

Urban Areas, Poverty, and Welfare Reform

Focus on Wayne County

Eileen Trzcinski

Scope of the Problem

Central cities within the United States typically experience higher poverty rates and higher welfare caseloads than national and state poverty rates and caseload levels. For central cities within the Detroit-Ann Arbor CMSA, U.S. Census Bureau data for 1999 indicate [3]:

- 23.7 percent of all persons lived below poverty level.
- 34.6 percent of children under 18 lived below poverty level.
- 54.4 percent of people in female-headed families with children lived below poverty level.

These poverty statistics have major implications for welfare caseloads. In July 2000, Katherine Allen and Maria Kirby of the Brookings Institution published the results from a three year study on the special impact of welfare reform in urban areas. They cautioned that "...national and state caseload declines are by no means the whole story. These caseload declines obscure the fact that welfare reform will succeed or fail at the local level" [1:1]. Table 1 compares their findings for urban areas within the United States as a whole with the findings for Wayne County.

National and state caseload declines are by no means the whole story. These caseload declines obscure the fact that welfare reform will succeed or fail at the local level [1].

**Table 1. Findings from the "State of Welfare Caseloads" Reports
Brookings Institution, Center on Urban & Metropolitan Policy**

National	Wayne County
While urban welfare caseloads are declining rapidly, they are shrinking more slowly than national caseloads.	Between 1994 and 1999, Michigan's welfare roles declined by 59.4 percent. Wayne county's caseload declined by 54.4 percent.
Urban areas' share of families on welfare has grown.	Wayne County's share of Michigan's families on welfare grew between 1994 and 1999. Wayne County contained 47.6 percent of Michigan's welfare caseloads in 1999, up from 42.4 percent in 1994.
Many urban counties are shouldering vastly more of their state's welfare cases than their share of the state's total population.	While Wayne County contained only 21.4 percent of the state's total population in 1999, it contained 47.6 percent of the state's welfare caseload, more than double (2.2) its "fair share."
Since 1996, the overall racial composition of the welfare caseload in 20 of the largest urban counties has changed only slightly.	Racial minorities are overrepresented on the Wayne County welfare rolls compared to their numbers in the total population. Whites comprised 15.4 percent of the overall population. African-Americans, on the other hand, comprised 42.4 percent of the total county population, but fully 80 percent of the county's welfare caseload.

Source: Allen and Kirby (2000)[1] and Center on Urban & Metropolitan Policy, The Brookings Institution, Fact Sheet Michigan, July 2000 [2]
(<http://www.brook.edu/es/urban/welfarecaseloads>)

The focus on state policies and caseloads, and on individuals' barriers to work, does not take into account that places affect and sometimes limit people's opportunities.

Implications for State and Local Policymakers

In their report, *Unfinished Business: Why Cities Matter to Welfare Reform*, Allen and Kirby [1] presented evidence to show that:

- Cities cannot deal with welfare and working families alone.
- The focus on state policies and caseloads, and on individuals' barriers to work, does not take into account that places affect and sometimes limit people's opportunities.
- As urban caseload declines continue, cities and urban counties must also contend with families who leave welfare for precarious positions in the workforce [1:7]

In order for states and local policymakers to address welfare within large urban areas, Allen and Kirby suggest a number of alternatives in Table 2.

Table 2. Strategies to Address Welfare within Urban Areas

Strategy	Specific Examples
Help Neighborhoods Support Work	Cities need to be equipped with the infrastructure—locally-based services, information, responsive community institutions and innovative programs—to tackle this challenge.
Think and Act Regionally	States need to connect urban welfare recipients to opportunities in the mainstream economy throughout the metropolitan area. Cities and urban counties should strive to make transportation for low-income workers an integral part of the mainstream regional transportation system.
Assist the Hard-to-Serve	Particularly in cities where unemployment rates are relatively high and competition for entry-level jobs may be fierce, public job creation efforts are crucial to helping the hard-to-serve population effectively transition into employment.
Invest in Working Families	States can make huge strides in creating seamless systems that equitably serve working poor families—helping all struggling families, not just those who have recently received a welfare check.
Remove Bureaucratic Barriers to Work	Workforce and welfare programs should work together to enhance welfare recipients' and other low-skilled workers' access to education, training and employment across jurisdictional boundaries.

Source: Allen and Kirby (2000) [1:7-10].

The next three articles of this *briefing report*, “Strategies to Promote Work and Reduce Poverty”, “Barriers to Employment” and “Domestic Violence and Poverty” provide many other examples of strategies that states and localities can use to address the issues behind urban areas, poverty, and welfare reform.