

WELFARE, WORK, AND WELL-BEING IN METRO AND NONMETRO LOUISIANA*

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ABSTRACT This paper examines the extent to which persons in the Temporary Assistance to Needy Families (TANF) have been able to leave the TANF program. The analysis is based on the Louisiana Welfare Survey which is a panel study of 1,000 persons (500 in New Orleans and 500 in two labor market areas in northeastern Louisiana) who in 1998 and 1999 had been on welfare. The original respondents have been reinterviewed annually, with the fifth and final wave currently (May 2002) in the field. The findings reported in this paper are based on the first three waves of the panel survey, 1998-2000. The findings show that by 2000 more than half of the respondents had left TANF, mostly because of employment. Well over one-half of all TANF leavers reported to be working in 2000. Although most respondents that had left TANF reported being better off economically, the work these persons could find consisted mostly of low-status low-pay jobs in service industries. As a result, TANF recipients as well as TANF leavers faced a good many economic hardships, such as not having enough to eat, having phone and utilities disconnected, and inability to obtain medical and dental services. The comparison of metro and nonmetro areas showed that TANF recipients in nonmetro areas were less likely to leave the

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TANF program for work, had lower human capital, and tended to face more economic hardships than their metro counterparts. The picture that emerges from these findings shows that the economic situation of TANF leavers is fragile and tenuous, and that it is premature to consider the welfare reform legislation of 1996 a success.

In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was passed. This congressional act led to many changes in the state of welfare. One primary goal of this legislation is to encourage people on welfare to return to work by limiting the amount of time they are eligible to receive benefits. PRWORA has eliminated AFDC, or Aid to Families with Dependent Children, and the JOBS (Job Opportunities and Basic Skills Training) program. The replacement program, Temporary Assistance to Needy Families (TANF), is a program that only allows assistance for a limited time, up to 60 months out of their lifetime. TANF recipients are required to work after receiving assistance for 24 months (Enchautegui 2001; Pavetti and Wemmerus 1999). Also, this new program requires all able recipients to begin working for their benefits through community service starting just two months after receiving aid (Kim 2000).

According to Pavetti and Wemmerus (1999), the expectations set forth by the welfare reform legislation are quite different from previous programs. First, the emphasis under PRWORA is on work. This means that any work is better than no work and that recipients should move into the work force as soon as possible. In some areas, job-search assistance is provided. In others, recipients are expected to find work on their own. Parents are required to work, and the hours requirement has increased from 20 hours per week in 1997 to 30 hours per week in 2002 (Kim 2000). In most states, recipients are expected to begin working as soon as their youngest child is a year old. Interestingly, there are 12 states that require recipients to begin working when their youngest child is only 3 months old.

Another factor in moving recipients into the workplace is an attempt to reduce the costs of working. Until 1996 when AFDC and JOBS were eliminated, many who found work were still able to retain part of their cash assistance. This was called the earned income

disregard. However, as states began to place more emphasis on moving recipients to work, many felt that the termination of earned income disregard discouraged people from working. Under TANF, however, there have been efforts to extend the time on earned income disregard policies or even increase the amount of earned income disregard. Unfortunately, the long-term consequences of these policies are that, regardless of amount, the monthly receipt of the disregard counts toward the total amount of time that a family can receive benefits. If a financial crisis were to occur, the family's eligibility for benefits would be reduced (Pavetti and Wemerus 1999).

Another change includes more stringent sanctions for noncompliance with policy. For example, under the previous JOBS program, recipients sanctioned for noncompliance only had part of their benefits reduced. This was usually the portion that covered the adult financial assistance. Under TANF, states can impose sanctions that cover the assistance received by the entire family. Another important consequence of the new legislation is the time-limits imposed. Although PRWORA imposes a five-year lifetime limit, states are able to modify those time limits. As of 1997, nineteen states had adopted programs that were shorter than 60 months (Pavetti and Wemmerus 1999).

Overall, the ideology behind the welfare reform legislation and the accompanying policies is that getting people back to work is the most important priority. This legislation reflects the concern that welfare is becoming a way of life for some people. Using longitudinal data gathered from a sample of Louisiana residents, we investigate the employment outcomes of former and current welfare recipients in rural and urban labor markets. It is the purpose of the present paper to examine how welfare reform in Louisiana has affected the likelihood of working, and what some of the consequences of the welfare-to-work transition have been. Of special interest are possible differentials between respondents in the Delta region compared to more metropolitan respondents who reside in New Orleans. Among the outcomes we examine are the types of work welfare recipients have been able to obtain; the relationship between education and work; the income gained by those who went to work; recipients' assessment of their economic situation after they left TANF, as well as their expectation regarding the need to go on welfare in the future; and hardship measures for those on and off TANF.

