

U.R. Michrider

## Talking Points and Analysis on Minority Welfare Caseloads

1. The composition of the welfare caseload has changed gradually over time, largely driven by population changes. However, the composition of the adult caseload has not changed significantly since 1994; the most recent national data shows it is now 36 percent white, 37 percent black, and 20 percent Hispanic. [See Table 1.]
2. The *rate* of welfare dependency has dropped sharply for all populations between 1994 and 1998 -- by 45 percent among whites, 37 percent among blacks, and 40 percent among Hispanics. Most of the changes in the welfare caseload can be attributed to changes in the composition of the population as a whole -- specifically, population growth explains two-thirds of the difference in caseload decline between Hispanics and whites and one-third of the difference between blacks and whites. In other words, minorities are leaving or staying off welfare at nearly the same rate as whites, but make up a slightly increasing share of the welfare population because they make up a growing share of the population as a whole. [See Table 2.]
3. The difference in caseload decline is even narrower among adults. Since 1994, the adult rate of welfare dependency has declined by 43% among whites, 38% among blacks, and 42% among Hispanics. Child-only cases -- which are decreasing more slowly because they are not significantly affected by welfare reform efforts to move recipients from welfare to work -- are disproportionately minority. [See Table 3.] *Remarkable given diff in US, work history, # of kids, inner city*
4. Caseloads have declined dramatically for all groups in the past year, and the gap in the rate of declines between whites, Hispanics, and blacks is narrowing. Between 1994 and 1998, caseloads have declined by 45 percent for whites, 33 percent for blacks and 30 percent for Hispanics. [See Table 4.]
5. There is encouraging evidence that the employment rates of minority welfare recipients are catching up with the employment rate for whites. Between 1996 and 1998, the percentage of all prior year welfare recipients who were employed in the next year increased by 28%. The increase was highest for Hispanics (49%), followed by blacks (44%) and whites (5%). [See Table 5.]
6. Trends in marriage and teen birth rates could exacerbate the increasing proportion of Hispanic families on welfare. While the birth rate for unmarried mothers is slightly decreasing for the entire population, the rate remains largest for Hispanic women. Also, although the birth rate for teenagers is decreasing for all groups, the rate remains much higher for blacks and Hispanics than for whites. In 1997, the birth rate per 1,000 teenagers was 36 for whites, 91 for blacks, and 97 for Hispanics. [See Table 6.]
7. Long-term recipients are disproportionately minority. Minorities are more likely than whites to be on welfare in the first place, and more likely to end up as long-term recipients once they go on the rolls. Blacks and Hispanics on welfare tend to have lower educational levels, marriage rates, and larger families than whites, and are more than twice as likely to live in central cities

and areas of concentrated poverty. Hispanics also have less recent work history than whites or blacks. [See Table 7.]

Administration initiatives such as the Welfare-to-Work program, Job Access transportation grants, Welfare-to-Work Housing Vouchers, and the Administration's Community Empowerment and New Markets Initiatives (including empowerment zones, enterprise communities, Brownfields, and CDFI) will help the hardest-to-serve welfare recipients and those living in concentrated areas of poverty make a successful transition from welfare to work.

## ANALYSIS AND TABLES

Table 1: Racial Breakdown of Adult Cases

The composition of the welfare caseload has changed gradually over the past 25 years, driven largely by population changes. Despite differing rates of caseload decline since 1994, the composition of the adult welfare caseload has remained relatively constant.

Table 1: Racial Breakdown of Adult Cases\*

Race/Ethnicity	1994	1997	1998
White	40%	37%	36%
Black	36%	37%	37%
Hispanic	19%	21%	20%

Source: HHS Second Annual TANF Report to Congress, Table 9:12 and similar tables in past reports.

\*Asians, Native Americans, and those designated "Unknown" comprise the rest of the caseload.

Table 2: Population-Adjusted Change in Rate of Welfare Dependency

Since 1994, the *number* of welfare cases has dropped more among whites (45 percent) than among blacks (33 percent) and Hispanics (30 percent). However, when population growth is taken into account, the difference narrows dramatically. The *rate* of welfare dependency has dropped sharply for all populations -- by 45 percent among whites, 37 percent among blacks, and 40 percent among Hispanics. Specifically, population growth explains nearly two-thirds of the difference in caseload decline between Hispanics and whites and nearly one-third the difference between blacks and whites. In other words, minorities are leaving or staying off welfare at nearly the same rate as whites, but make up a slightly increasing share of the welfare population because they make up a growing share of the population as a whole.

Table 2: Change from 1994 to 1998\*

Race/Ethnicity	Number of Welfare Cases	Population Aged 15-49	Rate of Welfare Dependency (caseload adjusted for population)
White	-45%	-0.3%	-45%
Black	-33%	6.1%	-37%
Hispanic	-30%	16.2%	-40%

Source: Population Estimates, Census Bureau, 10/01/98 and Annual TANF Report to Congress, Table 9:6.

\*The trends in population aged 15-49 are used here because this is the population group most likely to be a welfare head of household, whose race/ethnicity would be counted when tallying the case demographics.

Table 3: Population-Adjusted Adult Rate of Decline

The difference in caseload decline among groups is even narrower for adults. Child-only cases are decreasing more slowly than the overall welfare caseload -- decreasing 17 percent from 1994 to

1998 -- and are disproportionately minority. Child-only cases are those in which the parent or adult is not part of the case, (e.g., adult is not a citizen but the child is; child is being cared for by a relative who is not part of the case; parent receives SSI rather than welfare). Therefore, child-only cases are not significantly affected by welfare to work efforts. After adjusting for population growth, the rate of welfare dependency for adults (percent of 15-49 year old population on welfare) has declined 43% among whites, 38% among blacks, and 42% among Hispanics

Table 3: Population-Adjusted Rate of Decline in Adult Welfare Dependency: 1994 - 1998\*

	Rate of decline for all cases	Rate of decline for adult-headed cases	Population-adjusted rate of welfare dependency for adult cases
White	- 45%	- 43%	- 43%
Black	- 33%	- 34%	- 38%
Hispanic	- 30%	- 32%	- 42%

Source: Population Estimates, Census Bureau, 10/01/98 and Annual TANF Report to Congress, Table 9:12.

\*The trends in population aged 15-49 are used here because this is the population group most likely to be a welfare head of household, whose race/ethnicity would be counted when tallying the case demographics.

Table 4: Rates of Decline for All Cases by Race

Caseloads have declined dramatically for all groups in the past year, and the gap in the rate of declines between whites, Hispanics, and blacks is narrowing. Between 1994 and 1997, the number of welfare cases declined for whites by 26 percent, blacks by 18 percent, and Hispanics by 9 percent. Within the last year, caseloads have continued to decline dramatically – falling an additional 26 percent for whites, 18 percent for blacks and 23 percent for Hispanics. In total, since 1994, caseloads have declined by 45 percent for whites, 33 percent for blacks and 30 percent for Hispanics.

Table 4: Rates of Decline for All Cases by Race

Race/Ethnicity	1994-1997	1997-1998	1994-1998
White	-26%	-26%	-45%
Black	-18%	-18%	-33%
Hispanic	-9%	-23%	-30%

Source: HHS Second Annual TANF Report to Congress, Table 9:6, and similar tables in past reports.

Table 5: Employment Rate of Welfare Recipients

There is encouraging evidence that the employment rates of minority welfare recipients (people on welfare in one year who were working the following year) are catching up with the employment rate for whites.

Table 5: Employment Rate of Welfare Recipients: 1996-98

Race/Ethnicity	1996	1998	Percent Change 96-98
White	36 %	38 %	+5%
Black	23 %	33 %	+44%
Hispanic	19 %	29 %	+49%
All Recipients	27%	34%	+28%

Table 6: Trends in Birth Rates

The trends in birth rates for unmarried women could exacerbate the increasing proportion of Hispanic families on welfare. While the birth rate for unmarried mothers is slightly decreasing for the entire population, the rate remains highest for Hispanic women – in 1997, the birth rates per 1,000 unmarried women were 27 for whites, 73 for blacks and 91 for Hispanics. Also, although the birth rate for teenagers is decreasing, the rate remains much higher for blacks and Hispanics than for whites. In 1997, the birth rate per 1,000 teenagers was 36 for whites, 91 for blacks, and 97 for Hispanics.

Table 6: Birth Rates by Race/Ethnicity

Birth Rate per 1,000 Unmarried Mothers (15-44 Years):	1991	1997	% Change
White	28.5	27.0	-5%
Black	89.5	73.4	-18%
Hispanic	93.7	91.4	-2.3%
All	45.2	44.0	-3%
Birth Rate per 1,000 Teenage Mothers (15-19 Years):	1991	1997	% Change
White	43.4	36.0	-17%
Black	118.9	90.8	-24%
Hispanic	106.7	97.4	-9%
All	62.1	52.3	-16%

Source: National Vital Statistics Reports, NCHS, April 1999. Tables 9 and 18.

Table 7: Characteristics of Minorities on the Caseload

Minorities on welfare are more likely to have characteristics associated with long-term welfare recipiency. Blacks and Hispanics on welfare tend to have lower educational levels, marriage rates, and larger families than whites, and are more than twice as likely to live in central cities and areas of

concentrated poverty. Hispanics also have less recent work history than whites or blacks.

Table 7: Characteristics of AFDC/TANF Recipients by Race/Ethnicity

	TOTAL	WHITE	BLACK	HISPANIC
% without HS diploma	43%	30%	43%	64%
% never married	47%	33%	69%	43%
> 2 children	29%	20%	33%	39%
Worked during the year	45%	49%	48%	33%
Live in area w/ poverty rate > 20%	48%	29%	67%	58%
Live in central city	49%	29%	68%	60%

Source: Current Population Survey, March 1998, showing characteristics of recipients in 1997.

Minorities are more likely to be long-term welfare recipients. For example, in 1997, 20 percent of blacks on welfare had been on the rolls for at least five continuous years, compared to 19 percent for Hispanics and 14 percent for whites.

