

# Economic Security



## ES 2.1 Means-Tested Assistance: AFDC<sup>10</sup> 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 at needy children and at certain others in these children's households.<sup>11</sup> Among all children under age 6 in 1982, 21 percent were on AFDC for at least 1 year over the next 10 years (see Figure ES 2.1.A). As a result of major welfare reform enacted in August 1996, the AFDC program has now been replaced by the Temporary Assistance for Needy Families (TANF) program. 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 welfare reform law includes significant new restrictions on Food Stamp eligibility for immigrants who have not become U.S. citizens.

**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 2.1.B). The rate decreased slightly to 11 percent in 1989 but by 1993 had increased to 14 percent. However, by 1997, the reciprocity rate had dropped to 9 percent.

**Children's Receipt of Food Stamps.** Food Stamp receipt shows a similar pattern. The percentage of all children living in households receiving Food Stamps remained fairly constant at around 15 percent from 1979 to 1989 (see Figure ES 2.1.B). The proportion had increased to 20 percent by 1993. In that year 14.2 million children lived in households receiving Food Stamps (see Table ES 2.1.B). However, the reciprocity rate had dropped back down to 15 percent by 1997.

**Receipt of AFDC and Food Stamps by Race and Hispanic Origin.** The percentage of children receiving AFDC and Food Stamps varies substantially by race/Hispanic origin. According to 1992 data from the Panel Study of Income Dynamics,<sup>12</sup> only 5 percent of white non-Hispanic children received AFDC and only 8 percent received Food Stamps (see Figure ES 2.1.C). In contrast, among black non-Hispanic children, 32 percent received AFDC and 42 percent received Food Stamps. Among Hispanic children, 18 percent received AFDC and 30 percent received Food Stamps.

There was also substantial variation among Hispanic children, depending on their descent. Among children of Cuban descent, only 8 percent received AFDC and 18 percent received Food Stamps. In contrast, among children of Puerto Rican descent, 28 percent received AFDC and 48 percent received Food Stamps. Among children of Mexican descent, 15 percent received AFDC and 30 percent received Food Stamps.

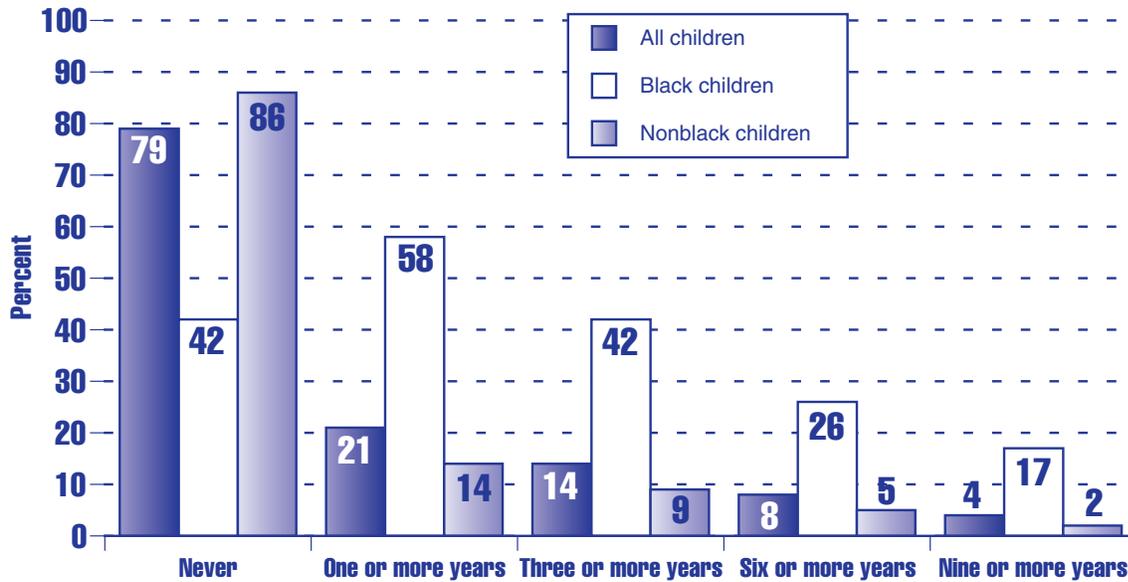
<sup>10</sup> Includes General Assistance.

<sup>11</sup> 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." See *Overview of Entitlement Programs: 1994 Green Book*. U.S. House of Representatives, Committee on Ways and Means.

<sup>12</sup> The Panel Study of Income Dynamics excludes children who migrated to the United States after 1990. Consequently, it understates recent migrants' share of the Hispanic population. This is likely to lead to a lower estimate of receipt of transfers for Hispanics than a more representative survey such as the Current Population Survey.

