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ABSTRACT

This report presents preliminary recommendations for indicators and predictors of dependence on income from means-tested assistance programs, such as Aid to Families with Dependent Children, Food Stamps, and Supplemental Security Income. It includes an assessment of the ability of existing data collection efforts to provide the data needed to report annually on the recommended indicators. Dependence is considered along a continuum from complete long-term dependence to total self-sufficiency, and the depth of dependence is explored through indicators of the duration of welfare receipt, the ratio of earnings to total income received from welfare, and the degree of participation in the labor force and training programs. As measures of well-being, indicators include health, education, poverty and income, and housing conditions. At the writing of this report, states were just beginning to implement the Personal Responsibility and Work Opportunity Reconciliation Act (August 1996). For this reason, suggestions about the data needed for annual reports on indicators and predictors are only suggestions. The report recommends two types of indicators of dependence, those for self-sufficiency and family conditions, and others for child achievement, health, and well-being. To assure a complete and reliable assessment of dependence and well-being, it is recommended that indicators: (1) assess a broad array of outcomes, behaviors, and processes; (2) vary by age; (3) have the same meaning over time; (4) assess dispersion, duration, and risk; (5) include disaggregated data for subgroups; and (6) measure positive and negative aspects of well-being. Five appendixes provide supplemental information on families and state trends and discuss survey methodology. (Contains 24 tables, 23 appendix tables, 59 figures, and 147 references.) (SLD)

INDICATORS OF WELFARE DEPENDENCE AND WELL-BEING

INTERIM REPORT TO CONGRESS

U.S. Department of Health and Human Services
October, 1996

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Foreword

This is the Interim Report on Indicators of Welfare Dependence and Well-Being, developed in consultation with the U.S. Department of Agriculture and with assistance by the Social Security Administration. The report presents preliminary recommendations for indicators and predictors of dependence on income from means-tested assistance programs -- Aid to Families with Dependent Children, Food Stamps, and Supplemental Security Income -- and includes an initial assessment of the ability of existing data collection efforts to provide the data needed to report annually on the recommended indicators.

The report is the direct result of the foresight and leadership of Senator Daniel Patrick Moynihan. He sponsored the Welfare Indicators Act of 1994 to reassert that reduction of welfare dependence is a national goal that warrants regular measurement and assessment of progress toward that goal, just as the Employment Act of 1946 led to our ability to regularly measure and understand the critical problem of unemployment in this country. In introducing the bill, he declared that the policy and responsibility of the Federal Government must be to strengthen families and promote their self-sufficiency.

To assist the Department of Health and Human Services in undertaking this challenging assignment, the Welfare Indicators Act established a 12-member bipartisan Advisory Board, composed of experts in the fields of welfare research and welfare statistical methodology, representatives of State and local welfare agencies, and representatives of other organizations concerned with welfare issues. The Advisory Board brought a broad expanse of valuable experience and perspectives to bear on this subject, and we are grateful for their expertise, hard work, and wise counsel. They recognized that, given anticipated changes in assistance programs, addressing only indicators and predictors of welfare dependence would provide an incomplete picture of the condition of families and children. As a result, they recommended that the Interim Report include also indicators of child and family well-being.

We have adopted this perspective in developing the Interim Report and provide an extensive list of indicators from a wide range of fields. The following are a few of the over-arching themes found within the recommended indicators.

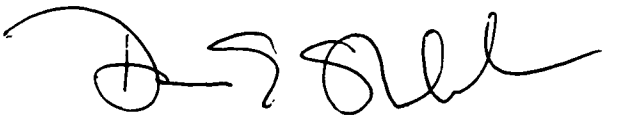
- Dependence is considered along a continuum from complete long-term dependence to total self-sufficiency. The depth of dependence is explored through indicators of the duration of welfare receipt, the ratio of earnings to total income received from welfare, and the degree of participation in the labor-force and training programs.

- There are many different dimensions of measuring well-being. As a result, the report includes indicators from such diverse areas as health, education, poverty and income, and housing conditions.

- Research on the causes of welfare dependence, although not definitive, has identified certain risk factors associated with welfare utilization and changes in well-being. The Interim Report examines risk factors such as family structure, job-readiness, social development and personal behavior.

- States are only just beginning to implement the Personal Responsibility and Work Opportunity Reconciliation Act, enacted in August 1996. As a result, a thorough assessment of the ability of data collection efforts under the new law to provide the data needed to report annually on the indicators and predictors is not possible at this time. This report discusses the issues surrounding data needed for the recommended indicators but leaves it to future annual reports to include a more complete assessment of the new law's implications for data collection.

This Interim Report is just the beginning. It is intended to stimulate thought, discussion, and debate and serve as a starting point for future annual reports. This first welfare indicators report strives to meet Senator Moynihan's expectation -- that it "mark the onset of a new age of information in this troubled area of social policy."



Donna E. Shalala
Secretary
U.S. Department of Health and Human Services

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This Interim Report on Indicators of Welfare Dependence and Well-Being could not have been completed without the contributions and efforts of many people. The Advisory Board on Welfare Indicators, established by the Welfare Indicators Act of 1994, and appointed by the House of Representatives, the Senate, and the President, provided critical direction and wise counsel throughout the development of this report. Members of the Advisory Board include:

Eloise Anderson, Director, California Department of Social Services
Jo Anne B. Barnhart, Political Director, National Republican Senatorial Committee
Paul E. Barton, Director, Policy Information Center, Educational Testing Service
Martin H. Gerry, Director, Center for Study of Family, Neighborhood, and Community Policy, University of Kansas
Judith M. Gueron, President, Manpower Demonstration Research Corporation
Robert Greenstein, Executive Director, Center on Budget and Policy Priorities
Wade Horn, Director, Fatherhood Initiative
Marvin H. Kosters, Resident Scholar and Director of Economic Policy Studies, American Enterprise Institute
Gerald H. Miller, former Director, Michigan Family Independence Agency
Kristin A. Moore, Executive Director, Child Trends, Inc.
Joan M. Reeves, Commissioner, Philadelphia Department of Human Services
Gary J. Stangler, Director, Missouri Department of Social Services

Staff from the U.S. Department of Agriculture, Food and Consumer Service, consulted with the Department of Health and Human Services throughout the development of the interim report and shared some significant perspectives and provided constructive input. Similarly, staff from the Social Security Administration, Office of Research, Evaluation and Statistics, made important and valuable contributions to the report.

Finally, vital assistance was provided by Greg Duncan and Leslie Moscow of the Northwestern University/University of Chicago Joint Center for Poverty Research. They gathered data on proposed indicators and assisted in drafting and producing the Interim Report.

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Executive Summary

The Welfare Indicators Act of 1994 directed the Secretary of Health and Human Services to conduct a study to determine which statistics would be most useful in tracking and predicting dependence on three means-tested cash and nutritional assistance programs: Aid to Families with Dependent Children (AFDC), Food Stamps, and Supplemental Security Program (SSI). Conclusions from that study and an assessment of the data needed to report annually on indicators and predictors of dependence were required within two years of enactment, with annual reports to be submitted thereafter.

Enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193, makes this task even more important. The welfare policy changes instituted as part of that law require and empower states to change welfare program eligibility rules on a state-by-state basis for the purpose of providing transitional assistance to needy families with children and reducing dependence by promoting job skills, work, and marriage. States may also use funds to prevent nonmarital pregnancies and to encourage the formation and maintenance of two-parent families.

As the bill is implemented, traditional indicators of dependence may lose their meaning and dependence may become more difficult to track over time. While never truly synonymous with changes in dependence, welfare caseload trends have been viewed as linked with such changes. However, caseload increases and decreases are driven by a combination of social, economic, demographic and policy forces, and are not simply the result of families becoming more or less dependent. Likewise, dependence is a multi-dimensional measure of how much and how long assistance is received as well as whether the assistance supplements or supplants earnings. The increased number of possible policy variants under the new welfare law highlights the need to present an accurate and dynamic picture of dependence. States face a dramatically different set of rules and incentives under the new law, and while caseloads may vary in size as a result of changes in dependence, they could also vary because states choose to serve families with state funds or provide services instead of cash.

Confronted with the changing landscape, the bipartisan Advisory Board on Welfare Indicators, created by the Welfare Indicators Act, recommended that the report include data on indicators and predictors of well-being as well as dependence. That recommendation and approach have been adopted in this report. It is consistent with the Act's declaration that "it is the policy of the United States to strengthen families, to ensure that children grow up in families that are economically self-sufficient and that the life prospects of children are improved...." This interim report recommends indicators that measure both welfare dependence and well-being, as well as risk factors associated with these outcomes to guide policy-makers in their efforts to reduce dependence and improve well-being.

Not only does this report suggest moving beyond caseload indicators to measure dependence, it also proposes moving beyond strict dependence indicators to consider the condition of families.

Families that exit the welfare system may or may not necessarily experience increased well-being. Including measures across a broad spectrum will ensure a more complete representation of the condition of families and children. Similarly, complementing measures of dependency with measures of well-being will provide more reliable and unambiguous measures over time.

The indicators included in this report were developed after examining trends in three programs -- AFDC, Food Stamps, and SSI, defining criteria for the selection of the most appropriate indicators, and reviewing the dynamic patterns of receipt of assistance from those programs. An overview of the report is provided below.

Program Trends: AFDC, Food Stamps, and SSI

As noted above many factors, including policy and economic changes, affect trends in program participation. Following an increase in participating families in the early 1970s, the AFDC program grew slowly during the remainder of the 1970s, declined as a result of the Omnibus Budget Reconciliation Act of 1981, and rose again throughout most of the 1980s and early 1990s. Participation has declined steadily since March 1994, with 4.4 million families enrolled in August 1996. An average of 9.2 million children received AFDC benefits each month in 1995. Food Stamp participation has fluctuated widely over the past 25 years. The number of Food Stamp participants reached its highest average monthly level of 28 million (excluding Puerto Rico) in March 1994. Participation has since fallen with just over 25 million recipients in June 1996. Over half of all Food Stamp recipients are children. Since its inception in 1974, the number of SSI recipients has risen from nearly 4 million in 1974 to 6.6 million persons in July 1996; of that number, just over 1 million are children.

Criteria for Selecting Indicators

In an attempt to ensure a complete and reliable assessment of dependence and well-being this report adopts criteria to guide the selection of indicators. Its recommended indicators: assess a broad array of outcomes, behaviors and processes; vary by age; have the same meaning over time; assess dispersion, duration and the cumulative risk; include disaggregated data for population sub-groups; and measure both positive and negative outcomes of well-being.

A Review of Program Dynamics

Recipients have very different experiences both within and among the AFDC, Food Stamps and SSI programs. For AFDC and Food Stamps, a substantial fraction of participants receive assistance for less than two years, although many stay on for much longer periods. Returning to assistance is common and sometimes occurs after a long period of time has passed. At the time of first receipt, long-term AFDC recipients are distinguished by never-married marital status, young age, low levels of schooling and little work experience. Compared to AFDC and Food Stamps, SSI spells are generally longer in duration with repeated episodes occurring less frequently. Indicators of dependence must capture the dynamics of the programs they measure.

Recommended Indicators

This report recommends two types of indicators: indicators of dependence, self-sufficiency, and family conditions; and indicators of child achievement, health and well-being. In most cases the recommended indicators should be tabulated separately for children, male non-elderly adults, female non-elderly adults and other important population subgroups wherever possible.

Indicators of Dependence, Self-sufficiency, and Family Conditions: To account for the varying degrees of dependence, this report recommends indicators that reflect points on a continuum from total dependence to complete self-sufficiency. Recommended indicators include:

> Range of Dependence: recipiency rates, multiple program receipt, transition rates, events associated with transitions, percentage of household income from means-tested assistance programs, degree of dependence, characteristics of short- and long-term recipients, intergenerational dependence and participation in work and training.
>
> Work and Job Readiness: labor force attachment, education level, earnings, disability status, incarceration, and alcohol and substance use.
>
> Poverty and Deprivation: poverty rate, poverty transitions, poverty events, income changes, distribution of poverty experiences, intergenerational poverty, food sufficiency and hunger, health insurance, substandard housing conditions, poor neighborhoods, and residential mobility.
>
> Family Structure: nonmarital births, birth rates, children's living arrangements, never-married family status, and doubled-up living arrangements.
>
> Parenting: child abuse, child support, child care, prenatal care, and early childhood reading exposure.

Indicators of Child Achievement and Health: This category includes indicators of health, achievement and problem behavior including: infant mortality, child mortality, low birth weight, child health limitations, teen birth rate, teen violent crime arrests, teen alcohol and substance abuse, early sexual intercourse, high-school dropout rates, math and reading proficiency and enrollment in pre-school.

The report also recognizes that there are other important domains for which consideration should be given to developing indicators. These domains include adult literacy, domestic violence, homelessness, absent parent interaction with children, and parent mental health.

Data Needs for Recommended Indicators

The Survey of Income and Program Participation's (SIPP) monthly accounting period and longitudinal design make it a nearly ideal data source for the purposes of this report. However, three features would enhance its value. First, the survey should collect reliable information

regarding previous spells of receipt of assistance. Second, discussions should continue about the development of data that would ensure that multi-year indicators such as transition rates onto and off assistance are not lost between survey periods. Finally, the SIPP questionnaire should be altered to establish whether receipt of cash assistance ended because of sanctions or time limits.

Since the 1996 welfare law fundamentally changes the nation's cash assistance programs, it is crucial to collect data that will track trends in dependence and well-being, and illustrate any changes over time. While the new law requires states to submit monthly case record data for numerous data elements, these reporting requirements were devised with the federal TANF program in mind. As states develop new and innovative ways to provide assistance, it will become increasingly important (and potentially more difficult) to gather data that will capture completely the full range of assistance programs both among and within states. The flexibility that allows states to design innovative assistance programs could have the unintended consequence of yielding less than ideal data for important segments of the welfare populations. To facilitate the development of optimal indicators, this report recommends that states collect caseload information on dependence and well-being, such as length of previous spells, length and type of employment, and marital status at the beginning of receipt of assistance.

Finally, as the diversity of cash assistance programs increases among and even within states, reliable information regarding policy parameters must be gathered at the state and local levels. This means not only gathering data about intended policy parameters but also developing an understanding about what is really happening at the ground level. This report supports efforts to collect, analyze and disseminate state and local level data on dependence and well-being. Future annual reports will include a more complete assessment of the data collected as a result of the new law as states begin to report on the new welfare programs that they are only just beginning to implement.

Chapter I. Introduction

Concern over rising welfare caseloads, out-of-wedlock childbearing, weak labor-market attachment and other behaviors often attributed to the "underclass" has led to dramatic changes in the structure of the safety net. Among its other provisions, the Family Support Act of 1988 mandated that states provide job training, education and child care to facilitate transitions into the labor force. During the mid 1990's more and more waivers were granted to states to allow them to experiment with Aid to Families with Dependent Children (AFDC) program reforms: by the time President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, some 45 states had received such waivers.

Underlying these changes to the safety net is concern about the degree to which families depend on income from means-tested assistance programs and a sense that the life prospects of children are improved when they grow up in families that are economically self-sufficient. Moynihan (1991) characterized the problem of dependence in today's post-industrial society as comparable in scope to the problem of unemployment in the 19th and early 20th centuries. However, while progress toward meeting economic goals such as full employment or the elimination of poverty can be monitored with the help of periodic reports on the rates of unemployment and poverty, there is no routine set of indicators for tracking dependence.

In response to this need, the Welfare Indicators Act of 1994 directs the Secretary of Health and Human Services, in consultation with the Secretary of Agriculture and with advice and recommendations from an Advisory Board, to:

> (1) develop: (A) indicators of the rate at which and, to the extent feasible, the degree to which families depend on income from welfare programs, and the duration of welfare receipt; and (B) predictors of welfare receipt; and
>
> (2) assess the data needed to report annually on the indicators and predictors, including the ability of existing data collection efforts to provide such data and any additional data collection needs.

The Welfare Indicators Act was passed two years ago. Since that time a significant new welfare law was enacted that fundamentally changes the system of providing means-tested assistance. This report addresses the impact of the new law on the development of indicators of welfare dependence and well-being. However, states are only just starting to implement their new cash assistance programs. As a result, this report presents a preliminary set of indicators. The task of proposing a complete and comprehensive set of indicators that fully responds to changes in the nature of dependence and well-being that may result because of the new law is left to future annual reports.

A. Dependence and Well-being

Historically, caseload size has served as the preeminent indicator of welfare dependence. Caseload increases were seen as an indication of increased dependence while caseload decreases were viewed as reduced dependence. In fact, however, changes in the caseload alone were never truly synonymous with changes in dependence. Caseload changes have always been driven by a combination of social, economic, demographic and policy forces and not simply because the family became more or less dependent. This report proposes a more comprehensive view of dependence -- one that considers the range as well as the depth of dependence through indicators that measure how much and how long assistance is received as well as whether the assistance supplemented or supplanted earnings.

The increased number of possible state policy variants under the new welfare law makes this even more important. Although state responses to the new law are not yet clear, states face a dramatically different set of rules and incentives than under AFDC. For example, the federal match included under prior law encouraged states to provide assistance under AFDC rather than pay the full cost of assistance by itself in a state-funded general assistance program. Under the new welfare block grant, without a federal match, states may have little incentive to serve the same families with federal funds. Thus, while caseload size may vary because of a change in dependence, it could also vary because states serve families with state funds or provide services instead of cash. The more complete examination of dependence included in this report will help to ensure that an accurate and dynamic picture of dependence is presented.

Not only does this report suggest moving beyond caseload indicators to measure dependence, it also follows the suggestion of the Advisory Board to move beyond dependence indicators to consider the condition of families. The Welfare Indicators Act specifically calls for the development of indicators of dependence on income from cash and nutritional assistance as well as risk factors of such dependence. However, it also recognizes the importance of measuring well-being when it declares the policy of the United States to "ensure that ... the life prospects of children are improved."

Families that exit the welfare system may or may not necessarily experience increased well-being. Including measures across a broad spectrum will ensure a more complete representation of the condition of families and children. Furthermore, the primary objective of both the AFDC program and the new welfare law is to improve the well-being of needy families with children. In light of this emphasis it seems particularly important to complement measures of dependency with measures of well-being. In order to fully address the mandate this report includes an array of indicators in order to provide reliable and unambiguous measures over time.

B. Definitions of "Means-Tested Assistance Programs," "Dependence," and "Well-being"

In keeping with the spirit of its mandate, and in an effort to provide some structure to the discussion, this report has adopted some definitions and conventions:

- **Means-Tested Assistance Programs**: Although eligible low-income families may receive income from a variety of sources and in many different forms, the report focuses on the means-tested assistance programs specifically listed in the Welfare Indicators Act including: i) the Aid to Families With Dependent Children cash assistance program and the new cash assistance programs that result from the new welfare law; ii) Food Stamps; and iii) Supplemental Security Income.

Established in 1935, AFDC provided cash payments for needy children who had been deprived of parental support or care because their father or mother was absent from the home continuously, was incapacitated, was deceased or was unemployed. As a result, in recent times, children comprised about two-thirds of the caseload. Families receiving AFDC were automatically eligible for Medicaid and most were also eligible for food stamps.

The Food Stamp Program is the nation's principal nutrition assistance program. It provides nutrition benefits in the form of coupons or electronic benefits that may be exchanged for food in authorized stores. Because it imposes few nonfinancial categorical restrictions on eligibility, it reaches a broad segment of the low-income population. While some food stamp recipients also receive AFDC or SSI, a substantial portion do not. In 1995, nearly 30 percent of all participants lived in households with some earnings and nearly 10 percent were elderly.

The Supplemental Security Income program provides assistance to three categories of recipients -- low-income elderly, low-income and disabled non-elderly adults, and disabled children living in low-income families. Since this report is primarily focused on families with children, more emphasis is placed on the child disability portion of the SSI program, although it does consider some indicators of other aspects of the program.

This report focuses on the core of the perceived dependence "problem" -- that portion of cash or nutrition assistance programs that is not conditioned on work and that is directed at families with children for whom employment is a viable option. For other participants -- the working poor[1], the elderly, and the disabled -- receipt of benefits is not necessarily perceived as a dependence "problem" and as a result, this report does not emphasize issues regarding their receipt of assistance. Furthermore, tax expenditures related to poverty (the Earned Income Tax Credit), tax expenditures related to employment (the Dependent Care Tax Credit), and cash support for child care while a parent is working are excluded from the discussion of "welfare" programs for the purposes of this report.

The Welfare Indicators Act also suggests including analysis of General Assistance (GA) to needy families and individuals under programs administered by state and local governments in the annual welfare indicators reports. While GA would meet the definition of welfare adopted for this report, little is currently known at the federal level about means-tested benefits provided

[1] For purposes of this report, "working poor" also includes families with an employed adult where most of their income comes from earnings, but which may also receive supplementation from a means-tested program -- either at the same time they are earning low wages or during temporary periods of unemployment.

by state and local governments. Therefore, indicators and predictors of receipt of General Assistance are not included in this report. Consideration will be given to including data and analysis of general assistance benefits in future annual indicators reports as additional data becomes available.

- **Dependence**: The report considers dependence as a continuum incorporating elements of the degree of reliance on means-tested benefits, the duration of receipt, and the behavior of the recipient. The dependence/self-sufficiency continuum ranges from: i) long-term receipt of income from welfare with no significant labor-market involvement or training; to: ii) participation in workfare or work-related activities and/or combining income from cash assistance with earnings; to: iii) short-term episodes of receipt of means-tested assistance programs; to: iv) long-term independence from receipt of means-tested assistance programs.

Research reviewed in Chapter III shows the dynamic, heterogeneous nature of dependence. There is no "typical" welfare experience, but rather a mixture of short-, medium- and long-term experiences. Time is a key dimension of dependence. At the same time, recipients also differ in their involvement in productive activities such as paid employment, community service, attending school or a job-training program, and responsible parenting.

This report's working definition of dependence accounts for this heterogeneity. The most dependent people are those individuals whose sole source of income comes from means-tested assistance and who are not engaged in paid employment, community service or job training for long periods of time. Further conceptual distinctions could be made on the basis of whether a non-working, not-in-training parent is actively engaged in responsible parenting. Parenting is certainly "work" and is indeed one of society's most valuable and productive activities. But problems of measurement and a lack of social consensus on public support for full-time parenting make it difficult to incorporate a parenting dimension in the proposed indicators of dependence and self-sufficiency.

- **Well-being**: The term "well-being" generally refers to a person's overall condition or state of being. As a result, the report examines outcomes from many different domains to develop indicators of well-being. While economic status as measured by a family's income is a key component of the well-being of both adults and children, well-being in the case of children also extends to their healthy development across cognitive, emotional, social and health domains.

In the case of children, the report develops a reliable set of indicators of both the outcomes themselves and the risk factors associated with the outcomes that will provide the data needed to assess the comprehensive effects of welfare and welfare reform on the well-being of children.

C. The New Welfare Law

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) was signed into law on August 22, 1996. This comprehensive piece of legislation directly affects a number of programs that provide assistance to needy families with children. It eliminates the open-ended federal entitlement program, Aid to Families with Dependent Children (AFDC), and in its place creates a block grant for states to provide time-limited cash assistance for needy families (the Temporary Assistance to Needy Families (TANF) block grant). It also makes far-reaching changes to the Food Stamp Program, Supplemental Security Income (SSI) for children, benefits for legal immigrants, child care, and the child support enforcement program.[2]

States are required to begin implementing their TANF program by July 1, 1997, and may implement earlier if they meet certain conditions. Over 30 states had submitted their state plans by late October. States receive federal funding for TANF based upon previous federal expenditures in the state on AFDC benefits, administration, Emergency Assistance, and the Job Opportunities and Basic Skills Training (JOBS) program. (The latter two programs also were repealed by the legislation.) States may use their TANF block grant in any "manner reasonably calculated to accomplish the purposes of the TANF." These purposes include providing assistance to needy families with children so they can be cared for in their own home; reducing dependency by promoting job preparation, work, and marriage; preventing out-of-wedlock pregnancies and encouraging the formation and maintenance of two-parent families. States have almost complete flexibility to determine eligibility, means of assistance, and benefit levels.

Adults in families receiving federally-funded assistance under the block grant are required to participate in work activities after receiving assistance for 24 months. Minimum work participation rates with respect to all families that include an adult or minor child head of household begin at 25 percent in Fiscal Year 1997 (75 percent for two-parent families), and rise to 50 percent in Fiscal Year 2002 and beyond (90 percent for two-parent families).

To receive their full allocation, states must meet an 80 percent maintenance of effort (MOE) requirement based upon their Fiscal Year 1994 spending on AFDC, JOBS, AFDC-related child care, and Emergency Assistance (EA). The MOE requirement will be reduced to 75 percent for states that meet the work participation rates. State spending for eligible families on cash assistance in programs created by the block grant, administrative costs, and state spending on families who would otherwise be eligible for assistance if not for the five-year lifetime limit on federal benefits count toward the MOE requirement. A penalty may be imposed for states that do not maintain the required spending level.

States can spend their block grant funds on any activities permitted under AFDC, JOBS and EA, including cash assistance, non-cash assistance, services, and administrative costs in connection with assistance to needy families with children. They may also make payments or vouchers for

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[2] A side-by-side comparison of provisions of the new welfare law and related provisions in laws in effect on the date of enactment is included at the end of Appendix A.

employment placement programs, as well as transfer up to 30 percent of their TANF block grant funds to operate state programs under the Child Care and Development Block Grant and the Title XX Social Services Block Grant (SSBG).

Total federal funding for the cash assistance block grant is estimated to be $16.4 billion for each year from Fiscal Year 1997 to Fiscal Year 2002, with each state receiving a fixed amount each year based on historical expenditures. States can carry over unused block grant funds for the purpose of providing assistance in future years under TANF.

The new law ends the federal entitlement of children and families to cash assistance. States have complete flexibility to determine which families receive assistance and under what circumstances, with the specific exceptions. States may not use federal TANF block grant funds to provide assistance in any form to families that include an adult who has received assistance for sixty months, subject to a hardship exemption of up to 20 percent of families. The only exception to this provision is that states may use SSBG funds to provide vouchers to families who reach the five-year time limit. States also cannot use federal TANF funds to provide assistance to unmarried minor parents unless they are attending school and living at home or in an adult-supervised living arrangement.

The range of options available to states to provide assistance to their needy residents seems virtually unlimited subject to a requirement that states set forth objective criteria for the delivery of benefits, for the determination of eligibility and for fair and equitable treatment under the law. States are likely to take advantage of the law's flexibility and consequently state programs funded under TANF will vary. This has been already demonstrated to some extent by the diversity in welfare reform demonstrations requested and operating in states across the country under waivers of AFDC law. State responses to the new welfare law may, for example, run the gamut from time-limited assistance for far shorter periods than the federal maximum to the creation of state programs to provide assistance after the federal limit.

The new welfare law retains the current structure of the Food Stamp Program as an uncapped, individual entitlement. It also includes a number of new provisions and budgetary changes. A new work requirement for able-bodied adults with no dependents places strict limits on the participation of these individuals. The freeze on the standard deduction, retention of the cap on the excess shelter deduction, and adjustment of the maximum food stamp benefit to the cost of the Thrifty Food Plan will result in benefit losses to families over the course of the program's reauthorization period.

The new welfare law also established a new disability standard for new and pending applications for SSI for children. The new standard eliminates the individual functional assessment and references to maladaptive behavior. Reviews for continued eligibility will be conducted at least every three years for children under age 18, and upon reaching 18, eligibility will be redetermined using the adult criteria.

Overarching these changes, the new welfare law places new restrictions on the participation of immigrants in means-tested programs. With certain exceptions, current and future legal

immigrants are barred from receiving SSI and food stamps until they become citizens. States have the option to determine the eligibility of current legal immigrants for federal cash assistance under TANF, Medicaid, and services under the SSBG. Again with certain individual and program exceptions, immigrants that arrive after the law is enacted who are "qualified" aliens are barred from means-tested, federally funded public benefits for the first five years they are in the United States.

Changes of this breadth and scope may not have been anticipated in the development of the Welfare Indicators Act of 1994. The implications of the new law on the development of indicators and predictors, on the data needed to report annually on the indicators and predictors, and on the very definitions of "welfare" and "dependence" are profound. While most of what is known about welfare and dependence (and therefore most of this report) is rooted in the programs that preceded the new welfare law, this report will attempt to identify those issues most affected by the new law and comment accordingly.

D. Plan of the Report

Recommendations for dependence and well-being indicators were developed after a careful examination of cash and nutrition assistance program trends, criteria to select indicators, and information regarding program dynamics.

The report begins in Chapter II with a review of aggregate trends in expenditures and caseloads for the key cash and near-cash assistance programs -- Aid to Families With Dependent Children, Food Stamps and Supplemental Security Income. Given that the structure of the former AFDC program changed dramatically due to waivers and the welfare reforms of 1996, a section of this chapter is devoted to a review of the changes.

Chapter III presents the principles used to develop criteria for indicator selection with specific references as to how the criteria apply to indicators of dependence and well-being. Section B of the chapter engages in a detailed discussion regarding program dynamics and the implications for developing reliable indicators.

Chapter IV focuses on gaining a complete understanding of the research regarding risk factors associated with welfare dependence and changes in well-being. It reviews evidence on economic and demographic trends that have been implicated in changes in aggregate caseload, household poverty, and child development. Conclusions from this review were used to guide the development of indicators of risk factors associated with dependence and well-being.

Chapter V specifies the indicators recommended in this report. It includes a short description of each indicator, brief explanation of the information it would measure, detailed information regarding the indicator and its data source, a graphic illustration of current data on the indicator, and possible data changes, as appropriate, to make the indicator more meaningful.

Finally, in Chapter VI, the report reviews the current status of data that measure these indicators and recommends modifications to the data that would provide additional information regarding dependence and well-being.

Chapter II. Background and Trends

The Welfare Indicators Act identifies three means-tested benefit programs as being of particular interest in analyzing welfare dependence -- the program of Aid to Families with Dependent Children under part A of the Social Security Act (known as the program of Temporary Assistance for Needy Families Block Grant since enactment of P.L. 104-193), the Food Stamp Program under the Food Stamp Act of 1977, and the Supplemental Security Income (SSI) program under title XVI of the Social Security Act. Despite their categorization as welfare programs, the three are far from identical. AFDC was established as a cash grant program to aid needy children deprived of parental support. The Food Stamp Program is a nutrition assistance program that provides in-kind benefits to all low-income households who meet the federal eligibility criteria. The SSI program provides monthly cash payments to needy aged, blind and disabled persons. Brief descriptions of each program, including basic eligibility requirements, are included in Appendix A. Appendix B includes some state-by-state trend tables on each program. National caseload and expenditure trend information on each of these programs follows.

A. Aid to Families with Dependent Children (AFDC)

Table II.1 presents fiscal-year data since 1970 on the average monthly number of families, individuals (adults plus children), and children[1] receiving benefits under the program of Aid to Families with Dependent Children (AFDC). Data on both the single-parent (AFDC Basic) and unemployed-parent (AFDC-UP) programs are reflected in the table; the former comprised 93.1 percent of the total recipients in 1995 and the latter 6.9 percent. In fiscal year 1995, the average monthly number of families enrolled in the combined programs was almost 4.9 million, with the unemployed-parent program accounting for 335 thousand. Table II.1 also includes historical information on the average monthly benefit under the combined programs. Note that these average monthly benefits have not been adjusted for inflation (average monthly per person benefits in both current and constant dollars are shown in Table II.2). On an inflation-adjusted basis, the average monthly benefit per family has decreased by 44 percent from 1970 to 1995, and the per person benefit has decreased by 22 percent over the same period. It should also be noted that when child support collections increase, dependence on AFDC benefits decreases. The average monthly benefits shown on Table II.1 have not been reduced by child support collections; benefit expenditures net of child support collections are displayed in Table II.3.

The average number of families participating in the AFDC program increased by 64 percent from 1970 to 1973 -- from 1.9 million in 1970 to 3.1 million in 1973 (see Table II.1). The

1 For purposes of Table II.1, children include all dependents under age 18 who are receiving an AFDC benefit, or at the option of the states, under 21 and a student regularly attending school or other approved training. An adult recipient is a needy relative with whom a dependent child is living and whose needs are taken into account in determining the amount of the AFDC money payment received by the family.

Table II.1 TRENDS IN AFDC ENROLLMENTS AND AVERAGE PAYMENTS, 1970-1996

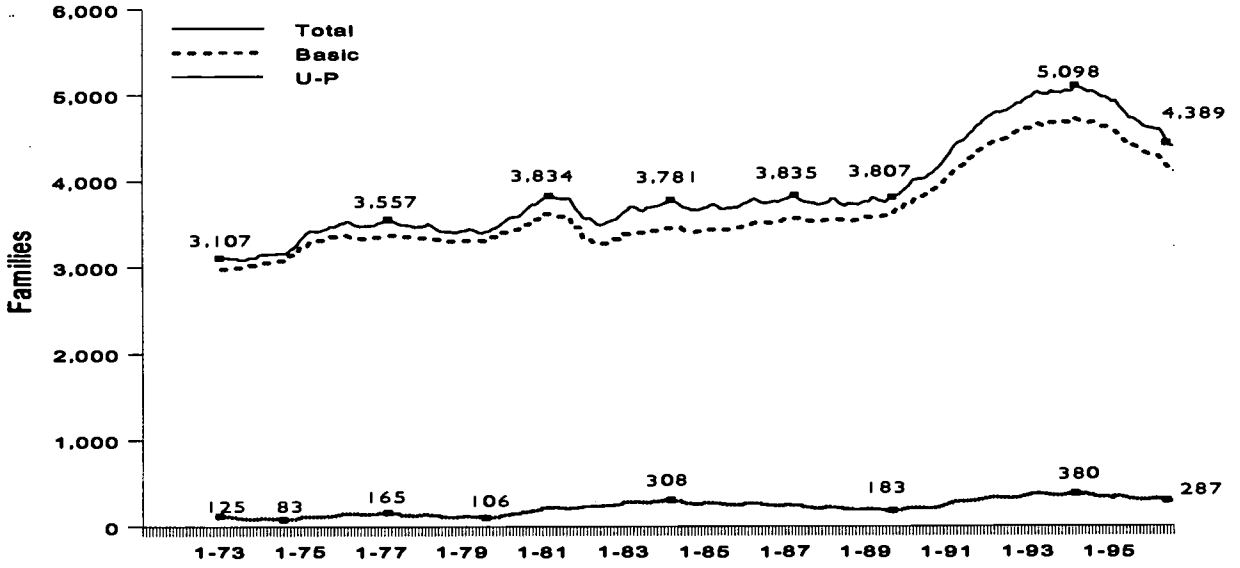
Fiscal year	Average monthly number (in thousands)					Average monthly benefit (not reduced by Child Support)	
	Total Families	Total Recipients	Total Children	Unemployed parent families	Unemployed parent recipients	Family	Recipient
1970.....	1,909	7,429	5,494	78	420	$178	$46
1971.....	2,532	9,556	6,963	143	726	180	48
1972.....	2,918	10,632	7,698	134	639	187	51
1973.....	3,123	11,038	7,965	120	557	187	53
1974.....	3,170	10,845	7,824	95	434	194	57
1975.....	3,342	11,165	7,928	101	451	210	63
1976.....	3,561	11,386	8,156	135	593	226	71
1977.....	3,575	11,130	7,818	149	659	242	78
1978.....	3,528	10,672	7,475	127	567	250	83
1979.....	3,493	10,318	7,193	113	504	257	87
1980.....	3,642	10,597	7,320	141	612	274	94
1981.....	3,871	11,160	7,615	209	881	277	96
1982.....	3,569	10,431	6,975	232	976	300	103
1983.....	3,651	10,659	7,051	272	1,144	311	106
1984.....	3,725	10,866	7,153	287	1,222	322	110
1985.....	3,692	10,813	7,165	261	1,131	339	116
1986.....	3,747	10,996	7,300	253	1,101	352	120
1987.....	3,784	11,065	7,381	236	1,035	359	123
1988.....	3,748	10,920	7,325	210	929	370	127
1989.....	3,771	10,934	7,370	193	856	381	131
1990.....	3,974	11,460	7,755	204	899	389	135
1991.....	4,374	12,595	8,513	268	1,148	388	135
1992.....	4,768	13,625	9,225	322	1,348	389	136
1993.....	4,981	14,143	9,539	359	1,489	373	131
1994.....	5,046	14,226	9,596	363	1,510	375	134
1995.....	4,874	13,652	9,275	335	1,430	377	135
1996 [1].....	4,567	12,715	8,703	303	1,249	374	134

[1] Based on preliminary data for the first 11 months of the fiscal year.

Source: Department of Health & Human Services, Administration for Children and Families, Office of Family Assistance, Division of Program Evaluation, *AFDC Flash Report, August 1996,* and unpublished data

caseload growth continued more slowly during the remainder of the 1970s, reaching a high of 3.8 million in the spring of 1981. In 1982, after the Omnibus Budget Reconciliation Act of 1981 took effect, the number of participating families dropped 8 percent, but in 1983 it rose again, by 2.3 percent, as the economy suffered its worst recession of the post-World War II period. After remaining fairly constant during most of the remainder of the decade, enrollment increased

Figure II.1 NUMBER OF AFDC FAMILIES, 1973 TO 1996
BASIC AND UNEMPLOYED PARENT (in thousands)



Source: Department of Health & Human Services, Administration for Children and Families, Office of Family Assistance, Division of Program Evaluation, *AFDC Flash Report, August 1996,* unpublished data.

sharply (1.3 million) beginning in 1989 until it reached a peak of nearly 5.1 million families (see Figure II.1). However, participation has declined steadily since then, with 4.4 million families participating in August 1996. (During the same 1989-1994 period, the Food Stamp caseload increased by nearly 55 percent -- about 4 million households. Since 1994, Food Stamp participation has declined by about half the rate of the AFDC caseload.)

After fluctuating between 10 and 11 million from 1972 to 1989, the total number of individuals receiving AFDC benefits increased by 3.4 million between 1989 and 1994 as a result of the 1990-1991 recession, from 10.9 million to 14.2 million (and from 4.4 to 5.4 percent of the population). The total number of recipients has decreased nearly 2 million persons since January 1993 to 12.2 million persons in August 1996, as the economy has improved. Overall, the AFDC population increased by 84 percent between 1970 and 1995.

Child recipients of AFDC as a percent of all recipients declined from 74 percent in 1970 to a low of 65.8 percent in 1984; this reflected the growth in the unemployed parent caseload[2] from 4 percent of the total to nearly 8 percent, a decrease in the average number of children per basic

[2] The total caseload consists of basic cases and unemployed-parent (U-P) cases. The U-P cases' share of total benefits increased from 6 percent in 1970 to 10 percent in 1995 (see Table II.3) as their share of the total caseload increased from 4 percent in 1970 to about 7 percent in 1995 (see Figure II.1).

family (case) from 2.84 to 1.88, and the countervailing influence of an increase in the proportion of cases with no adult recipients (child-only cases) from about 10 percent to nearly 12.5 percent. Since 1984 the number of children as a proportion of all recipients has increased slightly and during the 1990s has ranged between 67.6 and 68.6 percent. Between 1975 and 1989 the total number of children declined by 5.2 percent (even though the overall caseload increased by 13 percent during this period) as the number of children per case declined. Between 1989 and 1994, however, the number of children on AFDC rose 30 percent, from 7.4 million in 1984 to a peak level of 9.8 million in 1994 (from 11.5 percent to 14.7 percent of the child population). This 30 percent increase was the net effect of an increase in the number of AFDC-basic families and a decrease in the number of children per case, which was due both to a decline in the average family size and a sharp increase in the percentage of child-only cases[3] accompanied by an increase in the number of recipients per this type of case. From 1994 to 1995 the number of children decreased 5 percent. Overall the number of AFDC children increased by 68 percent between 1970 and 1995.

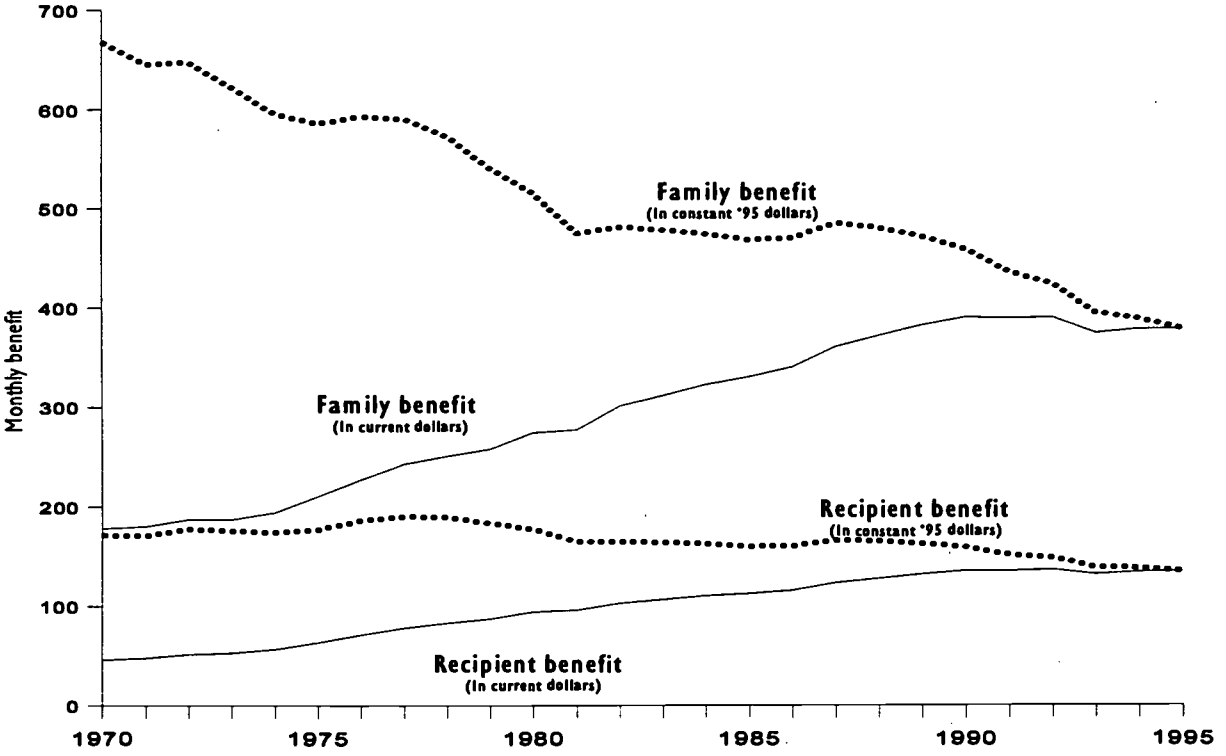
Table II.2 presents data on total AFDC expenditures since 1970. Note that these data have not been adjusted for inflation. Table II.3 displays benefits, net of child support collections, in constant 1995 dollars. In current dollars AFDC expenditures increased by nearly 54 percent from 1984 to 1995. When the data are adjusted for inflation, total AFDC expenditures show an increase of only 4.3 percent, despite the fact that the caseload was nearly 32 percent higher. In 1972 states' spending on AFDC as a percent of their net tax revenue reached its peak of nearly 3.8 percent, but by 1992 this proportion had shrunk to less than 2 percent.

Figure II.2 compares the trends in the nominal current-dollar value of the average monthly AFDC benefit and the real constant-dollar values using 1995 dollars (using the CPI-U-X1 to adjust for inflation). The nominal value of the average monthly AFDC family benefit (see Table II.1) more than doubled from $178 dollars in 1970 to $377 in 1995, an increase of 111 percent. The cost of living, however, nearly quadrupled during this same period -- it doubled from 1970 to 1980 and then nearly doubled again from 1980 to 1995 for a cumulative increase of 275 percent. The net effect was that the **real** value of the average monthly AFDC benefit per family declined from $668 in 1970 to $377 in 1995, a 44 percent decrease; a little over one-half of this decline occurred from 1970 to 1980. Since the average monthly benefit per recipient nearly tripled in nominal terms from 1970 to 1995, it only declined by 22 percent in real terms -- from $172 to $135 per recipient.

Part of the large difference between the trend in the benefit per family and the benefit per recipient reflects the fact that the number of recipients did not grow as rapidly as the number of

[3] The basic caseload consists of two components: child-only cases where there is no adult recipient as part of the case and regular cases having an adult care giver. The former has increased over time going from 9.7 percent in 1970 to 18.9 percent in 1995; for child-only cases the average number of recipients per case was 1.8 in 1995 up from 1.5 in 1986.

FIGURE II.2 AVERAGE MONTHLY AFDC BENEFIT
BY FAMILY AND RECIPIENT IN CURRENT & CONSTANT DOLLARS



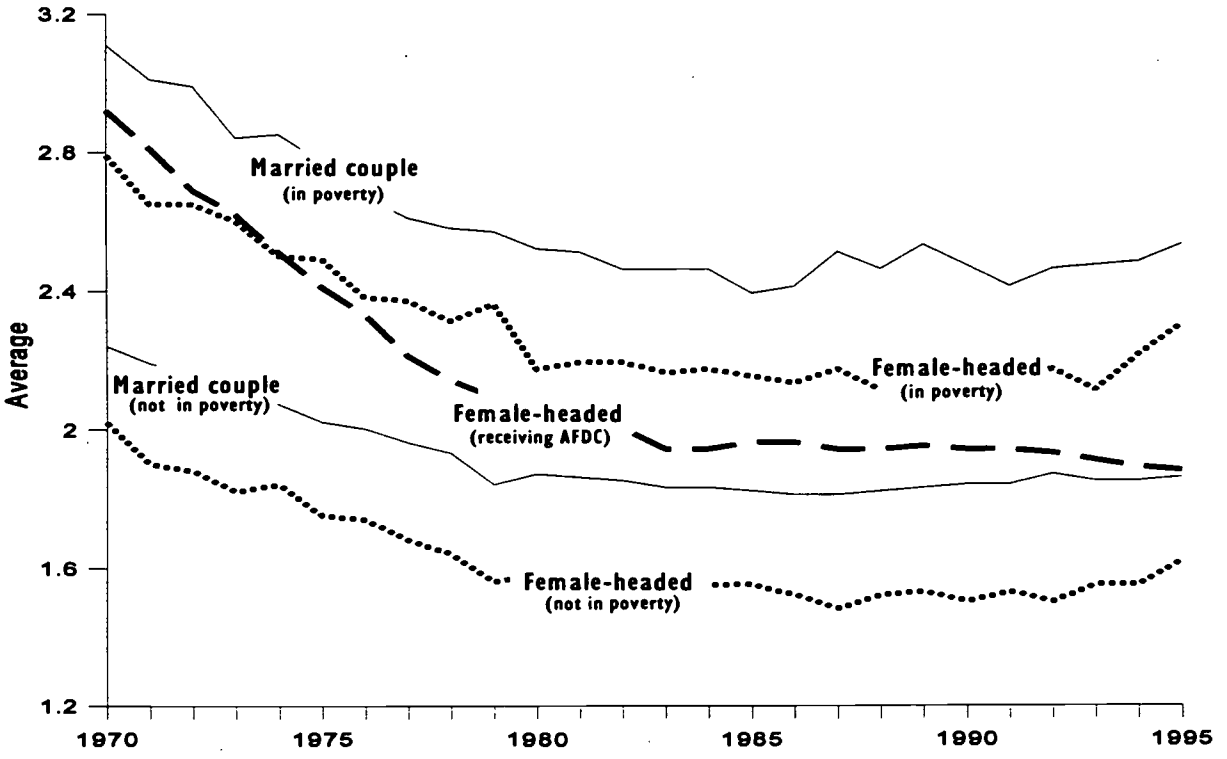
Source: Department of Health & Human Services, Administration for Children and Families, Office of Family Assistance, *Quarterly Public Assistance Statistics, 1993-94,* and unpublished data.

cases due to a decline in the average family size (the number of recipients per case). The number of cases in 1995 was more than 2.5 times the level in 1970 but the number of recipients was only 1.8 times as large. The average number of persons per AFDC family has declined sharply -- decreasing from 3.9 persons per case in 1970 to 2.9 persons in 1980. Since then the average has shown very little change (in 1995 it was 2.8 persons). This overall decline reflects both the decrease in the average number of persons per unemployed parent (UP) family from 5.4 to 4.2 and the decrease in the average number of persons per basic family from 3.8 to 2.7 persons.

Figure II.3 compares the change over the last 25 years in the average number of children per single-parent family receiving AFDC with the averages for married-couple families and female-headed families by income level. The average number of children per single-parent family receiving AFDC has shown even larger declines than married-couple families and all female-headed families whether in poverty or not in poverty.

FIGURE II.3 AVERAGE OF CHILDREN PER HOUSEHOLD

FAMILIES WITH RELATED CHILDREN UNDER 18 BY LIVING ARRANGEMENT



Note: Average number of children of female-headed households receiving AFDC excludes child-only cases.

Source: Department of Health & Human Services, Administration for Children and Families, Office of Family Assistance, *Quarterly Public Assistance Statistics, 1993-94,* and unpublished data.

In addition to the effect on the average family benefit of the difference in the rates of growth in recipients and cases as the average family size decreased, there is the effect of the manner in which benefits change as the number of recipients change. In July of 1994 the weighted average of the maximum AFDC benefit for a family of three was $442 and for a family of four it was $523. Note that as the family size decreases from four to three, the maximum benefit declines not by 25 percent but only by about 15 percent. Dividing $523 by 4 to obtain the benefit per recipient for the family of four yields approximately $131 per recipient, whereas for the family of three the benefit per recipient is $147 each. While the decline in average family size produces a 15 percent decrease in family benefit, it produces a benefit per recipient which is nearly 13 percent higher. Thus we can attribute about one-third of the real decline in average family benefit (15 percent as compared to 44 percent) to the decrease in average family size; i.e., even if all states had increased their payment standards by enough to fully offset the increase in the cost of living, the real average benefit per family would have decreased by about 15 percent from the decrease in the average number of persons per case.

Table II.4 shows the number of total AFDC recipients and the number of child recipients for calendar years since 1970, and shows these numbers as a percentage of the total population and of the poverty population (persons living in family units or as unrelated individuals with money income[4] below the official poverty line). As a percentage of the total population, AFDC recipients declined nearly one-sixth (by over three-quarters of a percentage point) from 5.17 percent in 1975 to 4.38 in 1989. Between 1989 and 1993, the percentage of the population receiving AFDC increased to an all-time high of 5.51 percent. Total AFDC recipients as a percent of the pre-welfare poverty population dropped sharply from 53.1 percent in 1979 to 40.6 percent in 1982. From this low it has gradually returned to the 50 percent level reaching 51.6 percent in 1992, the highest level since 1979 which is the first year for which this measure is available.

From 1972 to 1989 the percentage of children receiving AFDC remained relatively stable varying between 11 and 12 percent, with the exception of a low of 10.77 percent in 1982. In 1990, the percentage rose above 12 percent and by 1993 reached a peak of 14.27 percent. As a percentage of children in poverty (using the original Census pre-transfer definition), the percentage of child AFDC recipients has fallen from a high of 80.5 percent in 1973 to a low of 49.6 percent in 1982, and has since risen to 62.6 percent in 1994 -- the latest year for which data are available. With the exception of changes made by the Omnibus Budget Reconciliation Act of 1981, particularly with respect to earnings disregards, few of these participation changes can be attributed to federal policy changes.

Table II.5 presents some key characteristics of AFDC households for selected years between 1969 and 1995. During that period the average family size decreased from 4.0 to 2.8 persons. The proportion of AFDC cases with one or two child recipients increased from about one-half to three-quarters, and the proportion of cases with four or more children decreased from nearly one-third to less than 10 percent. At the same time, the percent of children with absent parents due to divorce or separation declined from 43.3 percent to 25.4 percent, and those with absent parents due to lack of a marriage tie doubled from 27.9 percent to 57.4 percent.

The percent of cases with the mother employed either full-time or part-time declined from 14.5 in 1969 to 8.8 in 1995. In fact, the greatest decline in the proportion of employed mothers occurred between 1979 (when 14.1 percent of mothers were employed either full-time or part-time) and 1983, when an all-time low of 4.9 percent of mothers were employed. During that period federal rules for earnings disregards were changed, indicating that the decline is likely attributable to the federal policy change rather than simply decreased work effort among low-income women.

[4] Money income here is defined as cash income plus social insurance plus Social Security, but before taxes, means-tested cash assistance and in-kind transfers such as food stamps, housing and medical benefits.

TABLE II.2 TOTAL, FEDERAL, AND STATE AFDC EXPENDITURES

FISCAL YEARS 1970 TO 1996

[In millions of dollars]

Fiscal year	Federal share		State share		Total		Monthly Benefit	
	Benefits	Administrative	Benefits	Administrative	Benefits	Administrative	per person current dollars	per person 1995 dollars [3]
1970	2,187	572 [1]	1,895	309	4,082	881 [1]	45.80	171.60
1971	3,008	271	2,469	254	5,477	525	47.80	171.00
1972	3,612	240 [2]	2,942	241	6,554	481 [2]	51.40	177.60
1973	3,865	313	3,138	296	7,003	610	52.90	175.90
1974	4,071	379	3,300	362	7,371	740	56.60	173.90
1975	4,625	552	3,787	529	8,412	1,082	63.30	176.60
1976	5,258	541	4,418	527	9,676	1,069	71.10	185.90
1977	5,626	595	4,762	583	10,388	1,177	77.90	189.70
1978	5,701	631	4,890	617	10,591	1,248	82.80	189.30
1979	5,825	683	4,954	668	10,779	1,350	87.10	182.90
1980	6,448	750	5,508	729	11,956	1,479	94.00	177.00
1981	6,928	835	5,917	814	12,845	1,648	95.90	164.50
1982	6,922	878	5,934	878	12,857	1,756	102.70	164.40
1983	7,332	915	6,275	915	13,607	1,830	106.40	163.50
1984	7,707	876	6,664	822	14,371	1,698	110.20	162.30
1985	7,817	890	6,763	889	14,580	1,779	112.40	159.60
1986	8,239	993	6,996	967	15,235	1,960	115.50	159.90
1987	8,914	1,081	7,409	1,052	16,323	2,133	122.90	165.60
1988	9,125	1,194	7,538	1,159	16,663	2,353	127.20	164.50
1989	9,433	1,211	7,807	1,206	17,240	2,417	131.40	162.20
1990	10,150	1,358	8,393	1,303	18,543	2,661	134.80	158.60
1991	11,164	1,373	9,192	1,300	20,356	2,673	134.70	150.80
1992	12,258	1,422	9,993	1,342	22,250	2,764	136.10	147.90
1993	12,270	1,518	10,016	1,438	22,286	2,956	131.30	138.50
1994	12,512	1,630	10,286	1,635	22,797	3,265	133.50	137.30
1995 [4]	12,018	1,771	10,022	1,725	22,040	3,496	134.50	134.50
1995.(11 months)	NA	NA	NA	NA	20,260	NA	134.35	NA
1996.(11 months)	NA	NA	NA	NA	18,769	NA	134.20	NA

[1] Includes expenditures for services.

[2] Administrative expenditures only.

[3] Constant dollar adjustments to 1995 level were made using the CPI-U-X1 price index.

[4] Preliminary data; does not reflect year-end adjustments.

Note.--Benefits do not include emergency assistance payments or reimbursement from child support enforcement collections. Foster care payments are included from 1971 to 1980. Beginning in fiscal year 1984, the cost of certifying AFDC households for food stamps are shown in the food stamp appropriation, U.S. Department of Agriculture. Administrative costs include Child Care administration, Work Program, ADP, FAMIS, Fraud Control, SAVE and other State and local administrative expenditures.

Source: Administration for Children and Families, Office of Financial Management

TABLE II.3 FEDERAL AND STATE AFDC BENEFIT PAYMENTS UNDER THE SINGLE PARENT AND UNEMPLOYED PARENT PROGRAMS FISCAL YEARS 1970 TO 1995

[In millions of dollars]

Fiscal Year	Single parent [1]	Unemployed parent	Child support collections [2]	Net Benefits [3] (1) + (2) minus (3)	Net Benefits (in 1995 $) [4]
	(1)	(2)	(3)	(4)	(5)
1970	3,851	231	0	4,082	15,297
1971	4,993	412	0	5,405	19,346
1972	5,972	422	0	6,394	22,102
1973	6,459	414	0	6,873	22,870
1974	6,881	324	0	7,205	22,127
1975	7,791	362	0	8,153	22,732
1976	8,825	525	286	9,064	23,701
1977	9,420	617	423	9,614	23,401
1978	9,624	565	472	9,717	22,223
1979	9,865	522	597	9,790	20,558
1980	10,847	693	593	10,947	20,614
1981	11,769	1,075	659	12,185	20,893
1982	11,601	1,256	771	12,086	19,343
1983	12,136	1,471	865	12,742	19,585
1984	12,759	1,612	983	13,388	19,717
1985	13,024	1,556	901	13,679	19,428
1986	13,672	1,563	951	14,284	19,786
1987	14,807	1,516	1,071	15,252	20,544
1988	15,243	1,420	1,197	15,466	20,013
1989	15,889	1,350	1,287	15,952	19,699
1990	17,059	1,480	1,416	17,123	20,143
1991	18,522	1,827	1,603	18,746	20,992
1992	20,086	2,121	1,864	20,343	22,110
1993	19,866	2,298	1,971	20,193	21,305
1994	20,285	2,404	2,053	20,636	21,210
1995	19,699	2,212	2,215	19,696	19,696

[1] Includes payments to two-parent families where one adult is incapacitated.

[2] Total AFDC collections (including collections on behalf of foster care children) less payments to recipients.

[3] Net AFDC benefits--Gross benefits less those reimbursed by child support collections.

[4] Constant dollar adjustments to 1995 level were made using the CPI-U-XI index.

Source: Office of Financial Management, Administration for Children and Families.

Table II.4 NUMBER OF AFDC RECIPIENTS, AND RECIPIENTS AS A PERCENTAGE OF VARIOUS POPULATION GROUPS, 1970-1996

Calender year	Total AFDC recipients (in thousands)	AFDC child recipients (in thousands)	AFDC recipients as a percent of total population [1]	AFDC recipients as a percent of poverty population [2]	AFDC recipients as a percent of pretransfer poverty population [2]	AFDC child recipients as a percent of total child population [1]	AFDC child recipients as a percent of children in poverty [3]
1970.....	8,303	6,104	4.1	32.7	N/A	8.8	58.5
1971.....	10,043	7,303	4.9	39.3	N/A	10.5	69.2
1972.....	10,736	7,766	5.1	43.9	N/A	11.2	75.5
1973.....	10,738	7,763	5.1	46.7	N/A	11.3	80.5
1974.....	10,621	7,684	5.0	45.4	N/A	11.3	75.7
1975.....	11,131	7,952	5.2	43.0	N/A	11.8	71.6
1976.....	11,098	7,850	5.1	44.4	N/A	11.8	76.4
1977.....	10,856	7,632	4.9	43.9	N/A	11.7	74.2
1978.....	10,387	7,270	4.7	42.4	N/A	11.2	73.2
1979.....	10,140	7,057	4.5	38.9	53.1	11.0	68.0
1980.....	10,599	7,295	4.7	36.2	49.2	11.4	63.2
1981.....	10,893	7,397	4.7	34.2	47.1	11.7	59.2
1982.....	10,161	6,767	4.4	29.5	40.6	10.8	49.6
1983.....	10,569	6,967	4.5	29.9	41.8	11.1	50.1
1984.....	10,645	7,017	4.5	31.6	43.6	11.2	52.3
1985.....	10,672	7,074	4.5	32.3	45.0	11.3	54.4
1986.....	10,850	7,206	4.5	33.5	46.6	11.5	56.0
1987.....	10,841	7,240	4.5	33.6	46.7	11.5	55.9
1988.....	10,915	7,328	4.5	34.4	48.5	11.6	58.8
1989.....	10,799	7,287	4.4	34.3	47.6	11.5	57.9
1990.....	11,699	7,917	4.7	34.8	48.0	12.3	58.9
1991.....	12,728	8,739	5.0	35.6	49.1	13.4	60.9
1992.....	13,774	9,321	5.4	36.2	51.6	14.1	60.9
1993.....	14,205	9,574	5.5	36.2	49.2	14.3	60.9
1994.....	14,164	9,570	5.4	37.2	50.7	14.1	62.6
1995.....	13,394	9,105	5.1	36.8	N/A	13.2	62.1
1996 [4].....	12,602	8,630	4.8	N/A	N/A	12.5	N/A

[1] Population numbers used as denominators are resident population. See Current Population Reports, Series P25-1106.

[2] The pretransfer poverty population used as denominator is the number of all persons in families with related children under 18 years of age whose income (cash income plus social insurance plus Social Security but before taxes and means-tested transfers) falls below the appropriate poverty threshold. See appendix J, table 20, *1992 Green Book*.

[3] For child poverty population data see Current Population Reports, Series P60-194.

[4] Average for Jaunuary through August of 1996.

Source: Department of Health & Human Services, Administration for Children and Families, Office of Family Assistance.

Table II.5 AFDC CHARACTERISTICS, 1969-95

	May 1969	May 1975	March 1979	Fiscal year [1] 1983	1988	1990	1992	1994	1995
Average family size (persons)	4.0	3.2	3.0	3.0	3.0	2.9	2.9	2.8	2.8
Number of child recipients (percent of AFDC cases):									
One	26.6	37.9	42.3	43.4	42.5	42.2	42.5	42.6	45.4
Two	23.0	26.0	28.1	29.8	30.2	30.3	30.2	30.0	30.4
Three	17.7	16.1	15.6	15.2	15.8	15.8	15.5	15.6	15.5
Four or more	32.5	20.0	13.9	10.1	9.9	9.9	10.1	9.6	9.6
Unknown	.....	.....	.....	1.5	1.7	1.4	0.7	1.5	1.3
Basis for eligibility (percent children):									
Parents present:									
Incapacitated	11.7 [2]	7.7	5.3	3.4	3.7	3.6	4.1	3.9	4.3
Unemployed	4.6 [2]	3.7	4.1	8.7	6.5	6.4	8.2	8.7	7.8
Parents absent:									
Death	5.5 [2]	3.7	2.2	1.8	1.8	1.6	1.6	1.7	1.8
Divorce or separation	43.3 [2]	48.3	44.7	38.5	34.6	32.9	30.0	26.5	25.4
No marriage tie	27.9 [2]	31.0	37.8	44.3	51.9	54.0	53.1	55.7	57.4
Other reason	3.5 [2]	4.0	5.9	1.4	1.6	1.9	2.0	2.6	2.5
Unknown	.....	.....	.....	1.7	.....	.....	0.9	1.0	0.8
Mother's employment status (percent): [3]									
Full-time job	8.2	10.4	8.7	1.5	2.2	2.5	2.2	3.2	3.7
Part-time job	6.3	5.7	5.4	3.4	4.2	4.2	4.2	4.5	5.1
Presence of income (percent families):									
With earnings	NA	14.6	12.8	5.7	8.4	8.2	7.4	8.7	9.5
No non-AFDC income	56.0	71.1	80.6 [4]	86.8 [4]	79.6 [4]	80.1 [4]	78.9 [4]	78.0	77.3
Median months on AFDC since most recent opening	23.0	31.0	29.0	26.0	26.3	23.0	22.5	21.5	23.2
Incidence of households (percent):									
Living in public housing	12.8	14.6	NA	10.0	9.6	9.6	9.2	8.3	8.0
Participating in food stamp or donated food program	52.9	75.1	75.1	83.0	84.6	85.6	87.3	88.7	89.8
Incl. nonrecipient members	33.1	34.8	NA	36.9	36.8	37.7	38.9	46.4	48.3

[1] Percentages are based on the average monthly caseload during the year. Hawaii and the territories are not included in 1983. Data after 1986 include the territories and Hawaii.

[2] Calculated on the basis of total number of families.

[3] For years after 1983, data are for adult female recipients.

[4] State collected child support directly beginning in 1975, removing one source of non-AFDC income.

NA--Not available.

Source: Administration for Children and Families, Office of Family Assistance, and Congressional Budget Office.

State Welfare Reform Demonstrations Using Waivers

Section 1115 of the Social Security Act grants states the authority to apply for waivers of statutory requirements governing the AFDC program. This authority is intended to give states greater flexibility to test innovations designed to help their programs better meet the objectives of the Act. Between 1993 and 1996, 43 states had received waivers to experiment with various provisions under the Social Security Act. Including states that received waivers prior to 1993, a total of 45 states are operating under waivers.

State waivers have important implications for establishing indicators of dependence and well-being. First, by definition, many waiver provisions will expand or contract the caseload thereby affecting dependence. Second, the tremendous diversity among states in the waivers requested, the portion of the state covered under the waivers, and the dates implemented make comparing dependence both over time and among states extremely tenuous.

Listed below are some of the most common waivers granted which can change dependence and well-being, as compiled by HHS (and reported in the HHS Fact Sheet of October 7, 1996):

- 31 states have received waivers that increase work and training requirements for AFDC recipients. Many states have narrowed the criteria for JOBS exemptions and expanded job search requirements. Some states have received waivers to use the AFDC grant to subsidize work experience programs.

- 31 states have received waivers that place time-limits on welfare receipt. States differ as to what happens after the time limit has expired, with some states requiring work in return for AFDC benefits, and others ending all cash assistance.

- 41 states have received waivers that increase the incentives for AFDC recipients to work. These waivers typically increase resource limits and earned income disregards. Several states have expanded their transitional child care and/or Medicaid programs for families that earn their way off welfare.

- 27 states have received waivers to strengthen child support enforcement, either by increasing the penalties for noncooperation with child support enforcement, or by increasing the amount of support passed-through to recipients.

- 39 states have received waivers designed to promote parental responsibility. Many waivers allow states to reduce AFDC benefits for parents who do not ensure that their children attend school and receive all required immunizations. Other states have received family cap waivers and waivers that require teen parents to live with responsible adults.

Waivers granted before the 1996 welfare law provide some indication of the direction states may follow in exercising their flexibility under the new law. They also illustrate some of the issues that must be resolved when establishing indicators of dependence.

B. Food Stamp Program

Table II.6 presents fiscal year data since 1970 on the average number of food stamp recipients, and the number of children receiving food stamp benefits for 1980-1996. It also shows food stamp recipiency rates for the United States from 1970 to 1995 using three different measures. The actual number of food stamp participants has fluctuated widely over the last 18 years, reaching its highest average monthly level of 28 million (not including Puerto Rico) in March 1994. As a percentage of the total United States residential population, the food stamp participation rate declined from 7.9 participants per 100 persons (7.9 percent) during the recession year of 1975 (the first year after food stamps became available nationwide) to 6.5 percent in 1978. During fiscal year 1979, and into 1980, participation increases were largely due to the elimination of the food stamp purchase requirement. Following the peak of 9.2 percent caused by the recession of 1982-83, the participation rate decreased during the remainder of the decade as the economy expanded. From the low of 7.6 percent in 1988 and 1989, the rate rose significantly as the economy slipped into recession and reached its all-time peak of 10.5 percent of the total United States population in 1994. Food stamp participation has fallen since 1994.

Among the poor and pretransfer[5] poor populations, the food stamp participation rates in 1994 were 72.1 percent and 64.8 percent respectively. Child recipients as a percent of all persons under 18 years of age rose sharply from 15 percent in 1989 to 21.2 percent in 1994; as a percent of all poor persons under 18 years of age the increase rose from 75 percent in 1989 to 94 percent in 1994.

Table II.7 presents historical information on Food Stamp Program expenditures for fiscal years 1970-1995 for benefits and administration (expressed in current dollars) and the average monthly benefit per person (expressed in both current and 1995 dollars). (Estimates of 1996 program costs based on monthly data are also included in Table II.7.) If correction is made for the high rates of inflation during the 1970s (using the CPI-U-X1 as the deflator), benefits per person doubled from 1970 to 1981, decreased by 9 percent from 1981 to 1987, increased by 21 percent from 1987 to 1992, and lost 4 percent in value from 1992 to 1995. The program description in Appendix A includes information on significant legislative events that affected total program expenditures.

