

SECTION 2

ECONOMIC SECURITY



ES 1.1

MEAN (Average) FAMILY INCOME

Mean (average) income of families with children is a good starting point for assessing the economic well-being of children since it measures an average family's ability to purchase food, shelter, clothing, child care, and other basic goods and services required to raise children. When mean family income is rising, the likelihood is that children in an average family are enjoying a rising standard of living.

However, mean family income fails to capture important economic resources that may also be available to a family, such as employer-paid health benefits, Medicaid, or food stamps. Moreover, it says nothing about changes in the *distribution* of income across families. For a more complete picture of children's economic well-being, it is necessary to look at several measures of economic well-being, including those in the following sections.

Accelerating Growth in Family Income Since 1992. Between 1975 and 1992, mean income of families with children (in constant 1995 dollars)¹ grew by a very modest average annual percentage rate of 0.4 percent from \$42,916 to \$45,747, as shown in Figure ES 1.1.A. Between 1992 and 1995, the average annual growth rate accelerated to 3.1 percent.

Growth in Family Income by Family Type. In the past, this rise was not experienced equally across all family types. Between 1975 and 1992, female-headed families enjoyed only a modest 0.3 average annual percentage increase from \$18,410 to \$20,354, while married-couple families with children showed an average annual increase in average incomes of 0.9 percent, from \$47,572 to \$55,115.² However, this difference in growth rates reversed after 1992. Family income increased at an average annual rate of 3.4 percent for married-couple families and 3.9 percent for female-headed families.

Differences in Family Income by Family Type. There has long been a substantial gap in family income between female-headed and married-couple families, and that gap has been growing since 1975 (see Figure ES 1.1.A). In 1995, children in married-couple families enjoyed a substantial income advantage over children in female-headed families, with mean family incomes over 2.8 times as large (\$60,854 versus \$21,905). As Table ES 1.1 shows, this disparity is similar within white, black, and Hispanic families with ratios ranging from 2.4 for Hispanics (\$38,145 versus \$15,945) to 3.0 for black families (\$53,078 versus \$17,645).

Differences in Mean Family Income by Race and Ethnicity. Mean family incomes are substantially higher for white families with children than for black and Hispanic families with children. Table ES 1.1 shows that, in 1995, whites enjoyed family incomes that were about 65 percent higher than black families, and 71 percent higher than Hispanic families. Among married-couple families, the white-black disparity is considerably smaller, with whites enjoying incomes that are only 16 percent higher. The disparity between whites and Hispanics remains almost as large for married-couple families, however, with white families having average incomes 61 percent higher than their Hispanic counterparts.

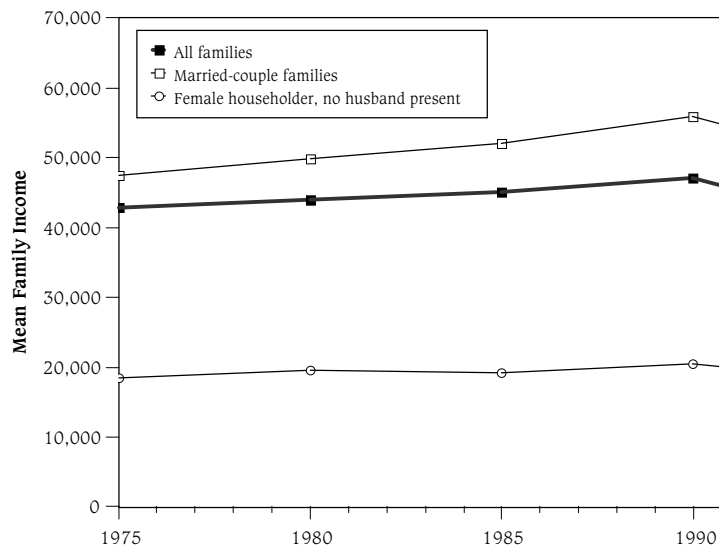
¹ In constructing income figures in constant 1995 dollars, we have followed the practice of the Bureau of the Census and used the CPI-U-X1 consumer price index. This index differs from the standard CPI-U index in its treatment of the costs of owner-occupied housing for years prior to 1986.

² If the CPI-U consumer price index had been used, the average annual growth rate for married-couple families would have been even lower, and the real income of female-headed families would have actually fallen.

Since 1990, the income gap between black and white married couples with children has narrowed, while the incomes of Hispanic married couples with children have lagged behind both white and black married couples with children (see Figure ES 1.1.B). Consequently, black married-couple families earn significantly more than Hispanic married-couple families, with mean family incomes of \$53,078 and \$38,145, respectively, in 1995.

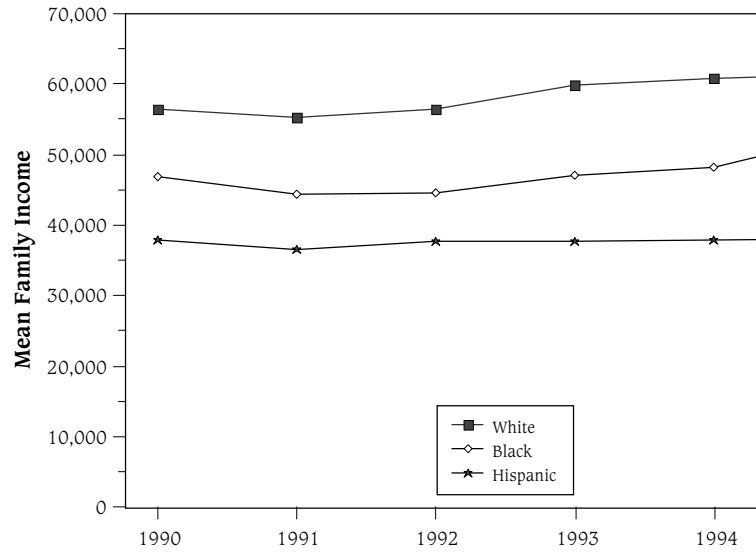
Among female-headed families, white families with children have an average income of \$23,943 in 1995, which is 36 percent higher than that for similar black families (\$17,645) and 50 percent higher than that for Hispanic families (\$15,945).

Figure ES 1.1.A
Mean Family Income of Families with Children Under Age 18, 1975-1995 (in constant 1995 dollars)



Sources: Unpublished tables supplied by U.S. Census Bureau.

Figure ES 1.1.B
Mean Family Income of Married Couple Families with Children Under Age 18, by Race and Ethnicity, 1990-1995 (in constant 1995 dollars)



Sources: Unpublished tables supplied by U.S. Census Bureau.

Table ES 1.1
Mean Family Income of Families with Related Children Under Age 18,
by Family Type (1995 Dollars^a)

	1975	1980	1985 ^b	1990	1991	1992 ^c	1993	1994	1995
All families	\$42,916	\$44,015	\$45,191	\$47,184	\$45,697	\$45,747	\$48,355	\$49,223	\$50,161
White	--	--	--	\$50,029	\$48,763	\$49,319	\$51,977	\$52,796	\$53,189
Black	--	--	--	\$29,942	\$28,051	\$27,950	\$28,541	\$30,584	\$32,268
Hispanic	--	--	--	\$32,073	\$30,759	\$31,385	\$31,011	\$31,758	\$31,039
Married-couple families	\$47,572	\$49,846	\$52,090	\$55,956	\$54,534	\$55,115	\$58,795	\$59,582	\$60,854
White	--	--	--	\$56,582	\$55,439	\$56,428	\$59,927	\$60,977	\$61,496
Black	--	--	--	\$46,963	\$44,373	\$44,625	\$47,207	\$48,216	\$53,078
Hispanic	--	--	--	\$37,906	\$36,541	\$37,740	\$37,712	\$38,059	\$38,145
Female Householder, no husband present	\$18,410	\$19,555	\$19,240	\$20,492	\$19,858	\$19,519	\$20,354	\$21,093	\$21,905
White	--	--	--	\$22,421	\$22,086	\$21,714	\$22,608	\$22,699	\$23,943
Black	--	--	--	\$16,939	\$15,709	\$15,997	\$16,026	\$18,220	\$17,645
Hispanic	--	--	--	\$16,668	\$17,143	\$16,776	\$16,457	\$17,421	\$15,945

Notes: ^a Income statistics converted to constant 1995 dollars using the CPI-U-X1 (all items) price index. CPI-U-X1 is a rental equivalence approach to homeowners' costs for the consumer price index prior to 1983, the first year for which the official index (CPI-U) incorporates such a measure.

^b Recording of amounts for earnings from longest job increased to \$299,999.

^c Implementation of 1990 census population controls.

Source: Unpublished tables supplied by U. S. Census Bureau.

*ES 1.2***THE INCOME DISTRIBUTION:
The Income-to-Poverty Ratio of Families with
Children, by Income Quintile**

Figures ES 1.2.A and ES 1.2.B present trends in the income of the poorest and richest families with children. The poorest families are those whose income falls in the bottom 20 percent (or bottom *quintile*) of all families; the richest families are those whose income falls in the top 20 percent of all families. The measure shown is the *income to poverty ratio*, the ratio of annual family income to the poverty line. For example, families whose pretax income was half of the poverty line would have a value of 0.50 for this measure. Each figure shows results separately by type of family.

Between 1967 and 1973 the income to poverty ratio of the poorest families increased from 0.74 to 0.88 (see Figure ES 1.2.A). By 1994, the ratio had dropped to 0.66.

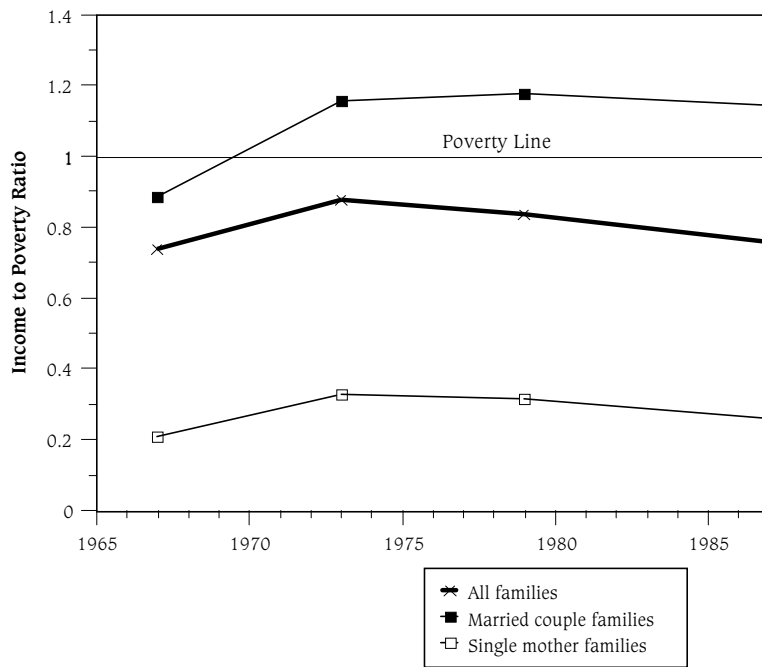
Differences in the Income-to-Poverty Ratio by Family Type. The poorest single-mother families fared much worse than the poorest married-couple families (see Figure ES 1.2.A). After an increase from 0.21 to 0.33 between 1967 and 1973, the ratio for the poorest single-mother families dropped and was at 0.25 in 1994. The poorest married-couple families crossed over the poverty line between 1967 and 1973 (from 0.89 to 1.16, see Figure ES 1.2.A). However, since 1979, their ratio has declined, reaching 1.06 by 1994.

Difference in the Income-to-Poverty Ratio by Income Quintile. While the poorest families with children were getting poorer, the richest families with children were getting richer (see Figure ES 1.2.B). Between 1967 and 1994, the income to poverty ratio of the richest families increased from 4.77 to 7.14.

For the richest married-couple families, the picture was even brighter (see Figure ES 1.2.B). The income to poverty ratio increased from 4.88 to 7.68 between 1967 and 1994. The richest single-parent families headed by women were also well above the poverty line throughout the entire period. Their income to poverty ratio increased from 2.78 to 4.14 between 1967 and 1989 before declining to 4.02 in 1994.

Data for all five income quintiles show that the poorest families (the bottom quintile) were the only families to lose ground between 1967 and 1994 (see Table ES 1.2). For all time periods and all income groups, families headed by single mothers had considerably less income than those headed by married couples.

Figure ES 1.2.A
Income to Poverty Ratio for Families with Children, Bottom Income Quintile, by Family Type, 1967, 1973, 1979, 1989, 1992, and 1994



Note: Poverty thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. Quintiles are based on the number of persons.

Source: Congressional Budget Office tabulations of data from the March Current Population Survey, 1968, 1974, 1980, 1990, 1991, 1992, 1993 and 1995.

