

Perspectives

On Poverty, Policy, & Place

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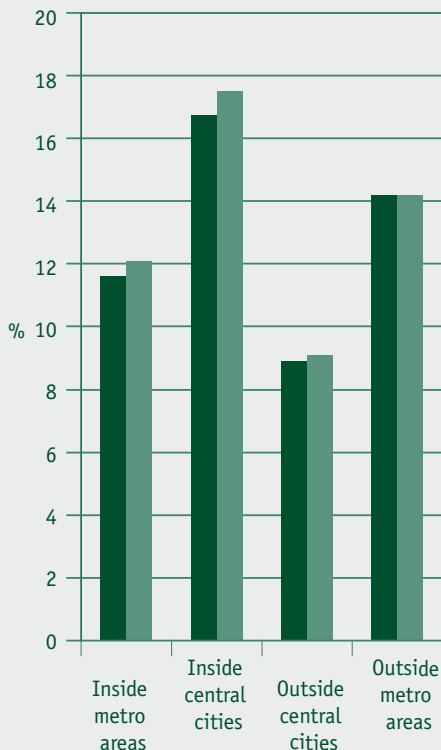
rural policy research institute

The Newsletter of the
**RUPRI Rural Poverty
Research Center**

FAST FACT

People in Poverty, by Residence, 2002–03

- % below poverty 2002
- % below poverty 2003



Change in poverty rate from 2002 to 2003 was statistically significant only for "inside metro areas" and "inside central cities" (at the 90% confidence level).

Source: U.S. Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2003. Washington, DC: Census, August 2004.

OVERVIEW

This issue of *Perspectives* presents a selection of papers presented at the Culture, Governance, and Rural Poverty in the Midwest conference, cosponsored by the RUPRI Rural Poverty Research Center and the North Central Regional Center for Rural Development. The papers reported here cover the topics of hunger, workforce development, the economy and less educated workers, and the work-welfare calculation in rural and urban households. The conference was held in Chicago in May 2004. Papers and other information on the conference can be found at <http://www.ncrcrd.iastate.edu/poverty/index.html>.

Employer-Provided Training in Low-Wage Jobs

p. 2

Gary Paul Green

Green examines the factors that influence whether employers provide job training to recent low-wage hires. He examines the interaction of firm, individual, and industry characteristics on the prospects of job training. He also considers the training prospects by gender, race-ethnicity, and by rural and urban location.

2004–05 RUPRI RPRC Dissertation Fellowship Awardees

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The Impact of the 1990s Economic Boom on Less-Educated Workers in Rural and Urban America

p. 8

Elizabeth Davis and Stacie Bosley

Davis and Bosley find that the 1990s economic boom helped to raise wages for less-educated workers and that the strong economy at the time had similarly positive effects on both rural and urban workers.

2003–04 RUPRI RPRC Postdoctoral Fellowship Awardees

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The Work-Welfare Calculation in Rural and Urban Households

p. 12

Maureen Kilkenny and Sonya Kostova Huffman

The authors take a unique approach to answering why the effects of work and welfare differ between metro and nonmetro poor families, suggesting that perhaps rural residents face a different calculus in choosing between welfare and work because rural households are different from urban households in ways that lean more toward work. The findings challenge the assumption that urban poor have a lower work ethic than rural poor.

Solving Food Insecurity in Rural Iowa

p. 14

Lois Wright Morton, Ella Annette Bitto, Mary Jane Oakland, and Mary Sand

Morton and coauthors explore the role of civic structure and personal networks of family and friends in alleviating food insecurity in rural Iowa counties. They also discuss the decline of grocery stores in rural counties as a contributor to food insecurity.

Perspectives:

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Bylines—Each article in the newsletter features the byline “based on research by...”, which signifies that the article, while written by our editorial staff, has been reviewed and approved by the original researcher. With this approach, we hope to disseminate research to a broad audience in a format that is accessible, reliable, and accurate. The views expressed are those of the authors and not of the RUPRI Rural Poverty Research Center.

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Employer-Provided Training in Low-Wage Jobs

Based on research by Gary Paul Green

To compete in a global economy, workers need training. The federal government has offered a variety of training programs over the years. However, many of the programs were not well coordinated with local labor demands, and they often placed the cost of training on the individual. Further, nonmetro areas often faced obstacles in providing job training. Typically, the returns to job training are less in rural areas than they are in urban areas.

Employer-provided training is one response to this need for training, and most research finds that workers learn best on the job. Job training is also likely to better represent the region's employment needs when employers design and offer programs.

Although research on employer-provided training is beginning to emerge, much is yet to be learned, including a more in-depth understanding of who provides job training, and to whom. Research has generally focused solely on either individual characteristics, such as gender or race, or firm characteristics, such as whether the company is in the service sector or whether it is a large or small firm, in determining which firms are more likely to offer on-the-job training and to whom. Swaim (1995) found, for example, that training rates in rural areas are much lower for racial and ethnic minorities. Only one-fourth of black and Hispanic workers received on-the-job training compared with 41% of other workers. Others have found that women receive less training than men (Knoke & Ishio, 1998). Still others find no differences by race (Frazis et al., 1998), or gender (Lynch, 1991). Looking at the characteristics of firms, research has found that large firms are more likely to offer on-the-job training, or that manufacturing firms are less likely (Frazis et al., 1995).

Most of the past studies, however, have examined only one characteristic or factor at a time. Gary Green, in his working paper, “Gender, Race, and Employer-Provided Job Training in Low-Wage Jobs,” examines the interaction of firm, individual, and industry characteristics in influencing whether formal job training will be offered to women and minorities.

Study Design

The author interviewed a stratified random sample of 1,266 Wisconsin employers by phone in 1999 and 2000, asking whether the last person

Gary Paul Green is professor and chair in the Department of Rural Sociology at the University of Wisconsin-Madison. He recently published *Asset Building and Community Development* (Sage Publications, 2002) and is the co-editor of a forthcoming book, *Amenities and Rural Development* (Edward Elgar Publishing, 2005).

hired in the firm had received any formal training after he or she was hired. The majority of employers (60%) were in the Milwaukee area, with the remainder outside the metro area. The majority (60%) were nonservice-sector firms, and 40% were service-sector firms. Within each of the industries (service or nonservice sector), 20% were small businesses (1–9 employees), 35% were midsized firms (20–99 employees), and 40% were businesses with 100 or more employees.

