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The impact of the introduction of premiums into Kentucky's SCHIP program

By James Marton
University of Kentucky

The State Children's Health Insurance Program (SCHIP) was introduced in the late 1990's to initiate and expand health insurance coverage for uninsured, low-income children. The federal government set a broad outline for the program's structure and gave states flexibility in creating programs to meet their own needs. This flexibility included maintaining separate state programs, expand state Medicaid programs, or create new programs.

The flexibility also included giving states the ability to vary the amount of cost sharing imposed in a separate (non-Medicaid-expansion) SCHIP program, subject to certain limits. Because average state public insurance spending growth has exceeded the growth in state tax revenue in the past several years, several states have introduced or increased premiums in their SCHIP programs. Although most of the empirical literature on SCHIP to date has examined the introduction and implementation of this program across states, there is a new and growing strand of literature that analyzes the impact of cost sharing on enrollment in SCHIP programs (for example, see Kenney, Allison et al. (2007) and Kenney, Marton et al. (2007) and references therein).

Eligibility for public coverage for children in Kentucky can be generally thought of as falling into three eligibility categories, depending on the income of the child's family. Children in families with income up to 100% of the federal poverty level (FPL) are eligible for Medicaid. Children in families with income of 101- 200% FPL are eligible for Kentucky's SCHIP program, which is called the Kentucky Children's Health Insurance Program (KCHIP). The 101-150% FPL eligibility category of KCHIP is called KCHIP 2 and was established as an expansion of Kentucky Medicaid. The 151-200% FPL eligibility category of KCHIP is called KCHIP 3 and was established as a stand alone program.

During the time period analyzed, the average monthly enrollment in Medicaid, KCHIP 2, and KCHIP 3 was 327,629 children, 32,089 children, and 18,459 children, respectively. As mentioned above, because KCHIP 3 is a stand alone program the state can charge premiums in this eligibility category without applying for a federal waiver (which is not the case with KCHIP 2). Although Kentucky did not initially take advantage of this flexibility, rising programmatic costs and reductions in state tax revenue motivated the state in December 2003 to introduce a modest (relative to the maximum allowed) $20 per family per month premium for KCHIP 3 enrollment.

The unique institutional structures of these programs in Kentucky make it possible to identify the impact of the introduction of SCHIP premiums by comparing the responses of KCHIP 3 families to KCHIP 2 families, assuming that these two types of families are similar other than their premium fee and income level. To test the effect of the premium on KCHIP 3 enrollment, I used data on public coverage enrollment for all children between December 2001 and August 2004 from the Kentucky Cabinet for Health and Family Services. This data contains demographic information and enrollment data, including whether or not the family was disqualified due to nonpayment of the premium. The average monthly probability of exiting KCHIP 3 in the data is 3.18% while the average monthly probability of exiting KCHIP 2 is 2.27%.

Results

The estimates in this research suggest that the average monthly probability of exiting KCHIP 3 in the three months after the introduction of the premium is 8.25% and in the following 6 months the average monthly exit probability is

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Letter from the director

By James P. Ziliak

In this issue of *Insights* we highlight several research projects funded by our internal and external grant programs that span important public policy topics from children's health insurance to social service provision in rural communities to job quality among the working poor and universal preschool. A common theme throughout the four articles is that regardless of how well-intentioned policy reforms may be, there are important gaps in coverage and that it is important to understand the heterogeneity of responses to policy reforms across the income distribution, geographic space, and family structure.

We lead with an article by UKCPR Faculty Affiliate James Marton, who discusses the effect of premiums on participation in Kentucky's State Children's Health Insurance Program. Kentucky introduced a $20 monthly premium for participants with family income between 150 and 200% of the federal poverty line. He demonstrates that an unintended consequence of the premium was to hasten exists from such coverage, which may ultimately result in a greater cost burden to the state if the families seek high-cost care, such as hospital emergency rooms.

Scott Allard of Brown University is concerned about the scope and level of social service delivery in the wake of welfare reform in some economically distressed, rural counties. He conducted a survey of secular and faith-based social service agencies in rural counties of Southeastern Kentucky and South Central Georgia. He found that faith-based groups are important in the provision of social services and that an issue now confronting policy makers is adequate funding of service providers.

UKCPR Faculty Affiliates Leigh Ann Simmons and Jennifer Swanberg note that there is abundant research on welfare-to-work transitions and job training among the working poor but scant research on the potential physical and mental health consequences of poor job-match quality. They find that the health of the working poor suffers when employees have inflexible and stressful working conditions.

Elizabeth Cascio of Dartmouth College enters the current high profile policy debate surrounding the benefits of universal preschool versus publicly funded preschool targeted to children from disadvantaged backgrounds. Dr. Cascio examined how the introduction of universal kindergarten in the United States during the 1960s affected maternal labor-market decisions. She found that the availability of public kindergarten increases the labor supply of women with no children younger than 5 years old.

