

Counting Cases Across Kentucky: Declines in Cash Assistance 1993–1997

In newspapers and on television, we have been hearing much about declining welfare cases. Nationwide, from January 1993 to June 1998, the number of families on cash assistance declined by 41 percent. While some attribute the strong economy for these declines, not all areas have shared in these good economic times. This article examines the decline in cash assistance caseloads across Kentucky. The results indicate that while caseloads have been declining, these reductions have not been spread evenly across or within all regions.

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In 1996 the U.S. Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). This landmark legislation put into place what has been called welfare reform. As part of this change, the Temporary Assistance to Needy Families (TANF) program was created to replace the Aid to Families with Dependent Children (AFDC) program and the Job Opportunities and Basic Skills (JOBS) training program. In Kentucky this program is called K-TAP or the Kentucky Temporary Assistance Program. (For more information, see "Getting Involved in Welfare Reform: Answers to Commonly Asked Questions" and "Policies and People: Welfare Reform in Kentucky.")

Caseloads Across Kentucky

Since the passage of PRWORA, many have pointed to declining caseloads as evidence of the success of welfare reform. However, cash assistance caseloads have always fluctuated with the economy, and caseload declines actually began prior to welfare reform.

Given the contrasting economic realities across the state, this article looks at where caseloads have been changing and at their rates of change. To accomplish this, we first divided the state into three regions and then looked at the differences within regions as well as between them.

Just as not all areas of Kentucky look the same, areas within each region don't always look the same. For example, metropolitan areas differ from rural areas, and one rural area may vary considerably from another rural area. Since diversity can be seen in rural counties adjacent to metro areas, where residents often rely on the metro area for jobs and services, we also examine variations in caseloads by labor market areas (LMAs).

To look at change over time, we examined the number of cash assistance cases or families across these different areas of the state from fiscal years 1993 (before welfare reform) to 1997.

Counting Cases Across Kentucky

Nationally, cash assistance caseloads are more likely to be located in some areas than in others, and they began declining prior to welfare reform. The same is true for Kentucky.

As might be expected, AFDC/K-TAP caseloads are not evenly distributed across the state. In fiscal year 1997, most of Kentucky's caseloads were located in nonmetro counties (60 percent vs. 40 percent in metro counties). Of all the metro-located caseloads, nearly one-half (44 percent) were found in the heart of the Louisville metropolitan area in Jefferson County.

Of the three regions in the state,¹ eastern Kentucky contains the most counties (49) as well as the largest proportion of the state's caseload (nearly 45 percent). Between fiscal years 1993 and 1997, there were only very slight changes in the regional distribution of Kentucky's cash assistance caseloads.²

Between fiscal years 1993 and 1997, all three regions of the state saw their overall caseloads decline. During this time, the greatest amount of change occurred in the central region, where the number of cases declined by 19.4 percent. Following very close behind, the western part of the state saw caseloads fall by 19.3 percent. While the eastern region had the smallest amount of aggregate change at 18.1 percent, it was still near the state average rate of decline (18.8 percent).

Given the regional economic diversity within the state, it is useful to compare data across regions as well as within regions to gain a better understanding of the issues.

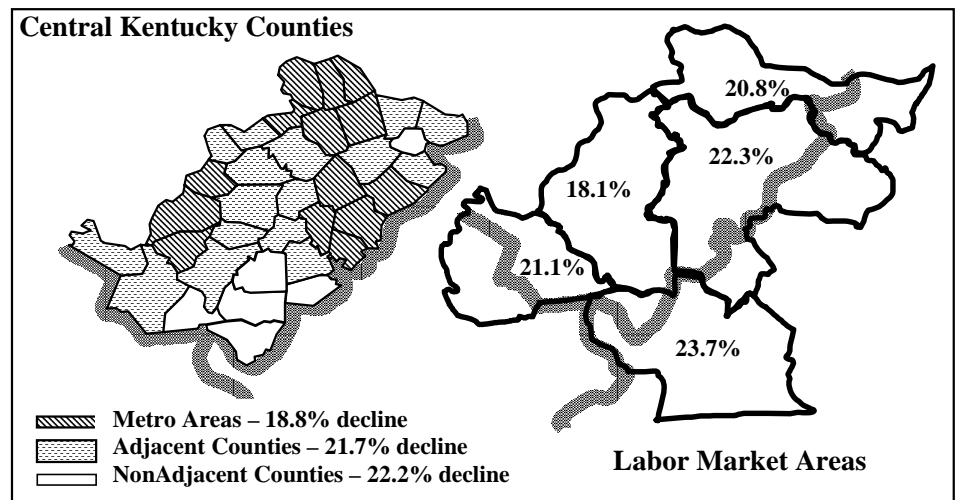
Central Kentucky

Between fiscal years 1993 and 1997, the thirty-six counties in the central part of the state experienced caseload declines ranging from 0.9 percent (second lowest in the state) to 48 percent (the highest of any county).