Work After Welfare Reform

Ending welfare dependence is the primary goal of the PRWORA. By encouraging marriage, job-readiness, and promoting work, recipients are expected to eliminate their need for benefits. The length of time recipients are eligible to receive benefits is now limited. In addition, sanctions and work requirements can be imposed. Although there is a growing body of literature on the employment outcomes following reform, gaps do remain. Additionally, since this legislation is relatively recent, there is a shortage of longitudinal data to provide information about any changes that former recipients have experienced in terms of employment status.

Using data gathered from the National Survey of America's Families (NSAF), Loprest (1999) reports on the characteristics of those former recipients who have left welfare. She finds that former recipients are generally female and under the age of 35, the median number of children in families who have left the welfare rolls is two, 61 percent of former recipients are single and without a partner, nearly 29 percent report having less than a high school education. Additionally, just over 42 percent are from the South. Finally, she finds that the most common reason reported for leaving welfare is work. Although the report mentioned above is informative of those who have left welfare, there is no comparison group of those who remain on benefits. To better explain why certain populations find it more difficult to move into paid employment, more research is needed that compares those who leave benefits with those who remain on public assistance.

Several studies examine employment outcomes of former welfare recipients (Andersen et al. 2000; Cancian and Meyer 2000; Kim 2000; and Tinsley Gooden and Bailey 2001). Outcomes examined include wages, hours worked, type of employment obtained, and tenure on the job. Andersen et al. (2000) examined leavers approximately 10 to 11 months after exiting welfare and found that most had found jobs that gave them full-time hours, wages well above minimum, and were largely employed in service-related jobs. However, the tenure of their employment was sporadic. Only about half of those who had left welfare were working both when they left and when they were interviewed.

Cancian and Meyer (2000) use data from the National

Longitudinal Survey of Youth to provide information on work history and economic outcomes during the first five years after women leave welfare. While Andersen et al. (2000) find most leavers working full time after 10 months, Cancian and Meyer find that less than five percent of women worked full-time, full-year in all five years. However, they did find that median wages rose during those five years. This research also reports the types of occupations that former recipients had during the five years of the study. Finally, they find that most women worked at more than one job during the five years after AFDC. Overall, they find that job tenure and number of jobs held were associated with higher wages and incomes.

Several researchers identified challenges or barriers to securing employment following welfare reform (Blumenberg 2000; DeBord, Canu, and Kerpelman 2000; Edin and Lein 1996; Kim 2000; Queralt, Dryden Witte and Griesinger 2000). Much of the literature that cites challenges to maintaining employment identifies family or child care needs as an important barrier to employment. Kim (2000) finds that the number of children decreases the probability of work for wages. Edin and Lein (1996) found that the low-wage jobs in which women who left welfare found themselves were often incompatible with parenting responsibilities. Most of these jobs offered no sick leave or vacation days to attend to sick children. Queralt et al. (2000) find that in Miami-Dade County, increased funding for subsidized child care increases the likelihood of employment for welfare recipients.

Another important factor in employment of former recipients is education. DeBord et al. (2000) show that workers are aware of the need to increase their education and skill levels in order to maintain employment as well as advance on the job. According to Kim (2000), the odds that a welfare recipient is employed increases for those who had some years of college or a college degree.

Availability of transportation also is an important challenge to securing employment. Blumenberg (2000) points out that a significant problem welfare recipients experience in finding a job is their geographic isolation from employment sites. She identifies a California Department of Social Services survey in which respondents ranked transportation as the fifth problem in a list of 15 barriers to employment. Although the literature previously cited provides important insights into the employment outcomes of welfare

recipients, gaps still remain.

Welfare Reform and Rural Populations

This paper examines specific employment outcomes following welfare reform. An important variable in this process, however, is the type of labor market in which respondents are located. The data used includes a sample comprised of individuals located in both rural and urban areas. This is an important distinction to make because different labor markets have different consequences for the individuals located in them. The local labor market will affect the types of jobs available, the wage structure, and even the amount and type of transportation available to workers.

Research on rural labor markets demonstrates that the type of labor market one is situated in will contribute to differences in employment opportunities, levels of poverty, and other important outcomes (Haynie and Gorman 1999; Tickamyer and Duncan, 1990; Tigges and Tootle 1990; Rural Sociological Society Taskforce 1993). An important segment of the rural literature focuses specifically on poverty. This literature is particularly important since previous research shows that women are a large percentage of those in poverty. Since the majority of former or current welfare recipients studied in this sample are women, it is important to discuss how women fare in rural labor markets.

The research that focuses specifically on women and rural poverty finds that rural women are more disadvantaged when compared to their non-rural counterparts. Hispanic and African-American women fare even worse when compared to rural white women. Female-headed households are also at a disadvantage in rural areas. While female-headed poverty growth in non-rural areas slowed in the 1980s, it has continued to grow in rural areas. One in four of white families and one in two of African-American families headed by women are in poverty (Rural Sociological Society Taskforce 1993).

