest.

Birth weight was measured in ounces. Infant motor skills were based on a mother's self-reported scale based on standard measures of child development. Half the children were assessed in their first year of life, and the other half were assessed between their first and second birthdays. Temperament was measured according to an index of predictability, fearfulness, positive affect, and friendliness.

The authors control for individual and family characteristics that differed from one birth to another, including whether the mother smoked, drank, or received Food Stamps during her pregnancies.

Research has looked to birth weight as an indicator of health because low-birth-weight children are at increased risk for mortality and lifelong disabilities, such as cerebral palsy, autism, and mental retardation. Temperament is related to the child's impact on family members and has been linked to behavioral problems. Motor and social skills are indicators of child development and cognitive skills.

WIC's Effects on Health and Development

The authors find that WIC had a significant, positive effect on birth weight. Prenatal WIC participation was associated with an increased birth weight of about 7 ounces among the

For a copy of the full working paper on which this article is based, see

<http://www.ssc.wisc.edu/irp/dplist.htm>

For participation information on the WIC programs, see

<http://www.fns.usda.gov/pd/wichome.htm>

¹ **Lori Kowaleski-Jones** is an assistant professor in the Department of Family and Consumer Studies at the University of Utah. She is currently analyzing (with Rachel E. Duniwon and Mary Corcoran) the impact of WIC and the National School Lunch Program on food insecurity and children's development. **Greg Duncan** is director of JCPR and a professor of education and social policy at Northwestern University.

low-birth-weight babies, although the 95% confidence interval around this interval was fairly large, from about 1–13 ounces.

Effects on temperament were less conclusive. In one measurement, WIC participation actually increased the likelihood that a mother reported that her child had a difficult temperament. However, the sibling-based models suggest prenatal WIC participation improves child temperament somewhat.

For motor and social skills, they find no significant effects of WIC participation. They caution that motor and social skills are likely much more complex and difficult to capture than temperament and birth weight. In addition, temperament is, in many ways, a measure of disposition, and disposition may be especially responsive to prenatal dietary and health patterns of the mother, factors that are directly targeted by WIC.

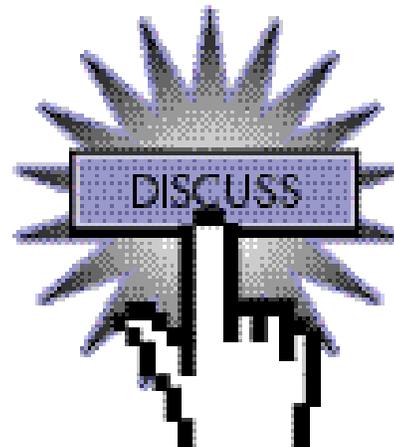
Policy Implications

The research seeks to address several criticisms of earlier work (see e.g., Besharov & Germanis, 1999) by including more robust statistical analyses and using siblings and mother's participation in WIC to alleviate the problem of selection bias. The results confirm the positive effects of prenatal WIC participation on infant birth weight, even when controlling for potential biases. This supports the hypothesis that WIC reaches its stated goal of benefiting children as measured by birth weight, at least for relatively older mothers. Although they found no observable effects on motor and social skills, the finding that WIC is linked to a decline in negative temperament is encouraging.

The WIC program has experienced rapid growth. Currently, expenditures total approximately \$5 billion annually, significantly more than the \$10 million spent at the start of the program in 1974. Critics are calling for a reanalysis of the mission of the WIC program, not in small part due to increased spending on the program. Among the proposals for change are to direct more resources to needy families, add a focus on obesity, increase nutritional counseling, and allow states to experiment with serving children older than age 4 (Besharov & Germanis, 2000). As these proposals are considered, the current research suggests that the WIC program may have positive benefits for the children that it currently serves. Further, the finding that maternal prenatal WIC participation has positive effects on birth weight suggests that some of the more established aims of the WIC program should not be overlooked in implementing potential reforms. ■

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Join Colleagues in Discussions

JCPR is now featuring an online "chat room" to accompany *Poverty Research News*. For each article, we offer interested readers the ability to post feedback and questions, with the hope of developing intellectual conversations about the topic at hand. To try out this latest addition to *Poverty Research News* online, please visit <http://jcpr.org/newsletters/index.html> and select the most recent volume.

Health and Welfare of Illinois Children: Shifting WIC and Food Stamp Use

Based on research by Bong Joo Lee, Lucy Mackey Bilaver, and Robert Goerge¹

Welfare reform has dramatically altered the nation's welfare programs, especially its cash assistance program, Temporary Assistance for Needy Families (TANF). The strict time limits and work requirements now a part of TANF are likely to have repercussions in other welfare programs. As individuals limit their use of TANF to avoid time limits or as they enter the workforce, often in low-wage jobs, food programs and other supports take on added importance.

Bong Joo Lee and coauthors, in "The Patterns of Food Stamp and WIC Participation and Their Effects on the Health of Low-Income Children," examine the shifting participation patterns in three public assistance programs in Illinois: TANF, Food Stamps, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). As Judith Davis and coauthors (in this issue) also find from interviews with residents of the Cheyenne Nation in Montana, welfare reform has caused many to seek alternative programs to meet their families' needs. Lee and colleagues determine the extent of substitution among programs in Illinois by examining the changing participation patterns among families with young children between TANF and two food programs (Food Stamps and WIC) from 1991–1998.

They find that WIC has become a more prominent source of support among families with young children. They also find that, in addition to food support, WIC is effective in lowering the incidence of certain health problems among children and in encouraging preventive health care.

The WIC program provides not only food assistance but also nutritional counseling and referral services to low-income pregnant and postpartum women with children up to age 5. Along with an income eligibility requirement (185% of the poverty line), all participants must be considered nutritionally "at risk." WIC provides eligible families with monthly vouchers to purchase a specified nutrient-rich package of food, as well as offering counseling and access to health services. The food packages are designed to supply specific nutrients lacking in the diets of targeted participants. Unlike the Food Stamp program, WIC is not an entitlement program in which

participation is limited by appropriated federal funding. It saw no changes under welfare reform.

Data and Method

The authors used data from the Illinois Integrated Database on Children's Services (IDB). The IDB is a state-level, longitudinal database constructed from administrative data gathered by public agencies serving children and families in Illinois. They examine program entry into Food Stamps, WIC, and TANF among all children born in Illinois from 1990–1996, and follow those children up to their fifth birthday until the end of 1998 (the 1994–1996 cohorts have censored observation periods).

