

Eligibility, Benefits and Disposable Income

This section summarizes the economic condition of AFDC families from a number of different perspectives. First, the "standards of need" used to determine whether a family was eligible for the program are shown. Then the amount of cash assistance provided to families by the states over time is reviewed. Next, the effects of participation the Food Stamp program on the AFDC family budget and estimate the level of benefits resulting from combining these two programs are shown. AFDC families in public housing and other rent subsidy programs are also shown. The economic effects on the household budget of working full or part-time as a way of supplementing the AFDC grant are then reviewed. Finally, the extent to which child support payments serve as an income supplement to the AFDC grant is shown.

Standard of Need

States were required to establish a "standard of need" or maximum amount of income and other resources a family might have and be eligible for assistance. These standards of need varied by the size of the family. Each state determined eligibility by comparing family income to the state's need standard. If the family had gross income that did not exceed 185 percent of the state's need standard, and countable income (gross income less specified deductions) that did not exceed 100 percent of the need standard, then the family was eligible for assistance. The benefit amount was subsequently determined by comparing countable income to a state's payment standard, which was typically lower than the need standard.

The AFDC standard of need for the three-person family in each state for selected years is presented in Table 5.1.

Table 5.1
AFDC Need Standard for a Three-Person Family by State for Selected Years

| | 1970 | 1975 | 1980 | 1985 | 1990 | 1992 | 1994 | 1996 |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Alabama | \$184 | \$180 | \$192 | \$384 | \$578 | \$637 | \$673 | \$673 |
| Alaska | 350 | 350 | 457 | 719 | 846 | 923 | 975 | 1,028 |
| Arizona | 212 | 233 | 233 | 233 | 621 | 964 | 964 | 964 |
| Arkansas | 149 | 245 | 234 | 234 | 705 | 705 | 705 | 705 |
| California | 351 | 316 | 480 | 587 | 694 | 694 | 723 | 730 |
| Colorado | 193 | 217 | 290 | 421 | 421 | 421 | 421 | 421 |
| Connecticut | 283 | 346 | 475 | 487 | 581 | 581 | 745 | 872 |
| Delaware | 245 | 245 | 266 | 287 | 333 | 338 | 338 | 338 |
| Dist. of Col. | 229 | 286 | 394 | 654 | 712 | 712 | 712 | 712 |
| Florida | 189 | 195 | 195 | 400 | 838 | 928 | 991 | 1,082 |
| Georgia | 177 | 193 | 193 | 366 | 414 | 424 | 424 | 424 |
| Guam | NA | 257 | 261 | 165 | 663 | 663 | 663 | 673 |
| Hawaii | 226 | 428 | 468 | 468 | 1,012 | 1,109 | 1,140 | 1,140 |
| Idaho | 238 | 345 | 371 | 554 | 554 | 554 | 991 | 991 |
| Illinois | 232 | 261 | 288 | 632 | 777 | 844 | 915 | 963 |
| Indiana | 272 | 307 | 307 | 307 | 320 | 320 | 320 | 320 |
| Iowa | 247 | 309 | 360 | 497 | 497 | 849 | 849 | 849 |
| Kansas | 243 | 321 | 345 | 365 | 383 | 403 | 403 | 429 |
| Kentucky | 208 | 185 | 188 | 197 | 526 | 526 | 526 | 526 |
| Louisiana | 172 | 164 | 402 | 579 | 658 | 658 | 658 | 658 |
| Maine | 277 | 277 | 415 | 510 | 652 | 553 | 553 | 553 |
| Maryland | 249 | 259 | 270 | 455 | 562 | 522 | 517 | 517 |
| Massachusetts | 268 | 259 | 379 | 439 | 579 | 579 | 579 | 565 |
| Michigan | 219 | 333 | 425 | 432 | 575 | 551 | 551 | 586 |
| Minnesota | 256 | 330 | 417 | 528 | 532 | 532 | 532 | 532 |
| Mississippi | 202 | 241 | 220 | 286 | 368 | 368 | 368 | 368 |
| Missouri | 285 | 325 | 312 | 312 | 312 | 312 | 846 | 846 |
| Montana | 221 | 201 | 259 | 401 | 453 | 497 | 530 | 558 |
| Nebraska | 281 | 279 | 310 | 350 | 364 | 364 | 364 | 364 |
| Nevada | 269 | 279 | 285 | 285 | 550 | 620 | 699 | 769 |
| New Hampshire | 262 | 308 | 346 | 389 | 516 | 516 | 1,674 | 2,034 |
| New Jersey | 302 | 310 | 360 | 404 | 424 | 985 | 985 | 985 |
| New Mexico | 167 | 197 | 220 | 258 | 310 | 324 | 381 | 389 |
| New York | 279 | 332 | 394 | 474 | 577 | 577 | 577 | 577 |
| North Carolina | 168 | 183 | 192 | 492 | 544 | 544 | 544 | 544 |
| North Dakota | 232 | 283 | 334 | 371 | 401 | 401 | 431 | 431 |
| Ohio | 207 | 346 | 346 | 652 | 776 | 853 | 901 | 950 |
| Oklahoma | 179 | 217 | 282 | 471 | 471 | 471 | 645 | 645 |
| Oregon | 229 | 369 | 473 | 386 | 444 | 460 | 460 | 460 |
| Pennsylvania | 265 | 296 | 332 | 587 | 587 | 587 | 587 | 614 |
| Puerto Rico | 108 | 108 | 102 | 160 | 160 | 360 | 360 | 360 |
| Rhode Island | 229 | 278 | 340 | 409 | 543 | 554 | 554 | 554 |
| South Carolina | 162 | 178 | 187 | 187 | 419 | 440 | 440 | 524 |
| South Dakota | 264 | 289 | 321 | 329 | 385 | 476 | 507 | 507 |
| Tennessee | 179 | 179 | 179 | 339 | 412 | 426 | 500 | 677 |
| Texas | 198 | 155 | 155 | 494 | 574 | 574 | 751 | 751 |
| Utah | 223 | 327 | 480 | 693 | 516 | 537 | 552 | 568 |
| Vermont | 287 | 402 | 670 | 841 | 973 | 1,122 | 1,148 | 1,173 |
| Virgin Islands | NA | 131 | 209 | 209 | 300 | 300 | 300 | 300 |
| Virginia | 240 | 298 | 344 | 322 | 322 | 322 | 322 | 393 |
| Washington | 258 | 315 | 458 | 728 | 907 | 1,014 | 1,158 | 1,252 |
| West Virginia | 220 | 275 | 275 | 497 | 497 | 497 | 991 | 991 |
| Wisconsin | 214 | 383 | 522 | 628 | 647 | 647 | 647 | 647 |
| Wyoming | 246 | 240 | 315 | 360 | 360 | 674 | 674 | 674 |

Note: Data for 1970 derived from the reported 4-person need standard and the ratio of 3-person to 4-person need standards in 1975.

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

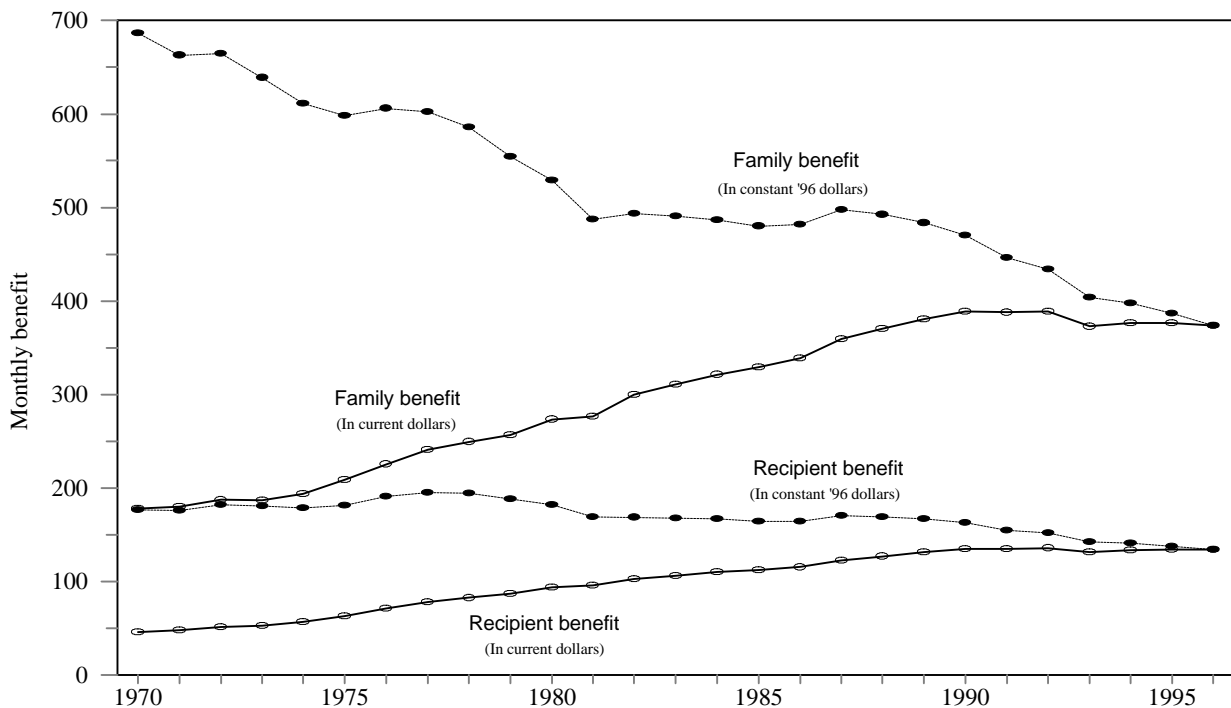
Benefits

States set the amount of money that a family could received under the AFDC program. In the legislation proposed to Congress in 1935, a provision was included that would have required states to pay a reasonable subsistence compatible with decency and health. Congress modified this proposal by inserting the clause “as far as practicable under the conditions in such State.”

Until the 1970's States most commonly determined the assistance payment by adding together separate allowances for housing, utilities, food (differentiated according to age), and so forth. The allowances for some items such as housing were limited to the actual cost up to a fixed ceiling for that item. Under this method, each family's assistance payment varied according to their circumstances. In addition, many states recognized "special needs," e.g., an annual allowance school clothes or a special diet prescribed by a physician, and added some amount for these items to the grant. This method was cumbersome to administer and prone to errors.

A simpler method was to pay some percentage of the standard of need, e.g., 65 percent. This method allowed automatic adjustments in the payment standard each year to reflect the legislature's appropriation. Under the pressure of a Federally mandated quality control system to reduce errors in the calculation of monthly allowances to below five percent, almost every State adopted this method during the 1980s.

Figure 4.1
Average Monthly AFDC Benefit
Per Family and Per Recipient in Current and Constant Dollars, 1970 – 1996



Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, *Quarterly Public Assistance Statistics*, 1992 & 1993, and unpublished data.

- In 1996, the average benefit for a family receiving AFDC was \$374 per month, which was equivalent to \$134 per person.
- In constant dollars, the average **family benefit** declined steadily from 1970 to 1981—from \$748 to \$574. However, the **amount per person** remained relatively stable between 1970 and 1980. This difference is partially attributable to changes in the number of persons per case. The average number of recipients fell from 3.9 recipients per case in 1970 to 2.9 recipients in 1980—a decline of 25 percent in the average case size (table 3.1). In constant dollars, benefits were largely unchanged between 1981 and 1989, as changes in average benefit levels kept pace with inflation.
- In the 1990s, however, real average benefits declined. For example, real average benefits per family declined by 17 percent from 1990 to 1996, while real average benefits per person declined by 20 percent over the same period.
- In Table 5.2 the national average monthly benefit in actual and constant values are shown for the years 1962 through 1996.
- Tables 5.3 and 5.4 show the average monthly amount spent for assistance, the number of families, and the number of recipients for each of the states in fiscal year 1996 for the Basic and Unemployed Parent programs respectively.
- In Table 5.5 and 5.6 we show the maximum benefit for a three-person family for each state in selected years between 1970 and 1996 and the percentage change between 1970 and 1996 in both nominal and constant dollars respectively.
- In January 1996, the maximum AFDC benefits for a family of three ranged from a low of \$120 per month in Mississippi to a high of \$923 per month in Alaska. The maximum benefit in the median state was \$389 (Table 5.5).
- In constant dollars, maximum AFDC benefits for a single parent with two children declined in every state between 1970 and 1996. Only two states, California and Hawaii, experienced a decline in the value of the AFDC maximum AFDC benefit of less than 20 percent. The largest decline was in Texas, where real maximum benefits fell by 67 percent between 1970 and 1996 (Table 5.5). The median real decline in benefits was 45 percent.
- Table 5.7 shows the maximum AFDC benefit in July 1996 for each state, for varying family sizes up to six persons.

Table 5.2
Trends in Average Monthly AFDC Benefit Payments, 1962 – 1996

| Fiscal Year | Monthly Benefit per Recipient | | Average Number of Persons per Family | Monthly Benefit per Family (not reduced by Child Support) | | Weighted Average ¹ Monthly Benefit (per 3-person Family) | |
|-------------|-------------------------------|--------------|--------------------------------------|--|--------------|--|--------------|
| | Current Dollars | 1996 Dollars | | Current Dollars | 1996 Dollars | Current Dollars | 1996 Dollars |
| 1962..... | \$31 | \$148 | 3.9 | 121 | 577 | NA | NA |
| 1963..... | 31 | 147 | 4.0 | 126 | 592 | NA | NA |
| 1964..... | 32 | 148 | 4.1 | 131 | 610 | NA | NA |
| 1965..... | 34 | 154 | 4.2 | 140 | 642 | NA | NA |
| 1966..... | 35 | 157 | 4.2 | 146 | 653 | NA | NA |
| 1967..... | 36 | 158 | 4.1 | 150 | 653 | NA | NA |
| 1968..... | 40 | 167 | 4.1 | 162 | 682 | NA | NA |
| 1969..... | 43 | 175 | 4.0 | 173 | 698 | 186 ² | 754 |
| 1970..... | 46 | 177 | 3.9 | 178 | 686 | 194 ² | 748 |
| 1971..... | 48 | 177 | 3.8 | 180 | 663 | 201 ² | 740 |
| 1972..... | 51 | 181 | 3.6 | 187 | 665 | 205 ² | 730 |
| 1973..... | 53 | 181 | 3.5 | 187 | 639 | 213 ² | 728 |
| 1974..... | 57 | 180 | 3.4 | 194 | 612 | 220 ² | 722 |
| 1975..... | 63 | 181 | 3.3 | 209 | 598 | 243 | 697 |
| 1976..... | 71 | 191 | 3.2 | 226 | 606 | 257 | 690 |
| 1977..... | 78 | 195 | 3.1 | 241 | 603 | 271 | 678 |
| 1978..... | 83 | 195 | 3.0 | 249 | 586 | 284 | 668 |
| 1979..... | 87 | 188 | 2.9 | 257 | 554 | 301 | 649 |
| 1980..... | 94 | 182 | 2.9 | 274 | 529 | 320 | 619 |
| 1981..... | 96 | 169 | 2.9 | 277 | 487 | 326 | 574 |
| 1982..... | 103 | 169 | 2.9 | 300 | 494 | 331 | 544 |
| 1983..... | 106 | 168 | 2.9 | 311 | 491 | 336 | 531 |
| 1984..... | 110 | 167 | 2.9 | 321 | 487 | 352 | 532 |
| 1985..... | 112 | 164 | 2.9 | 329 | 480 | 369 | 539 |
| 1986..... | 116 | 164 | 2.9 | 339 | 482 | 383 | 545 |
| 1987..... | 123 | 170 | 2.9 | 359 | 498 | 393 | 545 |
| 1988..... | 127 | 169 | 2.9 | 370 | 493 | 404 | 537 |
| 1989..... | 131 | 167 | 2.9 | 381 | 484 | 412 | 523 |
| 1990..... | 135 | 163 | 2.9 | 389 | 470 | 421 | 509 |
| 1991..... | 135 | 155 | 2.9 | 388 | 446 | 425 | 489 |
| 1992..... | 136 | 152 | 2.9 | 389 | 434 | 419 | 468 |
| 1993..... | 131 | 142 | 2.8 | 373 | 404 | 414 | 449 |
| 1994..... | 134 | 141 | 2.8 | 376 | 398 | 420 | 444 |
| 1995..... | 134 | 138 | 2.8 | 377 | 387 | 418 | 430 |
| 1996..... | 135 | 135 | 2.8 | 374 | 374 | 422 | 422 |

¹ The maximum benefit for a 3-person family in each state is weighted by that state's share of total AFDC families to produce a nationally representative average.

² Estimated based on the weighted average benefit for a 4-person family.

Note: AFDC benefit amounts have not been reduced by child support collections. Constant dollar adjustments to 1996 level were made using a CPI-U-X1 fiscal year price index.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, *Quarterly Public Assistance Statistics, 1992 & 1993* and earlier years along with unpublished data.

Table 5.3
AFDC – Basic Program Recipients and Amounts of Payments
Fiscal Year 1996

| | Basic Cash | Average Monthly | Average Monthly | Average Monthly | |
|----------------|------------------|-----------------|-----------------|-----------------|-----------|
| | Benefit Payments | Number of | Number of | Payment per | |
| | (thousands) | Families | Recipients | Family | Recipient |
| Alabama | \$75,223 | 42,310 | 104,849 | \$148 | \$60 |
| Alaska | 97,474 | 10,443 | 27,855 | 778 | 292 |
| Arizona | 223,754 | 62,154 | 166,068 | 300 | 112 |
| Arkansas | 47,837 | 22,506 | 57,204 | 177 | 70 |
| California | 4,684,757 | 734,178 | 1,967,863 | 532 | 198 |
| Colorado | 124,574 | 35,002 | 96,987 | 297 | 107 |
| Connecticut | 301,573 | 54,865 | 148,190 | 458 | 170 |
| Delaware | 33,979 | 10,273 | 22,922 | 276 | 124 |
| Dist. of Col. | 120,167 | 25,576 | 69,509 | 392 | 144 |
| Florida | 668,213 | 209,334 | 550,138 | 266 | 101 |
| Georgia | 376,751 | 130,062 | 351,326 | 241 | 89 |
| Guam | 12,550 | 1,948 | 6,815 | 537 | 153 |
| Hawaii | 157,382 | 20,346 | 59,194 | 645 | 222 |
| Idaho | 28,852 | 8,714 | 21,686 | 276 | 111 |
| Illinois | 793,852 | 214,308 | 613,671 | 309 | 108 |
| Indiana | 148,019 | 51,540 | 142,326 | 239 | 87 |
| Iowa | 117,486 | 29,664 | 76,680 | 330 | 128 |
| Kansas | 93,483 | 23,997 | 63,981 | 325 | 122 |
| Kentucky | 182,552 | 68,781 | 163,745 | 221 | 93 |
| Louisiana | 131,217 | 70,364 | 234,458 | 155 | 47 |
| Maine | 88,237 | 18,810 | 49,042 | 391 | 150 |
| Maryland | 282,358 | 73,646 | 202,130 | 319 | 116 |
| Massachusetts | 526,687 | 85,718 | 225,585 | 512 | 195 |
| Michigan | 779,138 | 158,302 | 442,135 | 410 | 147 |
| Minnesota | 301,821 | 54,302 | 152,186 | 463 | 165 |
| Mississippi | 68,046 | 47,921 | 128,922 | 118 | 44 |
| Missouri | 256,363 | 81,612 | 227,827 | 262 | 94 |
| Montana | 40,148 | 9,902 | 27,120 | 338 | 123 |
| Nebraska | 50,368 | 13,522 | 35,979 | 310 | 117 |
| Nevada | 47,075 | 14,548 | 36,489 | 270 | 108 |
| New Hampshire | 48,960 | 9,408 | 23,642 | 434 | 173 |
| New Jersey | 448,177 | 109,117 | 276,407 | 342 | 135 |
| New Mexico | 148,416 | 32,661 | 95,548 | 379 | 129 |
| New York | 2,560,444 | 415,537 | 1,116,093 | 513 | 191 |
| North Carolina | 292,285 | 110,938 | 269,553 | 220 | 90 |
| North Dakota | 20,538 | 4,819 | 13,044 | 355 | 131 |
| Ohio | 712,267 | 194,669 | 497,984 | 305 | 119 |
| Oklahoma | 120,931 | 38,548 | 103,868 | 261 | 97 |
| Oregon | 184,634 | 31,263 | 78,187 | 492 | 197 |
| Pennsylvania | 853,900 | 183,927 | 516,709 | 387 | 138 |
| Puerto Rico | 63,757 | 50,888 | 154,891 | 104 | 34 |
| Rhode Island | 121,068 | 20,741 | 56,432 | 486 | 179 |
| South Carolina | 100,549 | 45,589 | 118,368 | 184 | 71 |
| South Dakota | 21,190 | 5,960 | 16,089 | 296 | 110 |
| Tennessee | 196,452 | 97,704 | 254,967 | 168 | 64 |
| Texas | 461,823 | 249,019 | 660,095 | 155 | 58 |
| Utah | 62,550 | 14,667 | 39,878 | 355 | 131 |
| Vermont | 41,674 | 7,801 | 20,307 | 445 | 171 |
| Virgin Islands | 4,387 | 1,399 | 4,953 | 261 | 74 |
| Virginia | 194,743 | 64,421 | 159,829 | 252 | 102 |
| Washington | 479,584 | 84,811 | 214,269 | 471 | 187 |
| West Virginia | 87,684 | 32,115 | 78,291 | 228 | 93 |
| Wisconsin | 284,489 | 56,382 | 152,501 | 420 | 155 |
| Wyoming | 16,443 | 4,679 | 12,610 | 293 | 109 |
| U.S. Total | \$18,386,881 | 4,251,711 | 11,407,397 | \$360 | \$134 |

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Financial Management.

