Mountain Promise

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Brushy Fork Institute Recognized by the East Kentucky Leadership Foundation

This year's East Kentucky Leadership Conference was eventful for Brushy Fork Institute. The organization received recognition as "outstanding organization" of 2002. See page 2 for more.

Also at the conference, the EKLN Youth Leadership Program participants presented their Young Leaders' Strategic Plan to Governor Paul Patton and other east Kentucky leaders. Learn more on page 15.

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Brushy Fork Institute
Appalachian Leadership and Development

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CPO 2164, Berea College
Berea, KY 40404
859-985-3858
859-985-3903 (FAX)
www.berea.edu/brushyfork

Peter Hille
Director

Van Gravitt
Program Associate

Donna Morgan
Communications/
Program Associate
Editor

Tina R. Collins
Administrative Assistant

Dr. Gordon McKinney
Director
The Appalachian Center
of Berea College

Lori Briscoe
Associate Director
The Appalachian Center
of Berea College

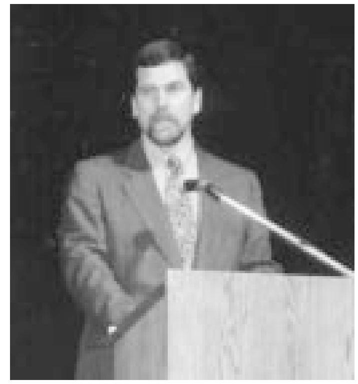
Mission of Brushy Fork

For more than one hundred years, Berea College has served the people of Appalachia.

The Brushy Fork Institute carries forward this commitment by working to develop strong leadership in the mountains.

Working with both existing and emerging leaders, we draw on local understanding and vision to help communities build for tomorrow.

Brushy Fork Institute Recognized as Outstanding Organization for 2002



Hille credits Brushy Fork's success to the dedication of program participants.

Brushy Fork Institute was honored with the 2002 Outstanding Organization Award by the East Kentucky Leadership Foundation. The award was presented at the East Kentucky Leadership Conference in Ashland on April 26. Brushy Fork was cited for its work in leadership and community development in eastern Kentucky communities. The award included special recognition of Peter Hille as Director of the Institute.

"I am honored to be recognized for Brushy Fork's work, which has shaped my own life and the lives of others throughout the region," said Hille. "We couldn't do this without our excellent staff, our partner organizations in the region, and the support of our donors." He noted that the program is sustained by donations, foundation and government grants, contract income, and funding from Berea College, which has increased under the administration of President Larry D. Shinn.

In accepting the award, Hille credited the vision and long-term influence of Brushy Fork's founder, former Berea College President John B. Stephenson. He attributed the Institute's success to the commitment of the program's participants, noting, "It is the citizens working in their own communities who will ultimately create the real transformation of the Appalachian region."

Guidelines used to select Brushy Fork for the award included: making a contribution with broad appeal or impact on the region, having strong ties with the region, and having not been widely recognized for their efforts.

topic this issue

Five Years of Welfare Reform

Five Years of Welfare Reform

A Glimpse of Federal Reauthorization & Where We Stand in Central Appalachia

by Donna Morgan, Brushy Fork staff

When welfare reform legislation was passed in 1996, reaction to the law was a mixture of skepticism about the feasibility of creating positive change by removing people from the welfare rolls and the acknowledgement that the current system wasn't working. The law has been in effect for five years (though reform has been going on longer in some states), and several questions arise regarding how welfare reform has changed lives and communities. Who remains on the welfare rolls in our communities? What are the Bush Administration's reauthorization proposals and how will they affect families and communities? Finally, what are the stories behind the numbers?

Federal Reauthorization

As the Temporary Assistance for Needy Families Program (TANF) undergoes the reauthorization process in September of this year, participating families and their home states could feel the pressure of proposed changes in the law. In late February, the Bush Administration released its proposals for TANF. Those proposals passed the House on May 17 and moved to the Senate for debate. The Bush plan seeks to maintain the program's current level of funding ($16.6 billion annually) over the next five years and retains the five-year limit on benefits. The plan also proposes some new mandates in the law. Some of the proposed changes include:

Increased work time for families: The Administration will require families to participate in work activities for 40 hours per week. Current law requires single parents to devote 20-30 hours to work activities and two-parent families to devote 35 hours. While current law permits vocational education and job skills training related to employment to fulfill 24 of these hours, the Bush proposal requires that these 24 hours be used for unsubsidized employment, subsidized public or private sector employment, on-the-job training, supervised work experience or supervised community service. The Bush plan leaves the use of the remaining 16 hours to be defined by the states for "approved activities, which must achieve a TANF purpose." The proposal makes one exception: participation in substance abuse treatment programs, job training or rehabilitative services could count toward this work requirement for up to three consecutive months in any 24-month period.

Increased work participation rate for states: The work participation rate requirement for states will slowly increase from the current requirement of 50 percent to 70 percent. The increase will take place in five-percent increments between 2003 and 2007. States will be able to count families that meet both the 24-hour work participation requirement and the 40-hour full participation requirement. States receive partial credit for families engaged in activities less than 40 hours. States that don't meet expectations would be subject to fiscal penalties of up to five percent of their TANF funding per fiscal year. States will maintain the ability to exempt up to 20 percent of their caseload from the time limit.

Elimination of existing state waivers: Under pre-1996 AFDC legislation and current TANF legislation, some states received waivers that granted flexibility to develop strategies without federal mandates. The Bush plan proposes to discontinue these waivers. This limits the states' ability to combine education and training with other work-related services, even if such combinations proved successful in past years. However, the Bush plan does propose a new waiver to allow states to integrate funding and program rules across public assistance and workforce development programs.

Phasing out of the caseload reduction credit: The Bush plan will phase out the caseload reduction credit by 2005. This credit reduced the minimum participation requirements in states that had effectively reduced their welfare caseloads. Coupled with the expectation of increased work participation, this proposed change would leave some states having to double the percentage of TANF clients in work activities by the year 2007.

Requirement of state plans for employment retention and advancement: Each state will be required to describe its specific strategies for addressing employment retention and advancement for participating families.