In a bid to further understand the effects — both intended and unintended — of major public policy reforms the UKCPR is hosting a research conference in April on the long-term consequences of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). PRWORA was a watershed event in the history of America's social safety net, and the goal of the conference is to gain a better understanding of how the reform has affected low-income children and families in the decade since passage. The 1996 legislation represents a major departure from previous government efforts to ameliorate poverty, and there has been much rhetoric on the pros and cons of the legislation. However, we are now at a point where we can assess the long-term impact of work requirements, shifts from transfer payments to social service provision, and changes to delivery of health care to the poor, among other policies. Indeed, the onus is now on researchers to provide policy makers with the clear, understandable information they need to formulate sound public policy. Some of the nation's preeminent poverty scholars will converge in Lexington for the two-day event to discuss their findings on the effects of the reform, and I am hopeful that our April conference will create new opportunities for the translation of rigorous research into policy and practice.

Geography and stability of the safety net

By Scott Allard
Brown University

How do communities provide assistance to poor populations? Popular and scholarly conceptions of the safety net often focus on means-tested cash assistance or income maintenance programs. Yet, social service programs (e.g., job training, adult education, child care, mental health, substance abuse) have become the primary avenue through which the safety net provides assistance and promotes self-sufficiency among many poor populations. Whereas governmental spending on welfare cash assistance has declined from about $30 billion in 1975 to about $10 billion today, it is estimated that real-dollar government expenditures for means-tested social service programs grew over the past three decades from $47 billion to about $110 billion (Congressional Research Services, 2003).

Unlike cash assistance, however, many publicly-funded social service programs are delivered through nongovernmental organizations. Local nonprofit organizations, not welfare checks, provide the bulk of help offered by the safety net today. This has meant that steady growth in the nonprofit human service sector has followed growth in government service programs in recent decades (Smith, 2002). Nonprofit service agencies filing tax-exempt status with the Internal Revenue Service reported revenues of nearly $100 billion in 2003, roughly double that reported in 1990 (Nat'l. Ctr. for Charitable Statistics).

Two primary sets of events have led to these changes in the safety net. First, governmental support of social service programs supporting work activity has increased dramatically over the past several decades. Government social service funding for child care, job training, adult education, mental health treatment, substance abuse services, and other programs promoting economic self-sufficiency has grown dramatically since the War on Poverty (Smith, 2002). Welfare reform in 1996 has played a part as well. Whereas real-dollar federal and state government expenditures for AFDC cash assistance remained roughly constant at around $30 billion from 1975 to 1996, expenditures for TANF welfare cash assistance amounts to about $10 billion today – a two-thirds decline in the decade following welfare reform (U.S. Department of Health & Human Services).

Access and stability among providers

Although the expansion of social services may reflect the safety net's ability to better address barriers to employment and improve personal well-being, it requires a shift in thinking about provision of social assistance. Unlike cash assistance, social services typically cannot be mailed or delivered to a recipient's home and are contingent on the location of providers and those served. Clients often must visit governmental or nongovernmental agencies to receive social services. Many low-income people visit several different service agencies each week or month for a variety of material and non-material needs (Edin and Lein, 1998).

Inadequate access to social service providers is tantamount to being denied assistance in a service-oriented safety net. Thus, ensuring that the poor have access to service providers is critical if people in need are to receive help. Ensuring stability of providers also is critical to providing accessible services. It is difficult for poor people to get assistance if providers in the community do not maintain consistently funded or operated programs. Of most concern is the fact that resources devoted to social service provision decline when the economy slows, making a service-based safety net less counter-cyclical than in previous decades.

Despite recognition that the provision of services is critical to supporting economic well-being in rural areas, there is very little empirical research on social service provision in rural areas and none that considers accessibility to rural providers, where there may be few community resources and great distances to travel to access those resources. Ultimately, failing to recognize how place shapes our approaches to alleviating poverty will lead to mismatches in the delivery of assistance and the persistence of unmet needs.

Survey of rural providers

In this study, I examine data from a telephone survey of program managers and executive directors of organizations serving low-income populations in South Central Georgia and Southeastern Kentucky. These unique data are part of a larger Rural Survey of Social Service Providers (RSSSP) in four high-poverty rural regions: Southeastern Kentucky; South Central Georgia; Southeastern New Mexico; and the border counties between California and Oregon. The Georgia site includes eight rural counties: Atkinson, Bacon, Ben Hill, Berrien, Coffee, Jeff Davis, Pierce, and Ware. The Kentucky site consists of eight rural counties: Bell, Clay, Harlan, Jackson, Knox, Laurel, Rockcastle, and Whitley. A total of 464 organizations and churches in Kentucky and Georgia were contacted. Providers were included in the RSSSP if they provided programming to the poor at low or no cost. Surveys were completed with 283 of the 464 social service providers, for a response rate of 60.9%.