# Summary sheet

## Recipients of AFDC / TANF by Race

A. Feldman, CEA 10/28/99

### Percent of Population Receiving AFDC/TANF

	White non-Hisp	Black non-Hisp	Hispanic	Am Native	Asian	Total (4)						
1983	2.1%	15.0%	6.8%	6.5%	3.0%	4.5%	1983					
1984	2.2%	14.5%	6.6%	6.5%	3.9%	4.6%	1984					
1985	2.3%	16.1%	7.9%	8.3%	4.7%	4.5%	1985					
1986	2.4%	16.0%	8.3%	8.8%	4.5%	4.6%	1986					
1987	2.3%	15.5%	8.6%	8.7%	4.8%	4.6%	1987					
1988	2.3%	15.2%	8.2%	9.0%	4.1%	4.5%	1988					
1989	2.2%	15.1%	8.0%	8.1%	4.4%	4.4%	1989					
1990	2.3%	15.5%	8.4%	8.3%	4.5%	4.6%	1990					
1991	2.5%	16.4%	9.4%	9.0%	4.7%	5.0%	1991					
1992	2.8%	16.7%	10.0%	10.3%	4.8%	5.3%	1992					
1993	2.8%	16.8%	10.4%	9.8%	5.0%	5.5%	1993					
1994	2.8%	16.6%	10.8%	9.7%	4.9%	5.5%	1994					
1995	2.5%	16.1%	10.4%	9.1%	4.5%	5.2%	1995					
1996	2.3%	14.6%	9.4%	9.0%	4.0%	4.8%	1996					
1997	1.9%	12.6%	8.4%	7.1%	3.6%	4.1%	1997					
1998	1.6%	9.9%	5.8%	6.9%	3.9%	3.2%	1998					
Percent change since 1983							-24.6%	-33.8%	-12.3%	5.9%	32.7%	-28.9%
Percent change since 1993							-43.5%	-40.9%	-44.1%	-29.0%	-21.5%	-41.8%
Percent change since 1996							-31.7%	-32.0%	-38.1%	-22.8%	-1.1%	-33.3%

Sources: (1) & (4) ACF/HHS at <http://www.acf.dhhs.gov/news/stats/6097rf.htm>

(2) All data on races (in percent form) come from administrative data via HHS (Michael Kharfen, 202-401-9215).

(3) Census Bureau. Data for July 1<sup>st</sup> of the year.

Notes: Data on white non-Hispanics and black non-Hispanics are available only for 1970, and 1980 onward.

AFDC data was not available for 1980 or 1970.

*WJ - Minorities*



*WR-Minortie*

TABLE 7-19.—AFDC CHARACTERISTICS, SELECTED YEARS 1969-95

Characteristic	May 1969	January 1973	May 1975	March 1979	1983 <sup>1</sup>	1986 <sup>1</sup>	1988 <sup>1</sup>	1990 <sup>1</sup>	1992 <sup>1</sup>	1994 <sup>1</sup>	1995 <sup>1</sup>
Average family size (persons)	4.0	3.6	3.2	3.0	3.0	3.0	3.0	2.9	2.9	2.8	2.8
Number of child recipients (percent of AFDC cases):											
One	26.6	NA	37.9	42.3	43.4	42.7	42.5	42.2	42.5	42.6	42.4
Two	23.0	NA	26.0	28.1	29.8	30.8	30.2	30.3	30.2	30.0	30.4
Three	17.7	NA	16.1	15.6	15.2	15.9	15.8	15.8	15.5	15.6	15.5
Four or more	32.5	NA	20.0	13.9	10.1	9.8	9.9	9.9	10.1	9.6	9.6
Unknown		NA			1.5	0.8	1.7	1.4	0.7	2.1	2.2
Basis for eligibility (percent of children):											
Parents present:											
Incapacitated	<sup>2</sup> 11.7	10.2	7.7	5.3	3.4	3.2	3.7	3.6	4.1	3.9	4.3
Unemployed	<sup>2</sup> 4.6	4.1	3.7	4.1	8.7	7.4	6.5	6.4	8.2	8.7	7.8
Parents absent:											
Death	<sup>2</sup> 5.5	5.0	3.7	2.2	1.8	1.9	1.8	1.6	1.6	1.7	1.8
Divorce or separation	<sup>2</sup> 43.3	46.5	48.3	44.7	38.5	36.3	34.6	32.9	30.0	26.5	25.4
No marriage tie	<sup>2</sup> 27.9	31.5	31.0	37.8	44.3	48.9	51.9	54.0	53.1	55.7	57.4
Other reason	<sup>2</sup> 3.5	3.6	4.0	5.9	1.4	2.4	1.6	1.9	2.0	2.0	2.1
Unknown					1.7				0.9	1.4	1.2
Education of mother (percent of mothers): <sup>3</sup>											
8th grade or less	29.4	NA	16.7	9.5	NA	4.8	5.5	5.8	4.9	4.0	5.7
1-3 years of high school	30.7	NA	31.7	20.8	NA	14.3	14.7	16.5	18.8	17.6	16.5
High school degree	16.0	NA	23.7	18.8	NA	17.3	17.5	19.3	22.4	24.1	25.9
Some college	2.0	NA	3.9	2.7	NA	3.4	3.9	5.7	6.8	7.7	8.3
College graduate	0.2	NA	0.7	0.4	NA	0.5	0.6	0.4	0.5	0.5	0.5
Unknown	21.6	NA	23.3	47.8	NA	59.7	58.3	52.3	46.6	46.0	43.0
Age of mother (percent of mothers): <sup>3</sup>											
Under 20	6.6	NA	8.3	<sup>4</sup> 4.1	<sup>4</sup> 3.6	<sup>4</sup> 3.3	<sup>4</sup> 3.4	7.9	7.6	6.3	6.1
20-24	16.7	NA	( <sup>5</sup> )	<sup>4</sup> 28.0	<sup>4</sup> 28.6	<sup>4</sup> 23.6	<sup>4</sup> 32.2	<sup>4</sup> 23.8	24.5	24.6	24.6
25-29	17.6	NA	( <sup>5</sup> )	21.4	23.8	<sup>4</sup> 20.0	<sup>4</sup> 19.4	24.6	23.3	22.6	22.2
30-39	30.4	NA	27.9	27.2	27.9	30.1	31.5	32.0	32.7	34.9	34.9
40 or over	25.0	NA	17.6	15.4	15.7	13.0	13.4	11.7	11.8	11.5	12.2
Unknown	3.6	NA	3.0	4.0	0.3				0.1		
Ages of children (percent of recipient children):											
Under 3	14.9	NA	16.5	18.9	22.5	21.9	21.1	24.2	24.6	23.8	22.3
3-5	17.6	NA	18.1	17.5	20.1	21.1	21.0	21.5	21.7	22.1	22.6
6-11	36.5	NA	33.7	33.0	31.5	32.4	33.3	27.5	32.4	31.7	32.7
12 and over	31.0	NA	30.9	29.8	25.5	24.3	22.4	21.3	21.2	22.2	22.0
Unknown		NA	0.8	0.9	0.3	0.1	1.3	0.0	0.0	0.3	0.3
Mother's employment status (percent): <sup>3</sup>											
Full-time job	8.2	9.8	10.4	8.7	1.5	1.6	2.2	2.5	2.2	3.3	3.8
Part-time job	6.3	6.9	5.7	5.4	3.4	4.2	4.2	4.2	4.2	4.6	5.2
Presence of income (percent of families):											
With earnings	NA	16.3	14.6	12.8	5.7	7.5	8.4	8.2	7.4	6.9	9.7
No non-AFDC income	56.0	66.9	71.1	<sup>6</sup> 80.6	<sup>6</sup> 85.8	<sup>6</sup> 81.3	<sup>6</sup> 79.6	<sup>6</sup> 80.1	<sup>6</sup> 78.9	<sup>6</sup> 77.5	<sup>6</sup> 77.0
Median months on AFDC since most recent opening	23.0	27.0	31.0	29.0	26.0	27.0	26.3	23.0	22.5	22.8	23.5
Race (percent of parents): <sup>10</sup>											
White	NA	38.0	39.9	40.4	41.8	39.7	38.8	38.1	38.9	37.4	35.6
Black	45.2	45.8	44.3	43.1	43.8	40.7	39.8	39.7	37.2	36.4	37.2
Hispanic	NA	13.4	12.2	13.6	12.0	14.4	15.7	16.6	17.8	19.9	20.7
Native American	1.3	1.1	1.1	1.4	1.0	1.3	1.4	1.3	1.4	1.3	1.3
Asian	NA	NA	0.5	1.0	1.5	2.3	2.4	2.8	2.8	2.9	3.0
Other and unknown	4.8	1.7	2.0	0.4	NA	1.4	1.9	1.5	2.0	2.1	2.2
Incidence of households (percent):											
Living in public housing	12.8	13.6	14.6	NA	10.0	9.6	9.6	9.6	9.2	8.3	8.0

440

441

98  
38.6  
37.1  
20.0  
1.6  
4.6  
1.1

*98 = race of parent adult recipient*

*All cases*

Percent Change 1994-1997

Race/Ethnicity	Cases/Pop. (percent)	AFDC/TANF Population		Cases/Pop. (percent)
		Cases	15-49	
Non-Hispanic White	1.42%	-25.8%	-0.1%	-25.7%
Non-Hispanic Black	8.63%	-17.6%	4.4%	-21.1%
Hispanic	5.61%	-9.1%	13.0%	-19.5%
Total	2.89%	-19.1%	1.9%	-20.6%

*WR*  
*Minorities*  
*(A)*

Backing out child only cases

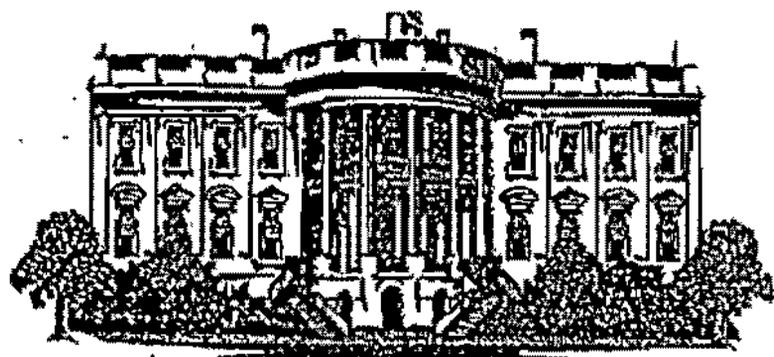
Percent Change 1994-1997

Race/Ethnicity	Cases/Pop. (percent)	AFDC/TANF Population		Cases/Pop. (percent)
		Adult cases	15-49	
Non-Hispanic White	1.17%	-30.4%	-0.1%	-30.3%
Non-Hispanic Black	6.57%	-22.5%	4.4%	-25.8%
Hispanic	4.08%	-14.5%	13.0%	-24.3%
Total	2.24%	-24.3%	1.9%	-25.7%