Figure ES 2.1.A

Percentage of children under age 6 in the United States receiving any AFDC<sup>a</sup> benefit, by number of years and by race:<sup>b</sup> 1982



<sup>a</sup> Receipt of AFDC by families of children who were under age 6 in 1982 was monitored for the decade beginning in 1982 and ending in 1991. The figure displays the percentage who participated in AFDC by number of years participating over the 10-year period (minimum is zero; maximum is 10 years).

<sup>b</sup> Persons of Hispanic origin may be of any race. Estimates for blacks and nonblacks include persons of Hispanic origin.

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

Table ES 2.1.A

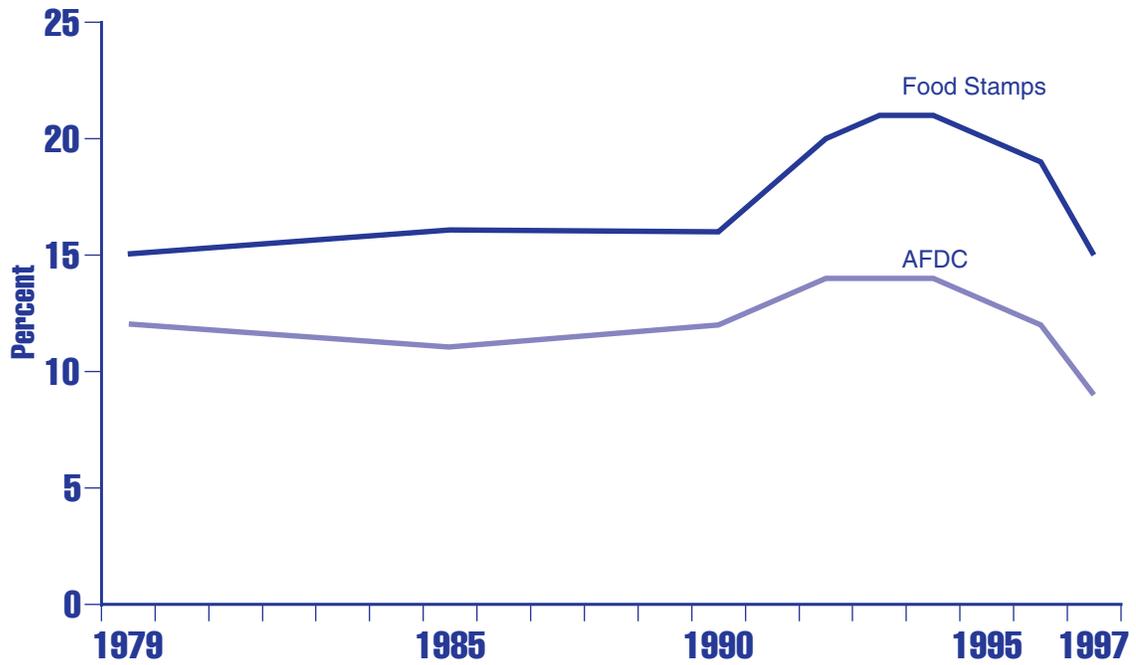
Percentage and number (in thousands) of children in the United States under age 18 in families receiving AFDC or General Assistance: Selected years, 1979-1997

|                       | 1979  | 1989  | 1993  | 1994  | 1995  | 1996  | 1997  |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|
| Number (in thousands) | 7,228 | 7,116 | 9,440 | 9,463 | 8,656 | 7,490 | 6,201 |
| Percent               | 12    | 11    | 14    | 13    | 12    | 11    | 9     |

Sources: Estimates for 1979-1994 calculated by Child Trends based on analysis of the March 1980, 1990, 1994, and 1995 Current Population Surveys. Estimates for 1995-1997 provided by U.S. Bureau of the Census.

**Figure ES 2.1.B**

Percentage of children in the United States under age 18 living in families receiving AFDC or General Assistance, and in households receiving Food Stamps: Selected years, 1979-1997



Sources: Estimates for 1979-1994 calculated by Child Trends based on analysis of the March 1980, 1990, 1994, and 1995 Current Population Surveys. Estimates for 1995-1997 provided by U.S. Bureau of the Census.