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Bonus to Reward Employment Achievement: This new $100 million per year bonus will replace existing state rewards for those states with high performance on indicators measuring employment, retention and wage increases. The proposal states that the formula for measuring state performance will be developed in consultation with the states.

Efforts to promote marriage: States will be required to provide explicit descriptions of their family formation and healthy marriage efforts, measure numerical performance goals and provide an annual report of achievements. The Bush proposal undertakes a goal "to encourage the formation and maintenance of healthy two-parent married families and responsible fatherhood."

Maximum cash assistance per month
(single parent with two children)

Kentucky	$262
Tennessee	$185
Virginia	$291
West Virginia	$328

(Cash assistance does not include food stamps, medicaid and other support services.)

Total AFDC/TANF recipients by state

State	1993	1995	1997	2000
Kentucky	227,879	193,722	162,730	85,696
Tennessee	320,709	281,982	195,891	143,823
Virginia	194,212	189,493	136,053	67,388
West Virginia	119,916	107,668	98,690	31,500

Percent change per state 1993-2000

Kentucky	62
Tennessee	55
Virginia	65
West Virginia	74
United States	59

Information is from Stateline: Your Source for State News at <www1.stateline.org>. To get information on other states, go to the welfare reform section of their web site and select any state.

Five Years of Reform in Central Appalachia

In Kentucky: In Kentucky, the first families reached the time limit for receiving TANF in November 2001. When the 1996 legislation was enacted, the state had adopted the federal limit of 60 months for its residents. Under current law, Kentucky families who receive TANF cash assistance have to start working six months after first receiving aid. Kentucky has offered transitional child care, with no time limit imposed on families with incomes below 200% of the federal poverty level. Families who are transitioning into the workforce can receive Medicaid assistance for 12 months.

In Tennessee: The first Tennessee families began reaching their TANF time limit in April 1998. Families in Tennessee can receive TANF cash assistance for 18 months, then must have three months off the rolls before receiving additional aid. The federal mandate of 60 total months of assistance applies. People are required to begin work activities immediately upon receiving TANF. For those families moving off the welfare rolls, Tennessee offers 18 months of transitional child care and Medicaid assistance.

In Virginia: Families in Virginia are allowed to receive TANF for 24 months out of every 60 months (or two years out of every five), with the federal lifetime limit of 60 months. The first Virginia families left welfare rolls in July 1997. A family receiving assistance must begin work activities three months after aid begins. Families transitioning into the workforce can receive child care and Medicaid assistance for 12 months.

In West Virginia: In January 2002, the first families in West Virginia met their 60-month limit for TANF cash assistance. Families receiving assistance begin work activities immediately and can receive aid for 60 continuous months. As people move off the TANF rolls, they can receive child care and Medicaid assistance for 12 months.

Behind the Statistics

As a Field Service Supervisor for the Cabinet for Families and Children, Teddi Allen has observed many changes wrought by welfare reform. As a veteran social services worker, she recalls the days when working with clients mainly comprised signing them up for cash assistance, child care aid and food stamps. "Today, we actually work to get people off the system," she says.

"Just imagine," describes Allen, "being a young mother of two children whose husband has just left her. At this point, if you could get food and shelter for yourself and your children, your focus doesn't move much beyond that." In the reformed system, Allen's role in assisting clients is expanded to include counseling on employment strategies and helping them look beyond the current crisis.

Allen admits the job isn't always easy. "There are so many obstacles—which is the hardest to overcome really depends on where you live. In southeastern Kentucky, it's the job market." Most people moving into the workforce from welfare can find only minimum-wage jobs in fast food or retail—occupations that don't tend to move former welfare recipients out of poverty.

Many people wonder why recipients in rural areas don't just move to where they can find better paying jobs. "Part of the reason," Allen explains, "is because they have a support system here that they wouldn't have if they moved." Family members provide child care, transportation and emergency food and shelter. Allen has seen recipients try Kentucky's relocation program, which will pay the cost of moving for people who can verify they have a job elsewhere. "If the job doesn't work out," Allen observes, "you will probably see the person return to their rural, home community."

Even low-wage, entry-level jobs are out of reach for some welfare recipients. Allen notes that many families still receiving assistance face tougher barriers than the clients already moving into the workforce. Troubled families contend with a variety of problems: substance abuse, physical and spouse abuse, mental and physical disabilities, and illiteracy. Only when they overcome these tough obstacles can they move on to such hurdles as lack of child care and transportation.

Allen notes that welfare reform has helped social service agencies better meet the needs of these hard-to-serve clients. "The biggest success of welfare reform is the bringing together of state agencies," she says. "We have better communication among sister agencies that are working with the same people. We are wrapping services around the client, blending our strengths to serve them better." She emphasizes the importance of comprehensive family services to meeting the needs of families. "If I don't know who can help a client with a problem," she notes, "a worker from another agency might know just where to refer that person."

Allen recognizes education as a primary solution to moving welfare recipients into successful work lives. Her major concern with the federal proposal for reauthorization is the reduced emphasis on education. "If you impose [President Bush's] requirements onto someone trying to get an education, they will have to drop out," she warns. "And you can't send uneducated people out to work."

Iva Davis, a former welfare recipient, who now works as a case manager for the Christian Appalachian Project, agrees that education is vital to successfully moving off assistance. "If it weren't for my education, I wouldn't have this job," she declares. Davis received an two-year degree in business on December 17 last year and a month later had found gainful employment.

She recalls going on welfare after her husband had been laid off from his mining job and couldn't get more work due to back problems. "We were on welfare because it was a necessity," she says. "I had a high school degree and a part-time job at a local grocery store." She says she realized that she had to get an education.

Davis enrolled at Prestonsburg Community College. She also participated in a grant-funded work program that allowed her to work 35 hours a week in addition to taking her classes. Her days were often long and difficult, but she notes the work as being the easiest part of her education.

Transportation proved to be one of her biggest challenges. "I had to hitch-hike to school and work," she recalls. The used car that her family bought with money from selling her husband's cows spent much of the time broken down. Davis would wait at school until she found someone who would be driving near her home and who was willing to give her a ride. Public transportation was hard to come by and taxis were too expensive, she notes.