[5] "Pretransfer poor" refers to the pretransfer poverty population consisting of all persons whose income (cash income plus social insurance plus Social Security but before counting the effects of taxes and means-tested benefits) falls below the appropriate poverty threshold.

Table II.6 TRENDS IN FOOD STAMP PARTICIPATION
NUMBER AND PERCENT, 1970-1996

Fiscal year	Total food stamp participants [1] (in thousands)	Child food stamp participants (in thousands)	Participants as a percent of total population [2]	Participants as a percent of all poor persons [2]	Participants as a percent of pretransfer poverty population [3]	Child participants as a percent of total child population	Child participants as a percent of children in poverty [2]
1970	9,076	NA	4.5	35.7	NA	NA	NA
1971	13,729	NA	6.6	53.7	NA	NA	NA
1972	14,365	NA	6.9	58.7	NA	NA	NA
1973	14,631	NA	6.9	63.7	NA	NA	NA
1974	14,784	NA	6.9	63.2	NA	NA	NA
1975 [4]	18,308	NA	7.9	66.2	NA	NA	NA
1976	18,240	9,126	7.7	66.7	NA	13.8	88.8
1977	17,014	NA	7.1	62.7	NA	NA	NA
1978	15,988	NA	6.5	58.9	NA	NA	NA
1979 [5]	17,682	NA	7.1	60.9	55.5	NA	NA
1980	21,082	9,493	8.5	65.5	60.7	14.9	82.2
1981	22,430	9,674	9.0	64.6	58.8	15.3	77.4
1982 [6]	22,055	9,545	8.8	59.0	53.2	15.2	69.9
1983 [6]	23,195	10,783	9.2	61.1	56.8	17.2	77.5
1984 [6]	22,384	10,372	8.8	61.7	56.7	16.6	77.3
1985 [6]	21,379	9,824	8.3	60.0	54.9	15.7	75.5
1986 [6]	20,909	9,846	8.1	59.9	54.7	15.7	76.5
1987 [6]	20,583	9,765	7.9	59.2	54.1	15.5	75.3
1988 [6]	20,095	9,363	7.6	58.6	53.7	14.8	75.2
1989 [6]	20,266	9,429	7.6	59.6	54.1	14.9	74.9
1990 [6]	21,547	10,127	8.0	59.7	54.3	15.8	75.4
1991 [6]	24,115	11,952	9.0	63.3	57.6	18.4	83.3
1992 [6]	26,886	13,349	9.9	66.7	62.0	20.2	87.3
1993 [6]	28,422	14,196	10.5	68.6	61.9	21.2	90.3
1994 [6]	28,879	14,391	10.5	72.1	64.8	21.2	94.1
1995 [6]	27,985	13,900 [e]	10.1	73.0	NA	20.2 [e]	94.8 [e]
1996 [6,7]	27,052	13,400 [e]	9.9	NA	NA	19.4 [e]	NA

[1] Includes all participating States, the District of Columbia, and other jurisdictions (including Puerto Rico). From 1970 to 1974 the number of praticipants includes the family food assistance program (FFAP) which was largely replaced by the Food Stamp program in 1975. The FFAP participiants for these five years were: 3,977; 3,642; 3,002; 2,441; and 1,406 (all in thousnads). NOTE: The monthly average number of participants for all fiscal years (including 1970-76) is computed as an average from October of the prior calender year to September of the current year.

[2] Includes all participating States and the District of Columbia only--the territories are excluded from both numerator and denominator. Population numbers used as denominators are resident population--see Current Population Reports, Series P25-1106. For the persons living in poverty used as denominators, see Current Population Reports, Series P60-194.

[3] The pretransfer poverty population used as denominator isthe number of all persons in families or living alone whose income (cash income plus social insurance plus Social Security but before taxes and means-tested transfers) falls below the appropriate poverty threshold. See appendix J, table 18, *1992 Green Book.*

[4] The first fiscal year in which food stamps were available nationwide.

[5] The fiscal year in which the food stamp purchase requirement was eliminated, on a phased in basis.

[6] Participation figures include enrollment in Puerto Rico (averaging 1.4 to 1.5 million persons a month under the nutrition assistance grant and higher figures in earlier years).

[7] Based on average for the first 10 months of the fiscal year. [e] denotes estimated value.

Sources: Budget documents prepared by the U.S.D.A. (Food and Consumer Service) and the *1994 Green Book.*

Table II.7 TRENDS IN FOOD STAMP EXPENDITURES, 1970-1996

[In millions of dollars]

Fiscal year	Total Federal Cost		Benefits [2] (Federal)	Administration [1]		Total Cost	Average monthly benefit per person	
	current dollars	1995 dollars [3]		Federal	State & local		current dollars	1995 dollars [3]
1970	866 [4]	3,247	550	27	20	597	9.00	33.70
1971	1,897 [4]	6,790	1,523	53	40	1,616	12.60	45.10
1972 [5]	2,182 [4]	7,543	1,797	73	55	1,926	13.50	46.70
1973	2,466 [4]	8,206	2,131	80	60	2,271	14.60	48.60
1974	3,047 [4]	9,357	2,718	124	95	2,938	17.60	54.00
1975 [6]	4,624	12,892	4,386	238	180	4,804	21.40	59.70
1976	5,692	14,882	5,327	365	275	5,967	23.90	62.50
1977	5,469	13,312	5,067	402	300	5,769	24.70	60.10
1978	5,573	12,746	5,139	434	325	5,898	26.80	61.30
1979 [7]	6,995	14,689	6,480	515	388	7,383	30.60	64.30
1980	9,224	17,369	8,721	503	375	9,599	34.40	64.80
1981	11,308	19,389	10,630	678	504	11,812	39.50	67.70
1982 [9]	11,117	17,793	10,408	709	557	11,674	39.20	62.70
1983 [9]	12,733	19,572	11,955	778	612	13,345	43.00	66.10
1984 [9]	12,470	18,365	11,499	971 [8]	805	13,275	42.70	62.90
1985 [9]	12,599	17,894	11,556	1,043	871	13,470	45.00	63.90
1986 [9]	12,528	17,353	11,415	1,113	935	13,463	45.60	63.20
1987 [9]	12,539	16,890	11,344	1,195	996	13,535	45.80	61.70
1988 [9]	13,289	17,196	11,999	1,290	1,080	14,369	49.80	64.40
1989 [9]	13,815	17,060	12,483	1,332	1,101	14,916	51.90	64.10
1990 [9]	16,512	19,424	15,090	1,422	1,174	17,686	59.00	69.40
1991 [9]	19,765	22,133	18,249	1,516	1,247	21,012	63.90	71.60
1992 [9]	23,539	25,583	21,883	1,656	1,375	24,914	68.50	74.50
1993 [9]	24,806	26,172	23,032	1,774	1,498	26,304	68.00	71.70
1994 [9]	25,492	26,202	23,825	1,667	1,504	26,996	69.00	70.90
1995 [9]	25,633	25,633	23,865	1,768	1,668	27,335	71.30	71.30
1996 [9, 10]	25,387	NA	23,569	1,817	1,708	27,095	73.00	NA

[1] All Federal administrative costs of the Food Stamp program and Puerto Rico's block grant are included: Federal matching for the various administrative and employment and training expenses of States and other jurisdictions, and direct Federal administrative costs. Beginning in 1984 the administrative cost of certifying AFDC households for food stamps are shown in the food stamp appropriation. Figures for Federal administrative costs beginning with fiscal year 1989 include only those paid out of food stamp appropriation and the food stamp portion of the general appropriation for food program administration. Figures for earlier years include estimates of food stamp related Federal administrative expenses paid out of other Agriculture Department accounts. State and local costs are estimated based on the known Federal shares and represent an estimate of all administrative expenses of participating States (including Puerto Rico).

[2] All benefit costs associated with the Food Stamp program and Puerto Rico's block grant are included. The benefit amounts shown in the table reflect small downward adjustments for overpayments collected from recipients and, beginning in 1989, issued but unredeemed benefits. Over time, the figures reflect both changes in benefit levels and numbers of recipients.

[3] Constant dollar adjustments to 1995 level were made using the CPI-U-X1 price index.

[4] From 1970 to 1974 total Federal cost includes the cost of the family food assistance program (FFAP) which was largely replaced by the Food Stamp program in 1975. The FFAP amounts for these years were: $289, $321, $312, $255, and $205 (in millions).

[5] The first fiscal year in which benefit and eligibility rules were, by law, nationally uniform and indexed for inflation.

[6] The first fiscal year in which food stamps were available nationwide.

[7] The fiscal year in which the food stamp purchase requirement was eliminated, on a phased in basis.

[8] Beginning 1984 USDA took over from DHHS the administrative cost of certifying public assistance households for food stamps.

[9] Includes funding for Puerto Rico's nutrition assistance grant; earlier years include funding for Puerto Rico under the regular food stamp program. Average benefit figures do not reflect the lower benefits in Puerto Rico under its nutrition assistance program.

[10] Estimated on the basis of data for the first 10 months of the fiscal year.

Sources: Budget documents prepared by the U.S.D.A. (Food and Consumer Service) and the *1994 Green Book*.

Table II.8 CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS
1980-1995

[In percent]

	Year and period survey was conducted								
	1980 (Aug.)	1982 (Aug.)	1984 (Aug.)	1986 (summer)	1988 (summer)	1990 (summer)	1992 (summer)	1994 (summer)	1995 (summer)
With gross monthly income:									
Below the Federal poverty levels	87	95	93	93	92	92	92	90	92
Between the poverty levels and 130 percent of the poverty levels	10	5	6	6	8	8	8	9	8
Above 130 percent of the poverty levels	2	*	1	*	*	*	*	1	1
With earnings	19	18	19	21	20	19	23	21	21
With public assistance income [1]	65	69	71	69	72	73	67	62	69
With AFDC income	NA	42	42	38	42	43	40	38	38
With SSI income	18	18	18	18	20	19	19	23	23
With children	60	58	61	61	61	61	61	61	60
And female heads of household	NA	45	47	48	50	51	44	43	43
With elderly members [2]	23	20	22	20	19	18	15	16	16
With elderly female heads of household [2]	NA	14	16	15	14	11	9	11	11
Average household size	2.8	2.8	2.8	2.7	2.6	2.6	2.5	2.5	2.5

[1] Public assistance income includes AFDC, SSI, and general assistance.

[2] Elderly members and heads of household include those age 60 or older.

* Less than 0.5 percent.

Source: U.S. Department of Agriculture (Food and Consumer Service) surveys of the characteristics of food stamp households.

Table II.8 presents characteristics of food stamp households for selected years between 1980 and 1995. The changes in the caseload composition are less dramatic than they are for AFDC as shown in the preceding Table II.5. The proportion of households with gross monthly income below the federal poverty level increased from 87 percent to 92 percent. Likewise households with earnings increased from 19 percent to 21 percent, and households with AFDC, SSI and/or general assistance income increased from 65 percent to 69 percent. Households with elderly members declined considerably, from 23 percent to 16 percent. The average food stamp household size decreased from 2.8 persons to 2.5 persons.

C. Supplemental Security Income (SSI) Program

Table II.9 presents trend information on the number of persons receiving SSI payments in December of each year from 1974 through 1995, and for August 1996, the most current month for which data are available. Data on the total number of SSI recipients are shown, as well as recipients by eligibility category (aged, blind and disabled) and by type of recipient (child, adult age 18-64, and adult 65 and over). Since its inception in 1974, the number of recipients on SSI has risen from nearly 4 million in 1974 to over 6.6 million in August 1996. The number of SSI recipients declined early in the program as the number of aged individuals on SSI declined, but that trend reversed in the mid-1980s as rapid growth in the number of disabled recipients outstripped the minimal change in the elderly and blind SSI populations. From 1984 through 1993, the disabled population on SSI grew at an annual average rate of about 9.2 percent. Since 1982 the total number of SSI recipients has increased by nearly 72 percent. The increase in the number of recipients who are children has been particularly dramatic over the last several years. The number of child recipients nearly tripled between December 1990 and August 1996, while overall participation increased by 38 percent during the same period. Most of the increases in the participation of children since 1991 reflect the revised definition of disability for children as a result of the Supreme Court's decision in the *Sullivan v. Zebley* case.

Table II.10 shows total federal and state payments under SSI for calendar years 1974 through 1995, both in actual expenditures and constant (1995) dollars. (Estimates of 1996 payments based on monthly data are also included in Table II.10.) Total annual benefits paid under the SSI program rose at an average rate of 7.9 percent from about $5.3 billion in 1974 to over $27 billion in 1995. After adjusting for inflation, however, total annual benefits rose by an annual average rate of 2.2 percent. The monthly Federal benefit rates for individuals and couples rose from $140 and $210 in 1974 to $446 and $669 in 1994, respectively. Nearly all of these changes resulted from the statutory indexation of the Federal benefit rates to the Consumer Price Index (CPI). The Federal benefit rate as a percent of the appropriate poverty level for individuals has ranged from 72 to 77 percent and is currently 75 percent; for couples it has ranged from 86 to 91 percent and is currently at 89.5 percent. Most States supplement the Federal benefit for at least some participants.

Table II.12 displays SSI participation rates. Overall, 2.5 percent of the total United States population received SSI payments in 1995, compared to 2.0 percent in 1975. The proportion of children receiving SSI increased significantly, from 0.2 percent in 1975 to 1.4 percent of all children in 1995. In contrast, the recipiency rate among the elderly declined over the 20-year period -- from 10.9 percent to 6.3 percent of all persons 65 and older receiving SSI payments in 1995.

Table II.9 SSI RECIPIENTS, 1974-1996

NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS IN DECEMBER OF EACH YEAR 1974-1995, AND CURRENT MONTH.

[In thousands]

Date		Total	Eligibility Category				Type of Recipient		
			Aged	Blind and disabled			Children	Adults	
				Total	Blind	Disabled		Age 18-64	65 or older
Dec	1974	3,996	2,286	1,710	75	1,636	71	1,503	2,422
Dec	1975	4,314	2,307	2,007	74	1,933	128	1,678	2,508
Dec	1976	4,236	2,148	2,088	76	2,012	153	1,686	2,397
Dec	1977	4,238	2,051	2,187	77	2,109	175	1,709	2,353
Dec	1978	4,217	1,968	2,249	77	2,172	197	1,716	2,304
Dec	1979	4,150	1,872	2,278	77	2,201	212	1,692	2,246
Dec	1980	4,142	1,808	2,334	78	2,256	229	1,693	2,221
Dec	1981	4,019	1,678	2,341	79	2,262	230	1,668	2,121
Dec	1982	3,858	1,549	2,309	77	2,231	229	1,618	2,011
Dec	1983	3,901	1,515	2,386	79	2,307	236	1,662	2,003
Dec	1984	4,029	1,530	2,499	81	2,419	249	1,743	2,037
Dec	1985	4,138	1,504	2,634	82	2,551	265	1,841	2,031
Dec	1986	4,269	1,473	2,796	83	2,713	280	1,972	2,018
Dec	1987	4,385	1,455	2,930	83	2,846	289	2,081	2,015
Dec	1988	4,464	1,433	3,030	83	2,948	290	2,168	2,006
Dec	1989	4,593	1,439	3,154	83	3,071	296	2,271	2,026
Dec	1990	4,817	1,454	3,363	84	3,279	340	2,418	2,059
Dec	1991	5,118	1,465	3,654	85	3,569	439	2,600	2,080
Dec	1992	5,566	1,471	4,095	85	4,010	624	2,843	2,100
Dec	1993	5,984	1,475	4,509	85	4,424	771	3,101	2,113
Dec	1994	6,296	1,466	4,830	85	4,745	893	3,284	2,119
Dec	1995	6,514	1,446	5,068	84	4,984	974	3,425	2,115
Aug	1996	6,646	1,437	5,209	83	5,125	1,015	3,518	2,112

Source: Social Security Administration, Office of Research and Statistics.

The proportion of SSI recipients receiving Social Security benefits declined from nearly 53 percent in 1974 to about 40 percent in 1993. The fraction of SSI recipients receiving some other type of unearned income rose from about 11 percent in 1974 to 13 percent in 1993, and the fraction with earnings jumped from about 3 percent in 1974 to more than 4 percent in December 1993.

Table II.10 FEDERAL AND STATE SSI BENEFIT PAYMENTS
CALENDER YEARS 1974-87 & FISCAL YEARS 1988-1996 [1]

[In millions of dollars]

Year	Total benefits		Federal payments	State supplementation			Administrative costs (fiscal) year)
	current dollars	1995 [2] dollars		Total	Federally administered	State administered	
1974.....	5,246	15,404	3,833	1,413	1,264	149	285
1975.....	5,878	15,940	4,314	1,565	1,403	162	399
1976.....	6,066	15,563	4,512	1,554	1,388	166	500
1977.....	6,306	15,206	4,703	1,603	1,431	172	NA
1978.....	6,552	14,793	4,881	1,671	1,491	180	539
1979.....	7,075	14,571	5,279	1,796	1,590	207	610
1980.....	7,941	14,705	5,866	2,074	1,848	226	668
1981.....	8,593	14,535	6,518	2,076	1,839	237	718
1982.....	8,981	14,317	6,907	2,074	1,798	276	779
1983.....	9,404	14,389	7,423	1,981	1,711	270	830
1984.....	10,372	15,214	8,281	2,091	1,792	299	864
1985.....	11,060	15,665	8,777	2,283	1,973	311	953
1986.....	12,081	16,799	9,498	2,583	2,243	340	1,022
1987.....	12,951	17,445	10,029	2,922	2,563	359	976
1988.....	14,375	18,601	11,368	3,007	2,645	362	975
1989.....	14,707	18,162	11,399	3,308	2,881	427	1,051
1990.....	16,095	18,934	12,507	3,589	3,159	431	1,075
1991.....	17,979	20,133	14,228	3,751	3,235	516	1,257
1992.....	21,258	23,105	17,270	3,987	3,431	556	1,538
1993.....	24,173	25,504	20,312	3,862	3,298	564	1,467
1994.....	25,469	26,178	21,750	3,719	3,140	579	1,690 [3]
1995.....	27,246	27,246	23,512	3,734	3,114	620	1,956 [3]
1996 [4].....	29,843	NA	26,025	3,818	3,149	670 [3]	1,620 [3]

[1] Payments and adjustments during the respective year but not necessarily accrued for that year.

[2] Data adjusted for inflation using the CPI-U-X1 for calender years 1974-87 and fiscal years 1988-95.

[3] Data are estimates.

[3] Federal payments for 1996 estimated based on data for the first 11 months of the fiscal year.

Source: Office of SSI, and Office of Budget, Social Security Administration.

TABLE II.11 AVERAGE MONTHLY SSI BENEFIT PAYMENTS
CALENDAR YEARS 1974-87 AND FISCAL YEARS 1988-96

[In current and constant 1995 dollars]

Year	Average monthly combined payments		Average monthly federal payments		Average monthly state supplementation	
	current dollars	1995 [1] dollars	current dollars	1995 [1] dollars	current dollars	1995 [1] dollars
1974	109.40	321.20	79.90	234.70	29.50	86.50
1975	113.50	308.00	83.30	226.00	30.20	82.00
1976	119.40	306.10	88.80	227.70	30.60	78.40
1977	124.00	299.00	92.50	223.00	31.50	76.00
1978	129.50	292.40	96.50	217.80	33.00	74.60
1979	142.10	292.60	106.00	218.30	36.10	74.30
1980	159.70	295.80	118.00	218.50	41.70	77.30
1981	178.20	301.40	135.20	228.60	43.00	72.80
1982	194.00	309.30	149.20	237.90	44.80	71.40
1983	200.90	307.30	158.60	242.60	42.30	64.70
1984	214.50	314.60	171.30	251.20	43.20	63.40
1985	222.80	315.40	176.80	250.30	46.00	65.10
1986	235.80	327.90	185.40	257.80	50.40	70.10
1987	246.10	331.50	190.60	256.70	55.50	74.80
1988	268.30	347.20	212.20	274.60	56.10	72.60
1989	266.80	329.50	206.80	255.40	60.00	74.10
1990	278.50	327.50	216.40	254.50	62.10	73.00
1991	292.70	327.80	231.60	259.40	61.10	68.40
1992	318.30	345.90	258.60	281.00	59.70	64.90
1993	336.60	355.10	282.80	298.40	53.80	56.70
1994	337.10	346.50	287.90	295.90	49.20	50.60
1995	348.60	348.60	300.80	300.80	47.80	47.80
1996	374.20	NA	326.30	NA	47.90	NA

Note: The numerators for these averages are from Table II.10 and the denominators are from Table II.9.

[1] Data adjusted for inflation using the CPI-U-X1 for calender years 1974-87 and fiscal years 1988-95.

Source: Office of SSI, and Office of Budget, Social Security Administration.

Table II.12 SSI PARTICIPATION RATES, 1974-1996

[In percent]

	All recipients as a percent of total population [1]	Child recipients as a percent of all children [1]	Elderly recipients (persons 65 & older) as a percent of		
			all persons 65 & older [1]	all elderly poor [2]	pretransfer elderly poor [3]
Dec 1974	1.9	0.1	10.8	78.5	NA
Dec 1975	2.0	0.2	10.9	75.6	NA
Dec 1976	1.9	0.2	10.2	72.4	NA
Dec 1977	1.9	0.3	9.7	74.1	NA
Dec 1978	1.9	0.3	9.3	71.5	NA
Dec 1979	1.8	0.3	8.8	61.3	66.8
Dec 1980	1.8	0.4	8.6	57.5	64.7
Dec 1981	1.7	0.4	8.0	55.0	63.3
Dec 1982	1.7	0.4	7.4	53.6	62.3
Dec 1983	1.7	0.4	7.3	55.2	61.9
Dec 1984	1.7	0.4	7.2	61.2	66.3
Dec 1985	1.7	0.4	7.1	58.7	64.5
Dec 1986	1.8	0.4	6.9	57.9	63.4
Dec 1987	1.8	0.5	6.7	56.5	64.7
Dec 1988	1.8	0.5	6.6	57.6	64.3
Dec 1989	1.9	0.5	6.5	60.3	64.6
Dec 1990	1.9	0.5	6.5	56.3	63.3
Dec 1991	2.0	0.7	6.5	55.0	61.1
Dec 1992	2.2	0.9	6.5	53.5	59.8
Dec 1993	2.3	1.1	6.4	56.3	63.3
Dec 1994	2.4	1.3	6.4	57.9	65.6
Dec 1995	2.5	1.4	6.4	63.7	NA
Aug 1996	2.6	1.5	6.6	NA	NA

[1] Population numbers used for the denominator are Census resident population estimates adjusted to the December date by averaging the July 1 population of the current year with the July 1 population of the following year; see Current Population Reports, Series P25-1106.

[2] For the number of persons (65 years of age and older living in poverty) used as the denominator, see Current Population Reports, Series P60-194.

[3] The pretransfer poverty population used as the denominator is the number of all elderly persons whose income (cash income plus social insurance plus Social Security but before taxes and means-tested transfers) falls below the appropriate poverty threshold. See appendix J, table 22, *1992 Green Book*.

Notes: Numerators for these ratios are from Table II.8. NA--Not available.

Source: *1994 Green Book* and DHHS/ASPE staff.

D. Trends in Poverty

The federal government began measuring poverty in the mid-1960's, when the continued existence of people in poverty in an "Affluent Society" seemed anomalous. The War on Poverty resulted in both a search for programmatic ways to alleviate poverty and efforts to measure the size of the poverty population. The poverty thresholds were originally developed in 1963-1964 by Mollie Orshansky of the Social Security Administration; in use from 1965, they were made the official federal statistical measure of poverty in 1969.

The poverty thresholds were based on the Economy Food Plan -- the cheapest of four food plans developed by the Department of Agriculture. The dollar costs of the Economy Food Plan for different family sizes were multiplied by a factor of three -- the "multiplier" -- to yield poverty thresholds for families of those sizes. The multiplier of three was chosen on the basis of an Agriculture Department survey showing that in 1955, American families spent about one third of their after-tax money income on food. This procedure for developing the poverty thresholds assumed that if a family did not have enough income to purchase the foods in the Economy Food Plan, plus twice that income amount to purchase other goods and services, then the family could be classified as poor. The procedure did not assume specific dollar amounts for any budget category besides food. The thresholds were slightly revised in 1969 and 1981 by federal interagency committees.

While the poverty thresholds were calculated on the basis of after-tax money income, they were applied to income data -- the Census Bureau's Current Population Survey -- that used a before-tax definition of money income; this was done because when the thresholds were being developed, the Current Population Survey was the only good source of nationally representative income data.

The poverty thresholds are updated each year by increasing the previous year's thresholds by the proportional change in the Consumer Price Index (CPI-U) from the previous year -- not by multiplying new cost figures for a food plan by three.

Both the poverty threshold definition and the Census income definition used with it have been repeatedly criticized from many different viewpoints, with the resulting poverty population figures being criticized as both too low and too high. Despite the many criticisms, the poverty measure continues to be widely used.

The Census Bureau publishes official poverty statistics that are based on the official Census definition of income -- before-tax money income (excluding capital gains). The Census Bureau also publishes "experimental" (unofficial) poverty data that reflect two specific adjustments begun in the 1980's.

- One "experimental" poverty series adjusts the poverty threshold definition by using a different price index -- the CPI-U-X1 rather than the CPI-U -- to adjust it for price changes. In 1983, the Bureau of Labor Statistics changed the way it calculates the home ownership cost component of the CPI-U. The CPI-U-X1 is an approximation of what the

CPI-U would have looked like if it had used the post-1983 methodology during the 1967-1982 period. Using the CPI-U-X1 rather than the CPI-U results in lower poverty thresholds and thus lower poverty population figures for years since 1967.

- The other "experimental" poverty series makes a number of adjustments in the income definition without adjusting the poverty threshold definition. These include the current official Census income definition (money income before taxes, but not including capital gains) and pre-transfer money income. Other definitions of income add or subtract various federal and state taxes and various noncash benefits, although without including the specific income definition originally used to calculate the poverty thresholds -- after-tax money income. Since a number of the adjusted income definitions add items to money income without making any changes in the poverty threshold definition, they result in lower calculated poverty population figures than under the current official definition.

In May 1995, in a report responding to a 1990 Congressional request, the National Research Council's Panel on Poverty and Family Assistance proposed a new approach for developing an official poverty measure for the United States -- although it did not propose a specific set of dollar figures. The Panel argued (and a number of other analysts agree) that the current poverty measure has weaknesses both in the implementation of the threshold concept and in the definition of family resources; that changing social and economic conditions over the last three decades have made these weaknesses more obvious and more consequential; and that, as a result, the current measure does not accurately reflect differences in poverty across population groups and across time.

The Panel would continue to define poverty as economic deprivation. Rather than deriving poverty thresholds using a food plan and a multiplier, the Panel's proposal would derive a poverty threshold for a reference family (two adults and two children) that would comprise a combined budget allowance for food, clothing, and shelter (including utilities), plus a small additional amount to allow for other needs (e.g., household supplies, personal care, and non-work-related transportation). The Panel's proposal would set the food/clothing/shelter budget allowance as a percentage of median annual expenditures by all reference-type families for these items according to the Consumer Expenditure Survey. An amount equal to between 15 and 25 percent of the food/clothing/shelter budget allowance would be added to provide the allowance for other needs. After adjusting for differences between income definitions, the Panel's suggested range for the new threshold would be between 14 and 33 percent higher than the current poverty threshold, to take into account the real growth in the general population's standard of living since the official poverty thresholds were first set.

The Panel's proposal would update its poverty threshold each year to reflect changes in food/clothing/shelter expenditures by reference families in the general population (using a three-year average of expenditures to moderate business-cycle-related fluctuations). In other words, the Panel's threshold would rise in real terms over time as the real standard of living of the general population increased. The Panel made this decision on the basis of considerable

historical evidence that successive absolute poverty lines and budgets behave in the fashion described.

The Panel put great emphasis on the principle that in poverty measurement, the definition of family resources [income] used should be consistent with the concept underlying the poverty thresholds. The Panel noted that this principle is violated (in different ways) both by the current poverty measure and by "experimental" poverty figures that add the value of public and private health insurance to families' resources without adjusting the thresholds to account for medical care needs. The Panel's proposal would define family resources as "the sum of money income from all sources together with the value of near-money benefits (e.g., food stamps) that are available to buy goods and services in the budget, minus expenses that cannot be used to buy these goods and services. Such expenses include income and payroll taxes, child care and other work-related expenses, child support payments to another household, and out-of-pocket medical care costs, including health insurance premiums."

The Panel's proposal would deal with the conceptual problems of medical expenses by excluding them from both the poverty thresholds and the definition of family resources. The Panel's poverty thresholds would not include any allowance for medical expenses. The Panel's family resources definition would subtract out-of-pocket medical care costs and would not add in the value of health insurance. The Panel's reasons for separating the measurement of economic poverty from the measurement of medical care needs (and resources to meet them) are that medical care benefits are not very fungible (they cannot be spent for other goods such as food and housing) and that medical care needs vary widely across the population.

"Experimental" poverty data are available since 1967 for the CPI-U-X1-deflated series and since 1979 for the alternative-income-definition series. Although the absolute levels are different, the trends shown by the "experimental" series are essentially the same as those shown by the official poverty statistics.

Poverty rates vary with the business cycle, rising during recessions and (somewhat less reliably in recent years) falling during economic recoveries (see Figure II.4[6]). Even after allowing for the business cycle, the poverty rate has increased over the last two decades; the poverty rate for 1995 (under the official definition) was 13.8 percent, compared to 11.1 percent in 1973. The decline in real wages since 1973 has been a significant factor contributing to both poverty increases and near-stagnant real median household and family incomes during this period. (Note that in 1995, the real average weekly earnings of private non-supervisory workers were 19 percent below the all-time high reached in 1972-1973.)

The poverty rate rose from 11.1 percent in 1973 to 12.3 percent in 1975 as a result of the 1973-1975 recession. It then fell to about 11.5 percent during the economic recovery of the late 1970's. In the wake of the 1980 and 1981-1982 recessions, the poverty rate rose from 11.7

[6] Figure II.4 displays national trends in levels of unemployment and poverty, and compares them to national monthly average participation in the AFDC and Food Stamp programs form 1970-1995.

percent in 1979 to 15 percent in 1982-1983. The economic recovery of the 1980's brought the figure down to 12.8 percent in 1989. As a result of the 1990-1991 recession, the poverty rate rose to 14.2 percent in 1991. However, the rate continued to drift upward during the first several years of the ensuing economic recovery, reaching 15.1 percent in 1993. The figure finally began falling during the last few years -- to 13.8 percent in 1995.

The poverty rate for female-householder families also varies (modestly) with the business cycle, but with no clear long-term trend. For the subgroup of female-householder families with children, the 1995 poverty rate of 41.5 percent was somewhat below the 1973 figure (43.2 percent) but somewhat above the all-time low reached in 1979 (39.6 percent).

For children (all persons under 18), the poverty rate also varies with the business cycle, but the long-term trend shows a much sharper increase over the 1973-1995 period than for the general population. The child poverty rate was 14.4 percent in 1973 and 20.8 percent in 1995. (The 1995 child poverty rate was essentially equal to the 1965 child poverty rate -- 21.0 percent.)

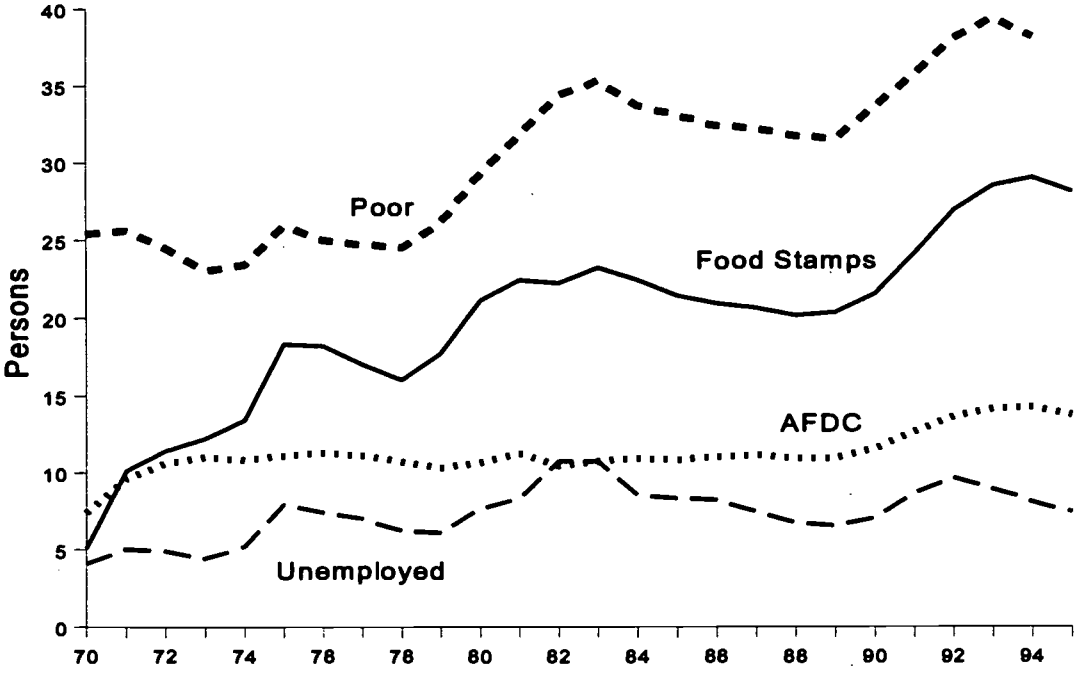
Poverty rates vary substantially among different demographic groups, as shown in Table II.13 below. (Figures are for persons unless specifically labeled as being for families.)

Table II.13 POVERTY RATES, BY DEMOGRAPHIC GROUP, 1995

All Families	**10.8%**
Married-couple families	5.6%
Female-householder families	32.4%
Families without children under 18	4.7%
Families with children under 18	16.3%
All Persons	**13.8%**
White non-Hispanic	8.5%
Black	29.3%
Hispanic	30.3%
Elderly (persons 65 or over)	10.5%
Persons aged 18 to 64	11.4%
Children (persons under 18)	20.8%
Native-born	13.0%
Foreign-born -- naturalized citizen	10.5%
Foreign-born -- not a citizen	27.8%

FIGURE II.4 NUMBER OF PERSONS LIVING IN POVERTY, UNEMPLOYED, AND RECEIVING AFDC AND FOOD STAMPS 1970-1995

(In millions)



Source: Administration for Children and Families/ Office of Family Assistance, USDA/ Food and Consumer Service, Bureau of Labor Statistics, and Bureau of the Census.

Cash and near-cash transfers are intended to reduce poverty. Transfer program impact, however, has varied significantly over time. Table II.13 below shows the percent reduction in poverty among persons in families with related children under age 18 that is attributable to these transfers. In 1979, federal cash and near cash transfers reduced poverty for this population by 37 percent. Just four years later however, in 1983, the same transfer programs reduced poverty by only 19 percent. Fortunately, transfers programs have been more successful recently. In 1989, the percent poverty reduction rose to 24 percent and rose again to 32.6 percent in 1994.

Of all the federal cash and near cash transfers considered in Table II.13, only the federal tax system did not serve to reduce poverty among persons with children under 18. In fact, in most years, the net impact of the federal tax system has been to increase the poverty rate. Recent increases in the Earned Income Tax Credit (EITC) have reversed that effect.

Table II.14 ANTIPOVERTY EFFECTIVENESS OF CASH AND NEAR-CASH TRANSFERS, SELECTED FISCAL YEARS

(INCLUDING FEDERAL INCOME AND PAYROLL TAXES) FOR ALL INDIVIDUALS IN FAMILIES WITH RELATED CHILDREN LESS THAN AGE 18

	1979	1983	1989	1993	1994
Total population (in thousands):	133,435	132,123	135,430	144,551	145,814
Percent of persons removed from poverty due to:					
Social insurance (other than Soc.Sec.)	4.4	6.9	3.4	4.2	3.8
Social Security	9.1	5.9	6.5	6.3	6.6
Means-tested cash	8.2	3.5	5.1	5.8	6.5
Food and housing benefits	16.5	8.7	11.7	10.2	11.6
EITC and Fed. payroll and income taxes	-1.7	-5.8	-2.8	2.3	4.1
Total	36.6	19.1	23.9	28.9	32.6
Poverty rate (in percent):					
Cash income before transfers	16.6	21.9	18.6	22.3	21.4
Plus social ins. (other than Soc Sec)	15.8	20.4	18.0	21.4	20.6
Plus Social Security	14.3	19.1	16.8	20.0	19.2
Plus means-tested cash transfers	12.9	18.4	15.8	18.7	17.8
Plus food and housing benefits	10.2	16.5	13.6	16.4	15.3
Plus EITC, less Fed payroll & income taxes	10.5	17.7	14.1	15.9	14.4
Total reduction in poverty rate	6.1	4.2	4.5	6.4	7.0

Notes: EITC = Earned Income Tax Credit

Source: Congressional Budget Office computations. Table prepared by DHHS/ASPE

Chapter III. Desirable Properties of Indicators

A. Considerations for Developing Reliable Indicators of Well-being and Dependence

Kristin A. Moore (1995) has proposed criteria to assess indicators of well-being. Although intended to measure child well-being, her criteria serve as a useful guide to developing social science indicators of all kinds. A complete list and brief description of Moore's criteria is provided in Appendix C. In addition to these general criteria, however, this report also recognizes the additional complexities associated with measuring welfare dependence. A discussion of these issues is presented in Section B of this chapter.

- **Indicators should assess dependence and well-being across a broad array of outcomes, behaviors and processes.**

Indicators from only one domain provide an incomplete and potentially biased perspective on the dependence and well-being of families and children. For example, as Moore points out, while childhood mortality from communicable diseases has declined markedly, increased sexual activity and substance use pose new risks to adolescents. This report will address this issue by recommending indicators from such varied domains as assistance receipt and duration, employment, earnings, child poverty, family structure, housing and neighborhood conditions, child abuse, health and mortality, and school enrollment and achievement.

- **Age appropriate indicators are needed at every age from birth through adolescence and covering the transition into adulthood.**

Infants, children, teens and adults differ dramatically, and different indicators are needed to capture this variation. For example, accidents and safety in the home are more relevant for pre-schoolers, while alcohol and drug use and high school dropout rates are more relevant for teenagers. This report advocates age appropriate indicators such as infant and child mortality rates, child health limitations, teen birth rates, teen alcohol and substance abuse, and risk factors for adult dependence.

- **Indicators are needed that assess dispersion across given measures of well-being, the duration spent in a given status, and cumulative risk factors.**

The lives of children and families are complex and multifaceted. Longer-term receipt of assistance may imply greater dependence, while persistence in poor economic, physical or emotional conditions suggest risks to well-being. Moreover, cumulative risks undermine children's development more than any single risk factor. This report recommends using longitudinal data to track indicators of welfare spell duration, the number of years in poverty, and the interaction between parents and children over time. It also supports developing dependence indicators along a continuum from complete dependency to self-sufficiency and recommends well-being indicators that reflect outcome variation in areas such as education and

parenting. Although few existing indicators show multiple risks, this report supports their development.

- **Indicators should have the same meaning over time.**

The 1996 welfare law presents new challenges to developing social indicators that hold their meaning over time. As discussed earlier, state specific rules regarding program eligibility, time limits, and sanction policy change the meaning of caseload based indicators. Under the new law, states may narrow eligibility and drive dependence towards zero or broaden eligibility and increase dependence. Indicators must be developed that avoid such artificial changes in dependence that result because rules and definitions have changed over time.

Unfortunately, indicators can lose their meaning over time for reasons other than the 1996 welfare law, and well-being indicators are not immune to this danger. For instance, the proportion of the population married has changed as formal marriage has been postponed and cohabitation has increased. This trend affects not only indicators of marriage and family structure but also measures of fertility, such as the non-marital birth rate. Similarly, due to changing social and economic conditions over the last three decades, the U.S. measure of poverty no longer accurately reflects differences in poverty across population groups and across time. The current definition of poverty does not include the value of in-kind benefits such as food stamps and counts before-tax money income. A study funded by the National Research Council concluded that the current definition of poverty underestimates the poverty rate for people in working families and overestimates poverty for families on public assistance (Citro & Michael, 1995).

Thus, it is imperative to collect data that permit analysts to construct both traditional and new indicators. This report tries to compensate for potential changes in meaning by recommending a wide array of indicators in areas such as family structure, social development, and education.

- **Indicators should be available for relevant population sub-groups.**

This report advocates developing indicators that break down data along demographic lines wherever possible and appropriate. Population composition affects the interpretation of trend data. For example, the United States has experienced a substantial influx of Hispanic persons into the country and has simultaneously seen the white teen birth rate rise. Since 90 percent of all Hispanics are classified as white by the vital statistics system, separating non-Hispanic whites from Hispanics shows that much of the increase in the white teen birth rate is due to the increased numbers of Hispanic teens. Only if the data are analyzed by race and ethnicity simultaneously is this subtle but important difference apparent.

Furthermore, significant racial and ethnic differences exist regarding both the extent and depth of dependency. For example, Table III.5 indicates that blacks are more dependent on AFDC than nonblacks. A higher percentage of blacks remain on AFDC for longer periods and a greater percentage live in households where welfare comprises more than 50% of total income.

The latest poverty data from the Census Bureau also suggests important racial and ethnic differences. Black and Hispanics have much higher poverty rates and lower incomes than Whites and Asian and Pacific Islanders. The median income of White households was just over $35,000 while the median incomes of African American and Hispanic households were both just over $22,000 (Census Bureau, 1996).

The new welfare law's effect on immigrants is yet another reason to illustrate indicators by population sub-group. Most legal immigrants entering after August 22, 1996 are ineligible for certain means-tested benefits for five years after entry. Most legal immigrants entering before this date will no longer be eligible for SSI or Food Stamps after August 1997. Moreover, states have the authority to decide whether or not most legal immigrants will be eligible for cash assistance provided by TANF funds which replaces AFDC, the Social Services Block Grant (SSBG), and Medicaid (except all immigrants remain eligible for emergency medical services). In light of these changes, it will be particularly important that indicators be disaggregated to provide critical information regarding state welfare policies toward immigrants, patterns of immigrant welfare utilization, and the well-being of immigrants who are denied benefits.

- **Indicators should help track progress in meeting social goals for well-being at the national, state, and local levels.**

As the 1996 welfare law grants more autonomy to state and local governments, it becomes imperative to assess the effects of policies and services at the state and local levels. Indicators are needed that track the status and well-being of families and children at multiple levels of geographic and political aggregation within a society.

This report recognizes this need and recommends the development of state-level indicators whenever possible. Each of the three welfare programs considered in this report require states to submit administrative data on families receiving assistance. While the data required by each program is somewhat different, administrative data can provide accurate state-level indicators for welfare recipients in such areas as educational level, employment, earnings, marital status, race, and reason for leaving welfare. Chapter VI includes a more comprehensive discussion of state program parameters particularly relevant for indicators of dependence as well as a more thorough discussion of the data requirements under the new welfare law.

- **Indicators should assess both positive and negative aspects of well-being.**

Because government is organized to identify needs and to address and solve problems, it tends to collect data on problems, such as crime, disease and death. The media also tends to highlight negative activities. As a result, more information is generated about trends in drug use, violence, and sexual activity; but rarely is it generated about community involvement, close parent-child relationships, or the extent of reading and cultural participation. This report supports the development of indicators of positive well-being. Potential indicators could include early childhood reading exposure, interaction with children among non-resident parents, and math and reading proficiency.

B. Specific Factors to Consider in Developing Indicators of Dependence

As shown in Section A, Moore (1995) provides critical guidance for developing indicators of welfare dependence and well-being. Beyond these general guidelines, however, are additional issues particular to the measurement of dependence. For example, welfare dependence can be measured either as the percent of individuals who have ever received welfare assistance (i.e., "ever-on") or as the percent of individuals who are receiving welfare assistance at any given point in time (i.e., "point-in-time"). While subtle, the difference between these two types of measures produce large differences in the apparent degree of dependence. Indicators should distinguish between families that receive assistance only as a supplement to their earnings from those that rely on income exclusively from public assistance. To ensure that dependence indicators accurately reflect recipients' reliance on welfare programs, this section addresses a series of issues specific to indicators of welfare dependence.

- **Duration on welfare can be long or short: Indicators should illustrate the various patterns of dependence.**

There is no typical welfare episode. Experiences are very heterogeneous. Table III.1 reproduces work by Pavetti (1994) which shows the wide variation in the distribution of AFDC duration of first-time recipients. Based on monthly data from the National Longitudinal Survey of Youth (NLSY), Table III.1 reports estimates of the total number of months first-time recipients can expect to receive AFDC regardless of the on-off patterns. Exemplifying the heterogeneity in total duration of AFDC lifetime receipt, the estimates show that:

- Over two-fifths of first-time recipients experience short-term receipt of one or two years over their lifetime.
- About 35 percent of first-time recipients can expect to receive AFDC for more than five years over their lifetime.
- About 23 percent of new recipients can expect long-term total receipt of ten years or more.

Duration of receipt for SSI and Food Stamps is somewhat different. Rupp and Scott (1995) estimate an expected lifetime program duration of 27 years for SSI children and 10 years for non-elderly adults, as compared with an expected lifetime duration of about six years for AFDC recipients. Burstein (1993) estimates that half of all food stamp spells end in six months but that individual spells are often followed by repeat spells and that the average individual spell length is 22 months.

These studies show that recipients have quite varied experiences with the means-tested programs addressed in this report. Most first-time AFDC and Food Stamp recipients have short-term experiences. For these recipients, AFDC and Food Stamps function as a kind of income insurance, providing short-term protection against income losses arising from divorce, job loss, or other income-threatening events. These recipients use benefits for a short period of time, get

back on their feet, and then leave the welfare system permanently. Many other first-time recipients have longer-term lifetime welfare experiences of five years or more. For these recipients, welfare has provided longer-term assistance to income deprivation.

Indicators that examine dependence duration should cross-classify the length of the cumulative spells with characteristics of the recipient. For instance, indicators should distinguish between families with long periods of receipt who are disabled or who combine work and welfare in states with generous earnings disregards states from those who do not work, do not participate in training and are not disabled.

All of the duration data presented was gathered before the implementation of time limits. Even states that instituted a time limit as part of the waiver process have yet to deny a family benefits because the time limit expired. Once fully implemented, time limits will undoubtably shorten some families duration of welfare receipt. In these cases however, the shorter spells would reflect the effect of a time limit rather than a move to self-sufficiency.

The Welfare Indicators Act clearly intends that the report focus on changes in dependence due to increased self-sufficiency. It would be misleading to represent changes caused by variations in eligibility rules or time limits as changes in dependence. Annual reports must take great care to accurately portray dependence as well as the diversity in spell length among recipients and among programs.

- **Multiple spells of receipt are common and can be interrupted by many months or even years: Indicators should include observation windows of many years to account for long spells interrupted by periods of independence.**

Bane and Ellwood (1983) found that more than one-third of first-time recipients had another spell of AFDC receipt some time later.[1] Murphy and Harrell (1992) report similar findings within the Food Stamp program where about a quarter of recipients had more than one spell during a 28 month observation period. In both of these programs, recipients "cycle" on and off of assistance, sometimes at wide intervals. In fact, contrary to conventional wisdom, most long-term recipients are not continuous recipients but rather leave welfare for work and then return to welfare at a later point in time.

[1] This estimate is from Bane and Ellwood and is based on annual data. Monthly data on AFDC (Pavetti, 1994) and Food Stamp (Burstein, 1993) receipt show even more exits and reentries.

This report recommends indicators with a long observation window.[2] This will provide information on multiple spells and minimize problems with spells being cut off at the beginning or end of an observation period.

Concern about multiple spells lead this report to recommend that both SIPP and caseload data identify which spells are first spells and which are subsequent spells, and ideally, the total length of the prior spell.

- **Multiple spells are often interrupted by only a few months: Indicators should include subannual detail to allow for precise descriptions of short-term experiences with poverty or welfare.**

Multiple spells can also occur over a very short period of time, even within the same calendar year. According to data from the SIPP, some 58 percent of AFDC spells, 66 percent of Food Stamp spells, and 27 percent of SSI spells that began during 1991 or 1992, ended within 12 months (U.S. Bureau of Census Web page, 1996). Similarly, Rupp and Scott (1995) show that about one-quarter of adult SSI recipients and roughly one-half of child SSI recipients who end a spell of SSI receipt begin another one within 12 months. Burstein (1993) reports that more than one-third of Food Stamp spells are followed by repeat spells within one year.

Monthly data capture movement on and off welfare within the same year. As a result, it is more likely to capture an accurate distribution of shorter and longer spells of dependence than annual data. Recent research illustrates the drawback of relying on annual data. Pavetti (1993) finds that studies based on annual data are more likely to underestimate the movement on and off of the AFDC program and to somewhat overestimate longer-term welfare dependence. Table III.2 presents the distribution of total AFDC duration among first-time recipients using both annual and monthly data and shows that annual data tend to underestimate the percentage of short-term recipients.

This report recommends including indicators with subannual detail. The ideal data for describing welfare experiences would be month-by-month observations with a multi-year observation window. The monthly detail would capture the short-run dynamics of deprivation including transition rates into and out of dependence and deprivation, as well as events (e.g., marital, employment related) associated with those transitions. The multi-year coverage would provide information on multiple spells and minimize problems with observations being censored by the beginning or end of the observation window. Since SIPP provides both monthly detail and a multi-year observation window, it is a key data source for generating many of the recommended indicators of dependence.

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[2] Gottschalk and Moffitt (1994) argue for the utility of "total time on" and "total fraction of income" measures of welfare use, in which the total number of years of welfare use and percentage of total income made up by welfare payments are calculated over a multi- (in their case, seven-) year observation period, without regard to the particular pattern of spells. Murphy and Harrell (1992) adopt a window approach in their analysis of long-term participants in the Food Stamp Program. Duncan et al. (1984) and Duncan and Rodgers (1991) develop window-based measures for poverty.

- **Indicators should cross-classify the range of dependence durations with characteristics of recipients at the beginning of the spell.**

The heterogeneous nature of dependence raises important questions about whether there are sharp distinctions between the characteristics of short- and long-term recipients -- for example, age (i.e., teen mothers) and educational attainment. Identifying families that are more likely to have long-term experiences will help in the development of policies and interventions aimed at reducing the problem of long-term dependence.

Pavetti (1994, 1995) examined characteristics of recipients with short- and longer-term periods of AFDC receipt using data from the NLSY. Table III.3 reproduces some of her analysis. Not surprisingly, completed schooling, prior work experience, age, marital status, and race/ethnicity are all associated with the likely duration of AFDC receipt. Few long-term recipients have job-related skills. Nearly two-thirds of long-term recipients had failed to graduate from high school or earn a GED; half had no work experience; and two-thirds were under the age of 25 at the time of first receipt. Except for race/ethnicity, similar strong differences show up across all other demographic measures.

There is a clear need for regular indicators of this type. SIPP is well suited to this task, since, beginning in 1996, it will collect monthly details on receipt of income from various transfer sources for periods as long as 60 months. Most useful for these data would be the identification of episodes of assistance receipt, and, as in Table III.3, a cross-classification of the duration of receipt according to the characteristics of recipients at the beginning of the spells. Household panels such as the NLSY and PSID, which follow individuals and households for a longer period of time, complement SIPP data by shedding light on the characteristics of recipients with quite long-run experiences.

- **It is important to develop indicators that illustrate both ever-on and point-in-time receipt.**

One subtle but very important distinction in understanding welfare dynamics is the difference between the nature of individuals who ever received welfare and individuals who are receiving welfare at any given point (Bane and Ellwood, 1983; Pavetti 1996). Table III.4 presents data comparing the distribution of the expected total duration of AFDC receipt for all new entrants (i.e., "ever-on") with the distribution of total duration of AFDC receipt for current recipients at one point in time. As the second column of Table III.4 illustrates, long-term recipients dominate the caseload at any one point. Over time, long-term recipients accumulate in the system so they are over-represented among the current caseload. The second column of Table III.4 shows that more than half of current recipients will have total lifetime periods of receipt lasting ten or more

years. In comparison, short-term recipients dominate an "ever-on" perspective -- as shown in the first column of Table III.4.[3]

Indicators of those ever-on welfare with its large number of short-term recipients are particularly helpful to direct policies for families just starting to receive welfare. Longitudinal surveys follow spells from beginning to end are more likely to provide ever-on welfare indicators.

Indicators that examine data from a point-in-time perspective with its over-representation of long-term recipients may be more useful to direct policies for people currently receiving welfare. Caseload-based sources of information which provide "snapshots" of spells in progress are most likely to yield point-in-time indicators.

- **Indicators must capture different degrees of dependence.**

Not only is there heterogeneity in the length of welfare spells and the total duration of AFDC receipt, there is also diversity in the degree that recipients depend on welfare assistance. For some families, AFDC forms only a small fraction of total family income throughout the year. These families depend on income from work and other non-welfare sources (e.g., child support) for the bulk of their income "packages." Other families, however, rely more heavily on assistance from welfare programs. For these families, income from welfare programs makes up a much larger percentage of total family income.

Based on the PSID, Table III.5 presents data on AFDC receipt by both duration of receipt and level of dependence. To represent the level of dependence, two dimensions of dependence are included: i) any receipt ($1 or more in a given year) of income from the AFDC program; and ii) receipt of income from all major transfer sources (including Food Stamps) exceeding 50 percent of total family income.[4] Beginning with two samples -- one drawn from children ages 0-5 in 1970 and the other from children ages 0-5 in 1980 -- Table III.5 documents patterns of AFDC receipt over the span of a decade for each group. The data show that:

- Eighty percent of children in both the 1970 and the 1980 samples lived in families in which no AFDC income was received over the ten year period.

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[3] Bane and Ellwood (1983) illustrate this point as follows: Suppose that a hospital has 100 beds, 99 of which contain very long-term patients. The 100th bed is used by short-term patients, each of whom stays in the hospital for only one day. Over the course of one year, there will be 464 patients in these beds -- 99 long-term patients and 365 short-term patients. Thus, the fraction of patients ever in the hospital over the course of the year who are short-term is very high -- 79% (=365/464). On the other hand, at any point during the year, 99% of all beds will house long-term patients. Thus, because the longer-term patients are much more likely to show up in a patient count at any point during the year, they dominate the hospital "caseload" at any point.

[4] Food Stamp income is added to total family cash income to obtain the denominator of this fraction.

- Only four percent of children in the 1970 sample and six percent of children in the 1980 sample lived in families that received some AFDC income for at least eight of the ten years.

- Even lower percentages of children -- two percent for the 1970 sample and three percent for the 1980 sample -- lived in families where welfare income constituted at least half of total family income for at least 8 years of the 10-year period.

- Racial differences are also evident for both levels of dependence, with higher percentages of black children living in families that received and depended upon AFDC.

It is necessary for indicators of welfare dependence to take multiple dimensions of dependence into account. This report recommends that dependence indicators be developed along a continuum from complete dependency to self-sufficiency. Going beyond the duration of receipt and documenting the relative contribution of welfare assistance to the total family income package will shed more light on the level of dependence experienced by recipients.

- **Indicators must illustrate events which trigger dependence entry or exit.**

Observing how welfare spells begin and end provides important information on the risk factors associated with dependence. A conscious element of the 1996 welfare reform law is an attempt to reduce the number of welfare spells associated with non-marital childbearing and to increase the number of work-related exits. Only by tracking these kinds of events explicitly can the success of welfare reform efforts be established.

Bane and Ellwood (1994) provide a comprehensive accounting of events associated with beginnings and endings of welfare spells as shown in Table III.6. Their classifications show that demographic events dominate the onset of welfare spells, with divorce or separation implicated in 42 percent of beginnings and childbearing associated with another 39 percent. Applying a similar framework to Food Stamp events, Burstein (1993) found that employment events -- rather than demographic events -- dominate entry into the Food Stamp program.

Duncan et al. (1996) use a somewhat different classification of events for an analysis of first spells of AFDC usage. They examine trends in the frequency with which spell beginnings can be linked to various events as well as the duration of AFDC spells associated with each event.[5] As shown in Table III.7, they find that between 21 percent and 28 percent of first welfare spells are associated with a first birth to a never-married mother. Periods of receipt for these kinds of spells are particularly long -- 71 percent continue beyond two years, and half continue beyond five years. Although a divorce or separation is just as frequently associated with first welfare

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[5] Duncan et al. use annual data and consider a calendar year in which any AFDC benefits are received as the beginning or continuation of an AFDC spell. To isolate more permanent exits, they require that a recipient not receive AFDC for two consecutive calendar years for a spell of receipt to be considered ended.

spells, the duration of divorce-induced spells is considerably shorter -- only half (48 percent) are still in progress after two years and barely one-quarter (26 percent) last at least five years. Employment-related AFDC spells are also quite common and are associated with middle-length durations.

Labor market events are somewhat more prominent with AFDC exits than entries although demographic events are still linked to most exits. Table III.6 shows that while almost 30% of AFDC cases ended because the head of household married, over 25% of AFDC cases ended because someone in the household experienced an increase in earnings. Pavetti (1993) shows an even greater percentage of AFDC exits (46%) associated with work for her younger sample of recipients (see Table III.8).

In addition, it is important to keep in mind that the 1996 welfare law creates an important new category of exits not included in the Bane and Ellwood study -- the ending of welfare as a result of time limits or sanctions for failing to work. As currently configured, the SIPP questionnaire does not ask explicitly about whether an observed ending of cash assistance receipt was caused by a time limit or sanction. This report urges SIPP and other surveys to gather this important data. Further research regarding family developments after they cease to receive welfare would provide useful information regarding the condition of families and their ability to reach self-sufficiency.

C. Data implications associated with developing measures of dependence

Our review of welfare-program dynamics has highlighted a number of features with important implications for developing indicators of dependence. Crucial aspects of welfare include:

- A heterogeneous mixture of both long- and short-term lifetime receipt
- Frequent instances in which the ending of one spell of receipt is followed by subsequent spells of receipt
- Differences in the distribution of spells depending both on whether one draws a sample of recipients at a point in time or as they first enter the programs and on whether one uses monthly or annual data
- Variation in the degree of dependence where some families participate in the labor force and only supplement their earnings with public assistance and other families whose income is comprised largely or wholly of public assistance
- Different receipt patterns for AFDC, Food Stamps and, especially, SSI programs.

These features of mean-tested assistance have the following implications for indicators of dependence:

Short-run data. First, it is useful to construct both point-in-time and ever-on samples of welfare recipients. Valuable point-in-time data come from caseload records (administrative data) as well as national surveys such as the Survey of Income and Program Participation (SIPP), and include counts of recipients and descriptions of the characteristics of recipients.

Information about welfare spells that begin or end in a given year is extremely valuable for understanding welfare program dynamics and the effects of welfare reform. Especially valuable are: i) rates of transition onto and off the programs addressed in this report; ii) events associated with the beginnings and endings (including sanctions and time limits) of welfare spells; and iii) take-up rates -- the fractions of families eligible for benefits from a program who in fact opt to receive those benefits. Since little of the required information can come from caseload sources, SIPP is an extremely valuable source of data for needed indicators of welfare program dynamics. The SIPP questionaire should be expanded so that welfare endings can be associated with sanctions and time limits.

Longer-run data. Understanding welfare-program dynamics requires information on recipient spells. This amounts to tracking the duration of individual spells of receipt as well as attending to the fact that initial spells are often followed by subsequent spells of receipt. A useful way of tracking the total recipient experiences is with observation "windows" considerably longer than a single year, in which all of the months or years of receipt, regardless of spell pattern, can be added together.

Finally, since the dependence/self-sufficiency continuum calls for a differentiation of recipients according to the productive activities in which they might be engaged, the longer-run indicators of dependence should distinguish between families with long periods of receipt, during which there is little or no employment or training taking place, and families that mix cash welfare and nutrition assistance with other activities.

Chapter VI provides a more comprehensive assessment of existing data.

TABLE III.1 Distribution of Total Time on AFDC for a Beginning Cohort of Recipients (based on NLSY monthly data)

Total Time on AFDC (in months)	Persons Beginning a Spell
1-12	27.4
13-24	14.8
25-36	10.0
37-48	7.7
49-60	5.5
61-72	3.5
73-84	3.5
85-96	2.8
97-108	2.1
109 +	22.9
TOTAL	100
AVERAGE DURATION (in years)	6.1

Source: Pavetti (1994), Selected estimates from Table 1 (page 28)

Table III.1 presents the expected total time on welfare (over a lifetime) for families *first beginning* a spell of AFDC receipt (e.g. new entrants). It answers the question, "How much time are new recipients of AFDC expected to spend on the welfare rolls over their lifetime?" According to the estimates, *27.4% of families beginning a spell of AFDC receipt will have a total lifetime AFDC receipt of a year or less.*

TABLE III.2 Distribution of Total Time on AFDC using Annual and Monthly Data

Total Time on AFDC (in months)	Persons Beginning a Spell	
	Annual Data	Monthly Data
1-12	20.9	27.4
13-24	15.6	14.8
25-36	10.0	10.0
37-48	8.6	7.7
49-60	6.2	5.5
61-72	5.5	3.5
73-84	4.3	3.5
85-96	3.7	2.8
97-108	3.2	2.1
109 +	22.1	22.9
TOTALS	100	100
AVERAGE DURATION (in years)	6.2	6.1

Source: Pavetti (1996), Selected estimates from Table A-2.

Table III.2 presents data on the expected total lifetime receipt of welfare for families first beginning a spell of AFDC receipt (e.g. new entrants). The Table presents both annual estimates and monthly estimates. The distributions are similar, however, annual estimates tend to underestimate those who are expected to have fewer total months of receipt over their lifetime. For example, while annual estimates indicate that about 21% of recipients who ever turn to the welfare system for support will spend a total of less than 13 months on AFDC, monthly estimates show that about 27% do.

Table III.3: Characteristics of AFDC Recipients by Total Time on Welfare

Characteristics at start of first AFDC spell	Percent of Short- and Long-Term AFDC Recipients With Given Characteristic		
	Short-term: 24 months or less	Long-term: 60 months or more	All recipients
High school dropout -- no GED	35%	63%	47%
No prior work experience	30%	50%	39%
Under age 25 when began to receive benefits	44%	64%	53%
Never-married when began to receive benefits	48%	72%	58%
Race/Ethnicity:			
Black	23%	34%	28%
Hispanic	13%	23%	16%

Table reads: *"35% of women whose total period of receipt lasts less than two years are high-school dropouts."*

Source: Pavetti (1995), page 3.

TABLE III.4 Distribution of Total Time on AFDC for a Beginning Cohort of Recipients and for the Caseload at a Point in Time (based on NLSY monthly data)

Total Time on AFDC (in months)	Persons Beginning a Spell	Persons on AFDC at a Point in Time*
1-12	27.4	4.5
13-24	14.8	4.8
25-36	10.0	4.9
37-48	7.7	5.0
49-60	5.5	4.5
61-72	3.5	3.4
73-84	3.5	4.0
85-96	2.8	3.6
97-108	2.1	3.0
109 +	22.9	62.2
TOTALS	100	100
AVERAGE DURATION (in years)	6.1	13.0

*This distribution represents completed spells and assumes a no-growth steady state for the AFDC population.

Source: Pavetti (1996), Selected estimates from Table 1 (page 28)

Table III.4 presents the expected lifetime AFDC receipt for both families *first beginning a spell* of AFDC receipt (e.g., new entrants) and for families *currently receiving* AFDC (e.g., not those who have received benefits in the past, but have since left the rolls). These data indicate that, whereas we expect 35% of *new entrants* into the AFDC program to receive AFDC benefits for more than 5 years over their lifetime, 76% of families *currently receiving* AFDC benefits will eventually spend more than 5 years on the welfare rolls.

Table III.5: Percentage distribution of number of years on AFDC, for children, 1970-79 and 1980-1989, by two definitions of dependence

Years on AFDC	Percent Living in Households in which at least $1 of AFDC was received by head or wife		Fraction living in households in which AFDC of head & wife + Food Stamps was 50% or more of total family income	
	1970-79	1980-89	1970-79	1980-89
All races:				
0 years	80%	80%	88%	88%
1-2 years	8	8	5	6
3-7 years	8	6	5	4
8-10 years	4	6	2	3
Total	100%	100%	100%	100%
Blacks:				
0 years	41%	40%	57%	63%
1-2 years	15	21	14	11
3-7 years	28	19	20	12
8-10 years	16	19	9	14
Total	100%	100	100%	100%
Nonblacks:				
0 years	87%	88%	93%	92%
1-2 years	7	6	3	5
3-7 years	5	4	3	2
8-10 years	2	3	0	1
Total	100%	100%	100%	100%

Table reads: *"80% of children received no income from AFDC between 1970 and 1979."*
Source: Duncan and Yeung (1995)

Table III.6: Events that begin and end welfare spells

Event associated with beginnings of first spells of AFDC	Percentage of all beginnings	Event associated with endings of AFDC spells	Percentage of all ending
Wife became female head	42.1%	Female head became a wife	29.4%
Unmarried woman without child became female head with child	38.8	No longer had eligible child	10.8
Female head's earnings fell	7.1	Head's earnings increased	25.0
Fall in other's earnings	2.0	Transfer income increased	12.1
Fall in other income	3.2	Earnings of others increased	6.7
Family size grew	2.5	Family became smaller	5.4
Moved	0.2	Family moved	1.6
Unidentified	4.0	Unidentified	9.2
TOTAL	100%	TOTAL	100.0%

Table reads: *"42.1% of welfare spells began with a woman changing status from a wife to the head of her own household."*

Source: Bane and Ellwood (1994), Tables 2.7 and 2.8

Table III.7: Events associated with welfare spell beginnings: trends and duration of receipt

Event associated with beginnings of first spells of AFDC	Percentage of all beginnings associated with the event			Fraction of spells lasting at least:	
	1973-79	1980-85	1986-1991	2 years	5 years
First birth to never-married mother	28%	21%	22%	71%	51%
First birth to other circumstances	13	17	11	53	28
Second + birth	20	18	15	60	39
Divorce/separation	20	28	17	48	26
Mother left parental nest	5	4	7	68	na
Fall in mother's work hours	26	19	26	65	30
Fall in work hours of others in family	35	28	22	52	33

Table reads: *"28% of first welfare spells beginning between 1973 and 1979 were associated with a first birth to a never-married woman. 71% of first welfare spells that were associated with a first birth to a never-married woman were still in progress after two years.*

Source: Duncan et al. (1996)

Table III.8: Distribution of Welfare Exits by Reason for Exit (presented in order assigned)

Exit Reason	Percent of All Exits
Marriage, remarriage of reconciliation	11.4
No eligible child in the household	3.1
Work	45.9
Disability	1.5
Move in with family	2.5
Move in with non-relatives	2.4
Non-work-related income increase	7.3
Moved between states	2.0
Unidentified	24.1
TOTAL	100

Note: This distribution of exit reasons is based on 1,807 spells of welfare with observed endings. The percentages presented here are based on weighted data.

Source: Pavetti (1993), Table 8 (page 41)

Chapter IV. Risk Factors Associated with Welfare Dependence and Well-Being

Research has not established definitive causes of welfare dependence. However, studies have identified risk factors associated with welfare utilization and changes in well-being. This chapter provides a cursory review of evidence on demographic trends that have affected traditional indicators of dependence (e.g., aggregate caseloads) and well-being (e.g., poverty). It organizes risk factors into five broad categories: economic resources, family structure, intergenerational linkages, health and disability issues, and other risk factors. For each category, the report analyzes recent data that illustrate the risk for dependence and the outcomes associated with a change in well-being.

