# Studying Welfare Reform: Challenges and Opportunities

Welfare reform has brought major changes in the scope, structure and impact of most programs targeted to the low-income population. This paper describes the methods being used in Iowa to conduct a comprehensive baseline study of welfare reform. The "Family Well-Being and Fiscal Reform in Iowa" project, a cooperative effort by Iowa State University researchers and extension staff involves state- and community-level policy case studies as well as qualitative and quantitative analyses of family well-being.

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## Introduction

The *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* (PL 104-193) brought major changes in the scope, structure and impact of most programs targeted to the low-income population, including cash assistance, food stamps, Medicaid, Supplemental Security Income (SSI), child welfare and child support. With transfer of significant authority to states for the design and implementation of programs, attention has shifted to the changes occurring and consequences at the state and community level. Major fiscal reform of programs was initiated in federal fiscal year 1997 by the shift to a new funding schema under the Temporary Assistance to Needy Families (TANF) federal block grant to the states. However, for many states, changes in welfare programs began earlier as states experimented with programs and formulas to make existing programs more effective in moving recipients into jobs and off of public programs. Iowa initiated the Family Investment Program (FIP) in 1993, which merged and coordinated several existing programs and tied support for job training, child care and transportation more directly to income transfers (Jensen & Fletcher, 1997).

The purpose of this paper is to describe the methods being used in Iowa to conduct a baseline study of welfare reform. The project, known as "Family Well-Being and Fiscal Reform in Iowa," is a cooperative effort of Iowa State University Extension and the newly-formed Iowa State University Center for Family Policy (a unit of the College of Family and Consumer Sciences). Iowa State University is coordinating research and extension efforts to address the problems and conduct an evaluation of the effects of changes in funding and design of existing welfare programs. Iowa State University Extension has chosen to invest significant financial and human resources in this project because of its importance to the well-being of the state, its communities and its families.

Before discussing the overall study design and detailing the methods used, background information on Iowa's social, political, and economic climate and its welfare reform efforts is presented. Then the overall study design is outlined, followed by discussions of the state, community and family components of the project. Conclusions and implications are presented in the final section of the paper.

## The Iowa Situation

Iowa is a state with a relatively large rural sector, an older population (especially in rural areas), a large farm sector and relatively low unemployment rates. In the late 1980s, Iowa embarked on a study of its welfare system that led to major changes in its cash assistance and job training programs. In 1987, Governor Terry Branstad issued an executive order establishing the Welfare Reform Council -- a council composed of the directors of six agencies in state government: Human Services, Economic Development, Education, Employment Services, Management, and Human Rights. Since that time, welfare initiatives in Iowa have been developed through multiple agency collaboration.

Recognizing the value of the collaborative approach, the State Human Investment Policy Council -- an expanded group that included agency directors, legislators, and representatives from the private sector, including business and labor -- was established in 1992. This group developed recommendations that addressed welfare reform, economic development and workforce development. As a result of their efforts, state laws, including new welfare reform initiatives, were passed in 1993. The primary goals of this legislation were:

- to establish a Family Investment Program (FIP) through which former Aid to Families with Dependent Children (AFDC) recipients would develop plans for self-sufficiency;
- to provide incentives for employment, including disregards for earned income; and
- to provide work and training services to welfare participants.

In October, 1993, FIP began to be implemented with new income and resource provisions. In January, 1994, the Family Investment Agreement (FIA) policies began to be implemented. The FIA outlined a contract between the state and the recipient that described activities that would lead the recipient toward self-sufficiency. Failure to meet the expectations in the FIA could lead to termination of cash benefits. As a result of implementing FIP, Iowa has seen a reduction in the welfare caseload and the recidivism rate is going down (Wiberg, 1997).

Following passage of the federal welfare reform legislation in August, 1996, Iowa, like other states, engaged in statewide discussions before submitting its state plan for Temporary Assistance to Needy Families in November, 1996. Because of its earlier work to design the FIP program, Iowa made relatively few changes in its basic cash assistance and job training programs. TANF was implemented in Iowa in January, 1997.