Table 5.4
AFDC U-P Recipients of Cash Payments and Amounts of Payments
 Fiscal Year 1996

| | U-P Cash | Average Monthly | Average Monthly | Average Monthly | |
|----------------|------------------|-----------------|-----------------|-----------------|-----------|
| | Benefit Payments | Number of | Number of | Payment per | |
| | (thousands) | Families | Recipients | Family | Recipient |
| Alabama | \$254 | 83 | 355 | \$255 | \$60 |
| Alaska | 18,629 | 1,810 | 8,338 | 858 | 186 |
| Arizona | 5,895 | 1,251 | 5,465 | 393 | 90 |
| Arkansas | 900 | 240 | 963 | 313 | 78 |
| California | 1,229,377 | 161,782 | 657,970 | 633 | 156 |
| Colorado | 1,704 | 444 | 1,538 | 320 | 92 |
| Connecticut | 21,360 | 3,253 | 13,543 | 547 | 131 |
| Delaware | 430 | 115 | 446 | 312 | 80 |
| Dist. of Col. | 996 | 145 | 693 | 573 | 120 |
| Florida | 11,710 | 2,640 | 10,423 | 370 | 94 |
| Georgia | 1,166 | 325 | 1,282 | 299 | 76 |
| Guam | 1,764 | 189 | 1,038 | 778 | 142 |
| Hawaii | 15,237 | 1,614 | 7,345 | 787 | 173 |
| Idaho | 1,169 | 293 | 1,240 | 332 | 79 |
| Illinois | 39,298 | 9,840 | 41,724 | 333 | 78 |
| Indiana | 4,841 | 1,333 | 5,669 | 303 | 71 |
| Iowa | 13,254 | 3,122 | 12,528 | 354 | 88 |
| Kansas | 5,211 | 1,151 | 4,515 | 377 | 96 |
| Kentucky | 9,981 | 3,046 | 11,136 | 273 | 75 |
| Louisiana | 546 | 217 | 1,092 | 210 | 42 |
| Maine | 10,278 | 1,650 | 6,835 | 519 | 125 |
| Maryland | 2,066 | 460 | 1,975 | 374 | 87 |
| Massachusetts | 20,027 | 2,647 | 11,258 | 631 | 148 |
| Michigan | 113,301 | 19,700 | 84,975 | 479 | 111 |
| Minnesota | 27,381 | 3,948 | 18,923 | 578 | 121 |
| Mississippi | 54 | 33 | 130 | 136 | 34 |
| Missouri | 3,583 | 1,105 | 4,064 | 270 | 73 |
| Montana | 5,218 | 934 | 4,072 | 466 | 107 |
| Nebraska | 2,940 | 644 | 2,745 | 380 | 89 |
| Nevada | 1,059 | 279 | 1,071 | 316 | 82 |
| New Hampshire | 718 | 130 | 558 | 460 | 107 |
| New Jersey | 15,735 | 2,865 | 12,078 | 458 | 109 |
| New Mexico | 7,645 | 1,191 | 5,575 | 535 | 114 |
| New York | 122,410 | 17,788 | 72,439 | 573 | 141 |
| North Carolina | 6,581 | 2,190 | 8,288 | 250 | 66 |
| North Dakota | 420 | 73 | 355 | 479 | 99 |
| Ohio | 53,461 | 12,053 | 47,933 | 370 | 93 |
| Oklahoma | 1,023 | 261 | 977 | 327 | 87 |
| Oregon | 13,592 | 2,181 | 8,753 | 519 | 129 |
| Pennsylvania | 31,865 | 6,402 | 26,793 | 415 | 99 |
| Rhode Island | 3,284 | 485 | 1,965 | 564 | 139 |
| South Carolina | 531 | 181 | 816 | 244 | 54 |
| South Dakota | 170 | 35 | 192 | 405 | 74 |
| Tennessee | 3,434 | 1,392 | 5,290 | 206 | 54 |
| Texas | 14,286 | 5,934 | 23,925 | 201 | 50 |
| Utah | 435 | 101 | 452 | 359 | 80 |
| Vermont | 6,829 | 1,257 | 4,987 | 453 | 114 |
| Virginia | 2,064 | 516 | 2,099 | 333 | 82 |
| Washington | 101,373 | 14,123 | 59,891 | 598 | 141 |
| West Virginia | 15,395 | 4,447 | 16,794 | 288 | 76 |
| Wisconsin | 22,008 | 3,676 | 17,723 | 499 | 103 |
| Wyoming | 217 | 53 | 229 | 341 | 79 |
| U.S. Total | \$1,993,106 | 301,627 | 1,241,463 | \$551 | \$134 |

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Financial Management.

Table 5.5
AFDC Maximum Benefit for a Three-Person Family
By State for Selected Dates

| | July 1970 | July 1975 | July 1980 | January 1985 | January 1990 | January 1992 | January 1994 | January 1996 | Percent Change 1970-96 |
|----------------|--------------|--------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|
| Alabama | \$65 | \$108 | \$118 | \$118 | \$118 | \$149 | \$164 | \$164 | <i>152</i> |
| Alaska | 328 | 350 | 457 | 719 | 846 | 924 | 923 | 923 | <i>181</i> |
| Arizona | 138 | 163 | 202 | 233 | 293 | 334 | 347 | 347 | <i>151</i> |
| Arkansas | 89 | 125 | 161 | 164 | 204 | 204 | 204 | 204 | <i>129</i> |
| California | 186 | 293 | 473 | 555 | 694 | 663 | 607 | 607 | <i>226</i> |
| Colorado | 193 | 217 | 290 | 346 | 356 | 356 | 356 | 421 | <i>118</i> |
| Connecticut | 283 | 346 | 475 | 546 | 649 | 680 | 680 | 636 | <i>125</i> |
| Delaware | 160 | 221 | 266 | 287 | 333 | 338 | 338 | 338 | <i>111</i> |
| Dist. of Col. | 195 | 243 | 286 | 327 | 409 | 409 | 420 | 420 | <i>115</i> |
| Florida | 114 | 144 | 195 | 240 | 294 | 303 | 303 | 303 | <i>166</i> |
| Georgia | 107 | 123 | 164 | 208 | 273 | 280 | 280 | 280 | <i>162</i> |
| Guam | NA | NA | 261 | 265 | 330 | 330 | 330 | 330 | <i>NA</i> |
| Hawaii | 226 | 428 | 468 | 468 | 602 | 666 | 712 | 712 | <i>215</i> |
| Idaho | 211 | 300 | 323 | 304 | 315 | 315 | 317 | 317 | <i>50</i> |
| Illinois | 232 | 261 | 288 | 341 | 367 | 367 | 367 | 377 | <i>63</i> |
| Indiana | 120 | 200 | 255 | 256 | 288 | 288 | 288 | 288 | <i>140</i> |
| Iowa | 201 | 294 | 360 | 360 | 410 | 426 | 426 | 426 | <i>112</i> |
| Kansas | 222 | 321 | 345 | 373 | 409 | 422 | 429 | 429 | <i>93</i> |
| Kentucky | 147 | 185 | 188 | 197 | 228 | 228 | 228 | 262 | <i>78</i> |
| Louisiana | 88 | 128 | 152 | 190 | 190 | 190 | 190 | 190 | <i>116</i> |
| Maine | 135 | 176 | 280 | 370 | 453 | 453 | 418 | 418 | <i>210</i> |
| Maryland | 162 | 200 | 270 | 313 | 396 | 377 | 366 | 373 | <i>130</i> |
| Massachusetts | 268 | 259 | 379 | 396 | 539 | 539 | 579 | 565 | <i>111</i> |
| Michigan | 219 | 333 | 425 | 468 | 516 | 459 | 459 | 459 | <i>110</i> |
| Minnesota | 256 | 330 | 417 | 524 | 532 | 532 | 532 | 532 | <i>108</i> |
| Mississippi | 56 | 48 | 96 | 96 | 120 | 120 | 120 | 120 | <i>114</i> |
| Missouri | 104 | 120 | 248 | 263 | 289 | 292 | 292 | 292 | <i>181</i> |
| Montana | 202 | 201 | 259 | 332 | 359 | 390 | 401 | 425 | <i>110</i> |
| Nebraska | 171 | 210 | 310 | 350 | 364 | 364 | 364 | 364 | <i>113</i> |
| Nevada | 121 | 195 | 262 | 233 | 330 | 372 | 348 | 348 | <i>188</i> |
| New Hampshire | 262 | 308 | 346 | 378 | 506 | 516 | 550 | 550 | <i>110</i> |
| New Jersey | 302 | 310 | 360 | 385 | 424 | 424 | 424 | 424 | <i>40</i> |
| New Mexico | 149 | 169 | 220 | 258 | 264 | 324 | 357 | 389 | <i>161</i> |
| New York | 279 | 332 | 394 | 474 | 577 | 577 | 577 | 577 | <i>107</i> |
| North Carolina | 145 | 183 | 192 | 223 | 272 | 272 | 272 | 272 | <i>88</i> |
| North Dakota | 213 | 283 | 334 | 371 | 386 | 401 | 409 | 431 | <i>102</i> |
| Ohio | 161 | 204 | 263 | 290 | 334 | 334 | 341 | 341 | <i>112</i> |
| Oklahoma | 152 | 217 | 282 | 282 | 325 | 341 | 324 | 307 | <i>102</i> |
| Oregon | 184 | 337 | 386 | 386 | 432 | 460 | 460 | 460 | <i>150</i> |
| Pennsylvania | 265 | 296 | 332 | 364 | 421 | 421 | 421 | 421 | <i>59</i> |
| Puerto Rico | 43 | 43 | 44 | 90 | 90 | 180 | 180 | 180 | <i>319</i> |
| Rhode Island | 229 | 278 | 340 | 479 | 543 | 554 | 554 | 554 | <i>142</i> |
| South Carolina | 85 | 96 | 129 | 187 | 206 | 210 | 200 | 200 | <i>135</i> |
| South Dakota | 264 | 289 | 321 | 329 | 377 | 404 | 417 | 430 | <i>63</i> |
| Tennessee | 112 | 115 | 122 | 138 | 184 | 185 | 185 | 185 | <i>65</i> |
| Texas | 148 | 116 | 116 | 167 | 184 | 184 | 184 | 188 | <i>27</i> |
| Utah | 175 | 252 | 360 | 363 | 387 | 402 | 414 | 426 | <i>143</i> |
| Vermont | 267 | 322 | 492 | 558 | 662 | 673 | 638 | 656 | <i>146</i> |
| Virgin Islands | NA | 131 | 209 | 171 | 240 | 240 | 240 | 240 | <i>NA</i> |
| Virginia | 225 | 268 | 310 | 327 | 354 | 354 | 354 | 354 | <i>57</i> |
| Washington | 258 | 315 | 458 | 476 | 501 | 531 | 546 | 546 | <i>112</i> |
| West Virginia | 114 | 206 | 206 | 206 | 249 | 249 | 249 | 253 | <i>122</i> |
| Wisconsin | 184 | 342 | 444 | 533 | 517 | 517 | 517 | 517 | <i>181</i> |
| Wyoming | 213 | 235 | 315 | 360 | 360 | 360 | 360 | 360 | <i>69</i> |

Note: Data for 1970 derived from the reported 4-person maximum benefit and the ratio of the 3-person to 4-person maximum benefits in 1975.
Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance

Table 5.6
AFDC Maximum Benefit in Constant 1996 Dollars for a Three-Person Family
By State for Selected Dates

| | July | July | July | January | January | January | January | January | Real Percent |
|----------------|-------|-------|-------|---------|---------|---------|---------|---------|--------------|
| | 1970 | 1975 | 1980 | 1985 | 1990 | 1992 | 1994 | 1996 | Change |
| | | | | | | | | | 1970-96 |
| Alabama | \$250 | \$310 | \$228 | \$172 | \$143 | \$166 | \$173 | \$164 | -35 |
| Alaska | 1,263 | 1,003 | 885 | 1,050 | 1,023 | 1,032 | 975 | 923 | -28 |
| Arizona | 532 | 467 | 391 | 340 | 354 | 373 | 367 | 347 | -35 |
| Arkansas | 343 | 358 | 312 | 239 | 247 | 228 | 216 | 204 | -41 |
| California | 716 | 840 | 916 | 810 | 839 | 741 | 641 | 607 | -16 |
| Colorado | 743 | 622 | 561 | 505 | 430 | 398 | 376 | 421 | -44 |
| Connecticut | 1,090 | 992 | 919 | 797 | 785 | 760 | 718 | 636 | -42 |
| Delaware | 616 | 633 | 515 | 419 | 403 | 378 | 357 | 338 | -46 |
| Dist. of Col. | 751 | 696 | 554 | 477 | 495 | 457 | 444 | 420 | -45 |
| Florida | 439 | 413 | 377 | 350 | 356 | 339 | 320 | 303 | -32 |
| Georgia | 412 | 353 | 317 | 304 | 330 | 313 | 296 | 280 | -33 |
| Guam | NA | NA | 505 | 387 | 399 | 369 | 349 | 330 | NA |
| Hawaii | 871 | 1,227 | 906 | 683 | 728 | 744 | 752 | 712 | -19 |
| Idaho | 813 | 860 | 625 | 444 | 381 | 352 | 335 | 317 | -61 |
| Illinois | 894 | 748 | 557 | 498 | 444 | 410 | 388 | 377 | -58 |
| Indiana | 462 | 573 | 494 | 374 | 348 | 322 | 304 | 288 | -38 |
| Iowa | 774 | 843 | 697 | 526 | 496 | 476 | 450 | 426 | -45 |
| Kansas | 855 | 920 | 668 | 545 | 495 | 471 | 453 | 429 | -50 |
| Kentucky | 566 | 530 | 364 | 288 | 276 | 255 | 241 | 262 | -54 |
| Louisiana | 339 | 367 | 294 | 277 | 230 | 212 | 201 | 190 | -44 |
| Maine | 520 | 504 | 542 | 540 | 548 | 506 | 442 | 418 | -20 |
| Maryland | 624 | 573 | 523 | 457 | 479 | 421 | 387 | 373 | -41 |
| Massachusetts | 1,032 | 742 | 734 | 578 | 652 | 602 | 612 | 565 | -46 |
| Michigan | 844 | 954 | 823 | 683 | 624 | 513 | 485 | 459 | -46 |
| Minnesota | 986 | 946 | 807 | 765 | 643 | 594 | 562 | 532 | -47 |
| Mississippi | 216 | 138 | 186 | 140 | 145 | 134 | 127 | 120 | -45 |
| Missouri | 401 | 344 | 480 | 384 | 349 | 326 | 309 | 292 | -28 |
| Montana | 778 | 576 | 501 | 485 | 434 | 436 | 424 | 425 | -46 |
| Nebraska | 659 | 602 | 600 | 511 | 440 | 407 | 385 | 364 | -45 |
| Nevada | 466 | 559 | 507 | 340 | 399 | 416 | 368 | 348 | -26 |
| New Hampshire | 1,009 | 883 | 670 | 552 | 612 | 576 | 581 | 550 | -46 |
| New Jersey | 1,163 | 888 | 697 | 562 | 513 | 474 | 448 | 424 | -64 |
| New Mexico | 574 | 484 | 426 | 377 | 319 | 362 | 377 | 389 | -33 |
| New York | 1,075 | 952 | 763 | 692 | 698 | 645 | 610 | 577 | -47 |
| North Carolina | 559 | 524 | 372 | 326 | 329 | 304 | 287 | 272 | -52 |
| North Dakota | 820 | 811 | 647 | 542 | 467 | 448 | 432 | 431 | -48 |
| Ohio | 620 | 585 | 509 | 423 | 404 | 373 | 360 | 341 | -45 |
| Oklahoma | 586 | 622 | 546 | 412 | 393 | 381 | 342 | 307 | -48 |
| Oregon | 709 | 966 | 747 | 564 | 522 | 514 | 486 | 460 | -36 |
| Pennsylvania | 1,021 | 848 | 643 | 531 | 509 | 470 | 445 | 421 | -59 |
| Puerto Rico | 166 | 123 | 85 | 131 | 109 | 201 | 190 | 180 | 8 |
| Rhode Island | 882 | 797 | 658 | 699 | 657 | 619 | 585 | 554 | -38 |
| South Carolina | 327 | 275 | 250 | 273 | 249 | 235 | 211 | 200 | -39 |
| South Dakota | 1,017 | 828 | 621 | 480 | 456 | 451 | 441 | 430 | -58 |
| Tennessee | 431 | 330 | 236 | 201 | 222 | 207 | 195 | 185 | -57 |
| Texas | 570 | 332 | 225 | 244 | 222 | 206 | 194 | 188 | -67 |
| Utah | 674 | 722 | 697 | 530 | 468 | 449 | 437 | 426 | -37 |
| Vermont | 1,029 | 923 | 952 | 815 | 800 | 752 | 674 | 656 | -37 |
| Virgin Islands | NA | 375 | 405 | 250 | 290 | 268 | 254 | 240 | NA |
| Virginia | 867 | 768 | 600 | 477 | 428 | 395 | 374 | 354 | -60 |
| Washington | 994 | 903 | 887 | 695 | 606 | 593 | 577 | 546 | -46 |
| West Virginia | 439 | 590 | 399 | 301 | 301 | 278 | 263 | 253 | -43 |
| Wisconsin | 709 | 980 | 859 | 778 | 625 | 578 | 546 | 517 | -28 |
| Wyoming | 820 | 674 | 610 | 526 | 435 | 402 | 380 | 360 | -57 |

Note: Data for 1970 derived from the reported 4-person maximum benefit and the ratio of the 3-person to 4-person maximum benefits in 1975. Constant dollar adjustments to 1996 level were made using a CPI-U-X1 fiscal year price index.