Figure ES 1.2.B
Income to Poverty Ratio for Families with Children, Top Income Quintile,
by Family Type, 1967, 1973, 1979, 1989, 1992 and 1994

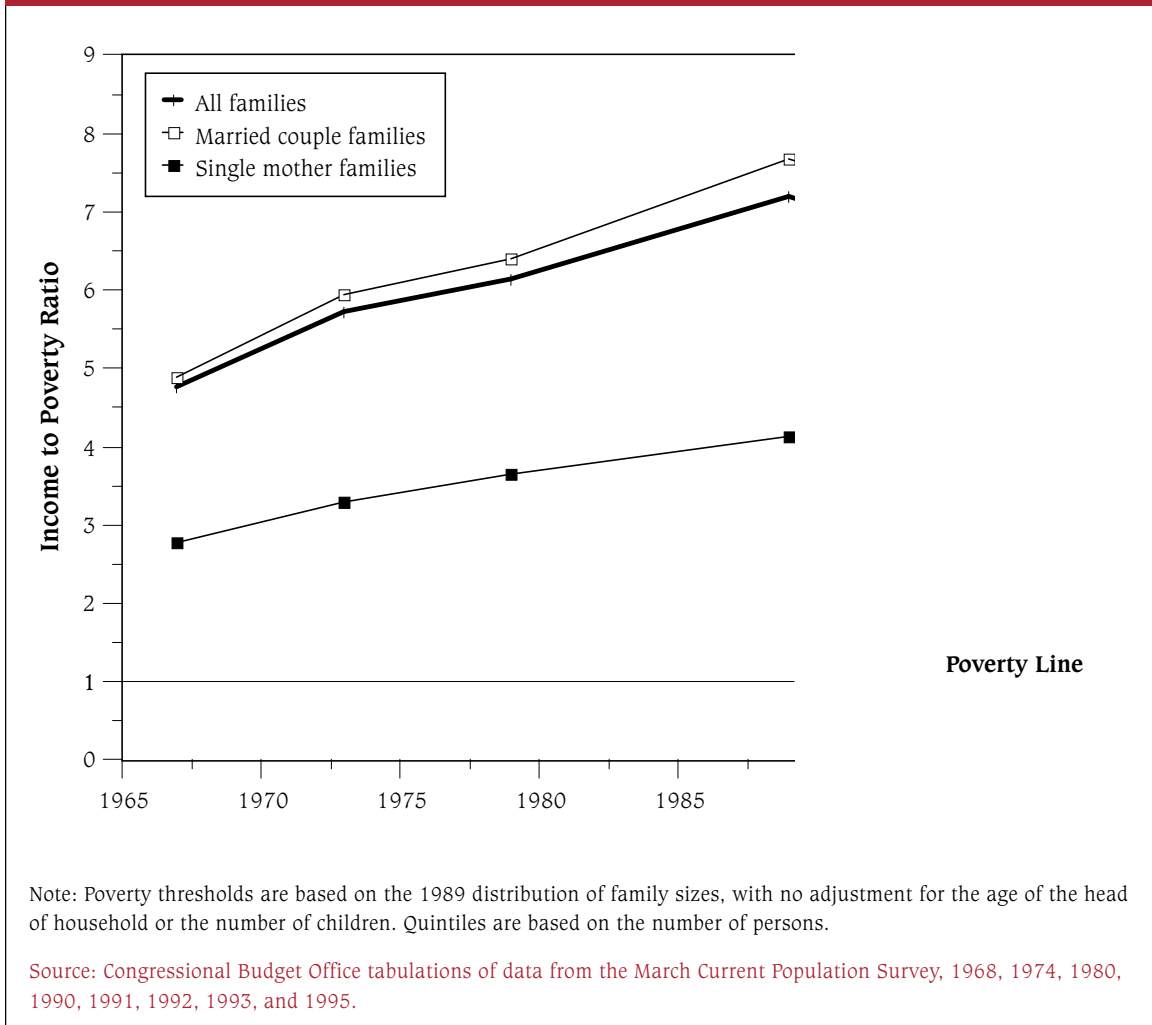


Table ES 1.2
Average Pretax AFI (Income as a Multiple of Poverty) Among Families with Children,
by Family Type and Income Quintile, Weighted by Persons,
1967, 1973, 1979, 1989, 1992, and 1994

Family type and Quintile	1967	1973	1979	1989	1992	1994
All families with children						
Lowest Quintile	.74	.88	.84	.74	.65	.66
Second Quintile	1.54	1.88	1.95	1.87	1.72	1.73
Middle Quintile	2.13	2.65	2.84	2.93	2.77	2.79
Fourth Quintile	2.84	3.54	3.85	4.14	4.00	4.09
Highest Quintile	4.77	5.73	6.15	7.20	6.86	7.14
Total	2.40	2.94	3.13	3.38	3.20	3.28
Married couples with children						
Lowest Quintile	.89	1.16	1.18	1.14	1.07	1.06
Second Quintile	1.66	2.12	2.29	2.34	2.25	2.26
Middle Quintile	2.23	2.84	3.12	3.34	3.26	3.31
Fourth Quintile	2.93	3.71	4.11	4.52	4.43	4.58
Highest Quintile	4.88	5.94	6.41	7.67	7.36	7.68
Total	2.52	3.15	3.42	3.80	3.67	3.78
Single mothers with children						
Lowest Quintile	.21	.33	.32	.25	.23	.25
Second Quintile	.59	.71	.75	.64	.58	.62
Middle Quintile	.91	1.03	1.22	1.14	1.06	1.11
Fourth Quintile	1.45	1.67	2.01	2.03	1.89	1.94
Highest Quintile	2.78	3.29	3.65	4.14	3.81	4.02
Total	1.19	1.41	1.59	1.64	1.51	1.59

Note: Poverty thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. Quintiles are based on the number of persons.

Source: Congressional Budget Office tabulations of data from the March Current Population Survey, 1968, 1974, 1980, 1990, 1993, and 1995.

ES 1.3

CHILDREN IN POVERTY

Being raised in economically deprived circumstances can have far reaching negative consequences for children. Growing up at or near the poverty line (\$15,569 for a family of four in 1995) means not only that a child has a much lower level of consumption than other children, but also that he or she is more likely than a nonpoor child to experience difficulties in school,³ to become a teen parent,⁴ and, as an adult, to earn less and experience greater unemployment.⁵ The effects of being raised in a family with income significantly below the poverty line are correspondingly more damaging.

Children At, Below, and Slightly Above the Poverty Level. Figures ES 1.3.A and 1.3.B illustrate trends in the proportions of children living in various degrees of poverty and near-poverty. Specifically:

- *Children in families with incomes below 50 percent of the poverty line.* Between 1975 and 1993, the proportion of children living in extreme poverty, that is, at or below 50 percent of the poverty line⁶ doubled from 5 percent in 1975 to 10 percent by 1993. By 1995, this percentage dropped back to 8 percent, still 60 percent higher than in 1975 (see Figure ES 1.3.A).
- *Children in families with incomes at or below the poverty line.* Less dramatic but still striking, the proportion of children at or below 100 percent of the poverty line increased by 47 percent from 15 percent in 1975 to 22 percent by 1993 before dropping to 20 percent by 1995. The percentage of children in poverty has remained at or above 20 percent since 1990 (see Figure ES 1.3.A).
- *Children above but near the poverty line.* In contrast, as shown in the lower line of figure ES1.3.B, the proportion of children at or below 150 percent of the poverty line increased only slightly from 30 percent to 32 percent between 1975 and 1995, and, as shown in the upper line of that figure, the proportion of children at or below 200 percent of the poverty line in 1995 was 43 percent — the same as in 1975.

Differences by Race and Ethnicity. There are no substantial differences by race or Hispanic origin in the trends described above, even though the incidence of poverty is consistently highest for blacks and lowest for whites (see Table ES 1.3.A). The increase in the percentage of children raised in extreme poverty occurred for all three groups, while the percentage of children at or below 200 percent of the poverty line has hardly changed at all.

³ Parker, S., Greer, S., and Zuckerman, B. 1988. "Double Jeopardy: The Impact of Poverty on Early Childhood Development." *Pediatric Clinics of North America*, 35: 1-10. Hill, M.S., and Duncanc, G.D. 1987. "Parental Family Income and the Socioeconomic Attainment of Children." *Social Science Research*, 16: 39-37

⁴ An, C., Haveman, R., and Wolfe, B. 1993. "Teen Out-of-Wedlock Births and Welfare Receipt: The Role of Childhood Events and Economic Circumstances," *Review of Economics and Statistics*.

⁵ Duncan, G., and Brooks-Gunn, J. 1996. "Income Effects Across the Life Span: Integration and Interpretation," in *Consequences of Growing Up Poor* (G. Duncan and J. Brooks-Gunn, eds.). New York: Russell Sage Press.

⁶ \$7,784 for a family of four in 1995.

Table ES 1.3.B and Figure ES 1.3.C present a more detailed (but less current) look at poverty by race and Hispanic origin using data from the decennial census.⁷ They show that the incidence of poverty is lowest by far for white children and highest for black and Native American children. While the incidence of poverty grew noticeably between 1979 and 1989 for all groups, the differences between the groups remained stable:

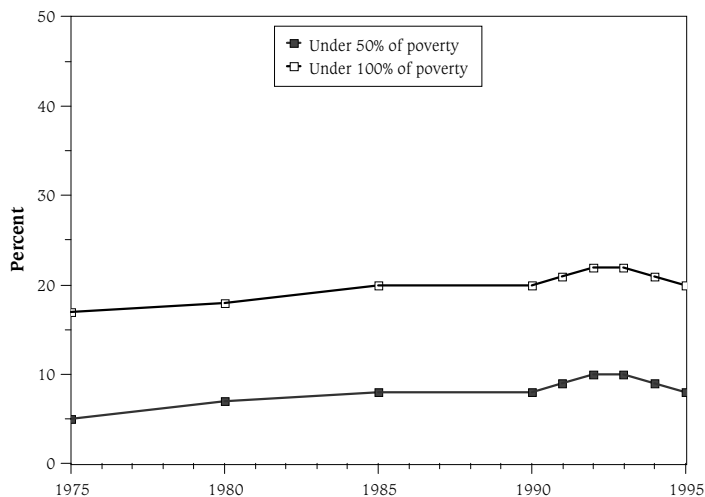
- The poverty rate for white children was 12.1 percent in 1989.
- The poverty rate for Asian children was 16.7 percent in 1989, nearly a third higher than for white children.
- The poverty rate for Hispanic children was 31.8 percent in 1989, a rate 2.6 times as high as for white children.
- The poverty rate for Native American children was 38.3 percent in 1989, slightly more than three times the poverty rate for white children.
- The poverty rate for black children was 39.5 percent in 1989, slightly more than three times the white child poverty rate.

Child Poverty by Family Type. The chances of a child experiencing poverty are strongly influenced by the type of family in which he or she lives. Throughout the period from 1970 through 1995, about 50 percent of the children living in female-headed families were poor (see Table ES 1.3.C). In contrast, during the 1990s,⁸ only about 10 percent of children living in married-couple families were poor (see Figure ES 1.3.D).

⁷ *These poverty estimates are based on Decennial Census data rather than the Current Population Survey data presented in other tables. Estimates from the two sources differ because the Current Population has a much smaller sample than the Decennial Census.*

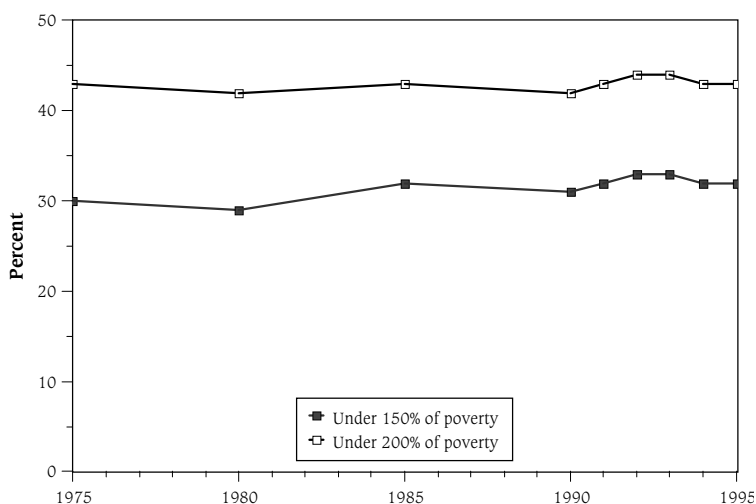
⁸ *The only period for which these statistics are published.*

Figure ES 1.3.A
Percentage of Children Under Age 18 in Families
Living Below 50% and 100% of Poverty Line



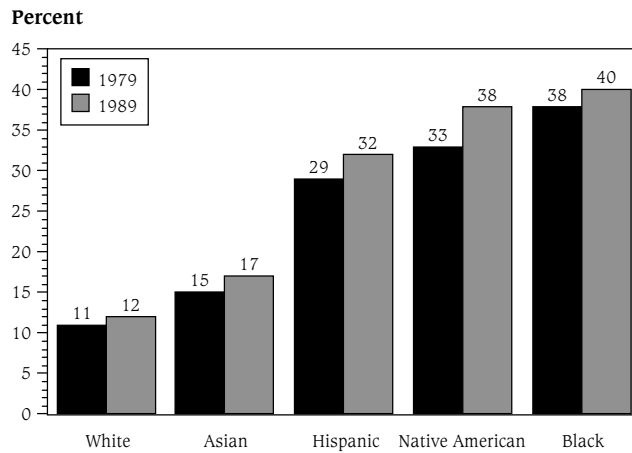
Source: Rates for 1975, 1980, and 1985 were calculated by Child Trends, Inc. based on data from the U.S. Bureau of the Census, Series P-60, No. 106, Table 7; No. 133, Table 7; No. 158, Table 4. Rates for 1990 through 1993 are from the U.S. Bureau of the Census, Series P-60, No. 175, No. 185, No. 188, and revised data for 1992 provided by the U.S. Bureau of the Census, Poverty Branch. Data for 1994 and 1995 from unpublished tables supplied by the U.S. Bureau of the Census.

Figure ES 1.3.B
Percentage of Children Under Age 18 in Families Living Below
150% and 200% of Poverty Line



Source: Rates for 1975, 1980, and 1985 were calculated by Child Trends, Inc. based on data from the U.S. Bureau of the Census, Series P-60, No. 106, Table 7; No. 133, Table 7; No. 158, Table 4. Rates for 1990 through 1993 are from the U.S. Bureau of the Census, Series P-60, No. 175, No. 185, No. 188, and revised data for 1992 provided by the U.S. Bureau of the Census, Poverty Branch. Data for 1994 and 1995 from unpublished tables supplied by the U.S. Bureau of the Census.

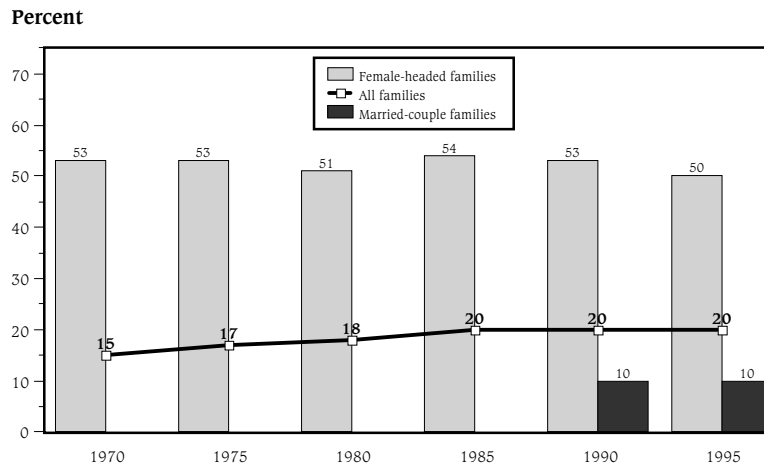
Figure ES 1.3.C
Percentage of Children Under Age 18 in Poor Families,
by Race/Ethnicity, 1979 and 1989



Note: The poverty level is based on money income and does not include noncash benefits, such as foods stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level.