Across the central region, the greatest rate of decline occurred in nonmetro counties (21.8 percent) compared to metro counties, which as a whole declined the same rate as the state (18.8 percent).

counties' aggregate decline increased considerably to 22.4 percent.

Labor market areas provide a slightly different picture of the region. In contrast to the other regions, LMAs predominantly located within the central region had caseload declines near or above that for the state as a whole. Of these, the largest LMA, which includes Lexington and Frankfort, had the largest decline (22.3 percent).



Of the nonmetro counties, those not adjacent to a metro area had the greatest aggregate decline rate of any category (22.2 percent vs. 21.7 percent for counties adjacent to metro areas).

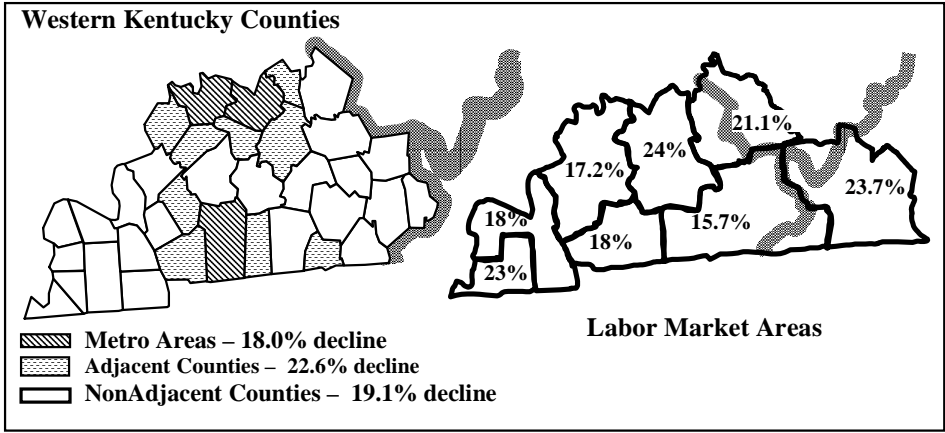
The central region is the home of Jefferson County, which has by far the largest number of K-TAP recipients. Here, 16.9 percent of the state's total cash assistance population is located. While the region, as a whole, experienced the same rate of decline as the state, this figure is greatly influenced by Jefferson County. This county had a decline of 16 percent, the second lowest of all metro counties in the central region of the state. Without Jefferson County, the central-region metro

Western Kentucky

Between fiscal years 1993 and 1997, the thirty-five counties in the western part of the state experienced caseload changes ranging from only a 2.8 percent increase (the sole increase in the state) to a 40 percent decline.

Across the region, the greatest rate of decline again occurred in nonmetro counties (19.7 percent). Metro counties in the region, on the other hand, had declines lower than those of the state (17.5 percent).

Of the nonmetro counties, in contrast to the central region, those adjacent to a metro area had greater percentage declines than those not adjacent (22.6 percent vs. 19.1 percent). However, similar to the central region, both of these non-



metro areas had aggregate declines greater than the state as a whole.

Differences within the region also emerged by labor market area. The western region has some of the smallest labor market areas in the state, and one LMA is divided in half by the central/eastern time zone.

The LMA associated with Bowling Green had the lowest decline of the LMAs in the western region (15.7 percent). By contrast, three LMAs experienced aggregate rates of decline greater than the state, ranging from 21.1 to 24 percent. In fact the labor market area which includes Owensboro had the greatest decline of any labor market area in the entire state (24 percent).

Eastern Kentucky

Although eastern Kentucky is often thought of as a uniform region, declining county caseloads ranged from a low of 3.8 percent to a high of 39.5 percent. Of these, the greatest percentage declines occurred in nonmetro counties (18.2 percent vs. 17.5 percent for metro counties). This is nearly the same as that experienced by the state as a whole.

Among the nonmetro counties, those adjacent to a metro area had

the greatest aggregate decline (23.5 percent vs. 17.3 percent for areas not adjacent to metro areas). Contrary to what we might expect, this rate of 23.5 percent is the greatest decline of any of the adjacent categories in any region of the state.