To determine the effects of WIC on health outcomes, the authors analyze data on children under age 5 who entered Medicaid (i.e., low-income) for the first time between 1991–1997. Using Medicaid paid claims data, they examine the incidence of health problems related to nutrition (which WIC is designed to address). The health conditions examined are anemia, nutritional deficiency, and failure to thrive, which refers to lack of normal physical development. The use of preventive care was measured by examining whether and when young children received Early Periodic Screening, Diagnosis, and Treatment (EPSDT) once they enrolled in Medicaid. The EPSDT is a well-child screening program required of state Medicaid programs.

Changing Patterns of Program Use

Nearly two-thirds of all Illinois children born during the study period received at least one of the three programs (Food Stamps, WIC, or TANF) during their first five years of life. The majority of children who enter these programs are younger than age 2. This striking finding indicates that there is a sizable group of young children who need some kind of income assistance, whether cash or in-kind. When the participation in the three programs from birth to age 2 was considered, participation in TANF among Illinois children dropped nearly 26% between 1993 and 1996, and Food Stamp participation fell 22%. Entries to WIC, in contrast, increased 10% during the same period.

The authors attribute much of the decline in TANF entries to welfare reform and a strong economy. Nationwide, cash assistance caseloads have been cut in half since the mid-1990s. The decline in Food Stamps, whose eligibility is not tied to cash assistance and which saw less draconian changes under reform, is somewhat puzzling. This decline is not unique to Illinois; nationwide, Food Stamp caseloads have fallen

1. **Bong Joo Lee** is Research Fellow at the Chapin Hall Center for Children at the University of Chicago. His research focuses on the use of administrative data from human service agencies. He currently directs a three-state child care subsidy study funded by the Administration for Children, Youth and Families. **Robert M. Goerge** is Associate Director and Research Fellow at the Chapin Hall Center for Children at the University of Chicago. He is the Principal Investigator of the Integrated Database on Children's Services in Illinois (IDB) project. **Lucy Mackey Bilaver** is a Senior Research Associate at the Chapin Hall Center for Children at the University of Chicago. She currently serves as Project Director of the Quick Response project, an effort to perform timely data analysis for the Illinois Department of Children and Family Services.

significantly. From 1994–1999, participation declined from 27.5 million people to 18.2 million. Data are beginning to emerge that point to a robust economy and declining poverty as the key factors in the decline. However, also contributing to the decline might be perceived and real barriers to participation, either increased “hassle” or diversion by administrators. More optimistic outlooks among low-income families might also leave them less inclined to participate.²

The changing participation rates among the three Illinois programs could also indicate a shifting reliance on WIC, as Food Stamps and cash assistance benefits are cut (inadvertently in the case of Food Stamps). To test this possibility, the authors look to data on multiple program participation and program overlap. They consider various combinations of program use. For example, among those children born in 1990, 22.8% received all three services, 8% received TANF and Food Stamps only, and 22% received WIC only before reaching their second birthday.

For more information on WIC, see

<http://www.fns.usda.gov/wic/>

For reports on Food Stamp changes, see:

www.ers.usda.gov

The full working paper, “The Patterns of Food Stamp and WIC Participation and Their Effects on the Health of Low-Income Children,” is available for download at:

<http://www.jcpr.org/wp/WPprofile.cfm?ID=134>

Looking across time, they find that the number of families combining Food Stamps with TANF dropped 8.1 percentage points between 1993 and 1996, accounting for more than 95% of the overall decline in Food Stamp participation during the time period. Meanwhile, those participating only in the WIC program, that is, not combining it with other programs, increased 31% between 1993 and 1996. It appears that, although families with young children are forgoing Food Stamps (a benefit closely linked to cash assistance), they may be turning to WIC for essential food items for their young children.

The authors find little evidence to suggest that changing income distribution among families (more families lose eligibility for TANF and Food Stamps but remain eligible for WIC) or WIC funding changes were the main reasons for the changes in the participation patterns.

2. Parke Wilde, Peggy Cook, Craid Gundersen, Mark Nord, and Laura Tiehen. 2000. *The Decline in Food Stamp Program Participation in the 1990s*. Washington, DC: U.S. Department of Agriculture, Food Assistance and Nutrition Research Program. <http://www.ers.usda.gov/publications/FANRR7/>

The Effects of WIC on Health Outcomes

The WIC program is designed to deter common health problems among low-income children by both providing nutrients and information on nutrition to mothers during and after pregnancy. The program also offers counseling on health matters and provides access to health services.

Among Illinois children receiving Medicaid, those who also participated in WIC were about 36% less likely to be diagnosed with failure to thrive than children who had not participated, even after controlling for other sociodemographic factors. The effect of WIC participation was even greater for nutritional deficiencies, where participation lowered the odds of diagnosis by 74%. However, participation in WIC had no effect on anemia.

Birth cohort, race, and region also come into play in children’s health conditions. White children are most likely to be diagnosed with failure to thrive and Hispanic children the least likely. On the other hand, there has been a significant decline in anemia among children born after 1993. Where the child lives affects the odds of diagnosis. Children from Chicago are 2.2 times more likely to be diagnosed with anemia than are children in the remainder of the state. African American and Hispanic children were also more likely to be diagnosed with anemia than white children. Community poverty rates, however, had no effect on health conditions when the other characteristics of the children were controlled for in the multivariate models.

Preventive health care is also improved by participation in WIC. Children who participated in WIC were 36% more likely to receive an EPSDT screening compared with children not in WIC. More children since 1992 overall have received EPSDT screenings and services. As above, race, region, and birth cohort influenced the likelihood of receiving preventive health care. African American children were 20% less likely than white children to have an EPSTD exam. Entering Medicaid before age 2 improved the chances of receiving an EPSTD exam. Children from Chicago were less likely than children in the remainder of the state to receive preventive care.