*(B)*

*everyone has greater decline, but  
difference among groups doesn't  
narrow much if you compare (A) to (B)*

*12/23*  
*32/22*



WR -  
Minorities

# THE WHITE HOUSE

Domestic Policy Council

DATE: 9/8

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NUMBER OF PAGES (INCLUDING COVER): 9

COMMENTS: Per mtg w/ BR/EK  
on Thursday

## Michigan's Proposal

**Michigan's demonstration project proposal includes fifteen waivers, two of which were previously approved. FNS plans to deny the first five waiver proposals identified in the following chart.**

- These 6 waivers are new waivers that have not been implemented by any other state.
- While the Act currently allows us to approve waivers that include a new eligibility criteria related to behavior or conduct (the first five in the chart), the Administration needs to be aware that the affect of these waivers will be that food stamp households will lose benefits.
- Michigan has also proposed a notice of adverse action waiver (the sixth waiver in the chart) which, if approved, would provide major savings to offset the costs associated with some of their waivers. We are working with the USDA OGC to ensure that the waiver would not violate clients' constitutional due process rights. Even if the adverse action waiver is approved, Michigan will likely need to scale back on some of the waivers that increase costs that were part of their original plan.
- There are nine other waivers that we may or may not be able to approve (we are currently reviewing cost neutrality issues).

Michigan's Proposal	Current Policy	Analysis
<p><b>Joint Orientation Requirement</b></p> <p>Would require joint TANF/food stamp applicants to attend an orientation. If the household does not attend, the joint application is denied. Even if the household reapplies immediately for food stamps only, the household loses one month of food stamp benefits.</p>	<p>This would be a new eligibility criteria. Currently, when a joint TANF/food stamp application is filed, if a TANF requirement is not met, the TANF portion is denied, and the joint application is treated as a regular food stamp application. If the application is approved, benefits are issued from the date of the joint application.</p>	<ul style="list-style-type: none"> <li>• MI would like the food stamp policy to support and reinforce their TANF orientation requirement.</li> <li>• The Act allows new eligibility criteria that relate to behavior or conduct, but it is not clear that USDA would want to deny food stamps to children for their parents' failure to attend a meeting.</li> </ul>
<p><b>Minor Parents' Living Arrangements</b></p> <p>Would require minor parents to live in an adult supervised living arrangement and attend school to be eligible for TANF and food stamps. If the minor parent does not comply, the joint application is denied. Even if the minor parent reapplies immediately for food stamps only, the household loses one month of food stamps.</p>	<p>As with the joint orientation requirement, there is currently no comparable food stamp requirement. When a joint TANF/food stamp application is filed, if a TANF requirement is not met, the TANF portion is denied, and the joint application is treated as a regular food stamp application. If the application is approved, benefits are issued from the date of the joint application.</p>	<ul style="list-style-type: none"> <li>• MI would like food stamp policy to reinforce its TANF policy that minor parents must live with adult supervision.</li> <li>• The Act allows new eligibility criteria that relate to behavior or conduct, but it is not clear that an individual's living situation is under their control</li> <li>• Approval could result in minors living in situations that may not be safe or healthy and otherwise eligible children will be denied benefits for one month.</li> <li>• It may be difficult for minor parents to come up with acceptable living arrangements within 30 days (7 days for expedited service).</li> </ul>

<p><b>Household Disqualification for Failure to Cooperate with Child Support</b></p> <p>After the fourth month of an individual's disqualification for failure to cooperate with child support enforcement, the entire household is also disqualified.</p>	<p>Current policy would allow an individual to be disqualified, but not the entire household.</p>	<ul style="list-style-type: none"> <li>• The waiver may encourage some parents to cooperate, and some may ultimately receive child support, which benefits children in the long term.</li> <li>• It would decrease the food available to children during the sanction period (which does not currently have a limit).</li> <li>• If approved, the waiver would have to make allowance for households with good cause for not cooperating.</li> </ul>
<p><b>Strikers' Ineligibility</b></p> <p>While an individual is on strike, the striker and the striker's spouse and children are not eligible for food stamps.</p>	<p>Current policy allows strikers to participate if the striker was either eligible for or receiving food stamps before the strike (i.e., income loss due to a strike cannot make a household eligible for food stamps; household would already have to have been eligible).</p>	<ul style="list-style-type: none"> <li>• The Act allows new eligibility criteria that relate to behavior or conduct, but it is not clear that the individual's conduct is responsible for the sanction (e.g., the individual could have voted against the strike).</li> <li>• Approval would require strikers to either get a new job or cross the picket line in order to be eligible.</li> </ul>
<p><b>Student Eligibility</b></p> <p>Post-secondary school students would not be eligible unless they are:</p> <ul style="list-style-type: none"> <li>• working at least 20 hours per week</li> <li>• participating in a state or federal work study program</li> <li>• placed in the post-secondary program by an employment program</li> <li>• medically disabled, or</li> <li>• receiving TANF (TANF also requires students to work).</li> </ul>	<p>Current food stamp rules would also make the following post-secondary students eligible:</p> <ul style="list-style-type: none"> <li>• those responsible for the care of a household member under 6</li> <li>• those responsible for the care of a household member age 6 thru 11 when day care is not available to allow the student to both attend school and work</li> <li>• single parents of children under 12 who are attending school full time.</li> </ul>	<ul style="list-style-type: none"> <li>• MI wants to encourage work, so post-secondary education is only allowed if the student is working. This may be too much for some households, especially those with young children and/or day care problems.</li> <li>• An alternative would be to impose work requirements on students, which would allow them to be exempt if they have good cause (e.g., day care problems).</li> </ul>

**Immediate Negative Action on changes**

If a household reports a change that would decrease benefits, Michigan would make the change to effect the benefits immediately and send the household a notice for the negative action. If the household disagrees with the negative action, and requests a hearing within the 12 days, benefits will be restored back to the original benefit level until the fair hearing.

Currently when a household reports a change that would decrease benefits, the household must be given a notice of the adverse action 10 days before the negative action occurs. Because of the 10 day notice period, clients that report changes at the end of the month receive an additional month's benefits at the higher level.

- We are working with OGC to determine whether the proposed policy violates client constitutional due process rights
- Households can request a hearing in writing, in person, by phone or through their authorized representative
- If a hearing is requested, benefits will be restored the same day the hearing is requested
- Even if the change is reported a day or two before the end of the month, Michigan can act on it
- This waiver would provide major savings to offset costs of other proposed waivers

## WELFARE CASELOAD ANALYSIS

There are a number of factors that appear to contribute to the different rates at which the caseloads are declining for different racial and ethnic groups. The primary factors are listed below, along with currently available data. Staff are continuing to do additional analysis to determine the magnitude of these factors.

The racial/ethnic composition of welfare caseloads has been changing gradually over the last 25 years: whites rose from 38 percent in 1973 to a peak of 42 percent in 1983 and have dropped steadily to 35 percent in 1997. The proportion of blacks has generally declined, from 46 percent in 1973 to 37 percent in 1997. The most significant trend is the increase in the Hispanic portion of the caseload, from 13 percent in 1973 to 23 percent in 1997. However, this is not too surprising given the rapid increase in the Hispanic population overall.

	TOTAL	WHITE	BLACK	HISPANIC	OTHER
% Change in Total Population 7/92-6/98	6%	2%	9%	24%	22%
% of Total Pop 6/98	100%	72%	12%	11%	4%

The question is how welfare reform may be affecting these historic trends. National data on the racial/ethnic characteristics of welfare recipients are only available through June 1997, so it is hard to gauge the impact of the past year when welfare reform efforts accelerated so rapidly. States provided more recent data to the Times (generally through June 1998), but HHS has concerns that some of these data may have problems, particularly NY and CA. They are working with states to verify the data.

It is also worth noting that the caseload data only tells who is currently on the rolls; it does not tell the rate at which different groups are entering and exiting. Analysis of entries and exits will be conducted in the near future.

The number of white, black and Hispanic families receiving welfare have all dropped since 1994 (when caseloads peaked nationally), but the rate of decline has been greater for whites than blacks, with an even slower decline for Hispanics.

	<u>94</u>	<u>97</u>	<u>% Change</u>
Whites	1.9M	1.4 M	-26%
Blacks	1.8M	1.5 M	-18%
Hispanics	1.0 M	.9 M	-9%

The changes are more dramatic than the actual mix of who is left on the caseloads, at least on a national basis.

	<u>94</u>	<u>97</u>
Whites	37%	35%
Blacks	36%	37%
Hispanics	20%	23%

There is some encouraging evidence from Census data that the employment rates of former welfare recipients are *increasing* even faster for minorities than for whites, although the actual rates and the disparity between groups remains disturbing. Between 1996 and 1997, the percentage of all prior year welfare recipients who were employed in the next year increased by 28%. The increase was highest for blacks (33%), followed by Hispanics (22%) and whites (21%).

Minorities on welfare disproportionately share characteristics that may make it harder to leave the rolls. These factors include: lower education levels, lower marriage rates, larger families, isolation from areas with jobs, and employment and housing discrimination. March 95 Current Population Survey Data shows the following characteristics for public assistance recipients in 1994:

	TOTAL	WHITE	BLACK	HISPANIC
% with < HS diploma	42%	33%	40%	64%
% never married	43%	31%	61%	40%
> 2 children	30%	20%	38%	38%
Worked during the year	37%	44%	35%	30%
Live in central city	51%	31%	71%	63%

This is the 'baseline' data reported in the New York Times. The Census Bureau has provided similar data for 1995 and 1996 which show that the characteristics have stayed roughly the same. Data for 1997, which may begin to reflect the impact of welfare reform, will be available September 24th when Census releases the March 1998 CPS.