The factors that the author explored as possibly affecting formal job training prospects were firm size, industry, whether any employees were union members, the current number of job vacancies in the firm, and the overall skill level of the firm’s workforce. Worker characteristics thought to possibly influence job training were gender, race, and education. Job characteristics included whether the employer had direct daily contact with customers, whether the position daily involved reading or writing reports or memos, whether it involved math, and whether the job required the employee to use a computer daily.

Of the employers surveyed, 63% reported that their last hire received some formal training—about 55 hours of training, on average. Among the most recent hires, 55% were men, 74% were white, and 89% had a high school diploma or GED.

Who Provides Training and for Whom

Controlling for firm and job characteristics, Green finds that, among all employees (both men and women, African American and white), white employees are less likely than African Americans to receive company-provided training. There were no differences by gender. The one firm characteristic that increased the likelihood of job training was size; large firms were much more likely to provide training. Jobs requiring customer contact were also more likely to provide training for employees than were jobs requiring daily computer use, or daily math or writing.

Looking to the interaction of firm characteristics, type of job, and gender, Green finds that larger firms are more likely to provide job training to men, but not to women (see Table 1). Working in a manufacturing sector lowers the odds of training for men, but has no effect on women. White men are less likely to receive formal training than African American men. In contrast, race is not a factor in whether women will receive job training. Living in a metropolitan (Milwaukee) or nonmetropolitan area, holding the other variables constant, had no effect on training prospects for either men or women.

Looking next to the interaction of firm characteristics, type of job, and race finds that working in Milwaukee increases the odds that African Americans will receive job training from their employers (see Table 2). Perhaps, the author speculates, urban employers have more experience with minority workers and are more willing to invest

Table 1.
Logistic Regression Analysis of
Formal Training Received by Gender

	All	Men	Women
Medium-sized firm (26–100 employees)	.488 **	.832 **	-.257
Large firm (101+ employees)	.459 *	1.148 **	-.042
Unionized employees (1=yes)	.063	.167	-.032
Low number of vacancies (1–5)	-.146	-.037	-.188
High number of vacancies (6+)	.081	-.024	.217
Low % unskilled (.01–.26)	-.086	-.324	.156
High % unskilled (.26+)	.077	-.455	.545 *
Health care	.162	.412	-.016
Region (1= Milwaukee)	-.041	-.117	-.020
Industry (manufacturing=1)	-.279	-.717 **	.261
Gender (1=male)	.080	—	—
Race (1=white)	-.340 *	-.490 *	-.196
H.S. diploma (1=yes)	.075	.159	.020
Customer contact (1=yes)	.421 *	.608 *	.342
Reading/writing required (1=yes)	.257	.297	.186
Arithmetic required (1=yes)	.174	.129	.109
Computer skills required (1=yes)	-.035	-.087	.101
Previous training required (1=yes)	-.440 *	-.375	-.396
Constant	.536 ***	.477 ***	-.049 *
-2 log likelihood	1376.763	603.441	741.269
Cox & Snell R Square	.039	.108	.030

— Variables were not included in the separate models for men and women.

* p < .10
** p < .05
*** p < .01

in job training. Finally, jobs that demand daily customer contact increase the odds for whites, but not African Americans, of receiving job training.

In summary, the results suggest that factors such as firm size, industry, race, and customer contact increase the odds that men, but not women, will receive formal job training. Perhaps, the author suggests, employers are less willing to invest in women given their (perceived) childbearing demands. Race also seems to matter in some instances. African American men are more likely than white men to receive formal training. Customer contact significantly increases the odds of job training for whites and men.

Policy Implications

Employer-provided job training offers workers job-specific training that increases their productivity and that may ultimately help them advance to better-paying jobs. However, not all employers offer job training, especially in rural areas. Rural employers often find training unnecessary, or too expensive, or they fear they will lose their investment if the worker leaves—often for urban areas with more and higher-paying jobs. The author argues for new institutions to help provide incentives for employer-provided job training. It is in the interest of all employers to have a trained workforce, but, as he notes, it is not in their individual interest to make the investment, making it a collective action problem. Collaborative efforts at job training might solve this dilemma. Industrial clusters and workforce development networks, the author proposes, can facilitate collaboration by improving the flow of information between employers and workers, by providing additional services (e.g., mentoring or pre-employment training), and by coordinating training efforts across groups of employers with similar needs. As the author suggests, developing training programs across industry lines reduces the risk to employers and offers some economies of scale to reduce costs. Career ladders, which link opportunities for job mobility across the labor market rather than within firms, are another option.

Table 2.
Logistic Regression Analysis of Formal Training Received by Race

	White	Black
Medium-sized firm (26–100 employees)	.349	1.019
Large firm (101+ employees)	.492 *	.432
Unionized employees (1=yes)	.217	-.202
Low number of vacancies (1–5)	-.094	-.378
High number of vacancies (6+)	-.111	.569
Low % unskilled (.01–.26)	.052	-.539
High % unskilled (.26+)	.161	-.265
Health care	.235	.021
Region (1=Milwaukee)	-.176	.638 *
Industry (manufacturing=1)	-.178	-.553
Gender (1=male)	-.030	.386
H.S. diploma (1=yes)	-.057	.264
Customer contact (1=yes)	.573 **	-.090
Reading/writing required (1=yes)	.252	.396
Arithmetic required (1=yes)	.196	.219
Computer skills required (1=yes)	-.167	.433
Previous training required (1=yes)	-.333	-.839
Constant	-.338	-.421
-2 log likelihood	1031.900	322.843
Cox & Snell R Square	.041	.093

* $p < .10$

** $p < .05$

However, as the author notes, these alternative arrangements often face serious obstacles in rural areas. Fewer employers with similar training needs makes it difficult to promote collaboration. In addition, training programs in rural areas may have so few students that it is not cost-efficient to invest in materials or instructors. Finally, distance does matter, and it is more difficult for employers to collaborate when they have little contact with one another. **RPRC**

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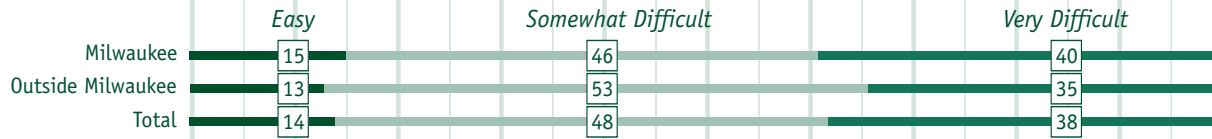
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Data Brief