Source: U.S. Bureau of the Census, 1980 Census of the Population, "Detailed Population Characteristics," PC-80-1-D1-A, United States Summary, Table 304. U.S. Bureau of the Census, 1990 Census of the Population, "Social and Economic Characteristics," CP-2-1, United States Summary, Table 49.

Figure ES 1.3.D
Percentage of Children Under Age 18 in Poor Families,
by Family Type, 1970-1995



Source: U.S. Bureau of the Census, Series P-60, No. 81, Table 4; No. 86, Table 1; P-60, No. 106, Table 11; No. 133, Table 11; No. 158, Table 7; No. 175, Table 6; No. 181, Table 5; No. 188, Table 8, data for 1994, 1995, and revised data for 1992 provided by the U.S. Bureau of the Census, Poverty Branch.

Table ES 1.3.A
Percentage of Children Under Age 18 Living Below Selected Poverty Thresholds
by Age and Race/Ethnicity, 1975-1995

	<u>1975</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
UNDER 50% OF POVERTY									
Related Children									
Under 18	5	7	8	8	9	10	10	9	8
White	4	5	6	6	6	6	6	6	6
Black	14	17	22	22	25	27	26	23	20
Hispanic	--	--	--	14	14	15	14	17	16
UNDER 100% OF POVERTY									
Related Children									
Under 18	17	18	20	20	21	22	22	21	20
White	13	13	16	15	16	17	17	16	16
Black	41	42	43	44	46	46	46	43	42
Hispanic	33	33	40	38	40	39	40	41	39
UNDER 150% OF POVERTY									
Related Children									
Under 18	30	29	32	31	32	33	33	32	32
White	24	24	26	25	26	27	27	27	26
Black	60	57	59	57	60	60	61	58	56
Hispanic	--	--	--	55	58	58	60	58	59
UNDER 200% OF POVERTY									
Related Children									
Under 18	43	42	43	42	43	44	44	43	43
White	38	37	38	37	38	38	38	38	37
Black	73	70	71	68	70	71	72	68	68
Hispanic	--	--	--	69	72	70	72	72	73

Note: The poverty level is based on money income and does not include noncash benefits, such as foods stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$15,569 in 1995. The levels shown here are derived from the ratio of the family's income to the family's poverty threshold. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

Source: Rates for 1975, 1980, and 1985 were calculated by Child Trends, Inc. based on data from the U.S. Bureau of the Census, Series P-60, No. 106, Table 7; No. 133, Table 7; No. 158, Table 4. Rates for 1990 through 1994 are from the U.S. Bureau of the Census, Series P-60, No. 175, No. 185, No. 188, 189, and revised data for 1992 provided by the U.S. Bureau of the Census, Poverty and Health Branch. Data for 1995 are from unpublished tables supplied by the Census Bureau.

Table ES 1.3.B
Percentage of Related Children Under Age 18 in Poverty,
by Race and Hispanic Origin, 1979 and 1989

	<u>1979</u>	<u>1989</u>
All Children under 18	16.0	17.9
White	11.0	12.1
Black	37.8	39.5
Hispanic	29.1	31.8
Asian	14.9	16.7
Native American	32.5	38.3

Note: The poverty level is based on money income and does not include noncash benefits, such as foods stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level.

Source: U.S. Bureau of the Census, 1980 Census of the Population, "Detailed Population Characteristics," PC-80-1-D1-A, United States Summary, Table 304. U.S. Bureau of the Census, 1990 Census of the Population, "Social and Economic Characteristics," CP-2-1, United States Summary, Table 49.

Table ES 1.3.C
Percentage of Children Under Age 18 Living Below the Poverty Level,
by Family Type, Age, and Race/Ethnicity, 1960-1995

	1960	1965	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995
All Types of Families w/ Related Children under 18	27	21	15	17	18	20	20	21	22	22	21	20
White	20	14	11	13	13	16	15	16	17	17	16	16
Black	--	--	42	41	42	43	44	46	46	46	43	42
Hispanic	--	--	--	--	33	40	38	40	39	40	41	39
Related Children under 6	--	--	17	18	20	23	23	24	26	26	25	24
White	--	--	12	14	16	18	18	19	20	20	19	18
Black	--	--	42	41	46	47	51	51	53	52	49	49
Hispanic	--	--	--	--	34	41	40	44	43	43	44	42
Related Children 6 to 17	--	--	14	16	17	19	18	20	19	20	20	18
White	--	--	10	12	12	14	14	15	15	15	15	14
Black	--	--	41	42	40	41	41	43	43	43	40	38
Hispanic	--	--	--	--	32	39	36	37	37	38	39	37
Married Couple Families w/ Related Children under 18	--	--	--	--	--	--	10	11	11	12	11	10
White	--	--	--	--	--	--	9	10	10	11	10	9
Black	--	--	--	--	--	--	18	15	18	18	15	13
Hispanic	--	--	--	--	--	--	27	29	29	30	30	28
Related Children under 6	--	--	--	--	--	--	12	12	13	13	12	11
White	--	--	--	--	--	--	11	11	12	13	11	11
Black	--	--	--	--	--	--	20	17	22	20	15	14
Hispanic	--	--	--	--	--	--	28	33	32	33	33	31
Related Children 6 to 17	--	--	--	--	--	--	10	10	10	11	10	9
White	--	--	--	--	--	--	8	9	9	10	9	9
Black	--	--	--	--	--	--	17	14	16	17	14	12
Hispanic	--	--	--	--	--	--	25	26	26	28	28	27
Female Headed Families w/ Related Children under 18	68	61	53	53	51	54	53	56	55	54	53	50
White	60	53	43	44	42	45	46	47	46	46	46	43
Black	--	--	68	66	65	67	65	68	67	66	63	62
Hispanic	--	--	--	--	65	72	68	69	66	66	68	66
Related Children under 6	--	--	64	62	65	66	66	66	66	64	64	62
White	--	--	59	59	60	59	60	60	61	58	59	55
Black	--	--	71	67	72	75	73	74	73	72	70	71
Hispanic	--	--	--	--	70	78	77	74	72	72	74	72
Related Children 6 to 17	--	--	49	49	46	48	47	50	49	49	47	45
White	--	--	38	40	36	40	39	41	39	40	40	37
Black	--	--	66	66	62	63	60	65	64	62	59	57
Hispanic	--	--	--	--	62	70	64	65	62	63	65	62

Note: The poverty level is based on money income and does not include noncash benefits, such as foods stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$15,569 in 1995. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

Source: U.S. Bureau of the Census, Series P-60 No. 81, Table 4 No. 86, Table 1; P-60, No. 106, Table 11; No. 133, Table 11; No. 158, Table 7; No. 175, Table 6; No. 181, Table 5; No. 188, Table 8, data for 1994, 1995, and revised data for 1992 provided by the U.S. Bureau of the Census, Poverty Branch.

ES 1.4

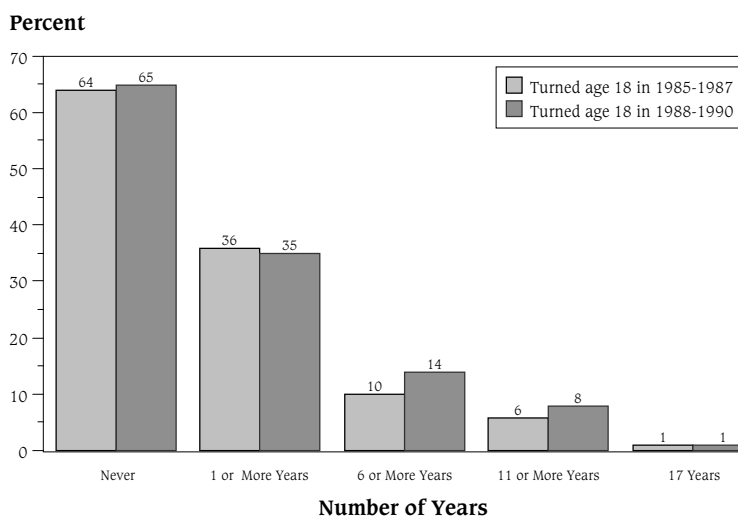
LIFETIME CHILDHOOD POVERTY

The majority of children never experience poverty while growing up, and, among those who do, most are in poverty for only a small portion of their childhood. Many children, however, and particularly many black children, spend a large proportion of their formative years living in poverty, with correspondingly negative consequences for their development and well-being.⁹

Changes in Childhood Poverty Over Time. Although 64 percent of all children who turned age 18 between 1985 and 1987 were never poor, 10 percent were poor for six or more years through age 17 (see Figure ES 1.4.A and Table ES 1.4). Six percent were poor for eleven or more years, and 1 percent were poor for all 17 years. Children turning age 18 three years later show a similar pattern, though they were somewhat more likely to have been poor for a greater number of years, with 14 percent poor for six or more years, and 8 percent poor for eleven or more years.

Differences by Race. The risk of experiencing long-term poverty in childhood varies substantially by race (see Figure ES 1.4.B and Table ES 1.4). Of the nonblack children who turned age 18 between 1988 and 1990, 73 percent never experienced poverty while growing up, only 8 percent were poor for six or more years, and only 4 percent were poor for at least eleven years. By contrast, nearly one half (47 percent) of all black children in that cohort were poor for six or more years, 28 percent for eleven or more years, and 6 percent for all seventeen years of their childhoods.

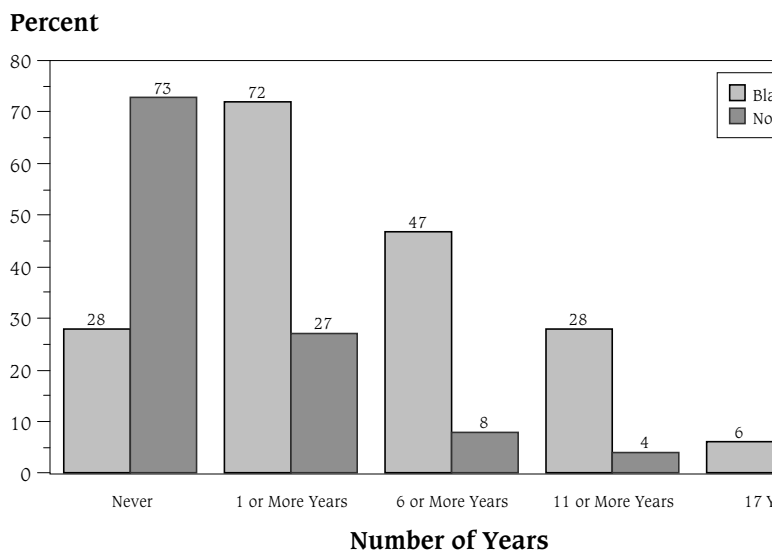
*Figure ES 1.4.A
Percentage of Children in Poverty, by Number of Years
in Poverty and Birth Cohort*



Source: Estimates supplied by Greg J. Duncan, Northwestern University, based on data from the Panel Study of Income Dynamics (PSID).

⁹ Duncan, G. 1995. "Longitudinal Indicators of Children's Poverty and Dependence." *Institute for Research on Poverty Special Report Series, SR#60b.*

Figure ES 1.4.B
Percentage of Children in Poverty by Number of Years in Poverty by Race, for Cohort Who Turned 18 Between 1988 and 1990



Source: Estimates supplied by Greg J. Duncan, Northwestern University, based on data from the Panel Study of Income Dynamics (PSID).

Table ES 1.4
Percentage of Children in Poverty by Number of Years in Poverty During Childhood, Birth Year, and Race

	NUMBER OF YEARS IN POVERTY				
	Never	One or More Years	6 or More Years	11 or More Years	17 Years
TURNED AGE 18 IN 1985-1987 (1967-69 BIRTH COHORT)					
All children	64	36	10	6	1
Black	24	75	37	23	4
Nonblack	71	29	5	3	*
TURNED AGE 18 IN 1988-1990 (1970-72 BIRTH COHORT)					
All Children	65	35	14	8	1
Black	28	72	47	28	6
Nonblack	73	27	8	4	*

Note: * = less than one percent.

Source: Estimates supplied by Greg J. Duncan, Northwestern University, based on data from the Panel Study of Income Dynamics (PSID).

ES 2.1

**EFFECT OF GOVERNMENT CASH AND NEAR-CASH
TRANSFER PROGRAMS ON POVERTY AMONG PERSONS
LIVING IN FAMILIES WITH CHILDREN UNDER AGE 18**

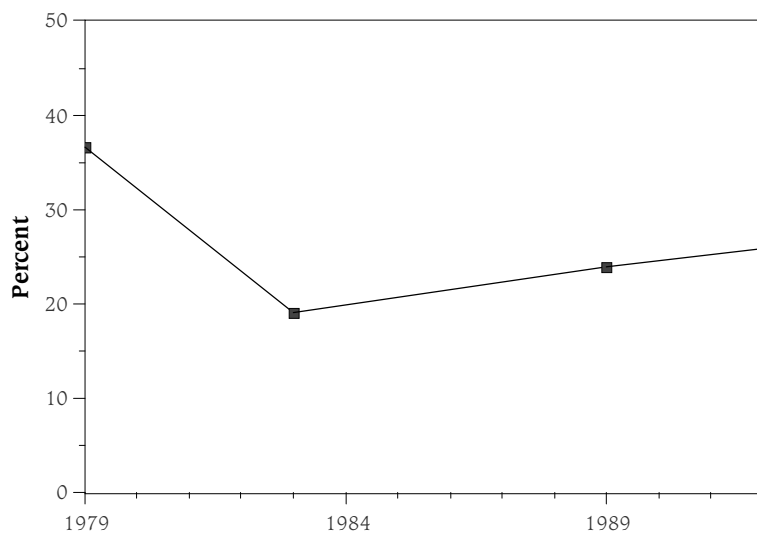
Although the federal system of cash and near-cash transfers (including federal income and payroll taxes)¹⁰ plays a substantial role in reducing the poverty rate of children, its collective effect has varied significantly over time. In 1979, federal cash and near-cash transfers produced a 37 percent reduction in poverty among persons in families with related children under age 18 (see Figure ES 2.1). However, by 1983, the same transfer programs produced only a 19.1 percent reduction in poverty. By 1989 the percentage poverty reduction recovered to 23.9 percent, rose again to 26.5 percent in 1993, and to 32.6 percent in 1994.

