

Indicators of Welfare Dependence

Annual Report to Congress
2001



U.S. Department of Health and Human Services

Contributors to this report include Gil Crouse, Susan Hauan, Julia Isaacs, and Matt Lyon of the Office of Human Services Policy under the direction of Barbara Broman, Acting Deputy Assistant Secretary for Human Services Policy, Office of the Assistant Secretary for Planning and Evaluation.

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Office of Human Services Policy
Assistant Secretary for Planning and Evaluation
Hubert H. Humphrey Bldg., Room 410E
200 Independence Ave., S.W.
Washington, D.C. 20201

Fax 202-690-6562

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Executive Summary

The Welfare Indicators Act of 1994 requires the Department of Health and Human Services to prepare annual reports to Congress on indicators and predictors of welfare dependence. This 2001 *Indicators of Welfare Dependence*, the fourth annual report, is the first report to provide welfare dependency indicators for the 1996-1998 period, reflecting changes that have taken place since enactment of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in August 1996. As directed by the Welfare Indicators Act, the report focuses on benefits under the Aid to Families with Dependent Children (AFDC) program, now the Temporary Assistance to Needy Families (TANF) program; the Food Stamp Program; and the Supplemental Security Income (SSI) program.

Welfare dependence, like poverty, is a continuum, with variations in degree and in duration. Families may be more or less dependent if larger or smaller shares of their total resources are derived from welfare programs. The amount of time over which families depend on welfare might also be considered in assessing their degree of dependency. Although recognizing the difficulties inherent in defining and measuring dependence, the bipartisan Advisory Board on Welfare Indicators proposed the following definition, as one measure to examine in concert with other key indicators of dependence and deprivation:

A family is dependent on welfare if more than 50 percent of its total income in a one-year period comes from AFDC/TANF, food stamps and/or SSI, and this welfare income is not associated with work activities. Welfare dependence is the proportion of all families who are dependent on welfare.

The proposed definition is difficult to measure because of limitations with existing data collection efforts. Most importantly, the available data do not distinguish between cash benefits where work is required and non-work-related cash benefits. In addition, there are time lags in the availability of the national data from the detailed surveys that may be best suited to measure dependence. This 2001 report uses data from the Current Population Survey (CPS) and administrative data to provide updated measures through 1998 for several dependency indicators, a significant update from the 1995 measures reported last year. Other measures are based on the Survey of Income and Program Participation (SIPP) and other data sources. Drawing on these various data sources, this report provides a number of key indicators of welfare reciprocity, dependence, and labor force attachment. Selected highlights from the many findings in the report include the following:

- In 1998, 3.8 percent of the total population was dependent in the sense of receiving more than half of total family income from TANF, food stamps, and/or SSI (see Indicator 1). This rate has fallen considerably from the 5.8 percent rate measured in 1993. Dependency rates would be lower if they could be adjusted to exclude welfare income associated with work required to obtain benefits.

- The drop in dependency parallels the more well-known drop in AFDC/TANF and food stamp caseloads. The percentage of individuals receiving AFDC/TANF, for example, fell from 5.4 percent to 3.2 percent between 1993 and 1998 (see Indicator 3). Food stamp reciprocity rates dropped from 10.5 percent to 7.3 percent over the same time period. Reciprocity rates for TANF and food stamps fell again between 1998 and 1999, suggesting that dependency rates in 1999 (not yet available) will fall below the levels reported for 1998.
- In an average month in 1998, more than half (56 percent) of TANF recipients lived in families with at least one family member in the labor force. Comparable figures for food stamp and SSI recipients were 57 and 37 percent, respectively (see Indicator 2). Labor force participation, particularly full-time employment, increased considerably among AFDC/TANF families between 1993 and 1998.
- Long-term dependency is relatively rare. Only 4 percent of those who were recipients in 1982 received more than 50 percent of their income from AFDC and food stamps in nine or more years over a ten-year period. This represents less than 0.5 percent of the total population. Half of the 1982 recipients never received more than 50 percent of their annual income from AFDC and food stamps over the 1982-1991 time period (see Indicator 9).

Since the causes of welfare receipt and dependence are not clearly known, the report also includes a larger set of risk factors associated with welfare receipt. The risk factors are loosely organized into three categories: economic security measures, measures related to employment and barriers to employment, and measures of nonmarital childbearing. The economic security risk factors include measures of poverty and deprivation that are important not only as predictors of dependence, but also as a supplement to the dependence indicators, ensuring that dependence measures are not assessed in isolation. It is important to examine whether decreases in dependency are accompanied by improvements in family economic status or by reductions in family material circumstances. The report includes data on the official poverty rate, one of the most common measures of deprivation:

- As the dependency rate fell between 1993 and 1998, the poverty rate for all individuals fell also, from 15.1 percent in 1993 to 12.7 percent in 1998. The poverty rate fell again in 1999, declining to 11.8 percent, the lowest rate since 1979 (see Economic Security Risk Factor 1, Figure ECON 1a).

Finally, the report has four appendices that provide additional program data on major welfare programs, as well as alternative measures of dependency, additional data on non-marital births, and further information about data sources in this year's report.

Chapter I. Introduction and Overview

The Welfare Indicators Act of 1994 (Pub. L. 103-432) directed the Secretary of Health and Human Services (HHS) to publish an annual report on welfare dependency. This 2001 report, the fourth annual report, gives updated data on the measures of welfare reciprocity, dependency, and predictors of welfare dependence developed for previous reports. It is the first report to provide welfare dependency indicators for the 1996-1998 period, reflecting changes that have taken place since enactment of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in August 1996.

The purpose of this report is to address questions concerning the extent to which American families depend on income from welfare programs. Under the Welfare Indicators Act, HHS was directed to address the rate of welfare dependency, the degree and duration of welfare reciprocity and dependence, and predictors of welfare dependence. The Act further specified that analyses of means-tested assistance should include benefits under the Aid to Families with Dependent Children (AFDC) program, now the Temporary Assistance to Needy Families (TANF) program; the Food Stamp Program; and the Supplemental Security Income (SSI) program.

The first annual report was produced under the oversight of a bipartisan Advisory Board on Welfare Indicators, which assisted the Secretary in defining welfare dependence, developing indicators of welfare dependence, and choosing appropriate data. Under the terms of the original authorizing legislation, the Advisory Board was terminated in October 1997, prior to the submission of the first annual report. Subsequent annual reports have provided updates for the measures developed for the first report. The report was shortened last year, in keeping with Congressional interest in a smaller set of indicators and predictors of dependency.

This 2001 report provides updated measures through 1998 for several dependency measures, a significant update from the 1995 measures reported last year. This update was possible because of a change in data source for a half-dozen indicators, from the Survey of Income and Program Participation (SIPP) to the Current Population Survey (CPS). Whereas the SIPP data are only available through 1995, the CPS data are available for more recent years, allowing examination of indicators and predictors of dependency since the 1996 enactment of welfare reform. Concurrent with the change in data source, the report has been reorganized slightly, with the annually updated figures now presented at the beginning of each section, followed by the measures that are updated less frequently.

Organization of Report

This introductory chapter provides an overview of the specific summary measures of welfare dependence proposed by the Advisory Board. It also discusses summary measures of poverty, following the Board's recommendation that dependence measures not be assessed in isolation from measures of deprivation. Analysis of both measures is important because changes in dependence measures could result either from increases in work activity and other factors that would raise family incomes, or from sanctions or other changes in welfare programs that would

reduce welfare program participation but might not improve the material circumstances of these families. The introduction concludes with a discussion of data sources used for the report.

Chapter II of the report, Indicators of Dependence, presents a dozen indicators of welfare dependence and reciprocity. These indicators include dependency measures based on total income from all three programs – AFDC/TANF, SSI, and food stamps, as well as measures of reciprocity for each of the three programs considered separately. The labor force participation among families receiving welfare and multiple receipt across programs are also shown. The second half of the chapter also includes longitudinal data on transitions on and off welfare programs and spells of dependency and reciprocity.

Chapter III, Predictors and Risk Factors Associated with Welfare Receipt, focuses on predictors of welfare dependence -- risk factors believed to be associated with welfare receipt in some way. These predictors are shown in three different groups:

- (1) **Economic security** – including various measures of poverty, receipt of child support, food insecurity, and health insurance coverage – is important in predicting dependence in the sense that families with fewer economic resources are more likely to rely on welfare programs for their support.
- (2) Measures of the **work status** and barriers to employment of adult family members also are critical, because families must generally receive an adequate income from employment in order to avoid dependence without severe deprivation.
- (3) Finally, data on **non-marital births** are important since history has shown that a high proportion of long-term welfare recipients became parents outside of marriage, frequently as teen parents.

Additional data are presented in four appendices. Appendix A provides basic program data on each of the main welfare programs and their recipients; Appendix B shows how dependency is affected by the inclusion of benefits from the SSI program; Appendix C includes additional data on non-marital childbearing; and Appendix D provides more information about the change in data sources in this 2001 report. The main welfare programs included in Appendix A are:

- The **Aid to Families with Dependent Children (AFDC)** program, the largest cash assistance program, provided monthly cash benefits to families with children, until its replacement by the **Temporary Assistance for Needy Families (TANF)** program, which is run directly by the states. Data on the AFDC and TANF programs are provided in Appendix A, with AFDC data provided from 1977 through June 1997, and TANF data from July 1997 through 1999, or when available, 2000.
- The **Food Stamp Program** provides monthly food stamp coupons to all individuals, whether they are living in families or alone, provided their income and assets are below thresholds set in Federal law. It reaches more poor people over the course of a year than

any other means-tested public assistance program. Appendix A provides historical data from 1970 to 1999, or when available, 2000.

- The **Supplemental Security Income (SSI)** program provides monthly cash payments to elderly, blind, or disabled individuals or couples whose income and assets are below levels set in Federal law. Though the majority of recipients are adults, disabled children also are eligible. Historical data from 1974 through 1999 are provided in Appendix A.

Measuring Welfare Dependence

As suggested by its title, this report focuses on welfare “dependency” as well as welfare “reciency.” While reciency can be defined fairly easily, based on the presence of benefits from AFDC/TANF, SSI or food stamps, dependency is a more complex concept.

Welfare dependence, like poverty, is a continuum, with variations in degree and in duration. Families may be more or less dependent if larger or smaller shares of their total resources are derived from welfare programs. The amount of time over which a family depends on welfare might also be considered in assessing its degree of dependency. Nevertheless, a summary measure of dependence to be used as an indicator for policy purposes must have some fixed parameters that allow one to determine which families should be counted as dependent, just as the poverty line defines who is poor under the official standard. The definition of dependence proposed by the Advisory Board for this purpose is as follows:

A family is dependent on welfare if more than 50 percent of its total income in a one-year period comes from AFDC, food stamps and/or SSI, and this welfare income is not associated with work activities. Welfare dependence is the proportion of all families who are dependent on welfare.

This measure is not without its limitations. The Advisory Board recognized that no single measure could fully capture all aspects of dependence and that the proposed measure should be examined in concert with other key indicators of dependence and deprivation. In addition, while the proposed definition would count unsubsidized and subsidized employment and work required to obtain benefits as work activities, existing data sources do not permit distinguishing between welfare income associated with work activities and non-work-related welfare benefits. As a result, the data shown in this report overstate the incidence of dependence (as defined above) because welfare income associated with work required to obtain benefits is classified as welfare and not as income from work. This issue may be growing in importance under the increased work requirements of the TANF program. In 1999, the percentage of welfare recipients who were working (including employment, work experience, and community service) reached an all-time high of 28 percent, compared to the 7 percent recorded in 1992.¹

¹ The earnings of those in unsubsidized employment would be correctly captured as income from work in national surveys. Any welfare benefits associated with work experience, community service programs or other work activities,

This proposed definition also represents an essentially arbitrary choice of a percentage (50 percent) of income from welfare beyond which families will be considered dependent. However, it is relatively easy to measure and to track over time, and is likely to be associated with any very large changes in total dependence, however defined. For example, as the recent changes in welfare law move more recipients into employment or work-related activities, dependence under this definition is expected to decline.

As shown in Figure SUM 1, 3.8 percent of the population would be considered “dependent” on welfare in 1998 under the above definition. This is less than one-third of the percentage (13.5 percent) who lived in a family receiving at least some AFDC/TANF, food stamp or SSI benefits during the year. Both dependency and reciprocity rates have fallen since 1994: dependency rates fell from 5.8 to 3.8 percent, while reciprocity rates fell from 17.2 to 13.5 percent. The drop in reciprocity rates is consistent with administrative data showing a peak in AFDC caseloads in 1993 and in food stamp caseloads in 1994 and a steady decrease in both programs since that time. What is not apparent from administrative records, but is shown in these national survey data, is that the dependency rate also peaked in 1993, with particularly strong declines in dependency between 1996 and 1998.

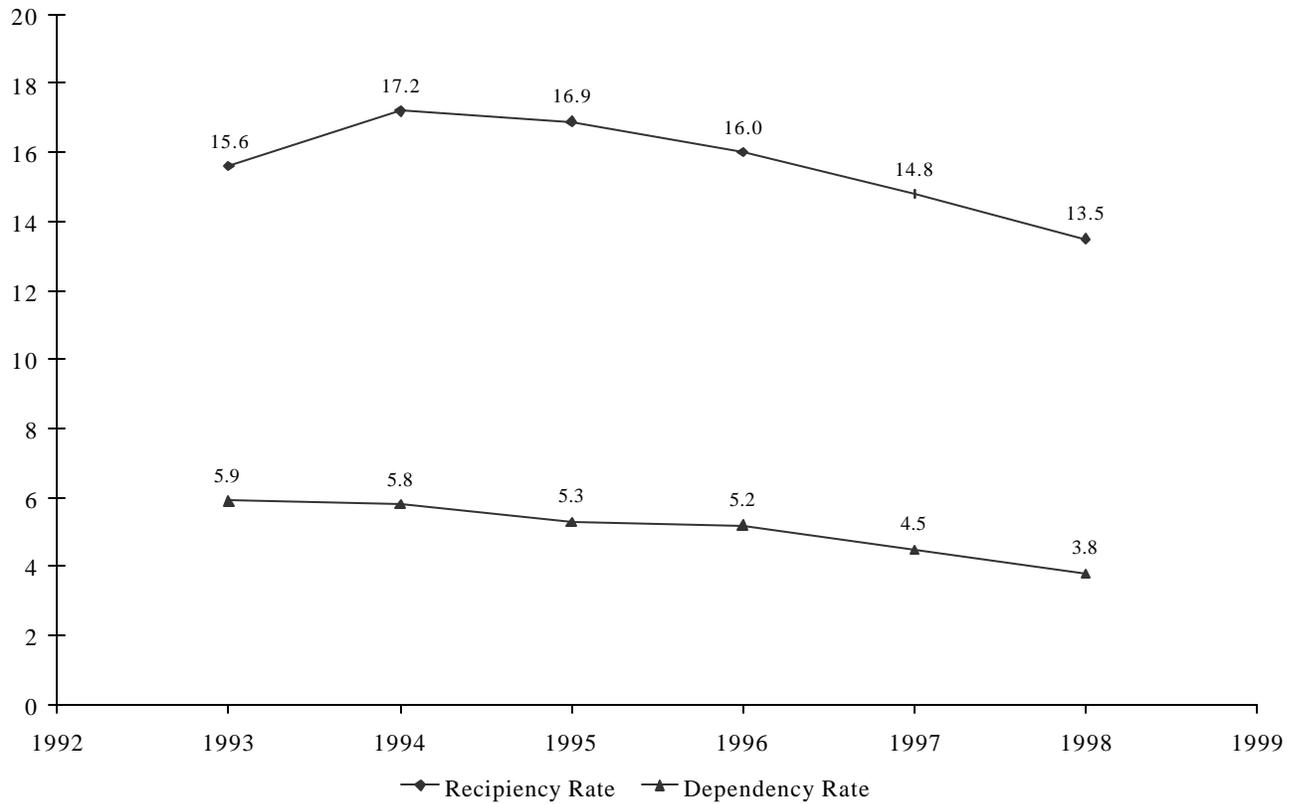
Reciprocity and dependency rates are higher for non-Hispanic blacks and Hispanics than for non-Hispanic whites, as shown in Table SUM 1, which shows these rates for various racial and age categories. Reciprocity and dependency also are higher for young children than for adults.

Dependency on assistance also varies depending upon which programs are counted as “welfare programs.” Dependency would be lower – 2.1 percent – if only AFDC/TANF and food stamp benefits were counted (as shown in Appendix B). In general, 70 to 75 percent of individuals who are dependent under the standard definition also are dependent under an alternative definition that considers AFDC and food stamps alone (as is done in some measures in this report). In general, non-whites and the very young were more likely to be dependent than other racial and age categories, and they are primarily dependent on AFDC and food stamps. Even in these populations, however, the vast majority of families do not meet the criteria for dependence.

Another factor affecting dependency is the time period observed. The summary measures shown in Figure and Table SUM 1 focus on reciprocity and dependency rates over a one-year time period. Long-term dependency is more rare, as shown in the longitudinal measures in the second half of Chapter II. Indicator 9, for example, shows that only 4 percent of those who were AFDC recipients in 1982 were dependent (i.e., received more than 50 percent of their income from AFDC and food stamps) for nine or ten years. This represents less than 0.5 percent of the total population. Half of the 1982 recipients were not dependent in any year over the 1982-1991 time period.

however, would be counted as income from welfare in most national surveys, an incorrect classification according to the proposed definition.

Figure SUM 1. Reciprocity and Dependency Rates: 1993-1998



Note: Reciprocity is defined as living in a family with receipt of any amount of AFDC/TANF, SSI, or food stamps during year. Dependency is defined as having more than 50 percent of annual income from AFDC/TANF, SSI and/or food stamps. Dependency rates would be lower if adjusted to exclude welfare assistance associated with working.

Source: March CPS data, analyzed using the TRIM3 microsimulation model.

Table SUM 1. Reciprocity and Dependency Rates: 1993-1998

	1993	1994	1995	1996	1997	1998
Reciprocity Rates (Rates of Any Amount of AFDC/TANF, Food Stamps, or SSI)						
All Persons	16.6	17.2	16.9	16.0	14.8	13.5
Racial Categories						
Non-Hispanic White	10.3	10.9	10.0	9.9	9.7	8.6
Non-Hispanic Black	38.0	38.3	38.6	35.6	30.2	29.6
Hispanic	34.6	34.9	35.0	32.0	28.0	24.5
Age Categories						
Children Ages 0-5	30.5	31.5	31.6	28.2	25.1	22.4
Children Ages 6-10	24.9	26.8	26.5	24.2	21.2	20.0
Children Ages 11-15	22.1	23.6	21.7	21.1	19.4	17.0
Women Ages 16-64	16.4	16.9	16.6	16.0	14.7	13.6
Men Ages 16-64	11.5	11.9	11.8	11.7	11.1	10.0
Adults Age 65 and over	11.2	10.9	10.6	10.3	10.2	9.9
Dependency Rates (More than 50 Percent of Income from Means-Tested Assistance)						
All Persons	5.9	5.8	5.3	5.2	4.5	3.8
Racial Categories						
Non-Hispanic White	3.0	2.9	2.3	2.6	2.5	2.1
Non-Hispanic Black	17.8	16.7	15.5	13.8	11.4	10.5
Hispanic	11.8	12.5	12.2	10.9	9.1	6.6
Age Categories						
Children Ages 0-5	13.9	13.7	12.9	11.2	9.3	7.8
Children Ages 6-10	11.2	11.2	10.5	9.5	8.4	6.7
Children Ages 11-15	9.3	9.2	7.6	8.1	7.4	5.7
Women Ages 16-64	5.9	5.7	5.2	5.2	4.6	3.9
Men Ages 16-64	2.7	2.7	2.5	2.7	2.5	2.1
Adults Age 65 and over	2.4	2.7	2.2	2.4	2.1	2.1

Note: Reciprocity is defined as living in a family with receipt of any amount of AFDC/TANF, SSI, or food stamps during year. Dependency is defined as having more than 50 percent of annual family income from AFDC/TANF, SSI and/or food stamps. Dependency rates would be lower if adjusted to exclude welfare assistance associated with working.

Source: March CPS data, analyzed using the TRIM3 microsimulation model.

Measuring Deprivation

Changes in dependence may or may not be associated with changes in the level of deprivation, depending on the alternative sources of support found by families who might otherwise be dependent on welfare. To assess the social impacts of any change in dependence, changes in the level of poverty or deprivation also must be considered. One way of measuring deprivation is to look at changes in the level of need over time. Elsewhere in this report, for example, measures of food insecurity and lack of health insurance are presented.

The deprivation measure presented in this report, however, focuses directly on changes in the poverty rate, both under the official poverty rate and under expanded measures that take into account cash benefits, non-cash benefits and taxes. These measures also show the degree to which welfare and related programs are effective in moving people out of poverty. The data, shown in Figure SUM 2 illustrate two primary points. First, cash welfare and non-cash welfare benefits reduce the number of poor families. Second, under any of the poverty measures presented in Figure SUM 2, poverty rates have been decreasing since 1993, as economic conditions have improved and policies have promoted and rewarded work. Each of these points is discussed below.

Three different concepts of income are used in Figure SUM 2, which shows alternative measures of poverty rates for all persons between 1979 and 1999. (The table underlying this graph is presented in Chapter III, under the Economic Security Risk Factor, ECON 4). The three measures in the graph are as follows:

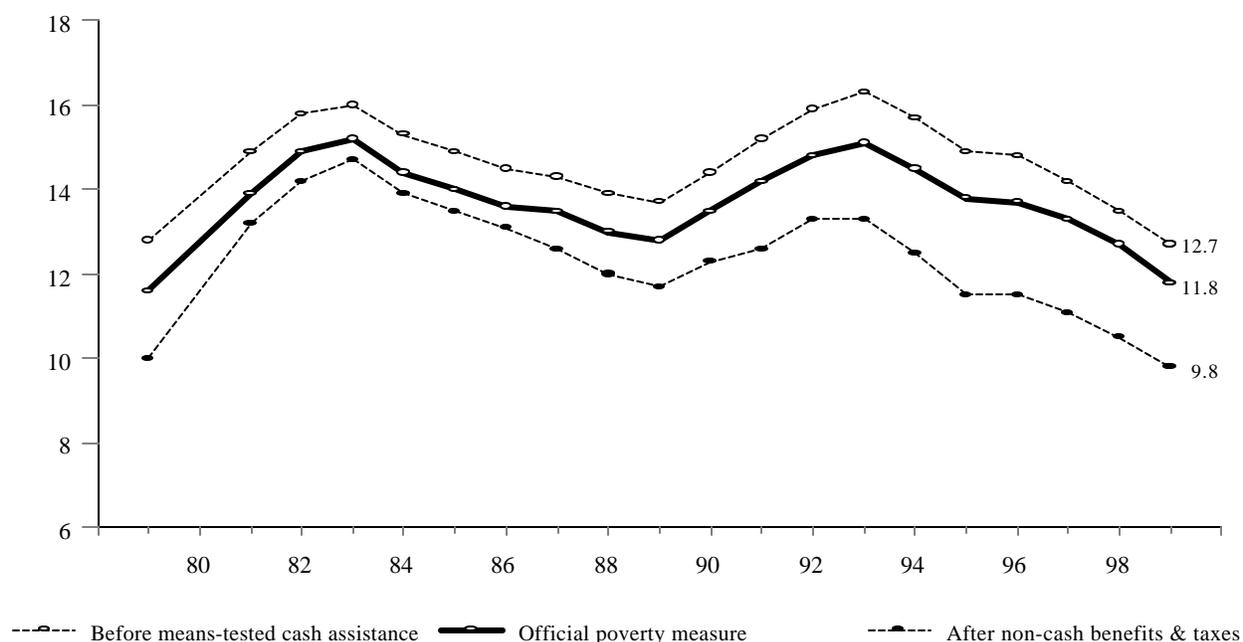
The bold line shows the official poverty rate, based on total cash income, including earned and unearned income. The official poverty rate was 11.8 percent in 1999.

The dotted line with unfilled circles shows what poverty would be if means-tested cash assistance (primarily AFDC and SSI) were excluded from cash income. Under this measure, income includes earnings and other private cash income, plus social security, workers' compensation, and other social insurance programs. Poverty under this measure would be almost one percentage point higher, 12.7 percent in 1999. This indicates that many more families would be poor if they did not receive welfare benefits.

The lowest line shows how poverty would be lower if the cash value of non-cash benefits (food and housing) and taxes (including refunds under the Earned Income Tax Credit) were counted as income.² Under this definition, poverty rates would fall by more than two percentage points, to 9.8 percent in 1999.

² The effects of non-cash benefits (food and housing) and taxes are shown separately in ECON 4 in Chapter III. Prior to 1993, taxes increased poverty. Since 1993, taxes, including the refunds through the Earned Income Tax Credit, have caused additional reductions in poverty.

Figure SUM 2. Percentage of Total Population in Poverty with Various Means-Tested Benefits Added to Total Cash Income: 1979-1999



Source: Congressional Budget Office tabulations of March CPS data. Additional calculations by DHHS. See ECON 4 in Chapter III for underlying table and further notes.

The combined effect of means-tested cash assistance, food and housing benefits, and EITC and taxes was to reduce the poverty rate in 1999 by 2.9 percentage points, from 12.7 percent to 9.8 percent (the difference between the top and bottom lines in Figure SUM 2). The net effectiveness of means-tested benefits (including cash assistance, food and housing benefits, and the EITC and other taxes) in reducing the poverty rate has averaged about three percentage points during most of the past decade. Net reductions in poverty rates were somewhat lower during the recession of the early 1980s, and somewhat higher in the mid 1990's, largely due to expansions in the EITC.

As economic conditions improved during the mid-1990s, poverty rates decreased under all three concepts of income. Poverty rates continued to decline after enactment of PRWORA in 1996. In fact, a comparison of SUM 1 and SUM 2 suggests that deprivation decreased at the same time as the large declines in caseloads and welfare dependency. In 1998, the final poverty rate was 10.4 percent after adding in non-cash benefits and taxes, a decline from 13.3 percent in 1993. Over the same time period, the dependence measure also declined, from 5.9 percent to 3.8 percent. The combined effect of welfare reform and the strong economy has been to reduce dependence on welfare at the same time as reducing poverty. It will be important to continue to track changes in these dependency and deprivation

rates over the next several years, to see how they are affected by future changes in economic conditions.

Data Sources

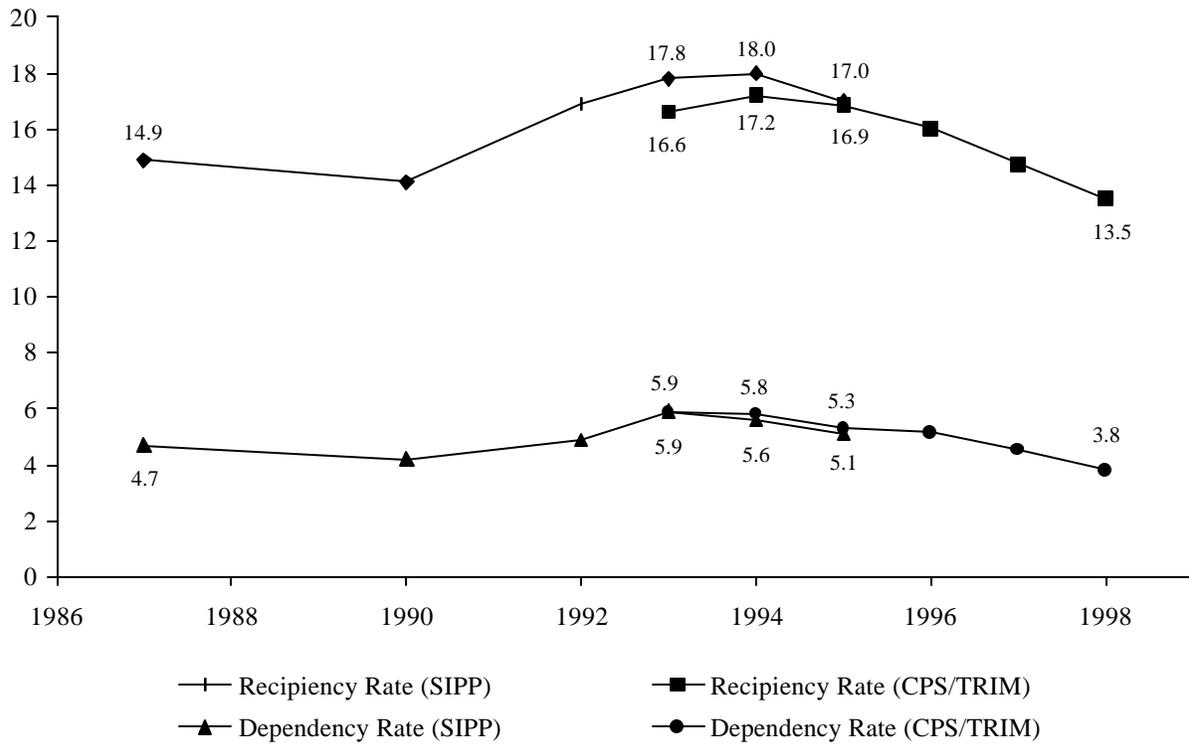
This 2001 report relies more heavily than past reports on data from the Annual March Demographic Supplement to the Current Population Survey (CPS). Several of the indicators and predictors of dependence are now based on CPS data rather than data from the Survey of Income and Program Participation (SIPP). This change was necessary because the Census Bureau was unable to update the SIPP data analyses beyond the 1995 data presented in last year's report.

If it were not for the lags in data availability, the Survey of Income and Program Participation (SIPP) would be considered the most useful national survey for measuring welfare dependency. It was used most extensively in the first three annual reports. Its strengths 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 the SIPP particularly effective for capturing the complexities of program dynamics and it continues to be an important source of data in this report, particularly for measures related to spell duration and transitions in and out of reciprocity, dependency and poverty.

For measures of receipt, dependency, and poverty at a single point in time, however, this year's report primarily uses the March CPS, which measures income and poverty over an annual accounting period. The CPS data are available on a more timely basis than the SIPP, and have been widely used to measure trends since the welfare reform legislation of 1996. However, because the CPS does not collect income in the same detail as the SIPP, it has been subject to criticism for underreporting of income, particularly welfare income. To address this concern, some of the indicators in this report are based on CPS data that has been analyzed by the Transfer Income Model (TRIM3), a microsimulation model developed by the Urban Institute under contract to the Office of the Assistant Secretary for Planning and Evaluation. Although its primary purpose is to simulate program eligibility and the impact of policy proposals, the TRIM model has also been used to correct for underreporting of welfare receipt and benefits. Welfare caseloads in TRIM3 are based on CPS data, adjusted upward to ensure that total estimates of recipients equal the total counts from administrative data. Even with these adjustments, some measurement differences between the CPS/TRIM data and SIPP data remain.

As shown in Figure SUM 3, the overall measures of dependency and reciprocity are not greatly affected by the change in data sources. Both data sources show a decline in dependency between 1993 and 1995, from 5.9 to 5.1 percent under the SIPP data, and from 5.9 to 5.3 percent under the TRIM-adjusted CPS data. Still, readers are cautioned against comparing measures for 1987-1995 from the SIPP data in last year's report with the new measures for 1996-1998 from the TRIM-adjusted CPS data. Therefore, indicators using the CPS data were analyzed over a six-year period – 1993 to 1998 – providing a new time series of how the indicators are changing over time from a consistent data source. Further information about the change in data sources is provided in Appendix D.

Figure SUM 3. Reciprocity and Dependency Rates from Two Data Sources: 1987-1998



Note: Reciprocity is defined as receipt of any amount of AFDC/TANF, SSI, or food stamps during year. Dependency is defined as having more than 50 percent of annual family income from AFDC/TANF, SSI and/or food stamps. Dependency rates would be lower if adjusted to exclude welfare assistance associated with working.

Source: March CPS data, analyzed using the TRIM3 microsimulation model.