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

Table 5.7
Maximum AFDC Benefits by Family Size by State, July 1996

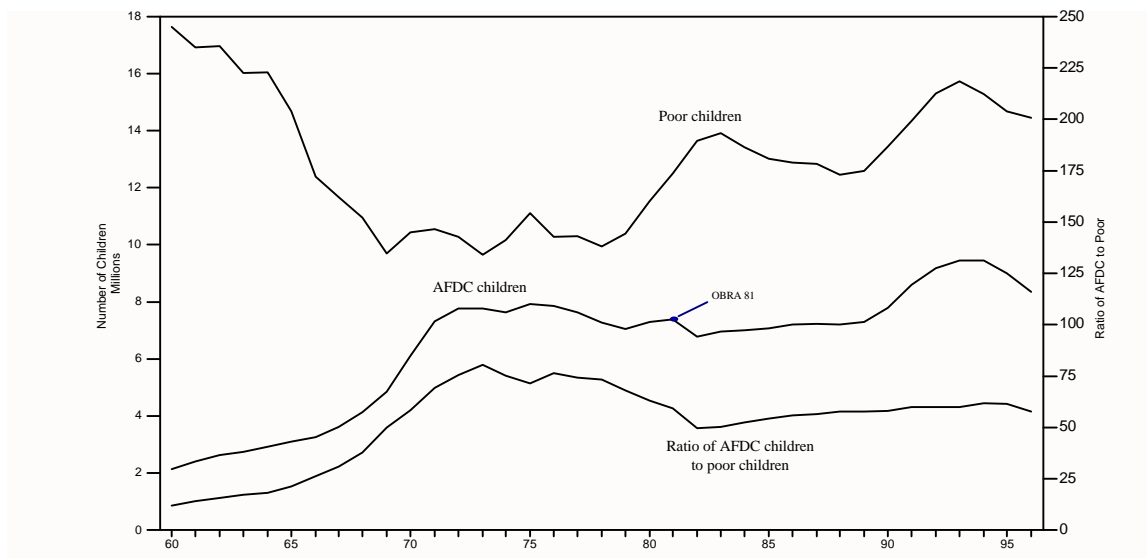
| State | Applicability | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person | 6-Person |
|----------------|---------------------------|----------|----------|----------|----------|----------|----------|
| | | Family | Family | Family | Family | Family | Family |
| Alabama | Statewide | \$111 | \$137 | \$164 | \$194 | \$225 | \$252 |
| Alaska | Statewide | 514 | 821 | 923 | 1,025 | 1,127 | 1,229 |
| Arizona | Statewide | 204 | 275 | 347 | 418 | 489 | 561 |
| Arkansas | Statewide | 81 | 162 | 204 | 247 | 286 | 331 |
| California | Statewide | 293 | 479 | 596 | 707 | 806 | 905 |
| Colorado | Statewide | 214 | 280 | 356 | 432 | 512 | 590 |
| Connecticut | Region A | 402 | 513 | 636 | 741 | 835 | 935 |
| Delaware | Statewide | 201 | 270 | 338 | 407 | 475 | 544 |
| Dist. of Col. | Statewide | 262 | 326 | 415 | 507 | 585 | 688 |
| Florida | Statewide | 180 | 241 | 303 | 364 | 426 | 487 |
| Georgia | Statewide | 155 | 235 | 280 | 330 | 378 | 410 |
| Guam | Statewide | 420 | 537 | 673 | 776 | 874 | 985 |
| Hawaii | Statewide | 418 | 565 | 712 | 859 | 1,006 | 1,153 |
| Idaho | Statewide | 205 | 251 | 317 | 382 | 448 | 513 |
| Illinois | Group 1 | 212 | 278 | 377 | 414 | 485 | 545 |
| Indiana | Statewide | 139 | 229 | 288 | 346 | 405 | 463 |
| Iowa | Statewide | 183 | 361 | 426 | 495 | 548 | 610 |
| Kansas | Schedule 1 | 267 | 352 | 429 | 497 | 558 | 619 |
| Kentucky | Statewide | 186 | 225 | 262 | 328 | 383 | 432 |
| Louisiana | Urban | 72 | 138 | 190 | 234 | 277 | 316 |
| Maine | Statewide | 198 | 312 | 418 | 526 | 632 | 739 |
| Maryland | Statewide | 165 | 292 | 373 | 450 | 521 | 573 |
| Massachusetts | Statewide | 383 | 474 | 565 | 651 | 741 | 832 |
| Michigan | Region IV (Wayne Co.) | 276 | 371 | 459 | 563 | 689 | 792 |
| Michigan | Region VI (Washtenaw Co.) | 305 | 401 | 489 | 593 | 659 | 822 |
| Minnesota | Statewide | 187 | 437 | 532 | 621 | 697 | 773 |
| Mississippi | Statewide | 60 | 96 | 120 | 144 | 168 | 192 |
| Missouri | Statewide | 136 | 234 | 292 | 342 | 388 | 431 |
| Montana | Statewide | 261 | 349 | 438 | 527 | 615 | 703 |
| Nebraska | Statewide | 222 | 293 | 364 | 435 | 506 | 577 |
| Nevada | Statewide | 229 | 289 | 348 | 408 | 468 | 528 |
| New Hampshire | Statewide | 414 | 481 | 550 | 613 | 673 | 754 |
| New Jersey | Statewide | 162 | 322 | 424 | 488 | 522 | 616 |
| New Mexico | Statewide | 231 | 310 | 389 | 469 | 548 | 627 |
| New York | New York City | 352 | 576 | 703 | 687 | 800 | 1,038 |
| New York | Suffolk Co. | 446 | 468 | 577 | 824 | 949 | 884 |
| North Carolina | Statewide | 181 | 236 | 272 | 297 | 324 | 349 |
| North Dakota | Statewide | 223 | 333 | 431 | 517 | 591 | 653 |
| Ohio | Statewide | 203 | 279 | 341 | 421 | 493 | 549 |
| Oklahoma | Statewide | 190 | 238 | 307 | 380 | 445 | 509 |
| Oregon | Statewide | 310 | 395 | 460 | 565 | 660 | 755 |
| Pennsylvania | Group 1 | 215 | 330 | 421 | 514 | 607 | 687 |
| Puerto Rico | Statewide | 132 | 156 | 180 | 204 | 228 | 252 |
| Rhode Island | Statewide | 327 | 449 | 554 | 632 | 710 | 800 |
| South Carolina | Statewide | 118 | 159 | 200 | 241 | 281 | 322 |
| South Dakota | Statewide | 304 | 380 | 430 | 478 | 528 | 578 |
| Tennessee | Statewide | 95 | 142 | 185 | 226 | 264 | 305 |
| Texas | Statewide | 78 | 163 | 188 | 226 | 251 | 288 |
| Utah | Statewide | 246 | 342 | 426 | 498 | 567 | 625 |
| Vermont | Chittenden | 433 | 533 | 633 | 711 | 798 | 853 |
| Virgin Islands | Statewide | 120 | 180 | 240 | 300 | 360 | 420 |
| Virginia | Group 3 | 220 | 294 | 354 | 410 | 488 | 534 |
| Washington | Statewide | 349 | 440 | 546 | 642 | 740 | 841 |
| West Virginia | Statewide | 149 | 201 | 253 | 312 | 360 | 413 |
| Wisconsin | Urban | 248 | 440 | 517 | 617 | 708 | 766 |
| Wyoming | Urban | 195 | 320 | 360 | 390 | 450 | 510 |

Source: Congressional Research Service on the basis of a telephone survey of the States.

Comparing AFDC Benefits to the Poverty Level.

Each year the Bureau of the Census publishes an estimate of the number of persons and families in poverty, and their characteristics. A definition of poverty was developed by the Social Security Administration and revised by a Federal Interagency Committee in 1969. This definition provides a range of income levels adjusted by such factors as family size, sex of family head, number of children under 18 years of age, and farm or non-farm residences. The annual adjustments reflect changes in the average annual total Consumer Price Index (CPI). The Poverty Index is a useful point of comparison because it has been consistently published since 1969 and is adjusted to reflect variations in family size.¹ The relationship between the numbers of children in poverty and those receiving AFDC are shown in Figure 5.2. From about 1980 onward, AFDC children have constituted 50 to 60 percent of all poor children.

Figure 5.2
AFDC and Related Children in Poverty



Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation; U.S. Bureau of the Census, "Poverty in the United States: 1996," *Current Population Reports*, Series P60-198 and earlier years.

¹ In a recently published study, the National Academy of Sciences suggested revisions in both the family size adjustment and the method of updating the poverty measure over time. See Panel on Poverty and Family Assistance: Concepts, Information Needs, and Measurement Methods. *Measuring Poverty: A New Approach*. Washington, DC, National Academy Press. 1995.

In the tables that follow (5.8, 5.9, and 5.10) the maximum benefit for two-, three- and four-person households in each of the States for selected years between 1970 and 1996 has been calculated as a percent of the national Poverty Index for that year. Since 1980, the maximum benefit has been below the poverty level in all states. The range for a 2-person household in January 1996 was between 10.9 percent (Mississippi) and 74.6 percent (Alaska) of the poverty line. The median maximum AFDC benefit for a two-person household in 1996 was 35 percent of the poverty line. The real change between 1970 and 1996 for a two-person household is between a 16-20 percent increase (Alaska and Puerto Rico) and a 70 percent decrease (Illinois).

Table 5.8
AFDC Maximum Benefit for a Two-Person Family as a Percentage of Poverty
By State for Selected Dates

| | July 1970 | July 1975 | July 1980 | January 1985 | January 1990 | January 1992 | January 1994 | January 1996 | Percent Change 1970-96 |
|----------------|--------------|--------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|
| Alabama | 24.0 | 26.5 | 19.3 | 14.6 | 12.0 | 15.6 | 16.5 | 15.6 | -35 |
| Alaska | 64.5 | 79.6 | 69.4 | 84.7 | 82.1 | 83.5 | 79.0 | 74.6 | 16 |
| Arizona | 49.3 | 41.8 | 33.8 | 29.9 | 31.8 | 34.9 | 33.1 | 31.2 | -37 |
| Arkansas | 36.9 | 36.5 | 28.8 | 26.2 | 22.1 | 20.6 | 19.5 | 18.4 | -50 |
| California | 68.2 | 78.6 | 82.8 | 78.7 | 76.4 | 68.0 | 58.9 | 54.4 | -20 |
| Colorado | 70.5 | 57.1 | 49.6 | 45.1 | 38.2 | 35.6 | 33.7 | 31.8 | -55 |
| Connecticut | 92.2 | 92.2 | 83.0 | 65.9 | 64.5 | 60.1 | 56.9 | 58.3 | -37 |
| Delaware | 57.6 | 54.1 | 42.7 | 35.2 | 36.2 | 34.3 | 32.5 | 30.7 | -47 |
| Dist. of Col. | 71.0 | 63.7 | 48.8 | 42.6 | 43.8 | 40.8 | 39.7 | 37.0 | -48 |
| Florida | 40.1 | 36.8 | 32.5 | 30.7 | 30.7 | 30.6 | 29.0 | 27.4 | -32 |
| Georgia | 32.7 | 28.2 | 29.7 | 31.0 | 31.2 | 29.9 | 28.3 | 26.7 | -18 |
| Guam | 74.2 | 53.4 | 43.6 | 19.9 | 72.5 | 67.5 | 63.9 | 61.0 | -18 |
| Hawaii | 75.7 | 103.6 | 73.5 | 56.3 | 59.8 | 60.8 | 59.1 | 55.8 | -26 |
| Idaho | 84.3 | 83.6 | 56.3 | 40.7 | 34.7 | 32.3 | 30.2 | 28.5 | -66 |
| Illinois | 105.1 | 71.7 | 51.6 | 41.5 | 36.6 | 34.1 | 33.4 | 31.6 | -70 |
| Indiana | 46.1 | 49.8 | 42.3 | 32.4 | 31.2 | 29.1 | 27.5 | 26.0 | -44 |
| Iowa | 69.6 | 73.7 | 63.3 | 48.5 | 49.3 | 45.9 | 43.4 | 41.0 | -41 |
| Kansas | 70.0 | 88.6 | 62.8 | 49.8 | 42.6 | 41.4 | 39.2 | 40.0 | -43 |
| Kentucky | 51.2 | 44.8 | 35.1 | 28.2 | 26.7 | 24.9 | 23.6 | 25.6 | -50 |
| Louisiana | 30.4 | 30.5 | 23.8 | 22.7 | 18.6 | 17.3 | 16.4 | 15.7 | -48 |
| Maine | 45.2 | 42.5 | 44.9 | 45.6 | 46.0 | 42.8 | 37.5 | 35.4 | -22 |
| Maryland | 59.4 | 51.8 | 45.7 | 42.5 | 43.3 | 37.4 | 35.1 | 33.2 | -44 |
| Massachusetts | 96.8 | 71.3 | 68.1 | 59.4 | 66.3 | 61.8 | 58.5 | 53.8 | -44 |
| Michigan | 83.4 | 89.6 | 75.9 | 56.1 | 51.2 | 47.1 | 44.6 | 42.1 | -49 |
| Minnesota | 93.1 | 90.2 | 74.6 | 72.0 | 59.6 | 55.5 | 52.6 | 49.6 | -47 |
| Mississippi | 22.1 | 10.0 | 13.0 | 15.9 | 13.1 | 12.2 | 11.5 | 10.9 | -51 |
| Missouri | 36.9 | 29.9 | 43.1 | 36.3 | 31.9 | 29.7 | 28.1 | 26.6 | -28 |
| Montana | 60.8 | 49.1 | 41.8 | 46.3 | 40.3 | 40.9 | 39.9 | 39.6 | -35 |
| Nebraska | 64.5 | 58.1 | 54.2 | 46.5 | 40.0 | 37.2 | 35.2 | 33.3 | -48 |
| Nevada | 38.7 | 53.1 | 45.7 | 38.0 | 36.8 | 36.7 | 34.6 | 32.8 | -15 |
| New Hampshire | 101.8 | 87.3 | 63.3 | 54.6 | 61.5 | 57.3 | 57.7 | 54.6 | -46 |
| New Jersey | 107.8 | 78.0 | 59.2 | 50.9 | 43.9 | 40.9 | 38.7 | 36.6 | -66 |
| New Mexico | 55.8 | 45.8 | 38.6 | 34.8 | 33.7 | 32.8 | 36.6 | 35.2 | -37 |
| New York | 100.9 | 90.2 | 72.2 | 66.2 | 63.9 | 59.5 | 56.3 | 53.2 | -47 |
| North Carolina | 58.1 | 52.8 | 36.2 | 35.5 | 32.2 | 30.0 | 28.4 | 26.8 | -54 |
| North Dakota | 82.0 | 73.0 | 58.5 | 50.0 | 44.5 | 41.4 | 40.1 | 37.8 | -54 |
| Ohio | 64.5 | 55.7 | 46.8 | 39.5 | 37.4 | 34.8 | 33.6 | 31.7 | -51 |
| Oklahoma | 55.3 | 57.4 | 47.2 | 36.2 | 34.4 | 33.5 | 30.2 | 27.0 | -51 |
| Oregon | 66.4 | 86.6 | 81.1 | 54.8 | 51.9 | 50.2 | 47.5 | 44.9 | -32 |
| Pennsylvania | 100.5 | 80.6 | 59.2 | 45.3 | 43.1 | 40.2 | 38.0 | 37.5 | -63 |
| Puerto Rico | 14.7 | 10.6 | 7.4 | 9.3 | 7.6 | 19.8 | 18.8 | 17.7 | 20 |
| Rhode Island | 93.1 | 77.3 | 59.8 | 54.9 | 60.0 | 57.1 | 54.0 | 51.0 | -45 |
| South Carolina | 29.5 | 24.9 | 21.5 | 23.9 | 22.5 | 21.2 | 19.1 | 18.1 | -39 |
| South Dakota | 101.4 | 82.3 | 60.7 | 47.5 | 46.4 | 45.4 | 45.7 | 43.2 | -57 |
| Tennessee | 44.7 | 32.8 | 21.0 | 19.4 | 20.5 | 18.0 | 17.1 | 16.1 | -64 |
| Texas | 52.1 | 28.5 | 18.6 | 23.9 | 21.6 | 20.1 | 19.6 | 18.5 | -64 |
| Utah | 72.8 | 66.0 | 60.2 | 50.0 | 42.3 | 41.0 | 39.9 | 38.8 | -47 |
| Vermont | 105.1 | 87.9 | 88.9 | 75.8 | 75.9 | 70.4 | 65.8 | 60.5 | -42 |
| Virgin Islands | 33.6 | 30.5 | 33.4 | 20.9 | 24.6 | 22.9 | 21.7 | 20.4 | -39 |
| Virginia | 85.7 | 74.0 | 55.9 | 38.3 | 31.5 | 29.4 | 27.8 | 33.4 | -61 |
| Washington | 105.1 | 86.3 | 81.5 | 62.1 | 55.1 | 54.4 | 52.9 | 50.0 | -52 |
| West Virginia | 44.7 | 54.4 | 35.5 | 33.4 | 27.4 | 25.5 | 24.2 | 22.8 | -49 |
| Wisconsin | 74.2 | 96.9 | 81.7 | 75.3 | 60.0 | 55.9 | 52.9 | 50.0 | -33 |
| Wyoming | 75.1 | 66.4 | 60.7 | 53.1 | 43.7 | 40.7 | 38.5 | 36.3 | -52 |

