

Cash Assistance Across Central Kentucky

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Since welfare reform began we have heard a lot about the declining number of welfare recipients. However, these declines have not been shared equally everywhere and the face of welfare does not always look just the same in all places.

This is the fourth of several Issue Briefs using a unique database to examine the changes in K-TAP cases across Kentucky since welfare reform, focusing on that part of the caseload most affected by the new requirements.

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While cash assistance caseloads had begun to decline even before the new welfare reform legislation, observers debate to what degree these declines are because of the policy changes or due to the growing economy. But welfare reform also brought a 5-year lifetime time limit to access cash assistance regardless of need and a cap on federal funding to the states. Consequently, nearly from the start, there have been concerns about the prospects in case of an economic downturn (see “*Policies and People: Welfare Reform in Kentucky*”).

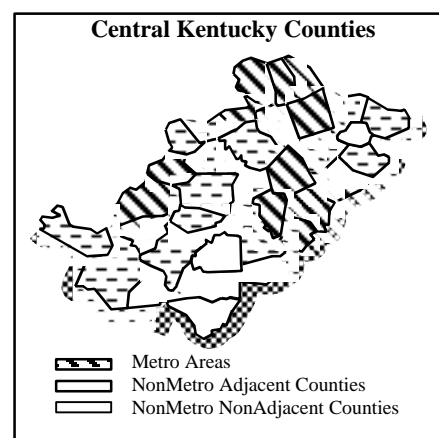
With its focus on employment, welfare reform highlights some of the unique challenges and opportunities facing many areas, especially rural areas. And, for those areas which have not been seeing the same high rates of decline in their cash assistance caseloads, this is raising concerns about the impact and future prospects of welfare reform especially in those areas with fewer employment opportunities to begin with.

In this *Issue Brief*, we examine the face of cash assistance across Central Kentucky; who is receiving assistance, and has it been changing since welfare reform. As part of our series, this is one of three *Issue Briefs* which examines K-TAP cases in each of the three regions of the state.

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 Research and Evaluation Data Base (REDB) and 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 welfare reform.

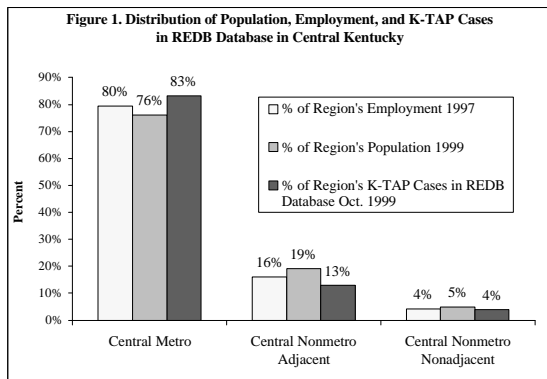
With this focus, we can gain a greater understanding of those families facing the new requirements and the impacts of welfare reform on the K-TAP caseload. Using the REDB database, we extracted the caseloads for all 120 counties during the month of October for each year from 1996 (earliest available) to October 1999. To learn more about this database and how we grouped the counties, see “*After Welfare Reform: K-TAP Cases Across Kentucky.*”



Location, Location, Location

Of the three regions in Kentucky, the Central region is characterized by both having the largest metro areas (Louisville and Lexington) and the smallest amount of rural areas. It has shared the most of the three regions in the national economic growth and it contains the one county with the largest number of K-TAP families: Jefferson county.

Just as the population in the region is predominantly urban, so too is the K-TAP caseload within Central Kentucky a predominantly urban caseload. Of the K-TAP cases included in our database, 83% in this region are located in metro areas with a majority of these located in Jefferson county.



With welfare reform's focus on employment, the tie to where you live may be stronger than ever before. And, just as barriers and opportunities are not evenly distributed across the state, the same is true within the regions.

When we look within Central Kentucky at the shares of total employment, total population, and K-TAP families in our database, we begin to see some patterns.

For instance, in contrast to the other two regions, in metro areas there is a higher percent K-TAP families in our database compared to both total employment and the population living there (see figure

1). However, this is also due to the influence of the largest metro area in our state of Louisville located in Jefferson county. This county has a disproportionate share of K-TAP families in our database compared to the population and employment located there.