Historical data confirms that minorities are more likely to remain on the welfare rolls longer. At the same time, the proportion of long-term recipients on the rolls is increasing slightly. This would partially explain why the current rate of caseload decline is slower for minorities and why they are making up an increasing share of the welfare caseload.

% of cases in each group on welfare for 61-120 months (in current spell)	FY 1995	FY 1996	FY 1997 (9 mos)
White	12%	14%	14%
Black	16%	17%	20%
Hispanics	14%	18%	19%

The trends in marriage rates and births to unmarried women could contribute to an increasing proportion of minority families going on welfare. While the proportion of never-married single mothers is increasing for the entire population, the rate of increase is largest for Hispanic women (based on CPS data).

	1992	1997	% Change
% of all single mothers who were never married	30%	35%	17%
Never-married single mothers by race:			
White	17%	21%	24%
Black	51%	55%	8%
Hispanic	33%	42%	27%

In addition, the rate of births to unmarried teenagers remains much higher for blacks and Hispanics than for whites. And, while the rate is decreasing significantly for blacks and slightly for whites, it continues to increase for Hispanics. For example, between 1991 and 1996, the rate of births to unmarried teenagers decreased 18% for blacks and 4% for whites, but increased 3% for Hispanics.

**Minorities are disproportionately represented in child-only cases.** To the extent that child-only cases are decreasing more slowly than cases headed by adults, this would appear to contribute to the increasing proportion of minorities on the caseload. Between 1996 and 1997, the rate of decline for total TANF recipients was about twice that for child only cases (13% vs. 6.5%).

	FY 96 % of child-only cases by race	FY 96 % of cases headed by adults by race	FY 97 (9 mos) % of child-only cases by race	FY 96 % of cases headed by adults by race
TOTAL #	978,300		915,500	
WHITE	28%	36%	27%	35%
BLACK	40%	37%	40%	37%
HISPANIC	26%	21%	27%	23%

State-by-state data on child only cases by race/ethnicity do not appear to show any clear trends, but further analysis needs to be done.

ure in Bismarck in December was 28.5. Historically, the temperature during the month is 15.3.

In the Southeast, the weather phenomenon has meant record rainfall of 18 inches from November to January in Tampa, Fla., swamping the record of 12.93 inches set in 1926-27.

In California, he said, the destruction this winter has been estimated at \$300 million to \$500 million so far.

### **Latinas Have Highest Teen Birthrates (Wash) By Melissa Healy (c) 1998, Los Angeles Times**

WASHINGTON Bucking a national trend toward declining teen birthrates, young Latinas are bearing children at higher rates than any other ethnic group including blacks, according to 1995 figures released Thursday by the National Center for Health Statistics.

Soaring birthrates among teens of Mexican origin propelled the increase. These teens gave birth at more than twice the rate of U.S. teens as a whole and more than three times the rate of white teen-agers, according to the report.

The 1995 survey of births by ethnicity marks the first time that the child-bearing level for Latina teens has surpassed that of blacks. Between 1989 and 1995, births to Latina teen-agers rose 62 percent even as teen birthrates declined among non-Latino black and white teens.

Women of Mexican origin from 15 to 19 years of age gave birth in 1995 at a rate of 125 children per 1,000 women. The comparable figure was 39 for non-Latina white teens and 99 for blacks.

According to the NCHS report, the number of babies born nationwide to women of Latino descent has risen every year since 1989. In that year, 14 percent of all babies born in the United States were Latino. By 1995, that figure had risen to 18 percent. On average, according to the report, women of Mexican origin have 3.3 children, compared with 1.8 for non-Latina white women and 2.2 for non-Latina black women.

The NCHS is the statistical arm of the Centers for Disease Control and Prevention. It is the nation's most authoritative tracker of health and fertility rates.

Analysts there suggested that the high rate of births to Latina women reflected more than a propensity toward early childbearing. Latinas report that a relatively high proportion of their pregnancies are wanted, and those who have unplanned pregnancies are reluctant to seek abortions.

While these trends are apparent among all subgroups of Latina women, they are strongest among women of Mexican origin, a population that is much larger than those from Puerto Rico, Cuba and South and Central America.

In addition, Latina women in 1995 had a lower rate of contraceptive use (59 percent) than non-Latina white women (66 percent) and black women (62 percent).

While birthrates among Latina teen-agers have risen above the rate for black teens, it appears that young mothers of Hispanic origin are more likely than young black mothers to be married. In 1995, 21 percent of babies born to non-Latina white women of all ages were born out of wedlock, while 70 percent of children born to non-Latina black women were born outside of marriage.

Latina women ranged between these two poles, with 38 percent of Mexican-origin children, 44 percent of Central and South American children and 60 percent of Puerto Rican children born out of wedlock.

The study also reported a "dramatic increase in timely prenatal care" among Latinas, up 19 percent from 1989 to 1995.

### **Russian Defense Minister Confronts Cohen Over Iraq (Moscow) By Paul Richter (c) 1998, Los Angeles Times**

MOSCOW In a televised rebuke that appeared to startle U.S. Defense Secretary William S. Cohen on his first trip to Moscow, the Russian defense minister Thursday denounced America's "rigid and uncompromising" stand on Iraq and warned that airstrikes on Baghdad could have "grave consequences" for U.S.-Russian military ties.

"Is America ready for all the possible consequences?" Igor D. Sergeev demanded of Cohen at what was expected to be a routine photo session at the Russian Defense Ministry.

The 59-year-old career soldier said his country has "deep concern over the possible costs to U.S.-Russian military relations" if the United States makes good on threats to strike Iraq to end a standoff with President Saddam Hussein over U.N. weapons inspections.

W.R. Mironchik  
Cohen looked surprised by Sergeev's outburst but collected himself and delivered a cool response.

"You properly raised the question of what are the possible consequences of acting militarily," Cohen said. "It is equally appropriate to ask the question, 'What if we fail to act and allow Saddam to continue to flout the U.N. resolutions, to continue to play hide-and-seek with the inspectors?'"

Russian security men herded reporters from the room before Cohen could finish his statement.

With important economic and political interests in Iraq, Russian leaders have been urging a softer line, and complaining bitterly about U.S. threats of war. But this outburst, filmed by Russian TV crews and likely to get maximum play across the country, was one of the most dramatic yet.

U.S. officials, leery of any development that focuses attention on diplomatic divisions over how to deal with Iraq, sought to play down the incident. They insisted that the Americans and Russians agree that Hussein must allow unfettered U.N. inspections. And they said there was no further talk of threats to the U.S.-Russian military relationship once the cameras were out of range.

"I think it was a staged lecture for domestic consumption," said one defense official. "We know the Russians feel strongly about (Iraq)."

In a related development Thursday,

Russian officials vehemently denied reports that U.N. inspectors had evidence that Moscow agreed in 1995 to sell Iraq equipment that could be used to cultivate germ warfare agents. They suggested the leaked U.N. report was an attempt to discredit Russian suggestions for more effective work by the Special Commission overseeing weapons inspections.

The encounter between Cohen and Sergeev took place in Russia's marbled Soviet-era Defense Ministry, where an inlaid portrait of Lenin and the Soviet hammer and sickle still decorate the wall. The Russian and U.S. delegations were seated under a mural celebrating Russia's victory over Napoleon.

Any chill in U.S.-Russian military ties would be a setback for the Clinton administration. Officials have invested great time and money in efforts to hasten the Russians' dismantling of Soviet-era weaponry. And they have been pushing the START 2 disarmament agreement, stalled in the Duma, Russia's lower house of the legislature.

Sergeev warned that a military clash with Iraq could lead to release of chemical or germ weapons, which could send toxic clouds across the tier of countries just south of Russia with devastating effect.

Noting that it was Abraham Lincoln's birthday, Sergeev quoted the American president as saying: "Force can conquer all, but its victories are short."

Cohen responded that, in fact, the effects of Lincoln's victory had lasted many generations. And he sought to rebut Sergeev's suggestions that the United States is moving toward use of force too quickly, saying President Clinton had "exercised great caution in not making haste quickly, but rather proceeding cautiously and with great prudence."

Cohen's visit was arranged long ago, according to U.S. officials, primarily to talk about disarmament and nuclear safety. But the Iraq issue came up in sessions with Sergeev, with Andrei Kokoshin, a top defense adviser to President Boris N. Yeltsin, and in a meeting with members of the Duma.

### **Russian, U.S. Differences on Iraq Bubbling to Surface (Wash) By Robin Wright and Craig Turner (c) 1998, Los Angeles Times**

WASHINGTON The breach that erupted Thursday between the United States and Russia over Iraq has been building for a long time, rooted in suspicions about duplicity and espionage, conflicting political goals and cynicism over rival economic interests in the Persian Gulf region.

The tensions over Iraq have grown gradually since the 1991 Gulf War, but have been largely papered over to preserve a strong diplomatic relationship between the two former rivals. But beneath the surface are rifts on several fronts:

Weapons of mass destruction. The United States wants to pressure the regime of Iraqi President Saddam Hussein until it reveals and destroys all chemical, biological and nuclear weapons as well as ballistic missiles, as required in the cease-fire agreement ending the Gulf War. It wants no debate about Iraq's future until all four types of weapons have been eliminated.

Russia, in contrast, is prepared to address the issue in phases and "close the book" on certain types of weapons as soon as U.N.

inspectors say they have been accounted for, as may soon be the case with nuclear weapons and ballistic missiles.

Moscow would like to see those steps taken in conjunction with gradually easing the toughest sanctions ever imposed on a single nation.

"It's a fundamentally different way of looking at the problem: one side sees the glass as half-empty, the other as half-full," said a U.S. specialist on Iraq. "But that also leads to fundamentally different ways of dealing with solutions."

The different attitudes may have contributed to Iraq's apparent ability since the Gulf War to acquire Russian technology that could be used to develop biological weapons and missiles.

U.N. weapons inspectors have documented that Russian companies with close ties to government sold missile gyroscopes to Iraq in 1995, U.N. officials say.