Policy Implications

Welfare reform has changed the basic structure of the safety net for low-income families with children. Given the flexibility to design and implement antipoverty programs, states are now searching for more effective ways of assisting low-income families. Traditionally, cash assistance and the Food Stamp program have been regarded as “welfare” programs, while WIC has been regarded as a “public health” program. Because of this, there has been no concerted effort to coordinate the two sets of programs that assist low-income families with young children. The findings in the study suggest that there might be growing need for a higher level of coordination among Food Stamps, TANF, and WIC given the changes in the participation patterns since welfare reform. ■

Food Assistance Programs on a Montana Indian Reservation

Based on research by Judith Davis, Rita Hiwalker, and Carol Ward¹

The residents of the Northern Cheyenne Indian reservation in Montana face particularly high poverty rates (53% in 1997), physical isolation, and unemployment running as high as 50%. Food assistance is an integral part of the assistance programs serving the Northern Cheyenne. Food stamps, Women, Infants, and Children (WIC), the Tribal Food Distribution Program, the Tribal Assistance Committee, and food banks are some of the programs that provide food to families on the reservation. Several of the food programs serving the residents underwent changes under the 1996 welfare reforms.

Judith Davis, Rita Hiwalker, and Carol Ward, in their working paper, "The Impact of Welfare Reform on Food Assistance Programs on American Indian Reservations," examine the effects that changing food programs have had on residents of the Montana reservation. They interviewed both program administrators and recipients of services to better understand the effect of these programs and the prospects for future food assistance support. In-depth interviews were conducted with 40 clients and program directors of the county public assistance office serving Big Horn and Rosebud counties. In addition to the two county public assistance directors, interviews were conducted with administrators of tribal programs, local public school breakfast and lunch programs, Boys and Girls Club summer meal programs, and church organizations.

Changes to Food Programs

The Food Stamp program is the most significant program serving residents of the reservation. In February 1999, the program served more than 3,000 residents, with benefits averaging roughly \$68 per recipient. Cash assistance caseloads, in comparison, served half as many residents (roughly 1,200).

Whereas the cash assistance programs underwent radical reorganization in the 1996 welfare reform, the Food Stamp program saw less change. The program remained in federal hands, although it gave states the option to reduce Food Stamp benefits if an adult failed to comply with other public assistance requirements. Benefits were curtailed for able-bodied adults without dependents who were not working, as well as for some noncitizens.

Nationwide, Food Stamp caseloads have experienced unprecedented decline since the mid-1990s. A strong economy is responsible for much of the drop. However, even low-income families who are still eligible are among those leaving the food program. It may be that these low-income

families are more optimistic about the economy and their prospects and thus choose to avoid welfare programs.² Nonparticipation could also arise from perceived and real barriers to participation, either increased "hassle" or diversion by administrators.

On the reservation, the average number of Food Stamp recipients declined between 1996 and 1999. In Rosebud County, the numbers receiving Food Stamps declined from 12.3% in 1996 to 1.8% in 1999. In Big Horn County, the decline was not as dramatic, falling from 21.6% to 17.8%. Over the same period, the cash assistance caseload was cut in half.

The tribal programs that offer food support include the Tribal Social Services (General Assistance), WIC, Tribal Assistance (which provides emergency assistance), the Tribal Food Distribution Program (which provides commodities through the U.S. Department of Agriculture), and food banks. Other programs, such as Head Start and reduced meals in school, support children in families.

Several programs have changed in the past few years. Eligibility requirements have been added, paperwork has increased, and food and nutritional guidance has improved in others. General Assistance has been scaled back considerably, and work requirements have been added. The WIC program has changed its outreach requirements, making it harder for the program to reach residents without phones (a considerable number on the reservation). The Tribal Food Distribution Program, meanwhile, saw a 15% increase from July 1998 to June 1999. The lack of a waiting period and the availability of food delivery services, Davis and colleagues suggest, may have drawn some residents away from the Food Stamp program. The Tribal Food program has stressed more nutritious food, and the content of the package has improved. Finally, the local food bank is an important source of emergency food assistance, serving an estimated 60–80 clients each month.

1. **Judith Davis** is a professor of multicultural education and dean of academic affairs at Dull Knife Memorial College, in Lame Deer, Montana. **Rita Hiwalker** is completing her BS degree from the University of Great Falls and is currently coordinating the food research grants with the University of Arizona. **Carol Ward** is associate professor of sociology, Brigham Young University.

2. See Parke Wilde, Peggy Cook, Craig Gundersen, Mark Nord, and Laura Tiehen. 2000. *The Decline in Food Stamp Program Participation in the 1990s*. Washington, DC: Food and Rural Economics Division, Economic Research Service, USDA. See also Mark Nord. Forthcoming, Fall 2001. "Does the Decline in Food Stamp Use by Rural Low-Income Households Represent Less Need or Less Access? Evidence from New Data on Food Insecurity and Hunger." In *Rural Dimensions of Welfare Reform*, Greg Duncan, Bruce Weber, and Leslie Whitener, eds. Kalamazoo, MI: Upjohn Press.

Since welfare reform, Davis and colleagues find that clients have been shifting among programs more than before, taking advantage of what the programs offer as family needs change. A subsequent study by the authors finds that clients are using commodity programs and any means that were considered less restrictive and that provided “better” food. A preliminary field test of the food security survey indicated that 80% of the households reported it was sometimes or often true that the “food that (I/we) bought didn’t last, and (I/we) didn’t have money to get more [in the prior 12 months].” The food security survey is being administered in a present study by Davis and coauthors to provide baseline information and correlate with stress factors and diabetes in the Northern Cheyenne population.

Client Perceptions of the Food Programs

Client perceptions of welfare reform and the food programs varied. Many were positive about the new work requirements, seeing them as a critical aid in helping them

The full working paper, “The Impact of Welfare Reform on Food Assistance Programs on American Indian Reservations,” on which this article is based is available from the authors. Email Judith Davis at judith@mcn.net.

secure jobs. Others were less impressed. The vast majority of clients commented on the increasing paperwork required in the Food Stamp program. “It’s harder now than it was five years ago,” said one individual. “Now you have to almost give them the history of your life.” “You have to have an appointment and have to fill out a lot of paperwork,” said another, “and sometimes you have to wait up to two weeks. When you really need food, it is really hard for the kids.” Coupled with work requirements under the cash assistance program, the eligibility and paperwork of the food programs led some residents to the conclusion that it is all “just too much and not really worth all this hassle.”