Since the new welfare legislation stresses a return to work, an important consideration for this research is the type of work that is available to former recipients. Research shows that industries and occupations vary according to geographic location. Tickamyer and Duncan (1990) assert that the rural poor, not unlike those in the inner cities, are disadvantaged by isolation and limited opportunities for

employment. More specifically, rural areas tend to have less diversity in terms of industries and occupations from which workers can choose. In addition, the decline in agricultural employment in rural areas has led to an increase in service-sector employment (Albrecht, Albrecht and Albrecht 2000). This results in less job stability as well as lower wages for rural residents when compared to non-rural workers. Women are at an additional disadvantage because their employment options in rural areas are in largely sex-segregated industries resulting in lower pay for women and a higher likelihood of poverty (Haynie and Gorman 1999).

There is a limited body of literature that investigates the consequences of welfare reform on rural populations (Findeis and Jensen 1998; Goetz and Freshwater 1997; Pickering 2000; Porterfield 1998). Given what is already known about rural areas and poverty, it is no surprise that many of the findings indicate added disadvantage for those welfare recipients in rural markets compared to urban areas. Goetz and Freshwater (1997) look specifically at how welfare legislation is impacting the labor market. They find that the impact of the legislation will be larger in rural than urban areas. In particular, they find that there will be difficulty in absorbing new workers in rural areas where jobs are already in limited supply. As a consequence, wages in rural areas will be lowered due to increased competition.

Findeis and Jensen (1998) examine the opportunities for finding employment following reform. They stress that it is important to recognize that non-metro areas have higher rates of poverty than metro areas. Specifically, rural poor households are more likely to be chronically poor and have higher proportions of working poor. Their analysis focuses on the labor market outcomes of individuals following the 1996 legislation. They find that females are more likely to become employed in marginal jobs, particularly in non-metro areas. Also, blacks have more difficulty finding adequate employment or even marginal jobs. They conclude that even if former recipients find employment, it will not be likely to raise them out of poverty and that they are more likely to remain in part-time jobs with insufficient hours.

Porterfield (1998) looks at welfare spell durations for female-headed households in rural areas. Using Survey of Income and Program Participation (SIPP) data, she finds that the welfare spells for rural recipients are significantly shorter than for urban recipients.

Overall, she concludes that the most predictable method of removing women from the welfare rolls is through increased income via higher paid work.

There are some identifiable gaps in the literature investigating the employment outcomes of welfare reform. First, the assumption of the welfare reform legislation is that recipients will be able to find work after their benefits run out. However, there may be geographical differences in the ability of labor markets to absorb workers. Specifically, rural labor markets, with their limited job opportunities, may not be able to accommodate a large influx of workers. Previous research in specific locations has demonstrated this problem. This has not yet been addressed in the extant literature on the outcome of welfare reform. Second, there is not enough investigation of the types of jobs that recipients are able to obtain. In particular, if there are requirements for a minimum number of weekly hours, for those who can only obtain part-time jobs, more information is needed on how they obtain enough hours to meet the requirements. Finally, given that a large proportion of the population of recipients are women, and are likely to be absorbed into service industry, low-skill, and low wage jobs, there are transportation and childcare issues to address. This paper contributes to the literature on welfare reform by providing longitudinal data on employment outcomes for current and former recipients in rural and urban and labor markets.

Data

The data for this paper come from the Louisiana Welfare Panel Survey (N.d.). In 1998, we obtained a random sample for current TANF recipients in 3 New Orleans welfare districts and 12 parishes in northeastern Louisiana. For convenience sake, we refer to those 12 parishes as the Delta region. The 12 parishes in the Delta form two labor markets: one is centered on Monroe, the other is a largely nonmetropolitan labor market without a metropolitan core. Those two labor markets stretch from around Monroe to the Louisiana-Arkansas border to the north, to the Mississippi River to the west, south to Feriday and Vidalia, and to the parishes from Sicily Island back to Monroe. The only metropolitan area in this region is Monroe which has a population slightly above 50,000 persons.

The initial survey population consists of persons 18 years of

age or older who, according to administrative records, had been on public assistance as of May 1998. Some of those persons, for a variety of reasons including sanctions, were no longer receiving Temporary Assistance to Needy Families (TANF)—the successor program to Aid to Families with Dependent Children (AFDC)—but were kept as active cases because they received benefits from other assistance programs. However, they had been TANF recipients immediately prior to May 1998. By the time we surveyed the respondents, some of them had left the TANF program, which explains why about a quarter of respondents in the 1998 wave were no longer on TANF assistance. Our first wave yielded 429 interviews (247 in the Delta and 182 in New Orleans) that were conducted during the period July–November 1998. In order to reach a total sample size of close to 1,000, we contacted another sample of current and recent TANF recipients drawn in February 1999 and obtained 569 interviews (Delta=249/New Orleans=320). During the period July–November 1999, we re-interviewed the original 1998 respondents and were able to obtain valid interviews from 298 of the original group (Delta=175/New Orleans=123), for a panel survival rate of 69.5 percent. During July–November 2000, we contacted all respondents who had been interviewed in 1998 and Spring 1999 and completed 543 interviews (Delta=303/New Orleans=287). This translates into a panel survival rate of 54.4 percent for first to current contact, and a rate of 62.6 percent for most recent to current contact. Those panel survival rates are customary for low-income populations.