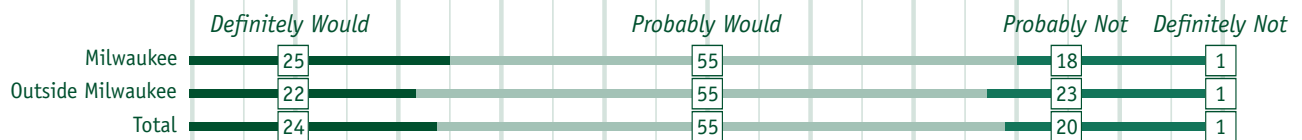
What Wisconsin Employers Are Looking For in New Hires for Low Skilled Jobs (based on interviews with 1,266 Wisconsin employers in 1999 & 2000. The data are supplemental to the article by Gary Green on employer-provided training in rural and urban Wisconsin firms.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Difficulty Hiring Qualified Applicants



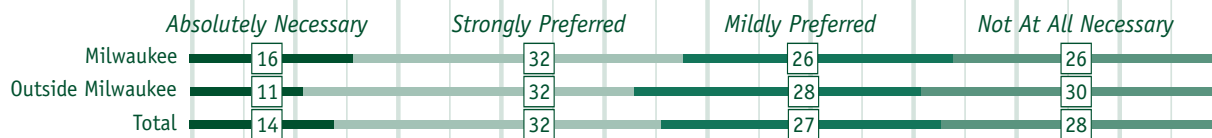
Percent Who Would Accept Applicants Who Were Unemployed for More Than a Year



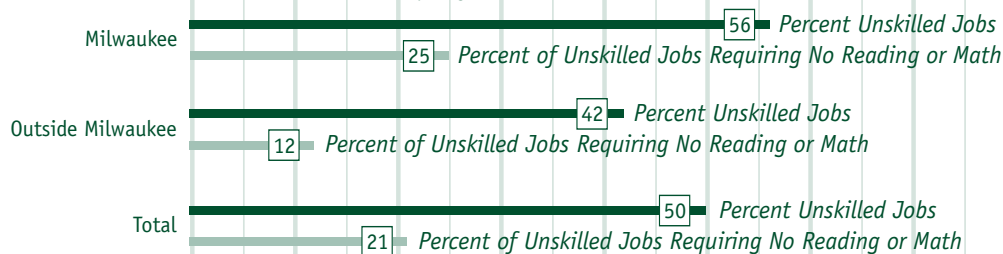
Percent Requiring a High School Diploma



Percent Requiring Previous Experience



Skill Demands of Employers



Starting Salary of Most Recent Hire

Metro **\$16,353**
Nonmetro **\$15,163**

Starting Salary of Last Welfare Hire

Milwaukee **\$12,215**
Outside Milwaukee **\$13,841**
Total **\$13,326**

2004–05 RUPRI Rural Poverty Research Center Dissertation Fellowship Awardees

The RUPRI Rural Poverty Research Center offers fellowships to support PhD dissertation research addressing the causes and impacts of poverty in rural areas of the United States or the policy options that might reduce poverty or its negative effects. The program provides \$20,000 for a 12-month period, and is funded by the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, and the Annie E. Casey Foundation. The 2004–05 rural poverty dissertation fellowship was awarded to four recipients profiled here.



Theresa C. Davidson

Louisiana State University,
Department of Sociology

Eight years after passage of welfare reform legislation, many former welfare recipients are working and establishing their hold on self-sufficiency. Others, however, have not fared as well, leaving welfare without a job, or relying solely on welfare. Theresa C. Davidson, a doctoral candidate in the Department of Sociology at Louisiana State University, is exploring the outcomes of this “lost in transition” group, as she calls them—former recipients who are neither working nor receiving welfare—using Louisiana welfare panel data. She is first determining which factors characterize recipients who work only, rely only on welfare, combine work with welfare, or who neither work nor receive welfare. She is also determining the poverty levels, material hardship, and income of the four groups. Qualitative interviews with the most vulnerable group, those neither working nor receiving welfare, will offer additional insight into their lives. A specific focus of this work is exploring how the welfare-to-work process operates in different geographic contexts.

Davidson is currently the project coordinator for the LSU Survey of Families and Households, Louisiana State University. She received her MA in sociology from Northern Arizona University, and holds a BA in sociology from the University of Arizona. Her primary research interests are in the areas of welfare reform, social stratification, and rural labor markets, with a secondary focus on the sociology of gender, and the digital divide. She is a coauthor with Joachim Singelmann and Rachel Reynolds of “Welfare, Work, and Well-Being in Metro and Nonmetro Areas,” published in *Southern Rural Sociology* in 2002. She is also coauthor of “Kerala Connections: Will the Internet Affect Science in Developing Areas?” (with R. Sooryamoorthy and Wesley Shrum) in *The Internet in Everyday Life* (Blackwell Publishing, 2002).



John M. Ulimwengu

Ohio State University,
Department of Agricultural, Environmental,
and Development Economics

John Ulimwengu, a doctoral candidate in the Department of Agricultural, Environmental, and Development Economics at Ohio State University, is using an econometrically based simulation framework to predict the effects on poverty of various policies, particularly in rural areas. To understand poverty, he suggests, requires a framework that addresses both time and spatial dimensions of private and social investment. Time matters in poverty analysis because private returns to human capital are determined, in part, by past levels of investment. Place matters because individuals’ geographical proximity to public capital affects both returns to private capital and access to direct services provided by public capital. Ulimwengu hopes to identify categories of counties that constitute enduring “geographical poverty traps,” defined as counties where the returns to individual investments in human capital are persistently the lowest. Specifically, he is assessing the effect of changes in household attributes (such as the stock of human capital), community attributes (such as aggregate human capital), and government programs (such as education, job training, and welfare) on the overall poverty rate, particularly in persistently poor rural counties.

Ulimwengu is currently a research assistant in the Department of Agricultural, Environmental, and Development Economics, working on issues in the greenhouse industry. Prior to this project, he worked as a graduate research assistant on a 2002–2003 NASA study, evaluating the impact of small aircraft technology on the state of Ohio’s economy. He also worked as an economist and analyst for the United Nations Development Program (UNDP-DRC), assisting the government of the Democratic Republic of the Congo in elaborating macroeconomic reforms and as an analyst in the Poverty

Reduction Program. He received an MA in economics from Ohio State University and an MA in development economics from Williams College. He participated in the summer program in English and economics at the Economic Institute at the University of Colorado. He received his BA in mathematical economics from the University of Kinshasa, in the Democratic Republic of Congo.