Characteristics of rural safety nets

Rural safety nets are highly dependent upon the nonprofit sector for service delivery capacity. More than 50% of providers in each rural site are nonprofit organizations. Government agencies compose about 40% of service providers. See table on page 4.

Those agencies that identify as for-profit tend to operate mental health or substance abuse programs. Roughly one-third of all service organizations self-identify as faith-based organizations, 36.8% in Kentucky and 31.3% in Georgia. Most faith-based organizations provide basic material assistance (food, clothing, and temporary cash). While about one quarter of providers in each state report annual budgets of $1 million

or more, the majority of agencies operate with budgets under $200,000 annually.

Social service providers appear to target most of their efforts at poor women. About three-fourths of all providers maintain caseloads that are majority women. Rather than offer a mix of services to poor and non-poor populations, rural service providers in SE Kentucky also appear to serve low-income populations almost exclusively. While most clients are poor, only one-third of providers in these rural regions maintain caseloads that are predominantly composed of welfare recipients. Further, highlighting the importance of spatial proximity to service providers, most providers report that a majority of their clients live within the county in which their particular site is located

A wide array of services is available across each multi-county site. See table on page 5. Nearly half of secular organizations in each site report helping the poor find affordable housing. One-third of secular providers in each site offer adult education, more than half offer employment services. Eleven to 19% of secular providers in each site offered some type of emergency assistance program to poor families. A quarter to one-third of secular providers in each location report offering utility or heating assistance to poor families.

Access to services

As might be expected, a majority of providers are located near and around the population centers of each rural region, as 66% of providers in Kentucky and 88% of providers in Georgia are located within 10 minutes of population centers. Yet, there is evidence that providers are not readily accessible. Poor people in Southeastern Kentucky must commute nearly 20 minutes by automobile on average to receive help. On the other hand, most counties and towns in South Central Georgia have access to few or no service providers.

Barriers to service receipt also are quite prevalent in each rural community. Lack of child care, physical health problems, and low levels of literacy are reported by 20-30% of providers as frequent barriers clients experience to receiving assistance or treatment.

Stability in service provision

Private giving and government grants appear to be the most common sources of revenue for providers in these two rural regions. Nearly 85% of providers in Kentucky and two-thirds of providers in Georgia report receiving funds from private giving. Similar shares of providers in Kentucky and Georgia report receiving support through in-kind donations (71% and 58%, respectively). See the table at the bottom of page 5.

Almost 60% of providers in Kentucky and 43% of nonprofit service providers in Georgia report receiving government contracts or grants. Many organizations are dependent upon government funds for a majority of their operational revenues. Fifty-seven percent of nonprofit service providers in Georgia receiving government grants or contracts report such funds composing at least half of total revenues, compared to 40% in Kentucky. Nearly half of all agencies receiving public support report fewer dollars from government grants and contracts in the last three years.

Forty-two percent of service agen-

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Organizational characteristics of service providers in rural Southeast Kentucky and South Central Georgia

Type of Organization	% of Providers in SE Ky.	% of Providers in SC Ga.
Government	40.0	41.2
Non-profit	58.3	54.4
For Profit	1.7	4.4
Size of Annual Budget		
More than $1 million	21.9	25.0
$200,000-$1 million	18.8	20.0
$50,000-200,000	30.2	33.3
Less than $50,000	29.2	21.7
Self identify as faith-based	36.8	31.3
Median clients per month	90	65
Over 50% of clients are		
Women	79.1	74.6
Below poverty line	93.0	74.2
Receive welfare assistance	33.1	35.0
Live in county	89.9	79.3
African-American	0.0	40.9
Sample size	116	69

Source: Rural Survey of Social Service Providers

cies listed in community directories and phone books were no longer operational or no longer providing services to low-income populations, broadly defined. Almost 55% of providers in Kentucky and Georgia that are operating programs for the poor report reducing services, reducing numbers of clients served, reducing staff, reducing hours of operation, or temporarily closing the office due to funding problems.

Discussion

Rural safety nets and social service delivery vary from community to community. Instead of a safety net that offers even coverage and access to assistance, it is highly patch worked across rural areas, with gaps in service. Ensuring that programs and services are readily available in rural areas is critical to promote work activity, enhance well-being, and achieve successful program outcomes.

Much of the current research regarding social welfare policy making and the safety net does not recognize the dramatic shift in how society and communities help the poor. As a result, scholars miss the opportunity to ask many important and interesting questions about the consequences of a service-based safety net. Data from the RSSSP provide some initial insights into the nature of rural safety nets, but future scholarship should continue to investigate the relationship between place, service utilization, program participation, and work outcomes among the rural poor. In particular, more attention should be given to nonprofit service provision and services that rural communities provide to the poor.