Findings

Owing to the characteristics of the survey structure, we present the findings for Wave 3 (in the year 2000) separately for those respondents who participated in Wave 1 (2000b) and those who enter the survey a year later in Wave 2a (2000a). We combined the two samples for some results where there were no differences between the two samples.

Welfare and Work Status

Table 1 presents selected characteristics for the respondents. The sample is fairly young, with half of all respondents between 18 and

Table 1. Selected Characteristics of Respondents by Metro Status, in the Delta and New Orleans, 1998-2000.

Selected Characteristics	1998		1999a		1999b		2000b		2000a	
	Delta	NO								
Median age	31.0	30.0	31.0	29.0	34.0	28.0	35.0	34.0	33.0	31.5
Mean age	34.2	32.9	33.8	32.0	35.7	31.7	36.9	35.6	36.9	33.6
Mean # of children	3.4	2.7	3.3	2.7	3.4	2.6	3.5	3.1	3.6	2.7
Mean age at first birth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	18.5	19.5	18.5	19.5
Mean age first-time welfare	23.2	24.1	23.0	22.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Reasons for first-time welfare (% pregnant)	73.0	71.9	60.6	61.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mean # of years on welfare	n.a.	n.a.	6.5	5.5	7.6	5.4	7.8	6.5	7.5	6.5
Grew up on welfare (% yes)	33.8	39.3	31.6	39.7	37.5	38.8	40.8	34.7	34.9	43.3

Source: Louisiana Welfare Panel Survey (N.d.).

about 30 years of age. A comparison of the various survey waves shows that the panel mortality did not substantially alter the characteristics, i.e. those respondents who dropped out of the panel study did not have substantially different characteristics than those who remained in the panel survey. With regard to age, median and mean age of the respondents do go up in successive waves, as one would expect in annual surveys.

The respondents, on average, do not have very large families. The average number of children ever had is under four for Delta respondents and under three for New Orleans respondents. That finding is consistent with the fact that Delta respondents, on average, had their first child at 18.5 years of age, compared with 19.5 years of age for respondents in New Orleans. In general, the earlier a woman has her first child, the more children she is likely to have during her childbearing years.

Table 1 shows that pregnancy is the main reason why respondents initially went on welfare. About 60 percent of respondents in wave 1999a gave pregnancy as their main reason for requiring welfare assistance, and the percentage was over 70 for respondents in the 1998 wave. However, since many women went on welfare only when they got pregnant with their second child, there is not a close correlation between age at first birth and age when respondents went onto welfare for the first time. Thus, with regard to the original 1998 sample, although women in the Delta had their first child at a younger age than those in New Orleans, the latter went on welfare at a younger age. Moreover, for both samples (1998 and 1999a), there is a substantial lag in time between age at first birth and subsequent receipt of AFDC.

We asked the respondents about the total number of years they have ever been on welfare assistance, and if they grew up in a household that was on welfare. Women in New Orleans, on average, report receiving welfare about one year less than women in the Delta. This difference mirrors the age difference between the two groups: the New Orleans respondents are about one year younger than their counterparts in the Delta. Fewer women in the Delta grew up in a household that received welfare than did those in New Orleans; but even for respondents in New Orleans, less than one half came from a welfare household. This finding calls into question the often postulated intergenerational transmission of welfare status. While

Table 2. Welfare and Work Status, 1998-2000 (in percent).

Welfare and Work	1998	1999a	1999b	2000b	2000a
On TANF	72.4	83.3	46.3	36.7	49.9
Working	33.3	28.0	41.4	43.7	42.2

Source: Louisiana Welfare Panel Survey (N.d.).

growing up in a household that receives welfare makes it more likely to become a welfare recipient oneself, these findings show that the majority of women on welfare did not grow up in such a household.

At the time of the initial contact with the respondents, 72.4 percent were on TANF; the follow up survey in early 1999 showed that 83.3 percent received TANF (Table 2).¹ By Fall 2000, however, the proportion of TANF cases dropped for both samples. For those surveyed in 1998, about half had left the TANF program. For respondents who were surveyed in 1999 for the first time (1999a), their annual leaver rate exceeded that of the first group.