Helen B. Marrow

Harvard University,
Department of Sociology
and Social Policy

Helen Marrow, a PhD candidate in the department of Sociology and Social Policy at Harvard University, is using ethnographic fieldwork and 124 in-depth interviews to analyze the immigration experience, from both the immigrants' and local residents' perspectives, in the rural South. By focusing on the rural South, she expands immigration research to a currently underrepresented region. She is especially interested in immigrants' incorporation into the economic (i.e., workplace), sociocultural (elementary schools and law enforcement), and political (local politics) spheres in this region. Ultimately, she hopes her research will help join separate disciplinary perspectives on immigration; help document the problems that new immigrants pose to existing local institutions, tax bases, and individuals in places historically unaccustomed to dealing with immigration; help underscore the more positive facets of new immigration (especially in terms of interracial cooperation and coalition building) as well as potential conflict; and help policymakers design programs and policies that smooth the transitions involved, both for new immigrants and the host communities.

Marrow received an MA in sociology from Harvard University and a BA in sociology, *summa cum laude*, from Princeton University, as well as a certificate in Latin American Studies with a Spanish concentration. In addition to teaching duties, she is a member and former co-leader of the Migration and Immigrant Integration Research Workshop, Harvard University. She is the author of "To Be or Not to Be (Hispanic or Latino): Brazilian Racial and Ethnic Identity in the United States," in the journal *Ethnicities* (2003); and a chapter on South American immigrants that will appear in *The New Americans: A Handbook to Immigration Since 1965*, forthcoming

from Harvard University Press (2006). She has spent several summers studying abroad in Latin America and is proficient in English, Spanish, and Portuguese.



Jennifer Sherman

University of California, Berkeley,
Department of Sociology

Jennifer Sherman, a PhD candidate in sociology from the University of California, Berkeley, is studying the gender dynamics of poverty by examining the effect on family structure of the changing role of males amid significant social and industrial restructuring and job loss. Based on in-depth interviews and ethnographic fieldwork, she considers not only the changing breadwinner role in general, but also as it relates to a specific way of life and industry that is in decline, in this case the northern California timber industry. The research, she hopes, will create a better understanding of the ways in which men, as well as women, contribute to demographic trends in family structure, and particularly to the high rates of single parenting among the poor. Preliminary results suggest that flexibility with regard to the masculine ideal is key to whether men are able to conceive of themselves as acceptably "manly" under these circumstances. In addition, she finds that such an acceptable self-image is vital to creating functional marriages and families. Her findings can point to poverty alleviation policies that do not undermine family stability or pressure women into families with men whose own personal and financial problems make them dangerous or inappropriate mates.

Sherman received her MA in sociology from the University of California, Berkeley, and a BA in sociology and South Asian studies from the University of Wisconsin, Madison. She has worked as a graduate researcher on several projects at the University of California, Berkeley, in geography; environmental science, policy, and management; and sociology. She was also the research associate and publications director for the California Institute for Rural Studies in Davis, California. She is the coauthor of *Finding Invisible Farm Workers: The Parlier Survey* (California Institute for Rural Studies), and "Who's Poor in Rural America?" in *Working Together for a Change*, published by the Rural Sociological Society Task Force on Persistent Rural Poverty. **RPRC**

The Impact of the 1990s Economic Boom on Less Educated Workers in Rural and Urban America

Based on research by Elizabeth E. Davis and Stacie A. Bosley

Many economists once believed that a rising tide lifts all boats, and for good reason. In the 1960s, economic growth was a powerful force in reducing poverty. In the 1980s, however, economic conditions had less of an effect on poverty than in earlier years. The verdict on the 1990s economic boom is still out, although some research is finding a link between strong local economic conditions and greater wage gains for less skilled workers (Hoynes, 1999), younger men, and African American men (Freeman & Rodgers, 2001). Studies in metropolitan areas also find that the boom helped disadvantaged workers. Few studies, however, have examined rural areas.

Elizabeth Davis and Stacie Bosley, in their working paper, “The Impact of the 1990s Economic Boom on Less-Educated Workers in Rural America,” find that the 1990s economic boom helped to raise wages for workers with only a high school degree. They also find that better economic conditions affected workers in rural and urban regions in similar ways. Departing from many past studies, which used county or state delimiters or metropolitan statistical areas, the authors use commuting zones as defined by Tolbert and Sizer (1996) to define local labor markets.

Study Design

The authors use data from the National Longitudinal Survey of Youth (NLSY79), which in 1979 first surveyed approximately 12,000 youth aged 14–22 on a wide variety of topics. Researchers have since reinterviewed the

Elizabeth E. Davis is an assistant professor in the Department of Applied Economics at the University of Minnesota. **Stacie Bosley** is a lecturer at Hamline University in St. Paul, Minnesota.

same youth annually (biannually since 1994). Tracking individuals over time has several advantages over cross-sectional, or point-in-time analysis, including the ability to better control for unobserved individual effects that might influence the results.

Improving economic conditions, such as lower unemployment rates and faster job growth, may have similar effects on employment outcomes in rural and urban labor markets.

The authors use data from interviews completed between 1993 and 1998. In 1998, the NLSY sample was between the ages of 33 and 41, prime years for labor market participation. A disadvantage, however, is that this age group excludes younger workers, who are more likely to earn lower wages. A second drawback is that the number of noncollege-educated workers in nonmetropolitan areas is fairly small, less than 300.

The authors obtained geocoded data from the NLSY79, which provides more detail on respondents’ residence and allowed the authors to better identify the local labor market. As noted

above, the authors use commuting zones to distinguish nonmetropolitan from metropolitan labor markets. Commuting zones are counties grouped together based on commuting patterns found in census data. The commuting zones typically include several counties and can cross state boundaries. Commuting zones are classified based on the size of the largest population center. The authors identify nonmetropolitan labor markets as nonmetropolitan commuting zones.

Davis and Bosley measure labor market conditions based on the total employment growth (percentage change in total employment in the county) and area unemployment rates. Figure 1 shows how job growth varied across the different commuting zones between 1993 and 1998. Later in the decade, total employment increased faster in metropolitan commuting zones, although earlier in the decade, the reverse was true. Unemployment rates (Figure 2) were

generally higher earlier in the decade in nonmetropolitan commuting zones, but this gap narrowed in the middle of the decade, only to widen again by 1998.