Scott Allard is an assistant professor of political science and public policy at Brown University's Taubman Center for Public Policy.

Service provision across secular and faith-based providers in rural Kentucky and Georgia

Type of service offered to low-income adults	% of providers in Southeastern Kentucky		% of providers in Southcentral Georgia	
	Secular organization	Faith-based organization	Secular organization	Faith-based organization
Mental health	18.1	9.5	22.7	9.5
Substance abuse	18.1	16.7	29.6	23.8
Finding affordable housing	51.4	35.7	51.1	38.1
Adult education/GED/ESL	37.5	16.7	33.3	33.3
Employment services	54.9	23.8	54.4	14.3
Emergency assistance	19.4	42.9	11.1	47.6
Food assistance	58.3	76.2	33.3	81.0
Utility or heat assistance	36.1	52.4	26.7	76.2
Transportation assistance	34.7	38.1	50.0	38.1
Service activity in last year				
Reduced services offered	19.4	48.8	39.1	38.1
Reduced number of clients	13.9	31.7	31.1	38.1
Reduced staff	45.8	16.7	43.5	19.1
Reduced hrs. of operation	6.9	16.7	19.6	9.5
Temp. Shut down site	0.0	11.9	13.0	19.1
Sample size	72	42	46	21

Non-profit service provider funding streams

	% non-profit in SE Ky.	% non-profit in SC Ga.
Funds from Medicaid	13.4	16.2
At least 50% funds	57.1	40.0
Gov't Grants and Contracts	59.1	43.2
At least 50% of funds	40.5	57.1
Receive non-profit grants	47.7	29.0
At least 50% of funds	13.3	28.6
Receive private giving funds	84.9	66.7
At least 50% of funds	39.6	75.0

Note: Places of worship not listed in community directories as service providers excluded from table.
Source: Rural Survey of Social Service Providers

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Job quality and self-rated health among the working poor

Leigh Ann Simmons
and Jennifer E. Swanberg
University of Kentucky

Since Welfare Reform in 1996, one population of workers has continued to grow – the "working poor." These individuals are working for wages and salaries but still earning incomes near or below the federal poverty line. An area that has not been studied extensively among the working poor is the quality of their jobs beyond access to employee benefits such as health insurance and sick leave.

Knowledge about job quality is important for two reasons. First, research shows that workers in poor quality jobs are more likely to have ill health, including more cardiovascular disease, stress, hypertension, and depression (see Johnson & Hall, 1988; Karasek 1979, Karesek & Thoerell, 1990 as examples). Second, workplace factors that contribute to job quality (e.g., supervisor support, learning opportunities, and input into decision- making) have been associated with employment outcomes, including job commitment and retention. (Bond, Galinsky & Hill, 2005; Bond, Galinsky, & Swanberg, 1997). Thus, job quality may be an important factor in understanding labor force attachment and poor health among the working poor, who are vulnerable to employment in lower quality jobs (Lambert, 1999; Lambert & Haley-Lock, 2004).

The purpose of this study was two-fold. First, we examined what job content quality factors are associated with perceived physical health status for the working poor. Second, we sought to examine whether these factors are different for the non-poor (those who work and have incomes above 250% of the federal poverty threshold). Using data from the 2002 National Study of the Changing Workforce (Families and Work Institute, 2004), a nationally representative study of the United States labor force, we compared the relationship of job quality and self-rated health status between the working poor, respondents living in households earning 250% of the federal poverty threshold or less, and the non-poor. We define working poor as families earning 250% of poverty or less, because research shows that families in this income bracket face challenges to stable employment, including lack of accessible and affordable childcare, transportation difficulties, and depression (Polit et al., 2001). This definition captures workers, both among the ranks of the poor and the so-called near poor.

Self-rated health status was assessed by the response to a single question asking participants to rate their health as fair to excellent. Job quality was measured by eight factors: 1) decision latitude, defined as the degree to which a worker has authority to make decisions and determine job tasks; 2) psychological demands, defined as emotional and psychological energy required to fulfill job responsibilities; 3) supervisor support for work issues, defined as strategies the supervisor uses to manage employee work assignments and demands; 4) supervisor support for work-family issues, defined as strategies the supervisor uses to manage employees' conflicts between work and home life; 5) coworker support, defined as a worker's sense of belonging and ability to rely on coworkers for assistance; 6) physical demands, defined as how physically tiring a job is; 7) job insecurity, or the possibility of job loss; and 8) schedule flexibility, defined as the worker's ability to control his/her work schedule, including access to alternative, more flexible work arrangements (i.e., work from home, work fewer days per week for longer hours).