In the same time period, the proportion of respondents from both samples who reported working increased substantially. While the 1999a sample was less likely to work than the 1998 sample at the time of the first interview, that difference became very small by 2000. In that year, between 42-44 percent of all respondents reported having a job. This increase in work status is largely related to the drop in TANF rolls: since people without TANF are more likely to be working than those in the TANF program, there is an inverse relationship between TANF status and work status. Moreover, as Table 3 shows, those respondents that left the TANF program by 2000 were more likely to be working than those not in the TANF program in 1998 or 1999a. However, respondents who were TANF recipients during 1998-2000 did not show any change in their likelihood of working.

In the following analyses, we examine the extent of differences in welfare, work, and well-being between New Orleans

¹ In 1999, we reached the respondents sooner after drawing the sample than we did in 1998. For that reason, more respondents in 1999 were still on TANF.

Table 3. Percent Working by Welfare Status, 1998-2000 (in percent).

Welfare and Work	1998	1999a	1999b	2000b	2000a
On TANF	26.2	24.4	26.8	26.6	25.1
Off TANF	51.7	45.3	59.8	53.7	59.2

Source: Louisiana Welfare Panel Survey (N.d.).

and Delta respondents. The results show that over time after the implementation of welfare reform, the regional differentials in welfare status for the 1998 sample changed directions (Table 4). While Delta respondents were more likely to be on welfare than their counterparts in New Orleans in 1998, this difference largely disappeared by 1999b and turned around a year later (2000b), when Delta respondents were less likely to be on TANF. No such trend characterizes changes in work status between the two regions. Although increasingly more Delta respondents were working during the period 1998-2000b, the same holds for New Orleans respondents. As a result, the Delta-New Orleans differential in work status persisted during this time period, with respondents in New Orleans far more likely to work. Regarding the 1999a sample, there is little regional differential in terms of either welfare or work status. The greater likelihood of work for New Orleans respondents in the 1998 sample remains regardless of whether respondents are on TANF or off TANF, but the difference is especially pronounced for respondents who no longer receive TANF. (See Table 5.) Again, the 1999a sample differs from these results in that Delta respondents off TANF in 1999a were much more likely to work than those in New Orleans; no other comparisons showed a regional differential in work status in either 1999a or 2000a.

In the most recent two waves, we asked respondents who no longer received TANF for the reasons they left the program (Table 6). For the 1998 sample, more than half of the respondents in New Orleans said that they got a job which disqualified them from further TANF, but fewer than half of Delta respondents left TANF because of work. The 1999a sample reported the highest percentage of work-related exits: almost 60 percent of Delta respondents who left TANF did so for work reasons, compared to 50 percent for respondents in

Table 4. Welfare and Work Status in the Delta and New Orleans, 1998-2000 (in percent).

Welfare and Work	1998		1999a		1999b		2000b		2000a	
	Delta	NO								
On TANF	77.2	65.7	82.7	83.7	46.9	45.5	35.5	39.0	51.5	48.5
Working	27.5	41.1	29.6	26.9	34.5	51.2	37.0	55.8	42.3	42.3

Source: Louisiana Welfare Panel Survey (N.d.).

Table 5. Percent Working by Metro and Welfare Status, 1998-2000.

Region and Welfare	1998	1999a	1999b	2000b	2000a
Delta					
on TANF	23.7	24.5	19.8	18.4	26.2
off TANF	39.3	53.5	47.3	47.2	59.5
New Orleans					
on TANF	30.3	24.3	30.4	40.0	24.2
off TANF	63.3	38.5	68.7	66.0	59.0

Source: Louisiana Welfare Panel Survey (N.d.).

New Orleans. The second and third most frequently given reasons for leaving TANF program indicate that the discontinuation of TANF was involuntary: in the Delta, about 10 percent of respondents lost TANF support because they reached the 2-year time limit; this proportion was around 15 percent in New Orleans, except in 2000b when only 8.5 percent stated time limits as reason for no longer receiving TANF. Losing TANF support because of sanctions (which are the result of non-compliance with various TANF regulations) played an important role in the fall of 1999, but it dropped to a very small proportion a year later for both samples.

The overwhelming majority of respondents (76-92 percent) who have left the TANF program intend to stay off it in the future (Table 7). Of course, intentions might not predict actual behavior in the future; life circumstances could force these respondents to seek assistance again, and there is also the possibility that political correctness influences this answer. However, respondents who left welfare report that, on average, they were somewhat better off now than they were when they received TANF (Table 7). In the 1998 sample, New Orleans respondents felt slightly better off than those in the Delta, but the reverse differential obtains for the 1999a sample. And there is a clear association between the two responses: the better off respondents are after they left the TANF program, the stronger is their intention to stay off welfare in the future.² In addition, those who were dropped from the TANF program because of time-limits and sanctions report that they are less well off than before, and they express more doubts that they will stay off welfare in the future. For example, in 1999b (when we asked these questions for the first time), 37 percent of those respondents who said that they were worse off after leaving TANF stated that they will or might be back on public assistance in the near future. But that answer was given by only 4 percent of those he said that they were better off after leaving TANF.