**Table ES 2.1.B**

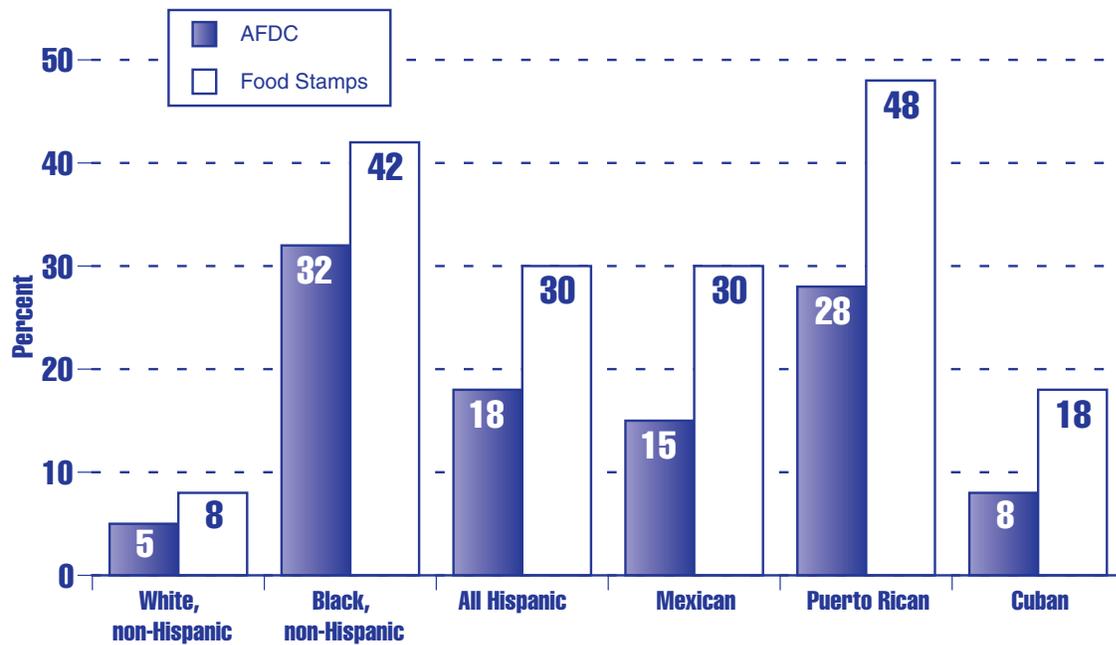
Percentage and number (in thousands) of children in the United States under age 18 in households receiving Food Stamps: Selected years, 1979-1997

|                       | 1979  | 1989  | 1993   | 1994   | 1995   | 1996   | 1997   |
|-----------------------|-------|-------|--------|--------|--------|--------|--------|
| Number (in thousands) | 9,336 | 9,696 | 14,193 | 13,677 | 13,115 | 12,272 | 10,987 |
| Percent               | 15    | 15    | 20     | 19     | 18     | 17     | 15     |

Sources: Estimates for 1979-1994 calculated by Child Trends based on analysis of the March 1980, 1990, 1994, and 1995 Current Population Surveys. Estimates for 1995-1997 provided by U.S. Bureau of the Census.

Figure ES 2.1.C

Percentage of children in the United States under age 18 in households receiving AFDC and Food Stamps, by race/ethnicity<sup>a</sup> and by descent: 1992



<sup>a</sup> Estimates for Hispanic children exclude those migrating to the United States after 1990.

Source: Estimates supplied by Sandra Hofferth, University of Michigan, based on data from the Panel Study of Income Dynamics.

## ES 2.2 Child Support Nonpayment

The issue of child support has gained in importance in recent years. As rates of divorce and nonmarital births have risen, an increasing proportion of children and their custodial parents depend on this source of income for financial support and suffer 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/TANF, 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. In 1995, 42 percent of custodial parents lacked a court order. Among custodial parents with a court order who were owed child support, 39 percent received the full amount.<sup>13</sup>

Table ES 2.2.A shows the proportion of custodial mother families who had court orders for child support but received no support at all for selected years between 1978 and 1991. Table ES 2.2.B shows similar estimates for 1993 and 1995, though changes in child support questions render these estimates incomparable to estimates for earlier years. Rates of nonpayment decreased somewhat from 1978 to 1985, from 28 to 21 percent, then rose to about 24 percent by 1991. The estimates for 1993 and 1995, which are not comparable with earlier estimates, are 29 and 30 percent, respectively.

**Differences by Marital Status.** Women who were separated or never married were substantially less likely to have court orders for child support than those who were divorced or who had remarried.<sup>2</sup> In 1995, rates of nonpayment for those who had court orders ranged from 24 percent among divorced women to 44 percent among never-married women.

**Differences by Race and Hispanic Origin.** In most years, eligible white custodial mother families experienced lower rates of nonpayment than either black or Hispanic families. For example, in 1995, the most recent year for which estimates are available, the percentage of eligible custodial mother families receiving no payment was 27 percent for whites, 41 percent for blacks, and 42 percent for Hispanics (see Table ES 2.2.B).

**Differences by Poverty Status.** Women who are poor are less likely to have received child support payments. In 1995, rates of nonpayment for eligible custodial mothers were 38 percent among poor mothers and 27 percent among nonpoor mothers (see Table ES 2.2.B).