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

Table 5.9
AFDC Maximum Benefit for a Three-Person Family as a Percentage of Poverty
By State for Selected Dates

| | July 1970 | July 1975 | July 1980 | January 1985 | January 1990 | January 1992 | January 1994 | January 1996 | Percent Change 1970-96 |
|----------------|--------------|--------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|
| Alabama | 25.2 | 30.2 | 21.6 | 16.5 | 13.6 | 16.0 | 16.6 | 15.7 | -38 |
| Alaska | 101.6 | 78.3 | 66.8 | 80.5 | 77.9 | 79.3 | 75.0 | 70.8 | -30 |
| Arizona | 53.4 | 45.6 | 36.9 | 32.6 | 33.7 | 35.8 | 35.2 | 33.3 | -38 |
| Arkansas | 34.5 | 34.9 | 29.4 | 23.0 | 23.5 | 21.9 | 20.7 | 19.6 | -43 |
| California | 72.0 | 81.9 | 86.5 | 77.7 | 79.9 | 71.1 | 61.6 | 58.2 | -19 |
| Colorado | 74.7 | 60.7 | 53.0 | 48.4 | 41.0 | 38.2 | 36.1 | 40.4 | -46 |
| Connecticut | 109.6 | 96.7 | 86.8 | 76.4 | 74.7 | 72.9 | 69.0 | 61.0 | -44 |
| Delaware | 62.0 | 61.8 | 48.6 | 40.2 | 38.4 | 36.3 | 34.3 | 32.4 | -48 |
| Dist. of Col. | 75.5 | 67.9 | 52.3 | 45.8 | 47.1 | 43.9 | 42.6 | 40.3 | -47 |
| Florida | 44.1 | 40.3 | 35.6 | 33.6 | 33.9 | 32.5 | 30.8 | 29.1 | -34 |
| Georgia | 41.4 | 34.4 | 30.0 | 29.1 | 31.4 | 30.0 | 28.4 | 26.8 | -35 |
| Guam | NA | NA | 47.7 | 37.1 | 38.0 | 35.4 | 33.5 | 31.6 | NA |
| Hawaii | 76.1 | 104.0 | 74.4 | 57.0 | 60.3 | 62.1 | 62.9 | 59.4 | -22 |
| Idaho | 81.7 | 83.9 | 59.0 | 42.6 | 36.3 | 33.8 | 32.2 | 30.4 | -63 |
| Illinois | 89.8 | 73.0 | 52.6 | 47.7 | 42.3 | 39.4 | 37.3 | 36.1 | -60 |
| Indiana | 46.5 | 55.9 | 46.6 | 35.8 | 33.2 | 30.9 | 29.2 | 27.6 | -41 |
| Iowa | 77.8 | 82.2 | 65.8 | 50.4 | 47.2 | 45.7 | 43.2 | 40.8 | -48 |
| Kansas | 86.0 | 89.7 | 63.1 | 52.2 | 47.1 | 45.3 | 43.5 | 41.1 | -52 |
| Kentucky | 56.9 | 51.7 | 34.4 | 27.6 | 26.3 | 24.5 | 23.1 | 25.1 | -56 |
| Louisiana | 34.1 | 35.8 | 27.8 | 26.6 | 21.9 | 20.4 | 19.3 | 18.2 | -47 |
| Maine | 52.3 | 49.2 | 51.2 | 51.8 | 52.2 | 48.6 | 42.4 | 40.1 | -23 |
| Maryland | 62.7 | 55.9 | 49.4 | 43.8 | 45.6 | 40.4 | 37.2 | 35.8 | -43 |
| Massachusetts | 103.8 | 72.4 | 69.3 | 55.4 | 62.1 | 57.8 | 58.8 | 54.2 | -48 |
| Michigan | 84.8 | 93.1 | 77.7 | 65.5 | 59.4 | 49.2 | 46.6 | 44.0 | -48 |
| Minnesota | 99.1 | 92.2 | 76.2 | 73.3 | 61.3 | 57.1 | 54.0 | 51.0 | -49 |
| Mississippi | 21.7 | 13.4 | 17.5 | 13.4 | 13.8 | 12.9 | 12.2 | 11.5 | -47 |
| Missouri | 40.3 | 33.5 | 45.3 | 36.8 | 33.3 | 31.3 | 29.6 | 28.0 | -30 |
| Montana | 78.2 | 56.2 | 47.3 | 46.5 | 41.3 | 41.8 | 40.7 | 40.7 | -48 |
| Nebraska | 66.2 | 58.7 | 56.7 | 49.0 | 41.9 | 39.0 | 37.0 | 34.9 | -47 |
| Nevada | 46.9 | 54.5 | 47.9 | 32.6 | 38.0 | 39.9 | 35.3 | 33.4 | -29 |
| New Hampshire | 101.5 | 86.1 | 63.2 | 52.9 | 58.3 | 55.4 | 55.8 | 52.7 | -48 |
| New Jersey | 116.9 | 86.7 | 65.8 | 53.9 | 48.8 | 45.5 | 43.0 | 40.7 | -65 |
| New Mexico | 57.7 | 47.2 | 40.2 | 36.1 | 30.4 | 34.8 | 36.2 | 37.3 | -35 |
| New York | 108.0 | 92.8 | 72.0 | 66.3 | 66.5 | 61.9 | 58.6 | 55.3 | -49 |
| North Carolina | 56.1 | 51.2 | 35.1 | 31.2 | 31.3 | 29.2 | 27.6 | 26.1 | -54 |
| North Dakota | 82.5 | 79.1 | 61.1 | 51.9 | 44.5 | 43.0 | 41.5 | 41.3 | -50 |
| Ohio | 62.3 | 57.0 | 48.1 | 40.6 | 38.5 | 35.8 | 34.6 | 32.7 | -48 |
| Oklahoma | 58.9 | 60.7 | 51.5 | 39.5 | 37.4 | 36.6 | 32.9 | 29.4 | -50 |
| Oregon | 71.2 | 94.2 | 70.6 | 54.0 | 49.8 | 49.3 | 46.7 | 44.1 | -38 |
| Pennsylvania | 102.6 | 82.7 | 60.7 | 51.0 | 48.5 | 45.2 | 42.7 | 40.4 | -61 |
| Puerto Rico | 16.7 | 12.0 | 8.0 | 12.6 | 10.4 | 19.3 | 18.3 | 17.3 | 4 |
| Rhode Island | 88.7 | 77.7 | 62.1 | 67.0 | 62.5 | 59.4 | 56.2 | 53.1 | -40 |
| South Carolina | 32.9 | 26.8 | 23.6 | 26.2 | 23.7 | 22.5 | 20.3 | 19.2 | -42 |
| South Dakota | 102.2 | 80.8 | 58.7 | 46.1 | 43.4 | 43.3 | 42.3 | 41.2 | -60 |
| Tennessee | 43.4 | 32.1 | 22.3 | 19.3 | 21.2 | 19.8 | 18.8 | 17.7 | -59 |
| Texas | 57.3 | 32.4 | 21.2 | 23.4 | 21.2 | 19.7 | 18.7 | 18.0 | -69 |
| Utah | 67.8 | 70.4 | 65.8 | 50.8 | 44.6 | 43.1 | 42.0 | 40.8 | -40 |
| Vermont | 103.4 | 90.0 | 89.9 | 78.1 | 76.2 | 72.2 | 64.8 | 62.9 | -39 |
| Virgin Islands | NA | 36.6 | 38.2 | 23.9 | 27.6 | 25.7 | 24.4 | 23.0 | NA |
| Virginia | 87.1 | 74.9 | 56.7 | 45.8 | 40.8 | 38.0 | 35.9 | 33.9 | -61 |
| Washington | 99.9 | 88.1 | 83.7 | 66.6 | 57.7 | 57.0 | 55.4 | 52.3 | -48 |
| West Virginia | 44.1 | 57.6 | 37.7 | 28.8 | 28.7 | 26.7 | 25.3 | 24.3 | -45 |
| Wisconsin | 71.2 | 95.6 | 81.2 | 74.6 | 59.5 | 55.5 | 52.5 | 49.6 | -30 |
| Wyoming | 82.5 | 65.7 | 57.6 | 50.4 | 41.5 | 38.6 | 36.5 | 34.5 | -58 |

Note: Data for 1970 derived from the reported 4-person maximum benefit and the ratio of the 3-person to 4-person maximum benefits in 1975.

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

Table 5.10
AFDC Maximum Benefit for a Three-Person Family as a Percentage of Poverty
By State for Selected Dates

| | July 1970 | July 1975 | July 1980 | January 1985 | January 1990 | January 1992 | January 1994 | January 1996 | Percent Change 1970-96 |
|----------------|--------------|--------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|
| Alabama | 24.5 | 29.5 | 21.1 | 16.1 | 13.2 | 14.1 | 15.4 | 14.5 | -41 |
| Alaska | 90.7 | 69.8 | 58.6 | 69.9 | 67.5 | 68.6 | 65.0 | 61.4 | -32 |
| Arizona | 50.5 | 43.0 | 34.8 | 30.8 | 31.7 | 35.0 | 33.1 | 31.3 | -38 |
| Arkansas | 30.2 | 30.5 | 26.8 | 24.5 | 22.2 | 20.7 | 19.6 | 18.5 | -39 |
| California | 66.8 | 76.1 | 80.3 | 76.2 | 74.0 | 66.0 | 57.3 | 52.9 | -21 |
| Colorado | 71.1 | 57.6 | 50.1 | 45.9 | 38.8 | 36.2 | 34.2 | 32.3 | -55 |
| Connecticut | 99.8 | 87.9 | 78.9 | 62.5 | 61.4 | 57.2 | 54.1 | 55.5 | -44 |
| Delaware | 56.6 | 56.3 | 44.5 | 38.1 | 36.1 | 34.1 | 32.3 | 30.5 | -46 |
| Dist. Of Col. | 72.0 | 64.8 | 49.8 | 43.6 | 44.8 | 41.8 | 41.5 | 37.9 | -47 |
| Florida | 40.5 | 37.1 | 32.8 | 31.0 | 31.1 | 30.5 | 28.8 | 27.2 | -33 |
| Georgia | 40.2 | 33.4 | 27.5 | 28.8 | 28.9 | 27.6 | 26.2 | 24.7 | -39 |
| Guam | 22.7 | 16.4 | 43.6 | 22.9 | 68.8 | 64.1 | 60.7 | 58.1 | 156 |
| Hawaii | 69.2 | 94.3 | 67.7 | 51.8 | 59.4 | 60.8 | 59.2 | 55.9 | -19 |
| Idaho | 73.2 | 75.1 | 52.3 | 37.6 | 32.1 | 29.9 | 30.3 | 28.6 | -61 |
| Illinois | 85.3 | 69.2 | 49.9 | 40.2 | 37.2 | 34.7 | 32.8 | 31.0 | -64 |
| Indiana | 45.4 | 54.5 | 44.9 | 34.5 | 31.1 | 29.0 | 27.4 | 25.9 | -43 |
| Iowa | 73.5 | 77.7 | 59.8 | 45.8 | 44.5 | 41.4 | 39.2 | 37.0 | -50 |
| Kansas | 73.8 | 77.0 | 55.6 | 45.9 | 39.9 | 39.4 | 37.3 | 37.2 | -50 |
| Kentucky | 56.6 | 51.3 | 33.5 | 26.9 | 25.6 | 23.9 | 22.6 | 24.5 | -57 |
| Louisiana | 33.0 | 34.5 | 26.7 | 25.6 | 21.0 | 19.6 | 18.5 | 17.5 | -47 |
| Maine | 50.8 | 47.8 | 50.2 | 53.4 | 51.1 | 47.6 | 43.4 | 39.4 | -23 |
| Maryland | 59.3 | 52.8 | 46.5 | 43.1 | 43.9 | 38.0 | 35.7 | 33.7 | -43 |
| Massachusetts | 95.0 | 66.3 | 63.3 | 55.1 | 60.0 | 55.9 | 52.9 | 48.7 | -49 |
| Michigan | 79.5 | 87.1 | 71.5 | 55.9 | 51.3 | 47.1 | 44.6 | 42.1 | -47 |
| Minnesota | 90.4 | 84.0 | 69.3 | 67.3 | 55.8 | 52.0 | 49.2 | 46.5 | -49 |
| Mississippi | 21.2 | 13.1 | 17.1 | 15.7 | 12.9 | 12.1 | 11.4 | 10.8 | -49 |
| Missouri | 39.3 | 32.7 | 41.4 | 34.9 | 30.6 | 28.5 | 27.1 | 25.6 | -35 |
| Montana | 69.0 | 49.5 | 47.2 | 46.4 | 40.0 | 40.9 | 39.5 | 39.4 | -43 |
| Nebraska | 60.5 | 53.5 | 52.8 | 45.9 | 39.1 | 36.4 | 34.5 | 32.6 | -46 |
| Nevada | 43.2 | 50.2 | 44.8 | 37.2 | 35.0 | 34.1 | 32.3 | 30.5 | -29 |
| New Hampshire | 88.9 | 75.5 | 55.9 | 48.3 | 51.7 | 48.1 | 48.6 | 45.9 | -48 |
| New Jersey | 104.9 | 77.7 | 59.0 | 50.8 | 43.8 | 40.9 | 38.7 | 36.5 | -65 |
| New Mexico | 55.0 | 44.9 | 38.1 | 34.2 | 33.5 | 32.6 | 36.3 | 35.1 | -36 |
| New York | 101.6 | 87.3 | 67.9 | 61.8 | 61.7 | 57.5 | 54.4 | 51.4 | -49 |
| North Carolina | 47.8 | 43.6 | 30.0 | 29.4 | 26.7 | 24.9 | 23.5 | 22.2 | -53 |
| North Dakota | 78.9 | 75.7 | 58.2 | 49.6 | 44.1 | 41.1 | 41.0 | 38.7 | -51 |
| Ohio | 60.5 | 55.4 | 46.6 | 39.3 | 37.1 | 34.6 | 33.4 | 31.5 | -48 |
| Oklahoma | 55.9 | 57.6 | 49.8 | 39.4 | 36.2 | 35.4 | 31.9 | 28.4 | -49 |
| Oregon | 68.0 | 90.1 | 81.2 | 52.6 | 48.6 | 47.3 | 44.8 | 42.3 | -38 |
| Pennsylvania | 94.7 | 76.1 | 56.3 | 46.8 | 44.6 | 41.6 | 39.4 | 38.5 | -59 |
| Puerto Rico | 16.0 | 11.6 | 7.7 | 11.4 | 9.3 | 17.1 | 16.2 | 15.3 | -5 |
| Rhode Island | 79.5 | 69.6 | 55.5 | 51.0 | 55.7 | 52.9 | 50.1 | 47.3 | -41 |
| South Carolina | 31.1 | 25.5 | 22.5 | 26.1 | 22.3 | 21.1 | 19.0 | 18.0 | -42 |
| South Dakota | 90.7 | 71.8 | 51.5 | 40.5 | 38.5 | 37.7 | 37.9 | 35.8 | -61 |
| Tennessee | 39.0 | 28.8 | 21.1 | 20.3 | 21.4 | 18.9 | 17.9 | 16.9 | -57 |
| Texas | 54.1 | 30.5 | 20.0 | 24.1 | 19.9 | 18.5 | 17.9 | 16.9 | -69 |
| Utah | 64.1 | 66.8 | 61.2 | 47.9 | 40.6 | 39.3 | 38.4 | 37.3 | -42 |
| Vermont | 91.9 | 80.1 | 78.9 | 67.4 | 66.7 | 61.9 | 57.9 | 53.2 | -42 |
| Virgin Islands | 40.8 | 36.2 | 37.5 | 23.5 | 26.9 | 25.1 | 23.8 | 22.4 | -45 |
| Virginia | 78.9 | 67.9 | 51.3 | 37.9 | 31.2 | 29.0 | 27.5 | 30.7 | -61 |
| Washington | 91.6 | 80.7 | 76.4 | 59.4 | 52.9 | 52.2 | 50.9 | 48.0 | -48 |
| West Virginia | 41.7 | 54.3 | 35.5 | 34.1 | 28.0 | 26.1 | 24.7 | 23.3 | -44 |
| Wisconsin | 65.6 | 87.9 | 75.4 | 70.9 | 55.5 | 51.7 | 48.9 | 46.2 | -30 |
| Wyoming | 68.6 | 54.5 | 48.5 | 42.6 | 35.0 | 32.6 | 30.9 | 29.2 | -57 |

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

Income Eligibility Levels

Table 5.11 summarizes the data on eligibility (need) standards, payment standards (maximum grant) and poverty for each state for a family of three persons as of July 1996. The value of food stamps is also included in order to provide a more accurate picture of the economic circumstances of AFDC families in the several states.

- In order to be eligible to receive assistance under AFDC, a family was required to pass several eligibility tests. The first was a "gross income" test, where a family's gross income could not surpass 185 percent of the state's need standard. This threshold for each state is shown in the second column of Table 5.11.
- If gross family income did not exceed 185 percent of the need standard, then *countable family income* (gross income less some deductions) was compared to the need standard. Countable family income could not exceed 100 percent of the state's need standard. This threshold for each state is shown in the third column of Table 5.11
- If a family passed both the gross income and countable income tests, then the benefit amount was determined by comparing countable income to the payment standard. The payment standard was equal to or less than the need standard. The payment standard for a family of three for each state is shown in the fourth column of Table 5.11.
- Maximum benefits are shown in the fifth column of Table 5.11. The remaining columns are self-explanatory.

Table 5.11
Gross Income Limit, Need Standard, Maximum Monthly Benefits
For a One-Parent Family of Three Persons by State, July 1996