The Panel Study of Income Dynamics (PSID) is another source of data used in this report. Like the SIPP it provides longitudinal data, but over a much longer time period than the approximate three-year time period of the SIPP. The PSID has collected annual income data, including transfer income, since 1968, providing vital data for indicators of long-term welfare receipt, dependence, and deprivation. As with the SIPP data, there have been lags in obtaining updated PSID data for the mid- to late- 1990s. Once again, the indicators that are based on PSID data cover the same ten-year period (1982-1991) as in the last several volumes. The Department plans to publish updated PSID analyses in next year's report.

Finally, the report also draws upon administrative data for the AFDC/TANF, Food Stamp and SSI programs. These data are largely reported in Appendix A. Like the CPS data, administrative data are generally available with little time lags; these data are generally available through fiscal year 1999 (or, for some aggregate caseload statistics, fiscal year 2000). To the extent possible, TANF administrative data are reported in a consistent manner with data from the earlier AFDC program, as noted in the footnotes to the tables in Appendix A. The fact remains that assistance under locally designed TANF programs

encompasses a diverse set of cash and non-cash services designed to support families in making a transition to work, and so direct comparisons between AFDC receipt and TANF receipt must be made with caution. This issue also affects reported data on TANF receipt in national data sets such as the CPS and SIPP.

Most of the data sources allow analysis of the indicators and predictors of welfare dependence across several age and race/ethnic categories. Where the data are available, statistics are shown for three racial/ethnic groups – non-Hispanic whites, non-Hispanic blacks, and Hispanics. In some instances, however, there are not sufficient data on individuals of Hispanic origin, and so the measures are shown for only two racial/ethnic categories.

Two other technical notes concern the unit of analysis and the difference between annual and monthly measures. The individual, rather than the family or household, is the unit of analysis for most of the statistics in this report. The individual's dependency status, however, is generally based on total family income, taking into account means-tested assistance, earnings and other sources of income for all individuals in the family.³ This chapter, for example, has reported the percentage of individuals that are dependent (in SUM 1) or poor (in SUM 2) according to annual total family income. Reciprocity status is also based on total annual family income in some instances; in SUM 1, for example, recipients are individuals in families receiving assistance at some point in the year. In most other indicators, reciprocity is measured as the direct receipt of a benefit by an individual in a month. The difference between an individual and a family measure of reciprocity is largest in the SSI program, which provides benefits to individuals and couples, not to families.

There also are differences between monthly and annual observation of benefit receipt. For example, the measures of annual reciprocity (that is, any receipt over the course of a year) shown in Figure and Table SUM 1 are higher than the more traditional measures of reciprocity in an average month, as shown in several other indicators.

³ Family is generally defined as following the broad Census Bureau definition of family – all persons related by blood, marriage, or adoption.

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 AFDC (now TANF), food stamps and/or SSI. Furthermore, this welfare income was not to be associated with work activities.

The indicators in Chapter II were selected to provide information about dependence, following, to the extent feasible, the definition of dependence proposed 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.

Instead, this chapter includes some indicators that focus on the percentage of recipients' income from means-tested assistance, while other indicators focus on presence of work activities at the same time as welfare receipt. Still other indicators present summary data and characteristics on all recipients, not limited to those with more than 50 percent of total income from welfare programs or those without work activities.

Overall, the indicators of dependency were selected to reflect both the range and depth of dependence. Indicators in this chapter focus 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 to Needy Families (TANF) programs, Supplemental Security Income (SSI) for elderly and disabled recipients, and the Food Stamp Program.

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

Indicator 1: Degree of Dependence. This indicator focuses most closely on those individuals who meet the Advisory Board's proposed definition of "dependence." Thus, it examines those individuals with more than 50 percent of their annual family income from AFDC/TANF, food stamps and/or SSI. This indicator also shows the average percentage of income from means-tested assistance and earnings received by families with varied incomes relative to the poverty level (Indicator 1b).

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 who use a combination of means-tested assistance and earnings from the labor force to get by each month.

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 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 the ability of individuals who are dependent on welfare in one year to 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 receipt. The focus is on individuals in AFDC families with no labor force participants. Information on spell lengths for SSI and food stamps is provided in Indicator 8.

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, food stamps, and SSI.

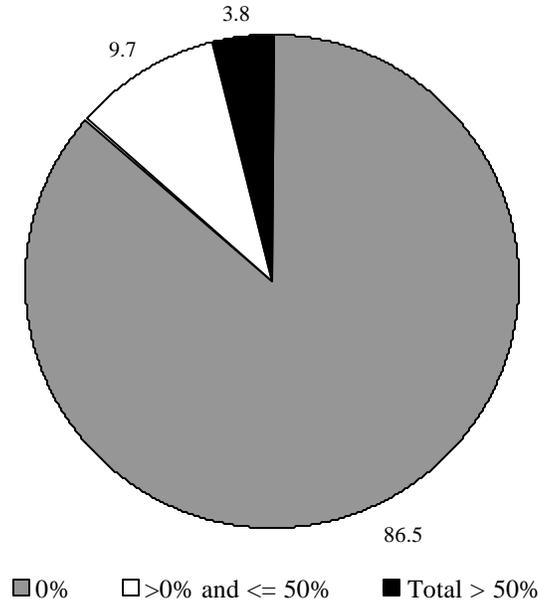
Indicator 9: Long-Term Dependency. This indicator uses data from the Panel Study of Income Dynamics (PSID) to examine dependency over a ten-year time period. It measures dependency as individuals with more than 50 percent of their income from AFDC/TANF and food stamps, not counting SSI.

Indicator 10: 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. The issue of long-term receipt is particularly important in light of time limits that have been enacted under state TANF programs.

Indicator 11: 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 AFDC.

INDICATOR 1. DEGREE OF DEPENDENCE

Figure IND 1a. Percentage of Total Income from Means-Tested Assistance Programs: 1998



Source: March CPS data, analyzed using the TRIM3 microsimulation model.

- Less than 4 percent of the total population in 1998 received more than half of their total family income from TANF, food stamps and SSI. This number has steady declined since 1993, when nearly 6 percent of the population could be defined as “dependent” on public assistance. The decline in dependency over time was depicted in Figure SUM 1, in Chapter I.
- The vast majority (87 percent) of the total population received no means-tested assistance in 1998. The inverse of this, or the percentage of those in families receiving at least one dollar of assistance from one of the three programs, is the recipiency rate of 13.5 percent shown in Figure and Table SUM 1, in Chapter I.
- In 1998, three out of four of individuals receiving some public assistance reported that TANF, food stamps, and SSI accounted for one-half or less of their total family income.
- As shown in Table IND 1a, a smaller percentage of non-Hispanic whites were receiving more than 50 percent of their annual income from means-tested assistance programs in 1998 (2 percent) than the percentage of non-Hispanic blacks and Hispanics similarly dependent on public assistance (11 percent and 7 percent, respectively).

- Very young children (birth to five years) were more likely than children of other ages to be in families receiving some amount of public assistance. In addition, 8 percent of very young children were dependent on public assistance in 1998.

Table IND 1a. Percentage of Total Income from Means-Tested Assistance Programs, by Race and Age: Selected Years

	0%	>0% and <= 50%	Total > 50%
1998			
All Persons	86.5	9.7	3.8
Non-Hispanic White	91.5	6.5	2.1
Non-Hispanic Black	70.5	19.1	10.5
Hispanic	75.5	17.8	6.6
Children Ages 0-5	77.6	14.6	7.8
Children Ages 6-10	80.0	13.4	6.7
Children Ages 11-15	83.0	11.3	5.7
Women Ages 16-64	86.4	9.7	3.9
Men Ages 16-64	90.0	7.9	2.1
Adults Age 65 and over	90.1	7.8	2.1
1997			
All Persons	85.3	10.2	4.5
Non-Hispanic White	90.3	7.2	2.5
Non-Hispanic Black	69.9	18.8	11.4
Hispanic	72.0	18.9	9.1
Children Ages 0-5	74.9	15.8	9.3
Children Ages 6-10	78.8	12.8	8.4
Children Ages 11-15	80.6	12.0	7.4
Women Ages 16-64	85.4	10.0	4.6
Men Ages 16-64	88.9	8.7	2.5
Adults Age 65 and over	89.9	8.0	2.1
1996			
All Persons	84.0	10.9	5.2
Non-Hispanic White	90.1	7.2	2.6
Non-Hispanic Black	64.4	21.8	13.8
Hispanic	68.0	21.2	10.9
Children Ages 0-5	71.8	17.0	11.2
Children Ages 6-10	75.8	14.6	9.5
Children Ages 11-15	78.9	13.0	8.1
Women Ages 16-64	84.0	10.8	5.2
Men Ages 16-64	88.3	9.0	2.7
Adults Age 65 and over	89.7	7.9	2.4

over

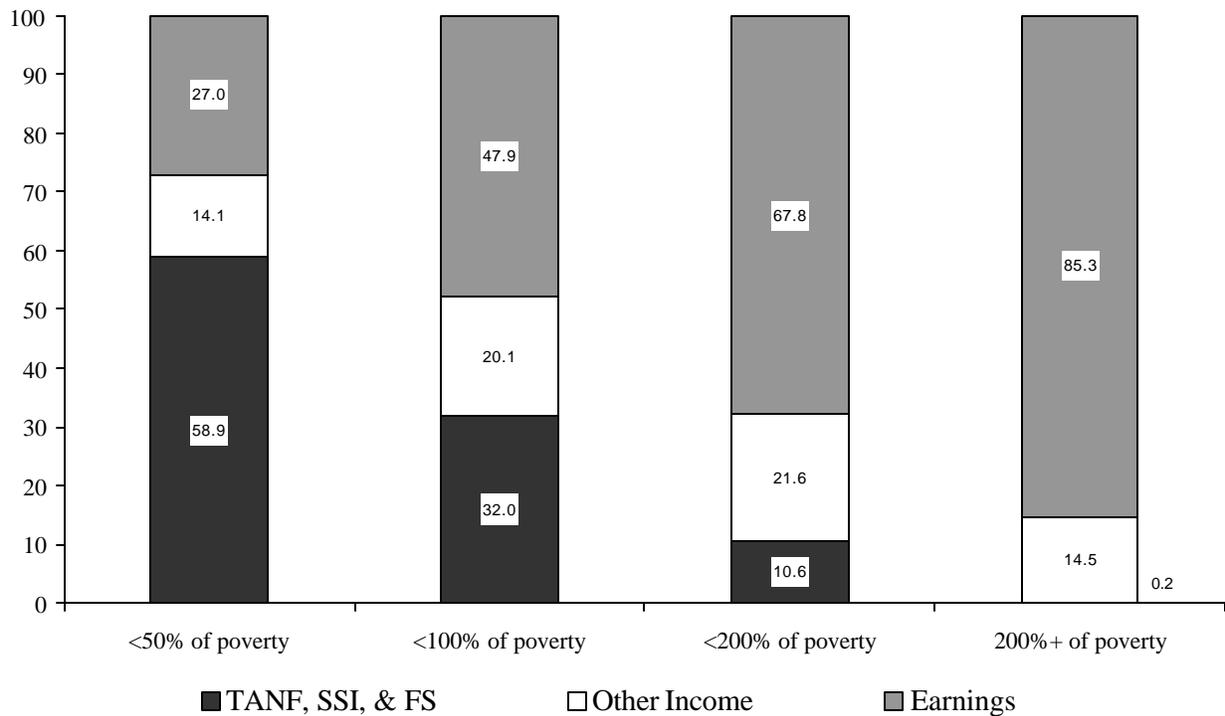
Table IND 1a. Percentage of Total Income from Means-Tested Assistance Programs, by Race and Age: Selected Years (continued)

	0%	>0% and <= 50%	Total > 50%
1995			
All Persons	83.2	11.6	5.3
Non-Hispanic White	90.0	7.7	2.3
Non-Hispanic Black	61.4	23.1	15.5
Hispanic	65.0	22.8	12.2
Children Ages 0-5	68.4	18.6	12.9
Children Ages 6-10	73.5	16.0	10.5
Children Ages 11-15	78.3	14.1	7.6
Women Ages 16-64	83.4	11.3	5.2
Men Ages 16-64	88.2	9.3	2.5
Adults Age 65 and over	89.4	8.3	2.2
1994			
All Persons	82.8	11.4	5.8
Non-Hispanic White	89.1	8.0	2.9
Non-Hispanic Black	61.7	21.6	16.7
Hispanic	65.1	22.4	12.5
Children Ages 0-5	68.5	17.8	13.7
Children Ages 6-10	73.2	15.6	11.2
Children Ages 11-15	76.5	14.3	9.2
Women Ages 16-64	83.1	11.2	5.7
Men Ages 16-64	88.1	9.3	2.7
Adults Age 65 and over	89.1	8.2	2.7
1993			
All Persons	83.4	10.7	5.9
Non-Hispanic White	89.7	7.3	3.0
Non-Hispanic Black	62.0	20.3	17.8
Hispanic	65.4	22.8	11.8
Children Ages 0-5	69.5	16.6	13.9
Children Ages 6-10	75.1	13.7	11.2
Children Ages 11-15	77.9	12.8	9.3
Women Ages 16-64	83.6	10.5	5.9
Men Ages 16-64	88.5	8.8	2.7
Adults Age 65 and over	88.8	8.8	2.4

Note: Means-tested assistance includes AFDC/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. Differences between data presented in this report and the 2000 *Indicators of Welfare Dependence* report are discussed in Appendix D.

Source: March CPS data, analyzed using the TRIM3 microsimulation model.

Figure IND 1b. Percentage of Total Income from Various Sources, by Poverty Status: 1998



Source: March CPS data, analyzed using the TRIM3 microsimulation model.

- Those in families with incomes below the poverty level received nearly half (48 percent) of their total family income from earnings and about a third (32 percent) of their total family income from means-tested assistance programs (AFDC/TANF, SSI, and food stamps) in 1998. In contrast, those with family incomes over 200 percent of the poverty level received the majority (85 percent) of their incomes from earnings and less than one percent of their income from means-tested assistance (a percentage so small as to not be 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 27 percent, compared to 48 percent for all poor individuals in 1998.
- 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 1b. The elderly received more income from other sources, including Social Security benefits and private pensions.

Table IND 1b. Percentage of Total Income from Various Sources, by Poverty Status, Race, and Age: 1998

	< 50% poverty	<100% of poverty	<200% of poverty	200%+ of poverty
All Persons				
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
Racial Categories				
<i>Non-Hispanic White</i>				
TANF, SSI, and Food Stamps	51.0	29.1	7.7	0.1
Earnings	28.5	45.6	64.7	84.5
Other Income	20.5	25.3	27.7	15.4
<i>Non-Hispanic Black</i>				
TANF, SSI, and Food Stamps	69.1	38.1	16.7	0.7
Earnings	20.3	41.1	62.9	87.1
Other Income	10.5	20.8	20.4	12.3
<i>Hispanic</i>				
TANF, SSI, and Food Stamps	54.4	28.4	10.6	0.6
Earnings	36.1	59.2	78.7	91.1
Other Income	9.6	12.4	10.6	8.3
Age Categories				
<i>Children Ages 0-5</i>				
TANF, SSI, and Food Stamps	65.4	37.7	13.7	0.3
Earnings	23.9	51.2	77.2	93.7
Other Income	10.8	11.1	9.1	6.1
<i>Children Ages 6-10</i>				
TANF, SSI, and Food Stamps	65.6	35.2	12.3	0.2
Earnings	22.7	51.6	75.9	92.7
Other Income	11.7	13.1	11.8	7.2
<i>Children Ages 11-15</i>				
TANF, SSI, and Food Stamps	63.6	34.7	11.7	0.2
Earnings	22.4	49.6	75.1	91.1
Other Income	14.0	15.6	13.2	8.7

over

Table IND 1b. Percentage of Total Income from Various Sources, by Poverty Status, Race, and Age: 1998 (continued)

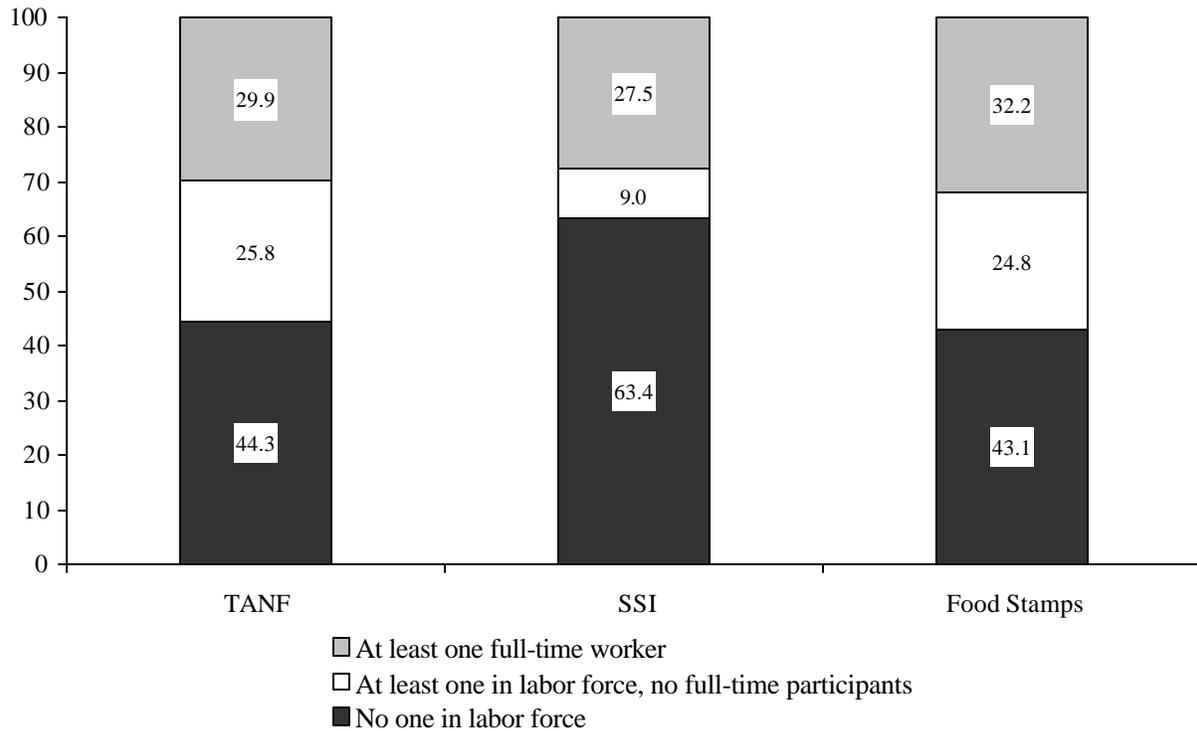
	< 50% poverty	<100% of poverty	<200% of poverty	200%+ of poverty
<i>Women Ages 16-64</i>				
TANF, SSI, and Food Stamps	56.4	32.6	11.3	0.2
Earnings	28.8	48.1	71.4	88.2
Other Income	14.8	19.3	17.3	11.6
<i>Men Ages 16-64</i>				
TANF, SSI, and Food Stamps	41.9	26.1	8.3	0.2
Earnings	41.0	54.8	75.7	89.5
Other Income	17.1	19.2	16.0	10.3
<i>Adults Age 65 and over</i>				
TANF, SSI, and Food Stamps	25.1	19.3	6.2	0.3
Earnings	8.0	5.3	9.5	33.0
Other Income	66.9	75.3	84.3	66.7

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. Differences between data presented in this report and the 2000 *Indicators of Welfare Dependence* report are discussed in Appendix D.

Source: March CPS data, analyzed using the TRIM3 microsimulation model.

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

Figure IND 2a. Percentage of Recipients in Families with Labor Force Participants, by Program: 1998



Source: March CPS data, analyzed using the TRIM3 microsimulation model.

- In 1998, 56 percent of individuals who received TANF, 57 percent of individuals who received food stamps, and 37 percent of individuals who received SSI were in families with at least one person in the labor force.
- About one-fourth of TANF and food stamp recipients live in families with a part-time labor force participant. In contrast, SSI recipients were more likely to live in families with no labor force participant, or in families with a full-time worker.
- As shown in Table IND 2a, among recipients of TANF, food stamps, and SSI, a larger percentage of children under age 6 were in families with at least one full-time worker, as compared to children ages 6 to 15.
- Working-age male recipients of TANF and food stamps were more likely than working-age females to be in families with at least one full-time worker.

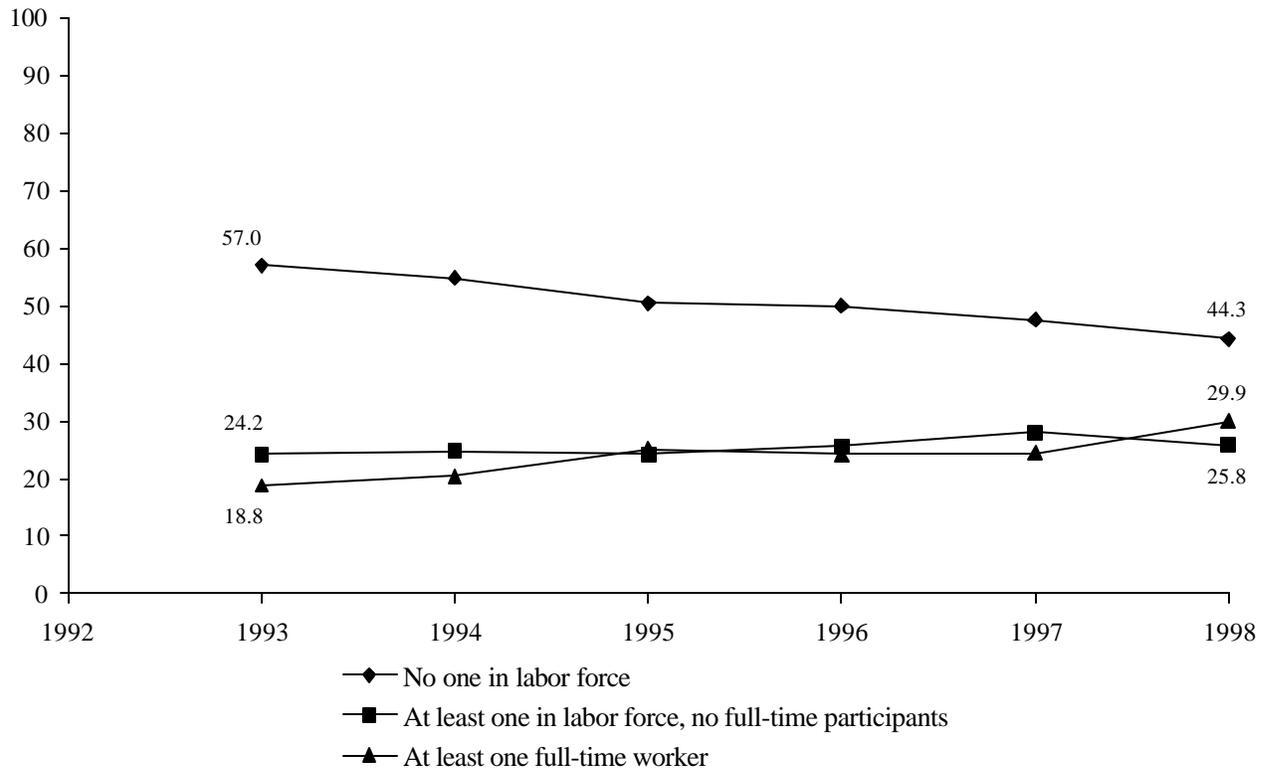
Table IND 2a. Percentage of Recipients in Families with Labor Force Participants, by Program, Race, and Age: 1998

		No one in LF	At least one in LF, No one FT	At least one FT worker
TANF	All Persons	44.3	25.8	29.9
	Non-Hispanic White	38.5	28.2	33.3
	Non-Hispanic Black	53.4	24.8	21.9
	Hispanic	42.1	21.5	36.5
	Children Ages 0-5	46.9	20.6	32.6
	Children Ages 6-10	48.0	24.7	27.4
	Children Ages 11-15	44.3	30.9	24.8
	Women Ages 16-64	43.5	27.9	28.5
	Men Ages 16-64	32.2	28.2	39.6
	Adults Age 65 and over	67.9	8.0	24.1
SSI	All Persons	63.4	9.0	27.5
	Non-Hispanic White	68.1	8.9	23.0
	Non-Hispanic Black	66.3	8.4	25.3
	Hispanic	54.5	9.1	36.4
	Children Ages 0-5	27.4	16.3	56.3
	Children Ages 6-10	39.4	19.9	40.7
	Children Ages 11-15	29.0	23.3	47.6
	Women Ages 16-64	68.9	9.1	22.0
	Men Ages 16-64	67.8	8.8	23.4
	Adults Age 65 and over	67.7	4.6	27.7
FOOD STAMPS	All Persons	43.1	24.8	32.2
	Non-Hispanic White	43.4	24.8	31.8
	Non-Hispanic Black	45.5	25.4	29.1
	Hispanic	39.2	21.2	39.7
	Children Ages 0-5	36.8	24.3	38.9
	Children Ages 6-10	37.0	26.4	36.6
	Children Ages 11-15	38.8	29.5	31.8
	Women Ages 16-64	43.3	26.6	30.1
	Men Ages 16-64	39.8	24.6	35.6
	Adults Age 65 and over	88.6	6.7	4.6

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. Differences between data presented in this report and the 2000 *Indicators of Welfare Dependence* report are discussed in Appendix D.

Source: March CPS data, analyzed using the TRIM3 microsimulation model.

Figure IND 2b. Percentage of AFDC/TANF Recipients in Families with Labor Force Participants: 1993-1998



Source: March CPS data, analyzed using the TRIM3 microsimulation model.

- The percentage of AFDC/TANF recipients living in families with at least one full-time worker increased during the mid-to-late 1990s, from 19 percent in 1993 to 30 percent in 1998.
- The percentage of AFDC/TANF recipients living in families with no one in the labor force dropped significantly between 1993 and 1998. In 1998, only 44 percent of AFDC/TANF recipients lived in families with no one in the labor force in the same month as benefit receipt, as compared to 57 percent in 1993.
- Some of the increase in full-time work among AFDC/TANF recipients represents a shift from part-time to full-time work. In fact, 1998 marked the first time in several years that the majority of AFDC/TANF recipients living in families with at least one labor force participant also lived with at least one full-time worker.

**Table IND 2b. Percentage of AFDC/TANF Recipients in Families with Labor Force Participants:
1993-1998**

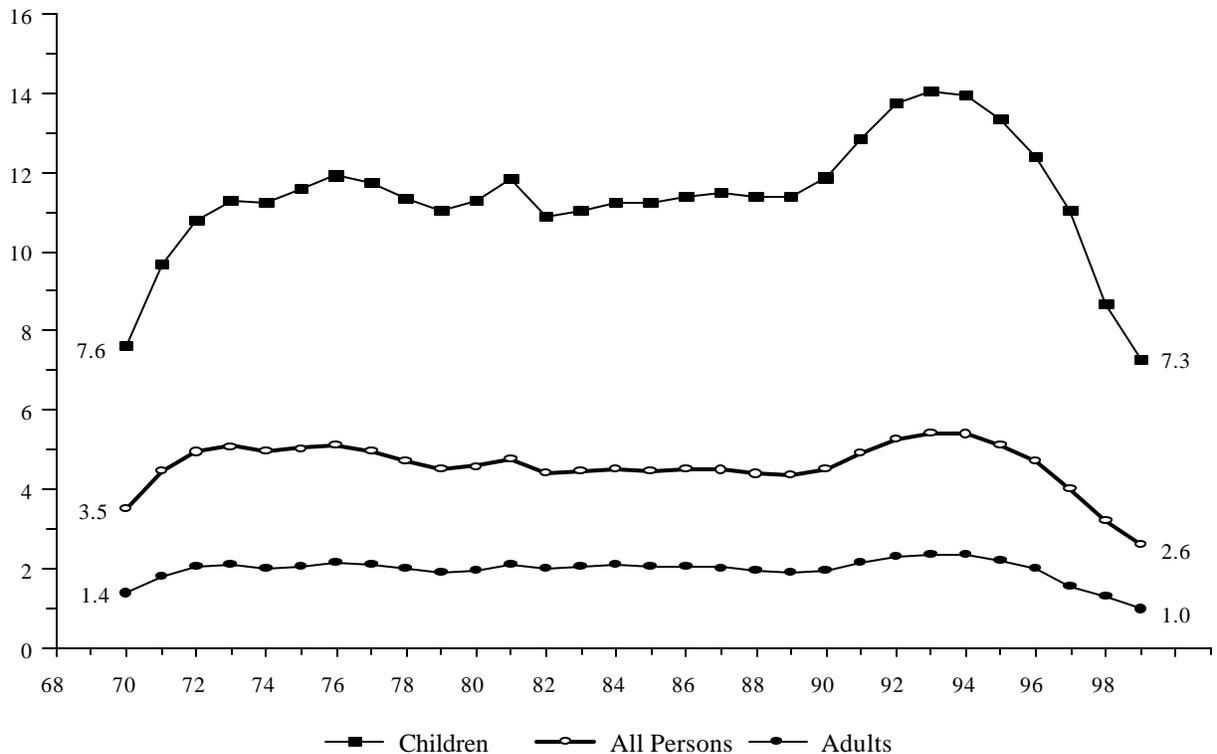
	No one in LF	At least one in LF, No one FT	At least one FT worker
1993	57.0	24.2	18.8
1994	54.8	24.8	20.4
1995	50.6	24.3	25.1
1996	50.1	25.6	24.3
1997	47.6	28.0	24.4
1998	44.3	25.8	29.9

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. Differences between data presented in this report and the 2000 *Indicators of Welfare Dependence* report are discussed in Appendix D.

Source: March CPS data, 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: 1970-1999



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, Resident Population Estimates of the United States by Age and Sex, April 1, 1990 to July 1, 2000, Internet release date January 2, 2001 (Available online at <http://www.census.gov>).

- Although the survey data needed to examine overall welfare receipt and dependency are not yet available past 1998, administrative data for AFDC/TANF, food stamps, and SSI provide measures of reciprocity for each of these three programs through 1999, as shown in Figures IND 3a, IND 3b, and IND 3c. Additional administrative data are shown in Appendix A.
- Less than 3 percent of the population received TANF in 1999. This is the lowest rate of AFDC/TANF receipt in the 28 years shown in Table IND 3a. The percentage of the total population receiving AFDC/TANF has dropped significantly since 1994, when it was at a 25-year high of over 5 percent.
- 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 1999, the receipt of AFDC/TANF receipt among children was cut in half (from 14 to 7 percent), the most rapid decline in a generation.