More recently, U.N. weapons inspectors have been pressing Moscow about the status of sophisticated Russian-made fermentation equipment that could be used to make protein for animal-feed and biological weapons.

Inspectors recently found papers indicating that a deal with Iraq was signed in 1995, which would have been legal since the embargo allows purchase of material for food production.

But inspectors had not been notified of the sale by either the company selling the equipment or by Iraq, as the embargo also requires. And if the equipment was delivered, they were unable to find it so that its usage could be monitored, triggering suspicions that Iraq may be hiding it because it is making illicit weapons.

A "letter of inquiry" sent to Moscow was among dozens of similar U.N. queries about imports to Iraq that are sent out each year to several governments. The largest number go to Germany.

Moscow had not responded until Thursday, when *The Washington Post* wrote about the inquiry. Russia dismissed the claim as a "crude invention."

But the report underscores deep U.S. concerns about what newly privatized Russian businesses are secretly selling.

In testimony Thursday before Congress, Secretary of State Madeleine Albright said the United States does not know the status of the fermentation equipment and called on the United Nations to investigate the case aggressively.

Role of the United Nations. The United States views Iraq's refusal to allow outside access to presidential sites as a grave violation that warrants punitive action.

Russia acknowledges that Baghdad is in violation of U.N. resolutions but opposes the use of force.

But the differences on this issue go even deeper.

The United States helped design the U.N. Special Commission, or UNSCOM, charged with conducting the inspections and has staunchly backed it. Many American arms specialists are U.N. inspectors, while U.S. intelligence has helped identify suspicious sites. An American, Charles Duelfer, has long served as deputy chairman.

Russian officials privately have charged that the inspection team is a tool of U.S. policy, despite the participation of many Russians.

Russian Ambassador Sergei V. Lavrov has become deeply critical of chief U.N. inspector Richard Butler. Lavrov is now a mouthpiece for Iraq inside the Security Council and a pipeline to Baghdad about closed-door U.N. meetings, U.N., U.S. and British officials charge.

U.N. and U.S. officials also grumble about what they see as Russian attempts to undercut inspectors in the field. Moscow has long been suspected of alerting Iraq to surprise inspections—a prime reason the United Nations is concerned about Iraq's call for increased Russian participation in inspections.

While most UNSCOM employees are paid by their governments to hold down U.N. costs, Russia has stopped paying its two workers' salaries because they refused to take orders from Moscow, U.N. officials contend. The United Nations now pays their salaries.

Kremlin officials cast such reports as attempts to besmirch Russia while it endeavors to broker a compromise in the U.S.-Iraqi confrontation.

Future of Saddam Hussein. Washington wants Hussein removed from power, or for his government to adopt democratic practices. The Clinton administration has broadly interpreted the U.N. resolution on economic sanctions to mean they will remain in place until one or both things occur.

In a speech last spring, Albright pledged: "To those who ask how long our determination will last, how long we will oppose Iraqi intransigence, how long we will insist that the international community's standards be met, our answer is: as long as it takes."

In contrast, Russia wants Hussein, a longstanding ally from the Soviet era, to stay in power. Russia, along with France and China, has

interpreted the resolution to mean sanctions will be complete as soon as all four of Iraq's weapons of mass destruction have been dismantled.

The differing interpretations threaten to become a major diplomatic battle.

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## U.S. Religious Leaders Have 'Meaningful' Talk With Jiang (Beijing) By Anthony Kuhn (c) 1998, Los Angeles Times

BEIJING—Braving charges of manipulation by China's Communist regime, three U.S. religious leaders met with President Jiang Zemin on Thursday in a high-profile bid to initiate a dialogue on religious freedom.

The clerics declined to detail the contents of their talk with Jiang but said they expressed concern over reports of religious persecution to Chinese authorities.

"We can tell you we've had very meaningful dialogue. ... We were not lectured," said the Rev. Don Argue, president of the National Association of Evangelicals.

Argue, Rabbi Arthur Schneier of New York and Roman Catholic Archbishop Theodore McCarrick of Newark, N.J., will visit religious leaders in Nanjing, Shanghai, Chengdu, Tibet and Hong Kong before returning to the United States and delivering a preliminary report on their trip March 5. Journalists have not been allowed to accompany the delegation.

The visit, decided upon during October's summit between Jiang and President Clinton, highlights concerns that increasingly affect Washington's human rights policies and Sino-U.S. relations.

Even before the delegation arrived, religious groups and human rights organizations questioned whether the clerics would get an objective picture of religion in China or whether they would be used for propaganda purposes.

"They were invited not just to start a dialogue but to investigate religious freedom," contends Joseph M. Kung, president of the Stamford, Conn.-based Cardinal Kung Foundation, a human rights group focusing on religious freedom in China. "They cannot get an accurate picture by just hearing the official side of the story."

The clerics would neither confirm nor deny any plans to visit clandestine "house churches," which the Chinese government views as illegal and human rights groups say are the focus of police harassment.

The clerics said Clinton chose them for this trip because of their experience in human rights and religious diplomacy, not for their critical stance toward Beijing.

"The three of us were selected because we have proven records of being friends to China," said Argue, whose group lobbied for continuing "most favored nation" trading status for China. By contrast, the influential Christian Coalition tried last June to block Clinton's renewal of China's trade privileges because of alleged religious persecution.

Human rights groups charge that China's Communist regime uses legislation and police force to keep religious groups under strict government control, and to defuse challenges to their political power from charismatic cult leaders and undercover foreign missionaries.

China has not taken foreign criticism of its religious policy lightly and has launched a vigorous propaganda counteroffensive. In numerous recent editorials and policy papers for foreign consumption, Beijing has denied persecuting Chinese citizens for their religious convictions, much as it denies imprisoning them for their political beliefs.

Even as the U.S. clerics tour Beijing, a group of Chinese officials are on a 10-day visit to the United States at the invitation of evangelist Billy Graham. At a news conference in New York on Wednesday, delegation leader Ye Xiaowen, head of the Chinese Cabinet's Religious Affairs Bureau, dismissed a recent State Department report's allegations of religious persecution in China, ascribing them to American ignorance about China and a "Cold War mentality."

# Hispanic Teens' Birthrate Ranks 1st of Ethnic Groups

## Blacks No Longer Have Highest Incidence

By Barbara Vobejda  
and Pamela Constable

Washington Post Staff Writers

The percentage of Hispanic teenagers who give birth has surpassed that of African American teenagers for the first time, with both groups more than twice as likely as whites to become mothers before they turn 20, the federal government reported yesterday.

In 1995, nearly 11 percent of Hispanic teenagers gave birth, compared with about 10 percent of black teenagers and 4 percent of non-Hispanic white teenagers. While the rates for black and white teenagers have declined in recent years, the figures for Hispanics have continued to rise, driven by a 32 percent increase among Mexican Americans since 1989.

The figures represent an important benchmark in teenage birthrates and provide more evidence that Hispanics, the nation's fastest-grow-

ing minority group, increasingly are suffering from the problems that historically have plagued African Americans. In 1995, for example, the poverty rate among Hispanics was greater than the figure for blacks for the first time. Hispanics also have higher out-of-wedlock birthrates than African Americans and have the lowest rates of high school and college graduation.

The new study, issued by the National Center for Health Statistics, also underscored what many find a troubling phenomenon in the immigrant community: Hispanics born in this country were more likely than Hispanics who moved here from their homeland to give birth as teenagers, to have babies outside of marriage and to have babies with low birth weights.

"That's the negative aspect of acculturation. The same problems that plague native-born Americans start plaguing second-generation immi-

See BIRTHS, A10, Col. 1

BIRTHS, From A1

grants," said Harry Pachon, president of the Tomas Rivera Policy Institute, a California research group that focuses on Hispanics.

Over the past decade, the daunting social challenge posed by high

rates of teenage birth has become much more apparent in the Hispanic community. Experts widely agree that babies born to teenagers are much more likely to be raised in poverty, by poorly educated parents and, as a result, with less chance of economic advancement.

Teenage births are a particularly striking problem among Mexican Americans, the largest Hispanic group in this country. In 1989, 9 percent of Mexican American teenagers gave birth, a figure that climbed to more than 12 percent by 1995.

Still, whites make up two-thirds of the population, so in sheer numbers, more babies are born to non-Hispanic white teenage mothers than any other group—more than 230,000 in 1995, compared with about 131,000 for blacks and 118,000 for Hispanics.

In the Washington area, counselors who work with pregnant and sexually active Hispanic girls said many become pregnant for the same reasons as white or African American girls: lack of information, desire for love and embarrassment about using birth control.

But they also cited a number of additional factors, including a reluctance to obtain abortions for religious reasons. Most Hispanics are Roman Catholic, and their daughters grow up with a strong taboo against

See BIRTHS, A11, Col. 1

BIRTHS, From A10

abortion, even if they are sexually active.

"Once a Latino girl gets pregnant, I would say 98 percent do not see abortion as an option," said Elida Vargas, who directs the adolescent program at Mary's Center, a nonprofit clinic in Adams-Morgan.

Vargas also said many young Hispanic girls she counsels do not realize how easily they can become pregnant, especially those who speak little English or have arrived recently in the United States. Some think they are too young to conceive, and others don't realize that sex leads to pregnancy, Vargas said.

Another factor, especially among teenagers from Central America in this area, is that many girls live with single

mothers or parents who work at night, leaving them with little adult supervision and guidance.

"It is very difficult for Latina girls to talk openly with their mothers about sex, because the mothers never talked about it with their own mothers and don't know what to say," said Linda Ohmans, who directs a teenage parent program at the Latin American Youth Center in Columbia Heights.

More than other girls, Ohmans said, those raised in Hispanic homes also view motherhood—even if it comes early and by accident—as an acceptable part of life rather than something that should be postponed for the sake of education and career.

In Arlington, a study over the past several years by the public school system found that the number of preg-

nant Hispanic girls enrolled in school was much higher than for other girls. In 1996, 61 of the girls who were pregnant were Hispanic, 16 were African American and three were white.

Brenda, an 18-year-old who was raised in El Salvador and came to live with her mother in the United States, has one child and is pregnant again. She said her mother was unhappy about it and that many of her classmates had asked her why she didn't use birth control.