"I was lucky, though" she states as she describes her time at the college. "My children were old enough to look after themselves." She remembers

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Nickel and Dimed

On (Not) Getting By in America

by Barbara Ehrenreich

Metropolitan Books, Henry Holt and Company, LLC, New York, NY 2001

Review and Commentary by Lori Briscoe-Pennington,
Associate Director of the Berea College Appalachian Center

In her bestseller Nickel and Dimed, author Barbara Ehrenreich chronicles her odyssey into the underpaid, overworked America of the working class. A freelance journalist and writer, Ehrenreich, inspired by the heated dialogue surrounding welfare reform, decided to leave the comforts of her middle class life and experience for herself the harsh reality of struggling to survive in the low-wage workforce.

She spent three months in three different American cities, Key West, Florida; Portland, Maine; and Minneapolis-St.Paul, Minnesota. What she found in all places, in all job environments, was the same—a scenario she refers to as Corporate versus Human.

Her memoir is painful, depressing, at times funny, and most of all challenging. It challenges the reader to think in a way that connects individual experience with national and global policies by bringing the politics of the national economy into the day-to-day intimacy of one's personal life. It forces one to ask the hard questions about the true democracy put at risk by a governmental agenda that promotes and protects private interests above the health and well-being of the citizen workers employed by the corporations who exploit, perpetually impoverish, and demean them for profit.

Ehrenreich is among many writers, researchers, journalists, community activists and others who have been speaking out against the cavern of inequality between the haves and have-nots. In Nickel and Dimed she transforms her personal politics into personal experience for a very effective examination of the need for a national living-wage movement.

Ehrenreich has many advantages going into her journey: she is white, English-speaking and healthy, and has transportation and no childcare worries. Working two jobs, with emergency funds brought into the experiment from her other, "real" life, she seems more likely than the average person to succeed at her simple goal to make ends meet working full-time on average wages in the "unskilled" service industry.

She works as a waitress in Florida, where she learns quickly a lesson that will follow her to the other locales. There is a housing crisis in many places in this country where "tourists and the wealthy compete for living space with the people who clean their toilets or fry their hash browns." Essentially this means paying through the nose for the most minimal, often derelict shelters. Ehrenreich goes into each scenario with a thousand dollars for deposit and first month's rent, a cushioning advantage unavailable, she finds, to her co-workers.

In spite of this, she finds that affordable, decent housing is nearly unavailable for people in her new income bracket. (As her well-researched footnotes cite: Rents usually need to be less than 30% of one's income to be affordable, yet 59% of poor renters spend over 50% of earned income on shelter). Not much money is left for utilities, food and gas. So deficient are the leftovers, as the author soon finds out, that many of her co-workers are hungry, homeless, or a day or two's pay away from both. Working multiple jobs that pay anywhere from local minimum wages to nine dollars an hour still doesn't allow employees to meet their most basic needs.

Granted, there are scenarios where such jobs are manageable, such as when a married couple has one partner making higher wages or when extended family cooperate in reciprocal networks of shared childcare, housing and food needs. However, 50,000 women enter the low-wage workforce fresh off welfare each month and, odds are, they are single-parents with little support from our rapidly dissolving social safety net.

Ehrenreich goes on from waitressing in Florida, to cleaning for The Maids, a national house-cleaning chain in Maine, to working as a Wal-Mart "associate" in the Twin Cities. She details her housing struggles, her food worries, her work-related or induced health woes and most importantly accounts the stories and struggles of her coworkers for whom this is as true-to-life as it gets.

In all cases, what she finds is that a full-time job (or sometimes multiple jobs) in the low-wage working sector still means hunger, poor healthcare, and often homelessness. Beyond the physical realm these jobs often lead to a system of painful assault on the dignity of common workers. In fact, in all of her situations the most disturbing of her findings is the manipulative, self-perpetuating power structure that ensures that those working for low wages will always work for low wages and that they don't dare speak up or allow themselves to believe they deserve more. Ehrenreich describes a feudal system, which in many ways is extreme.

From application processes that require personality tests, compulsory urine-analyses, to "management by stress," employees are subjected to demeaning, dehumanizing and condescending institutional structures that reinforce their powerlessness and inevitable dependence. Ehrenreich writes of the feeling of no-escape she feels in the break room of the Twin Cities Wal-Mart where she is employed:

> I get a chill when I'm watching TV in the break room one afternoon and see…a commercial for Wal-Mart. When a Wal-Mart shows up within a television within a Wal-Mart, you have to question the existence of an outer world. Sure, you can drive for five-minutes and get somewhere else—to Kmart, that is, or Home Depot, or Target or Burger King, or Wendy's, or KFC. Wherever you look, there is no alternative to mega scale corporate order, from which every form of local creativity and initiative has been abolished by distant home offices. Even the woods and meadows have been stripped of disorderly life forms and forced into a uniform made of concrete. What you see—highways, parking lots, stores—is all there is, or all that's left to us here in the reign of globalized, totalized, paved-over, corporatized everything. I like to read the labels to find out where the clothing we sell is made—Indonesia, Mexico, Turkey, the Philippines, South Korea, Sri Lanka, Brazil—but the labels serve only to remind me that none of these places is "exotic" anymore, that they've all been eaten by the great blind profit-making machine.

Barbara Ehrenreich's memoir does what objective research and reports do not; it describes the day-to-day intricacies of life for those who work hard in a system that doesn't reward them or even keep them afloat. More than this, her book enables us to hear the voices of her co-workers, for whom Ehrenreichs's experiment is brutal reality. Many go hungry, some live in their vans, most live in exploitive rent-by-the-week motels, all lack basic health care, all struggle to survive, and none of them have the luxury of reflecting on, much less taking on, the corporate power structure that relies on their servitude. "What you don't necessarily realize when you start selling your time by the hour is that what you're actually selling is your life."

If we aim to truly lift people out of poverty, then we should be paying "living wages" that enable people to meet more than just their basic needs. An appropriate system should combine hard work, opportunity and equity to help workers rise above poverty.