| State | Applicability | Gross Income Limit (185 percent Of Need Standard) | Need Standard | Payment Standard | Maximum AFDC Benefit | Food Stamp Benefit | Combined Benefits | AFDC Benefit as a Percent of 1996 Poverty Threshold | Combined Benefits as a Percent of 1996 Poverty Threshold |
|-------------------------------------|---------------|---|------------------|---------------------|----------------------------|--------------------------|----------------------|---|--|
| Alabama | Statewide | \$1,245 | \$673 | 164 | \$164 | \$313 | \$477 | 16 | 46 |
| Alaska | Statewide | 1,902 | 1,028 | 1,028 | 923 | 321 | 1,244 | 71 | 95 |
| Arizona | Statewide | 1,783 | 964 | 347 | 347 | 313 | 660 | 33 | 63 |
| Arkansas | Statewide | 1,304 | 705 | 204 | 204 | 313 | 517 | 20 | 50 |
| California | Statewide | 1,351 | 730 | 730 | 596 | 248 | 844 | 57 | 81 |
| Colorado | Statewide | 779 | 421 | 421 | 356 | 313 | 669 | 34 | 64 |
| Connecticut | Region A | 1,613 | 872 | 872 | 636 | 236 | 872 | 61 | 84 |
| Delaware | Statewide | 625 | 338 | 338 | 338 | 313 | 651 | 32 | 62 |
| Dist. of Col. | Statewide | 1,317 | 712 | 415 | 415 | 302 | 717 | 40 | 69 |
| Florida | Statewide | 2,002 | 1,082 | 303 | 303 | 313 | 616 | 29 | 59 |
| Georgia | Statewide | 784 | 424 | 424 | 280 | 313 | 593 | 27 | 57 |
| Guam | Statewide | 1,245 | 673 | 673 | 673 | 429 | 1,102 | 65 | 106 |
| Hawaii | Statewide | 2,109 | 1,140 | 712 | 712 | 471 | 1,183 | 59 | 99 |
| Idaho | Statewide | 1,833 | 991 | 317 | 317 | 313 | 630 | 30 | 60 |
| Illinois | Group 1 | 1,782 | 963 | 377 | 377 | 313 | 690 | 36 | 66 |
| Indiana | Statewide | 592 | 320 | 288 | 288 | 313 | 601 | 28 | 58 |
| Iowa | Statewide | 1,571 | 849 | 426 | 426 | 299 | 725 | 41 | 70 |
| Kansas | Schedule 1 | 794 | 429 | 429 | 429 | 313 | 742 | 41 | 71 |
| Kentucky | Statewide | 973 | 526 | 526 | 262 | 313 | 575 | 25 | 55 |
| Louisiana | Urban | 1,217 | 658 | 190 | 190 | 313 | 503 | 18 | 48 |
| Maine | Statewide | 1,023 | 553 | 553 | 418 | 301 | 719 | 40 | 69 |
| Maryland | Statewide | 956 | 517 | 373 | 373 | 313 | 686 | 36 | 66 |
| Massachusetts | Statewide | 1,045 | 565 | 565 | 565 | 257 | 822 | 54 | 79 |
| Michigan | Region IV | 1,084 | 586 | 459 | 459 | 291 | 780 | 44 | 75 |
| Michigan | Region VI | 1,151 | 622 | 489 | 489 | 300 | 759 | 47 | 73 |
| Minnesota | Statewide | 984 | 532 | 532 | 532 | 267 | 799 | 51 | 77 |
| Mississippi | Statewide | 681 | 368 | 368 | 120 | 313 | 433 | 12 | 42 |
| Missouri | Statewide | 1,565 | 846 | 292 | 292 | 313 | 605 | 28 | 58 |
| Montana | Statewide | 1,032 | 558 | 558 | 438 | 295 | 733 | 42 | 70 |
| Nebraska | Statewide | 673 | 364 | 364 | 364 | 313 | 677 | 35 | 65 |
| Nevada | Statewide | 1,423 | 769 | 348 | 348 | 313 | 661 | 33 | 63 |
| New Hampshire | Statewide | 3,763 | 2,034 | 550 | 550 | 262 | 812 | 53 | 78 |
| New Jersey | Statewide | 1,822 | 985 | 443 | 424 | 307 | 731 | 41 | 70 |
| New Mexico | Statewide | 720 | 389 | 389 | 389 | 310 | 699 | 37 | 67 |
| New York | New York City | 1,067 | 577 | 577 | 577 | 232 | 935 | 55 | 90 |
| New York | Suffolk Co. | 1,301 | 703 | 703 | 703 | 270 | 847 | 67 | 81 |
| North Carolina | Statewide | 1,006 | 544 | 544 | 272 | 313 | 585 | 26 | 56 |
| North Dakota | Statewide | 797 | 431 | 431 | 431 | 298 | 729 | 41 | 70 |
| Ohio | Statewide | 1,758 | 950 | 341 | 341 | 313 | 654 | 33 | 63 |
| Oklahoma | Statewide | 1,193 | 645 | 307 | 307 | 313 | 620 | 29 | 59 |
| Oregon | Statewide | 851 | 460 | 460 | 460 | 313 | 773 | 44 | 74 |
| Pennsylvania | Group 1 | 1,136 | 614 | 421 | 421 | 301 | 722 | 40 | 69 |
| Puerto Rico | Statewide | 666 | 360 | 180 | 180 | 0 | 180 | 17 | NA |
| Rhode Island | Statewide | 1,025 | 554 | 554 | 554 | 299 | 853 | 53 | 82 |
| South Carolina | Statewide | 969 | 524 | 200 | 200 | 313 | 513 | 19 | 49 |
| South Dakota | Statewide | 938 | 507 | 507 | 430 | 298 | 728 | 41 | 70 |
| Tennessee | Statewide | 1,252 | 677 | 677 | 185 | 313 | 498 | 18 | 48 |
| Texas | Statewide | 1,389 | 751 | 188 | 188 | 313 | 501 | 18 | 48 |
| Utah | Statewide | 1,051 | 568 | 568 | 426 | 299 | 725 | 41 | 70 |
| Vermont | Chittenden | 2,170 | 1,173 | 633 | 633 | 237 | 870 | 61 | 83 |
| Virgin Islands | Statewide | 555 | 300 | 240 | 240 | 402 | 642 | 23 | 62 |
| Virginia | Group 3 | 727 | 393 | 354 | 354 | 313 | 667 | 34 | 64 |
| Washington | Statewide | 2,316 | 1,252 | 546 | 546 | 289 | 835 | 52 | 80 |
| West Virginia | Statewide | 1,833 | 991 | 253 | 253 | 313 | 566 | 24 | 54 |
| Wisconsin | Urban | 1,197 | 647 | 517 | 517 | 272 | 789 | 50 | 76 |
| Wyoming | Urban | 1,247 | 674 | 590 | 360 | 313 | 673 | 35 | 65 |
| Median AFDC State (among 51 states) | | 1,782 | 963 | 426 | 377 | 313 | 690 | 36 | 66 |

Note: Food Stamp benefits assume an excess shelter cost deduction of 100 percent of the allowable maximum, \$247. Puerto Rico does not have a

Food Stamp program; instead a cash nutritional assistance payment is given to recipients.

Source: Congressional Research Service on the basis of a telephone survey of the States.

Earnings Levels at which AFDC Eligibility Ends

- As a financial incentive for recipients to seek work and maintain employment, federal law required states to make certain deductions from income when calculating AFDC eligibility and benefit levels. Table 5.12 illustrates the effect of these disregards by showing the amount of earnings a family could have had before losing AFDC eligibility.
- In the first four months that a family had earned income, Federal law required that:
 - the first \$90 of earnings be disregarded to allow for work-related expenses;
 - an additional \$30 be disregarded as a work incentive; and,
 - one-third of remaining earnings be disregarded as a work incentive.
- The one-third disregard was limited to the first four months of earnings, and the \$30 disregard was limited to the first twelve months of earnings. Therefore, Table 5.12 shows the maximum earnings levels that a family could have had while remaining eligible for AFDC benefits in two time periods—the first four months of earnings, and after twelve months of earnings.
- Table 5.12 also shows how the effective eligibility limits compared to the poverty guidelines and full-time earnings at the minimum wage.
- In 1996, five states allowed a worker to remain eligible for benefits in the first four months of earnings when earned income exceeded the poverty guidelines. However, in seven states AFDC eligibility ended with earning at less than half of the poverty guidelines.
- In 30 states, workers would have remained eligible for AFDC in the first four months of earnings even if they worked full-time at minimum wage jobs.
- Because the \$30 and one-third disregards were time limited, effective eligibility levels after 12 months of earnings were substantially below the eligibility level in the first four months of earnings. For example, after 12 months of earnings workers in any state would have lost AFDC eligibility before reaching poverty-level income. In 29 states eligibility would have ended at an income level which was less than half of the poverty line.
- After 12 months, workers engaged in full-time employment at the minimum wage would have remained eligible for AFDC in six states.

Table 5.12
Income Levels at Which AFDC Eligibility Ends for a Family of Three
By State and Period of Receipt, July 1996

| States | 185 percent of need standard | Payment standard | AFDC maximum payment | First 4 months | | | After 12 months | | |
|----------------------|---------------------------------------|---------------------|----------------------------|-----------------------------------|--------------------------------------|-----------------|-----------------------------------|--------------------------------------|-----------------|
| | | | | Effective eligibility level | Eligibility level as a percent of | | Effective eligibility level | Eligibility level as a percent of | |
| | | | | | Poverty level | Minimum Wage | | Poverty level | Minimum Wage |
| Alabama | 1,245 | 164 | 164 | 366 | 35 | 50 | 254 | 24 | 34 |
| Alaska | 1,902 | 1,028 | 923 | 1,662 | 127 | 226 | 1,118 | 86 | 152 |
| Arizona | 1,783 | 347 | 347 | 640 | 61 | 87 | 437 | 42 | 59 |
| Arkansas | 1,304 | 204 | 204 | 426 | 41 | 58 | 294 | 28 | 40 |
| California | 1,351 | 730 | 596 | 1,215 | 116 | 165 | 1,215 | 116 | 165 |
| Colorado | 779 | 421 | 356 | 751 | 72 | 102 | 511 | 49 | 69 |
| Connecticut | 1,613 | 872 | 636 | 1,613 | 155 | 219 | 1,613 | 155 | 219 |
| Delaware | 625 | 338 | 338 | 627 | 60 | 85 | 428 | 41 | 58 |
| Dist. of Col. | 1,317 | 415 | 415 | 742 | 71 | 101 | 505 | 48 | 69 |
| Florida | 2,002 | 303 | 303 | 575 | 55 | 78 | 393 | 38 | 53 |
| Georgia | 784 | 424 | 280 | 756 | 72 | 103 | 514 | 49 | 70 |
| Guam | 1,245 | 673 | 673 | 1,130 | 108 | 153 | 763 | 73 | 104 |
| Hawaii | 2,109 | 712 | 712 | 1,188 | 99 | 161 | 802 | 67 | 109 |
| Idaho | 1,833 | 317 | 317 | 596 | 57 | 81 | 407 | 39 | 55 |
| Illinois | 1,782 | 377 | 377 | 1,131 | 108 | 154 | 1,131 | 108 | 154 |
| Indiana | 1,082 | 288 | 288 | 552 | 53 | 75 | 378 | 36 | 51 |
| Iowa | 1,571 | 426 | 426 | 1,065 | 102 | 145 | 1,065 | 102 | 145 |
| Kansas | 794 | 429 | 429 | 763 | 73 | 104 | 519 | 50 | 70 |
| Kentucky | 973 | 526 | 262 | 909 | 87 | 123 | 616 | 59 | 84 |
| Louisiana | 1,217 | 190 | 190 | 405 | 39 | 55 | 280 | 27 | 38 |
| Maine | 1,023 | 553 | 418 | 949 | 91 | 129 | 643 | 62 | 87 |
| Maryland | 956 | 373 | 373 | 679 | 65 | 92 | 463 | 44 | 63 |
| Massachusetts | 1,045 | 565 | 565 | 1,220 | 117 | 166 | 1,220 | 117 | 166 |
| Michigan (Wayne Co.) | 1,084 | 459 | 459 | 774 | 74 | 105 | 774 | 74 | 105 |
| Minnesota | 984 | 532 | 532 | 918 | 88 | 125 | 622 | 60 | 84 |
| Mississippi | 681 | 368 | 120 | 672 | 64 | 91 | 458 | 44 | 62 |
| Missouri | 1,565 | 292 | 292 | 558 | 53 | 76 | 382 | 37 | 52 |
| Montana | 1,032 | 558 | 438 | 957 | 92 | 130 | 648 | 62 | 88 |
| Nebraska | 673 | 364 | 364 | 666 | 64 | 90 | 454 | 44 | 62 |
| Nevada | 1,423 | 348 | 348 | 642 | 62 | 87 | 438 | 42 | 59 |
| New Hampshire | 3,763 | 550 | 550 | 1,100 | 105 | 149 | 1,100 | 105 | 149 |
| New Jersey | 1,822 | 443 | 424 | 784 | 75 | 106 | 533 | 51 | 72 |
| New Mexico | 720 | 389 | 389 | 703 | 67 | 95 | 479 | 46 | 65 |
| New York (N.Y.C.) | 1,067 | 577 | 577 | 985 | 94 | 134 | 667 | 64 | 91 |
| North Carolina | 1,006 | 544 | 272 | 936 | 90 | 127 | 936 | 90 | 127 |
| North Dakota | 797 | 431 | 431 | 766 | 73 | 104 | 521 | 50 | 71 |
| Ohio | 1,758 | 341 | 341 | 932 | 89 | 127 | 932 | 89 | 127 |
| Oklahoma | 1,193 | 307 | 307 | 581 | 56 | 79 | 397 | 38 | 54 |
| Oregon | 1,406 | 460 | 460 | 810 | 78 | 110 | 550 | 53 | 75 |
| Pennsylvania | 1,136 | 421 | 421 | 831 | 80 | 113 | 831 | 80 | 113 |
| Puerto Rico | 666 | 180 | 180 | 390 | 37 | 53 | 270 | 26 | 37 |
| Rhode Island | 1,025 | 554 | 554 | 951 | 91 | 129 | 644 | 62 | 87 |
| South Carolina | 969 | 200 | 200 | 420 | 40 | 57 | 290 | 28 | 39 |
| South Dakota | 938 | 507 | 430 | 880 | 84 | 120 | 597 | 57 | 81 |
| Tennessee | 1,252 | 677 | 185 | 1,136 | 109 | 154 | 767 | 74 | 104 |
| Texas | 1,389 | 188 | 188 | 402 | 39 | 55 | 278 | 27 | 38 |
| Utah | 1,051 | 568 | 426 | 972 | 93 | 132 | 658 | 63 | 89 |
| Vermont | 2,170 | 633 | 633 | 994 | 95 | 135 | 994 | 95 | 135 |
| Virgin Islands | 555 | 240 | 240 | 480 | 46 | 65 | 330 | 32 | 45 |
| Virginia | 727 | 354 | 354 | 727 | 70 | 99 | 727 | 70 | 99 |
| Washington | 2,316 | 546 | 546 | 939 | 90 | 127 | 636 | 61 | 86 |
| West Virginia | 1,833 | 253 | 253 | 499 | 48 | 68 | 343 | 33 | 47 |
| Wisconsin | 1,197 | 517 | 517 | 895 | 86 | 122 | 607 | 58 | 82 |
| Wyoming | 1,247 | 590 | 360 | 1,005 | 96 | 136 | 680 | 65 | 92 |

Note: Under the provisions of TEFRA (1982), payment standards and benefit calculations for AFDC are rounded down to the nearest dollar. These calculations assume no child care expenses. The effective eligibility levels for 5-12 months can be obtained by adding \$30 to the "After 12 Months" levels. The annual poverty level income for 1996 for a family of three is \$12,516 in the continental U.S. and annual minimum wage earnings are \$8,840 as of July 1996. Eligibility levels given here are those at which Medicaid eligibility ends; AFDC benefit payments end at slightly lower income levels due to the \$10 minimum payment rule. Calculations by DHHS/ASPE staff.

The Amount Actually Paid by States

- Table 5.13 shows the payment standard for the states in selected years and calculates the percent change across three time periods, 1972-89, 1989-93 and 1993-96. For most of the time and in most of the states AFDC payment standards were declining when adjusted for inflation.
 - The benefit level for a mother with two children in the United States in 1996 was \$4,718. This is 46 percent less than the average standard in 1972 (\$8,723).
 - Table 5.14 further illustrates changes in payment levels over time. The upper part of the table shows the numbers of states that reduced, increased, or did not change the AFDC payment level from 1987 to 1996. The lower half of the table shows the results when the payment standards are adjusted for inflation. In any of the nine years shown here, the payment standards in more than two-thirds of the states were being eroded relative to inflation.
 - The disposable income of most AFDC families is supplemented by participation in the food stamp program. Nearly ninety percent of AFDC families receive food stamps (Table 5.15).
 - When the cash value of food stamps is added to the AFDC payment levels, the picture brightens somewhat. While food stamps is becoming an increasingly large share of the total resources available to the family, the net result is still a 27 percent decline in purchasing power between 1972 and 1996 (Table 5.16). Table 5.17 provides this data for the states in selected years.
- The largest single expenditure in most household budgets is for shelter. Table 5.18 indicates that less than one-third of AFDC families receive housing assistance from any source.

Table 5.13
Annual AFDC Benefit Levels by State
For a Mother and Two Children with No Earnings, Selected Years 1972 – 1996

| State | AFDC Benefit Levels (in 1996 dollars) | | | | | | | Percent Change in Benefits | | |
|----------------------|---------------------------------------|---------|---------|---------|---------|---------|---------|----------------------------|---------|---------|
| | 1972 | 1980 | 1985 | 1989 | 1993 | 1994 | 1996 | 1972-89 | 1989-93 | 1993-96 |
| Alabama | \$3,847 | \$2,701 | \$2,065 | \$1,797 | \$2,134 | \$2,079 | \$1,968 | -53.3 | 18.7 | -7.8 |
| Arizona | 5,842 | 4,624 | 4,078 | 4,462 | 4,515 | 4,399 | 4,164 | -23.6 | 1.2 | -7.8 |
| Arkansas | 4,453 | 3,685 | 3,361 | 3,107 | 2,654 | 2,586 | 2,448 | -30.2 | -14.6 | -7.8 |
| California | 11,363 | 10,825 | 10,274 | 10,570 | 8,119 | 7,694 | 7,152 | -7.0 | -23.2 | -11.9 |
| Colorado | 8,086 | 6,637 | 6,056 | 5,434 | 4,632 | 4,513 | 4,272 | -32.8 | -14.8 | -7.8 |
| Connecticut | 12,396 | 9,292 | 9,959 | 9,884 | 8,848 | 8,620 | 7,632 | -20.3 | -10.5 | -13.7 |
| Delaware | 8,727 | 6,088 | 5,023 | 5,072 | 4,398 | 4,285 | 4,056 | -41.9 | -13.3 | -7.8 |
| District of Columbia | 9,155 | 6,545 | 5,724 | 6,229 | 5,322 | 5,324 | 4,980 | -32.0 | -14.6 | -6.4 |
| Florida | 5,130 | 4,462 | 4,201 | 4,371 | 3,943 | 3,841 | 3,636 | -14.8 | -9.8 | -7.8 |
| Georgia | 4,097 | 3,753 | 3,903 | 4,158 | 3,643 | 3,549 | 3,360 | 1.5 | -12.4 | -7.8 |
| Idaho | 10,686 | 7,393 | 5,321 | 4,828 | 4,125 | 4,018 | 3,804 | -54.8 | -14.6 | -7.8 |
| Illinois | 9,297 | 6,591 | 5,969 | 5,209 | 4,775 | 4,779 | 4,524 | -44.0 | -8.3 | -5.3 |
| Indiana | 7,124 | 5,836 | 4,481 | 4,386 | 3,747 | 3,651 | 3,456 | -38.4 | -14.6 | -7.8 |
| Iowa | 10,472 | 8,239 | 6,301 | 6,244 | 5,543 | 5,400 | 5,112 | -40.4 | -11.2 | -7.8 |
| Kansas | 11,791 | 7,896 | 6,844 | 6,640 | 5,582 | 5,438 | 5,148 | -43.7 | -15.9 | -7.8 |
| Kentucky | 6,590 | 4,303 | 3,448 | 3,472 | 2,967 | 2,877 | 3,144 | -47.3 | -14.6 | 6.0 |
| Louisiana | 4,560 | 3,959 | 3,325 | 2,894 | 2,472 | 2,408 | 2,280 | -36.5 | -14.6 | -7.8 |
| Maine | 7,872 | 6,408 | 6,472 | 6,671 | 5,894 | 5,299 | 5,016 | -15.3 | -11.6 | -14.9 |
| Maryland | 7,124 | 6,179 | 5,758 | 6,031 | 4,762 | 4,728 | 4,476 | -15.3 | -21.0 | -6.0 |
| Massachusetts | 11,683 | 8,193 | 7,561 | 8,209 | 7,013 | 7,340 | 6,780 | -29.7 | -14.6 | -3.3 |
| Michigan (Wayne) | 12,004 | 9,727 | 6,896 | 7,082 | 5,972 | 5,818 | 5,508 | -41.0 | -15.7 | -7.8 |
| Minnesota | 11,755 | 9,543 | 9,242 | 8,102 | 6,922 | 6,744 | 6,384 | -31.1 | -14.6 | -7.8 |
| Mississippi | 1,710 | 2,197 | 1,680 | 1,828 | 1,561 | 1,521 | 1,440 | 6.9 | -14.6 | -7.8 |
| Missouri | 4,809 | 5,676 | 4,796 | 4,341 | 3,799 | 3,701 | 3,504 | -9.7 | -12.5 | -7.8 |
| Montana | 7,872 | 5,928 | 6,196 | 5,468 | 5,218 | 5,273 | 5,256 | -30.5 | -4.6 | 0.7 |
| Nebraska | 8,977 | 7,095 | 6,127 | 5,544 | 4,736 | 4,614 | 4,368 | -38.2 | -14.6 | -7.8 |
| Nevada | 7,409 | 5,996 | 4,989 | 5,026 | 4,528 | 4,411 | 4,176 | -32.2 | -9.9 | -7.8 |
| New Hampshire | 10,971 | 7,918 | 6,809 | 7,706 | 6,714 | 6,972 | 6,600 | -29.8 | -12.9 | -1.7 |
| New Jersey | 11,043 | 8,239 | 7,072 | 6,458 | 5,517 | 5,375 | 5,088 | -41.5 | -14.6 | -7.8 |
| New Mexico | 6,020 | 5,035 | 4,516 | 4,021 | 4,645 | 4,830 | 4,668 | -33.2 | 15.5 | 0.5 |
| New York | 14,035 | 9,017 | 8,297 | 8,209 | 7,508 | 7,314 | 6,924 | -41.5 | -8.5 | -7.8 |
| North Carolina | 6,519 | 4,394 | 4,306 | 4,051 | 3,539 | 3,448 | 3,264 | -37.9 | -12.6 | -7.8 |
| North Dakota | 10,758 | 7,644 | 6,494 | 5,879 | 5,322 | 5,463 | 5,172 | -45.4 | -9.5 | -2.8 |
| Ohio | 7,266 | 6,019 | 5,076 | 4,889 | 4,437 | 4,323 | 4,092 | -32.7 | -9.2 | -7.8 |
| Oklahoma | 8,264 | 6,454 | 4,936 | 4,950 | 4,216 | 4,107 | 3,684 | -40.1 | -14.8 | -12.6 |
| Oregon | 12,610 | 8,880 | 6,757 | 6,579 | 5,985 | 5,831 | 5,520 | -47.8 | -9.0 | -7.8 |
| Pennsylvania | 11,291 | 7,278 | 6,371 | 6,122 | 5,478 | 5,337 | 5,052 | -45.8 | -10.5 | -7.8 |
| Rhode Island | 11,185 | 7,781 | 7,159 | 8,270 | 7,209 | 7,023 | 6,648 | -26.1 | -12.8 | -7.8 |
| South Carolina | 3,419 | 2,953 | 3,273 | 3,137 | 2,602 | 2,535 | 2,400 | -8.2 | -17.1 | -7.8 |
| South Dakota | 10,437 | 7,347 | 5,758 | 5,742 | 5,426 | 5,451 | 5,160 | -45.0 | -5.5 | -4.9 |
| Tennessee | 4,097 | 2,792 | 2,679 | 2,802 | 2,407 | 2,345 | 2,220 | -31.6 | -14.1 | -7.8 |
| Texas | 4,132 | 2,655 | 2,923 | 2,797 | 2,394 | 2,383 | 2,256 | -32.3 | -14.4 | -5.8 |
| Utah | 9,796 | 8,239 | 6,581 | 5,894 | 5,387 | 5,248 | 5,112 | -39.8 | -8.6 | -5.1 |
| Vermont | 11,862 | 11,260 | 10,205 | 9,915 | 8,575 | 8,240 | 7,596 | -16.4 | -13.5 | -11.4 |
| Virginia | 9,546 | 5,904 | 6,196 | 5,391 | 4,606 | 4,487 | 4,248 | -43.5 | -14.6 | -7.8 |
| Washington | 11,683 | 10,482 | 8,332 | 7,493 | 7,104 | 6,921 | 6,552 | -35.9 | -5.2 | -7.8 |
| West Virginia | 7,338 | 4,714 | 4,359 | 3,792 | 3,240 | 3,207 | 3,036 | -48.3 | -14.6 | -6.3 |
| Wisconsin | 12,716 | 10,162 | 9,329 | 7,874 | 6,727 | 6,554 | 6,204 | -38.1 | -14.6 | -7.8 |
| Wyoming | 8,727 | 5,264 | 6,301 | 5,483 | 4,684 | 4,563 | 4,320 | -37.2 | -14.6 | -7.8 |
| Average | \$8,542 | \$6,535 | \$5,792 | \$5,602 | \$4,930 | \$4,834 | \$4,569 | -34.4 | -12.0 | -7.3 |
| Weighted Average | 8,723 | 6,813 | 6,134 | 5,980 | 5,138 | 5,005 | 4,718 | -31.4 | -14.1 | -8.2 |

