

After Welfare Reform: K-TAP Cases Across Kentucky

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Since welfare reform began, we have heard a lot about the declining numbers of welfare recipients. However, these declines have not been happening at the same rate in all places. Welfare reform also brought the new requirement that cash assistance recipients be engaged in work or work-related activities and there is now a 5 year lifetime limit.

This Issue Brief is the first of five Briefs using a unique database to examine the changes in K-TAP cases since welfare reform, focusing on the group most affected by the new requirements.

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Even before the new welfare reform legislation, cash assistance caseloads had begun to decline. While the rate has accelerated since, observers debate to what degree these declines are because of the policy changes or due to the growing economy. However, while the numbers of those relying on cash assistance has gone down, these declines have not been equally shared. While some areas have seen sharp declines, others have not.

One of the new changes with welfare reform is that there is now a 5-year lifetime time limit of access to cash assistance regardless of need. And, for those areas which have not been seeing the same high rates of decline in their cash assistance caseloads, this is raising concerns about the impact and future prospects of welfare reform especially in those areas with fewer employment opportunities.

Unlike other programs which place limits on how the assistance may be used, cash assistance allows families to make their own decisions about what is needed. For instance, housing assistance can only be used for approved housing and food stamps may only be used to purchase approved food. Cash assistance is often the only type of assistance that can be used to purchase nonfood items such as soap, toilet paper, toothpaste or diapers.

Welfare Reform and Work

Welfare reform brought new goals such as a focus on employment, along with both sanctions and time limits. With its explicit goal of ending “dependence... on government benefits” through “promoting job preparation, work, and marriage,” the 1996 welfare reform legislation specifically ended cash assistance as an entitlement program. This means that access to cash assistance is no longer just tied to need.

Named in the federal legislation, work or work related activities include subsidized or unsubsidized employment, unpaid work experience such as community service, on-the-job training, job search and readiness programs, completing high school or job skills training directly related to employment, and vocational educational training for one year. In some states such as Kentucky, efforts have been made to increase education as a work related activity to two years.

While the broader work requirements are new to cash assistance, it is important to remember that not everyone is potentially subject to the them. To be held to these requirements, there must first be an adult receiving assistance. While this may appear obvious, we often forget that the majority of individuals (2 out of every 3) receiving assistance are children. And there are instances where only children in a family who are receiving assistance.

It is also important to remember that in order to be subject to the work requirements, the adult present must be 'available' for work. In other words, the adults must be able to be employed. Clearly, there are adults for whom employment is not an option due to family, health or other reasons.

A New Database

As part of the state evaluation effort, researchers at the University of Louisville have been working with the Cabinet for Families and Children to produce a data set which is being used to assess welfare reform across the state. This database is called the REDB or Research and Evaluation Data Base.

This data set is unique for many reasons. Among them, is that this data set contains only those cases that either are (or were) subject to the work requirements under

caseload across the state. To do this, we extracted the caseloads for all 120 counties in Kentucky during the month of October for each year from 1996 (earliest available) to 1999.

Given the contrasting economic realities across our state, we divided the state both into regions as well as looked at differences within regions. For the regions, we began with the 49 counties of Eastern Kentucky and then divided the remainder for Western and Central Kentucky (see figure 2).

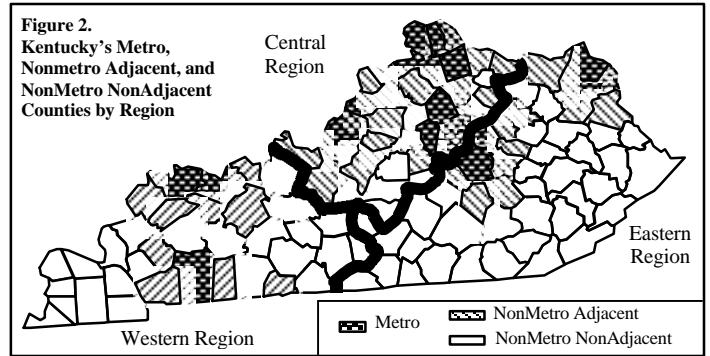
We also used a common technique of grouping counties. For urban areas, we grouped those counties that are metro areas (which includes the central city, but extends to include surrounding counties).