Welfare Reform Reauthorization and Status continued from page 5

other students, some of whom were single parents with younger children, who faced challenging child care situations. "Time management and child care are huge problems," she says, noting particularly the difficulty of arranging schedules around night and weekend classes. Finding quality time to spend with their young children can be nearly impossible for some of these single mothers.

Under reauthorization, Davis would like to see increased leniency for parents with young children. These parents might be afforded options for transportation, child care and decreased work hours. Davis would also like to see increased support for families moving into the workforce. "Once you get a job, they cut you off completely. You really need some time to get back on your feet."

Welfare Reform Reauthorization

Administration Needs Input from Local Citizens

by Dr. Viola Miller, Secretary for Families and Children for the Commonwealth of Kentucky

Prior to passage of the 1996 welfare reform act, the public was keenly aware that momentous change was in the works, and the nature and extent of that change were hotly debated. I hope the press and public will give similar close attention to President Bush's reauthorization proposal, which has troubling implications for Kentucky families.

The administration's plan contains some very positive aspects. The most significant of these is the maintenance of funding: Kentucky would continue to receive a $181.2 million block grant each year, as it has for the past five years. An additional strength is the increased freedom the Bush plan would give states to streamline and make compatible the eligibility processes for welfare and related programs, including food stamps and housing assistance.

But, taken as a whole, the proposal would inflict unwarranted hardship on participants in the Kentucky Transitional Assistance Program. The plan's most problematic aspects are its requirements that more welfare recipients hold jobs and that they work longer hours.

This heightened emphasis on work threatens to destroy the educational focus of Kentucky's welfare program. We take great pride in having 15 percent of our Kentucky Works participants enrolled full time in post-secondary education.

> [The] heightened emphasis on work threatens to destroy the educational focus of Kentucky's welfare program.

Currently, federal law requires welfare recipients to participate 30 hours a week in work-related activities, but it allows them to meet that requirement through job-related education for up to 12 months. Thereafter, they can still count 10 hours of education toward the 30-hour requirement, and they can cover the remaining hours through on-campus student work programs.

Kentucky Works participants stick with this demanding schedule of work and study because they recognize, as we do, that education is the surest road to self-sufficiency.

The President's plan would effectively block that road for many of them. It requires people on welfare to work 40 hours a week, and it does away with the option of pursuing an education full-time for a year. Work program participants could count up to 16 hours of schooling toward the mandatory 40 hours, but they would still have to work at least 24 hours weekly.

In sum, the administration wants to deny welfare recipients the chance to get a running start toward a degree or job credential through full-time schooling, and it asks them to fit both more work and more schooling around the demands of caring for their families.

If the 40-hour work requirement becomes law, welfare recipients for whom schooling is not an option must either piece together two or more part-time jobs or find full-time work. Employers must by law provide benefits to their full-time employees. That makes them more selective in hiring and less likely to give a job to someone who is still struggling to acquire the skills expected of a full-time worker.

Despite the obstacles to meeting the 40-hour requirement, the President's plan raises the percentage of welfare clients who must hold jobs from the current 50 percent to 70 percent. It also phases out the credits states receive for each person they move off the welfare rolls. A 70 percent work participation rate with no credit for caseload reductions will almost certainly result in penalties for Kentucky.

Further dramatic gains in moving people on welfare into jobs will require services that the administration's plan does not provide. Many welfare recipients in the state are already working, but the rest consist increasingly of people with major barriers to employability, including substance abuse, domestic violence and learning disabilities. Instead of offering states assistance in dismantling those barriers, the administration's language limits access to drug and alcohol treatment opportunities.

By forcing more welfare participants to work, and requiring those who work to spend more hours on the job, the Bush plan would greatly expand the need for affordable childcare. Yet the President proposes no increase in childcare funding. The childcare subsidy program in Kentucky is already strained to the limit, and we may well be forced within the next two years to reduce the eligibility threshold from the current 165 percent of poverty. If the administration's plan becomes law, Kentucky may have to choose between denying affordable childcare to some Kentucky Works participants and diverting money from supportive service programs to pay for additional childcare. Either choice harms low-income working families.

Further dramatic gains in moving people on welfare into jobs will require services that the administration's plan does not provide.

The Cabinet for Families and Children and many other advocates for low-income Kentucky families had high hopes that the President and Congress would refashion welfare reform to focus on the real issue, poverty, and particularly on alleviating the effects of poverty on children. The adults in most families who live in poverty hold jobs, and many of them work full-time. They are doing all they can to lift their children out of poverty. Whatever else government might try to accomplish through welfare reform, it should help them in that effort.

The Bush reauthorization plan offers these families too little help. Congress can do better by giving states the challenge, and the means, to alleviate poverty's blighting effect on children.

Kentucky and other states have shown they are up to the challenge. They have done a good job with welfare reform, and have earned the right to continue the level of flexibility in their use of welfare dollars that has characterized the past five years. The administration's plan would diminish that flexibility. Congress should restore it.

I have addressed only a few of the issues of concern to Kentuckians as we look ahead to the second generation of welfare reform. The last five years have shown that well-conceived welfare reform can broaden horizons for our neediest citizens. Reauthorization, if done right, can broaden them further and for more families. The press and public can help make that happen.

Basic Family Budget Calculator

Getting By in HometownUSA

compiled from the web site of the Economic Policy Institute;
www.epinet.org/datazone/fambud/budget.html

The federal poverty line for a family of four in 1999 was $16,700.

The federal poverty line for a family of four in 2002 has risen to just $18,100.

To calculate the basic family budget for other family types or areas, go to the Economic Policy Institute's web site at www.epinet.org/datazone/fambud/budget.html.

Information for this article was compiled with assistance from Brushy Fork student worker Kierca Kimbel.

The federal poverty line has traditionally been used to measure whether families have incomes high enough to enable them to meet basic needs. Most researchers now agree that a poverty line income is not sufficient to support most working families.

The Economic Policy Institute offers an online Family Budget Calculator that determines the income needed for particular types of families to make ends meet. Because costs of goods and services vary across the U.S., the calculator customizes the budgets for 400 U.S. communities.