Transportation and communication limitations impede access to the food programs for many residents. Many have no cars and distances are far between. Lack of telephones in many households further exacerbates outreach and availability. The number of visits required to apply for benefits is a hardship for many, Davis and coauthors find. Some report walking 20 miles round-trip to acquire a needed signature or keep an essential appointment. Communication between staff and clients is made difficult when telephones are unavailable. “It’s always transportation, no gas,” said one resident, “and then if you can’t make it, there is no way that we can let them know to reschedule. Most of us here in

Birney don’t have phones.” Rescheduled appointments, according to residents, can be as much as a month or more later.

As the numbers served by federal programs decline, residents increasingly draw not only on tribal programs but on scarce resources of family members and other community supports. Survival strategies include doing beadwork, hunting, gardening, pawning possessions, and depending on extended family. Generally, residents feel a disconnection from the policies and the reality of their world. “I wish we could see someone from Washington, D.C., come live here and study how we are surviving—if one of them could come and live on \$65 and Food Stamps for one month.”

Policy Implications

It is clear from the interviews that patterns of food acquisition and use have changed over time. Often there is a gap between the services available and the ability to access those supports. When clients fall through the safety net, they become frustrated and perceive that programs are insensitive to their needs. It is therefore important, the authors conclude, to consider the intricacies of clients’ experiences with food programs, especially the programs’ relation to the range of formal and informal resources on which the Cheyenne rely. The extended family structure in place on the Northern Cheyenne reservation supplements and supports families through food sharing. Selling homemade goods and art items, using religious charity, and pawning goods are all common “survival” methods on the Northern Cheyenne Reservation and in most reservation communities. This study has pointed to food acquisition as a serious concern for large numbers of Native Americans. ■

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Food Insecurity among the U.S. Elderly

Based on research by Edward A. Frongillo, Jr., and Jung Sun Lee¹

Research on food insecurity has often been confined to younger adults and children, and “insecurity” has often meant lack of access to food owing to inadequate resources. An often overlooked population is the elderly. Five percent of U.S. households with elderly struggle to meet their basic food needs.² For the elderly, food insecurity can mean not only lack of access to food, but inadequate or altered use of available food; their circumstances leave them unable to prepare or eat available food. Food insecurity can also mean inadequate diets, which can compound health problems in the elderly.

Edward Frongillo and Jung Sun Lee, using data from three national surveys, examine these and other issues related to food insecurity among the elderly in their working paper, “Impact of Food Insecurity and Food Assistance Program Participation on Nutritional Risk in Elderly.” A somewhat surprising finding is that participation in food programs (such as Food Stamps) among the needy elderly was not associated with improved health or nutrient intake compared with needy nonparticipants. The authors offer several interpretations of this finding.

Data and Method

The authors used a national and a state survey to analyze food insecurity among the elderly. The Third National Health and Nutrition Examination Survey (NHANES III) sampled over 6,500 elderly persons (60–90 years old) nationwide in 1988–1994 seeking information on health and nutritional status. The Nutrition Survey of the Elderly in New York State (NSENy) interviewed more than 400 elderly (ages 60–96) in New York state on eligibility for home-delivered meals, sociodemographic characteristics, nutritional risk, food insecurity, and functional impairment.

In the NHANES III sample, average age was 70.8, 57% were women, and 11% were minority. In the NSENy, mean ages was 67.7, 62% were female, and 21% were minority. Almost half of the NSENy elderly were widowed or living alone, while 22% were functionally impaired. One-third had incomes below 150% of the poverty line.

In the NHANES III study, participants were considered

“food insufficient” if they reported that the family “sometimes or often did not get enough food to eat.” In the NSENy, an elderly person was deemed “food insecure” if he or she had skipped meals because of lack of food in the last 6 months, did not have enough money to buy food at some point in the last 6 months, or had to choose between buying food or paying bills. Across both studies, nearly 2% were considered food insecure.

To assess the relationship between food insecurity and nutritional and health consequences, the authors controlled for potential confounding factors, including physical functioning, chronic disease, and various socioeconomic and demographic variables. The authors also considered the elderly’s participation in food assistance programs, in this case the Food Stamp program and the Elderly Nutrition Program.

Prevalence of Food Insecurity among Elderly

As noted, nearly 2% of the elderly surveyed were food insufficient. In both surveys (NHANES III and NSENy), the prevalence of food insecurity was higher among the poorest (incomes less than half the poverty line), minority, functionally impaired, or socially isolated elderly. Compounding the risk of food insecurity is membership in more than one of the high-risk groups. For example, for those who are both minority and poor, the prevalence of food insufficiency is 8.6%. If they also have a functional impairment, the prevalence increases to 13.4%.

Lacking the resources to buy food is one cause of food insecurity. Among the elderly, however, not being able to prepare and eat the food available is another cause of food insufficiency. The authors assessed whether the relationship between food insecurity and functional impairments was independent of other sociodemographic and economic characteristics linked to food insecurity. They found that functional impairments significantly increased the odds of food insecurity among the elderly in both surveys. That is, the limited ability to use food, regardless of the availability of food in the household, has an independent association with food insecurity.

These findings suggest that food insecurity among the elderly is more complex than simply lack of access to food. Inadequate and altered food use is also a factor. Those who have problems in basic self-care also have problems getting enough food.

The Role of Food Insecurity in Health

For the elderly, who already use more health, medical, and other services than the general population, food insecurity

1. Edward A. Frongillo, Jr., is associate professor of public nutrition in the Division of Nutritional Sciences at Cornell University. His research examines the nutritional well-being of populations, particularly disadvantaged ones in developing countries and in North America. Jung Sun Lee is a doctoral student in the Division of Nutritional Sciences at Cornell University. Her dissertation focuses on food security among the U.S. elderly and the role that elderly nutrition program providers play in ensuring food security.

2. Mark Nord, K. Jemison, and G. Bickel. 1999. *Measuring Food Security in the United States: Prevalence of Food Insecurity and Hunger, by State, 1996-1998*. Washington, DC: U.S. Department of Agriculture, Economic Research Services.

can bring further physical, emotional, and economic burdens. However, whether health issues are a product of the natural aging process or a result of food insufficiency is more difficult to determine with the elderly, given the various health, psychological, social, and economic factors that accompany the aging process. The authors assess the extent to which the food insecure elderly are likely to have lower nutrient intakes, energy stores, self-reported health status, and nutritional risk, above and beyond the process of aging itself, by comparing food insufficient with food sufficient elderly.

