



Families First:

Empowering Kentucky's
People and Communities

Report of the 1994-95
Commission on Poverty

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FOREWORD

In response to a growing concern about Kentucky's poor, the 1994 General Assembly passed Senate Concurrent Resolution No. 74, creating the Commission on Poverty. The Commission consisted of eleven members of the House and Senate and eleven citizens from communities around the state. The following report contains its findings, conclusions, and recommendations for anti-poverty policy.

Many individuals and agencies deserve acknowledgment for their contributions to this report. The Commission thanks former director Vic Hillard for his vigorous support of the research process. It also acknowledges Gilmore Dutton, Gimy Wilson, David Witt, Dan Jacobvitch, Rose Mick, Stewart Willis, Terry Sebastian, Stephen Keller, Diana McClure, Grah Millins, Charlie Bush, and countless other Legislative Research Commission staff for their generous donation of time and effort. Further, the Commission on Poverty expresses its appreciation to Department of Education, Council on Higher Education, and Higher Education Assistance Authority officials, and officials of the Human Resources, Workforce Development, and Economic Development Cabinets for their review of selected portions of the text. Most importantly, the Commission members are grateful for the insightful testimony of numerous economically disadvantaged citizens who testified during public hearings in Covington, Louisville, and Whitesburg. Their words were a powerful reminder of the human face of poverty.

Don Getrulo
Director
The Capitol
Frankfort, Kentucky
March, 1996

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Executive Summary

The 1994 General Assembly passed Senate Concurrent Resolution 74, creating the Commission on Poverty, a panel of citizens and legislators responsible for recommending changes in state programs to improve responsiveness to the poor and to increase the rate of success in eliminating causes of poverty. From November 1994 through September 1995, the Commission held monthly meetings, during which it gathered testimony from officials representing various state agencies. In addition, three public forums for citizens were held in the communities of Covington, Louisville, and Whitesburg. From the mass of data and information gathered during the course of its relatively brief life, the Commission developed a non-inclusive set of findings and recommendations. Although too numerous to include here, they are located throughout the text, and are repeated at the end of the report.

Background

The impetus for creating the Commission on Poverty came from an observation of the rise in Kentucky's poverty rates during the decade of the '80s. Following a measured decline in poverty from 1969 to 1979, Kentucky's poverty rate rose from 17.6 percent in 1979 to 19 percent in 1989. Most disturbing was data developed through the 1990 census that indicated that 25 percent of all children in Kentucky, and 28 percent of children under the age of 5, were living in poverty. The Commission was the legislature's response to the indications of growing numbers of people in poverty in Kentucky.

The Demographics of Poverty

According to the 1990 census, 19 percent of all Kentuckians (approximately 682,000 individuals) have incomes below the federal poverty line. The state's poverty rate was the sixth highest in the nation for 1989, and has been consistently high over the last 30 years.

The largest numbers of poor people are found in urban areas; the counties with the highest poverty rates are rural, and concentrated in the eastern part of the state. Analysis of demographic data indicates that the geographic distribution of poverty is different for various subgroups of the poor, and that having a job is the single most important characteristic of adults in determining whether their families live above or below poverty. Chapter II describes in detail the characteristics of subgroups of the poor, determines what demographic factors are most helpful in explaining poverty, and examines some implications for anti-poverty policy.

Myths and Misconceptions

Myths and misconceptions about the poor are examined in Chapter III. Although it is commonly believed that the poor are the same everywhere in Kentucky and have the same problems, the characteristics of the poor actually vary among regions of the state. Another misconception is that most poor Kentuckians receive some sort of public assistance. According to 1990 Census data, only one-fourth of the adults living with children in poverty reports receiving any income from public assistance.

Problems of Women and Men in Poverty

The Commission discovered that poor women and poor men often encounter different problems when struggling to overcome poverty. Poor, single mothers face a low earning capacity, an absence of economies of scale, a low level of support provided by public assistance programs, unreliable provisions frequently of child support payments, and a lack of affordable child care and health care. Men in poverty receive little guidance in obtaining academic or vocational education and little to no explanation of services available through the Job Opportunities and Basic Skills Program (JOBS) and the Job Training Partnership Act (JTPA). In addition, they have limited options for employment counseling. Chapter IV examines the obstacles to self-sufficiency facing each gender and recommends ways to minimize these obstacles.

