

Cash Assistance Across Eastern 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 last of five 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*”).

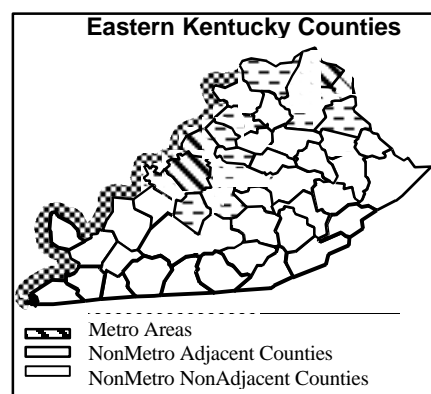
With its focus on employment, welfare reform highlights some of the unique challenges and opportunities facing many areas, especially rural areas. And, for those areas which have not been seeing the same high rates of decline in their cash assistance caseloads, this is raising concerns about the impact 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 Eastern Kentucky; who is receiving assistance, and has it been changing since welfare reform. As part of our series, this is the last of the *Issue Briefs* which examine 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.

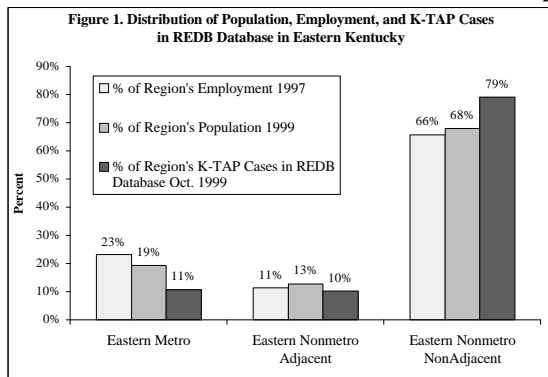
With this focus, we can gain a greater understanding of those families facing the new requirements and the impacts of welfare reform on the K-TAP caseload. Using the REDB database, we extracted the caseloads for all 120 counties during the month of October for each year from 1996 (earliest available) 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, it is often most tempting to lump Eastern Kentucky into a single category. However, this region also contains a great deal of diversity within. For example, the city of Richmond is tied to Central Kentucky while the city of Ashland is tied to West Virginia. And, while some rural areas within the region rely on natural resources, others have seen growth in tourism and services. And finally, the Eastern part of our state contains the largest amount of both rural areas and the largest amount of the most remotely located rural areas in the state.

Just as the population in the region is predominantly rural, so



too is the K-TAP caseload within Eastern Kentucky a predominantly rural caseload. Of the K-TAP cases included in our database, 89% in this region are located in rural areas with a majority of these located in the most rural areas (nonmetro nonadjacent).

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 Eastern 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 metro areas there is a higher percent of both total employment and population compared to K-TAP families in our database living there (see figure 1).

If we look at the rest of the region, we can see that the most rural areas have a greater share of K-TAP families in our database compared to the share of population and employment, the largest gap in the state.

Declining Caseloads

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

Overall, the number of K-TAP cases in our database has been nearly cut in half in the Eastern region. And, while the Eastern region had the lowest rate of decline of all the three regions, this was still only one percentage point below that for the state.

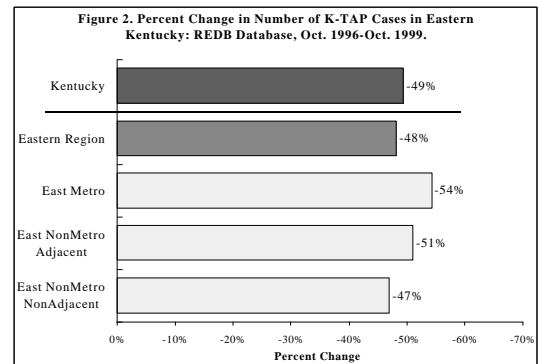
Within the region, there are differences that at times

are contrary to what we might expect. For instance, the metro areas not only had the greatest rate of decline in the region, this rate is also higher than that for metro areas in the other two regions.

On the other hand, while the rate of decline was lower in the rural parts of the Eastern region, the rate in the most rural (nonmetro nonadjacent) was the same as that in Western Kentucky.