If we look at the rest of the metro areas (w/o this county), in the Central region the pattern is more similar of having a greater share of population and employment compared to the share of K-TAP families in our database.

Declining Caseloads

While caseloads have been declining, these declines are not happening at the same rate in all places (see figure 2).

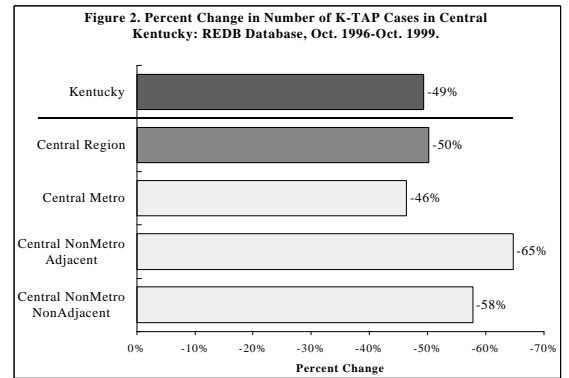
Overall, the number of K-TAP cases in our database has been cut in half in the Central region. While nonmetro areas saw a rate of decline greater than that for the region as a whole, this is probably due, in part, to the small numbers located there and their proximity to the metro areas.

By contrast, metro areas in the Central region had the lowest rate of decline. While you might expect that Jefferson county would again be influencing this figure, if we compare the rates of decline of metro areas with and without including this county, the impact is actually small.

Families and Children

While welfare reform has placed its key emphasis on adults and their employment, across the nation around 2/3rds of all cash assistance recipients are children.

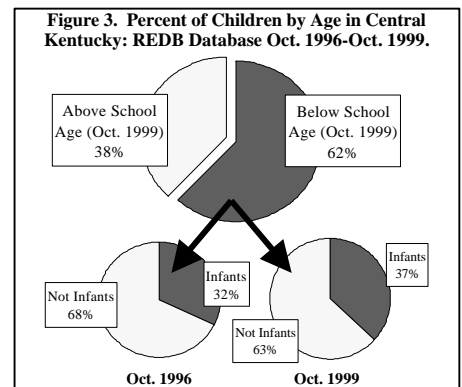
For Kentucky, the percent of recipients who are children



increased by one percentage point. While the Central region also saw a one percentage point increase in the share of recipients who are children, the most rural areas saw the greatest increase at 3 percentage points.

The largest change is in the proportion of children below school age who are infants (see figure 3). As elsewhere, while the proportion of children who are below school age declined in the Central region (1 percentage point), infants are making up a greater share of these children.

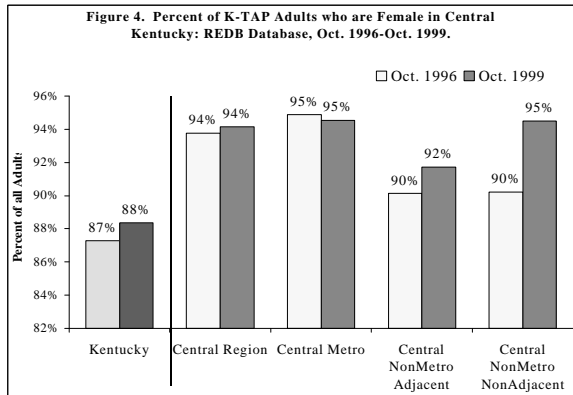
In Oct. 1996, 32% of all children in our database who were below school age were infants. By Oct. 1999 this had increased to 37%. As in the Western region, the greatest increase in the share of children below school age who were infants was in rural areas (increasing 8 percentage points in both adjacent and nonadjacent nonmetro areas). On the other hand, the lowest amount of



increase was in the metro areas (4 percentage points).