The basic family budget comprises the amounts a family needs for food, shelter, clothing, transportation and other subistence needs. Hence, it includes no savings, no restaurant meals, no funds for emergencies—not even renters' insurance to protect against fire, flood or theft.

Below are family budgets for the year 1999 in the rural areas of Kentucky, Tennessee, Virginia and West Virginia. All the figures below pertain to families with 1-3 children and positive earnings.

Rural Kentucky

Monthly housing	$374
Monthly food	$510
Monthly child care	$567
Monthly transportation	$277
Monthly health care	$286
Monthly other necessities	$274
Monthly taxes	$279
Monthly total	$2,566
Annual total	$30,787

Percentage of people in state below family budget line: 29.9%
Number of people in state below family budget line: 211,000

Rural Tennessee

Monthly housing	$365
Monthly food	$510
Monthly child care	$607
Monthly transportation	$277
Monthly health care	$237
Monthly other necessities	$271
Monthly taxes	$160
Monthly total	$2,426
Annual total	$29,110

Percentage of people in state below family budget line: 32.6%
Number of people in state below family budget line: 391,000

Rural Virginia	
Monthly housing	$446
Monthly food	$510
Monthly child care	$681
Monthly transportation	$277
Monthly health care	$250
Monthly other necessities	$296
Monthly taxes	$295
Monthly total	$2,753
Annual total	$33,038

Percentage of people in state living below family budget line: 20.3%
Number of people in state living below family budget line: 251,000

Rural West Virginia	
Monthly housing	$375
Monthly food	$510
Monthly child care	$602
Monthly transportation	$277
Monthly health care	$246
Monthly other necessities	$274
Monthly taxes	$260
Monthly total	$2,544
Annual total	$30,526

Percentage of people in state living below family budget line: 37.1%
Number of people in state living below family budget line: 68,000

Minimum Wage Losing Ground

from the web site of the Economic Policy Institute; www.epinet.org

In 1996-97, Congress and the Clinton Administration raised the value of the federal minimum wage from $4.25 to $5.15. Unless Congress acts soon, the value of that increase will disappear by next year.

Each year that Congress fails to raise the minimum wage, its buying power is eroded by inflation. The figure below shows the real value of the minimum wage from 1995 through next year (using Congressional Budget Office inflation projections for this year and next). By 2003, based on the CBO's conservative estimates of inflation,* the real value of the minimum will have returned almost exactly back to its level prior to the last increase.

Despite the strong wage growth over the late 1990s, millions of workers, including many parents leaving welfare for work, depend on the minimum wage. Congress needs to move quickly in order to counteract the erosion of the last increase.

* CBO presumes inflation will rise 1.8% in 2002, although as of the first quarter of this year, inflation was rising at an annual rate of 3%. Were we to incorporate this higher rate of price growth into the figure, the value of the last increase would erode even sooner.

Promoting Access to Better Jobs

Lessons for Job Advancement from Welfare Reform

by Julie Strawn and Karin Martinson

This excerpt is reprinted by permission of the editors from *Low-Wage Workers in the New Economy*, edited by Richard Kazis and Marc S. Miller and published by Urban Institute Press.

As unemployment reached record lows in recent years, many policymakers began to shift their attention away from the jobless and toward those who were working but still struggling to make ends meet. Increasingly, the question was: How can we best aid low-income workers to advance to better jobs? While the slowing economy in 2001 has renewed recession fears, unemployment remains low, and policymakers are still focused on aiding low-wage workers.

There is little hard research available to guide decisionmaking in the area of job advancement. Nevertheless, some insights can be found in the wealth of research on the experiences of women who have left welfare for work and in the rigorous evaluations of the employment programs that serve them. While the research findings are complex, broadly speaking they suggest that:

- Steady work alone is not a path to substantially higher wages;
- Where someone starts in the labor market—her initial wages and occupation—matters for her future success; and
- Postsecondary education or training is a key factor in who advances over time.

Further, welfare-to-work programs have shown that it is possible to help low-income people move into better jobs—with higher pay and benefits, compared with what they would have on their own—even within a relatively short time frame. However, workforce development policymakers and practitioners probably cannot replicate this success without making important changes in the way services are currently delivered. Probably the most critical tasks are to involve employers in the design and delivery of services, to make occupational training accessible to those with low skills and to those who are working, and to connect shorter-term training with opportunities to earn postsecondary degrees.

Key Factors for Labor Market Success

Past research on the experiences of women who leave welfare suggest that most become employed but at low wages, typically above minimum wage but below the poverty level. Job loss is high, especially in the first four to six months after leaving welfare. Few of the women manage to work steadily over time; in one study, for example, only 5 percent of those who left welfare managed to work year-round and full-time in that period (Cancian and Meyer 2000). On average, women who leave welfare do earn substantially more over time because they work an increasing amount, but their hourly wages grow very modestly (by less than 8 cents per year in the same study). More recent studies indicate somewhat higher wage growth—perhaps as much as 4 percent annually. Given the low initial wage of women leaving welfare, however, even these higher estimates are unlikely to make a substantial difference in whether families leaving welfare escape poverty (Corcoran and Loeb 1999; Gladden and Taber 2000a, b).

Women who have received welfare are a diverse group, however; this overall picture reveals little about who among them succeeds in the labor market or why. Several recent studies have tried to take a closer look and isolate the personal, family, and job factors that predict how welfare recipients entering

For more information on *Low-Wage Workers in the New Economy*, contact Marc S. Miller, Director of Publications at Jobs for the Future, 88 Broad Street, Boston, MA 02110; 617.728.4446 extension 120; www.jff.org; mmiller@jff.org.

the labor market do over time. One important observation from this research is that helping people work steadily over time and helping them move up to better jobs may be somewhat different tasks, with different factors important for each.

Key Factors for Steady Work

- *Working steadily initially is linked to sustaining employment over time, other job and personal factors being equal.* Women who worked more in the first year after leaving welfare were more likely to be employed four and five years after leaving welfare, although not necessarily at the same jobs. This was especially true if they worked full-time throughout the first year after leaving welfare (Cancian and Meyer 2000).

