

# THE COMMUNITY LEADER'S LETTER

NEWS & VIEWS FOR SOUTH CAROLINA'S  
GRASSROOTS LEADERS

## Reducing Welfare Cases a Problem In SC's More Remote Rural Areas

*Helping the Poor  
Efficiently – p. 2*  
*Consumer Confidence  
Reports on Water  
Quality – p. 3*  
*Developing Naturally  
II Symposium – p. 4*

*In furtherance of  
Clemson Univer-  
sity's land-grant  
mission, the  
Economic and  
Community  
Development  
Initiative at  
Clemson pro-  
vides access for  
community  
leaders in South  
Carolina to  
expertise in all  
branches of  
knowledge on the  
University cam-  
pus.*

The welfare reform program, aimed at getting persons off public assistance and into the job force, has been generally successful. The welfare caseload in South Carolina has declined by almost 50 percent since 1993.

Yet that success masks persistent problems in remote rural areas where it has proven more difficult to move persons off welfare and into jobs.

Even before welfare reform was begun, it was known that it would probably be more difficult to reduce case loads in rural than in urban areas. Not only do rural areas often lack public transportation, but job growth has also been slow in many rural areas. If there are no jobs or if there is no way for the welfare recipient to get to a job, moving welfare recipients into the workforce is a major challenge.

The job openings are often not where the employment needs are greatest. Hence, further progress on welfare reform faces what Bo Beau-

lieu, director of the Southern Rural Development Center, calls a *spatial mismatch* problem.

Recent work by Clemson Applied Economics Professor Mark Henry and graduate student Willis Lewis focuses upon the changing welfare caseload in South Carolina. Using data for 1990 to 1998, they divided South Carolina counties into those in metro areas, those adjacent to metro areas, and rural counties not adjacent to metro areas.

The results show that, after adjustment for differences in unemployment rates and job growth, rural nonadjacent counties have welfare caseloads per capita that are about 58 percent higher than metro counties.

The work of Henry and Lewis shows that the strength of the local economy makes a great deal of difference in the ability to move persons off the welfare rolls. Local job growth in the metro counties and in counties adjacent to metro areas,

on the other hand, seemed to have no beneficial effect in reducing welfare rolls in the more remote rural counties.

Henry and Lewis are continuing their research. At this juncture, however, they note there are still unidentified aspects of life in rural South Carolina counties that make reductions in welfare caseloads more difficult there than in the metro areas.

Job growth alone does not appear to be enough. The types of jobs available in rural areas may be an issue, as well as lack of public transportation and rural childcare facilities.

Very soon now, the two-year time limit on public assistance is going to force many more families in rural counties off the welfare rolls. If there are no suitable jobs available locally, these families will face the reality of going without necessities or moving to urban areas where jobs are. Such moves to ur-

*(Cont. p. 4)*

ECONOMIC BRIEF NO. 34

# Helping the Poor Efficiently

This series of economic briefs explores fundamental concepts in economics and community and economic development.

*Some economists are flatly opposed to intentional redistribution of income from the rich to the poor by government. Most, however, find helping some groups justified.*

*Once it is agreed that groups like the elderly, the disabled, or children should receive cash payments or services like health*

*After verification of age and years of participation in the system, a retiree receives a Social Security pension, a simple process. Qualifying for disability benefits, however, requires a complex screening system to verify the nature and extent of a disability.*

*Likewise, administering the Earned Income Credit benefit is fairly simple and straightforward. Eligibility is determined through information provided for income tax purposes. But Temporary Assistance for Needy Families, which replaced Aid to Families with*

*fraud will attract more cheaters, further increasing the cost of monitoring while decreasing system support.*

*The availability of public assistance and the likelihood of losing assistance when moving into paid employment may discourage recipients from taking jobs. Before welfare reform, aid recipients might calculate the cost of working, like child care and transportation, and the loss of benefits, concluding that entering the work force wouldn't increase their economic well-being.*

*Welfare reform has addressed this issue by providing support services and delaying loss of benefits to those taking jobs. Time limits on benefits and other penalties are also imposed on those not responding to work opportunities. The reforms have increased the monitoring cost of the system, but so far appear to have successfully reoriented the redistribution system toward a more limited target population.*

*In the long run, welfare reform could increase efficiency in all three senses—targeting aid to those who need it, reducing administrative overhead, and strengthening work incentives.*

**The Social Security system and the federal Earned Income Credit have successfully kept fraud low with little cost.**

*care or food stamps, the challenge is to do it efficiently. Efficiency means targeting aid to the deserving, minimizing administrative costs, and providing incentives for the recipients to become productive members of society.*

*The Social Security system and the federal Earned Income Credit have successfully kept fraud low with little cost. Social Security enrollment is simple and automatic with no means test. The burden of getting revenue into the system with the accompanying documentation mostly falls on employers and the self-employed.*

*Dependent Children, housing vouchers, and food stamps, requires a complex eligibility verification process.*

*Efforts to avoid fraud drive up administrative costs. Unfortunately, if resources for detecting fraud are limited, it may be difficult to exclude the undeserving. But, some argue that the cost of monitoring to prevent fraud is greater than the cost saving.*

*If money isn't spent to root out fraud and abuse, then the rewards to living off the dole could be more attractive than engaging in productive work. A system that is vulnerable to*

# Public Systems to Report on Water Quality In New Consumer Confidence Reports

News that a national brand of bottled water comes from the public water system of one of our state's largest cities rather than a cool mountain spring recently startled South Carolinians. But it probably is a blessing in disguise for consumers.