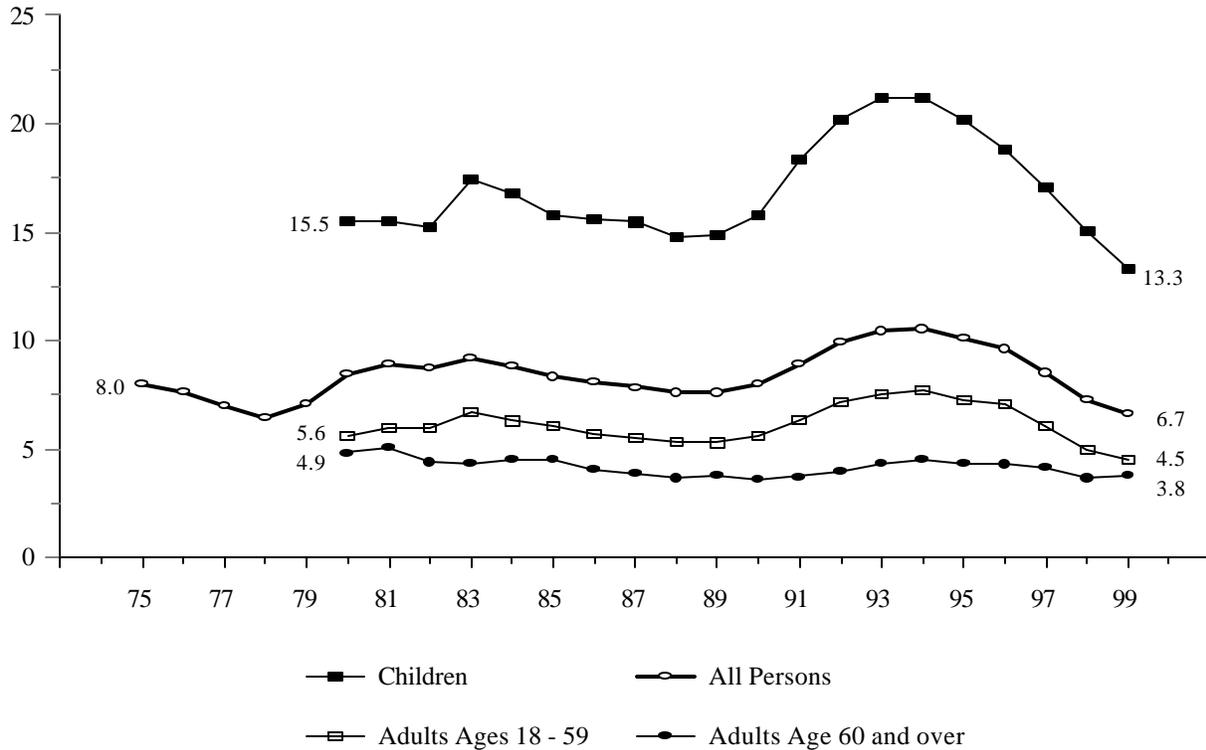
**Table IND 3a. Number and Percentage of the Total Population Receiving AFDC/TANF, by Age:
1970-1999**

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	12.9
1992	13,423	5.3	4,336	2.3	9,087	13.7
1993	13,943	5.4	4,519	2.4	9,424	14.1
1994	14,033	5.4	4,554	2.4	9,479	14.0
1995	13,479	5.1	4,322	2.2	9,157	13.4
1996	12,476	4.7	3,920	2.0	8,556	12.4
1997	10,779	4.0	3,106	1.6	7,673	11.0
1998	8,633	3.2	2,573	1.3	6,060	8.7
1999	7,069	2.6	1,973	1.0	5,096	7.3

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. 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 is estimated using data from the Quality Control sample.

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, Resident Population Estimates of the United States by Age and Sex, April 1, 1990 to July 1, 2000, Internet release date January 2, 2001 (Available online at <http://www.census.gov>).

Figure IND 3b. Percentage of the Total Population Receiving Food Stamps, by Age: 1975-1999



Source: USDA, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, *Characteristics of Food Stamp Households, Fiscal Year 1999*, and earlier reports, and U.S. Bureau of the Census, Resident Population Estimates of the United States by Age and Sex, April 1, 1990 to November 1, 2000, Internet release date January 2, 2001 (Available online at <http://www.census.gov>).

- The food stamp reciprocity rate, like the AFDC/TANF reciprocity rate shown previously in Figure IND 3a, has fallen sharply in recent years. The percentage of all persons receiving food stamps peaked in 1994, at nearly 11 percent, but dropped to less than 7 percent in 1999, its lowest point since 1979.
- As with AFDC/TANF, food stamp reciprocity rates have been much higher over time for children than for adults. Between 1980 and 1999, the percentage of all children who received food stamps was between two and one-half to three times that for all adults 18 to 59.
- Similar trends in food stamps 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 within all age groups declined from 1984 through 1988, rose in the early 1990s, peaked in 1994, and fell sharply between 1994 and 1999.

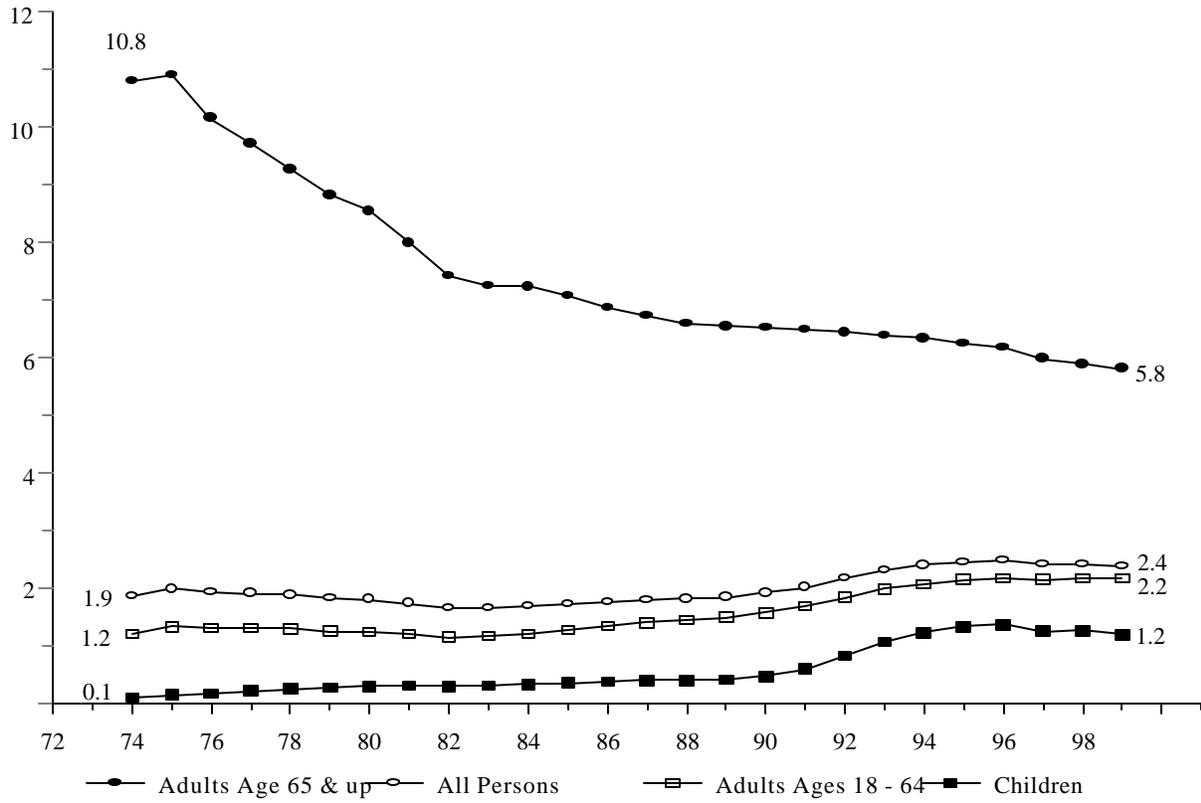
Table IND 3b. Number and Percentage of the Total Population Receiving Food Stamps, by Age: 1975-1999

Fiscal Year	Total Recipients		Adult Recipients Age 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	17,217	8.0	—	—	—	—	—	—
1976	16,733	7.7	—	—	—	—	—	—
1977	15,579	7.1	—	—	—	—	—	—
1978	14,503	6.5	—	—	—	—	—	—
1979	15,976	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	20,446	8.8	1,641	4.4	7,838	6.0	9,591	15.3
1983	21,667	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	20,038	8.0	1,511	3.6	8,084	5.6	10,127	15.8
1991	22,599	9.0	1,593	3.8	9,190	6.4	11,952	18.4
1992	25,369	9.9	1,687	3.9	10,550	7.2	13,349	20.2
1993	26,952	10.5	1,876	4.4	11,214	7.6	14,196	21.2
1994	27,434	10.6	1,952	4.5	11,539	7.7	14,391	21.2
1995	26,579	10.1	1,896	4.3	10,962	7.3	13,860	20.2
1996	25,494	9.6	1,892	4.3	10,766	7.1	12,992	18.8
1997	22,820	8.5	1,834	4.1	9,385	6.1	11,871	17.1
1998	19,746	7.3	1,637	3.7	7,772	5.0	10,546	15.1
1999	18,149	6.7	1,666	3.8	7,090	4.5	9,354	13.3

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.

Source: USDA, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, *Characteristics of Food Stamp Households, Fiscal Year 1999*, and earlier reports, and U.S. Bureau of the Census, Resident Population Estimates of the United States by Age and Sex, April 1, 1990 to November 1, 2000, Internet release date January 2, 2001 (Available online at <http://www.census.gov>).

Figure IND 3c. Percentage of the Total Population Receiving SSI, by Age: 1974-1999



Source: Social Security Administration, Office of Research, Evaluation, and Statistics, *Social Security Bulletin • Annual Statistical Supplement • 2000* (Data available online at <http://www.ssa.gov/statistics>), and U.S. Bureau of the Census, Resident Population Estimates of the United States by Age and Sex, April 1, 1990 to November 1, 2000, Internet release date January 2, 2001 (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 1983 to 2.4 percent in 1999. As shown in Table IND 3c, the total number of recipients has grown by 70 percent over the same period, from 3.9 million to 6.6 million people.
- Elderly adults (aged 65 and older) have much higher reciprocity rates than any other age group. The gap has narrowed, however, as percentage of adults aged 65 and older has been cut nearly in half, declining from 11 percent in 1974 to less than 6 percent in 1999.
- The proportion of children receiving SSI increased gradually between 1975 and 1990, and grew more rapidly in the early-to-mid 1990s, reaching a high of 1.4 percent in 1996. The rate has since fallen, with 1.2 percent of children receiving SSI in 1999.

Table IND 3c. Number and Percentage of the Total Population Receiving SSI, by Age: 1975-1999

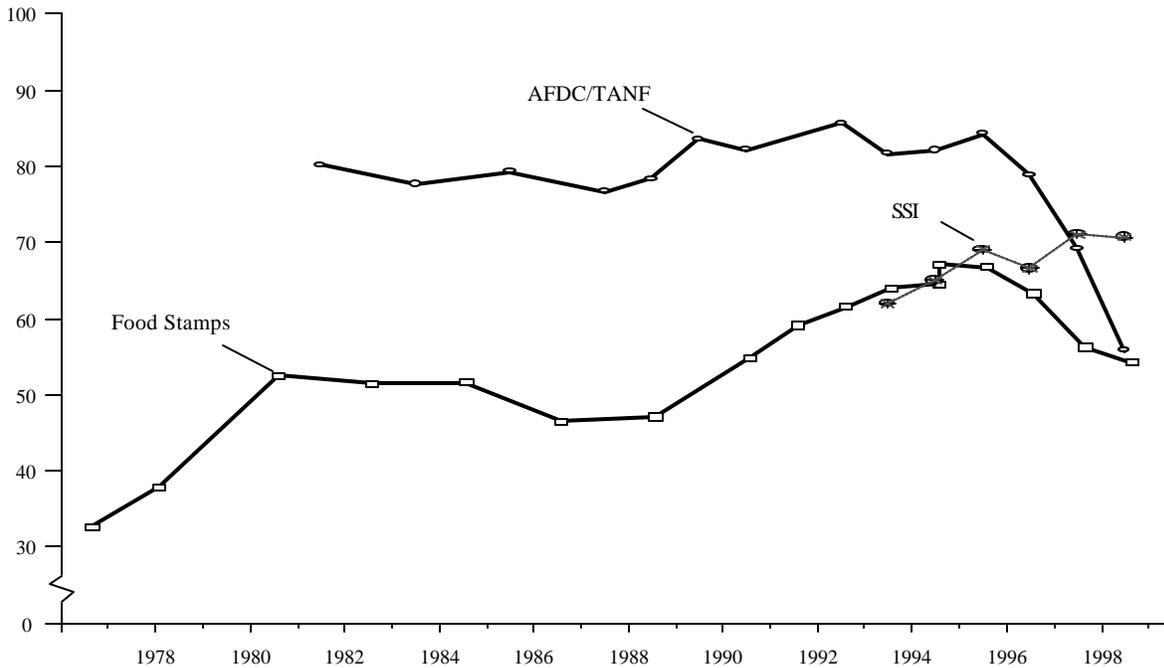
	Total Recipients		Adult Recipients Age 65 & over		Adult Recipients Ages 18-64		Child Recipients Ages 0-18	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
Dec '75	4,314	2.0	2,508	10.9	1,699	1.3	107	0.2
Dec '76	4,236	1.9	2,397	10.2	1,714	1.3	125	0.2
Dec '77	4,238	1.9	2,353	9.7	1,738	1.3	147	0.2
Dec '78	4,217	1.9	2,304	9.3	1,747	1.3	166	0.3
Dec '79	4,150	1.8	2,246	8.8	1,727	1.3	177	0.3
Dec '80	4,142	1.8	2,221	8.6	1,731	1.2	190	0.3
Dec '81	4,019	1.7	2,121	8.0	1,703	1.2	195	0.3
Dec '82	3,858	1.7	2,011	7.4	1,655	1.2	192	0.3
Dec '83	3,901	1.7	2,003	7.3	1,700	1.2	198	0.3
Dec '84	4,029	1.7	2,037	7.2	1,780	1.2	212	0.3
Dec '85	4,138	1.7	2,031	7.1	1,879	1.3	227	0.4
Dec '86	4,269	1.8	2,018	6.9	2,010	1.3	241	0.4
Dec '87	4,385	1.8	2,015	6.7	2,119	1.4	251	0.4
Dec '88	4,464	1.8	2,006	6.6	2,203	1.5	255	0.4
Dec '89	4,593	1.9	2,026	6.5	2,302	1.5	265	0.4
Dec '90	4,817	1.9	2,059	6.5	2,450	1.6	309	0.5
Dec '91	5,118	2.0	2,080	6.5	2,642	1.7	397	0.6
Dec '92	5,566	2.2	2,100	6.5	2,910	1.9	556	0.8
Dec '93	5,984	2.3	2,113	6.4	3,148	2.0	723	1.1
Dec '94	6,296	2.4	2,119	6.3	3,335	2.1	841	1.2
Dec '95	6,514	2.5	2,115	6.3	3,482	2.2	917	1.3
Dec '96	6,630	2.5	2,110	6.2	3,568	2.2	955	1.4
Dec '97	6,495	2.4	2,054	6.0	3,562	2.2	880	1.3
Dec '98	6,566	2.4	2,033	5.9	3,646	2.2	887	1.3
Dec '99	6,557	2.4	2,019	5.8	3,691	2.2	847	1.2

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. In this report the categories of children under 18 and adults 18-64 differ from those in previous editions where the category of children included a small number of dependents 18 and older who were students.

Source: Social Security Administration, Office of Research, Evaluation, and Statistics, *Social Security Bulletin, Annual Statistical Supplement, 2000* (Data available online at <http://www.ssa.gov/statistics>), and U.S. Bureau of the Census, Resident Population Estimates of the United States by Age and Sex, April 1, 1990 to November 1, 2000, Internet release date January 2, 2001 (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 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).
- Participation rates for both AFDC/TANF and the Food Stamp Program fell significantly between 1995 and 1998. In contrast, the SSI participation rate showed a slight net increase over this time period.
- Only 56 percent of the families estimated as eligible for AFDC/TANF actually enrolled and received benefits in an average month in 1998. This was significantly lower than traditional participation rates, which ranged from 77 to 86 percent between 1981 and 1996.
- For the first time, in 1998 the SSI participation rate was significantly higher than the TANF rate – 71 percent versus 56 percent – while the food stamp participation rate was only slightly lower – 54 percent.

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

Calendar Year	Eligible Families (in millions)	Participating Families (in millions)	Participation Rate (percent)
1981	4.8	3.8	80.2
1983	4.7	3.7	77.7
1985	4.7	3.7	79.3
1987	4.9	3.8	76.7
1988	4.8	3.7	78.4
1989	4.5	3.8	83.6
1990	4.9	4.1	82.2
1992	5.6	4.8	85.7
1993	6.1	5.0	81.7
1994	6.1	5.0	82.6
1994 (revised)	6.1	5.0	82.1
1995	5.7	4.8	84.3
1996	5.6	4.4	78.9
1997	5.6	3.7	67.5
1997 (adjusted)	5.4	3.7	69.2
1998 (adjusted)	5.4	3.0	55.8

Notes: Participation rates are estimated by an Urban Institute model (TRIM3) which 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. The numbers of eligible and participating families shown above 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: DHHS, Administration for Children and Families caseload tabulations, and unpublished data from the TRIM3 microsimulation model.

- The eligible population for AFDC/TANF declined by only 5 percent between 1995 and 1998, according to estimates shown in Table IND 4a. Thus the large caseload declines over that period were largely a result of declining participation or “take up” rates among the eligible populations.

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

	Eligible Households (in millions)	Participating Households (in millions)	Participation Rate (percent)
September 76	16.3	5.3	33
February 78	14.0	5.3	38
August 80	14.0	7.4	52
August 82	14.5	7.5	51
August 84	14.2	7.3	52
August 86	15.3	7.1	47
August 88	14.9	7.0	47
August 90	14.5	8.0	55
August 91	15.6	9.2	59
August 92	16.7	10.2	62
August 93	17.0	10.9	64
August 94 (o)	17.0	11.0	65
August 94 (r)	15.9	10.7	67
August 95	15.5	10.4	67
August 96	15.9	10.1	63
September 97	15.0	8.5	56
September 98	14.0	7.6	54

Note: Eligible households 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.

Source: U.S. Department of Agriculture, Food and Nutrition Service, *Trends in Food Stamp Program Participation Rates: Focus on September 1997*.

- The proportion of eligible households who participated in the Food Stamp program fell from 63 percent in 1996 to 54 percent in 1998, a drop of 9 percentage points. This is the third year in a row that there has been a decline in Food Stamp participation rates.
- In addition, there was a decline in the number of households eligible for the Food Stamp program, from almost 16 million in August 1994 to 14 million in September 1998. This decline was driven by new eligibility restrictions on aliens and able-bodied adults without dependent children, growth in the economy, changes in the TANF program, and other factors.
- The significant drop in participating households, from 10.1 million households in August 1996 to 7.6 million households in September 1998, reflects the combined effect of a decline in the eligible population and lower participation rates.

Table IND 4c. Percentage of Eligible Adult Units Participating in the SSI Program, by Type: 1993-1998

	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

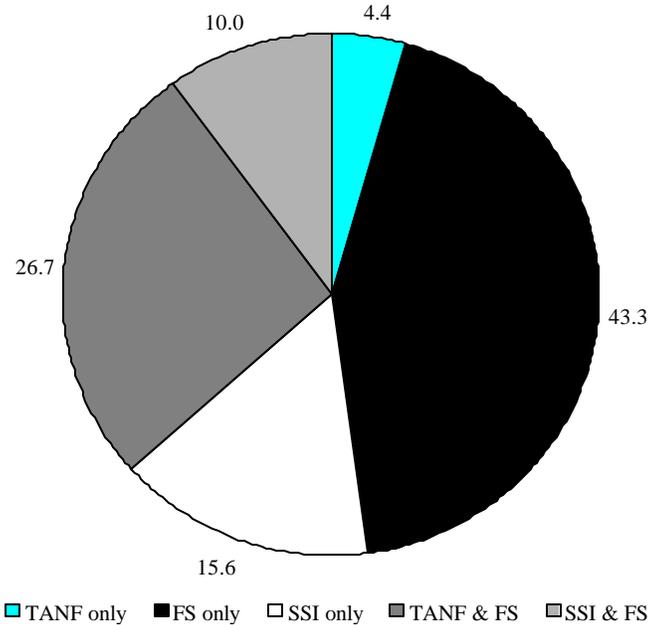
Notes: Participation rates estimated using the TRIM3 microsimulation model, which uses CPS data to simulate SSI eligibility for an average month, by calendar year. There have been small changes in estimating methodology over time, due to model improvements and revisions to the CPS. In particular, the 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 figure for married-couple units is based on very small sample sizes—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 data from the TRIM3 microsimulation model.

- In contrast to the declining participation rates for the AFDC/TANF and Food Stamp programs, the participation rate for adult units in the SSI Program has been increasing, from 62 percent in 1993, to 71 percent in 1997 and 1998. Note, however, that some of the apparent growth between 1996 and 1997 may be due to a revision in estimating methodology, as noted above.
- In 1998, 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 (64 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: 1998



Source: March CPS data, analyzed using the TRIM3 microsimulation model.

- Of the 9 percent of the population in families receiving TANF, food stamps, or SSI benefits in an average month in 1998, nearly two-thirds (63 percent) received assistance from only one program. Most of these received food stamps or SSI benefits only. Another pattern of benefit receipt, found in over one-fourth of those with any receipt, was TANF and food stamps.
- Children are more likely than others to live in families receiving TANF and/or food stamps. For example, 8 percent of children under six lived in families receiving both TANF and food stamps in an average month in 1998, 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-to-late 1990s (from 13 percent in 1993 to 9 percent in 1998), as shown in Table IND 5b. The decline was most dramatic for those receiving a combination of AFDC/TANF and food stamps.

Table IND 5a. Percentage of Population Receiving Assistance from Multiple Programs (TANF, Food Stamps, SSI), by Race and Age: 1998

	Any Receipt	One Program Only			Two Programs	
		TANF	FS	SSI	TANF & FS	FS & SSI
All Persons	9.0	0.4	3.9	1.4	2.4	0.9
Racial Categories						
Non-Hispanic White	5.7	0.2	2.4	0.9	1.4	0.7
Non-Hispanic Black	21.9	0.6	10.0	2.7	6.3	2.3
Hispanic	15.4	1.5	6.4	2.4	4.1	1.0
Age Categories						
Children Ages 0-5	17.9	1.2	7.9	0.7	7.6	0.5
Children Ages 6-10	15.6	0.9	7.5	0.7	6.1	0.4
Children Ages 11-15	12.8	0.7	5.4	0.9	5.2	0.6
Women Ages 16-64	8.5	0.4	3.8	1.2	2.2	1.0
Men Ages 16-64	5.2	0.2	2.5	1.2	0.6	0.7
Adults Age 65 and over	7.9	0.0	1.9	3.8	0.0	2.2

See below for notes and source.

Table IND 5b. Percentage of Population Receiving Assistance from Multiple Programs (AFDC/TANF, Food Stamps, SSI): 1993-1998

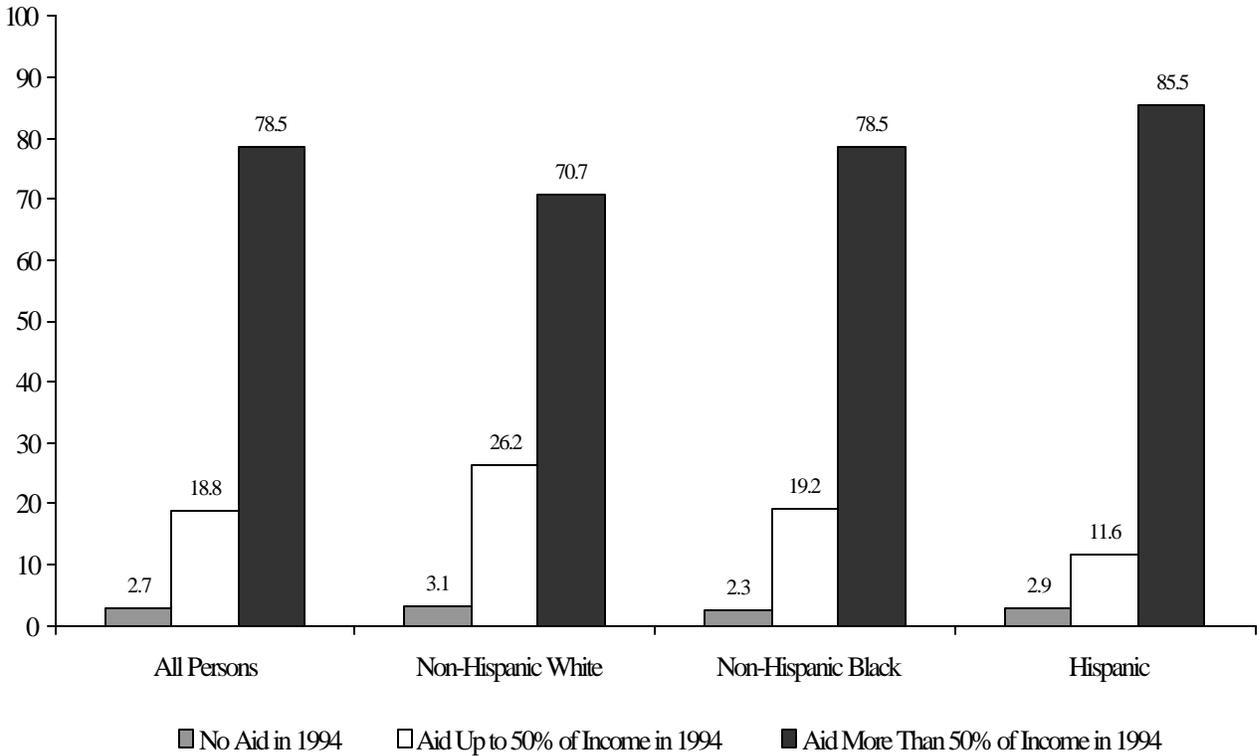
	Any Receipt	One Program Only			Two Programs	
		AFDC/ TANF	FS	SSI	AFDC/TANF & FS	FS & SSI
1993	12.6	0.6	5.2	1.1	4.8	1.0
1994	12.8	0.5	5.3	1.2	4.6	1.1
1995	12.3	0.4	5.0	1.2	4.5	1.1
1996	12.0	0.3	5.3	1.2	4.0	1.1
1997	10.2	0.4	4.3	1.3	3.1	1.0
1998	9.0	0.4	3.9	1.4	2.4	0.9

Note: Categories are mutually exclusive. SSI receipt based on individual receipt; AFDC and food stamp receipt based on full recipient unit. By definition, individuals may not receive both AFDC 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). Differences between data presented in this report and the 2000 *Indicators of Welfare Dependence* report are discussed in Appendix D.

Source: March CPS data, analyzed using the TRIM3 microsimulation model.

INDICATOR 6. DEPENDENCE TRANSITIONS

Figure IND 6. Dependency Status in 1995 of Persons Who Received More than 50 Percent of Income from Means-Tested Assistance in 1994, by Race



Source: Unpublished data from the SIPP, 1993 panel.

- Nearly four-fifths (79 percent) of all recipients who received more than 50 percent of their total income from means-tested assistance programs in 1994 also received more than 50 percent of their total income from these same programs in 1995.
- Of recipients who received more than 50 percent of their total income from AFDC, food stamps and SSI in 1994, a larger percentage of non-Hispanic whites became “less dependent” in 1995 (received 50 percent or less of their total income from means-tested assistance programs) compared to Hispanics and non-Hispanic blacks.
- As shown in Table IND 6, a slightly larger percentage of women who received more than half of their total income from means-tested assistance programs in 1994 remained “dependent” in 1995 compared to the same percentage for men (79 percent compared to 73 percent).

Table IND 6. Dependency Status in 1995 of Persons Who Received More than 50 Percent of Income from Means-Tested Assistance in 1994, by Race and Age

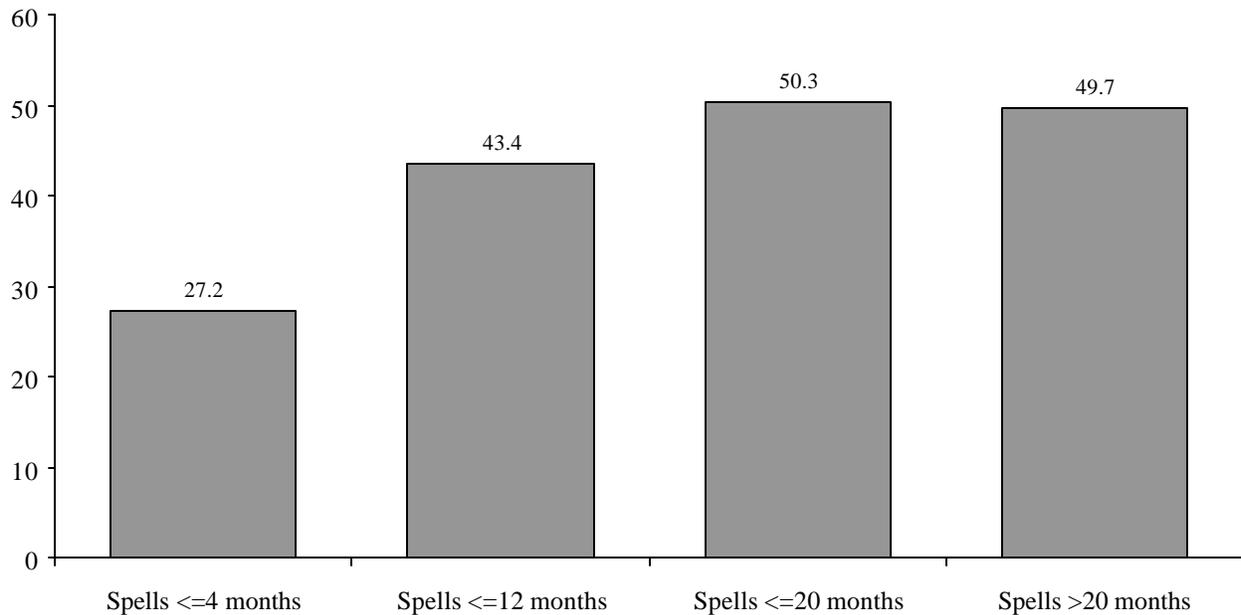
Individuals Receiving more than 50% of Income from Assistance in 1994	Total (000's)	Percentage of Persons Receiving		
		No Aid in 1995	Up to 50% in 1995	Over 50% in 1995
All Persons	13,986	2.7	18.8	78.5
Racial Categories				
Non-Hispanic White	4,804	3.1	26.2	70.7
Non-Hispanic Black	4,710	2.3	19.2	78.5
Hispanic	3,418	2.9	11.6	85.5
Age Categories				
Children Ages 0-5	3,185	2.0	18.6	79.4
Children Ages 6-10	2,102	0.6	17.8	81.6
Children Ages 11-15	1,724	1.6	19.5	78.9
Men Ages 16-64	1,866	2.5	18.7	72.6
Women Ages 16-64	4,472	7.1	20.4	78.8
Adults Age 65 and over	636	4.6	17.9	77.5

Note: Means-tested assistance is defined as AFDC, food stamps, and SSI. While only affecting a small number of cases, general assistance income is included within AFDC 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. Because full calendar year data for 1995 were not available for all SIPP respondents, some transitions were based on twelve-month periods that did not correspond exactly to calendar years.

Source: Unpublished data from the SIPP, 1993 panel.

INDICATOR 7. DEPENDENCE SPELL DURATION

Figure IND 7. Percentage of AFDC Spells of Individuals in Families with No Labor Force Participants for Individuals Entering Programs During the 1993 SIPP Panel, by Length of Spell



Source: Unpublished data from the SIPP, 1993 panel.

- C Forty-three percent of AFDC spells for individuals in families with no one in the labor force ended within a year.
- C Over one-quarter (27 percent) of AFDC spells for individuals in families where no one participated in the labor force lasted four months or less.
- C As shown in Table IND 7, a smaller percentage of AFDC spells to children in families with no labor force participants ended in four months or less compared to their adult counterparts (25 percent compared to 31 percent).
- C Spells shown in Figure IND 7 are limited to spells of recipients in families without any labor force participation. Spell lengths are shorter in Figure IND 8, which shows spells for *all* recipients, including those in families with labor force participants. For example, whereas only half (50 percent) of spells shown in Figure IND 7 end in 20 months or less, over two-thirds (69 percent) of all AFDC spells last 20 months or less, as shown in Figure IND 8.