Although an extensive evaluation of FIP -- conducted under contract with Mathematica, Inc. and the Iowa-based Institute for Social and Economic Development -- continues under TANF, the policy changes required under the federal legislation have a much broader scope. There is a need to take a comprehensive view and monitor a broad set of policies that affect income maintenance, workforce development, social support systems and health care delivery. The "Family Well-Being and Fiscal Reform in Iowa" project analyzes policy at the state level, monitors how policy plays out in local communities, and assesses the effects of changes in policies and programs on family and child well-being. This paper describes the collaborative effort of research and extension to draw on multidisciplinary methods and models to monitor welfare reform.

## The Overall Project

Our project builds upon the comprehensive research protocol developed by the Urban Institute for its "Assessing the New Federalism" multiyear study of welfare reform. In cooperation with the Urban Institute, we are using their protocols to conduct a state-level policy case study, seven community case studies, and a comprehensive telephone survey of family and child well-being (Urban Institute, 1996). In addition, we are building a county-level data set on social and economic indicators to evaluate how welfare indicators relate to local economic performance and labor market indicators. We also are conducting in-depth interviews with FIP and SSI recipient families in the seven targeted communities. Based on findings from these interviews, we plan to conduct a statewide household telephone survey in 1998. Our goal is to monitor the changes that occur in policies and programs at the state and local level and to observe changes in family well-being over time. Our current findings will serve as a baseline when we repeat all phases of the study in two or three years.

## The State View of Welfare Reform

Drawing upon the research protocol developed by the Urban Institute to study 13 states, we conducted an intensive case study of the development and implementation of policies in Iowa. The case study review was carried out by two different teams, one concentrating on developments in Medicaid and closely related health assistance programs and the other concentrating on developments in welfare, employment and training, and social services. The teams discussed policy developments and objectives with legislative and executive branch officials and with representatives of the nonprofit and private sectors. Interviewer teams were composed of campus faculty and extension staff who were trained in the research protocols in June, 1997. Interviews were conducted in the last six months of 1997. A second round of interviews is planned for 1999 or 2000.

Personal interviews were conducted with more than 20 administrators and staff in the Iowa Departments of Human Services, Education, Workforce Development, Human Rights, Management, and Health. About ten representatives of various statewide nonprofit organizations such as ecumenical ministries, a homeless coalition, and family and children advocates were contacted. In addition, key legislators and representatives of the association of county governments, business and industry also were interviewed.

Each state-level interview addressed the administrative structure of the agency or organization, the vision and goals for low-income families and children, recent changes in funding and budget initiatives, program success, and future policy changes. Two team members conducted each 1 1/2-hour interview, taking copious notes and gathering relevant documents from each key informant. Following each appointment, the interviewers reconstructed the responses as closely as possible in written form, referring to documents provided by the informant as necessary.

Cross checks between the two interviewers allowed for necessary corrections and negotiation of any discrepancies before the final copy of the interview was filed, ready for analysis.

Information collected in the interviews and printed materials is being used to compile a state-level case study about Iowa's welfare reform initiative. The state case study provides a context for the subsequent analysis of the community and household data.

## Evaluating Welfare Reform at the Community Level

Two different methods are being used to monitor the implementation and effects of welfare reform at the community level. One project involves creating a database to track secondary sources of social and economic data at the county level. The other involves community case studies. Our first step was to identify seven Iowa communities to be studied. Selection criteria for the target communities included population size, presence of a sizable Hispanic population, adjacency to a metropolitan area, and geographic dispersion across the state. Communities were selected from a list that extension staff nominated for inclusion in the study. Because of the important role that local staff played in conducting community and household interviews, this local commitment was an important criterion. The communities selected ranged from an extremely rural community with a population of 1,800 to a growing metropolitan community of 109,000.

### Analyzing Economic and Fiscal Impacts

Economists are developing county data sets on social and economic indicators to evaluate how these welfare indicators relate to local economic performance and labor market indicators. Investigators have summarized key Census and economic data for the seven targeted counties and have compared these indicators with communities of similar size (using Beale code classifications). The long-term goal of this project is to incorporate these welfare-related policy indicators into a county level fiscal impact model and to apply this model to the targeted communities in Iowa. These descriptive data provide a rich context for the second community-level data collection effort, the community case studies.