"I wish I had done a lot of things differently now. I wish I had listened to my mom," said Brenda, who asked that her last name not be used. "My mom told me I was too young, that I should get a shot or a pill, but I was crazy to have a kid. Now there will be two."

While their birthrates are now highest, more Hispanic teenage mothers are married than are black teenage mothers. But in both groups, the vast majority are unmarried—67 percent among Hispanic teenagers and 95 percent among black teenagers.

T.J. Mathews, a demographer at the statistics center and lead researcher on the study, argued that although Hispanics often are treated as a group, dramatic statistical differences between Mexican Americans and other subgroups are important.

For example, just 8 percent of births to Cuban Americans in 1995 were to teenagers, while the figure was 24 percent for Puerto Ricans, 20 percent for Mexican Americans and 11 percent for Central and South Americans. For African Americans, the figure was 23 percent and for whites, 10 percent.

The Washington Post

FRIDAY, FEBRUARY 13, 1998

# Integrated Magnet School Leaves Students Poles Apart

## In Indiana, Resegregation by Curriculum

By Jon Jeter  
Washington Post Staff Writer

INDIANAPOLIS—The fine arts and humanities program at Broad Ripple High School here provides 640 select students with the educational equivalent of penthouse accommodations. Teachers assigned to the magnet program are the best and the brightest. Classes are sometimes as small as a dozen pupils. And if a student is having trouble mastering piano, saxophone or trumpet, the school picks up the tab for private lessons.

The school's 1,300 other students, however, are not so fortunate. Their classrooms are crowded with as many as three dozen students. Some teachers permit disengaged students to sleep in class. Classes for students interested in drafting, car-

penry or mechanics have been whittled to almost nothing. And in recent years, the superintendent here said, Broad Ripple has generated more complaints than any other city high school from parents and children—mostly young black males—who say the administration is indifferent, if not hostile, to them.

This northside high school occupies an imperfect middle ground in America's efforts to integrate public schools.

Indianapolis's careful desegregation measures bring a mix of black and white students to Broad Ripple's door every morning, only to resegregate them all over again by the time they sit down for class a few minutes later.

This process of separation by curriculum takes place daily at  
See SCHOOLS, A12, Col. 1

### SCHOOLS, From A1

urban schools across the country, subtly offsetting hard-fought gains in desegregation that have occurred in the last quarter-century.

The result is that while segregation has receded, it also has been repackaged. Students in the magnet schools are sorted by scholastic ability, which is to a large extent a product of their parents' social and educational status and race.

"It's really a cruel inequity that takes place at these schools," said Gary Orfield, a Harvard University professor of education and social policy and co-director of Harvard school desegregation project. "In

truth, most kids who attend central city schools are treated as second-class citizens, but a lot of times the parents and the kids just don't know it. Here, you can actually see it up close."

Washington-area school systems also have periodically wrestled with questions of how to best mix students in magnet schools. A 1990 study in Montgomery County concluded that magnet schools there "appear to have resegregated students in much closer quarters." Principals have taken steps to provide more opportunities for students to commingle since then, but concerns have recently flared anew as a number of high schools have launched special academic or "signature" programs within their walls.

In Prince George's County, parents of students in regular high school classes occasionally complain that their children are being short-changed by the magnet programs in their schools, which they claim often are better equipped and served by more experienced teachers. And in Alexandria, administrators in 1993 changed classroom assignments for nearly one-third of the city's middle school students after parents complained of racial imbalances in some classes grouped by academic ability.

When a federal judge ordered Indianapolis to integrate its schools in the 1970s, the city did what many other cities did: mingle black pupils with white through a combination of busing and magnet programs designed to keep white parents from sending their children to suburban and parochial schools. The results are ambiguous, according to education and social policy experts.

"This," said Wayne Wellington, Broad Ripple's new principal, "is the school of the 'mag-nets' and the 'mag-nots.' It really is like having two different schools under one roof. The trick is to keep them from heading in opposite directions."

With its "school within a school" approach to desegregation, Broad Ripple provides a particularly vivid—if not unique—example of the subtle ways in which poorer minority students continue to be isolated from their more affluent classmates a generation after the federal judiciary first intervened to remake the racial composition of urban school districts across the nation.

"It's what we call 'in-school segregation,'" said Fred Hess, a professor of education and social policy at Northeastern University. "It's closer to the goal of desegregation, but you really have one group of kids who are very successful and the other group of kids who are not. And a school tends to reinforce that division in the way it allocates both its resources and attention."

Located in an enviable northside neighborhood of stately brick homes, hip restaurants and fashionable boutiques, Broad Ripple has for years been regarded as the jewel of the city public high schools. Its graduates include the comedian David Letterman; the city's mayor, Stephen Goldsmith; and Marilyn Quayle, the wife of former vice president Dan Quayle.

In the nearly two decades since its inception, the magnet has done nothing to tarnish Broad Ripple's reputation. Many of its students score well on college entrance exams, go on to attend prestigious colleges and universities, and have won more awards in a metro-wide performing and visual arts contest than any other school, public or private.

But the desegregation strategy has dramatically changed the school's complexion and culture. Roughly 71 percent of the school's 2,000 students are black, 26 percent are white and 3 percent are Asian or Latino. Nearly half the students enrolled last year were poor enough to qualify for free or reduced-price lunches.

Of the 477 white pupils enrolled this year, nearly half are in the magnet program. The figure for blacks is roughly 20 percent.

In touting integration at Broad Ripple, teachers, administrators and parents are quick to point out that magnet students are required to attend at least half their classes with nonmagnet classmates. Still, almost everyone involved with the school seems to recognize the socioeconomic fault lines—often, but not always, paralleling racial fault lines—that have split this school in two.

Until only recently, for example, magnet teachers and nonmagnet teachers barely spoke to each other, said Corrie Wilson, a retiring arts teacher, and Ralph Bedwell, the director of the magnet program. Faculty members began holding special meetings to improve relationships between the two groups, Bedwell said.

The Washington Post

FRIDAY, FEBRUARY 13, 1998

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# Shrinking Welfare Rolls Leave Record High Share of Minorities

## Fast Exodus of Whites Alters the Racial Balance

A1

By JASON DePARLE

Continued From Page A1

WASHINGTON, July 24 — As the welfare rolls continue to plunge, white recipients are leaving the system much faster than black and Hispanic recipients, pushing the minority share of the caseload to the highest level on record.

White, black and Hispanic recipients are all leaving welfare at unprecedented rates. But the disproportionately large exodus of whites has altered the racial balance in a program long rife with racial conflict and stereotypes, according to figures that were compiled in an analysis of recent state data by The New York Times.

The legacy of those stereotypes makes the discussion of race and welfare an unusually sensitive one. In the past, advocates and scholars have taken pains to note there were more white families on welfare than black. But that is no longer the case.

Blacks now outnumber whites. The Hispanic share of the rolls is growing fastest. And black and Hispanic recipients combined outnumber whites by about 2 to 1. In addition, the remaining caseload is increasingly concentrated in large cities.

Some analysts warn that the growing racial and urban imbalance could erode political support for welfare, especially when times turn tight. More immediately, the changing demographics suggest that states may need new strategies as they serve those left behind, like recipients who do not speak English.

Consider the changing nature of the New York City caseload, which is larger than that of every state but California. Since the city's rolls peaked in March 1995, the number of whites on welfare has fallen 57 percent. That is nearly twice the 30 percent rate of decline for blacks. And it is nearly eight times the decline for Hispanic recipients, which is just 7 percent, lagging the declines for blacks and whites as it has nationwide. The city's welfare rolls are now 5 percent white, 33 percent black and 59 percent Hispanic.

Illinois, Ohio, Pennsylvania, Florida, Michigan — most of the states with large welfare populations like these have seen the number of whites on welfare declining faster than those of minorities. So have other states with significant caseload declines, like Wisconsin, Massachusetts and New Jersey.

The growing minority domination of the rolls is new, little-noticed and as yet largely unexplained. Most officials reacted with surprise when presented with the figures.

"Good grief!" said Representative E. Clay Shaw Jr., the Florida Rep-

resentative.

Continued on Page A12

lican who was the primary author of the 1996 Federal law that imposed time limits and work requirements. "That's definitely something we should look at. We don't want to leave one or two ethnic groups behind."

"I'm stunned," said Representative Robert T. Matsui, a California Democrat who is among the legislators most knowledgeable about the program. Mr. Matsui counts himself among those who have fought "a perception that welfare was a minority program. We tried to show that wasn't the case."

### A Greater Distance To Cover for Minorities

There are a number of potential explanations for the changing racial demographics. They include possible discrimination by employers or by landlords in neighborhoods near jobs. In addition, unpublished data from the Census Bureau, prepared for The New York Times, suggest that minority recipients were significantly more disadvantaged than their white counterparts when the rolls peaked in 1994.

On average, they had less education, lower incomes and more children. They were less likely to have ever been married, a statistic that predicts lower rates of child support and lessened chances of leaving the rolls through a subsequent marriage. Perhaps most important, minority recipients were much more likely to live in poor, central city neighborhoods, far from the job growth that rings many cities.

Race is intertwined with place. Only 31 percent of white welfare families lived in city centers, the census data showed. But 63 percent of Hispanic welfare families lived in those job-scarce areas, as did 71 percent of blacks. This may also mean that minorities have faced less pressure from caseworkers to leave the rolls. Most states instituted their tough new rules outside the big cities, in regions with stronger economies and more responsive bureaucracies.

While the minority domination of the rolls could revive negative stereotypes, it comes at a time of unusual good will toward recipients of all races. With caseloads falling at a startling pace — for minorities as well as whites — taxpayers seem well-satisfied with the new ethos of time limits and work demands.

Flush with Federal money, states are investing in a variety of new employment services. And facing labor shortages, many corporations are courting a welfare population they once took care to avoid.

Citing that optimistic climate,

some minority leaders say they do not expect welfare programs to attract new racial hostility. "If we had had this conversation six or seven years ago, it would have been a real concern," said Mayor Dennis Archer of Detroit, who is black. But as jobs increase and poverty declines, even in the inner cities, Mr. Archer said, a racial backlash is unlikely. "Even those insensitive to minorities aren't willing to just turn their back and withdraw services just because of race," he said.