The authors focus on three employment outcomes: hourly wages, weekly wages, and employment status. They control for age, gender, highest grade completed, marital status, race-ethnicity, total work experience, and tenure in current job. They also include dummy variables for union status, major industry and occupational categories, living in the South, and living in a rural commuting zone.

Rising Tides

To gain perspective on their findings, the authors first analyze a cross-sectional set of data and find clear evidence that improved local economic conditions in 1998 improved wages for those with only a high school education. Preliminary findings suggest that a 1% drop in the unemployment rate is associated with a 0.1% increase in hourly or weekly wages for this group. Employment growth in the county also had a significant effect, increasing wages among less-educated workers by 2%–3%. However, they find no effect of these two local economic conditions on the likelihood of being employed for less-educated workers.

Reanalyzing with panel data finds similar results for the effect of changes in county unemployment rates on wages for less-educated workers, although the effect is about half that found in the cross-sectional analysis. In addition, with the panel data, the authors find that the probability of employment among less-educated workers is now significantly affected (statistically) by robust economic

Figure 1.
Annual Job Growth (percentage growth rate),
by Type of Commuting Zone

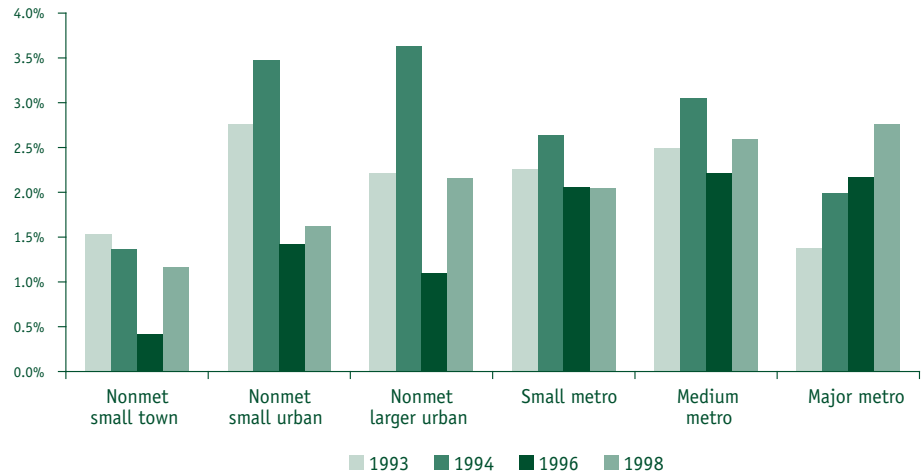
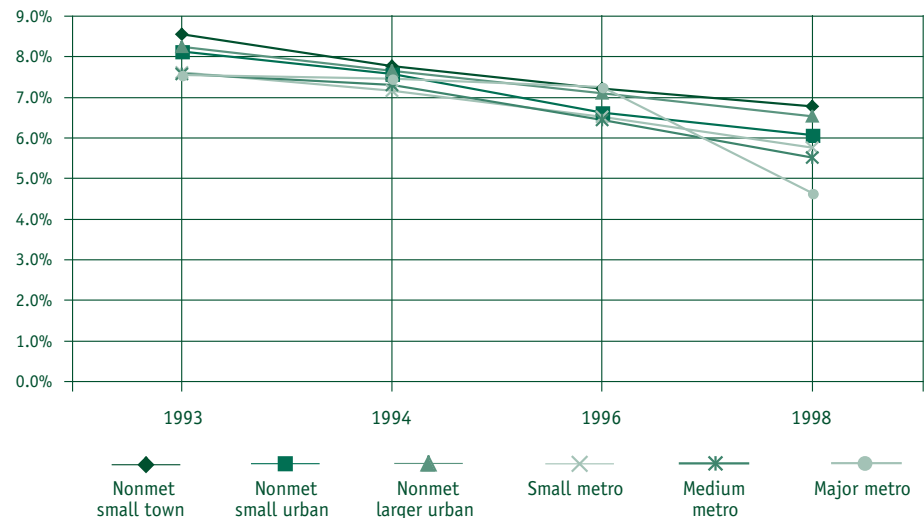


Figure 2.
Annual Unemployment Rate
by Type of Commuting Zone



conditions—both the unemployment rate and local economic growth.

In contrast, preliminary results using the panel data suggest that the effects of unemployment rates and local employment growth on wages are not statistically significant (at the 5% level) for workers with more than a high school degree, nor are the effects on the likelihood of being employed statistically significant.

In analyzing differences between rural and urban

areas, the authors find little evidence of statistically significant differences between these areas in the effects of unemployment rates and job growth on either wages or employment status. This finding may be the result of a small sample, or it could indeed indicate that the labor market has similar effects in both rural and urban areas.

Policy Implications

Changes in welfare programs in the 1990s have increased the importance of workforce attachment and earnings in providing income for the poor, and have given states more flexibility in designing workforce and income support policies for low-income families. These changes increase the importance of understanding the impact of local labor markets on employment outcomes for different groups of workers. Given the historical rural disadvantage in labor market outcomes, recent policy changes also raise the prospect that rural low-income residents will be further “left behind” and benefit less from local job growth and development efforts.

Some of the labor market disadvantages often observed in rural areas can be attributed to slower job growth and lower levels of formal education, but they may also be structurally related to the low densities of population in

rural areas. However, preliminary results from this study suggest that improving economic conditions, such as lower unemployment rates and faster job growth, may have similar effects on employment outcomes in rural and urban labor markets. If the impact of job growth is the same in rural and urban areas, then policies to stimulate job growth in rural areas are likely to have similar antipoverty effects for those with similar education and other individual attributes. Even so, it may take more resources to stimulate jobs in rural than in urban areas. In addition, the authors point out that a strong economy helps those who are employed and able to work. Poor families facing barriers to work or who are unable to work full-time, year-round will continue to struggle, even during an economic expansion. **RPRC**

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2003–04 RUPRI Rural Poverty Research Center Postdoctoral Fellowship Awardees

The RUPRI Rural Poverty Research Center awarded its 2003–04 Postdoctoral Fellowship program to two fellows. The fellowships are intended for researchers who have a recent doctoral degree and wish to devote a year to scholarly work with a senior poverty researcher on a topic related to poverty in rural America. Fellows work with one or more RUPRI RPRC senior scholars to support the policy research goals of the Center. The fellow also has a courtesy appointment with the Truman School of Public Affairs at the University of Missouri, Columbia. For more information contact rprc@oregonstate.edu.