In the absence of any federal transfers and taxes, 21.4 percent of all persons living in families with children would have been poor in 1994 (see Table ES 2.1). Social insurance programs other than Social Security reduced the poverty rate to 20.6 percent. The Social Security system reduced the poverty rate further to 19.2 percent. After inclusion of means-tested cash transfers, the poverty rate fell to 17.8 percent. Food and housing benefits cut the poverty rate to 15.3 percent. Finally, the federal tax system reduced the poverty rate of all persons living in families with children to 14.4 percent.

All of the federal cash and near cash transfers considered in Table ES 2.1 except federal taxes reduced poverty among persons in families with related children under age 18 in all years. Until recently, the net impact of the federal tax system was to *increase* the poverty rate. By 1993, however, the impact of the tax system on the number of such persons in poverty became neutral, and in 1994, the federal tax system *reduced* the number of persons in poverty. This is because of the recent expansion of the Earned Income Tax Credit (EITC), which provides refundable tax credits to low-income families with children and at least one working parent whose earnings are low. Because the credit is refundable, many families eligible for the EITC receive a payment from the Treasury instead of paying federal income tax.

¹⁰ Federal cash and near-cash transfers include social security, unemployment compensation, workers' compensation, all means-tested cash transfers, food and housing benefits, and federal income and payroll taxes.

Figure ES 2.1
Percentage Reduction in the Number of Individuals in Families (with Own Children Under Age 18) Who Are Poor, Resulting from Federal Cash and Near-Cash Transfers



Source: Congressional Budget Office computations using the CBO tax model, with data from the March Current Population Survey, 1980, 1984, 1990, 1994, and 1995. Table prepared by staff from the Department of Health and Human Services, Assistant Secretary for Planning and Evaluation..

Table ES 2.1
Antipoverty Effectiveness of Cash and Near-Cash Transfers (including Federal Income and Payroll Taxes) for All Individuals in Families with Related Children Less than Age 18

	<u>1979</u>	<u>1983</u>	<u>1989</u>	<u>1993</u>	<u>1994</u>
Total population (in thousands)	133,435	132,123	135,430	144,551	145,814
Poverty rate (in percent):					
Cash income before transfers	16.6	21.9	18.6	22.3	21.4
Plus social insurance (other than Social Security)	15.8	20.4	18.0	21.4	20.6
Plus Social Security	14.3	19.1	16.8	20.0	19.2
Plus means-tested cash transfers	12.9	18.4	15.8	18.7	17.8
Plus food and housing benefits	10.2	16.5	13.6	16.4	15.3
Less Federal taxes	10.5	17.7	14.1	16.4	14.4
Total percentage reduction in poverty rate	36.6	19.1	23.9	26.5	32.6

Source: Congressional Budget Office computations using the CBO tax model, with data from the March Current Population Survey, 1980, 1984, 1990, 1994, and 1995. Table prepared by staff from the Department of Health and Human Services, Assistant Secretary for Planning and Evaluation.

ES 2.2

MEANS-TESTED ASSISTANCE: AFDC¹¹ AND FOOD STAMPS

Many poor children have depended on Aid to Families with Dependent Children (AFDC) and the Food Stamp program for basic material needs. AFDC was a federal and state cash assistance program targeted to needy children, and to certain others in the household of such a child.¹² As a result of major welfare reform enacted in August 1996, the AFDC program has now been replaced by the Temporary Assistance to Needy Families program (TANF). TANF provides a block grant to states to design and administer their own welfare and work programs.

The food stamp program provides low-income households with vouchers that can be exchanged for food. The new law includes significant new restrictions on food stamp eligibility.

Children's Receipt of AFDC and Other Welfare Benefits. Twelve percent of all children lived in families receiving AFDC or general assistance in 1979, according to survey data (see Figure ES 2.2). The rate decreased slightly to 11 percent in 1989, but by 1993 had increased to 14 percent. However, by 1995, the reciprocity rate dropped back to 12 percent.

More than 7 million children lived in families receiving welfare in 1979 and 1989 (see Table ES 2.2.A). By 1994, 9.5 million children were living in families receiving welfare. In 1995, the number of children on welfare dropped sharply to 8.7 million.

Administrative data show a similar rise in the number of children receiving AFDC between 1985 and 1994 (see Table ES 2.2.C). After peaking at 9.5 million in 1994, the number dropped to 9.2 million in 1995.

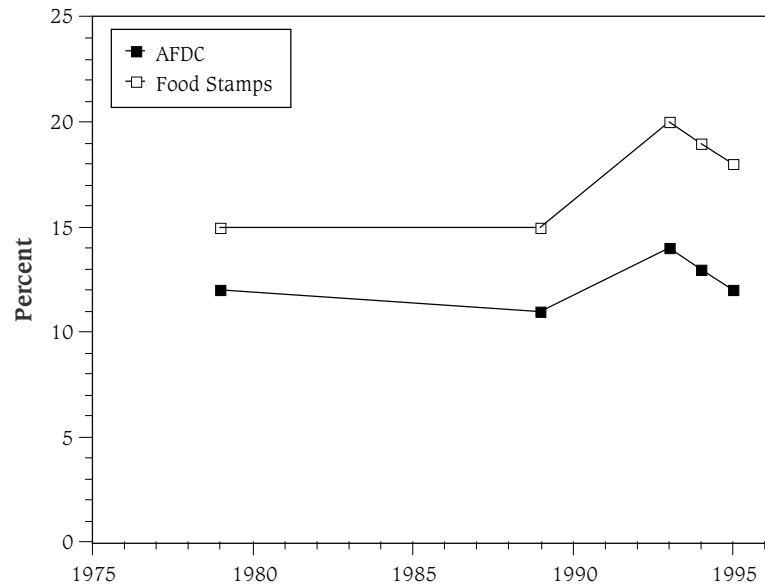
Children's Receipt of Food Stamps. Food stamp receipt shows a similar pattern. In both 1979 and 1989, 15 percent of all children lived in households receiving food stamps, according to survey data (see Figure ES 2.2). The proportion increased to 20 percent by 1993. In that year 14.2 million children lived in households receiving food stamps, up from 9.7 million in 1989 (see Table ES 2.2.B). However, the reciprocity rate dropped to 18 percent by 1995.

Administrative data for Food Stamps also show a rise in the number of children receiving food stamps during the late 1980s and early 1990s, followed by a recent decline (see Table ES 2.2.C). According to these data, the number of children receiving Food Stamps grew from 9.9 million in 1985 to 14.4 million in 1994. By 1995, the number declined to 13.9 million, or 20.3 percent of the child population.

¹¹ Includes "General Assistance".

¹² Needy children include those "who have been deprived of parental support or care because their father or mother is absent from the home continuously, is incapacitated, is deceased or is unemployed." In *Overview of Entitlement Programs: 1994 Green Book, Committee on Ways and Means, U.S. House of Representatives*.

Figure ES 2.2
Percentage of Children Under Age 18 Living in Families Receiving AFDC
(or General Assistance), and in Households Receiving Food Stamps, 1979-1995



Source: Estimates for 1979–1994 calculated by Child Trends, Inc., based on analysis of the March 1980, 1990, 1994, and 1995 Current Population Surveys. Estimates for 1995 provided by the U.S. Census Bureau.

Table ES 2.2.A
Percentage and Number (in thousands) of Children Under Age 18
in Families Receiving AFDC or General Assistance, 1979-1995

	<u>1979</u>	<u>1989</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Number (in thousands)	7,228	7,116	9,440	9,463	8,656
Percent	12	11	14	13	12

Source: Estimates for 1979 - 1994 calculated by Child Trends, Inc., based on analysis of the March 1980, 1990, 1994, and 1995 Current Population Surveys. Estimates for 1995 provided by U.S. Census Bureau.

Table ES 2.2.B
Percentage and Number (in thousands) of Children Under Age 18
in Households Receiving Food Stamps, 1979-1995

	<u>1979</u>	<u>1989</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Number (in thousands)	9,336	9,696	14,193	13,667	13,115
Percent	15	15	20	19	18

Source: Estimates for 1979 - 1994 calculated by Child Trends, Inc., based on analysis of the March 1980, 1990, 1994, and 1995 Current Population Surveys. Estimates for 1995 provided by U.S. Census Bureau.

Table ES 2.2.C
Percentage and Number of Children Under Age 18 Receiving AFDC or Food Stamps
According to Administrative Records, 1985-1995 (number of children in thousands)

	<u>1985</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u> <u>(est)</u>
AFDC							
Number (in thousands)	7,041	7,620	8,375	9,087	9,402	9,464	9,152
Percent	11.2	11.9	12.9	13.5	13.6	13.9	13.4
Food Stamps							
Number (in thousands)	9,906	10,127	11,952	13,349	14,196	14,391	13,883
Percent	15.8	15.8	18.4	20.2	21.2	21.2	20.3

Sources: AFDC information drawn from unpublished data, Administration for Children and Families, U.S. Department of Health and Human Services. 1995 estimate calculated by the Office of the Assistant Secretary for Planning and Evaluation. Food Stamps information drawn from calculations by the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, based on unpublished data from the U.S. Department of Agriculture, Food and Consumer Service.

ES 2.3

LIFETIME WELFARE DEPENDENCE ¹³

Chronic welfare receipt is a major concern of policy makers of all political persuasions for several reasons. First, chronic welfare receipt imposes large costs on taxpayers. Second, there is some evidence suggesting that long-term welfare receipt may have a more negative impact on adult recipients and their children than short-term receipt that helps a family weather a crisis.¹⁴

Living in a family receiving welfare at some point during childhood is a common experience, affecting 40 percent of all children, 33 percent of non-black children, and 81 percent of black children who turned age 18 in 1991-93 (see Figure ES 2.3.A). Long-term welfare receipt is considerably less common: 10 percent of all children lived in families receiving welfare for 11 or more years of their childhood.

Differences by Race. For black children, however, long-term welfare receipt is considerably more common than for non-black children. Thirty-eight (38) percent of all black children born in the years 1973-1975 spent 11 or more years of their childhood living in families receiving at least some welfare. This contrasts with the experience of non-black children, of whom only 6 percent spent 11 or more years of their childhood in families receiving welfare.

Changes Over Time. Table ES 2.3.A presents data for three cohorts of children turning age 18 in 1985-87, 1988-90, and 1991-93. The data show two contrasting trends in the lifetime experience of welfare receipt among children:

- On the one hand, there appears to be a small increase in the proportion of children whose families never received welfare, from 57 percent to 61 percent across the three age cohorts. This trend is also evident for black children, where the proportion whose families never received welfare increased from 12 percent to 19 percent.
- On the other hand, there is also a small increase in the percentage of children who lived in families receiving welfare for at least 11 years, from eight percent in the cohort turning age 18 in 1985-87 to 10 percent for the cohort turning age 18 in 1991-93.

These two trends indicate some polarization of the life experience of children. A slightly greater proportion is growing up in families who are chronically dependent on welfare, even while an increasing proportion of children live in families that manage to avoid welfare altogether.

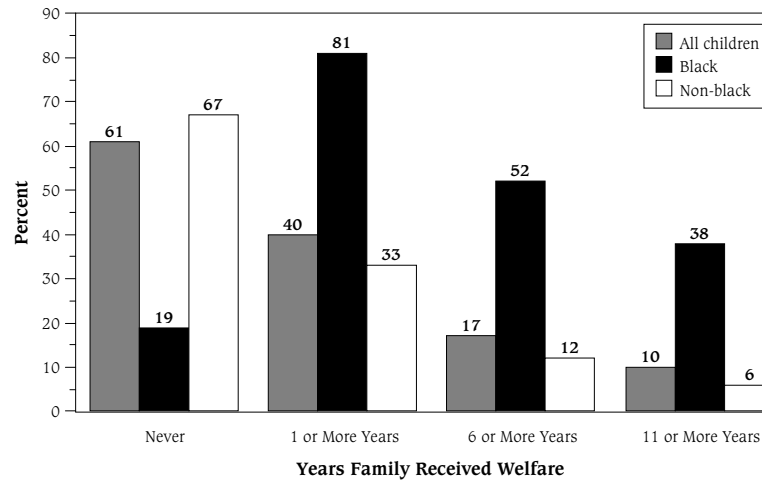
¹³ For this indicator, “welfare” has been defined to include Aid to Families with Dependent Children, Food Stamps, Supplemental Security Income, and “other welfare,” which includes local General Assistance.

¹⁴ Duncan, G., and Brooks-Gunn, J. 1996. “Income Effects Across the Life Span: Integration and Interpretation,” in *Consequences of Growing Up Poor* (G. Duncan and J. Brooks-Gunn, eds.).

Welfare Benefits As a Portion of Total Family Income. Of the 10 percent of children in families that received welfare for at least 11 years, fewer than half lived in families in which welfare benefits were at least half of total family income for at least 11 years. Similarly, although 38 percent of black children lived in families receiving welfare for at least 11 years, only 14 percent lived in families in which welfare benefits were at least half of total family income for at least 11 years (see Table ES 2.3.A, right panel). Thus, welfare is a supplement to family income rather than the primary source of income in more than half of the families receiving welfare over the long run.

AFDC Receipt. As shown in Figure ES 2.3.B, when only AFDC benefits are taken into account, the pattern is very similar to the pattern for all welfare benefits. While living in a family receiving AFDC benefits for at least one year is fairly common (19 percent of non-black children and 67 percent of black children), chronic receipt is not. Only 4 percent of non-black children lived in families receiving AFDC benefits for at least 11 years, and only 20 percent of black children lived in such families. Moreover, as shown in Table ES 2.3.B, there is no evidence of increased polarization of children with respect to AFDC receipt.

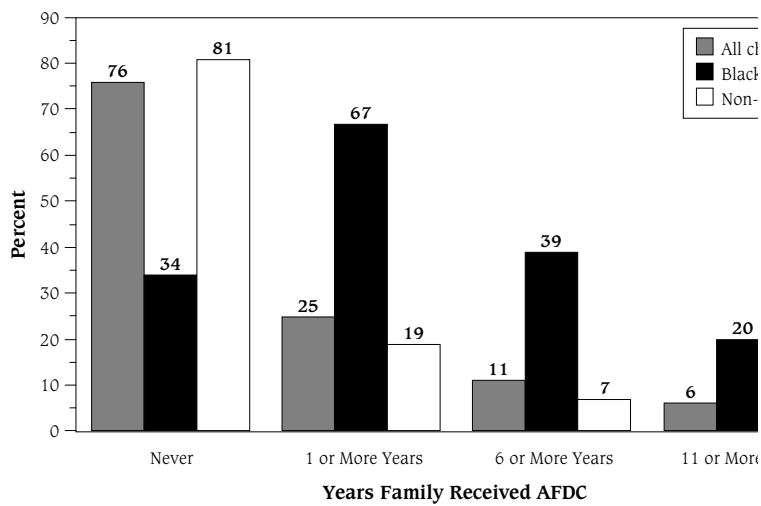
Figure ES 2.3.A
Percentage of Children Receiving Welfare by Number of Years on Welfare Through Age 17: for Those Who Turned Age 18 in 1991–1993



Note: Welfare includes AFDC, Food Stamps, and SSI or "other welfare, which includes local General Assistance."

