

Appendix B

Alternative Definition of Dependence Based on Income from TANF and Food Stamps

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As directed by the Welfare Indicators Act of 1994 (Pub. L. 103-432), this annual report on *Indicators of Welfare Dependence* focuses on dependence on three programs: the Aid to Families with Dependent Children (AFDC) program, now Temporary Assistance for Needy Families (TANF); the Food Stamp Program; and the Supplemental Security Income (SSI) program. The summary measure of dependence proposed by the Advisory Board includes income from all three programs in its definition:

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

This appendix examines an alternative definition of dependence that considers TANF and food stamps alone, excluding SSI. As shown in Table B-1, the rate of dependency would have been only 1.4 percent in 2001 if based on income from TANF and food stamps, as opposed to 3.1 percent when counting income from all three programs (TANF, food stamps, and SSI). In other words, less than half of individuals who are dependent under the standard definition also are dependent under the alternative definition that considers TANF and food stamps alone.¹ There is significant variation across the age groups, however. The elderly depend more on SSI than on TANF and food stamps; whereas 1.9 percent of elderly persons are dependent when counting the three major types of means-tested assistance, very few, 0.1 percent, are dependent when the definition is limited to TANF and food stamps. In contrast, children are primarily dependent on TANF and food stamps.

¹ In the early- to mid-1990s, 70 to 75 percent of individuals who were dependent under the standard definition were also dependent under the alternative definition.

Table B-1. Percentage of the Total Population with More than 50 Percent of Income from Various Means-Tested Assistance Programs, by Race and Age: 2001

	TANF, SSI, & Food Stamps	TANF & Food Stamps	SSI Only
All Persons	3.1	1.4	1.3
Non-Hispanic White	1.8	0.8	0.8
Non-Hispanic Black	8.8	4.3	3.3
Hispanic	4.5	2.1	1.8
Age Categories			
Children Ages 0-5	5.9	4.1	1.2
Children Ages 6-10	5.4	3.2	1.2
Children Ages 11-15	4.4	2.3	1.2
Women Ages 16-64	3.3	1.4	1.5
Men Ages 16-64	2.0	0.7	1.1
Adults Age 65 and Over	1.9	0.1	1.6

Note: Income is measured as total family income. Hispanic may be of any race.

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