Jessica Ziembroski

PhD, Sociology, University of Notre Dame
MA, Sociology, University of Notre Dame
MSW, University of Michigan
BA, Government/Spanish,
University of Notre Dame

Jessica Ziembroski’s interest in rural poverty evolved from a line of research that began with her work examining the effect of women’s employment on their children’s development, to her clinical work in the mental health

field, to her most recent research examining the link between social support, socioeconomic status and retirement for American women. Her dissertation expanded the latter focus to investigate the interplay between socioeconomic status, depression, disability, and health among retirement-age women.

Ziembroski’s postdoctoral research expands this interest to examine the relation between poverty, place, and health. Initial results suggest distinct variation by rural region in the cumulative risks and benefits affecting

health. She is exploring how social support and socio-economic status combine to affect the health of rural compared with urban women. In particular, she is interested in the role that social relationships play in this process. While at the Rural Poverty Research Center, Ziembroski will be working on the Sentinel Communities Project and other collaborative projects that investigate community capacity and how characteristics of rural places affect health of older individuals and children. Ziembroski and RUPRI Research Analyst Erica Hauck are reviewing potential methodologies for selecting communities and tracking indicators in previous community tracking and urban poverty studies. Their report will inform the development of the Sentinel Communities methodology in year 3.

Ziembroski brings to the position considerable experience with a large body of data sets, including the Panel Study of Income Dynamics, the Health and Retirement Study, and the National Longitudinal Study of Youth. Her expertise with data is coupled with a frontline perspective on the lives and struggles of the urban poor, from running an afternoon program for children to working with chronically ill elderly persons. Her most recent work was as a therapist in a mental health clinic in a working class community in South Bend, Indiana.



Monica Fisher

PhD, Agricultural Economics,
Purdue University
MS, Agricultural Economics,
Oregon State University
BA, Geography, University of Washington

Monica Fisher's research in agricultural economics has taken her to forests in Malawi and to farming villages in Senegal. She has explored the impact of market reforms

on small farm households in Benin, and the welfare effects of adopting new farm techniques in Senegal. Most recently, she spent more than a year in a remote village in Malawi interviewing residents of smallholder farm families and gathering data for her PhD dissertation, which explored the links between rural poverty, economic development, and tropical deforestation. Fisher's dissertation received Honorable Mention for the American Agricultural Economics Association's Outstanding PhD Dissertation Award in 2003.

During her postdoctoral fellowship, she is shifting her focus from rural poverty and natural resources in Africa to rural poverty in the United States, with a specific interest in neighborhood poverty. In a study of rural-urban differences in poverty and hardship, Fisher and RPRC co-director Bruce Weber found that central county and remote rural residents have very different types and levels of assets to cushion economic shocks and allow them to make investments. Remote rural residents have the highest levels of "liquid asset poverty" and are the most vulnerable to economic shocks. Their results are reported in a forthcoming issue of the *Review of Regional Studies*. She will analyze duration of residence in high-poverty neighborhoods and mobility patterns into and out of these neighborhoods. She will also examine whether living in a poor neighborhood lowers one's chance of getting a job and lengthens unemployment spells. Finally, she explores the potential for serious methodological flaws in the rural neighborhood poverty research. Fisher brings to this work a well-rounded experience with various data sets, an eagerness to learn new statistical techniques, and a well-grounded familiarity with U.S. welfare policy from her work with co-director Bruce Weber on a project examining the importance of place in welfare reform. **RPRC**

The Work-Welfare Calculation in Rural and Urban Households

Based on research by Maureen Kilkenny and Sonya Kostova Huffman

Many studies have documented differences in welfare and work participation between metro and nonmetro households. Few, however, have explored the reasons for these differences. Maureen Kilkenny and Sonya Kostova Huffman, in their *American Journal of Agricultural Economics* article,¹ take a unique approach to answering why work and welfare—in this case Temporary Assistance for Needy Families (TANF)—differs between metro and nonmetro poor families.

The findings challenge the assumption that urban poor have a lower work ethic than rural poor in the Midwest.

Most studies of the choice to work or receive welfare are based on the notion of rational choice. If the net benefits (psychic as well as monetary) from working are greater than receiving welfare, an individual will work. The factors that enter into this decision are both tangible and intangible. The benefits of staying home to rear children may outweigh the money earned from wages, for example. Welfare or tax policies can also affect the decision. If earnings disregards under a welfare plan, for example, allow a family to earn more income without losing welfare, family members may choose to work more. If a young single mother is receiving child support or alimony, she might lean toward staying home, especially if her children are young. The authors consider all these factors.

The authors' approach is unique because other studies focus only on one type of household, such as those headed by single mothers, and most studies assume rural and urban households respond the same way to economic and policy changes. Kilkenny and Huffman use data from the 1996 Survey of Income and Program Participation on householders with children, with assets less than \$6,000,

and who live in the midwestern states of Iowa, Illinois, Indiana, Michigan, Wisconsin, Minnesota, Kansas, Missouri, Nebraska, and Ohio.

Overall, the higher the offered wage, the more likely all individuals are to work. Male household heads are more likely than females to work, single parents of any gender are more likely to work, having a car is positively associated with working, and whites are more likely to be

working than other race-ethnicities. A higher earnings disregard policy also encourages work. As one would expect, the choice not to work is explained by having more and younger children, being disabled, and having higher unearned income (such as a spouse's income or child support or alimony). Notably, it is not true that individuals are more likely to quit working for higher welfare benefits.

By the same token, it is also notable that a metro householder's wage rates have no systematic effect on whether the householder participates in TANF. Reliance on TANF stems from having more children under age 6, not having a car, being disabled, being less educated, and by living in areas with high unemployment. In other words, participation in TANF is driven mostly by need. Where higher benefits are offered, however, TANF participation is higher. It is also influenced by the householder's gender (females are more likely to rely on TANF) and race. The analyses confirm that having more education, less debt, and more income from other sources, particularly work, make it less likely that a household will rely on TANF.

The main reason that more poor rural households report someone working is that more live in households with both parents present, and not because they have a greater work ethic, as many assume.

Maureen Kilkenny is an associate professor of economics at Iowa State University, specializing in economic geography. **Sonya Kostova Huffman** is an adjunct assistant professor of economics at Iowa State University, specializing in family policy analysis.