- *Starting out in jobs with higher wages is linked to sustaining employment over time.* Holding education levels and other job and personal factors equal, women in one study who began working at higher wages worked more weeks over a five-year period (Rangarajan, Schochet, and Chu 1998). Another study of women who left welfare for work found that those with higher wages were more likely to stay employed (Rangarajan, Meckstroth, and Novak 1998). This is consistent with recent evaluation research (Freedman 2000) and with earlier labor market studies (Bartik 1997; Lidman 1995; Slaughter et al. 1982).

- *Starting out in jobs with employer-provided benefits is linked to sustaining employment over time, again holding other personal and job factors equal.* One study found that those who began jobs that offered paid vacation stayed employed for an average of 12 months at a time, compared with 7 months among those without such leave. Similarly, those who began working in jobs that offered health insurance worked 77 percent of the following two years, compared with 56 percent of the time for those without insurance (Rangarajan et al. 1998).

- *Starting out in certain occupations may be linked to sustaining employment over time.* One study found that among women who began working in sales in the first year after leaving welfare, 73 percent worked at some time in the fourth and fifth years. By contrast, among women who started in other common occupations, such as private housekeeping, building cleaning or maintenance, clerical, and private-sector care (which includes health care and formal child care), 83 to 95 percent worked in the fourth and fifth years after leaving welfare (Cancian and Meyer 2000). Two other studies also found a relationship between initial occupations and future employment; a third did not.

- *Among those who find work, personal characteristics, such as educational attainment and basic skill levels, are only weakly linked to sustaining employment over time.* Research has found little relationship between the initial basic skills and educational attainment of women who have received welfare and how much they sustain employment over a five-year period. This may reflect in part the fact that those with the lowest basic skills are much less likely to be working at all. In addition, studies find little relationship between other personal characteristics—such as number or age of children or housing status—and sustaining employment over time (Olson and Pavetti 1996; Rangarajan et al. 1998; Strawn and Martinson 2000).

Key Factors for Moving to Better Jobs

- *Working steadily initially at any job—even over several years—does not lead to substantially higher wages later on.* One study found that women who worked full-time and/or all year in the first year after leaving welfare did not have higher wages in the fourth and fifth years than those who had worked part-time for only part of the year. Similarly, women who worked more months in the first three years after leaving welfare did not have higher wages in the fourth and fifth years than those who had worked less (Cancian and Meyer 2000). Another study found similar results (Rangarajan et al. 1998). However, some recent research suggests that full-time work may lead to higher wages than part-time work (see chapter 7 in this volume; Corcoran and Loeb 1999).

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Access to Better Jobs continued from page 13

- *Switching jobs periodically can be a path to higher wages later on.* One study found that among welfare recipients in four cities who found work, 40 percent changed jobs within the first year, with two-thirds moving to jobs with higher wages and one-third moving to jobs with the same or lower wages (Rangarajan et al. 1998). Another study reached similar conclusions (Cancian and Meyer 2000). Other research has found that changing jobs can be a path to higher wages among low-skilled workers but only in moderation: One voluntary job change a year is linked to higher wages but any more are associated with lower wages, as are involuntary changes (Gladden and Taber 2000b).

- *Starting out in higher paying jobs is linked to higher wage growth over time.* The initial wages of women leaving welfare are strongly linked to future wages (four or five years later), even after controlling for other work history and job personal factors. In one study, the hourly wages of those in the top one-fourth of the wage distribution grew significantly over five years, from $7.90 to $8.84. By contrast, the average wages of those in the bottom one-fourth did not increase at all (Cancian and Meyer 2000). Several earlier studies found similar patterns (Bartik 1997; Burtless 1997). Similarly, an earlier analysis found that only about half of those whose wages were below $4.50 (in 1992 dollars) in the first year after leaving welfare had incomes above the poverty level in the fifth year, compared with three-fourths of those whose initial wages were $7.50 an hour or more (Cancian and Meyer 1997).

- *Higher basic skills, especially education beyond high school, are strongly linked to higher wages later on.* The same study found that those with basic skills test scores in the top three-fourths of all scores earned about 8 percent more an hour in the fourth and fifth years than those with scores in the bottom one-fourth. Interestingly, whether someone had a high school diploma mattered little for wage growth after controlling for other factors, such as basic skill level, how much individuals worked, and at what kinds of jobs. However, education beyond high school was strongly linked to higher wages later on (Cancian and Meyer 1997).

The implications of the research presented here for policy are complex. Broadly speaking, they point in these directions:

- Helping low-income people retain their initial jobs or quickly become employed again may also promote steady work in later years.

- Promoting steady work alone is unlikely to lead to higher-paying jobs for many low-income workers; other policies and services are needed.

- Helping low-income people find better jobs initially—higher -paying jobs or ones with benefits—may promote both steady work and further job advancement in later years.

- Over the long term, better access to postsecondary education and training is likely to be an important piece of the solution to promoting access to better jobs.

- Despite job advancement policies, it is likely that most low-income people will continue to work at low-wage jobs. If poverty reduction is a goal, then wage supplements and other antipoverty policies will be needed.

Next issue will explore medicine in Appalachia

Communities and individuals have taken various steps to meet the medical needs of residents throughout central Appalachia. In this issue, we will hear stories of those people and explore traditional herbal medicine. If you have a story or an idea, contact us using the information on page 2. Deadline for the next issue is July 15, 2002.

EKLN Students Present Their Young Leaders' Strategic Plan

The East Kentucky Leadership Conference held April 26-27 in Ashland, Kentucky, marked the culmination of a year of planning by high school students participating in the East Kentucky Leadership Network's Youth Leadership Program. At a session on Saturday morning, the young people presented their plan to east Kentucky's leaders.

Over the course of the last year, the students identified four critical issues to be addressed in the region. The areas were 1) employment/poverty reduction; 2) lack of recreational opportunities; 3) infrastructure; and 4) high alcohol and drug use.

To reduce poverty and increase employment, the students suggested implementing social programs, creating jobs and promoting education. They specifically noted as strategies: providing incentives to industry; promoting tourist attractions; encouraging small businesses; creating Chambers of Commerce; offering college-credit classes in the community; increasing scholarship opportunities; and attracting jobs with good pay and benefits.