After controlling for demographic factors, we found that psychologically demanding jobs were significantly associated with poor health outcomes (Adjusted Odds Ratio: 0.63, p-value=0.01), and supervisor support for work-family issues was marginally associated with increased odds of a worker reporting poor health (AOR: 0.77, p=0.08). High job demands and low supervisor support for work-family issues are associated with poor health status for working poor individuals. Among non-poor respondents, those who reported having less decision latitude, less supervisor support for work-family issues, and less coworker support were more likely to report poor physical health status.

Our findings suggest that researchers may be overlooking an important aspect of work that may contribute to health and well being: the quality of jobs. For both the working poor and non-poor respondents, job quality was associated with employee health, although the specific job quality factors differed for the two groups of workers.

Further research in the area of job quality for low-wage workers is needed to inform policies and practices so employers will understand how different types of jobs, and different types of workplace practices, may affect workers differently. Additionally, employers need to consider how their management practices affect quality of life on and off the job, including understanding the work-family interface and its relationship to employee productivity and well-being.

Policy implications

Results from this study suggest that psychological job demands are significantly associated with poor health among the working poor. In the workplace, employers that rely on a low-wage workforce likely would benefit from redesigning management practices and workplace processes to reduce psychological job demands, as this also may reduce the incidence of poor employee health and associated costs. Additionally, organizations may benefit from employing strategies that integrate employee-responsive supervisory practices into management training. Workforce development funds could be utilized for pilot projects aimed at changing supervisory and management attitudes about work-life issues. Alternatively, tax incentives could be provided to businesses with large numbers of certain categories of workers (e.g. hourly and low-wage workers) that implement creativity in workplace flexibility.

At the federal level, recent policies have been aimed at increasing economic self-sufficiency through long-term em-

ployment. However, less attention has been give to the role of job quality in retention and long-term economic stability. To remedy this, one-stop employment centers funded through the Workforce Investment Act could incorporate job quality into assessments of available jobs. Workers could then be matched with prospective employers that offer a work environment that best "matches" family life and responsibilities.

County welfare agencies also could incorporate job quality into employment services when they clients in meeting required work efforts. In both cases, a good match of workers and employers enhances long-term employment prospects.

Leigh Ann Simmons is an assistant professor of family studies at the University of Kentucky and a faculty affiliate of UKCPR. Jennifer Swanberg is an associate professor of social work at UK and a member of UKCPR's executive committee.

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3.59%. This suggests that new premiums are associated with shorter enrollment spells, and that this effect is concentrated in the first few months after the change.

In comparison, the probability of exiting KCHIP 2 in the three months after the introduction of the premium (which did not apply to KCHIP 2 enrollment) is 2.46% and in the following 6 months it is 1.72%. The fact that the KCHIP 2 response is not very different from the average exit probability in the KCHIP 2 sample suggests that the relationship observed between premiums and spell duration in the KCHIP 3 sample is causal.

Unlike previous research in the literature, I did not treat a movement from KCHIP 3 into KCHIP 2 or Medicaid as exits because I was given access to all public coverage eligibility data in the state. As a comparison, I estimated alternative models in which transfers to other public coverage were ignored. In these alternative models, the average monthly exit rate from KCHIP 3 in the sample is 8.64%. In the first 3 months following the introduction of the premium the exit rate is 16.57% and in the following 6 months is 8.13%. These results imply that the exit definition typically used in the literature leads to an overestimate of the impact of premiums on public coverage enrollment. In the study, exits from the program are divided into three categories: 1) a child turns 19 and is no longer eligible 2) a child is no longer eligible because the family does not pay the premium; and 3) a child exits for another reason, such as getting private coverage.

Conclusions

My research suggests that changes in the duration of SCHIP enrollment are the result of a modest premium. The premium level in KCHIP 3, $20 per family per month, is lower than the maximum allowed premium that could be imposed. For example, the 2006 U.S. Department of Health and Human Services Poverty Guidelines report that a family of three at 151% FPL has a family income of $25,066 and that same family at 200% FPL has a family income of $33,200. A $240 annual premium is equal to .96% of $25,066 and .72% of $33,200. Because the limit on cost sharing is 5% of income in families with children who have income above 150% FPL, annual premiums of up to $740 would still be below the limit, ignoring any other forms of cost sharing.

The Deficit Reduction Act of 2005 gives states more latitude to charge premiums and implement other cost sharing measures in their Medicaid programs. The findings of this research may be of use to states as they consider how best to respond to this increase in latitude and how their responses might affect enrollment in public insurance programs.

James Marton is an assistant professor of public policy and administration at the University of Kentucky and a faculty affiliate of UKCPR.

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Maternal labor supply responses to public funding of kindergartens in the United States

By Elizabeth Cascio
Dartmouth College

State and local governments across the United States are either considering or have already passed initiatives to fund preschools. Benefits of preschool are widely documented in the literature and include a variety of socioeconomic gains. Another justification is a potential gain in the labor supply from families who cannot otherwise afford child care.