A. Economic Resources

Risk Factors for Welfare Dependence:

- *Limited economic resources are an obvious risk factor for welfare dependence. Labor market indicators that measure employment conditions and earnings are highly predictive of a family's economic resources and its associated risk of welfare dependence.*

Welfare eligibility is based, in large part, on family income. Obviously, employment is a major source of household income. Although fluctuating with the business cycle, unemployment rates among less skilled workers have remained high and relatively steady for the last two decades. For men with less than a high-school degree, unemployment is more than three times higher than for those with a college diploma and more than two times higher for women without a high-school diploma (Current Population Survey, 1993a, Series P60-185). Indicators of employment conditions, such as the unemployment rate, reflect the likelihood of welfare utilization and dependence.[1]

Family income also depends on the level of wages that jobs offer. Over the last 15 years, less skilled workers' real wages have declined steadily. Real wages declined 22 percent between 1979 and 1993 for men without a high school education and 6 percent for women without a high school education. (CPS, 1980 and 1994). Whether employed full-time or part-time, many workers have jobs that cannot lift them out of poverty. In 1992, 18% of full-time workers earned less than the poverty line for a family of four (Census Bureau, 1994). Indicators of wage rates and earnings thus reflect important risk factors for welfare dependence.

[1] The possible effect of income transfer programs on labor-force behavior is worth noting. Moffitt (1992) concluded that the typical AFDC recipient currently working about 9 hours per week would work about 15 hours per week in the absence of an AFDC program.

Indicators are also needed that examine data beyond the household level. Several studies suggest that employment and wage conditions are predictive of welfare dependence. Until the mid-1980s virtually all studies pointed to strong links between national trends in poverty and labor market opportunities. For example, Blank and Blinder (1986) found that, over the 1950s, 1960s and 1970s, a one percentage point decrease in the unemployment rate was associated with a one point drop in the poverty rate. Something happened in the 1980s to weaken this link. As documented in Blank (1993), Blank and Card (1993) and Cutler and Katz (1991), the economic expansion of the 1980s dropped unemployment by more than four points and yet had very little effect on poverty rates. Blank and Card (1993) analyzed data separately by region and found that four factors -- unemployment, wage level, wage dispersion, and family structure -- each play an independent role in producing changes in poverty rates within regions.[2]

Further exemplifying the effect of the economy on poverty and welfare participation, a recent study on the determinants of growth in the AFDC caseload conducted by The Lewin Group, Inc. (1996) provides evidence that the AFDC caseload is substantially more sensitive to business cycles than shown by previous studies, especially in recent years (i.e. between 1989 and 1993). In one example, the Lewin study (1996) finds that a one percentage point increase in the unemployment rate increases the basic caseload by almost six percent, about three times the effect found in previous studies. The study also notes that the full impact of unemployment levels on the caseload is not realized until several quarters have passed, illustrating longer-range effects of economic conditions on AFDC participation.

Labor-market measures of unemployment, wage level and wage dispersion are all important indicators of risk factors for poverty status as well as welfare-program eligibility and potential future dependence.

Effect on Child Well-being:

- *Indicators of family economic resources should be tabulated separately by age of the child and by depth of poverty. Very low levels of resources have a particularly strong effect on young children.*

Weak labor-force attachment can create a number of problems for parents and children (Guo et al, forthcoming; Parcel and Menaghan, 1994). First, for adolescents, parents unattached to the labor market may not be able to supply needed information and direct contacts that would help their children to find good jobs. A second and related point is that the more general set of "social capital" connections available to children of working parents may be stronger than for children growing up in families with weak attachment to the labor force (Coleman, 1988). Third, children

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[2] Blank and Card's regional analysis provides considerably more analytic power to distinguish between "true" economic and demographic effects and other factors that are changing within regions across time. Within the four factors, unemployment itself had statistically significant but substantively modest effects, with a one point drop in unemployment associated with an 0.2 drop in the poverty rate. Overall, however, both the level and dispersion of labor-market earnings played important independent roles in affecting the poverty rate.

in households in which parents do not work may fail to realize the strength of the linkages between schooling and successful career and thus be less motivated to finish high school or attend college (Guo et al., forthcoming). Fourth, for children of all ages, families in which adults do not work in the labor market may not provide the structure, stability and predictability that children need (Parcel and Menaghan, 1994). Fifth, children growing up in families with working adults may benefit from the additional household responsibilities they are expected to assume (Id.).

Low levels of resources make it difficult for parents to provide children with the necessary elements of successful childhood. Extreme poverty can make it difficult for parents to provide food and shelter; less extreme forms of financial hardship can make it difficult to provide enriching learning experiences either inside or outside of the home. Low levels of parental resources can affect parental involvement in children's developmental activities, social activities, and schooling. This puts children at higher risk of difficulties in school, reduced accomplishments in elementary and high school, lower aspirations for college attainments, and higher risk of engaging in adult behaviors such as sexual activity and independent living earlier than children otherwise would.

There have been numerous studies examining the relationship between income and child outcomes.[3] Smith et al. (forthcoming) examine the links in early childhood between family income and cognitive development by analyzing data that followed children from birth until middle childhood. After controlling for differences in the child's race, birth weight, age and gender, and for the mother's education and family structure, they found significant differences with family income below, just above, and well above the poverty line. Test scores were lowest for children raised in families with average incomes less than half the poverty line.

In general, studies have found an association between low-income and development during all periods of childhood. For instance, during the prenatal-infancy period, low income is negatively correlated with a lack of timely prenatal care, smoking during pregnancy, and low birth weight; during early childhood low-income is associated with low intelligence test scores, low verbal ability scores and behavior problem scores; in late childhood, there is a relationship between low-income and school achievement scores and behavior problems; and in the late adolescent years low-income has been found to affect completed schooling, juvenile delinquency and

[3] A persistent concern with studies linking poverty and child outcomes is that the estimated effect of income might be spurious, caused by the mutual association that parental poverty status and the outcomes share with some unmeasured "true" causal factor. Suppose, for example, that the mental health of parents was the key ingredient for children's success and that measures of parental mental health were not included in the models. Since positive mental health in parents is likely to make parents more successful in the labor market as well as to foster a more problem-free relationship between parent and child, the absence of adjustments for differences in parental mental health may produce a serious overstatement of the role income plays in causing children's success. Currie (1996) reviews evidence based on randomized experiments that are designed to address the omitted-variables problem.

aggressive behavior.[4] More generally, the research on links between poverty and child development indicates the following (Duncan and Brooks-Gunn, forthcoming):

- Family economic conditions in early and middle childhood appear to be more important for shaping ability and achievement than do economic conditions during adolescence.

- The effects of family income appear to vary with the domain of the child outcomes, with income having the biggest effect on children's ability and achievement and smaller effects on behavior, mental health and physical health.

- The effects of income were often nonlinear, with income increases for low-income families -- such as those associated with movements from deep to shallow poverty or across the poverty line itself -- having more powerful effects on children's development than income increases for middle-class or affluent families.

B. Family Structure

Risk Factors for Welfare Dependence:

- *Family structure indicators such as the rate of nonmarital childbearing and rate of teenage births, as well as placements in foster care, reflect important risk factors for dependence.*

The rate of nonmarital childbearing had been increasing for families of all income levels. Overall, the percentage of families with children headed by a single woman rose from 11 percent in 1970 to 32.6 percent in 1994. However, the proportion of all births to unmarried mothers declined in 1995 to 32 percent -- the first decline in the rate in nearly two decades.[5]. Over the same time period, the percentage of poor families headed by a single mother has increased from 48 percent to 60 percent (CPS, 1993a, Series P60-185). The share of AFDC children living in families headed by never married[6] mothers has increased steadily from about 30% in 1970 to 58% in 1992 (Report to Congress on Out-of-Wedlock Childbearing, 1995, p. 63).

Four trends contribute to the rise in single parent families: the decrease in the average age at which people initiate sexual activity, the increase in the average age at which they marry, the

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[4] Kleiman & Kessell, 1987; Klerman, 1991; Brooks-Gunn et al, 1994; Smith, Brooks-Gunn & Klebanov, in press; Korenman & Miller, 1995; Chase-Lansdale et al, in press; Chase-Lansdale et al, 1991; Klebanov et al, 1995; Haveman and Wolfe, 1995; Duncan & Brooks-Gunn forthcoming, Loeber, 1982; Elliot, 1993.

[5] Preliminary data. Monthly Vital Statistics of the U.S., Vol. 45, No. 3 Supplement 2, October 4, 1996. It should be noted that about half of this decline is due to changes in reporting procedures in California.

[6] Never married in this sense means never married to the father of the child.

increase in the divorce rate, and a decline in the numbers who remarry (Id. p. 3). However, the relationship between these factors and nonmarital childbearing seems to be changing. While in the 1970s most single-parent families were created by divorce, by 1990, divorce rates were declining and a growing number of single-parents had never been married. In fact, by this time, almost half of the poor, single mothers had never been married (CPS, 1993a, Series P60-185; "Trends in the Well-Being of America's Children and Youth," 1996, p. 239).

There are many reasons to be concerned about the trend in nonmarital childbearing. The poverty rate for single mothers is much higher than that for male-headed families. The poverty rate for female-headed families is 32 percent compared to 6 percent for male-headed families (CPS, 1995a, Series P60-185). Moreover, single parent families tend to be poor for longer periods than male-headed families. There are also implications for welfare participation. As noted above, single parent families are more dependent on public assistance than male-headed families (See Appendix F for a more detailed comparison of income received from public assistance programs between female-headed families and male-present families). While this is due in part because they are poorer, it is also because welfare program eligibility requirements tend to favor single parent families. Research by The Lewin Group, Inc. (1996) provides evidence of a significant relationship between non-marital birth rates and AFDC participation: rises in non-marital births have a significant, yet modest, effect on AFDC caseload growth.

It is also important to note, however, that while children born outside of marriage are at a greater risk of AFDC participation than children born within marriage, this does not indicate that AFDC is responsible for increases in non-marital births. If AFDC were responsible, one would expect the rate of AFDC participation among children born outside of marriage to increase over time. In fact, research by Danzinger and Kaye (1996) shows that the overall AFDC participation rate for children born outside of marriage remained largely unchanged from 1985 to 1994.

The increasing number of children born to unwed teenage mothers is of serious concern. The teen birth rate had been on the decline. It was at its highest in 1957 when 96 teenage females per 1,000 had a baby and reached its lowest mark in 1986 when 50 teenage females per 1,000 had a baby. Since that time the teen birth rate increased to 61 per 1,000 in 1992 but has declined the last several years to 57 per 1,000 in 1995.[7] While the proportion of adult female AFDC recipients under age 20 has remained relatively stable since 1971, a significant portion of mothers on AFDC had their *first* birth before age 20. In 1991, approximately 60% of AFDC mothers under age 30 had their first birth prior to age 20 (Report to Congress on Out-of-Wedlock Childbearing, 1995, p. 63).

Considerable research has been devoted to the effects of the welfare system itself on fertility. Moffitt's (1995) recent review of 24 published studies points to little consensus. Some studies have found evidence that higher welfare benefit levels have a modest impact on out-of-wedlock birth rates among white females. Almost none of the studies have found such effects for black

[7] Preliminary data (Monthly Vital Statistics of the U.S., 1996, Vol. 45, No. 3, Supp. 2).

females. As Moffitt puts it: "The studies are not conclusive..., so we are left with only the suggestion of an effect at present." (1995, p. 172)

An additional family structure variable that deserves attention is foster care placement. Adolescents in foster care are at particularly high risk of becoming welfare dependent as they exit state custody. An evaluation of the federal Independent Living Program (designed to teach life skills to adolescents in foster care) found that youth in foster care were extremely troubled emotionally and were at high risk of teen pregnancy, drug use, and welfare dependence, among other problems. That study found that nearly 30% of foster care youth received welfare within a few years of leaving foster care, compared to only 5% of the general population of the same age (Westat, forthcoming). Other studies have found similar outcomes.[8]

Effect on Child Well-being:

- *Family structure is an important risk factor for children's successful development. Indicators should reflect family structure's effect on outcomes associated with well-being such as school achievement, educational attainment, and physical and mental development.*

Children in single parent families tend to be worse off than those in married couple families: They perform worse in school, have more behavioral problems, and are less successful in their adult lives than children raised in married couple families.[9] McLanahan and Sandefur (1994) found that rates of failure to complete high school are twice as high for children who spent part of their childhood in single-parent families compared to children raised in married-couple families (29% vs. 13%). While these differences are largely independent of the children's ethnic and socio-economic background,[10] the literature is inconclusive as to whether the adverse effects of family structure depend on the child's developmental stage at the time of disruption (See McLanahan and Sandefur, 1994; Haveman and Wolfe, 1994).

Although it is difficult to account for why children raised in single-parent families have poorer outcomes than children from two-parent families, a handful of studies indicate that economic differences play a significant role. For example, McLanahan (1985), Hill and Duncan (1987), Haurin & Kamara (1992) and McLanahan and Sandefur (1994) all find that parental-income

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[8] A National Evaluation of the Title IV-E Foster Care Independent Living Programs for Youth. Washington, DC: DHHS Administration for Children, Youth and Families.

[9] McLanahan and Sandefur (1994) and Seltzer (1994) review several theories that explain family structure's impact on children's outcomes.

[10] Similarly striking differences show up for white (11% vs. 28%), black (17% vs. 30%) and Hispanic (25% vs. 49%) individuals. Differences also emerge within the group of whites when divided into high SES (5% vs. 16%) and low SES (24% vs. 51%) and within the group of blacks when divided into high (4% vs. 8%) and low SES (23% vs. 40%).

differences account for between one-third and two-thirds of the estimated impact of living in a single-parent family on completed schooling. It is important to note that some studies find that income differences play a less important role (e.g., Sandefur et al., 1992).

The rise in nonmarital childbearing also affects well-being for adults. Certain career paths may be rendered impossible or at least much more difficult if a woman becomes a lone parent. Moreover, potential marriage partners may be less attracted to a woman who has a child fathered by another man.[11] Finally, the perilous economic situation often associated with single parents limits residential options to low-income neighborhoods and often means that they and their children are less likely to benefit from neighborhood amenities such as good schools, positive role models, safe, drug-free streets, and perhaps a positive neighborhood culture (see Section E. of this chapter).

Teenage childbearing is another risk factor for well-being. Teenage childbearing, particularly to unmarried teens, is associated with negative outcomes for both the teen mother and her children. Compared to those who delay childbearing, teenage mothers are less likely to marry and are more likely to receive welfare and to receive it for a longer period of time. Children born to teenagers are more likely than children born to older mothers to suffer from low birth weight and nutritional deficiencies, experience developmental delays, suffer from child abuse and neglect, and to become teenage mothers themselves (Chase-Lansdale, Brooks-Gunn and Paikoff, 1991; Maynard, 1996).

C. Intergenerational Linkages

Risk Factors for Welfare Dependence:

- *Indicators should reflect the association of transfer program receipt between parents and their children.*

Dependence and deprivation have important intergenerational dimensions, since children's success as adults is affected by the family, neighborhood and school environments in which they are raised. Table IV.1 examines intergenerational linkages in AFDC receipt using data from the Panel Study of Income Dynamics.

[11] See Wilson (1987), South and Lloyd (1992), and Fossett and Kiecolt (1993) for other discussions regarding the effect of fertility on marital and labor market behavior.

TABLE IV.1 Intergenerational patterns of AFDC receipt

Woman's AFDC Dependence as a Child (age 14 to 16)	Subsequent AFDC Dependence as an Adult (age 21 to 23)			
	No Receipt	Moderate Receipt	High Receipt	Total
No Receipt	91%	6%	3%	100%
Moderate Receipt	62%	22%	16%	100%
High Receipt	64%	16%	20%	100%

Duncan, Hill & Hoffman, 1988

Note: Table reads: *"91% of women living in AFDC-free homes when age 14 to 16 received no income from welfare when they were age 21 to 23."* "No Receipt" as a child means that no AFDC receipt was reported by the women's parents while she was between age 14 and 16, and "No Receipt" as an adult means that no AFDC receipt was reported by herself when she was between age 21 and 23. "Moderate" means that AFDC receipt was reported in 1 or 2 of the 3 years. "High" means that AFDC receipt was reported in all three years.

This table shows what percent of women who experienced varying levels of AFDC dependence as children were also dependent as adults. For example, 91% of women who experienced no AFDC dependence as children also experienced no AFDC dependence once they became adults. It is clear from the table that the majority of daughters from highly-dependent parental families did not share the fate of their parents: only 20% of daughters from heavily dependent homes were themselves heavily dependent in early adulthood, and an additional 16% received welfare in some but not all of the three years between ages 21 and 23. Nearly two-thirds (64%) of the daughters from heavily dependent homes were receiving no welfare at all during this three-year period.

At the same time, however, the fraction of daughters from highly dependent homes who themselves become highly dependent (20%) is several times higher than the fraction of daughters from nonrecipient families who become highly dependent (3%). So while the stereotype of lock-step intergenerational welfare dependence is clearly inaccurate, it still is the case that growing up in a welfare-dependent home increases, perhaps substantially, the chance of welfare dependence in the next generation.

Table IV.2 displays intergenerational linkages in poverty, first for white families, and then for black families (Corcoran, 1995).

Table IV.2 Intergenerational patterns of poverty status

White Families Only

Person's Poverty as a Child (age 7-15)	Subsequent Poverty as Adult (age 27-35)			
	No Poverty	Moderate Poverty	High Poverty	Total
No Poverty	90%	9%	1%	100%
Moderate Poverty	78%	19%	3%	100%
High Poverty	76%	14%	10%	100%

Black Families Only

Person's Poverty as a Child (age 7-15)	Subsequent Poverty as Adult (age 27-35)			
	No Poverty	Moderate Poverty	High Poverty	Total
No Poverty	74%	18%	8%	100%
Moderate Poverty	63%	17%	20%	100%
High Poverty	54%	20%	26%	100%

Corcoran, 1995

Note: Table reads: *"74% of blacks growing up in never-poor parental homes where themselves not poor in early adulthood."* "No Poverty" means that the person's parents were never poor when he or she was between the age of 7 and 15, and "No Poverty" as an adult means that he or she was not poor between the ages of 27 and 35. "Moderate" means that poverty was experienced in less than half of the years. "High" means that poverty was experienced in more than half the years.

Like the previous table based on welfare, Table IV.2 shows that a majority of children do not share the fate of their parents. However there are significant racial differences. While 26% of black children from persistently poor families were themselves persistently poor, only 10% of white children from persistently poor families were themselves persistently poor. An additional 20% of black children (3% of white children) were poor for some but not most of the time in early childhood, leaving most black children (54%) from persistently poor families consistently above the poverty line in early adulthood and almost all white children (87%) from persistently poor families consistently above the poverty line in early adulthood.

Table IV.2 also shows that the fraction of black children from persistently poor homes who were themselves persistently poor (26%) is several times greater than the fraction of black children

from non-poor families who were persistently poor (only 8%). The same trend is true for white children, where the fraction of white children from persistently poor homes who were themselves persistently poor (10%) is several times greater than the fraction of white children from non-poor families who were persistently poor (only 1%). This simple table appears to indicate an intergenerational transmission of poverty rather than, or perhaps in addition to, welfare dependence.

An accurate assessment of parents' AFDC receipt as a risk factor for their children's welfare dependence requires sifting through the possible role played by all the various conditions that are present in varying degrees in the lives of children raised in families with low socioeconomic status. These factors could include family economic status, family structure, level of parental schooling, quality of schools, neighborhood conditions, marriage and labor-market prospects, and attractiveness of welfare benefits.

Effect on Child Well-being:

- *Evidence indicates a possible role for parental AFDC receipt as a risk factor for child well-being. Since the effects appear to vary according to the age of the child at the time of receipt, it is important that intergenerational indicators are included for children of different ages.*

There are many theories that try to explain the negative outcomes associated with receipt of means-tested assistance. One of the most prominent theories is that AFDC receipt somehow breeds a harmful welfare "culture" in recipient families and neighborhoods. Murray (1984) argues that the welfare system provides adults with a viable alternative to mainstream work and marriage. Through parental example and direct incentives, welfare may in turn encourage children to drop out of school, have children out of wedlock and otherwise engage in behavior that will reduce their own chances of success as adults.

In her review of the literature on the intergenerational transmission of status, Corcoran (1995) summarized the arguments behind the "welfare-culture" model as follows:

> (W)hen parents and neighbors rely heavily on welfare, the stigma associated with being on welfare disappears; parents and neighbors develop self-defeating work attitudes and poor work ethics; and these attitudes are passed on to their children. In addition, parental welfare receipt provides children with poor role models for work and marriage. Girls raised in welfare-dependent homes and communities are more likely to drop out of high school, to have illegitimate births, and to go on welfare themselves. Boys raised in welfare-dependent homes and communities are more likely to grow up to father children out of wedlock, to drop out of high school, to hang out, engage in crime, and avoid regular work. Implicit in this welfare culture story is the assumption that welfare receipt changes parents', neighbors' and children's values, attitudes and behaviors. Parents, neighborhood residents and children eventually become "trapped" in poverty and dependency because of their deviant values and dysfunctional behaviors (1995, p. 244).

Collectively, these arguments suggest that the impact of parental welfare receipt may well be weakest for welfare received when children are very young, and grow in importance as children enter and progress through school. As a result, it is important that assessments of welfare pay attention to the timing of receipt. Unfortunately it is difficult to test empirically the beneficial or detrimental effects of AFDC receipt. Children from AFDC-dependent homes generally have fewer parental resources available to them, live in worse neighborhoods, go to lower-quality schools, and so forth. It is crucial to adjust for the effects of these correlated conditions in assessing the "true" effect of AFDC receipt. Failure to do so will likely produce an overestimate of the apparent effect of parental AFDC receipt.[12]

Analysts have developed a number of strategies for estimating the causal effect of parental AFDC receipt on child development (Corcoran, 1995). As with poverty, the timing of receipt in childhood is an important dimension of the effects. There is conflicting evidence that AFDC receipt in early childhood years has sustained and negative effects on child outcomes. In the Baltimore Study of Teenage Motherhood, AFDC receipt in early childhood was associated with lower high school graduation rates, lower literacy scores, and higher grade failure rates, even after controlling for school readiness scores (Baydar et al, 1993; Brooks-Gunn et al, 1994; Guo et al, in press). AFDC receipt in middle childhood also contributed to more negative outcomes in the adolescent years.

Studies of effects of welfare on early childhood outcomes using more representative data tend to find conflicting evidence (Duncan, et al., 1996). In data from the NLSY, it appeared that AFDC receipt was detrimental to the cognitive development of white children but not black children. A comparable analysis of data from the Infant Health and Development Program found no apparent effect of welfare on the cognitive development of whites, but larger effects for blacks. Nor was there consistency between the two data sets in an investigation of possible effects of welfare on behavior problems of black and white children. It is clear that more research is needed on the question of whether and why AFDC receipt affects the development of young children.

Studies relating parental AFDC receipt during early adolescence to schooling and demographic behavior in late adolescence and early adulthood are more consistent in showing detrimental effects. For example, Gottschalk (1992) uses young women in the NLSY to relate parent AFDC receipt when the women were adolescents to these women's chances of having a child. After controlling for a long set of characteristics of the young women and their families, he finds substantial effects of parental participation in the AFDC program on childbearing for whites, blacks and Hispanics. Observed AFDC-related birth rates by age 18 were 50% higher for whites

[12] Proponents of a welfare-culture model might well view some of these correlated conditions as themselves products of parental AFDC receipt. Suppose, for example, welfare did indeed cause parents to work less, become single parents and, as a result, have lower incomes, live in worse neighborhoods, send their children to lower quality schools, etc. In that case, adjustments for the effects of the correlated conditions would cause the "true" effect of welfare to be understated, since those correlated conditions represent the ways in which the detrimental effects of welfare operate. In this view, one should adjust only for differences in conditions that are not themselves the product of welfare-based incentives.

and more than 100% higher for blacks and Hispanics than simulated rates that assumed no parental AFDC receipt.

Gottschalk (1995) conducted his own study of the intergenerational correlation of welfare utilization. He uses data on patterns of mother's AFDC receipt after the daughter has left home to adjust for the effects of unobserved characteristics of mothers. After incorporating these adjustments, he finds for blacks but not for whites, highly significant effects of parental AFDC receipt on the chances that daughters will have AFDC-related births. Furthermore, Gottschalk finds that the strongest effects are for parental receipt immediately prior to the daughter's possible fertility.

D. Health and Disability

Risk Factors for Welfare Dependence:

- *Indicators of health and disability should be developed both because they are part of the eligibility criteria for some welfare programs (SSI) and because they play a critical role in an individual's ability to work and earn income. Because children with disabilities require additional care, it is important to have separate indicators for both children and adults.*

SSI is designed specifically designed to provide cash assistance to those disabled and unable to work. The number of adults receiving SSI on the basis of disability or blindness grew from 2.1 million in 1982 to 3.9 million in 1994. This increase is not solely attributable to disability increases among the elderly. Between December 1992 and December 1993, the number of blind or disabled adults under age 65 who received SSI increased by over 9 percent while the number of blind or disabled children who received SSI rose by 24 percent. SSI receipt based on disability increased less dramatically over the course of the next year, dropping to 5.9 percent for adults under age 65 and 15.8 percent for children (Social Security Bulletin, 1995; Pickett, 1996).

Dramatic changes in the number of children receiving SSI warrant further discussion. Prior to around 1990, the number of children receiving SSI remained steady for many years at just under 300,000. But by 1994, the number of children receiving SSI rose to over 890,000 and passed the one million mark in June of 1996 (Pickett, 1996). Programmatic factors, like the Zebley Supreme Court decision and the new mental impairment criteria, both of which expanded eligibility criteria for children, played a major role. It is not clear at this time, however, how much changes in childhood disability rates (if any) accounted for any of the increase in the number of SSI children or if the increase was primarily due to changes in eligibility rules.

However, not everyone with a disability qualifies for SSI benefits. Traditionally, poor persons with disabilities that make work difficult who do not qualify for SSI have been able to receive benefits from the AFDC program. Loprest and Acs (1995) found that about 18 percent of women receiving AFDC have some disability that limited work and that almost 30 percent of

AFDC families include either a disabled mother or child. In 1990, almost 10 percent of children with a disability received AFDC and more than 15 percent received food stamps (Adler, 1995).

While disability rates have started to decrease among the elderly, disability rates among the working-age population have increased over the last decade. According to the CPS, the number of Americans who report a work disability (they were unable or limited in their ability to work because of a chronic medical condition) increased between 1982 and 1993. The rate of work disability also increased for those under age 35. Over the same time period, disability rates for men and women aged 16-34 years increased about 1.5 percent (U.S. Bureau of the Census, 1980-1995).

Health and disability are clear risk factors for welfare dependence. Indicators are needed to shed light on the extent of this risk. Furthermore, mothers of children with disabilities, particularly single mothers, may be less able to work because their children have special care needs that can result in difficulty and increased cost of finding alternate caretakers (Loprest & Acs, 1995). With the emphasis on moving recipients from welfare to work, it is even more important to understand the effect of health and disability on welfare utilization and the limitations associated with these parameters that may make reducing dependence difficult.

Effect on Child Well-being:

- *Indicators of prenatal care, low birth weight, infant mortality, and disability reflect the physical and developmental well-being of children.*

Prenatal care during the first trimester of pregnancy is critical to the mother and the fetus. Early prenatal care allows for the early detection of health or physical problems, and the early identification of health-compromising behaviors which can be particularly damaging during the initial stages of fetal development. The percent of mothers receiving prenatal care during the first three months of pregnancy has increased over the past two decades for all women irrespective of race, ethnicity, or age. However, virtually all of these gains were made between 1970 and 1980 ("Trends in the Well-Being of America's Children and Youth," 1996).

Indicators of poor health's risk to overall well-being are also needed at birth. Low (births weighing less than 5.5 pounds) and very low (less than 3.3 pounds) birth weight infants are at an increased risk of suffering severe physical and developmental complications and death. Low birth weight infants account for nearly two-thirds of all neonatal deaths and 60 percent of all infant deaths. The overall percentage of very low birth weight infants has remained relatively constant since 1970 but the percentage among blacks babies increased during this time period. These trends are in contrast to those of low birth weight babies which decreased for both black and white babies across the same twenty-two year period. Age of the mother appears to be an important factor in the likelihood of low and very low birth weight. While the percentage of infants born to mothers under age 15 classified as low birth weight has declined since 1970, there has been no change in the percent of births to mothers under age 15 classified as very low birth weight over this time span. Overall, the percentage of low and very low birth weight infants for

blacks is more than double the percentage for whites ("Trends in the Well-Being of America's Children and Youth," 1996).

Infant and child mortality rates provide another critical indicator of well-being. Advances in technology have greatly improved infant survival and significantly reduced infant mortality over the last three decades. These medical advances are also partly responsible for the increase in babies born at very low birth weight: babies who previously would have died before birth are now born but at very low birth weight. Thus, the increase in very low birth weight described above is not an unambiguously negative development.

Indicators should also measure the risk to well-being from disability. For the purposes of this report, disability is defined as chronic conditions, impairments, or limitations resulting in the inability to perform expected social roles. In 1990, 4.5 million children had a disability which limited or prevented them from performing functions such as developing (for infants and toddlers), walking, running, climbing stairs, attending school, or doing regular school work. The leading categories of disability among children were learning disabilities, followed by speech disorders, mental retardation or other developmental disabilities, mental illness, and respiratory conditions, such as asthma (Adler, 1995). Loprest and Arcs (1995) found that 14 percent of families receiving AFDC have school-age children that have some limitation in school activities. Disability also has an impact on the likelihood of living in poverty. In 1990, the poverty rate was almost 22% for children with disabilities.

E. Other Risk Factors for Dependence and/or Well-Being

Early Sexual Activity and Substance Abuse:

- *Indicators of behavior such as teenage sexual activity, alcohol and drug use and violent crime rates are important measures of the risk to well-being and dependency.*

Decisions regarding sexual activity are critical to the risk of dependence and well-being. Age at first intercourse, the number of partners, and the use of contraception all represent critical indicators of the risk of pregnancy and sexually transmitted diseases. A decrease in the age at which men and women begin having sexual intercourse and an increase in the proportion who begin their sexual experience before marriage have placed an increasing proportion of unmarried persons at risk of fathering or conceiving a baby (Report to Congress on Out-of-Wedlock Childbearing, p 51).

Over the past several decades, premarital and nonmarital sex have become more common particularly among adolescents. Youth who begin having sex at younger ages are exposed to these risks over a longer period of time. Research has shown that youth who have early sexual experience are more likely at later ages to have more sexual partners and more frequent intercourse ("Trends in the Well-Being of America's Children and Youth," 1996). Because sexual intercourse during the teen years, especially first intercourse, is often unplanned, it is not surprising that it is often unprotected by contraception. In 1988, 17 percent of the sexually active

never-married women were not using contraception (Report to Congress on Out-of-Wedlock Childbearing, 1995).

Alcohol and drug use are other indicators of risk to well-being and to dependency. Alcohol use has been linked to a host of problems including motor vehicle accidents and deaths, difficulties in school and the workplace, fighting and breaking the law. The use of cocaine has been linked with numerous health problems ranging from eating disorders to disability and in some cases death from heart attack and stroke. Finally, there are a number of health and cognitive risks associated with marijuana as well. In general, binge drinking (five or more drinks in a night), marijuana, and cocaine use among high school students decreased during the 1980s but has been on the rise during the early 1990s (*Trends in the Well-Being of America's Children and Youth*, 1996).

Neighborhoods:

- *Neighborhood conditions and residential stability have been identified as factors affecting child development. As a result these parameters become risk factors for well-being and indirectly for welfare dependence. To the extent that these parameters influence well-being, indicators need to be developed that examine this relationship.*

Neighborhood conditions have deteriorated in many urban areas; as of 1990, one-quarter of all urban blacks and nearly half of poor urban blacks lived in neighborhoods with poverty rates in excess of 40% -- a threshold commonly employed to delineate "ghetto poverty" (Jargowsky, 1994).

There are many reasons to suspect that the neighborhood conditions in which adolescents are raised are risk factors for achievement and behavior problems. Theories of neighborhood influences highlight the importance of: I) contagion, in which bad behavior is spread throughout a neighborhood through peer interaction; ii) socialization, in which positive behavior is encouraged through beneficial adult role models and job connections; iii) social control, in which positive behavior is encouraged through monitoring and other "social capital" connections among neighbors; and iv) institutions, in which higher levels of public services such as schools, parks and police protection promote greater achievement (Jencks and Mayer, 1990; Furstenberg and Hughes, 1994; Sampson and Groves, 1989).

Neighborhood conditions can also directly affect self-sufficiency. Wilson (1987) cites the movement of manufacturing jobs from central cities to the suburbs as playing a critical role in the development of the "urban poor." Losing jobs to the suburbs and other areas resulted in a mismatch between inner-city residents' skill levels and the available jobs.

Research is mixed regarding the effect of neighborhood factors on outcomes such as child development, high-school dropout rates for adolescents, and employment for adults. However,

the negative findings are significant enough to warrant including indicators to further examine the relationship between neighborhood conditions and well-being.[13]

Recent studies have also demonstrated a strong relationship between residential stability and child well-being, with frequent moves associated with a number of negative outcomes including dropping out of high school, delinquency, depression, and non-marital teen-births. Some researchers theorize that these negative associations may result from a lack of rootedness in the local community and its institutions on the part of frequent movers.

[13] See Crane (1991), Brooks-Gunn, Duncan, Klebanov and Sealand (1993), and Rosenbaum (1991), for a more thorough review of neighborhood's impact on child development.

Chapter V. Summary Recommendations for Indicators

The issues raised in the previous chapters lead to the recommended set of indicators below. The report provides a brief description of each indicator as well as more detailed information regarding data collection. For many of the indicators, the report includes actual trend data along with a graphical illustration of that data and possible enhancements that could produce more complete or accurate data.

For organizational purposes, the indicators are arranged into two groups:

- **Group A: Indicators of family dependence and well-being**: includes 43 indicators subdivided into 5 categories

- **Group B: Indicators of child achievement and health**: includes 12 indicators subdivided into 3 categories

It should be noted that many of the indicators could be included in a different category or in more than one category. No attempt is made in this report to rank the importance of the indicators. The interim report does not develop a "short list" of indicators. Instead, its objective is to recommend indicators from a broad spectrum of areas, provide background information regarding each and produce trend data where possible. It is hoped that this interim report will be used as a starting point for future annual reports and that a shorter and more prioritized list of indicators will ultimately be developed.

Furthermore, as states are only just beginning to implement their new cash assistance programs, future annual reports are expected to provide a more complete and comprehensive set of indicators that fully respond to changes in the nature of dependence that may result due to the new law. More specifically it is anticipated that future annual reports will more fully reflect the new law's emphasis on welfare-to-work transitions and the services such as child care and Medicaid that make such transitions more likely.

The Advisory Board recommends that consideration be given to developing indicators within five additional domains. However, because definitive, reliable indicators do not currently exist within these areas, the report does not recommend specific indicators within each domain at this time. Instead, the chapter provides a brief description of each area and a short discussion of the current state of existing data.

Despite the existence of many high-quality national surveys as well as administrative data reporting requirements, there remain gaps between the ideal and currently-available indicators. The next chapter summarizes the characteristics of these data sources and offers suggestions for improving them in light of these recommendations.

Group A: Indicators of family dependence and well-being:

Range of Dependence

Indicators A.1 - A.13

Indicators within this group focus exclusively on recipients of cash and nutrition assistance. They reflect both the range and depth of dependence through data relating recipients' level of welfare income, amount of earnings, duration of receipt, participation in other assistance programs, participation in the labor force, and participation in "work" programs.

Work and Job Readiness
Indicators A.14 - A.20

As opposed to the first group within this section, this group of indicators focuses on the entire population to reflect the risk of dependence and/or a change in well-being. This particular group examines these risks through measures of the ability to work and earn wages through data such as labor-force attachment, education level, earnings, disability, incarceration, and alcohol and substance abuse.

Poverty and Deprivation
Indicators A.21 - A.34

This group is organized around measures of families living in poverty. Clearly poverty represents a risk for dependence and a negative state of well-being. Indicators within this group include the duration in poverty, poverty transition rates, anti-poverty effectiveness of transfer programs, and intergenerational poverty. They also measure aspects of deprivation from such diverse areas as hunger, health insurance and housing conditions.

Family Structure
Indicators A.35 - A.39

Earlier chapters within this report have examined the relationship between family structure and welfare dependence and negative child outcomes. This group of indicators reflects data relating birth rates for different types of families, never-married family structure and living arrangements.

Parenting
Indicators A.40 - A.43

These indicators measure certain aspects of the relationship between parents and their children including child abuse and neglect, child support, child care and reading exposure. Indicators that reflect other aspects of this relationship are included in other groups.

Group B: Indicators of child achievement and health:

Infant Health and Mortality Indicators B.1 - B.4	These indicators measure the risk to well-being and dependence at the start of life by including indicators such as infant and child mortality and low birth weight.
Social Development Indicators B.5 - B.9	Research presented in earlier chapters highlights how teenagers are particularly susceptible to risk factors associated with future welfare dependence and negative well-being. This group measures the risk to teens through indicators such as the teen birth rate, early sexual intercourse and teen alcohol and substance abuse.
School Achievement Indicators B.10 - B.12	Educational achievement has been found to be predictive of future dependence and well-being. These indicators measure some aspects of educational attainment including, high-school completion, math and reading proficiency and enrollment in pre-school.

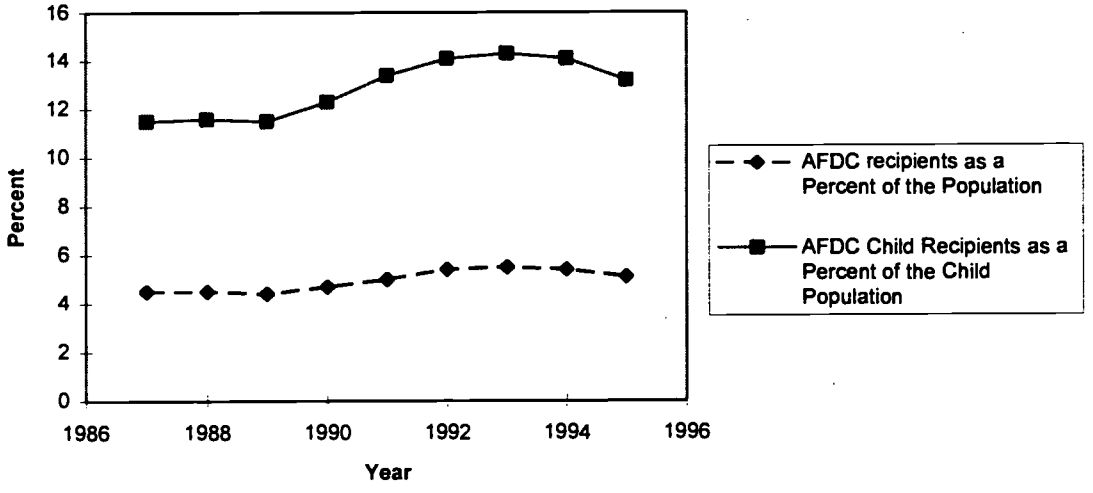
A.1 Percent of the population receiving means-tested assistance

The rate of receipt reflects an important aspect of dependence by measuring the extent to which various population subgroups rely on the major means-tested assistance programs.

Data on the receipt of means-tested assistance would be compiled annually, based on administrative data and SIPP, for nonelderly adults, children, and, where available, elderly adults. At least some of the child-based data should distinguish the age of the child (e.g., 0-5, 6-10, 11-15). The month is the most appropriate accounting period for survey-based measurement of short-term social-assistance receipt, although it is desirable to average the monthly recipiency rates over a calendar year to smooth out seasonality. Data should be compiled separately by program (e.g., AFDC and its replacements, Food Stamps, Supplemental Security Income). State caseload data will provide the needed information for AFDC replacement programs, Food Stamps and SSI. The SIPP is the best source for data on Medicaid, subsidized housing, and General Assistance (GA). IRS data are best for the EITC.

Examples:

AFDC recipients as a percent of the population

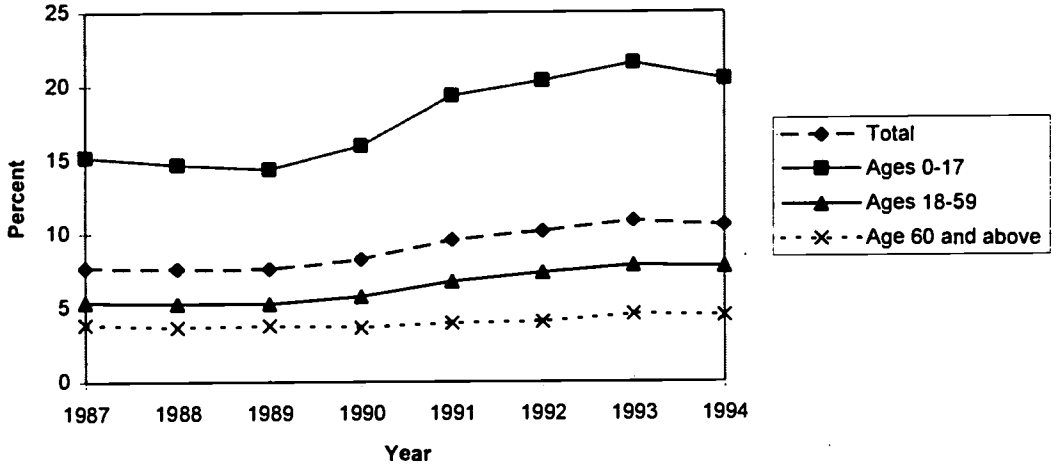


AFDC recipients as a percent of the population

	Total	Ages 0-17
1987	4.5	11.5
1988	4.5	11.6
1989	4.4	11.5
1990	4.7	12.3
1991	5.0	13.4
1992	5.4	14.1
1993	5.5	14.3
1994	5.4	14.1
1995	5.1	13.2

Source: Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance.

Food Stamp recipients as a percent of the population



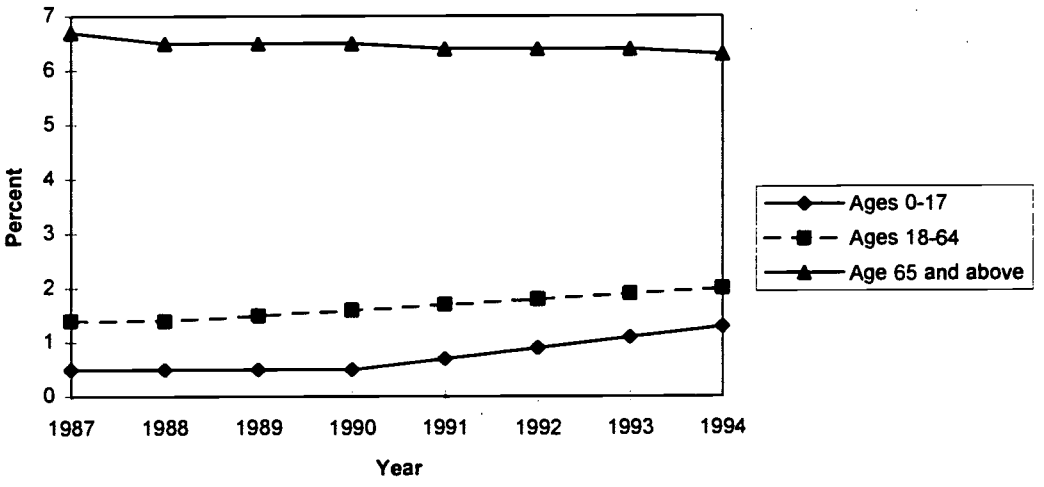
Food Stamp recipients as a percent of the population

	Total	Ages 0-17	Ages 18-59	Age 60 and above
1987	7.7	15.2	5.4	3.9
1988	7.6	14.7	5.3	3.7
1989	7.6	14.4	5.3	3.8
1990	8.3	16.0	5.8	3.7
1991	9.6	19.4	6.8	4.0
1992	10.2	20.4	7.4	4.1
1993	10.9	21.6	7.9	4.6
1994	10.6	20.5	7.8	4.5

Note: Data is for Summer.

Source: USDA, Food and Consumer Service, August 1981-Summer 1994 Food Stamp Quality Control (QC) samples.

SSI recipients as a percent of the population



SSI recipients as a percent of the population

	Ages 0-17	Ages 18-64	Age 65 and above
1987	0.5	1.4	6.7
1988	0.5	1.4	6.5
1989	0.5	1.5	6.5
1990	0.5	1.6	6.5
1991	0.7	1.7	6.4
1992	0.9	1.8	6.4
1993	1.1	1.9	6.4
1994	1.3	2.0	6.3

Note: Numbers measure average monthly participation as a rate per thousand in the population.

Source: Number of persons on SSI from the Social Security Bulletin, *Annual Statistical Supplement*. Total population from U.S. Bureau of the Census, Current Population Reports, Series P-25 and from the Census web cite: www.census.gov. Tabulations by DHHS, ASPE.

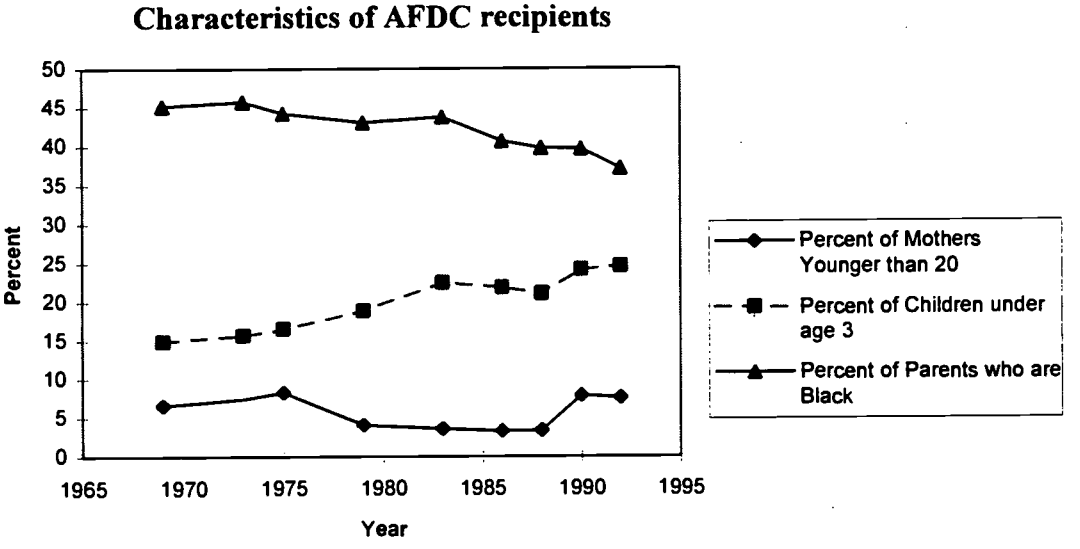
Possible Enhancement: AFDC and Food Stamp data should be tabulated separately for children of different ages. Nonelderly adult male and nonelderly adult female rates should be calculated instead of nonelderly adult rates, male rates and female rates. Data on Medicaid, subsidized housing, GA and the EITC should also be presented.

A.2 Caseload characteristics

This indicator would track trends in the demographic characteristics of major means-tested assistance programs.

For each of the major means-tested assistance programs, caseload and SIPP data would be used to describe the characteristics of recipients. Characteristics of AFDC recipients that have been published in the Ways and Means Committee *Green Book* and that have proven to be of interest include: age, schooling and race of adults, and age of the youngest child in the household. To the extent possible, these characteristics should be gathered from caseload statistics since state administrative data will be more descriptive of recipient characteristics than national surveys. It will be necessary to supplement the caseload data with information from SIPP for some of the programs and some of the characteristics. (Information on events associated with the beginnings and endings of episodes of receipt is incorporated in indicator A.6.)

Example:



Characteristics of AFDC recipients

	1969	1973	1975	1979	1983	1986	1988	1990	1992
Percent of Mothers Younger than 20	6.6	NA	8.3	4.1	3.6	3.3	3.4	7.9	7.6
Percent of Children Under age 3	14.9	NA	16.5	18.9	22.5	21.9	21.1	24.2	24.6
Percent of Parents Who are Black	45.2	45.8	44.3	43.1	43.8	40.7	39.8	39.7	37.2

Note: Data on percent of mothers under 20 from 1979-1988 measures percent of mothers under age 19.

Source: U.S. House of Representatives Committee on Ways and Means, *1994 Green Book* (Washington, DC, U.S. Government Printing Office, 1994), Table 10-27.

Possible Enhancement: Similar data should be calculated for other programs and for additional demographic characteristics.

A.3. Rates of participation in means-tested assistance programs

Not all eligible households participate in means-tested programs. This indicator would reflect "take up rates" -- the number of families that actually participate in the program as a percent of those who are eligible.

The SIPP was designed, in part, to track episodes of program eligibility as well as episodes of program participation. As authority for operating AFDC replacement programs devolves to the states, it will become increasing difficult for a survey such as SIPP to provide all of the needed details. However, it is likely that minor changes in the SIPP questionnaire would provide data on these indicators for most states even after devolution. Unfortunately, no alternative data source is likely to be developed at the state level, since the costs of gathering data from a representative set of families that is eligible, but have not "taken up" program benefits, is prohibitively expensive. USDA has measured and reported on Food Stamp "take-up rates" for several years. Estimates based on SIPP go back to 1985; estimates based on CPS, while less reliable, go back to 1976. Tracking program participation is sufficiently valuable to do this for as many of these programs as possible.

A.4 Multiple program receipt

Data on receipt of income from multiple transfer programs provide a more complete picture than single-program data of the nature of means-tested income "packages" on the depth of dependence.

Data on receipt of multiple means-tested program benefits would be compiled annually, based on data from SIPP, for children, nonelderly adults, and the elderly. AFDC and its replacements, Food Stamps and SSI should receive the most attention, although data on other transfer or in-kind programs should be included as well. The key calculation is of annual averages of monthly recipiency rates from various combinations of assistance programs.

A.5 Means-tested assistance program transition rates

Transition indicators show how many people have moved onto or off means-tested programs in the past year.

Data on transitions onto and off assistance would be compiled annually, based on data from caseloads and SIPP, for children, nonelderly adults and, where possible, elderly adults. At least some of the child-based data should distinguish the age of the child (e.g., 0-5, 6-10, 11-15). A combination of caseload data and SIPP is the best source regarding transitions onto and off Food Stamps and SSI. Methodological work is needed to determine optimal measurement of the beginnings and, especially, endings of spells of welfare receipt (e.g., does a single month off a program constitute an "ending"?) It would be extremely valuable to be able to use retrospective information on history of assistance receipt to classify transitions observed in caseload data and during SIPP panels as first vs. subsequent spells of receipt. It should be noted that the Census Bureau's plans for nonoverlapping SIPP panels will produce periodic breaks in this time series.

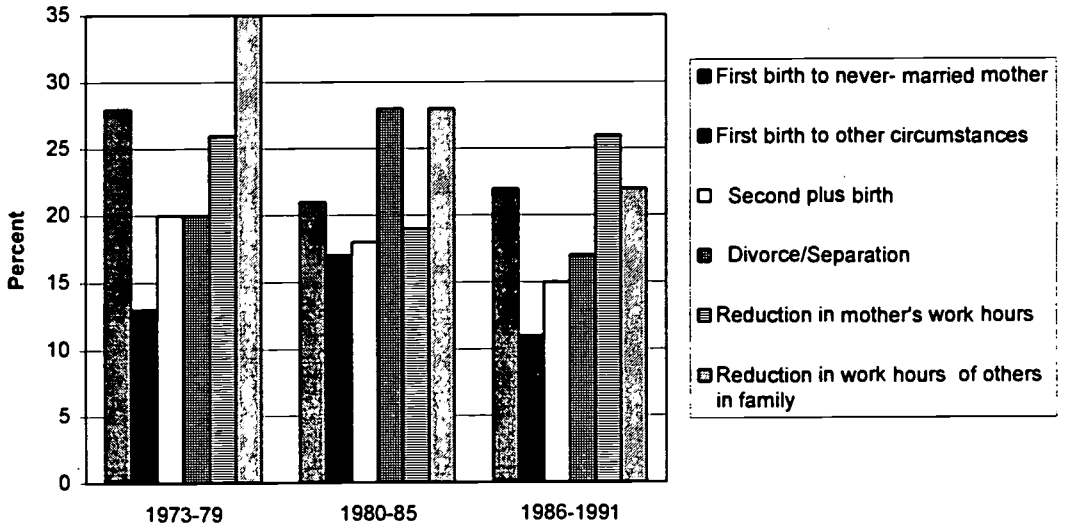
A.6 Events associated with the beginning and ending of receipt of means-tested assistance

Events associated with receipt of means-tested assistance include those circumstances which are associated with beginnings or endings of receipt of assistance. This indicator would reveal an important aspect of dependence that would provide critical guidance for policy makers.

Data on events associated with receipt of means-tested assistance would be compiled annually, based on both caseload data and monthly data from SIPP, for children, nonelderly adults, and, where possible, elderly adults. At least some of the child-based data should distinguish the age of the child (e.g., 0-5, 6-10, 11-15). These data should be coupled with the transitions data listed in A.5 above. It is important to be able to track the marital, fertility and employment events associated with transitions into and out of first and subsequent spells of social-assistance receipt. For exits, particularly those from AFDC replacement programs, it is crucial to measure whether time limits or sanctions are associated with exits, which will require modifications to the existing SIPP questionnaire. It should be noted that the Census Bureau's plans for nonoverlapping SIPP panels will produce periodic breaks in this time series. AFDC caseload data have been best suited for tracking events associated with AFDC case closings. SIPP appears to be the best source of information for closing events for SSI and Food Stamps and for beginning events associated with all of the major means-tested programs.

Example:

Percentage of first AFDC episodes associated with specific events



Percentage of first AFDC episodes associated with specific events

	1973-1979	1980-1985	1986-1991
First birth to never-married mother	28	21	22
First birth to other circumstances	13	17	11
Second plus birth	20	18	15
Divorce/Separation	20	28	17
Reduction in mother's work hours	26	19	26
Reduction in work hours of others in family	35	28	22

Note: The data track events associated with beginnings of first spells of AFDC for families. Events are defined to be neither mutually exclusive nor exhaustive.

Source: Unpublished tabulations from the PSID.

Possible Enhancement: Similar measures should be calculated for various population subgroups, for spell endings, for other events (like disability), for both first and subsequent spells, and for Food Stamps, SSI and AFDC replacement programs. While these illustrative data come from the PSID, the recommended data would be based on caseload statistics for AFDC and its replacements, and from the SIPP.

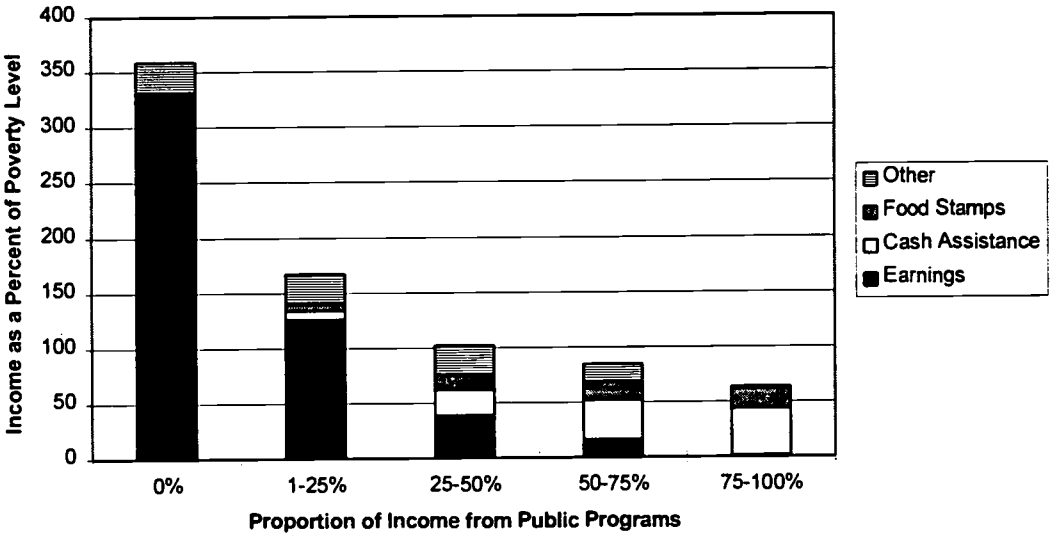
A.7 Degree of dependence

This indicator would capture the degree of dependence by examining total household income and the percentage of total household income from means-tested programs and paid employment.

Data on the degree of dependence include the fraction of total household income derived from major cash and nutrition assistance programs, from paid employment, and from all other sources. Data should be compiled separately for children, nonelderly adults and elderly adults. At least some of the child-based data should distinguish the age of the child (e.g., 0-5, 6-10, 11-15). These data should be compiled separately for recipient households as well as for all households, and for monthly as well as multi-year accounting period "windows." Income from the major means-tested assistance programs (AFDC and its replacements, Food Stamps, and SSI) should be distinguished.

Example:

Proportion of income from public programs



Proportion of income from public programs

Percent of Income From Welfare	Earnings	Cash Assistance	Food Stamps	Other
0%	331	0	0	28
1-25%	126	8	6	27
25-50%	39	23	14	26
50-75%	16	36	17	16
75-100%	1	43	18	2

Source: 1994 CPS data.

A.8 The degree of household income derived from means-tested assistance programs

Time series data for this indicator would reflect movement along the continuum from complete dependence to total self-sufficiency.

Data on dependence transitions would come from classifying households according to the percentage of total household income that comes from all assistance sources in two consecutive calendar years, then cross-classifying those households according to changes in that percentage from one year to the next. Of particular interest are households with transitions from "heavy" usage (i.e., a high percentage of assistance income) to "light" usage (i.e., a low percentage of assistance income) and vice versa. SIPP is the best source for these data. Data should be compiled separately for children, nonelderly adults and, where possible, elderly adults. At least some of the child-based data should distinguish the age of the child (e.g., 0-5, 6-10, 11-15). It should be noted that the Census Bureau's plans for nonoverlapping SIPP panels will produce periodic breaks in this time series.

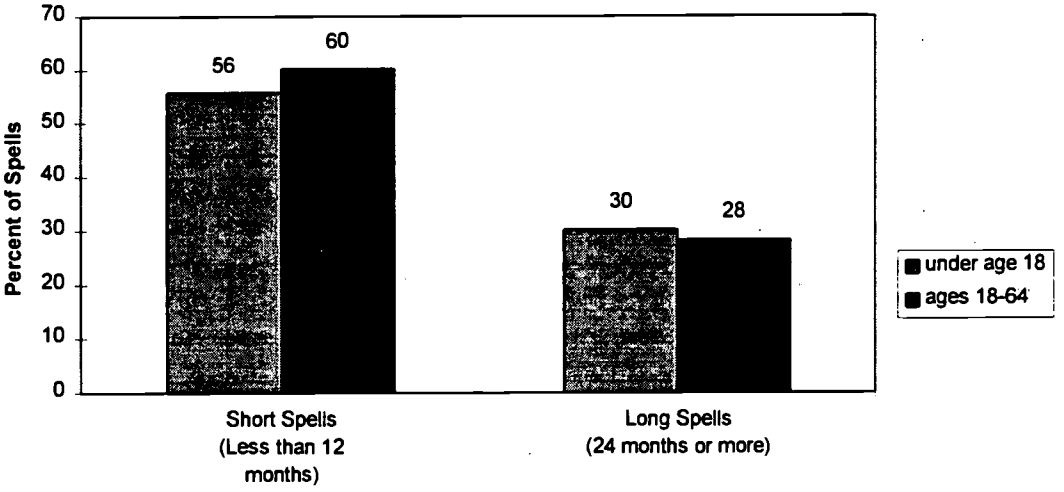
A.9 Spell duration

One critical aspect of dependence is how long the individual receives means-tested assistance. This indicator provides information on the length of individual spells.

Data on spell duration amount to identifying instances of the beginnings of episodes of receipt with SIPP and tracking the duration of those spells. Data would be compiled annually, based on data from SIPP, for children, nonelderly adults and elderly adults.

Examples:

Percent of all AFDC or GA recipients with short or long spells



Percent of all AFDC or GA recipients with short or long spells

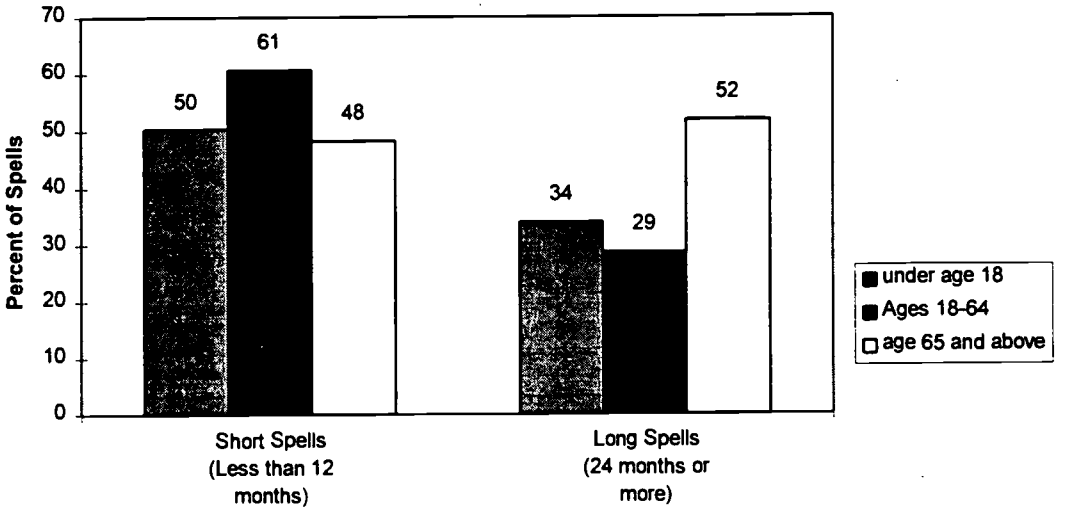
		under age 18	ages 18-64
Short Spells	(Less than 12 months)	56	60
Long Spells	(24 months or more)	30	28

Note: Data combine AFDC and GA because the two programs are combined in published SIPP tabulations. The numbers measure the percent of spells of a certain length. Spell durations for elderly recipients are not included because there were very few elderly recipients in the 1991 SIPP panel.

Source: 1991 SIPP panel from the U.S. Bureau of the Census web page: www.census.gov.

Possible Enhancement: Rather than combining AFDC and other programs, the recommended indicator would present these data only for AFDC and its replacements.

Percent of all Food Stamp recipients with short or long spells



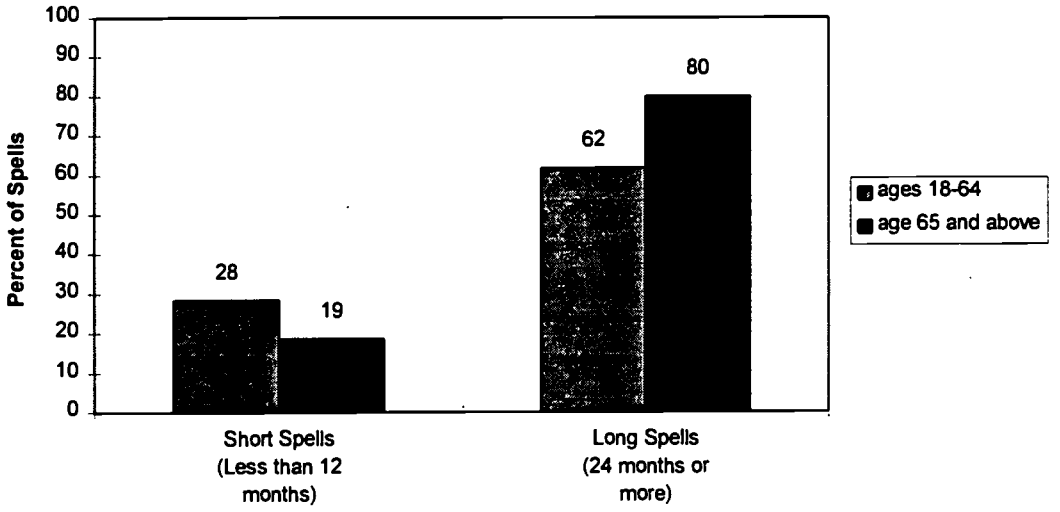
Percent of all Food Stamp recipients with short or long spells

		under age 18	ages 18-64	age 65 and above
Short Spells	(Less than 12 months)	50	61	48
Long Spells	(24 months or more)	34	29	52

Note: The numbers measure the percent of spells of a certain length. For Food Stamp recipients over 65, long spells are 12 months or more.

Source: 1991 SIPP panel from the U.S. Bureau of the Census web page: www.census.gov.

Percent of all SSI recipients with short or long spells



Percent of all SSI recipients with short or long spells

		ages 18-64	age 65 and above
Short Spells	(Less than 12 months)	28	19
Long Spells	(24 months or more)	62	80

Note: The numbers measure percent of spells of a certain length. For SSI recipients over 65, long spells are 16 months or more. Children's SSI spells are not measured because there were very few SSI recipients under 18 in the 1991 SIPP panel.

Source: 1991 SIPP panel from the U.S. Bureau of the Census web page: www.census.gov.

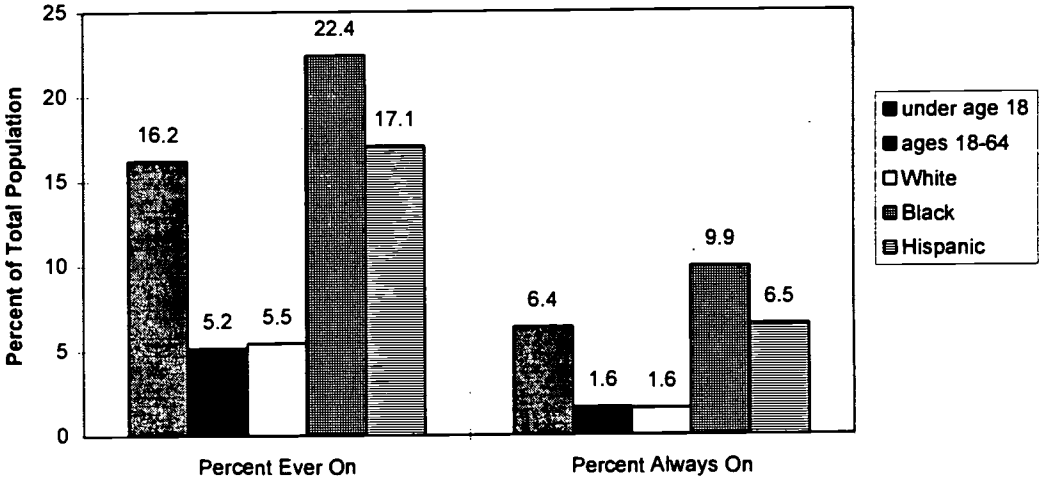
A.10 Long-term receipt

Lifetime welfare receipt often occurs in more than one episode. Indicators that measure the duration of receipt over a lifetime further reflect the depth of dependence.

A "total time on assistance" indicator, when measured over a multi-year accounting period, provides a useful approximation of the distribution of short and longer-run experiences. This should be compiled once per SIPP panel, using as long a window as possible. Data on "total time on assistance" would be compiled every few years for children, nonelderly adults and elderly adults. It would also be useful to compile "window" type indicators periodically from longer-running panels like the PSID and NLSY.