Source: Estimates supplied by Greg J. Duncan, Northwestern University, based on data from the Panel Study of Income Dynamics (PSID).

Figure ES 2.3.B
Percentage of Children Receiving AFDC by Number of Years on AFDC Through Age 17: for Those Who Turned Age 18 in 1991–1993



Source: Estimates supplied by Greg J. Duncan, Northwestern University, based on data from the Panel Study of Income Dynamics (PSID).

Table ES 2.3.A
Percentage of Children Receiving Welfare by Number of Years on Welfare
During Childhood, by Year Turned 18

	NUMBER OF YEARS FAMILY RECEIVED ANY WELFARE BENEFIT				NUMBER OF YEARS IN WHICH WELFARE BENEFITS WERE AT LEAST HALF OF TOTAL FAMILY INCOME			
	Never	One or More Years	Six or More Years	11 or More Years	Never	One or More Years	Six or More Years	11 or More Years
Turned age 18 in 1985-1987 (1967-69 birth cohort)								
All children	57	43	16	8	—	—	—	—
Black	12	88	66	35	—	—	—	—
Non-black	64	36	8	3	—	—	—	—
Turned age 18 in 1988-1990 (1970-72 birth cohort)								
All children	58	43	21	12	—	—	—	—
Black	19	81	67	40	—	—	—	—
Non-black	65	35	13	7	—	—	—	—
Turned age 18 in 1991-1993 (1973-75 birth cohort)								
All children	61	40	17	10	83	17	9	4
Black	19	81	52	38	50	50	30	14
Non-black	67	33	12	6	88	12	5	2

Note: Welfare includes AFDC, Food Stamps and SSI or "other welfare, which includes local General Assistance."

Source: Estimates supplied by Greg J. Duncan, Northwestern University, based on data from the Panel Study of Income Dynamics (PSID).

Table ES 2.3.B
Percentage of Children Receiving AFDC by Number of Years on AFDC
During Childhood, by Year Turned 18

	NUMBER OF YEARS FAMILY RECEIVED ANY AFDC BENEFIT			NUMBER OF YEARS IN WHICH AFDC BENEFITS WERE AT LEAST HALF OF TOTAL FAMILY INCOME				
	Never	One or More Years	Six or More Years	11 or More Years	Never	One or More Years		Six or More Years
Turned age 18 in 1985-1987 (1967-69 birth cohort)								
All children	77	23	10	5	87	13	3	1
Black	29	71	45	19	44	56	15	6
Non-black	85	15	4	2	94	7	2	1
Turned age 18 in 1988 -1990 (1970-72 birth cohort)								
All children	71	28	15	7	84	17	7	3
Black	28	73	45	23	49	51	16	9
Non-black	80	20	9	4	91	10	5	2
Turned age 18 in 1991 -1993 (1973-75 birth cohort)								
All children	76	25	11	6	85	15	6	2
Black	34	67	39	20	54	47	23	10
Non-black	81	19	7	4	89	11	4	1

Source: Estimates supplied by Greg J. Duncan, Northwestern University based on data from the Panel Study of Income Dynamics (PSID).

ES 2.4

SOURCES OF INCOME AND PAYMENT OF FEDERAL TAXES FOR FAMILIES WITH CHILDREN

Although most families with children receive most of their income from their own earnings and other private sources, federal transfer programs providing both cash and in-kind benefits are an important supplement for many families and the most important source of income for some. Thus, many children's standard of living is significantly affected by these programs. Most families with children pay taxes to the federal government to help pay for these programs.

Federal Cash Benefits. Many families receive some of their income in the form of government transfers, although the overwhelming majority of families (95 percent in 1993), had other, private sources of income as well (see Figure ES 2.4.A).

- The most common federal cash benefit was the Earned Income Tax Credit (EITC)¹⁵, which the federal government paid to 29 percent of families with children.
- The federal government paid cash social insurance benefits (including Social Security, Workers' Compensation, and Unemployment Insurance benefits) to 20 percent of families with children.
- Cash benefits from the AFDC program were paid to 16 percent of families with children.
- Supplemental Security Income (SSI) benefits were provided to only 4 percent of families with children.
- A small percentage of families with children received cash benefits from other means-tested cash programs.

Single-parent families with children are less likely than married-couple families with children to have pre-transfer income (see Table ES 2.4.A). While 98 percent of married-couple families with children had pre-transfer income, only 85 percent of single-parent families had income before transfers. It is not surprising, therefore, that single-parent families with children were more likely than married-couple families with children to receive means-tested cash benefits. For example, while only 6 percent of married-couple families received AFDC benefits, 40 percent of single-parent families received these benefits.

Federal In-Kind Benefits. Many families also receive in-kind benefits from the federal government (see Figure ES 2.4.A).

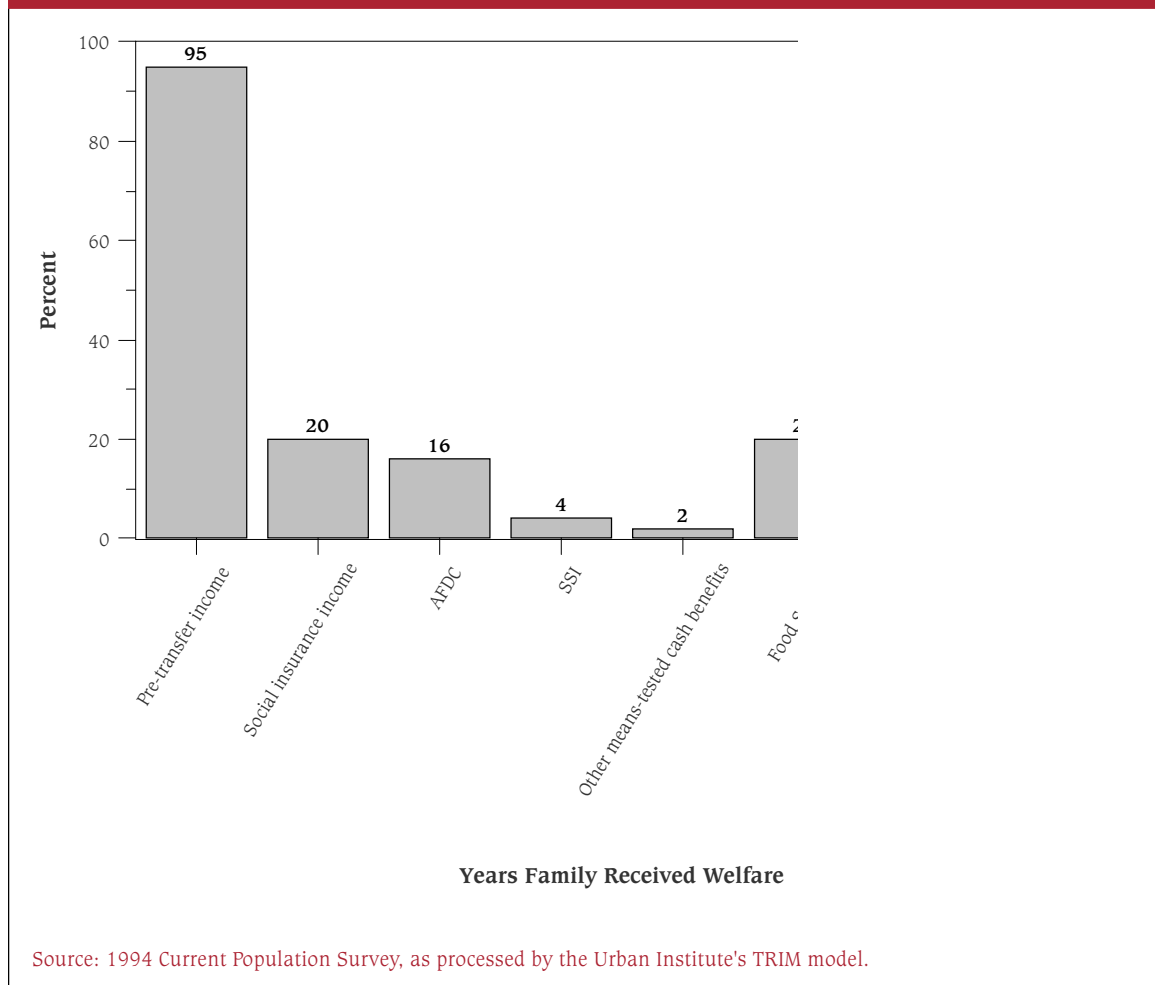
- The federal government provided food stamps to 20 percent of families with children.
- Housing benefits were provided to 6 percent of families with children.

Single-parent families with children were much more likely than married-couple families to receive in-kind benefits (see Table ES 2.4.A). For example, while only 9 percent of married-couple families received food stamps, 45 percent of single-parent families did so. Similarly, only one percent of married-couple families received housing benefits, but 17 percent of single-parent families did so.

¹⁵ This benefit is paid to families with children, at least one working parent, and relatively low family income. If the credit is larger than a family's federal income tax liability, the difference is refunded to the family. The 29 percent figure refers only to families that received a refund and not to families whose EITC only partially offset their federal income tax liability.

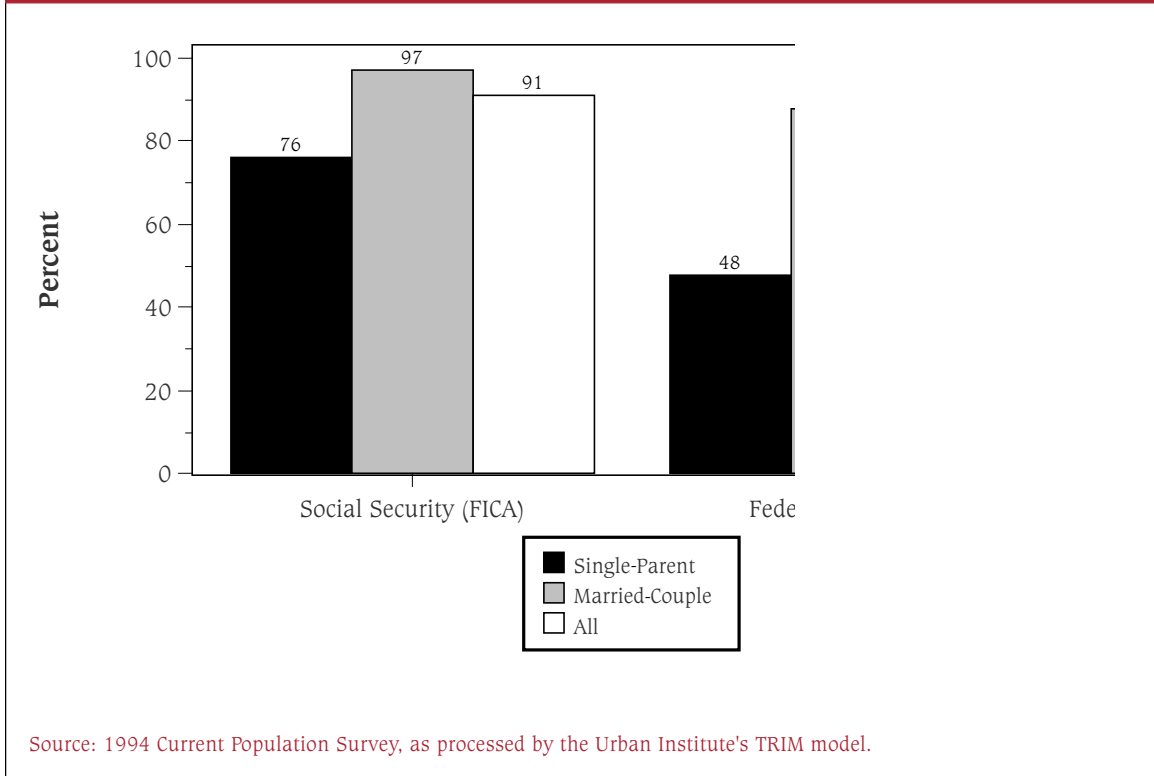
Federal Taxes. Most families with children pay both social security (FICA) taxes¹⁶ and federal income taxes (see Figure ES 2.4.B). In 1993, 91 percent of all families with children paid social security taxes, while 76 percent paid federal income taxes. Married-couple families were more likely than single-parent families to pay federal taxes. While 97 percent of married-couple families paid social security taxes, only 76 percent of single-parent families did so. Similarly, while 88 percent of married-couple families paid federal income taxes, only 48 percent of single-parent families did so.

*Figure ES 2.4.A
Percentage of All Families with Children Receiving Various Sources of Income, 1993*



¹⁶ FICA taxes cover the Old Age, Survivors, and Disability Insurance (Social Security) program plus Medicare.

Figure ES 2.4.B
Percentage of All Families with Children Who Pay Federal Taxes, by Type of Tax and Family Type, 1993



Source: 1994 Current Population Survey, as processed by the Urban Institute's TRIM model.

Table ES 2.4.A
Percentage of Families with Children Receiving Various
Sources of Income, by Family Type, 1993

	Single-Parent	Married-Couple	All
Pre-transfer income	85	98	95
Cash Benefits			
Social insurance income	21	20	20
AFDC	40	6	16
SSI	6	2	4
Other means-tested cash benefits	3	1	2
In-Kind Benefits			
Food Stamps	45	9	20
Housing	17	1	6
Earned income tax credit	51	19	29

Source: 1994 Current Population Survey, as processed by the Urban Institute's Transfer Income Model (TRIM), which simulates for a representative sample of the U.S. population eligibility for and payment of cash and in-kind benefits based upon the characteristics of the persons, families, and households contained in the sample. TRIM also simulates the payment of federal income and payroll taxes for this same representative sample. The results of TRIM simulations may differ from the results produced by other data sets or models because, for most programs, TRIM uses data corrected for under- and non-reporting. In the case of the Earned Income Tax Credit (EITC), for example, TRIM estimates differ from those of the U.S. Treasury because TRIM assumes that nearly everyone who is eligible for the EITC actually receives it. In reality, some ineligible families receive it and some eligible families do not. The errors do not exactly offset one another.