But how much does maternal employment in particular respond to public schooling? Which mothers change their labor supply? This paper provides new evidence on these questions by using variation in preschool availability from the introduction of kindergartens into American public schools.

My analysis compares the child care and labor force decisions of women with age-eligible, 5-year-old children around the time of funding initiatives in the mid 1960s. My analysis exploits public use micro data samples of the 1950-1990 Decennial Census. The Census allows me to examine pre-initiative trends in employment over a long period and also offers large samples, making it possible to estimate models for different subpopulations and to define narrow comparison groups.

I find that single mothers with a kindergarten eligible child and no younger children exhibited a strong employment response to the program. I find no evidence that opening public school kindergartens raised the employment of married mothers of 5 year olds or of single mothers with children under the age of five. For nearly all subpopulations, however, there is evidence that public kindergartens led to significant crowd-out of private care and education.

Kindergarten initiatives increased the public enrollment rates of 5 year olds with no younger siblings by 19-24 percentage points (39 to 50%). Thus, for every 10 eligible children enrolled in public school as a result of the initiatives, about three single mothers with no children under five entered the workforce, and enrollment of a 5-year-old in public school allowed the typical single mother with no younger children to work 13 more hours per week. These effect sizes are larger than those found by Gelbach (2002) for this subpopulation using Census data from 1980 but using a different research design.

For single mothers without children younger than five, estimates of the effect of state funding are quite similar. Full implementation of the program is associated with an 8.1 percentage point increase in the likelihood of working and 3.23 more hours worked in the prior week. An alternate method of estimates shows results similar in magnitude and in general more precisely estimated. For example, when compared to single mothers with 7 or 8 year olds and no younger children –the better of the two comparison groups for this subpopulation – the program is associated with a marginally significant 13% increase in the likelihood of employment and a significant 14.7% increase in hours worked, each relative to pre-initiative means.

Labor supply responses to the program for single mothers came in part from how kindergartens changed the price of childcare. In particular, increases in the public school enrollment of 5 year olds were met with large movements away from private programs. Full implementation of the funding initiatives was associated with reductions in private school enrollment of 9.5-10.2 percentage points on a base of 11%. Thus, even in a subpopulation where public interventions in the child care market matter a lot on the extensive employment margin, public child care options appear to crowd out private ones.

Estimates for public school enrollment also imply that, for every 100 children enrolled in public school fewer than four married women with no younger children entered the labor force. Whereas the employment rates of single women with 5 year olds and no younger children rose relatively quickly in the decade after state funding for kindergarten, the same is not true for married mothers.

The questions of whether and how public schooling affects maternal labor supply are critical to understanding the relative merits of universal, as opposed to targeted, preschool programs. Indeed, in the vast majority of states, the debate today is not over whether to fund pre-kindergarten programs, but rather which children should be eligible to attend.

Today, 43 states have pre-K programs in operation, and state programs serve at least 900,000 children – as many 3 and 4 year olds as served by the federal Head Start program. The vast majority of these programs are indeed targeted toward at-risk groups, but several states (such as Georgia and Oklahoma) have universal programs.

This study implies that the labor supply responses to preschool availability are also relatively great among mothers of the neediest children, particularly when there are no other younger children in the household. As a result, continuing to target state-financed preschool programs toward children in disadvantaged families – and perhaps widening their age eligibility limits – may be a more socially desirable alternative to universal access.

Elizabeth Cascio is an assistant professor of economics at Dartmouth College. The full report is available at http://www.ukcpr.org/Publications/DP2006-05.pdf.

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Research in brief...

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Exploring the Contribution of Historic Preservation to the Persistence of Poverty: Developing Affordable Housing in Savannah, Georgia, *by Malik Watkins, Savannah State University.*

This study examined how historic preservation functions within the affordable housing production process. The researcher analyzed the impact of gentrification on housing in low-income and historic communities and also examines the Savannah Landmark Rehabilitation Project, which utilized historic preservation practices to create three hundred units of low-income rental housing in the Savannah Victorian Historic District. The research also identified regulatory and other barriers encountered in applying historic preservation practices, and applying for incentives such the rehabilitation and housing tax credits. Another intent was to categorize those elements missing from local, state, and possibly federal policies and programs that enhance affordable housing production within urban historic areas.

This research also identified housing development and financing practices and their ability to meet municipal housing goals, such as those set forth in Savannah's Consolidated Housing and Community Development Plan.

Also examined is the Savannah Landmark Rehabilitation Project (SLRP) as a model for successfully joining historic preservation and affordable housing. In the late 1970s, preservationists achieved what today's advocates espouse -- revitalizing historic housing without the displacement of the poor. The SLRP curbed gentrification by combining both private and public investment to preserve the stock of affordable housing within a historic district regulated under local preservation ordinances.