Increasing the number of recreational facilities, using school facilities and providing programs for youth were noted as ways to promote recreational opportunities. The students particularly suggested opening existing community facilities; providing after-school activities; having community leaders sponsor activities and serve as mentors; and providing sports, plays and concerts.

Governor Paul Patton receives the Young Leaders' Strategic Plan from Peter Hille.

The young leaders identified three infrastructure areas needing attention: roads, water and sewer systems, and the environment. Suggested strategies were: widening and paving roads; installing traffic lights; using community-based road crews to make improvements; seeking funding for water/sewer lines; enforcing punishments for illegal septic systems; improving the communications infrastructure; and providing adequate housing for residents.

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Young Leaders' Vision Statement

The youth of eastern Kentucky envision a region with improved educational, recreational and economic opportunities for current and future generations. By promoting leadership in our generation, we hope to motivate others to make eastern Kentucky a better home for everyone, with strong communities that meet the needs of residents, such as drug control and better roads, while preserving our natural beauty. As the leaders of tomorrow, we want to transform eastern Kentucky into a shining example for the rest of the country.

Download a full copy of the Young Leaders' Strategic Plan for Eastern Kentucky on Brushy Fork's web site at www.berea.edu/brushyfork/Strategic_Plan.pdf. You may download the students' presentation at www.berea.edu/brushyfork/EKLN_PRE.pdf.

2001 Leadership Development Program

Projects Promote Peace, Education,

from reports at the closing workshop

Wood County, West Virginia
A Season for Non-Violence

As the country recovered from the shock of the 9-11 attacks, thoughts across the U.S. turned to retaliation. In this atmosphere, the team from Wood County, West Virginia, saw a need for healing and felt a call to promote non-violent actions in their local community. The team also noted the need to help local community residents address issues regarding race and ethnicity, as migration patterns bring in people of other cultures to the county.

Adopting the name, "Wood County Season of Non-Violence Initiative," the group planned a series of events promoting peace. The activities took place the period between the anniversaries of the assassinations of Mahatma Gandhi, January 30, and Martin Luther King, Jr., April 4. The group partnered with organizations that were already offering events and produced a calendar and poster to help publicize the events.

The Wood County Team's first original event took place on January 21 as they hosted a Martin Luther King Day Youth Fair at the Cultural Center for Fine Arts. One hundred children, from kindergarten through sixth grade, attended the fair and took part in activities such as arts and crafts, character building classes, and civil rights music. The children also received lunch, which was paid for by donations raised by team members.

Wood County team members gather around the Peace Pole they installed near the county library.

In March the group dedicated a Peace Pole, an international symbol that is inscribed with the word "Peace" in many languages. The Wood County team placed their Peace Pole in the new arboretum at their public library in Parkersburg. The pole will serve as a focal point in what team members described as a "public, peaceful area." The word "Peace" appears on the pole in English, Italian, Arabic and Chinese—languages that reflect cultural groups represented in Wood County.

The night before the closing workshop began, the group presented a film showing and community discussion of "Gandhi." Guests who came to the film included local community college students who were able to use the film and discussion as part of their class work.

The Wood County team plans to continue its activities next year, with similar events being offered to the public. Their long-term vision is that another group will become interested in some of the events and that they can eventually collaborate with organizing annual activities.

Mingo County, West Virginia
Coming Together

The team from Mingo County, West Virginia, picked a project that reflected the diversity and culture of their home area. The group adopted the name "Mingo County Coming Together." One team goal was to honor the diverse citizens who have played a part in developing the county. To do this they planned to design and build memorials in parks in the county. The team's long-term vision was to bring together the county's many communities by acknowledging their shared heritage and providing physical gathering places for residents.

For the site of the first park/memorial, the group chose the City of Williamson, partially because it is the county seat and also because it serves as a gateway from Kentucky. The City of Williamson donated land in the heart of downtown for the park and

Unity, Recreation, and Entrepreneurship

agreed to install benches in the lot. Wal-Mart gave the group six benches, which the city will install. The Wildwood Garden Club has agreed to landscape the lot. As of the closing workshop, the team had the park area cleaned and ready for installation of the equipment. They had not erected the memorial at that time, but plans were underway to have a local coal company provide a large chunk of coal on which a memorial to coal miners could be placed.

Because the Mingo County team wanted to do similar projects in other communities, fund raising was an issue. Raising money in the economically depressed area in the months after the 9-11 tragedies proved to be a real challenge. Rather than asking for outright donations, the group decided to undertake an effort to produce and sell a game called Your Townopoly. A business produces the games and bases them on local establishments, businesses and other entities in the communities that want to sell the games.

The Mingo team called their game Feudopoly and based it on the infamous Hatfield and McCoy feud. The group was responsible for selling enough spaces on the game board to pay for producing the games, which team members could then sell to raise project funds. As of the closing workshop, the team still had a few spots to sell.

The team plans to complete at least one additional park in Delbarton. To maximize its efforts, build on existing resources, and benefit more people, the group has connected with the Kiwanis Club and other civic organizations. A team member who reported stated that the group still holds strong to its mission. “We really want to see people have places to just go and get together. There are places available if we just do some improvement.”

Floyd County, Kentucky
Technology Gift Incentive Foundation Team

The team from Floyd County, Kentucky, chose to create a technology gift program for a deserving student from their county. Adopting the name, Technology Gift Incentive Foundation Team (T-GIFT), the group undertook the challenges of designing application materials, deciding on selection criteria, selecting a recipient for the computer, and purchasing the best computer system to meet that recipient’s educational needs.

Holding true to their technological theme, the group made efficient use of e-mail, which every team member was able to access. The group met face-to-face twice monthly, but when work schedules or other conflicts prevented someone from attending, they were able to provide input to the group electronically. If information was needed to make a decision at a meeting, it was distributed in advance by e-mail, a process which saved meeting time that otherwise would have been spent reading material. Minutes were distributed electronically as well.