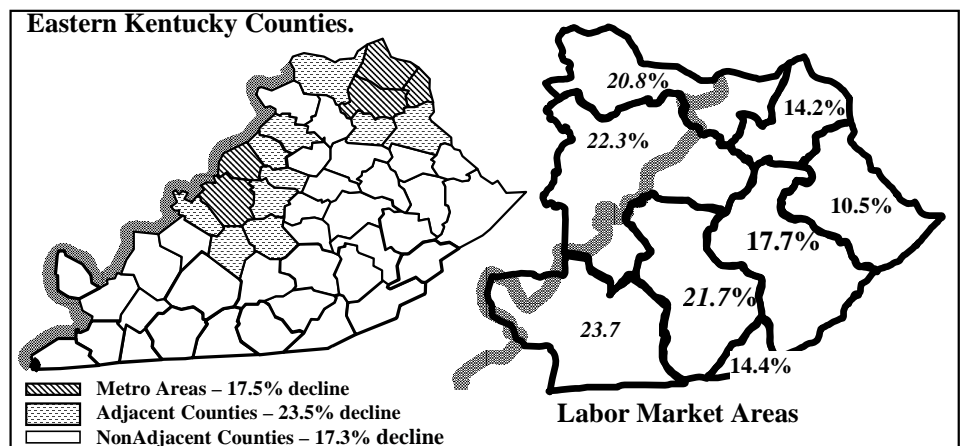
As we further examine case-loads within this region by labor market area, we see that there is diversity among nonmetro counties. The importance of place is emphasized by considering where the non-adjacent counties are located. For example, in this region the nonmetro counties adjacent to a metro area include both those counties adjacent to the city of Ashland as well as those adjacent to the growing city of Richmond. When examined by labor market area, the greatest declines occurred in the LMA that includes

the city of Richmond (21.7 percent). This rate of decline is greater than that experienced by the state as a whole. The LMA that includes Ashland, by contrast, had a much lower decline (14.2 percent), the second lowest of all LMAs across the state.

Of the nonmetro labor market areas, the eastern region of the state is home to the LMA with the lowest caseload declines. The LMA that includes Pikeville had a decline of only 10.5 percent. In contrast, the LMA that includes the city of Somerset had the greatest percent decline of any LMA in the region (23.7 percent). Again, contrary to expectations, this is the second greatest decline of any labor market area in the entire state.

Defining Success

For several years states have been experiencing reductions in the number of recipients receiving cash assistance. While these declines have been held as evidence of the success of welfare reform, this conclusion is premature. *Counting cases, while informative, does not tell us why those caseloads are changing.* The trend of declining numbers predates the welfare reform legislation, which



contains goals other than declining caseloads. That is, some research indicates that national caseload declines are the result of federal waivers obtained prior to the welfare reform legislation (i.e., Council of Economic Advisors, 1977). Other research indicates that the declines are the result of good economic times (i.e., Martini and Wiseman, 1997).

The number of those who need to rely on cash assistance can fluctuate for a number of reasons. For instance, caseloads can vary for no other reason than policy changes in eligibility. In addition, obtaining employment is only one possible reason why someone might leave an assistance program. Other changes in family circumstances can also influence participation in K-TAP.

Similarly, if we interpret welfare declines as evidence of success, then lack of a significant decline would indicate failure. However, this may not be the case. For example, persistent-poverty counties tend to have high rates of welfare recipients along with high unemployment rates. People in these areas simply do not have the same employment opportunities as people in other places.

Because of this, in some instances, lower declines in the numbers of recipients may in fact be considered another form of success. Without adequate employment and earnings, former recipient families may instead become more vulnerable. There have already been reports that the number of individuals and families seeking assistance from food pantries and soup kitchens has been increasing nationwide (Second Harvest, 1997).

Summary

Across Kentucky, cash assistance caseloads have been declining. Beginning even before welfare reform, nonmetro areas have experienced rates of decline in cash assistance cases greater than metro areas. This disguises important differences across rural areas. Of the nonmetro areas, counties *adjacent* to metropolitan areas have been home to greater declines in cash assistance cases. In contrast, areas farthest away from metro areas have seen the lowest declines.

There are regional differences as well. For example, some areas of eastern Kentucky are experiencing declines higher than those experienced by the state as a whole. While caseload reductions such as these have been used to declare the success of welfare reform, these figures only report that the numbers are declining. They do not tell us why it is happening.

If finding a job is the predominant reason for a recipient leaving cash assistance, then the question of whether that job pays a sufficient wage for a family to live is left unanswered. Further, given that low-skilled jobs are often the first to be cut in times of economic uncertainty, attributing declines in recipients to welfare reform during a time of economic prosperity could also lull us into a false sense of success.

Notes

1. The Appalachian Regional Commission designations were used to determine the eastern region of the state. The time zone was used to determine the west/central regions.

2. The central region averaged 37.14 percent of the total caseload over the five-year period, fluctuating between a low of 36.6 percent (1997) and a high of 37.5 percent (1995). The western region averaged 18.08 percent, with a low of 17.9 percent (1994, 1995) and a high of 18.3 percent (1993). The eastern region averaged 44.82 percent, with a high of 45.2 percent (1997) and a low of 44.6 percent (1996).

Resources

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- Second Harvest. 1997. *Hunger 1997: The Faces and Facts. Second Harvest National Research Study. Second Harvest: Chicago, IL.*
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The author would like to gratefully acknowledge the Kentucky Cabinet for Families and Children for access to the data used in this analysis.