They find that the elderly in general, regardless of whether they are food insufficient or not, consume less of the recommended dietary allowances (RDA). However, food insufficient elderly had even lower intake of nutrients than did the food sufficient elderly. In addition, skin-fold thickness, a measure of an individual's energy balance and body composition, was significantly lower, and self-reports of poor health were more common among the food insufficient. Food insufficient elderly were 2.3 times more likely to report fair or poor health than were food sufficient elderly.

Based on these results, the authors suggest that food insecurity should be added to the list of factors that place the elderly at risk for poor health. Malnutrition can exacerbate disease, increase disability, lower resistance to infection, and extend hospital stays among the elderly. It also raises the cost to caregivers and inflates national health care costs.

The Effect of Food Programs on Health

Federal food programs were designed to ameliorate hunger and food insufficiency among families in the United States. The Food Stamp program and the Elderly Nutrition Program

The full working paper, "Impact of Food Insecurity and Food Assistance Program Participation on Nutritional Risk in Elderly," on which this article is based is available from the author: Edward Frongillo, Division of Nutritional Sciences, B17 Savage Hall, Cornell University, Ithaca, New York 14853-6301, E-mail: eaf1@cornell.edu

have become the nation's primary sources of food assistance for the elderly. The degree to which these programs relieve hunger and food insufficiency is difficult to assess, given the lack of randomized studies and methodological difficulties in securing precise comparison groups and definitions of "need."

The authors assess the effect of food programs on health by comparing four groups of elderly: (1) the food insecure who participate in food programs, (2) the food insecure who do not participate, (3) the food secure who participate, and

(4) the food secure who do not participate in food programs. In addition to the two surveys noted above, they add data from the Longitudinal Study of Aging.

Specifically, among the group of elderly who are considered to be food insecure, the authors determine whether those who participate in food assistance programs (i.e., those whose needs are supposedly met) have better health than nonparticipants (those whose food needs are not met). They also consider whether the benefit is larger among food insecure elderly than among food secure elderly.

They find that participation in food assistance programs was not related to improved nutrient intake among the food insecure elderly. Participants in food programs also had lower skinfold thickness and more reported poor health status than nonparticipants. Participation in food programs appears not to be improving the health of the most vulnerable elderly.

It should be remembered that these findings apply to those already having difficulty meeting their food needs. It is also quite possible that participation in food programs signals a greater sense of need; this group may be participating in food programs because they feel they have reached a point of dire need. It may be that the food programs, while not improving health, are nevertheless helping this especially needy group from spiraling further into health decline.

Policy and Research Implications

This research has three policy implications. First, food security among the elderly is associated with functional impairments, suggesting that their food insecurity is not only composed of limited food affordability, availability, and accessibility, but also of altered food use. Measurement approaches that focus only on limited financial resources will underestimate the extent of elderly food insecurity. Frongillo and colleagues are developing new measurement items intended to resolve this limitation of current measurement approaches.

Second, given that the average nutrient consumption of surveyed elderly was below the RDA, more attention is needed to ensure that elderly persons have adequate nutrient intake. Food assistance programs should aim to prevent adverse nutritional and health status, and thereby deter some health care costs. Careful attention should be given to the food insecure elderly, given that their nutritional and health status is even worse than the average elderly.

Third, it is important to better evaluate the impact of nutrition programs intended to help elderly persons. A lack of information on how the needs of elderly change and on the dynamics of program participation prevents researchers and others from accurately estimating the impact of food assistance participation. Different study designs are needed that examine the experiences of older individual over time to assess the effect of food assistance programs. ■

Local Economic Conditions and Welfare Receipt

Based on research by Stephan Goetz, Julie N. Zimmerman, Fisseha Tegegne, and colleagues¹

Nationwide, welfare caseloads have been cut in half since the mid-1990s. Looking at the national caseload, however, often masks differences across and even within states. Rural areas, for example, may not experience the same benefits that a robust economy confers on welfare caseloads in urban areas. Although rural recipients are more likely to be employed than those in central cities, rural women leaving assistance have lower earnings than their urban counterparts. They also have fewer job supports (such as day care and transportation), and the local economies can be more limited in the types of jobs offered.

The local job market is therefore critical in an era of time limits and strict work mandates for welfare recipients. The local economy, more so than the national economy, is likely to have an immediate impact on the ability of recipients to find work. Examining local conditions and markets can point to potential problems and aid in better targeting services and supports to welfare recipients making the transition to work.

Stephan Goetz, Julie N. Zimmerman, Fisseha Tegegne, and coauthors, in their working paper, “Economic Downturns and Welfare Reform: An Exploratory County-Level Analysis,” examine the relationship between local economic and social conditions and participation in welfare programs. Using data from Kentucky on welfare caseloads, they estimate the effect on caseloads of local unemployment rates, job growth by sector, potential earnings, the availability of day care, and the type of county (urban or rural, adjacent or not adjacent to a metro area). They also consider various individual characteristics of those receiving assistance (age, number of children, time on welfare).

Caseloads in Kentucky

Cash assistance caseloads in Kentucky fell 48% from January 1993 to June 1998. Among those leaving the welfare rolls, nearly half (48%) found employment. Most found work in the service sector, earning between \$6–\$7 per hour.² Although these statewide figures are similar to national data, there were notable distinctions between rural and urban Kentucky recipients. Two-parent families in Kentucky make up a much larger share of the rural caseload (21%) compared with urban areas (5%). Education levels are lower among rural recipients; 51% of rural residents had completed high school compared with 59% of metro recipients.

On the other hand, rural recipients were more likely to have a work history. Although they were also likely to have been on welfare longer than their metro counterparts, this likely reflects the influence of the Appalachian counties with limited economic opportunities. These characteristics are not unique to Kentucky. As Duncan, Weber, and Whitener show

in their forthcoming book on rural poverty, many of these attributes are common to rural welfare caseloads.³

Findings

The authors simulate various changes to the local economy and determine the effect those changes would have on welfare caseloads in Kentucky. The authors apply an economic model that factors in local area conditions and job markets, as well as individual characteristics of those receiving assistance. The model assumes that welfare recipients respond to the returns from employment versus remaining on welfare. County-level economic conditions are beyond the immediate control of welfare recipients, and therefore permit the authors to simulate the independent effects of the business cycle and local labor markets on caseload change while holding constant welfare recipients’ characteristics.