**Methods of Payment.** Some custodial parents receive their child support payments directly from the noncustodial parent or that parent's employer. 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. Since fiscal year 1992, collections made by child support enforcement agencies have increased by nearly 80 percent, from \$8 billion in fiscal year 1992 to \$14.4 billion in fiscal year 1998.<sup>3</sup> For the same period, paternity establishments increased more than 40 percent, and child support orders increased 16 percent.

<sup>13</sup> Scoon-Rogers, L. 1999. *Child Support for Custodial Mothers and Fathers; 1995. Current Population Reports*, P-60, no. 196, Table 7 (Detailed Tables), at <http://www.census.gov/hhes/www/childsupport/cs95.html>.

<sup>14</sup> Scoon-Rogers, L. 1999. *Child Support for Custodial Mothers and Fathers; 1995. Current Population Reports*, P-60, no. 196, Table 9 (Detailed Tables), at <http://www.census.gov/hhes/www/childsupport/cs95.html>

<sup>15</sup> U.S. Department of Health and Human Services (HHS), Administration on Children and Families. 1998. *Child Support Collections Reach New Records*. HHS Press Release. Washington, DC: Author.

**Table ES 2.2.A**

Child support nonpayment: Percentage of eligible women<sup>a</sup> in the United States who are not receiving child support, by marital status and by race and Hispanic origin:<sup>b</sup> Selected years, 1978-1991

|   | 1978 | 1981 | 1983 | 1985 | 1987 | 1989 | 1991 <sup>c</sup> |
|---|------|------|------|------|------|------|-------------------|
| <b>Total</b>                                | 28   | 23   | 24   | 21   | 24   | 25   | 24                |
| <b>Marital status</b>                       |      |      |      |      |      |      |                   |
| Married                                     | 32   | 25   | 28   | 24   | 27   | 28   | 24                |
| Divorced                                    | 27   | 23   | 24   | 21   | 22   | 23   | 22                |
| Separated                                   | 27   | 16   | 13   | 12   | 26   | 20   | 26                |
| Never-married                               | 19   | 27   | 24   | 20   | 17   | 27   | 26                |
| <b>Race and Hispanic origin<sup>b</sup></b> |      |      |      |      |      |      |                   |
| White                                       | 27   | 23   | 23   | 21   | 23   | 24   | 22                |
| Black                                       | 37   | 23   | 31   | 22   | 27   | 30   | 30                |
| Hispanic                                    | 35   | 29   | 38   | 26   | 25   | 30   | 31                |

<sup>a</sup> Eligible women are those with court orders for child support.

<sup>b</sup> Persons of Hispanic origin may be of any race. Estimates for whites and blacks include persons of Hispanic origin.

<sup>c</sup> Estimates for 1991 were produced using somewhat different assumptions than in previous years and should not be contrasted with earlier estimates.

Sources: 1978-1987 data from *Child Support and Alimony*, Series P-23, 112, 140, 141, 154, and 167 (Table 1 in each); and *Current Population Reports*, Series P-60, 173, Table C. Data for 1991 from *Current Population Reports*, Series P-60, 187, Table 1.

**Table ES 2.2.B**

**Child support nonpayment: Percentage of eligible women<sup>a</sup> in the United States who are not receiving child support, by marital status, race and Hispanic origin,<sup>b</sup> and poverty status: 1993 and 1995<sup>c</sup>**

|                                       | 1993 | 1995 |
|---------------------------------------|------|------|
| Total                                 | 29   | 30   |
| Marital status                        |      |      |
| Married                               | 26   | 28   |
| Divorced                              | 24   | 24   |
| Separated                             | 34   | 31   |
| Never-married                         | 41   | 44   |
| Race and Hispanic origin <sup>b</sup> |      |      |
| White                                 | 25   | 27   |
| Black                                 | 39   | 41   |
| Hispanic                              | 35   | 42   |
| Poverty status                        |      |      |
| Poor                                  | 35   | 38   |
| Nonpoor                               | 26   | 27   |

<sup>a</sup> Eligible women are those with court orders for child support.

<sup>b</sup> Persons of Hispanic origin may be of any race. Estimates for whites and blacks include persons of Hispanic origin.

<sup>c</sup> Starting with the April 1994 CPS questionnaire, revisions were made to the questions surrounding child support awards and the receipt of payments.

Sources: U.S. Bureau of the Census. *Current Population Reports*, Series P60, 196; data for 1993 and 1995 can be found at: [www.census.gov/hhes/www/childsupport/chldsu94.html](http://www.census.gov/hhes/www/childsupport/chldsu94.html) (Table 4) and [www.census.gov/hhes/www/childsupport/chldsu96.html](http://www.census.gov/hhes/www/childsupport/chldsu96.html) (Table 4).