For rural areas, we used two different categories. For those rural areas that are next to a metro area and have commuting there, these are called

nonmetro adjacent areas. The other type of rural area are those which are not connected to a metro area. These are called nonmetro nonadjacent and can be thought of as the most rural areas.

In our last publication we saw how cash assistance caseloads were changing prior to welfare reform (see, "Counting Cases Across Kentucky, 1993-1997"). How about since welfare reform?

In this Issue Brief, we look at those families most affected by the new requirements under welfare reform and where these caseloads



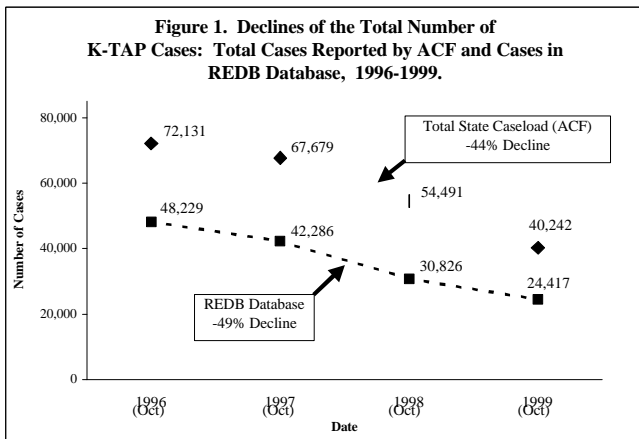
have been declining. In future Issue Briefs, we will look at these issues and the characteristics of K-TAP families in more detail.

Location, Location, Location

Where are K-TAP families living? With the focus on employment and 60 month lifetime time limits, the tie between cash assistance and place is more important than ever before.

In October, 1996 there were 48,229 K-TAP families in our database whereas in October, 1999 this had declined to 24,417 cases who either are, or were, subject to the new work requirements under welfare reform.

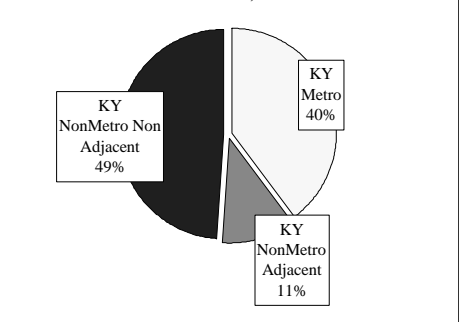
If we just compare the work eligible adults in our database with the civilian labor force in the state, in October, 1999 there was about 1 work eligible adult K-TAP recipient for every 100 people in the civilian labor force. This is down from about 3 work eligible



welfare reform. In figure 1, you can see how the total caseload, as reported by the U.S Department of Health and Human Services, Administration for Children and Families, is larger than the numbers in our database. This is because, as mentioned earlier, not all cases are subject to the work requirements.

In this series of Issue Briefs, we examine the changes in this part of the cash assistance (K-TAP)

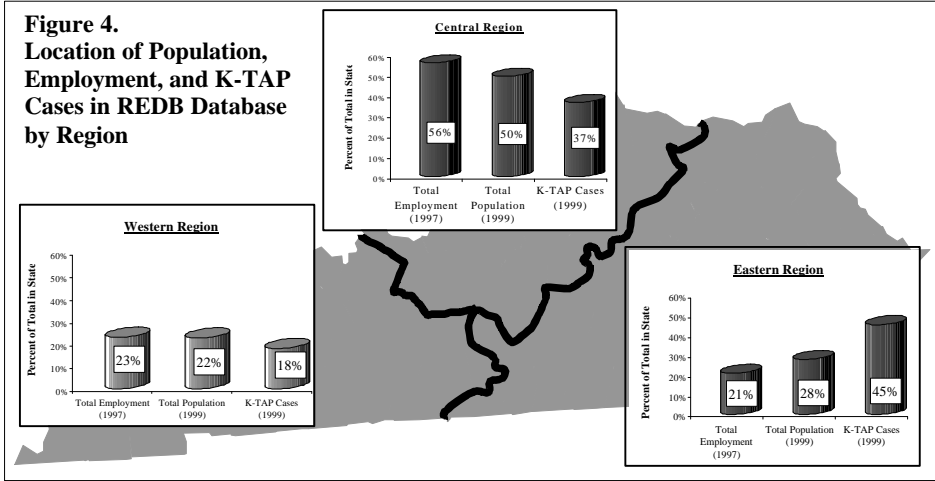
Figure 3. Location of K-TAP Cases Across Kentucky: REDB Database, Oct. 1999.