Families and Children

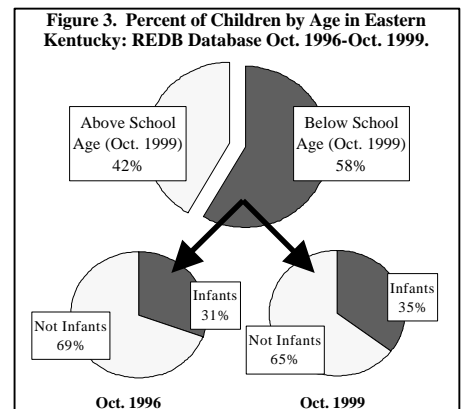
While welfare reform has placed its key emphasis on adults and their employment, across the nation around 2/3rds of all cash assistance recipients are children.



For Kentucky, the percent of recipients who are children increased by one percentage point from Oct. 1996 to Oct. 1999. While the Eastern region also saw a one percentage point increase in the share of recipients who are children, this was mostly located in the most rural parts of the region.

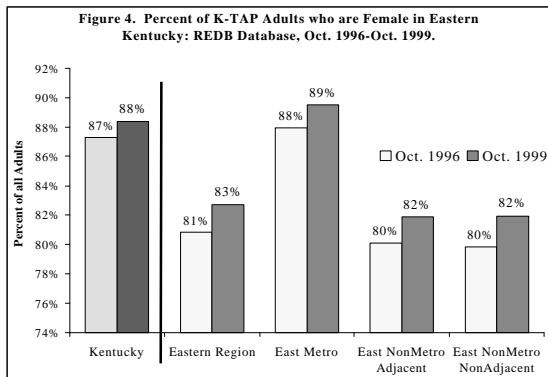
The largest change is in the proportion of children below school age who are infants. As elsewhere, while the proportion of children who are below school age declined in Eastern Kentucky (1 percentage point), infants are making up a greater share of these children (see figure 3).

Unlike the other regions, in Eastern Kentucky the greatest increase in the share of children in our database below school age who were infants was in metro areas. Following close behind, and more similar to the other regions, were the most rural parts of the region. The smallest amount of increase was in the nonmetro adjacent areas.



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

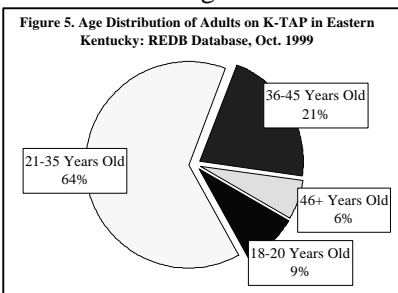


likely that the number of males probably reflects the extent of two adult households.

Compared to the other regions, the Eastern region has a higher proportion of male adults. This may in part reflect that this region contains the largest amount of the most rural areas and rural caseloads tend to have a higher proportion of two adult households.

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.

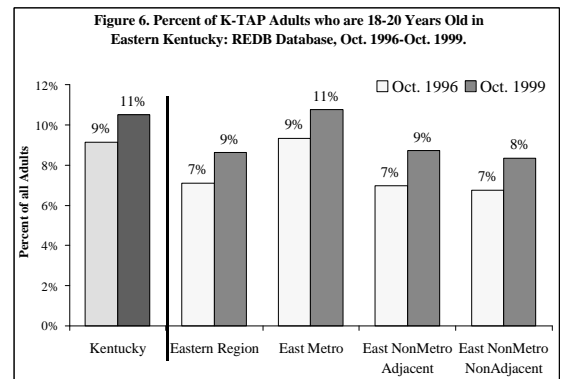
Age can also affect employment. The older you are the more time you have had to gain prior work experience, complete some education, and your children are more likely to be older. All of these can increase your ability to become employed.

Compared to the other regions, the Eastern region contains the largest shares of adults in the older age categories. This is probably because this region contains a large share of rural areas and rural caseloads tend on average to be older than their

urban counterparts.