Example:

Percent of total population who are ever or always recipients of AFDC or GA



Percent of total population who are ever or always recipients of AFDC or GA

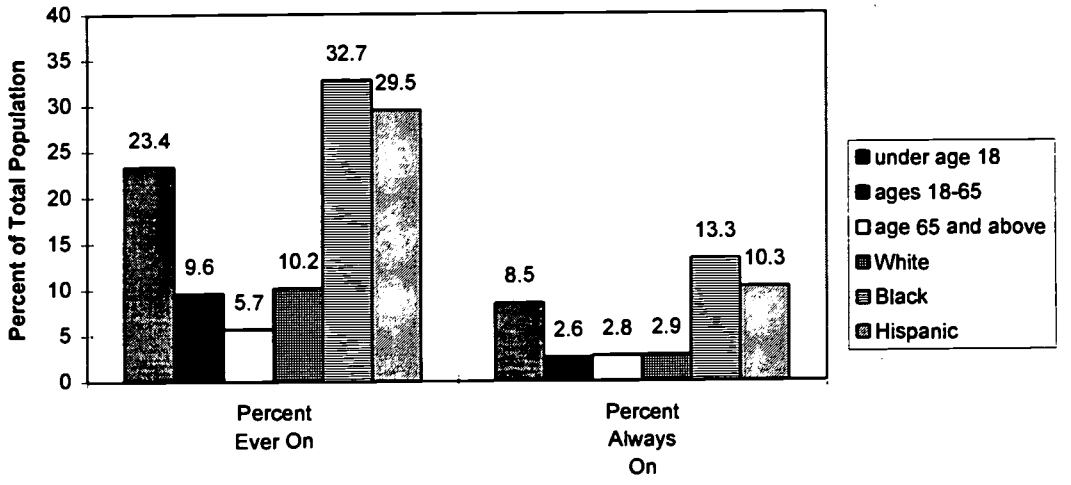
	Under age 18	Ages 18-64	All White	All Black	All Hispanic
Percent Ever On	16.2	5.2	5.5	22.4	17.1
Percent Always On	6.4	1.6	1.6	9.9	6.5

Note: "Ever On" refers to the percent of the total population who received AFDC or GA benefits one or more months. "Always On" refers to the percent of the total population who received

AFDC or GA every month of 1991 and 1992 for the 1991 panel. The 1991 SIPP panel lasted 32 months. Data is for AFDC or GA because published tabulations from the SIPP combine the two programs. Elderly AFDC or GA receipt is not included because there were very few elderly recipients in the 1991 SIPP panel.

Source: 1991 SIPP panel from the U.S. Bureau of the Census web page: www.census.gov.

Percent of total population who are ever or always recipients of Food Stamps



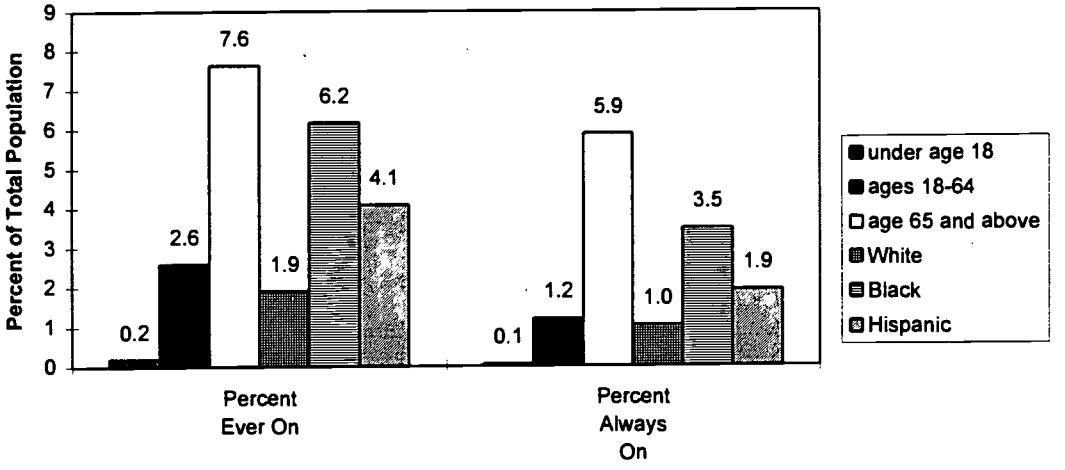
Percent of total population who are ever or always recipients of Food Stamps

	Under age 18	Ages 18-65	Age 65 and above	All White	All Black	All Hispanic
Percent Ever On	23.4	9.6	5.7	10.2	32.7	29.5
Percent Always On	8.5	2.6	2.8	2.9	13.3	10.3

Note: "Ever On" refers to the percent of the total population who received Food Stamps one or more months. "Always On" refers to the percent of the total population who received Food Stamps every month of 1991 and 1992 for the 1991 panel. The 1991 SIPP panel lasted 32 months.

Source: 1991 SIPP panel from the U.S. Bureau of the Census web page: www.census.gov.

Percent of total population who are ever or always recipients of SSI



Percent of total population who are ever or always recipients of SSI

	Under age 18	Ages 18-64	Age 65 and above	All White	All Black	All Hispanic
Percent Ever On	0.2	2.6	7.6	1.9	6.2	4.1
Percent Always On	0.1	1.2	5.9	1.0	3.5	1.9

Note: "Ever On" refers to the percent of the total population who received SSI one or more months. "Always On" refers to the percent of the total population who received SSI every month of 1991 and 1992 for the 1991 panel. The 1991 SIPP panel lasted 32 months.

Source: 1991 SIPP panel from the U.S. Bureau of the Census web page: www.census.gov.

Possible Enhancement: Total time on AFDC or GA, Food Stamps, or SSI during the SIPP panel should be used instead of the "ever on" and "always on" distinction used here. In addition, rather than combining AFDC and other programs, the recommended indicator would present experience on AFDC and its replacements separately. Similar numbers for longer "windows" should be calculated from the PSID and NLSY.

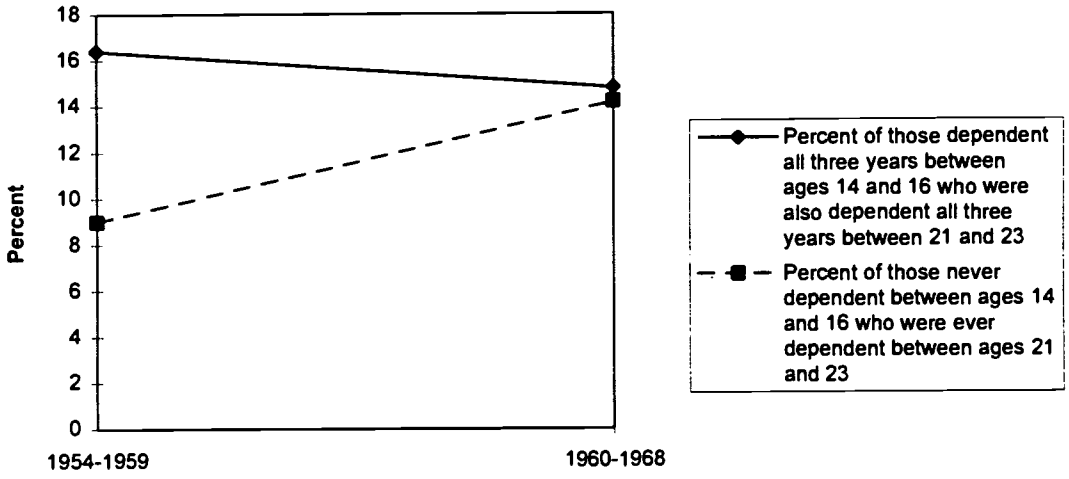
A.11 Intergenerational dependence

Another key aspect of dependence is the extent to which parental receipt of means-tested assistance is associated with receipt by their children when the children become adults.

PSID and NLSY samples could be used to calculate time series data that illustrate the associations of transfer-program receipt between parents and children. Programs should include AFDC and its replacements and Food Stamps. An example of such associations is presented in Duncan, Hill and Hoffman (1988), which tabulates, for a representative sample of females, the distribution of years between ages 14 and 16 in which their parents received income from AFDC compared with the number of years between age 21 and 23 in which daughters themselves received AFDC.

Example:

Association of AFDC program receipt between parents and daughters



Association of AFDC program receipt between parents and daughters

	Percent of those dependent all three years between ages 14 and 16 who were also dependent all three years between ages 21 and 23	Percent of those never dependent between ages 14 and 16 who were ever dependent between ages 21 and 23
1954-1959	16.4	9.0
1960-1968	14.8	14.2

Note: The dates refer to females born between those two dates.

Source: Unpublished tabulations from the PSID.

Possible Enhancement: Addition birth groups should be added when the data become available. Methodological work is needed to investigate the sensitivity of these estimates to changes in the length and timing on the two observation "windows". Data should be compiled for the Food Stamp program, AFDC and its replacements, and combinations of those programs.

A.12 Receipt of means-tested assistance and hours of employment

This indicator illustrates one aspect of the range of dependence by combining information on receipt of means-tested assistance and hours of employment-related activities.

Key data here are the fractions of families receiving means-tested assistance that have: i) no adult in either the labor force or workfare-type employment programs; ii) no adult in the labor force, but at least one adult in workfare-type employment programs; iii) at least one adult in the labor force, but none working full-time; and iv) at least one full-time working adult. Data should be compiled separately for AFDC and its replacements, Food Stamps and SSI, and for children, nonelderly adults and elderly adults. At least some of the child-based data should distinguish the age of the child (e.g., 0-5, 6-10, 11-15). These data should be compiled annually, based on data from SIPP. The month is the most appropriate accounting period for measurement, although it is desirable to average monthly data over a calendar year to smooth out seasonality.

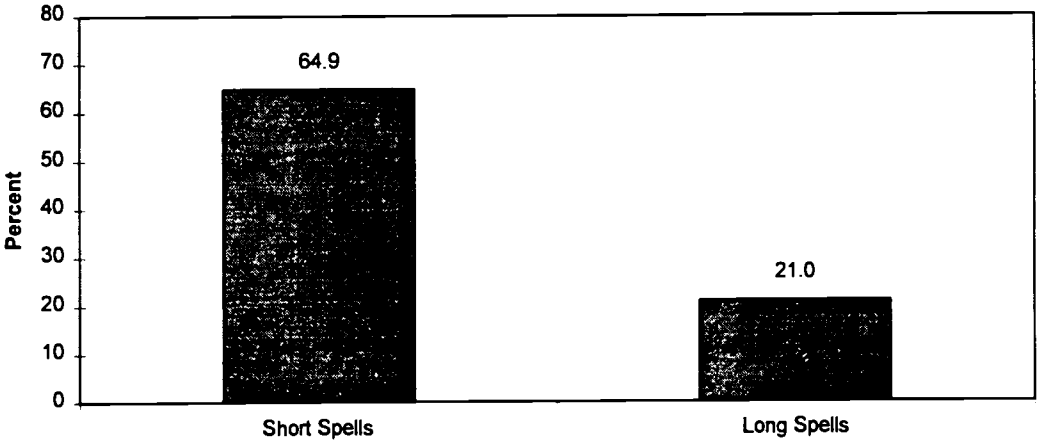
A.13 Dependence-spell duration

In contrast to the indicator on duration of spells on means-tested assistance, this indicator on dependence spell duration combines information on spells of receipt of means-tested assistance, paid employment and schooling or training.

For this indicator the definition of dependence would incorporate the combination of receiving means-tested assistance and being neither employed, in school, in workfare or in some other kind of training for employment. This could be tabulated by determining the extent to which the combination of no work and receipt of means-tested assistance occurs in long and short episodes. An example of this kind of calculation would be to identify instances in which individuals stopped work and began receiving Food Stamps. The indicator would consist of the fraction of such individuals who spent at least one, six, twelve, etc. months continuing to receive Food Stamps and continuing to neither work nor participate in a training program. The indicator on assistance spell duration uses no information on participation in employment and training -- only receipt of means tested assistance. It would be useful to develop indicators in which active parenting was also considered in the employment/training set. Methodological work is needed to develop these measures. Data on dependence spell duration would be compiled annually, based on data from SIPP for children, nonelderly adults and elderly adults.

Example:

Length of spells of receipt of AFDC and no work



Length of spells of AFDC and no work

Short Spells (Less than 12 Months)	64.9
Long Spells (24 Months or More)	21.0

Source: Data are for first spells of AFDC observed in the PSID between January 1983 and December 1991. Unpublished data from the PSID.

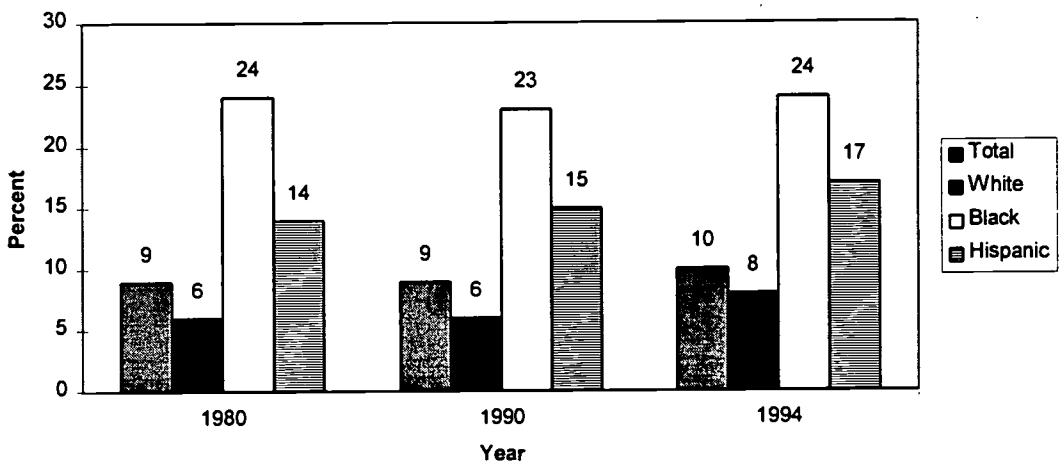
A.14 Labor-force attachment

This indicator focuses exclusively on the participation of an adult in the labor market, without regard to whether means-tested assistance was received concurrently. By measuring labor-force attachment, this indicator reflects a critical aspect of the risk to dependence.

As with the indicator A.13, this indicator focuses on the fraction of families that have: i) no adult the labor force; ii) at least one adult in the labor force, but none working full-time and iii) at least one full-time working adult. Data should be compiled separately for children, nonelderly adults and elderly adults. At least some of the child-based data should distinguish the age of the child (e.g., 0-5, 6-10, 11-15). These data should be compiled annually, based on data from SIPP. The month is the most appropriate accounting period for measurement, although it is desirable to average monthly data over a calendar year to smooth out seasonality.

Example:

Percent of children with no resident parent in the labor force

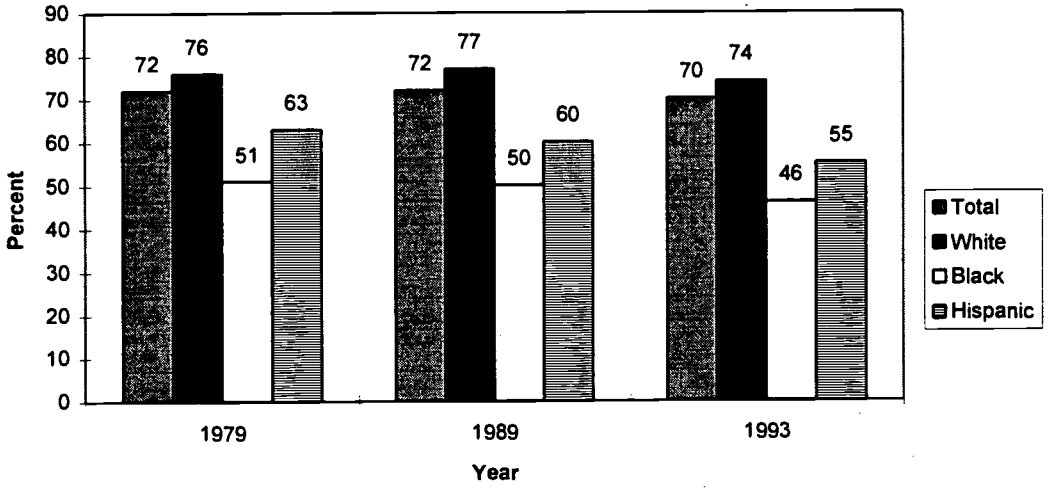


Percent of children with no resident parent in the labor force

	All Children	White Children	Black Children	Hispanic Children
1980	9	6	24	14
1990	9	6	23	15
1994	10	8	24	17

Source: Calculated by Child Trends, Inc., based on analyses of the March 1980, 1990, and 1994 Current Population Surveys (CPS). As reported in U.S. Department of Health and Human Services, *Trends in the Well-Being of America's Children and Youth,* 1996, Table ES 3.3.

Percent of children with at least one fully employed parent



Percent of children with at least one fully employed parent

	All Children	White Children	Black Children	Hispanic Children
1979	72	76	51	63
1989	72	77	50	60
1993	70	74	46	55

Note: Fully employed is defined as working 50+ weeks during the preceding year, working 35+ hours per week for the majority of those weeks.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table ES 3.4.

Possible Enhancement: Instead of measuring children with fully-employed parents, the suggested indicator would measure the percent of children with parents employed full-time full-year (48+ weeks per year, 35+ hours per week). These numbers should also be calculated for additional years and by age of child.

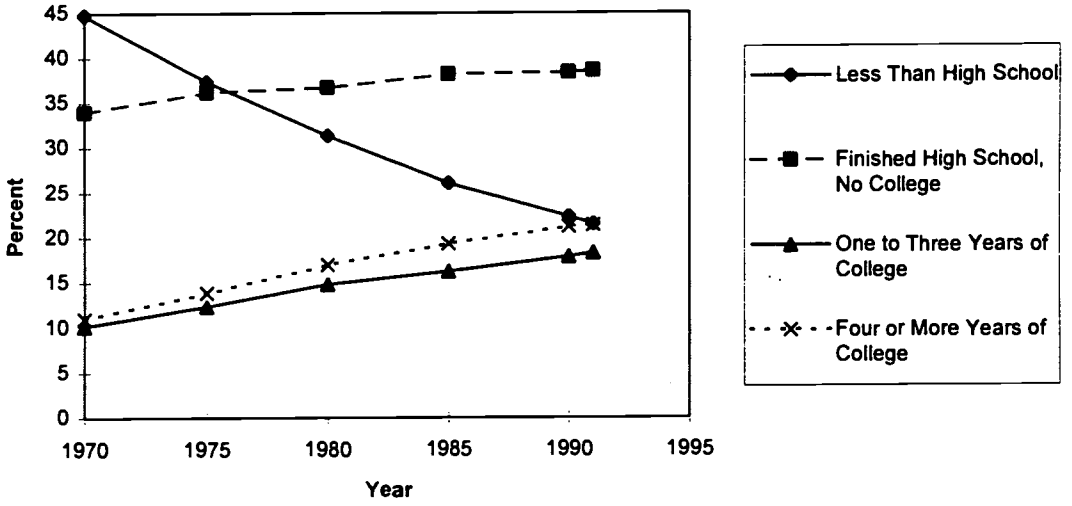
A.15 Educational Attainment

Completed schooling is one indicator of job skills. Individuals with no more than a high school education have the lowest amount of human capital and are at the most risk of being poor despite their work effort. This indicator tracks the trend in adult educational attainment.

Key data on education levels are of the completed schooling of adults. It is crucial to distinguish among the following categories: i) less than 12 years of schooling and no GED; ii) less than 12 years of schooling and a GED; iii) high-school degree and no college; iv) some college but no degree; v) associates degree; vi) BA and higher. These data will be compiled annually from the CPS.

Example:

Percent of population with different levels of educational attainment



Percent of population with different levels of educational attainment

	1970	1975	1980	1985	1990	1991
Less Than High School	45	37	31	26	22	22
Finished High School, No College	34	36	37	38	38	39
One to Three Years of College	10	12	15	16	18	18
Four or More Years of College	11	14	17	19	21	21

Source: U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 462, *Educational Attainment in The United States: March 1991 and 1990.* Washington, DC: U.S. Government Printing Office, 1992.

Possible Enhancement: The categories should distinguish those less than high school by whether they received a GED and should separate individuals who attended college by the degree they received. Data should also be presented by sex, race and ethnicity and age. Tabulations of maternal schooling levels based on a sample of children should also be considered.

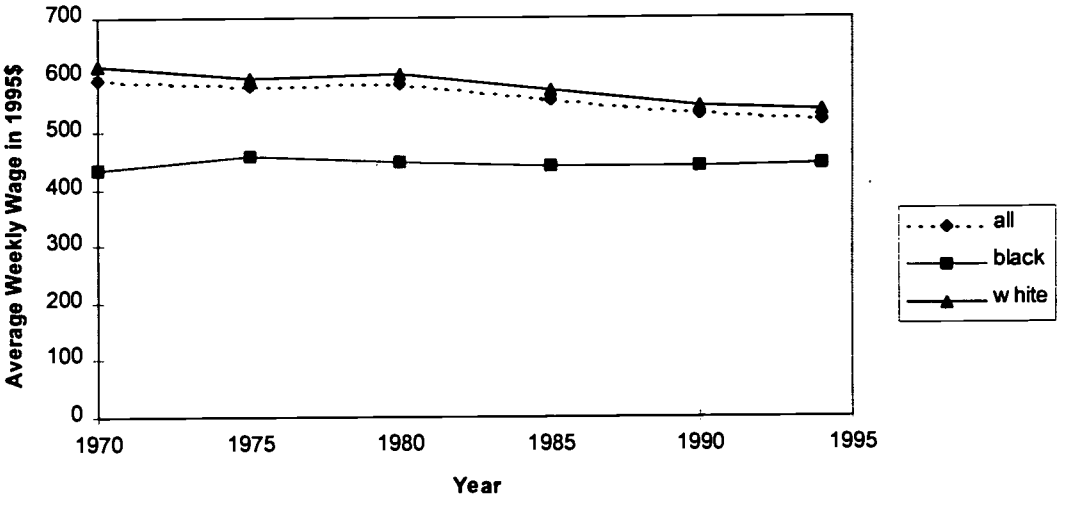
A.16 Low earnings

The economic condition of the low-skill labor market is key to the ability of young adult men and women to support families without receiving means tested assistance. This indicator tracks trends in the earnings of jobs in that market.

Data on earnings in the low-skill labor market would be compiled annually, based on data from the March CPS on the earnings of full-time full-year workers. In looking at full-time full-year workers, variations in earnings that come from changes in work effort are minimized.

Example:

Mean weekly wages of full-time full-year men with no more than a high school education (1995 dollars)



Mean weekly wages of full-time full-year men with no more than a high school education (1995 dollars).

	1970	1975	1980	1985	1990	1994
All men	593	580	584	555	531	523
Black men	432	460	448	440	442	446
White men	615	597	603	572	545	539

Note: Full-time full-year workers work at least 48 weeks per year and 35 hours per week. The population weights were calculated for 1970, 1980, and 1990 and the other year weights were calculated using linear extrapolation.

Source: Wages for workers with less than a high school degree and exactly a high school degree calculated for Rebecca M. Blank, *It Takes a Nation* (Princeton, NJ: Princeton University Press, forthcoming) using the March CPS. These data have been weighted to create an average for all men with no more than a high school diploma using population numbers from U.S. Bureau of the Census, Current Population Reports, Series P-20.

Possible Enhancement: The weighting methods used to derive these data are imprecise; the recommended indicators should be calculated directly from the March CPS. Earnings should also be calculated separately for men and women and by race and ethnicity.

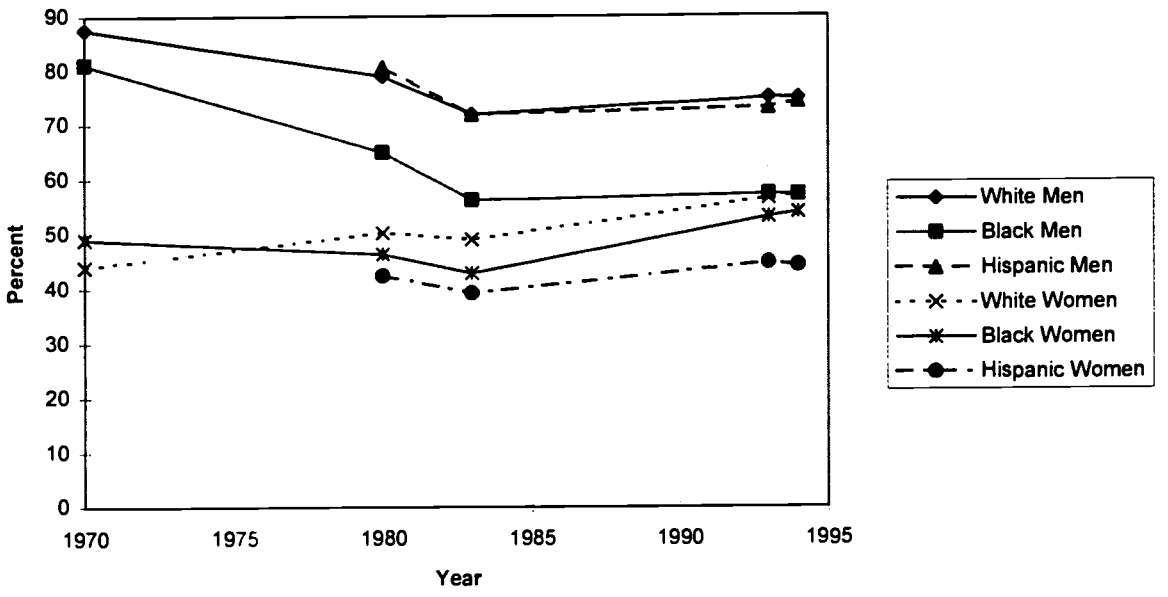
A.17 Employment

This indicator tracks trends in the fraction of all low-skill men and women who are engaged in paid employment. These trends illustrate a key risk to dependence.

The March CPS asks whether an individual was working last week. From these data an employment rate can be calculated as the fraction of all men and women (whether in the labor force or not) who were working at the time of the survey.

Example:

Percent of all men and women ages 18 to 65 with no more than 12 years of schooling who are employed



Percent of all men and women ages 18 to 65 with no more than 12 years of schooling who are employed

	White Men	Black Men	Hispanic Men	White Women	Black Women	Hispanic Women
1970	88	81	NA	44	49	NA
1980	79	65	81	50	46	42
1983	72	56	72	49	43	39
1993	75	57	73	57	53	45
1994	75	57	74	57	54	44

Note: The population weights were calculated for 1970, 1980 and 1990 and the other year weights were calculated using linear extrapolation.

Source: Percent employed with less than a high school degree and exactly a high school degree calculated for Rebecca M. Blank, *It Takes a Nation* (Princeton: Princeton University Press, forthcoming) using the March CPS. These data have been weighted to create an average for all men and women with no more than a high school diploma using population numbers from U.S. Bureau of the Census, Current Population Reports, Series P-20.

Possible Enhancement: These data should be compiled annually from the March CPS.

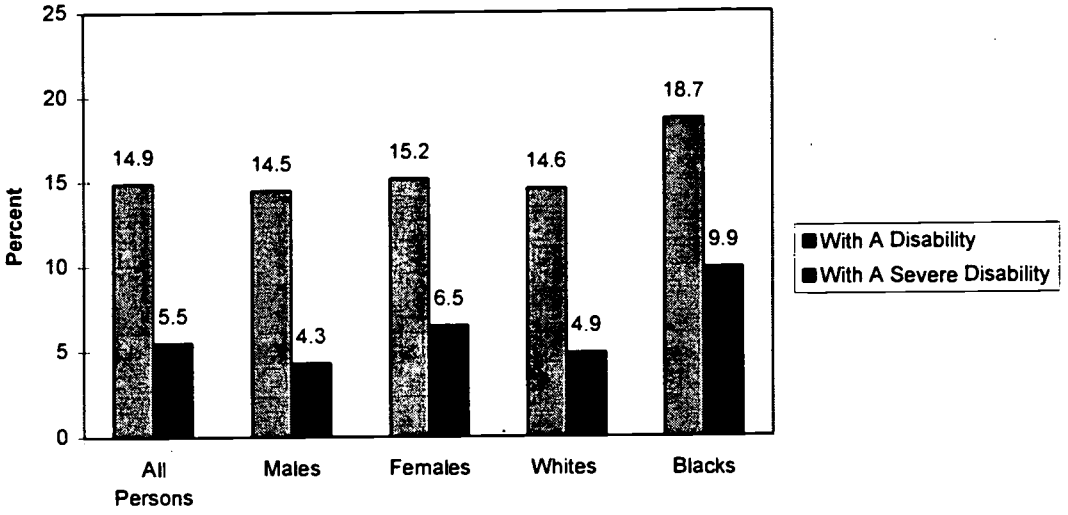
A.18 Adult/parent disability

Health conditions that limit parents' ability to work are an important predictor of family economic problems, the risk for dependence and changes in well-being.

Ideally, data on disability/health limitation would be compiled separately for parents, nonelderly adults, and elderly adults. In the case of parents, the key data are the fraction of children who have at least one parent with a severe health limitation. In the case of adults, the key data are the fraction of those adults who have a severe health condition. Data should be tabulated for children and adults in families receiving assistance from major means-tested assistance programs. These data will be calculated periodically from data from supplemental disability modules to the SIPP.

Example:

Percent of all householders or spouses with a disability in families with children



Percent of all householders or spouses with a disability in families with children

	All Householders or Spouses	Males	Females	Whites	Blacks
With A Disability	14.9	14.5	15.2	14.6	18.7
With A Severe Disability	5.5	4.3	6.5	4.9	9.9

Note: The data are for 1991-1992. They present the percent of all householders or spouses in families with children under 18 with a disability. A "disability" is defined as a functional limitation. A severe disability is defined as a limitation which prohibits work or the performance of Instrumental or other Activities of Daily Living (ADLs or IADLs). These data were collected from a disability supplement asked during the sixth wave of the 1990 SIPP panel and the third wave of the 1991 SIPP panel. Future supplements will be used to calculate more recent disability data.

Source: McNeil, John, "Americans With Disabilities: 1991-1992" U.S. Bureau of the Census, Current Population Reports, Series P-70, No. 33, 1993.

Possible Enhancement: Consideration should be given to including an additional measure with the child as the unit of analysis -- the percent of children with one or more parents with a disability.

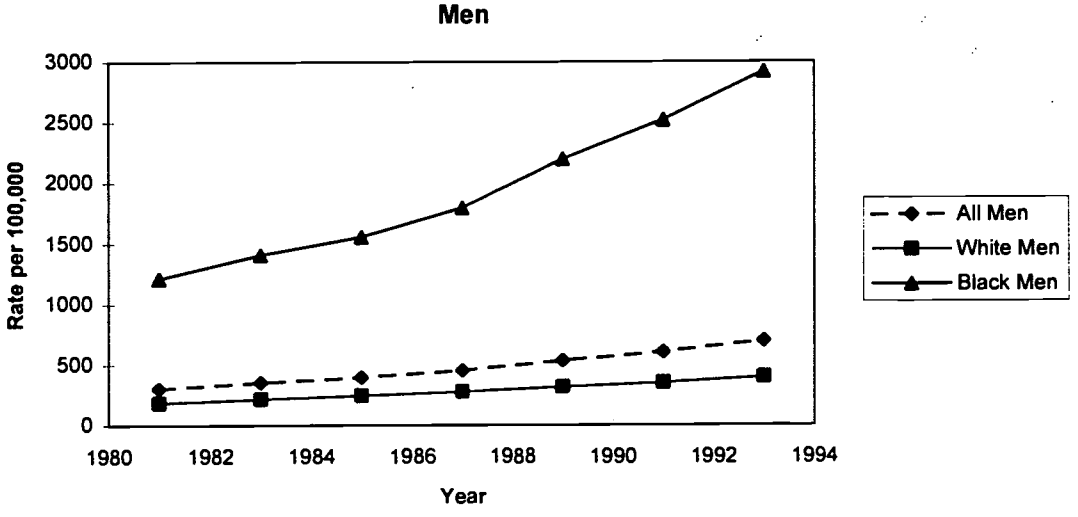
A.19 Adult/parent incarceration

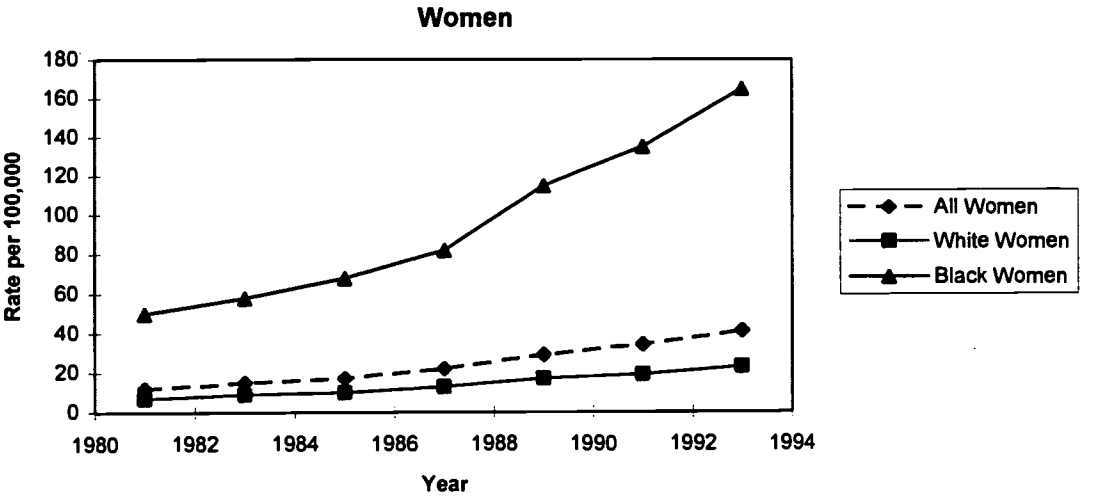
Trends in the extent to which adults are living apart from their children because they are incarcerated would be tracked with this indicator. An incarcerated parent leaves his/her family at increased risk of dependence and negative change in well-being.

Data on adult/parent incarceration would be compiled annually based on data provided by the Department of Justice. The Department of Justice calculates the number of adults under correctional supervision each year. Data on the race and sex composition of incarcerated adults would also be reported. The Survey of State Prison Inmates periodically collects data on the percent of prison inmates with children and on the age composition of the prison population. These data would also be reported when available.

Example:

Estimated number of sentenced prisoners under State or Federal jurisdiction per 100,000 resident population





Estimated number of sentenced prisoners under State or Federal jurisdiction per 100,000 resident population

	Total	All Men	White Men	Black Men	All Women	White Women	Black Women
1981	154	304	186	1217	12	7	50
1983	179	354	217	1412	15	9	58
1985	202	397	246	1559	17	10	68
1987	231	453	277	1800	22	13	82
1989	276	535	317	2200	29	17	115
1991	313	606	352	2523	34	19	135
1993	359	698	398	2920	41	23	165

Note: Sentenced prisoners are those with a sentence of more than 1 year. Rates are based on U.S. resident population on July 1 of each year.

Source: U.S. Department of Justice, *Correctional Populations in the United States, 1993.* Washington, DC: U.S. Department of Justice, 1995.

Possible Enhancement: Additional information on the age and parental status of state prison inmates should also be presented.

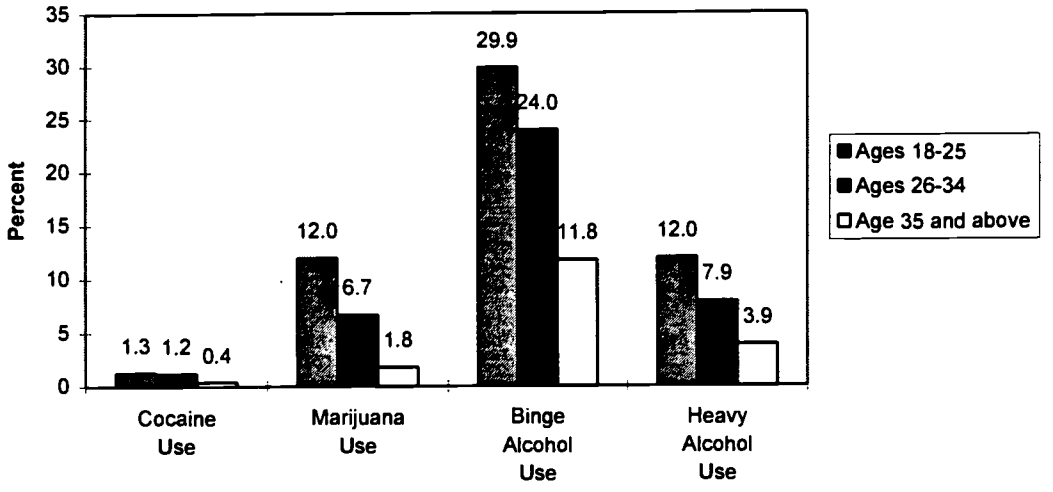
A.20 Adult/parent alcohol and substance abuse

Parental alcohol and substance abuse is a risk factor for dependence and for adult and child well-being.

This data will be compiled annually from information from the National Household Survey on Drug Abuse conducted by the Substance Abuse and Mental Health Services Administration. The survey tracks whether adults currently use or have ever used different drugs and alcohol.

Example:

Percent of adults who used cocaine, marijuana, or alcohol: 1995



Percent of adults who used cocaine, marijuana, or alcohol: 1995

	Ages 18-25	Ages 26-34	Age 35 and above
Cocaine Use	1.3	1.2	0.4
Marijuana Use	12.0	6.7	1.8
Binge Alcohol Use	29.9	24.0	11.8
Heavy Alcohol Use	12.0	7.9	3.9

Note: Cocaine and marijuana use is defined as use during the past month. Binge alcohol use is defined as drinking 5 or more drinks at least once in the past 30 days. Heavy alcohol use is defined as drinking 5 or more drinks at least 5 times in the past 30 days.

Source: DHHS, Substance Abuse and Mental Health Services Administration, *1995 National Household Survey on Drug Abuse: Preliminary Estimates,* Rockville, MD: 1996.

Possible Enhancement: These data should be tabulated separately for the parent population separate from all adults, for recipients of cash and nutrition assistance, and for functional impairment from drug or alcohol abuse.

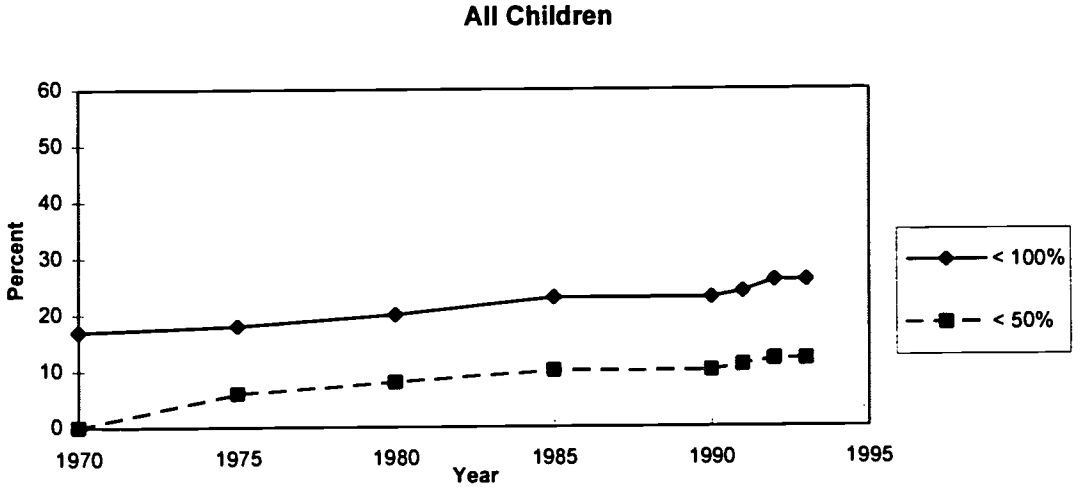
A.21 Poverty rates

Poverty rates are a key indicator of the economic well-being of families.

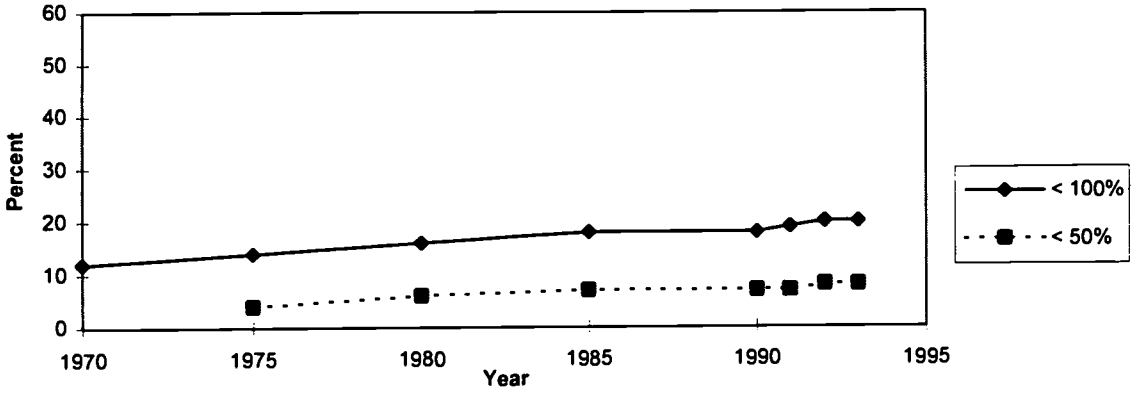
These data would be compiled annually, based on data from SIPP. At least some indicators should be provided using the child as the unit of analysis and separately by the child's developmental stage (e.g., ages 0-5, 6-10, and 11-15). Indicators showing the degree of poverty (e.g., the fraction of children in families with income less than 50% and 75% of the poverty line) should also be compiled. As argued in two reports from the National Research Council these average monthly rates should replace the CPS annual poverty rates as the principal source of short-run poverty estimates. For purposes of historical comparisons, it would be useful to continue the basic CPS time series as well.

Example:

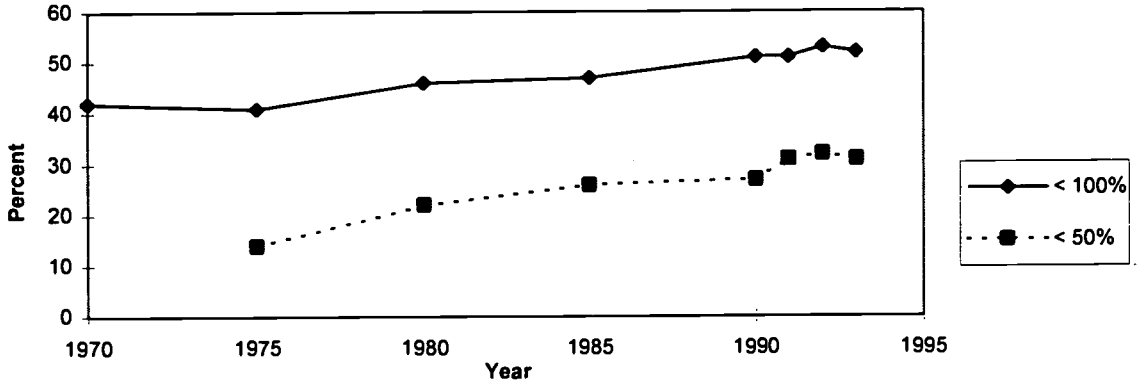
Child poverty rates: percent of children < 6 living below various levels of poverty



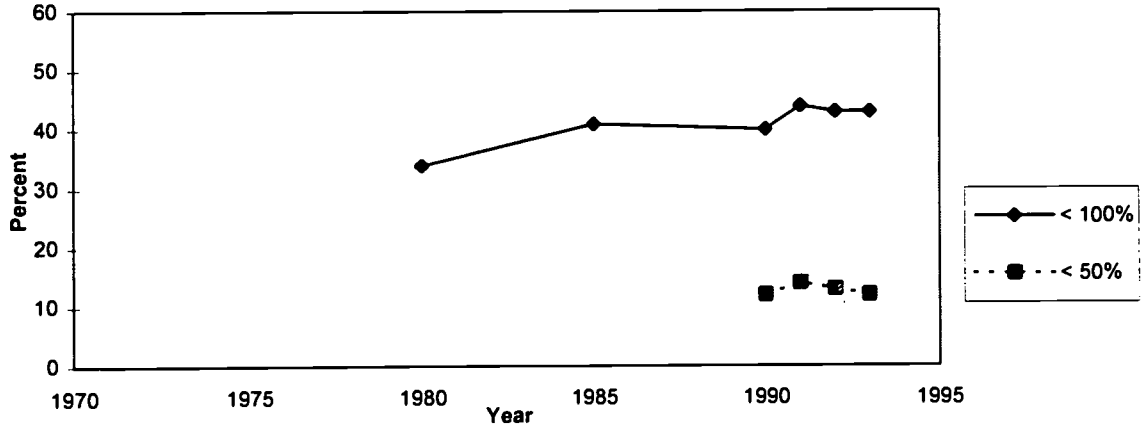
White Children



Black Children



Hispanic Children



Percent of children < 6 living below various levels of poverty

	Percent of Poverty Threshold	1970	1975	1980	1985	1990	1991	1992	1993
Total	< 100%	17	18	20	23	23	24	26	26
Total	< 50%	NA	6	8	10	10	11	12	12
White	< 100%	12	14	16	18	18	19	20	20
White	< 50%	NA	4	6	7	7	7	8	NA
Black	< 100%	42	41	46	47	51	51	53	52
Black	< 50%	NA	14	22	26	27	31	32	31
Hispanic	< 100%	NA	NA	34	41	40	44	43	43
Hispanic	< 50%	NA	NA	NA	NA	12	14	13	12

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Tables ES 1.3.C (below 100%), and ES 1.3.D (below 50%).

Possible Enhancement: Data should be compiled using both the traditional and newly-recommended methods for measuring poverty. Additional data with the percent of children below 75% of the poverty line should be calculated. Similar data should be calculated for other ages of children and for adults.

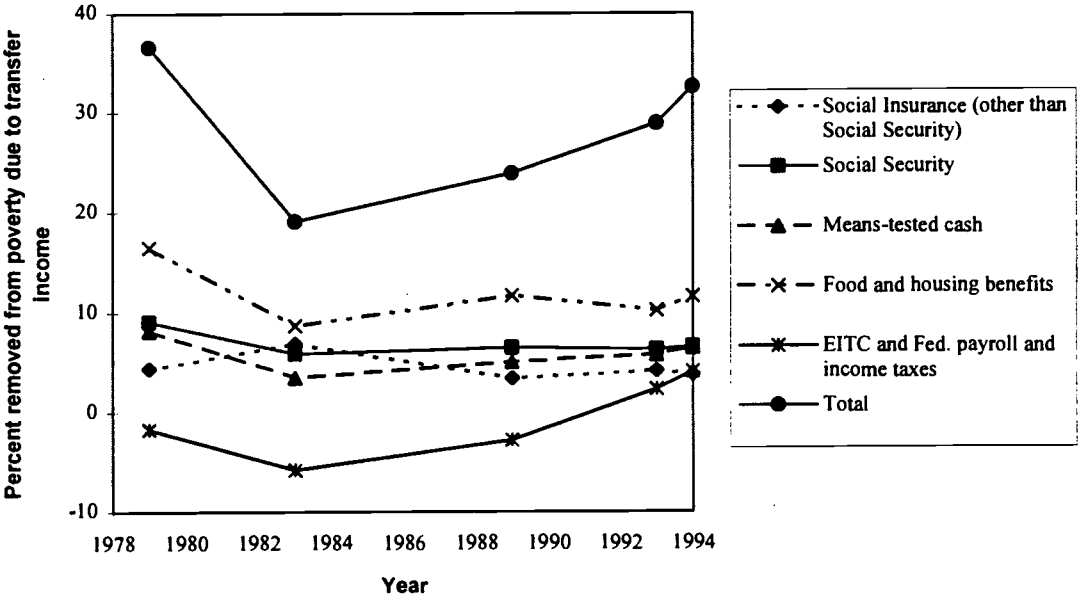
A.22 Anti-poverty effectiveness of transfer programs

These indicators show the extent to which poverty is affected by receipt of income from transfer programs.

The basic data for these indicators are poverty rates based on pre- and post-transfer household income. These data will be compiled annually based on data from the SIPP. The month is the most appropriate accounting period although it is desirable to average monthly data over calendar years. At least some indicators should be provided using the child as the unit of analysis and separately by the child's developmental stage (e.g., ages 0-5, 6-10, and 11-15). Indicators showing the degree of poverty (e.g., the fraction of children with income less than 50% and 75% of the poverty line) should also be compiled. As argued in two reports from the National Research Council these average monthly rates should replace the CPS annual poverty rates as the principal source of short-term poverty estimates. For purposes of historical comparisons, it would be useful to continue the basic CPS time series as well.

Example:

Percent of persons removed from poverty due to transfer income, by source



Percent of persons removed from poverty due to transfer income, by source

	1979	1983	1989	1993	1994
Social Insurance (other than Social Security)	4.4	6.9	3.4	4.2	3.8
Social Security	9.1	5.9	6.5	6.3	6.6
Means-tested cash	8.2	3.5	5.1	5.8	6.5
Food and housing benefits	16.5	8.7	11.7	10.2	11.6
EITC and Fed. payroll and income taxes	-1.7	-5.8	-2.8	2.3	4.1
Total	36.6	19.1	23.9	28.9	32.6

Note: Negative entries for the "EITC and Fed. payroll and income taxes" row indicates that, on balance, taxes reduced net household income more than tax credits increased it.

Source: Congressional Budget Office computations. Table prepared by DHHS/ASPE.

Possible Enhancement: Compute these data separately for major cash and nutrition assistance programs. Data should be compiled using both the traditional and newly-recommended methods for measuring poverty.

A.23 Poverty spells

The length of a poverty episode illustrates one aspect of the risk to dependence and well-being.

This indicator would identify instances of the beginnings of episodes of poverty with SIPP and would track the duration of those spells. These data would be compiled annually, based on data from SIPP, for children, nonelderly adults and elderly adults. It should be noted that the Census Bureau's plans for nonoverlapping SIPP panels will produce periodic breaks in this time series. Data should be compiled using both the traditional and newly-recommended methods for measuring poverty. Information on longer-term poverty spells could be compiled from the PSID and NLSY data sets.

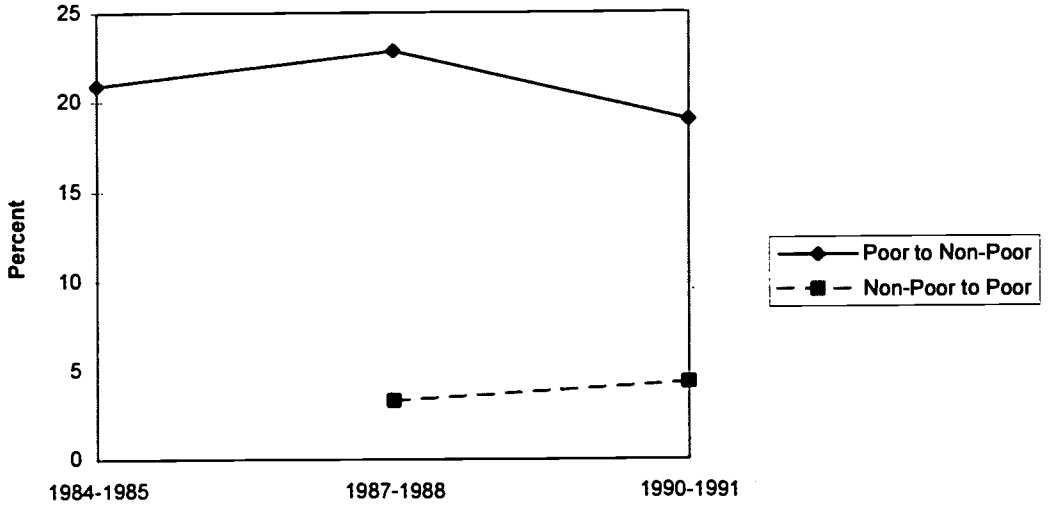
A.24 Poverty transition rates

Data on poverty transitions show the extent of new entries into and exits from poverty.

Methodological work is needed to determine the optimal measurement of an entry into or exit from a spell of poverty (e.g., does a single month out of poverty constitute a true "exit" from poverty?) These data would be compiled annually, based on monthly data from SIPP, with at least some indicators using children as the unit of analysis. Time-series data on the gross flows into and out of poverty will be invaluable in understanding the net changes in the average monthly rates.

Example:

Rates of children's transitions into and out of poverty



Rates of children's transitions into and out of poverty

	Poor to Non-Poor	Non-Poor to Poor
1984-1985	21	NA
1987-1988	23	3
1990-1991	19	4

Note: "Poor to Non-Poor" measures the percent of the children who were poor in the first year who were not poor in the second year. "Non-Poor to Poor" measures the percent of children who

were not-poor in the first year who were poor in the second year. The numbers are for children under 18.

Source: 1984-1985 from U.S. Bureau of the Census, Current Population Reports, Series P-70, No. 15-RD-1, *Transitions in Income and Poverty Status: 1984-1985,* (Washington, DC: U.S. Government Printing Office, 1989). 1987-1988 and 1990-1991 from Shea, Martina, *Dynamics of Well-Being: Poverty 1990 to 1992,* U.S. Bureau of the Census, Current Population Reports, Series P-70, No. 42, (Washington, DC: U.S. Government Printing Office, 1995).

Possible Enhancement: The numbers presented above are based on annual income. Some of the transition data should be based on monthly income. Similar data should be calculated for nonelderly and elderly adults. Data should be compiled using both the traditional and newly-recommended methods for measuring poverty.

A.25 Events associated with the beginning or ending of a poverty episode

Indicators on events that trigger the beginning or ending of a poverty episode could prove very useful to policy-makers.

As with transitions onto and off welfare, it is important to track the marital, fertility, employment, and welfare-reform events such as sanctions and time limits associated with transitions into and out of poverty. To a large extent, similar events should be used in the poverty and welfare event indicators. These events need not be defined to be mutually exclusive, since transitions may result from combinations of them. Data on poverty events would be compiled annually, based on monthly data from SIPP, with at least some indicators using the child as the unit of analysis. It should be noted that the Census Bureau's plans for nonoverlapping SIPP panels will produce periodic breaks in this time series.

A.26 Income changes due to events associated with the beginning or ending of a poverty episode

Events such as divorce/separation, unemployment and welfare exits often have important economic consequences for families with children. This indicator would track the income changes surrounding these events.

Research has shown income changes surrounding divorce or separation are significantly different for ex-husbands, ex-wives and children. These changes need to be tracked on a routine basis in order to monitor progress in child support enforcement and other policies aimed at promoting an equitable financial burden for supporting children following marital dissolution. Other potential events include: *job loss*, with the attendant change in earned and family income and health insurance coverage, *welfare-to-work transitions*, for which changes in total income and health insurance coverage are of particular interest, and *sanction or time-limit-related exits* from welfare. Data on income changes would be compiled annually, based on monthly data from SIPP, with at least some indicators using the child as the unit of analysis. The infrequency with which these events occur may require the pooling of several SIPP panels and less-than-annual reporting.

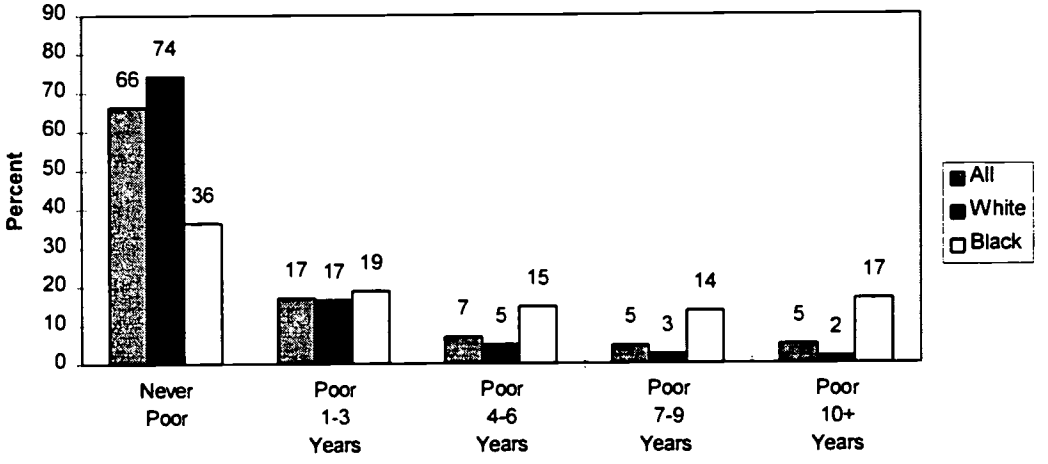
A.27 Long-term poverty

As with welfare, poverty experiences often occur in a number of discrete episodes. Indicators that illustrate the length of the poverty episode reveal an important aspect of the severity of the risk to dependence and well-being.

Data on episodes of poverty would be compiled periodically, based on data from SIPP, for children, nonelderly adults and elderly adults. This should be tabulated once per SIPP panel, using as long a window as possible. A multi-year observation window provides a way of cumulating episodes into a single indicator of short- and long-term poverty situations. Child-based data should be compiled separately by developmental period. For a 52-month panel, this indicator would take the form of a distribution of the total number of months out of 52 that household income was below the poverty line. Multi-year poverty and dependence indicators should be checked against and extended to longer accounting periods (e.g., the entire period of childhood) using data from the PSID and NLSY.

Example:

Percent of children who were poor a given number of years between 1980 and 1992



Percent of children who were poor a given number of years between 1980 and 1992

	Never Poor	Poor 1-3 Years	Poor 4-6 Years	Poor 7-9 Years	Poor more than 10 Years
All	66	17	7	5	5
White	74	17	5	3	2
Black	36	19	15	14	17

Source: Data calculated for Rebecca M. Blank, *It Takes a Nation* (Princeton, NJ: Princeton University Press, forthcoming) using the PSID.

Possible Enhancement: Similar calculations should be done for nonelderly adults and elderly adults. Additional calculations should be based on the shorter observation "windows" available in SIPP. The SIPP data should use months rather than years as the accounting period.

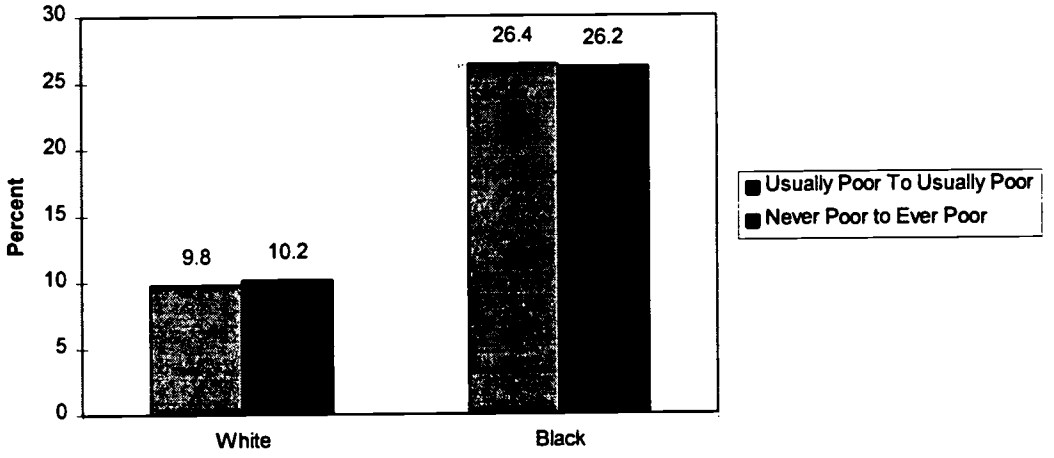
A.28 Intergenerational poverty

The extent to which parental poverty is associated with poverty by their children when the children become adults is a significant risk to current well-being and current and future dependence of children.

An example of this would be the cross-classification of the years an individual is poor during adolescence while living as a dependent against the years he or she is poor as an adult. Both the PSID and NLSY can be used to compare the parental economic status of adolescents with the economic status of those same individuals one to two decades later when the adolescents are well into their early-adult years. The design of the PSID now provides a substantial number of cohorts for whom intergenerational correlations can be calculated. Intergenerational correlations of poverty and earnings should be calculated and tracked periodically.

Example:

Associations of poverty between parents and children



Associations of poverty between parents and children

	Usually Poor To Usually Poor	Never Poor to Ever Poor
White	9.8%	10.2%
Black	26.4%	26.2%

Note: "Usually Poor to Usually Poor" measures the percent of children who were poor 51-100% of childhood who were also poor 51-100% of adulthood. "Never Poor to Ever Poor" measures the percent of children who were never poor during childhood who were ever poor during adulthood. The table reads 9.8% of children who were usually poor during childhood (51%-100%) were themselves usually poor during their observed adult years. Numbers are calculated for adults aged 27 to 35 years in the 1988 PSID.

Source: M. Corcoran, "Rags to Rags: Poverty and Mobility in the United States," *Annual Review of Sociology*, Vol. 21, 1995.

Possible Enhancement: Similar numbers could be calculated from the NLSY.

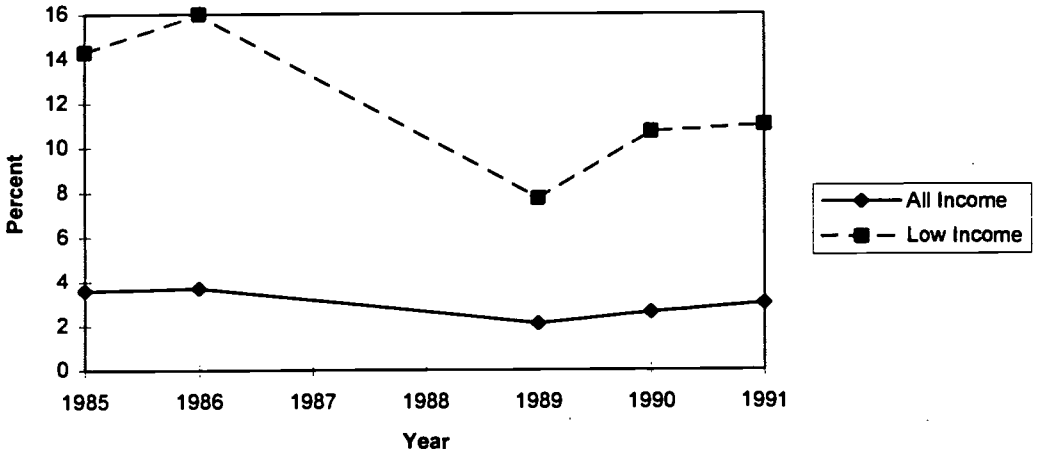
A.29 Food sufficiency and hunger

Household food insecurity, including (at a severe level) direct hunger among children in the household, is expected to affect children's health, cognitive and social development, and general school success.

The new USDA food insecurity and hunger scale provides a direct measurement of the degree of deprivation experienced by the child in this basic need. Given the centrality of the need for food in daily experience, the food-insecurity/hunger measure is expected to provide a useful direct indicator of the material deprivation experienced by the child and the child's household more generally. This will complement broader income measures of household and family poverty. The annual CPS Food Security Supplements, collected in April and September of alternate years, will provide a continuing national series for this indicator. Building the core battery of questions required for the food-insecurity/hunger scale into other specialized surveys addressing various dimensions of well-being, such as NHANES, CSFII, SIPP, and PSID, will enable analysts to examine many of the consequences of childhood hunger for the various factors bearing on subsequent dependency or self-sufficiency and many of the proximate causes of food insecurity and hunger within the child's current home experience. Current plans are to include this core battery in the new Early Childhood Longitudinal Study and in the PSID 1997 Special Supplement on mothers and children.

Example:

Percent of U.S. households reporting "not enough to eat" on USDA surveys



Percent of U.S. households reporting "not enough to eat" on USDA surveys

	All Income levels	Low Income levels
1985	3.6	14.3
1986	3.7	16.0
1989	2.1	7.7
1990	2.6	10.7
1991	3.0	11.0

Note: The data depicted in this example are based on responses 3 or 4 to the following question: Which one of the following statements best describes the food eaten in your household? 1) Enough and the kinds of food we want to eat; 2) Enough but not always what we want to eat; 3) Sometimes not enough to eat, or 4) Often not enough to eat. This question has been asked in each of the USDA's food consumption surveys since the 1970s. The new USDA food insecurity and hunger scale-- currently under development -- will be based on a substantially larger and richer set of questions that capture household experiences with food insecurity and hunger.

Source: Data from the Continuing Survey of Food Intake of Individuals provided by the USDA.

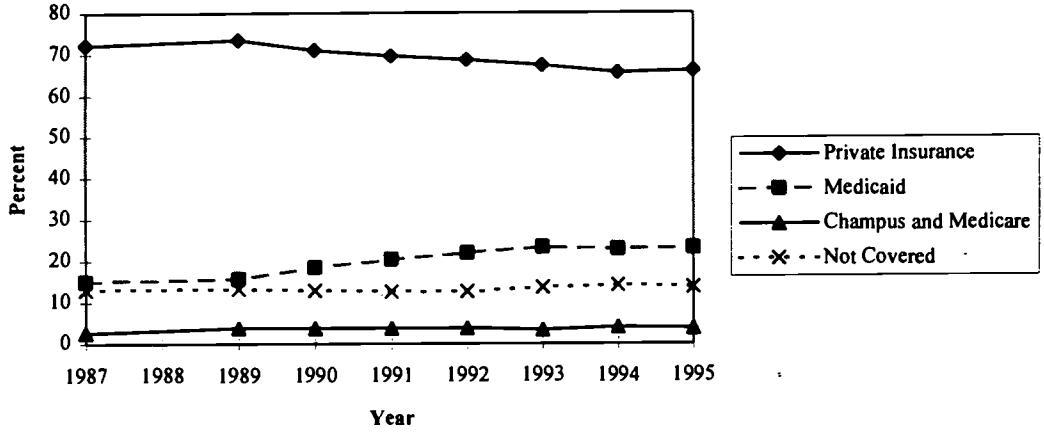
A.30 Health insurance

Lack of health insurance is an indicator of future health problems.

These data would be calculated yearly from the March CPS. Key data are the fractions of children and nonelderly adults: i) covered by private insurance; ii) covered by Medicaid; iii) covered by another government insurance program; and iv) without health care coverage.

Examples:

Percent of children under 18 by type of health care coverage



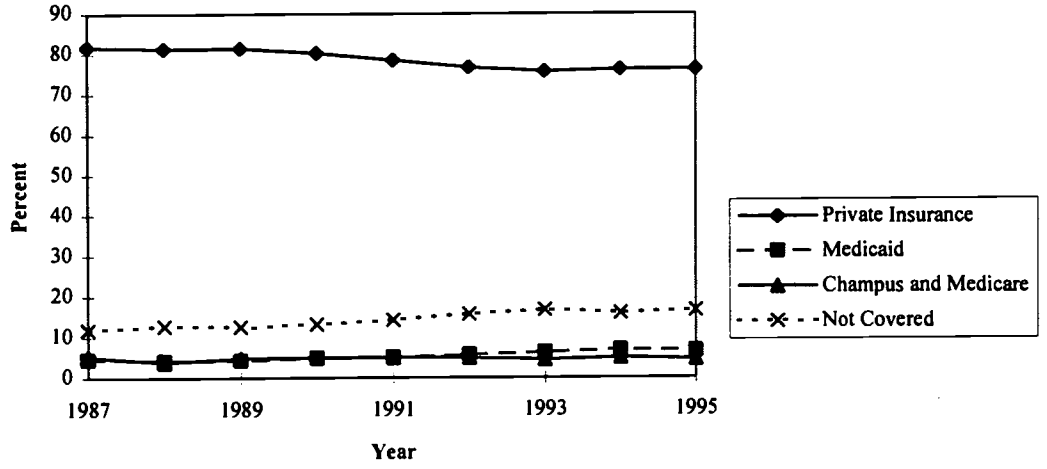
Percent of children under 18 by type of health care coverage

	Private Insurance	Medicaid	Champus and Medicare	Not Covered
1987	72.3	15.0	2.7	13.1
1989	73.6	15.7	3.9	13.3
1990	71.1	18.5	3.8	13.0
1991	69.7	20.4	3.8	12.7
1992	68.7	22.0	3.9	12.7
1993	67.4	23.4	3.4	13.7
1994	65.6	22.9	4.1	14.2
1995	66.1	23.2	3.8	13.8

Note: 1992 numbers are calculated based on CPS -- 90 weights. Percents may sum to over 100 because some individuals are covered by more than one plan or program.

Source: Unpublished data from the March CPS.

Percent of adults ages 35-44 by type of health care coverage



Percent of adults ages 35-44 by type of health care coverage

	Private Insurance	Medicaid	Champus and Medicare	Not Covered
1987	81.7	4.6	5.3	11.9
1988	81.3	4.2	3.9	12.8
1989	81.5	4.3	4.9	12.6
1990	80.3	4.9	5.0	13.3
1991	78.6	5.1	5.0	14.3
1992	76.7	5.7	5.0	15.7
1993	75.7	6.3	4.5	16.8
1994	76.2	6.9	5.0	16.0
1995	76.2	6.6	4.6	16.6

Note: 1992 numbers are calculated based on CPS -- 90 weights. Percents may sum to over 100 because some individuals are covered by more than one plan or program.

Source: Unpublished data from the March CPS.

Possible Enhancement: Table should be tabulated present coverage for all nonelderly adults, not just those 35-44.

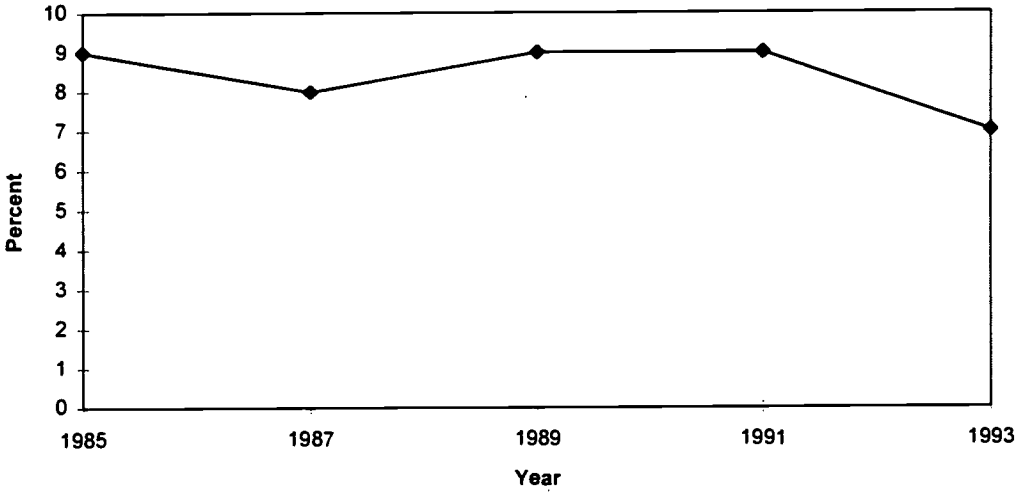
A.31 Substandard housing conditions

HUD has developed a definition of inadequate housing and periodically tabulates the incidence of substandard housing in the population. Living in substandard housing is associated with negative well-being.

Data on inadequate housing will be compiled biennially based on the American Housing Survey, which is conducted in odd numbered years by the Bureau of the Census for the Department of Housing and Urban Development (HUD). We recommend a compilation of the indicator using both children and adults as the unit of analysis.

Example:

Percent of households with children living in HUD-defined substandard housing



Percent of households with children living in HUD-defined substandard housing

1985	1987	1989	1991	1993
9	8	9	9	7

Note: Substandard housing conditions include problems with plumbing, heating, electric, upkeep, and/or hallways. The numbers show the percent of children living in housing with moderate to severe problems as defined by HUD.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table ES 4.1.

Possible Enhancement: While the suggested indicator is the percent of children living in substandard housing, survey publications report the percent of households with children living in substandard housing.

A.32 Crowded housing

HUD has developed a definition of crowded housing and periodically tabulates the incidence of substandard housing in the population. This could serve as a key well-being indicator.

These data will be compiled biennially based on the American Housing Survey, which is conducted in odd numbered years by the Bureau of the Census for HUD. This indicator should be compiled using both children and adults as the unit of analysis.

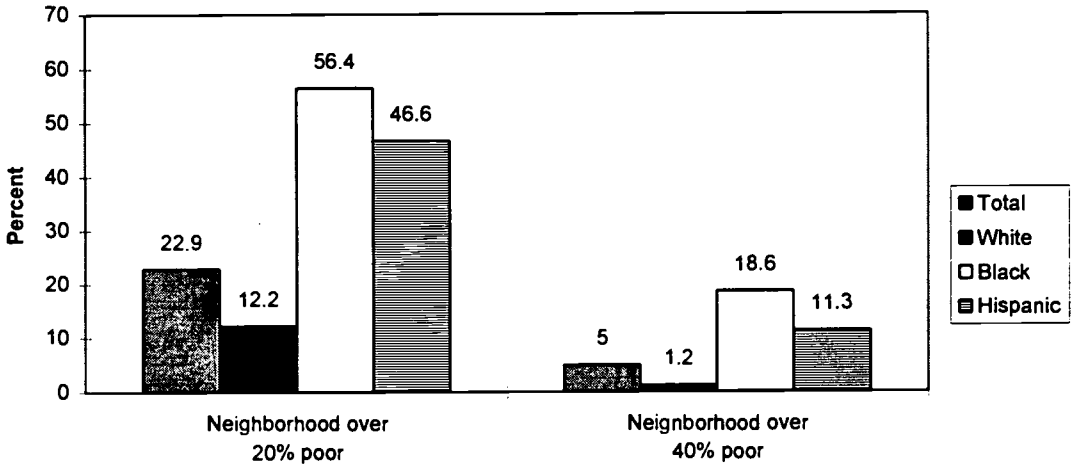
A.33 Percent residing in high-poverty neighborhoods

High poverty neighborhoods are often associated with relatively lower quality services (e.g. education, medical) that can have a negative effect on development and well-being.

These data will be compiled every ten years based on data from the Decennial Census and separately for children, nonelderly adults, and elderly adults. The advantage of using the Census is that census tracts and block numbering areas can be defined as neighborhoods. The new American Community Survey is the only other possible source of data for the needed level of geographic detail.

Example:

Percent of children residing in high-poverty neighborhoods: 1990



Percent of children residing in high-poverty neighborhoods: 1990

	Total	White	Black	Hispanic
Neighborhood over 20% poor	22.9	12.2	56.4	46.6
Neighborhood over 40% poor	5	1.2	18.6	11.3

Note: Neighborhoods are defined as census tracts and block-numbering areas. Both metropolitan and non-metropolitan areas are included. The poverty rate is the percent of all persons in the neighborhood living in families below the poverty line in 1990.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table PF 3.2.

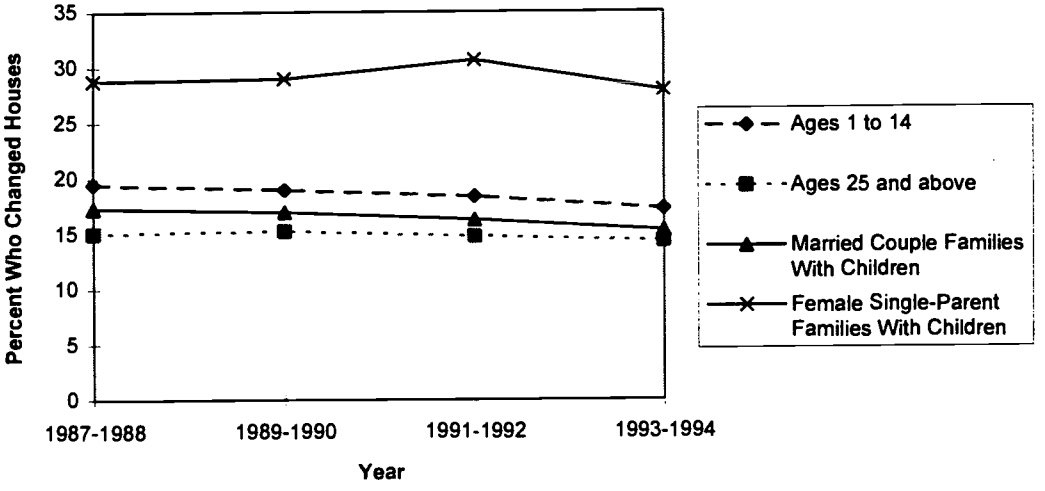
A.34 Residential mobility

Frequent changes of residence are disruptive events for children and reflect negative well-being.

Key data are the fraction of families, adults and children who changed residences in the past 12 months. These data will be compiled annually from the March CPS. The March CPS tracks the percent of the population over age 1 that has changed residences over the past year. Since the timing of moves in children's lives matters, this indicator should be tabulated separately by age of child.

Example:

Percent of individuals who changed residences in a given one year period



Percent of individuals who changed residences in a given one year period

	1987-1988	1989-1990	1991-1992	1993-1994
Ages 1 to 14	20	19	18	17
Ages 25 and above	15	15	15	14
Married Couple Families With Children	17	17	16	15
Female Single-Parent Families With Children	29	29	31	28

Note: Residential mobility measures the percent of individuals over age 1 who changed houses between March of one year and March of the next year. The mobility of married couple and female single-parent families is the percent of householders ages 15 to 54 with own children under 18 who changed houses.

Source: U.S. Bureau of the Census, Current Population Reports, Series, P-20, Nos. 456, 473, and 485. Washington, DC: United States Government Printing Office.

Possible Enhancement: Data should also be presented by age of the child.

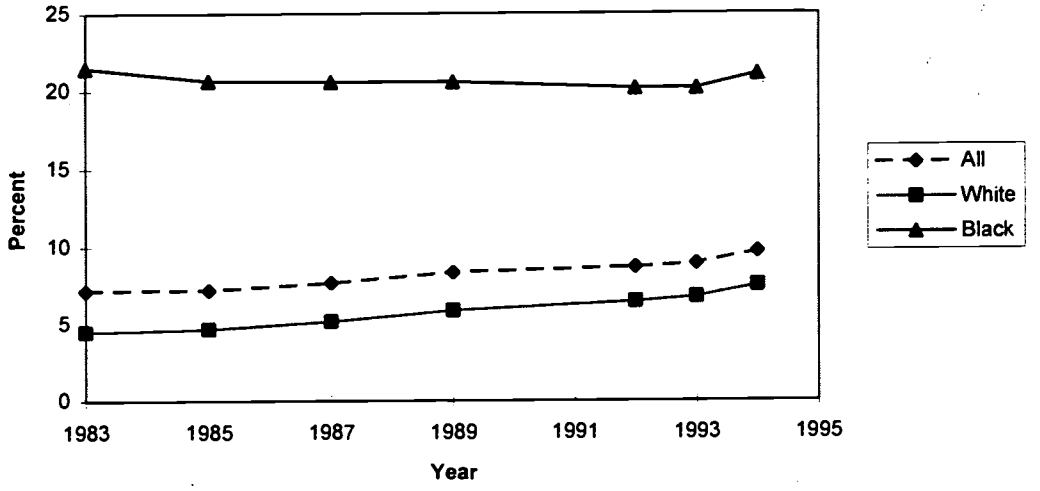
A.35 Nonmarital births

Given the importance attached to nonmarital childbearing, there is a need for several reliable indicators of it as a risk factor for children. This one tracks the "flow" of children into the state of having been born to an unmarried mother.

These data will be calculated yearly from information from the National Center for Health Statistics (NCHS), *Vital Statistics of the United States, Natality, Volume 1,* and Monthly Vital Statistics Report. The NCHS provides data on the total number of births and on the number of births to unmarried women by age group. From these two numbers, the percent of births to unmarried 15-19 year olds, and to other age breaks of unmarried women can be calculated.

Example:

Percent of all births that are to unmarried 15-19 year-old women



Percent of all births that are to unmarried 15-19 year-old women

	1983	1985	1987	1989	1992	1993	1994
All	7.2	7.2	7.7	8.3	8.7	8.9	9.7
White	4.5	4.7	5.2	5.9	6.5	6.8	7.5
Black	21.5	20.7	20.6	20.6	20.2	20.2	21.1

Source: Data for 1983-1992 from NCHS, *Vital Statistics of the United States, Volume 1, Natality* (Washington, DC: Public Health Service, Various Years). Data for 1993 from *Monthly Vital Statistics Report*, Vol. 44, No. 3 Supplement, Sept. 21, 1995, "Advance Report of Final Natality Statistics, 1993." Data for 1994 from *Monthly Vital Statistics Report*, Vol. 44, No. 11 Supplement, June 24, 1996.

Possible Enhancement: Similar data should be presented for other age groups of unmarried women.

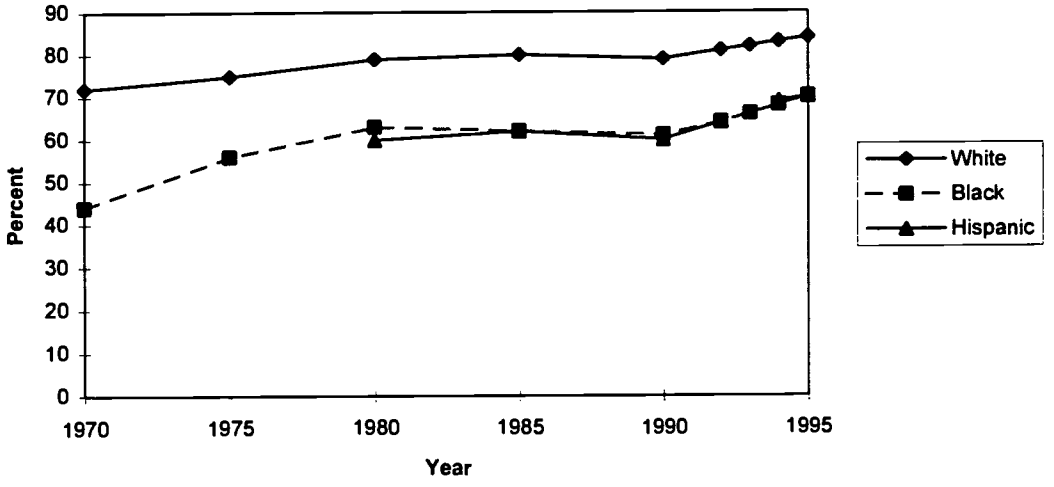
A.36 Prenatal care

Prenatal care improves the health of the fetus and health-related behavior of the mother.

The data show the fraction of mothers receiving prenatal care in the first trimester of pregnancy with separate tabulations by race and ethnicity. These data are collected by the NCHS.

Example:

Percent of mothers receiving prenatal care in the first trimester of pregnancy



Percent of mothers receiving prenatal care in the first trimester of pregnancy

	1970	1975	1980	1985	1990	1992	1993	1994	1995
White	72	75	79	80	79	81	82	83	84
Black	44	56	63	62	61	64	66	68	70
Hispanic	NA	NA	60	62	60	64	NA	69	70

Note: Figures for Hispanic women in 1985 are based on data for 23 states and the District of Columbia which report Hispanic origin of the mother on the birth certificate in those years. These states accounted for 90 percent of the Hispanic Population in 1980. By 1992, 49 states reported Hispanic origin. 1995 data are preliminary.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table HC 3.2.A. 1993 data, *Monthly Vital Statistics Report*, Vol. 44, No. 11 Supplement, June 24, 1996. 1994 and 1995 data, *Monthly Vital Statistics Report*, Vol. 45, No. 3 Supplement 2, October 4, 1996.

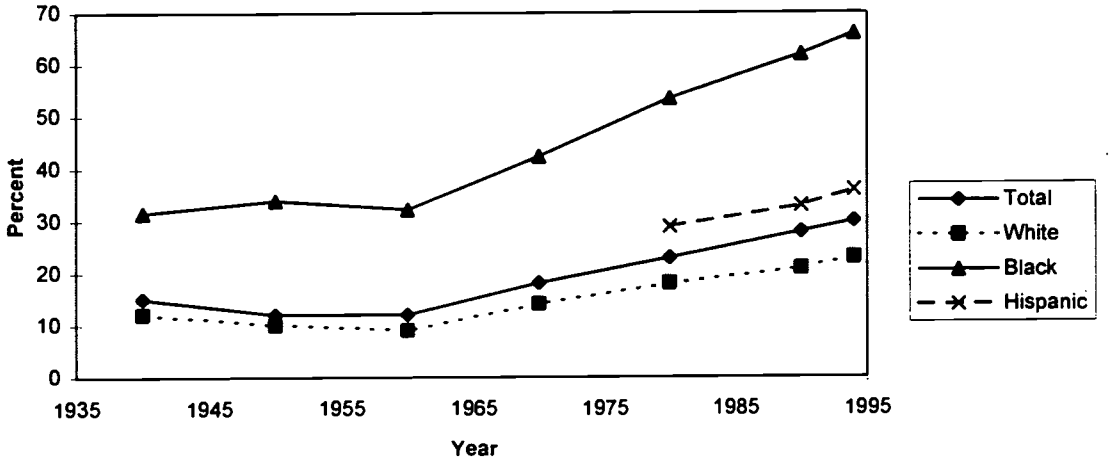
A.37 Percent of children living in various household arrangements

Living arrangements are important indicators of the family conditions in which children are raised. Family conditions play an important role in child well-being.

Key tabulations are of the fraction of children: i) living with both biological parents; ii) living with a mother and neither biological father nor step-father; iii) living with relatives but not with either the biological mother or father; iv) living in foster care; v) living with adoptive parents; and vi) other. It is important to tabulate this information separately for children of different ages. These data will be tabulated from the CPS and from other, more specialized, sources. Additional data on the length of stay in these arrangements and the reasons for exit from them should also be tabulated if data with this information is available.

Examples:

Percent of all non-institutionalized children under 18 not living with both biological parents



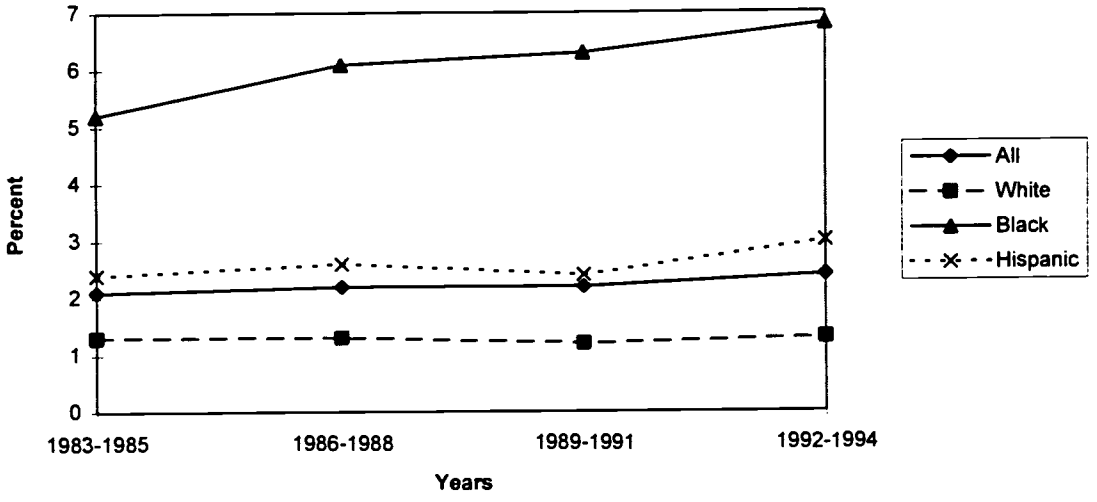
Percent of all non-institutionalized children under 18 not living with both biological parents

	Total	White	Black	Hispanic
1940	15	12	32	NA
1950	12	10	34	NA
1960	12	9	32	NA
1970	18	14	42	NA
1980	23	18	54	29
1990	28	21	62	33
1994	30	23	66	36

Note: Non-institutionalized children are calculated by dividing the percent of children in mother only, father only, and neither parent families by the total percent not in group quarters.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table PF 2.1A.

Percent of children in kinship care

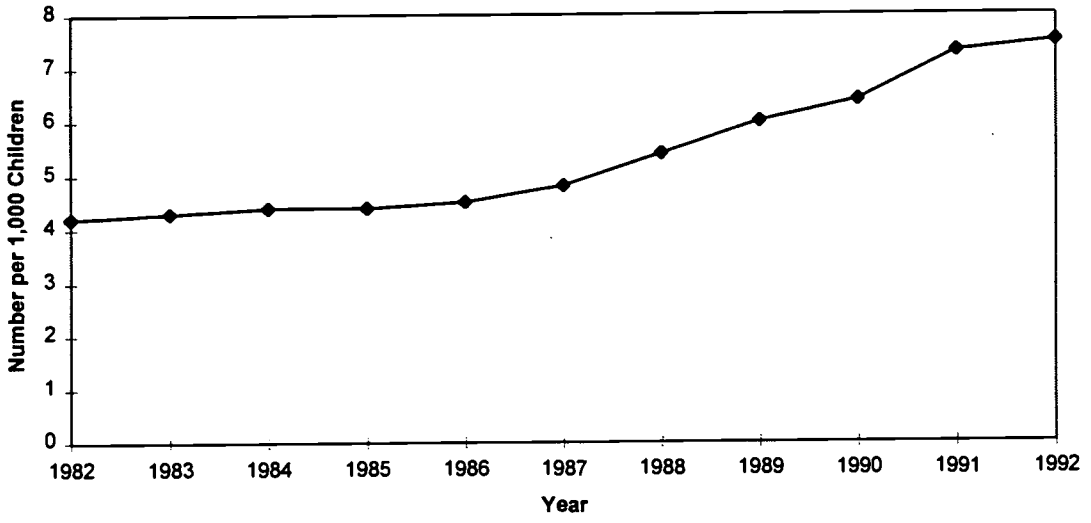


Percent of children in kinship care

	All	White	Black	Hispanic
1983-1985	2.1	1.3	5.2	2.4
1986-1988	2.2	1.3	6.1	2.6
1989-1991	2.2	1.2	6.3	2.4
1992-1994	2.4	1.3	6.8	3.0

Source: Rebecca L. Clark, and Karen E. Maguire, "Children in Kin Care, 1983-1994: Evidence from the Current Population Survey." Report prepared for the Office of the Assistant Secretary for Planning and Evaluation, DHHS, 1996.

Number of children per 1,000 living in foster care



Number of children per 1,000 living in foster care

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
4.2	4.3	4.4	4.4	4.5	4.8	5.4	6.0	6.4	7.3	7.5

Note: Number of children in foster care is measured on the last day of the fiscal year.

Source: *Trends in the Well-Being of America's Children and Youth*, 1996, Table PF 2.3.

Possible Enhancement: The suggested data would measure the percent of all children living with both biological parents and break out those not living with both biological parents into the other types of living arrangements. The percent of children living with adoptive parents and in living arrangements not included in the above groups should also be presented.

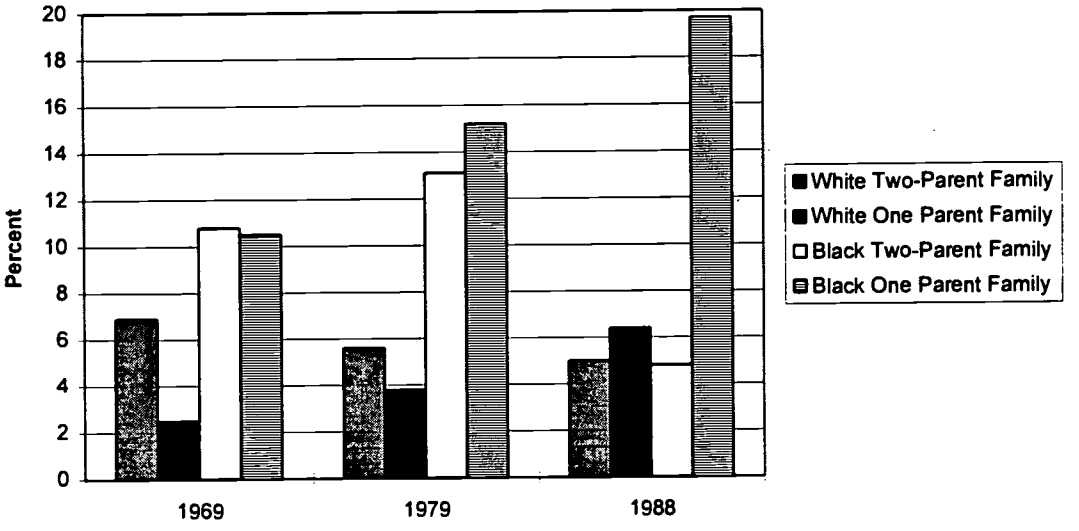
A.38 Percent of children living with relatives or other families

Although many extended-family situations are freely chosen, some occur in response to economic distress. This indicator tracks the number of children living with relatives, other families or other people.

These data will be calculated annually from the March CPS. Children living with relatives or other families reside with grandparents or other relatives, or with non-relatives, in addition to their parents; this implies that a family with children is sharing living quarters with others.

Example:

Percent of children living with relatives or other families



Percent of children living with relatives or other families

		1969	1979	1988
White	Two-Parent Family	6.9	5.6	5.0
	One Parent Family	2.5	3.8	6.4
Black	Two-Parent Family	10.8	13.1	4.8
	One Parent Family	10.5	15.2	19.7

Note: The 1979 data are from PUMS.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table 27.

Possible Enhancement: The CPS should be used to provide an annual time series on this indicator.

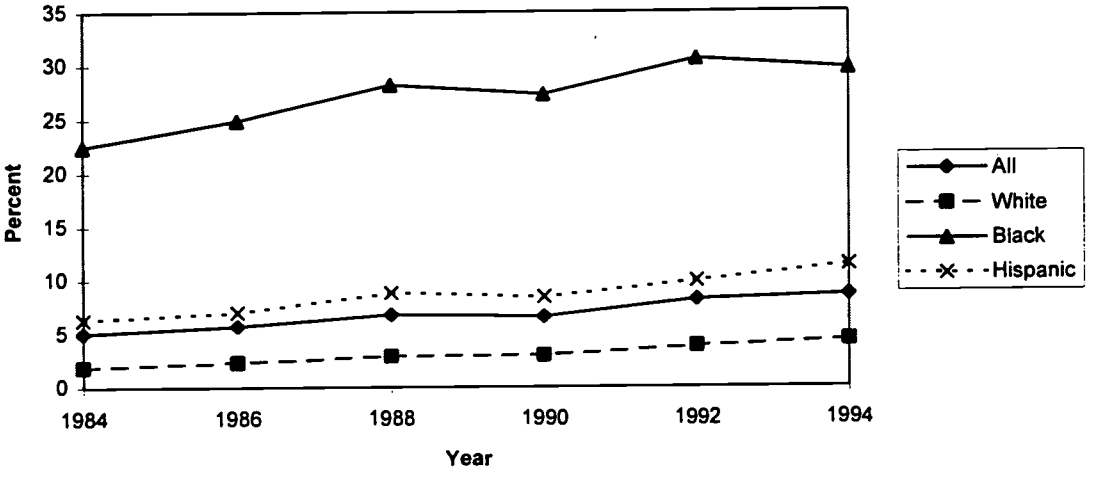
A.39 Never-married family status

This indicator complements the measure of non-marital births by showing the "stock" of children who had been born to never-married women. Children born to never-married women are at increased risk for dependence and negative changes in well-being.

These data will be compiled yearly from the March CPS. The U.S. Bureau of the Census currently tabulates the number of children under 18 by race and sex, and the number living with never-married mothers by race and sex yearly from the March CPS.

Example:

Percent of all children living in families headed by never-married women



Percent of all children living in families headed by never-married women

	All	White	Black	Hispanic
1984	5.0	1.9	22.5	6.3
1986	5.7	2.3	24.9	7.0
1988	6.8	2.9	28.2	8.8
1990	6.6	3.0	27.3	8.4
1992	8.2	3.8	30.6	9.9
1994	8.6	4.4	29.7	11.4

Note: Data are for all children under 18 who are not family heads.

Source: U.S. Bureau of the Census, Current Population Reports, Series P-20, Nos. 399, 418, 433, 450, 468, and 484.

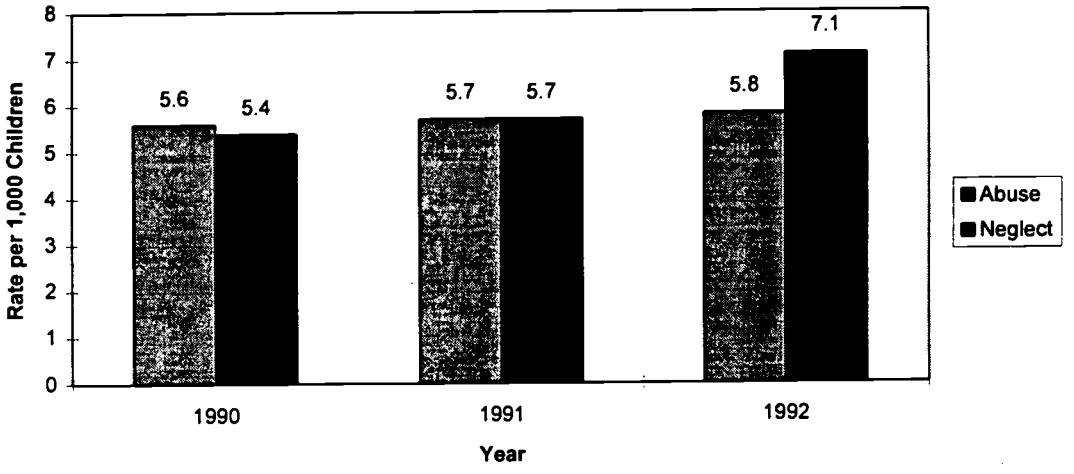
A.40 Child abuse and neglect

Abuse and neglect poor well-being and are associated with increased risk of dependence.

These data will be compiled annually from data provided by the National Center on Child Abuse and Neglect (NCCAN). The Center collects the number of substantiated cases of abuse and neglect. These numbers can be turned into rates using population data from the U.S. Bureau of the Census.

Example:

Substantiated cases of child abuse and neglect per 1,000 children



Substantiated cases of child abuse and neglect per 1000 children

	Abuse	Neglect
1990	5.6	5.4
1991	5.7	5.7
1992	5.8	7.1

Note: Rates of abuse and neglect were calculated by multiplying rate per thousand by percent of total cases that were abuse and neglect, respectively.

Sources: *Trends in the Well-Being of America's Children and Youth,* 1996, Table HC 2.6.

Possible Enhancement: Substantiated cases undercount actual cases of abuse and neglect. Development of a more reliable data source here would be useful.

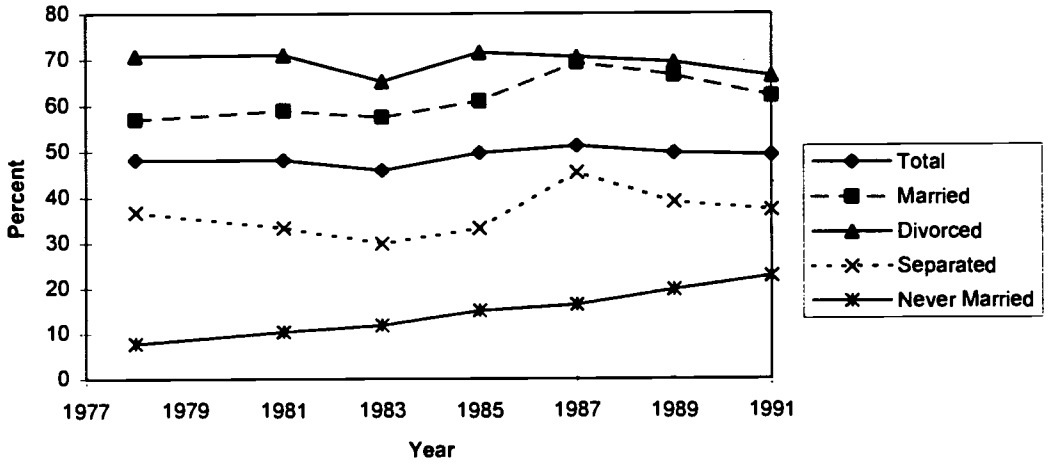
A.41 Child support

Child support provides critical income to families with children that reduces the likelihood of dependence and improves well-being. This indicator illustrates several aspects regarding the presence and magnitude of child support. Overall, child support collections have increased nearly 50% since 1992, from $8 billion to $11.8 billion in 1996.

These data will present three measures of child support: the percent of eligible families with an award, the percent of eligible families that received payments and the average yearly income from child support for those who received payments. These data will be compiled biennially from the April Child Support Supplement to the CPS. This supplemental information is collected by the CPS during even numbered years. These data should be presented by marital status of the custodial parent. It should also be noted that the child support enforcement program has its own administrative data.

Examples:

Percent of eligible families with a child support award



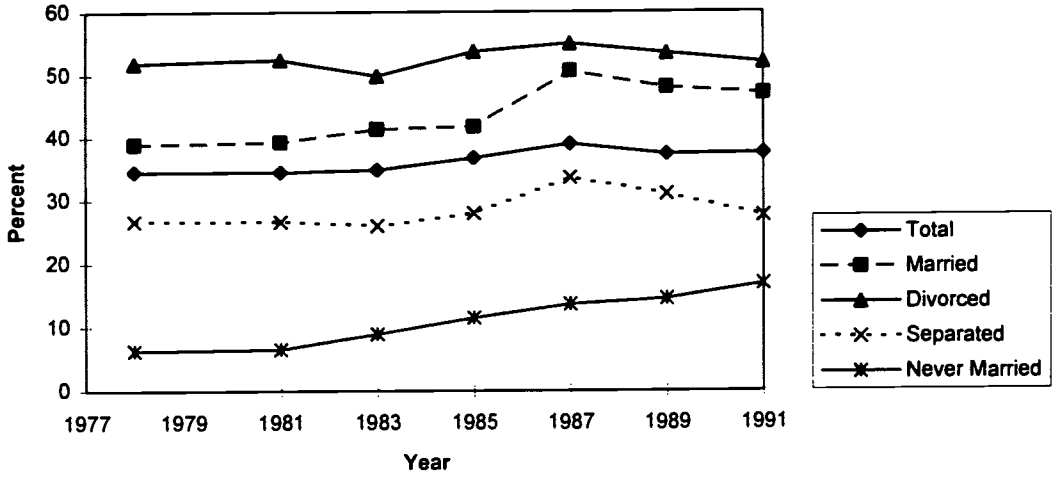
Percent of eligible families with a child support award

	1978	1981	1983	1985	1987	1989	1991
Total	48	48	46	50	51	50	49
Married	57	59	58	61	69	67	62
Divorced	71	71	65	72	71	69	66
Separated	37	33	30	33	45	39	37
Never Married	8	10	12	15	16	20	23

Note: Estimates for 1991 were produced using somewhat different assumptions than in previous years, and are not directly comparable with earlier estimates. In order to be eligible, a family must have an absent father, but the mother with her own children under 21 years of age present. Marital status categories refer to current marital status. The "married" category includes remarried women whose previous marriage ended in divorce. A mother is defined as "with a child support award" if she was supposed to receive child support in the given year.

Source: 1978-1987 data from U.S. Bureau of the Census, Current Population Reports, Series P-23, Nos. 112, 140, 141,152, and 167. Data for 1989 from Current Population Reports, Series P-60, No. 173. Data for 1991 from Current Population Reports, Series P-60, No. 187.

Percent of eligible families who received any child support



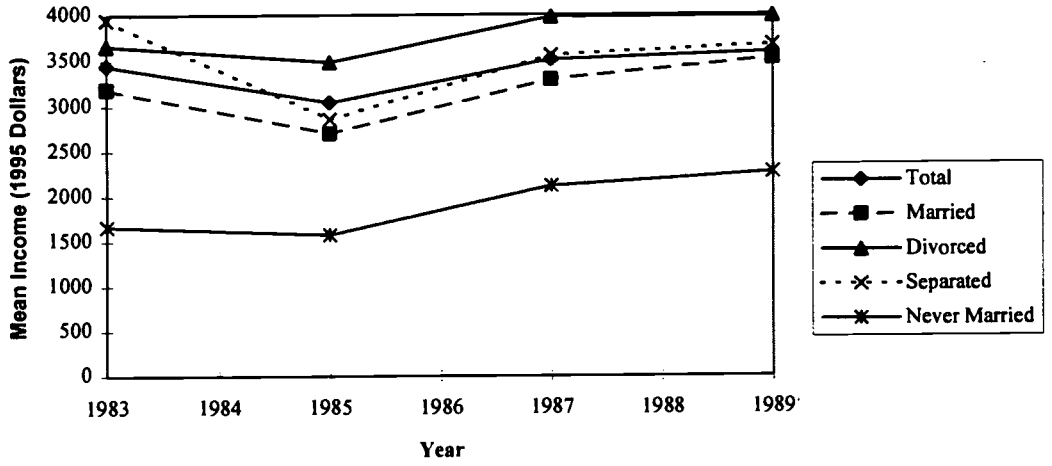
Percent of eligible families who received any child support

	1978	1981	1983	1985	1987	1989	1991
Total	35	35	35	37	39	37	38
Married	39	39	41	42	51	48	47
Divorced	52	52	50	54	55	53	52
Separated	27	27	26	28	34	31	28
Never Married	6	7	9	11	14	14	17

Note: Estimates for 1991 were produced using somewhat different assumptions than in previous years, and are not directly comparable with earlier estimates. In order to be eligible, a family must have an absent father, but the mother with her own children under 21 years of age present. The "married" category includes remarried women whose previous marriage ended in divorce.

Source: 1978-1987 data from U.S. Bureau of the Census, Current Population Reports, Series P-23, Nos. 112, 140, 141,152, and 167. Data for 1989 from Current Population Reports, Series P-60, No. 173. Data for 1991 from Current Population Reports, Series P-60, No. 187.

Mean income from child support for those who received any payments (1995 dollars)



Mean income from child support for those who received any payments (in 1995 dollars)

	1983	1985	1987	1989
Total	3446	3040	3509	3593
Married	3185	2698	3289	3516
Divorced	3667	3483	3979	3985
Separated	3948	2857	3554	3671
Never Married	1666	1574	2113	2265

Note: Marital status categories refer to current marital status. The "married" category includes remarried women whose previous marriage ended in divorce.

Source: 1983-1987 data from U.S. Bureau of the Census, Current Population Reports, Series P-23, Nos. 141,152, and 167. Data for 1989 from Current Population Reports Series P-60, No. 173.

Possible Enhancement: Starting in 1991 currently married women were separated into remarried women and those not married previously. We recommend that data for these two groups be presented separately. In 1991, child support statistics for custodial fathers were also reported, this information should be included in the future. Data on mean income from child support should be presented from the 1978, 1981 and 1991 Child Support supplements to the CPS.

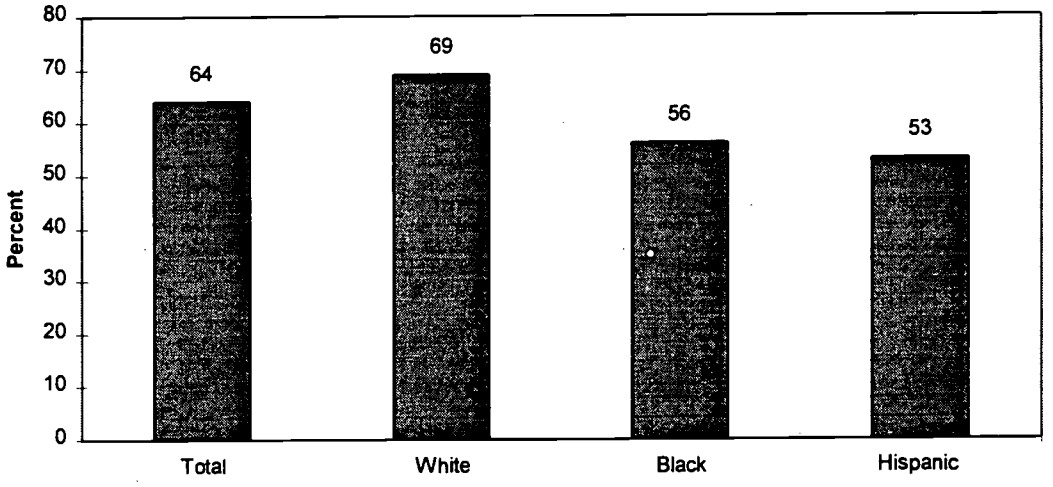
A.42 Early childhood reading exposure

The learning environment in the home is key to the cognitive development of children. This indicator reflects the percent of children who are read to daily or told a story regularly.

These data will be calculated periodically from data provided by the National Center for Education Statistics (NCES) in its Assessment of Educational Progress (NAEP). This number was first presented in the 1992 Trends in Academic Progress Report published by the NCES.

Example:

Percent of children ages 3-5 who are read to daily or told a story regularly: 1993



Percent of children ages 3-5 who are read to daily or told a story regularly: 1993

Total	White	Black	Hispanic
64	69	56	53

Note: Data include children who were read to everyday or told a story 3 or more times per week. A parent or other family member can be the story-teller or reader.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table EA 3.1.A.

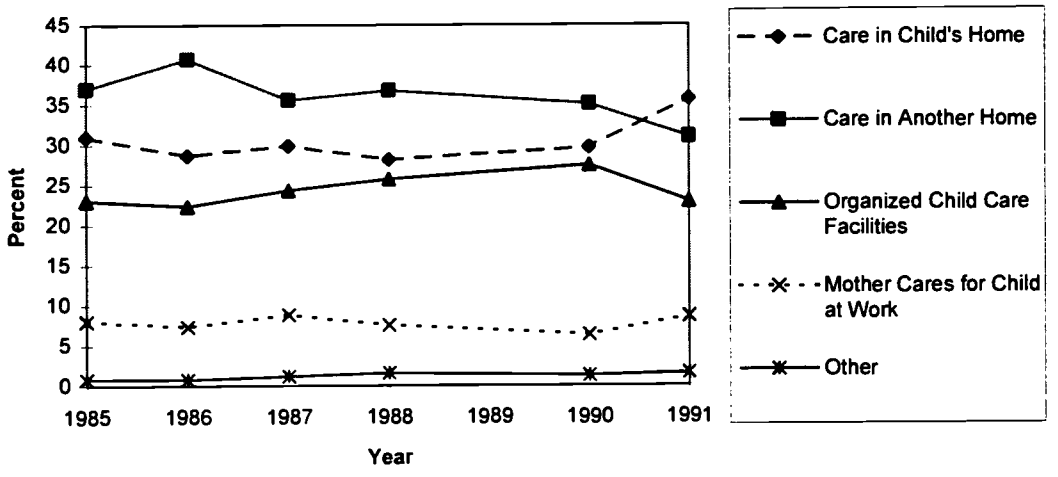
A.43 Childcare arrangements

The type of care provided to pre-school children is an important dimension of their early learning environment. This indicator illustrates the type and location of child care for children under five.

These data will be calculated annually from SIPP or biennially from the National Household Education Survey. The SIPP asks detailed questions about the nature and cost of child care arrangements. This measure should distinguish between: i) children cared for in their own home; ii) children cared for in another home; iii) children in center-based care facilities other than Head Start; iv) children in Head start; and v) other arrangements. This information should be tabulated for children of different ages (e.g. 0-4, 5-9, 10-12, 13-15) and separately for children in employed and non-employed parental families.

Example:

Primary child care arrangements used by employed mothers for children under 5 years (percent)



Primary child care arrangements used by employed mothers for children under 5 years (percent)

	1985	1986	1987	1988	1990	1991
Care in Child's Home	31.0	28.7	29.9	28.2	29.7	35.7
Care in Another Home	37.0	40.7	35.6	36.8	35.1	31.0
Organized Child Care Facilities	23.1	22.4	24.4	25.8	27.5	23.0
Mother Cares for Child at Work	8.1	7.4	8.9	7.6	6.4	8.7
Other	0.8	0.8	1.2	1.6	1.3	1.6

Source: U.S. Bureau of the Census, Current Population Reports, Series P-70. No. 36, Washington, DC: Government Printing Office, 1994.

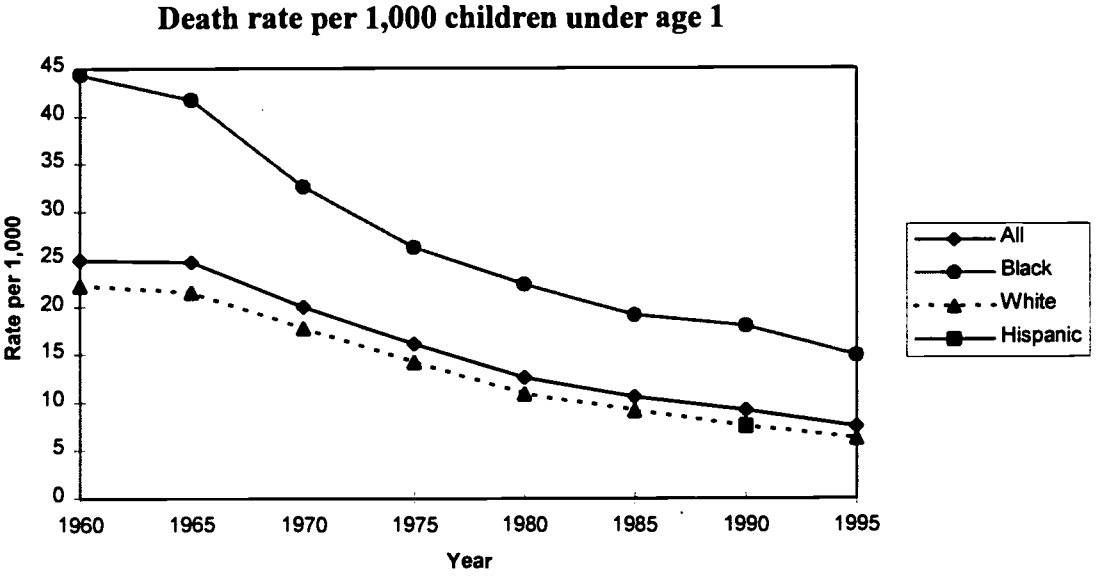
Possible Enhancements: These data should be computed for all children, including those in non-employed mother families.

B.1. Infant mortality

Infant mortality rates are crucial and widely-used indicators of infant health.

These data would be calculated yearly from information from the National Center for Health Statistics (NCHS), *Vital Statistics of the United States, Natality, Volume 1, Vital Statistics of the United States, Mortality, Volume 2,* and *Monthly Vital Statistics Report.*

Example:



Death rate per 1,000 children under age 1

	All	Black	White	Hispanic
1960	24.9	44.3	22.2	NA
1965	24.7	41.7	21.5	NA
1970	20.0	32.6	17.8	NA
1975	16.1	26.2	14.2	NA
1980	12.6	22.3	10.9	NA
1985	10.6	19.1	9.2	NA
1990	9.2	18.0	7.6	7.6
1991	8.9	17.7	7.3	7.3
1992	8.5	16.8	6.9	6.8
1993	8.4	16.5	6.8	6.7
1994	8.0	15.8	6.6	NA
1995	7.5	14.9	6.3	NA

Note: Data for 1995 are provisional.

Source: Data for 1960 to 1994 from *Trends in the Well-Being of America's Children and Youth*, 1996, Table HC 1.1 A. Some data for 1994 and data for 1995 from Gardner, P., and Hydson, B. L., "Advance Report of Final Mortality Statistics, 1993." *Monthly Vital Statistics Report*, Vol. 44. No. 7, Supplement, Hyattsville, Maryland: Public Health Service, 1996.

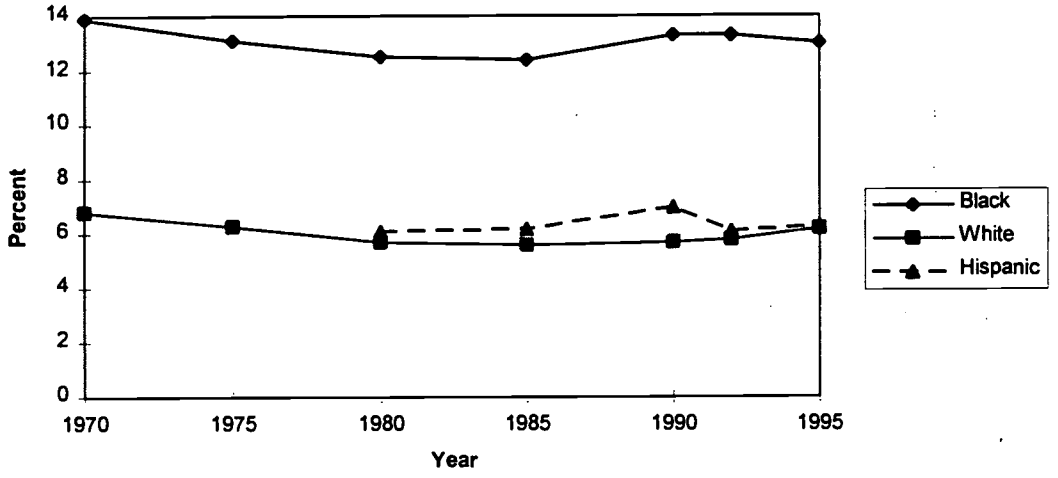
B.2. Low birth weight

Low birth weight is an important indicator of future health problems and infant mortality.

These data will be collected from data provided by the NCHS and show this indicator separately by race and ethnicity.

Example:

Percent of all births born low birth weight



Percent of all births born low birth weight

	1970	1975	1980	1985	1990	1992	1995
Black	13.9	13.1	12.5	12.4	13.3	13.3	13.0
White	6.8	6.3	5.7	5.6	5.7	5.8	6.2
Hispanic	NA	NA	6.1	6.2	7.0	6.1	6.3

Note: Before 1979, low birth weight defined as: "infants weighing ≤ 2,500 grams (≤ 5.5 pounds)". 1979 and beyond, low birth weight defined as: "infants weighing < 2,500 grams (< 5.5 pounds)". Data between 1970 and 1985 by race are for race of child; percentages for 1990 and 1992 are based on race of mother. Percent low birth weight by ethnicity are not available before 1980. Birth figures for Hispanic infants in 1985 are based on data for 23 states and the District of Columbia which report Hispanic origin of mother on the birth certificate. These states accounted for 90 percent of the Hispanic population in 1980. Percentages for 1980 and 1985 are

based on the ethnicity of child, percentages for 1990,1992, and 1995 are based on the ethnicity of the mother.

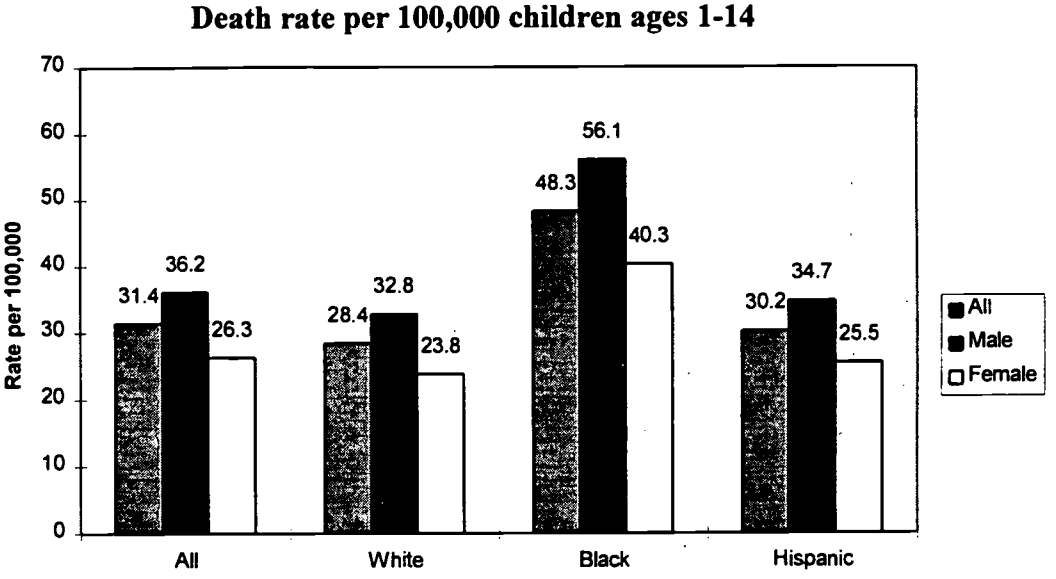
Source: Data for 1970 to 1992 from *Trends in the Well-Being of America's Children and Youth*, 1996, Table HC 2.2.A. 1995 preliminary data, *Monthly Vital Statistics Report*, Vol. 45, No. 3, Supplement 2, October 4, 1996.

B.3. Child mortality

As with infant mortality, child mortality rates are key indicators of child health.

These data would be calculated yearly from information from the NCHS, *Vital Statistics of the United States, Natality, Volume 1, Vital Statistics of the United States, Mortality, Volume 2,* and *Monthly Vital Statistics Report.*

Example:



Death rate per 100,000 children ages 1-14

	All	Male	Female
All	31.4	36.2	26.3
White	28.4	32.8	23.8
Black	48.3	56.1	40.3
Hispanic	30.2	34.7	25.5

Note: Data are based on 1989-1991.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table HC 1.1.B.2.

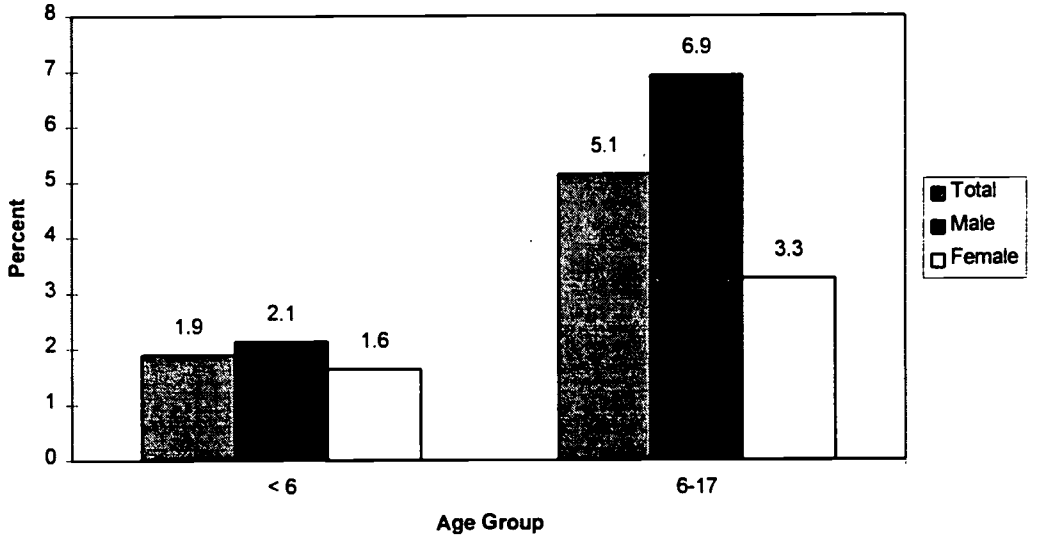
B.4 Percent of children limited in major activities due to chronic health conditions

Health limitations negatively affect the well-being of children and may also limit the labor force participation of parents.

This indicator illustrates the percent of children limited in major activities due to chronic health conditions. These data will be calculated periodically from data from supplemental disability modules to the SIPP. The data portrayed were collected from a disability supplement asked during the sixth wave of the 1990 SIPP panel and the third wave of the 1991 SIPP panel. Future supplements will be used to calculated further disability data.

Example:

Percent of children who are limited in major activities due to chronic health conditions



Percent of children who are limited in major activities due to chronic health conditions

	Total	Male	Female
Under 6 years old	1.9	2.1	1.6
Ages 6-17	5.1	6.9	3.3

Note: Numbers measure percent of all children in the given age group with a limiting disability. For children under 6, a disability is defined as limiting the child in usual kinds of activities. For children 6-17 a disability limits child's ability to do regular school work.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table 28.

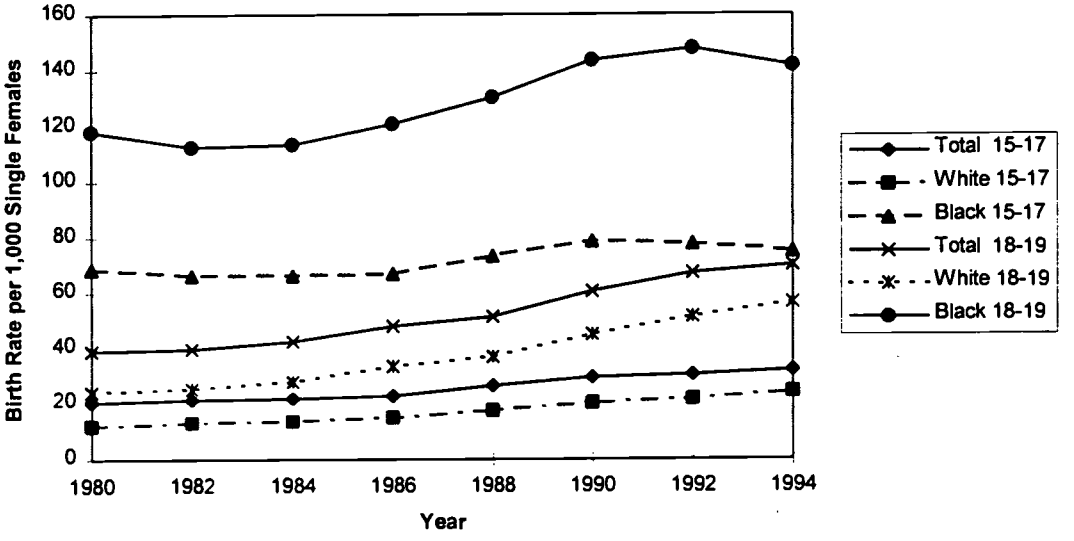
B.5 Teen births

Both the mother and child are at increased risk of welfare dependence and negative well-being in families in which the baby was born to a teen mother.

This indicator shows the teen birth rate which reflects some measure of the risk to mother and child. These data will present the birth rate per 1,000 single and married females ages 10-14, 15-17 and 18-19. These data will be calculated yearly from birth data from the NCHS, *Vital Statistics of the United States, Natality, Volume 1,* and *Monthly Vital Statistics Report* combined with population data on single females from Current Population Reports, *Marital Status and Living Arrangements.*

Example:

Birth rate per 1,000 single females ages 15-17 and 18-19



Birth rate per 1,000 single females ages 15-17 and 18-19

	Total ages 15-17	White ages 15-17	Black ages 15-17	Total ages 18-19	White ages 18-19	Black ages 18-19
1980	20.6	12.0	68.8	39.0	24.1	118.2
1982	21.5	13.1	66.3	39.6	25.3	112.7
1984	21.9	13.7	66.5	42.5	27.9	113.6
1986	22.8	14.9	67.0	48.0	33.5	121.1
1988	26.4	17.6	73.5	51.5	36.8	130.5
1990	29.6	20.4	78.8	60.7	44.9	143.7
1992	30.4	21.6	78.0	67.3	51.5	147.8
1994	32.0	24.1	75.1	70.1	56.4	141.6

Source: Data for 1980-1992, NCHS, *Vital Statistics of the United States, 1992, Vol. 1, Natality*, Public Health Service, 1995. Data for 1993-1994, *Monthly Vital Statistics Report*, Vol. 44. No. 11. Supplement, June 24, 1996.

Possible Enhancement: Additional rates should be presented for single women 10-14 as well as for married women in all of these age ranges.

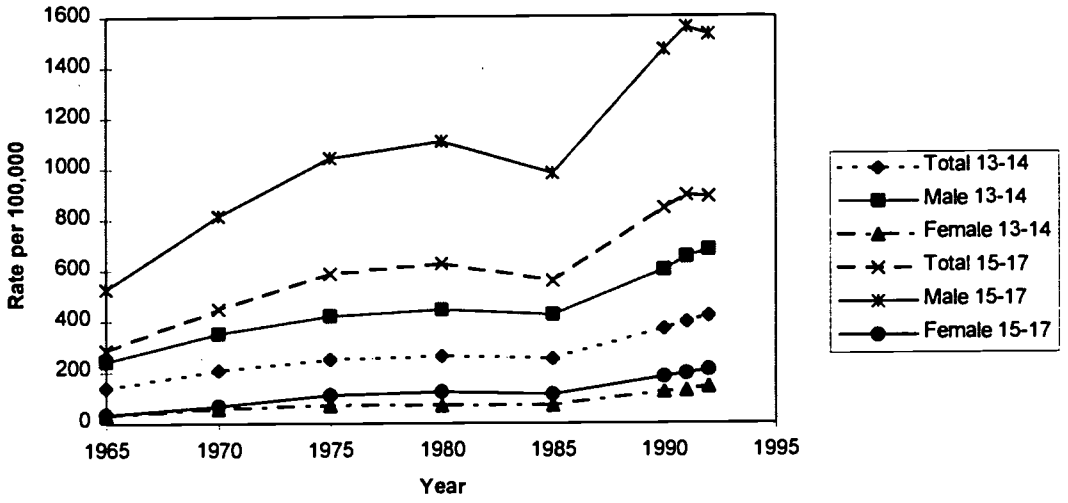
B.6 Teen Violent crime arrests

Teen crime data provide useful indicators of serious adolescent problem behavior.

These data would be compiled annually from data from the FBI, Uniform Crime Reporting Program. The FBI compiles arrest rates by age and sex.

Example:

Teen arrests for violent crimes per 100,000 youth



Teen arrests for violent crimes per 100,000 youth

	Total ages 13-14	Male ages 13-14	Female ages 13-14	Total ages 15-17	Male ages 15-17	Female ages 15-17
1965	139	242	32	284	526	35
1970	207	351	57	447	813	69
1975	250	420	72	587	1045	112
1980	262	446	70	627	1110	124
1985	252	424	71	559	983	114
1990	369	602	123	845	1469	183
1991	397	652	130	895	1556	194
1992	420	681	145	889	1529	209

Note: Violent Crime is the sum of murder, forcible rape, robbery, and aggravated assault. Rates refer to the number of arrests made per 100,000 inhabitants belonging to the prescribed age group. Data for 15-17 year olds represent the average of the arrest rates for the three ages.

Source: *Trends in the Well-Being of America's Children and Youth* (Washington, DC: U.S. Department of Health and Human Services, 1996) Table SD 1.6.

Possible Enhancement: Data on violent crime arrests for 18-19 year olds should also be presented.

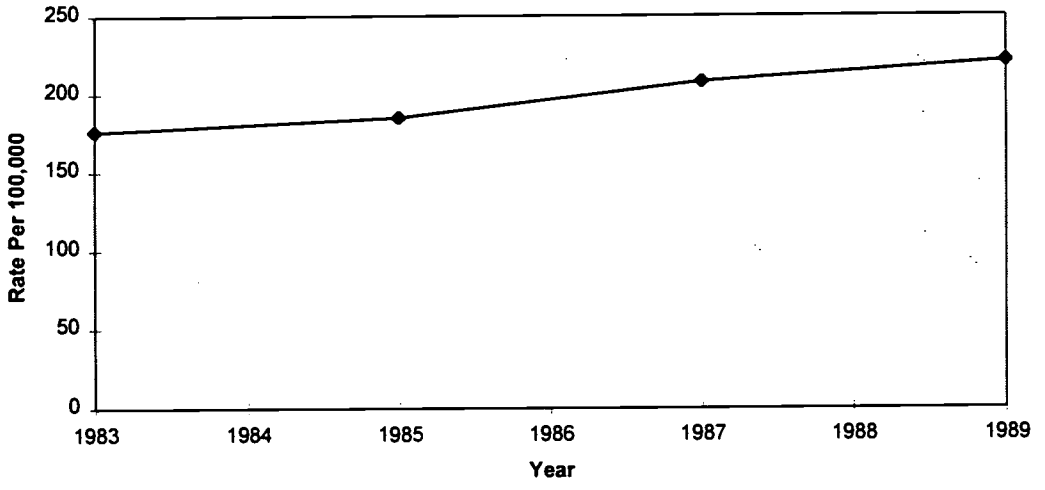
B.7 Youth incarceration

Incarceration is likely to affect future employment prospects for youth.

This indicator would present the incarceration rate of youth by length of sentence and type of facility by age, race, and sex. These data will be collected from the Children in Custody census of juvenile facilities conducted biennially by the Office of Juvenile Justice and Delinquency Prevention of the Department of Justice.

Example:

Juvenile custody rate in public facilities per 100,000 population



Juvenile custody rate in public facilities per 100,000 population

1983	1985	1987	1989
176	185	208	221

Source: 1983 data from U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention, *Public Juvenile Facilities, Children in Custody, 1987*, U.S. Department of Justice, 1988. 1985-1989 data from U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention, *Public Juvenile Facilities, Children in Custody, 1989*, U.S. Department of Justice, 1991.

Possible Enhancement: Similar data should be collected by demographic group and by type of facility.

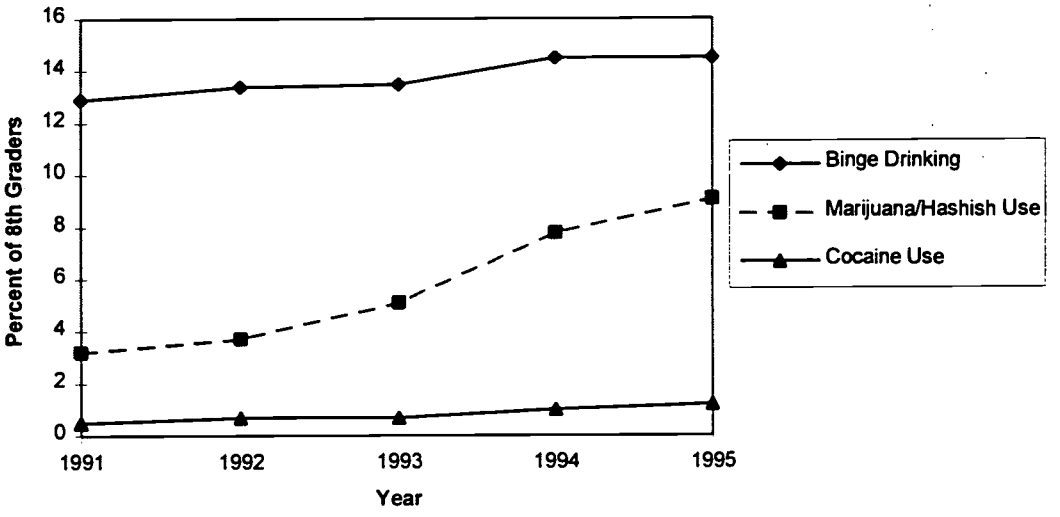
B.8 Teen alcohol and substance abuse

Teen alcohol and substance abuse are an important examples of teen problem behavior.

These data are currently compiled from the yearly "Monitoring the Future" surveys which ask school children about drug-related behaviors. The focus on school children is problematic in that teenagers who drop out of school are not included in the survey. School dropouts may be more likely to use alcohol and substances and therefore a school based survey may underestimate the magnitude of the substance abuse problem. At considerable expense, these data could come from a non-school based sample.