Table ES 2.4.B
Percentage of Families with Children with Federal Tax Liability,
by Family Type, 1993

	Single-Parent	Married-Couple	All
Social Security (FICA)	76	97	91
Federal Income Tax	48	88	76

Source: 1994 Current Population Survey, as processed by the Urban Institute's Transfer Income Model (TRIM), which simulates for a representative sample of the U.S. population eligibility for and payment of cash and in-kind benefits based upon the characteristics of the persons, families, and households contained in the sample. TRIM also simulates the payment of federal income and payroll taxes for this same representative sample. The results of TRIM simulations may differ from the results produced by other data sets or models because, for most programs, TRIM uses data corrected for under- and non-reporting. In the case of the Earned Income Tax Credit (EITC), for example, TRIM estimates differ from those of the U.S. Treasury because TRIM assumes that nearly everyone who is eligible for the EITC actually receives it. In reality, some ineligible families receive it and some eligible families do not. The errors do not exactly offset one another.

ES 2.5

CHILD SUPPORT NONPAYMENT

The issue of child support has gained in importance in recent years. As rates of divorce and non-marital birth have risen, an increasing proportion of children and their custodial parents must depend on this source of income for financial support, and suffer correspondingly when it is not forthcoming. In addition, when noncustodial parents do not support their children financially, it is often left to the government to step in and provide support in the form of AFDC, food stamps, and other forms of assistance.

In many cases, and particularly where nonmarital births are concerned, families who should be receiving child support from the noncustodial parent lack a court order establishing how much is owed. Among those who do have court orders, about half (49 percent) do not receive all of the money they are owed in a given year.¹⁷

Table ES 2.5 shows the proportion of families who had court orders for child support but received no support at all for selected years between 1978 and 1991. Estimates are presented for all eligible families, and separately for population subgroups defined by marital status (married, divorced, separated, and never married) and race/ethnicity (white, black, and Hispanic). During that time period, the proportion of all eligible families who received no support whatsoever ranged between 21 and 28 percent. Rates of nonpayment decreased somewhat from 1978 to 1985, from 28 to 21 percent, then rose to about 25 percent by the end of the decade. This general historical pattern is consistent regardless of marital status, race, or ethnicity.

Differences by Marital Status. Women who are separated or never married were substantially less likely to have court orders for child support than those who were divorced, or who had remarried.¹⁸ Once a court order is established, however, the rates of nonpayment appear to be fairly similar across all marital status groups. In 1991, for example, rates of nonpayment ranged from about 24 percent for divorced women to 28 percent for never married women.¹⁹

Differences by Race and Ethnicity. In most years, eligible white families experienced lower rates of nonpayment than either black or Hispanic families. For example, in 1991, the most recent year for which estimates are available, the percentage of eligible families receiving no payment was 23 percent for whites, 31 percent for blacks, and 35 percent for Hispanics.

Methods of Payment. Some custodial parents receive their child support payments directly from the non-custodial parent or that parent's place of employment. Other parents use the Child Support Enforcement program, authorized under Title IV-D of the Social Security Act, to establish and enforce child support orders. Families receiving AFDC and Medicaid benefits are required to cooperate with their state's child support enforcement agency. Other families may request these services. Since fiscal year 1992, collections made by child support enforcement agencies have increased by nearly 40 percent, from \$8 billion in fiscal year 1992 to \$11 billion in fiscal year 1995.²⁰ For the same period, paternity establishments increased more than 40 percent and child support orders increased 16 percent.

¹⁷ *Child Support for Custodial Mothers and Fathers. Current Population Reports Series P60, No. 187.*

¹⁸ *Ibid.*

¹⁹ *In some years rates of nonpayment appear to be substantially smaller for women who were separated or never married than for those who are divorced or remarried, but estimates for the former groups are based on small samples sizes which are subject to greater error. Disparities in sample size may account for the apparent cross-group differences in those years. (See, for example, years 1983, 1985, and 1987)*

²⁰ *Preliminary data from the Office of Child Support Enforcement, U.S. Department of Health and Human Services.*

Table ES 2.5
Child Support Nonpayment: Percentage of Eligible Women
Who Are Not Receiving Child Support, 1978-1991

	1978	1981	1983	1985	1987	1989	1991 ^a
Total	28	23	24	21	24	25	25
Marital Status							
Married	32	25	28	24	27	28	25
Divorced	27	23	24	21	22	23	24
Separated	27	16	13	12	26	20	26
Never Married	19	27	24	20	17	27	28
Race/Ethnicity							
White	27	23	23	21	23	24	23
Black	37	23	31	22	27	30	31
Hispanic	35	29	38	26	25	30	35
<p>Note: ^aEstimates for 1991 were produced using somewhat different assumptions than in previous years, and should not be contrasted with earlier estimates.</p> <p>Eligible Families are those with court orders for child support.</p> <p>Source: 1978-1987 data from Child Support and Alimony, Series P23, Nos. 112, 140, 141, 154, and Current Population Reports Series P60, No. 173. Data for 1991 from Current Population Reports Series P60, No.187.</p>							

ES 3.1

**PARENTAL LABOR FORCE PARTICIPATION:
PERCENTAGE OF CHILDREN WITH BOTH PARENTS
OR ONLY RESIDENT PARENT IN THE LABOR FORCE**

Over the last three decades the proportion of single-parent families has increased, as has the proportion of mothers who work regardless of marital status.²¹ These factors have reduced the percentage of children who have a parent at home full time. Figure ES 3.1 presents data on the percentage of children who have all resident parents participating in the labor force²² at some level for the years 1985, 1990, and 1994 through 1996.

Parents in the Labor Force by Family Type. Between 1985 and 1996, the percentage of children who have all resident parents in the labor force increased from 59 percent to 66 percent (see Figure ES 3.1). Since 1990, the percentage of children who have all resident parents participating in the labor force has been similar for both married-couple families and single-mother families. In 1996, the rate was 64 percent for married-couple families and 66 percent for single-mother families. The rate for children in single-father families has remained much higher, at 88 percent.

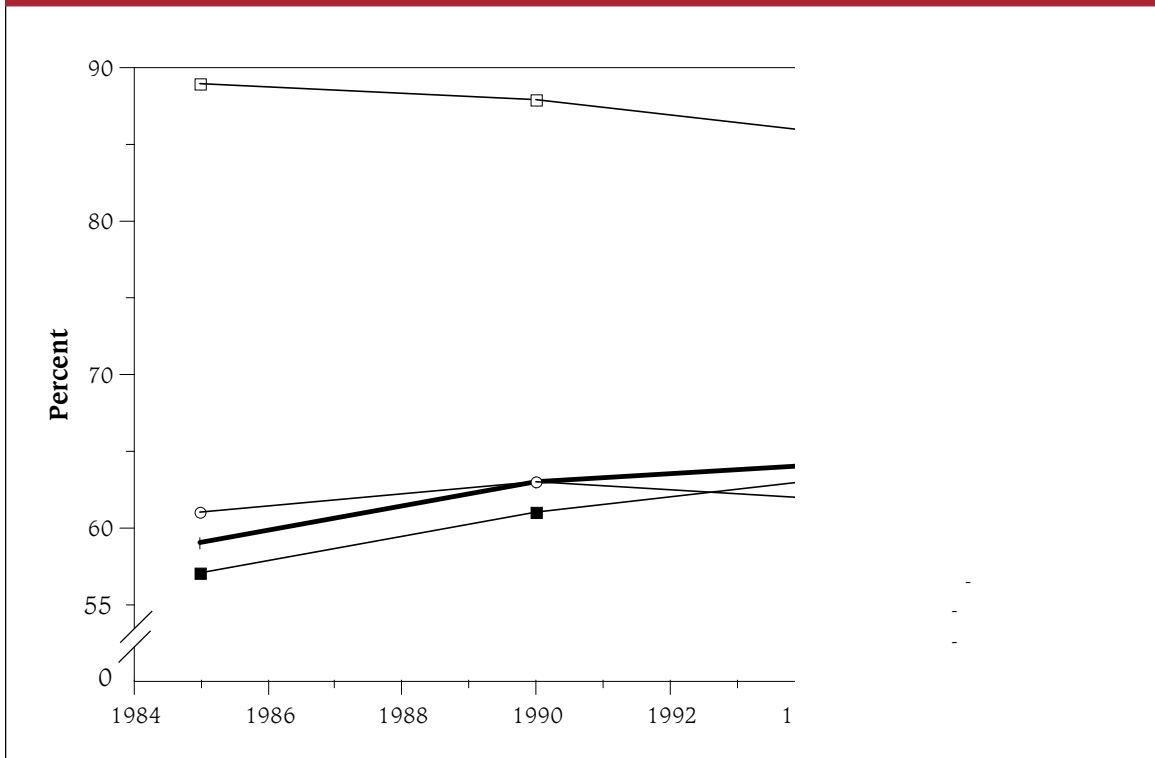
Parents in the Labor Force by Age of Child. Children under age 6 have been less likely than older children to have all resident parents in the labor force (see Table ES 3.1). In 1996, 58 percent of younger children had all resident parents in the labor force, compared with 70 percent for older children.

Parents in the Labor Force by Race and Ethnicity. Between 1985 and 1990, white children, black children, and Hispanic children all became more likely to have all their resident parents in the labor force (see Table ES 3.1). However, between 1990 and 1996, the rates stayed virtually the same for blacks and Hispanics, and increased modestly for whites. By 1996, 66 percent of white children, 64 percent of black children, and 50 percent of Hispanic children lived in families in which all resident parents were working.

²¹ Bianchi, S. M. 1995. "Changing Economic Roles of Women and Men" in *State of the Union: American in the 1990s: Volume I*. Reynolds Farley (ed.). New York: Russell Sage Foundation, 1995.

²² *Participating in the labor force means either working or looking for work.*

Figure ES 3.1
Percentage of Children with Both Parents or Only Resident Parent in the Labor Force: 1985-1996



Sources: 1985, 1990, 1994, and 1995 statistics calculated by Child Trends, Inc., based on the March 1985, 1990, 1994, and 1995 Current Population Surveys. 1996 statistics calculated by the U.S. Bureau of the Census based on the 1996 Current Population Survey.

Table ES 3.1
Percentage of Children with Both Parents or
Only Resident Parent in the Labor Force: 1985-1996

	<u>1985</u>	<u>1990</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
ALL CHILDREN	59	63	64	65	66
< age 6	51	55	56	59	58
age 6-17	63	67	68	69	70
FAMILY TYPE					
Married-couple	57	61	63	65	64
< age 6	51	54	57	59	58
age 6-17	61	65	67	68	67
Single-mother	61	63	62	64	66
< age 6	49	51	52	54	56
age 6-17	67	70	68	69	72
Single-father	89	88	86	88	88
< age 6	90	90	85	86	86
age 6-17	89	88	86	88	89
RACE/ETHNICITY GROUP					
White	59	63	64	66	66
< age 6	51	55	57	59	58
age 6-17	63	67	68	70	70
Black	60	63	62	64	64
< age 6	54	55	56	57	58
age 6-17	63	67	66	67	68
Hispanic	45	50	49	50	50
< age 6	40	44	41	44	43
age 6-17	48	54	54	54	55

Sources: 1985, 1990, 1994 and 1995 statistics calculated by Child Trends, Inc., based on the March 1985, 1990, 1994, and 1995 Current Population Surveys. 1996 statistics calculated by the U.S. Bureau of the Census based on the 1996 Current Population Survey.

ES 3.2

MATERNAL EMPLOYMENT: PERCENTAGE OF MOTHERS WITH CHILDREN UNDER AGE 18 WHO ARE EMPLOYED, FULL TIME AND PART TIME

Over the last several decades, the increasing proportion of mothers moving into employment has had substantial consequences for the everyday lives of families with children. Maternal employment adds to the financial resources available to families, and is often the only source of income for families headed by single mothers — although if child care services are purchased and unsubsidized, they may offset a substantial percentage of low-wage mothers' earnings.

Maternal employment rates for all mothers with children under age 18 increased steadily from 53 percent to 63 percent between 1980 and 1990 (see Figure ES 3.2.A). From 1990 to 1995, rates increased at a slower pace from 63 percent to 66 percent. This pattern of increasing maternal employment was evident for all mothers, regardless of the age of their children.

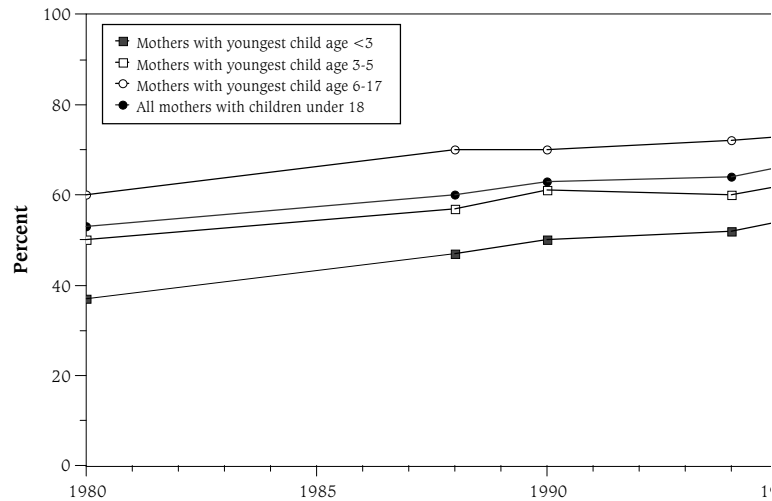
Differences by Age of Child. The percentage of mothers who are employed increases with the age of the youngest child for all time periods presented in Table ES 3.2.A. In 1995, 54 percent of mothers with children under age 3 were employed, compared to 62 percent and 73 percent for mothers with youngest children ages 3-5 and 6-17, respectively.

Differences by Race and Ethnicity. In 1995, 67 percent of white mothers, 62 percent of black mothers, and 49 percent of Hispanic mothers were employed (see Table ES 3.2.A). Black mothers were the most likely to be employed full-time (50 percent). Although all three groups substantially increased their rates of employment between 1980 and 1990, only white mothers continued to increase their rate of employment substantially between 1990 and 1995.