² For both samples, the Chi-square results between intentions to stay off welfare and assessment of the current economic situation after having left the TANF program are significant at the .001 level. The *eta* correlation coefficients (which are a good measure for limited number of categories) range from .362 to .458, both significant at the .001 level.

Table 6. Selected Reasons for Having Gone Off TANF (in percent).

Selected Reasons	1999b		2000b		2000a	
	Delta	New Orleans	Delta	New Orleans	Delta	New Orleans
Got a job	43.5	58.2	38.6	55.3	59.5	50.5
Time limit	9.8	14.9	10.2	8.5	11.4	15.5
Sanctioned	9.8	13.4	4.5	4.3	3.8	1.0

Source: Louisiana Welfare Panel Survey (N.d.).

Table 7. Intentions to Stay off TANF and Economic Situation after TANF.

	1999b		2000b		2000a	
	Delta	New Orleans	Delta	New Orleans	Delta	New Orleans
Will Stay off TANF (%=yes)	75.9	82.1	84.1	91.5	82.7	78.6
Economic Situation after TANF (a)	3.5	3.6	3.5	3.9	4.0	3.5

(a) mean values on 5-point scale: 1=much worse off; 5=much better off

Source: Louisiana Welfare Panel Survey (N.d.).

This group gave the same answers a year later (2000b), and the responses given by persons in the 2000a wave are quite comparable (26 percent and 5 percent, respectively). There were no significant metro-nonmetro differentials in these responses.

Education, Job Experience, and Occupation

The level of educational attainment for respondents in both samples shows a clear regional differential (Table 8). In the Delta, about one-half of all respondents did not finish high school and had no GED, and only about 30 percent had a high school diploma. These percentages are almost the reverse for respondents in New Orleans: 30-35 percent did not finish high school and had no GED, with 40-45 percent having a high school diploma. Moreover, respondents in New Orleans tended to be more likely than those in the Delta to have additional educational attainment beyond high school. But even in that metro setting, the overall low educational attainment of current and former TANF recipients is likely to be a barrier to employment that provides a living wage, i.e. jobs with a salary that would lift the respondents out of poverty.

In addition to higher educational attainment than respondents in the Delta, New Orleans respondents also have more job experience, at least when measured by the number of jobs ever held since the age of 16.³ Our findings show that women in New Orleans, on average, had at least 5 jobs since they were 16, compared with 3 to 4 jobs for women in the Delta (Table 9).

These differences in human capital between Delta and New Orleans respondents are not fully reflected by the mean income of the respondents (Table 9). New Orleans respondents had a higher mean income than their Delta counterparts in two of the four waves (1998 and 1999b), but the income of Delta respondents was higher in 1999a and 2000. Regardless which region had the higher average income in what wave, current and recent welfare recipients—even when they work—earn far less than the poverty level. The average respondent in

³ There is no difference between the two samples regarding either number of jobs held or mean income. For that reason, we have combined the samples for 2000.

Table 8. Education by Metro Status, in the Delta and New Orleans, 1998-2000 (in percent).

Education	1998		1999a		1999b		2000b		2000a	
	Delta	NO								
< High School	51.1	35.7	48.6	34.1	51.5	35.7	52.2	31.2	46.0	30.4
GED	6.3	3.3	7.6	4.7	6.4	3.3	6.5	1.3	3.1	6.9
HS Diploma	29.9	44.7	31.7	45.3	30.1	44.7	29.7	40.3	31.3	45.1
> High School	12.7	16.3	12.1	15.9	12.0	16.3	11.6	27.3	19.6	17.1

Source: Louisiana Welfare Panel Survey (N.d.).

Table 9. Number of Jobs Ever Held and Income by Metro Status, in the Delta and New Orleans, 1998-2000 (Means).

Jobs and Income	1998		1999a		1999b		2000	
	Delta	NO	Delta	NO	Delta	NO	Delta	NO
Mean No. of Jobs	2.8	4.9	3.5	4.9	3.1	5.0	3.8	5.4
Mean Income (\$)	4,290	6,879	3,403	3,041	5,950	7,648	7,165	6,293

Source: Louisiana Welfare Panel Survey (N.d.).

Table 10. Current Occupational Status by Metro Status, in the Delta and New Orleans, 1998-2000 (in percent).