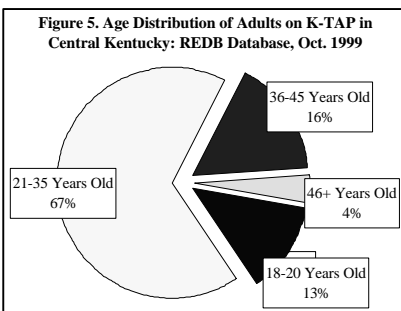
Similar to caseloads nationwide, about 1/3rd of all cash assistance recipients in our database are adults. And, overwhelmingly, the majority of the adults receiving assistance are women (see figure 4).

While our database does not tell us how many families are headed by 1 or 2 adults, we do



know that it is relatively rare for men to be the single caregiver of children in families receiving assistance. As a result, it is most likely that the number of males probably reflects the extent of two adult households.

In the Central region, as elsewhere, the share of male adults in our database has decreased and the proportion who are women has increased. Within the region, the greatest change was in the most rural areas in the region. This is probably because, as in many metro areas, the proportion of adults who are male was smaller to begin with.



Adults, Employment, and Employability

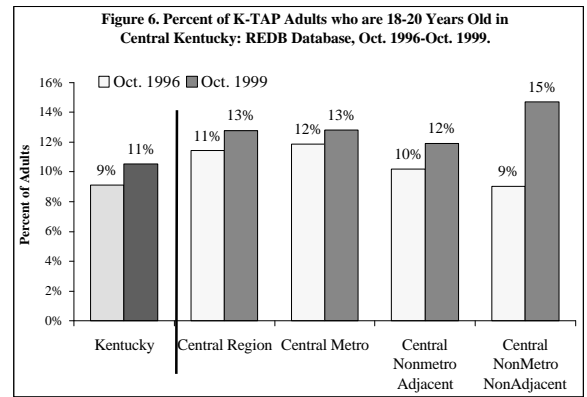
With welfare reform's focus on employment, it is important to know more about the adults in families receiving assistance. For instance, women face a different labor market and are more likely to be employed in lower paying jobs than

their male counterparts.

Age can also affect employment. The older you are the more time you have had to gain prior work experience, complete some education, and your children are more likely to be older. All of these can increase your ability to become employed.

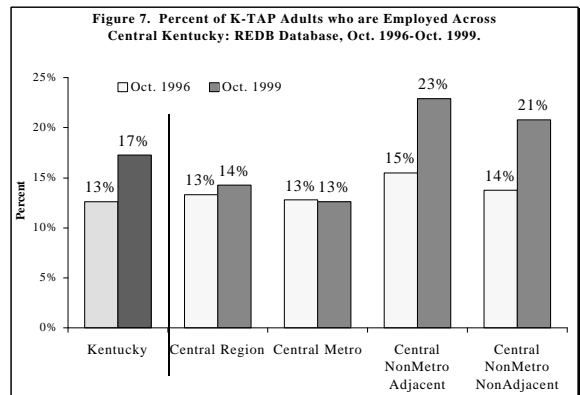
Of all adults in families receiving assistance in our database, in all three regions, the majority are between 21-35 years old (see figure 5). Compared to the other regions, the Central region contains the largest shares of adults in the two youngest age categories. And, while this remains the largest category, since welfare reform the proportion of adults aged 18-20 is increasing (see figure 6). This may reflect that the most employable are able to leave assistance.

While the stereotype is that those receiving cash assistance are not employed, this is not the case. You can be employed but because the hours or wages (or both) are so low, you remain eligible for cash assistance.



With welfare reform's focus on employment, as you might expect, the proportion of adults in our database who are employed has increased.

However, as a whole the Central region has seen the smallest amount of increase (see figure 7). Within the region, the greatest increase was in the rural areas while metro areas remained relatively constant at 13%; again likely reflecting that those who are



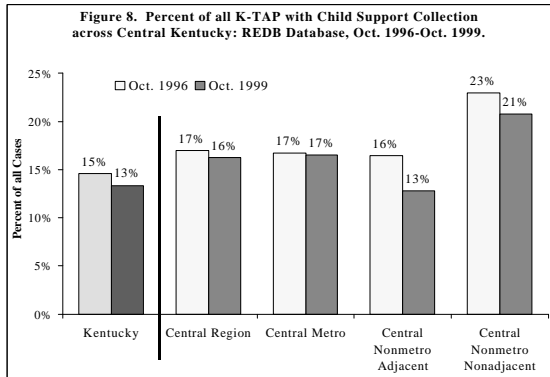
most employable have been able to exit assistance.