T-GIFT members publicized their program in the local newspaper and by making presentations to Family Resource Centers, the Chamber of Commerce, the single-parent program at Prestonsburg Community College and other agencies. Using the matrix they developed for selection, the team chose a recipient from the nine applications they had received by the March 15 application deadline. The entire team was involved in the selection process, which involved assigning a point system based on

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Floyd County’s TGIFT member Kathleen Weigand explains the process used to select their computer award recipient.

criteria such as income level, how the applicants said they would give back to the community, and feedback from letters of recommendation.

This year's computer recipient is Linda Maynard, a 43-year-old single parent who will attend Morehead State University. The team is excited that their gift to this deserving student will help increase her educational opportunities and move her into a more active role in the community. They also expect this mother's children to benefit from having a computer in their home.

T-GIFT members presented the computer to the winner at a banquet on May 17. The awards banquet served not only to honor this year's recipient but will help fund the purchase of a computer for the team to award next year. Businesses and individuals in the community sponsored entire tables (6 seats for $115) or individual seats ($20 each) at the banquet. T-GIFT has prepared a vision statement and articles of incorporation, and plans to incorporate so that the program will be in operation for many years to come.

Powell County, Kentucky
Focus on Community

Powell County Focus envisioned having a nice park in Powell County, where families and individuals could enjoy the peaceful beauty of the forested landscape. The group wanted to do something for both of the towns in the county, so they decided to build a gazebo at the city park in Stanton and provide some funds for landscaping for a park in Clay City.

Members of Powell County Focus explain how helping hands throughout the community made their project possible.

Because the team wanted to promote county unity behind their project, they worked to collaborate with many people and groups. When they contacted the group responsible for the park in Clay City, they learned that plans for refurbishing the park were already underway, but that money was needed for planting some trees around the park. Powell County Focus decided to help fund the landscaping and then concentrate their physical work efforts on building the gazebo in Stanton.

The site the team chose at the park in Stanton was near the ball park and a walking trail. The group envisions parents using the gazebo to wait as their children play ball and walkers from the trail using the space as a rest area. Before team members could begin construction of the gazebo, the site had to be prepared and the weather had to cooperate. High school students who were members of the National Beta Club helped the group clean the site in December. The team held a second clean-up in March following heavy rains and floods.

At the closing workshop, the group was getting set to construct the 12 X 12 gazebo. They will use a plan and materials purchased from Lowe's. Team members had met in March but discovered that they didn't have all the supplies they needed to build the structure, so they postponed their work days. As they reported, the group jokingly told how they ended up with 86 bags of Quickrete, which weren't really needed for construction. (What concrete they needed was actually being donated by a local contractor.)

The team will involve the high school agriculture construction classes in the building and landscaping processes and plan to hold the grand opening of their gazebo by July 4 of this year, so that it can be used for picnics and festivals.

Berea College Team
Entrepreneurship for the Public Good

"When we were in the first discussion stage of our project, I did not know much about entrepreneurship, and none of us even knew how to spell it!" reported a student on the Berea College

continued on next page

Blake Jones Recognized with Brushy Fork Service Award

Blake Jones (on the left) receives a set of "brushy forks" produced by Berea artisan George Oberst.

At the closing workshop of the 2001 Leadership Development Program Cycle, Blake Jones, Brushy Fork Associate Facilitator, received the Brushy Fork Service Award. Norman Parsons, a former award recipient from McCreary County, Kentucky, presented Blake with a set of "brushy forks."

As a college student, Blake was on the first Berea College team to attend a Brushy Fork Leadership Development Cycle in 1990. Since his graduation from Berea, Blake has served as an Associate Facilitator for several cycles of the Leadership Development Program. He has also served as Brushy Fork's resident musician, providing guitar music and vocals to entertain workshop participants.

Thanks for your time and dedication, Blake!

2001 Leadership Development Program continued from previous page

team. That all changed for the Berea students and faculty that made up a team in this year's Brushy Fork program. When this team came together, campus community members were working to develop a program called Entrepreneurship for the Public Good (EPG), and the Brushy Fork team members have served as innovators for the developing program.

Originally, the team planned to publish a catalog of criteria to help people understand what kinds of small businesses would find success in the community of Berea and would serve needs in the community. As the group worked on the catalog, they realized that better than a catalog would be a matrix for rating the potential success of entrepreneurial efforts. The team members designed a form to help members of the community provide appropriate services and products for the public. The criteria included: need/demand for the product, feasibility of the business, uniqueness, liability, financial risk, and monetary profit potential.

Developing the matrix required a great amount of teamwork doing research, getting public input, and refining the results. The group developed a definition of entrepreneurship that team members referred to as more of a concept: "the creative management of resources for the public good." They realized that entrepreneurship involved a certain amount of risk and some potential for monetary profit, but that these were not the only defining qualities of a successful small business.

Faculty members praise the team's efforts in helping solidify parts of the EPG program. "We developed a language, a way of talking and sharing with others, that I think will be helpful for the Berea College community and the broader community," noted a College administrator, who was also a member of the team.

Team members also noted that, though the team can take no credit for them, two small businesses are due to open in Berea soon—an ice cream shop and a bakery. Both of these businesses ranked high on the group's matrix.

Congratulations
to the 2001 Teams!

Young Leaders' Strategic Plan continued from page 15

Following the presentation of their Young Leaders' Strategic Plan, EKLN students shared a photo with Governor Paul Patton.

To curb the region's high alcohol and drug use, the students recommended activities, education and enforcement as solutions. They suggested drug education at an early age; counseling and rehabilitation services; activities to keep children away from drugs; stricter penalties for drug use and drunk driving; and random drug testing for employees in public jobs.

The EKLN students developed these strategies through a series of conferences in which they developed a vision for the region, performed a SWOT analysis and prioritized the area's critical issues. Eighty students from nine counties participated in the program. The counties included Breathitt, Clay, Cumberland, Elliott, Jackson, Letcher, Martin, Owsley, and Rockcastle. The program was supported with funds from the Appalachian Regional Commission through the Department of Local Government.

Congratulations to the students and coordinators for a job well done.

Brushy Fork Institute
Berea College CPO 2164
Berea, KY 40404
859-985-3858
www.berea.edu/brushyfork

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