Transitional Maintenance Programs

Chapter V contains its focus by describing barriers to self-sufficiency that are common to all poor Kentuckians. In particular, several obstacles involving Kentucky's AFDC, JOBS, and Medicaid programs are discussed. For example, the rateable-reduction system in the AFDC Program yields cash payments that are not sufficient to raise a family above the poverty line. Self-employed AFDC recipients often experience difficulty in generating and keeping the necessary capital to start their own businesses because of federal regulations governing their assets. Kentucky's Transitional Child Care Assistance Program does not allow enough time for participants to achieve self-sufficiency and begin to pay the high cost of child care on their own. Other problems concern the absence of any requirement for mothers who are 20 and older to participate in the life-skills training component of the JOBS Program and the inadequate transportation allowances given to some rural JOBS participants. Recommendations designed to minimize, if not eliminate, these problems are presented. In anticipation of possible "block granting" of federal AFDC and Medicaid programs, this chapter also suggests ways to administer block grants, including preferred funding levels for poverty-related categorical programs.

Economic Development

The role of economic development programs in poverty reduction cannot be ignored. Chapter VI reviews Kentucky's tax incentive and loan programs, describes some of the shortcomings in the Commonwealth Venture Fund, and explores special topics, such as the role of technology and the role of public-private partnerships in economic development. The Commission found several problems in current development programs. For example, there is no significant effort to require the recipients of state tax incentives and loans to hire the poor or unemployed. Also absent are programs designed to encourage the development of jobs through the creation of small, high-risk businesses, identify potential entrepreneurs for indigenous businesses, and assist private, nonprofit organizations in their efforts to foster local economic development. Further, Kentucky's development programs do not guarantee that wages paid by employers receiving state subsidies will be sufficient to support a family above the poverty level and they do not require these employers to provide health care and dependent care benefits. Recommendations are made to strengthen development programs and to create a vision for future development efforts.

Education, Vocation, and Literacy

Education, vocation, and literacy programs targeted to the economically and educationally impoverished are the focus of Chapter VII. Not surprisingly, the Commission discov-

ered one major problem in these areas: lack of funding. Other problems involve the limited availability of childcare services for students in secondary, postsecondary, and adult education programs, and the apparent failure of Kentucky's educational system to produce skilled workers for clerical and technical occupations. Recommendations to correct these problems are presented.

Higher Education Financial Assistance

The Commission examined the issue of access to higher education in Chapter VIII. Financial aid programs, outreach activities, and publications geared to low-income students are reviewed in this chapter, along with some special topics of interest, including the skills mismatch phenomenon in postsecondary education and vocational programs, the negative social perception of vocational education, and the concept of articulation among community colleges and vocational-technical schools. Not surprisingly, the Commission found that low-income students experienced difficulty in attending higher education institutions, mainly because of limited funding of state financial aid programs. Other problems include the difficulty in disseminating information about higher education opportunities to low-income students and the inability of vocational-technical schools to adequately consider the employment needs of their service areas when developing course offerings. The Commission also noted that community colleges and vocational-technical schools are moving too slowly in their efforts to create articulation agreements.

Empowering Local Communities

Various states, and even organizations within Kentucky, have recently developed innovative ways to deliver social services to clients. Chapter IX briefly describes some of these innovations and highlights the Oregon Commission on Families and Children. The Oregon Commission and others like it reflect a new concern for tailoring social services to the needs of local areas and promoting not only the reduction of poverty but the empowerment of local communities.

Lessons and Vision

Chapter X summarizes the lessons learned by Commission members over the last year and presents the Commission's vision for future anti-poverty and community-empowerment policy.

Methodology¹

Methodologies used in this report include review of literature, analysis of information and testimony provided by officials from numerous governmental and nongovernmental agencies, and statistical analysis of census data. Most importantly, the Commission drew upon citizen testimony from its public hearings.

ENDNOTES

¹ *The reader will notice the absence of references for some information in the following chapters. All facts, figures, and direct quotes from various sources without accompanying references are taken directly from the Commission on Poverty's regular monthly meetings and public hearings. References are provided for all other "outside" material (i.e., material not originating in regular meetings or public hearings).*