Savannah has more houses built before 1939 than any other city in Georgia and is faced with an abundance of deteriorated housing. A 2001 housing survey conducted by the City of Savannah, found that out of 11,227 housing structures, 74% of them required some level of repair. Thus, while the city of Savannah is widely known for its beautiful and historic architecture, this poses a dichotomy.

The presence of older homes provides an excellent opportunity for historic preservation, but those living in poverty throughout these communities have their poor economic condition exacerbated because of their lack of resources. Savannah is an appropriate environment for assessing the intersection of poverty, affordable housing, and historic preservation.

The Savannah Housing Department estimated that more than 24,000 very low to low-income households needed quality, affordable housing in 2005, but the cost for this much housing is enormous. Multiple and prolonged public reviews of joint rehabilitation/affordable housing has been identified in the literature as a barrier to producing affordable units.

One Savannah developer described his effort to rehabilitate 11 units of affordable housing in the Savannah Victorian district as "overwhelming" due to the 9-month approval process mandated by the local housing finance agency.

The SLRP was a private, non-profit housing program that preserved and reused 300 historic Victorian units as affordable rental housing in Savannah, all in the face of market-based gentrification.

First, SLRP used private funds and grants to buy dilapidated structures. By 1982, it had secured rehabilitation funding and rent subsidies to provide nearly 300 units of affordable rentals in the Savannah Victorian district. Because of its successes, SLRP is a model for melding the demands of historic preservation with the need for affordable housing in low-income communities.

Malik Watkins is an assistant professor of urban studies at Savannah State University and director of the University's Survey Research Center. The full report is available at http://www.ukcpr.org/ResearchHousing.html.

Livelihood strategies of food insecure poor, female-headed families in Alabama's Black Belt, *by Andrew Zekeri, Tuskegee University.*

This research investigated how single mothers in Alabama's Black Belt region cope with food insecurity. African-American and Hispanic households are more likely than whites to be food insecure and hungry, and rural African-Americans are an especially vulnerable group. Households headed by single women in general, and particularly those by African-American females are at even greater risk for food insecurity and hunger. According to 2000 Census statistics, almost 90% of the families in Alabama's Black Belt are female-headed units with children under 18. Median household incomes, which were around $16,646, ranked among the lowest in the nation, and poverty rates of about 40%.

Study participants were interviewed up to two times during a 1-year period (May 2005 through June 2006) using in-depth semi-structured techniques. The majority was African American (85.7%) and had no education beyond high school. Regarding household income, the majority (57.1%) earned less than $10,000, and 13.3% earned $14,000 or less. Overall, a majority of the respondents were poor, had lower education levels, lived in poor quality housing, and were not receiving food stamps.

More than half of the women obtain food from their income, and many women talked about the difficulty of finding employment, particularly a job that pays a living wage. About 51% of the single mothers are employed full-time and others are working part-time. The jobs available to these single mothers are often unstable, offer few benefits (childcare and health insurance), and pay low wages.

Less than half of the single mothers interviewed (44.1%) were receiving food stamps. Nine percent received cash assistance from community groups and charities. Fifteen percent received cash, vouchers, or direct assistance from

a community group, charity, or student aid program to pay their bills.

Twenty-two percent of the single mothers interviewed are receiving contributions from boyfriends in order to make ends meet. They relied on their boyfriends to help pay the bills that welfare alone does not cover. Gifts from boyfriends are important resources to single mothers and their children.

Some single mothers go to private or public charities and social service agencies for support. These agencies provided important and valuable resources, at least occasionally, for a majority of the single mothers interviewed. Food banks were among the agencies mentioned most often (42%); although, some single mothers used them on regular basis.

Twenty-seven percent of the single mothers engaged in belt-tightening actions, eating smaller amounts or less expensive foods from time to time. Most of the mothers in this study expended considerable energy and pieced together numerous strategies to make sure that there was an adequate amount of food for themselves and their children. They have extensive networks of kin and friends supporting and reinforcing each other among African Americans. They devise self-help strategies for survival in communities where there is severe poverty.

They also immerse themselves in a domestic circle of kinfolk who will help them. There is an interdependence and cooperation of kinsmen in black communities, lending support to Carol Stack's book *All Our Kin* (1974). The data from this study show that network-based survival strategies are still alive and well among poor African American single mothers. Contrary to expectations, there is low participation in food stamp programs, which do not figure prominently in actions to deal with food insecurity.

Andrew Zekeri is a professor of sociology at Tuskegee University. The full report is available at http://www.ukcpr.org/Publications/DP2006-09.pdf.