A recent study by the Natural Resources Defense Council points out that the Environmental Protection Agency's (EPA) regulation of water systems under the Safe Drinking Water Act (SDWA) requires the monitoring of over 80 contaminants. However, oversight of bottled water by the Food and Drug Administration and most states is very limited.

Fueled by consumer perception that local drinking water supplies contain harmful bacteria and chemicals, sales of bottled waters have tripled in the last ten years. In fact, people are willing to pay 240 to 10,000 times what a gallon of water from the faucet costs for what they perceive is cleaner and safer, according to the study.

Ironically, in most locales water users are unaware that a new requirement under the SDWA will make it easier to get information about the quality of their local water supply. New Consumer Confidence

Reports (CCRs), the centerpiece of the right-to-know provisions of the 1996 SDWA, will make it easier for Americans to make informed decisions about drinking water.

The CCR will explain whether drinking water comes from a lake, river, reservoir or well. It will take the mystery out of scientific words used to describe drinking water.

But most importantly for the consumer, any detected amounts of contaminants for the entire year will be listed. If levels of contaminants were greater than regulations allow, health effects information for the substances will be included.

All public water systems with 15 taps or more serving more than 25 people year round must provide the annual report. CCRs, based on 1998 data will first be available to consumers in the middle of October 1999 and then by July 1 each following year.

Users of residential wells will not receive reports. Renters who do not pay for water directly need to get their reports from their landlords.

The level of reporting will vary with the size of the system. Larger water systems will mail CCRs to customers, and the largest systems must post reports on the Internet.

In South Carolina, Charleston, Columbia, Greenville, and Spartanburg with over 100,000 users must meet this requirement. Systems with populations over 10,000 will mail the report to all postal patrons and publicize its availability in the media and by posting in public places.

Systems serving 500 to 10,000 people may ask for a waiver of the mailing requirement and publish the information in the local newspaper, but they must let customers know that they will not be mailing the report. The smallest systems must make a good faith effort to inform consumers. However, no matter the size of the system population, reports must be made available to customers upon request.

EPA is creating a local drinking water information page on its Web site, which will link to any electronically available consumer confidence reports in the state.

This new program gives citizens concerned about water quality a more direct avenue to finding out how their water supply stacks up against the requirements of the SDWA. And perhaps Consumer Confidence Reports will restore the public's confidence in tap water.

For additional information about drinking water safety, call your public water system. The Drinking Water Compliance Section of the Bureau of Water (Leslie Owens at 803.898.4149 or Bob Bleau at 803.898.4154) at the SC Department of Health and Environmental Control can also answer questions. EPA's Safe Drinking Water Hotline, 1.800.426.4791, is another place to get information. Also, visit EPA's drinking water Web site at <http://www.epa.gov/safewater>

The NRDC report *Bottled Water: Pure Drink or Pure Hype?* is found on the Web at <http://www.nrdc.org/nrdcpro/bw/bwinx.html> Order a hard copy from the NRDC publications department at 212.727.4486.

---

COMMUNITY  
AND  
ECONOMIC  
DEVELOPMENT  
PROGRAM

---

CLEMSON  
UNIVERSITY



---

THE COMMUNITY LEADER'S LETTER

The Community Leader's Letter is the quarterly newsletter of the Economic and Community Development Initiative at Clemson University, a joint program of the Strom Thurmond Institute, the Cooperative Extension Service, the S.C. Agricultural Experiment Station, the College of Business and Public Affairs, and the Office of Public Affairs. Program offices are in the Institute building.

Holley Ulbrich,  
Program Coordinator  
Ada Lou Steirer,  
Research Associate  
Jim Hite, Contributing  
Editor

Articles in the newsletter may be reprinted; however, please cite the newsletter as the source. To be added to or deleted from the mailing list, or to report duplicate mailings, write or call. Previous issues of the Community Leader's Letter are on the Institute Web site at <http://www.strom.clemson.edu>

## Developing Naturally II Symposium Spotlights Broad Benefits of Enhancing Urban Environments

*Developing Naturally II*, a symposium on exploring ways to make communities healthier, more vibrant, and economically stronger through environmental enhancement is scheduled for September 1 and 2 at Clemson University.

Planning for Smart Growth, a sustainable approach to urban forestry, enhancing green space through community projects, the creation and enhancement of urban habitats for birds and butterflies, being in nature with permission, a travel ecology ap-

proach to tourism development, and healthy communities are among the session topics.

The registration fee is \$150 for South Carolinians and for members of the *Partnership for Small Cities, Towns, and Villages*. The fee is \$175 for out-of-state attendees who are not members of the Partnership.

The symposium is sponsored by the University's Cooperative Extension Service and the Strom Thurmond Institute of Government and Public Affairs.

For additional information contact Donna Arterburn, Strom Thurmond Institute, Box 345203, Clemson University, Clemson, SC 29634. Call 864.656.0605 or e-mail [donna@strom.clemson.edu](mailto:donna@strom.clemson.edu)

## Reducing Welfare Cases . . . (From p. 1)

Urban areas will in themselves bring problems for the state's cities.

Henry and Lewis suggest that reducing welfare case-loads in rural South Carolina

may require better rural transit systems to link rural residents with the metro labor markets. But it is not clear how that might be done or what the cost may be.

*Changing Welfare Caseloads in South Carolina: Is It the Local Economy, Stupid?* Mark S. Henry and Willis Lewis, Department of Agricultural and Applied Economics, Clemson University. Presented at the annual meetings of the Southern Regional Science Association, Richmond, Virginia, April 1999.

*Southern Perspectives*, Volume 1, Number 1, December 1997. Issue theme: Welfare Reform. Southern Rural Development Center, Mississippi State. <http://ext.msstate.edu/srdc>