Differences by Marital Status. Throughout the period between 1988 and 1995, divorced mothers had higher rates of employment than never-married or currently married mothers. Employment increased from 62 percent to 67 percent for married mothers, from 40 to 48 percent for never-married mothers, and from 75 to 77 percent for divorced mothers.

Full-Time Versus Part-Time Employment. As shown in Figure ES 3.2.B, among all employed mothers, 70 percent were working full time in 1995. Employed mothers with older children were more likely to work full time than those with young children, with rates ranging from 65 percent for mothers with children under age 3, to 73 percent for mothers with a youngest child between the ages of 6 and 17. Divorced mothers were more likely to work full time (83 percent) than never-married mothers (72 percent) and married mothers (68 percent). Black mothers who were employed were more likely to work full time (82 percent) than white mothers (68 percent).

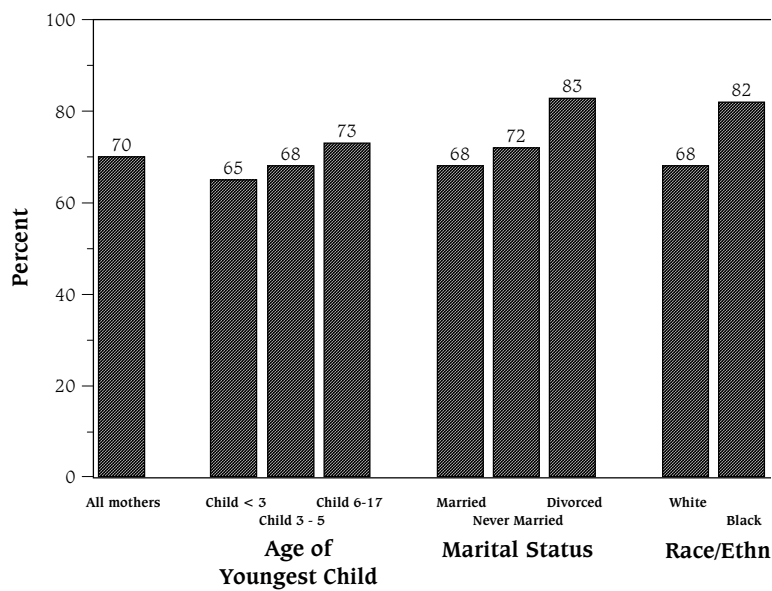
Figure 3.2.A
Percentage of Mothers Who Are Employed, by Age of Youngest Child: 1980-1995



Note: Percentages for 1980 are not presented separately by marital status and full-time vs. part-time due to incompatibilities with definitions used in later years. Sums may not add to totals due to rounding.

Source: Unpublished tables, Bureau of Labor Statistics, based on analyses of March Current Population Surveys for 1980, 1988, 1990, 1994, and 1995

Figure 3.2.B
Percentage of Employed Mothers Who Worked Full Time, 1995



Source: Unpublished tables, Bureau of Labor Statistics, based on analysis of March Current Population Survey for 1995.

Table ES 3.2.A
Maternal Employment: Percentage of Mothers with Children Under Age 18
Who were Employed, Full Time and Part Time,^a 1980-1995

	1980	1988	1990	1994	1995
TOTAL EMPLOYED	53	60	63	64	66
Working Full Time	--	44	46	45	46
Working Part Time	--	16	17	19	19
AGE OF YOUNGEST CHILD					
< Age 3 Employed	37	47	50	52	54
Working Full Time	--	32	34	34	35
Working Part Time	--	15	16	18	19
Ages 3-5 Employed	50	57	61	60	62
Working Full Time	--	40	43	41	42
Working Part Time	--	17	18	19	20
Ages 6-17 Employed	60	70	70	72	73
Working Full Time	--	53	53	53	53
Working Part Time	--	17	17	19	19
MARITAL STATUS					
Married, Spouse Present Employed	--	62	63	66	67
Working Full Time	--	43	44	45	45
Working Part Time	--	19	19	21	22
Never Married Employed	--	40	45	46	48
Working Full Time	--	32	36	34	35
Working Part Time	--	8	9	12	13
Divorced Employed	--	75	75	74	77
Working Full Time	--	66	66	63	64
Working Part Time	--	9	9	11	13
RACE/ETHNICITY					
White Employed	52	62	63	65	67
Working Full Time	--	44	44	45	46
Working Part Time	--	18	19	20	21
Black Employed	54	56	61	58	62
Working Full Time	--	48	53	47	50
Working Part Time	--	8	8	11	11
Hispanic Employed	42	49	50	48	49
Working Full Time	--	38	39	36	37
Working Part Time	--	11	11	12	12

Note: ^aPercentages for 1980 are not presented separately by marital status and full-time vs. part-time due to incompatibilities with definitions used in later years. Sums may not add to totals due to rounding.

Source: Unpublished tables, Bureau of Labor Statistics, based on analyses of March Current Population Surveys for 1980, 1988, 1990, 1994, and 1995.

Table ES 3.2.B
Number and Percentage of Employed Mothers
Who Worked Full Time, 1995

	Full time (thousands)	Part time (thousands)	Total (thousands)	Percentage Full time
All mothers	16,349	6,846	23,195	70
Age of youngest child				
< age 3	3,385	1,787	5,172	65
3-5	2,982	1,433	4,415	68
6-17	9,982	3,626	13,608	73
Marital status				
Married	11,642	5,553	17,195	68
Never married	1,267	487	1,754	72
Divorced	2,340	477	2,817	83
Race/ethnicity group				
White	13,010	6,040	19,050	68
Black	2,552	567	3,119	82
Hispanic	1,621	506	2,127	76

Source: Unpublished Tables, Bureau of Labor Statistics, based on analysis of March Current Population Survey for 1995.

ES 3.3

**PARENTAL LABOR FORCE DETACHMENT:
THE PERCENTAGE OF CHILDREN UNDER AGE 18
WITH NO RESIDENT PARENTS IN THE LABOR FORCE**

Attachment to the labor force is, for the vast majority of families, a necessary prerequisite for financial and social stability. Children who have no parents in the labor force are at considerably higher risk of poverty, which can have long-term negative consequences for their well-being.^{23,24}

Figure ES 3.3 presents trends in the proportion of children living in families where there were no resident parents attached to the labor force. Data are presented for 1985, 1990, and 1994 through 1996, by family type, age of child, and race/ethnicity. During that period, approximately one in 10 children lived in families in which all resident parents were detached from the labor force. The percentages fluctuated within a narrow range throughout the period.

Labor Force Detachment by Family Type and Age of Child. The rate of parental labor force detachment for children in married couple families was very low, fluctuating between 2 and 3 percent between 1985 and 1996. However, detachment rates for children in families headed by single mothers were more than ten times higher throughout the period. In 1985, 39 percent of children living in single-mother families had a nonworking mother (see Figure ES 3.3). This percentage dropped to 34 percent by 1996. For children under age 6 in single-mother families, the reduction was somewhat larger, from 51 percent in 1985 to 44 percent in 1996 (see Table ES 3.3).

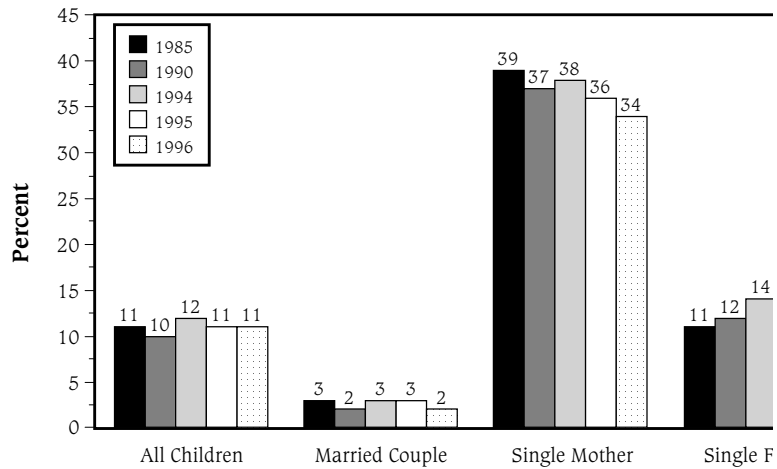
In families headed by single mothers, mothers of children under age six were more likely to be detached from the labor force than mothers of older children. The gap between the two age groups has narrowed over time, however, decreasing from 26 percentage points in 1985 (59 percent versus 33 percent) to 16 percentage points in 1996 (44 percent versus 28 percent). Children living in families headed by single fathers experienced parental labor force detachment rates between 11 and 14 percent during this time period. This is substantially less than rates experienced by children in families headed by single mothers (12 percent versus 34 percent in 1996), but substantially higher than those in married-couple families (2 percent).

Labor Force Detachment by Race and Ethnicity. White children were much less likely than black or Hispanic children to have no resident parents in the labor force in 1996, with rates of 7 percent, 25 percent, and 17 percent, respectively.

²³ Blau, F., and Grossberg, A. 1992. "Maternal Labor Supply and Children's Cognitive Development," Review of Economics and Statistics.

²⁴ Duncan, G., and Brooks-Gunn, J. 1996. "Income Effects Across the Life Span: Integration and Interpretation," in Consequences of Growing Up Poor (G. Duncan and J. Brooks-Gunn, eds.).

Figure ES 3.3
Parental Labor Force Detachment: Percentage of Children with No Resident Parent in the Labor Force, 1985-1996



Sources: 1985, 1990, 1994, and 1995 statistics calculated by Child Trends, Inc., based on analyses of the March 1985, 1990, 1994, and 1995 Current Population Surveys. 1996 statistics calculated by the U.S. Bureau of the Census based on the 1996 Current Population Survey.

Table ES 3.3
Parental Labor Force Detachment: Percentage of Children
With No Resident Parent in the Labor Force, 1985-1996

	1985	1990	1994	1995	1996
ALL CHILDREN	11	10	12	11	11
< age 6	12	13	14	14	13
age 6-17	10	9	11	10	9
FAMILY TYPE					
Married-couple	3	2	3	3	2
< age 6	2	2	2	2	2
age 6-17	3	3	3	3	3
Single-mother	39	37	38	36	34
< age 6	51	49	48	46	44
age 6-17	33	30	32	31	28
Single-father	11	12	14	12	12
< age 6	10	10	15	14	14
age 6-17	11	12	14	12	11
RACE/ETHNICITY GROUP					
White	8	7	9	8	7
< age 6	8	9	11	10	9
age 6-17	7	6	8	7	7
Black	27	26	27	27	25
< age 6	33	34	33	33	32
age 6-17	24	21	24	23	21
Hispanic	19	17	19	19	17
< age 6	20	19	22	21	20
age 6-17	19	16	18	17	15

Sources: 1985, 1990, 1994 and 1995 statistics calculated by Child Trends, Inc., based on analyses of the March 1985, 1990, 1994, and 1995 Current Population Surveys. 1996 statistics calculated by the U.S. Bureau of the Census based on the 1996 Current Population Survey.

ES 3.4

**SECURE PARENTAL LABOR FORCE ATTACHMENT:
PERCENTAGE OF CHILDREN WITH AT LEAST ONE
FULLY EMPLOYED (Full-time, Full-year) RESIDENT PARENT**

Parents' full-time employment over the course of an entire year indicates a secure attachment to the labor force and produces a degree of financial security for their children. As shown in Table ES 3.4, the percentage of children in families with at least one securely attached parent increased from 69 percent to 74 percent over the period from 1984 to 1995. However, there were substantial and persistent variations in the rate of secure parental attachment to the labor force by racial and ethnic groups, poverty status, age of children, and family structure.

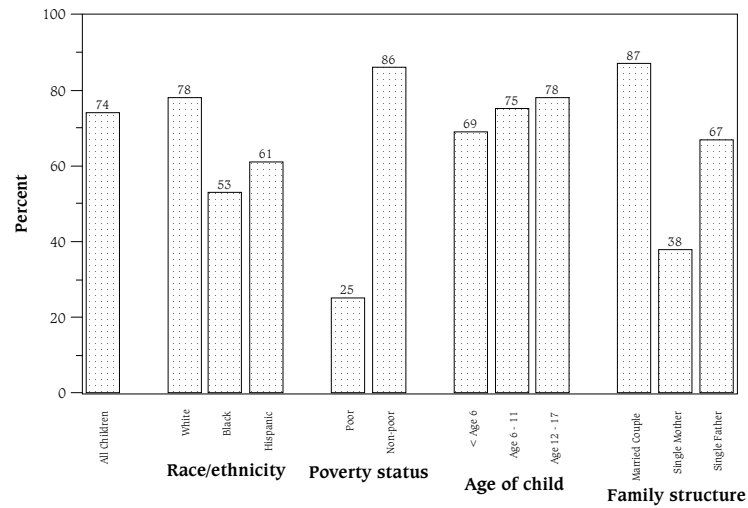
Differences by Race and Ethnicity. The parents of children in white families consistently have the highest rates of secure attachment to the labor force. Throughout the entire 1984-1995 period, more than 70 percent of white children had at least one parent with a secure labor force attachment. In 1995, the rate for white children was 78 percent (see Figure ES 3.4). In contrast only about half of black children and about 60 percent of Hispanic children lived in families with at least one parent who was securely attached to the labor force. In 1995 the rate for black children was 53 percent, and the rate for Hispanic children was 61 percent.

Differences by Poverty Status. Secure parental labor force attachment is associated with escaping poverty (see Figure ES 3.4). In 1995, only 25 percent of poor families with children had at least one parent with a secure labor force attachment while 86 percent of nonpoor families had at least one securely attached parent. The percentage of poor families with at least one parent securely attached to the labor force has increased over the period from 20 percent in 1984 to 25 percent in 1995.

Differences by Age of Children. Secure parental labor force attachment is more common among families with older children. In 1995, 78 percent of families with children ages 12 through 17 had at least one parent who was securely attached to the labor force, compared to 69 percent of families with children younger than age six (see Figure ES 3.4).

Differences by Family Structure. Married-couple families are far more likely than other family types to have at least one parent securely attached to the labor force. In 1995, 87 percent of married-couple families had at least one securely attached parent. In contrast, only 38 percent of the single-mother families and 67 percent of the single-father families had a securely attached parent (see Figure ES 3.4).