Table IND 7. Percentage of AFDC Spells of Individuals in Families with No Labor Force Participants for Individuals Entering Programs During the 1993 SIPP Panel, by Length of Spell, Race, and Age

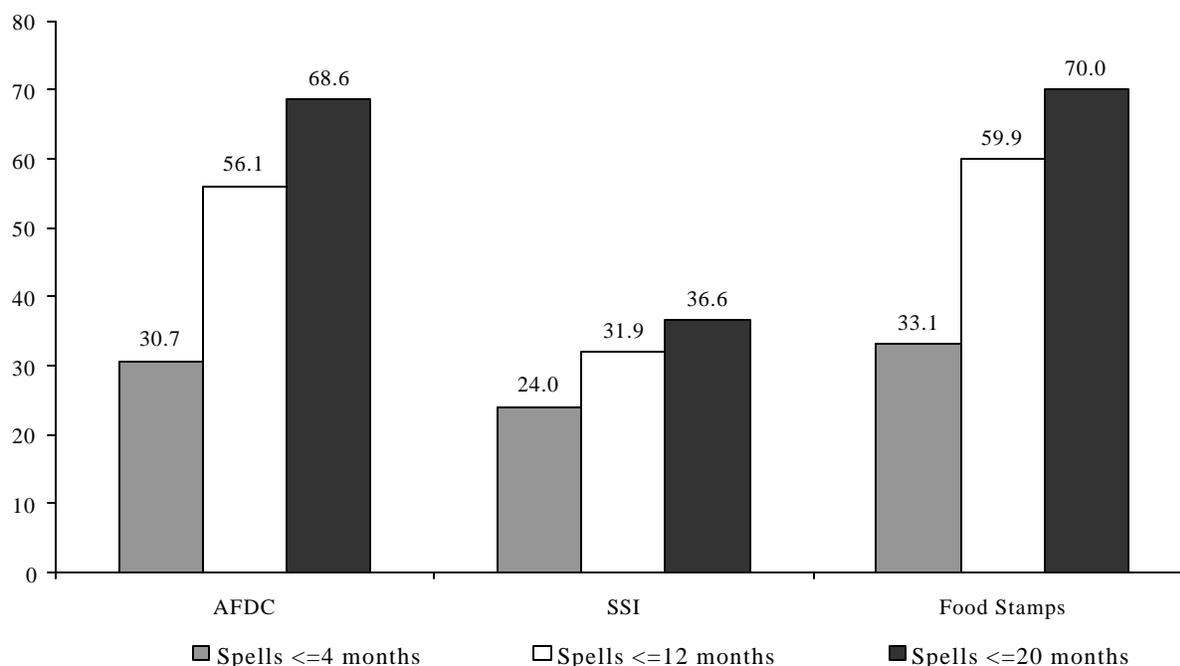
	Spells <=4 months	Spells <=12 months	Spells <=20 months	Spells >20 months
All Persons	27.2	43.4	50.3	49.7
Racial Categories				
Non-Hispanic White	30.2	40.7	43.0	57.0
Non-Hispanic Black	17.4	45.6	N/A	N/A
Hispanic	33.2	N/A	N/A	N/A
Age Categories				
Children Ages 0-15	24.7	41.9	49.1	50.9
Adults Ages 16-64	30.6	45.8	51.9	48.1

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. AFDC spells are defined as those spells starting during the 1993 SIPP panel for individuals in families with no labor force participants. For certain racial categories, data are not available (N/A) due to insufficient sample size.

Source: Unpublished data from the SIPP, 1993 panel.

INDICATOR 8. PROGRAM SPELL DURATION

Figure IND 8. Percentage of AFDC, Food Stamp, and SSI Spells for Individuals Entering Programs During the 1993 SIPP Panel, by Length of Spell



Source: Unpublished data from the SIPP, 1993 Panel.

- C Short spells lasting 4 months or less accounted for 31 percent of AFDC spells, 24 percent of SSI spells, and 33 percent of food stamp spells.
- C Over one-half of all AFDC and food stamp spells lasted one year or less (56 percent and 60 percent, respectively). In contrast, only 32 percent of SSI spells ended within one year. The percentage of SSI spells that lasted more than 20 months is twice the percentage of AFDC and food stamp spells that lasted this long (see Table IND 5).
- C As shown in Table IND 8, for AFDC spells, a larger percentage of short spells (lasting 4 months or less) and a smaller percentage of long spells (lasting more than 20 months) occurred among non-Hispanic whites compared to non-Hispanic blacks and Hispanics.
- C A larger percentage of AFDC and food stamp spells among adults ages 16 to 64 ended within 4 months compared to spells among children.
- C Short spells are less common among recipients in families without labor force participants, as shown previously in Figure and Table IND 7.

Table IND 8. Percentage of AFDC, Food Stamp and SSI Spells for Individuals Entering Programs During the 1993 SIPP Panel, by Length of Spell, Race, and Age

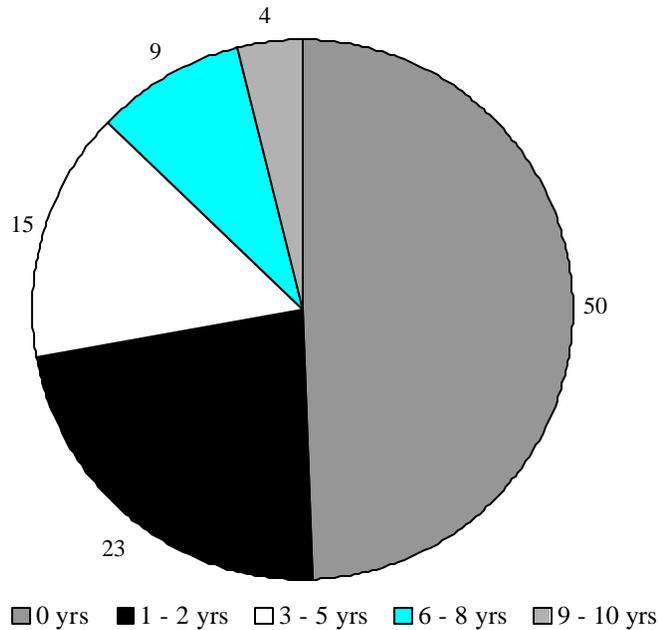
		Spells <=4 months	Spells <=12 months	Spells <=20 months	Spells >20 months
AFDC	All Recipients	30.7	56.1	68.6	31.4
	Racial Categories				
	Non-Hispanic White	35.6	62.2	72.3	27.7
	Non-Hispanic Black	24.6	52.3	66.7	33.3
	Hispanic	30.8	52.5	63.4	36.6
	Age Categories				
	Children Ages 0-15	28.1	53.6	65.6	34.4
Adults Ages 16-64	33.5	59.0	72.2	27.8	
SSI	All Recipients	24.0	31.9	36.6	63.4
	Racial Categories				
	Non-Hispanic White	27.2	34.6	40.8	59.2
	Non-Hispanic Black	20.5	26.2	30.0	70.0
	Hispanic	20.0	32.2	NA	NA
	Age Categories				
	Adults Ages 16-64	26.8	34.6	39.7	60.3
FOOD STAMPS	All Recipients	33.1	59.9	70.0	30.0
	Racial Categories				
	Non-Hispanic White	34.3	62.1	71.5	28.5
	Non-Hispanic Black	28.4	53.4	64.9	35.1
	Hispanic	35.4	64.0	71.1	28.9
	Age Categories				
	Children Ages 0-15	29.8	56.5	67.0	33.0
Adults Ages 16-64	35.9	63.0	72.8	27.2	

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. AFDC spells are defined as those starting during the 1993 SIPP Panel. For certain age and racial categories, data are not available (N/A) because of insufficient sample size. Data on SSI reciprocity for children are not available (N/A).

Source: Unpublished data from the SIPP, 1993 Panel.

INDICATOR 9. LONG-TERM DEPENDENCY

Figure IND 9. Percentage of AFDC Recipients with More than 50 Percent of Income from AFDC and Food Stamps Between 1982 and 1991, by Years of Dependency



Source: Unpublished data from the PSID, 1983-1992.

- Half of all recipients in 1982 were not dependent on welfare in any year over the following decade. Specifically, in they did not receive more than 50 percent of their income from AFDC and food stamps in any year between 1982 and 1991 (SSI receipt is excepted). This was also true for 55 percent of all recipients a decade earlier, as shown in the lower half of Table IND 9.
- About 13 percent of recipients in 1982 were “dependent” (received more than 50 percent of annual income from AFDC and food stamps) for more than five years over the following decade. In addition, 15 percent were dependent for three to five years, and 23 percent were dependent for one or two years.
- Only 34 percent of young child recipients in 1982 were not dependent in any year between 1982 and 1991, as shown in Table IND 9. A slightly higher percentage (39 percent) of child recipients had no years of dependency in the earlier decade. The percentage of young black children who were not dependent increased across the two time periods (from 24 percent to 31 percent). In comparison, the percentage of non-black recipient children who were not dependent on public assistance decreased substantially across the two time periods (from 50 percent to 37 percent).

Table IND 9. Percentage of AFDC Recipients with More than 50 Percent of Income from AFDC and Food Stamps Across Two Ten-Year Time Periods, by Years of Dependency, Race, and Age

Between 1982 and 1991:

	All Recipients		
	All Recipients	Black	Non-Black
0 Years	50	43	54
1 - 2 Years	23	21	25
3 - 5 Years	15	17	14
6 - 8 Years	9	12	6
9 - 10 Years	4	7	2

	Children 0 - 5 in 1982		
	All Child Recipients	Black Children	Non-Black Children
0 Years	34	31	37
1 - 2 Years	28	19	35
3 - 5 Years	16	18	15
6 - 8 Years	13	19	9
9 - 10 Years	8	14	4

Between 1972 and 1981:

	All Recipients		
	All Recipients	Black	Non-Black
0 Years	55	44	62
1 - 2 Years	22	22	22
3 - 5 Years	14	19	11
6 - 8 Years	5	9	3
9 - 10 Years	4	7	2

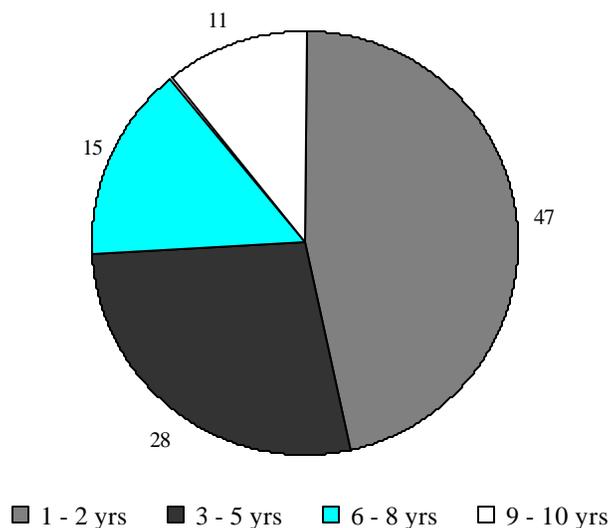
	Children 0 - 5 in 1972		
	All Child Recipients	Black Children	Non-Black Children
0 Years	39	24	50
1 - 2 Years	25	27	23
3 - 5 Years	21	27	17
6 - 8 Years	6	9	4
9 - 10 Years	9	12	6

Note: The base for the percentages is recipients in a one-year time period, defined as individuals receiving at least \$1 of AFDC in the first year (1982 or 1972). Child recipients are defined by age in the first year. This measures years of dependency over the specified ten-year time periods, and does not take into account years of dependency that may have occurred before the initial year (1982 or 1972).

Source: Unpublished data from the PSID, 1973-1992.

INDICATOR 10. LONG-TERM RECEIPT

Figure IND 10. Percentage of AFDC Recipients in 1982, by Years of Receipt Between 1982 and 1991



Source: Unpublished data from the PSID, 1983-1992.

- Among all AFDC recipients in 1982, almost half (47 percent) received assistance for only one or two years between 1982 and 1991. Over one quarter (28 percent) received AFDC and/or food stamps for 3 to 5 years, and about one quarter (26 percent) received AFDC for more than 5 years. Similar patterns were evident for recipients in 1972, as can be seen in the lower half of Table IND 10.
- As shown in Table IND 10, compared to non-black recipients, a smaller percentage of black recipients received AFDC for only 1 to 2 years while a larger percentage received benefits for more than 5 years in both ten-year time periods.
- A smaller percentage of child recipients experienced short-term receipt and a larger percentage experienced longer-term receipt in both time periods relative to the percentages for all recipients.
- Whereas over half (53 percent) of recipients received at least some AFDC for three or more years between 1982 and 1991 (as shown in Figure IND 10), only 28 percent of recipients received more than 50 percent of their income from AFDC and food stamps for three or more years over the same time period (as previously shown in Figure IND 9).

Table IND 10. Percentage of AFDC Recipients Across Two Ten-Year Time Periods, by Years of Receipt, Race, and Age

Between 1982 and 1991:

	All Recipients		
	All Recipients	Black	Non-Black
1 - 2 Years	47	37	53
3 - 5 Years	28	27	28
6 - 8 Years	15	19	12
9 - 10 Years	11	17	6

	Children 0 - 5 in 1982		
	All Child Recipients	Black Children	Non-Black Children
1 - 2 Years	34	28	39
3 - 5 Years	29	28	30
6 - 8 Years	17	16	19
9 - 10 Years	20	29	13

Between 1972 and 1981:

	All Recipients		
	All Recipients	Black	Non-Black
1 - 2 Years	49	32	59
3 - 5 Years	28	34	25
6 - 8 Years	13	19	9
9 - 10 Years	11	15	8

	Children 0 - 5 in 1972		
	All Child Recipients	Black Children	Non-Black Children
1 - 2 Years	37	24	46
3 - 5 Years	29	31	27
6 - 8 Years	15	23	10
9 - 10 Years	19	23	17

Note: The base for percentages is recipients in a one-year time period, defined as individuals receiving at least \$1 of AFDC in the first year (1982 or 1972). Child recipients are defined by age in the first year. This measures years of receipt over the specified ten-year time periods, and does not take into account years of receipt that may have occurred before the initial year (1972 or 1982).

Source: Unpublished data from the PSID, 1973-1992.

INDICATOR 11. EVENTS ASSOCIATED WITH THE BEGINNING AND ENDING OF PROGRAM SPELLS

Table IND 11a. Percentage of First AFDC Spell Beginnings Associated with Specific Events: Selected Periods

	Spell Began 1973-1979	Spell Began 1980-1985	Spell Began 1986-1991
First birth to an unmarried, non-cohabiting mother	27.9	20.9	22.2
First birth to a married and/or cohabiting mother	13.3	17.4	11.3
Second (or higher order) birth	19.9	18.2	15.2
Divorce/separation	19.7	28.1	17.3
Mother's work hours decreased by >500 hours per year	26.3	18.8	26.2
Other adults' work hours decreased by >500 hours, but no change in family structure	34.8	27.9	21.6
Other adults' work hours decreased by >500 hours, and a change in family structure	4.7	7.9	11.4
Householder acquired work limitation	18.1	15.6	23.5
Other transfer income dropped by >\$1,000 (in 1996\$)	4.5	6.5	4.1
Changed state of residence	4.5	10.6	5.4

Note: Events are defined to be neither mutually exclusive nor exhaustive. Work limitation is defined as a self-reported physical or nervous condition that limits the type of work or the amount of work the respondent can do.

Source: Unpublished data from the PSID, 1974–1992.

- Between 1986 and 1991, the most common events associated with the beginnings of a first AFDC spell were work-related: a decrease in mother's work hours (26 percent), a decrease in work hours of another adult (22 percent), and acquisition of a work limitation (24 percent).
- The percentage of first AFDC episode beginnings associated with a householder acquiring a work limitation was higher for spells that began between 1986 and 1991 (24 percent) than for spells that began between 1973 and 1979 (16 percent) or 1980 to 1985 (18 percent).
- Between 1973 and 1979, first births to an unmarried, non-cohabiting mother were associated with 28 percent of first AFDC episodes. In contrast, such births were associated with 21 percent of first spells beginning between 1980 and 1985, and 22 percent of spells beginning between 1986 and 1991.

**Table IND 11b. Percentage of First AFDC Spell Endings Associated with Specific Events:
Selected Periods**

	Spell Ended 1973-1979	Spell Ended 1980-1985	Spell Ended 1986-1991
Mother married or acquired cohabitor	16.1	17.1	21.7
Children under 18 no longer present	4.4	4.1	4.8
Mother's work hours increased by more than 500 hours per year	15.4	25.0	27.1
Other adults' work hours increased by more than 500 hours, but no change in family structure	21.8	16.8	16.7
Other adults' work hours increased by more than 500 hours, and a change in family structure	6.5	10.3	5.8
Householder no longer reports work limitation	13.0	19.2	15.8
Other transfer income increased by \$1,000 or more (in 1996\$)	5.0	5.5	5.8
Changed state of residence	5.9	11.0	5.9

Note: Events are defined to be neither mutually exclusive nor exhaustive. Work limitation is defined as a self-reported physical or nervous condition that limits the type of work or the amount of work the respondent can do.

Source: Unpublished data from the PSID, 1974-1992.

- During the 1986 to 1991 time period, over one-fourth (27 percent) of first AFDC spell endings were associated with increases in mother's work hours. The corresponding percentage was smaller for spells ending between 1973 and 1979 (15 percent).
- In the period between 1973 and 1979, a greater percentage of spell endings was associated with an increase in work hours for other adults (22 percent) as compared to mothers (15 percent). In the more recent time period (1986 to 1991), a greater percentage of spell endings was associated with an increase in mother's work hours (27 percent) compared to other adults (17 percent).

Chapter III. Predictors and Risk Factors Associated with Welfare Receipt

The Welfare Indicators Act challenges the Department of Health and Human Services to identify and set forth not only indicators of welfare dependence and welfare duration, but also predictors and causes of welfare receipt. Up to this point, welfare research has not established clear and definitive causes of welfare dependence. However, research has identified a number of risk factors associated with welfare utilization. For purposes of this report, the terms “predictors” and “risk factors” are used somewhat interchangeably.

Where the Advisory Board established under the Welfare Indicators Act recommended narrowing the focus of dependence indicators, it recommended an expansive view toward predictors and risk factors. The range of possible predictors is extremely wide, and until they are measured and analyzed over time as the PRWORA changes continue to be implemented, their value will not be fully known. Some of the “predictors” included in this chapter may turn out to be simply correlates of welfare receipt, some may have a causal relationship, some may be consequences, and some may have predictive value.

For purposes of this report, the predictors/risk factors included in this chapter are grouped into three categories: economic security risk factors, employment-related risk factors, and risk factors associated with non-marital childbearing.

Economic Security Risk Factors (ECON). The first group includes nine measures associated with economic security. This group encompasses six measures of poverty, as well as measures of child support receipt, food insecurity, and lack of health insurance. The tables and figures illustrating measures of economic security are labeled with the prefix ECON throughout this chapter.

Poverty measures are important predictors of dependence, because families with fewer economic resources are more likely to be dependent on means-tested assistance. In addition, poverty and other measures of deprivation, such as food insecurity, are important to assess in conjunction with the measures of dependence outlined in Chapter II.

Reductions in caseloads and dependence can reduce poverty, to the extent that such reductions are associated with greater work activity and higher economic resources for former welfare families. However, reductions in welfare caseloads can increase poverty and other deprivation measures, to the extent that former welfare families are left with fewer economic resources.

Several aspects of poverty are examined in this chapter. Those that can be updated annually using the Current Population Survey include: overall poverty rates (ECON 1); the percentage of individuals in deep poverty (ECON 2), and poverty rates using alternative definitions of income (ECON 3 and 4). The chapter also includes data on the length of poverty episodes or spells (ECON 5); and the cumulative time spent in poverty over a decade (ECON 6).

This chapter also includes data on child support payments (ECON 7), which can play an important role in reducing dependence on government assistance and thus serve as a predictor of dependence. Household food insecurity (ECON 8) is an important measure of deprivation that,

although correlated with general income poverty, provides an alternative measure of tracking the incidence of material hardship and need, and how it may change over time. Finally, health insurance (ECON 9) is both tied to the income level of the family, and may be a precursor to future health problems among both adults and children.

Employment and Work-Related Risk Factors (WORK). The second grouping, labeled with the WORK prefix, includes nine factors related to employment and barriers to employment. These measures include data on overall labor force attachment and the employment and earnings for low-skilled workers, as well as data on barriers to work. The latter category includes incidence of adult disabilities and children with chronic health conditions, adult substance abuse, levels of educational attainment and school drop-out rates, and child care costs.

Employment and earnings provide many families with an escape from dependence. It is important, therefore, to look both at overall labor force attachment (WORK 1), and at employment and earnings levels for those with low education levels (WORK 2 and WORK 3). The economic condition of the low-skill labor market is a key predictor of the ability of young adult men and women to support families without receiving means-tested assistance.

The next two measures in this group (WORK 4 and WORK 5) focus on educational attainment. Individuals with less than a high school education have the lowest amount of human capital and are at the greatest risk of becoming poor, despite their work effort.

Measures of barriers to employment provide indicators of potential work limitations, which may be predictors of greater dependence. Substance abuse (WORK 6), disabling conditions (WORK 7), and chronic child health conditions (WORK 8) all have the potential of limiting the ability of the adults in the household to work. In addition, debilitating health conditions and high medical expenditures can place a strain on a family's economic resources. High child care costs (WORK 9) are both a potential barrier to work and an additional strain on family finances.

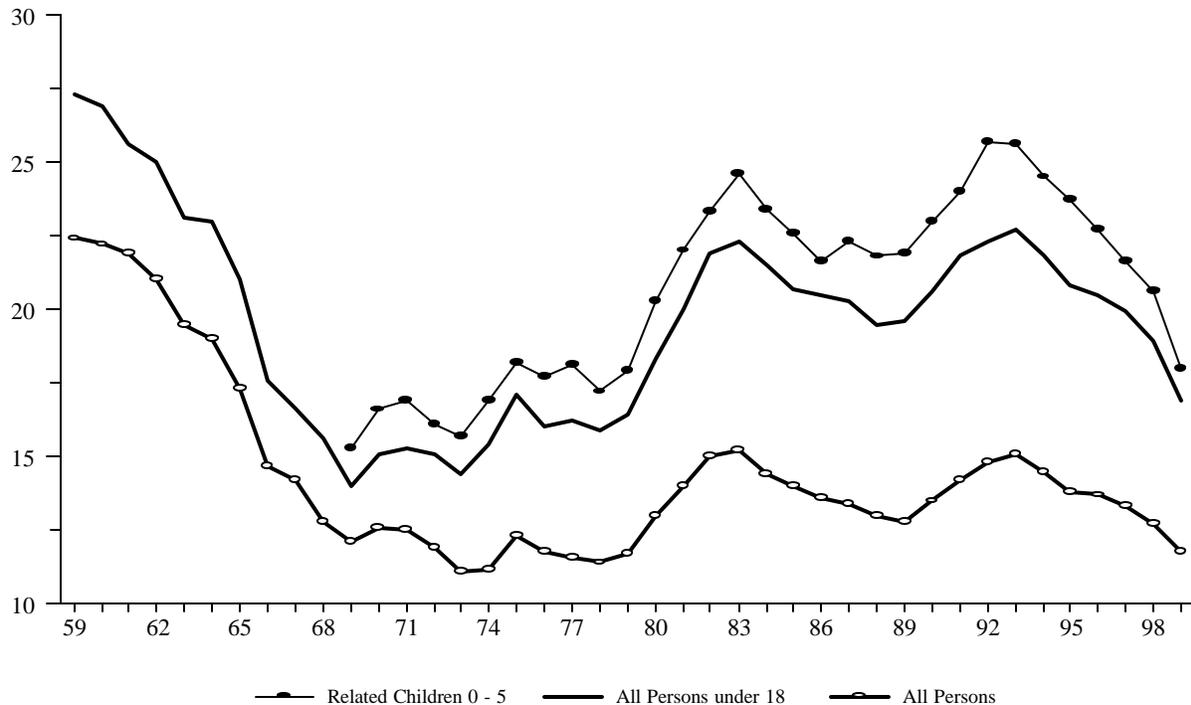
Non-Marital Birth Risk Factors (BIRTH). The final group of risk factors addresses out-of-wedlock childbearing. The tables and figures in this subsection are labeled with the BIRTH prefix. This category includes long-term time trends in births to unmarried women (BIRTH 1), births to unmarried teens (BIRTH 2 and BIRTH 3), and children living in families with never-married parents (BIRTH 4). Children living in families with never-married mothers are at high risk of dependence, and it is therefore important to track changes in the size of this vulnerable population.

As noted above, the predictors/risk factors included in this chapter do not represent an exhaustive list of measures. They are merely a sampling of available data that address in some way the question of how a family is faring on the scale of deprivation and well-being. Such questions are a necessary part of the dependence discussion as researchers assess the effects of the major changes that have occurred in the laws governing public assistance programs.

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ECONOMIC SECURITY RISK FACTOR 1. POVERTY RATES

Figure ECON 1. Percentage of Persons in Poverty, by Age: 1959-1999



Source: U.S. Bureau of the Census, "Poverty in the United States: 1999," *Current Population Reports*, Series P60-210 and data published online at <http://www.census.gov/hhes/www/poverty.html>.

- The percentage of persons living in poverty has continued to decline since 1993, when the poverty rate for all persons was at a ten-year high of just over 15 percent. In 1999, the overall poverty rate was just under 12 percent, the lowest level since 1979.
- While the poverty rate for children has declined along with the overall rate in the past several years, children, particularly young children, continue to have higher poverty rates than the overall population. For example, in 1999, the poverty rate for related children ages 0 to 5 was 18 percent, compared to 12 percent for the overall population.
- The poverty rate for blacks declined nearly 10 percentage points between 1992 and 1999, from 33 percent to less than 24 percent, as shown in Table ECON 1. The gap between black and white poverty rates was at an historic low of 14 percentage points; the gap has narrowed by a third since the early 1990s, when it exceeded 21 percentage points. The poverty rate among Hispanics reached 23 percent in 1999, the lowest level since 1979.
- The poverty rate for the elderly (persons ages 65 and over) reached an historic low of less than 10 percent in 1999. This was a lower poverty rate than the rate both for children under 18 (17 percent) and adults ages 18-64 (10 percent).

Table ECON 1. Percentage of Persons in Poverty, by Race and Age: Selected Years

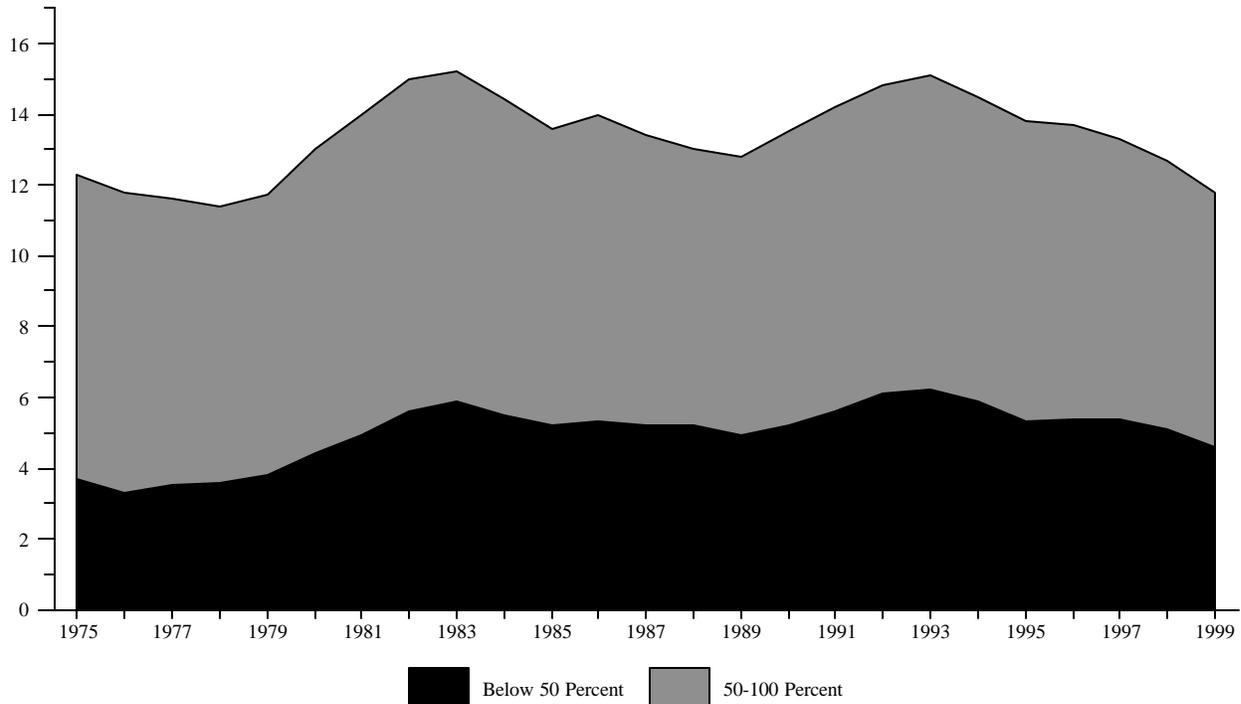
	Related Children		All Persons				Hispanic		
	Ages 0-5	Ages 6-17	Total	Under 18	18 to 64	65 & over	White	Black	Origin
1959	N/A	N/A	22.4	27.3	17.0	35.2	18.1	55.1	N/A
1963	N/A	N/A	19.5	23.1	N/A	N/A	15.3	N/A	N/A
1966	N/A	N/A	14.7	17.6	10.5	28.5	11.3	41.8	N/A
1969	15.3	13.1	12.1	14.0	8.7	25.3	9.5	32.2	N/A
1973	15.7	13.6	11.1	14.4	8.3	16.3	8.4	31.4	21.9
1976	17.7	15.1	11.8	16.0	9.0	15.0	9.1	31.1	24.7
1979	17.9	15.1	11.7	16.4	8.9	15.2	9.0	31.0	21.8
1980	20.3	16.8	13.0	18.3	10.1	15.7	10.2	32.5	25.7
1981	22.0	18.4	14.0	20.0	11.1	15.3	11.1	34.2	26.5
1982	23.3	20.4	15.0	21.9	12.0	14.6	12.0	35.6	29.9
1983	24.6	20.4	15.2	22.3	12.4	13.8	12.1	35.7	28.0
1984	23.4	19.7	14.4	21.5	11.7	12.4	11.5	33.8	28.4
1985	22.6	18.8	14.0	20.7	11.3	12.6	11.4	31.3	29.0
1986	21.6	18.8	13.6	20.5	10.8	12.4	11.0	31.1	27.3
1987	22.3	18.9	13.4	20.3	10.6	12.5	10.4	32.4	28.0
1988	21.8	17.5	13.0	19.5	10.5	12.0	10.1	31.3	26.7
1989	21.9	17.4	12.8	19.6	10.2	11.4	10.0	30.7	26.2
1990	23.0	18.2	13.5	20.6	10.7	12.2	10.7	31.9	28.1
1991	24.0	19.5	14.2	21.8	11.4	12.4	11.3	32.7	28.7
1992	25.7	19.4	14.8	22.3	11.9	12.9	11.9	33.4	29.6
1993	25.6	20.0	15.1	22.7	12.4	12.2	12.2	33.1	30.6
1994	24.5	19.5	14.5	21.8	11.9	11.7	11.7	30.6	30.7
1995	23.7	18.3	13.8	20.8	11.4	10.5	11.2	29.3	30.3
1996	22.7	18.3	13.7	20.5	11.4	10.8	11.2	28.4	29.4
1997	21.6	18.0	13.3	19.9	10.9	10.5	11.0	26.5	27.1
1998	20.6	17.1	12.7	18.9	10.5	10.5	10.5	26.1	25.6
1999	18.0	15.5	11.8	16.9	10.0	9.7	9.8	23.6	22.8

Notes: Persons of Hispanic origin may be of any race. All persons under 18 include related children (own children, including stepchildren and adopted children, plus all other children in the household who are related to the householder by birth, marriage, or adoption), unrelated individuals under 18 (persons who are not living with any relatives), and householders or spouses under age 18.

Source: U.S. Bureau of the Census, "Poverty in the United States: 1999," *Current Population Reports*, Series P60-210 and data published online at <http://www.census.gov/hhes/www/poverty.html>.