Welfare and Work: Comparing Full and Partial Sanctions on the Front Lines, *by Vicki Lens, Columbia University.*

This study contrasted partial and full family work sanctions by examining their administration in Texas, a state that initially imposed a partial benefit sanction, and then changed to full benefit sanctions. A qualitative research design was used to examine how the approaches differ.Sanctions are the primary way for enforcement of work requirements and impose financial penalties on recipients for program rules. Thirty-six states impose some form of full family sanction, cutting aid for the entire family when an adult member violates a work rule.

This study focused on one urban and one rural location in Texas, which shifted from partial to full family sanctions in 2003. It utilized an opportunity to study how the same welfare system implemented partial sanctions and then full family sanctions. A qualitative research design consisted of individual case studies obtained from administrative fair hearing data. Several questions were addressed: What reasons did recipients give for not complying with the work rules under two different sanctioning approaches? How were sanctions applied on the front lines and were full family sanctions implemented differently than partial sanctions?

Texas's Freedom of Information Law was used to request a random sample of every other fair hearing decision on work rules issued in 2002 under the partial sanction regime. The total sample was 178 decisions, with 109 decisions from the urban/suburban region and 69 from the rural region. Because fewer hearings were held under the full family sanction approach, (in part because of caseload declines between 2002 and 2004 and because in the urban region more cases were settled prior to hearing) to obtain a sufficient sample size all fair hearing decisions on work rules issued in 2004 were requested. The total sample for full family sanctions was 77 decisions, with 38 decisions from the urban/suburban region and 39 decisions from the rural region.

The change in Texas from a partial to a full family sanction did not change recipients' reasons for not complying with work rules. Despite the harsher consequences, recipients reported being unable to overcome work obstacles. Workers responses under both approaches were also very similar. Although the hardships endured by the welfare poor are well documented, claims of personal and situational barriers, including ill health, sick children, and a lack of transportation often did not prevent sanctions from occurring.

These findings suggest improvements are necessary in the design and administration of sanctions. One suggestion is to adopt Wisconsin's sanctioning model, which seeks to avoid full family sanctions. Instead, sanctions consist of hourly payment reductions; for every hour missed in assigned work and training activities without good cause. This approach has the advantage of more closely mimicking the workplace.

The use of sanctions should also be reconciled with the need for support services, especially among the hard-to-serve population. The necessity for such services, especially as this population increasingly makes up the rolls, has long been recognized. States and the federal government have devoted substantial funding for an array of services, including child care, transportation, job counseling and training. Sanctions can undermine the effectiveness of such services by cutting recipients off from activities and supports that can lead to labor market participation. Changes are needed to ensure that sanctions are not applied where help would be more appropriate.

Vicki Lens is an assistant professor of social work at Columbia University. The full report of this research is available at http://www.ukcpr.org/Publications/DP2006-07.pdf.

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Funding opportunities from the University of Kentucky Center for Poverty Research

UKCPR, as one of three Federally-funded area poverty research centers, offers annual funding opportunities to researchers interested in poverty and inequality, especially in the US South. Our awards are made after a competitive review of submissions. Visit our Web site, http://www.ukcpr.org, for details. An excellent way to receive updates on our programs is to sign up for our list serve. To request addition, send e-mail to Jeff Spradling at jspra2@uky.edu.

Visit www.ukcpr.org for full RFPs

Regional Small Grants Program
Awards up to $20,000 each

This program seeks research proposals on poverty in the US South from faculty across the nation. Topical areas include interaction of Federal, state, and local programs and their effect on low income families, labor market outcomes, human capital accumulation, transfer-program participation, and child and family well being.

Application deadline: July 16, 2007.

HBCU, TCU, and 1890s universities
Awards up to $12,100 each

This small grants program is open to faculty located at historically black, tribal, and 1890s colleges and universities who are conducting social science research on poverty, inequality, and their correlates. The competitive awards provide development funds to support new and continuing research on poverty in America. Funds may be used to support a variety of research activities such as summer salary support, academic year release time, research assistants, data, travel, equipment, or as seed money for a broader research program.

Application deadline: July 16, 2007.

Young Investigator Development Grants
Awards up to $5,000 each

These awards are aimed at non-tenured, junior faculty for social science research on issues salient to low-income populations in the American South. Topics of particular interest include, but are not limited to, persistent poverty, labor-market outcomes, human capital accumulation, transfer-program participation, child and family well being, and the economic status of disadvantaged and underrepresented populations.

Application deadline: July 16, 2007.

Emerging Scholars Program
Supports a week-long residency at UKCPR

This program offers the opportunity for young scholars in the behavioral and social sciences to visit the UKCPR, interact with faculty while in residence, present research, and become acquainted with the staff and resources of the Center. The intent of the Emerging Scholars Program is to enhance the skills and research interests of young scholars and to broaden the corps of poverty researchers. The Center mentors scholars in quantitative and qualitative methods and a wide array of substantive areas of interest to poverty researchers. Self nominations are accepted as well as recommendations of young scholars by senior faculty.

Applications accepted until positions filled.