Food Stamps and Child Support

While much of welfare reform's focus is on employment, there is also concern that the well-being of families not be jeopardized in the process. And, since the majority of families on assistance are female-headed households, some attention has

been directed at fatherhood and child support.

While in Kentucky (as in some other states), child support payments do not provide a source of income in addition to cash assistance, it does indicate a level



of support from noncustodial parents (most often fathers). And, upon exiting cash assistance, child support would provide additional support for the family.

Of the three regions, Central Kentucky had the highest percent of its cases with child support collection. Within Central Kentucky, the percent of cases with child support collection did not change much in metro areas but decreased in the rural areas instead. While small in size, the most rural area (nonmetro nonadjacent) of the Central region remained the area with the highest rate of cases with child support collection.

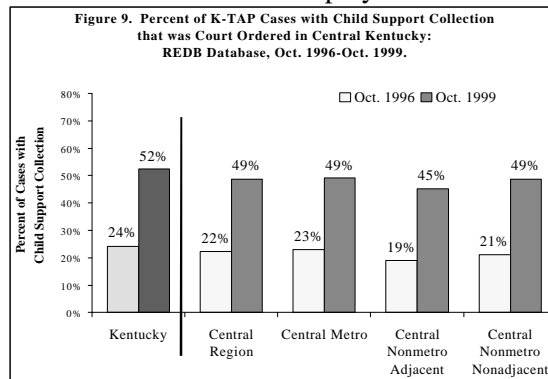
While the proportion of K-TAP families with child support collection has generally been decreasing, the proportion with court ordered child support collection has been increasing.

In the Central region, while the proportion of cases with child support collection decreased by a small amount, the proportion whose child support collection is court ordered has been on the rise.

The greatest increase is in most rural (nonmetro nonadjacent) moving from 5% of all cases to 10% of all K-TAP cases.

While the percent of cases with child support collection has decreased, if we just look at cases with child support collection, Central Kentucky has the lowest share of cases with child support collection that is court ordered (see figure 9).

These patterns and changes may reflect the coming together of several trends; increased attention to child support, the location of employment opportunities across the state as well as the tendency of the caseloads to be increasingly characterized by those with the most barriers to employment.



Another indication of the well-being of families may be found in the extent to which families are also accessing medical assistance and food stamps. While not all states do this, in Kentucky all K-TAP recipients automatically receive a medical card.

In terms of food stamps, we can see some changes since welfare reform. For instance, there is now a higher proportion of K-TAP families who are receiving food stamps than before,

increasing from 88% in Oct. 1996, to 93% in Oct. 1999.

Within the region in Oct. 1999, a larger proportion of K-TAP cases in metro areas received food stamps (93% compared to 91% in nonmetro adjacent areas and 89% in nonmetro nonadjacent areas).

The increasing proportions of cash assistance cases receiving food stamps probably reflects that those remaining on assistance may be those with greater needs as the most employable have been leaving.

Conclusion

With both welfare reform and a favorable economy, the face of cash assistance is changing. However, these changes do not necessarily look the same for all areas.

In 2002, Congress will decide whether to reauthorize the federal welfare reform legislation. In making this decision (and in deciding to make any changes), Congress will be holding hearings. During this time we will be learning more about welfare reform, how it has been working and not working. Hopefully, we will also hear about how those in rural and persistent poverty communities have been faring. As a result, we may better know what the future may hold for welfare reform.

Works Cited

“After Welfare Reform: K-TAP Cases Across Kentucky” *Rural Issues Brief*. No. 3. November, 2000.
 “Policies and People: Welfare Reform in Kentucky.” *Rural Issues Brief*. No. 1. December, 1999.

The authors gratefully acknowledge the Cabinet for Families and Children and the University of Louisville for providing access to the REDB Database.

This research and publication were made possible through a Policy Outcome Research Grant with the U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation.