

## Chapter II. Indicators of Dependence

Following the format of the previous annual reports to Congress, Chapter II presents summary data related to indicators of dependence. These indicators differ from other welfare statistics because of their emphasis on welfare dependence, rather than simple welfare receipt. As discussed in Chapter I, the Advisory Board on Welfare Indicators suggested measuring dependence as the proportion of families with more than 50 percent of their total income in a one-year period coming from cash assistance through the AFDC (now TANF) program, food stamps and SSI benefits. Furthermore, this welfare income was not to be associated with work activities.

The indicators in Chapter II were selected to provide information about the range and depth of dependence as defined by the Advisory Board. Existing data from administrative records and national surveys, however, do not generally distinguish welfare benefits received in conjunction with work from benefits received without work. Thus, it was not possible to construct one single indicator of dependence; that is, one indicator that measures both percentage of income from means-tested assistance and presence of work activities.

This chapter focuses on recipients of three major means-tested cash and nutritional assistance programs: cash assistance through the Aid to Families with Dependent Children (AFDC) and the Temporary Assistance for Needy Families (TANF) programs, benefits under the Food Stamp Program, and Supplemental Security Income (SSI) benefits for elderly and disabled recipients. For some indicators, summary data and characteristics are provided for all recipients, not just those defined as welfare-dependent. While a number of indicators focus on the percentage of recipients' income from means-tested assistance, other indicators focus on presence of work activities at the same time as welfare receipt.

Here is a brief summary of each of the ten indicators:

*Indicator 1: Degree of Dependence.* This indicator focuses most closely on those individuals who meet the Advisory Board's proposed definition of "dependence." In addition to examining individuals with more than 50 percent of their annual family income from AFDC/TANF cash assistance, food stamps and/or SSI benefits, it shows various levels of dependence by examining those with more than 0 percent, 25 percent, and 75 percent of their income from these sources (Indicators 1a and 1b). This indicator also shows the average percentage of income from means-tested assistance and earnings received by families with various levels of income relative to the poverty level (Indicators 1c and 1d).

*Indicator 2: Receipt of Means-Tested Assistance and Labor Force Attachment.* This indicator looks further at the relationship between receipt of means-tested assistance and participation in the labor force. This is an important issue because of the significant number of low-income individuals that use a combination of means-tested assistance and earnings from the labor force.

*Indicator 3: Rates of Receipt of Means-Tested Assistance.* This indicator paints yet another picture of dependence by measuring reciprocity rates, that is, the percentage of the population that receives AFDC/TANF, food stamps, or SSI in an average month. Program administrative

data make these figures readily available over time, allowing a better sense of historical trends than is available from the more specialized indicators of dependence.

*Indicator 4: Rates of Participation in Means-Tested Assistance Programs.* While means-tested public assistance programs are open to all that meet their requirements, not all eligible households participate in the programs. This indicator uses administrative data and microsimulation models to reflect “take-up rates” – the number of families that actually participate in the programs as a percentage of those who are legally eligible.

*Indicator 5: Multiple Program Receipt.* Depending on their circumstances, individuals may choose a variety of different means-tested assistance “packages.” This indicator looks at the percentage of individuals receiving AFDC/TANF, food stamps, and SSI in a month, examining how many rely on just one of these programs, and how many rely on a combination of two programs.

*Indicator 6: Dependence Transitions.* This indicator uses data from the Survey of Income and Program Participation (SIPP) to look at whether individuals dependent on welfare in one year make the transition out of dependence in the following year.

*Indicator 7: Dependence Spell Duration.* Like Indicator 6, this indicator is concerned with dynamics of welfare receipt and welfare dependence. It shows the proportion of individuals with short, medium, and long spells, or episodes, of AFDC or TANF receipt. The focus is on individuals in families with no labor force participants who enter the AFDC/TANF program.

*Indicator 8: Program Spell Duration.* One critical aspect of dependence is how long individuals receive means-tested assistance. Like Indicator 7, this indicator provides information on short, medium, and long spells of welfare receipt. It differs from Indicator 7 in looking at all recipients, regardless of attachment to the labor force, and in analyzing recipients of each of the three major means-tested programs – AFDC/TANF, the Food Stamp Program, and SSI.

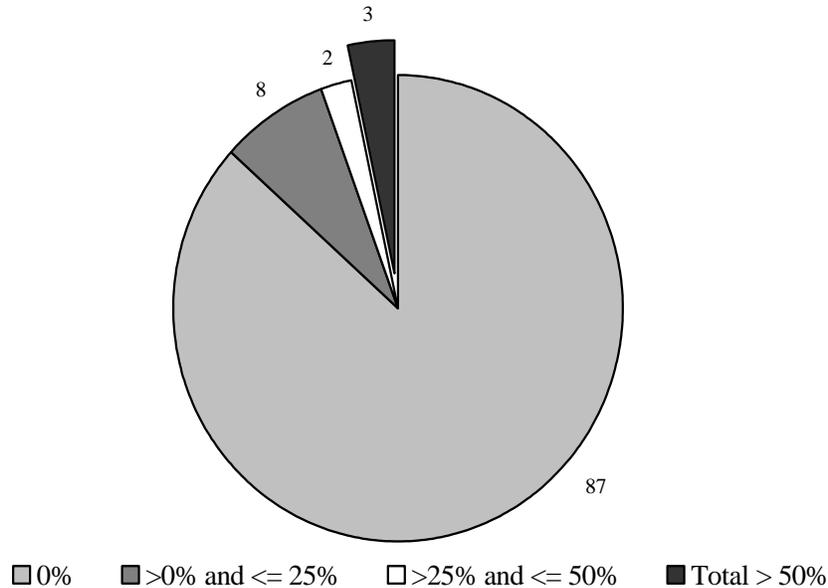
*Indicator 9: Long-Term Receipt.* Many individuals who leave welfare programs cycle back on after an absence of several months. Thus it is important to look beyond individual program spells, measured in Indicator 8, to examine the cumulative amount of time individuals receive assistance over a period of several years.

*Indicator 10: Events Associated with the Beginning and Ending of Program Spells.* To gain a better understanding of welfare dynamics, it is important to go beyond measures of spell duration and examine information regarding the major events in people’s lives that are correlated with the beginnings or endings of program spells. This measure focuses on receipt of TANF.

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## INDICATOR 1. DEGREE OF DEPENDENCE

Figure IND 1a. Percentage of Total Income from Means-Tested Assistance Programs: 2002



Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 2003, analyzed using the TRIM3 microsimulation model.

- Only 3.2 percent of the total population in 2002 received more than half of their total family income from TANF, food stamps and SSI. As shown in Table IND 1b, the percentage of families dependent on public assistance has dropped dramatically since 1993, with most of the decline occurring between 1996 and 2000. Since 2000, there has been a small increase in dependency, from 3.0 to 3.2 percent.
- A little over 13 percent of the overall population received at least one dollar in means-tested assistance in 2002. However, for 59 percent of these individuals (8 percent of the total population), such assistance represented 25 percent or less of annual family income. The vast majority (87 percent) of the population received no means-tested assistance in 2002.
- As shown in Table IND 1a, individuals living in female-headed families were much more likely to be dependent on assistance from means-tested programs than individuals in married-couple or male-headed families (11.7 percent compared to 1.0 and 3.8 percent respectively).
- In 2002, about one in four individuals receiving some public assistance reported that TANF, food stamps, and SSI accounted for more than half of their total family income. This number reflected a decline in dependence since 1996, when nearly one in three individuals receiving public assistance were dependent on it.

**Table IND 1a. Percentage of Total Annual Family Income from Means-Tested Assistance Programs by Race/Ethnicity and Age: 2002**

	0%	>0% and <= 25%	>25% and <= 50%	>50% and <= 75%	>75% and <= 100%	Total > 50%
<b>All Persons</b>	86.8	7.8	2.3	1.0	2.1	3.2
<b>Racial/Ethnic Categories</b>						
Non-Hispanic White	91.2	5.6	1.3	0.5	1.3	1.8
Non-Hispanic Black	72.3	13.6	5.4	3.0	5.6	8.7
Hispanic	78.3	12.5	4.3	1.6	3.2	4.9
<b>Age Categories</b>						
Children Ages 0-5	78.6	10.8	4.6	2.3	3.7	6.0
Children Ages 6-10	81.2	10.0	3.7	2.2	3.0	5.1
Children Ages 11-15	83.2	9.7	3.1	1.4	2.5	4.0
Women Ages 16-64	86.6	7.8	2.2	1.0	2.4	3.4
Men Ages 16-64	89.7	6.8	1.4	0.6	1.5	2.0
Adults Ages 65 and over	90.3	5.7	2.0	0.7	1.3	2.0
<b>Family Categories</b>						
Individuals in Married-Couple Families	92.5	5.4	1.2	0.4	0.6	1.0
Individuals in Female-Headed Families	62.3	18.2	7.9	4.5	7.2	11.7
Individuals in Male-Headed Families	78.8	13.9	3.5	1.6	2.2	3.8
Unrelated Individuals	88.5	6.2	1.2	0.4	3.6	4.1

Note: Means-tested assistance includes TANF, SSI, and food stamps. Total >50% includes all persons with more than 50 percent of their total annual family income from these means-tested programs. Income includes cash income and the value of food stamps. Spouses are not present in the Female-Headed and Male-Headed family categories.

Persons of Hispanic ethnicity may be of any race. Beginning in 2002, estimates for Whites and Blacks are for persons reporting a single race only. Persons who reported more than one race are included in the total for all persons but are not shown under any race category. Due to small sample size, American Indians/Alaska Natives, Asians and Native Hawaiians/Other Pacific Islanders are included in the total for all persons but are not shown separately.

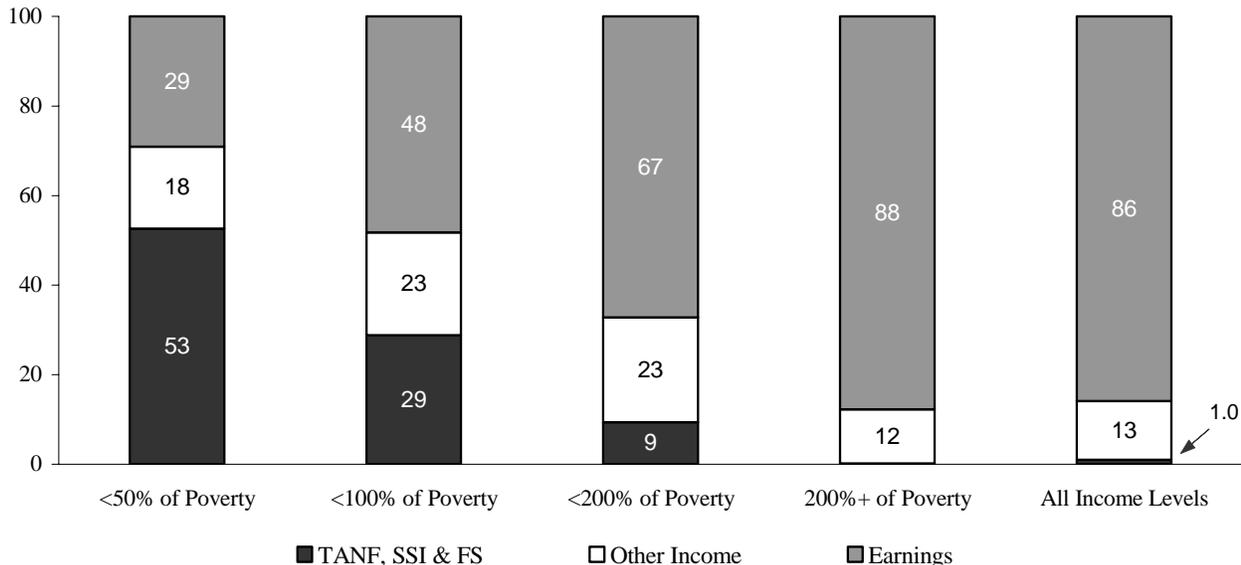
Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 1994-2003, analyzed using the TRIM3 microsimulation model.

**Table IND 1b. Percentage of Total Annual Family Income from Means-Tested Assistance Programs: 1993-2002**

	0%	>0% and <= 25%	>25% and <= 50%	>50% and <= 75%	>75% and <= 100%	Total > 50%
1993	83.4	7.8	3.0	1.8	4.1	5.9
1994	82.8	8.4	3.1	1.8	4.0	5.8
1995	83.2	8.5	3.1	1.8	3.5	5.3
1996	84.0	7.8	3.1	1.9	3.3	5.2
1997	85.3	7.7	2.5	1.5	3.1	4.5
1998	86.5	7.3	2.5	1.3	2.5	3.8
1999	86.7	7.7	2.3	1.1	2.2	3.3
2000	87.5	7.3	2.2	1.0	2.0	3.0
2001	87.4	7.3	2.2	1.0	2.1	3.1
2002	86.8	7.8	2.3	1.0	2.1	3.2

See above for note and source.

**Figure IND 1b. Percentage of Total Annual Income from Various Sources, by Poverty Status: 2002**



Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 2003, analyzed using the TRIM3 microsimulation model.

- Those in families with income below the poverty level received almost half (48 percent) of their total family income from earnings and 29 percent of their total family income from means-tested assistance programs (TANF, SSI, and food stamps) in 2002. In contrast, those with family income over 200 percent of the poverty level received the majority (88 percent) of their income from earnings and less than one percent of their income from means-tested assistance (a percentage so small that it is not visible in Figure IND 1b).
- The percentage of family income received from earnings is inversely proportional to overall family income relative to the poverty line. For example, the percentage of income received from earnings for those living in deep poverty (below 50 percent of poverty) was only 29 percent, compared to 48 percent for all poor individuals in 2002.
- On average, children were more likely than the elderly to live in families receiving a higher percentage of their income from means-tested assistance programs, as shown by Table IND 1c. The elderly received more income from other income sources, such as Social Security benefits and private pensions.
- The percentage of income received from earnings for families with incomes below the poverty level has increased over time, as shown in Table IND 1d. In 1995, poor families received 40 percent of their income from earnings; this percentage rose to 48 percent in 1998 and has remained fairly stable since. Over the same time period, there was a decline in the percentage of income from means-tested programs among poor families from 41 percent in 1995 to 29 percent in 2002.

**Table IND 1c. Percentage of Total Annual Family Income from Various Sources, by Poverty Status  
Race/Ethnicity and Age: 2002**

	< 50% Poverty	<100% of Poverty	<200% of Poverty	200% + of Poverty	All Individuals
<b>All Persons</b>					
TANF, SSI and Food Stamps	52.6	28.8	9.4	0.2	1.0
Earnings	29.1	48.2	67.2	87.7	85.9
Other Income	18.3	23.0	23.4	12.1	13.1
<b>Racial/Ethnic Categories</b>					
<i>Non-Hispanic White</i>					
TANF, SSI and Food Stamps	46.4	26.4	7.0	0.1	0.5
Earnings	30.4	42.7	61.5	86.9	85.4
Other Income	23.3	30.9	31.4	13.0	14.0
<i>Non-Hispanic Black</i>					
TANF, SSI and Food Stamps	62.6	37.3	15.8	0.5	3.4
Earnings	20.3	39.3	62.0	88.2	83.3
Other Income	17.1	23.4	22.1	11.3	13.3
<i>Hispanic</i>					
TANF, SSI and Food Stamps	50.7	24.8	9.0	0.6	2.5
Earnings	38.3	62.7	80.4	92.1	89.3
Other Income	11.0	12.4	10.6	7.4	8.1
<b>Age Categories</b>					
<i>Children Ages 0-5</i>					
TANF, SSI and Food Stamps	59.9	32.8	11.3	0.3	1.9
Earnings	25.2	53.7	78.8	94.9	92.6
Other Income	14.9	13.5	9.9	4.8	5.5
<i>Children Ages 6-10</i>					
TANF, SSI and Food Stamps	59.0	31.2	10.8	0.2	1.6
Earnings	26.9	53.6	76.4	94.3	91.9
Other Income	14.1	15.1	12.8	5.5	6.5
<i>Children Ages 11-15</i>					
TANF, SSI and Food Stamps	55.7	29.1	9.9	0.2	1.3
Earnings	26.8	53.7	76.0	92.9	91.0
Other Income	17.5	17.2	14.0	6.9	7.7

over

**Table IND 1c. Percentage of Total Annual Family Income from Various Sources, by Poverty Status Race/Ethnicity and Age: 2002 (continued)**

	< 50% Poverty	<100% of Poverty	<200% of Poverty	200% + of Poverty	All Individuals
<i>Women Ages 16-64</i>					
TANF, SSI and Food Stamps	50.6	30.5	10.2	0.2	1.0
Earnings	29.7	47.3	70.9	90.2	88.7
Other Income	19.6	22.2	18.9	9.6	10.3
<i>Men Ages 16-64</i>					
TANF, SSI and Food Stamps	39.8	24.3	7.7	0.2	0.7
Earnings	38.8	53.8	74.6	91.3	90.2
Other Income	21.4	21.9	17.7	8.5	9.1
<i>Adults Ages 65 and over</i>					
TANF, SSI and Food Stamps	31.0	20.2	6.3	0.4	1.1
Earnings	13.9	5.5	8.8	38.2	34.4
Other Income	55.1	74.3	84.9	61.5	64.4

Note: Total income is total annual family income, including the value of food stamps. Other income is non-means-tested, non-earnings income such as child support, alimony, pensions, Social Security benefits, interest, and dividends. Poverty status categories are not mutually exclusive.

Persons of Hispanic ethnicity may be of any race. Beginning in 2002, estimates for Whites and Blacks are for persons reporting a single race only. Persons who reported more than one race are included in the total for all persons but are not shown under any race category. Due to small sample size, American Indians/Alaska Natives, Asians and Native Hawaiians/Other Pacific Islanders are included in the total for all persons but are not shown separately.

Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 2003, analyzed using the TRIM3 microsimulation model.

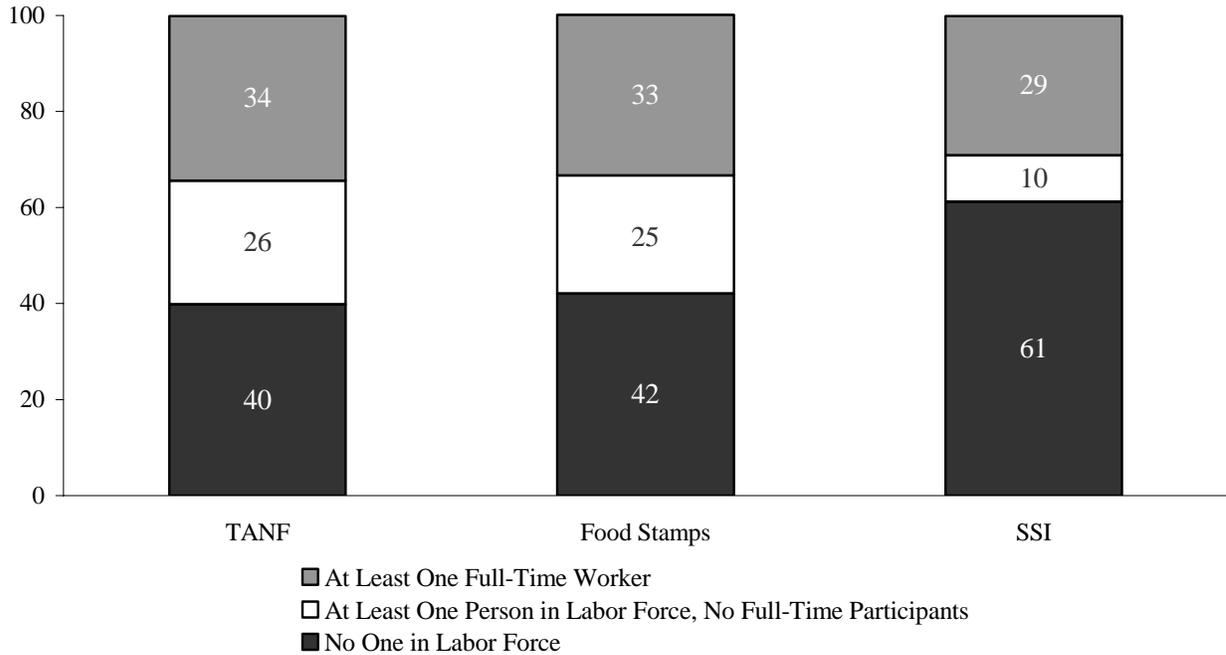
**Table IND 1d. Percentage of Total Income from Various Sources: Selected Years**

	< 50% Poverty	<100% of Poverty	<200% of Poverty	200% + of Poverty
<b>1995</b>				
TANF, SSI and Food Stamps	65.9	41.3	14.2	0.3
Earnings	22.5	40.4	64.8	85.4
Other Income	11.6	18.3	21.0	14.3
<b>1998</b>				
TANF, SSI and Food Stamps	58.9	32.0	10.6	0.2
Earnings	27.0	47.9	67.8	85.3
Other Income	14.1	20.1	21.6	14.5
<b>2000</b>				
TANF, SSI and Food Stamps	54.3	30.3	9.8	0.2
Earnings	30.5	49.5	68.7	86.7
Other Income	15.2	20.3	21.5	13.0
<b>2002</b>				
TANF, SSI and Food Stamps	52.6	28.8	9.4	0.2
Earnings	29.1	48.2	67.2	87.7
Other Income	18.3	23.0	23.4	12.1

Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 1996-2003, analyzed using the TRIM3 microsimulation model.

## INDICATOR 2. RECEIPT OF MEANS-TESTED ASSISTANCE AND LABOR FORCE ATTACHMENT

**Figure IND 2. Percentage of Recipients in Families with Labor Force Participants in that Month by Program: 2002**



Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 2003, analyzed using the TRIM3 microsimulation model.

- About one-third of TANF and food stamp recipients lived in families with at least one full-time worker in 2002, with an additional one fourth living in families with a labor force participant who was not full time. Thus, 60 percent of TANF recipients and 58 percent of food stamp recipients were in families with at least one person in the labor force. In contrast, SSI recipients were more likely to live in families with no labor force participant.
- As shown in Table IND 2a, young children (under age six) in households receiving TANF and SSI were more likely to live with at least one full-time worker than were older children (ages 11-15) in such recipient households. There is less variation in labor force participation by age of children among households receiving food stamps.
- The percentage of AFDC/TANF recipients living in families with at least one full-time worker increased from 19 percent in 1993 to 35 percent in 1999, as shown in Table IND 2b. Since 1999, this percentage has remained around 34 to 35 percent. Lower family employment rates are reported in the TANF administrative data, which is limited to employment of family members in the TANF assistance unit and employment reported to the welfare agency (see Table TANF 7 in Appendix A).

**Table IND 2a. Percentage of Recipients in Families with Labor Force Participants, by Program  
Race/Ethnicity and Age: 2002**

		No One in LF	At Least One in LF, No One FT	At Least One FT Worker
<b>TANF</b>	<b>All Persons</b>	39.8	25.8	34.3
	Non-Hispanic White	38.9	27.8	33.4
	Non-Hispanic Black	42.9	27.6	29.6
	Hispanic	40.5	22.6	36.9
	Children Ages 0-5	37.7	25.0	37.3
	Children Ages 6-10	45.1	23.8	31.1
	Children Ages 11-15	44.4	23.7	31.9
	Women Ages 16-64	39.0	27.7	33.3
	Men Ages 16-64	31.9	29.5	38.6
	Adults Ages 65 and over	60.7	13.7	25.6
<b>FOOD STAMPS</b>	<b>All Persons</b>	42.1	24.6	33.4
	Non-Hispanic White	45.1	25.4	29.5
	Non-Hispanic Black	41.5	26.5	32.0
	Hispanic	37.6	19.5	42.9
	Children Ages 0-5	33.4	25.6	41.0
	Children Ages 6-10	32.9	26.7	40.4
	Children Ages 11-15	34.7	26.4	39.0
	Women Ages 16-64	43.2	25.8	30.9
	Men Ages 16-64	41.1	26.2	32.7
	Adults Ages 65 and over	88.2	6.1	5.8
<b>SSI</b>	<b>All Persons</b>	61.2	9.7	29.0
	Non-Hispanic White	65.5	8.8	25.7
	Non-Hispanic Black	65.6	12.1	22.3
	Hispanic	52.0	9.7	38.3
	Children Ages 0-5	30.1	15.9	54.0
	Children Ages 6-10	34.8	19.5	45.7
	Children Ages 11-15	31.0	21.1	47.9
	Women Ages 16-64	68.5	9.4	22.1
	Men Ages 16-64	62.3	9.2	28.5
	Adults Ages 65 and over	65.0	6.8	28.2

Note: Recipients are limited to those individuals or family members directly receiving benefits in a month. Full-time workers are those who usually work 35 hours or more per week. Part-time labor force participation includes part-time workers and those who are unemployed, laid off, and/or looking for work. This indicator measures, on an average monthly basis, the combination of individual benefit receipt and labor force participation by any family member in the same month.

Persons of Hispanic ethnicity may be of any race. Beginning in 2002, estimates for Whites and Blacks are for persons reporting a single race only. Persons who reported more than one race are included in the total for all persons but are not shown under any race category. Due to small sample size, American Indians/Alaska Natives, Asians and Native Hawaiians/Other Pacific Islanders are included in the total for all persons but are not shown separately.

Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 2003, analyzed using the TRIM3 microsimulation model.

**Table IND 2b. Percentage of AFDC/TANF Recipients in Families with Labor Force Participants  
1993-2002**

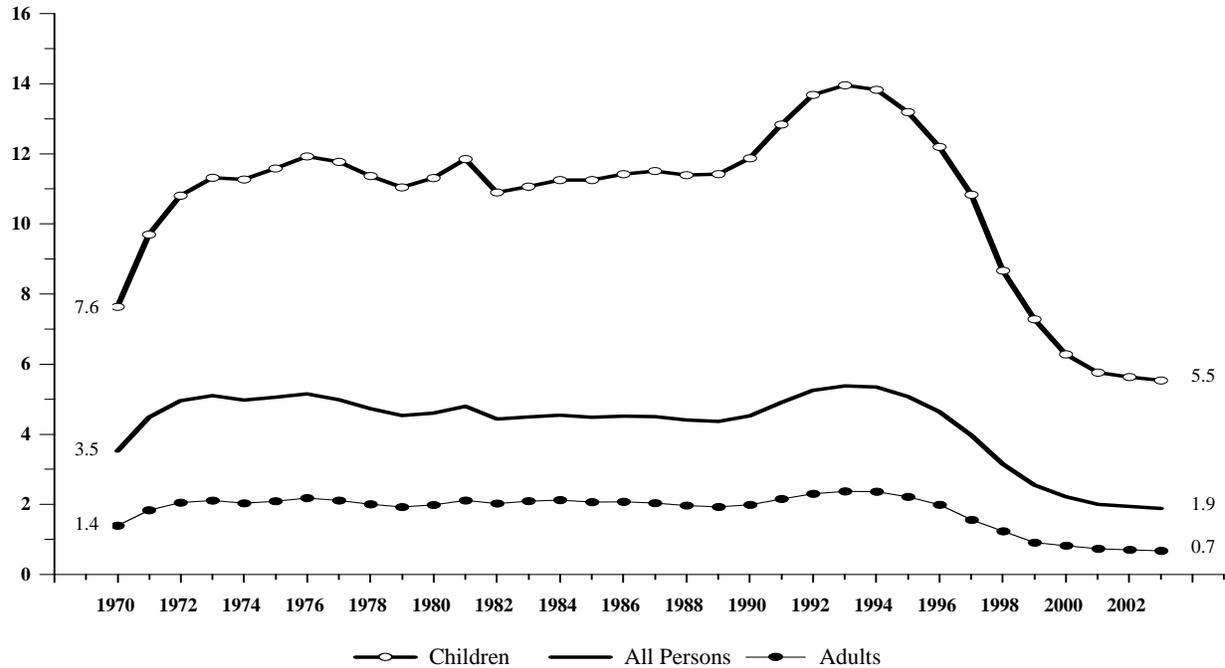
	No One in LF	At Least One in LF, No One FT	At Least One FT Worker
1993	57.0	24.2	18.8
1994	54.8	24.8	20.4
1995	50.6	24.3	25.1
1996	50.1	25.6	24.3
1997	47.6	28.0	24.4
1998	44.3	25.8	29.9
1999	40.8	24.1	35.1
2000	41.2	24.1	34.7
2001	38.7	26.0	35.3
2002	39.8	25.8	34.3

Note: Recipients are limited to those individuals or family members directly receiving benefits in a month. Full-time workers are those who usually work 35 hours or more per week. Part-time labor force participation includes those who are unemployed, laid off, and/or looking for work. This indicator measures, on an average monthly basis, the combination of individual benefit receipt and labor force participation by any family member in the same month.

Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 1994-2003, analyzed using the TRIM3 microsimulation model.

### INDICATOR 3. RATES OF RECEIPT OF MEANS-TESTED ASSISTANCE

Figure IND 3a. Percentage of the Total Population Receiving AFDC/TANF, by Age: 1970-2003



Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, and U.S. Bureau of the Census (available online at <http://www.census.gov>).

- Although the survey data needed to examine overall welfare receipt and dependency are not yet available past 2002, administrative data for reciprocity measures of AFDC/TANF, food stamps, and SSI are available through 2003, as shown in Figures IND 3a, IND 3b, and IND 3c. Additional administrative data are shown in Appendix A.
- Just under 2 percent of the total population received TANF in 2003. The rate of AFDC/TANF receipt has dropped significantly since 1993, when it was at a 25-year high of over 5 percent, as shown in Table IND 3a. The 2003 rate of receipt was the lowest since the early 1960s.
- AFDC/TANF reciprocity rates have been much higher over time for children than for adults, with the child reciprocity rates also showing more pronounced changes over time. Between 1993 and 2003, AFDC/TANF receipt among children decreased by more than half (from 14 to well under 6 percent), the most rapid decline in a generation.

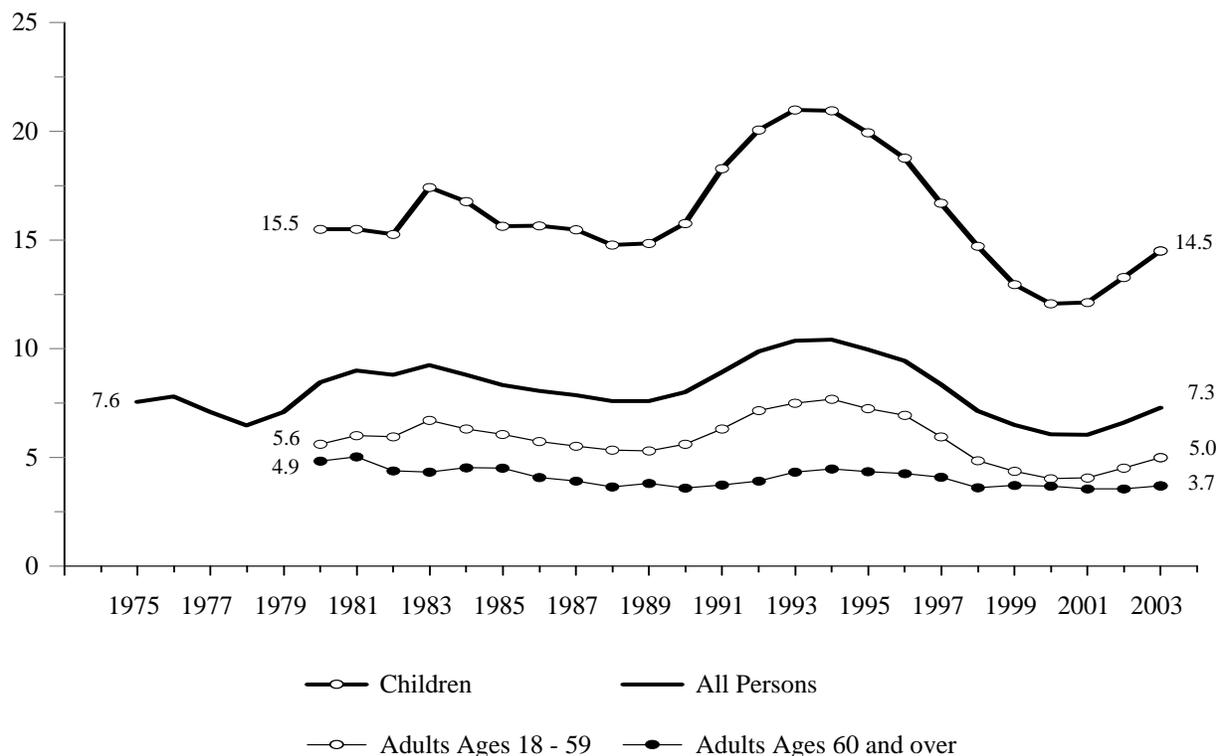
**Table IND 3a. Number and Percentage of the Total Population Receiving AFDC/TANF, by Age  
1970-2003**

Fiscal Year	Total Recipients		Adult Recipients		Child Recipients	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
1970	7,188	3.5	1,863	1.4	5,325	7.6
1971	9,281	4.5	2,516	1.8	6,765	9.7
1972	10,345	4.9	2,848	2.0	7,497	10.8
1973	10,760	5.1	2,984	2.1	7,776	11.3
1974	10,591	5.0	2,935	2.0	7,656	11.3
1975	10,854	5.0	3,078	2.1	7,776	11.6
1976	11,171	5.1	3,271	2.2	7,900	11.9
1977	10,933	5.0	3,230	2.1	7,703	11.8
1978	10,485	4.7	3,128	2.0	7,357	11.4
1979	10,146	4.5	3,071	1.9	7,075	11.0
1980	10,422	4.6	3,226	2.0	7,196	11.3
1981	10,979	4.8	3,491	2.1	7,488	11.8
1982	10,233	4.4	3,395	2.0	6,838	10.9
1983	10,467	4.5	3,548	2.1	6,919	11.1
1984	10,677	4.5	3,652	2.1	7,025	11.2
1985	10,630	4.5	3,589	2.0	7,041	11.2
1986	10,810	4.5	3,637	2.1	7,173	11.4
1987	10,878	4.5	3,624	2.0	7,254	11.5
1988	10,734	4.4	3,536	2.0	7,198	11.4
1989	10,741	4.4	3,503	1.9	7,238	11.4
1990	11,263	4.5	3,643	2.0	7,620	11.9
1991	12,391	4.9	4,016	2.1	8,375	12.8
1992	13,423	5.2	4,336	2.3	9,087	13.7
1993	13,943	5.4	4,519	2.3	9,424	13.9
1994	14,033	5.3	4,554	2.3	9,479	13.8
1995	13,479	5.1	4,322	2.2	9,157	13.2
1996	12,477	4.6	3,921	2.0	8,556	12.2
1997	10,779	4.0	3,106	1.5	7,673	10.8
1998	8,653	3.1	2,469	1.2	6,184	8.7
1999	7,068	2.5	1,838	0.9	5,231	7.3
2000	6,218	2.2	1,687	0.8	4,531	6.3
2001	5,674	2.0	1,504	0.7	4,171	5.7
2002	5,572	1.9	1,472	0.7	4,099	5.6
2003	5,451	1.9	1,416	0.7	4,035	5.5

Notes: See Appendix A, Tables TANF 2, TANF 12, and TANF 14, for more detailed data on reciprocity rates, including reciprocity rates by calendar year. Recipients are expressed as the fiscal year average of monthly caseloads from administrative data, excluding recipients in the territories. Tribal TANF recipients are also excluded. Child recipients include a small number of dependents ages 18 and older who are students. The average number of adult and child recipients in 1998 and 1999 are estimated using data from the National Emergency TANF Data Files and thereafter using the National TANF Data Files.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, and U.S. Bureau of the Census (available online at <http://www.census.gov>).

**Figure IND 3b. Percentage of the Total Population Receiving Food Stamps, by Age: 1975-2003**



Source: U.S. Department of Agriculture, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, *Characteristics of Food Stamp Households, Fiscal Year 2003*, and earlier reports, and U.S. Bureau of the Census (available online at <http://www.census.gov>).

- The food stamp reciprocity rate increased to 7.3 percent in 2003, up from a low of 6.1 percent in 2000 and 2001 – the lowest rate since the Food Stamp program became available nationwide. The 2003 reciprocity rate is still significantly below the peak of 10.4 percent experienced in 1993 and 1994.
- As with AFDC/TANF, food stamp reciprocity rates have been much higher over time for children than for adults. Between 1980 and 2003, the percentage of all children who received food stamps was between two and one-half to three times that for all adults ages 18 to 59.
- Similar trends in food stamp reciprocity – largely reflecting changes in the rate of unemployment and programmatic changes – existed across all age groups over time, as shown in Table IND 3b. The percentages of individuals receiving food stamps declined from 1984 through 1988, rose in the early 1990s until reaching a peak in 1994, declined sharply through 2000 and since then have risen somewhat in 2002 and 2003.

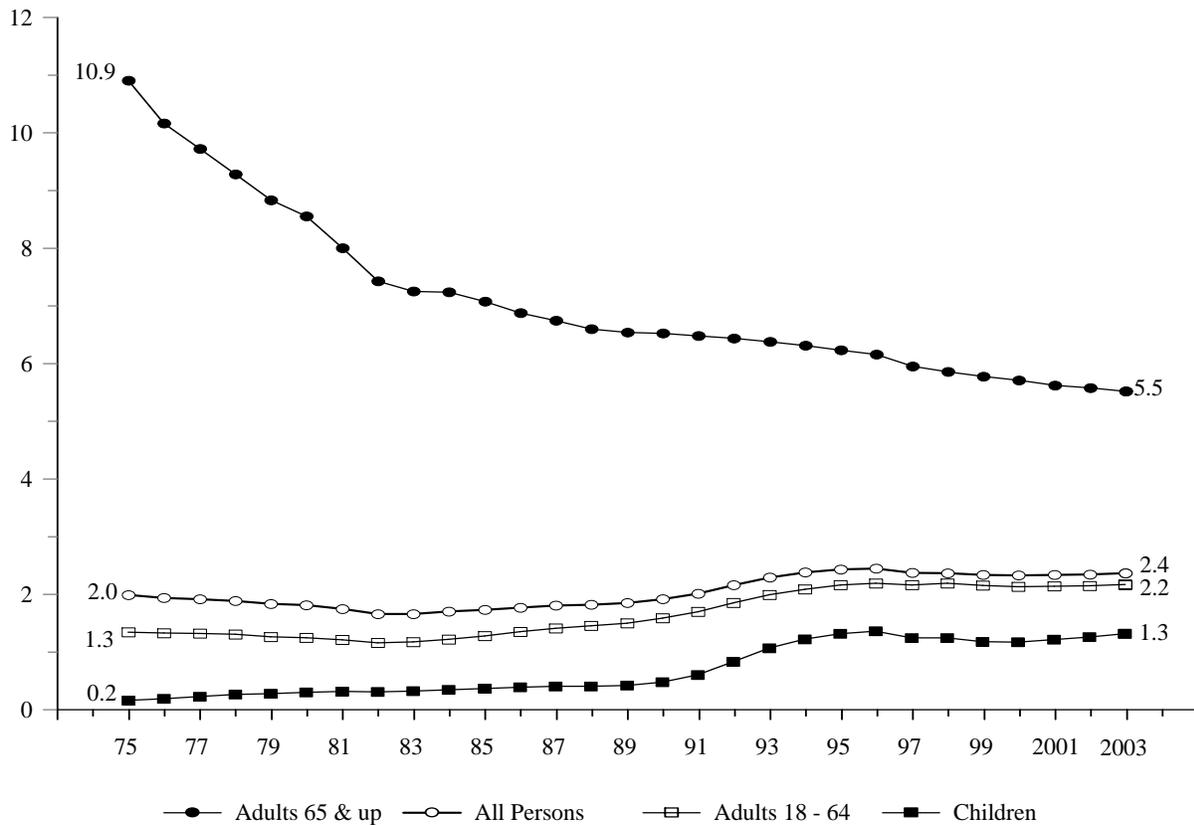
**Table IND 3b. Number and Percentage of the Total Population Receiving Food Stamps, by Age  
1975-2003**

Fiscal Year	Total Recipients		Adult Recipients Ages 60 and over		Adult Recipients Ages 18-59		Child Recipients Ages 0-18	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
1975	16,320	7.6	-	-	-	-	-	-
1976	17,033	7.8	-	-	-	-	9,126	13.8
1977	15,604	7.1	-	-	-	-	-	-
1978	14,405	6.5	-	-	-	-	-	-
1979	15,942	7.1	-	-	-	-	-	-
1980	19,253	8.5	1,741	4.9	7,186	5.6	9,876	15.5
1981	20,654	9.0	1,845	5.0	7,811	6.0	9,803	15.5
1982	21,754	9.4	1,641	4.4	7,838	6.0	9,591	15.3
1983	21,668	9.3	1,654	4.4	8,960	6.7	10,910	17.4
1984	20,796	8.8	1,758	4.5	8,521	6.3	10,492	16.8
1985	19,847	8.3	1,783	4.5	8,258	6.1	9,906	15.8
1986	19,381	8.1	1,631	4.1	7,895	5.7	9,844	15.7
1987	19,072	7.9	1,589	3.9	7,684	5.5	9,771	15.5
1988	18,613	7.6	1,500	3.7	7,506	5.3	9,351	14.8
1989	18,778	7.6	1,582	3.8	7,560	5.3	9,429	14.9
1990	20,020	8.0	1,511	3.6	8,084	5.6	10,127	15.8
1991	22,599	8.9	1,593	3.8	9,190	6.3	11,952	18.3
1992	25,369	9.9	1,687	3.9	10,550	7.2	13,349	20.1
1993	26,952	10.4	1,876	4.3	11,214	7.5	14,196	21.0
1994	27,433	10.4	1,955	4.5	11,615	7.7	14,391	21.0
1995	26,579	10.0	1,920	4.4	11,105	7.3	13,860	20.0
1996	25,494	9.5	1,891	4.3	10,769	7.0	13,189	18.8
1997	22,820	8.4	1,831	4.1	9,373	6.0	11,847	16.7
1998	19,745	7.2	1,635	3.6	7,760	4.9	10,524	14.7
1999	18,146	6.5	1,696	3.7	7,079	4.4	9,332	13.0
2000	17,156	6.1	1,700	3.7	6,612	4.0	8,743	12.1
2001	17,280	6.1	1,658	3.6	6,778	4.1	8,819	12.1
2002	19,058	6.6	1,684	3.6	7,625	4.5	9,688	13.3
2003	21,223	7.3	1,786	3.7	8,503	5.0	10,605	14.5

Note: See Appendix A, Tables FSP 1 and FSP 6 for more detailed data on reciprocity rates. Recipients are expressed as the fiscal year average of monthly caseloads from administrative data, excluding recipients in the territories. From 1975 to 1983 the number of participants includes the Family Food Assistance Program (FFAP) that was largely replaced by the Food Stamp program in 1975. From 1975 to 1983 the number of FFAP participants averaged only 88 thousand.

Source: Total recipient program data are available at <http://www.fns.usda.gov/pd/fspmain.htm>. Individual age groups do not sum exactly to total participants; they are drawn from USDA, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, *Characteristics of Food Stamp Households, Fiscal Year 2003*, and earlier reports. The population denominators for the percents in each category are from U.S. Bureau of the Census (available online at <http://www.census.gov>).

**Figure IND 3c. Percentage of the Total Population Receiving SSI, by Age: 1975-2003**



Source: Social Security Administration, Office of Research, Evaluation, and Statistics, *Social Security Bulletin, Annual Statistical Supplement, 2004* (available online at <http://www.ssa.gov/statistics>) and U.S. Bureau of the Census (available online at <http://www.census.gov>).

- Unlike the reciprocity rates for AFDC/TANF and food stamps, which have been influenced by outside factors such as the economy and welfare reform, overall reciprocity rates for SSI show less variation over time. After trending downward slightly from 1975 to the early 1980s, the proportion of the total population that receives SSI has risen from 1.7 percent in 1985 to 2.5 percent in 1996 and subsequently declined slightly to 2.4 percent. As shown in Table IND 3c, the total number of recipients has grown by 67 percent over the same period, from 4.1 million in 1985 to 6.9 million people in 2003.
- Elderly adults (ages 65 and older) have much higher reciprocity rates than any other age group. The gap has narrowed, however, as the percentage of adults aged 65 and older receiving SSI has been cut nearly in half, declining from 10.9 percent in 1975 to 5.5 percent in 2003.
- The proportion of children receiving SSI increased gradually between 1975 and 1990, and grew more rapidly in the early and mid-1990s, reaching a high of 1.4 percent in 1996. The rate has since fallen slightly, with 1.3 percent of children receiving SSI in 2003.

**Table IND 3c. Number and Percentage of the Total Population Receiving SSI, by Age: 1975-2003**

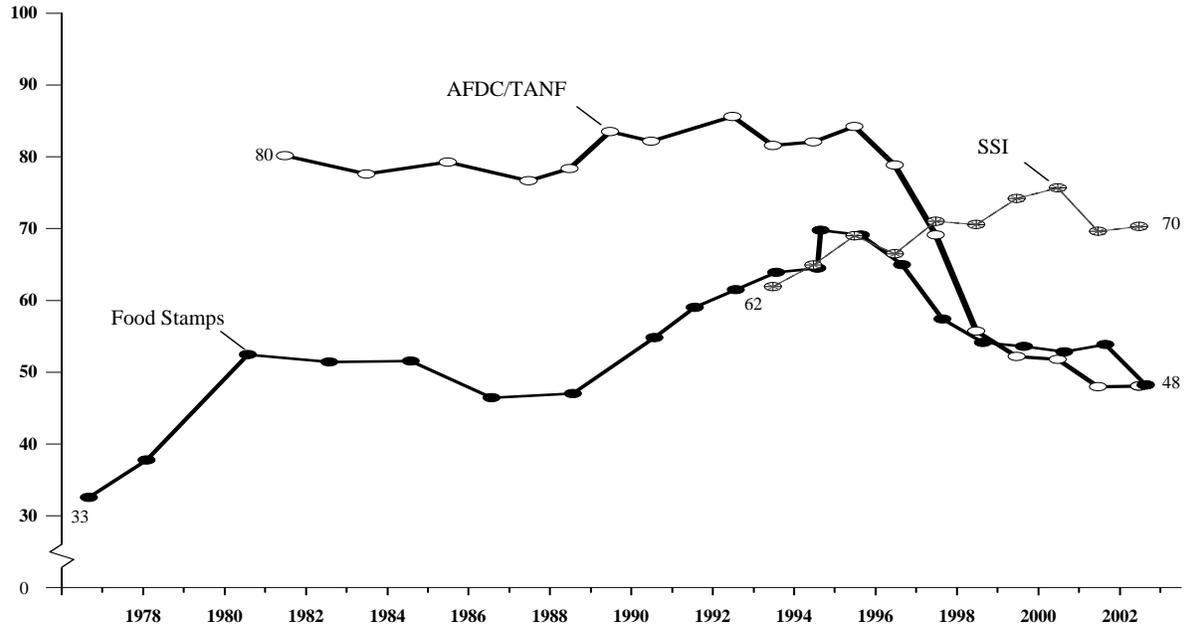
Date	Total Recipients		Adult Recipients Ages 65 & over		Adult Recipients Ages 18-64		Child Recipients Ages 0-18	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
Dec 1975	4,314	2.0	2,508	10.9	1,699	1.3	107	0.2
Dec 1976	4,236	1.9	2,397	10.2	1,714	1.3	125	0.2
Dec 1977	4,238	1.9	2,353	9.7	1,738	1.3	147	0.2
Dec 1978	4,217	1.9	2,304	9.3	1,747	1.3	166	0.3
Dec 1979	4,150	1.8	2,246	8.8	1,727	1.3	177	0.3
Dec 1980	4,142	1.8	2,221	8.6	1,731	1.2	190	0.3
Dec 1981	4,019	1.7	2,121	8.0	1,703	1.2	195	0.3
Dec 1982	3,858	1.7	2,011	7.4	1,655	1.2	192	0.3
Dec 1983	3,901	1.7	2,003	7.3	1,700	1.2	198	0.3
Dec 1984	4,029	1.7	2,037	7.2	1,780	1.2	212	0.3
Dec 1985	4,138	1.7	2,031	7.1	1,879	1.3	227	0.4
Dec 1986	4,269	1.8	2,018	6.9	2,010	1.3	241	0.4
Dec 1987	4,385	1.8	2,015	6.7	2,119	1.4	251	0.4
Dec 1988	4,464	1.8	2,006	6.6	2,203	1.5	255	0.4
Dec 1989	4,593	1.9	2,026	6.5	2,302	1.5	265	0.4
Dec 1990	4,817	1.9	2,059	6.5	2,450	1.6	309	0.5
Dec 1991	5,118	2.0	2,080	6.5	2,642	1.7	397	0.6
Dec 1992	5,566	2.2	2,100	6.5	2,910	1.9	556	0.8
Dec 1993	5,984	2.3	2,113	6.4	3,148	2.0	723	1.1
Dec 1994	6,296	2.4	2,119	6.3	3,335	2.1	841	1.2
Dec 1995	6,514	2.5	2,115	6.3	3,482	2.2	917	1.3
Dec 1996	6,630	2.5	2,110	6.2	3,568	2.2	955	1.4
Dec 1997	6,495	2.4	2,054	6.0	3,562	2.2	880	1.3
Dec 1998	6,566	2.4	2,033	5.9	3,646	2.2	887	1.3
Dec 1999	6,557	2.4	2,019	5.8	3,691	2.2	847	1.2
Dec 2000	6,602	2.3	2,011	5.7	3,744	2.1	847	1.2
Dec 2001	6,688	2.3	1,995	5.6	3,811	2.1	882	1.2
Dec 2002	6,788	2.3	1,995	5.6	3,878	2.1	915	1.3
Dec 2003	6,902	2.4	1,990	5.5	3,953	2.2	959	1.3

Note: December population figures used as the denominators are obtained by averaging the Census Bureau's July 1 population estimates for the current and the following year. See Appendix A, Tables SSI 2, SSI 8, and SSI 9 for more detailed data on SSI reciprocity rates.

Source: Social Security Administration, Office of Research, Evaluation, and Statistics, *Social Security Bulletin, Annual Statistical Supplement, 2004* (available online at <http://www.ssa.gov/statistics>) and U.S. Bureau of the Census (available online at <http://www.census.gov>).

## INDICATOR 4. RATES OF PARTICIPATION IN MEANS-TESTED ASSISTANCE PROGRAMS

Figure IND 4. Participation Rates in the AFDC/TANF, Food Stamp and SSI Programs Selected Years



Source: AFDC and SSI participation rates are tabulated using the TRIM3 microsimulation model, while food stamp participation rates are from a Mathematica Policy Research, Inc. model. See Tables IND 4a, IND 4b, and IND 4c for details.

- Whereas Indicator 3 examined participants as a percentage of the total population (reciprocity rates), this indicator examines participating families or households as a percentage of the estimated eligible population (participation rates, also known as “take-up” rates).
- Only 48 percent of the families estimated as eligible for TANF cash assistance actually enrolled and received benefits in an average month in 2002. This is significantly lower than AFDC participation rates, which ranged from 77 percent to 86 percent between 1981 and 1996. See Table IND 4a for further information.
- After rising steadily over the past several years, the SSI participation rate dropped in 2001, with very little change between 2001 and 2002. At 70 percent it still is much higher than recent TANF and Food Stamp participation rates. See Table IND 4c for details by age and disability status.

**Table IND 4a. Number and Percentage of Eligible Families Participating in AFDC/TANF Selected Years**

Calendar Year	Eligible Families (millions)	Participating Families (millions)	Participation Rate (percent)
1981	4.78	3.84	80.2
1983	4.75	3.69	77.7
1985	4.67	3.70	79.3
1987	4.92	3.78	76.7
1988	4.78	3.75	78.4
1989	4.54	3.80	83.6
1990	4.93	4.06	82.2
1992	5.64	4.83	85.7
1993	6.14	5.01	81.7
1994 (revised)	6.13	5.03	82.1
1995	5.69	4.80	84.3
1996	5.62	4.43	78.9
1997 (adjusted)	5.41	3.74	69.2
1998 (adjusted)	5.47	3.05	55.8
1999	5.07	2.65	52.3
2000	4.44	2.30	51.8
2001	4.56	2.19	48.0
2002	4.58	2.20	48.1

Note: Participation rates are estimated by an Urban Institute model (TRIM3) that uses CPS data to simulate AFDC/TANF eligibility and participation for an average month, by calendar year. There have been small changes in estimating methodology over time, due to model improvements and revisions to the CPS. Most notably, since 1994 the model has been revised to more accurately estimate SSI participation among children, and in 1997 and 1998 the model was adjusted to more accurately exclude ineligible immigrants. In contrast to editions prior to 2004, this table includes families receiving assistance under Separate State Programs. Note that families subject to full-family sanctions are counted as nonparticipating eligible families due to modeling limitations. Although the coverage rate estimates take into account the number of families who lost aid due to the time limit (and do not count such families in the denominator of the coverage rate estimate), they do not make any allowance for families staying off of TANF to conserve their time-limited assistance months. Also, the numbers of eligible and participating families include the territories and pregnant women without children, even though these two small groups are excluded from the TRIM model. The numbers shown here implicitly assume that participation rates for the territories and for pregnant women with no other children are the same as for all other eligibles.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, caseload tabulations and unpublished tabulations from the TRIM3 microsimulation model.

- Between 2001 and 2002, there was essentially no change in the number of eligible families for the TANF program.
- After falling every year from 1994 to 2001, both caseloads and participation rates remained fairly steady between 2001 and 2002.
- Participating families includes families receiving cash assistance only. Families who receive services and benefits other than cash assistance are not included in the participation rate.

**Table IND 4b. Number and Percentage of Eligible Households Participating in the Food Stamp Program: Selected Years**

Date	Eligible Households (millions)	Participating Households (millions)	Participation Rate (percent)
September 1976	16.3	5.3	32.6
February 1978	14.0	5.3	37.8
August 1980	14.0	7.4	52.5
August 1982	14.5	7.5	51.5
August 1984	14.2	7.3	51.6
August 1986	15.3	7.1	46.5
August 1988	14.9	7.0	47.1
August 1990	14.5	8.0	54.9
August 1991	15.6	9.2	59.1
August 1992	16.7	10.2	61.6
August 1993	17.0	10.9	64.0
September 1994 (revised)	15.3	10.7	69.6
September 1995	15.0	10.4	69.2
September 1996	15.3	9.9	65.1
September 1997	14.7	8.4	57.5
September 1998	14.0	7.6	54.2
September 1999	13.7	7.3	53.0
Fiscal Year 1999	14.5	7.5	51.7
Fiscal Year 2000	14.3	7.2	50.1
Fiscal Year 2001	15.2	7.3	48.0
Fiscal Year 2002	16.6	8.0	48.3

Note: Eligible households are estimated from a Mathematica Policy Research, Inc. model that uses CPS data to simulate the Food Stamp Program. Caseload data are from USDA, FNS program operations caseload data. There have been small changes in estimating methodology over time, due to model improvements and revisions to the CPS. Most notably, the model was revised in 1994 to produce more accurate (and lower) estimates of eligible households. The original 1994 estimate and estimates for previous years show higher estimates of eligibles and lower participation rates relative to the revised estimate for 1994 and estimates for subsequent years. The two estimates for 1999 are due to reweighting of the March 2000 – 2003 CPS files to Census 2000 and revised methodologies for determining food stamp eligibility. The original estimate (September 1999) is consistent methodologically with estimates from September 1994 – September 1998, while the revised estimate (FY 1999) is consistent with the estimates for FY 2000 - FY 2002.

Source: U.S. Department of Agriculture, Food and Nutrition Service, *Trends in Food Stamp Program Participation Rates: 1999 to 2002*, September 2004.

- Between fiscal years 1999 and 2002 there was a 14 percent increase in households eligible for the Food Stamp Program (from 14.5 to 16.6 million households). Caseloads grew at a lower rate (6 percent increase) over the same period. The net effect was a decrease in the estimated participation rate, from 52 to 48 percent.
- Over the longer run, there was a 32 percent drop in food stamp caseloads, from a peak of nearly 11 million households in 1994 to just over 7 million in 1999. This decline in caseloads occurred during a time when both the eligible population and the program participation rates were generally decreasing. These longer-term decreases are considerably larger than the increases between 1999 and 2002.

**Table IND 4c. Percentage of Eligible Adult Units Participating in the SSI Program, by Type  
1993-2002**

	All Adult Units	One-Person Units		Married-Couple Units
		Aged	Disabled	
1993	62.0	57.0	71.0	37.0
1994	65.0	58.4	73.0	43.9
1995	69.1	64.9	74.0	52.2
1996	66.6	60.4	73.5	46.7
1997	71.1	62.7	79.4	49.1
1998	70.7	63.6	77.9	48.1
1999	74.3	65.8	83.3	47.8
2000	75.8	70.9	82.3	49.9
2001	69.7	64.4	75.9	45.7
2002	70.4	61.9	78.3	47.9

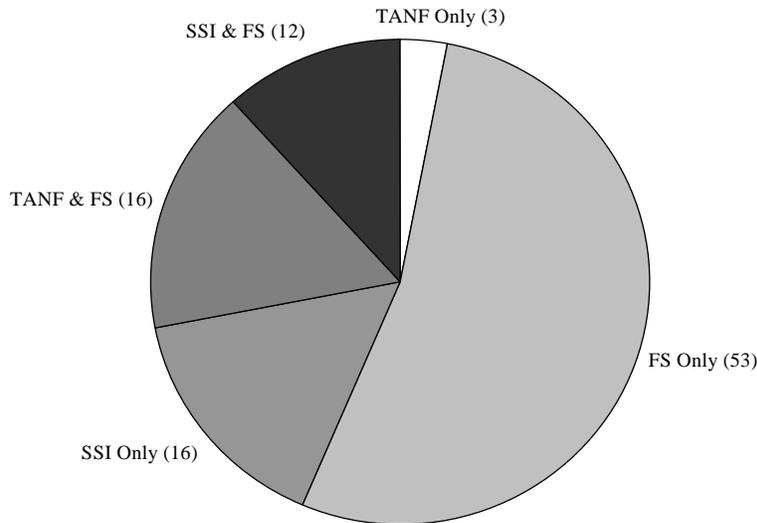
Note: Participation rates are estimated using the TRIM3 microsimulation model that uses CPS data to simulate SSI eligibility for an average month, by calendar year. There have been small changes in estimating methodology over time, due to model improvements and revisions to the CPS. In particular, the model was revised in 1997 to more accurately exclude ineligible immigrants. Thus the increased participation rate in 1997 is partly due to a revision in estimating methodology. Also note that the figures for married-couple units are based on very small sample sizes—for example, married-couple units were only about 7.5 percent of the eligible adults units and 5.1 percent of the units receiving SSI in the average month of 1998.

Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 1994-2003, analyzed using the TRIM3 microsimulation model.

- After a drop in the SSI participation rate among adult units between 2000 and 2001, the rate held fairly constant at about 70 percent between 2001 and 2002.
- The decline in the participation rates among aged one-person units continued for a second year, bringing the level down to 62 percent, a cumulative decline since 2000 of 9 percentage points.
- The rates for both disabled one-person units and married-couple units that are either aged or disabled edged upwards in 2002 after declines in the previous year.
- In 2002, as in past years, disabled adults in one-person units had a higher participation rate (78 percent) than both aged adults in one-person units (62 percent) and adults in married-couple units (48 percent).

## INDICATOR 5. MULTIPLE PROGRAM RECEIPT

**Figure IND 5. Percentage of Population Receiving Assistance from Multiple Programs (TANF, Food Stamps, SSI), among Those Receiving Assistance: 2002**



Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 2003, analyzed using the TRIM3 microsimulation model.

- Of the almost 9 percent of the population in families receiving TANF, food stamps, or SSI benefits in an average month in 2002, about two-thirds (72 percent) received assistance from only one program. Most of these families received food stamps or SSI benefits only. However, other common patterns include food stamp and TANF receipt (16 percent) and food stamp and SSI receipt (12 percent).
- Children are more likely than other age groups to live in families receiving TANF and/or food stamps. For example, 17 percent of children under six lived in families receiving any public assistance in an average month in 2002, and 5 percent of children under six lived in families receiving both TANF and food stamps, as shown in Table IND 5a.
- The percentage of individuals receiving assistance from at least one program among AFDC/TANF, food stamps, and SSI in an average month decreased during the mid- and late 1990s (from 13 percent in 1994 to 8 percent in 2000). It increased to 8.5 percent in 2002, largely due to an increase in families receiving food stamps only, as shown in Table IND 5b.

**Table IND 5a. Percentage of Population Receiving Assistance from Multiple Programs (TANF, Food Stamps, SSI), by Race/Ethnicity and Age: 2002**

	Any Receipt	One Program Only			Two Programs	
		TANF	FS	SSI	TANF & FS	FS & SSI
<b>All Persons</b>	8.5	0.3	4.5	1.3	1.4	1.0
<b>Racial/Ethnic Categories</b>						
Non-Hispanic White	5.4	0.1	2.9	1.0	0.7	0.7
Non-Hispanic Black	20.8	0.4	12.2	2.3	3.5	2.5
Hispanic	12.7	0.7	6.1	1.9	2.7	1.2
<b>Age Categories</b>						
Children Ages 0-5	16.7	0.8	9.9	0.6	4.8	0.6
Children Ages 6-10	14.2	0.6	9.1	0.6	3.5	0.5
Children Ages 11-15	12.0	0.5	7.2	0.8	2.8	0.7
Women Ages 16-64	8.0	0.2	4.4	1.1	1.3	1.1
Men Ages 16-64	5.2	0.1	2.7	1.3	0.4	0.7
Adults Ages 65 and over	7.7	0.0	1.9	3.4	0.0	2.4

Note: Categories are mutually exclusive. SSI receipt is based on individual receipt; AFDC/TANF and food stamp receipt are based on the full recipient unit. In practice, individuals do not tend to receive both AFDC/TANF and SSI; hence, no individual receives benefits from all three programs. The percentage of individuals receiving assistance from any one program in an average month (shown here) is lower than the percentage residing in families receiving assistance over the course of a year (shown in Table SUM 1 in Chapter I and Table IND 1a in Chapter II).

Persons of Hispanic ethnicity may be of any race. Beginning in 2002, estimates for Whites and Blacks are for persons reporting a single race only. Persons who reported more than one race are included in the total for all persons but are not shown under any race category. Due to small sample size, American Indians/Alaska Natives, Asians and Native Hawaiians/Other Pacific Islanders are included in the total for all persons but are not shown separately.

Source: Unpublished tabulations from the Current Population Survey, Annual Social and Economic Supplement, 1994-2003, analyzed using the TRIM3 microsimulation model.

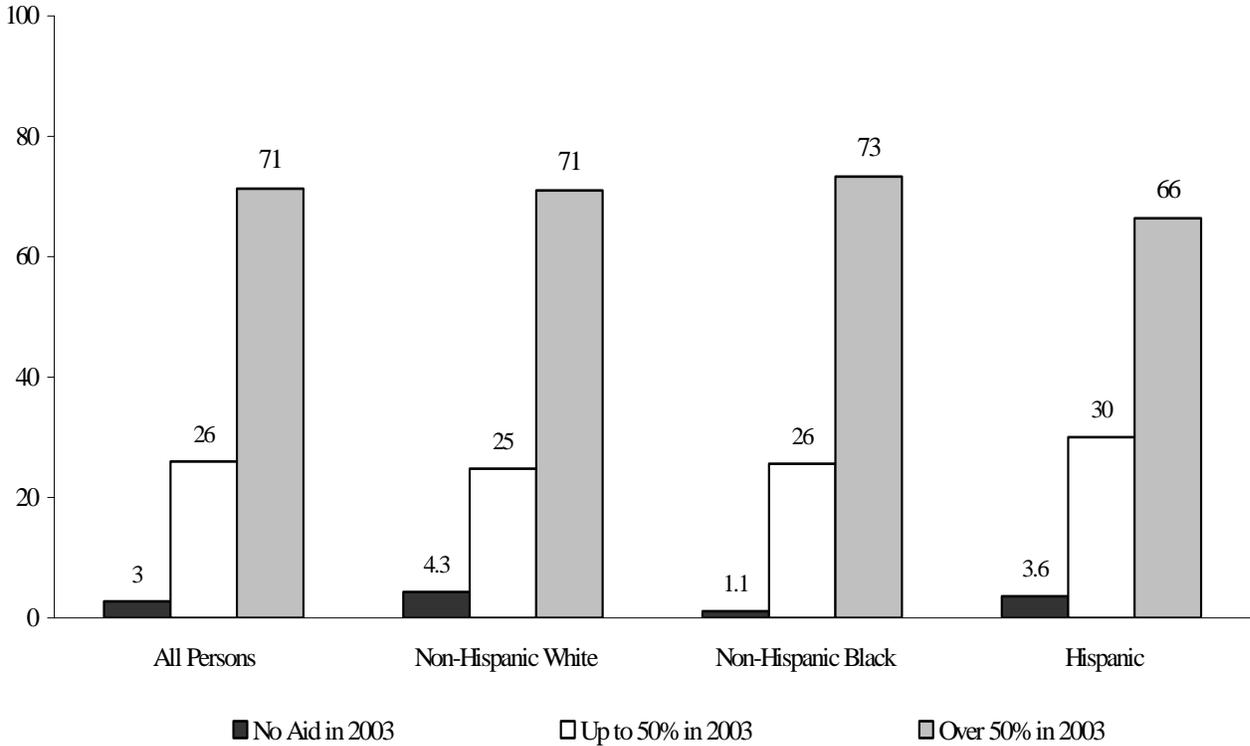
**Table IND 5b. Percentage of Population Receiving Assistance from Multiple Programs (AFDC/TANF, Food Stamps, SSI): 1993-2002**

	Any Receipt	One Program Only			Two Programs	
		AFDC/ TANF	FS	SSI	AFDC/TANF & FS	FS & SSI
1993	12.6	0.6	5.2	1.1	4.8	1.0
1994	12.8	0.5	5.3	1.2	4.6	1.1
1995	12.3	0.4	5.0	1.2	4.5	1.1
1996	12.0	0.3	5.3	1.2	4.0	1.1
1997	10.2	0.4	4.3	1.3	3.1	1.0
1998	9.0	0.4	3.9	1.4	2.4	0.9
1999	8.5	0.4	3.8	1.3	2.0	1.0
2000	8.1	0.2	3.8	1.4	1.7	1.0
2001	8.1	0.3	3.9	1.4	1.5	1.0
2002	8.5	0.3	4.5	1.3	1.4	1.0

See above for note and source.

## INDICATOR 6. DEPENDENCE TRANSITIONS

**Figure IND 6. Dependency Status in 2003 of Persons Who Received More than 50 Percent of Income from Means-Tested Assistance in 2002, by Race/Ethnicity**



Source: Unpublished tabulations from the Survey of Income and Program Participation, 2001 panel.

- Recipients of means-tested assistance were more likely to move out of dependency in the early 2000s than in the early 1990s. About three-tenths (29 percent) of recipients who received more than 50 percent of their total income from means-tested assistance programs in 2002 transitioned out of this dependency status in 2003. The comparable transition rate was only 20 percent between 1993 and 1994, as shown in Table IND 6b.
- Of the recipients who received more than 50 percent of their total income from AFDC/TANF, food stamps, and/or SSI in 2002, Hispanics were less likely to be dependent in 2003 than non-Hispanic whites and non-Hispanic blacks.
- As shown in Table IND 6a, men between the ages of 16 and 64 who received more than half of their total income from means-tested assistance programs in 2002 remained dependent in 2003 in higher percentages than women.

**Table IND 6a. Dependency Status in 2003 of Persons Who Received More than 50 Percent of Income from Means-Tested Assistance in 2002, by Race/Ethnicity and Age**

Individuals Receiving More than 50% of Income from Assistance in 2002	Total (thousands)	Percentage of Persons Receiving		
		No Aid in 2003	Up to 50% in 2003	Over 50% in 2003
<b>All Persons</b>	<b>6,047</b>	<b>2.7</b>	<b>26.0</b>	<b>71.3</b>
<b>Racial/Ethnic Categories</b>				
Non-Hispanic White	2,161	4.3	24.8	71.0
Non-Hispanic Black	2,202	1.1	25.6	73.3
Hispanic	1,179	3.6	30.0	66.4
<b>Age Categories</b>				
Children Ages 0-5	860	3.8	34.1	62.1
Children Ages 6-10	711	0.0	29.5	70.5
Children Ages 11-15	632	1.0	25.0	74.0
Women Ages 16-64	2,266	3.9	27.6	68.6
Men Ages 16-64	1,111	3.2	18.6	78.2
Adults Ages 65 and over	446	0.9	17.1	82.0

Note: Means-tested assistance is defined as AFDC/TANF, food stamps, and SSI. While only affecting a small number of cases, General Assistance income is included within AFDC/TANF income. Individuals are defined as dependent if they reside in families with more than 50 percent of total annual family income from these means-tested programs.

Persons of Hispanic ethnicity may be of any race. Due to small sample size, American Indians/Alaska Natives, Asians and Native Hawaiians/Other Pacific Islanders are included in the total for all persons but are not shown separately.

Individual age categories do not add to total because of a small number of people not reporting age.

Source: Unpublished tabulations from the Survey of Income and Program Participation, 2001 panel.

**Table IND 6b. Dependency Status of All Persons Who Received More than 50 Percent of Income from Means-Tested Assistance in Previous Year**

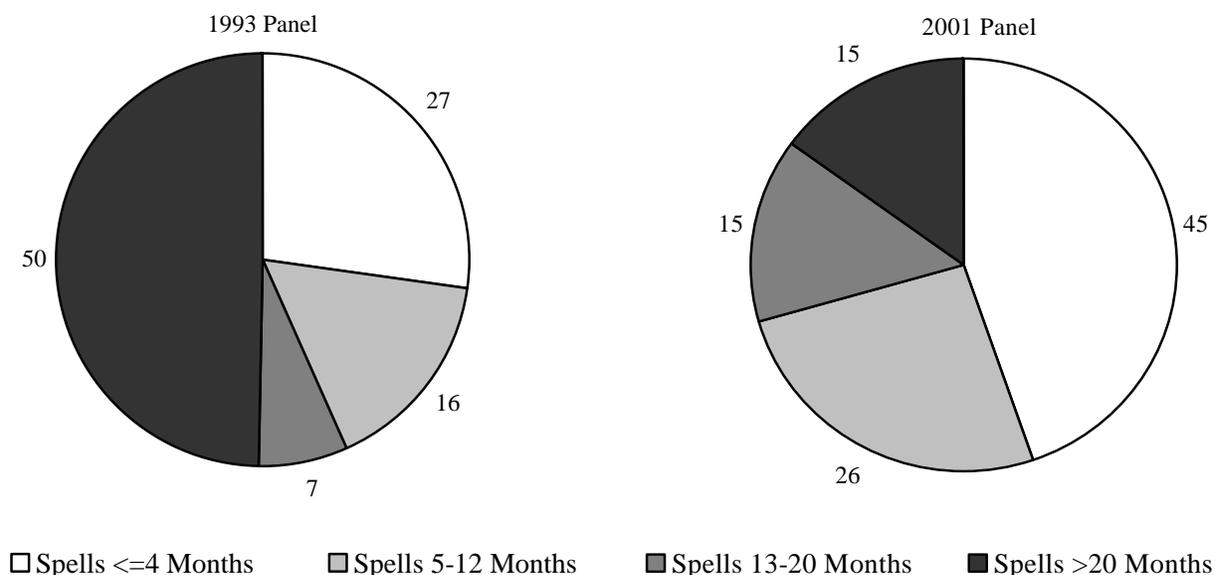
Transitions from:	Total (thousands)	Percentage of Persons Receiving		
		No Aid in Second Year	Up to 50% in Second Year	Over 50% in Second Year
1993 to 1994	14,810	1.6	18.6	79.8
1994 to 1995	13,986	2.7	18.8	78.5
1997 to 1998	9,672	3.1	28.8	68.1
1998 to 1999	8,163	2.9	27.1	70.0
2001 to 2002	6,453	1.3	28.0	70.7
2002 to 2003	6,047	2.7	26.0	71.3

Note: Because full calendar year data for 1995 were not available for all SIPP respondents, some transitions between 1994 and 1995 were based on twelve-month periods that did not correspond exactly to calendar years.

Source: Unpublished tabulations from the Survey of Income and Program Participation, 1993, 1996 and 2001 panels.

## INDICATOR 7. DEPENDENCE SPELL DURATION

**Figure IND 7. Percentage of AFDC/TANF Spells of Individuals in Families with No Labor Force Participants and Entering Programs during the 1993 and 2001 SIPP Panels, by Length of Spell**



Source: Unpublished tabulations from the Survey of Income and Program Participation, 1993 and 2001 panels.

- In the early 2000s, 45 percent of TANF spells for individuals in families with no one in the labor force ended within four months and over two-thirds (71 percent) ended within a year. These spells are measured for individuals living in families with no labor force participants at the start of 2001 who entered TANF between 2001 and 2003.
- Spells were much longer for families entering AFDC between 1993 and 1995, as shown in Figure IND 7 and Table IND 7b. Half (50 percent) of AFDC/TANF spells for individuals in families where no one participated in the labor force lasted more than 20 months in the 1993 SIPP panel, compared with only 15 percent of that length in the 2001 SIPP panel.
- As shown in Table IND 7a, the percentage of TANF spells ending in four months or less were larger for non-Hispanic whites (57 percent) than for non-Hispanic blacks (47 percent) and Hispanics (47 percent).
- Spells shown in Indicator 7 are limited to spells of recipients in families without any labor force participation at the start of each panel. Spell lengths, on average, are slightly shorter in Indicator 8, which shows spells for *all* recipients, including those in families with labor force participants. For example, whereas 45 percent of spells between 2001 and 2003 shown in Figure IND 7 end in four months or less, 50 percent of all TANF spells during the same time period end in four months or less, as shown in Figure IND 8.

**Table IND 7a. Percentage of TANF Spells of Individuals in Families with No Labor Force Participants and Entering Programs during the 2001 SIPP Panel, by Length of Spell, Race/Ethnicity and Age**

	Spells <=4 Months	Spells 5-12 Months	Spells 13-20 Months	Spells >20 Months
<b>All Persons</b>	<b>44.7</b>	<b>25.9</b>	<b>14.6</b>	<b>14.9</b>
<b>Racial/Ethnic Categories</b>				
Non-Hispanic White	56.7	14.0	18.0	11.2
Non-Hispanic Black	47.0	21.8	11.0	20.2
Hispanic	46.8	33.6	9.3	10.3
<b>Age Categories</b>				
Ages 0-15 Years	39.4	25.2	18.8	16.6
Ages 16-64 Years	54.4	22.8	9.5	13.3

Note: Spell length categories are mutually exclusive. Spells separated by only 1 month are not considered separate spells. Due to the length of the observation period, actual spell lengths for spells that lasted more than 20 months cannot be observed. TANF spells are defined as those spells starting during the 2001 SIPP panel for individuals in families with no labor force participants at the start of the panel.

Persons of Hispanic ethnicity may be of any race. Due to small sample size, American Indians/Alaska Natives, Asians and Native Hawaiians/Other Pacific Islanders are included in the total for all persons but are not shown separately.

Source: Unpublished tabulations from the Survey of Income and Program Participation, 2001 panel.

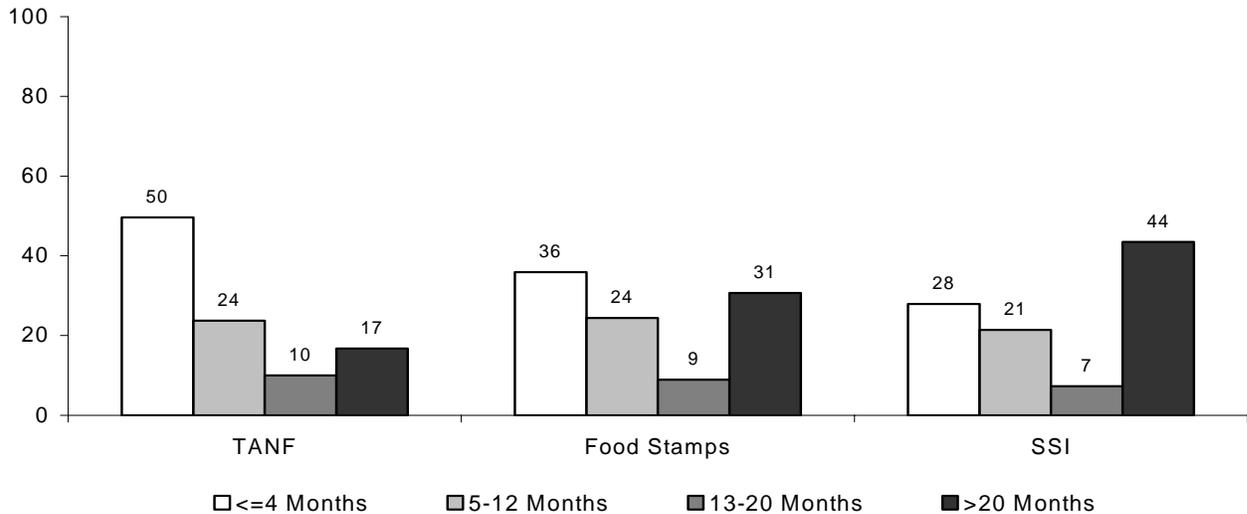
**Table IND 7b. Percentage of AFDC/TANF Spells of Individuals in Families with No Labor Force Participants and Entering Programs during the 1993, 1996 and 2001 SIPP Panels**

	Spells <=4 Months	Spells 5-12 Months	Spells 13-20 Months	Spells >20 Months
1993 Panel All Persons	27.2	16.2	6.9	49.7
1996 Panel All Persons	40.5	27.5	13.3	18.7
2001 Panel All Persons	44.7	25.9	14.6	14.9

Source: Unpublished tabulations from the Survey of Income and Program Participation, 1993, 1996 and 2001 panels.

## INDICATOR 8. PROGRAM SPELL DURATION

**Figure IND 8. Percentage of TANF, Food Stamp and SSI Spells for Individuals Entering Programs during the 2001 SIPP Panel, by Length of Spell**



Source: Unpublished tabulations from the Survey of Income and Program Participation, 2001 panel.

- Between the years 2001 and 2003, short spells lasting 4 months or less accounted for about 50 percent of TANF spells, 36 percent of food stamp spells, and 28 percent of SSI spells.
- Approximately three-fourths of all TANF spells (73 percent) and three-fifths of food stamp spells (60 percent) lasted one year or less. In contrast, only 49 percent of SSI spells ended within one year.
- As shown in Table IND 8a, for TANF spells, a smaller percentage of long spells (lasting more than 20 months) occurred among non-Hispanic whites compared to non-Hispanic blacks and Hispanics. In contrast, these groups did not differ greatly in the percentage of long spells for food stamps.
- Spells of welfare receipt were shorter in the early 2000s than in the early 1990s, as shown in Table IND 8b. For example, only 17 percent of TANF spells for individuals entering TANF between 2001 and 2003 lasted 20 months or longer, compared with 34 percent of AFDC spells beginning between 1992 and 1994.
- Length of TANF receipt varies across states, as shown in Appendix Table TANF 17, which shows an alternative measure of length of TANF receipt, using state administrative data.

**Table IND 8a. Percentage of TANF, Food Stamp and SSI Spells for Individuals Entering Programs during the 2001 SIPP Panel, by Length of Spell, Race/Ethnicity and Age**

		Spells <=4 Months	Spells 5-12 Months	Spells 13-20 Months	Spells >20 Months
<b>TANF</b>	<b>All Recipients</b>	<b>49.6</b>	<b>23.7</b>	<b>10.0</b>	<b>16.8</b>
	<b>Racial/Ethnic Categories</b>				
	Non-Hispanic White	51.4	23.7	13.1	11.9
	Non-Hispanic Black	50.6	23.5	6.8	19.1
	Hispanic	51.7	20.1	8.4	19.8
	<b>Age Categories</b>				
	Ages 0-5 Years	50.0	24.0	11.9	14.1
	Ages 6-10 Years	45.4	21.5	8.5	24.6
	Ages 11-15 Years	43.7	25.3	12.4	18.6
	Ages 16-64 Years	52.9	24.2	8.4	14.4
	65 Years and Older	NA	NA	NA	NA
	<b>FOOD STAMPS</b>	<b>All Recipients</b>	<b>35.9</b>	<b>24.4</b>	<b>8.9</b>
<b>Racial/Ethnic Categories</b>					
Non-Hispanic White		35.9	25.8	8.0	30.3
Non-Hispanic Black		32.2	23.7	11.7	32.4
Hispanic		40.5	22.5	7.8	29.2
<b>Age Categories</b>					
Ages 0-5 Years		27.7	25.6	12.9	33.8
Ages 6-10 Years		28.6	27.4	10.7	33.3
Ages 11-15		31.8	28.1	9.6	30.6
Ages 16-64		40.3	23.9	7.5	28.4
65 Years and Older		30.0	12.5	9.6	48.0
<b>SSI</b>		<b>All Recipients</b>	<b>27.9</b>	<b>21.4</b>	<b>7.3</b>
	<b>Racial/Ethnic Categories</b>				
	Non-Hispanic White	31.3	19.8	7.9	41.0
	Non-Hispanic Black	26.9	25.3	7.1	40.7
	Hispanic	23.7	18.8	7.3	50.2
	<b>Age Categories</b>				
	Ages 0-10	NA	NA	NA	NA
	Ages 11-15	31.2	18.8	3.9	46.1
	Ages 16-64	29.4	20.9	7.2	42.5
	65 Years and Older	22.7	23.2	8.4	45.7

Note: Spell length categories are not mutually exclusive. Spells separated by only 1 month are not considered separate spells. Due to the length of the observation period, actual spell lengths for spells that lasted more than 20 months cannot be observed. TANF spells are defined as those starting during the 2001 SIPP Panel. For certain age categories, data are not available (NA) because of insufficient sample size.

Persons of Hispanic ethnicity may be of any race. Due to small sample size, American Indians/Alaska Natives, Asians and Native Hawaiians/Other Pacific Islanders are included in the total for all persons but are not shown separately.

Source: Unpublished tabulations from the Survey of Income and Program Participation, 2001 panel.

**Table IND 8b. Percentage of AFDC/TANF, Food Stamp and SSI Spells for Individuals Entering Programs during the 1992, 1993, 1996 and 2001 SIPP Panels**

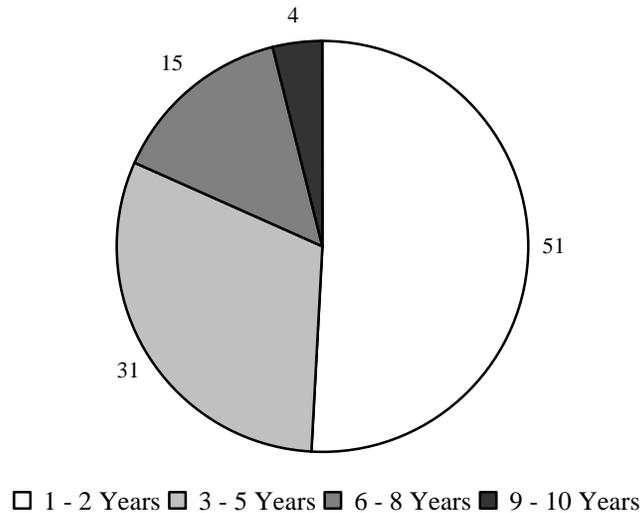
	Spells <=4 Months	Spells 5-12 Months	Spells 13-20 Months	Spells >20 Months
<b>1992 Panel</b>				
AFDC	30.4	24.7	10.5	34.4
Food Stamps	33.4	24.9	10.2	31.5
SSI	25.7	8.9	4.8	60.6
<b>1993 Panel</b>				
AFDC	30.7	25.4	12.5	31.4
Food Stamps	33.1	26.8	10.1	30.0
SSI	24.0	7.9	4.7	63.4
<b>1996 Panel</b>				
AFDC/TANF	46.6	29.2	11.5	12.7
Food Stamps	43.1	27.7	9.3	19.8
SSI	34.1	19.2	9.1	37.6
<b>2001 Panel</b>				
TANF	49.6	23.7	10.0	16.8
Food Stamps	35.9	24.4	8.9	30.7
SSI	27.9	21.4	7.3	43.5

Source: Unpublished tabulations from the Survey of Income and Program Participation, 1992, 1993, 1996 and 2001 Panels.

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## INDICATOR 9. LONG-TERM RECEIPT

Figure IND 9. Percentage of AFDC/TANF Recipients, by Years of Receipt between 1991 and 2000



Source: Unpublished tabulations from the Panel Study of Income Dynamics, public release data files, 1992-2001.

- Among all persons receiving AFDC/TANF at some point in the ten-year period ending in 2000, about half (51 percent) received assistance in only one or two of these years. Less than one third (31 percent) received AFDC/TANF in three to five years, and less than one fifth (19 percent) received AFDC/TANF during more than five of the ten years.
- A larger percentage of child recipients experienced long-term receipt (some receipt in at least six of the ten years) and a smaller percentage experienced short-term receipt (receipt in only one or two years) in all three time periods relative to the percentages for all recipients, as shown in Table IND 9.
- Longer-term welfare receipt was much less common during the 1990s compared to earlier decades. Less than 4 percent of those with some AFDC/TANF assistance between 1991 and 2000 received at least one assistance payment in nine or ten years of the period, compared to 12 percent and 13 percent of AFDC recipients in the earlier two time periods.
- In the two ten-year time periods between 1971-1990, there was a large percentage difference in short-term AFDC receipt between all black and non-black recipients. In the ten-year period ending in 2000, this percentage difference was much smaller, with 49 percent of blacks and 53 percent of non-blacks receiving AFDC/TANF in only one or two years.