Figure ES 3.4
Secure Parental Labor Force Attachment: Percentage of Children Under Age 18 with At Least One Fully Employed (full-time, full-year) Resident Parent: 1995



Source: 1995 statistics calculated by the U.S. Bureau of the Census based on the 1985 and 1996 Current Population Surveys.

Table ES 3.4
Secure Parental Labor Force Attachment: Percentage of Children with At Least One Fully Employed (full-time, full-year) Resident Parent in the Labor Force, 1984-1995

	1984	1989	1993	1994	1995
Total	69	73	71	73	74
Race/Ethnicity					
White	73	78	76	77	78
Black	48	51	49	52	53
Hispanic	58	62	57	59	61
Poverty Status					
Poor	20	22	21	24	25
Nonpoor	83	85	85	86	86
Child's Age					
< age 6	65	69	67	68	69
6-11	70	74	72	73	75
12-17	73	78	75	76	78
Family Structure					
Married-couple	80	85	85	86	87
Single-mother	32	34	33	35	38
Single-father	61	64	61	60	67

Source: 1984 - 1994 statistics calculated by Child Trends, Inc., based on analyses of the March 1985, 1994 and 1995 Current Population Surveys. 1995 statistics calculated by U.S. Bureau of the Census based on analyses of the March 1996 Current Population Survey.

ES 3.5

CHILD CARE

The child care needs of American families have been increasing over the past several decades as mothers have moved into the labor force in ever greater numbers. Child care that is reliable and of high quality is especially important for infants and preschoolers because they are dependent on caregivers for their basic needs and safety. Yet the quality of care varies substantially in the United States.²⁵ Research has clearly demonstrated that child care quality can have substantial impacts on the development of a young child's personality, cognitive skills, social skills, and well-being.

Child Care Centers and Preschools. As shown in Table ES.3.5.A, working mothers with preschool children have increasingly chosen care provided in day care centers and preschools. In 1965, only 8 percent of mothers working full time chose day care centers and preschools for child care. By 1993, 34 percent did so. Similarly, for children whose mothers worked part time, use of child care centers and preschools increased from 3 percent in 1965 to 23 percent in 1993.

Child Care in a Non-Relative's Home. For children of full-time working mothers, care in a non-relative's home peaked at 27 percent in the mid-1980s, then declined to 18 percent by 1993. Similarly, for children whose mothers worked part time, care in a non-relative's home peaked at 19 percent in 1982 and has since declined to 14 percent.

Care by Fathers and Other Relatives. The fraction of children of full-time working mothers cared for by fathers or other relatives in the child's home was 28 percent in 1993 — exactly the same as in 1965. The fraction of children of part-time working mothers cared for by fathers or other relatives in the child's home was 38 percent in 1993 — about the same as in 1977 and slightly higher than in 1965.

Child Care Arrangements by Various Child and Family Characteristics. Table ES.3.5.B presents 1993 estimates of the distribution of child care types used by all working mothers (regardless of hours worked) by child's race/ethnicity, age, mother's marital status and educational attainment, poverty status, monthly income, and AFDC program participation status. The information in this table indicates the following:

- Prior to age 3, the most common arrangement for child care is in another home by either a relative or non-relative. Forty percent for children under age one and 37 percent of children ages 1-2 whose mothers are employed are in this kind of care arrangement.
- For children ages 3-4 whose mothers are employed, the most common arrangement for care is child care centers and preschools. Thirty-nine percent of children are in this care arrangement. Twenty-four percent are cared for by a relative or non-relative in another home. Hispanic families, however, are much less likely than white and black non-Hispanics to use day care centers and preschools.

²⁵ Whitebook, M., Phillips, D., and Howes, C. 1989. *National Child Care Staffing Study*. Oakland, CA: *Child Care Employees Project*; and Hayes, C.D., Palmer, J.L., and Zaslow, M.J. (Eds.). 1990. *Who Cares for America's Children? Child Care Policy for the 1990s*. Washington, D.C.: *National Academy Press*.

- Children with mothers of higher socioeconomic status are the most likely to be receiving care from a day care center or preschool. For example, 20 percent of poor children under age 5 receive care from such sources, compared to 31 percent of non-poor children. Only 20 percent of children whose mothers have less than a high school diploma receive care from a day care center or preschool, compared to 36 percent of children whose mothers have a college degree. In contrast, 52 percent of children of poor mothers are cared for by relatives compared with only 40 percent of children of non-poor mothers, and 54 percent of children of mothers without a high school diploma are cared for by relatives compared with only 31 percent of children of mothers with a college degree.
- Children whose families participate in the Aid to Families with Dependent Children (AFDC) program appear somewhat less likely than other children to attend day care centers or preschools (26 percent for participants versus 30 percent for nonparticipants). They are also less likely to be cared for by their fathers (5 percent for participants versus 16 percent for nonparticipants). However, 40 percent of children in AFDC families are cared for by other relatives compared with only 24 percent for children whose families do not participate in AFDC.

Table ES 3.5.A
Percentage of Children Under Age Five with Employed Mothers
in Differing Child Care Arrangements, by Employment Status, 1965–1993

	1965 ^{a,b}	1977 ^b	1982 ^b	1984-85	1988	1991	1993
Mother Employed Full-Time							
Day care center or preschool	8	15	20	30	31	28	34
Non-relative care in provider's home	20	27	25	27	27	21	18
Grandparent/other relative in relative's home	18	21	21	16	14	14	17
Father in child's home	10	11	11	10	8	15	11
Other care in child's home	37	18	16	13	13	15	15
Other care outside child's home ^c	7	8	7	4	7	7	5
Mother Employed Part-Time							
Day care center or preschool	3	9	8	17	17	15	23
Non-relative care in provider's home	8	16	19	14	17	13	14
Grandparent/other relative in relative's home	9	13	16	16	11	11	13
Father in child's home	23	23	21	22	27	29	25
Other care in child's home	24	20	20	18	14	17	15
Other care outside child's home ^c	33	19	26	13	14	15	10

Notes: ^aData for 1965 are for children under 6 years old.

^bData for 1982 and earlier are based on survey questions that asked about care arrangements for youngest child in the family. Percentages for 1982 and earlier have been recalculated after removal of cases in "don't know" category.

^cIncludes children who are cared for by their mother at work, or in kindergarten or school-based activities.

Source: U. S. Bureau of the Census, Current Population Reports, Series P-70, No. 9, P-70, No. 30, and P-70, No. 36, *Who's Minding the Kids? Child Care Arrangements*: Winter 1984-1985, 1988 and 1991, 1987, Table 3; 1992, Table 1; and 1994, Table 1; Series P-23, No. 117, *Trends in Child Care Arrangements of Working Mothers*, Table A; and Series P-70, No. 53, *Who's Minding Our Preschoolers?*, Table 1: U.S. Government Printing Office, Washington, D.C.

Table ES 3.5.B
Percentage of Children Under Age Five with Employed Mothers in
Differing Child Care Arrangements, by Selected Characteristics, 1993

	Day care center ^a	Father in child's home	Other relative in child's home	Non-relative in child's home	Relative in another home	Non-relative in another home	Mother cares for child ^b	Other care arrangements ^c
All preschoolers	30	16	10	5	15	17	6	1
Race/ethnicity								
White, not Hispanic	31	17	7	5	14	18	7	1
Black, not Hispanic	33	9	18	1	21	14	3	2
Hispanic ^d	21	15	16	7	23	13	3	2
Other	24	18	18	7	13	13	5	2
Age of child								
Less than 1 year	19	17	10	6	18	22	7	0
1-2 years	24	17	11	5	18	19	5	0
3-4 years	39	14	9	4	12	12	7	2
Marital status								
Married, husband present	30	19	7	5	14	16	7	1
All other marital statuses ^e	29	3	20	5	20	17	3	1
Educational attainment								
Less than high school	20	17	20	5	17	15	6	1
High school, 4 years	27	17	11	3	20	16	6	1
College, 1-3 years	32	16	8	4	15	16	8	1
College, 4 or more years	36	14	7	8	10	19	5	1
Poverty level^f								
At or below poverty	20	16	14	7	22	12	8	1
Above poverty	31	16	9	5	15	17	6	1
Monthly family income^f								
Less than \$1,200	20	16	11	6	23	15	8	1
\$1,200 to \$2,999	26	20	9	3	19	15	8	1
\$3,000 to \$4,499	29	18	10	4	14	19	5	1
\$4,500 and over	39	10	10	7	11	17	4	1
Program Participation								
AFDC recipient	26	5	18	6	22	16	8	0
AFDC nonrecipient	30	16	9	5	15	17	6	1

^aIncludes day care centers, nursery schools, and pre-schools. ^dPersons of Hispanic origin may be of any race.

^bIncludes mothers working at home or away from home. ^eIncludes widowed, separated, divorced, and never married.

^cIncludes preschoolers in kindergarten and school-based activities. ^fOmits preschoolers whose families did not report income.

Source: U.S. Bureau of the Census, Current Population Reports, Series P-70, No. 53, *Who's Minding Our Preschoolers?* Table 2.

ES 3.6

**DETACHED YOUTH: PERCENTAGE OF 16-19 YEAR OLDS
NOT IN SCHOOL AND NOT WORKING**

“Detached youth” refers to young people ages 16-19 who are neither in school nor working. This detachment, particularly if it lasts for several years, increases the risk that a young person, over time, will have lower earnings and a less stable employment history than his or her peers who stayed in school and/or secured jobs.²⁶

Since 1975, the percentage of detached youth has fluctuated between 9 and 12 percent (see Table ES 3.6). In 1994, 10 percent of all youth ages 16-19 were detached.

²⁶ Brett Brown. 1996. “Who are America’s Disconnected Youth?,” report prepared for the American Enterprise Institute.

Table ES 3.6
Detached Youth: Percentage of 16–19 Year Olds
Who Are Both Not in School and Not Working,^a 1975-1994

	<u>1975</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
Percent of youth age 16-19 who are not in school and not working	12	11	11	10	10	10	9	10
<p>Note: ^aThe figures represent a yearly average based on responses for the nine months youth typically are in school (September through May). Youth are asked about their activities for the week prior to the survey.</p> <p>Source: Special tabulations of Current Population Survey microdata prepared by the Bureau of Labor Statistics.</p>								

ES 4.1

INADEQUATE HOUSING

Housing is a major expense for most families. A home's physical condition, its safety, the level of crowding in a household, and the quality of the surrounding neighborhood can all affect children's well-being.²⁷

Table ES 4.1 presents recent trends in the physical quality of housing for children, reporting the percentage of families with children under age 18 living in housing units with moderate to severe physical problems as defined by the U.S. Department of Housing and Urban Development.²⁸ Data are presented for every other year from 1985 through 1993. Across this time period, the percentage of children's households with moderate to severe physical problems fluctuated slightly from 9 percent in 1985 to 7 percent in 1993.²⁹

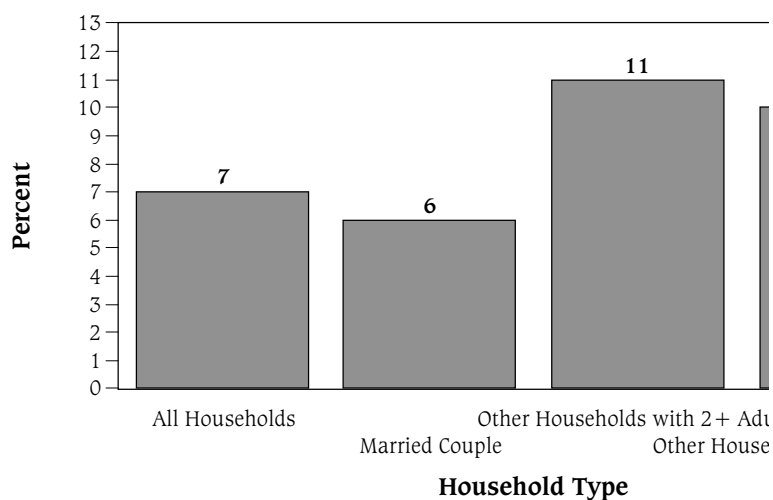
Differences by Type of Family. Data are also presented separately for three types of households containing children: married couples, other types of households containing two or more adults (which could include, for example, cohabiting couples, adult siblings, mother and grandmother, or adult house mates), and households with one or no adult. The data consistently indicate that married-couple families with children are the least likely to experience housing with physical problems as defined here, followed by households with one or no adult, and households with two or more adults who are not married. In 1993, for example, 6 percent of married-couple households with children, 10 percent of households with one or no adult, and 11 percent of households with two or more unmarried adults lived in housing with moderate to severe physical problems (see Figure ES 4.1).

²⁷ U.S. Department of Health and Human Services and U.S. Department of Education. 1995. *The JOBS Evaluation: How Well are They Faring? AFDC Families with Preschool-aged Children in Atlanta at the Outset of the JOBS Evaluation*. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. See also Blackman, T., Evason, E., Melaugh, M. And Woods, R. 1989. *Housing and Health: a Case Study of Two Areas in West Belfast*. *Journal of Social Policy*, 18(1): 1-26.

²⁸ Physical problems can include problems with plumbing, heating, electricity, upkeep, and/or hallways.

²⁹ It is not clear whether or not this downward trend is statistically significant. The level of fluctuation in this estimate from year to year would indicate that the contrast may be the result of random error.

Figure ES 4.1
Inadequate Housing: Percentage of Households Containing Children Under Age 18 in Housing with Moderate to Severe Physical Problems: 1993



Note: Physical problems include problems with plumbing, heating, electricity, upkeep, and/or hallways. For detailed definitions of “moderate” and “severe” physical problems, see *American Housing Survey for the United States, 1993*, page A-13.

Source: Current Housing Reports: *American Housing Survey for the United States* for 1993.

Table ES 4.1
Inadequate Housing: Percentage of Households Containing Children Under Age 18 in Housing with Moderate to Severe Physical Problems, 1985-1993

	1985	1987	1989	1991	1993
All Households with Children under Age 18	9	8	9	9	7
Married couples	7	6	7	7	6
Other households with two or more adults	15	15	13	14	11
Households with one or no adults	12	13	13	13	10

Note: Physical problems include problems with plumbing, heating, electricity, upkeep, and/or hallways. For detailed definitions of “moderate” and “severe” physical problems, see *American Housing Survey for the United States, 1993*, page A-13.

Source: Current Housing Reports: *American Housing Survey for the United States* for 1985, 1987, 1989, 1991, and 1993.