

DISCUSSION

This research examined the differential impact and outcomes of welfare reform for cash assistance recipients across Kentucky. The analysis examined not only rural/urban differences, but also variations across the diversity of rural areas. This analysis builds on the research base conducted in Kentucky by extending and refining prior analyses in the state. This includes both the state evaluation conducted at the University of Louisville (Cummings and Nelson, 1998, 1999a, 1999b) as well as exploratory analyses (Zimmerman and Veeraghanta, 1998; Zimmerman, 1999b; 1999c; Goetz, Debertin, and Zimmerman, 1998). This analysis builds upon both of these by combining the spatial analyses of Zimmerman (1999c; 2000) with the more detailed individual data and analyses of Cummings and Nelson (1999b) by employing more refined spatial delineations.

While this research only begins to tap into the potential held in these research questions and types of analyses, it does provide clear support for the contention that **place matters and that rural/urban differences do make a difference in understanding cash assistance caseloads**. For example, results from our aggregate data analysis indicate that while families headed by young single mothers with children below school age remain the largest group most at risk of needing assistance, caseloads are increasingly characterized by adults who are younger, women with infants, receiving food stamps, less likely to be with child support collection -- but if you are, it is more likely to be court ordered collection.

Particularly in metro areas, these changes likely reflect the national trend towards caseloads being increasingly characterized by the 'hardest to serve' as those most employable are leaving assistance. As we have seen in the individual-level analysis, many individual characteristics prove important in predicting the likelihood of a person having a pattern of cycling on and off of assistance, remaining on K-TAP for more than two years, or recently entering the cash assistance caseload.

In some areas, both policy changes with welfare reform that have focused on employment along with a strong economy, have combined to facilitate families exiting cash assistance. However, in rural areas, this process is less clear. Areas that have not shared in the national economic growth and expansion may reflect separate impacts of policy and economy on caseload changes. In other words, here while the policy may facilitate exiting assistance, there are limitations posed by the employment opportunities available in the local economy. This line of reasoning is further supported by the individual level analyses that reveal the importance of examining caseload composition by place characteristics reflecting local economic opportunities providing insight on factors affecting the likelihood of various patterns of assistance.

This research further reflects the insufficiency of relying on a rural/urban dichotomy to capture the impacts of differences by place. While rurality holds the potential for partial explanatory power, without greater detail, alone it can also produce seemingly contradictory results. And, **just as all metro areas are not alike, so too is the case among rural areas**. While a county may be classified as metro due to its relationship with a large metropolitan areas, since low income families are less mobile, they are more tied to the local economy and less likely to be among the middle and higher income commuters (Tickamyer, 1992), as could be the case in the Northern Kentucky labor market area. Likewise, not all rural areas are alike. In Eastern Kentucky, for instance, while the majority of the most rural areas in the state are located in this region, some rural areas in this region have seen modest economic changes such as in the

labor market area containing Somerset, while others have not such as the labor markets containing Harlan and Pikeville located in the heart of the Appalachian mountains.

This research confirms that of Henry and Lewis (1999), Bartik (1999), Brady et., al (2000), and Goetz et al., (1998) who all in different ways have found in their research the relationship between caseload changes and place. However, this relationship may be so complex that reducing it to a rural/urban dichotomy and macro economic trends may be the least best way of investigation.

While Kentucky stands out for its facility for county-level analysis, among other factors, increasing the extent of generalizability, this research needs to be replicated elsewhere to fully assess spatially and place-based impacts on welfare reform. Without a national county-level database with comparable and detailed information on caseload characteristics with which to utilize and test differing techniques of capturing place-based impacts (especially, the degree to which the impact of these place-based characteristics could limit meeting the goals of welfare reform), assessing the nature of the impacts of place and relations with policy changes will be restricted to state by state investigations, limiting the ability for fully national generalizations.

CONCLUSION

With its focus on employment, welfare reform is also part of the broader trend of moving federal government responsibilities to the state and local levels. For welfare reform, this 'block grant' environment means that states have been able to make more decisions surrounding cash assistance than ever before (Zimmerman, 1999d). This is important because as the face of cash assistance changes and recipients in different places face different opportunities and barriers, it opens the potential for flexibility. However, while states are able to make more decisions, they must do so while also meeting federal requirements.

Welfare reform with its legislative and regulatory focus also offers the opportunity to better respond to and effectively design locally relevant programs. More place-based contextualized analyses would enable state agencies to understand which areas are meeting with greater successes and challenges, assisting in better focusing program efforts designed for the contingencies in different areas within states.

More place relevant analyses can also assist by generating greater understanding of the impacts of different contexts on the changing composition of the remaining caseload. For example, one assessment of welfare reform in Kentucky suggested that the caseload will increasingly be located in the Appalachian region where fewer recipients are choosing educational opportunities (Cummings and Nelson, 1999c). This raises the question: are all recipients failing to choose education, or are they most likely to make this decision in those areas with the fewest employment opportunities and where the pay-offs for education are the least?

While the number of families on cash assistance have been declining, whether or not these numbers are evidence of the success of welfare reform has been hotly debated (eg; Council of Economic Advisors, 1997; Danziger, 1999; Martini and Wiseman, 1997). After all, in good economic times, it is easier to find a job than during economic downturns. And, nationwide economic figures are the best they have been in many decades. 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, especially among rural areas, raising the question of

the limiting impacts of local economic opportunity on meeting policy goals and suggestive of the future in light of a national economic downturn.

During the debates even before the passage of the 1996 Personal Responsibility and Work Opportunities Reconciliation Act, there has been concern over the impacts and outcomes surrounding welfare reform. Now, nearly 5 years later, we have begun to assess the various aspects of these policy changes, especially with an eye towards understanding the conditions surrounding caseload reductions, its effects, and the prospects of meeting work and lifetime limit goals. In these assessments, however, far less attention has been directed at the impacts and outcomes for rural areas across the country. Adding to the growing body of knowledge surrounding welfare reform and its impacts, this research examines the differential impact for rural and urban areas as well as across rural areas in the state of Kentucky.

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 and how it has been working or not working.

However, **without analyses that delve further into rural/urban differences, there could be unseen limits to meeting the goals of welfare reform.** In other words, the overall caseload may appear to contain more room for reduction than it does if those with characteristics usually seen as the most employable are increasingly located in those areas with the least favorable economies. This is particularly critical for those living in persistent poverty communities, many of which are located in rural America. Hence, if pursuing the goals of welfare reform occurs in the absence of an understanding of the differential impact of rural/urban differences, we may further jeopardize those already among the most vulnerable living in those areas with the fewest opportunities.

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