As expected, a higher unemployment rate is associated with a smaller decline in welfare caseloads. Specifically, a one percentage point increase in the unemployment rate translates into a 6% smaller reduction in cash assistance caseloads. In contrast, a one percentage point drop in a county’s unemployment rate between 1996–1997 is associated with a 10% smaller decline in caseloads. (The comparison is to the average caseload decline of –22.7%.)

Also expected, the greater availability of retail jobs is associated with a significantly larger drop in caseloads. However, more rapid growth in total jobs between 1995 and 1996 was associated with a smaller drop in caseloads. This may reflect job growth in sectors not available to former welfare recipients, migration of workers from other areas into rapidly growing counties, or entry into the workforce of those who were previously neither working nor on welfare. The latter group may have “crowded out” some former welfare recipients from certain jobs.

Earnings incentives, as measured by total wage and salary

1. **Stephan J. Goetz** is professor of agricultural economics at Penn State University and director of the Northeast Regional Center for Rural Development. **Julie N. Zimmerman** is an assistant professor, University of Kentucky. Current projects include (with Patricia H. Dyk) “The Impacts and Outcomes of Welfare Reform across Rural and Urban Places in Kentucky.” Fisseha Tegegne is a professor at Tennessee State University; he is currently conducting county-level research on welfare reform in Tennessee.

2. Recent research from the Illinois Families Study has found similar results, with earnings of former welfare recipients in Illinois averaging \$6–7 per hour, and a large proportion finding work in the service sector. Outside of the Chicago metro area, half of the former welfare recipients had found work in the service sector. University Consortium on Welfare Reform. November 2000. *Illinois Families Study: Work, Welfare, and Well-Being: An Independent Look At Welfare Reform in Illinois*. Chicago: Institute for Poverty Research, Northwestern University. Available at: <http://www.northwestern.edu/IPR/research/IFS.html>

3. Greg Duncan, Bruce Weber and Leslie Whitener, eds. *Rural Dimensions of Welfare Reform*. Forthcoming from Upjohn Press, 2001.

earnings relative to the amount of the welfare grant, had no effect on caseloads. Although the availability of day care for children also had no effect, this most likely reflects the limits on the variable itself, given that in rural areas, there is a high reliance on informal child care.

Finally, where the recipient lived had an effect on caseloads. Caseload reductions in rural counties not adjacent to a metropolitan area were 18.5% smaller than caseload declines in other parts of the state. This was a statistically significant difference. Although this probably reflects the fact that many of the nonadjacent Kentucky counties are located in Appalachia, this pattern was still similar across the state.

The individual characteristics that affected caseloads included age and number of children. Young adults appear to face particular challenges to entering the job market. This was the case even holding constant formal education and prior work experience and may reflect the presence of young children in the home. Further, the higher the education levels, the more rapid the caseload decline. Each 1% increase in the share of adults with at least a GED degree was associated with a 2.3% larger decline in caseloads.

The full working paper, “Economic Downturns and Welfare Reform: An Exploratory County-Level Analysis,” on which this article is based is available at

<http://ext.msstate.edu/srdc/activities/goetzdraft.htm>

For more information on welfare reform and rural areas, see the Sept-Oct issue of Poverty Research News

http://www.jcpr.org/newsletters/vol4_no5/index.html

A forthcoming book from Upjohn Press, *Rural Dimensions of Welfare Reform*, edited by Greg Duncan, Bruce Weber and Leslie Whitener, also addresses rural poverty and welfare reform.

Surprisingly, the more welfare recipients who had received cash assistance for two years or more, the greater the rate of caseload decline. This could indicate that respondents who have relied on welfare for extended periods are not necessarily more reluctant to leave welfare.

Policy Implications

Although the overall link between the economy and welfare caseloads has been established, far fewer studies have examined the nature of this relationship and its impact relative to recipients' individual characteristics. Welfare reform brings a

new opportunity and imperative to better understand these relationships, particularly the relative importance of both individual characteristics and specific local conditions. Although tailoring programs that smooth the transition from welfare to work for different populations is critical to success, location is also important. Where individuals lived in Kentucky was critical to their success in moving into the workforce.

The strong economy has made it easier for individuals to leave welfare, but problems still remain. Not all areas of the United States are sharing equally in economic growth, and most will likely not share equally in a downturn. Understanding these and other place-specific attributes is critical to the continued success of welfare reform and to preparing for any eventual economic downturn. ■

Gun Violence: The Real Costs

By Philip J. Cook and Jens Ludwig
\$25.00 hardcover. Fall 2000
Oxford University Press



Until now researchers have assessed the burden imposed by gunshot injuries and deaths in terms of medical costs and lost productivity. Here, economists Philip Cook and Jens Ludwig widen the lens, developing a framework to calculate the full costs borne by Americans in a society where both gun violence and its ever-present threat mandate responses that touch every aspect of our lives.

“The first effort to make a comprehensive estimate of the price the nation pays for criminal shootings, gun accidents, and suicides committed with guns.”

—*The New York Times*

Work First Works: Reassessing California's GAIN Welfare-to-Work Program

Based on research by V. Joseph Hotz, Guido Imbens, and Jacob Klerman

Moving welfare recipients into the workforce is not new to the 1996 welfare reforms. The nation has a long history of work programs for welfare recipients, including the Work Incentive (WIN) program in 1967, and the Job Opportunities and Basic Skills Training (JOBS) program in 1988. The latter was part of the then-current welfare reform, the Family Support Act.

What has changed with the recent reforms is the philosophy behind work programs. Prior programs were designed on the premise that education and training are the first steps in a successful career. Building what economists call “human capital” through education and training was believed to better prepare individuals for good jobs, that is, jobs paying higher wages and with more avenues for advancement.

Since 1996 and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), the stress on education and training has largely been supplanted in favor of “work first” approaches. The work-first philosophy places cash assistance recipients as soon as possible into jobs, where, it is believed, they will develop the skills necessary to sustain employment and eventually get a “good” job.