**Table IND 9. Percentage of AFDC/TANF Recipients across Three Ten-Year Time Periods, by Years of Receipt, Race and Age**

**All Races:**

	All Recipients			Child Recipients 0-5		
	1971-1980	1981-1990	1991-2000	1971-1980	1981-1990	1991-2000
Years Received AFDC/TANF						
1-2 Years	44.0	44.8	50.9	36.3	36.1	37.9
3-5 Years	30.1	26.5	30.9	28.1	24.1	33.9
6-8 Years	12.5	16.4	14.5	17.9	20.5	23.3
9-10 Years	13.3	12.2	3.8	17.7	19.4	4.9

**Black:**

	All Recipients			Child Recipients 0-5		
	1971-1980	1981-1990	1991-2000	1971-1980	1981-1990	1991-2000
Years Received AFDC/TANF						
1-2 Years	30.8	35.8	48.6	24.2	26.9	37.7
3-5 Years	31.9	28.4	24.2	28.4	25.7	28.2
6-8 Years	18.6	17.5	NA	24.7	18.7	NA
9-10 Years	18.7	18.4	NA	22.8	28.7	NA

**Non-Black:**

	All Recipients			Child Recipients 0-5		
	1971-1980	1981-1990	1991-2000	1971-1980	1981-1990	1991-2000
Years Received AFDC/TANF						
1-2 Years	51.0	51.3	52.6	45.0	43.0	38.2
3-5 Years	29.2	25.2	36.0	27.8	22.9	38.7
6-8 Years	9.4	15.7	NA	13.1	21.8	NA
9-10 Years	10.5	7.9	NA	14.1	12.3	NA

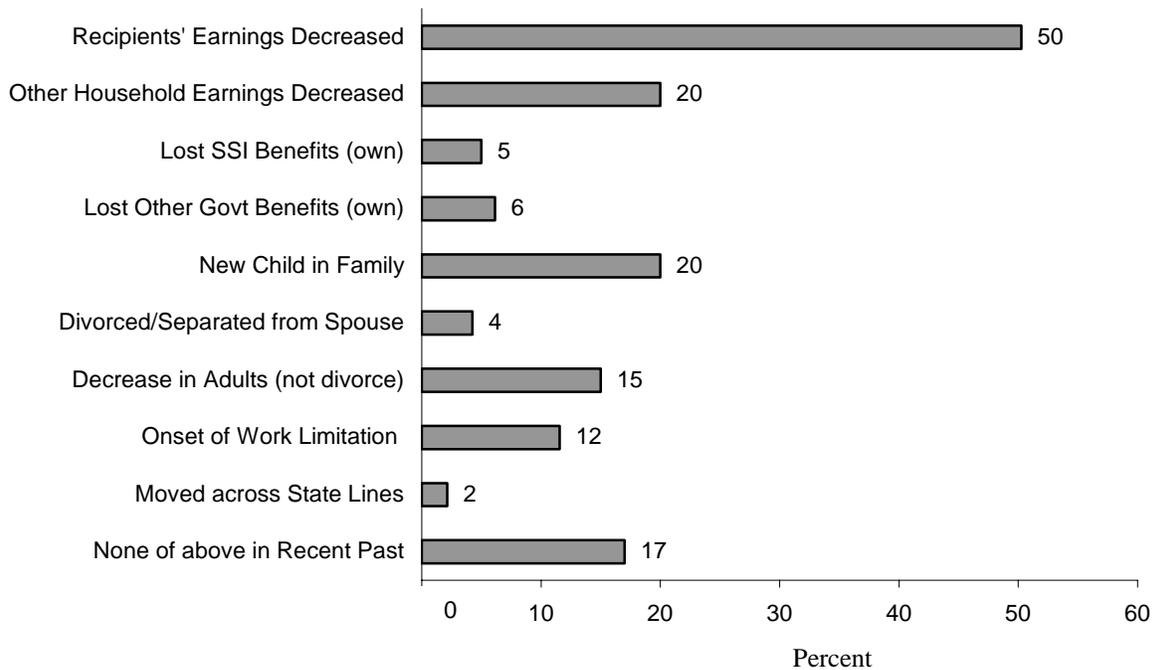
Note: The base for the percentages consists of individuals receiving at least \$1 of AFDC/TANF in any year in the ten-year period. Child recipients are defined by age in the first year of the 10-year period. This indicator measures years of reciprocity over the specified ten-year time periods and does not take into account years of reciprocity that may have occurred before or after each ten-year period.

Race categories include those of Hispanic ethnicity. Due to small sample size, American Indians/Alaska Natives, Asians, and Native Hawaiians/Other Pacific Islanders are included in the estimates for non-black persons but are not shown separately. Data are not available (NA) separately by race for longer periods of cumulative receipt (6 or more years) in the most recent 10-year period.

Source: Unpublished tabulations from the Panel Study of Income Dynamics, public release data files, 1992-2001.

## INDICATOR 10. EVENTS ASSOCIATED WITH THE BEGINNING AND ENDING OF PROGRAM SPELLS

**Figure IND 10a. Trigger Events Associated with Single Mother TANF Entries during 2001 SIPP Panel**



Source: Unpublished tabulations from the Survey of Income and Program Participation, 2001 panel.

- A decrease in earnings was the most common event associated with welfare entries. For spells beginning between 2001 and 2003, half (50 percent) were accompanied by a decrease in the recipient's own monthly earnings of \$50 or more, and an additional 20 percent were accompanied by decreases in the earnings of other household members.
- Changes in household composition were also associated with the onset of welfare spells. The addition of a new child was associated with one-fifth (20 percent), divorce or separation was associated with 4 percent, and a decrease in the number of household adults (not through divorce or separation) was associated with 15 percent of welfare spell starts during the 2001 to 2003 period.
- The onset of a work limitation was associated with about one in ten welfare spell starts. This percentage has gone up over time from 7 percent for spells starting between 1993 and 1995 to 12 percent for spells starting between 2001 and 2003 (see Table IND 10a).

**Table IND 10a. Percentage of Single Mother AFDC/TANF Spell Entries Associated with Specific Events: Selected Periods**

	Spell Began 1993-1995	Spell Began 1996-1999	Spell Began 2001-2003
Recipients' Earnings Decreased	57.1	52.6	50.3
Other Household Earnings Decreased	24.0	21.0	19.8
Lost SSI Benefits (own)	1.4	5.1	4.5
Lost Other Government Benefits (own)	8.1	5.1	6.1
New Child in Family	22.0	17.1	20.2
Divorced/Separated from Spouse	8.7	6.7	4.2
Decrease in Number of Adults (not divorce)	19.2	17.6	15.3
Onset of Work Limitation	7.2	10.9	11.6
Moved across State Lines	1.7	1.4	2.1
None of above in Recent Past	8.8	14.1	16.9

Note: Welfare entries are defined as moving from non-receipt to receipt between two successive SIPP interviews (conducted 4 months apart); an event was associated with a welfare transition if the event was observed within two interviews (i.e., 8 months) of the interview marking the welfare entry. In general, events are neither mutually exclusive nor exhaustive, and transition events may sum to more than 100 percent. Two exceptions are that "other household earnings decreased" was limited to cases when there were decreases in household earnings without a decrease in recipient earnings, and "decrease in number of adults (not divorce)" was limited to cases where the adult leaving the household was not married to the head of the household. AFDC/TANF includes General Assistance and other welfare payments. A decrease in earnings must be a decrease of at least \$50 per month. Other government benefits include Unemployment Insurance, Foster Care, Railroad Retirement, Veteran's payments, and Worker's Compensation. A work limitation is defined as a condition that limits the kind or amount of work. The category "None of above in Recent Past" represents the percentage of all spell beginnings during the period that were not associated with any of the events measured.

Source: Unpublished tabulations from the Survey of Income and Program Participation, 1993, 1996 and 2001 panels.

- Spells of welfare receipt and associated trigger events are measured using *monthly* data from the Survey of Income and Program Participation (SIPP). In the 2003 *Indicators of Welfare Dependence* volume (and earlier volumes), events associated with the beginning and ending of program spells were measured using *annual* data from the Panel Study of Income Dynamics (PSID). Thus, the estimates shown above are not comparable to estimates reported in previous volumes.
- Note that events sum to more than 100 percent because the same household could experience more than one event. For example, if a single mother separated from an adult with earnings and subsequently entered welfare, her welfare entry would be coded as associated with both a decrease in adults in the household and a decrease in household earnings. In other words, events are generally not defined to be mutually exclusive. (However, see two exceptions in note above.)

**Figure IND 10b. Trigger Events Associated with Single Mother TANF Exits during 2001 SIPP Panel**



Source: Unpublished tabulations from the Survey of Income and Program Participation, 2001 panel.

- Welfare exits were most often associated with increases in recipient earnings. Close to one-half (46 percent) of spells ending between 2001 and 2003 were associated with either an increase in the recipient’s own earnings (34 percent) or an increase in household earnings without an increase in recipients’ own earnings (12 percent).
- The percentage of all spell exits associated with an increase in recipient earnings has decreased over time (see Table IND 10b). Some of this decline may reflect the fact that a larger share of the caseload is combining welfare and work, and so some recipients with welfare exits in more recent years may have experienced increases in earnings before the 5- to 8-month time period used to observe “associated” events in Table 10b.
- Smaller shares of welfare exits were associated with household composition changes (changes in marital status, presence of children and number of adults) compared with welfare entries (see Figure IND 10a).
- Nearly Two-fifths (37 percent) of welfare spells ending between 2001 and 2003 were not associated with any of the events listed above within the period observed. The percentage has risen over time (see Table IND 10b).

**Table IND 10b. Percentage of Single Mother AFDC/TANF Spell Exits Associated with Specific Events: Selected Periods**

	Spell Ended 1993-1995	Spell Ended 1996-1999	Spell Ended 2001-2003
Increase in Own Earnings	54.8	44.6	34.1
Increase in Other Household Earnings	10.3	11.9	12.1
Became SSI Recipient	1.6	5.9	5.2
Became Recipient of Other Government Benefits	2.2	2.6	3.0
Last Child Left or Turned 19	5.6	2.4	1.5
Married	5.4	2.1	2.2
Increase in Number of Adults (not marriage)	17.6	12.4	12.8
Ended Work Limitation	3.0	10.9	9.0
Moved across State Lines	2.4	1.4	2.8
None of above in Recent Past	24.0	31.1	37.4

Note: Welfare exits are defined as moving from receipt to non-receipt between two successive SIPP interviews (conducted 4 months apart); an event was associated with a welfare transition if the event was observed within two interviews (i.e., 8 months) of the interview marking the welfare exit. In general, events are neither mutually exclusive nor exhaustive, and transition events may sum to more than 100 percent. Two exceptions are that “increase in other household earnings” was limited to cases when there were increases in household earnings without an increase in recipient earnings, and “increase in number of adults (not marriage)” was limited to cases where the adult joining the household was not marrying the head of the household. AFDC/TANF includes General Assistance and other welfare payments. An increase in earnings must be an increase of at least \$50 per month. Other government benefits include Unemployment Insurance, Foster Care, Railroad Retirement, Veteran's payments, and Worker's Compensation. A work limitation is defined as a condition that limits the kind or amount of work. The category "None of above in Recent Past" represents the percentage of all spell endings during the period that were not associated with any of the events measured.

Source: Unpublished tabulations from the Survey of Income and Program Participation, 1993, 1996 and 2001 panels.

- Spells of welfare receipt and associated trigger events are measured using *monthly* data from the Survey of Income and Program Participation (SIPP). In the 2003 *Indicators of Welfare Dependence* volume (and earlier volumes), events associated with the beginning and ending of program spells were measured using *annual* data from the Panel Study of Income Dynamics (PSID). Thus, the estimates shown above are not comparable to estimates reported in previous volumes.
- Note that events sum to more than 100 percent because the same household could experience more than one event. For example, if a single mother got a job, left welfare, and reported she no longer had a disability limiting her work status, her welfare exit would be coded as being associated with both an increase in earnings and an ending of a work limitation. In other words, events are generally not defined to be mutually exclusive. (However, see two exceptions in note above.)