

Executive Summary

The Impacts and Outcomes of Welfare Reform across Rural and Urban Places in Kentucky

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During the debates even before the passage of the 1996 Personal Responsibility and Work Opportunities Reconciliation Act, there was 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, their effects, and the prospects of meeting work and lifetime limit goals—especially in the event of an economic downturn. 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.

- Results from this research indicate that place matters and that rural/urban differences do make a difference in understanding cash assistance caseloads.
- While the national trend of cash assistance caseloads being increasingly characterized by those ‘hardest to serve’ (with multiple barriers) is evident in Kentucky and across rural/urban areas in the state, the extent of these changes varied at different rates for different places. This was particularly the case for rural areas that coincided with areas of limited economic opportunity.
- Patterns of assistance (such as length of time receiving K-TAP) further reflected the importance of rural/urban differences as well as differences across rural areas in Kentucky.
- Results from this research are suggestive of separate roles for the impact of national policy changes embodied in welfare reform and the impacts of the places where people live. In other words, possessing individual and household characteristics usually associated with employability may not be enough in all areas, especially in areas with fewer economic opportunities.
- Furthermore, with the diversity of rural areas, differences not necessarily evident at the state level or with a rural/urban dichotomy, became more evident when rural areas were examined in greater detail.
- Consequently, these results also emphasize the need for a national county-level database with detailed caseload characteristics in order to fully examine the impacts of place on welfare reform across rural America.
- Finally, these results are also suggestive of possible 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.