Note: Dollars adjusted for inflation using fiscal year average values of the CPI-U-X1 price index. Each state's weight in every year is the state's population of persons under 18 years of age in 1990 (for continuity over time Alaska, Hawaii, and the territories are not included).

Source: DHHS and Ways and Means Committee staff based upon state AFDC benefit data collected by the Congressional Research Service.

Table 5.14
States Changing Monthly AFDC Benefit Levels
Selected Years 1987 – 1996
Based on July benefit levels for a Mother and Two Children with No Earnings

| | Number of States | | | | | | | | |
|----------------------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 |
| Nominal Benefits: | | | | | | | | | |
| Reduced..... | 1 | 0 | 2 | 2 | 6 | 5 | 5 | 5 | 4 |
| Same..... | 23 | 25 | 28 | 30 | 36 | 36 | 35 | 42 | 43 |
| Increased..... | 27 | 26 | 21 | 19 | 9 | 10 | 11 | 4 | 4 |
| Total..... | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 |
| Constant Dollar Benefits: | | | | | | | | | |
| Reduced..... | 39 | 49 | 46 | 41 | 44 | 48 | 43 | 50 | 48 |
| Increased..... | 12 | 2 | 5 | 10 | 7 | 3 | 8 | 1 | 3 |
| Total..... | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 |

Note. All States where benefit levels stayed the same in nominal terms are reductions in constant dollar terms (where benefits are adjusted for inflation).

Source: DHHS and Ways and Means Committee staff based upon state AFDC benefit data collected by the Congressional Research Service.

Table 5.15
Number and Percent of AFDC Families Receiving Food Stamps
Selected Years, 1967 – 1996

| Fiscal Year | Total AFDC Families (thousands) | AFDC Families Receiving Food Stamps | |
|-------------|------------------------------------|-------------------------------------|---------|
| | | Number (thousands) | Percent |
| 1967 | 1,141 | 252 | 22.1 |
| 1969 | 1,538 | 455 | 29.6 |
| 1971 | 2,531 | 1,339 | 52.9 |
| 1973 | 3,123 | 2,136 | 68.4 |
| 1975 | 3,342 | 2,510 | 75.1 |
| 1977 | 3,574 | 2,645 | 74.0 |
| 1979 | 3,493 | 2,623 | 75.1 |
| 1981 | 3,651 | 3,030 | 83.0 |
| 1984 | 3,725 | 2,984 | 80.1 |
| 1985 | 3,692 | 2,998 | 81.2 |
| 1986 | 3,748 | 3,024 | 80.7 |
| 1987 | 3,784 | 3,137 | 82.9 |
| 1988 | 3,748 | 3,171 | 84.6 |
| 1989 | 3,771 | 3,213 | 85.2 |
| 1990 | 3,974 | 3,402 | 85.6 |
| 1991 | 4,374 | 3,814 | 87.2 |
| 1992 | 4,768 | 4,163 | 87.3 |
| 1993 | 4,981 | 4,408 | 88.5 |
| 1994 | 5,046 | 4,476 | 88.7 |
| 1995 | 4,881 | 4,383 | 89.8 |
| 1996 | 4,548 | 4,062 | 89.3 |

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, *Quarterly Public Assistance Statistics, 1992-1993* and unpublished data and *Characteristics and Financial Circumstances of AFDC Recipients, 1996*; and earlier reports.

Table 5.16
Percentage Change in the Value of AFDC and Food Stamp Benefit Levels
For a Mother and Two Children With No Earnings, Selected Years 1972 – 1996

[Weighted averages across States in 1996 dollars]

| | AFDC | Food Stamps | Total |
|---------------------------|---------|-------------|----------|
| 1972 | \$8,723 | \$2,198 | \$10,921 |
| 1976 | 7,758 | 2,595 | 10,354 |
| 1980 | 6,788 | 2,543 | 9,331 |
| 1984 | 6,055 | 2,633 | 8,688 |
| 1985 | 6,134 | 2,677 | 8,811 |
| 1986 | 6,273 | 2,653 | 8,926 |
| 1987 | 6,183 | 2,607 | 8,790 |
| 1988 | 6,109 | 2,708 | 8,817 |
| 1989 | 5,980 | 2,702 | 8,682 |
| 1990 | 5,747 | 2,912 | 8,659 |
| 1991 | 5,530 | 3,053 | 8,583 |
| 1992 | 5,345 | 3,208 | 8,553 |
| 1993 | 5,138 | 3,148 | 8,286 |
| 1994 | 5,005 | 3,130 | 8,136 |
| 1995 | 4,784 | 3,218 | 8,002 |
| 1996 | 4,718 | 3,259 | 7,977 |
| Percentage change: | | | |
| 1972-96..... | -45.9 | 48.3 | -27.0 |
| 1972-76..... | -11.1 | 18.1 | -5.2 |
| 1976-80..... | -12.5 | -2.0 | -9.9 |
| 1980-84..... | -10.8 | 3.5 | -6.9 |
| 1984-88..... | 0.9 | 2.8 | 1.5 |
| 1988-92..... | -12.5 | 18.5 | -3.0 |
| 1992-96..... | -11.7 | 1.6 | -6.7 |

Note: Dollars adjusted for inflation using fiscal year average values of the CPI-U-X1 price index. Each state's weight in every year is the state's population of persons under 18 years of age in 1990.

Source: ASPE & Ways and Means Committee staff based upon State AFDC benefit levels for July compiled by CRS.

Table 5.17
Annual AFDC and Food Stamp Benefit Levels by State
For a Mother and Two Children with No Earnings, Selected Years 1972 – 1996

| State | AFDC & Food Stamp Benefit Levels (in 1996 dollars) | | | | | | | Percent Change in Benefits | | |
|----------------------|--|---------|---------|---------|---------|---------|---------|----------------------------|---------|---------|
| | 1972 | 1980 | 1985 | 1989 | 1993 | 1994 | 1996 | 1972-89 | 1989-93 | 1993-96 |
| Alabama | \$7,481 | \$6,452 | \$5,706 | \$5,391 | \$5,933 | \$5,818 | \$5,724 | -27.9 | 10.1 | -3.5 |
| Arizona | 8,877 | 7,807 | 7,347 | 7,591 | 7,846 | 7,707 | 7,596 | -14.5 | 3.4 | -3.2 |
| Arkansas | 7,905 | 7,152 | 6,844 | 6,642 | 6,454 | 6,325 | 6,204 | -16.0 | -2.8 | -3.9 |
| California | 12,742 | 12,132 | 11,684 | 11,866 | 10,357 | 10,014 | 9,684 | -6.9 | -12.7 | -6.5 |
| Colorado | 10,448 | 9,211 | 8,731 | 8,274 | 7,924 | 7,783 | 7,668 | -20.8 | -4.2 | -3.2 |
| Connecticut | 13,465 | 11,063 | 11,463 | 11,386 | 10,878 | 10,661 | 10,020 | -15.4 | -4.5 | -7.9 |
| Delaware | 10,897 | 8,828 | 8,008 | 8,017 | 7,755 | 7,618 | 7,512 | -26.4 | -3.3 | -3.1 |
| District of Columbia | 11,196 | 9,148 | 8,498 | 8,827 | 8,406 | 8,354 | 8,160 | -21.2 | -4.8 | -2.9 |
| Florida | 8,379 | 7,695 | 7,433 | 7,527 | 7,443 | 7,314 | 7,224 | -10.2 | -1.1 | -2.9 |
| Georgia | 7,655 | 7,200 | 7,224 | 7,377 | 7,235 | 7,111 | 7,032 | -3.6 | -1.9 | -2.8 |
| Idaho | 12,269 | 9,738 | 8,217 | 7,847 | 7,573 | 7,441 | 7,344 | -36.0 | -3.5 | -3.0 |
| Illinois | 11,296 | 9,179 | 8,669 | 8,195 | 8,093 | 8,037 | 7,908 | -27.4 | -1.2 | -2.3 |
| Indiana | 9,775 | 8,653 | 7,628 | 7,537 | 7,300 | 7,175 | 7,092 | -22.9 | -3.2 | -2.8 |
| Iowa | 12,118 | 10,329 | 8,903 | 8,838 | 8,562 | 8,404 | 8,256 | -27.1 | -3.1 | -3.6 |
| Kansas | 13,042 | 10,089 | 9,282 | 9,403 | 8,796 | 8,645 | 8,472 | -27.9 | -6.5 | -3.7 |
| Kentucky | 9,401 | 7,583 | 6,905 | 6,898 | 6,753 | 6,617 | 6,876 | -26.6 | -2.1 | 1.8 |
| Louisiana | 7,979 | 7,344 | 6,819 | 6,488 | 6,272 | 6,148 | 6,036 | -18.7 | -3.3 | -3.8 |
| Maine | 10,298 | 9,052 | 9,022 | 9,136 | 8,809 | 8,328 | 8,184 | -11.3 | -3.6 | -7.1 |
| Maryland | 9,775 | 8,893 | 8,832 | 8,958 | 8,184 | 8,100 | 7,968 | -8.4 | -8.6 | -2.6 |
| Massachusetts | 12,966 | 10,297 | 9,785 | 10,213 | 9,590 | 9,761 | 9,420 | -21.2 | -6.1 | -1.8 |
| Michigan (Wayne) | 13,191 | 11,366 | 9,319 | 9,424 | 8,861 | 8,696 | 8,664 | -28.6 | -6.0 | -2.2 |
| Minnesota | 13,016 | 11,238 | 10,961 | 10,139 | 9,525 | 9,342 | 9,144 | -22.1 | -6.1 | -4.0 |
| Mississippi | 5,608 | 5,951 | 5,321 | 5,422 | 5,361 | 5,261 | 5,196 | -3.3 | -1.1 | -3.1 |
| Missouri | 8,154 | 8,541 | 7,848 | 7,505 | 7,339 | 7,213 | 7,128 | -8.0 | -2.2 | -2.9 |
| Montana | 10,298 | 8,717 | 8,829 | 8,294 | 8,328 | 8,316 | 8,352 | -19.5 | 0.4 | 0.3 |
| Nebraska | 11,071 | 9,531 | 8,780 | 8,348 | 7,989 | 7,859 | 7,740 | -24.6 | -4.3 | -3.1 |
| Nevada | 9,974 | 8,765 | 7,983 | 7,985 | 7,846 | 7,707 | 7,596 | -19.9 | -1.7 | -3.2 |
| New Hampshire | 12,468 | 10,105 | 9,258 | 9,861 | 9,382 | 9,507 | 9,300 | -20.9 | -4.9 | -0.9 |
| New Jersey | 12,517 | 10,329 | 9,441 | 9,101 | 8,640 | 8,480 | 8,328 | -27.3 | -5.1 | -3.6 |
| New Mexico | 9,002 | 8,094 | 7,653 | 7,281 | 7,937 | 8,011 | 7,944 | -19.1 | 9.0 | 0.1 |
| New York | 15,051 | 10,872 | 10,577 | 10,455 | 10,136 | 9,951 | 9,720 | -30.5 | -3.1 | -4.1 |
| North Carolina | 9,351 | 7,647 | 7,505 | 7,303 | 7,157 | 7,035 | 6,960 | -21.9 | -2.0 | -2.7 |
| North Dakota | 12,318 | 9,913 | 9,037 | 8,582 | 8,406 | 8,455 | 8,292 | -30.3 | -2.1 | -1.4 |
| Ohio | 9,875 | 8,780 | 8,045 | 7,889 | 7,846 | 7,656 | 7,536 | -20.1 | -0.5 | -4.0 |
| Oklahoma | 10,572 | 9,083 | 7,946 | 7,932 | 7,625 | 7,504 | 7,260 | -25.0 | -3.9 | -4.8 |
| Oregon | 13,626 | 10,776 | 9,841 | 9,612 | 9,329 | 9,152 | 8,964 | -29.5 | -2.9 | -3.9 |
| Pennsylvania | 12,692 | 9,658 | 8,952 | 8,753 | 8,510 | 8,366 | 8,208 | -31.0 | -2.8 | -3.5 |
| Rhode Island | 12,617 | 10,009 | 9,592 | 10,334 | 9,798 | 10,027 | 9,792 | -18.1 | -5.2 | -0.1 |
| South Carolina | 7,181 | 6,642 | 6,783 | 6,663 | 6,402 | 6,275 | 6,156 | -7.2 | -3.9 | -3.8 |
| South Dakota | 12,094 | 9,706 | 8,523 | 8,486 | 8,484 | 8,442 | 8,292 | -29.8 | -0.0 | -2.3 |
| Tennessee | 7,655 | 6,530 | 6,319 | 6,397 | 6,207 | 6,085 | 5,976 | -16.4 | -3.0 | -3.7 |
| Texas | 7,680 | 6,407 | 6,538 | 6,392 | 6,194 | 6,123 | 6,012 | -16.8 | -3.1 | -2.9 |
| Utah | 11,645 | 10,329 | 9,098 | 8,593 | 8,445 | 8,303 | 8,256 | -26.2 | -1.7 | -2.2 |
| Vermont | 13,091 | 12,436 | 11,635 | 11,407 | 10,683 | 10,394 | 9,996 | -12.9 | -6.4 | -6.4 |
| Virginia | 11,470 | 8,701 | 8,829 | 8,241 | 7,898 | 7,770 | 7,656 | -28.2 | -4.2 | -3.1 |
| Washington | 12,966 | 11,893 | 10,492 | 9,922 | 9,993 | 9,799 | 9,576 | -23.5 | 0.7 | -4.2 |
| West Virginia | 9,925 | 7,871 | 7,542 | 7,122 | 6,948 | 6,870 | 6,792 | -28.2 | -2.4 | -2.2 |
| Wisconsin | 13,734 | 11,669 | 11,022 | 9,979 | 9,395 | 9,216 | 9,024 | -27.3 | -5.9 | -3.9 |
| Wyoming | 10,897 | 8,254 | 8,903 | 8,305 | 7,963 | 7,821 | 7,704 | -23.8 | -4.1 | -3.3 |
| Average | \$10,769 | \$9,136 | \$8,563 | \$8,411 | \$8,139 | \$8,020 | \$7,876 | -21.9 | -3.2 | -3.2 |
| Weighted Average | 10,921 | 9,331 | 8,811 | 8,682 | 8,286 | 8,136 | 7,977 | -20.5 | -4.6 | -3.7 |

Note: Dollars adjusted for inflation using fiscal year average values of the CPI-U-X1 price index. Each state's weight in every year is the state's population of persons under 18 years of age in 1990 (for continuity over time Alaska, Hawaii, and the territories are not included).

Source: DHHS and Ways and Means Committee staff based upon state AFDC benefit data collected by the Congressional Research Service.

Table 5.18
Housing Arrangements of AFDC Families,
By Type of Shelter, 1984 – 1996

| Fiscal Year | Proportion of AFDC Families with | | | | | | | |
|-------------|----------------------------------|--------------------|----------------------|----------------|-----------|----------|------------------------------|-------------------------------|
| | Public Housing | HUD Rent Subsidies | Other Rent Subsidies | Group Quarters | Free Rent | Own Home | Rental Housing, no Subsidies | Emergency Shelters or Unknown |
| 1984..... | 9.5 | 7.1 | 1.4 | 2.3 | 5.3 | 5.8 | 62.5 | 6.0 |
| 1985..... | 9.4 | 8.6 | 1.4 | 2.0 | 4.5 | 4.9 | 63.9 | 5.3 |
| 1986..... | 9.6 | 9.1 | 1.6 | 1.9 | 5.3 | 4.9 | 63.8 | 3.9 |
| 1987..... | 9.9 | 9.8 | 1.6 | 1.4 | 5.5 | 4.8 | 63.0 | 3.8 |
| 1988..... | 9.6 | 11.2 | 1.7 | 1.6 | 6.0 | 5.0 | 62.3 | 2.8 |
| 1989..... | 9.6 | 12.1 | 1.8 | 1.6 | 6.5 | 4.7 | 62.9 | 0.7 |
| 1990..... | 9.6 | 12.2 | 2.1 | 1.7 | 6.8 | 4.5 | 62.4 | 0.6 |
| 1991..... | 9.5 | 11.5 | 1.9 | 1.6 | 6.8 | 4.4 | 63.8 | 0.5 |
| 1992..... | 9.2 | 12.1 | 1.7 | 1.7 | 7.2 | 4.4 | 63.1 | 0.6 |
| 1993..... | 8.8 | 12.6 | 1.7 | 1.6 | 7.1 | 4.3 | 63.3 | 0.6 |
| 1994..... | 8.3 | 12.0 | 2.0 | 1.6 | 7.0 | 4.2 | 64.2 | 0.6 |
| 1995..... | 8.0 | 12.1 | 2.4 | 1.6 | 6.9 | 4.0 | 64.2 | 0.6 |
| 1996..... | 8.8 | 12.2 | 2.6 | 1.9 | 7.2 | 4.3 | 62.3 | 7.0 |

Source: Department of Health & Human Services, Administration for Children and Families, Office of Family Assistance, *Characteristics and Financial Circumstances of AFDC Recipients, 1996*; and earlier reports.