### Conducting Community Case Studies

The community case studies have required a major investment of the time and talents of extension staff who work in the seven targeted communities. In June, 1997, teams of four to six extension staff from each community were trained to conduct interviews with community key informants and with households. Following the Urban Institute's protocol, we provided each interviewer with an extensive training manual and demonstrated interviewing and note-taking techniques. Data collection methods for a community-level case study consisted of personal interviews with key administrators in local human service agencies, local government, health providers, and the private sector. Line workers in income support and child welfare agencies participated in group discussions of two vignettes that described two hypothetical families in need of assistance. Because of their familiarity with the community, the local extension staff were in an excellent position to identify the respondents. Teams of two staff members interviewed each community respondent and used the same note-taking and cross-check process used in the state-level interviews. In addition, each of the community interviews and vignettes sessions was tape recorded for future analyses. Each team interviewed 9 to 16 key informants and conducted two "vignette sessions" with line workers who serve families in their community.

All community interview data (disks and hard copy of interview notes, audiotapes of interviews, and accompanying documents) were forwarded to campus project staff for analysis. Campus faculty who are analyzing the community case study data have traveled to each of the seven communities to conduct a debriefing session with the interview team following completion of data collection. The purpose of these sessions was to gather overall impressions and to ask the extension staff for their own assessments regarding community capacity to respond to welfare reform issues. Using text analysis software, community sociologists are identifying common themes and issues in the data. Reports summarizing each community case study as well as a comparative analysis across all communities are being prepared to be shared with community leaders and policy makers. We expect to place considerable emphasis on the analysis of any rural and urban differences identified in the data.

## The View from the Bottom

One of the most important components of the evaluation of welfare reform is the view of its intended beneficiaries, the recipients. The completion of in-depth ethnographic interviews with a few families in each of the seven communities was selected as an appropriate method for several reasons. First, ethnographic interviews would permit the respondents to tell their stories in their own words, with their own emphasis (Spradley, 1979). Second, although the analysis of the resulting interviews would be difficult, the data collection could be accomplished by the same extension staff who conducted the community informant interviews. Two different groups of respondents were targeted: current participants in the Family Investment Program (FIP) and recently terminated recipients of Supplement Security Income (SSI) available to families with a disabled child.

Gathering Data from FIP Participants

The Sample. The goal was to select families to be interviewed from a community-wide list of welfare recipients, something only available from the Iowa Department of Human Services (DHS). Iowa State University was able to obtain the complete list of FIP recipients for each of the seven counties in which the target communities were located.

A random sample of 15 names in each community was selected from the DHS lists. The only exceptions to this process were in the two communities deliberately selected because of large Hispanic populations. In those two communities, families with Hispanic surnames were sampled separately; six names were chosen randomly from the Hispanic list, and nine were selected from the nonHispanic list. Although this method of stratification is clearly subject to error, it was the best that could be done under the circumstances. A comparison of the number of Hispanic families identified in each community to the number of nonHispanic families indicated that a simple random selection would probably have yielded about the same division of Hispanic-nonHispanic families.

The 15 potential respondents were sent a letter that explained the project and indicated that two members of the Iowa State University Extension staff that served the community might be stopping by their home to ask them to participate. Calling ahead for appointments was not recommended because of the potential for the respondent to be absent at the time of the appointment. It was further suggested that the interviewing team try to obtain the interviews during the late afternoon, evenings, and weekends, to maximize the possibility that the respondent would be home. Interviewers began with the first name on the list and proceeded through the list until five interviews had been obtained. Interviewers used the same methods in conducting the household interviews as they used in the community interviews. Two team members participated in each interview, taking detailed notes and tape recording the interview. Following the interview, the field notes were combined into one set of interview notes.

All community teams were offered the assistance of interviewers who would be able to conduct the interviews in Spanish. Four of the six Hispanic names in one community were identified by local DHS staff as nonEnglish speaking. A Spanish version of the respondent letter was prepared and mailed to the four families. Two of the four families were interviewed by Spanish-speaking interviewers.

All respondents were given a $20 gift certificate to a local restaurant or grocery store at the end of the interview. A gift certificate (as opposed to a $20 bill) would not need to be reported as income, and so would not affect subsequent FIP benefits.