Others were less sanguine. Representative Donald M. Payne, a Newark Democrat, warned that the growing minority share of the rolls could erode support for welfare spending and reinforce racial bias in general.

"Wedge-issue politicians always use welfare as an issue," said Mr. Payne, a former chairman of the Congressional Black Caucus. "There's no question that stereotyping will expand. Before, it was misinformation. It might even now go to codify the stereotyping."

### A Growing Imbalance As Rolls Get Shorter

The most recent national figures on welfare and race are 17 months old. They show that the number of white families receiving Federal cash assistance declined 25 percent after the rolls peaked in 1994. By contrast, the number of black families fell 17 percent and that of Hispanic families 9 percent. But those differences appear to have widened in recent months, as the caseload declines have accelerated.

The New York Times surveyed 15 programs — 14 states and New York City — which account for nearly 70 percent of the nation's welfare population. Among them, only California had a sharper decline among blacks than whites: 40 percent for blacks versus 31 percent for whites. The Hispanic decline in California was slower, 22 percent.

In all other programs, the number of whites on welfare declined faster than those of black or Hispanic recipients. And in more than two-thirds of the programs studied, the white rate of decline outpaced both the black and Hispanic rates by at least 10 percentage points. In Wisconsin, where the caseload declines have been most dramatic, an astonishing 96 percent of white recipients have left the rolls. (Black recipients declined 74 percent and Hispanic recipients, 78 percent.)

A result is an added imbalance in a program that already had a disproportionate share of minorities. By early 1997, blacks accounted for 37 percent of the nation's welfare caseload, though they are just 13 percent

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of the general population. Hispanic families accounted for 22 percent of the welfare rolls, though they are 11 percent of the general population.

Whites, by contrast, accounted for just 35 percent of the rolls, though they are 73 percent of the population. That is the smallest white percentage since the Government began compiling figures in 1973. The vast majority receiving Federal aid are single mothers and their children.

As the rolls grow more dominated by minorities, they are also more concentrated in large cities. Detroit, Miami, St. Louis, Cleveland, Baltimore, Milwaukee and Philadelphia all saw their caseloads fall. But in each of those cities, the declines lagged the state average.

As a result, 48 percent of Pennsylvania's recipients now live in Philadelphia, up from 38 percent four years ago. In Wisconsin, virtually all the state's welfare recipients — 85 percent — now live in Milwaukee, up from 39 percent a decade ago.

But the urban lag is not universal. Atlanta, Boston, Los Angeles and Bridgeport, Conn., have all cut their rolls at a pace that matches that of their states as a whole. And the declines in New York City, Chicago and Newark have lagged the state average by only a small percentage.

## Hispanic Share Is Growing the Fastest

Among the most striking trends is the growing Hispanic share of the caseload. As recently as 1983, Hispanic recipients accounted for just 12 percent of the nation's caseload, about half their current share. Some of that increase is owing to the growing Hispanic share of the general population, but Hispanic recipients have also been leaving the welfare rolls more slowly.

There are several possible explanations. Hispanic recipients lag blacks and whites in education levels and language skills. In addition, they tend to have larger families than white recipients. And some analysts suggest that Hispanic women face greater cultural pressures to stay at home with their children.

Citing the prevalence of language barriers, some advocates contend that Hispanic recipients need more training, especially in basic language skills. "I would view this as a wake-up call, that the system is not working as it is supposed to," said Charles Kamasaki, vice president of the National Council of La Raza, a Hispanic civil rights group.

But most states emphasize immediate job placements. "Non-English-speaking people have been coming to this country and finding work for years," said Dick Powers, a spokesman for the Massachusetts Department of Transitional Assistance.

The census data cast new light on the obstacles that minority recipients face. The data come from interviews with 5,400 welfare recipients in March 1994. One of the racial differ-

ence they reveal is in education. Among Hispanic recipients, 64 percent lacked a high school degree, as did 40 percent of the blacks. By contrast, only 33 percent of the white recipients lacked a high school degree. And those differences may understate the actual disparities in skills, because whites on average attend better schools than minority students.

A second difference is that minority women are less likely to marry. About 61 percent of the black women on welfare had never been married. About 40 percent of the Hispanic women had never been married and 31 percent of the whites.

Researchers are uncertain why black women marry at lower rates, but economics may play a role. William Julius Wilson, a Harvard sociologist, has argued that high rates of unemployment among black men makes them less attractive as potential spouses. Mr. Shaw, the Florida Republican, has proposed spending \$2 billion over the next five years to

raise the employment and marriage rates of welfare fathers.

A third difference is that minority women have larger families. Just 20 percent of white welfare recipients had more than two children, the census data show. But the figure for black and Hispanic recipients was nearly twice as high, 38 percent. Large families make it harder to find child care. They also reduce the economic rewards of working, since baby-sitting bills are higher.

A fourth explanation for the racial differences is on geography. The census data show 64 percent of black recipients lived in census tracts where at least a fifth of the population was poor. The figure for Hispanic recipients was also very high, 55 percent. But for whites it was just 21 percent. That not only suggests that black and Hispanic people live farther from jobs. It may also mean they have less work experience. "A lot of the people who have been on the rolls for the longest period of time have no one to vouch for them," said Bruce Katz, of the Brookings Institution, a research organization in Washington.

A fifth disadvantage can be seen in the census data. Minority recipients started out poorer. About 74 percent of black and 72 percent of Hispanic recipients spent the entire year in poverty, compared with 63 percent of whites. Given broader income trends, it follows that white recipients may also find it easier to turn to more prosperous relatives for help.

Among the unknowns is whether the racial imbalance will grow or diminish. "The big question is whether this is who leaves first, or who leaves ever," said Christopher Jencks, a Harvard sociologist. Like some others, Mr. Jencks warns that "the more black and Hispanic the program becomes, the more political pressure there is to cut back." Then again, he notes, "most people already thought that it was all black and Hispanic."

"So," he said, "it may not make as much difference as you might at first think."

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# The New York Times

MONDAY, JULY 27, 1998

WR - MINORITIES

### WELFARE CASELOAD ANALYSIS

There are a number of factors that appear to contribute to the different rates at which the caseloads are declining for different racial and ethnic groups. The primary factors are listed below, along with currently available data. Staff are continuing to do additional analysis to determine the magnitude of these factors.

**The racial/ethnic composition of welfare caseloads has been changing gradually over the last 25 years:** whites rose from 38 percent in 1973 to a peak of 42 percent in 1983 and have dropped steadily to 35 percent in 1997. The proportion of blacks has generally declined, from 46 percent in 1973 to 37 percent in 1997. The most significant trend is the increase in the Hispanic portion of the caseload, from 13 percent in 1973 to 23 percent in 1997. However, this is not too surprising given the rapid increase in the Hispanic population overall.

	TOTAL	WHITE	BLACK	HISPANIC	OTHER
% Change in Total Population 7/92-6/98	6%	2%	9%	24%	22%
% of Total Pop 6/98	100%	72%	12%	11%	4%

The question is how welfare reform may be affecting these historic trends. National data on the racial/ethnic characteristics of welfare recipients are only available through June 1997, so it is hard to gauge the impact of the past year when welfare reform efforts accelerated so rapidly. States provided more recent data to the Times (generally through June 1998), but HHS has concerns that some of these data may have problems, particularly NY and CA. They are working with states to verify the data.

It is also worth noting that the caseload data only tells who is currently on the rolls; it does not tell the rate at which different groups are entering and exiting. Analysis of entries and exits will be conducted in the near future.

**The number of white, black and Hispanic families receiving welfare have all dropped since 1994 (when caseloads peaked nationally, but the rate of decline has been greater for whites than blacks, with an even slower decline for Hispanics.**

	<u>94</u>	<u>97</u>	<u>% Change</u>
Whites	1.9M	1.4 M	-26%
Blacks	1.8M	1.5 M	-18%
Hispanics	1.0 M	.9 M	-9%

The changes are more dramatic than the actual mix of who is left on the caseloads, at least on a national basis.

	<u>94</u>		<u>97</u>
Whites	37%		35%
Blacks		36%	37%
Hispanics	20%		23%

There is some encouraging evidence from Census data that the employment rates of former welfare recipients are *increasing* even faster for minorities than for whites, although the actual rates and the disparity between groups remains disturbing. Between 1996 and 1997, the percentage of all prior year welfare recipients who were employed in the next year increased by 28%. The increase was highest for blacks (33%), followed by Hispanics (22%) and whites (21%).

Minorities on welfare disproportionately share characteristics that may make it harder to leave the rolls. These factors include: lower education levels, lower marriage rates, larger families, isolation from areas with jobs, and employment and housing discrimination. March 95 Current Population Survey Data shows the following characteristics for public assistance recipients in 1994:

	TOTAL	WHITE	BLACK	HISPANIC
% with < HS diploma	42%	33%	40%	64%
% never married	43%	31%	61%	40%
> 2 children	30%	20%	38%	38%
Live in central city	51%	31%	71%	63%

CEA is running comparable data for the March 1996 and 1997 CPS.

**Historical data confirms that minorities are more likely to remain on the welfare rolls longer.** At the same time, the proportion of long-term recipients on the rolls is increasing slightly. This would partially explain why the current rate of caseload decline is slower for minorities and why they are making up an increasing share of the welfare caseload.

% of cases in each group on welfare for 61-120 months (in current spell)	FY 1995	FY 1996	FY 1997 (9 mos)
White	12%	14%	14%
Black	16%	17%	20%
Hispanics	14%	18%	19%

**The trends in marriage rates and births to unmarried women could contribute to an increasing proportion of minority families going on welfare.** While the proportion of never-married single mothers is increasing for the entire population, the rate of is largest for Hispanic women (based on CPS data).

	1992	1997	% Change
% of all single mothers who were never married	30%	35%	17%
Never-married single mothers by race:			
White	17%	21%	24%
Black	51%	55%	8%
Hispanic	33%	42%	27%

In addition, the rate of births to unmarried teenagers remains much higher for blacks and Hispanics than for whites. And, while the rate is decreasing significantly for blacks and slightly for whites, it continues to increase for Hispanics. For example, between 1991 and 1996, the rate of births to unmarried teenagers decreased 18% for blacks and 4% for whites, but increased 3% for Hispanics.