Occupation	1998		1999a		1999b		2000b		2000a	
	Delta	NO								
Professional	----	----	3.8	----	1.5	4.8	1.9	4.4	----	2.1
Technical	1.4	2.6	8.9	6.3	1.5	1.6	----	2.2	----	1.0
Managerial	1.4	1.3	2.5	----	----	----	----	----	2.8	----
Sales	7.0	16.9	16.5	17.7	1.5	4.8	----	----	5.6	5.2
Clerical	5.6	19.5	8.9	18.8	23.5	39.7	17.0	28.9	19.4	22.7
Crafts	----	----	----	----	----	----	----	2.2	2.8	----
Operative	2.8	3.9	1.3	1.0	1.5	1.6	3.8	2.2	----	2.1
Service	71.8	51.9	53.2	52.1	33.8	15.9	43.4	31.1	37.5	37.1
Laborer	9.9	3.9	5.1	4.2	36.8	31.7	34.0	28.9	31.9	29.9
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Louisiana Welfare Panel Survey (N.d.).

our study would need to double her earnings in order to come close to leaving poverty. However, such advancement is unlikely, especially given the apparent slowdown in economic growth since the beginning of 2001.

Occupational Status and Mobility

Given the low human capital of the respondents, their low occupational status does not surprise (Table 10). The majority of respondents have either service occupations or are laborers. Respondents with white-collar occupations tend to be clerical or sales workers, which are the lowest status white-collar occupations. Among individual occupations held by the respondents are nurses aides (often in nursing homes), cashiers, food servers in fast-food places, beauticians, and cleaning persons (both in institutions and in private homes). Table 10 indicates that respondents from New Orleans tend to have somewhat better—albeit still low-status—occupations. New Orleans respondents are more likely to have clerical positions and less likely to be service workers and laborers than their Delta counterparts. However, this difference does not apply to the 1999a wave. The period 1998-2000 is too short to expect substantial occupational change among the respondents, but there appears to be a trend away from the lowest status occupations of service workers and laborers toward clerical workers, which have a somewhat higher status and better pay.

Information available from the various waves of the panel survey permits an analysis of the respondents past occupational status with their current occupations. Specifically, we estimated occupational mobility from the most recent to the current job for waves 1998 and 1999a, and occupational mobility from the first job ever to the current job for wave 1999b (see Table 11). The results show that more respondents experienced upward occupational mobility than downward mobility (except for wave 1998 when downward mobility exceeded upward mobility). For the two most recent waves, between 29 percent and 46 percent of respondents experienced upward occupational mobility from the most recent job (1998a) or first job (1999b) to the current job.

A closer examination of the sources of mobility shows, however, that much of both upward and downward mobility involves

Table 11. Occupational Mobility from First or Most Recent Job to Current Job, in the Delta and New Orleans (in percent).

Occupational Mobility	1998 (1)		1999a (1)		1999b (2)	
	Delta	NO	Delta	NO	Delta	NO
Upward	13.4	19.3	46.0	30.7	33.4	28.9
No Mobility	41.1	46.8	33.3	43.8	48.1	45.9
Downward	45.5	33.9	20.7	25.8	18.5	25.3

1. Mobility from most recent to current job.
 2. Mobility from first job ever to most recent job
- Source: Louisiana Welfare Panel Survey (N.d.).

a change from one occupational category to the next higher or lower one (e.g. between sales and clerical). In that sense, many of those respondents who are upwardly or downwardly mobile may not be all that different from those who experienced no occupational mobility. With the exception of 1998, again, Delta respondents had more upward mobility than those in New Orleans. While this seems to contradict the earlier finding that New Orleans respondents, on average, had a somewhat higher occupational status, the explanation for the higher occupational mobility of Delta respondents is the fact that their most recent and/or first job tends to be of substantially lower status than that for New Orleans respondents. That initially low occupational status of Delta respondents also meant, however, that in many ways they could only go up. The fact that this upward mobility did occur to a greater extent in the Delta than in New Orleans suggests that respondents in the Delta have been able to somewhat closed the gap in occupational status between themselves and their counterparts in New Orleans.

Hardship Indicators

A key measure of well-being is a set of hardship indicators that were originally developed by the Urban Institute. The Louisiana Welfare Panel Survey obtained information for those indicators since wave 1999b. The results show that, on average, respondents report the

existence of at least two hardships (Table 12).⁴ The hardships most frequently mentioned include the inability to pay essential expenses (between one-third and one-half of respondents reported this hardship), inability to pay utilities in full (19-31 percent), inability to see a dentist (30-37 percent) or physician (21-28 percent), and having the phone disconnected (16-32 percent). Between one-fifth and one-fourth of all respondents stated that they did not have enough to eat.

While lack of sufficient food does not necessarily imply hunger, the findings do signify that even a basic need such as enough food to eat remains unmet for a large number of poor people—be they on welfare or recently left TANF. There are few metro-nonmetro differentials in hardships, and they changed from 1999 to 2000. In 1999, respondents in the Delta, on average, tended to face more hardships than New Orleans respondents; they also were more likely to have their utilities disconnected or be unable to pay them in full and to have their telephone disconnected. By 2000, however, there was no difference between metro and nonmetro areas in the average number of hardships; indeed, regarding the ability to pay essential expenses and medical and dental care, respondents in New Orleans were more likely to face a hardship than their Delta counterparts.