adult K-TAP recipients for every 100 people in the civilian labor force in October 1996. This is in part because while the number of

Compared to the other regions, the Eastern region of the state (particularly its most rural areas) has the largest share (45%) of all

The degree to which the location of where K-TAP families live reflects the distribution of where all people in the state are living is most evident in the Western region. For the region as a whole, while 22% of the state's population live there, only 18% of work eligible K-TAP families in our database do. Still, within the region, the proportions are more similar. For example, just as 23% of the region's population lives in metro areas, so do 24% of the region's K-TAP families. The same is true of rural areas. In rural parts of the Western region, 77% of the region's population lives there as do 76% of K-TAP families in our database.



K-TAP adults in our database has been cut in half, the civilian labor force also grew by 5%, during about the same time.

To some degree the location of K-TAP recipients reflects the location of Kentucky's overall population. Just as Kentucky is a rural state (52% of the population lives in nonmetro areas), so too are K-TAP families mostly located in rural areas, but even more so.

In October of 1999, just over 6 in 10 K-TAP families across the state lived in nonmetro areas. Indeed, in October of 1999, while in metro areas there was 1 work eligible K-TAP adult for every 100 people in the civilian labor force, in rural Kentucky there were 3 adults for every 100 people in the civilian labor force.

But just as both opportunities and barriers are not equally distributed across the state, the same is true of where K-TAP families are living. Where economic opportunities are most limited, you would likewise expect to find more families needing assistance.

K-TAP families in our database. This reflects both the largest number of counties of the three regions (49) but more importantly the large concentration of high poverty areas. For example, while 28% of the state's population is located in the east, only 21% of total employment in the state is located here (see figure 4).

By contrast, the Central region has seen economic growth during this time of national economic expansion. So, while this region has 50% of the state's total population, it has 56% of the state's total employment while 37% of K-TAP families in our database live here.

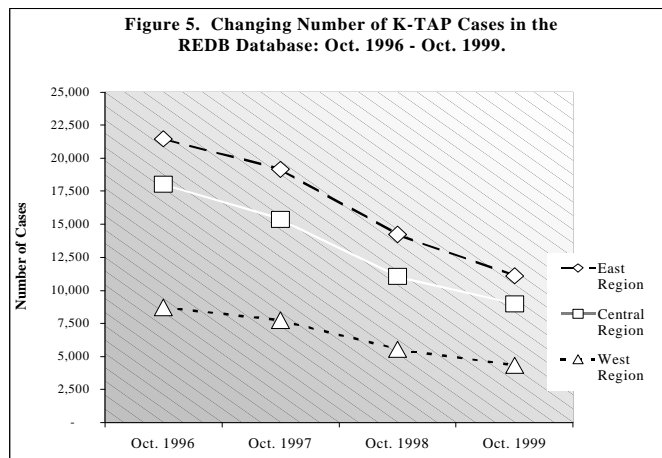
Declining Caseloads

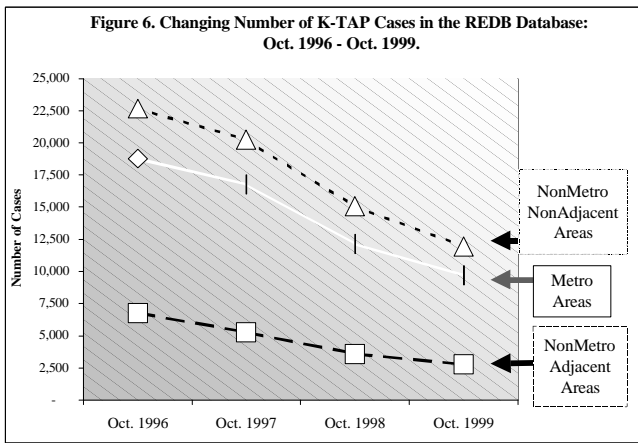
We have already seen that both in Kentucky and across the nation, the number of families receiving cash assistance is declining. Statewide the number of K-TAP families who either are, or were, work eligible has declined by -49% from October 1996 to October 1999. This means that more families are moving off cash assistance than are coming onto assistance either as new cases or as returning ones.