Only a small number of families had earnings simultaneously with the receipt of AFDC. Table 5.19 summarizes the data for all AFDC families for selected years. Table 5.20 provides data on female-headed AFDC households with earning, the proportion of such families and the average monthly earnings. These data, which are taken from the administrative case records, shows that only about 11.5 percent of AFDC women have earnings. This is in contrast to the findings of the annual March Supplement of the Current Population Survey conducted by the Census Bureau. In that survey approximately 40 percent of unmarried women with children who received AFDC reported earnings during the past year. The lower rate in the administrative data reflects the receipt of AFDC concurrently with earnings. The CPS data includes data on women who received AFDC at the time of the survey and who reported that they had held a job at any time during the past year.

Table 5.19
AFDC Families with Earnings, Selected Years, 1967 – 1996

| Fiscal Year | AFDC Families with Earnings | | Average Monthly Earnings | | |
|-------------------------|-----------------------------|-------------------------|--------------------------|--------------------------|------------------------------------|
| | Number (thousands) | Proportion (percent) | Current Dollars | Constant 1996 Dollars | Percent of Poverty Threshold |
| 1967..... | 245 | 19.2 | \$130 | \$562 | 35.8 |
| 1969..... | 306 | 18.7 | 179 | 711 | 46.0 |
| 1971..... | 433 | 17.1 | 222 | 807 | 54.1 |
| 1973..... | 487 | 16.3 | 256 | 852 | 60.0 |
| 1975..... | 499 | 14.6 | 301 | 841 | 61.6 |
| 1977..... | 451 | 12.9 | 327 | 813 | 62.1 |
| 1979..... | 439 | 12.8 | 381 | 808 | 63.0 |
| 1983 ¹ | 203 | 5.7 | 247 | 390 | 30.7 |
| 1984..... | 221 | 5.9 | 253 | 382 | 29.5 |
| 1985..... | 241 | 6.6 | 264 | 384 | 29.7 |
| 1986..... | 274 | 7.5 | 276 | 395 | 30.5 |
| 1987..... | 296 | 7.8 | 292 | 404 | 31.8 |
| 1988..... | 316 | 8.4 | 293 | 389 | 30.7 |
| 1989..... | 319 | 8.5 | 327 | 414 | 32.7 |
| 1990..... | 328 | 8.2 | 325 | 390 | 30.9 |
| 1991..... | 344 | 7.9 | 330 | 381 | 30.0 |
| 1992..... | 353 | 7.4 | 335 | 375 | 29.5 |
| 1993..... | 377 | 7.6 | 350 | 381 | 30.0 |
| 1994..... | 441 | 8.7 | 394 | 417 | 32.9 |
| 1995..... | 464 | 9.5 | 431 | 444 | 35.1 |
| 1996..... | 505 | 11.1 | 466 | 466 | 37.1 |

¹ Effective July 1, 1981 families with incomes greater than 150 percent of a State's standard of need were no longer eligible for income assistance; this was raised to 185 percent in 1984.

Note: The poverty threshold used as the denominator here is adjusted for the change in family size that has occurred over time—the calculation of average family size excludes cases where no adult is present. Earnings have been adjusted for inflation using the CPI-U-X1 price index.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, *Characteristics and Financial Circumstances of AFDC Recipients: Fiscal Year 1996* and earlier years and U.S. Bureau of the Census, "Poverty in the United States: 1996," *Current Population Reports, Series P60-198*.

Table 5.20
Earnings of Adult Female AFDC Recipients
Selected Years, 1967 – 1996

| Fiscal Year | AFDC Female Case Heads with Earnings | | Average Monthly Earnings | | | Employment Status of Adult Females | | |
|-------------------------|---|-------------------------|--------------------------|--------------------------|------------------------------------|---------------------------------------|-----------|------|
| | Number (thousands) | Proportion (percent) | Current Dollars | Constant 1996 Dollars | Percent of Poverty Threshold | Full-time | Part-time | Both |
| 1967..... | 172 | 14.7 | \$135 | \$585 | 37.8 | 6.6 | 7.1 | 13.7 |
| 1969..... | 224 | 14.9 | 176 | 700 | 45.8 | 7.5 | 5.8 | 13.3 |
| 1971..... | 345 | 14.7 | 221 | 805 | 54.9 | 8.3 | 5.6 | 13.9 |
| 1973..... | 431 | 16.6 | 258 | 857 | 61.0 | 9.8 | 6.3 | 16.1 |
| 1975..... | 469 | 16.4 | 304 | 849 | 62.7 | 10.4 | 5.7 | 16.1 |
| 1977..... | 432 | 14.8 | 332 | 824 | 63.9 | 8.4 | 5.4 | 13.8 |
| 1979..... | 417 | 14.9 | 383 | 812 | 64.2 | 8.0 | 5.0 | 13.0 |
| 1983 ¹ | 176 | 5.5 | 237 | 374 | 30.1 | 1.4 | 3.7 | 5.1 |
| 1984..... | 195 | 6.1 | 245 | 371 | 29.6 | 1.2 | 3.6 | 4.8 |
| 1985..... | 220 | 6.9 | 250 | 365 | 29.0 | 1.5 | 4.2 | 5.7 |
| 1986..... | 228 | 6.9 | 264 | 378 | 30.1 | 1.6 | 4.2 | 5.8 |
| 1987..... | 237 | 7.1 | 282 | 389 | 31.3 | 1.9 | 3.9 | 5.8 |
| 1988..... | 262 | 7.9 | 276 | 366 | 29.5 | 2.2 | 4.2 | 6.4 |
| 1989..... | 262 | 8.0 | 296 | 375 | 30.2 | 2.4 | 4.5 | 6.9 |
| 1990..... | 275 | 8.0 | 318 | 382 | 30.8 | 2.5 | 4.2 | 6.7 |
| 1991..... | 293 | 7.9 | 324 | 374 | 30.1 | 2.2 | 4.2 | 6.4 |
| 1992..... | 292 | 7.4 | 330 | 369 | 29.7 | 2.2 | 4.2 | 6.4 |
| 1993..... | 310 | 7.6 | 346 | 376 | 30.2 | 2.6 | 3.9 | 6.5 |
| 1994..... | 354 | 8.8 | 379 | 401 | 32.3 | 3.2 | 4.5 | 7.7 |
| 1995..... | 383 | 10.1 | 412 | 424 | 34.2 | 3.7 | 5.1 | 8.8 |
| 1996..... | 394 | 11.5 | 440 | 440 | 35.7 | 4.7 | 5.4 | 10.1 |

¹ Effective July 1, 1981 families with incomes greater than 150 percent of a State's standard of need were no longer eligible for income assistance; this was raised to 185 percent in 1984.

Note: The poverty threshold used as the denominator here is adjusted for the change in family size that has occurred over time—the calculation of average family size excludes cases where no adult is present. Earnings have been adjusted for inflation using the CPI-U-X1 price index.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, *Characteristics and Financial Circumstances of AFDC Recipients: Fiscal Year 1996* and earlier years and U.S. Bureau of the Census, "Poverty in the United States: 1996," *Current Population Reports, Series P60-198*.

In 1975 the Earned Income Tax Credit (EITC) was established, adding to the resources potentially available to AFDC recipient families. The EITC has been modified and expanded in several ways since 1975 to make holding a low-wage job more attractive. In order to estimate the changes in the real disposable income of AFDC families who may have taken advantage of the EITC, the next three tables analyze hypothetical situations involving various levels of earnings in reference to the poverty index at different points of time, taking into account AFDC, Food Stamps, the EITC and federal payroll taxes. These calculations take into account the income limitations on eligibility imposed by the States' standards of need shown in Table 5.12.

Table 5.21 gives the average disposable income (including earnings, AFDC, food stamps, and net of taxes) of a mother and two children (assuming no childcare expenses) between 1972 and 1996, at earnings levels between 0 and 125 percent of the poverty level. It also shows the percentage real change in income over selected years; the number of States which supplement income with AFDC at five levels of earnings; the number of States where a mother at various levels of earnings would be above the poverty level; and the average tax and benefit reduction rates at various wage levels. These rates represent the proportion of the next dollar in earnings that would be offset by increases in taxes and/or reductions in benefits.

Families with gross earnings equal to 50 percent of the poverty level experienced an 8.6 percent decline in disposable income between 1972 and 1994. The decline in disposable income was due, in part, to the loss of AFDC as an income supplement to wage earnings. In 1972, all States paid AFDC benefits to a family with wages equal to 75 percent of the poverty threshold; by 1996, only nine states paid AFDC to such a family. The dramatic change in the number of states that continued to supplement wages with AFDC after 1980 reflects the impact of the 1981 OBRA changes to the AFDC earnings disregard policy

The bottom panel of table 5.21 presents the average tax and benefit reduction rates for a mother and two children at various levels of earnings and shows how these rates have changed over time. The average tax and benefit reduction rate tells us the proportion of increased earnings that does not translate into an increase in disposable income because of the accompanying increase in net taxes as earnings increase. By 1984, these rates had increased significantly as a result of the 1981 OBRA changes to the AFDC earnings disregard policy and increased Federal payroll taxes.

Table 5.21
Average Disposable Income at Various Wage Levels
For a Mother and Two Children Without Child Care Expenses: Selected Years, 1972 – 1996

| | Earnings (as a percent of poverty threshold) | | | | | |
|---------------------------|---|--------|--------|--------|--------|--------|
| | 0 | 25 | 50 | 75 | 100 | 125 |
| Wages (1996 dollars)..... | 0 | 3,129 | 6,258 | 9,387 | 12,516 | 15,645 |
| | Average disposable income (1996 dollars) | | | | | |
| 1972..... | 10,869 | 12,636 | 13,867 | 15,078 | 16,201 | 17,329 |
| 1976..... | 10,354 | 12,188 | 13,623 | 15,042 | 16,187 | 17,035 |
| 1980..... | 9,307 | 11,035 | 12,435 | 13,968 | 14,951 | 15,778 |
| 1984..... | 8,688 | 9,745 | 10,327 | 11,604 | 12,843 | 14,262 |
| 1988..... | 8,817 | 10,464 | 11,108 | 12,449 | 14,227 | 15,804 |
| 1990..... | 8,659 | 10,359 | 11,052 | 12,439 | 14,302 | 15,781 |
| 1992..... | 8,552 | 10,337 | 11,216 | 12,856 | 14,882 | 16,394 |
| 1994..... | 8,136 | 10,308 | 11,815 | 14,015 | 15,741 | 16,962 |
| 1996..... | 7,977 | 10,497 | 12,658 | 15,155 | 16,743 | 17,766 |
| | Percentage change: | | | | | |
| 1972-96..... | -26.6 | -16.9 | -8.7 | 0.5 | 3.3 | 2.5 |
| 1976-96..... | -23.0 | -13.9 | -7.1 | 0.7 | 3.4 | 4.3 |
| 1980-96..... | -14.3 | -4.9 | 1.8 | 8.5 | 12.0 | 12.6 |
| 1984-96..... | -8.2 | 7.7 | 22.6 | 30.6 | 30.4 | 24.6 |
| 1988-96..... | -9.5 | 0.3 | 14.0 | 21.7 | 17.7 | 12.4 |
| 1992-96..... | -6.7 | 1.5 | 12.9 | 17.9 | 12.5 | 8.4 |
| | Number of States which supplement wages with AFDC | | | | | |
| 1972..... | 49 | 49 | 49 | 49 | 45 | 40 |
| 1980..... | 49 | 49 | 47 | 42 | 33 | 20 |
| 1984..... | 49 | 48 | 25 | 7 | 1 | 0 |
| 1988..... | 49 | 48 | 37 | 11 | 0 | 0 |
| 1992..... | 49 | 49 | 33 | 3 | 0 | 0 |
| 1994..... | 49 | 48 | 29 | 6 | 4 | 0 |
| 1996..... | 49 | 48 | 25 | 9 | 4 | 0 |
| | Number of States with disposable income above poverty | | | | | |
| 1972..... | 19 | 31 | 40 | 46 | 49 | 49 |
| 1976..... | 11 | 26 | 40 | 49 | 49 | 49 |
| 1980..... | 0 | 9 | 21 | 36 | 49 | 49 |
| 1984..... | 0 | 1 | 2 | 1 | 49 | 49 |
| 1990..... | 0 | 3 | 5 | 5 | 49 | 49 |
| 1992..... | 0 | 3 | 4 | 49 | 49 | 49 |
| 1994..... | 0 | 2 | 8 | 49 | 49 | 49 |
| 1996..... | 0 | 3 | 17 | 49 | 49 | 49 |
| | Average tax and benefit reduction rate (in percent) | | | | | |
| 1972..... | NA | 44 | 52 | 55 | 57 | 59 |
| 1980..... | NA | 45 | 50 | 50 | 55 | 59 |
| 1984..... | NA | 66 | 74 | 69 | 67 | 64 |
| 1988..... | NA | 47 | 63 | 61 | 57 | 55 |
| 1992..... | NA | 43 | 57 | 54 | 49 | 50 |
| 1994..... | NA | 31 | 41 | 37 | 39 | 44 |
| 1996..... | NA | 19 | 25 | 24 | 30 | 37 |

NA: Not applicable.

Note. Disposable income is wages plus AFDC plus Food Stamps less Federal income and payroll taxes. Income is a weighted average across the 48 contiguous states and the District of Columbia with each state's weight for all years being the number of persons under 18 in 1990. Dollars adjusted for inflation using the CPI-U-X1. EITC enacted in 1975. The AFDC earnings disregard is assumed to be \$120 and the maximum excess shelter deduction assumed in calculating food stamp benefits is 50 percent.

Source: ASPE & Ways and Means Committee staff based upon data compiled by CRS on State AFDC benefit levels.

Table 5.22 uses these same hypothetical levels of earnings and calculates the components of total disposable income after accounting for AFDC, Food Stamps, the EITC and Federal taxes. The shares of each of these factors are shown in constant dollars for 1972, 1980 and 1996. In the first block representing those with no earnings, total income was split, in 1972, between AFDC and Food Stamps in an 80 to 20 percent ratio. In 1996 AFDC represented only about 60 percent of the total and Food Stamps had grown to 40 percent of the total resources. Food Stamps can only be used for the purchase of food and cannot be easily or legally converted to cash to pay for clothes, transportation, or other needs.

Table 5.23 also presents disposable income calculations for a mother and two children similar to those shown in Table 5.21, but here childcare expenses have been included. This table assumes that there is no direct reimbursement for childcare, but that day care expenses are taken into account when computing AFDC, Food Stamps, and Federal tax liability. For a mother with earnings of 75 percent of the poverty line, these policies combined to reimburse 94 percent of day care expenses in 1972. By 1984, the percentage reimbursed had been cut in half to 46 percent, primarily because the number of States supplementing earnings with AFDC at this level of earnings had decreased dramatically from 49 to only 11. In 1988, the percentage reimbursed had increased slightly to 57 percent as the number of States supplementing earnings with AFDC benefits at this level of earnings increased to 22. In 1994 the percent slipped to 54 percent with 18 States supplementing earnings with AFDC benefits at this earnings level.

Child Support payments from an absent parent are often considered an important economic resource to AFDC families. However, applicants were required to assign their rights to child or spousal support to the State (and this generally continues to be the case under TANF). Payments were made to the child support agency rather than directly to the family. If the amount of child support is insufficient to disqualify the family from AFDC, the family receives its AFDC grant plus the first \$50 of the child support payment for that month. The remainder of the monthly child support payment reimbursed the State and Federal Governments in proportion to their assistance to the family. Table 5.24 shows the number of families in each state that received this \$50 "pass through" and their proportion of the total caseload in selected years. Nationally, only 21 percent of families received this benefit in 1996.

Table 5.22
Composition of Average Disposable Income at Various Wage Levels
For a Mother and Two Children Without Child Care Expenses: 1972, 1980, and 1996

| Earnings Level: | 1996 dollars | | | Percent Change 1972-96 | Percent Composition | | |
|---------------------------------|--------------|--------|--------|------------------------------|---------------------|------|------|
| | 1972 | 1980 | 1996 | | 1972 | 1980 | 1996 |
| \$0 | | | | | | | |
| AFDC..... | 8,682 | 6,771 | 4,718 | -46 | 80 | 73 | 59 |
| Food Stamps..... | 2,188 | 2,536 | 3,259 | 49 | 20 | 27 | 41 |
| Disposable income..... | 10,869 | 9,307 | 7,977 | -27 | 100 | 100 | 100 |
| \$2,954 (25 percent poverty): | | | | | | | |
| Wages..... | 3,129 | 3,129 | 3,129 | - | 23 | 28 | 30 |
| AFDC..... | 8,647 | 5,716 | 3,434 | -60 | 64 | 52 | 33 |
| Food Stamps..... | 1,861 | 2,134 | 2,922 | 57 | 14 | 19 | 28 |
| EITC..... | 0 | 312 | 1,252 | NA | - | 3 | 12 |
| Federal taxes..... | -161 | -192 | -239 | 48 | -1 | -2 | -2 |
| Disposable income..... | 13,476 | 11,099 | 10,497 | -22 | 100 | 100 | 100 |
| \$5,909 (50 percent poverty): | | | | | | | |
| Wages..... | 6,258 | 6,258 | 6,258 | - | 42 | 50 | 49 |
| AFDC..... | 7,224 | 4,159 | 1,668 | -77 | 49 | 33 | 13 |
| Food Stamps..... | 1,634 | 1,848 | 2,708 | 66 | 11 | 15 | 21 |
| EITC..... | 0 | 625 | 2,503 | NA | - | 5 | 20 |
| Federal taxes..... | -326 | -382 | -479 | 47 | -2 | -3 | -4 |
| Disposable income..... | 14,790 | 12,507 | 12,658 | -14 | 100 | 100 | 100 |
| \$8,863 (75 percent poverty): | | | | | | | |
| Wages..... | 9,387 | 9,387 | 9,387 | - | 58 | 67 | 62 |
| AFDC..... | 5,731 | 2,793 | 720 | -87 | 36 | 20 | 5 |
| Food Stamps..... | 1,452 | 1,508 | 2,211 | 52 | 9 | 11 | 15 |
| EITC..... | 0 | 938 | 3,556 | NA | - | 7 | 23 |
| Federal taxes..... | -487 | -576 | -718 | 47 | -3 | -4 | -5 |
| Disposable income..... | 16,083 | 14,050 | 15,155 | -6 | 100 | 100 | 100 |
| \$11,817 (100 percent poverty): | | | | | | | |
| Wages..... | 12,516 | 12,516 | 12,516 | - | 72 | 83 | 75 |
| AFDC..... | 4,152 | 1,754 | 209 | -95 | 24 | 12 | 1 |
| Food Stamps..... | 1,264 | 1,055 | 1,609 | 27 | 7 | 7 | 10 |
| EITC..... | 0 | 817 | 3,367 | NA | - | 5 | 20 |
| Federal taxes..... | -652 | -1,103 | -957 | 47 | -4 | -7 | -6 |
| Disposable income..... | 17,281 | 15,039 | 16,743 | -3 | 100 | 100 | 100 |
| \$14,771 (125 percent poverty): | | | | | | | |
| Wages..... | 15,645 | 15,645 | 15,645 | - | 85 | 99 | 88 |
| AFDC..... | 2,900 | 987 | 0 | -100 | 16 | 6 | 0 |
| Food Stamps..... | 1,078 | 577 | 924 | -14 | 6 | 4 | 5 |
| EITC..... | 0 | 427 | 2,708 | NA | - | 3 | 15 |
| Federal taxes..... | -1,139 | -1,765 | -1,511 | 33 | -6 | -11 | -9 |
| Disposable income..... | 18,484 | 15,871 | 17,766 | -4 | 100 | 100 | 100 |

Note. Disposable income is wages plus AFDC plus Food Stamps less Federal income and payroll taxes. Income is a weighted average across the 48 contiguous states and the District of Columbia with each state's weight for all years being the number of persons under 18 in 1990. Dollars adjusted for inflation using the CPI-U-X1. EITC enacted in 1975. The AFDC earnings disregard is assumed to be \$120 and the maximum excess shelter deduction assumed in calculating food stamp benefits is 50 percent.