ECONOMIC SECURITY RISK FACTOR 2. DEEP POVERTY RATES

Figure ECON 2. Percentage of Total Population Below 50 and 100 Percent of Poverty Level: 1975-1999



Source: U.S. Bureau of the Census, "Poverty in the United States: 1999," *Current Population Reports*, Series P60-210 and unpublished tables available online at <http://www.census.gov/hhes/www/poverty.html>.

- Between 1993 and 1999, the percentage of the population in "deep poverty" (with incomes below 50 percent of the federal poverty level), decreased by more than a quarter (from over 6 percent in 1993 to less than 5 percent in 1999).
- In general, the percentage of the population with incomes below 50 percent of the poverty threshold has followed a pattern that reflects the trend in the overall poverty rate, as shown in figure ECON 2. The percentage of people below 50 percent of poverty rose in the late 1970s and early 1980s, then, after falling slightly, rose to a second peak in 1993. The overall poverty rate followed a somewhat similar pattern, with more pronounced peaks and valleys.
- Over the past two decades, there has been an overall increase in the proportion of the poverty population in deep poverty. From a low of 28 percent of the poverty population in 1976, this population rose to nearly 41 percent by 1992. In 1999, 39 percent of poor persons had incomes that fell below 50 percent of the poverty level.
- Not only the poverty rate, but also the total number of poor people fell in 1999, as shown in Table ECON 2. While the overall U.S. population increased by nearly 100 million people between 1959 and 1999, there were actually 7 million fewer people in poverty in 1999 than forty years prior.

Table ECON 2. Number and Percentage of Total Population Below 50, 75, 100, and 125 Percent of Poverty Level: Selected Years

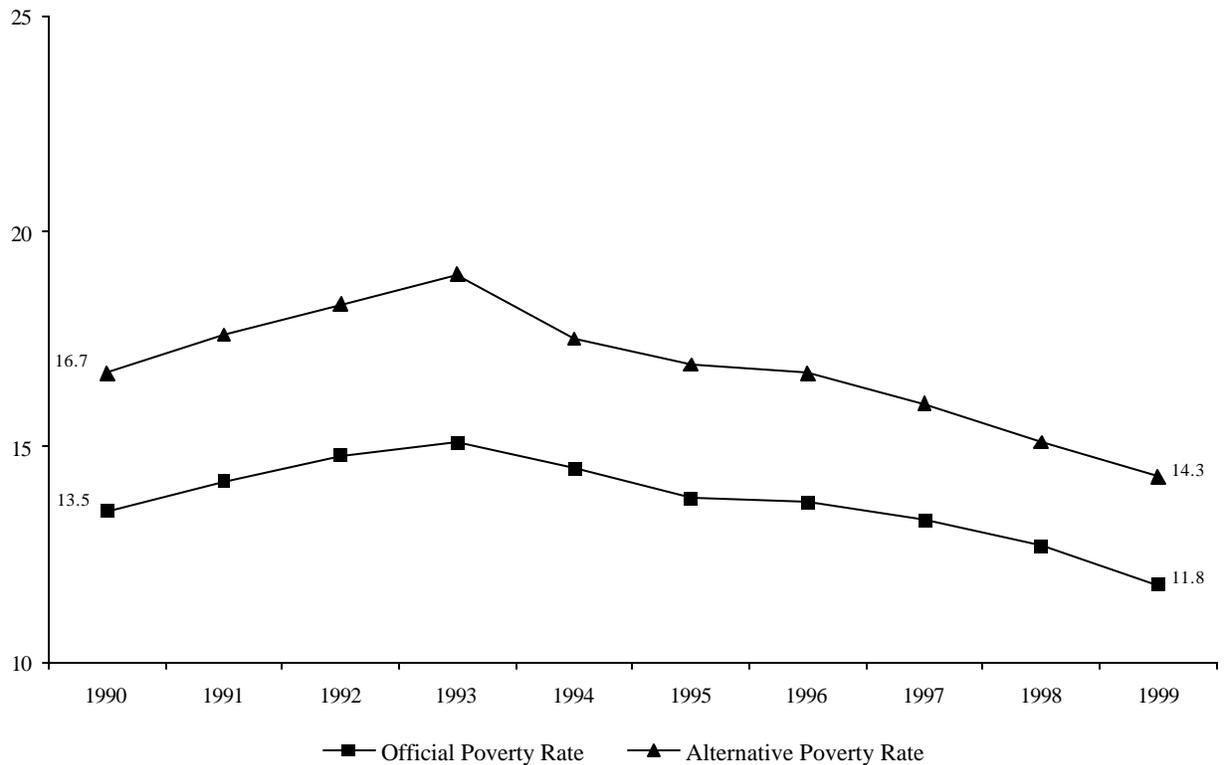
Number In 000's	Total Population	Below 50 percent		Below 75 percent		Below 100 percent		Below 125 percent	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
1959	176,600	N/A	N/A	N/A	N/A	39,500	22.4	54,900	31.1
1961	181,300	N/A	N/A	N/A	N/A	39,600	21.9	54,300	30.0
1963	187,300	N/A	N/A	N/A	N/A	36,400	19.5	50,800	27.1
1965	191,400	N/A	N/A	N/A	N/A	33,200	17.3	46,200	24.1
1967	195,700	N/A	N/A	N/A	N/A	27,800	14.2	39,200	20.0
1969	199,500	9,600	4.8	16,400	8.2	24,100	12.1	34,700	17.4
1971	204,600	N/A	N/A	N/A	N/A	25,600	12.5	36,500	17.8
1973	208,500	N/A	N/A	N/A	N/A	23,000	11.1	32,800	15.8
1975	210,900	7,700	3.7	15,400	7.3	25,900	12.3	37,100	17.6
1976	212,300	7,000	3.3	14,900	7.0	25,000	11.8	35,500	16.7
1977	213,900	7,500	3.5	15,000	7.0	24,700	11.6	35,700	16.7
1978	215,700	7,700	3.6	14,900	6.9	24,500	11.4	34,100	15.8
1979	222,900	8,600	3.8	16,300	7.3	26,100	11.7	36,600	16.4
1980	225,000	9,800	4.4	18,700	8.3	29,300	13.0	40,700	18.1
1981	227,200	11,200	4.9	20,700	9.1	31,800	14.0	43,800	19.3
1982	229,400	12,800	5.6	23,200	10.1	34,400	15.0	46,600	20.3
1983	231,700	13,600	5.9	23,600	10.2	35,300	15.2	47,000	20.3
1984	233,800	12,800	5.5	22,700	9.7	33,700	14.4	45,400	19.4
1985	236,600	12,400	5.2	22,200	9.4	33,100	13.6	44,200	18.7
1986	238,600	12,700	5.3	22,400	9.4	32,400	14.0	44,600	18.7
1987	241,000	12,500	5.2	21,700	9.0	32,200	13.4	43,100	17.9
1988	243,500	12,700	5.2	21,400	8.8	31,700	13.0	42,600	17.5
1989	246,000	12,000	4.9	20,700	8.4	31,500	12.8	42,600	17.3
1990	248,600	12,900	5.2	22,600	9.1	33,600	13.5	44,800	18.0
1991	251,200	14,100	5.6	24,400	9.7	35,700	14.2	47,500	18.9
1992	256,500	15,500	6.1	26,200	10.2	38,000	14.8	50,500	19.7
1993	259,300	16,000	6.2	27,200	10.5	39,300	15.1	51,900	20.0
1994	261,600	15,400	5.9	26,400	10.1	38,100	14.5	50,500	19.3
1995	263,700	13,900	5.3	24,500	9.3	36,400	13.8	48,800	18.5
1996	266,200	14,400	5.4	24,800	9.3	36,500	13.7	49,300	18.5
1997	268,500	14,600	5.4	24,200	9.0	35,600	13.3	47,800	17.8
1998	271,100	13,900	5.1	23,000	8.5	34,500	12.7	46,000	17.0
1999	273,500	12,700	4.6	21,600	7.9	32,300	11.8	44,300	16.2

Note: The number of persons below 50 percent and 75 percent of poverty for 1969 are estimated based on the distribution of persons below 50 percent and 75 percent for 1969 taken from the 1970 decennial census.

Source: U.S. Bureau of the Census, "Poverty in the United States: 1999," *Current Population Reports*, Series P60-210, unpublished tables available online at <http://www.census.gov/hhes/www/poverty.html>, and *1970 Census of Population, Volume I, Social and Economic Characteristics*, Table 259.

ECONOMIC SECURITY RISK FACTOR 3. ALTERNATIVE POVERTY MEASURES

Figure ECON 3. Percentage of Persons in Poverty Using Official and Alternative Poverty Measure: 1990-1999



Source: Census Bureau tabulations of March CPS data.

- An alternative measure of poverty yields a poverty rate that is consistently higher than the official poverty rate, but that follows a similar pattern over time. The “DES-U” measure shown here is one of several developed by the Census Bureau to implement changes recommended by a panel from the National Academy of Sciences. These changes include counting non-cash benefits as income, subtracting from income certain work-related, health and child care expenses, and adjusting poverty thresholds for family size and geographic differences in housing costs (see note, Table ECON 3).
- The percentage of children in poverty has steadily dropped since 1993, under both the “DES-U” alternative poverty measure (as shown in Table ECON 3) and the official poverty measure (as shown in Table ECON 1).
- The alternative poverty rate used here suggests a significantly higher poverty rate among the elderly (adults ages 65 and over) than the official poverty rate. The official percentage of elderly adults in poverty in 1999 was under 10 percent, close to that of non-elderly adults (see Table ECON 1), while the alternative poverty measure resulted in a rate of poverty among elderly adults of 17 percent, almost as high as that for children.

Table ECON 3. Percentage of Persons in Poverty Using Alternative Poverty Measure, by Race and Age: 1990-1999

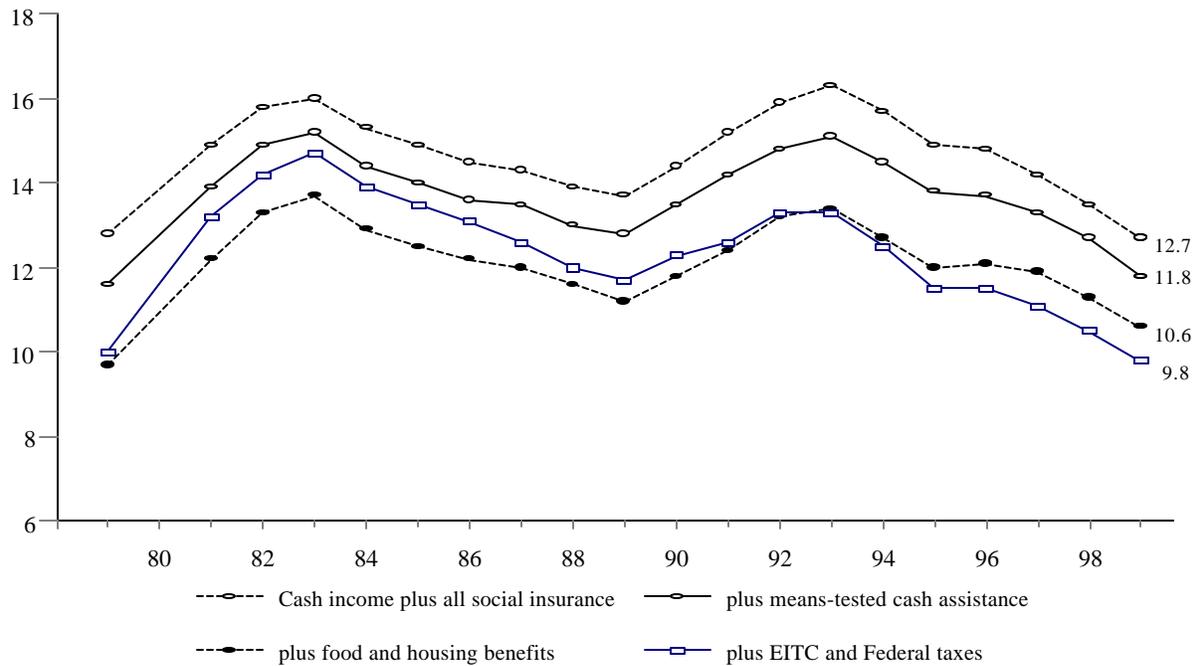
	All Persons						
	Total	Ages 0-17	Ages 18-64	Age 65 and Over	White	Black	Hispanic Origin
1990	16.7	22.8	13.8	18.1	14.2	32.6	36.4
1991	17.6	24.2	14.5	18.9	14.9	34.2	37.9
1992	18.3	24.8	15.2	20.3	15.5	35.4	38.2
1993	19.0	25.4	16.0	20.7	16.2	35.7	39.1
1994	17.5	23.1	14.7	19.4	15.1	30.7	36.9
1995	16.9	22.1	14.3	18.5	14.5	30.6	36.2
1996	16.7	21.6	14.1	19.0	14.5	29.8	35.0
1997	16.0	20.7	13.6	18.4	14.0	28.1	32.5
1998	15.1	19.6	12.8	16.9	13.1	26.8	30.8
1999	14.3	17.9	12.4	16.5	12.5	24.8	27.6

Note: Persons of Hispanic origin may be of any race. The alternative poverty measure used is the Different Equivalence Scale, unstandardized, or DES-U. Like several other measures developed by the Census Bureau to implement recommendations in a 1995 National Academy of Sciences (NAS) report, this measure counts noncash benefits as income, subtracts from income certain work-related, health and child care expenses, and adjusts poverty thresholds for family size and geographic differences in housing. It is distinguished by using a different equivalence scale to adjust for changes in expenses as family size increases. Specifically, it adds a third parameter to the NAS measure that allows the first child in a single-adult family to represent a greater increase in expenses than the first child in a two-adult family. This version of the DES has not been "standardized," that is, the overall poverty rate has not been adjusted to match the overall rate under the official measure for any particular year. Data for the above populations using the official poverty measure may be found in Table ECON 1.

Source: Census Bureau tabulations of March CPS data.

ECONOMIC SECURITY RISK FACTOR 4. POVERTY RATES WITH VARIOUS MEANS-TESTED BENEFITS INCLUDED

Figure ECON 4. Percentage of Total Population in Poverty with Various Means-Tested Benefits Added to Total Cash Income: 1979-1999



Source: Congressional Budget Office tabulations of March CPS data. Additional calculations by DHHS.

- Benefits from means-tested assistance programs remove some people from poverty. The official definition of poverty – which includes means-tested cash assistance (primarily TANF and SSI) in addition to cash income and social insurance – was 11.8 percent in 1999, as shown in the bold line in Figure ECON 4. Without cash welfare, the 1999 poverty rate would be one percentage point higher, or 12.7 percent, as shown by the top line in the figure above.
- Adding other, non-cash, public assistance benefits to this definition has the effect of lowering the percentage of people who have incomes below the official poverty rate. Adding in the value of food and housing benefits reduces the poverty rate to 10.6 percent in 1999.
- When income is defined as including benefits from the Earned Income Tax Credit (EITC) and federal taxes, the percentage of the total population in poverty decreases to 9.8 percent in 1999. Taxes have had a net effect of reducing poverty rates since the significant increases in the size of the EITC in 1993 and 1995.

Table ECON 4. Percentage of Total Population in Poverty with Various Means-Tested Benefits Added to Total Cash Income: Selected Years

	1979	1983	1986	1989	1993	1995	1996	1998	1999
Cash Income Plus All Social Insurance	12.8	16.0	14.5	13.7	16.3	14.9	14.8	13.5	12.7
Plus Means-Tested Cash Assistance	11.6	15.2	13.6	12.8	15.1	13.8	13.7	12.7	11.8
Plus Food and Housing Benefits	9.7	13.7	12.2	11.2	13.4	12.0	12.1	11.3	10.6
Plus EITC and Federal Taxes	10.0	14.7	13.1	11.7	13.3	11.5	11.5	10.4	9.8
Reduction in Poverty Rate	2.8	1.3	1.4	2.0	3.0	3.4	3.3	3.1	2.9

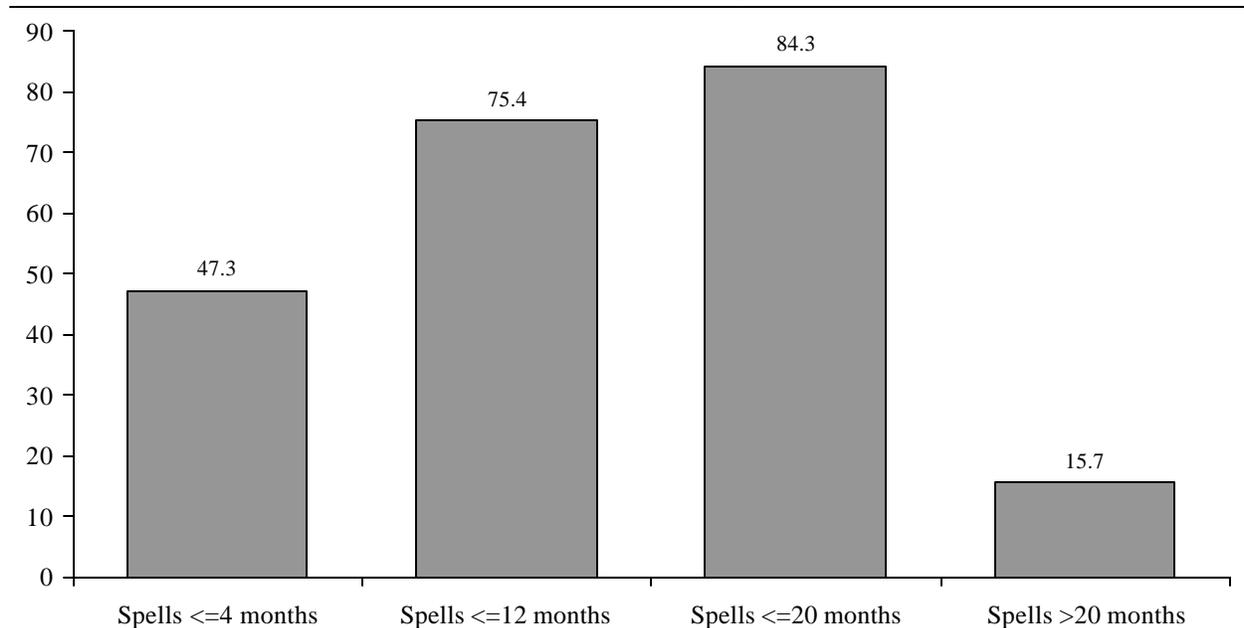
Note: The four measures of income are as follows: 1) “Cash Income plus All Social Insurance” is earnings and other private cash income, plus social security, workers’ compensation, and other social insurance programs. It does not include means-tested cash transfers; (2) “Plus Means-Tested Assistance” shows the official poverty rate, which takes into account means-tested assistance, primarily AFDC/TANF and SSI; (3) “Plus Food and Housing Benefits” shows how poverty would be lower if the cash value of food and housing benefits were counted as income; and (4); “Plus EITC and Federal Taxes” is the most comprehensive poverty rate shown. EITC refers to the refundable Earned Income Tax Credit, which is always a positive adjustment to income whereas Federal payroll and income taxes are a negative adjustment. The fungible value of Medicare and Medicaid is not included.

Source: Congressional Budget Office tabulations of March CPS data. Additional calculations by DHHS.

- The combined effect of means-tested cash assistance, food and housing benefits, EITC and taxes was to reduce the poverty rate in 1999 by 2.9 percentage points, as shown in Table ECON 4. Net reductions in poverty rates were somewhat lower during the recession of the early 1980s, and somewhat higher in the mid-1990s, largely due to expansions in the EITC.

ECONOMIC SECURITY RISK FACTOR 5. POVERTY SPELLS

Figure ECON 5. Percentage of Poverty Spells for Individuals Entering Poverty During the 1993 SIPP Panel, by Length of Spell



Source: Unpublished data from the SIPP, 1993 panel.

- Nearly half (47 percent) of all poverty spells that began during the 1993 SIPP panel ended within 4 months and three-fourths ended within one year. Only 16 percent of all such spells were longer than 20 months.
- Spells of poverty among adults age 65 and older tend to last longer than poverty spells among younger individuals. As shown in Table ECON 5, only 65 percent of poverty spells among adults age 65 and older ended within one year compared to 80 percent for women ages 16 to 64, 75 percent for men ages 16 to 64, and 73 percent for children ages 0 to 15.
- A larger percentage of poverty spells among non-Hispanic blacks were longer than 20 months (23 percent) than was the case for spells among non-Hispanic whites (14 percent) and among Hispanics (15 percent).
- In general, poverty spells are shorter than spells of welfare receipt begun in the same time period, as can be seen by comparing Figure ECON 5 to Figure IND 8 in Chapter II. That is, there is more movement in and out of poverty than movement on and off welfare. For example, 75 percent of poverty spells lasted a year or less, whereas only 60 percent of food stamp spells and 56 percent of AFDC spells lasted a year or less.

Table ECON 5. Percentage of Poverty Spells for Individuals Entering Poverty During the 1993 SIPP Panel, by Length of Spell, Race, and Age

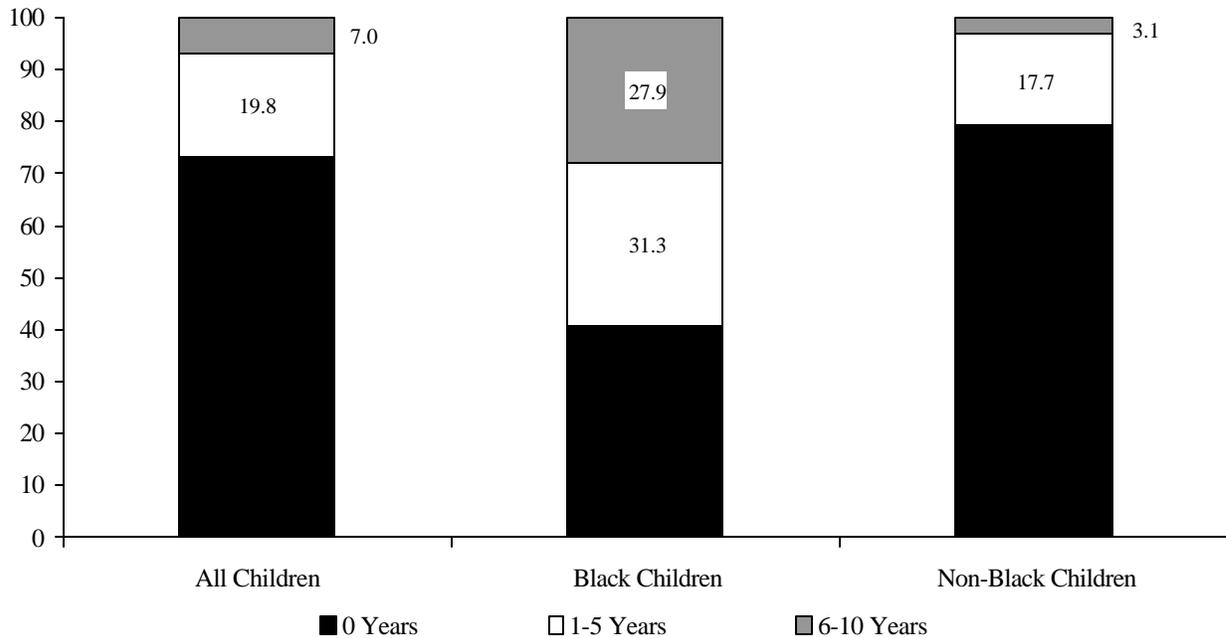
	Spells <=4 months	Spells <=12 months	Spells <=20 months	Spells >20 months
All Persons	47.3	75.4	84.3	15.7
Racial Categories				
Non-Hispanic White	47.3	78.8	86.3	13.7
Non-Hispanic Black	39.9	64.1	76.7	23.3
Hispanic	42.5	74.4	84.7	15.3
Age Categories				
Children Ages 0 – 15	43.8	73.0	82.2	17.8
Women Ages 16 – 64	47.6	79.9	88.9	11.1
Men Ages 16 – 64	51.6	75.2	84.2	15.8
Adults Age 65 and over	40.7	65.4	73.0	27.0

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.

Source: Unpublished data from the SIPP, 1993 panel.

ECONOMIC SECURITY RISK FACTOR 6. LONG-TERM POVERTY

Figure ECON 6. Percentage of Children Ages 0 to 5 in 1982 Living in Poverty Between 1982 and 1991, by Years in Poverty and Race



Source: Unpublished data from the PSID, 1983-1992.

- Among children who were ages 0 to 5 in 1982, nearly three-quarters (73 percent) never lived in poverty for any year over the next ten years. One-fifth (20 percent) lived in poverty for one to five years and 7 percent were poor for six to ten years.
- During the 1982-1991 period, 28 percent of black children experienced longer-term poverty of six to ten years, a percentage much higher than that for non-black children during the same ten-year period (3 percent). Similar patterns existed in the 1972-1981 period, as shown in Table ECON 6.
- For both time periods, the percentages of all individuals who were poor for only one to two years were much larger than the percentages of all individuals who experienced longer-term poverty. For example, while 11 percent of all individuals were poor for only one to two years between 1982 and 1991, only 3 percent were poor for six to eight years and only 2 percent were poor for nine to ten years during the same time period.
- Children were more likely than others to experience long-term poverty, especially poverty of nine or ten years. Table ECON 6 shows that this pattern was true in both time periods.

Table ECON 6. Percentage of Individuals Living in Poverty Across Two Ten-Year Time Periods, by Years in Poverty, Race, and Age

Between 1982 and 1991:

	All Persons		
	All Persons	Black	Non-Black
0 Years	78.8	50.6	82.9
1 - 2 Years	11.3	14.9	10.7
3 - 5 Years	5.3	14.4	4.0
6 - 8 Years	2.8	11.2	2.0
9 - 10 Years	1.8	8.9	0.7
	100.0	100.0	100.0

	Children 0 - 5 in 1982		
	All Children	Black Children	Non-Black Children
0 Years	73.3	40.9	79.2
1 - 2 Years	12.3	16.5	11.6
3 - 5 Years	7.5	14.8	6.1
6 - 8 Years	3.2	11.1	1.7
9 - 10 Years	3.8	16.8	1.4

Between 1972 and 1981:

	All Persons		
	All Persons	Black	Non-Black
0 Years	79.2	45.6	83.7
1 - 2 Years	12.3	20	11.3
3 - 5 Years	4.6	16.6	3.1
6 - 8 Years	2.5	10.4	1.5
9 - 10 Years	1.2	7.5	0.4

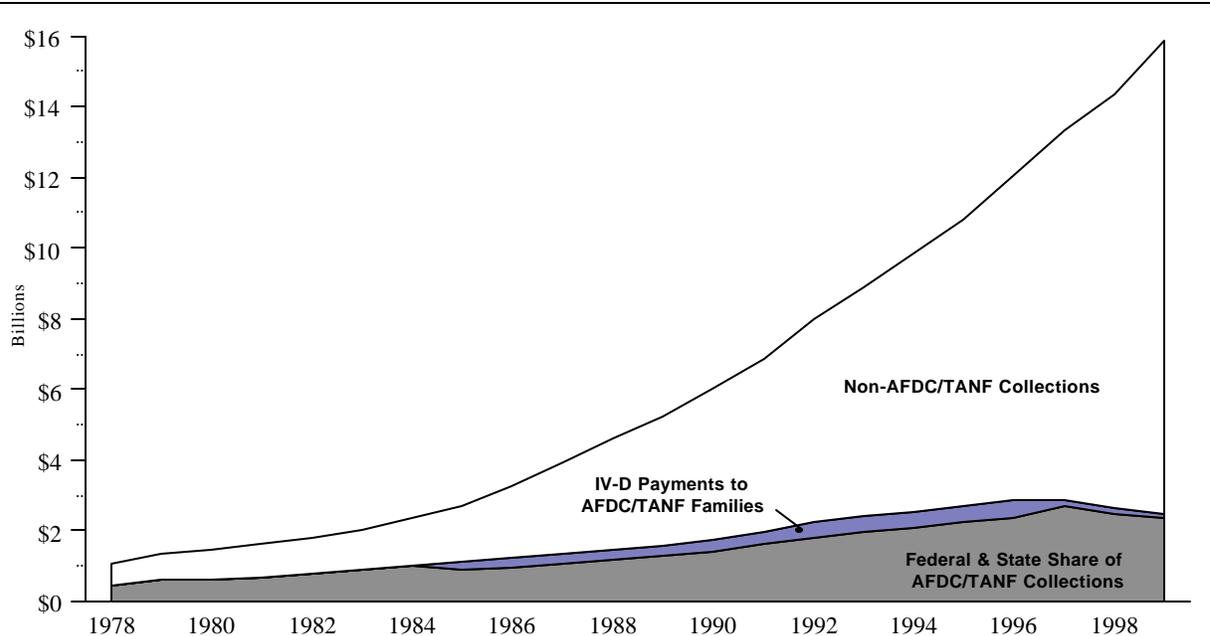
	Children 0 - 5 in 1972		
	All Children	Black Children	Non-Black Children
0 Years	75.6	34.1	82.3
1 - 2 Years	13.1	21.7	11.7
3 - 5 Years	5.6	20.5	3.2
6 - 8 Years	3.2	11.1	1.9
9 - 10 Years	2.5	12.8	0.9

Note: The base for the percentage is individuals in the first year (1982 or 1972). Children are defined by age in the first year. This measures years of poverty over the specified ten-year time periods and does not take into account years of poverty that may have occurred before the initial year (1982 or 1972).

Source: Unpublished data from the PSID, 1973-1992.

ECONOMIC SECURITY RISK FACTOR 7. CHILD SUPPORT

Figure ECON 7a. Total, Non-AFDC/TANF, and AFDC/TANF Title IV-D Child Support Collections: 1978-1999



Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement, *Preliminary Child Support Enforcement FY 1999 Data Report*, 2000 (and earlier years), Washington, DC.

- Collections paid through the Child Support Enforcement system (Title IV-D of the Social Security Act) totaled \$15.8 billion in 1999, nearly \$1.5 billion more than in 1998. During the 1990s, child support collections grew rapidly, at an average rate of almost \$1.1 billion a year.
- Non-TANF collections as a percentage of overall collections by the IV-D program have rapidly increased in recent years. Non-TANF collections increased by nearly \$1.7 billion between 1998 and 1999, while TANF collections declined by nearly \$0.2 billion. However, the 6 percent drop in TANF collections between 1998 and 1999 was smaller than the 13 percent drop in the number of TANF recipient families over the same time period.
- The amount of TANF collections paid to AFDC/TANF families has decreased since FY 1996, when the first \$50 of each month's child support collection were "passed through" to families that were receiving cash benefits. The \$50 pass-through was repealed by the 1996 welfare reform law, although a number of states have opted to pass through some or all of collections to the custodial TANF family, despite the loss of revenues to the state.
- In 1999, over 95 percent of TANF collections (collections on behalf of TANF recipients and for past due support assigned to the state by former TANF recipients) was retained to reimburse the state and federal governments for the cost of welfare benefits, as shown in Table ECON 7a.