**Minorities are a disproportionately represented in child-only cases.** To the extent that child only cases are decreasing more slowly than cases headed by adults, this would appear to contribute to the increasing proportion of minorities on the caseload.

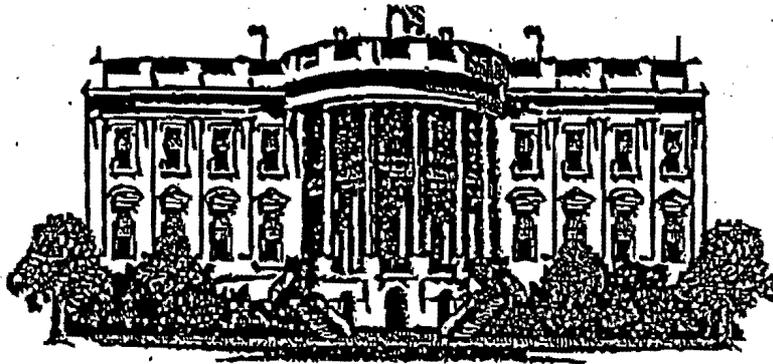
	FY 96 % of child only cases by race	FY 96 % of cases headed by adults by race	FY 97 (9 mos) % of child only cases by race	FY 96 % of cases headed by adults by race
TOTAL #	978,300		915,500	
WHITE	28%	36%	27%	35%
BLACK	40%	37%	40%	37%
HISPANIC	26%	21%	27%	23%

HHS is working on additional analysis of child only cases, by state and by reason, to determine whether the magnitude of this factor on the changing racial composition of the caseloads nationally and in specific states.

A	K	L	M	N	O	P	Q	R	S
4	MOST	TOTAL							
5	RECENT	CASES	W #	W %	B #	B %	H #	H %	W+B+H %
6 CA	April 98	711028	191978	27.0%	106654	15.0%	298632	42.0%	84.0%
7 CT	May 98	42611	12996	30.5%	14403	33.8%	14743	34.6%	98.9%
8 FL	June 98	98671	22694	23.0%	55256	56.0%	19734	20.0%	99.0%
9 GA	June 98	73688	13116	17.8%	61972	84.1%	0	NA	101.9%
10 IL	June 98	156906	38756	24.7%	100106	63.8%	16318	10.4%	98.9%
11 MA	June 98	63501	29337	46.2%	11748	18.5%	18733	29.5%	94.2%
12 MI	May 98	119555	44474	37.2%	67907	56.8%	0	NA	94.0%
13 MO	June 98	45934	8268	18.0%	34910	76.0%	0	NA	94.0%
14 NJ	May 98	85000	12580	14.8%	47345	55.7%	23290	27.4%	97.9%
15 NY	June 98	56949	25570	44.9%	30240	53.1%	0	NA	98.0%
16 NC	Jan 98	241753	12088	5.0%	79778	33.0%	142634	59.0%	97.0%
17 OH	June 98	131350	57925	44.1%	67514	51.4%	4072	3.1%	98.6%
18 PA	June 98	129467	43501	33.6%	65899	50.9%	14759	11.4%	95.9%
19 TX	June 98	150807	30161	20.0%	45996	30.5%	73292	48.6%	99.1%
20 VA	April 98	12068	2172	18.0%	7603	63.0%	965	8.0%	89.0%
21									
22									

	T	U	V	W
4	RATES OF DECLINE			
5	TOTAL	W	B	H
6 CA	24%	31%	40%	22%
7 CT	29%	34%	24%	30%
8 FL	61%	69%	59%	54%
9 GA	48%	63%	41%	ERR
10 IL	34%	45%	27%	41%
11 MA	45%	52%	40%	34%
12 MI	49%	61%	38%	ERR
13 MD	44%	60%	39%	ERR
14 NJ	32%	48%	24%	34%
15 MO	38%	48%	26%	ERR
16 NY	24%	58%	30%	7%
17 OH	50%	63%	32%	26%
18 PA	39%	54%	29%	30%
19 TX	46%	51%	50%	41%
20 WI	88%	96%	74%	78%

*(Asian)*  
*note others went up significantly*



# THE WHITE HOUSE

Domestic Policy Council

DATE: 8/13

FACSIMILE FOR: Bruce Reed

FAX: 62878  
PHONE:

FACSIMILE FROM: Andrea Kane

FAX: 202-456-7431  
PHONE: 202-456-5573

NUMBER OF PAGES (INCLUDING COVER): 4

COMMENTS: Numbers obtained by Jason DePante  
(per email)

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\_\_\_\_\_  
\_\_\_\_\_

CASELOAD #S OBTAINED BY NYTIMES

A	B	C	D	E	F	G	H	I	J	
	PEAK	TOTAL CASES	W #	W %	B #	B %	H #	H %	W+B+H %	
4										
5										
6	CA	March 95	932345	279704	30.0%	177145	19.0%	382261	41.0%	90.0%
7	CT	April 95	60364	19799	32.8%	18834	31.2%	21127	35.0%	99.0%
8	FL	Nov 93	254451	73791	29.0%	134859	53.0%	43257	17.0%	99.0%
9	GA	Aug 94	141576	35111	24.8%	104483	73.8%	0	NA	98.6%
10	IL	June 94	238249	70283	29.5%	137946	57.9%	27637	11.6%	99.0%
11	MA	May 93	114671	61349	53.5%	19723	17.2%	28553	24.9%	95.6%
12	MI	April 93	232795	113371	48.7%	108715	46.7%	0	NA	95.4%
13	MD	Jan 95	81388	20917	25.7%	57297	70.4%	0	NA	96.1%
14	NJ	May 94	124600	24422	19.6%	62300	50.0%	35386	28.4%	98.0%
15	MO	April 94	91575	49267	53.8%	40934	44.7%	0	NA	98.5%
16	NYCity	March 95	318681	28681	9.0%	114725	36.0%	152967	48.0%	93.0%
17	OH	March 92	263079	156269	59.4%	99444	37.8%	5525	2.1%	99.3%
18	PA	March 94	211796	94461	44.6%	92343	43.6%	20968	9.9%	98.1%
19	TX	Jan 94	279777	60991	21.8%	92047	32.9%	123661	44.2%	98.9%
20	WI	Jan 87	98295	58486	59.5%	29587	30.1%	4325	4.4%	94.0%
21										
22	NOTES:									
23	Total caseload numbers = cases not individuals.									
24	States provided % of caseload for Whites, Blacks, and Hispanics (if the number was significant).									
25	Numbers are derived from percents only for purposes of calculating caseload decline.									
26										
27										
28										

**Gay and Lesbian Issues -- Sexual Orientation Executive Order:** The House last week voted down an amendment, sponsored by Congressman Hefley, to prohibit funding to implement your executive order of May 28 banning discrimination based on sexual orientation in the federal civilian workforce. The vote was 252 to 176, with 63 Republicans rejecting the Hefley measure. A recent Wall Street Journal/NBC News Poll showed that 72 percent supported the order, while only 20 percent opposed it.

**Children and Families -- After-School Programs and Service:** You recently asked us to look into a proposal from a White House Fellow to earmark 15 percent of proposed funding for the 21st Century Community Learning Centers program for after-school programs run through the Corporation for National Service (CNS). Strengthening the connection between service and after-school activities is important, and service is in fact already a significant part of the current 21st Century program. But specific earmarking from an Education Department program to the CNS might be disadvantageous for both programs for the following reasons: (1) funds from the Education Department come with many more restrictions on their use than CNS dollars; (2) additional earmarking would drain the 21st Century program of needed resources (the Administration's budget proposal already targets 10 percent of program funding to community-based organizations, and the House Appropriators cut our budget request from \$200 million to \$60 million); and (3) this kind of earmarking would lessen our ability to promote greater utility of public school buildings during after-school hours. We will, however, continue to explore ways in which we can provide greater support and funding both to traditional after-school learning programs and specific service-oriented programs.

**Welfare Reform -- Minorities on Welfare Reform Caseload:** In response to a recent New York Times article, you asked us for information on the increasing share of minorities on the welfare rolls. We are continuing to work on this issue, but present here some preliminary data. As you know, the racial composition of welfare caseloads has changed gradually over the last 25 years: whites rose from 38 percent in 1973 to a peak of 42 percent in 1983 and then dropped steadily to 35 percent in 1997. The proportion of blacks has generally declined, from 46 percent in 1973 to 37 percent in 1997. The most significant trend is the increase in the Hispanic portion of the caseload, from 13 percent in 1973 to 23 percent in 1997, which is at least partly attributable to the rapid increase in the Hispanic population overall.

We do not yet have much information on how welfare reform is affecting these historic trends. (National data on the racial characteristics of welfare recipients are available only through June 1997, before welfare reform efforts really took off; more recent state data is fragmentary.) We do know that although the number of white, black and Hispanic families receiving welfare all dropped between 1994 (when caseloads peaked) and 1997, the rate of decline has been greater for whites (-26 percent) than for blacks (-18 percent), with an even slower decline for Hispanics (-9 percent). As Congresswoman Velasquez informed you, the disparities in some local jurisdictions, such as New York City, are much greater. We are now trying to collect statistical data that will help us to pinpoint the causes of this trend; for example,

we are hoping to discover to what extent the factor of long-term dependence -- or other related factors such as lower education levels, lower marriage rates, larger families, and isolation from areas with jobs -- explains these racial disparities.

Of course, even with these trends, the actual mix of who is on the rolls has not changed dramatically, at least when viewed on a national basis. In 1994, 37 percent of the caseload was white, 36 percent black, and 20 percent Hispanic. By contrast, in 1994, 35 percent of the caseload was white, 37 percent black, and 23 percent Hispanic. In addition, there is some encouraging evidence from census data that the employment rates of former welfare recipients are increasing even faster for minorities than for whites (although the disparities in the rates themselves remain disturbing). Between 1996 and 1997, the percentage of all prior-year welfare recipients who were employed in the next year increased by 28 percent. The increase was highest for blacks (33 percent), followed by Hispanics (22 percent) and whites (21 percent).