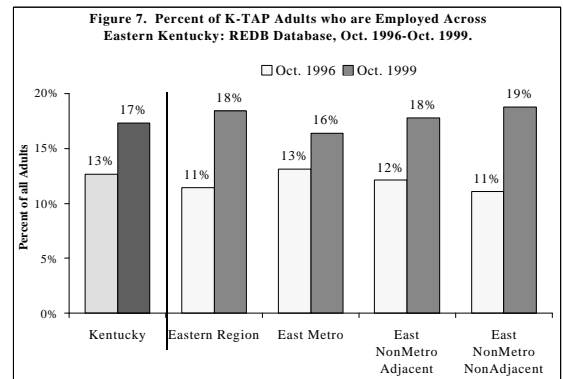
Of all adults in families receiving assistance in our database, and in all three regions, the majority are between 21-35 years old (see figure 5). While this remains the largest category, since welfare reform the proportion of adults ages 18-20 is increasing (see figure 6). While the rate of increase in this youngest age group has been the lowest in Eastern Kentucky, the trend may still 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.

As a whole the Eastern region has seen the largest rate of increase in adults who are employed (see figure 7). Within the region, the greatest increases were in the rural areas; moving them from the areas within Eastern Kentucky with the



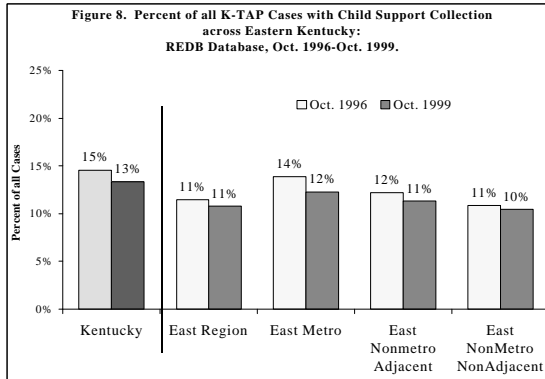
lowest percent of adults employed to that with the highest.

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.



Compared to the other regions, Eastern Kentucky had a smaller percent of K-TAP cases in our database with child support collection (11%). While over time the proportion of K-TAP cases in our database receiving child support collection has been decreasing, like in the Central region, the change has also been small in this region.

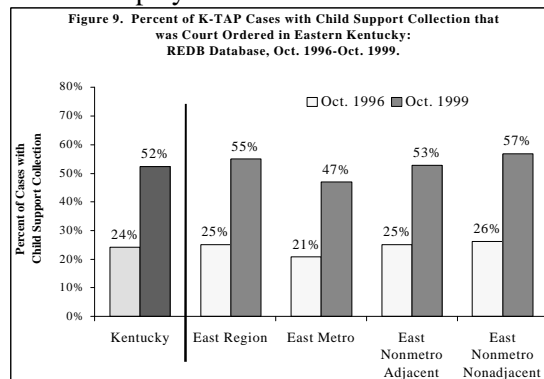
Within the region, metro areas had a slightly higher percent of cases with child support collection than did rural areas. By contrast, the most rural parts of the region (nonmetro nonadjacent) had the lowest percent of cases with child support collection (10%). To some degree, this may reflect the lower availability of employment options for both parents in the region.

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

Of the three regions, the Eastern region had the lowest

percent of all cases with child support collection. Still, like elsewhere, the percent of cases with court ordered collection has been on the rise. If we just look at cases with child support collection, this means that in Oct. 1996, 25% of cases with child support collection were court ordered. By Oct. 1999, this had increased to 55% of cases with child support collection being court ordered (see figure 9).

These patterns and changes may reflect several trends; increased attention to child support, the location of employment opportunities, and the tendency of 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 a higher proportion of K-TAP cases receiving food stamps than before, increasing from 88% in Oct. 1996, to 98% by Oct. 1999.

Within the region, in Oct. 1999, a slightly larger proportion

of K-TAP cases in rural areas received food stamps (96% in metro areas, 97% in nonmetro adjacent areas and 98% in nonmetro nonadjacent). This is the opposite of the other regions where metro areas had a higher proportion of cases receiving food stamps.

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 an overall 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. 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.

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