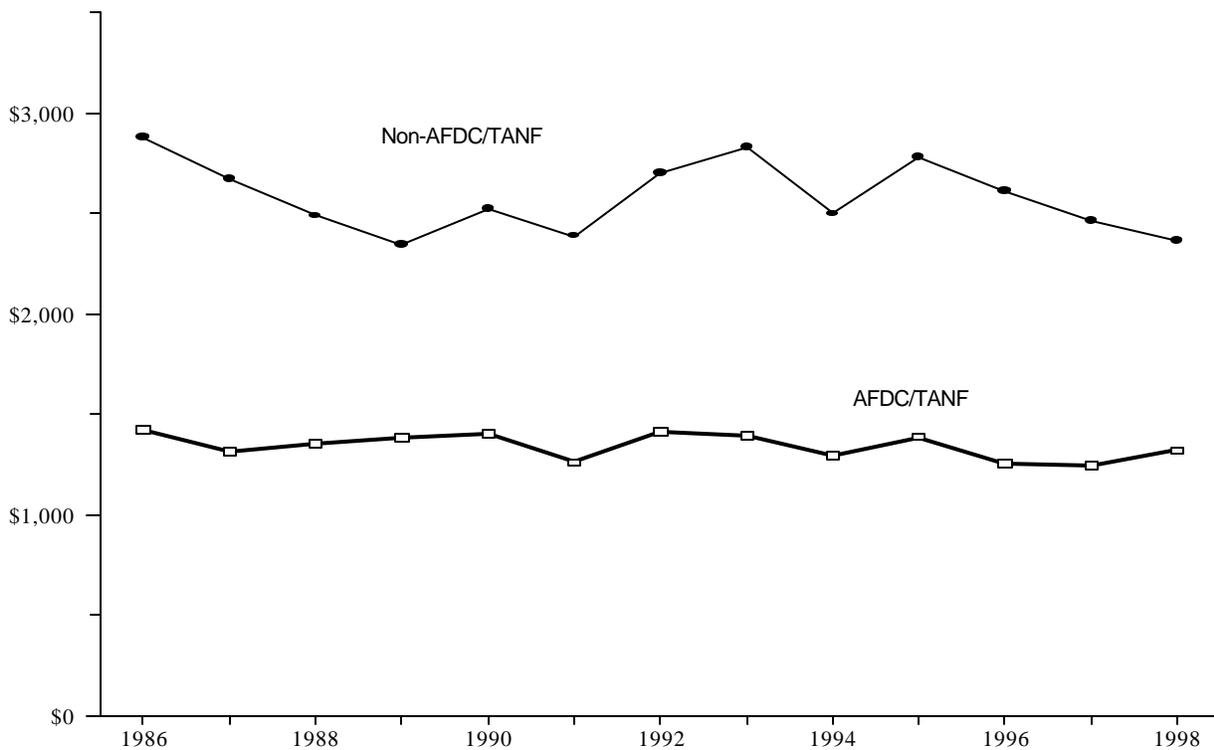
Table ECON 7a. Total, Non-AFDC/TANF, and AFDC/TANF Title IV-D Child Support Collections: 1978-1999

Fiscal Year	Total Collections (in millions)						
	Total		AFDC/TANF Collections			Non-AFDC/TANF Collections	Total IV-D Administrative Expenditures
	Current Dollars	Constant '99 Dollars	Total	Payments to AFDC/TANF Families	Federal & State Share of Collections		
1978	\$1,047	\$2,618	\$472	\$13	\$459	\$575	\$312
1979	1,333	3,059	597	12	584	736	383
1980	1,478	3,042	603	10	593	874	466
1981	1,629	3,053	671	12	659	958	526
1982	1,771	3,098	786	15	771	985	612
1983	2,024	3,401	880	15	865	1,144	691
1984	2,378	3,828	1,000	17	983	1,378	723
1985	2,694	4,182	1,090	189	901	1,604	814
1986	3,249	4,913	1,225	275	955	2,019	941
1987	3,917	5,768	1,349	278	1,070	2,569	1,066
1988	4,605	6,526	1,486	289	1,188	3,128	1,171
1989	5,241	7,074	1,593	307	1,286	3,648	1,363
1990	6,010	7,729	1,750	334	1,416	4,260	1,606
1991	6,886	8,429	1,984	381	1,603	4,902	1,804
1992	7,964	9,462	2,259	435	1,824	5,705	1,995
1993	8,907	10,273	2,416	446	1,971	6,491	2,241
1994	9,850	11,067	2,550	457	2,093	7,300	2,556
1995	10,827	11,836	2,689	474	2,215	8,138	3,012
1996	12,020	12,785	2,855	480	2,375	9,165	3,055
1997	13,364	13,841	2,843	157	2,685	10,521	3,432
1998	14,348	14,622	2,650	152	2,498	11,698	3,589
1999	15,843	15,843	2,482	113	2,368	13,362	4,039

Note: Not all states report current child support collections in all years. Constant dollar adjustments to the 1999 level were made using a CPI-U-X1 fiscal year average price index. Fiscal year 1999 data may not be exactly comparable to that of previous years due to changes in data reporting forms.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement, *Preliminary Child Support Enforcement FY 1999 Data Report*, 2000 (and earlier years), Washington, DC.

Figure ECON 7b. Average Annual Child Support Enforcement Payments for Current Support by Non-Custodial Parents with an Obligation and Payment (1998 Dollars): 1986-1998



Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement, *Child Support Enforcement Twenty-Third Annual Report to Congress, for the period ending September 30, 1998* (and earlier years), Washington, DC.

- Average child support payments on behalf of families not receiving AFDC/TANF have, over time, been about twice as large as those payments for families receiving AFDC/TANF. (Note that many families classified as not on AFDC/TANF in a particular year may have received AFDC/TANF at some point in the past.)
- When converted to constant dollars, average payments have not quite kept pace with inflation, as shown in Table ECON 7b. In constant (1998) dollars, annual child support enforcement payments to AFDC/TANF families decreased by 8 percent between FY 1986 and FY 1998, from \$1,425 to \$1,319. Payments to non-AFDC/TANF families fell by 18 percent in constant dollars over the same time period, from \$2,877 to \$2,361.

Table ECON 7b. Average Annual Child Support Enforcement Payments for Current Support by Non-Custodial Parents with an Obligation and Payment (Nominal and 1998 Dollars): 1986-1998

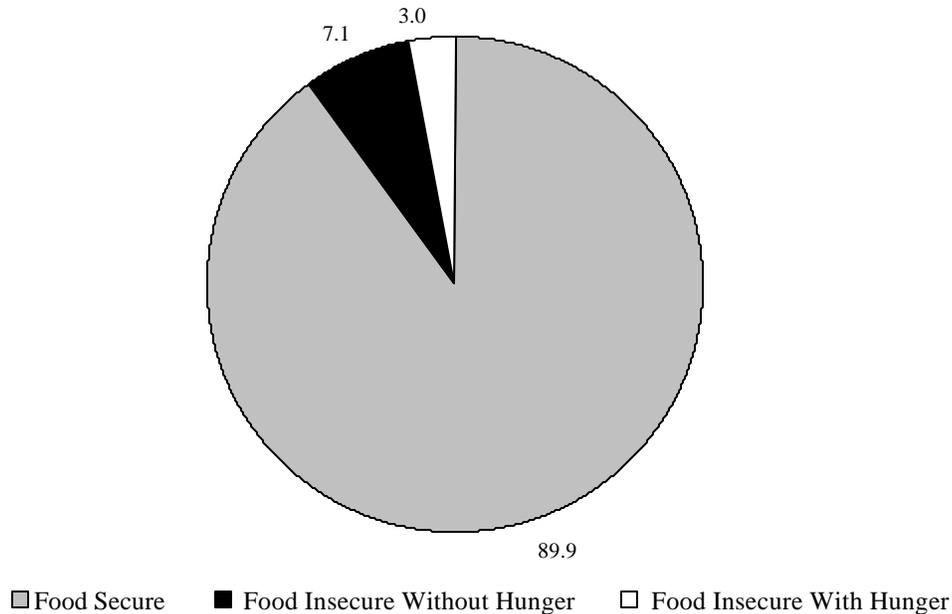
Fiscal Year	Payments (in millions)						F.Y. CPI-U
	AFDC/TANF		Non-AFDC/TANF		Total		
	Current Dollars	Constant '98 Dollars	Current Dollars	Constant '98 Dollars	Current Dollars	Constant '98 Dollars	
1986	\$959	\$1,425	\$1,936	\$2,877	\$1,433	\$2,130	109.3
1987	910	1,315	1,851	2,675	1,416	2,046	112.4
1988	975	1,353	1,793	2,488	1,468	2,037	117.0
1989	1,046	1,386	1,770	2,345	1,457	1,930	122.6
1990	1,110	1,401	1,998	2,521	1,672	2,110	128.7
1991	1,049	1,260	1,989	2,389	1,711	2,055	135.2
1992	1,210	1,411	2,314	2,698	1,919	2,238	139.3
1993	1,230	1,392	2,498	2,827	1,990	2,252	143.5
1994	1,178	1,299	2,266	2,499	1,889	2,083	147.3
1995	1,294	1,388	2,595	2,784	2,167	2,325	151.4
1996	1,200	1,252	2,504	2,612	2,109	2,201	155.6
1997	1,221	1,241	2,427	2,467	2,116	2,150	159.8
1998	1,319	1,319	2,361	2,361	2,117	2,117	162.4
1986-98							
- change	\$360	-\$106	\$425	-\$516	\$684	-\$13	53.1
- percent	37.6	-7.5	21.9	-18.0	47.7	-0.6	48.6

Note: Data for 1996 and 1997 are revised from previous report. Data for 1998 do not include information from Florida, Illinois, and Wisconsin.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement, *Child Support Enforcement Twenty-Third Annual Report to Congress, for the period ending September 30, 1998* (and earlier years), Washington, DC.

ECONOMIC SECURITY RISK FACTOR 8. FOOD INSECURITY

Figure ECON 8. Percentage of Households Classified as Food Insecure: 1999



Source: U.S. Dept. of Agriculture, ERS, calculations using data August 1998 CPS Food Security Supplement.

- A large majority (90 percent) of American households was food secure in 1999 – that is, showed little or no evidence of concern about food supply or reduction in food intake.
- Approximately 10 percent of households experienced food insecurity (not being able to afford enough food) at some level during the twelve months ending in April 1999. More than two-thirds of the food insecure households were without hunger, meaning that although food insecurity was evident in their concerns and in adjustments to household food management, little or no reduction in food intake was reported.
- The prevalence of food insecurity with hunger in 1999 was 3 percent. One or more members of these households were estimated to have experienced reduced food intake and hunger as a result of financial constraints.
- Households with income below poverty had a higher rate of food insecurity (37 percent) than the 10 percent rate among the general population, as shown in Table ECON 8a. Only 4 percent of families with incomes at or above 185 percent of the poverty level showed evidence of food insecurity.
- As shown in Table ECON 8b, the incidence of food insecurity and hunger has declined since 1995, when food security data were first collected. Increases in 1996 and 1998 may be due to the timing of data collection in even years (fall) as compared with odd years (spring).

Table ECON 8a. Percentage of Households Classified as Food Insecure, by Selected Characteristics: 1999

	Food Secure	Food Insecure Total	Food Insecure Without Hunger	Food Insecure With Hunger
All Households	89.9	10.1	7.1	3.0
Racial Categories				
Non-Hispanic White	93.0	7.0	4.9	2.1
Non-Hispanic Black	78.8	21.2	14.8	6.4
Hispanic	79.2	20.8	15.3	5.5
Non-Hispanic Other	89.8	10.2	7.1	3.1
Households, by Age				
Households with Children Under 6	83.8	16.2	13.1	3.1
Households with Children Under 18	85.2	14.8	11.5	3.3
Households with Elderly but No Children	94.2	5.8	4.3	1.6
Household Income -to-Poverty Ratio				
Under 0.50	60.8	39.2	25.5	13.7
Under 1.00	63.3	36.7	24.5	12.2
Under 1.30	67.7	32.3	21.6	10.7
Under 1.85	73.9	26.1	18.0	8.1
1.85 and over	95.9	4.1	3.1	1.0

See below for notes and source.

Table ECON 8b. Percentage of Households Classified as Food Insecure: 1995-1999

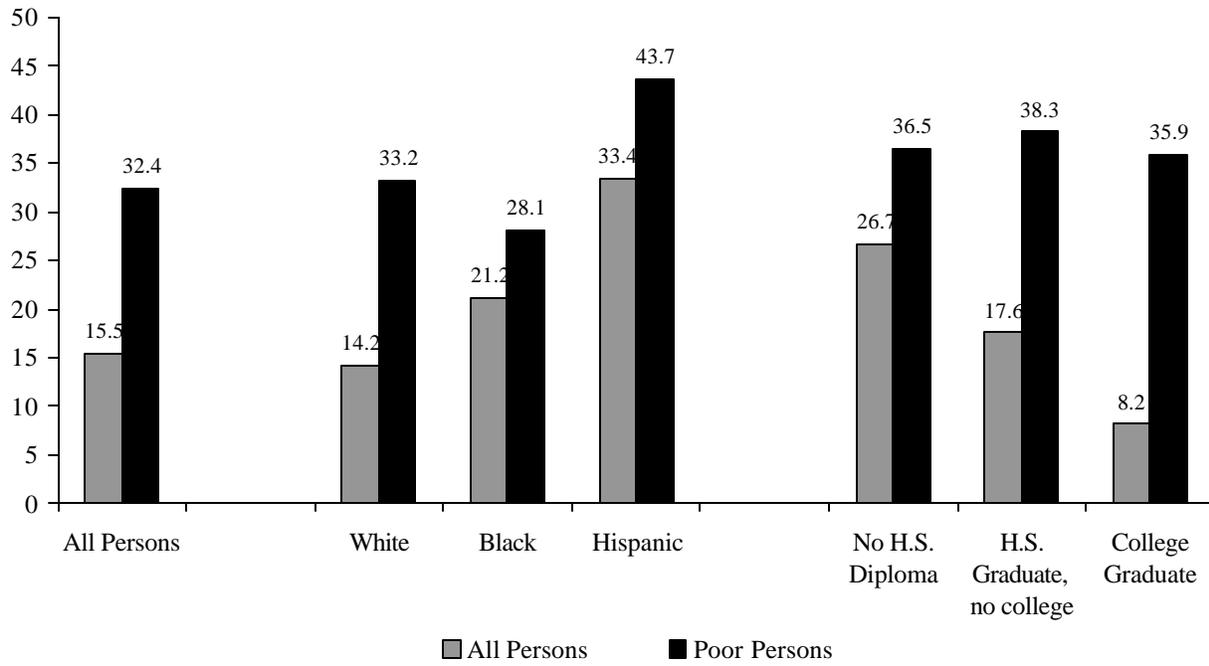
	Food Secure	Food Insecure Total	Food Insecure Without Hunger	Food Insecure With Hunger
1995	89.7	10.3	6.4	3.9
1996	89.6	10.4	6.3	4.1
1997	91.3	8.7	5.6	3.1
1998	89.8	10.2	6.6	3.6
1999	91.3	8.7	5.9	2.8

Note: Food secure households show little or no evidence of concern about food supply or reduction in food intake. Households classified as food insecure without hunger report food-related concerns, adjustments to household food management, and reduced variety and desirability of diet but report little or no reduction in food intake. Households classified as food insecure with hunger report reduced food intake and hunger. Because of changes in survey administration, statistics in Tables ECON 8b have been adjusted for cross-year comparability. These adjustments result in understating the prevalence of food insecurity. For example, the best estimate of food insecurity in 1999 is 10.1 percent (Table ECON 8a), while the estimate adjusted for cross-year comparability is 8.7 percent (Table ECON 8b).

Source: U.S. Department of Agriculture, Economic Research Service, *Household Food Security in the United States, 1999*.

ECONOMIC SECURITY RISK FACTOR 9. LACK OF HEALTH INSURANCE

Figure ECON 9. Percentage of Persons without Health Insurance, by Income: 1999



Source: U.S. Bureau of the Census, Current Population Survey, March 2000.

- Poor persons were twice as likely as all persons to be without health insurance in 1999 (32 percent compared to 16 percent). While the ratio varied across categories, persons with family income at or below the poverty line were more likely to be without health insurance regardless of race, gender, educational attainment, or age.
- Hispanics were the racial/ethnic group least likely to have health insurance in 1999, among both the general population and those with incomes below the poverty line. While whites in general were more likely to have insurance than blacks, poor blacks were more likely to have insurance than poor whites.
- Among all persons, amount of education was inversely related to health insurance coverage, as shown in Table ECON 9. However, among poor persons, educational attainment made little difference as to whether individuals had health insurance.
- As shown in Table ECON 9, individuals ages 18 to 34 are the most likely to be without health insurance, among both the general population and the poor population. Nearly half of all 18 to 34 year-olds with incomes below the poverty line had no health insurance in 1999.

Table ECON 9. Percentage of Persons without Health Insurance, by Income and Selected Characteristics: 1999

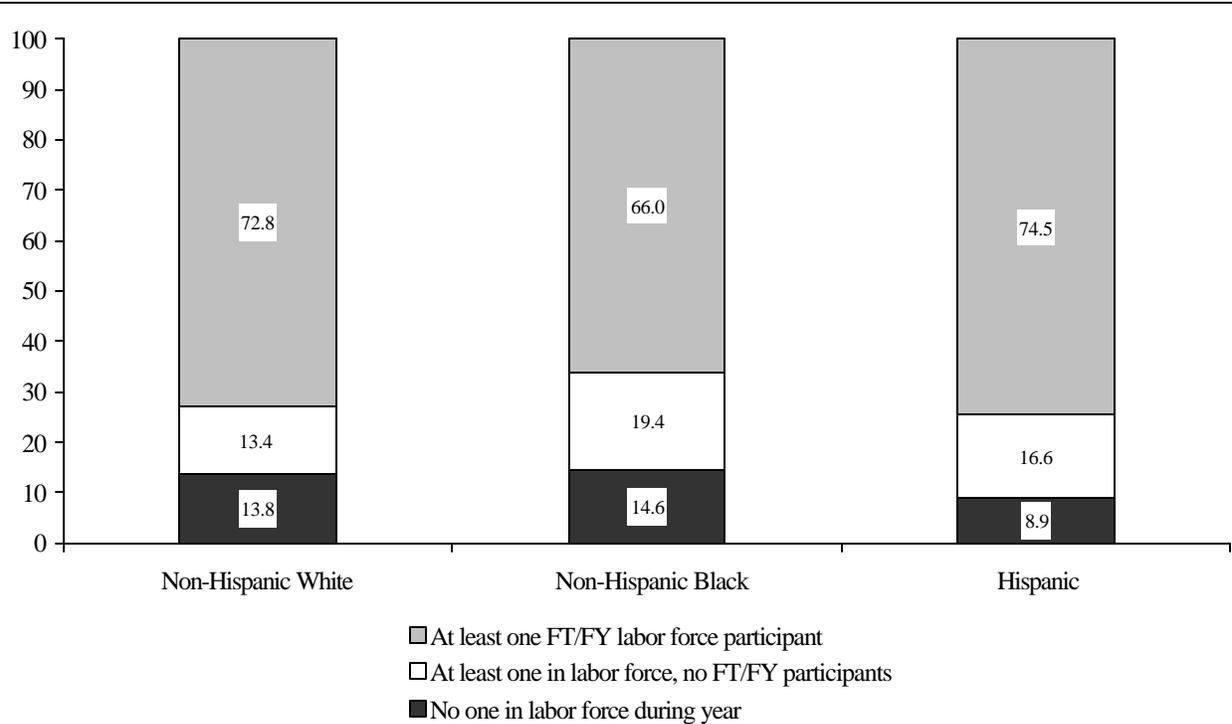
	All Persons	Poor Persons
All Persons	15.5	32.4
Male	16.5	35.0
Female	14.6	30.4
White	14.2	33.2
Black	21.2	28.1
Hispanic	33.4	43.7
No H.S. Diploma	26.7	36.5
H.S. Graduate, no college	17.6	38.3
College Graduate	8.2	35.9
Age 18 and under	13.9	23.3
Ages 18-24	29.0	45.4
Ages 25-34	23.2	51.9
Ages 35-44	16.5	44.8
Ages 45-64	13.8	36.0
Age 65 and over	1.3	3.4

Note: "Poor persons" are defined as those with total family incomes at or below the poverty rate. Persons of Hispanic ethnicity may be of any race.

Source: U.S. Bureau of the Census, "Health Insurance Coverage: 1999," *Current Population Reports*, Series P60-211, 2000.

EMPLOYMENT AND WORK-RELATED RISK FACTOR 1. LABOR FORCE ATTACHMENT

Figure WORK 1. Percentage of Individuals in Families with Labor Force Participants, by Race: 1999



Source: Unpublished tabulations of March CPS data.

- In 1999, over 72 percent of the total population lived in families with at least one person working on a full-time full-year basis, as shown in Table WORK 1a. Full-time full-year work was higher in 1999 than in the rest of the 1990s, as shown in Table WORK 1b.
- Overall, 13 percent of the population lived in families with no labor force participants and 15 percent lived in families with part-time and/or part-year labor force participants in 1999.
- Persons of Hispanic origin were less likely than non-Hispanic blacks or non-Hispanic whites to live in families with no one in the labor force in 1999 (9 percent compared to 15 and 14 percent, respectively).
- Working-age women were more likely than working-age men to live in families with no one in the labor force. Men were more likely to live in families with at least one full-time full-year worker.

Table WORK 1a. Percentage of Individuals in Families with Labor Force Participants, by Race and Age: 1999

	No one in LF During Year	At least one in LF No one FT/FY	At least one FT/FY LF participant
All Persons	13.1	14.6	72.3
Racial Categories			
Non-Hispanic White	13.8	13.4	72.8
Non-Hispanic Black	14.6	19.4	66.0
Hispanic	8.9	16.6	74.5
Age Categories			
Children Ages 0-5	4.6	16.0	79.5
Children Ages 6-10	5.0	15.4	79.6
Children Ages 1-15	5.1	13.8	81.1
Women Ages 16-64	7.5	15.5	77.0
Men Ages 16-64	5.6	13.0	81.4
Adults Age 65 and over	64.7	15.5	19.8

See below for notes and source.

Table WORK 1b. Percentage of Individuals in Families with Labor Force Participants: 1990-1999

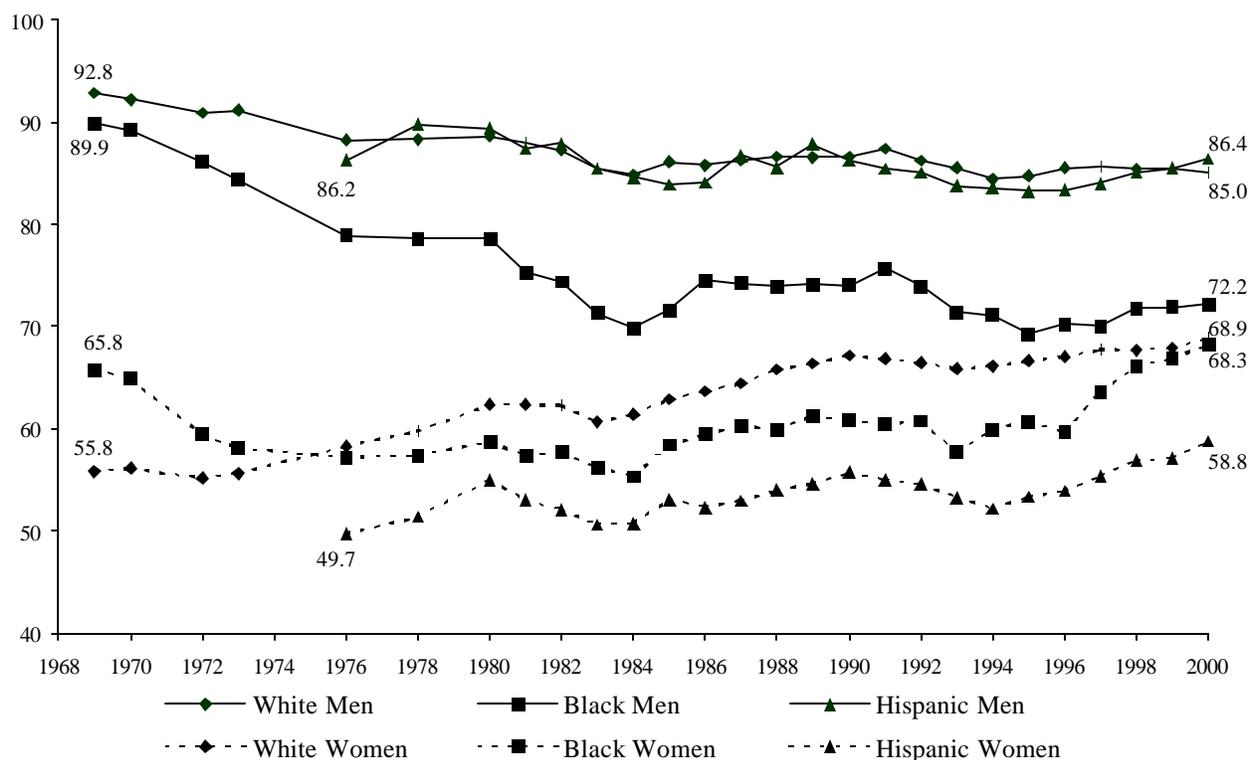
	No one in LF During Year	At least one in LF No one FT/FY	At least one FT/FY LF participant
1990	13.7	18.1	68.3
1991	14.3	18.7	67.0
1992	14.3	18.6	67.1
1993	14.2	18.6	67.3
1994	14.0	17.7	68.3
1995	13.8	17.0	69.2
1996	13.6	16.7	69.7
1997	13.5	16.3	70.2
1998	13.3	15.3	71.4
1999	13.1	14.6	72.3

Note: Full-time full-year workers are defined as those who usually worked for 35 or more hours per week, for at least 50 weeks in a given year. Part-time and part-year labor force participation includes individuals who are unemployed, laid off, and/or looking for work. This indicator represents annual measures of labor force participation, and thus cannot be compared to monthly measures of labor force participation in Indicator 2 and published in previous *Indicators of Welfare Dependence* reports (see Appendix D for details).

Source: Unpublished tabulations of March CPS data.

EMPLOYMENT AND WORK-RELATED RISK FACTOR 2. EMPLOYMENT AMONG THE LOW-SKILLED

Figure WORK 2. Percentage of All Persons Ages 18 to 65 with No More than a High School Education Who Were Employed: 1969-2000



Source: ASPE tabulations of March Current Population Surveys.

- Between 1969 and 1984, the percentage of low-skilled men who were employed dropped significantly, with the largest decline among black men, as shown in Figure WORK 2. During this time period, the percentage of black men with no more than a high school education who were employed dropped 20 percentage points; for low-skilled white men, employment rates dropped 8 percentage points.
- Since 1984, employment levels for white and Hispanic men with a high school education or less have leveled off, hovering close to 85 percent. Employment levels for low-skilled black men have fluctuated over the past fifteen years, rising as high as 76 percent in 1991, and falling as low as 69 percent in 1995.
- In 2000, only 72 percent of black men with no more than a high school education were working, as compared to 85 to 86 percent of similarly educated white and Hispanic men. However, employment rates for black women with no more than a high school diploma were at an all-time high in 2000 of 68 percent, nearly identical to the 69 percent for white women and higher than the 59 percent for Hispanic women, as shown in Table WORK 2.

Table WORK 2. Percentage of All Persons Ages 18 to 65 with No More than a High School Education Who Were Employed: 1969-2000

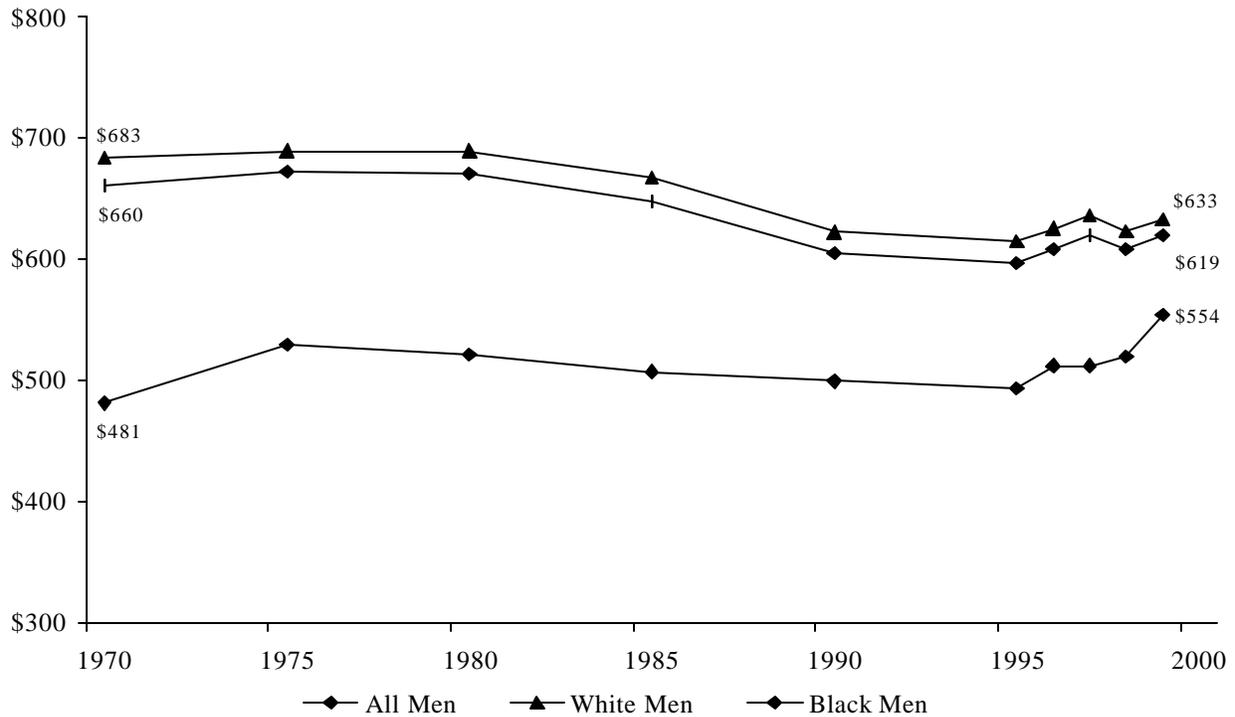
	Men			Women		
	White	Black	Hispanic	White	Black	Hispanic
1969	92.8	89.9	N/A	55.8	65.8	N/A
1970	92.1	89.2	N/A	56.1	64.9	N/A
1972	90.9	86.1	N/A	55.2	59.4	N/A
1973	91.1	84.3	N/A	55.6	58.1	N/A
1976	88.2	78.8	86.2	58.3	57.2	49.7
1978	88.3	78.6	89.8	59.8	57.4	51.4
1980	88.6	78.5	89.4	62.3	58.7	55.0
1981	88.0	75.3	87.4	62.3	57.4	53.0
1982	87.3	74.4	87.9	62.3	57.7	52.1
1983	85.4	71.3	85.4	60.7	56.2	50.6
1984	84.8	69.9	84.6	61.4	55.3	50.8
1985	86.1	71.6	83.9	62.9	58.4	53.1
1986	85.7	74.5	84.1	63.7	59.4	52.4
1987	86.3	74.2	86.7	64.4	60.3	53.0
1988	86.6	73.9	85.6	65.8	59.9	54.0
1989	86.5	74.1	87.8	66.4	61.3	54.6
1990	86.6	74.0	86.2	67.2	60.9	55.8
1991	87.4	75.6	85.4	66.8	60.4	55.0
1992	86.2	73.9	85.0	66.5	60.7	54.6
1993	85.5	71.4	83.7	65.9	57.8	53.3
1994	84.4	71.1	83.5	66.1	59.9	52.2
1995	84.7	69.3	83.2	66.6	60.7	53.3
1996	85.5	70.2	83.3	67.0	59.7	53.9
1997	85.6	70.0	84.0	67.7	63.6	55.4
1998	85.3	71.8	85.0	67.7	66.1	56.9
1999	85.4	71.9	85.5	67.9	66.8	57.1
2000	85.0	72.2	86.4	68.9	68.3	58.8

Note: All data reflect employment rates for March of the given year. White and Black includes those of Hispanic origin for all years. Hispanic was not available until 1975.

Source: ASPE tabulations of March Current Population Surveys.

EMPLOYMENT AND WORK-RELATED RISK FACTOR 3. EARNINGS OF LOW-SKILLED WORKERS

Figure WORK 3. Mean Weekly Wages of Men Working Full-Time, Full-Year with No More than a High School Education, by Race (1999 Dollars): Selected Years



Source: ASPE tabulations of March CPS data.