Example:

Percent of 8th graders who report having used a controlled substance



Percent of 8th graders who report having used a controlled substance

	1991	1992	1993	1994	1995
Binge Drinking	12.9	13.4	13.5	14.5	14.5
Marijuana/Hashish Use	3.2	3.7	5.1	7.8	9.1
Cocaine Use	0.5	0.7	0.7	1.0	1.2

Note: Binge drinking is defined as having more than five drinks in a row in the previous two weeks. Marijuana/ Hashish and Cocaine use are defined as having used Marijuana/Hashish or Cocaine within the previous 30 days.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Tables SD 3.3.A (Binge Drinking), and SD 3.5.A (Marijuana/Hashish and Cocaine use).

Possible Enhancement: It would be desirable to present data for all teenagers, not just eighth graders. With older children it is desirable that the survey used not be from a classroom-based sample because such samples do not include dropouts. In addition, suggested data place alcohol and other substance use all during a 30 day window.

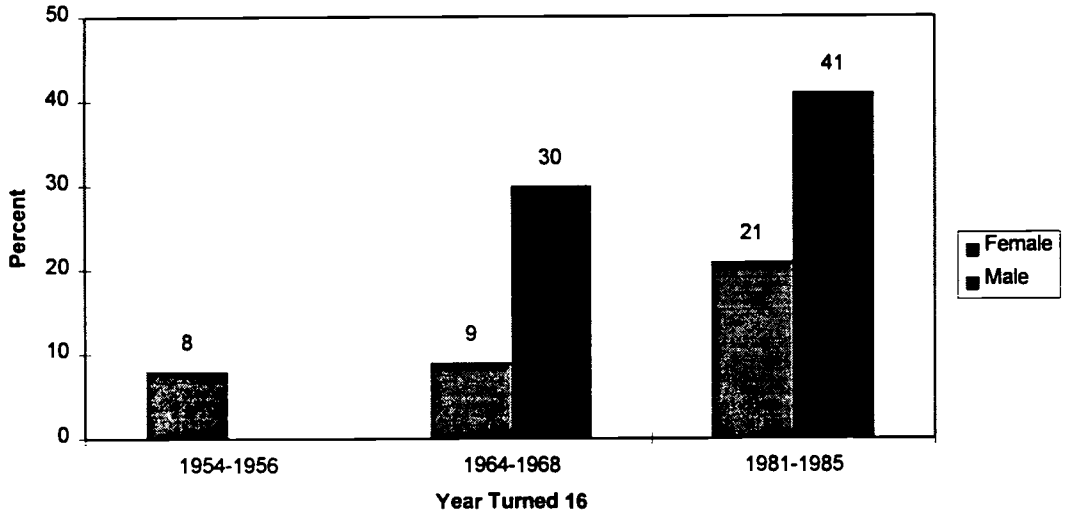
B.9 Early sexual intercourse

Early sexual intercourse is a strong predictor of subsequent childbearing at an early age which increases the risk to dependence and well-being.

Early sexual intercourse of females will be compiled periodically from cycles of the NCHS, National Survey of Family Growth (NSFG). The data presented represent tabulations through the fourth wave of the NSFG. Data will be compiled from subsequent waves as the data become available.

Example:

Percent of adolescents who have had first intercourse by age 16



Percent of adolescents who have had first intercourse by age 16

	Aged 16 1954-1956	Aged 16 1964-1968	Aged 16 1981-1985
Female	8	9	21
Male	NA	30	41

Note: Data are based on females aged 30-32 and 42-44 in the 1982 National Survey of Family Growth (NSFG) and aged 21-23 and 36-38 in the 1988 NSFG and males aged 21-23 and 36-38 in the 1991 Survey of Men.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table SD 4.1.

Possible Enhancement: Data on the percent of teens who had intercourse by ages 14, 15, and 17, should also be presented. A comparable source to the NSFG for future data on men would be highly desirable.

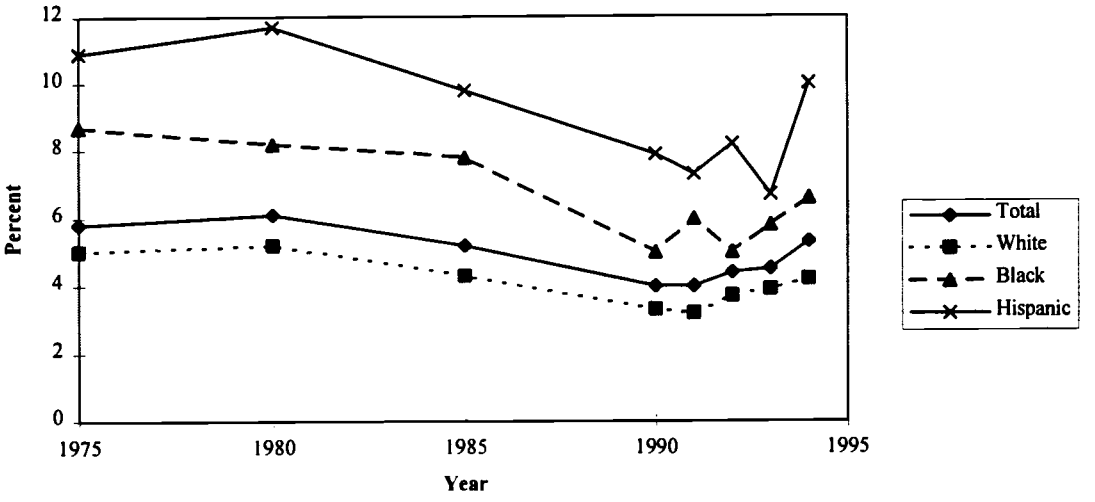
B.10 High-school dropout

Although some teens who drop out of high school eventually graduate or obtain GEDs, dropout rates are reliable indicators of teen problem behavior and future economic problems.

These data will be compiled annually based on data provided by the National Center for Education Statistics (NCES). The NCES reports annual event dropout rates at the beginning of each school year.

Example:

Event dropout rates



Event dropout rates

	1975	1980	1985	1990	1991	1992	1993	1994
Total	5.8	6.1	5.2	4.0	4.0	4.4	4.5	5.3
White	5.0	5.2	4.3	3.3	3.2	3.7	3.9	4.2
Black	8.7	8.2	7.8	5.0	6.0	5.0	5.8	6.6
Hispanic	10.9	11.7	9.8	7.9	7.3	8.2	6.7	10.0

Note: The event dropout rate is the proportion of students enrolled in grades 10 through 12 in the previous year who were not enrolled and had not graduated in the present year.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996, Table EA 1.4.

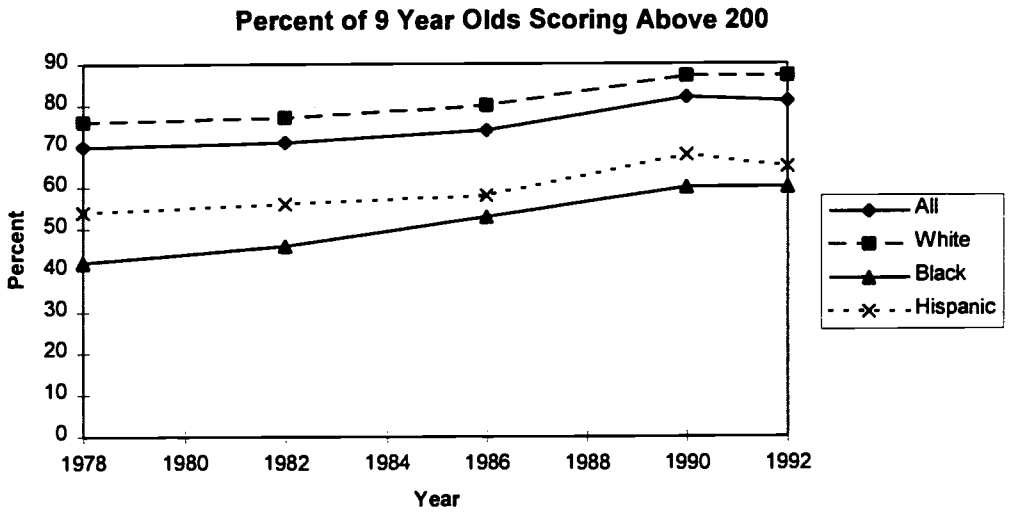
B.11 Math and reading proficiency

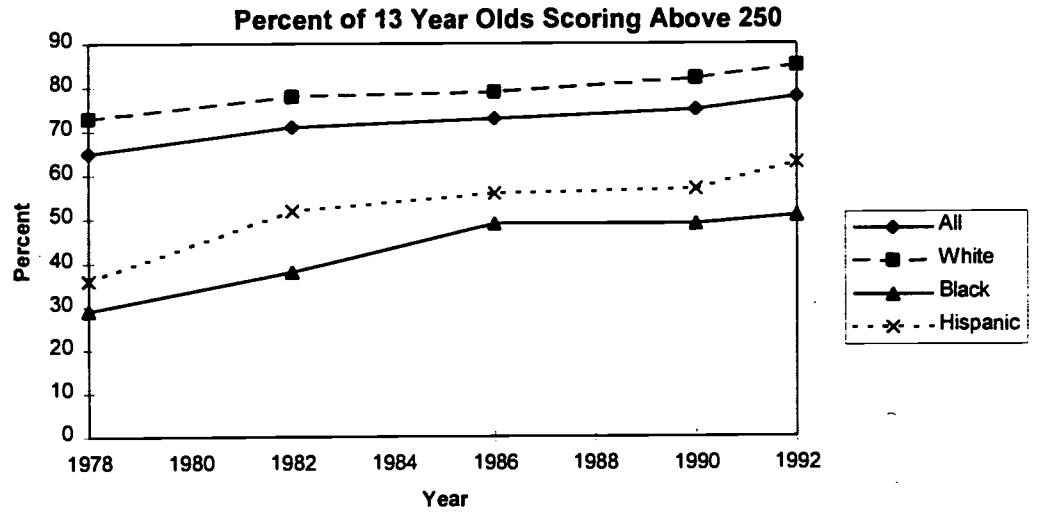
School achievement is an important predictor of future educational attainment.

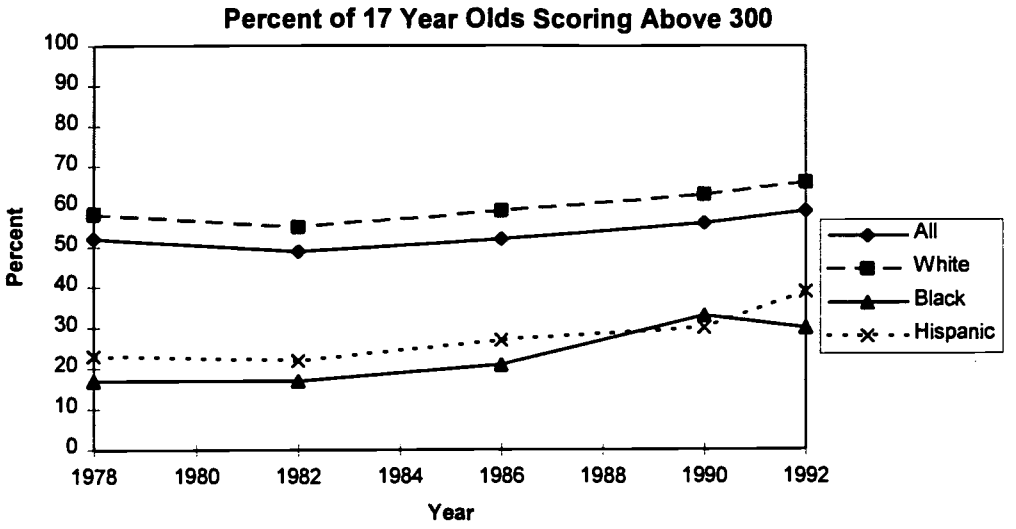
These data will be calculated biennially from data provided by the NCES. The Assessment of Education Progress (NAEP) places children at one of five reading proficiency levels and one of five math proficiency levels. These data are based on classroom surveys which are done every other school year.

Examples:

Math proficiency







Math proficiency

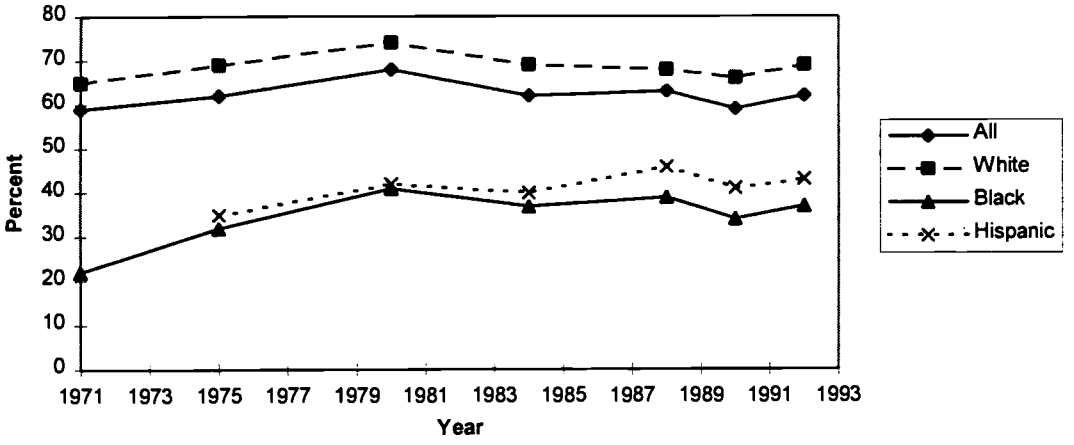
		1978	1982	1986	1990	1992
Percent Age 9	All	70	71	74	82	81
with math proficiency	White	76	77	80	87	87
above 200	Black	42	46	53	60	60
	Hispanic	54	56	58	68	65
Percent Age 13	All	65	71	73	75	78
with math proficiency	White	73	78	79	82	85
above 250	Black	29	38	49	49	51
	Hispanic	36	52	56	57	63
Percent Age 17	All	52	49	52	56	59
with math proficiency	White	58	55	59	63	66
above 300	Black	17	17	21	33	30
	Hispanic	23	22	27	30	39

Note: The NAEP categorizes children in five math proficiency levels from 150 to 350. The five levels are: 1) Level 150: simple arithmetic facts; 2) Level 200: beginning skills and understandings; 3) Level 250: basic operations and beginning problem solving; 4) moderately complex procedures and reasoning and; 5) multi-step problem solving and Algebra. The levels of math proficiency presented were chosen to approximately represent median levels at each age.

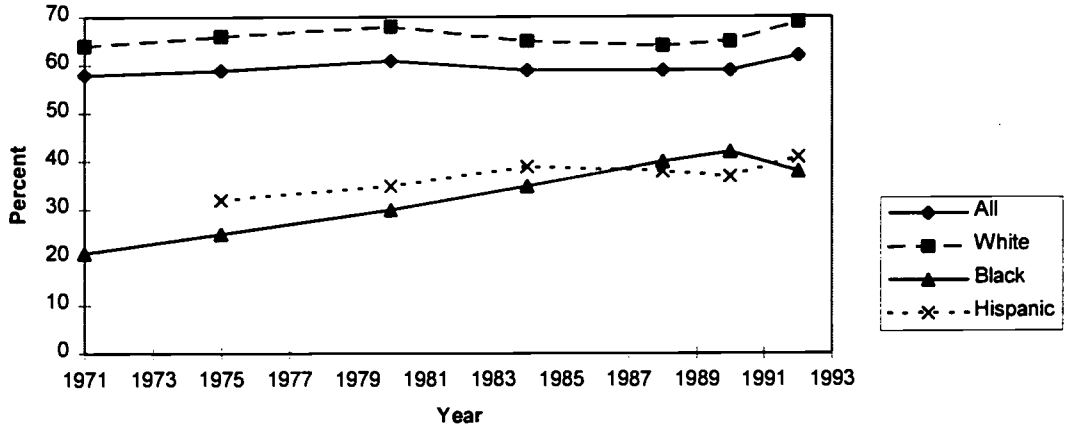
Source: U.S. Department of Education, National Center for Education Statistics, Assessment of Educational Progress (NAEP), *1992 Trends in Academic Progress.* As reported in U.S. Department of Health and Human Services, *Trends in the Well-Being of America's Children and Youth* (Washington, DC: U.S. Department of Health and Human Services, 1996) Tables EA 2.3.A (9 Year-olds), Table EA 2.3.B (13 Year-olds), Table EA 2.3.C (17 Year-olds).

Reading Proficiency

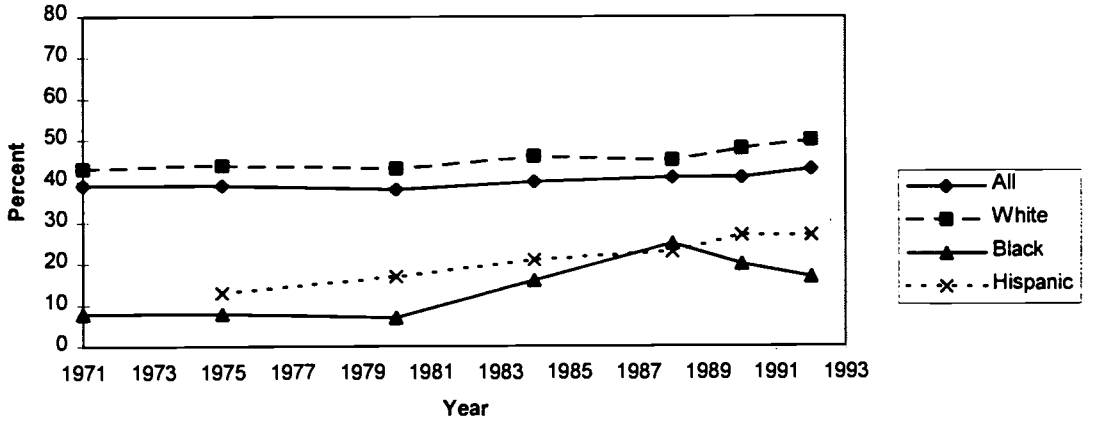
Percent of 9 Year Olds Scoring Above 200



Percent of 13 Year Olds Scoring Above 250



Percent of 17 Year Olds Scoring Above 300



Reading Proficiency

		1971	1975	1980	1984	1988	1990	1992
Percent Age 9	All	59	62	68	62	63	59	62
with reading	White	65	69	74	69	68	66	69
proficiency	Black	22	32	41	37	39	34	37
above 200	Hispanic	NA	35	42	40	46	41	43
Percent Age 13	All	58	59	61	59	59	59	62
with reading	White	64	66	68	65	64	65	69
proficiency	Black	21	25	30	35	40	42	38
above 250	Hispanic	NA	32	35	39	38	37	41
Percent Age 17	All	39	39	38	40	41	41	43
with reading	White	43	44	43	46	45	48	50
proficiency	Black	8	8	7	16	25	20	17
above 300	Hispanic	NA	13	17	21	23	27	27

Note: The NAEP categorizes children in five reading proficiency levels from 150 to 350. The five levels are: 1) Level 150: simple, discrete reading tasks; 2) Level 200: partially developed skills and understandings; 3) Level 250: interrelate ideas and make generalizations; 4) Level 300: understand complicated information and; 5) Level 350: learn from specialized reading materials. The levels of reading proficiency presented were chosen to approximately represent median levels at each age.

Source: *Trends in the Well-Being of America's Children and Youth,* 1996,. Table EA 2.1.A (9 Year-olds), Table EA 2.1.B (13 Year-olds), Table EA 2.1.C (17 Year-olds).

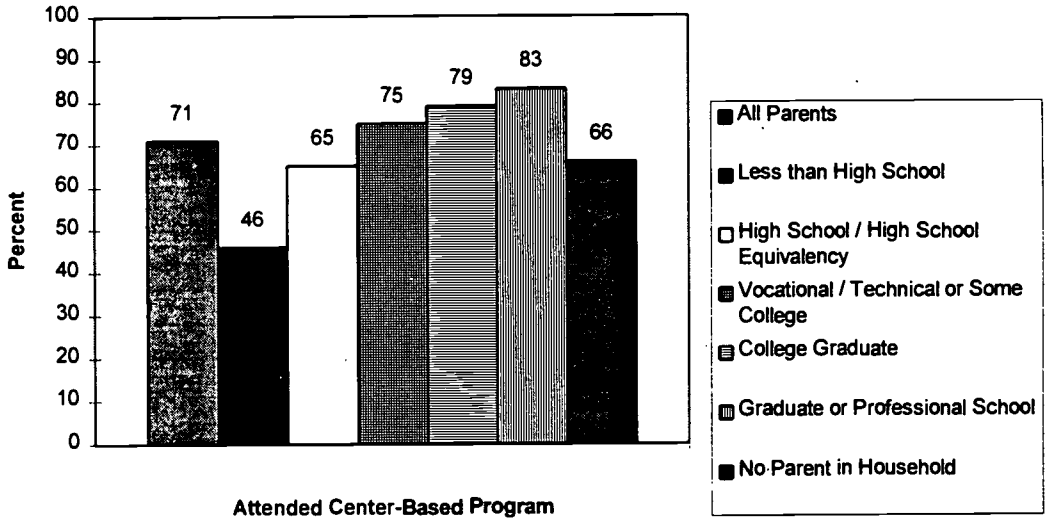
B.12 Enrollment in pre-school

Children who attend a pre-school program are more prepared for kindergarten which contributes to future success in school.

The proportion of children now of school age (kindergarten-third grade) ever enrolled in a center-based pre-school program before entering kindergarten is one measure of school. These data are available in the biennial National Household Education Survey.

Example:

Percent of first and second graders who regularly attended a center-based program



Percent of first and second graders who regularly attended a center-based program

Parents Highest Education:	Attended Center-Based Program Prior to First Grade
All Parents	71
Less than High School	46
High School/High School Equivalency	65
Vocational/Technical or Some College	75
College Graduate	79
Graduate or Professional School	83
No Parent in Household	66

Note: Data are for 1991. Children who attended a center-based program were either enrolled in nursery school, pre-kindergarten, Head Start or a daycare center prior to starting first grade. "Parent's Highest Education" refers to the highest level of schooling completed by either parent/ guardian in the household or the only parent of guardian in the household.

Source: NCES, "Experiences in Child Care and Early Childhood Programs of First and Second Graders." Statistics in Brief, January 1992.

Domains within which consideration should be given to developing reliable indicators

The Advisory Board recommended that consideration be given to developing indicators within the areas listed below.

C.1 **Adult literacy**: Barton and Jenkins (1995) report that a large proportion of the welfare population have weak literacy skills. Literacy is also related to success in the labor market. A literacy indicator would further illustrate the risk of welfare dependence and well-being. Unfortunately, a comprehensive survey of adult literacy was conducted in 1992 but has not been repeated since. It would be desirable -- although expensive -- to measure literacy repeatedly.

C.2 **Domestic violence**: Physical and mental effects of domestic violence put the victim in serious risk of dependence and certainly indicate negative well-being for both the mother and children. The Department of Justice collects data on domestic violence in its Crime Victim Survey. However, it is widely believed that this data severely underreports the incidence of domestic violence.

C.3 **Homelessness**: More than 80 percent of homeless families are headed by single mothers, a disproportionate number of whom have chronic health, mental health and substance abuse problems and histories of physical or sexual abuse. Homeless children's education is often seriously disrupted as families move in and out of school districts. These factors, combined with the basic instability of life in shelters and other temporary housing situations and the fact that most homeless families have already exhausted their social safety net of families and friends, points to the negative well-being of both adults and children in homeless families. The Census Bureau is currently collecting characteristics data on homeless persons in a national homeless survey. However, this is intended to be a one-time study and is not designed to produce incidence estimates. There are no ongoing, reliable national surveys which collect information on the incidence of homelessness.

C.4 **Absent parent interaction with children**: In addition to indicators which look at parents' financial support for their children, which include child support payments, other indicators of fathers' involvement with their children are in the process of being developed. Although the research in this area is extensive, historically there has been no data collected on a national basis. Under the sponsorship of the Federal Interagency Forum on Child and Family Statistics (involving the Departments of HHS, Education and Labor and the Bureau of the Census) efforts are underway to develop better measures of fathers' involvement in our federal statistical system and other research and data collection efforts.

C.5 **Parent mental health**: A parental mental health indicator would measure current well-being for the adult and child but would also reflect the risk to well-being and dependence in the future. The Health Interview Survey will include a mental health scale in the near future. The data can be used to provide information on the distribution of depressive symptoms in the adult population in general and, by disaggregating the distribution of such symptoms among parents of coresident children.

Chapter VI. Data Requirements and Data Needs

The indicators of dependence and well-being recommended in this report generally rely upon two sources of data: national survey data collected by governmental and nongovernmental entities and administrative program data collected by states. The previous chapter illustrated how currently-available data could be used to generate the recommended indicators and noted some of the limitations of each source. This chapter examines existing data sources in more detail and recommends modifications that would provide more complete and reliable information for the indicators suggested in this report. However, as states are just beginning to implement the new law enacted only a few months ago, a more complete assessment of data collected as a result of the new law is left to future annual reports.

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act introduces new challenges to data collection, analysis, and interpretation for what was the AFDC program. In response to this law, states are expected to change the way they provide assistance to needy families with children. Additional state flexibility provided by the Act could spawn a wide range of assistance programs. As noted in Chapter I, under the new law states have broad discretion to spend TANF funds in any manner reasonably calculated to accomplish the purposes of the block grant. As states develop new and innovative ways to provide assistance to their needy families, it may become more difficult to gather data that will capture completely the full range of assistance programs both across and within states. Under prior law both the population and the benefits were clearly defined; under TANF the definition of the population may vary dramatically and the benefits may take many forms (e.g., cash, vouchers for housing, wage supplements).

Also, some states may make an effort to separate federal and state funds for assistance programs. While the new law prohibits spending TANF funds under some circumstances, federal rules do not bind state funds. As a result, some states may create separate cash assistance programs funded with only state dollars. This would allow states to provide assistance to recipients after time limits expire, to immigrants denied assistance under TANF, or to any other population that they choose. The new law's administrative data reporting requirements, while extensive, were devised with the federal TANF program in mind. The flexibility that allows states to design innovative welfare programs could have the unintended consequence of yielding less than ideal data for important segments of the welfare population.

Survey data will also have difficulties. It would be important to determine from which program(s) the respondent received services. Given expected diversity between and within states, it will take time to devise a data collection strategy for national surveys that would reflect the range of state and possibly local programs.

Even if complete and accurate data is collected on the full range of state programs, longitudinal issues will make dependence analysis difficult. The law ended welfare as we knew it. As a result, it will be very difficult to compare data collected during the existence of AFDC to data

collected after states fully implement the new law, as well as difficult to make judgments regarding dependence across time.

The remainder of this chapter provides analysis and recommendations regarding both administrative data and survey data.

A. Analysis and Recommendations Regarding Administrative Data

Reporting Requirements of the 1996 Welfare Law

The 1996 Personal Responsibility and Work Opportunity Act requires states to submit monthly case record data on families who received assistance under TANF. These required data include:

- The amount and type of assistance provided under TANF
- Length of time on each type of assistance under TANF
- Work program participation
- Hours of employment and earnings
- Amount of unearned income
- If benefits were reduced and reason for reduction
- If benefits were terminated and if due to employment, marriage, sanctions, time limits, or State policy
- Demographic characteristics of recipients (e.g. age, race, educational level, marital status, disability status, and number and age of children)
- Citizenship
- County of residence
- Participation in other federal programs (e.g. subsidized housing, Medicaid, food stamps, or subsidized child care)

States are also required to submit aggregate data reports (quarterly or annually) on the percentage of federal and state funds devoted to administrative expenditures, the total amount and purpose of state funds spent on needy families, the number of noncustodial parents participating in work activities, the total amount spent by a state on transitional services, and child poverty rates.

In regard to the child poverty reports, states are required to report child poverty rates, and submit a corrective action plan if that rate increases by five percent or more in any year as a result of the

new law. Of note, the references to child poverty rates are not limited to poverty as officially defined and measured. Indeed, the law specifies the inclusion of the number of children who receive free or reduced-price school lunches and the number of food stamp households in the calculation of state child poverty rates.

Other Sources of Administrative Data

It is anticipated that both the Food Stamps Quality Control and administrative data reporting will remain unchanged in the future and provide consistent data for tracking dependency. This is also true for Social Security Administration data on the SSI program.

A great deal of administrative data relating to child well-being is collected through several federally subsidized data collection efforts. The National Child Abuse and Neglect Data System (NCANDS) records information concerning maltreated children who are known to State child protective service agencies, and the Automated Foster Care and Adoption Reporting System (AFCARS) tracks children's movement through state foster care and adoption programs. Additionally, many states have recently taken advantage of federal matching funds to develop integrated data systems that link NCANDS, AFCARS, and a variety of other administrative data on social services for children. These efforts could be extended to meet the child welfare reporting requirements of the new law.

Recommendations Regarding Caseload Data

The new law requires the collection of key data for measuring short- and long-term indicators of dependence such as the number of child and adult recipients, education level, marital status, and race. As each state institutes larger and broader changes to their welfare programs in response to this law, interpreting these data over time and across states will become even more challenging. In light of the new environment, the following recommendations may be helpful:

- Caseload data should collect more information at the *beginning* of the spell such as marital status and events that resulted in welfare receipt.

The Welfare Indicators Act of 1994 calls for the identification of predictors of welfare dependence. Given the importance of the family arrangements of recipient families, it is particularly valuable to collect information on the marital status and cohabitation status of the recipients that distinguish between never-married, currently married and divorced/separated statuses. Collecting and retaining information regarding a recipient's status at the beginning of a spell provides important information to help in the identification of predictors and risk-factors of welfare dependence.

- Caseload data should provide information on whether the current spell has been preceded by other spells and the cumulative length and, to the extent possible, timing of receipt associated with all prior spells.

Chapter IV illustrates the complexities of welfare dynamics. Reliable indicators of dependence must capture the realities of individual experiences with welfare receipt. Survey data can portray welfare dynamics to some degree but most are only representative of a few large states and general regions of the country. Caseload-based sources of information have the advantage of being representative of national, state, and local levels. As a result, it is imperative that caseload data collect reliable information that will further reveal the nature of program dynamics.

- Research that will make available detailed information regarding state program parameters must be supported.

It is of critical importance to understand the policy and program context that may surround increases (or decreases) in dependency and well-being. As discussed throughout this report, there is expected to be between-state, within-state and across-time variation in crucial welfare provisions such as eligibility (both income and non income related), benefit levels, benefit types, sanction policy, time limits, work requirements, and family caps. Thus, it is essential that detailed data regarding state and local welfare policy be collected and made available.

The Urban Institute, together with Child Trends, the Institute for Research on Poverty, and Manpower Demonstration Research Corporation (MDRC) are among a number of investigators poised to embark on assessing state and local policies and programs. This report recommends the support of these projects, and others like these, that attempt to collect, analyze, and disseminate critical data regarding state and local program parameters.

B. Analysis and Recommendations Regarding Survey Data[1]

Survey data are critical for capturing indicators of adult labor force participation, earnings, program participation, fertility and child well-being as well as complementing caseload data for tracking dependence. For the purposes of this report, the Survey of Income and Program Participation (SIPP) is perhaps the most useful survey. Some of its characteristics which make it most useful are its longitudinal design, system of monthly accounting, and detail concerning employment, income, and participation in federal income-support and related programs. These features make SIPP particularly effective for capturing the complexities of program dynamics discussed in Chapter IV and many of the recommended indicators of dependence and well-being. In addition, the PROWRA provides funding to the Census Bureau to conduct a seven year extension of the 1992-1993 SIPP panels. This survey, known as the Survey of Program Dynamics, will provide extensive long-term data on income, program participation, and child and family well-being.

The Current Population Survey (CPS) measures income and poverty over a single annual accounting period. It provides important information regarding childhood poverty, which is a key component of this report's recommended indicators of well-being. CPS, however, has certain liabilities which are discussed in Appendix E.

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[1] A more detailed description of each survey is included in Appendix E

The Panel Study of Income Dynamics (PSID) and the National Longitudinal Survey of Youth (NLSY), both the 1979 and the 1997 panels, are longer-run surveys that provide vital data for indicators of intra and intergenerational dependence and deprivation. The PSID and NLSY collect annual income data, including transfer income that yields intergenerational indicators.

The new law also provides for a new survey regarding child welfare. Data would be collected through a national random sample longitudinal study of children who are at risk of child abuse or neglect or who are determined by states to have been abused or neglected. Issues to be considered should include the type of abuse or neglect involved; the frequency of contact with State or local agencies; whether the child involved has been separated from the family, and if so, under what circumstances; the number, type and characteristics of out-of-home placements of the child; and the average duration of each placement.

Recommendations Regarding Survey Data:

- As with caseload data, SIPP and other surveys could enhance their value for developing indicators of dependence and well-being by gathering more complete and comprehensive retrospective information regarding previous welfare spells.

Realistically, surveys can not completely account for welfare dynamics: no matter how long the observation window or the accounting period, there will always be welfare spells that occurred before the survey began and continue after the survey ended. This makes it all the more important that surveys take precautions against providing an incomplete picture of lifetime welfare receipt. Retrospective questions regarding prior welfare receipt will address this concern.

- The new welfare law makes it even more important that SIPP and other surveys contain questions to determine the factors involved in the ending of a spell during the observation period.

As discussed previously, it is expected that the new welfare law will result in more diversity in the cause of case termination. Cases may be closed due to sanction, time limit, or increased work effort to name just a few examples. Information regarding the precise event that began or ended a welfare spell can provide critical guidance to policy-makers in their efforts to reduce dependence and improve well-being. Discussions should continue around ways to ensure that information regarding events that begin or end welfare episodes is not lost between survey periods.

Appendices

Appendix A

Program Descriptions

Program Descriptions

A. Aid to Families With Dependent Children (AFDC) Program

Aid to Dependent Children was established by the Social Security Act of 1935 as a cash grant program to enable States to aid needy children deprived of parental support. Renamed Aid to Families with Dependent Children (AFDC), the program provided cash welfare payments for: (1) needy children who have been deprived of parental support or care because their father or mother was absent from the home continuously, was incapacitated, was deceased or was unemployed, and (2) certain others in the household of such child. As of September 1996, all 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands operated an AFDC program. Although 1988 legislation provided that American Samoa could participate in the AFDC program, it has not chosen to do so.

Under the AFDC program, states defined "need," set their own benefit levels, established (within federal limitations) income and resource limits, and administered the program or supervised its administration. Federal funds paid from 50 to about 80 percent of the AFDC benefit costs in a state (55 percent on average) and 50 percent of administrative costs.

Regardless of the method used to express the need standard, the Social Security Act required that the standard be uniformly applied within the state or locality to all families in similar circumstances. While participating states had to comply with the terms of the federal legislation, the AFDC program was voluntary, and states were at liberty to pay as little or as much in benefits as they chose. In addition to state variations in AFDC eligibility and benefit levels, the benefit levels varied primarily by family size and sometimes by shelter costs.

Eligibility for AFDC ended on a child's 18th birthday, or at state option upon a child's 19th birthday if the child was a full-time student in a secondary or technical school and could reasonably be expected to complete the program before he or she reached age 19.

Although optional prior to October 1, 1990, states that operated AFDC programs were required after that date to offer AFDC to children in two-parent families who were needy because of the unemployment of one of their parents (AFDC-UP). Eligibility for AFDC-UP was limited to those families in which the principal wage earner was unemployed but had a history of work. States that did not have an unemployed parent program as of September 26, 1988 could limit benefits under the AFDC-UP program to as few as 6 months in any 13-month period.

The Family Support Act of 1988 (Public Law 100-485) substantially revised the education and training requirements of the AFDC program. As of October 1, 1990, states were required to have a job opportunities and basic skills training (JOBS) program. The new program was designed to help needy families with children avoid long-term welfare receipt. The JOBS program replaced the work incentive (WIN) and WIN demonstration programs, and incorporated other work requirements of previous law. In addition, the JOBS program had to include an

educational component. States were required to enroll virtually all able-bodied persons whose youngest child was at least age 3, provided state resources were available.

Families receiving AFDC were automatically eligible for Medicaid. The Family Support Act also required that states provide transitional Medicaid benefits for those who lost AFDC eligibility as a result of increased hours of, or increased income from, employment or as a result of the loss of earnings disregards.

The Family Support Act required that states guarantee child care if it was decided that child care was necessary for an individual's employment or participation in education or training activities (including participation in the JOBS program) approved by the state, and required that transitional child care be provided for families who lost AFDC eligibility as a result of increased hours of, or increased income from, employment or as a result of the loss of earnings disregards.

The AFDC statute also included entitlement funds to the states to provide child care to families who were not receiving AFDC who needed such care in order to work and would otherwise be at risk of becoming eligible for AFDC. Finally, federal law required AFDC mothers to assign their child support rights to the state and to cooperate with welfare officials in establishing the paternity of a child and in obtaining support payments from the father.

B. Food Stamp Program

Food stamp benefits are available to nearly all households that meet federal eligibility tests for limited monthly income and liquid assets, as long as certain household members fulfill work registration and employment and training program requirements. In addition, recipients in two primary federal/state cash welfare programs, the AFDC and SSI programs, generally are automatically eligible for food stamps, as are recipients of state general assistance payments, if the household is composed entirely of AFDC, SSI, or general assistance beneficiaries.

The regular Food Stamp Program operates in all 50 states, the District of Columbia, Guam, and the Virgin Islands. The federal government is responsible for virtually all of the rules that govern the program and, with limited variations for Alaska, Hawaii, and the territories, these rules are nationally uniform. States, the District of Columbia, and the territories may choose to offer the program or not. However, if they do offer food stamp assistance, it must be made available throughout the jurisdiction and comply with federal rules. Sales taxes on food stamp purchases may not be charged, and food stamp benefits do not affect other assistance available to low-income households. Alternative programs are offered in Puerto Rico and the Northern Mariana Islands, and program variations occur in a number of demonstration projects and in those jurisdictions that have elected to exercise the limited number of program options allowed.

Food stamps are designed primarily to increase the food purchasing power of eligible low-income households to a point where they can buy a nutritionally adequate low-cost diet. Participating households are expected to be able to devote 30 percent of their counted monthly cash income to food purchases. Food stamp benefits then make up the difference between the

household's expected contribution to its food costs and an amount judged to be sufficient to buy an adequate low-cost diet. This amount, the maximum food stamp benefit level, is derived from the U.S. Department of Agriculture's lowest-cost food plan (the Thrifty Food Plan), varied by household size, and adjusted annually for inflation. Thus, a participating household with no counted cash income receives the maximum monthly allotment for its household size, intended to enable it to purchase an adequate low-cost diet with its food stamps alone, while one with some counted income receives a lesser allotment, normally reduced from the maximum at the rate of 30 cents for each dollar of counted income and intended to enable it to purchase and adequate low-cost diet with a combination of food stamps and its own cash.

Funding is overwhelmingly federal (the Food Stamp Act provides 100 percent federal funding of food stamp benefits), although the states and other jurisdictions have financial responsibility for significant administrative costs, as well as liability for erroneous benefit determinations (as assessed under the food stamp "quality control" system). In most instances, the federal government provides half the cost of state welfare agency administration, including the cost of optional outreach activities. The 50-percent federal share can be increased to as much as 60 percent where the State has a very low rate of erroneous benefit determinations. And, the cost of carrying out employment and training programs for food stamp recipients is shared in two ways: (1) each State receives a federal grant for basic operating costs (a formula share of $75 million a year) and (2) additional operating costs, as well as expenses for support services to participants (e.g., transportation, child care), are eligible for a 50-percent federal match. Finally, states are allowed to retain a portion of improperly issued benefits that they recover (other than those caused by welfare agency error): 25 percent of recoveries in fraud cases and 10 percent in other circumstances. The federal government is also responsible for its own administrative costs: overseeing program operations (including oversight of participating food establishments), printing and distributing food stamp coupons to welfare agencies, redeeming food stamp coupons through the Federal Reserve, and payments to the Social Security Administration for certain intake services.

Initiated on a pilot basis in 1961, the Food Stamp Program was formally established by the Food Stamp Act of 1964, with 22 states participating -- by 1970 all but five states were participating and by 1975 the program was nationwide. Originally, food stamp coupons were purchased by participants. The difference between the face value of the coupons and the amount the participant paid was known as the "bonus value." Legislation in 1971 required family allotments large enough to purchase a nutritionally adequate diet, established national eligibility standards, provided free food stamps to the poorest recipients, required automatic cost-of-living increases in food stamp allotments, and established work-registration requirements for able-bodied adult household members up to age 65 (except for students and those needed at home to care for children). Legislation in 1977 eliminated the purchase requirement so that households now receive what was formerly the bonus portion of their coupon allotment. OMB poverty guidelines became the new eligibility limits.

In the early 1980s, Congress enacted major revisions to the Food Stamp Program to hold down costs and tighten administrative rules. The Omnibus Budget Reconciliation Act of 1981, the Agriculture and Food Act of 1981, and the Omnibus Budget Reconciliation Act of 1982 all

contained amendments that the Congressional Budget Office has estimated held food stamp spending for fiscal years 1982 through 1985 nearly $7 billion (13 percent) below what would have been spent under pre-1981 law. These laws delayed various inflation indexing adjustments, reduced the maximum benefit guarantee by 1 percent (restored in 1984), established income eligibility ceilings at 130 percent of the federal poverty levels, initiated prorating of first-month benefits, replaced the Food Stamp Program in Puerto Rico with a nutrition assistance block grant, reduced benefits for those with earnings and high shelter expenses, ended eligibility for most postsecondary students and strikers, and raised fiscal penalties for states with high rates of erroneous benefit and eligibility determinations.

In 1985, the Food Security Act (P.L. 99-198) reversed the earlier trend, significantly liberalizing food stamp rules. Major new initiatives included: a requirement for states to implement employment and training programs for food stamp recipients, automatic food stamp eligibility for AFDC and SSI recipients, and a prohibition on collection of sales taxes on food stamp purchases. Benefits were raised for some disabled and those with earnings, high shelter costs, and dependent care costs. Eligibility standards were liberalized, primarily by increasing and easing limits on assets. Legislation in 1986 and 1987 opened up access to and increased benefits for the homeless, liberalized treatment of student aid, energy assistance, and income received from employment programs for the elderly and charitable organizations, and further added to benefits for those with high shelter costs.

Legislation expanding eligibility and benefits continued into 1988 and 1989. The Hunger Prevention Act of 1988 (P.L. 100-435) increased food stamp benefits across the board, liberalized several eligibility and benefit rules, eased program access and administrative rules, and restructured the employment and training program and quality control system. The across-the-board benefit increase in maximum benefits (above normal inflation adjustments) increased to 3 percent in fiscal year 1991 and later years. Eligibility and benefit liberalizations included higher benefits for those with dependent care expenses, extension of liberal treatment for disabled applicants and recipients to new categories of disability, addition of a new income disregard for earned income tax credits, and liberalized treatment for farm households. Employment and training rules were revised by allowing some expansion in the types of activities supported (e.g., basic skills education), requiring increased support for participants' dependent care expenses, and mandating new performance standards for states. Finally, the food stamp quality control system was completely revamped to substantially reduce fiscal sanctions on states for erroneous benefit determinations, retroactively to fiscal year 1986.

Budget constraints dictated minimal expansions in the 1990 Food, Agriculture, Conservation, and Trade Act (P.L. 101-624): limited revisions for postsecondary students, forgiveness of most pre-1986 quality control fiscal sanctions on states, a few changes in administrative rules to open up program access and strengthen penalties for trafficking in food stamps, and new pilot projects and study commissions for welfare program coordination. In addition, other laws eliminated a special requirement for single food stamp/SSI applications for those about to be discharged from institutions and barred the food stamp program from counting (as a liquid asset) lump-sum earned income tax credit payments.

More recently, the Mickey Leland Childhood Hunger Relief Act (incorporated in the 1993 Omnibus Budget Reconciliation Act, P.L. 103-66) increased food stamp benefits and eased eligibility rules by: increasing and then removing the limit on special benefit adjustments (deductions) for households with very high shelter expenses, ending a practice of reducing benefits when there are short "procedural" breaks in enrollment, disregarding child support payments as income to the payor, increasing the degree to which vehicles are disregarded as assets in judging eligibility, revising the definition of a food stamp household to allow more persons who live together to apply separately, increasing the degree to which dependent care expense deductions can be claimed, expanding the degree to which Earned Income Tax Credits are disregarded as assets and state/local general assistance is disregarded as income, and boosting Puerto Rico's block grant. The Act also lowered the federal share of some state administrative expenses (to 50 percent), reduced quality control fiscal penalties on states with high rates of erroneous benefit and eligibility determinations, and liberalized the appeals process for those penalties. Finally, it expanded support for employment and training programs for food stamp recipients, added a new method for collecting claims against recipients, and increased penalties related to trafficking in food stamps. The net cost of the 1993 amendments was estimated at $2.5 billion over fiscal years 1994-98.

A recent report by the U.S. Department of Agriculture, entitled "Food Stamp Program Participation Rates: January 1989," provides a more refined analysis of Food Stamp Program participation rates and the extent to which the program is serving its target population. The report estimates that 59 percent of individuals eligible for food stamps participated, and that 56 percent of eligible households participated. Those households received 66 percent of benefits payable if all eligible households had been enrolled. In addition, particular subgroups of the eligible population participated at different rates. Among groups defined by monthly income levels, participation rates were highest for those with the lowest income and declined as income levels rose. Participation rates were 81 percent for those with income below half the federal poverty guidelines, 68 percent for those with income between half the guidelines and the guidelines themselves, and 17 percent for those with incomes above the poverty thresholds. Demographic groups also showed different participation rates. Eligible elderly households participated at a rate of 29 percent, while households composed of single adult females with children were enrolled the at a rate of 78 percent and 90 percent of eligible disabled nonelderly adult households participated.

C. Supplemental Security Income (SSI) Program

The Supplemental Security Income (SSI) program is a means- tested, federally administered income assistance program authorized by title XVI of the Social Security Act. Established by the 1972 amendments to the Social Security Act (Public Law 92-603) and begun in 1974, SSI provides monthly cash payments in accordance with uniform, nationwide eligibility requirements to needy aged, blind and disabled persons. The SSI program replaced the former Federal grants to the States for old-age assistance, aid to the blind and aid to the permanently disabled. These grants continue in Guam, Puerto Rico and the Virgin Islands. SSI, however, operates in the Commonwealth of the Northern Mariana Islands.

To qualify for SSI payments, a person must satisfy the program criteria for age, blindness or disability. The aged are defined as persons 65 years and older. The blind are individuals with 20/200 vision or less with the use of a correcting lens in the person's better eye, or those with tunnel vision of 20 degrees or less. Disabled individuals are those unable to engage in any substantial gainful activity by reason of a medically determined physical or mental impairment expected to result in death or that has lasted, or can be expected to last, for a continuous period of at least 12 months.

Also, a child under age 18 who has an impairment of comparable severity with that of an adult may be considered disabled. On February 20, 1990, the Supreme Court affirmed the Court of Appeals (Third Circuit) decision in *Sullivan v. Zebley*. As a result, Social Security Administration is completing a reevaluation of childhood disability claims for SSI benefits which were denied because the child's functional limitations were not considered in making the decision on the severity of the impairment. Federal regulations that revise the disability evaluation and determination process for SSI claims of disabled children (i.e., implementing the *Zebley* decision) were issued in February 1991.

A person also must be needy, i.e., have limited income and resources to be eligible for SSI. However, disabled SSI recipients whose incomes exceed the limits because of earnings but who continue to be medically disabled, may continue to be eligible for Medicaid. In addition, to qualify for SSI, a person must (1) be a U.S. citizen or an immigrant lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law and, (2) be a resident of the United States or the Northern Mariana Islands, or a child of military personnel stationed outside the United States.

Further, since SSI payments are reduced by other income, applicants and recipients must apply for any other money benefits due them. The Social Security Administration works with recipients and helps them get any other benefits for which they are eligible. Except for children of military personnel, persons outside of the United States for a month are not eligible for SSI. Blind or disabled children of military personnel who accompany their parents to overseas duty stations may be eligible for SSI if they were eligible in the month before they left the United States. People who get SSI checks can also receive Social Security checks, if they are eligible for them. However, a person cannot get SSI payments and participate in the AFDC program. If a parent or child is eligible under both programs, the parent can choose whichever best suits the family. With certain exceptions, residents of public institutions for a full calendar month are generally ineligible for SSI.

Except in California, which has converted food stamp benefits to cash that is included in the State supplementary payments, SSI recipients may be eligible to receive food stamps. SSI beneficiaries living alone or in a household where all other members of the household receive or are applying for SSI benefits can file for food stamps at an SSA office. If all household members receive SSI, they do not need to meet the food stamp program financial eligibility standards to participate in the program because they are categorically eligible. However, SSI beneficiaries living in households where other household members do not receive or are not applying for SSI benefits are referred to the local food stamp office to file for food stamps.

These households must meet the net income eligibility standard of the food stamp program to be eligible for food stamp benefits. The interaction with the food stamp program has important financial implications for a State which desires to increase the income of its SSI recipients by $1. Because food stamps are reduced by $0.30 for each additional $1 of SSI income including State supplements, the State must expend $1.43 to obtain an effective $1 increase in SSI recipients' total income.

Under SSI law, a child under age 18 who has an impairment of comparable severity with that of an adult may be considered disabled. On February 20, 1990, the Supreme Court ruled in *Sullivan v. Zebley* that the Social Security Administration was improperly determining the eligibility of disabled children for the SSI program. Prior to the *Zebley* decision, for both adults and children, an applicant's condition was compared to a listing of impairments. If it met or equaled a listing, the disability criteria for SSI was met. However, children were evaluated only against the listing, while adults whose condition did not meet or equal a listing were given an individual functional assessment (called a residual functional capacity assessment) to determine disability. In the *Zebley* case, the Supreme Court held that determinations of children's eligibility for SSI also must take into account functional limitations.

The court order defined the *Zebley* class entitled to readjudication and, possibly, retroactive benefits as all title XVI childhood disability claimants who have received a less than favorable decision of the Secretary or whose claims for SSI childhood disability were terminated on or after January 1, 1980, through February 11, 1991, based on medical grounds. January 1, 1980, was the compromise date agreed to by both parties. The plaintiffs supported offering readjudication to all children denied benefits on medical grounds since the beginning of the SSI program in 1974, while the Social Security Administration advocated a retroactive period starting on the date Zebley was filed, July 12, 1983. The closing date of the retroactive class, February 11, 1991, is the date on which the Social Security Administration published the revised regulation for determining disability in children.

Comparison of PRIOR LAW and the PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996 (P.L. 104-193)

PROVISION	PRIOR LAW	P.L. 104 -193
Title I: Block Grants for Temporary Assistance for Needy Families		
AFDC, EA, and JOBS	AFDC provided income support to families with children deprived of parental support. JOBS was an employment and training program for AFDC recipients. Emergency Assistance (EA) provided short term emergency services and benefits to needy families. The federal government established eligibility criteria for AFDC and EA benefits and guidelines for the JOBS program. States determined benefit levels which were required to be applied uniformly to all families in similar circumstances.	The law block grants AFDC, Emergency Assistance (EA), and JOBS into a single capped entitlement to states -- Temporary Assistance to Needy Families (TANF). States are required to implement their block grants programs by 7/1/97. States have the option to submit plans immediately subsequent to the President's signing of the bill (8/22/96). After the Department of Health and Human Services reviews the plan for completeness, the state plan is retroactive to the date of receipt.
Funding	Open-ended funding was on a matching basis for AFDC benefits and administration and EA. JOBS was an entitlement requiring state match and was capped at $1 billion in FY 1996.	The total cash assistance block grant is estimated to be $16.4 billion for each year from FY 1996 to FY 2003. Each state receives a fixed amount -- based on historical expenditures for AFDC benefits and administration, EA, and JOBS -- equal to the greater of: (1) the average of federal payments for these programs in FYs 1992-1994; (2) federal payments in FY 1994, plus additional EA funding for some states; or (3) estimated federal payments in FY 1995. States can carry over unused grant funds to subsequent fiscal years.
AFDC Entitlement	AFDC was an entitlement to states. Recipients of SSI and Foster Care payments were not eligible for AFDC. Eligible individuals were guaranteed aid at state-established benefit levels, although benefits could not fall below May 1988 levels. Certain individuals also received guaranteed child care benefits. States received federal matching dollars for expenditures, without a cap. Benefits were guaranteed to eligible individuals even in recessions and fiscal downturns.	No individual guarantee of benefits, but the state plan must have "objective criteria for delivery of benefits and determining eligibility" and provide an "explanation of how the state will provide opportunities for recipients who have been adversely affected to be heard in an appeal process."

PROVISION	PRIOR LAW	P.L. 104 -193
Time Limits for Cash Assistance	Recipients remained eligible for benefits as long as they met program eligibility rules.	Families who have received federally-funded assistance for 5 cumulative years (or less at state option) would be ineligible for federally-funded cash aid. States are permitted to exempt up to 20% of the caseload from this time limit. Months spent living on Indian reservations with populations of at least 1,000 and unemployment rates of at least 50% do not count against the time limit. Block grant money transferred to Title XX can be used to provide non-cash assistance to families after the federal time limit. State funds that are used to count toward the maintenance of effort requirements may be used to provide assistance to families beyond the federal time limit.

PROVISION	PRIOR LAW	P.L. 104 -193
Work Requirements	For FY 1994, 15% of non-exempt caseload was required to participate in JOBS activities for at least 20 hours per week. This increased to 20% in FY 1995. (There were no statutory single-parent standards after FY 1995). For FY 1994, 40% of two-parent families were required to participate in work activities for at least 16 hours per week. This was scheduled to increase to 75% by FY 1997. Matching rate on JOBS dollars could have been reduced for failing to meet general or AFDC-UP participation rates. Individuals were exempt from JOBS if they were: ill, incapacitated, or aged; had a child under age 3 (or 1 at state option); were under age 16 and in school full time; were in 2nd or 3rd trimester of pregnancy; were needed in the home to care for ill or incapacitated family member; were employed 30 hours or more per week; resided in an area where the program was not available; was a child under 16 attending school; or was providing care to a child under 6 and child care would not be guaranteed.	**General Requirements:** As part of their state plan, states must demonstrate that they will require families to work after two years on assistance. **Work Rates:** A state's required work participation rate for all families is set at 25% in FY 1997, rising to 50% by FY 2002 (states will be penalized for not meeting these rates). The rate for two-parent families increases to 90% by FY 1999. The law provides pro rata reduction in the participation rate for reductions in caseload levels below FY 1995 that are not due to eligibility or federal law changes. **Work Hours:** Single-parent recipients are required to participate 20 hours per week upon implementation of the law, increasing to at least 30 hours per week by FY 2000. Single parents with a child under age 6 are deemed to be meeting the work requirements if they work 20 hours per week. Two-parent families must work 35 hours per week. **Exemptions:** Single parents of children under age 6 who cannot find child care cannot be penalized for failure to meet work requirements. States can exempt from the work requirement single parents with children under age one and disregard these individuals in the calculation of participation rates for up to 12 months. **Other:** For two-parent families, the second spouse is required to participate 20 hours per week in work activities if they receive federally funded child care (and are not disabled or caring for a disabled child). Individuals who receive assistance for 2 months and are not working or exempt for the work requirements are required to participate in community service, with the hours and tasks to be determined by the state (states can opt-out of this provision).

PROVISION	PRIOR LAW	P.L. 104 -193
Work Activities	States were required to provide basic and secondary education, ESL, job skills training, and job readiness. States were required to offer 2 of the following work activities: job search, on-the-job-training, work supplementation, or the community work experience program. Post-secondary education was optional. Two-parent families were required to participate in work activities.	To count toward the work requirement, single-parent families are required to participate at least 20 hours per week and two-parent families 30 hours per week in unsubsidized or subsidized employment, on-the-job training, work experience, community service, up to 12 months of vocational training, or provide child care services to individuals who are participating in community service. Up to 6 weeks of job search (no more than 4 consecutive weeks) counts toward the requirement, except that states with unemployment rates at least 50% above the national average may count up to 12 weeks of job search. Beyond 20 hours per week for single-parent families (or 30 hours per week for two-parent families), participation may also include job skills training related to employment, education directly related to employment (for someone without high school or Graduate Equivalency Degree [GED]), and secondary school or GED (for someone without high school or GED). Teen heads of household (up to age 19) in secondary school also count toward work requirement. However, no more than 20% of the caseload can count vocational training toward meeting the work requirement (including teen parents in secondary school). Individuals who had been sanctioned (for not more than 3 of 12 months) are not included in the denominator of the rate.

PROVISION	PRIOR LAW	P.L. 104 -193
Supplemental Funds	For AFDC and EA, open-ended funds were available as needed. No provision for JOBS.	Establishes a $2 billion contingency fund. For eligible states, state TANF spending in excess of FY 1994 levels of AFDC-related spending is matched to draw down contingency fund dollars. If a state draws down matching child care funds (for which it must exceed its FY 1994 level of child care spending), its child care spending under TANF would not be eligible for a contingency fund match and AFDC-related child care would be subtracted from the FY 1994 base. States can meet one of two triggers to access the contingency fund: 1) an unemployment rate for a 3-month period that was at least 6.5% and equal to 110% of the rate for the corresponding period in either of the two preceding calendar years; or 2) a trigger based on food stamps. Under the second trigger, a state is eligible for the contingency fund if its food stamp caseload increased by 10% over the FY 1994 or 1995 level (adjusted for the impact of the law's immigrant and food stamp provisions on the food stamp caseload). Payments from the fund for any fiscal year is limited to 20% of the state's base grant for that year. A state can draw down no more than 1/12 of its maximum annual contingency fund amount in a given month. The match rate for the contingency fund is the state's Medicaid match rate, times the number of months the state received contingency funds in a fiscal year, divided by 12. The law also includes: 1) an $800 million grant fund for states with exceptionally high population growth, benefits lower than 35% of the national average, or above average growth and below average AFDC benefits (no state match); and 2) a $1.7 billion loan fund.
Maintenance of Effort	States were required to match the federal dollars provided for AFDC, EA, and JOBS. There was no maintenance of effort requirement in AFDC and EA. For JOBS, states were required to spend no less than total state and local expenditures for FY 1986 for training, employment, and education programs whose purpose was preventing welfare dependency.	Each state is required to maintain 80% of FY 1994 state spending on AFDC and related programs, including JOBS, EA, and child care. For states who meet the work participation requirements, the maintenance of effort provision may be reduced to 75%. States must maintain 100% MOE for access to the contingency fund.

PROVISION	PRIOR LAW	P.L. 104 -193
Transfers	No provision.	A state is permitted to transfer up to 30% of the cash assistance block grant to the child care block grant and/or the Title XX block grant. No more than one-third of transferred amounts can be transferred to Title XX, and all such funds transferred must be spent on children and their families whose income is less than 200% of the poverty line.
Persons Convicted of Drug-Related Crimes	No provision.	Individuals who after the date of enactment are convicted of drug-related felonies are prohibited for life from receiving benefits under the TANF and Food Stamps programs. States may opt out of this provision or limit the length of the sanction. Federal benefits specifically exempted: emergency medical services; short-term, noncash disaster; public health for immunizations and communicable diseases; prenatal care; job training programs; and drug treatment programs.

PROVISION	PRIOR LAW	P.L. 104 -193
Penalties	Penalties could have been imposed for JOBS and Quality Control. If a state failed to achieve general and two-parent participation rates, the federal matching rate for JOBS spending (which generally ranged from 60% to 79% among states) was to be reduced to 50%. In addition, states faced a reduced federal match unless 55% of JOBS funds were spent on long-term recipients, those under age 24 with no high school diploma, or those who were within two years of becoming ineligible for aid because of the age of their child. A state could also have been penalized if its payment error rate (based on Quality Control) exceeded national standards.	The following penalties can be imposed on states: (1) for failure to meet the work participation rate, a penalty of 5% of the state's block grant in the first year increasing by 2 percentage points per year for each consecutive failure (with a cap of 21%); (2) a 4% reduction for failure to submit required reports; (3) up to a 2% reduction for failure to participate in the Income and Eligibility Verification System; (4) for the misuse of funds, the amount of funds misused (if the Secretary of HHS was able to prove that the misuse was intentional, an additional penalty equal to 5% of the block grant will be imposed); (5) up to a 5% penalty for failure, by the agency administering the cash assistance program, to impose penalties requested by the child support enforcement agency; (6) escalating penalties of 1% to 5% of block grant payments for poor performance with respect to child support enforcement, (7) a 5% penalty for failing to comply with the 5-year limit on federally-funded assistance; (8) a 5% penalty for failing to maintain assistance to a parent who cannot obtain child care for a child under age 6; and (9) penalties for failure to meet conditions for loan and contingency funds received. States that are penalized must expend additional state funds to replace federal grant penalty reductions.
Individual Responsibility Plans	An employability plan was required in JOBS.	States are required to make an initial assessment of recipients' skills. At state option, Individual Responsibility Plans can be required.

PROVISION	PRIOR LAW	P.L. 104 -193
Teen Parent Provisions	AFDC benefits were available to each eligible dependent child and parent, regardless of whether the mother was under age 18. States were given the option to require minor parents to reside in their parents' household, with a legal guardian, or in another supervised living arrangement, with certain exceptions. Teens who were not in school were required to participate in educational activities. No provision to locate adult-supervised homes.	Unmarried minor parents are required to live with an adult or in an adult-supervised setting and participate in educational and training activities in order to receive assistance. States are responsible for locating or assisting in locating adult-supervised setting for teens. The Secretary of HHS is required to establish and implement a strategy to: (1) prevent non-marital teen pregnancies; and (2) assure that at least 25% of communities have teen pregnancy prevention programs. The Department will report to Congress annually on progress in these areas. No later than January 1, 1997, the Attorney General shall establish and implement a program that provides research, education, and training on the prevention and prosecution of statutory rape.
Performance Bonus to Reward Work	No provision.	The Secretary of HHS, in consultation with NGA and APWA, is required to develop a formula measuring state performance relative to block grant goals. States will receive a bonus based on their score on the measure(s) in the previous year, but the bonus can not exceed 5% of the family assistance grant. $200 million per year is available for performance bonuses (in addition to the block grant), for a total of $1 billion between FYs 1999 and 2003.
Family Cap	Families on welfare received additional AFDC benefits whenever they had another child.	No provision, so state option.
Illegitimacy Bonus	No provision for Illegitimacy Bonus, however states were required to provide family planning services (to prevent/reduce the incidence of births out of wedlock) to any AFDC recipient who requested the services. The law required a reduction of 1% in AFDC matching funds if a state failed to offer and provide family planning.	The law establishes a bonus for states who demonstrate that the number of out-of wedlock births and abortions that occurred in the state in the most recent two-year period decreased compared to the number of such births in the previous period. The top five states will receive a bonus of up to $20 million each. If less than five states qualify, the grant will be up to $25 million each. Bonuses are authorized in FYs 1999-2002.

PROVISION	PRIOR LAW	P.L. 104 -193
Waivers	The Secretary of HHS had the authority under Section 1115 of the Social Security Act to waive specified provisions of the Act in the case of demonstration projects that were likely to promote the objectives of the Act. Such demonstration projects were required to be cost-neutral to the federal government and rigorously evaluated.	Under the new law, states which receive approval for welfare reform waivers before July 1, 1997 have the option to operate their cash assistance program under some or all of these waivers. For states electing this option, provisions of the new law which are inconsistent with the waivers will not take effect until the expiration of the applicable waivers in the geographical areas covered by the waivers.
Medicaid Guarantee	*These policies remain in effect in P.L. 104-193.* Federal Medicaid law mandates that state Medicaid programs cover specified categories of individuals, including members of families receiving AFDC; other low-income families, children and pregnant women; low-income Medicare beneficiaries; and, in general, recipients of SSI. Federal law also specifies numerous groups whom states could, at their option, have made eligible for Medicaid. These groups include those whose medical costs impoverish them ("medically needy"), as well as persons who are in nursing facilities or other institutions, or who required institutional care if they are not receiving care in the community.	Regardless of a state's TANF eligibility requirements, for purposes of Medicaid eligibility the new law requires states to provide medical assistance to individuals based on AFDC income and resource eligibility requirements they had in place on 7/16/96; however, states may terminate Medicaid eligibility for adults who are terminated from TANF for failure to work. (The new law does not change other Medicaid eligibility categories). States have the option of using more liberal income and resource standards or methodologies for Medicaid eligibility. States are not permitted to reduce income standards below those in place in 5/1/88. States are not permitted to increase the income standard above that of 7/16/96 by more than the percentage increase in the consumer price index for all urban consumers over the same period.
Transitional Medicaid	*These policies remain in effect in P.L. 104-193.* AFDC recipients are entitled to one year of transitional Medicaid when they lose welfare due to increased earnings from work. This provision sunsets 9/30/98. Families who lose welfare due to collection of child or spousal support are entitled to 4 months of transitional Medicaid.	Families losing Medicaid benefits due to increased earnings from work, child support, or spousal support will receive transitional Medicaid benefits as under prior law. The sunset has been extended to 9/30/01.
Reductions in Federal Government	No provision.	The Secretary of HHS is required to reduce the number of positions at HHS related to the conversion of AFDC, JOBS, and EA into the TANF block grant by 75% or by 245 full-time equivalent program positions and 60 managerial positions.

PROVISION	PRIOR LAW	P.L. 104 -193
Title II: Supplemental Security Income		
SSI for Children	Children with disabilities who did not meet or equal the Listing of Medical Impairments were determined to be disabled (thereby eligible for cash benefits if all other criteria were satisfied) if they suffered from any medically determinable physical or mental impairment of comparable severity to an adult. Comparable severity was found if the child was not functioning at an age appropriate level as measured by the Individual Functional Assessment (IFA) and evaluated by SSA.	Provides a new definition of disability for children. Under this new definition, a child will be considered to be disabled if he or she has a medically determinable physical or mental impairment which results in marked and severe functional limitations, which can be expected to result in death or which has lasted or can be expected to last for at least 12 months. In addition, this law instructs SSA to remove references to maladaptive behavior as a medical criteria in its listing of impairments used for evaluating mental disabilities in children. All of these provisions will apply to new claims filed on or after enactment and to all claims that have not been finally adjudicated (including cases pending in the courts) prior to enactment. SSA is also required to redetermine the cases of children currently receiving SSI to determine whether they meet the new definition of disability. Redeterminations of current recipients must be completed during the year following the enactment. The earliest that a child currently receiving SSI can lose benefits is July 1, 1997. If the redetermination is made after that date, then benefits will end the month following the month in which the redetermination is made. SSA is required to notify all children potentially affected by the change in the definition by January 1, 1997. An additional $150 million for FY 1997, and $100 million for FY 1998 is authorized for continuing disability reviews and redeterminations. For privately insured, institutionalized children, cash benefits will be limited to $30 per month. The law requires that large retroactive SSI payments due to child recipients be deposited into dedicated savings accounts, to be used only for certain specified needs appropriate to the child's condition. The law provides that large retroactive benefit amounts will be paid in installments (applies to children and adults).

PROVISION	PRIOR LAW	P.L. 104 -193
SSI Continuing Disability Reviews (CDRs)	Required the Social Security Administration (SSA) to conducts CDRs on at least 100,00 SSI cases (including both adults and children) in each of FYs 1996-1998.	Requires CDRs once every 3 years for recipients under age 18 with non-permanent impairments and not later than 12 months after birth for low-birth weight babies. Requires that the representative payee of a recipient whose continuing eligibility is being reviewed to present evidence, at the time of the review, that the recipient is receiving medical treatment, unless the Commissioner of SSA determines that such treatment would be inappropriate or unnecessary. The Commissioner may change the payee if he/she refuses to cooperate. Applies to benefits for months beginning on or after enactment.
SSI Redetermination Upon Attainment of Age 18	Required redeterminations, using the adult initial eligibility criteria, of the eligibility of one-third of the recipients who attain age 18 in or after May 1995 in each of the FYs 1996 through 1998. Required SSA to submit a report regarding these reviews to Congress not later than 10/1/98.	Requires eligibility determinations, using adult initial eligibility criteria during the one-year period beginning on a recipients' 18th birthday. No provision for reports to Congress regarding these reviews.