Discussion

This paper reviewed issues in welfare reform and examined metro-nonmetro differentials in terms of the most salient factors in a successful transition from welfare to work: human capital, age of first birth, and past welfare experience; reasons for transitioning off welfare and intentions to stay off public assistance in the future; work employment status, occupational status, and income; and hardships faced by TANF recipients or those who were recently on the TANF program. The findings showed that in comparison to metro welfare recipients, nonmetro respondents tend to be older, have less education, had their first child at an earlier age but were less likely to have grown up in a household that received public assistance.

⁴ There is no significant difference in hardship measures between the two samples. Our data on file also show no significant difference in unmet needs between respondents on welfare and those that have left TANF.

Table 12. Hardship Measures by Metro Status, in the Delta and New Orleans, 1999-2000.

Hardship Measures	1999b		2000	
	Delta	NO	Delta	NO
Utilities disconnected	21.5**	8.0	9.6	8.8
Not enough to eat	24.1	20.3	25.4	24.6
Couldn't pay essential expenses	45.1	52.1	34.8**	49.1
Evicted for non-payment of rent	8.6	6.1	1.4	3.3
Couldn't pay utility in full	29.8+	18.9	31.4	27.2
Kids couldn't see dentist when needed	17.4	14.2	9.9	12.4
Kids couldn't see doctor when needed	15.7	11.7	9.9	12.4
Phone disconnected	31.5*	17.1	16.0	16.6
Couldn't see dentist when she needed it	35.6	33.3	30.1+	37.3
Couldn't see doctor when she needed it	28.2	20.3	21.4 +	27.4
Couldn't pay full rent	15.2	14.9	21.8	19.6
Mean # of hardships	2.7*	2.2	2.1	2.4

Note: + = $p < .05$; * = $p < .01$; ** = $p < .001$. Source: Louisiana Welfare Panel Survey (N.d.).

In the years immediately following the implementation of welfare reform, nonmetro TANF recipients were less likely to leave welfare for work, but this differential disappeared by 1999. When metro respondents left the TANF program, they were more likely to be working than were nonmetro TANF leavers. The lower educational attainment and attachment to the labor force of nonmetro TANF recipients is also reflected in fewer number of jobs that they ever held since they turned 16. This difference is likely the consequence of fewer job opportunities in the Delta region, which is one of the poorest areas in the country. On average, nonmetro respondents had 1.5 to 2 jobs less than those in New Orleans. While the lower educational attainment and less job experience provided nonmetro respondents with less yearly income in 1998 than it did metro respondents, this difference turned around in favor of nonmetro respondents by 2000.⁵

Our analysis of occupational mobility showed that nonmetro respondents are gaining in occupational status vis-a-vis their metro counterparts, thereby reducing their strong concentration in the low-status occupations of laborers and service workers. Finally, nonmetro respondents experienced a greater improvement in the quality of life in terms of hardships faced than did metro respondents. While a decreasing percentage of nonmetro respondents faced those hardships that we measured from 1999 to 2000, with only one exception, metro respondents reported an increase during 1999-2000 in 7 of the 11 hardships.

The results presented in this paper must be seen in the context of Louisiana's approach to welfare reform. Essentially, reductions in TANF caseloads are the sole measure of success for the state. There is little or no interest in evaluating the consequences for former TANF recipients of leaving the program. According to our results, the FINDWORK⁶ program has had little effect on helping people gain employment. Few if any funds from the federal block grant is used for such things as drug treatments or more experimental programs such as

⁵ We are currently examining if this turnaround was due to better paying jobs or more weeks and longer hours worked.

⁶ FINDWORK is part of the new welfare legislation that provides TANF participants with limited job-readiness training and is supposed to help them to find jobs in the private sector.

car loans and emergency cash loans that have been tried in states like Wisconsin or Oregon. Finally, since the cash grant under TANF is under \$200 per month for a mother with two children, the loss of TANF is substantially less than it would be in states outside the South.

In sum, the findings presented in this paper point to a more vulnerable welfare population in nonmetro areas regarding a successful transition from welfare to work, but the findings also show that despite less human capital and higher fertility, nonmetro respondents on or off TANF are moving to close the gap between themselves and their metro counterparts in terms of occupational status, income, and the presence of hardships. However, those findings must be seen in their proper context: both metro and nonmetro current and recent TANF recipients tend to have very low status jobs that often are unstable and rarely provide health benefits; their earnings remain well below the poverty level, thereby continuing their dependence on food stamps; and many face multiple hardships, including the absence of sufficient food.

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