Source: ASPE & Ways and Means Committee staff based upon data compiled by CRS on State AFDC benefit levels.

Table 5.23
Average Disposable Income minus Child Care Expenses at Various Wage Levels
For a Mother and Two Children: Selected Years, 1972 – 1996

| | Earnings (as a percent of poverty threshold) | | | | | |
|---------------------------|---|--------|--------|--------|--------|--------|
| | 0 | 25 | 50 | 75 | 100 | 125 |
| Wages (1996 dollars)..... | 0 | 3,129 | 6,258 | 9,387 | 12,516 | 15,645 |
| | Average disposable income (1996 dollars) | | | | | |
| 1972..... | 10,869 | 12,579 | 13,773 | 14,975 | 16,002 | 16,998 |
| 1976..... | 10,354 | 12,132 | 13,532 | 14,943 | 15,926 | 16,682 |
| 1980..... | 9,307 | 11,027 | 12,355 | 13,544 | 14,352 | 15,040 |
| 1984..... | 8,688 | 9,736 | 9,984 | 10,599 | 11,505 | 12,979 |
| 1988..... | 8,817 | 10,586 | 11,099 | 11,742 | 12,859 | 14,508 |
| 1990..... | 8,659 | 10,321 | 10,885 | 11,588 | 12,841 | 14,557 |
| 1992..... | 8,552 | 10,293 | 11,026 | 11,952 | 13,310 | 15,102 |
| 1994..... | 8,136 | 10,272 | 11,563 | 13,169 | 14,550 | 15,902 |
| 1996..... | 7,977 | 10,373 | 12,333 | 14,301 | 15,615 | 16,909 |
| | Percentage change: | | | | | |
| 1972-96..... | -26.6 | -17.5 | -10.5 | -4.5 | -2.4 | -0.5 |
| 1976-96..... | -23.0 | -14.5 | -8.9 | -4.3 | -2.0 | 1.4 |
| 1980-96..... | -14.3 | -5.9 | -0.2 | 5.6 | 8.8 | 12.4 |
| 1984-96..... | -8.2 | 6.5 | 23.5 | 34.9 | 35.7 | 30.3 |
| 1988-96..... | -9.5 | -2.0 | 11.1 | 21.8 | 21.4 | 16.6 |
| 1992-96..... | -6.7 | 0.8 | 11.9 | 19.7 | 17.3 | 12.0 |
| | Number of States which supplement wages with AFDC | | | | | |
| 1972..... | 49 | 49 | 49 | 49 | 49 | 46 |
| 1980..... | 49 | 49 | 47 | 49 | 44 | 34 |
| 1984..... | 49 | 49 | 36 | 11 | 6 | 1 |
| 1992..... | 49 | 49 | 44 | 16 | 3 | 0 |
| 1994..... | 49 | 49 | 43 | 20 | 6 | 4 |
| 1996..... | 49 | 49 | 38 | 18 | 8 | 6 |
| | Number of States with disposable income above poverty | | | | | |
| 1972..... | 19 | 30 | 37 | 45 | 49 | 49 |
| 1976..... | 11 | 26 | 37 | 46 | 49 | 49 |
| 1980..... | 0 | 9 | 21 | 35 | 42 | 49 |
| 1984..... | 0 | 1 | 1 | 0 | 1 | 49 |
| 1992..... | 0 | 3 | 4 | 6 | 49 | 49 |
| 1994..... | 0 | 2 | 11 | 19 | 49 | 49 |
| 1996..... | 0 | 3 | 14 | 49 | 49 | 49 |
| | Average tax and benefit reduction rate (in percent) | | | | | |
| 1972..... | NA | 45 | 54 | 56 | 59 | 61 |
| 1980..... | NA | 45 | 51 | 55 | 60 | 63 |
| 1984..... | NA | 67 | 79 | 80 | 77 | 73 |
| 1988..... | NA | 43 | 64 | 69 | 68 | 64 |
| 1992..... | NA | 44 | 60 | 64 | 62 | 58 |
| 1994..... | NA | 32 | 45 | 46 | 49 | 50 |
| 1996..... | NA | 23 | 30 | 33 | 39 | 43 |

NA: Not applicable.

Note. Disposable income is wages plus AFDC plus Food Stamps less Federal income and payroll taxes. Income is a weighted average across the 48 contiguous states and the District of Columbia with each state's weight for all years being the number of persons under 18 in 1990. Dollars adjusted for inflation using the CPI-U-X1. EITC enacted in 1975. Childcare costs are estimated to be 20 percent of earnings up to a maximum of \$50.00 in 1980 dollars (which equals \$95.59 in 1996 dollars) per child per month. The AFDC earnings disregard is assumed to be \$120 and the maximum excess shelter deduction assumed in calculating food stamp benefits is 50 percent.

Source: ASPE & Ways and Means Committee staff based upon data compiled by CRS on State AFDC benefit levels.

Table 5.24
Percentage of AFDC Families Affected by \$50 Child Support Pass Through
Selected Years, 1985 – 1996

| States | Percent of Families Affected | | | | | Number of Families Affected | |
|------------------------|------------------------------|------|------|-------|------|-----------------------------|---------|
| | 1985 | 1990 | 1993 | 1995 | 1996 | 1995 | 1996 |
| Alabama..... | 11.7 | 19.1 | 36.3 | 45.0 | 48.7 | 20,622 | 20,615 |
| Alaska..... | 11.9 | 20.7 | 18.8 | 20.7 | 23.2 | 2,171 | 2,423 |
| Arizona..... | 4.8 | 4.9 | 3.9 | 11.1 | 12.9 | 7,583 | 8,032 |
| Arkansas..... | 15.9 | 19.7 | 29.5 | 29.3 | 33.4 | 7,027 | 7,515 |
| California..... | 13.8 | 12.7 | 11.5 | 15.3 | 20.4 | 115,698 | 149,955 |
| Colorado..... | 14.1 | 15.1 | 20.7 | 26.1 | 31.4 | 9,854 | 11,001 |
| Connecticut..... | 25.6 | 19.3 | 20.3 | 21.8 | 26.0 | 12,623 | 14,290 |
| Delaware..... | 21.7 | 18.0 | 22.3 | 24.6 | 39.3 | 2,625 | 4,041 |
| Dist. of Columbia..... | 5.8 | 7.5 | 7.6 | 7.3 | 7.1 | 1,931 | 1,816 |
| Florida..... | 11.4 | 24.0 | 15.3 | 19.0 | 18.2 | 42,915 | 38,141 |
| Georgia..... | 5.3 | 19.6 | 19.2 | 22.8 | 25.0 | 31,449 | 32,507 |
| Guam..... | 10.5 | 19.9 | 35.9 | 28.6 | 23.8 | 546 | 463 |
| Hawaii..... | 20.5 | 13.2 | 17.4 | 9.6 | 11.2 | 1,947 | 2,285 |
| Idaho..... | 46.7 | 46.6 | 52.7 | 52.0 | 51.5 | 4,449 | 4,492 |
| Illinois..... | 5.5 | 7.9 | 8.1 | 8.8 | 9.7 | 19,835 | 20,790 |
| Indiana..... | 25.9 | 27.8 | 34.6 | 118.1 | 41.4 | 74,769 | 21,331 |
| Iowa..... | 22.7 | 22.8 | 26.6 | 30.4 | 31.0 | 10,008 | 9,204 |
| Kansas..... | 15.2 | 24.0 | 34.9 | 48.2 | 55.4 | 12,813 | 13,286 |
| Kentucky..... | 7.6 | 13.4 | 17.0 | 14.2 | 13.4 | 10,057 | 9,191 |
| Louisiana..... | 6.9 | 8.5 | 9.3 | 10.2 | 11.5 | 8,016 | 8,108 |
| Maine..... | 25.6 | 39.3 | 34.7 | 51.4 | 56.3 | 10,161 | 10,591 |
| Maryland..... | 15.0 | 10.9 | 18.1 | 20.2 | 19.1 | 14,666 | 14,048 |
| Massachusetts..... | 20.2 | 16.3 | 11.5 | 15.4 | 17.9 | 14,830 | 15,361 |
| Michigan..... | 17.2 | 25.3 | 27.1 | 30.3 | 36.5 | 54,031 | 57,807 |
| Minnesota..... | 22.5 | 28.0 | 35.1 | 44.0 | 42.3 | 23,018 | 22,944 |
| Mississippi..... | 4.8 | 9.2 | 13.3 | 15.4 | 13.7 | 8,024 | 6,563 |
| Missouri..... | 8.2 | 18.5 | 17.5 | 16.6 | 20.6 | 14,436 | 16,803 |
| Montana..... | 13.9 | 15.2 | 18.1 | 18.3 | 21.4 | 1,924 | 2,121 |
| Nebraska..... | 11.3 | 20.6 | 29.2 | 38.5 | 42.0 | 5,411 | 5,678 |
| Nevada..... | 33.6 | 29.8 | 33.3 | 29.3 | 38.3 | 4,474 | 5,568 |
| New Hampshire..... | 12.6 | 13.5 | 34.1 | 35.4 | 42.3 | 3,729 | 3,976 |
| New Jersey..... | 15.4 | 15.8 | 20.8 | 23.0 | 25.6 | 26,501 | 27,885 |
| New Mexico..... | 7.6 | 11.8 | 9.9 | 13.4 | 15.2 | 4,412 | 4,955 |
| New York..... | 9.2 | 11.8 | 11.7 | 10.9 | 12.0 | 47,586 | 50,012 |
| North Carolina..... | 15.0 | 19.5 | 19.0 | 20.5 | 21.8 | 25,139 | 24,170 |
| North Dakota..... | 25.1 | 36.7 | 39.2 | 38.9 | 53.6 | 1,973 | 2,584 |
| Ohio..... | 11.6 | 19.9 | 15.0 | 19.4 | 21.6 | 41,123 | 42,041 |
| Oklahoma..... | 8.4 | 13.4 | 9.7 | 12.0 | 13.4 | 5,323 | 5,158 |
| Oregon..... | 16.0 | 17.6 | 25.8 | 31.0 | 37.5 | 11,225 | 11,735 |
| Pennsylvania..... | 16.3 | 20.8 | 26.2 | 25.9 | 28.9 | 50,901 | 53,144 |
| Puerto Rico..... | 4.7 | 4.2 | 3.1 | 4.2 | 1.8 | 2,303 | 918 |
| Rhode Island..... | 13.9 | 17.9 | 12.7 | 17.2 | 17.8 | 3,693 | 3,698 |
| South Carolina..... | 8.9 | 26.3 | 25.3 | 30.8 | 33.3 | 14,899 | 15,179 |
| South Dakota..... | 17.6 | 21.4 | 26.5 | 39.0 | 50.9 | 2,436 | 3,031 |
| Tennessee..... | 9.8 | 15.2 | 10.7 | 11.5 | 10.5 | 10,864 | 10,269 |
| Texas..... | 3.1 | 5.8 | 6.7 | 8.0 | 9.1 | 21,149 | 22,771 |
| Utah..... | 26.9 | 23.7 | 25.9 | 32.4 | 39.2 | 5,355 | 5,747 |
| Vermont..... | 21.9 | 36.5 | 40.1 | 25.3 | 29.6 | 2,087 | 2,311 |
| Virgin Islands..... | 10.2 | 11.6 | 12.8 | 11.6 | 7.9 | 152 | 110 |
| Virginia..... | 14.9 | 24.9 | 23.9 | 44.6 | 23.5 | 31,941 | 15,165 |
| Washington..... | 18.0 | 24.8 | 32.0 | 35.2 | 44.8 | 30,381 | 37,989 |
| West Virginia..... | 6.6 | 7.1 | 11.0 | 13.0 | 9.6 | 4,287 | 3,096 |
| Wisconsin..... | 37.8 | 38.9 | 40.6 | 45.5 | 18.6 | 30,663 | 10,496 |
| Wyoming..... | 8.0 | 21.7 | 24.3 | 27.0 | 31.0 | 1,385 | 1,452 |
| U.S. Total..... | 13.2 | 16.3 | 16.8 | 20.5 | 21.0 | 927,420 | 894,862 |

Note. These estimates are based on the number of “paying” child support cases adjusted for comparability with AFDC families.
 Source: U.S. Department of Health and Human Services, Office of Child Support Enforcement.

Table 5.25
Net Increase in Disposable Income from Various Levels of Child Support Payments
For a Mother and Two Children at Various Wage Levels, 1996

| | Level of Annual Child Support Payment | | | | | Income Change from Change in Child Support | |
|---------------------|---------------------------------------|---------|---------|---------|---------|--|-------------------------|
| | \$0 | \$1,200 | \$2,400 | \$3,600 | \$4,800 | From \$0 to \$2,400 | from \$2,400 to \$4,800 |
| Wage Level | | | | | | | |
| \$0 | Annual Disposable Income | | | | | | |
| Weighted Average... | \$7,977 | \$8,531 | \$8,705 | \$8,839 | \$9,048 | \$728 | \$343 |
| California..... | 9,684 | 10,524 | 11,232 | 11,232 | 11,232 | 1,548 | 0 |
| Illinois..... | 7,908 | 8,328 | 8,328 | 8,328 | 8,328 | 420 | 0 |
| Pennsylvania..... | 8,208 | 8,628 | 8,628 | 8,628 | 8,628 | 420 | 0 |
| Texas..... | 6,012 | 6,612 | 6,612 | 7,200 | 8,040 | 600 | 1,428 |
| \$5,000 | | | | | | | |
| Weighted Average... | 11,835 | 12,377 | 12,680 | 13,082 | 13,698 | 845 | 1,019 |
| California..... | 14,561 | 14,981 | 14,981 | 14,981 | 14,981 | 420 | 0 |
| Illinois..... | 12,161 | 12,581 | 12,581 | 12,617 | 13,457 | 420 | 876 |
| Pennsylvania..... | 11,141 | 11,561 | 11,777 | 12,617 | 13,457 | 636 | 1,680 |
| Texas..... | 10,097 | 10,937 | 11,777 | 12,617 | 13,457 | 1,680 | 1,680 |
| \$7,500 | | | | | | | |
| Weighted Average... | 13,733 | 14,359 | 14,844 | 15,526 | 16,248 | 1,111 | 1,404 |
| California..... | 16,106 | 16,526 | 16,526 | 16,526 | 16,526 | 420 | 0 |
| Illinois..... | 14,282 | 14,702 | 14,702 | 15,326 | 16,166 | 420 | 1,464 |
| Pennsylvania..... | 12,806 | 13,646 | 14,486 | 15,326 | 16,166 | 1,680 | 1,680 |
| Texas..... | 12,806 | 13,646 | 14,486 | 15,326 | 16,166 | 1,680 | 1,680 |
| \$10,000 | | | | | | | |
| Weighted Average... | 15,515 | 16,241 | 16,923 | 17,641 | 18,475 | 1,408 | 1,552 |
| \$12,500 | | | | | | | |
| Weighted Average... | 16,814 | 17,570 | 18,338 | 19,171 | 19,768 | 1,524 | 1,431 |
| \$15,000 | | | | | | | |
| Weighted Average... | 17,559 | 18,399 | 18,879 | 20,079 | 21,279 | 1,320 | 2,400 |

Note: Disposable income is wages plus AFDC plus food Stamps plus EITC less Federal income and payroll taxes. It does not include health care benefits. No child care expense or other work expense are assumed. AFDC benefit calculations assume a \$120 earnings disregard and food stamp benefits assume an excess shelter cost deduction equal to 50% of the allowable maximum. Weighted average is figured across the 48 contiguous states and the District of Columbia (Alaska and Hawaii are excluded) with each state's weight being the number of persons under 18 in 1990.

Source: ASPE staff calculations based upon data on state AFDC benefit levels collected by CRS.

Table 5.26
Marginal Tax and Benefit Reduction Rates for a Mother and Two Children
For Various Wage Levels and Various Levels of Child Support Payments, 1996

| | Level of Annual Child Support Payments | | | | |
|-------------------------------|--|---------|---------|---------|---------|
| | \$0 | \$1,200 | \$2,400 | \$3,600 | \$4,800 |
| Increase in Wage Level | | | | | |
| \$0 to \$5,000 | | | | | |
| Weighted Average.... | 23 | 23 | 21 | 15 | 7 |
| California..... | 2 | 11 | 25 | 25 | 25 |
| Illinois..... | 15 | 15 | 15 | 14 | -3 |
| Pennsylvania..... | 41 | 41 | 37 | 20 | 3 |
| Texas..... | 18 | 13 | -3 | -8 | -8 |
| \$5,000 to \$10,000 | | | | | |
| Weighted Average.... | 26 | 23 | 15 | 9 | 4 |
| California..... | 81 | 75 | 61 | 47 | 30 |
| Illinois..... | 33 | 27 | 13 | -0 | -0 |
| Pennsylvania..... | 13 | 6 | -3 | -0 | -0 |
| Texas..... | -8 | -6 | -3 | -0 | -0 |
| \$10,000 to \$15,000 | | | | | |
| Weighted Average.... | 59 | 57 | 61 | 51 | 44 |

Note: Disposable income is wages plus AFDC plus food Stamps plus EITC less Federal income and payroll taxes. It does not include health care benefits. Childcare expense or other work expenses are not assumed. AFDC benefit calculations assume a \$120 earnings disregard and food stamp benefits assume an excess shelter cost deduction equal to 50% of the allowable maximum. Weighted average is figured across the 48 contiguous states and the District of Columbia (Alaska and Hawaii are excluded) with each state's weight being the number of persons under 18 in 1990.

Source: ASPE staff calculations based upon data on state AFDC benefit levels collected by the Congressional Research Service.