PROVISION	PRIOR LAW	P.L. 104 -193
	Title III: Child Support	
Child Support	The state was required to establish paternity and establish and enforce child support orders for AFDC, Medicaid, IV-E recipients, and for all others upon request. States were required to disregard the first $50 a month in child support payments collected by the state and pass that amount through to the family.	States must operate a child support enforcement program meeting federal requirements in order to be eligible for the Family Assistance Program. Recipients must assign rights to child support and cooperate with paternity establishment efforts. Distribution rules are changed so that families no longer on assistance have priority in receipt of child support arrears. Current law $50 pass-through is not required. Individuals who fail to cooperate with paternity establishment will have their monthly cash assistance reduced by at least 25%. Streamlines the process for establishing paternity and expands the in-hospital voluntary paternity establishment program. The law requires states to establish central registries of child support orders and centralized collection and disbursement units. Requires states to have expedited procedures for child support enforcement. Establishes a Federal Case Registry and National Directory of New Hires to track delinquent parents across states lines. Requires that employers report all new hires to state agencies and new hire information to be transmitted to the National Directory of New Hires. Expands and streamlines procedures for direct withholding of child support from wages. Provides for uniform rules, procedures, and forms for interstate cases. Requires states to have numerous new enforcement techniques, including the revoking of drivers and professional licenses for delinquent obligors, expanding wage garnishment, and allowing states to seize assets. Provides grants to states for access and visitation programs.

PROVISION	PRIOR LAW	P.L. 104 -193
Title IV: Restricting Welfare and Public Benefits for Aliens		
Immigrants	Legal immigrants were eligible for SSI benefits (subject to deeming); illegal immigrants were not eligible. Legal immigrants were eligible for AFDC, Medicaid, Food Stamp, and Social Services benefits (subject to deeming in AFDC and Food Stamps); illegal immigrants were not eligible, except for emergency Medicaid services. The Social Services block grant did not take immigration status into account. A portion of a sponsor's income and resources was "deemed" available to a sponsored immigrant for 3 years under AFDC, Food Stamps, and SSI (although deeming was temporarily extended 3 to 5 years in SSI (from 1/1/94 to 10/1/96). Some immigrants were required to satisfy State Department or INS that they were not likely to become a public charge. Courts ruled affidavits of support (which were used by AFDC, SSI, and Food Stamps to determine when sponsor deeming was applied) to be morally, rather than legally, binding.	Most legal immigrants (both current and future, and including current recipients) will be ineligible for SSI until citizenship. Exemptions are made for refugees and persons whose deportation has been withheld under section 243(h) of the INA for first 5 years in country; asylees until 5 years after granting of asylee status; Active Armed Forces personnel, veterans, and their spouses and dependent children; and people with 40 quarters of work). Eliminates eligibility of legal immigrants for SSI and Food Stamps immediately at the time of recertification (no later than one year after enactment). Medicaid, TANF block grants, Title XX Social Services, State-funded Assistance: States have the option to make most current legal immigrants already in the U.S. ineligible for Medicaid, TANF, Title XX Social Services, and state-funded assistance until citizenship (with same refugee/asylees and other exemptions as described above). Current recipients are eligible to continue receiving benefits until January 1, 1997. Future immigrants (entering on or after enactment) will be ineligible for 5 years for certain federal means-tested programs, including Medicaid, with same refugee/asylee and other exemptions as described above. All applicants for most federal, state and local programs would be subject to new verification requirements (with certain exceptions) to determine if they are qualified and eligible for benefits. Not later than 18 months after enactment, the Attorney General in consultation with the Secretary of Health and Human Services, shall issue regulations on programs requiring verification. States that administer a program that provides a federal public benefit have 24 months after such regulations are issued to implement a verification system that complies with the regulations.

PROVISION	PRIOR LAW	P.L. 104 -193
Immigrants, continued	States were generally determined to be constitutionally prohibited from denying benefits to legal immigrants, due primarily to the equal protection clauses of the 14th Amendment to the Constitution. Illegal immigrants were ineligible for major means-tested entitlement benefits (except emergency Medicaid). Immigration status was required to be verified. Eligibility criteria for most discretionary-funded programs (e.g., Head Start, public health clinics) did not take into consideration immigration status. Health and welfare workers were generally prohibited from reporting illegal immigrants to law enforcement agencies.	Future sponsors/immigrants will be required to sign new, legally binding affidavits of support (which are to be promulgated by the Attorney General 90 days after enactment). For these future immigrants, the law extends deeming to citizenship or 40 work quarters; changes deeming to count 100% of a sponsor's income and resources; and expands the number of programs that are required to deem, including Medicaid (except emergency Medicaid). These rules are effective immediately with regard to programs that currently deem, and effective 180 days after enactment for programs that do not currently deem. People exempted from 5-year ban on future immigrants and deeming: Refugees/asylees, veterans, and Cuban/Haitian entrants receiving refugee/entrant assistance.

PROVISION	PRIOR LAW	P.L. 104 -193
	Title V: Child Protection	
Child Protection and Adoption	States received entitlement funds under several programs for a variety of purposes. Most funds were reimbursements to states for a portion of their costs incurred in maintaining eligible children in foster care or assisted adoptions, as well as related administrative and child placement services. States also received funds from formula grants for the provision of child welfare services, family preservation and support services, independent living services, and child abuse prevention and treatment services. Some of these programs were capped entitlements while others were appropriated funds. Several demonstration authorities were aimed at providing funds for innovative programs through which new knowledge may be developed. The states were required to have in place approved plans with regard to funds provided under IV-B (Child Welfare Services and Family Preservation and Support Services), and IV-E (Foster Care and Adoption Assistance). Eligibility for CAPTA state grant program was tied principally to the existence of laws and procedures regarding child abuse and neglect reports and investigations. States were required to comply with a series of protections designed to assure children were not removed from their parents unnecessarily and that efforts were made to assure that children in the state's care were quickly placed in a permanent home, either through reunification or adoption. Every child was required to have a case plan, the child's status to be reviewed periodically, and reasonable efforts must have been made to reunify the family.	Child Protection Block grant provisions have been dropped. Current provisions are: (1) authority for states to make foster care maintenance payments using IV-E funds on behalf of children in for-profit child care institutions; (2) extension of the enhanced federal match for statewide automated child welfare information systems through 1997; (3) appropriation of $6 million per year in each of FYs 1996-2002 for a national random sample study of abused and neglected children or children at risk of abuse and neglect; and (4) a requirement that states consider giving preference for kinship placements, provided that the relative meets state standards for child protection.

PROVISION	PRIOR LAW	P.L. 104 -193
	Title VI: Child Care	
Child Care	There are two child care funding types: * Title IV-A welfare-related child care entitlement -- AFDC/JOBS, Transitional (TCC), and At-Risk Child Care. * Discretionary Child Care and Development Block Grant (CCDBG). Open-ended entitlement funding for AFDC & TCC in FY 1995 equaled approximately $893 million. At-Risk was capped at $300 million per year. $935 million was authorized in FY 1995 for CCDBG. Child care was guaranteed for working AFDC recipients, those participating in JOBS or state-approved training or education programs, as well as for up to one year during transition off welfare due to employment. Provided good cause exception from participation in JOBS to parents who did not have child care.	There is a separate allocation specifically for child care. The law authorizes $13.9 billion in mandatory funding for FYs 1997-2002. States receive approximately $1.2 billion of the mandatory funds each year. The remainder is available subject to state match (at the 1995 Medicaid rate). Also, states must maintain 100% of FY 1994 or FY 1995 child care expenditures (whichever is greater) to draw down the matching funds. Also authorizes $7 billion in discretionary funding for FYs 1996-2002. The law provides no child care guarantee, but single parents with children under 6 who cannot find child care may not be penalized for failure to engage in work activities.
Child Care -- Health and Safety/Quality and Supply	Child care providers receiving federal child care subsidy were required to meet health and safety standards set by the states. Under CCDBG, states were required to protect health and safety of children in child care by setting standards in three areas: 1) building and physical premises safety; 2) control of infectious disease; 3) health and safety training for providers. Required states to use 25% of CCDBG funds to improve the quality of child care and to increase the availability of early childhood development and before- and after-school programs. Appropriate quality expenses included: 1) resource and referral; 2) grants or loans to assist in meeting state standards; 3) monitoring of compliance with licensing and regulatory requirements; 4) training; and 5) compensation.	Extends current law requirement that all states establish health and safety standards for prevention and control of infectious diseases, including immunizations, building and physical premises safety, and minimum health and safety training. Extends health and safety protections to all federally funded child care (including mandatory funding). Requires states to use not less than 4% of total federal (mandatory and discretionary) child care funds to provide consumer education to parents and the public, to increase parental choice, and to improve the quality and availability of child care (such as resource and referral services).

PROVISION	PRIOR LAW	P.L. 104 -193
Title VII: Child Nutrition Programs		
Child Nutrition	Eligibility criteria did not take into account immigration/citizenship status.	The law makes individuals who are eligible for free public education benefits under state or local law also eligible for school meal benefits under the National School Lunch Act and the Child Nutrition Act of 1966, regardless of citizenship or immigrant status. States have the option to determine whether to provide WIC and other child nutrition benefits to illegal aliens and certain other noncitizens.
	Prior law rates were $2.235 for each lunch/support, $1.245 for each breakfast, and $.5875 for each snack. Rates were rounded to the nearest quarter cent.	Effective for the summer of 1997, reduces maximum reimbursement rates for institutions participating in the Summer Food Service Program to $1.97 for each lunch/supper, $1.13 for each breakfast, and 46 cents for each snack/supplement. Rates are adjusted each January and rounded to the nearest lower cent.
	All meals served in family or group day care homes received the same reimbursement rates of $1.625 for each lunch/supper, $.8875 for each breakfast, and $.485 for each snack.	Restructures reimbursements for family or group day care homes under the Child Care Food Program to better target benefits to homes serving low-income children and reduces reimbursement rates for higher income children to 95 cents for lunches/suppers, 27 cents for breakfasts, and 13 cents for supplements.
	Reimbursement rates for full price meals rounded down to the nearest quarter cent.	Rounds down to the nearest cent when indexed the reimbursement rates for full price meals in the school breakfast and school lunch programs and in child care centers. Eliminates School Breakfast start-up and expansion grants. Makes funding for the Nutrition Education and Training (NET) Program discretionary.

PROVISION	PRIOR LAW	P.L. 104 -193
Title VIII: Food Stamps and Commodity Distribution		
Food Stamps	Six categories of legal aliens were allowed to receive food stamp benefits if they met eligibility criteria.	Most legal immigrants (both current and future, and including current recipients) will be ineligible for Food Stamps until citizenship (exemptions for: refugees/asylees, but only for the first five years in the U.S.; veterans; and people with 40 quarters of work). Eliminates eligibility of legal immigrants at the time of redetermination. (Implementation of this provision was delayed until April 1, 1997 by the subsequently passed immigration provisions in the 1997 appropriations law.) Redeterminations must take place by August 22, 1997. Future immigrants entering after enactment will be ineligible for five years (same exemptions as noted earlier).
	The income and resources of an alien's sponsor and the sponsor's spouse, less a pro-rated share for the sponsor and spouse, were attributed to aliens for 3 years.	For sponsors/immigrants signing new legally binding affidavits of support: extends deeming until citizenship and changes deeming to count 100% of sponsor's income and resources.
	Maximum benefit levels were based on 103% of the cost of the Thrifty Food Plan and were indexed annually.	Reduces maximum benefit levels to the cost of the Thrifty Food Plan and maintains indexing.
	The Shelter deduction cap was $247; it would have increased October 1, 1996 and each October 1 thereafter. The standard deduction was $134; it would have increased October 1, 1996 and each October 1 thereafter. All governmental energy assistance was excluded as income. Earnings of elementary and high school students under 22 were excluded as income. Individuals under 22 who lived with their parents could be certified as separate households if they also lived with their spouses and/or children.	Retains the cap on the excess shelter deduction and sets it at $247 through 12/31/96; $250 from 1/1/97 through 9/30/98; $275 for FYs 1999 and 2000; and $300 from FY 2001 and thereafter. Freezes the standard deduction at the FY 1995 level of $134 for the 48 states and DC, and makes similar reductions for other areas. Includes as income for the Food Stamp Program energy assistance provided by state and local government entities. Lowers the age for excluding from income the earnings of elementary and secondary students to those who are 17 and under. Requires individuals 21 and under living with a parent to be part of the parent's household.

PROVISION	PRIOR LAW	P.L. 104 -193
Food Stamps, continued	Able-bodied adults between 16 and 60 were expected to register for and accept jobs or participate in the Employment and Training Program unless they were already working, subject to the requirements of other work programs, students, or responsible for dependents under six or incapacitated people.	Establishes a new work requirement under which non-exempt 18-50 year olds without dependent children or not responsible for dependent children will be ineligible to continue to receive food stamps after 3 months in 36 unless they are working or participating in a workfare, work, or employment and training program. Individuals may qualify for three additional months in the same 36-month period if they have worked or participated in a work or workfare program for 30 days and lose that placement. Permits states with waiver requests denied by August 1, 1996 to lower the age at which a child exempts a parent/caretaker from food stamp work rules from 6 years to 1 year old for up to 3 years.
	Disqualified recipients for 6 months for first intentional violations; 1 year for second violations or first drug violations; and permanently for third violations, second drug violations, or first violations involving firearms. States were required to collect claims resulting from overissuances to households but could not require households whose claims were due to state errors to repay claims through allotment reductions; states could retain 50% of amounts recovered from fraud claims and 25% of nonfraud recoveries.	Program Integrity and Additional Retailer Management Controls: Doubles recipient penalties for fraud violations to one year for first offense and two years for second offense; permanently disqualifies individuals convicted of trafficking in food stamp benefits of $500 or more; disqualifies for 10 years those convicted of fraudulently receiving multiple benefits; mandates that states collect claims by various means including the Federal Tax Refund Offset Program (FTROP); allows retention of 35% of collections for fraud claims and 20% for other client error claims; and allows allotment reductions for claims arising from state agency errors.
	USDA had limited tools for insuring that only qualified stores were authorized to accept and redeem food stamps, monitoring their participation, and deterring violations.	The law also requires a waiting period for retailers denied approval; permits disqualification of retailers disqualified under WIC; expands criminal forfeiture; disqualifies up to permanently retailers who intentionally submit falsified applications; and improves USDA's ability to monitor authorized stores.
	No prior law counterpart.	Gives states the option to require cooperation with Child Support Enforcement agencies for custodial and non-custodial parents. Permits states to disqualify non-custodial parents with child support orders who are not paying support.
	No prior law counterpart.	Work Supplementation: Permits use of food stamp benefits to subsidize jobs for Title IV-A food stamp recipients.

PROVISION	PRIOR LAW	P.L. 104 -193
Food Stamps, continued	The Food Stamp Act contained many prescriptive requirements related to states' administration of the FSP, particularly in the areas of client services, but also related to verification methods and training of states' employees. Demonstration project waiver authority prohibited approving project that would lower or further restrict FSP income or resource standards or benefit levels. A few demonstration projects cashed out food stamp benefits to specific populations (SSI, elderly) to provided benefits in the form of wages, or provided cash benefits as part of welfare reform.	Simplifies program administration by expanding states' flexibility. Allows states to submit standard cost allowances to use in calculating self-employment income; deletes detailed federal requirements over application form; deletes detailed federal customer service requirements over areas such as toll-free telephone numbers; extends expedited service processing period to seven days and eliminates requirement to provide expedited service to homeless persons; makes use of the income and eligibility verification system (IEVS) and the immigration status verification system (SAVE) optional; permits states to determine their own training needs; and authorizes the Simplified Food Stamp Program, through which states can employ a single set of rules for their state cash assistance programs and the Food Stamp Program. Expands Food Stamp waiver authority to permit projects that reduce, within set parameters, benefits to families. New demonstration projects testing cash-out of benefits are prohibited under the new waiver authority.
	The Fair Market Value of most licensed vehicles was counted toward households' resource limit to the extent that the value exceeded $4600. This amount would have increased to $5000 October 1, 1996 and was indexed thereafter.	Sets and freezes the Fair Market Value for the vehicle allowance at $4650.
	USDA has been moving expeditiously to implement electronic benefit issuance.	Requires EBT implementation by all states by October 1, 2002, unless waived by USDA. Exempts Food Stamp EBT from the requirements of Regulation E. Consolidates the Emergency Food Assistance Program and the Soup Kitchen/Food Bank Program; provides for $100 million in mandatory spending in the Food Stamp Act to purchase commodities. Provides for state option to restrict benefits to illegal aliens.

PROVISION	PRIOR LAW	P.L. 104 -193
	Title IX: Miscellaneous	
Title XX -- Social Services Block Grant	Title XX social services block grant program provided assistance to states to enable them to furnish services directed at: 1) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency; 2) achieving or maintaining self-sufficiency, including reduction or prevention of dependency; preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving rehabilitating or reuniting families; 4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and 5) securing referral or admission for institutional care when other forms of care were not appropriate, or providing services to individuals in institutions. Funding for the Social Services Block Grant was capped at $2.8 billion a year. Funds were allocated among states according to the state's share of its total population.	Annual funding for the Social Services Block Grant is $2.38 billion in FYs 1996-2002, and $2.8 billion in FY 2003 and each succeeding fiscal year. Non-cash vouchers for families that become ineligible for cash assistance under family caps or Title IV-A time limits are authorized as an allowable use of Title XX funds.
Drug Testing	No provision.	Nothing in federal law prohibits states from performing drug tests on recipients or from sanctioning recipients who test positive for controlled substances.
Abstinence Education	No provision.	Starting in FY 1998, $50 million a year in mandatory funds will be added to the appropriations of the Maternal and Child Health (MCH) Block Grant. The funds will be allocated to states using the same formula used for Title V MCH block grant funds. Funds will enable states to provide abstinence education with the option of targeting the funds to high risk groups (i.e. groups most likely to bear children out-of-wedlock). Education activities are explicitly defined.

Appendix B

State-by-State Trend Data

Table B.1 TOTAL AFDC EXPENDITURES BY STATE
SELECTED FISCAL YEARS, 1984-95

[Millions of dollars]

	1984	1986	1988	1990	1992	1993	1994	1995
Alabama	$73.7	$68.3	$62.1	$61.5	$85.1	$95.5	$91.9	$82.6
Alaska	37.3	46.0	53.7	59.5	96.3	110.6	112.5	107.3
Arizona	66.9	78.6	103.3	138.4	242.6	268.7	265.9	256.9
Arkansas	39.0	48.4	53.3	57.0	61.1	59.8	57.4	48.8
California	3,206.8	3,573.6	4,091.0	4,954.9	5,828.3	5,855.0	6,088.3	6,125.4
Colorado	107.3	106.6	125.1	136.7	162.5	164.0	158.2	142.8
Connecticut	226.3	223.4	218.4	295.2	376.9	386.3	397.0	383.1
Delaware	27.6	24.7	24.2	28.7	37.3	39.7	39.7	36.4
Dist. of Columbia	75.2	76.5	76.2	84.0	102.4	112.6	126.3	124.1
Florida	251.1	261.3	318.1	417.5	733.1	804.7	806.2	764.0
Georgia	148.5	222.8	265.8	320.7	420.3	432.1	427.9	414.4
Guam	4.8	4.1	3.3	5.0	7.8	9.2	12.1	13.7
Hawaii	82.8	73.3	77.2	98.8	125.3	143.4	163.0	172.8
Idaho	20.6	19.3	19.3	19.5	24.0	28.5	30.3	31.6
Illinois	844.7	885.8	814.8	838.7	882.6	882.9	913.5	882.1
Indiana	152.9	147.5	167.3	169.9	218.2	224.8	228.2	196.6
Iowa	158.9	169.7	155.0	152.4	164.3	163.3	169.2	149.4
Kansas	86.8	91.2	97.3	105.1	119.2	125.9	123.1	113.6
Kentucky	134.5	104.4	142.9	179.1	213.1	210.0	198.3	182.6
Louisiana	144.7	161.5	182.2	188.0	181.8	176.9	168.4	151.1
Maine	69.1	84.0	79.8	101.3	118.3	117.1	107.5	101.1
Maryland	229.1	249.7	250.2	295.8	333.3	316.5	313.8	307.9
Massachusetts	405.7	470.8	557.9	630.3	750.9	749.9	729.7	646.1
Michigan	1,213.6	1,247.8	1,231.4	1,211.3	1,162.0	1,190.1	1,132.2	999.9
Minnesota	286.7	322.3	337.8	355.0	387.0	384.0	379.4	356.0
Mississippi	57.5	74.0	85.3	86.3	88.8	86.9	81.7	75.1
Missouri	195.5	208.6	214.7	228.0	273.9	283.8	286.9	275.5
Montana	27.4	36.8	41.4	40.4	45.7	49.1	48.9	48.3
Nebraska	56.3	61.5	56.3	58.6	65.3	65.6	61.6	56.7
Nevada	10.2	15.7	20.4	27.2	41.0	44.0	48.1	51.6
New Hampshire	16.4	19.6	21.1	31.8	54.4	56.0	61.9	56.9
New Jersey	484.8	509.0	458.7	451.4	527.2	538.2	531.3	509.8
New Mexico	48.9	51.3	56.2	60.6	105.9	119.1	143.9	156.9
New York	1,915.7	2,098.6	2,140.1	2,259.0	2,944.3	2,658.4	2,913.1	3,042.3
North Carolina	149.0	137.6	205.6	246.7	335.3	353.4	352.5	334.4
North Dakota	15.8	19.9	21.9	24.3	27.5	28.1	25.6	22.6
Ohio	724.8	803.5	805.3	877.2	984.0	980.5	1,015.8	849.1
Oklahoma	84.5	100.2	118.5	132.1	169.2	172.0	165.2	152.0
Oregon	100.9	120.4	128.1	145.2	200.1	202.4	196.7	180.8
Pennsylvania	723.8	388.8	746.8	798.3	906.1	917.7	934.8	904.6
Puerto Rico	37.6	33.0	66.7	71.5	75.3	76.8	73.9	68.3
Rhode Island	71.0	78.8	81.6	99.0	128.4	134.2	136.0	133.6
South Carolina	74.7	103.2	91.2	95.7	119.2	118.0	115.1	107.1
South Dakota	17.3	14.5	21.0	21.7	25.2	25.0	24.6	22.7
Tennessee	82.6	99.9	125.4	167.9	205.8	219.8	215.1	198.7
Texas	222.8	280.5	344.1	415.9	516.5	532.3	544.3	519.8
Utah	51.6	54.5	61.3	64.1	75.5	78.0	77.3	70.1
Vermont	39.9	39.5	40.2	48.1	67.0	65.7	64.9	61.9
Virgin Isiands	2.0	2.1	2.3	2.9	3.5	3.5	3.5	4.3
Virginia	165.0	178.9	168.6	177.4	224.8	231.2	253.0	222.4
Washington	294.1	375.2	401.4	437.9	605.9	605.5	609.9	605.7
West Virginia	75.0	109.0	106.9	110.0	120.1	121.6	125.9	108.9
Wisconsin	519.0	443.8	505.9	440.4	453.3	441.2	424.7	389.3
Wyoming	12.6	15.8	18.7	19.3	27.2	26.5	21.4	20.7
United States	$14,370.8	$15,235.4	$16,663.3	$18,543.2	$22,250.5	$22,286	$22,797.4	$22,040.2

Source: Department of Health & Human Services, ACF/OFA/DPE, *Time Trends, FY 1984-1993,* unpublished data.

Table B.2 AVERAGE MONTHLY NUMBER OF AFDC RECIPIENTS BY STATE: SELECTED FISCAL YEARS, 1975-95

[In thousands]

	1975	1979	1983	1986	1989	1994	1995	Percent change	
								1975-89	1989-94
Alabama	163.0	175.8	154.5	146.0	129.0	132.1	117.7	-20.8	2.3
Alaska	11.5	14.0	11.0	16.9	19.4	38.0	36.9	68.2	95.6
Arizona	73.4	48.9	67.5	74.4	105.4	200.8	190.2	43.6	90.6
Arkansas	106.3	87.0	63.8	66.6	69.6	69.3	63.3	-34.5	-0.4
California	1,355.6	1,354.6	1,579.7	1,644.2	1,762.9	2,639.2	2,679.7	30.0	49.7
Colorado	101.8	76.5	85.2	83.5	97.3	119.0	108.9	-4.4	22.3
Connecticut	125.3	136.4	128.0	117.3	106.2	165.9	170.6	-15.3	56.3
Delaware	31.6	31.6	26.5	21.9	19.2	27.5	24.9	-39.3	43.2
Dist. of Columbia	104.0	88.9	62.4	55.2	47.9	74.0	72.9	-54.0	54.5
Florida	260.7	231.2	281.3	275.4	326.8	669.4	621.9	25.4	104.9
Georgia	354.6	209.6	240.0	237.9	265.9	393.5	382.6	-25.0	48.0
Guam	3.1	4.6	5.4	5.8	4.1	7.2	7.6	30.8	76.7
Hawaii	47.2	59.1	54.5	47.0	42.8	62.0	65.6	-9.3	45.0
Idaho	19.5	19.9	18.9	17.1	16.8	23.2	23.9	-13.6	37.8
Illinois	774.1	678.3	734.9	736.9	632.2	712.3	696.2	-18.3	12.7
Indiana	163.6	147.8	164.5	161.0	147.4	216.0	189.0	-9.9	46.6
Iowa	85.0	93.6	103.3	127.1	97.6	110.3	100.5	14.8	13.0
Kansas	67.1	63.5	72.2	68.8	73.9	86.7	79.5	10.0	17.4
Kentucky	166.1	164.3	152.5	161.8	155.7	208.0	189.4	-6.2	33.6
Louisiana	235.0	205.3	200.3	241.6	276.6	248.2	251.2	17.7	-10.3
Maine	80.9	60.1	48.9	58.4	50.8	64.3	59.9	-37.2	26.6
Maryland	217.2	206.5	192.4	191.9	176.1	221.8	223.3	-18.9	25.9
Massachusetts	347.3	357.7	256.4	235.2	241.7	307.1	273.6	-30.4	27.1
Michigan	636.6	626.7	751.6	672.7	639.9	665.8	597.7	0.5	4.0
Minnesota	127.4	128.8	138.7	160.1	163.5	187.0	167.2	28.3	14.3
Mississippi	186.1	170.5	151.2	159.8	178.8	158.7	144.1	-3.9	-11.2
Missouri	268.7	192.6	181.5	200.5	203.1	263.5	253.9	-24.4	29.7
Montana	21.9	17.6	18.0	25.8	27.7	34.9	33.8	26.4	25.8
Nebraska	38.2	35.4	41.0	47.1	41.0	45.3	41.4	7.3	10.4
Nevada	14.1	10.0	13.0	15.9	20.1	37.7	40.9	42.4	87.2
New Hampshire	26.0	21.3	18.9	13.1	12.7	30.3	27.9	-51.0	138.6
New Jersey	433.5	457.2	397.1	355.7	297.8	335.4	316.1	-31.3	12.6
New Mexico	60.8	51.2	48.0	51.5	58.7	102.2	103.7	-3.5	74.3
New York	1,207.8	1,111.7	1,089.8	1,099.5	979.1	1,254.7	1,255.5	-18.9	28.1
North Carolina	169.6	192.4	174.2	175.0	200.3	332.6	313.3	18.1	66.1
North Dakota	13.6	13.2	11.0	13.4	15.3	16.5	14.5	12.3	7.6
Ohio	537.9	477.5	634.4	676.7	629.1	684.5	612.0	16.9	8.8
Oklahoma	99.1	86.2	72.3	87.9	103.0	131.2	123.7	3.9	27.3
Oregon	100.0	114.2	73.6	82.0	87.3	114.0	104.0	-12.7	30.7
Pennsylvania	637.4	637.2	579.4	580.2	522.7	619.6	596.3	-18.0	18.6
Puerto Rico	263.6	164.3	183.4	176.3	185.3	182.6	168.3	-29.7	-1.5
Rhode Island	51.8	49.4	45.2	44.4	41.9	62.8	61.3	-19.0	50.0
South Carolina	133.2	144.0	134.2	130.3	107.5	139.7	128.9	-19.3	30.0
South Dakota	24.7	20.3	16.7	17.3	18.9	19.1	17.1	-23.5	0.9
Tennessee	205.5	157.1	152.6	161.6	195.5	299.7	276.1	-4.9	53.3
Texas	392.9	289.5	307.0	413.5	539.9	787.5	749.5	37.4	45.9
Utah	34.1	35.6	38.1	39.8	43.6	49.9	45.7	28.0	14.3
Vermont	24.5	20.1	21.4	21.9	19.7	27.8	27.2	-19.3	41.0
Virgin Islands	4.2	3.1	3.7	4.3	3.4	3.8	4.6	-18.8	11.5
Virginia	174.2	161.7	160.8	153.4	145.6	194.6	184.0	-16.4	33.6
Washington	145.2	138.9	144.9	197.6	219.3	291.5	286.3	51.0	33.0
West Virginia	68.5	73.0	79.4	115.1	109.3	114.3	104.7	59.6	4.6
Wisconsin	163.3	196.0	266.4	300.9	244.9	226.1	208.7	50.0	-7.6
Wyoming	6.9	6.2	7.7	11.1	13.7	16.4	14.6	98.0	19.0
United States	11,165.2	10,317.9	10,659.4	10,996.5	10,934.0	14,225.6	13,652.2	-2.1	30.1

Source: Department of Health & Human Services, ACF/OFA/DPE, *Time Trends, FY 1984-1993*, and unpublished data.

Table B.3 AVERAGE NUMBER OF AFDC CHILD RECIPIENTS BY STATE: SELECTED FISCAL YEARS, 1975-95

[In thousands]

	1975	1979	1983	1986	1989	1994	1995	Percent change	
								1975-89	1989-94
Alabama	119.2	127.6	107.4	102.3	91.7	95.8	87.0	-23.1	4.5
Alaska	8.6	9.8	7.2	10.8	12.6	24.1	23.5	47.0	90.4
Arizona	53.9	36.5	47.2	52.1	73.6	135.9	129.8	36.6	84.7
Arkansas	74.8	64.1	44.7	46.9	49.6	49.5	45.5	-33.7	-0.3
California	942.6	917.4	1,025.8	1,098.0	1,186.0	1,804.1	1,833.2	25.8	52.1
Colorado	68.3	53.6	55.3	55.9	65.6	80.3	74.1	-4.0	22.5
Connecticut	91.8	95.6	85.3	79.1	71.5	111.4	114.1	-22.1	55.8
Delaware	22.9	22.2	17.7	14.7	13.1	18.5	16.9	-42.6	41.2
Dist. of Columbia	74.8	61.4	43.1	41.9	38.1	50.8	50.6	-49.1	33.4
Florida	199.7	168.2	194.1	194.9	234.7	462.6	432.1	17.5	97.1
Georgia	260.8	154.2	165.8	165.9	186.9	274.5	268.6	-28.3	46.9
Guam	--	--	3.8	4.2	2.9	4.8	--	--	62.9
Hawaii	32.9	39.5	35.2	30.5	28.3	41.1	43.4	-14.0	45.3
Idaho	13.5	13.7	12.5	11.5	11.4	15.6	16.3	-15.3	36.2
Illinois	562.3	480.4	493.4	494.0	432.2	485.8	477.7	-23.1	12.4
Indiana	119.4	106.2	110.5	108.6	100.3	145.1	129.4	-16.0	44.6
Iowa	59.1	62.8	66.6	79.5	63.0	71.5	66.0	6.7	13.5
Kansas	50.3	46.5	48.0	45.5	50.2	58.7	54.6	-0.2	17.0
Kentucky	113.3	116.6	101.3	108.2	104.5	136.7	127.6	-7.8	30.8
Louisiana	177.4	152.2	143.1	170.2	194.6	179.7	173.3	9.7	-7.7
Maine	55.6	40.3	31.0	36.4	32.0	40.1	37.6	-42.5	25.5
Maryland	156.9	142.8	124.1	124.2	117.5	150.6	152.1	-25.1	28.2
Massachusetts	242.4	235.5	160.0	150.7	154.2	197.3	176.4	-36.4	28.0
Michigan	454.3	430.6	475.8	430.6	414.2	438.8	397.5	-8.8	5.9
Minnesota	88.9	87.7	86.2	100.8	105.4	124.0	112.3	18.5	17.7
Mississippi	144.4	127.7	109.2	114.9	128.6	115.7	105.8	-10.9	-10.0
Missouri	193.1	133.0	121.3	131.1	134.1	176.4	175.2	-30.5	31.5
Montana	16.0	12.4	11.7	16.5	17.8	22.7	22.1	11.2	27.7
Nebraska	27.8	25.0	27.2	31.2	28.1	31.0	28.6	1.1	10.2
Nevada	10.5	7.1	8.6	10.8	14.1	26.7	28.8	34.1	89.3
New Hampshire	18.1	14.3	12.2	8.6	8.4	19.4	18.0	-53.5	129.8
New Jersey	315.8	318.0	265.4	239.9	204.8	227.5	213.2	-35.1	11.1
New Mexico	45.2	36.0	32.4	34.6	40.5	66.3	67.1	-10.3	63.5
New York	861.9	771.4	720.6	718.2	647.6	813.0	811.5	-24.9	25.5
North Carolina	125.0	138.7	117.9	118.9	136.2	222.6	211.1	8.9	63.5
North Dakota	10.0	9.2	7.2	8.9	10.2	10.8	9.7	1.8	6.4
Ohio	372.7	328.9	399.5	428.6	410.9	454.9	415.5	10.3	10.7
Oklahoma	73.6	63.5	51.1	60.9	70.7	90.2	85.6	-3.9	27.5
Oregon	67.2	74.4	47.8	54.0	58.3	75.9	70.5	-13.2	30.2
Pennsylvania	429.7	435.1	386.9	376.5	348.5	416.8	402.8	-18.9	19.6
Puerto Rico	--	--	125.2	119.6	126.5	124.1	--	--	-1.8
Rhode Island	36.6	32.6	29.1	28.7	27.5	41.4	40.7	-24.8	50.3
South Carolina	99.8	103.5	93.4	90.8	76.9	102.2	95.7	-22.9	32.8
South Dakota	18.1	14.9	11.6	12.0	13.3	13.6	12.4	-26.7	2.8
Tennessee	149.7	113.6	103.8	109.4	133.0	203.2	189.7	-11.2	52.8
Texas	291.8	214.1	216.6	291.3	378.2	549.5	525.9	29.6	45.3
Utah	23.1	24.2	24.4	25.6	28.4	33.1	30.6	22.8	16.8
Vermont	14.2	13.2	13.1	13.6	12.4	17.2	16.8	-12.6	38.6
Virgin Islands	--	--	2.8	3.2	2.5	2.8	--	--	8.9
Virginia	125.0	114.2	107.4	102.7	99.9	134.1	127.9	-20.1	34.3
Washington	95.0	89.6	94.0	125.7	141.0	186.7	184.1	48.5	32.4
West Virginia	47.0	54.6	54.1	69.7	67.2	71.8	66.9	42.9	6.9
Wisconsin	116.0	135.2	165.6	189.2	160.8	137.8	145.7	38.6	-14.3
Wyoming	5.1	4.4	5.0	7.2	9.1	11.1	10.1	78.7	21.6
United States	7,776.4	7,074.6	7,050.5	7,300.0	7,369.9	9,595.8	9,151.6	-5.2	30.2

Source: Department of Health & Human Services, ACF/OFA/DPE, unpublished data.

Table B.4 AFDC RECIPIENCY RATES FOR CHILDREN BY STATE
SELECTED FISCAL YEARS, 1975-95

[In percent]

	1975	1979	1983	1986	1989	1994	1995	Percent change	
								1975-89	1989-94
Alabama	10.1	11.3	9.3	9.1	8.4	9.1	7.7	-17	8
Alaska	6.5	6.7	5.9	7.2	7.1	13.1	11.7	9	86
Arizona	7.3	4.8	6.0	6.4	8.3	13.2	11.5	14	59
Arkansas	11.2	10.0	6.6	7.3	7.9	7.9	7.1	-30	1
California	14.9	14.8	16.6	16.6	16.8	22.0	20.3	13	31
Colorado	8.5	6.7	6.9	6.5	7.5	9.0	7.6	-12	19
Connecticut	9.9	11.7	10.1	10.6	9.5	14.6	14.4	-4	54
Delaware	12.4	13.5	10.8	9.8	8.2	11.0	9.3	-34	34
Dist. of Columbia	37.2	36.3	29.3	29.0	29.5	44.2	46.4	-21	50
Florida	8.5	7.6	8.6	8.1	9.0	15.2	13.2	6	68
Georgia	16.0	9.9	9.9	10.4	11.2	15.5	14.1	-30	39
Hawaii	11.7	14.4	13.0	11.1	10.0	14.4	13.8	-14	43
Idaho	4.9	4.7	4.0	3.6	3.6	4.9	4.7	-25	35
Illinois	16.1	14.9	15.0	15.8	14.2	16.3	15.3	-12	15
Indiana	7.0	6.7	6.7	7.2	6.8	10.0	8.6	-2	47
Iowa	6.6	7.6	8.2	9.4	8.5	9.9	8.9	29	16
Kansas	7.5	7.2	7.4	7.2	7.8	8.8	7.7	4	13
Kentucky	10.5	11.2	9.2	10.6	10.4	14.4	13.0	-1	38
Louisiana	13.5	11.8	10.6	12.7	14.7	14.7	13.9	9	0
Maine	16.5	12.7	9.7	12.1	10.5	13.0	12.4	-36	24
Maryland	12.2	12.4	10.6	11.0	10.6	12.5	11.5	-13	18
Massachusetts	14.0	15.5	11.6	11.5	11.4	14.4	12.4	-19	27
Michigan	15.1	15.7	17.1	16.5	16.7	17.7	15.4	11	6
Minnesota	7.0	7.5	7.4	8.7	9.4	10.4	9.0	33	11
Mississippi	17.5	15.9	13.1	14.7	16.3	15.7	14.0	-7	-3
Missouri	13.4	9.9	8.9	10.2	10.2	13.3	12.7	-24	30
Montana	6.5	5.3	5.4	7.0	7.6	10.1	9.5	16	33
Nebraska	5.8	5.6	6.5	7.2	6.5	7.1	6.4	13	10
Nevada	5.5	3.4	3.6	4.3	5.8	8.1	7.7	4	41
New Hampshire	7.0	5.7	4.8	3.5	3.3	6.9	6.3	-54	112
New Jersey	14.3	15.9	13.5	13.1	11.3	12.4	10.9	-21	10
New Mexico	11.0	8.9	8.0	8.1	9.2	14.4	13.4	-17	57
New York	16.1	16.2	15.9	16.2	14.9	18.7	17.9	-8	25
North Carolina	7.3	8.6	7.4	7.5	8.5	13.5	12.0	17	59
North Dakota	4.8	4.7	3.9	4.5	5.4	6.3	5.7	11	17
Ohio	11.0	10.7	13.6	15.1	14.4	16.2	14.5	31	13
Oklahoma	9.0	7.8	5.9	6.9	7.9	10.6	9.8	-13	35
Oregon	9.9	10.6	6.6	7.7	8.3	10.1	8.7	-15	21
Pennsylvania	12.4	14.0	12.2	12.3	12.3	14.8	13.8	-1	21
Rhode Island	13.4	13.3	12.2	12.1	12.3	18.1	17.1	-8	47
South Carolina	10.6	11.4	9.5	10.0	8.4	11.0	9.8	-21	31
South Dakota	8.2	7.3	5.6	5.6	6.6	6.8	5.9	-19	2
Tennessee	11.6	9.1	8.0	8.8	10.9	16.5	14.7	-6	52
Texas	7.3	5.2	5.1	6.5	7.8	11.0	9.9	7	41
Utah	5.1	4.8	5.0	4.5	4.6	5.2	4.5	-10	13
Vermont	9.4	9.2	8.6	8.6	8.9	12.0	11.4	-6	36
Virginia	8.1	7.9	7.1	7.0	6.9	8.7	7.7	-15	26
Washington	8.8	8.2	8.4	10.9	12.1	14.1	12.6	38	16
West Virginia	8.6	10.1	9.7	12.3	13.5	16.6	15.5	57	23
Wisconsin	7.9	10.0	12.6	13.5	12.7	10.0	10.7	61	-21
Wyoming	4.2	3.2	2.5	4.5	5.8	8.1	7.1	38	41
United States	11.7	11.3	10.9	11.4	11.5	14.7	13.3	-2	28

Note: Recipiency rate refers to the average monthly number of AFDC child recipients in each State during the particular fiscal year

expressed as a percent of the population of persons under 18 years of age as of July 1 of that year. The numerator is from Table

Sources: U. S. Department of Health & Human Services and Bureau of the Census, Current Population Reports, Series P25-1010 and P25-1106.

Table B.5 AFDC RECIPIENCY RATES FOR TOTAL POPULATION BY STATE: SELECTED FISCAL YEARS, 1975-95

[In percent]

	1975	1979	1983	1986	1989	1994	1995	Percent change	
								1975-89	1989-94
Alabama	4.4	4.5	3.9	3.7	3.2	3.1	2.8	-28	-2
Alaska	3.1	3.5	2.3	3.1	3.6	6.3	6.1	16	77
Arizona	3.2	1.9	2.3	2.2	2.9	4.9	4.5	-9	69
Arkansas	4.9	3.8	2.8	2.9	3.0	2.8	2.5	-40	-5
California	6.3	5.8	6.2	6.1	6.0	8.4	8.5	-4	39
Colorado	3.9	2.7	2.7	2.6	3.0	3.3	2.9	-25	10
Connecticut	4.1	4.4	4.0	3.6	3.2	5.1	5.2	-20	57
Delaware	5.4	5.3	4.4	3.5	2.9	3.9	3.5	-46	34
Dist. of Columbia	14.7	13.7	9.9	8.7	7.7	13.0	13.1	-48	69
Florida	3.1	2.5	2.6	2.4	2.6	4.8	4.4	-16	86
Georgia	7.0	3.9	4.2	3.9	4.1	5.6	5.3	-41	34
Hawaii	5.3	6.2	5.4	4.5	3.9	5.3	5.5	-27	35
Idaho	2.3	2.1	1.9	1.7	1.7	2.0	2.1	-28	21
Illinois	6.9	6.0	6.4	6.5	5.5	6.1	5.9	-19	9
Indiana	3.0	2.7	3.0	3.0	2.7	3.8	3.3	-12	41
Iowa	3.0	3.2	3.6	4.6	3.5	3.9	3.5	19	11
Kansas	2.9	2.7	3.0	2.8	3.0	3.4	3.1	1	14
Kentucky	4.8	4.5	4.1	4.4	4.2	5.4	4.9	-12	28
Louisiana	6.0	5.0	4.6	5.5	6.5	5.8	5.8	8	-12
Maine	7.5	5.3	4.3	5.0	4.2	5.2	4.8	-45	25
Maryland	5.2	4.9	4.5	4.3	3.7	4.4	4.4	-29	19
Massachusetts	6.0	6.2	4.4	4.0	4.0	5.1	4.5	-33	27
Michigan	7.0	6.8	8.3	7.4	6.9	7.0	6.3	-1	1
Minnesota	3.2	3.2	3.3	3.8	3.8	4.1	3.6	16	9
Mississippi	7.8	6.8	5.9	6.2	6.9	5.9	5.3	-10	-14
Missouri	5.6	3.9	3.7	4.0	4.0	5.0	4.8	-29	25
Montana	2.9	2.2	2.2	3.2	3.5	4.1	3.9	18	18
Nebraska	2.5	2.3	2.6	3.0	2.6	2.8	2.5	5	7
Nevada	2.3	1.3	1.4	1.6	1.8	2.6	2.7	-22	46
New Hampshire	3.1	2.3	2.0	1.3	1.2	2.7	2.4	-63	132
New Jersey	5.9	6.2	5.3	4.7	3.9	4.2	4.0	-35	10
New Mexico	5.2	4.0	3.4	3.5	3.9	6.2	6.2	-26	58
New York	6.7	6.3	6.2	6.2	5.4	6.9	6.9	-19	27
North Carolina	3.1	3.3	2.9	2.8	3.1	4.7	4.4	-0	54
North Dakota	2.1	2.0	1.6	2.0	2.4	2.6	2.3	11	9
Ohio	5.0	4.4	5.9	6.3	5.8	6.2	5.5	16	6
Oklahoma	3.6	2.9	2.2	2.7	3.3	4.0	3.8	-8	23
Oregon	4.3	4.4	2.8	3.1	3.1	3.7	3.3	-27	18
Pennsylvania	5.4	5.4	4.9	4.9	4.4	5.1	4.9	-18	17
Rhode Island	5.5	5.2	4.7	4.5	4.2	6.3	6.2	-24	51
South Carolina	4.6	4.7	4.2	3.9	3.1	3.8	3.5	-32	23
South Dakota	3.6	3.0	2.4	2.5	2.7	2.6	2.3	-25	-2
Tennessee	4.8	3.4	3.3	3.4	4.0	5.8	5.3	-16	44
Texas	3.1	2.1	1.9	2.5	3.2	4.3	4.0	3	33
Utah	2.8	2.5	2.4	2.4	2.6	2.6	2.3	-7	2
Vermont	5.1	4.0	4.1	4.1	3.5	4.8	4.7	-31	36
Virginia	3.5	3.0	2.9	2.6	2.4	3.0	2.8	-31	25
Washington	4.0	3.5	3.4	4.4	4.6	5.5	5.3	15	18
West Virginia	3.7	3.8	4.1	6.1	6.0	6.3	5.7	63	4
Wisconsin	3.6	4.2	5.6	6.3	5.0	4.4	4.1	41	-12
Wyoming	1.8	1.4	1.5	2.2	3.0	3.4	3.0	65	15
United States	5.1	4.5	4.5	4.5	4.4	5.4	5.1	-14	24

Note: Recipiency rate refers to the average monthly number of AFDC recipients in each State during the particular fiscal year expressed as a percent of the total resident population as of July 1 of that year. The numerator is from Table III.4.

Sources: U. S. Department of Health & Human Services and Bureau of the Census, Current Population Reports, Series P25-1010 and P25-1106.

Table B.6 VALUE OF FOOD STAMPS ISSUED BY STATE
SELECTED FISCAL YEARS, 1984-95

[Millions of dollars]

	1984	1986	1988	1990	1992	1993	1994	1995
Alabama	319.5	278.1	265.7	328.1	450.9	457.0	455.7	441.3
Alaska	19.9	24.5	26.8	25.2	41.0	45.0	53.1	49.9
Arizona	127.2	112.2	146.9	239.5	376.9	393.6	417.7	414.5
Arkansas	138.0	120.7	126.3	155.1	207.0	209.2	212.0	211.9
California	655.2	626.7	698.2	968.5	1,759.5	2,082.7	2,394.7	2,472.9
Colorado	93.3	101.6	126.9	156.3	218.6	226.4	223.7	216.6
Connecticut	65.0	55.5	49.7	72.1	131.4	142.8	152.2	168.9
Delaware	42.3	36.9	34.1	42.5	70.0	80.7	86.2	93.0
Dist. of Columbia	24.4	18.1	18.0	24.8	42.0	46.5	47.9	46.8
Florida	379.3	361.9	403.8	608.7	1,306.4	1,334.3	1,323.7	1,307.1
Georgia	18.6	17.0	14.9	14.5	28.2	17.8	21.8	24.3
Guam	295.0	269.6	274.5	382.4	627.0	657.7	695.2	700.3
Hawaii	79.8	89.6	77.8	81.2	120.7	131.8	153.2	177.3
Idaho	104.1	110.0	102.2	109.2	143.3	146.6	145.0	141.5
Illinois	36.7	35.2	37.7	39.5	53.3	56.7	57.2	58.7
Indiana	696.4	707.5	727.8	835.1	1,069.8	1,060.1	1,069.5	1,056.5
Iowa	253.6	222.9	189.5	226.5	372.9	406.2	414.8	382.0
Kansas	67.4	64.9	74.0	96.4	132.8	141.3	145.9	143.9
Kentucky	335.2	320.5	302.3	334.3	430.5	421.8	416.3	412.6
Louisiana	322.2	389.8	461.6	549.4	677.3	653.0	642.4	628.6
Maine	63.8	57.3	47.3	62.6	108.7	111.7	110.7	112.5
Maryland	168.8	170.0	166.3	202.7	315.9	336.2	350.1	365.2
Massachusetts	182.5	158.2	142.9	206.6	315.5	326.0	330.3	315.0
Michigan	580.5	505.1	505.4	663.5	846.0	837.4	834.1	806.5
Minnesota	98.0	107.7	121.1	165.3	234.1	228.1	229.1	239.6
Mississippi	257.7	263.4	304.5	351.7	421.4	416.3	397.2	383.1
Missouri	209.5	208.4	234.4	311.6	447.1	477.4	482.5	488.1
Montana	29.3	32.2	35.5	40.6	52.2	53.8	55.9	57.3
Nebraska	41.0	48.1	51.2	58.5	77.8	80.8	79.3	76.5
Nevada	21.1	22.5	25.8	41.0	74.1	85.7	87.8	90.8
New Hampshire	17.5	12.3	9.6	20.5	45.5	46.0	45.7	44.4
New Jersey	265.6	240.0	221.0	288.5	433.2	464.3	485.8	506.0
New Mexico	85.5	88.3	97.0	117.3	181.8	193.8	193.6	196.1
New York	903.4	935.2	909.4	1,085.6	1,586.2	1,796.1	1,945.0	2,065.4
North Carolina	238.2	225.9	221.1	282.3	461.2	479.7	490.5	495.4
North Dakota	14.5	17.6	20.1	24.9	34.9	35.7	34.1	32.4
Ohio	679.1	701.9	730.3	861.4	1,102.3	1,100.0	1,075.8	1,017.5
Oklahoma	121.7	139.1	166.8	186.4	275.5	293.7	304.7	314.9
Oregon	142.0	140.7	142.3	167.5	226.4	234.8	241.0	254.3
Pennsylvania	557.8	546.7	539.9	660.9	915.6	960.8	1,001.4	1,006.2
Puerto Rico	778.9	792.0	842.0	894.0	973.0	1,011.0	1,079.0	1,097.4
Rhode Island	36.8	33.3	31.6	42.0	69.0	73.0	75.8	81.9
South Carolina	202.7	178.7	158.1	240.0	297.0	305.5	303.2	297.3
South Dakota	24.3	28.8	30.9	34.8	42.0	42.6	41.2	39.6
Tennessee	289.6	277.9	293.9	371.6	561.7	610.4	599.8	554.2
Texas	665.9	769.3	984.4	1,428.8	2,103.3	2,239.2	2,319.5	2,246.4
Utah	40.5	41.8	55.0	71.0	95.5	97.2	94.1	90.2
Vermont	23.0	18.4	16.9	22.2	36.8	38.3	44.2	46.3
Virgin Islands	24.1	21.6	15.0	18.4	18.5	19.4	22.5	27.5
Virginia	196.7	180.8	194.6	246.6	406.1	432.5	448.2	450.5
Washington	134.9	148.2	176.0	229.2	343.6	368.3	386.3	417.5
West Virginia	151.9	156.4	164.8	192.3	255.0	260.8	261.1	252.6
Wisconsin	141.4	150.9	159.5	180.5	235.7	222.6	220.4	220.4
Wyoming	14.0	15.5	17.1	20.6	26.4	26.3	27.3	27.5
United States [1]	11,499	11,415	11,999	15,090	21,883	23,032	23,825	23,865

[1] Totals include small amounts not allocated to individual states: 24, 18, 8, 9, 4, and 15 in 1984, 1986, 1988, 1990, 1992, and 1993.

Source: U.S. Department of Agriculture, Food and Consumer Service, unpublished data from the National Data Bank.

Table B.7 AVERAGE NUMBER OF FOOD STAMP RECIPIENTS BY STATE: SELECTED FISCAL YEARS 1975-95

[In thousands]

	1975	1979	1983	1986	1989	1994	1995	Percent change	
								1975-89	1989-94
Alabama	384	444	652	513	436	545	525	13.4	25.1
Alaska	14	21	25	28	26	46	45	81.7	75.5
Arizona	156	120	228	194	264	512	480	69.5	93.9
Arkansas	271	246	314	243	227	283	272	-16.1	24.3
California	1,492	1,331	1,786	1,623	1,776	3,155	3,175	19.0	77.6
Colorado	158	134	189	179	211	268	252	33.9	27.0
Connecticut	161	157	169	131	114	223	226	-29.7	96.1
Delaware	30	40	51	33	30	59	57	-2.1	99.3
Dist. of Columbia	125	95	86	68	58	91	94	-53.1	55.0
Florida	715	739	818	602	668	1,474	1,395	-6.5	120.7
Georgia	535	479	627	514	485	830	816	-9.4	71.3
Guam	10	18	24	18	13	15	16	31.4	21.2
Hawaii	79	92	101	92	78	115	125	-1.0	46.7
Idaho	41	41	69	58	61	82	80	47.3	33.7
Illinois	951	842	1,118	1,098	990	1,189	1,151	4.0	20.1
Indiana	406	227	489	372	285	518	470	-29.7	81.6
Iowa	118	112	209	211	168	196	184	42.8	16.5
Kansas	61	65	137	117	128	192	184	110.0	49.8
Kentucky	481	377	592	536	447	522	520	-7.2	17.0
Louisiana	507	451	585	678	725	756	711	43.0	4.4
Maine	141	117	130	111	84	136	132	-40.0	61.0
Maryland	268	273	318	272	249	390	399	-7.3	56.8
Massachusetts	485	471	377	322	314	442	410	-35.2	40.5
Michigan	645	634	1,082	928	874	1,031	971	35.6	17.9
Minnesota	183	138	239	228	245	318	308	34.0	29.6
Mississippi	387	410	532	491	493	511	480	27.5	3.6
Missouri	302	243	424	385	404	593	576	33.9	46.7
Montana	38	31	55	60	56	71	71	46.3	27.8
Nebraska	50	49	92	99	92	111	105	85.8	20.0
Nevada	34	23	35	34	41	97	99	21.1	134.1
New Hampshire	55	41	46	24	22	62	58	-60.2	181.6
New Jersey	518	504	543	429	353	545	540	-31.9	54.5
New Mexico	155	137	179	154	151	244	239	-3.0	62.1
New York	1,350	1,624	1,868	1,723	1,463	2,154	2,183	8.3	47.3
North Carolina	511	472	554	450	390	630	614	-23.5	61.4
North Dakota	18	18	33	36	39	45	41	110.6	17.4
Ohio	894	711	1,162	1,127	1,068	1,245	1,155	19.4	16.6
Oklahoma	178	165	241	264	261	376	375	46.7	44.2
Oregon	208	164	269	226	213	286	289	2.5	34.3
Pennsylvania	884	881	1,105	1,011	916	1,208	1,173	3.6	31.9
Puerto Rico	1,147	1,763	1,570	1,480	1,460	1,410	1,370	27.3	-3.4
Rhode Island	90	75	82	66	57	94	93	-37.1	65.0
South Carolina	420	317	441	337	272	385	364	-35.3	41.7
South Dakota	33	30	51	52	50	53	50	53.3	5.9
Tennessee	422	474	622	506	500	735	662	18.6	46.9
Texas	1,135	937	1,303	1,334	1,634	2,726	2,564	44.0	66.8
Utah	48	39	89	77	95	128	119	96.2	34.4
Vermont	45	39	52	38	34	65	59	-24.8	89.5
Virgin Islands	22	31	35	29	16	20	23	-26.9	22.6
Virginia	277	264	440	343	333	547	546	19.8	64.5
Washington	254	207	296	293	321	468	476	26.5	45.7
West Virginia	246	184	283	275	259	321	309	5.5	24.0
Wisconsin	158	174	354	369	291	330	320	84.1	13.4
Wyoming	11	10	24	28	27	34	34	156.7	24.7
United States	18,308	17,682	23,195	20,909	20,266	28,879	27,985	10.7	42.5

Source: U.S. Department of Agriculture, Food and Consumer Service, unpublished data from the National Data Bank.

Table B.8 FOOD STAMP RECIPIENCY RATES BY STATE
SELECTED FISCAL YEARS, 1975-95

[In percent]

	1975	1979	1983	1986	1989	1994	1995	Percent change	
								1975-89	1989-94
Alabama	10.4	11.5	16.6	12.8	10.8	12.9	12.3	4	-3
Alaska	3.8	5.2	5.1	5.1	4.8	7.6	7.5	25	-12
Arizona	6.8	4.6	7.7	5.9	7.3	12.6	11.4	7	89
Arkansas	12.5	10.8	13.6	10.4	9.7	11.5	11.0	-23	-8
California	6.9	5.7	7.0	6.0	6.1	10.0	10.0	-12	14
Colorado	6.1	4.7	6.0	5.5	6.5	7.3	6.7	6	43
Connecticut	5.2	5.1	5.3	4.1	3.5	6.8	6.9	-34	-20
Delaware	5.2	6.7	8.4	5.2	4.5	8.4	8.0	-13	-25
Dist. of Columbia	17.6	14.6	13.5	10.7	9.4	15.9	17.0	-47	-29
Florida	8.4	7.8	7.6	5.2	5.3	10.6	9.8	-37	-23
Georgia	10.6	8.9	11.0	8.4	7.6	11.8	11.3	-28	-7
Hawaii	8.9	9.6	10.0	8.7	7.1	9.7	10.5	-20	-28
Idaho	5.0	4.4	7.0	5.9	6.1	7.2	6.9	23	33
Illinois	8.4	7.4	9.8	9.6	8.7	10.1	9.7	3	20
Indiana	7.6	4.1	9.0	6.8	5.2	9.0	8.1	-32	35
Iowa	4.1	3.9	7.3	7.6	6.1	6.9	6.5	48	59
Kansas	2.7	2.8	5.7	4.8	5.2	7.5	7.2	94	108
Kentucky	13.9	10.4	16.0	14.5	12.1	13.6	13.5	-12	20
Louisiana	13.0	10.9	13.3	15.4	17.0	17.5	16.4	31	58
Maine	13.1	10.4	11.4	9.5	6.9	11.0	10.6	-47	-27
Maryland	6.5	6.5	7.4	6.1	5.3	7.8	7.9	-19	-19
Massachusetts	8.4	8.2	6.5	5.5	5.2	7.3	6.7	-38	-30
Michigan	7.1	6.8	12.0	10.2	9.4	10.9	10.2	34	44
Minnesota	4.7	3.4	5.8	5.4	5.7	7.0	6.7	21	75
Mississippi	16.1	16.3	20.7	18.9	19.1	19.1	17.8	19	19
Missouri	6.3	5.0	8.6	7.7	7.9	11.2	10.8	26	70
Montana	5.1	3.9	6.7	7.3	7.0	8.3	8.1	37	80
Nebraska	3.2	3.1	5.8	6.3	5.9	6.8	6.4	82	91
Nevada	5.5	3.0	3.9	3.5	3.6	6.6	6.4	-34	36
New Hampshire	6.6	4.5	4.8	2.3	2.0	5.4	5.1	-70	-39
New Jersey	7.1	6.8	7.3	5.6	4.6	6.9	6.8	-35	-28
New Mexico	13.4	10.6	12.8	10.5	10.0	14.7	14.2	-25	-3
New York	7.5	9.2	10.6	9.7	8.1	11.9	12.0	8	-7
North Carolina	9.2	8.1	9.1	7.1	5.9	8.9	8.5	-35	-22
North Dakota	2.9	2.8	4.9	5.3	6.0	7.1	6.5	108	119
Ohio	8.3	6.6	10.8	10.5	9.9	11.2	10.4	19	52
Oklahoma	6.4	5.6	7.3	8.1	8.3	11.5	11.4	29	52
Oregon	8.9	6.4	10.1	8.4	7.6	9.3	9.2	-14	19
Pennsylvania	7.4	7.4	9.3	8.6	7.7	10.0	9.7	4	8
Rhode Island	9.6	7.9	8.5	6.8	5.7	9.4	9.4	-41	-20
South Carolina	14.5	10.3	13.6	10.1	7.9	10.5	9.9	-46	-17
South Dakota	4.8	4.3	7.4	7.5	7.2	7.4	6.9	50	66
Tennessee	9.9	10.4	13.4	10.7	10.3	14.2	12.6	4	4
Texas	9.0	6.7	8.3	8.1	9.7	14.8	13.7	8	63
Utah	3.9	2.8	5.6	4.7	5.6	6.7	6.1	42	107
Vermont	9.4	7.7	10.0	7.2	6.1	11.1	10.1	-35	-12
Virginia	5.5	5.0	7.9	5.9	5.4	8.4	8.2	-1	12
Washington	7.0	5.2	6.9	6.6	6.8	8.8	8.8	-3	35
West Virginia	13.3	9.5	14.5	14.6	14.3	17.6	16.9	8	54
Wisconsin	3.4	3.7	7.5	7.8	6.0	6.5	6.2	74	57
Wyoming	2.8	2.1	4.7	5.7	6.0	7.2	7.0	114	198
United States	7.9	7.1	9.2	8.1	7.6	10.5	10.1	-4	14

Note: Recipiency rate refers to the average monthly number of Food Stamp recipients in each State during the particular fiscal year
expressed as a percent of the total resident population as of July 1 of that year. The numerator is from Table III.10.

Source: U.S. Department of Agriculture, Food and Consumer Service, unpublished data from the National Data Bank and Bureau of the Census, Current Population Reports, Series P25-1010 and P25-1106.

Table B.9 TOTAL SSI PAYMENTS, FEDERAL SSI PAYMENTS AND STATE SUPPLEMENTARY PAYMENTS, FISCAL 1994

State	Total	Federal SSI	State supplementation	
			Federally administered	State administered
Total	25,876,570 [1]	22,175,233 [1]	3,115,854 [2]	585,483
Alabama	559,980	558,395	--	1,585
Alaska	36,871	23,901	--	12,970 [3]
Arizona	259,546	259,137	--	409
Arkansas	310,183	310,173	10	--
California	5,174,285	3,189,237	1,985,048	--
Colorado	256,850	202,720	--	54,130
Connecticut	261,796	162,332	--	99,464
Delaware	36,324	35,495	829	--
District of Columbia	79,437	74,270	5,167	--
Florida	1,178,788	1,160,445	--	18,343
Georgia	645,924	645,908	16	--
Hawaii	76,332	64,995	11,337	--
Idaho	60,989	56,785	--	4,204
Illinois	1,180,159	1,107,175	--	72,984
Indiana	328,008	324,178	--	3,830
Iowa	138,694	135,738	2,956	(4)
Kansas	126,556	126,554	2	--
Kentucky	595,232	578,132	--	17,100
Louisiana	679,108	679,108	--	--
Maine	87,458	80,029	7,429	--
Maryland	314,581	308,297	16 [5]	6,268
Massachusetts	642,805	488,061	154,744	--
Michigan	869,815	808,573	61,242	--
Minnesota	268,435	214,966	--	53,469 [3]
Mississippi	479,857	479,851	6	--
Missouri	399,806	399,806	--	--
Montana	72,068	46,828	947	24,293
Nebraska	76,091	70,207	--	5,884
Nevada	69,349	65,580	3,769	--
New Hampshire	42,998	33,244	--	9,754
New Jersey	562,091	487,209	74,882	--
New Mexico	152,248	151,935	--	313
New York	2,541,746	2,043,456	498,290	--
North Carolina	701,989	591,954	--	110,035
North Dakota	29,217	27,366	--	1,851
Ohio	972,000	971,982	18	(4)
Oklahoma	281,987	245,676	--	36,311
Oregon	188,601	168,432	--	20,169
Pennsylvania	1,060,329	929,877	130,452	--
Rhode Island	89,321	71,593	17,728	--
South Carolina	372,311	359,824	--	12,487
South Dakota	44,788	44,072	4 [5]	712
Tennessee	602,053	602,051	2	--
Texas	1,286,201	1,286,201	(6)	(6)
Utah	75,375	75,231	144	--
Vermont	46,287	36,591	9,696	--
Virginia	448,842	430,552	--	18,290
Washington	368,420	340,027	28,393	--
West Virginia	254,518	254,518	--	--
Wisconsin	467,196	344,286	122,910	--
Wyoming	19,798	19,168	--	630
Other: N. Mariana Islands	2,271	2,271	(6)	(6)

[1] Includes $662,000 for unknown States. Federal SSI includes $911,000 for unknown States.
[2] The sum of federally administered State supplementation payments exceeds the total by $178,000. This represents refunds of State payments that had not yet been distributed.
[3] Data estimated.
[4] Data not available.
[5] Mandatory payments are federally administered and optional payments are State administered.
[6] State payments not made.

Source: Social Security Bulletin, Annual Statistical Suppplement, 1995.