But just as K-TAP families and economic opportunities are not evenly distributed across the state, the rates at which the K-TAP

caseloads are changing have also not been evenly shared. In other words, the rates at which caseloads are changing is happening to a greater extent in some areas than others.

When we look at the state by region, the Western and Central regions had similar rates of decline at about 50%. The Eastern region, on the other hand, had a lower





rate of decline at - 48% (see figure 5).

We can also see differences in rural and urban settings. While the rate of declining cases in metro and nonmetro areas are similar, when we look closely at the rural or nonmetro areas, we can see greater differences. For example, in rural areas, those that are the most remotely located had the lowest rate of decline (47% compared to 59%) (see figure 6).

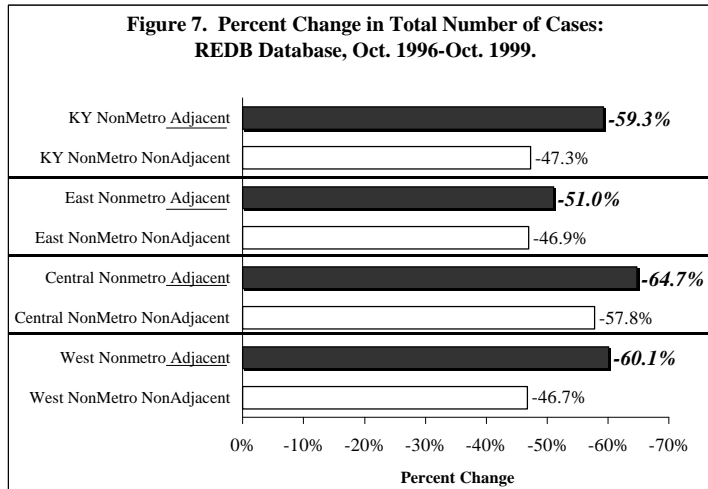
But both of these categories disguise a great deal of variation. One of the interesting results that we found both in our prior research and with this new database involves the different rates of decline across rural areas regardless of which region they are located in.

In all three regions and for the state as a whole, those rural areas which are the most remotely located (nonadjacent) had a lower overall rate of decline in their caseload that those areas that are adjacent to a metro area (see figure

7). While this pattern is not consistent in all states (see RUPRI, 1999), this has been a fairly consistent pattern in Kentucky.

But declining caseloads only tell part of the story. While some are leaving assistance because they have

found a job, many families also leave without employment. Yet, even if a job was the reason for leaving, this says nothing about the adequacy of that employment. In other words, while former K-TAP families may be employed, they can still be eligible for other forms of assistance. Declining caseloads



also say nothing about the chances of being able to progress to better employment. In the past twenty years we have seen growth in higher incomes, but comparatively small changes in incomes for those at the low end.

Conclusion

The numbers of families receiving cash assistance have been declining both across Kentucky and nationwide. Whether or not these numbers are

evidence of the success of welfare reform is up for debate. After all, it is easier to find a job in good economic times than during economic downturns. And, nationwide economic figures are the best they have been in many decades.

In this *Issue Brief*, we have looked at where K-TAP families are located and how the numbers have been declining. But, we have yet to consider just who are K-TAP families. Different family and individual characteristics can affect the odds or ease with which a parent can locate and secure a job. Where you live can also affect what kinds of jobs, transportation options, and child care services are available. In our next *Issue Brief* we will use this same database and look at the face of welfare and how and where it has been changing across Kentucky.

Works Cited

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“Policies and People: Welfare Reform in Kentucky.” *Rural Issues Brief*. No. 1. December, 1999.

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