- Mean weekly wages for full-time work by men with no more than a high school diploma have decreased in real terms for much of the past quarter century, with some recovery in the late 1990s. In 1970, the mean weekly wage for low-skilled men working full-time was \$660 (in 1999 dollars); the comparable wage in 1995 was \$597, a decrease of 10 percent.
- In recent years, this pattern has changed, and weekly wages for low-skilled men have risen, even after taking inflation into account. The mean weekly wage for low-skilled full-time workers was \$619 in 1999 – a rise above the 1995 level, but still not as high as wages for this group in 1970 (in 1999 dollars).
- The gap between mean weekly wages for white and black men with low education levels has narrowed over time, especially over the last five years. In 1970, the mean weekly wage for low-skilled black men working full-time was \$481 (in 1999 dollars), or 70 percent of the \$683 average for white men. However, full-time working black men with no more than a high school education received 80 percent of the mean weekly wages of white men in 1995 (\$493 compared to \$614) and 88 percent of the mean weekly wages of white men in 1999 (\$554 compared to \$633).

Table WORK 3: Mean Weekly Wages of Men Working Full-Time, Full-Year with No More than a High-School Education, by Race (1999 Dollars): Selected Years

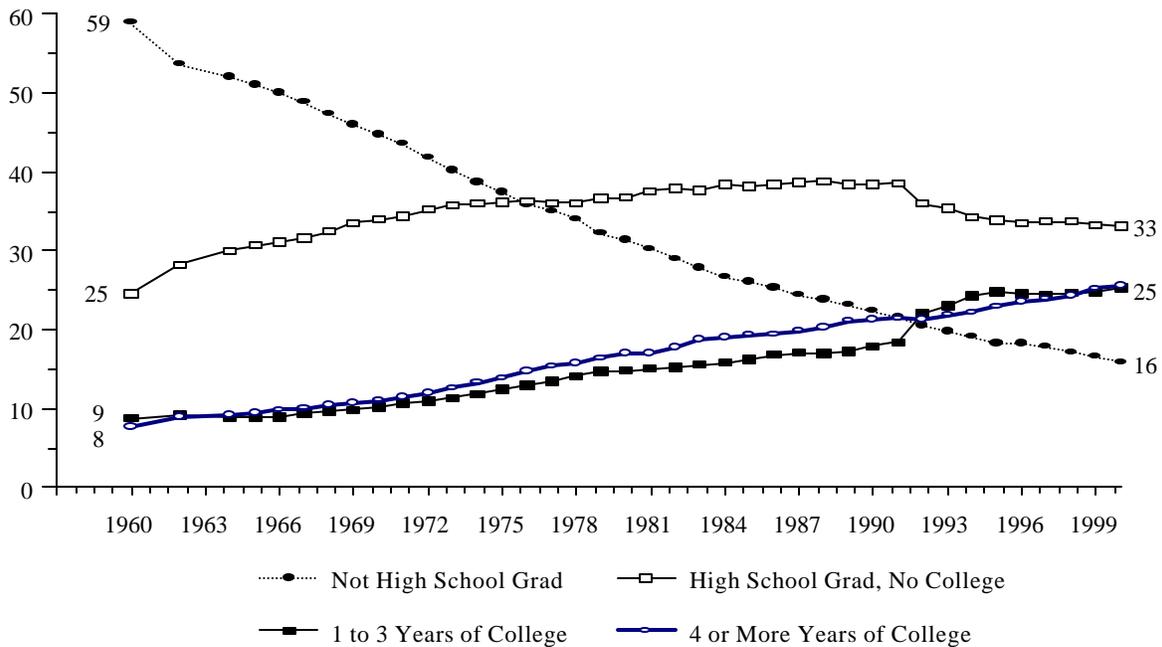
	1970	1975	1980	1985	1990	1995	1996	1997	1998	1999
All Men	\$660	\$672	\$670	\$647	\$605	\$597	\$608	\$619	\$608	\$619
White Men	\$683	\$689	\$689	\$667	\$622	\$614	\$625	\$636	\$623	\$633
Black Men	\$481	\$529	\$521	\$507	\$499	\$493	\$512	\$512	\$519	\$554

Note: Full-time, full-year workers work at least 48 weeks per year and 35 hours per week. White and black include those of Hispanic origin for all years.

Source: ASPE tabulations of March CPS data.

EMPLOYMENT AND WORK-RELATED RISK FACTOR 4. EDUCATIONAL ATTAINMENT

Figure WORK 4. Percentage of Adults Age 25 and Over, by Level of Educational Attainment: 1960-2000



Source: U.S. Bureau of the Census, "Educational Attainment in the United States: March 2000, (Update)", *Current Population Reports*, Series P20-536, March 2000, and earlier reports, December 2000.

- There has been a marked decline over the past forty years in the percentage of the population who has not earned a high school diploma. This percentage fell from 59 percent in 1960 to 16 percent in 2000.
- The percentage of the population receiving a high school education only (with no subsequent college) was 25 percent in 1960 and rose to 39 percent in 1988. Since then this figure has fallen to 33 percent, although some of this decline is a result of a change in the survey methodology in 1992 (see note to Table WORK 4).
- Between 1960 and 1990, the percentage of the population with some college (one to three years) doubled, from 9 percent to 18 percent. The apparent jump in 1992 is a result of a change in the survey methodology (see note to Table WORK 4), but the trend continued upward, reaching a little over 25 percent in 2000.
- The percentage of the population completing four or more years of college more than tripled from 1960 to 2000, rising steadily from 8 percent to nearly 26 percent.

**Table WORK 4. Percentage of Adults Age 25 and Over, by Level of Educational Attainment:
Selected Years**

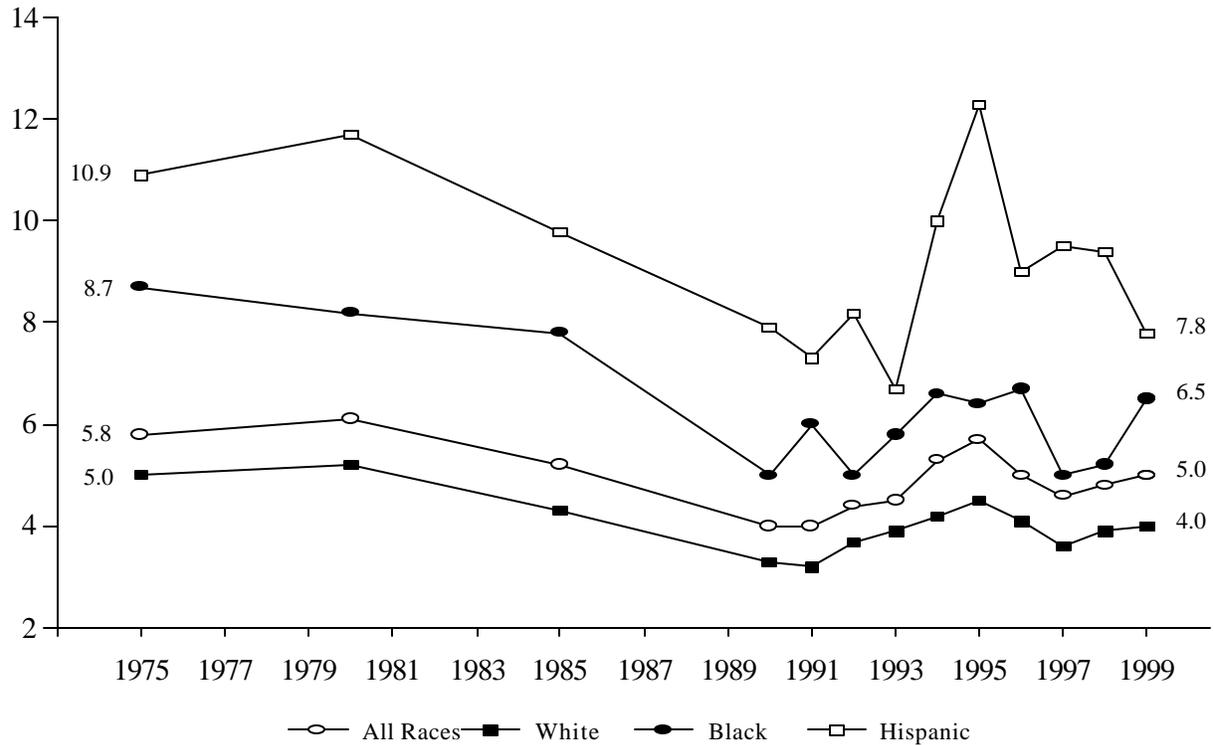
	Not a High School Graduate	Finished High School, No College	One to Three Years Of College	Four or More Years Of College
1940	76	14	5	5
1950	67	20	7	6
1960	59	25	9	8
1965	51	31	9	9
1970	45	34	10	11
1975	37	36	12	14
1980	31	37	15	17
1981	30	38	15	17
1982	29	38	15	18
1983	28	38	16	19
1984	27	38	16	19
1985	26	38	16	19
1986	25	38	17	19
1987	24	39	17	20
1988	24	39	17	20
1989	23	38	17	21
1990	22	38	18	21
1991	22	39	18	21
1992	21	36	22	21
1993	20	35	23	22
1994	19	34	24	22
1995	18	34	25	23
1996	18	34	25	24
1997	18	34	24	24
1998	17	34	25	24
1999	17	33	25	25
2000	16	33	25	26

Note: Completing the GED is not considered completing high school within this table. Beginning with data for 1992, a new survey question results in different categories than for prior years. Data shown as Finished High School, No College was previously from the category "High School, 4 years" and is now from the category "High School Graduate." Data shown as One to Three Years of College was previously from the category "College 1 to 3 years" and is now the sum of the categories: "Some College" and two separate "Associate Degree" categories. Data shown as Four or more Years of College was previously from the category "College 4 years or more," and is now the sum of the categories: "Bachelor's Degree," "Master's Degree," "Doctorate Degree," and "Professional Degree."

Source: U.S. Bureau of the Census, "Educational Attainment in the United States: March 2000, (Update)", *Current Population Reports*, Series P20-536, March 2000, and earlier reports," December 2000.

EMPLOYMENT AND WORK-RELATED RISK FACTOR 5. HIGH-SCHOOL DROPOUT RATES

Figure WORK 5. Percentage of Students Enrolled in Grades 10 to 12 in the Previous Year Who Were Not Enrolled and Had Not Graduated in the Survey Year, by Race: Selected Years



Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Trends in the Well-Being of America's Children and Youth: 1998*, Table EA 1.4; U.S. Department of Education, National Center for Education Statistics, *Dropout Rates in the United States: 1998*, Table 1 and *Dropout Rates in the United States: 1999*, Table 1.

- After declining steadily during the 1980s, dropout rates for teens in grades 10 to 12 began rising, from a total dropout rate of 4.0 percent in 1991 to a peak of 5.7 percent in 1995. The overall rate declined to 4.6 percent in 1997 but has since then trended slightly upward, to 5.0 percent in 1999.
- Among races, dropout rates are highest for Hispanic teens over time. In 1999, the dropout rate was 7.8 percent for Hispanic teens, compared to 6.5 percent for black teens and 4.0 percent for white teens.

Table WORK 5. Percentage of Students Enrolled in Grades 10 to 12 in the Previous Year Who Were Not Enrolled and Had Not Graduated in the Survey Year, by Race: Selected Years

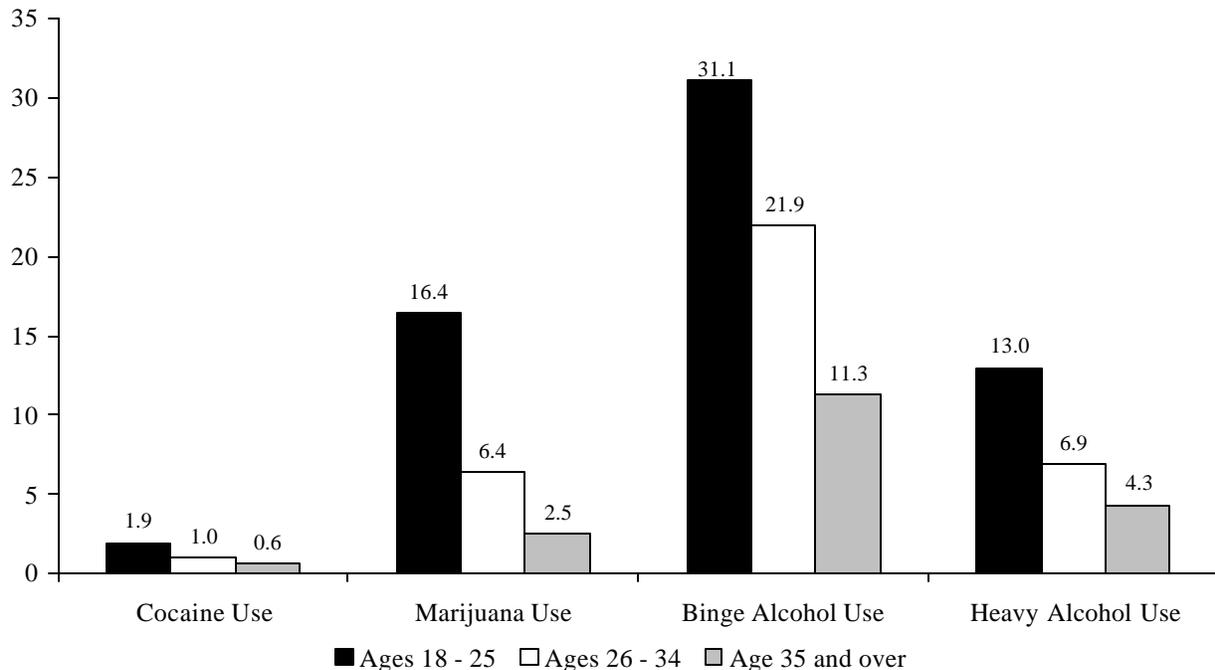
	1975	1980	1985	1990	1992	1994	1995	1996	1997	1998	1999
Total	5.8	6.1	5.2	4.0	4.4	5.3	5.7	5.0	4.6	4.8	5.0
Non-Hispanic White	5.0	5.2	4.3	3.3	3.7	4.2	4.5	4.1	3.6	3.9	4.0
Non-Hispanic Black	8.7	8.2	7.8	5.0	5.0	6.6	6.4	6.7	5.0	5.2	6.5
Hispanic	10.9	11.7	9.8	7.9	8.2	10.0	12.3	9.0	9.5	9.4	7.8

Note: Persons of Hispanic ethnicity may be of any race.

Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Trends in the Well-Being of America's Children and Youth: 1998*, Table EA 1.4; U.S. Department of Education, National Center for Education Statistics, *Dropout Rates in the United States: 1998*, Table 1 and *Dropout Rates in the United States: 1999*, Table 1.

EMPLOYMENT AND WORK-RELATED RISK FACTOR 6. ADULT ALCOHOL AND SUBSTANCE ABUSE

Figure WORK 6. Percentage of Adults Who Used Cocaine or Marijuana or Abused Alcohol, by Age: 1999



Source: U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, National Household Survey on Drug Abuse.

- In 1999, young adults (ages 18 to 25) were more likely than other adults to report cocaine use, marijuana use, or alcohol abuse in the past month. About one in six (16 percent) of adults 18 to 25 reported using marijuana in the past month, compared with 6 percent of adults 26 to 34 and 3 percent of adults 35 and older. Young adults were also significantly more likely to abuse alcohol than older adults.
- The percentages of persons reporting binge alcohol use were significantly larger than the percentages for all other reported behaviors, across all age groups and for all years with reports on alcohol use, as shown in Table WORK 6.
- Use of marijuana and cocaine has decreased across all age groups over the past twenty years. For example, reported cocaine use among adults ages 18 to 25 fell from 10 percent in 1979 to 2 percent in 1999; marijuana use fell from 36 percent in 1979 to 16 percent in 1999. There has been a much smaller decline in the use of alcohol since 1985.

Table WORK 6. Percentage of Adults Who Used Cocaine or Marijuana or Abused Alcohol, by Age: Selected Years

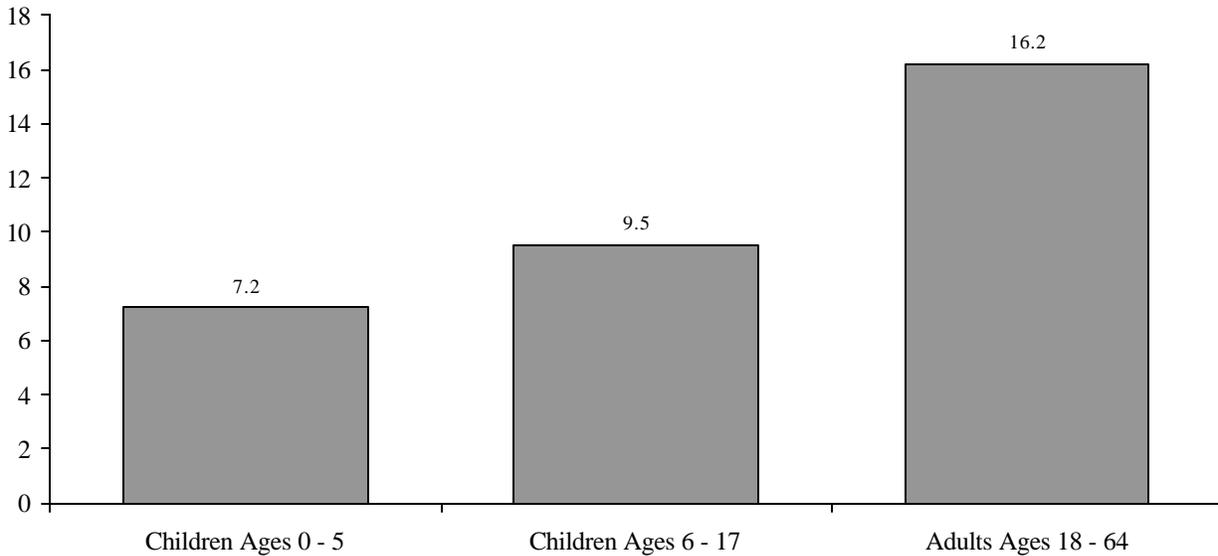
	1979	1985	1988	1991	1994	1995	1996	1997	1998	1999
Cocaine										
Ages 18-25	9.9	8.1	4.8	2.2	1.2	1.0	2.0	1.2	2.0	1.9
Ages 26-34	3.0	6.3	2.8	1.9	1.3	1.2	1.5	0.9	1.2	1.0
Age 35 and Over	0.2	0.5	0.4	0.5	0.4	0.4	0.4	0.5	0.5	0.6
Marijuana										
Ages 18-25	35.6	21.7	15.3	12.9	12.1	12.0	13.2	12.8	13.8	16.4
Ages 26-34	19.7	19.0	12.3	7.7	6.9	6.7	6.3	6.0	5.5	6.4
Age 35 and Over	2.9	2.6	1.8	2.6	2.3	1.8	2.0	2.6	2.5	2.5
Binge Alcohol Use										
Ages 18-25	N/A	34.4	28.2	31.2	33.6	29.9	32.0	28.0	31.7	31.1
Ages 26-34	N/A	27.5	19.7	21.5	24.0	24.0	22.8	23.1	22.0	21.9
Age 35 and Over	N/A	12.9	9.7	10.1	11.8	11.8	11.3	11.7	11.9	11.3
Heavy Alcohol Use										
Ages 18-25	N/A	13.8	12.0	15.2	13.2	12.0	12.9	11.1	13.8	13.0
Ages 26-34	N/A	11.5	7.1	7.9	8.0	7.9	7.1	7.5	7.2	6.9
Age 35 and Over	N/A	5.2	4.0	4.4	4.8	3.9	3.8	4.0	4.4	4.3

Note: Cocaine and marijuana use is defined as use during the past month. "Binge" Alcohol Use is defined as drinking five or more drinks on the same occasion on at least one day in the past 30 days. "Occasion" means at the same time or within a couple hours of each other. Heavy Alcohol Use is defined as drinking five or more drinks on the same occasion on each of five or more days in the past 30 days; all Heavy Alcohol Users are also "Binge" Alcohol Users.

Source: U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, National Household Survey on Drug Abuse.

EMPLOYMENT AND WORK-RELATED RISK FACTOR 7. ADULT/CHILD DISABILITY

Figure WORK 7. Percentage of the Total Population Reporting a Disability, by Age: 1994



Source: Unpublished data from the 1994 National Health Interview Survey on Disability, Phase I; 1994 NHIS, and 1994 Family Resources Supplement.

- In 1994, adults were more likely than children of school age (ages 6 to 17) to have a functional disability, and school-age children were in turn more likely to have a functional disability than younger children (ages 0 to 5).
- Among the non-elderly population, disability rates were the same for non-Hispanic whites and non-Hispanic blacks (15 percent), but lower for Hispanics (11 percent), as shown in Table WORK 7.
- While adults were more likely to report a functional disability than children, a higher percentage of children than adults were actually recipients of disability program benefits in 1994, as shown in the bottom panel of Table WORK 7.

Table WORK 7. Percentage of the Total Population Reporting a Disability, by Race and Age: 1994

	Functional Disability
All Persons, All Ages	18.3
All Persons under 65 Years	13.9
Racial Categories	
(Persons under 65 Years)	
Non-Hispanic White	14.5
Non-Hispanic Black	14.5
Hispanic	11.3
Age Categories	
Children Ages 0-5	7.2
Children Ages 6-17	9.5
Adults Ages 18-64	16.2
Adults Age 65 and over	51.0

Alternative Measures of Disability

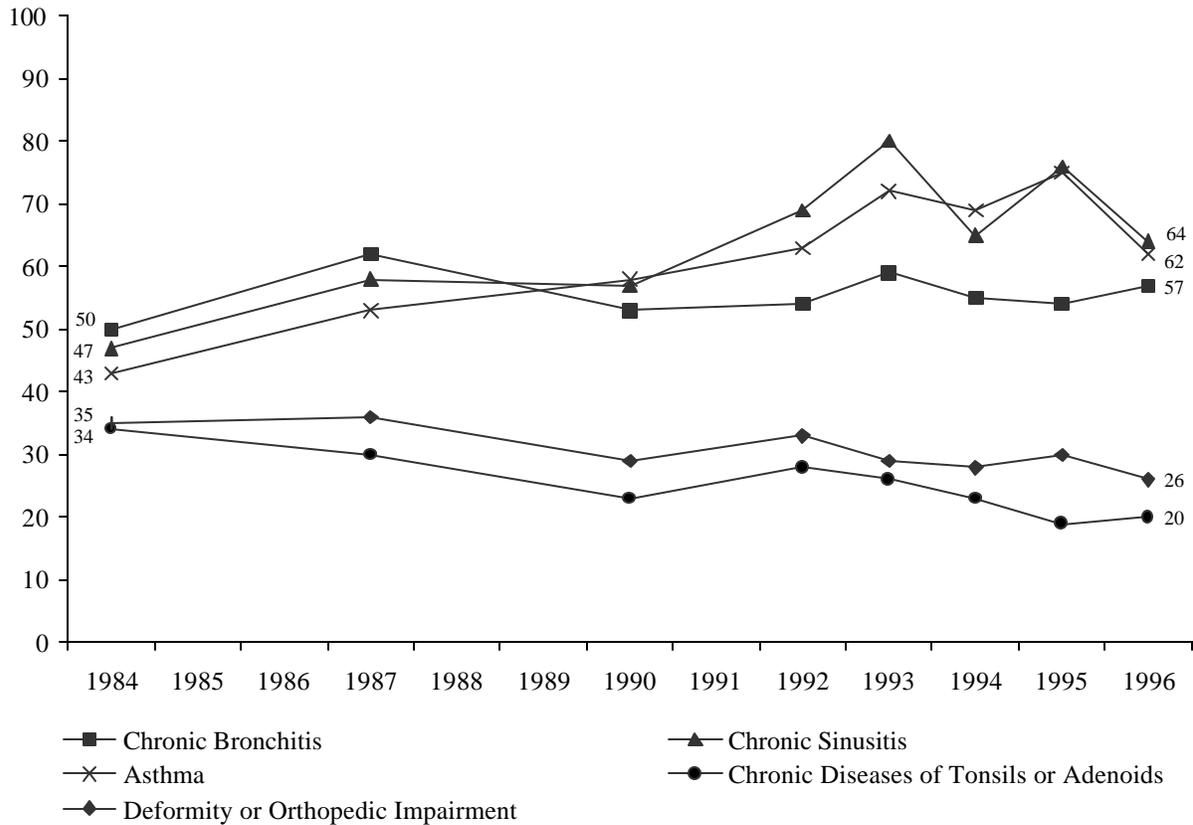
	Functional Disability	Work Disability	Perceived Disability	Disability Program Recipient
Children Ages 0-17	8.7	N/A	2.8	6.7
Adults Ages 18-64	16.2	10.7	7.0	5.7

Note: Functional disability only includes those disabilities expected to last at least 12 months. Functional disabilities were defined as either: (1) limitations in or inability to perform a variety of physical activities (i.e. walking, lifting, reaching); (2) serious sensory impairments (i.e. inability to read newsprint even with glasses or contact lenses); (3) serious symptoms of mental illness (i.e. frequent depression or anxiety; frequent confusion, disorientation, or difficulty remembering) which has seriously interfered with life for the last year; (4) use of selected assistive devices (i.e. wheelchairs, scooters, walkers); (5) developmental delays for children identified by a physician (i.e. physical, learning); (6) for children under 5, inability to perform age-appropriate functions (i.e. sitting up, walking); and, (7) long-term care needs. Work disability is defined as limitations in or the inability to work as a result of a physical, mental or emotional health condition. Perceived disability is a new disability measure based on the Americans with Disabilities Act (ADA) and includes individuals who were perceived by themselves or others as having a disability. Disability program recipients include persons covered by Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), Special Education Services, Early Intervention Services, and/or disability pensions.

Source: Unpublished data from the 1994 National Health Interview Survey on Disability, Phase I; 1994 NHIS, and 1994 Family Resources Supplement.

EMPLOYMENT AND WORK-RELATED RISK FACTOR 8. CHILDREN'S HEALTH CONDITIONS

Figure WORK 8. Selected Chronic Health Conditions per 1,000 Children Ages 0 to 17: Selected Years



Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Trends in the Well-Being of America's Children and Youth: 1998*. Table HC 2.5.

- Respiratory conditions, especially chronic sinusitis and asthma, were the most prevalent chronic health conditions experienced in recent years by children.
- Rates for asthma show some year-to-year variation, but were higher in the mid-1990s (62 to 75 children per thousand) than in the mid-1980s (43 to 53 children per thousand). Like rates for asthma, the prevalence of chronic sinusitis has both increased and showed considerable year-to-year variation.
- In 1996, 26 children per thousand had a deformity or orthopedic impairment, down from a high of 36 children per thousand in 1987, as shown in Table WORK 8.
- The rate for heart disease among children has ranged from a low of 18 cases per thousand in 1994 to a high of 24 cases per thousand in 1996, with no clear trend.

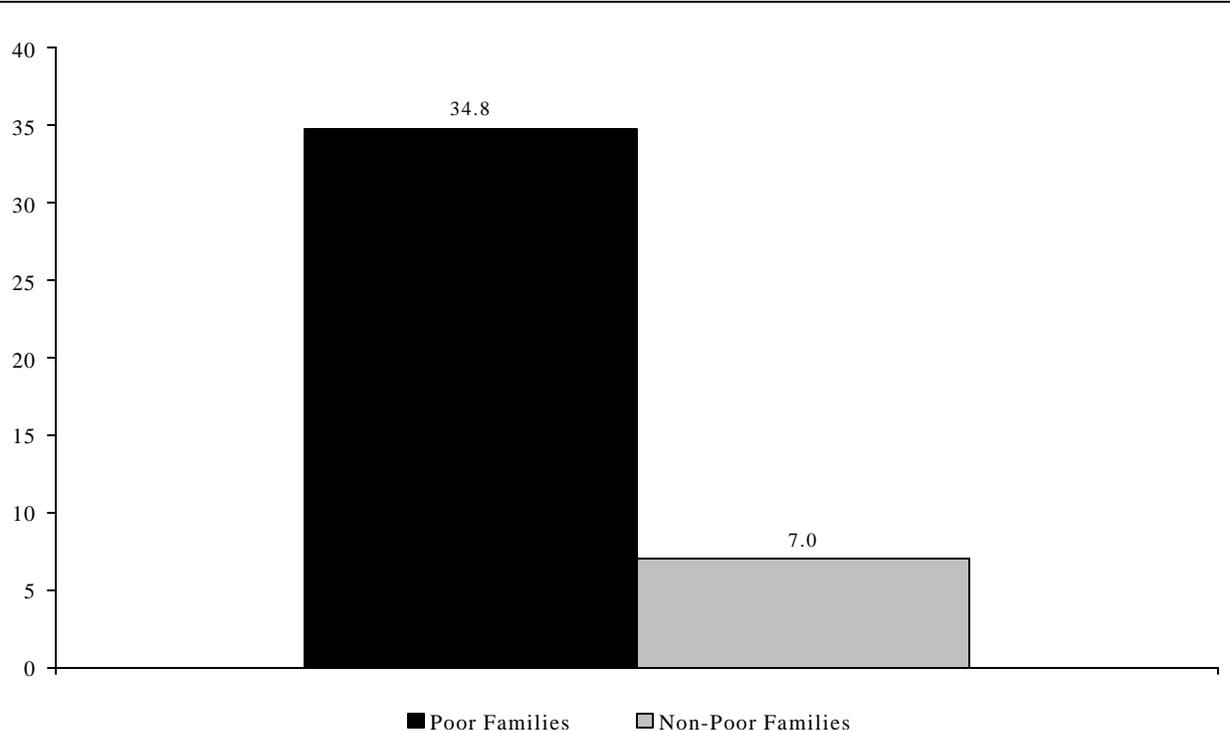
**Table WORK 8. Selected Chronic Health Conditions per 1,000 Children Ages 0 to 17:
Selected Years**

	1984	1987	1990	1992	1993	1994	1995	1996
Respiratory Conditions								
Chronic Bronchitis	50	62	53	54	59	55	54	57
Chronic Sinusitis	47	58	57	69	80	65	76	64
Asthma	43	53	58	63	72	69	75	62
Chronic Diseases of Tonsils or Adenoids	34	30	23	28	26	23	19	20
Impairments								
Deformity or Orthopedic Impairment	35	36	29	33	29	28	30	26
Speech Impairment	16	19	14	21	20	21	18	16
Hearing Impairment	24	16	21	15	17	18	15	13
Visual Impairment	9	10	9	10	7	9	7	6
Other Conditions								
Heart Disease	23	22	19	19	20	18	19	24
Anemia	11	8	10	11	9	12	7	5
Epilepsy	7	4	4	3	5	5	4	5

Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Trends in the Well-Being of America's Children and Youth: 1998*. Table HC 2.5.

EMPLOYMENT AND WORK-RELATED RISK FACTOR 9. CHILD CARE EXPENDITURES

Figure WORK 9. Percentage of Monthly Income Spent on Child Care by Families with Employed Mothers: 1995



Source: U.S. Bureau of the Census, "Who's Minding the Kids? Child Care Arrangements: Fall 1995" *Current Population Reports*, Series P70-70 2000.

- Child care expenditures accounted for more than one-third (35 percent) of the monthly family income of poor families with employed mothers who used paid arrangements for at least one child under age fifteen in the fall of 1995. Child care expenses accounted for a much smaller share – 7 percent – of monthly income of non-poor families with employed mothers. Across all families, the share is also about 7 percent.
- As shown in Table WORK 9a, employed single mothers spent a larger percentage of their monthly family income on child care expenses (13 to 14 percent) than did employed married mothers (6 percent).
- The percentage of family income spent on child care has risen slowly, but steadily, from 6 percent in 1986 to 7 percent in 1995, as shown in Table WORK 9b.
- Child care expenditures as a percentage of monthly income in poor families with employed mothers has fluctuated in the past several years, from 27 percent in 1991, to 21 percent in 1993 and 35 percent in 1995.