One of the more prominent work-first programs was undertaken in California. The state's Greater Avenues to Independence (GAIN) project has been underway since the early 1990s. Exploiting randomized assignment, the Manpower Demonstration Research Corporation is evaluating the program, and results are promising—in certain respects. V. Joseph Hotz, professor of economics, University of California, Los Angeles, recently presented results from his joint work with Guido Imbens of the University of California, Los Angeles, and Jacob Klerman of RAND, at an August 29, 2000, JCPR research briefing. As Hotz reports, although the work-first approach offers a good return on the investment, the returns fade after a few years. The human capital approach, in contrast, takes longer to show up but may have longer-lasting effects.

Study Description

The evaluation compared a randomized control and experimental group in each of four California counties: Alameda, Riverside, Los Angeles, and San Diego. The control group received no services from the GAIN program, although they were free to find other job-service programs. The experimental group was enrolled in the GAIN programs. The GAIN programs in Alameda and Los Angeles counties (and San Diego to a lesser extent) emphasized human capital approaches in their welfare-to-work programs. Their

programs sought to ensure that welfare recipients had the proper education and job skills to secure a “good” job. Participants were even discouraged at times from taking jobs that were deemed inferior.

Riverside county's GAIN program, on the other hand, eschewed these more expensive human capital oriented programs and focused on programs that promoted immediate job entry. In particular, Riverside's program emphasized the participation of welfare recipients in “job clubs,” where the rudiments of job search were provided, and then recipients were helped to search for jobs by giving them access to phone banks to begin contacting employers. As Hotz reports, program administrators in Riverside county were especially zealous in promoting this work-first approach. The clear message was that any job is better than no job at all.

A few caveats to the study should be noted. During the study, the California economy was in a serious recession, and the recession was felt most significantly in Los Angeles County. However, Los Angeles also rebounded much more quickly than the other counties. The evaluation controlled for these and other distinctions, however, and few significant differences remained after adjusting for labor market and other individual characteristics.

The second caveat is that, even though state policy dictated a model to follow, counties were nevertheless quite independent in their design and implementation of the GAIN programs. In addition, the counties that chose to emphasize the human capital approach (Alameda, for example) were forced, due to the time-intensive nature of the program, to target their services to long-term welfare recipients. These recipients are likely to face greater barriers to employment than those who have less history with welfare.

Effectiveness of Work-First Approach in Short-Term

The findings point to the success of a work-first approach. Within three years after enrollment in GAIN, participants in Riverside County, with its focused work-first approach, registered a 13.6 percentage point (39%) difference between the experimental and control groups; 49% in the experimental group were employed, compared with 35.3% in the control group, within three years of entering the GAIN program. The difference between the two groups in Alameda county, in contrast, was only 2.7 percentage points (10%). Los Angeles County, another human-capital approach, showed a 1.7 percentage point (7%) difference between

control and experimental groups. The positive, short-term impact of a work-first approach is clear.

Earnings within the first three years after enrollment were significantly higher among the experimental group participants in Riverside County compared with the controls. GAIN participants earned, on average, \$1,400 more than their control group counterparts, a 63% difference. Earnings in Alameda and Los Angeles counties did not differ significantly between the two groups. San Diego differences were statistically significant, with a \$616 (19%) difference between control and experimental groups.

Another indication of the work-first philosophy is how quickly recipients were moving into the workforce and leaving cash assistance. In Riverside County, GAIN lowered the number of quarters in a year spent on welfare by 12%. In contrast, the Alameda and Los Angeles GAIN programs only achieved an approximately 5% reduction in time spent on welfare.

The above differences between control and experimental groups show the impact that a work-first approach had in the first three years of the program. As the differences make clear, the county with the most concentrated work-first policy (Riverside) consistently outperformed those counties (Alameda and Los Angeles, and to a lesser extent, San Diego) that chose to emphasize human capital approaches with respect to employment, earnings, and welfare receipt.

Long-Term Effectiveness of Work-First

Clearly the work-first approach appears to be the most efficient in moving people into the workforce. It also happens to be significantly cheaper than the human capital approach. The cost per case is five times lower for work-first programs. However, looking over the long term, work-first loses some of its luster. Seven to nine years after enrollment in GAIN, the effects in Riverside County fade from a 39% difference to a statistically insignificant 4% difference between control and experimental groups. In contrast, the impact of the human capital approach in Los Angeles county increases from 7% to 10%, and becomes statistically more significant as time passes.

In contrast, even in the longer run, the Riverside work-first program appears to remain more effective in reducing welfare dependence, although the differences in the later years are no longer significant. For example, in the first three years, the number of quarters on welfare is reduced by 0.15 quarters more in Riverside than in Los Angeles. In years 7–9, this difference is only 0.04 quarters. This pattern is typical of all comparisons of program effects on welfare receipt between Riverside, on the one hand, and Los Angeles and Alameda counties, on the other hand.

The above differences are “raw” differences, that is, they do not reflect county or individual participant differences. These differences are substantial. For example, the average

employment rate in first three years is 24.5% in Los Angeles and 35.3% in Riverside. The differences reflect the fact that the counties that stress education and training served fewer people and generally more disadvantaged groups than Riverside, which served many with its relatively cheap job-search program. The differences also reflect variations in local labor markets and economies, which can greatly affect the results. Controlling for these differences lowers the early differences in employment rates between Riverside and Los Angeles from 12% to 10.7%.

After this adjustment, Riverside still dominates with its larger effect until years 7–9, when human capital approaches have more impact, although in the later years these differences are not statistically significant. These adjustments suggest that the raw differences are attributable to differences in the programs themselves, and not merely the result of differences in population composition or local labor market conditions.

Conclusion

The work-first model, at first glance, appears to be a good investment. It costs less than the human capital approach, and it works better. However, it is questionable whether the effects last. Is the investment worth it? The human capital approach may, in the end, be as effective in terms of raising employment and earnings, although these effects are slower to show up. A concern is that, often, policy decisions regarding such programs will have to be made before long-term effects can be assessed. Another concern is that there appears to be much heterogeneity in the effect of these programs even if a priori they look similar. This makes recommendations regarding future programs more difficult. In particular, if economic conditions are less favorable, or generally different from those in which the programs were evaluated, the relative merits of work-first versus human-capital based programs may be different. With the labor market more selective, better skills may pay off more. ■

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The Illinois Earned Income Tax Credit: JCPR Legislative Research Briefing

A fundamental problem in today's post-welfare-reform era is one of poverty while working. Four-fifths of poor families in Illinois are working. Earnings of full-time, minimum-wage workers in Illinois now fall \$3,000 below the federal poverty line for a family of three.¹ These low wages are one reason state policymakers have become interested in the Earned Income Tax Credit (EITC) as a supplement to low-income workers.