1. Maureen Kilkenny and Sonya Kostova Huffman, "Rural/Urban Welfare Program and Labor Force Participation," *American Journal of Agricultural Economics*, 85(4) (November 2003), pp. 914–27.

Rural-Urban Differences in Work and Welfare Decisions

Several studies have documented that more nonmetro households work, and fewer receive welfare compared with urban households (Brady et al., 2000; Cook, 2000). The authors also document that a larger proportion of nonmetro midwestern households work (85% vs. 81% of metro households), and a smaller proportion participate in the TANF program (10% vs. 14%). A common assumption is that rural poor residents have a stronger work ethic than urban poor families. Their analysis, however, does not support that assumption.

The main reason that more poor rural households report someone working is that in 72% of rural households, both parents are present. In contrast, only 59% of poor midwestern metro households have both spouses present. This may be because it is more difficult for single-parent families to survive in nonmetro areas. The single rural parent with children faced with fewer job choices or longer (and more expensive) commutes to work may choose to move to an urban area. Rural households are thus families that are more likely to have a male head, have fewer young children, and more likely to own a car. The authors find that these demographic factors explain all of the difference between rural and urban household participation in the workforce.

The authors also find that demographic factors account for almost all (86%) of the difference between urban and rural households' TANF participation. There are, however, three behavioral differences that matter. First, in nonmetro areas, lower wages lead to more TANF participation, while wage changes have no effect in metro areas. Second, the gender of the household head does not matter in rural areas, but metro households headed by males are significantly less likely to rely on TANF. Third, poor rural householders with children tend to depend more on TANF as they get older, while the metro householders are less likely to rely on TANF as they get older, until they reach middle age.

Practical, Policy, and Research Implications

Welfare reform has given states more authority, but also more responsibility, for their welfare programs. When local economic conditions worsen, the need for welfare rises just when taxable incomes, and thus state tax revenues, fall. It is now more critical than ever to accurately predict income, employment, and TANF participation

rates and expected budgetary exposure within states. The authors' research indicates that state budget analysts can expect midwestern nonmetro poor to leave the TANF program at higher rates than metro poor if the impending economic recovery is accompanied by rising real wages. In general, the more county-level or household specific demographic information the states use in their models to predict TANF participation, the more accurate their budget predictions will be.

The authors' research supports the conclusion that applying the same policies to different types of people rarely leads to the same outcomes. The differences, the authors argue, between rural and urban poor households should be taken into account when the policies are enforced to meet statewide targets. For example, their research shows that time limits on TANF eligibility are more likely to be a problem for rural households. This follows, the authors suggest, because older rural householders with children are less able to relocate or commute to work, and have fewer alternative resources than urban householders who have access to public transportation and market-provided child care. Thus, TANF caseworkers in nonmetro counties should expect increasing difficulties with the time limits as single mothers age. Based on the authors' research, metro county caseworkers could expect declines in needs among young householders, but rising difficulties with time limits for metro householders over middle age.

The authors suggest that it is not that caseworkers in urban areas are more lax or generous than caseworkers in rural areas, nor that the rural poor households have a stronger work ethic. The main reason, they argue, for higher metro TANF participation rates is that there are more single mothers with preschool children in metro areas. Their research shows that households with similar demographics (other than age and gender of the household head) respond the same way to workplace opportunities and TANF policy options, no matter where they live. They find no evidence to recommend providing different benefit rates, earned income disregard rates, or benefit reduction rates for poor citizens residing in rural as opposed to urban areas. **RPRC**

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Solving Food Insecurity in Rural Iowa

Based on research by Lois Wright Morton, Ella Annette Bitto, Mary Jane Oakland, and Mary Sand

Small towns are losing their grocery stores at a rapid pace, and stocking the pantry in rural areas today often entails a drive to a larger town or metro area. Iowa, for example, lost more than half its grocery stores from 1976 to 2000 (Stone & Artz, 2001). Limited floor space, lack of economies of scale, and distance from distribution centers make it hard for owners to turn a profit. When grocery stores are available, they typically charge about 36% more than the national average (Morris et al., 1992).

For rural low-income families, food insecurity is a very real issue. The USDA reports that 11.6% of nonmetropolitan households were food insecure in 2002 (Nord et al., 2003). Nationally, the prevalence of food insecurity was 11.1% in 2002 (USDA, 2004).

Food security is a household's access to enough food for active, healthy living. The USDA Economic Research Service measures food insecurity by asking a set of 18 questions, such as whether the family sometimes, often, or never worried in the past 12 months that their food would run out "before we got money to buy more."¹ Responses determine the position of each household along a continuum (from food secure, to food insecure without hunger, to food insecure with hunger).

Lois Wright Morton, Ella Annette Bitto, Mary Jane Oakland, and Mary Sand, in their forthcoming *Rural Sociology* (vol. 70, no. 1, 2005) article, "Solving the Problems of Iowa Food Deserts: Food Insecurity and Civic Structure," examine the degree to which personal networks of family and friends and perceptions of the local civic structure affect the food insecurity of low-income families in two Iowa counties. They find that a perceived civic structure, providing such outlets as church potlucks, VFW assistance, school meals, and food pantries, is more important than individual networks of families and friends in stemming food insecurity.

Study Design

The authors surveyed a random sample of residents in 2003 of two southern Iowa counties that had four or

fewer grocery stores per county, and they performed a regression analysis (controlling for age, income, and education) to assess the effect of personal connections and civic structure on the risk for food insecurity. The counties were not adjacent to a metropolitan county.

Among 13 counties with four or fewer grocery stores, the authors considered the four with the highest poverty rates (ranging from 13.1% to 19.1%). The state's poverty rate was 9.1% in 2003. All were located in the southern region of the state, were contiguous, and shared similar demographics. The authors selected the highest poverty county (19.1%) and a second county (with a poverty rate of 13.9%) that was not contiguous but that had the same number of grocery stores as the first county.

More than 12% of the sample was classified as food insecure, and 6.7% was food insecure with hunger. Statewide, 9.1% of residents were deemed food insecure, and 2.8% were food insecure with hunger (Nord et al., 2003). The county populations were both roughly 8,000, with about 18% over age 65. Sample members were, on average, 56 years old, with average annual incomes of \$35,639. Both counties were predominantly white. Between 6% and 7% of the residents received food stamps. A majority (89%) had a high school diploma, and the median education level was a technical education beyond high school. Nearly two-thirds lived in town, while the remaining one-third lived in the country.