Table B.10 SSI RECIPIENCY RATES BY STATE AND PROGRAM TYPE, FOR 1979 AND 1994

[In percent]

	Total recipiency rate			Adult recipiency rate [1]			Aged recipiency rate		
	1979	1994	percent change 1979-94	1979	1994	percent change 1979-94	1979	1994	percent change 1979-94
Alabama	3.55	3.83	*7.9*	1.83	2.93	*60.2*	21.01	10.68	*-49.2*
Alaska	0.77	1.05	*36.9*	0.54	1.00	*86.0*	14.04	6.04	*-57.0*
Arizona	1.11	1.68	*51.6*	0.89	1.60	*79.8*	4.98	3.62	*-27.3*
Arkansas	3.50	3.83	*9.3*	1.87	2.89	*54.4*	17.05	9.24	*-45.8*
California	3.02	3.23	*6.8*	2.05	2.55	*24.6*	16.43	13.47	*-18.0*
Colorado	1.10	1.49	*35.7*	0.77	1.37	*77.9*	6.68	3.78	*-43.5*
Connecticut	0.75	1.30	*73.9*	0.63	1.28	*103.0*	2.70	2.55	*-5.6*
Delaware	1.19	1.45	*22.3*	0.94	1.26	*34.2*	5.43	3.08	*-43.2*
District of Columbia	2.28	3.48	*52.8*	1.92	2.99	*55.8*	8.56	8.03	*-6.1*
Florida	1.78	2.27	*27.7*	1.14	1.67	*46.7*	6.21	5.05	*-18.6*
Georgia	2.87	2.75	*-4.1*	1.89	2.19	*15.6*	17.73	9.98	*-43.7*
Hawaii	1.05	1.53	*45.7*	0.69	1.12	*63.0*	7.57	6.32	*-16.5*
Idaho	0.79	1.39	*75.7*	0.64	1.38	*115.0*	3.78	2.39	*-36.8*
Illinois	1.08	2.21	*105.1*	0.95	2.16	*127.9*	4.25	3.90	*-8.3*
Indiana	0.75	1.49	*98.8*	0.61	1.46	*139.5*	3.32	2.12	*-36.3*
Iowa	0.89	1.44	*62.0*	0.62	1.45	*133.7*	3.50	2.15	*-38.5*
Kansas	0.89	1.39	*56.4*	0.63	1.35	*113.6*	3.47	2.14	*-38.5*
Kentucky	2.54	4.07	*60.3*	1.79	3.95	*120.7*	12.54	8.58	*-31.6*
Louisiana	3.35	4.14	*23.7*	2.03	3.29	*62.1*	20.14	10.84	*-46.2*
Maine	1.95	2.38	*22.3*	1.39	2.33	*67.5*	8.58	5.43	*-36.7*
Maryland	1.15	1.57	*36.5*	0.94	1.33	*41.1*	5.40	4.50	*-16.7*
Massachusetts	2.24	2.60	*16.0*	1.28	2.40	*87.6*	10.80	6.05	*-44.0*
Michigan	1.26	2.18	*72.7*	1.07	2.21	*106.3*	5.85	3.55	*-39.4*
Minnesota	0.81	1.30	*61.1*	0.55	1.26	*129.0*	3.71	2.58	*-30.5*
Mississippi	4.49	5.23	*16.5*	2.42	4.01	*65.6*	26.01	15.54	*-40.3*
Missouri	1.76	2.08	*18.2*	1.10	1.94	*76.5*	7.89	3.94	*-50.1*
Montana	0.89	1.55	*74.5*	0.72	1.65	*128.9*	3.79	2.44	*-35.7*
Nebraska	0.88	1.26	*43.5*	0.64	1.23	*92.1*	3.38	2.14	*-36.8*
Nevada	0.84	1.30	*54.9*	0.53	1.13	*113.8*	5.87	3.69	*-37.2*
New Hampshire	0.58	0.85	*46.4*	0.44	0.85	*92.2*	2.53	1.54	*-39.2*
New Jersey	1.14	1.78	*55.8*	0.86	1.44	*67.1*	4.69	4.62	*-1.5*
New Mexico	1.97	2.58	*30.8*	1.37	2.19	*59.9*	12.36	8.36	*-32.4*
New York	2.12	3.10	*46.4*	1.59	2.47	*55.2*	8.26	8.79	*6.5*
North Carolina	2.40	2.58	*7.5*	1.58	1.96	*23.9*	13.60	7.85	*-42.3*
North Dakota	0.99	1.39	*40.7*	0.57	1.29	*126.0*	5.05	3.07	*-39.3*
Ohio	1.11	2.12	*91.4*	0.99	2.18	*120.4*	4.17	2.74	*-34.4*
Oklahoma	2.32	2.22	*-4.3*	1.33	1.89	*42.4*	11.62	5.61	*-51.7*
Oregon	0.86	1.47	*71.1*	0.70	1.50	*113.6*	3.28	2.57	*-21.7*
Pennsylvania	1.40	2.09	*49.5*	1.12	1.98	*76.4*	4.96	3.61	*-27.2*
Rhode Island	1.59	2.29	*44.0*	1.08	2.12	*96.4*	6.43	4.89	*-24.0*
South Carolina	2.69	2.96	*10.1*	1.78	2.31	*29.8*	16.96	9.08	*-46.5*
South Dakota	1.14	1.83	*60.5*	0.72	1.71	*137.3*	4.99	3.53	*-29.2*
Tennessee	2.86	3.37	*17.9*	1.87	3.00	*60.5*	14.77	8.50	*-42.5*
Texas	1.89	2.12	*12.4*	0.95	1.52	*60.1*	12.69	8.94	*-29.6*
Utah	0.55	1.04	*88.7*	0.51	1.13	*122.1*	3.03	2.04	*-32.8*
Vermont	1.77	2.19	*23.5*	1.31	2.12	*61.6*	8.08	5.19	*-35.8*
Virginia	1.50	1.91	*27.0*	1.02	1.48	*44.6*	8.52	5.88	*-31.0*
Washington	1.16	1.64	*41.8*	0.98	1.69	*72.7*	4.83	3.32	*-31.3*
West Virginia	2.13	3.53	*65.8*	1.86	3.66	*96.9*	7.95	5.51	*-30.7*
Wisconsin	1.44	2.16	*49.9*	0.96	2.00	*108.2*	6.54	4.04	*-38.3*
Wyoming	0.42	1.16	*175.7*	0.29	1.17	*302.9*	2.74	2.05	*-25.4*
Total	1.85	2.42	*30.7*	1.26	2.06	*63.8*	8.98	6.39	*-28.8*

[1] All adult recipients ages 18-64.

Source: Social Security Administration and ASPE staff. Percentages are calculated as the number of SSI recipients in the month of December, adult SSI recipients aged 18-64, and aged SSI recipients over the total population, aged 18-64 population, and aged population of each State in the month of July in 1979 and July 1994, respectively.

Table B.11 SSI RECIPIENCY RATES BY STATE
SELECTED FISCAL YEARS, 1975-94

[In percent]

	1975	1985	1990	1991	1992	1993	1994 [2]
Alabama	3.98	3.29	3.29	3.35	3.43	3.64	3.83
Alaska	0.81	0.65	0.84	0.87	0.90	0.96	1.05
Arizona	1.24	1.04	1.22	1.33	1.42	1.54	1.68
Arkansas	4.09	3.14	3.23	3.34	3.47	3.66	3.83
California	3.09	2.59	2.93	3.03	3.10	3.14	3.23
Colorado	1.37	0.93	1.14	1.23	1.29	1.38	1.49
Connecticut	0.76	0.83	0.98	1.05	1.10	1.19	1.30
Delaware	1.19	1.21	1.21	1.23	1.27	1.34	1.45
District of Columbia	2.23	2.51	2.67	2.83	3.00	3.21	3.48
Florida	1.86	1.62	1.71	1.82	1.90	2.06	2.27
Georgia	3.27	2.56	2.46	2.51	2.55	2.65	2.75
Hawaii	1.08	1.08	1.25	1.27	1.30	1.40	1.53
Idaho	1.06	0.84	1.03	1.10	1.21	1.28	1.39
Illinois	1.22	1.18	1.55	1.67	1.78	2.00	2.21
Indiana	0.83	0.87	1.09	1.17	1.26	1.39	1.49
Iowa	1.00	0.96	1.18	1.23	1.29	1.37	1.44
Kansas	1.05	0.87	0.99	1.05	1.14	1.26	1.39
Kentucky	2.83	2.65	3.11	3.27	3.42	3.71	4.07
Louisiana	3.90	2.87	3.15	3.29	3.49	3.84	4.14
Maine	2.31	1.89	1.93	1.97	2.03	2.17	2.38
Maryland	1.17	1.16	1.25	1.30	1.35	1.44	1.57
Massachusetts	2.30	1.91	1.98	2.12	2.23	2.40	2.60
Michigan	1.31	1.35	1.54	1.61	1.71	1.93	2.18
Minnesota	1.00	0.78	0.92	0.99	1.05	1.17	1.30
Mississippi	5.21	4.28	4.42	4.56	4.68	4.98	5.23
Missouri	2.10	1.58	1.66	1.75	1.83	1.96	2.08
Montana	1.12	0.92	1.25	1.33	1.38	1.44	1.55
Nebraska	1.06	0.88	0.99	1.05	1.09	1.19	1.26
Nevada	1.00	0.85	0.95	0.98	1.04	1.14	1.30
New Hampshire	0.67	0.62	0.62	0.68	0.71	0.77	0.85
New Jersey	1.11	1.23	1.36	1.44	1.52	1.66	1.78
New Mexico	2.29	1.83	2.08	2.19	2.25	2.39	2.58
New York	2.24	2.00	2.31	2.46	2.60	2.85	3.10
North Carolina	2.71	2.21	2.24	2.33	2.36	2.47	2.58
North Dakota	1.25	0.96	1.17	1.25	1.30	1.34	1.39
Ohio	1.22	1.19	1.44	1.55	1.63	1.84	2.12
Oklahoma	3.03	1.81	1.92	1.97	2.02	2.13	2.22
Oregon	1.12	0.95	1.11	1.18	1.24	1.35	1.47
Pennsylvania	1.24	1.39	1.60	1.69	1.77	1.90	2.09
Rhode Island	1.72	1.62	1.74	1.83	1.91	2.05	2.29
South Carolina	2.84	2.60	2.59	2.61	2.67	2.80	2.96
South Dakota	1.32	1.19	1.45	1.53	1.62	1.72	1.83
Tennessee	3.24	2.71	2.87	2.98	3.06	3.22	3.37
Texas	2.23	1.57	1.73	1.81	1.87	2.00	2.12
Utah	0.76	0.53	0.73	0.79	0.84	0.94	1.04
Vermont	1.93	1.76	1.79	1.89	1.99	2.08	2.19
Virginia	1.53	1.49	1.54	1.61	1.67	1.76	1.91
Washington	1.46	1.09	1.27	1.34	1.39	1.50	1.64
West Virginia	2.37	2.24	2.63	2.78	2.91	3.17	3.53
Wisconsin	1.44	1.50	1.75	1.83	1.88	2.04	2.16
Wyoming	0.67	0.45	0.76	0.85	0.92	1.04	1.16
Total [1]	2.00	1.74	1.94	2.03	2.11	2.26	2.42

[1] The number of SSI recipients used to calculate the total recipiency rate includes a certain number of recipients whose State is unknown. For 1975, 1985, 1990, 1991, 1992, and 1993, the numbers of unknown (in thousands) respectively were 256, 14, 0, 96, 71, and 91.

[2] For 1975-93 the percentages are calculated as the average number of monthly SSI recipients over the total population of each State in July of the selected year. For 1994 number of recipients is from the month of December.

Source: Social Security Administration and ASPE staff.

Table B.12 POVERTY RATE OF RELATED CHILDREN UNDER 18 BY STATE, SELECTED YEARS, 1979-95

[In percent]

	1979	1983	1986	1989	1990	1991	1992	1993	1994	1995
Alabama	30.5	31.0	38.0	23.5	26.2	24.7	23.9	22.2	21.9	27.0
Alaska	15.1	14.4	13.6	13.7	16.2	16.2	11.9	11.5	12.3	8.4
Arizona	12.4	27.7	20.1	23.9	19.8	20.8	23.9	24.2	24.6	24.5
Arkansas	27.0	23.9	27.6	24.6	25.2	22.1	23.9	26.3	19.3	22.2
California	13.9	23.0	19.5	20.1	21.7	24.9	24.6	26.3	27.0	24.3
Colorado	9.6	17.5	19.2	16.7	21.7	16.6	15.1	12.8	11.7	10.6
Connecticut	8.7	13.8	10.6	1.8	9.0	17.2	20.1	16.9	20.6	16.5
Delaware	12.0	12.0	21.2	14.2	8.6	12.2	12.2	13.6	11.3	14.9
Dist of	29.4	32.2	23.0	26.2	31.9	30.0	35.8	50.0	37.3	34.9
Florida	23.8	22.5	16.4	19.3	25.2	27.2	24.4	27.9	23.1	24.9
Georgia	20.0	23.8	23.8	24.2	24.8	25.4	27.4	18.3	19.4	15.1
Hawaii	14.2	20.7	14.7	17.7	20.8	12.1	19.0	12.8	11.9	13.9
Idaho	13.1	24.0	23.0	15.3	18.6	17.5	20.6	17.7	16.3	18.8
Illinois	19.5	21.4	20.7	20.5	21.6	21.1	23.6	20.2	18.9	21.5
Indiana	12.0	24.5	16.4	22.8	20.8	24.3	16.6	16.4	16.9	13.5
Iowa	7.3	22.8	16.6	13.7	13.7	12.1	16.5	12.0	14.1	17.1
Kansas	10.4	19.5	13.7	16.2	14.3	16.6	15.0	18.3	19.4	12.8
Kentucky	13.8	24.7	23.2	19.3	23.7	27.5	28.0	28.6	28.5	20.9
Louisiana	24.8	27.5	31.3	33.8	38.2	27.2	35.3	39.4	37.5	29.9
Maine	14.7	16.2	11.0	14.4	21.5	24.2	20.3	19.4	11.6	11.8
Maryland	7.6	13.3	11.8	13.1	16.4	12.8	18.7	12.2	16.8	15.8
Massachusetts	13.7	12.6	14.4	14.3	18.7	16.8	18.1	16.8	13.4	16.8
Michigan	10.9	25.3	21.5	19.9	21.8	23.4	20.7	24.2	21.2	17.7
Minnesota	8.3	14.8	19.0	17.0	20.5	20.7	18.6	15.8	13.8	10.7
Mississippi	27.2	37.8	33.5	31.1	36.3	32.0	32.9	34.1	29.5	36.3
Missouri	13.1	22.4	20.2	17.5	19.1	18.3	22.9	21.0	22.7	11.6
Montana	18.8	17.7	24.2	22.5	23.7	19.7	19.5	16.3	13.6	21.3
Nebraska	12.5	17.3	19.1	18.8	11.1	12.9	16.0	13.5	11.2	11.2
Nevada	8.0	10.3	14.4	14.6	13.8	15.9	19.2	13.5	16.5	13.3
New Hampshire	9.0	10.2	1.7	9.5	8.9	8.5	10.1	14.8	11.5	3.4
New Jersey	18.5	17.9	13.9	12.7	15.2	16.6	15.5	17.6	13.9	9.1
New Mexico	23.7	29.5	27.8	27.0	27.2	31.4	29.8	20.3	29.1	36.7
New York	18.6	23.3	20.6	19.4	21.8	24.3	25.8	25.9	25.8	24.9
North Carolina	16.8	19.8	19.1	15.6	19.1	19.6	24.3	19.3	20.4	20.8
North Dakota	13.6	16.9	14.1	15.0	17.0	16.7	14.3	13.5	12.0	12.1
Ohio	11.9	19.2	18.7	15.1	17.0	18.7	19.4	19.1	21.0	18.9
Oklahoma	14.8	22.6	17.7	18.7	17.2	23.6	24.2	25.4	22.9	23.9
Oregon	11.8	23.3	15.5	16.0	12.2	20.5	15.2	16.6	14.7	15.9
Pennsylvania	11.9	22.3	14.2	16.6	17.9	16.1	16.2	19.4	18.9	17.6
Rhode Island	11.1	23.1	13.9	8.4	11.3	16.5	21.7	21.4	14.1	15.2
South Carolina	25.9	29.3	23.2	24.7	21.1	23.6	29.0	28.1	20.6	31.6
South Dakota	19.1	23.2	21.8	13.9	19.0	17.0	19.0	15.5	19.2	21.3
Tennessee	21.3	28.4	23.5	26.5	29.5	24.9	21.3	29.0	19.0	21.7
Texas	20.0	22.7	24.7	24.0	22.4	25.0	26.6	25.0	27.7	24.0
Utah	9.8	16.2	14.2	10.0	10.1	17.6	11.8	13.6	9.0	8.6
Vermont	14.7	21.2	15.8	9.1	15.7	19.0	11.8	12.3	7.9	14.6
Virginia	14.0	16.1	14.6	14.8	14.8	13.9	14.6	11.9	12.0	14.0
Washington	12.0	13.6	18.5	11.2	11.7	14.1	15.3	14.1	15.7	17.1
West Virginia	19.2	30.9	30.8	21.5	27.5	25.4	35.1	30.6	26.3	25.3
Wisconsin	8.6	14.6	14.3	11.7	12.4	15.6	15.0	18.2	13.1	12.4
Wyoming	7.5	14.5	19.7	14.7	13.8	12.1	13.5	14.1	11.1	15.7
United States	16.0	21.8	19.8	19.0	20.5	21.5	22.1	22.0	21.2	20.2

Note: Due to limited sample size, rates for small states exhibit large sampling errors.
Source: U.S. Bureau of the Census, unpublished March Current Population Survey data.

Table B.13 POVERTY RATE OF ALL PERSONS
BY STATE, SELECTED YEARS, 1979-95

[In percent]

	1979	1983	1986	1989	1990	1992	1993	1994	1995
Alabama	18.9	22.9	23.8	18.9	19.2	17.3	17.4	16.4	20.1
Alaska	10.7	12.4	11.4	10.5	11.4	10.2	9.1	10.2	7.1
Arizona	13.2	16.5	14.3	14.1	13.7	15.8	15.4	15.9	16.1
Arkansas	19.0	21.6	21.3	18.3	19.6	17.5	20.0	15.3	14.9
California	11.4	14.9	12.7	12.9	13.9	16.4	18.2	17.9	16.7
Colorado	10.1	12.5	13.5	12.1	13.7	10.8	9.9	9.0	8.8
Connecticut	8.0	8.7	6.0	2.9	6.0	9.8	8.5	10.8	9.7
Delaware	11.8	8.5	12.4	10.0	6.9	7.8	10.2	8.3	10.3
Dist of	18.6	21.3	12.8	18.0	21.1	20.3	26.4	21.2	22.2
Florida	13.4	14.8	11.4	12.5	14.4	15.6	17.8	14.9	16.2
Georgia	16.6	18.8	14.6	15.0	15.8	17.7	13.5	14.0	12.1
Hawaii	9.9	13.4	10.7	11.3	11.0	11.2	8.0	8.7	10.3
Idaho	12.6	17.3	18.5	12.4	14.9	15.2	13.1	12.0	14.5
Illinois	11.0	14.4	13.3	12.7	13.7	15.6	13.6	12.4	12.4
Indiana	9.7	16.1	12.7	13.7	13.0	11.8	12.2	13.7	9.6
Iowa	10.1	16.7	12.9	10.3	10.4	11.5	10.3	10.7	12.2
Kansas	10.1	13.5	11.1	10.8	10.3	11.1	13.1	14.9	10.8
Kentucky	17.6	18.0	17.7	16.1	17.3	19.7	20.4	18.5	14.7
Louisiana	18.6	21.6	22.0	23.3	23.6	24.5	26.4	25.7	19.7
Maine	13.0	12.4	10.2	10.4	13.1	13.5	15.4	9.4	11.2
Maryland	9.8	8.6	9.2	9.0	9.9	11.8	9.7	10.7	10.1
Massachusetts	9.6	7.7	9.2	8.8	10.7	10.3	10.7	9.7	11.0
Michigan	10.4	16.8	13.9	13.2	14.3	13.6	15.4	14.1	12.2
Minnesota	9.5	12.3	12.5	11.2	12.0	13.0	11.6	11.7	9.2
Mississippi	23.9	26.9	26.6	22.0	25.7	24.6	24.7	19.9	23.5
Missouri	12.2	16.7	14.4	12.6	13.4	15.7	16.1	15.6	9.4
Montana	12.3	15.1	16.5	15.6	16.3	13.8	14.9	11.5	15.3
Nebraska	10.7	15.3	13.6	12.8	10.3	10.6	10.3	8.8	9.6
Nevada	8.7	9.8	8.1	10.8	9.8	14.7	9.8	11.1	11.1
New Hampshire	8.5	8.1	3.7	7.7	6.3	8.7	9.9	7.7	5.3
New Jersey	9.5	10.9	8.9	8.2	9.2	10.3	10.9	9.2	7.8
New Mexico	17.6	24.2	21.3	19.5	20.9	21.6	17.4	21.1	25.3
New York	13.4	15.8	13.2	12.6	14.3	15.7	16.4	17.0	16.5
North Carolina	14.8	15.9	14.3	12.2	13.0	15.8	14.4	14.2	12.6
North Dakota	12.6	15.1	13.5	12.2	13.7	12.1	11.2	10.4	12.0
Ohio	10.3	13.6	12.8	10.6	11.5	12.5	13.0	14.1	11.5
Oklahoma	13.4	16.9	14.7	14.7	15.6	18.6	19.9	16.7	17.1
Oregon	10.7	16.4	12.3	11.2	9.2	11.4	11.8	11.8	11.2
Pennsylvania	10.5	15.5	10.1	10.4	11.0	11.9	13.2	12.5	12.2
Rhode Island	10.3	14.8	9.1	6.7	7.5	12.4	11.2	10.3	10.6
South Carolina	16.6	20.9	17.3	17.0	16.2	19.0	18.7	13.8	19.9
South Dakota	16.9	18.1	17.0	13.2	13.3	15.1	14.2	14.5	14.5
Tennessee	16.4	20.1	18.3	18.4	16.9	17.0	19.6	14.6	15.5
Texas	14.7	15.7	17.3	17.1	15.9	18.3	17.4	19.1	17.4
Utah	10.3	13.9	12.6	8.2	8.2	9.4	10.7	8.0	8.4
Vermont	12.0	15.6	11.0	8.0	10.9	10.5	10.0	7.6	10.3
Virginia	11.8	11.4	9.7	10.9	11.1	9.5	9.7	10.7	10.2
Washington	9.8	10.8	12.9	9.6	8.9	11.2	12.1	11.7	12.5
West Virginia	15.0	22.3	22.4	15.7	18.1	22.3	22.2	18.6	16.7
Wisconsin	8.7	10.6	10.7	8.4	9.3	10.9	12.6	9.0	8.5
Wyoming	7.9	12.7	14.6	10.9	11.0	10.3	13.3	9.3	12.2
United States	11.7	15.2	13.6	12.8	13.5	14.8	15.1	14.5	13.8

Note: Due to limited sample size, rates for small states exhibit large sampling errors.
Source: U.S. Bureau of the Census, Current Population Reports, Series P60-194 and earlier.

Table B.14 CIVILIAN UNEMPLOYMENT RATE
UNEMPLOYED AS A PERCENT OF LABOR FORCE: SELECTED YEARS, 1979-95

	1979	1983	1986	1989	1990	1991	1993	1994	1995
Alabama	7.1	13.7	9.8	7.0	6.8	7.2	7.5	6.0	6.3
Alaska	9.3	10.3	10.9	6.7	6.9	8.5	7.6	7.8	7.3
Arizona	5.1	9.1	6.9	5.2	5.3	5.7	6.2	6.4	5.1
Arkansas	6.2	10.1	8.8	7.2	6.9	7.3	6.2	5.3	4.9
California	6.2	9.7	6.7	5.1	5.6	7.5	9.2	8.6	7.8
Colorado	4.8	6.7	7.4	5.8	4.9	5.0	5.2	4.2	4.2
Connecticut	5.1	6.0	3.8	3.7	5.1	6.7	6.2	5.6	5.5
Delaware	8.2	8.1	4.3	5.0	6.6	7.7	8.5	4.9	4.3
Dist of Columbia	7.6	11.6	7.7	3.5	5.1	6.2	5.3	8.2	8.9
Florida	6.0	8.6	5.7	5.6	5.9	7.3	7.0	6.6	5.5
Georgia	5.1	7.5	5.9	5.5	5.4	5.0	5.8	5.2	4.9
Hawaii	6.2	6.4	4.9	2.6	2.8	2.8	4.2	6.1	5.9
Idaho	5.6	9.8	8.7	5.1	5.8	6.1	6.1	5.6	5.4
Illinois	5.5	11.4	8.1	6.0	6.2	7.1	7.4	2.7	5.2
Indiana	6.4	11.1	6.8	4.7	5.3	5.9	5.3	4.9	4.7
Iowa	4.2	8.1	7.0	4.3	4.2	4.6	4.0	3.7	3.5
Kansas	3.4	6.1	5.4	4.0	4.4	4.4	5.0	5.3	4.4
Kentucky	5.6	11.7	9.3	6.2	5.8	7.4	6.2	5.4	5.4
Louisiana	6.7	11.8	13.1	7.9	6.2	7.1	7.4	8.0	6.9
Maine	7.2	9.0	5.4	4.1	5.1	7.5	7.9	7.4	5.7
Maryland	5.9	6.9	4.5	3.7	4.6	5.9	6.2	5.1	5.1
Massachusetts	5.6	6.9	3.8	4.0	6.0	9.0	6.9	6.0	5.4
Michigan	7.8	14.2	8.8	7.1	7.5	9.2	7.0	5.9	5.3
Minnesota	4.2	8.2	5.3	4.3	4.8	5.1	5.1	4.0	3.7
Mississippi	5.8	12.6	11.7	7.8	7.5	8.6	6.3	6.6	6.1
Missouri	4.5	9.9	6.1	5.5	5.7	6.6	6.4	4.9	4.8
Montana	5.1	8.9	8.1	5.9	5.8	6.9	6.0	5.1	5.9
Nebraska	3.2	5.7	5.0	3.1	2.2	2.7	2.6	2.9	2.6
Nevada	5.0	9.9	6.0	5.0	4.9	5.5	7.2	6.2	5.4
New Hampshire	3.1	5.4	2.8	3.5	5.6	7.2	6.6	4.6	4.0
New Jersey	6.9	7.9	5.0	4.1	5.0	6.6	7.4	6.8	6.4
New Mexico	6.7	10.2	9.1	6.7	6.3	6.9	7.5	6.3	6.3
New York	7.1	8.6	6.3	5.1	5.2	7.2	7.7	6.9	6.3
North Carolina	4.8	8.9	5.3	3.5	4.1	5.8	4.9	4.4	4.3
North Dakota	3.7	5.7	6.3	4.3	3.9	4.1	4.3	3.9	3.3
Ohio	5.9	12.2	8.1	5.5	5.7	6.4	6.5	5.5	4.8
Oklahoma	3.4	9.0	8.2	5.6	5.6	6.7	6.0	5.8	4.7
Oregon	6.9	10.8	8.5	5.7	5.5	6.0	7.2	5.4	4.8
Pennsylvania	6.9	11.8	6.8	4.5	5.4	6.9	7.0	6.2	5.9
Rhode Island	6.7	8.3	4.1	4.1	6.7	8.5	7.7	7.1	7.0
South Carolina	5.0	10.0	6.2	4.7	4.7	6.2	7.5	6.3	5.1
South Dakota	3.6	5.4	4.9	4.2	3.7	3.4	3.5	3.3	2.9
Tennessee	5.8	11.5	8.1	5.1	5.2	6.6	5.7	4.8	5.2
Texas	4.2	8.0	8.9	6.7	6.2	6.6	7.0	6.4	6.0
Utah	4.3	9.3	6.0	4.6	4.3	4.9	3.9	3.7	3.6
Vermont	4.9	6.8	4.8	3.7	5.0	6.4	5.4	4.7	4.2
Virginia	4.7	6.1	5.0	3.9	4.3	5.8	5.0	4.9	4.5
Washington	6.8	11.2	8.2	6.2	4.9	6.3	7.5	6.4	6.4
West Virginia	6.7	18.0	11.9	8.6	8.3	10.5	10.8	8.9	7.9
Wisconsin	4.5	10.4	7.1	4.4	4.4	5.4	4.7	4.7	3.7
Wyoming	2.7	8.4	9.2	6.3	5.4	5.1	5.4	5.3	4.8
United States	5.8	9.6	7.0	5.3	5.5	6.7	6.8	6.1	5.6

Source: Bureau of Labor Statistics, *Geographic Profile of Emploment and Unemploymnet*, annual.

TABLE B.15 AFDC BENEFIT LEVELS FOR A MOTHER & TWO CHILDREN WITH NO EARNINGS, BY STATE

State	AFDC benefit levels (in 1994 dollars)						Percent change in AFDC			
	1972	1980	1985	1988	1992	1994	1972-94	1980-94	1985-94	1988-94
Alabama	3,852	2,547	1,950	1,772	1,886	1,968	-48.9	-22.7	0.9	11.1
Arizona	5,850	4,360	3,850	4,400	4,391	4,164	-28.8	-4.5	8.2	-5.4
Arkansas	4,459	3,475	3,173	3,063	2,582	2,448	-45.1	-29.5	-22.9	-20.1
California	11,379	10,207	9,700	9,955	8,390	7,284	-36.0	-28.6	-24.9	-26.8
Colorado	8,097	6,258	5,718	5,346	4,505	4,272	-47.2	-31.7	-25.3	-20.1
Connecticut	12,413	8,761	9,402	9,355	8,605	8,160	-34.3	-6.9	-13.2	-12.8
Delaware	8,739	5,740	4,742	4,790	4,277	4,056	-53.6	-29.3	-14.5	-15.3
Dist of Columbia	9,167	6,171	5,404	5,690	5,176	5,040	-45.0	-18.3	-6.7	-11.4
Florida	5,137	4,208	3,966	4,130	3,834	3,636	-29.2	-13.6	-8.3	-12.0
Georgia	4,102	3,539	3,685	4,054	3,543	3,360	-18.1	-5.1	-8.8	-17.1
Idaho	10,701	6,971	5,024	4,564	3,986	3,804	-64.5	-45.4	-24.3	-16.7
Illinois	9,310	6,215	5,636	5,136	4,644	4,524	-51.4	-27.2	-19.7	-11.9
Indiana	7,134	5,503	4,231	4,325	3,645	3,456	-51.6	-37.2	-18.3	-20.1
Iowa	10,487	7,769	5,949	5,916	5,391	5,112	-51.3	-34.2	-14.1	-13.6
Kansas	11,807	7,445	6,461	6,412	5,429	5,148	-56.4	-30.9	-20.3	-19.7
Kentucky	6,599	4,057	3,255	3,273	2,885	2,724	-58.7	-32.9	-16.3	-16.8
Louisiana	4,566	3,733	3,139	2,853	2,404	2,280	-50.1	-38.9	-27.4	-20.1
Maine	7,883	6,043	6,110	6,246	5,733	5,016	-36.4	-17.0	-17.9	-19.7
Maryland	7,134	5,826	5,436	5,661	4,771	4,476	-37.3	-23.2	-17.7	-20.9
Massachusetts	11,699	7,726	7,138	8,094	6,821	6,948	-40.6	-10.1	-2.7	-14.2
Michigan	12,021	9,171	6,511	6,547	5,809	5,508	-54.2	-39.9	-15.4	-15.9
Minnesota	11,771	8,999	8,725	7,988	6,732	6,384	-45.8	-29.1	-26.8	-20.1
Mississippi	1,713	2,071	1,586	1,802	1,519	1,440	-15.9	-30.5	-9.2	-20.1
Missouri	4,815	5,352	4,528	4,234	3,695	3,504	-27.2	-34.5	-22.6	-17.2
Montana	7,883	5,589	5,850	5,391	5,125	4,992	-36.7	-10.7	-14.7	-7.4
Nebraska	8,989	6,690	5,784	5,466	4,606	4,368	-51.4	-34.7	-24.5	-20.1
Nevada	7,419	5,653	4,710	4,955	4,404	4,176	-43.7	-26.1	-11.3	-15.7
New Hampshire	10,986	7,466	6,429	7,447	6,530	6,600	-39.9	-11.6	2.7	-11.4
New Jersey	11,058	7,769	6,676	6,366	5,366	5,088	-54.0	-34.5	-23.8	-20.1
New Mexico	6,028	4,748	4,264	3,964	4,100	4,572	-24.2	-3.7	7.2	15.3
New York	14,054	8,502	7,833	8,094	7,302	6,924	-50.7	-18.6	-11.6	-14.5
North Carolina	6,528	4,143	4,065	3,994	3,442	3,264	-50.0	-21.2	-19.7	-18.3
North Dakota	10,772	7,208	6,131	5,570	5,075	5,172	-52.0	-28.2	-15.6	-7.1
Ohio	7,276	5,676	4,792	4,640	4,227	4,092	-43.8	-27.9	-14.6	-11.8
Oklahoma	8,275	6,086	4,660	4,655	4,100	3,888	-53.0	-36.1	-16.6	-16.5
Oregon	12,627	8,373	6,379	6,186	5,821	5,520	-56.3	-34.1	-13.5	-10.8
Pennsylvania	11,307	6,862	6,015	6,036	5,328	5,052	-55.3	-26.4	-16.0	-16.3
Rhode Island	11,200	7,337	6,759	7,763	7,011	6,648	-40.6	-9.4	-1.6	-14.4
South Carolina	3,424	2,784	3,090	3,018	2,657	2,400	-29.9	-13.8	-22.3	-20.5
South Dakota	10,452	6,927	5,436	5,495	5,112	5,160	-50.6	-25.5	-5.1	-6.1
Tennessee	4,102	2,632	2,529	2,597	2,341	2,220	-45.9	-15.7	-12.2	-14.5
Texas	4,138	2,504	2,760	2,763	2,328	2,256	-45.5	-9.9	-18.3	-18.3
Utah	9,810	7,769	6,213	5,646	5,087	4,968	-49.4	-36.1	-20.0	-12.0
Vermont	11,879	10,617	9,634	9,445	8,339	7,800	-34.3	-26.5	-19.0	-17.4
Virginia	9,560	5,567	5,850	5,315	4,480	4,248	-55.6	-23.7	-27.4	-20.1
Washington	11,699	9,883	7,866	7,387	6,720	6,552	-44.0	-33.7	-16.7	-11.3
West Virginia	7,348	4,445	4,115	3,738	3,151	3,036	-58.7	-31.7	-26.2	-18.8
Wisconsin	12,734	9,582	8,808	7,763	6,542	6,204	-51.3	-35.3	-29.6	-20.1
Wyoming	8,739	4,964	5,949	5,406	4,556	4,320	-50.6	-13.0	-27.4	-20.1
Average	8,554	6,162	5,468	5,403	4,783	4,576	-46.5	-25.7	-16.3	-15.3
Weighted Average	8,735	6,424	5,791	5,767	5,046	4,738	-45.8	-26.2	-18.2	-17.8

Source: ASPE and Ways & Means Committee staff calculations based upon state AFDC benefit data collected by CRS.

TABLE B.16 AFDC & FOOD STAMP BENEFIT LEVELS
FOR A MOTHER & TWO CHILDREN WITH NO EARNINGS, BY STATE

State	AFDC & Food Stamp benefit levels (in 1994 dollars)						Percent change in AFDC & Food Stamps			
	1972	1980	1985	1988	1992	1994	1972-94	1980-94	1985-94	1988-94
Alabama	7,492	6,107	5,387	5,196	5,581	5,508	-26.5	-9.8	2.3	6.0
Arizona	8,889	7,389	6,936	7,332	7,600	7,296	-17.9	-1.3	5.2	-0.5
Arkansas	7,916	6,769	6,461	6,397	6,277	5,988	-24.4	-11.5	-7.3	-6.4
California	12,759	11,482	11,031	11,221	10,400	9,480	-25.7	-17.4	-14.1	-15.5
Colorado	10,462	8,718	8,242	7,995	7,680	7,368	-29.6	-15.5	-10.6	-7.8
Connecticut	13,484	10,471	10,822	10,801	10,550	10,092	-25.2	-3.6	-6.7	-6.6
Delaware	10,912	8,355	7,560	7,605	7,521	7,212	-33.9	-13.7	-4.6	-5.2
District of Columbia	11,211	8,658	8,023	8,236	8,150	7,908	-29.5	-8.7	-1.4	-4.0
Florida	8,390	7,283	7,017	7,143	7,211	6,924	-17.5	-4.9	-1.3	-3.1
Georgia	7,666	6,815	6,820	7,090	7,006	6,732	-12.2	-1.2	-1.3	-5.0
Idaho	12,286	9,217	7,757	7,447	7,317	7,044	-42.7	-23.6	-9.2	-5.4
Illinois	11,311	8,687	8,184	7,928	7,846	7,608	-32.7	-12.4	-7.0	-4.0
Indiana	9,788	8,190	7,202	7,280	7,078	6,792	-30.6	-17.1	-5.7	-6.7
Iowa	12,135	9,776	8,405	8,393	8,300	7,956	-34.4	-18.6	-5.3	-5.2
Kansas	13,060	9,549	8,763	8,984	8,543	8,184	-37.3	-14.3	-6.6	-8.9
Kentucky	9,414	7,177	6,519	6,544	6,547	6,264	-33.5	-12.7	-3.9	-4.3
Louisiana	7,990	6,951	6,438	6,249	6,100	5,820	-27.2	-16.3	-9.6	-6.9
Maine	10,313	8,567	8,518	8,625	8,540	7,884	-23.5	-8.0	-7.4	-8.6
Maryland	9,788	8,416	8,338	8,481	8,091	7,668	-21.7	-8.9	-8.0	-9.6
Massachusetts	12,984	9,745	9,238	9,918	9,301	9,240	-28.8	-5.2	0.0	-6.8
Michigan (Wayne)	13,209	10,758	8,798	8,835	8,593	8,232	-37.7	-23.5	-6.4	-6.8
Minnesota	13,034	10,636	10,348	9,844	9,239	8,844	-32.1	-16.9	-14.5	-10.2
Mississippi	5,616	5,632	5,024	5,225	5,214	4,980	-11.3	-11.6	-0.9	-4.7
Missouri	8,165	8,083	7,409	7,216	7,113	6,828	-16.4	-15.5	-7.8	-5.4
Montana	10,313	8,250	8,335	8,025	8,114	7,872	-23.7	-4.6	-5.6	-1.9
Nebraska	11,087	9,021	8,289	8,078	7,751	7,440	-32.9	-17.5	-10.2	-7.9
Nevada	9,988	8,295	7,537	7,720	7,610	7,296	-27.0	-12.0	-3.2	-5.5
New Hampshire	12,485	9,564	8,740	9,466	9,098	9,000	-27.9	-5.9	3.0	-4.9
New Jersey	12,534	9,776	8,913	8,821	8,377	8,028	-36.0	-17.9	-9.9	-9.0
New Mexico	9,014	7,660	7,225	7,028	7,397	7,584	-15.9	-1.0	5.0	7.9
New York (NYC)	15,072	10,289	9,986	10,156	9,839	9,420	-37.5	-8.4	-5.7	-7.3
North Carolina	9,363	7,237	7,086	7,049	6,936	6,660	-28.9	-8.0	-6.0	-5.5
North Dakota	12,335	9,382	8,531	8,152	8,079	8,004	-35.1	-14.7	-6.2	-1.8
Ohio	9,889	8,310	7,595	7,563	7,538	7,248	-26.7	-12.8	-4.6	-4.2
Oklahoma	10,587	8,597	7,502	7,511	7,397	7,104	-32.9	-17.4	-5.3	-5.4
Oregon	13,645	10,199	9,291	9,115	9,049	8,664	-36.5	-15.0	-6.7	-4.9
Pennsylvania	12,710	9,141	8,451	8,478	8,256	7,920	-37.7	-13.4	-6.3	-6.6
Rhode Island	12,635	9,473	9,055	9,763	9,498	9,492	-24.9	0.2	4.8	-2.8
South Carolina	7,191	6,286	6,403	6,365	6,353	5,940	-17.4	-5.5	-7.2	-6.7
South Dakota	12,111	9,186	8,046	8,099	8,105	7,992	-34.0	-13.0	-0.7	-1.3
Tennessee	7,666	6,181	5,966	6,022	6,036	5,760	-24.9	-6.8	-3.4	-4.3
Texas	7,691	6,064	6,172	6,186	6,024	5,796	-24.6	-4.4	-6.1	-6.3
Utah	11,661	9,776	8,589	8,204	8,087	7,860	-32.6	-19.6	-8.5	-4.2
Vermont	13,109	11,770	10,984	10,864	10,364	9,840	-24.9	-16.4	-10.4	-9.4
Virginia	11,486	8,235	8,335	7,974	7,662	7,356	-36.0	-10.7	-11.7	-7.7
Washington	12,984	11,256	9,905	9,631	9,556	9,276	-28.6	-17.6	-6.4	-3.7
West Virginia	9,938	7,449	7,120	6,869	6,732	6,504	-34.6	-12.7	-8.7	-5.3
Wisconsin	13,752	11,044	10,405	9,686	9,106	8,724	-36.6	-21.0	-16.2	-9.9
Wyoming	10,912	7,812	8,405	8,036	7,715	7,404	-32.1	-5.2	-11.9	-7.9
Average	10,784	8,646	8,084	8,058	7,887	7,593	-29.6	-12.2	-6.1	-5.8
Weighted Average	10,936	8,831	8,318	8,324	8,075	7,702	-29.6	-12.8	-7.4	-7.5

Source: ASPE and Ways & Means Committee staff calculations based upon state AFDC benefit data collected by CRS.

Appendix C

Criteria for Indicators of Child Well-Being

Criteria for Indicators of Child Well-Being

-Adapted from Kristin Moore, "Criteria for Indicators of Child Well-Being." Background paper written for the child indicators conference.

1. Comprehensive coverage. Indicators should assess well-being across a broad array of outcomes, behaviors, and processes.

2. Depth, breadth, and duration. Indicators are needed that assess dispersion across given measures of well-being, children's duration in a status, and cumulative risk factors experienced by children.

3. Children of all ages. Indicators are needed that measure well-being at every age of childhood and that cover the transition into adulthood.

4. Clear and comprehensible. The public should be able to easily and readily understand any indicators that we use.

5. Positive outcome. Indicators should assess positive as well as negative aspects of well-being.

6. Common Interpretation. Indicators should have the same meaning in varied population subgroups.

7. Consistency over time. Indicators should have the same meaning over time.

8. Forward-looking. Data on indicators that anticipate future trends should be collected now.

9. Rigorous methods. Coverage of the population or event being monitored should be complete or extensive, and data collection procedures should be rigorous and consistent over time.

10. Geographically detailed. Data should be collected on indicators at the state and local levels as well as at the national level.

11. Cost-efficient. Strategies to expand and improve our data system need to be thoughtful, well planned, and economically efficient.

12. Reflective of social goals. Some indicators should allow us to track progress in meeting goals for child well-being.

Appendix D

Description of Existing Surveys

Description of Survey Data

The Survey of Income and Program Participation. The SIPP was begun largely in response to the limitations of the Current Population Survey in providing needed details on income dynamics and program participation. SIPP's panels have varied in size from 13,000 to 21,500 households. The 1993 panel has 20,000 households. SIPP's observation window is wider than that of the CPS and its thrice-a-year interviews provide data over a monthly accounting period. Panels begun between 1984 and 1995 were designed to run for 2.5 years. Beginning in 1996, the Census instituted planned change to the sample design and fielded non-overlapping panel of about 40,000 households, to be followed for a total of 52 months. The 1996 PRWOA provides funds to the Census Bureau to conduct a special SIPP panel, the Survey of Program Dynamics, or SPD, to last for ten years. The SPD will make special efforts to collect data on the children in SIPP households. It will be designed as an extension of the SIPP panel begun in 1992 and 1993. The SPD is discussed in greater detail below.

The core SIPP questionnaire, repeated every four months, asks detailed questions concerning employment, income, and participation in federal social-support programs. Much of the information is collected on a month-by-month basis. Questions are asked about all adults age 15 and over in the household. Special modules covering a multitude of topics are conducted periodically. Topics include personal history, fertility history, child support , child care, health care utilization, disability, and data on school enrollment and financing.

SIPP's features are better suited to the task of describing the dynamics of deprivation and dependence, but some problems remain. A 52-month accounting period is much more likely to capture a mixture of short- and long-term recipients, although it is still a biased sampling of the "ever-on" population. Complete spells lasting more than 52 months will not be observed in their entirety in SIPP, nor will repeat spells that are spaced more than 52 months apart. A serious problem for longitudinal indicators of deprivation and dependence is that current plans for nonoverlapping samples in SIPP introduce a very unhelpful break in SIPP-based time series on many potential dynamic social indicators. For example, it would be helpful to use data from adjacent years to calculate rates of transition out of and into poverty among children. Nonoverlapping samples between years t and t+1 render it impossible to compute transition rates between those years.

On the plus side, however, the 52-month panel period is sufficient to observe many transitions into and out of poverty and onto and off welfare rolls, as well as providing ancillary information needed to couple these transitions with events such as marriage/divorce and employment/job loss. Monthly data from the Survey of Income and Program Participation have been used to provide a number of interesting indicators of poverty incidence and transitions (e.g., U.S. Bureau of the Census, 1991 and 1992).

The Survey of Program Dynamics.(SPD) The Personal Responsibility and Work Opportunity Act of 1996 recognized the need to monitor the well-being of children and families during the policy shift and provided funding to the Bureau of the Census to conduct a national survey focused on low income families with children. The SPD will be administered as an extension of the Survey of Income and Program Participation (e.g. using households from two established

SIPP panels). The primary goals of the SPD include: 1) to provide information on spells of program participation over a longer period (e.g. ten-year); 2) to examine the cause of program participation and its long-term consequences on the well-being of recipients, their families, and their children and 3) to examine transitions to work and their impact on child and family well-bring.

The SPD will be based on the 1992 and 1993 panels of the SIPP and will collect data from approximately 20,000 households to form a baseline. The survey will then follow these initial households for at least seven years (1996-2002) through annual retrospective interviews and gather the outcome measures that are key to monitoring the effects of welfare reform on adult and child well-being. In addition to the survey of adults, the SPD will administer an adolescent questionnaire -- aimed at children ages 12-17 -- which seeks information on a variety of topics including school experience, educational expectations, relationships with parents, drug use and career goals.

The Current Population Survey. Most indicators of poverty, including childhood poverty, come from the Census Bureau's Current Population Survey and are published in the annual volumes entitled Poverty in the United States (e.g., U.S. Bureau of the Census, 1994). These reports are now available on the Census Bureau's web page. Each March CPS measures income and poverty thresholds over a single, annual accounting period. The poverty status of all individuals and households in the 60,000-household CPS sample is determined and then tabulated according to a myriad of demographic characteristics.

Recent years have seen numerous attempts to gauge the sensitivity of "official" poverty estimates to the method of inflation adjustment; the inclusion of noncash sources of income such as Food Stamps and Medicaid benefits; the proration of the poverty threshold to the composition of the family during the calendar year in which income was received; and so on. When the annual CPS data are placed side by side, they form a useful time series of snapshot pictures of the incidence of annual poverty dating back to the mid-1960s. These annual poverty indicators are released at the same time each year, amid great publicity, and often generate a productive discussion in editorials, opinion-page columns and television reports. However, some drawbacks exist. Because the CPS collects annual income information in only one month (March) of the year, it tends to underreport income, and its annual accounting period is not short enough to capture month-to-month dynamics, nor is it long enough to capture many essential features of "long-term" deprivation.

Longer-run surveys. Although not used to report "official" statistics, the Panel Study of Income Dynamics (PSID) and National Longitudinal Survey of Youth (NLSY) have provided a wealth of longer-run intra- and intergenerational data on both deprivation and dependence. The PSID began with a representative sample of households in 1968 and provides annual data on income and, since 1983 for certain transfer incomes such as AFDC, monthly data on dependence for its sample households. By following children as they leave home and counting new births as part of its sample of individuals, the PSID has a mechanism for providing continuously-representative household samples (except for immigration) throughout its life as well as representative intergenerational data.

The National Longitudinal Survey was begun in 1979 with a nationally-representative sample of 14-21 year-olds. It has taken annual interviews with its sample since 1979 and conducted extensive assessments of the children of the mothers in the cohort every two years beginning in 1986. Interviews taken with parents of members of the original cohorts provide rich intergenerational information. Extensive cognitive and behavioral information on children born to women in the original cohorts has been gathered every two years since 1986. A new sample of adolescent cohorts is scheduled to be drawn and interviewed in 1997.

The American Community Survey. The American Community Survey (ACS) is a reengineering of the method for collecting the detailed socio-economic data traditionally collected in the decennial census. The ACS is a continuous measurement survey which would provide data throughout the decade and would essentially replace the current decennial census long form. Current plans for the ACS call for a continuous monthly survey beginning in 1999. The main goals of the ACS are: 1) to provide socio-economic data throughout the decade, 2) to provide data that is more timely than currently available censuses and surveys and 3) to improve the infrastructure for the federal statistical system. An important strength of the ACS is that it will provide more timely data for use in small area estimation. This is especially crucial given the increasing need for state-level and substate-level data for tracking and monitoring the well-being of families. The main weakness of the ACS, however, is the absence of a wide variety of socio-economic variables which are necessary for accurately capturing a complete view of adult and child well-being.

Appendix E

Tables on Income Sources of Poor Families

Table 1. Percent of Female-Headed Families with Children with Income from Various Sources, By Ratio of Total Income to Poverty Threshold,[1] 1994

	Ratio of total income to poverty threshold								Poor	Non-poor	Total
	Under 0.50	0.50 to 0.74	0.75 to 0.99	1.00 to 1.24	1.25 to 1.49	1.50 to 1.99	2.00 to 2.99	3 and over			
Number of Families (in thousands)	2,016	1,242	847	756	670	1,032	1,394	1,259	4,105	5,110	9,215
Earnings [2]	39.6	57.9	75.5	86.1	95.3	94.5	97.3	99.2	52.5	95.3	76.2
OASDI	5.3	11.1	19.2	18.0	16.6	17.5	15.4	17.9	9.9	17.0	13.8
Pensions	0.4	0.4	0.7	1.4	1.0	2.6	2.2	3.2	0.4	2.2	1.4
Unemployment compensation, workers compensation, veterans payments	2.6	8.2	12.3	10.3	10.3	12.6	10.2	11.0	6.3	10.9	8.8
AFDC, SSI, general assistance	65.8	64.2	46.9	33.8	22.8	18.6	9.1	3.6	61.4	15.1	35.7
Child support, alimony	17.8	21.6	25.5	28.9	31.8	41.0	42.7	46.6	20.5	39.8	31.2
Interest, dividends [2]	7.0	12.0	18.7	22.8	32.3	45.5	55.4	78.7	11.0	51.3	33.3
Food stamps	75.5	72.5	57.8	44.1	28.9	17.8	7.8	2.3	70.9	16.6	40.8
Housing assistance	35.5	28.9	22.4	18.9	10.6	10.1	3.3	0.9	30.8	7.3	17.8
Family characteristics: Percent never married	47.9	37.1	33.4	31.1	28.7	22.4	20.6	11.2	41.6	21.3	30.3
Percent with head age 15-19	4.6	2.2	2.3	0.7	1.1	0.1	0.0	0.1	3.4	0.4	1.7
Percent with head age 20-29	39.6	31.2	26.1	25.9	22.8	19.1	14.3	5.8	34.2	16.0	24.1
Percent with head age 30 and over	55.8	66.7	71.6	73.4	76.1	80.7	85.8	93.8	62.4	83.6	74.2
Percent white non-Hispanic [3]	39.7	43.3	49.1	53.9	54.2	60.4	68.2	70.9	42.7	63.3	54.1
Percent black non-Hispanic	42.5	39.0	31.2	31.7	33.2	28.1	24.2	21.5	39.1	26.6	32.2
Percent Hispanic	17.8	17.7	19.8	14.4	12.7	11.4	7.7	7.6	18.2	10.1	13.7

Note: Details may not sum to totals due to rounding.
Source: March 1995 Current Population Survey (CPS).

[1] Based on census ("Orshansky") poverty levels.
[2] Negative incomes (i.e. losses) set to zero.
[3] Includes "other races."

ERRATA: Table 2 of Appendix E should read as follows:

Table 2. Percent of Total Family Income from Various Sources, By Ratio of Total Income to Poverty Threshold for Female-headed Families with Children,[1] 1994

	Ratio of total income to poverty threshold								Poor	Non-poor	Total
	Under 0.50	0.50 to 0.74	0.75 to 0.99	1.00 to 1.24	1.25 to 1.49	1.50 to 1.99	2.00 to 2.99	3 and over			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Earnings [2]	18.2	33.9	49.7	65.2	73.5	75.2	83.7	85.2	29.7	78.3	57.0
OASDI	2.5	5.7	10.1	9.0	7.3	7.5	4.9	3.9	5.1	6.1	5.7
Pensions	0.1	0.2	0.4	0.3	0.1	0.7	0.7	1.1	0.2	0.7	0.5
Unemployment compensation, workers compensation, veterans payments	0.5	1.6	2.0	2.0	1.7	2.6	1.2	1.0	1.2	1.6	1.4
AFDC, SSI, general assistance	31.4	33.2	19.8	11.8	7.5	4.2	1.5	0.3	29.5	4.0	15.2
Child support, alimony	4.4	4.2	5.8	5.2	6.1	7.1	6.9	6.4	4.6	6.5	5.7
Interest, dividends [2]	1.3	0.4	0.2	0.7	0.4	0.6	0.7	2.0	0.8	0.9	0.9
Food stamps [3]	28.5	14.3	8.7	4.4	2.6	1.5	0.3	0.1	19.9	1.4	9.5
Housing assistance [3]	12.9	6.4	3.3	1.5	0.7	0.6	0.2	0.0	8.9	0.5	4.2
Mean income per family member [4]	2,072	3,331	4,168	5,122	6,092	7,600	10,724	19,410	2,886	10,797	7,273
Mean family size	3.6	3.3	3.2	3.2	3.1	3.1	3.0	2.8	3.4	3.0	3.2
Percent with 50 percent or more of family income from public assistance [4]	71.8	50.0	26.5	12.0	4.6	1.6	0.9	0.0	55.9	3.0	26.5
Percent with 90 percent or more of family income from public assistance [4]	47.2	30.6	6.9	1.9	1.8	0.4	0.3	0.0	33.8	0.7	15.4

Note: Details may not sum to totals due to rounding.
Source: March 1995 Current Population Survey (CPS).

[1] Based on census ("Orshansky") poverty levels.
[2] Negative incomes (i.e. losses) set to zero.
[3] The cash values of food stamps and housing assistance were estimated using their market values. Their cash values are excluded from total income for purposes of determining poverty status. Cash values of food stamps and housing assistance are included in total income for calculating the percentage share of total income.
[4] Includes cash values of food stamps and housing assistance. Income not adjusted for losses.

Table 3. Percent of Male-Present Families with Children with Income from Various Sources, By Ratio of Total Income to Poverty Threshold,[1] 1994

	Ratio of total income to poverty threshold								Poor	Non-poor	Total
	Under 0.50	0.50 to 0.74	0.75 to 0.99	1.00 to 1.24	1.25 to 1.49	1.50 to 1.99	2.00 to 2.99	3 and over			
Number of Families (in thousands)	807	812	996	1,164	1,319	2,814	5,872	14,413	2,614	25,583	28,198
Earnings [2]	60.5	83.0	89.9	93.0	96.1	98.3	99.6	99.9	78.7	99.1	97.2
OASDI	5.3	9.9	10.4	9.5	11.5	9.0	6.8	5.2	8.7	6.5	6.7
Pensions	1.3	0.7	0.9	1.8	2.5	3.0	2.8	3.5	1.0	3.2	3.0
Unemployment compensation, workers compensation, veterans payments	10.7	14.3	16.9	19.3	18.0	18.0	16.4	11.4	14.2	14.0	14.0
AFDC, SSI, general assistance	27.7	30.4	18.9	16.9	10.4	6.3	3.0	1.2	25.2	3.3	5.4
Child support, alimony	3.5	5.8	6.7	4.8	6.0	7.0	6.7	5.7	5.4	6.1	6.0
Interest, dividends [2]	19.4	22.5	24.7	34.0	36.0	51.5	66.8	86.2	22.4	73.0	68.3
Food stamps	50.3	51.1	41.8	30.8	14.6	6.9	2.7	0.5	47.3	3.8	7.8
Housing assistance	14.2	13.1	8.6	5.5	3.7	2.1	1.5	0.3	11.7	1.2	2.2
Family characteristics: Percent with head age 15-19	1.0	1.2	1.1	0.7	0.4	0.2	0.10	0.1	1.1	0.1	0.2
Percent with head age 20-29	22.5	25.1	24.5	27.1	22.9	19.8	15.0	6.5	24.1	11.7	12.8
Percent with head age 30 and over	76.5	73.7	74.4	72.2	76.7	80.1	85.0	93.4	74.8	88.2	86.9
Percent white non-Hispanic [3]	53.4	56.5	55.7	64.6	64.7	72.1	81.1	87.8	55.2	82.2	79.7
Percent black non-Hispanic	16.4	11.6	14.1	10.0	14.7	11.1	8.6	7.0	14.0	8.4	8.9
Percent Hispanic	30.2	31.9	30.2	25.5	20.6	16.8	10.4	5.2	30.7	9.4	11.4

Note: Details may not sum to totals due to rounding.
Source: March 1995 Current Population Survey (CPS).

[1] Based on census ("Orshansky") poverty levels.
[2] Negative incomes (i.e. losses) set to zero.
[3] Includes "other races."

ERRATA: Table 4 of Appendix E should read as follows:

Table 4. Percent of Total Family Income from Various Sources, By Ratio of Total Income to Poverty Threshold for Male-present Families with Children,[1] 1994

	Ratio of total income to poverty threshold								Poor	Non-poor	Total
	Under 0.50	0.50 to 0.74	0.75 to 0.99	1.00 to 1.24	1.25 to 1.4	1.50 to 1.99	2.00 to 2.99	3 and over			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Earnings[2]	44.1	63.6	76.3	81.2	86.8	90.7	94.2	95.0	63.0	93.3	90.6
OASDI	3.6	5.4	5.9	4.6	4.9	2.8	1.5	0.8	5.1	1.6	1.9
Pensions	0.8	0.3	0.3	0.7	1.0	1.3	1.0	0.9	0.4	1.0	0.9
Unemployment compensation, workers compensation, veterans payments	3.8	3.6	3.7	3.7	2.6	2.3	1.6	0.8	3.7	1.4	1.6
AFDC, SSI, general assistance	13.3	14.6	6.3	5.7	2.1	1.2	0.3	0.1	11.0	0.6	1.5
Child support, alimony	0.6	0.7	0.9	0.6	0.7	0.7	0.5	0.3	0.7	0.4	0.5
Interest, dividends[2]	8.3	0.7	0.5	0.7	0.7	0.6	0.7	2.0	2.8	1.5	1.6
Food stamps[3]	20.3	8.6	5.2	2.3	1.0	0.3	0.1	0.0	10.7	0.2	1.2
Housing assistance[3]	5.1	2.4	0.9	0.4	0.2	0.1	0.0	0.0	2.6	0.1	0.3
Mean income per family member[4]	1,221	2,666	3,478	4,339	5,237	6,651	9,431	19,838	2,529	14,540	13,427
Mean family size	4.6	4.5	4.5	4.4	4.3	4.3	4.2	3.9	4.5	4.1	4.1
Percent with 50 percent or more of family income from public assistance[4]	31.6	21.4	6.6	5.0	1.4	0.7	0.1	0.0	18.9	0.4	2.1
Percent with 90 percent or more of family income from public assistance[4]	19.2	10.8	2.8	1.4	0.5	0.3	0.0	0.0	10.4	0.1	1.1

Note: Details may not sum to totals due to rounding.
Source: March 1995 Current Population Survey (CPS).

[1] Based on census ("Orshansky") poverty levels.
[2] Negative incomes (i.e. losses) set to zero.
[3] The cash values of food stamps and housing assistance were estimated using their market values. Their cash values are excluded from total income for purposes of determining poverty status. Cash values of food stamps and housing assistance are included in total income for calculating the percentage share of total income.
[4] Includes cash values of food stamps and housing assistance. Income not adjusted for losses.

ERRATA: Table 5 of Appendix E should read as follows:

Table 5. Trends in Demographic Characteristics and Income Composition of Female-Headed Families with Children, 1979, 1989 and 1994

	Poor[1]			Nonpoor[1]			Total		
	1979[2]	1989[2]	1994	1979[2]	1989[2]	1994	1979[2]	1989[2]	1994
Number of Families (in thousands)	2,458	3,434	4,105	3,729	4,431	5,110	6,187	7,865	9,215
Family characteristics: Percent never married	26.0	37.3	41.6	10.2	17.6	21.3	16.5	26.2	30.3
Percent with head age 15-19	3.9	2.9	3.4	0.4	0.3	0.4	1.8	1.5	1.7
Percent with head age 20-29	36.4	37.3	34.2	21.7	17.3	16.0	27.6	26.0	24.1
Percent with head age 30 and over	59.6	59.8	62.4	77.8	82.3	83.6	70.6	72.5	74.2
Percent white non-Hispanic[3]	43.1	42.6	42.7	69.4	64.1	63.3	59.0	54.7	54.1
Percent black non-Hispanic	44.9	42.0	39.1	24.7	27.6	26.6	32.7	33.9	32.2
Percent Hispanic	12.0	15.4	18.2	5.9	8.4	10.1	8.3	11.4	13.7
Average family size	3.7	3.4	3.4	3.2	3.0	3.0	3.4	3.2	3.2
Percent with income from: Earnings[4]	49.7	49.0	52.2	94.8	96.2	95.3	76.9	75.6	76.2
OASDI	12.6	10.8	9.9	21.5	16.3	17.0	18.0	13.9	13.8
Pensions	1.1	1.7	0.4	4.4	5.8	2.2	3.0	4.0	1.4
UC and other compensation	6.3	4.7	6.3	14.9	11.3	10.9	11.5	8.4	8.8
AFDC, SSI, general assistance	65.0	60.9	61.4	18.2	11.0	15.1	36.8	32.8	35.7
Child support, alimony	18.6	26.9	20.5	44.0	45.5	39.8	33.9	37.4	31.2
Interest, dividends[4]	13.4	11.2	11.0	53.6	53.5	51.3	37.6	35.0	33.3
Food stamps	67.2	66.5	70.9	16.6	10.4	16.6	36.7	35.0	40.8
Housing assistance	21.6	29.9	30.8	6.0	6.0	7.3	12.2	16.4	17.8
Percent of total income from: Earnings[4]	24.8	27.8	29.7	74.2	79.1	78.3	64.9	69.7	57.0
OASDI	5.7	5.9	5.1	6.8	4.6	6.1	6.6	4.8	5.7
Pensions	0.4	0.6	0.2	1.2	1.5	0.7	1.1	1.3	0.5
UC and other compensation	1.5	1.0	1.2	1.5	1.2	1.6	1.5	1.1	1.4
AFDC, SSI, general assistance	38.1	32.9	29.5	3.8	1.5	4.0	10.2	7.3	15.2
Child support, alimony	4.8	5.8	4.6	8.1	8.1	6.5	7.5	7.7	5.7
Interest, dividends[4]	0.3	0.3	0.8	2.9	3.4	0.9	2.4	2.9	0.9
Food stamps[5]	16.5	16.5	19.9	0.9	0.4	1.4	3.8	3.4	9.5
Housing assistance[5]	8.0	9.2	8.9	0.7	0.2	0.5	2.1	1.9	4.2
Mean income per family member (1994 dollars)[6]	2,758	2,646	2,886	9,134	10,394	10,797	6,388	6,827	7,273

Table 5. Trends in Demographic Characteristics and Income Composition of Female-Headed Families with Children, 1979, 1989 and 1994 - Continued

	Poor[1]			Nonpoor[1]			Total		
	1979[2]	1989[2]	1994	1979[2]	1989[2]	1994	1979[2]	1989[2]	1994
Percent with 50 percent of more of income from public assistance[5]	58.8	55.2	55.9	4.5	1.6	3.0	26.1	25.0	26.5
Percent with 90 percent or more of income from public assistance[5]	39.0	37.4	33.8	1.3	0.4	0.7	16.3	16.6	15.4

Note: Details may not sum to totals due to rounding.
Source: March 1980, 1990 and 1995 Current Population Survey (CPS).

[1] Based on census ("Orshansky") poverty levels.
[2] Data for 1979 and 1989 were compiled by CRS for Table 66 in the 1993 Green Book.
[3] Negative incomes (i.e. losses) set to zero.
[4] The cash values of food stamps and housing assistance were estimated using their market values. Their cash values are excluded from total income for purposes of determining poverty status. Cash values of food stamps and housing assistance are included in total income for calculating the percentage share of total income.
[5] Includes cash values of food stamps and housing assistance. Income not adjusted for losses.
[6] Includes cash values of food stamps and housing assistance. Income not adjusted for losses. Mean income converted to 1994 dollars using the CPI-X1 price index.

ERRATA: Table 6 of Appendix E should read as follows:

Table 6. Trends in Demographic Characteristics and Income Composition of Male-Present Families with Children, 1979, 1989 and 1994

	Poor [1]			Nonpoor [1]			Total		
	1979 [2]	1989 [2]	1994	1979 [2]	1989 [2]	1994	1979 [2]	1989 [2]	1994
Number of Families (in thousands)	1,663	2,142	2,614	24,315	24,761	25,583	25,978	26,903	28,198
Family characteristics: Percent with head age 15-19	1.1	1.3	1.1	0.3	0.2	0.1	0.4	0.3	0.2
Percent with head age 20-29	25.4	26.7	24.1	19.3	15.1	11.7	19.6	16.0	12.8
Percent with head age 30 and over	73.6	72.0	74.8	80.4	84.8	88.2	80.0	83.8	86.9
Percent white non-Hispanic [3]	66.2	59.4	55.2	86.1	83.9	82.2	84.8	81.9	79.7
Percent black non-Hispanic	18.0	17.0	14.0	7.7	8.1	8.4	8.3	8.8	8.9
Percent Hispanic	15.8	23.6	30.7	6.2	8.0	9.4	6.8	9.2	11.4
Average family size	4.8	4.6	4.5	4.2	4.1	4.1	4.3	4.1	4.1
Percent with income from: Earnings[4]	82.3	83.7	78.7	99.4	99.1	99.1	98.3	97.9	97.2
OASDI	14.3	8.7	8.7	5.9	5.6	6.5	6.4	5.9	6.7
Pensions	2.1	1.7	1.0	4.1	4.7	3.2	4.0	4.4	3.0
UC and other compensation	16.8	15.7	14.2	17.2	12.9	14.0	17.2	13.2	14.0
AFDC, SSI, general assistance	24.3	25.0	25.2	3.2	2.7	3.3	4.5	4.5	5.4
Child support, alimony	7.4	12.0	5.4	11.3	15.3	6.1	11.0	15.0	6.0
Interest, dividends[4]	27.4	20.4	22.4	73.9	73.3	73.0	71.0	69.1	68.3
Food stamps	41.8	42.2	47.3	3.5	2.5	3.8	6.0	5.6	7.8
Housing assistance	7.3	10.2	11.7	1.1	0.8	1.2	1.5	1.5	2.2
Percent of total income from: Earnings[4]	62.5	66.8	63.0	93.2	92.7	93.3	92.7	92.2	90.6
OASDI	8.1	5.3	5.1	1.0	0.9	1.6	1.1	1.0	1.9
Pensions	0.7	0.6	0.4	0.9	0.9	1.0	1.1	0.9	0.9
UC and other compensation	4.4	3.5	3.7	1.0	0.9	1.4	1.1	0.9	1.6
AFDC, SSI, general assistance	10.3	10.8	11.0	0.3	0.2	0.6	0.4	0.4	1.5
Child support, alimony	1.5	2.2	0.7	0.7	0.9	0.4	0.7	0.9	0.5
Interest, dividends[4]	1.7	1.3	2.8	2.8	3.5	1.5	2.8	3.5	1.6
Food stamps[5]	8.7	7.7	10.7	0.1	0.1	0.2	0.2	0.2	1.2
Housing assistance[5]	2.3	1.8	2.6	0.1	0.0	0.1	0.1	0.1	0.3
Mean income per family member (1994 dollars)[6]	2,361	2,556	2,529	12,297	13,923	14,540	11,634	12,906	13,427

Table 6. Trends in Demographic Characteristics and Income Composition of Male-Present Families with Children, 1979, 1989 and 1994 - Continued

	Poor[1]			Nonpoor[1]			Total		
	1979[2]	1989[2]	1994	1979[2]	1989[2]	1994	1979[2]	1989[2]	1994
Percent with 50 percent of more of income from public assistance[5]	15.3	16.5	18.9	0.2	0.2	0.4	1.2	1.5	2.1
Percent with 90 percent or more of income from public assistance[5]	7.1	8.9	10.4	0.00	0.1	0.1	0.5	0.8	1.1

Note: Details may not sum to totals due to rounding.
Source: March 1980, 1990 and 1995 Current Population Survey (CPS).

[1] Based on census ("Orshansky") poverty levels.
[2] Data for 1979 and 1989 were compiled by CRS for Table 67 in the 1993 Green Book.
[3] Negative incomes (i.e. losses) set to zero.
[4] The cash values of food stamps and housing assistance were estimated using their market values. Their cash values are excluded from total income for purposes of determining poverty status. Cash values of food stamps and housing assistance are included in total income for calculating the percentage share of total income.
[5] Includes cash values of food stamps and housing assistance. Income not adjusted for losses.
[6] Includes cash values of food stamps and housing assistance. Income not adjusted for losses. Mean income converted to 1994 dollars using the CPI-X1 price index.

Table 7. Number of Children in Poverty and Poverty Rates by Number of Children in Family, 1994

Number of children in family	Number of children (in thousands)	Percent of children	Number of poor children (in thousands)	Percent of poor children	Poverty rate
1	15,846	23.0	2,174	14.9	13.7
2	27,397	39.8	4,304	29.5	15.7
3	15,954	23.2	4,011	27.5	25.1
4	5,820	8.5	2,021	13.8	34.7
5 or more	3,787	5.5	2,091	14.3	55.2
Total	68,805	100.0	14,602	100.0	21.2

Note: Numbers may not sum to totals due to rounding.
Source: March 1995 Current Population Survey (CPS).

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