The Interview Protocol. The interview protocol was a combination of structured and semi-structured questions. The structured portion of the interviews consisted of a series of questions to gather demographic information about all of the individuals living in the household: age, gender, relationship to the respondent, level of education, whether the individual was currently a student, his or her health and marital status, and, for those aged 16 and over, employment status and occupation. This table, adapted from several earlier studies conducted by one of the investigators (Winter, Morris & Murphy, 1993; Winter, Morris, Gutkowska, Jezewska, Paleszeweska-Reindl, Grzeszcask-Swietlikowska, & Zelazna, 1995) was administered at the beginning of the interview. The second structured portion, administered at the close of the interview, was a scale of material hardship, adapted from Eden and Lein's recent study of single mothers (Eden & Lein, 1997).

In between the two sets of closed-ended questions, the interviewers posed a series of open-ended questions designed to encourage the respondent to talk about his or her life. Interview topics included: daily and weekly routines; family relationships; support networks of extended family and friends; housing and transportation; current or previous employment; income sources; and current and previous interaction with the welfare system. Areas to be covered and potential questions were adapted from Eden and Lein's work and the ecocultural family interview method developed by Weisner and his colleagues at UCLA's Neuropsychiatric Institute (Weisner, Gallimore, Nihira, Bernheimer, & Coots, 1995).

Gathering Data from SSI Recipients

Because the reevaluation of SSI benefits to low-income families with a disabled child was a part of the federal welfare reform legislation, interviews with SSI families whose benefits had been terminated were thought to be an essential part of our project. With the assistance of The Iowa Child Health Specialty Clinic at the University Hospital School, University of Iowa, we attempted to identify families in our seven communities who had been terminated from SSI benefits. Although they could not release the names of SSI recipients, they agreed to include a flyer in regular mailings to SSI families describing the project and asking those interested to call a toll-free number if willing to participate in our study.

Although many of the issues faced by SSI recipients and FIP recipients are similar, there are differences. For that reason, it was decided that the ISUE field staff would not interview those volunteering from the SSI mailings. Instead, a sociologist on the campus project team whose specialty is qualitative methods and whose area of expertise is women's health issues adapted the protocol to fit the SSI families, and conducted these interviews.

<u>Analysis of Household Data</u>

We now have a rich set of 40 in-depth interviews with Iowa families who have been directly affected by changing welfare policies and programs. It is our plan to analyze these data using an approach similar to the one used in analyzing the community interviews. The interviews have been coded and entered into a text analysis software program that permits us to identify reoccurring themes across households. We will search for similarities and differences in the life experiences of households in the rural and urban settings. The state and community case study findings should provide important contextual information to better understand issues facing these families.

Our current plan is to track these families over time, re-interviewing all households every six months. In 1998, we intend to use findings from these data to inform and shape a large telephone survey of Iowa households. The purpose of the larger survey is to gather a comprehensive baseline measure of family and child well-being at an early stage of the implementation of the federal reforms. The core of this questionnaire will be the same survey instrument used in the Urban Institute's household survey. However, we intend to oversample rural households and develop some unique questions based on findings from our qualitative study of families in the seven Iowa communities.

## Conclusions

It is premature to draw conclusions regarding findings from Iowa's "Family Well-Being and Fiscal Reform" baseline study, however we can assess the process and how it has worked to date. The issue of welfare reform offers the university, and particularly the land-grant university, an opportunity to integrate its extension and research functions and respond to a societal issue that has the potential to change dramatically the roles of state and local governments and supporting organizations. In Iowa, extension educators have become field researchers as we build a data base using multidisciplinary models and multiple methods of inquiry. We have augmented a significant financial investment by the university with a major human investment of extension staff time and talents. Early reports suggest that the process of conducting the state policy case study has opened doors and made new contacts for the university with a wide range of key leaders in state and local government and non-governmental organizations. At the community level, extension staff report that the community and household interviews have been an invaluable way for them to listen to the needs at that level. It has positioned extension in a somewhat unique role in the community-level debate and has given these staff a much broader perspective of the community than they had experienced previously in their traditional role as educators. It is clear that the exercise of data gathering has been an intervention for both extension and those interviewed. It has heightened awareness of potential issues and may serve as a catalyst for policy and program response.

Monitoring change, documenting fiscal developments associated with program changes, and tracking the impacts on families is both a challenge and an opportunity for the university. Welfare reform is an extremely complex policy issue that demands our best theoretical, empirical, and methodological skills. We believe welfare reform has given us an opportunity to realign resources, stretch our disciplinary and methodological horizons, and build a stronger partnership between research and outreach in creating as well as applying new knowledge.

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Endnotes

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