The Joint Center for Poverty Research and Illinois State Representative Barbara Flynn Currie (D) and Illinois State Senator William E. Peterson (R) co-sponsored a one-day legislative research briefing February 2, 2001, on progress among states, and especially Illinois, in implementing state EITCs. Therese McGuire, professor in the College of Urban Planning and Public Affairs at the University of Illinois at Chicago, reviewed Illinois's income tax system. Bruce Meyer, professor in the Department of Economics at Northwestern University, presented research on the effects of the federal EITC on work and marriage among low-income mothers. Nick Johnson, senior policy analyst at the Center on Budget and Policy Priorities, provided an overview of various state EITC plans.

The Earned Income Tax Credit: An Overview

The federal EITC is a refundable income tax credit to low- and moderate-income working families. The credit rises with earnings until earnings reach roughly \$10,000 per year for a family with two children. Such a family could receive the maximum credit of over \$4,000. With higher earnings, the credit is generally reduced. For a family with one child, the credit amounts are somewhat lower, and the maximum credit is roughly \$2,500.

In 2000, in addition to the federal EITC, 15 states, including Illinois, offered their own state EITC to working families, more than double the number in 1994. Today, as Nick Johnson reported, 20% of federal EITC recipients are now eligible for state EITCs. Many states "piggyback" on the federal EITC; the credits are a flat percentage of the federal credit and share the same eligibility rules.

The EITC is considered one of the most important antipoverty programs in the nation in large part because its supplement to wages can lift working families out of poverty. A worker earning \$13,500 (full-time at \$7 per hour) with three children would qualify for a federal EITC of \$3,486, bringing the family income close to the poverty line. Adding

a state EITC set at 20% of the federal credit would bring the family an additional \$697 (CBPP, 2000a). In 1998, the EITC lifted 4.3 million people out of poverty, half of whom were children.

Effects of the Federal EITC on Work and Marriage

In the past 15 years, work by single mothers has increased sharply. Bruce Meyer noted that the EITC has increased employment among single mothers by 4–7 percentage points. The increase due to the EITC was even larger for single mothers with young children (two-thirds of recipients of the federal EITC are single parents) and for single mothers with low education levels. Overall, Meyer finds that the EITC is responsible for more than 60% of the increase in work among single mothers between 1984 and 1996 (Meyer & Rosenbaum, forthcoming).

Researchers have determined the EITC's effects on employment of single mothers by looking at how their employment has increased as the EITC expanded in the 1980s and 1990s. Further evidence of the EITC's effect on employment can be seen in studies that take advantage of recent policy changes that have led to different EITCs for different sized families. Prior to 1994, all families, regardless of size, received a similar tax rebate under the EITC. After 1994, families with two or more children were given increasingly greater refunds each year through 1996. Several researchers have surmised that, given these policy changes, the work efforts between one-child families and those with two or more children should diverge. In fact, they do find a distinct difference. Changes in employment have mirrored statutory changes in the EITC (Meyer & Rosenbaum, 2000; Hotz et al., 2000).

That the EITC encourages work among single mothers is fairly clear. For married couples, a different scenario emerges. Couples, compared with single people, are more likely to have combined earnings that place them in the phase-out range of the EITC. More than 70% of couples who receive the EITC fall in the phase-out range.

The credit seems to encourage one spouse (typically the wife) to cut back work hours while encouraging the second earner to increase work hours. The net effect is a modest negative one; that is, the EITC appears to lower hours worked among married couples (Eissa & Hoynes, 1998). Lowered work hours among married couples with children may not be a "negative" effect in terms of child development, however. Evidence is emerging that part-time work has more

1. Center on Budget and Policy Priorities analysis of Current Population Survey, 1998-2000.

beneficial effects on child development among low-income children than working full-time or not working at all and receiving welfare. Lindsay Chase-Lansdale and colleagues, in a three-city study of welfare reform, find that low-income children's test scores improved and behavior problems declined when their mothers worked part-time (Duncan & Chase-Lansdale, forthcoming).

The EITC clearly encourages work among single mothers. Does it, however, have the same positive effect on incentives to marry? For some, such as nonworking mothers, the EITC provides an incentive to marry. For others, such as many working mothers, the EITC provides a disincentive to marry. Overall, researchers have found that the EITC leads to small reductions in marriage; in fact, however, marriage disincentives were more pronounced in the former Aid to Families with Dependent Children (AFDC) program (Eissa & Hoynes, 1999; Ellwood, 2000). Congress has recently debated the supposed marriage disincentive in the EITC and is considering expanding the phase-out range for married couples. Johnson reported that a proposal to eliminate this disincentive may surface in tax cut legislation.

Illinois Tax System and Its EITC

Illinois adopted its EITC in 2000. The credit is set at 5% of the federal credit (the average state credit is 20%). Estimated costs in Illinois are \$35 million per year. The state EITC is not yet a permanent fixture. The credit is in force for only three years, through 2002. Only one other state (Colorado) does not have a permanent EITC. The Illinois EITC is also nonrefundable; the only way to receive an EITC is to owe state income taxes. If a family has no state income tax liability, they do not benefit from the credit. Only five states—Illinois, Iowa, Maine, Rhode Island, and Oregon—have nonrefundable EITCs.

In many respects, the overall Illinois tax system is not as progressive as other states. Most states do not tax families who earn below the poverty threshold. In 1999, Illinois had the third lowest tax threshold of the 50 states; two-parent families of four earning more than \$8,000 faced an income tax. The two other states with lower tax thresholds are Alabama and Kentucky (CBPP, 2000b). A flat tax and high sales taxes in Illinois are further burdens to low-income families. The EITC can compensate somewhat for this regressivity.

Most states first instituted a small EITC that was often nonrefundable, and eventually raised the credit and made it refundable. Illinois will likely debate making the EITC permanent as well as adjusting its rate in 2003. Making the credit refundable, however, may meet more resistance. However, Johnson argued, by making the tax credit refundable, it better serves those it is intended to help: very low-income families.

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