The Role of Networks and Community in Alleviating Food Insecurity

To assess the level of food exchange among a personal network of friends and family, the authors first asked whether the respondent had, in the last 12 months, given

Lois Wright Morton is an assistant professor of sociology in the Department of Sociology at Iowa State University. **Mary Jane Oakland** is a registered dietitian and professor in the Department of Food Science and Human Nutrition at Iowa State University. **Ella Annette Bitto** is a PhD candidate in the ISU Department of Sociology and Sustainable Agriculture graduate program. **Mary Sand** is a registered dietitian and instructor in the ISU Department of Food Science and Human Nutrition.

1. For the history of how food security has come to be measured in the United States see <http://www.ers.usda.gov/Briefing/FoodSecurity/history/>. For more information on the measures used to assess food insecurity see <http://www.ers.usda.gov/Briefing/FoodSecurity/measurement/>

Table 1.
Logistic Regression Models of Food Insecurity, Patterns of Personal Connections, and Civic Structure
 (Food secure N=564; food insecure N=92)

	Model 1			Model 2			Model 3		
	(B)	Odds ratio	Significance	(B)	Odds ratio	Significance	(B)	Odds ratio	Significance
Constant	13.077			16.641			57.188		
Individual characteristics									
Age	-.054	.947	.000	-.048	.953	.000	-.062	.940	.016
Income ^a	-2.807	.060	.000	-3.412	.033	.000	-3.297	.037	.009
High school education or less ^b	.437	1.548	.145	.337	1.401	.315	.973	2.647	.194
Live in town ^c	-.138	.871	.635	.197	1.218	.547	.230	1.258	.762
Personal connections									
Give food to family and friends index ^d				.032	1.033	.934	-.012	.988	.990
Acquire food senior meal site ^e				-6.655	.001	.570	-6.359	.002	.863
Acquire food family and friends ^e				.134	1.144	.689	-.784	.457	.360
Civic structure index ^f							-1.610	.200	.021
Cox & Snell R ²		.145			.167			.262	
Nagelkerke R ²		.263			.299			.444	

The dependent variable is food insecure = 1. Model 1 consists of four demographic variables (age, income, education, and live in town) and yields modest R² values (Cox and Snell R² = .145 and Nagelkerke R² = .263). Model 2 adds personal connections of giving and acquiring food. Model 3 combines civic structure with demographic and personal connections variables.

a. Income log10. Income categories are centered in the following ranges (yearly)

Under \$5,000; \$5,000–\$9,999; \$10,000–\$14,999; \$15,000–\$24,999; \$25,000–\$34,999; \$35,000–\$49,999; \$50,000–\$74,999; \$75,000–\$99,999; \$100,000–150,000

b. High school diploma/GED, 8th grade or less and 9th–11th grade combined = 1; Technical, some college, college graduate = 0

c. Live in small town = 1; Rural non-farm and farm = 0

d. Giving food to family, friends, and neighbors summated index divided by 3 items to retain original metric

e. Acquiring food: “In the past 12 months, how have you acquired food? Please check all that apply: senior meal program, family/friends”

f. Civic structure summated index divided by 7 items to retain original metric

food to others in the community, including family, friends, neighbors, others, food pantries, a food drive, or to a senior meal program. More than 74% reported such giving. The authors also established that 40% reported receiving food, the majority of whom received food from family and friends.

Much research has documented the strong social capital in rural areas, and its importance among the low-income and elderly. As one woman in a recent study by Greder and colleagues (2004, p. 44) said, “Unless they got good neighbors...they go without.” These relationships of trust and obligation have the potential to help low-income and elderly individuals solve their food sufficiency problems. In fact, Olson and colleagues (1997) find that the frequency with which family and friends brought food to a sample of single women was a distinguishing factor between those who were food secure and those who were not.

Interestingly, although the authors find a significant amount of food sharing among respondents, none of the personal connections lowered the odds of being food insecure (see Table 1). Friends and family may serve as food resources, but they do not explain why some are food secure and others are not. More qualitative research would help shed more light on this finding, the authors suggest.

To determine the extent of perceived civic structure, the authors asked respondents whether the community had voluntary groups and organizations that addressed issues of food insecurity and whether private business, farmers, and nonprofit organizations cooperated in solving food concerns. Unlike individual networks, perceptions of strong civic networks significantly reduced the risk of food insecurity (see Table 1).

Prior research by one of the authors (Morton, 2003) provides examples of the kinds of civic organizations and civic structure in small rural communities in Iowa that ►

can alleviate need. In one town, a retired man spoke, for example, of his involvement with the Veterans of Foreign Wars (VFW). Another person identified her favorite place to eat as the church potluck. Another resident commented on the large field of sweet corn that the Rotary club owns. "The price is reasonable, and it's excellent corn, wonderful corn." Finally, a young unemployed man mentioned the free meals program in schools. "I go over there and eat on Mondays with the little kids. They want adults around to kind of supervise a little bit."

The authors' findings suggest that the multiple efforts of community groups in rural areas are important to reducing food insecurity. In these two high-poverty rural places, where the number of grocery stores is few, the community's various supports are associated with lower odds of being food insecure.

The authors note several limitations to the study that should be considered in interpreting the results. First, owing to research design, the findings cannot be generalized to other counties in Iowa or to the Midwest as a whole. Second, the authors did not measure food insecurity among children. Finally, civic structure was measured as perceptions of individuals, not at the community level. Future research, they suggest, should include more communities in the sample to measure civic structure at the community level.

Policy Implications

With the decline of grocery stores serving rural towns, and with the economic and distribution challenges facing remaining stores, small towns will likely continue to face limited food selection at higher prices. Although low-income families are at the most immediate risk for food

insecurity because of this limited choice, the problem is more widely a community problem. Community groups are sources of mobilization to encourage local shopping, to increase the quality of available foods, to create farmers' markets, to support existing or to recruit new grocery stores, and, on the larger scale, to develop better transportation systems and livable wage employment.

These community solutions require partnerships among multiple groups, public and private, with norms of civic responsibility, the authors argue. Churches, for example, play a significant role in developing local food banks. Senior meals use public and private spaces. Public farmers' markets require local leadership and the cooperation of many. These examples of collective community efforts are a first step, the authors suggest, in changing the local food infrastructure. **RPRC**

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