Table WORK 9a. Percentage of Monthly Income Spent on Child Care by Families with Employed Mothers, by Selected Characteristics: 1995

All Families	7.4
Racial Categories	
Non-Hispanic White	6.8
Non-Hispanic Black	8.7
Hispanic	11.9
Marital Status	
Married, Husband Present	6.4
Widowed, Separated, Divorced	13.7
Never Married	13.4
Poverty Status	
Below poverty	34.8
Above poverty	7.0
100 to 199 percent of poverty	16.9
200 percent and above poverty	6.2

Notes: Based on expenditures for families with children under age fifteen and an employed mother and at least one child in a paid child care arrangement.

Source: U.S. Bureau of the Census, "Who's Minding the Kids? Child Care Arrangements: Fall 1995," *Current Population Reports*, Series P70-70, 2000.

Table WORK 9b. Percentage of Monthly Income Spent on Child Care by Families with Employed Mothers: Selected Years

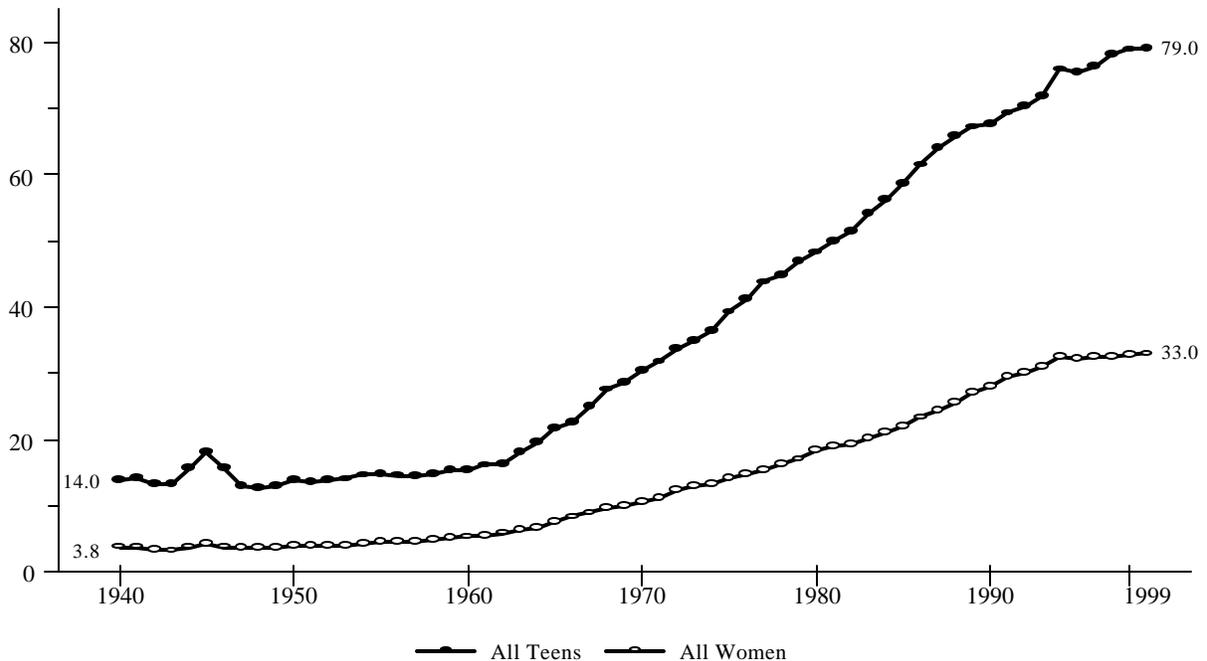
	All Families	Poor Families	Non-Poor Families
1986	6.3	N/A	N/A
1987	6.6	N/A	N/A
1988	6.8	N/A	N/A
1990	6.9	N/A	N/A
1991	7.1	26.6	6.9
1993	7.3	21.0	7.0
1995	7.4	34.8	7.0

Note: Based on expenditures for families with children under age fifteen and an employed mother and at least one child in a paid child care arrangement. Past volumes of *Indicators of Welfare Dependence* showed income spent on child care by families with children under age five.

Source: U.S. Bureau of the Census, "Who's Minding the Kids? Child Care Arrangements: Fall 1995," *Current Population Reports*, Series P70-70, 2000 and related tables.

NON-MARITAL BIRTH RISK FACTOR 1. BIRTHS TO UNMARRIED WOMEN

Figure BIRTH 1. Percentage of Births to Unmarried Women, by Age Group: 1940-1999



Source: National Center for Health Statistics, "Nonmarital Childbearing in the United States, 1940 - 1999," *National Vital Health Statistics Reports*, Vol. 48 (16), 2000; "Births: Final Data for 1998," *National Vital Statistics Reports*, Vol. 48(3), 2000; "Births: Final Data for 1999," *National Vital Statistics Reports*, Vol. 49(1), 2001.

- C The percentage of children born outside of marriage to women of all ages has increased over the past half-century, from 4 percent in 1940 to 33 percent in 1999. This increase reflects changes in several factors: the rate at which unmarried women have children, the rate at which married women have children, and the rate at which women marry.
- C The percentage of children born outside of marriage is especially high among teen women. Close to four-fifths (79 percent) of all births to teens took place outside of marriage in 1999.
- C After fifty years of growth, the percentage of unmarried births to all women has leveled off since 1994. Growth in the percentage of unmarried births to teen mothers has also slowed since 1994, but it is still rising (from 76 percent in 1994 to 79 percent in 1999).
- C Recently, the percentage of out-of-wedlock births has leveled off among black teens and all black women. Among white teens and all white women, the trend continues upward (see Table C-1 in Appendix C for non-marital birth data by age and race).

Table BIRTH 1. Percentage of Births to Unmarried Women, by Age Group: 1940-1999

	Under 15	15-17 Years	18-19 Years	All Teens	All Women
1940	64.5	N/A	N/A	14.0	3.8
1941	64.1	N/A	N/A	14.2	3.8
1942	64.5	N/A	N/A	13.2	3.4
1943	64.2	N/A	N/A	13.4	3.3
1944	64.5	N/A	N/A	15.7	3.8
1945	70.0	N/A	N/A	18.2	4.3
1946	66.4	N/A	N/A	15.7	3.8
1947	65.1	N/A	N/A	13.0	3.6
1948	61.4	20.8	8.5	12.7	3.7
1949	61.8	21.1	8.6	12.9	3.7
1950	63.7	22.6	9.4	13.9	4.0
1951	62.9	21.8	9.1	13.5	3.9
1952	63.6	22.8	9.2	14.0	3.9
1953	64.0	22.3	9.6	14.1	4.1
1954	64.4	23.2	10.1	14.7	4.4
1955	66.3	23.2	10.3	14.9	4.5
1956	66.1	23.0	10.0	14.6	4.6
1957	66.1	23.1	9.8	14.5	4.7
1958	66.2	23.3	10.3	14.9	5.0
1959	67.9	24.2	10.6	15.4	5.2
1960	67.8	24.0	10.7	15.4	5.3
1961	69.7	25.3	11.3	16.2	5.6
1962	69.5	26.7	11.3	16.4	5.9
1963	71.1	28.2	12.5	18.0	6.3
1964	74.2	29.9	13.5	19.7	6.8
1965	78.5	32.8	15.3	21.6	7.7
1966	76.3	35.3	16.1	22.6	8.4
1967	80.3	37.7	18.0	25.0	9.0
1968	81.0	40.4	20.1	27.6	9.7
1969	79.3	41.3	21.1	28.7	10.0
1970	80.8	43.0	22.4	30.5	10.7
1971	82.1	44.5	23.2	31.8	11.3
1972	81.9	45.9	24.7	33.8	12.4
1973	84.8	46.7	25.6	35.0	13.0
1974	84.6	48.3	27.0	36.4	13.2

over

Table BIRTH 1. Percentage of Births to Unmarried Women, by Age Group: 1940-1999 (continued)

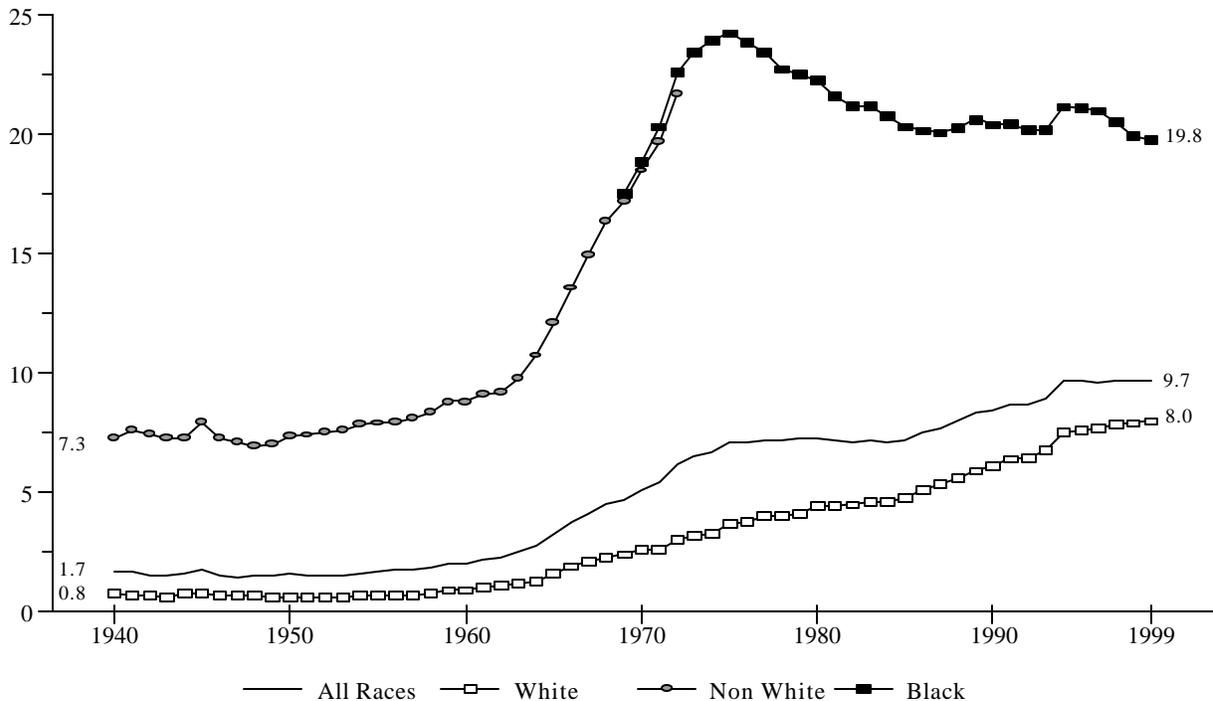
	Under 15	15-17 Years	18-19 Years	All Teens	All Women
1975	87.0	51.4	29.8	39.3	14.2
1976	86.4	54.0	31.6	41.2	14.8
1977	88.2	56.6	34.4	43.8	15.5
1978	87.3	57.5	36.2	44.9	16.3
1979	88.8	60.0	38.1	46.9	17.1
1980	88.7	61.5	39.8	48.3	18.4
1981	89.2	63.3	41.4	49.9	18.9
1982	89.2	65.0	43.0	51.4	19.4
1983	90.4	67.5	45.7	54.1	20.3
1984	91.1	69.2	48.1	56.3	21.0
1985	91.8	70.9	50.7	58.7	22.0
1986	92.5	73.3	53.6	61.5	23.4
1987	92.9	75.8	56.0	64.0	24.5
1988	93.6	77.1	58.5	65.9	25.7
1989	92.4	77.7	60.4	67.2	27.1
1990	91.6	77.7	61.3	67.6	28.0
1991	91.3	78.7	63.2	69.3	29.5
1992	91.3	79.2	64.6	70.5	30.1
1993	91.3	79.9	66.1	71.8	31.0
1994	94.5	84.1	70.0	75.9	32.6
1995	93.5	83.7	69.8	75.6	32.2
1996	93.8	84.4	70.8	76.3	32.4
1997	95.7	86.7	72.5	78.2	32.4
1998	96.6	87.5	73.6	78.9	32.8
1999	96.5	87.7	74.0	79.0	33.0

Note: Trends in non-marital births may be affected by changes in the reporting of marital status on birth certificates and in procedures for inferring non-marital births when marital status is not reported.

Source: National Center for Health Statistics, "Nonmarital Childbearing in the United States, 1940 - 1999," *National Vital Health Statistics Reports*, Vol. 48 (16), 2000; National Center for Health Statistics, "Births: Final Data for 1998," *National Vital Statistics Reports*, Vol. 48(3), 2000; National Center for Health Statistics, "Births: Preliminary Data for 1999," *National Vital Statistics Reports*, Vol. 48(14), 2000.

NON-MARITAL BIRTH RISK FACTOR 2. BIRTHS TO UNMARRIED TEENS

Figure BIRTH 2. Percentage of All Births to Unmarried Teens Ages 15 to 19, by Race: 1940-1999



Source: National Center for Health Statistics, "Nonmarital Childbearing in the United States, 1940 - 1999," *National Vital Health Statistics Reports*, Vol. 48 (16), 2000; "Births: Final Data for 1998," *National Vital Statistics Reports*, Vol. 48(3), 2000; "Births: Final Data for 1999," *National Vital Statistics Reports*, Vol. 49(1), 2001.

- C In contrast to Figure BIRTH 1, which showed births to unmarried teens as a percentage of all teen births, Figure BIRTH 2 shows births to unmarried teens as a percentage of births to all women. This percentage has risen over time, from just under 2 percent in 1940 to just under 10 percent in 1999. It may be affected by several factors: the age distribution of the population, the marriage rate among teens, the birth rate among unmarried teens, and the birth rate among all other women.
- C Between 1960 and 1999, the percentage of all births that were to unmarried teens trended upward among white women, from less than 1 percent in 1960 to 8 percent in 1999.
- C Among black women, the percentage of all births that were to unmarried teens varied greatly during the same period, rising sharply to a peak of 24 percent in 1975, and showing a gradual decline in most years since then. The rate fell to 20 percent in 1999, the lowest percentage since 1970. The sharp increase in the late 1960s and early 1970s reflects a rise in non-marital teen births concurrent with a decline in total black births.

Table BIRTH 2. Percentage of All Births to Unmarried Teens Ages 15 to 19, by Race: 1940-1999

	All Races	White	Black
1940	1.7	0.8	N/A
1941	1.7	0.7	N/A
1942	1.5	0.7	N/A
1943	1.5	0.6	N/A
1944	1.6	0.8	N/A
1945	1.8	0.8	N/A
1946	1.5	0.7	N/A
1947	1.4	0.7	N/A
1948	1.5	0.7	N/A
1949	1.5	0.6	N/A
1950	1.6	0.6	N/A
1951	1.5	0.6	N/A
1952	1.5	0.6	N/A
1953	1.6	0.6	N/A
1954	1.7	0.7	N/A
1955	1.7	0.7	N/A
1956	1.7	0.7	N/A
1957	1.8	0.7	N/A
1958	1.9	0.8	N/A
1959	2.0	0.9	N/A
1960	2.0	0.9	N/A
1961	2.2	1.0	N/A
1962	2.3	1.1	N/A
1963	2.5	1.2	N/A
1964	2.8	1.3	N/A
1965	3.3	1.6	N/A
1966	3.8	1.9	N/A
1967	4.1	2.1	N/A
1968	4.5	2.3	N/A
1969	4.7	2.4	17.5
1970	5.1	2.6	18.8
1971	5.5	2.6	20.3
1972	6.2	3.0	22.6
1973	6.5	3.2	23.4
1974	6.7	3.3	23.9

over

**Table BIRTH 2. Percentage of All Births to Unmarried Teens Ages 15 to 19, by Race:
1940-1999 (continued)**

	All Races	White	Black
1975	7.1	3.7	24.2
1976	7.1	3.8	23.8
1977	7.2	4.0	23.4
1978	7.2	4.0	22.7
1979	7.2	4.1	22.5
1980	7.3	4.4	22.2
1981	7.1	4.5	21.5
1982	7.1	4.5	21.2
1983	7.2	4.6	21.2
1984	7.1	4.6	20.7
1985	7.2	4.8	20.3
1986	7.5	5.1	20.1
1987	7.7	5.3	20.0
1988	8.0	5.6	20.3
1989	8.3	5.9	20.6
1990	8.4	6.1	20.4
1991	8.7	6.4	20.4
1992	8.7	6.5	20.2
1993	8.9	6.8	20.2
1994	9.7	7.5	21.1
1995	9.6	7.6	21.1
1996	9.6	7.7	20.9
1997	9.7	7.8	20.5
1998	9.7	7.9	19.9
1999	9.7	8.0	19.8

Note: Trends in non-marital births may be affected by changes in the reporting of marital status on birth certificates and in procedures for inferring non-marital births when marital status is not reported. Beginning in 1980, data are tabulated by the race of the mother. Prior to 1980, data are tabulated by the race of the child. White and black include those of Hispanic origin for all years. Rates for 1981-1989 have been revised and differ, therefore, from rates published in *Vital Statistics in the United States, Vol. 1, Natality*, for 1991 and earlier years.

Source: National Center for Health Statistics, "Nonmarital Childbearing in the United States, 1940 - 1999," *National Vital Health Statistics Reports*, Vol. 48 (16), 2000; National Center for Health Statistics, "Births: Final Data for 1998," *National Vital Statistics Reports*, Vol. 48(3), 2000; National Center for Health Statistics, "Births: Preliminary Data for 1999," *National Vital Statistics Reports*, Vol. 48(14), 2000.

NON-MARITAL BIRTH RISK FACTOR 3. UNMARRIED TEEN BIRTH RATES WITHIN AGE GROUPS

Figure BIRTH 3a. Births per 1,000 Unmarried Teens Ages 15 to 17, by Race: 1960-1999

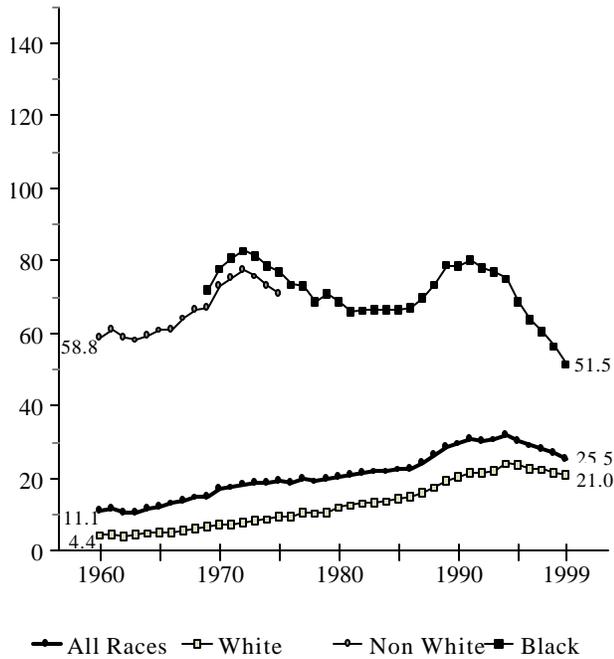
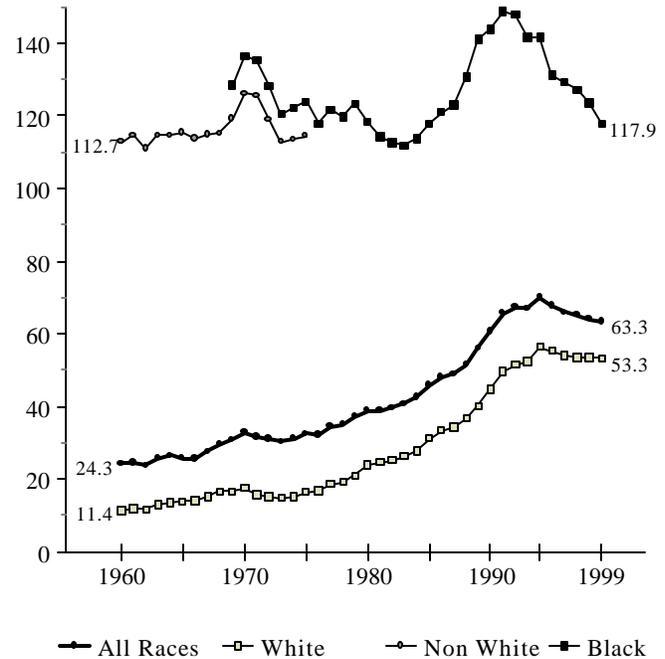


Figure BIRTH 3b. Births per 1,000 Unmarried Teens Ages 18 and 19, by Race: 1960-1999



Source: National Center for Health Statistics, "Nonmarital Childbearing in the United States, 1940 - 1999," *National Vital Health Statistics Reports*, Vol. 48 (16), 2000; "Births: Final Data for 1998," *National Vital Statistics Reports*, Vol. 48(3), 2000; "Births: Final Data for 1999," *National Vital Statistics Reports*, Vol. 49(1), 2001.

- C The birth rate per 1,000 unmarried teens fell between 1994 and 1999 for both black and white teens and for both younger (15 to 17 years) and older age groups (18 and 19 years). The rate for black teens 18 and 19, for example, fell from 142 per 1,000 to 118 per 1,000. Declines were larger among black teens than among white teens.
- C Prior to 1994, birth rates among unmarried white teens in both age groups rose steadily for nearly three decades (4 to 24 percent among 15 to 17 year-olds and 11 to 56 percent among 18 and 19 year-olds).
- C Among unmarried black teens in both age groups, birth rates varied greatly over the period, reaching peaks in both the early 1970s and early 1990s. Rates for both age groups were lower in 1999 than in 1969. While birth rates among unmarried black teens remain high compared to rates for unmarried white teens, the gap between black and white teens narrowed considerably during the 1990s.

Table BIRTH 3. Births per 1,000 Unmarried Teen Women Within Age Groups, by Race: 1960-1999

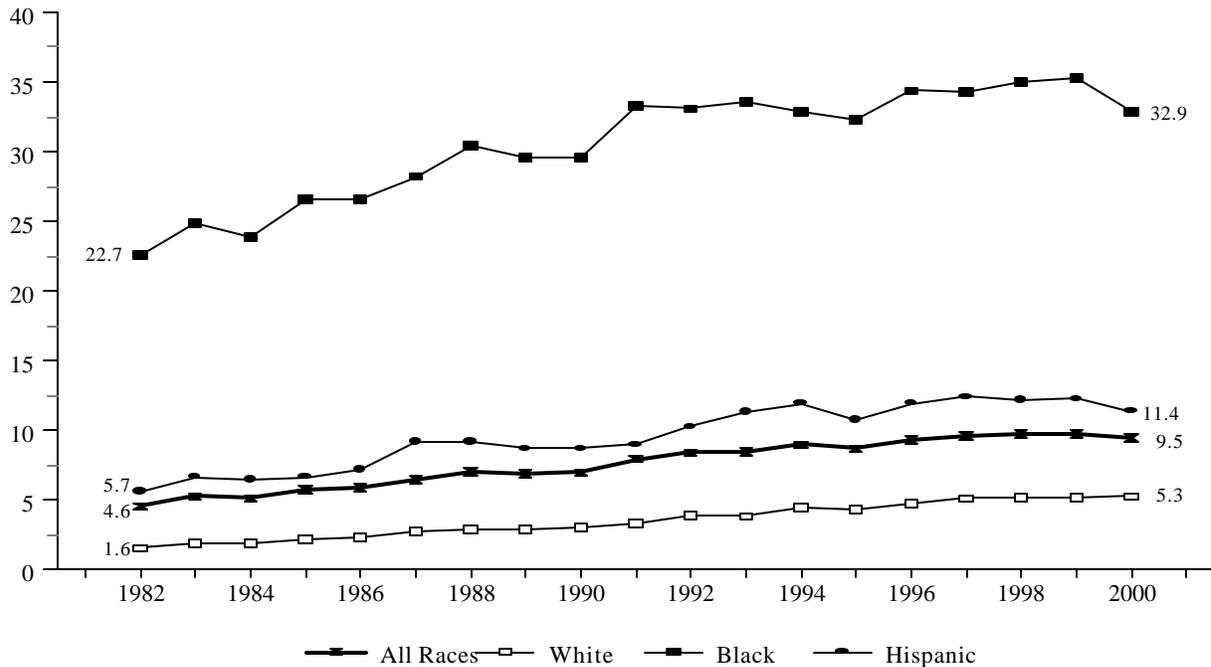
	Ages 15-17			Ages 18 and 19		
	All Races	White	Black	All Races	White	Black
1960	11.1	4.4	N/A	24.3	11.4	N/A
1961	11.7	4.6	N/A	24.6	12.1	N/A
1962	10.7	4.1	N/A	23.8	11.7	N/A
1963	10.9	4.5	N/A	25.8	13.0	N/A
1964	11.6	4.9	N/A	26.5	13.6	N/A
1965	12.5	5.0	N/A	25.8	13.9	N/A
1966	13.1	5.4	N/A	25.6	14.1	N/A
1967	13.8	5.6	N/A	27.6	15.3	N/A
1968	14.7	6.2	N/A	29.6	16.6	N/A
1969	15.2	6.6	72.0	30.8	16.6	128.4
1970	17.1	7.5	77.9	32.9	17.6	136.4
1971	17.5	7.4	80.7	31.7	15.8	135.2
1972	18.5	8.0	82.8	30.9	15.1	128.2
1973	18.7	8.4	81.2	30.4	14.9	120.5
1974	18.8	8.8	78.6	31.2	15.3	122.2
1975	19.3	9.6	76.8	32.5	16.5	123.8
1976	19.0	9.7	73.5	32.1	16.9	117.9
1977	19.8	10.5	73.0	34.6	18.7	121.7
1978	19.1	10.3	68.8	35.1	19.3	119.6
1979	19.9	10.8	71.0	37.2	21.0	123.3
1980	20.6	12.0	68.8	39.0	24.1	118.2
1981	20.9	12.6	65.9	39.0	24.6	114.2
1982	21.5	13.1	66.3	39.6	25.3	112.7
1983	22.0	13.6	66.8	40.7	26.4	111.9
1984	21.9	13.7	66.5	42.5	27.9	113.6
1985	22.4	14.5	66.8	45.9	31.2	117.9
1986	22.8	14.9	67.0	48.0	33.5	121.1
1987	24.5	16.2	69.9	48.9	34.5	123.0
1988	26.4	17.6	73.5	51.5	36.8	130.5
1989	28.7	19.3	78.9	56.0	40.2	140.9
1990	29.6	20.4	78.8	60.7	44.9	143.7
1991	30.9	21.8	80.4	65.7	49.6	148.7
1992	30.4	21.6	78.0	67.3	51.5	147.8
1993	30.6	22.1	76.8	66.9	52.4	141.6
1994	32.0	24.1	75.1	70.1	56.4	141.6
1995	30.5	23.6	68.6	67.6	55.4	131.2
1996	29.0	22.7	64.0	65.9	54.1	129.2
1997	28.2	22.4	60.6	65.2	53.6	127.2
1998	27.0	21.8	56.5	64.2	53.5	123.5
1999	25.5	21.0	51.5	63.3	53.3	117.9

Note: Rates are per 1,000 unmarried women in specified group. Trends in non-marital births may be affected by changes in the reporting of marital status on birth certificates and in procedures for inferring non-marital births when marital status is not reported. Beginning in 1980, data are tabulated by the race of the mother. Prior to 1980, data are tabulated by the race of the child. White and black include those of Hispanic origin for all years. Rates for 1981-1989 have been revised and differ, therefore, from rates published in *Vital Statistics in the United States, Vol. 1, Natality*, for 1991 and earlier years.

Source: See Figures BIRTH 3a and BIRTH 3b.

NON-MARITAL BIRTH RISK FACTOR 4. NEVER-MARRIED FAMILY STATUS

Figure BIRTH 4. Percentage of All Children Living in Families with a Never-Married Female Head, by Race: 1982-2000



Source of CPS data: U.S. Bureau of the Census, "Marital Status and Living Arrangements," *Current Population Reports*, Series P20-212, 287, 365, 380, 399, 418, 423, 433, 445, 450, 461, 468, 478, 484, 491, 496, 506, 514, various years, and ASPE tabulations of the 1999 and 2000 CPS.

Source of 1960 data: U.S. Bureau of the Census, 1960 Census of Population, PC(2)-4B, "Persons by Family Characteristics," tables 1 and 19.

- C The percentage of children living in families with never-married female heads increased from under 5 percent in 1982 to nearly 10 percent in 2000.
- C The percentage of white children living in families headed by never-married women has continued to rise over the past twenty years, from less than 2 percent in 1982 to over 5 percent in 2000.
- C Among Hispanics, the percentage of children living with never-married female heads more than doubled over the past sixteen years, going from less than 6 percent in 1982 to more than 12 percent in 1997. In 2000, the percentage dropped nearly a full point.
- C The percentage of black children living in families headed by never-married women was much higher than the percentages for other groups throughout the time period. However, the percentage dropped from 35 to 33 percent in the past year.

Table BIRTH 4. Number and Percentage of All Children Living in Families with a Never-Married Female Head, by Race: Selected Years

	Number of Children (in thousands)				Percentage			
	All Races	White	Black	Hispanic	All Races	White	Black	Hispanic
1960	221	49	173	–	0.4	0.1	2.2	–
1970	527	110	442	–	0.8	0.2	5.2	–
1975	1,166	296	864	–	1.8	0.5	9.9	–
1980	1,745	501	1,193	210	2.9	1.0	14.5	4.0
1982	2,768	793	1,947	291	4.6	1.6	22.7	5.7
1984	3,131	959	2,109	357	5.2	1.9	23.9	6.5
1986	3,606	1,174	2,375	451	5.9	2.3	26.6	7.2
1987	3,985	1,385	2,524	587	6.5	2.8	28.2	9.2
1988	4,302	1,482	2,736	600	7.0	3.0	30.4	9.2
1989	4,290	1,483	2,695	592	6.9	2.9	29.6	8.7
1990	4,365	1,527	2,738	605	7.0	3.0	29.6	8.7
1991	5,040	1,725	3,176	644	8.0	3.4	33.3	9.0
1992	5,410	2,016	3,192	757	8.4	3.9	33.1	10.3
1993	5,511	2,015	3,317	848	8.5	3.9	33.6	11.3
1994	6,000	2,412	3,321	1,083	9.0	4.5	32.9	12.0
1995	5,862	2,317	3,255	1,017	8.7	4.3	32.3	10.8
1996	6,365	2,563	3,567	1,161	9.4	4.8	34.4	12.0
1997	6,598	2,788	3,575	1,242	9.7	5.1	34.3	12.4
1998	6,700	2,850	3,644	1,254	9.8	5.2	35.1	12.2
1999	6,759	2,841	3,652	1,310	9.8	5.2	35.3	12.3
2000	6,591	2,881	3,413	1,256	9.5	5.3	32.9	11.4

Note: Data are for all children under 18 who are not family heads (excludes householders, subfamily reference persons, and their spouses). Also excludes inmates of institutions; children who are living with neither of their parents are excluded from the denominator. Based on Current Population Survey (CPS) except 1960, 1970, and 1980, which are based on decennial census data. Nonwhite data are shown for Black in 1960. In 1982, improved data collection and processing procedures helped to identify parent-child subfamilies. (See *Current Population Reports*, P-20, 399, Marital Status and Living Arrangements: March 1984.)

Source of CPS data: U.S. Bureau of the Census, "Marital Status and Living Arrangements," *Current Population Reports*, Series P20-212, 287, 365, 380, 399, 418, 423, 433, 445, 450, 461, 468, 478, 484, 491, 496, 506, 514, various years, and ASPE tabulations of the 1999 and 2000 CPS.

Source of 1960 data: U.S. Bureau of the Census, 1960 Census of Population, PC(2)-4B, "Persons by Family Characteristics," tables 1 and 19.