

WR-STATISTICS

THE WASHINGTON POST

THE FEDERAL PAGE

A LOOK AT AFDC RECIPIENTS

As Congress considers major changes to the welfare system, much attention has been focused on people who get Aid to Families with Dependent Children, the nation's basic cash benefit program.

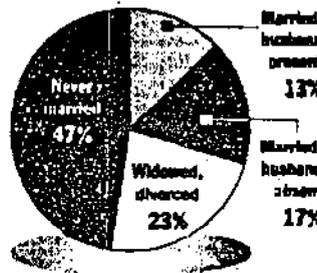
The program distributes benefits to 14 million people, including 3.8 million mothers age 15 to 44, 9.7 million children, 500,000 mothers 45 and over and 300,000 fathers living with their dependent children. Under changes proposed by House Republicans, AFDC would be

replaced with cash payments to the states, spending would be capped and noncitizens and unwed mothers under 18 would no longer be eligible. Federal funds could not be used for payments to families who have received benefits for more than five years.

The Census Bureau today released the following details on the group that made up 83 percent of adult recipients in 1993, mothers age 15 to 44.

Marital status

Nearly half of women receiving AFDC have never been married.



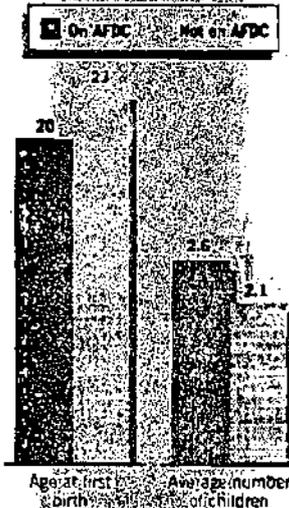
3.8 million total

Foreign born

About 9 percent of foreign-born mothers—392,000 out of 4.2 million—are on AFDC, slightly less than the 11 percent of native-born mothers. Three-quarters of the foreign-born mothers (292,000) are not U.S. citizens and would become ineligible for AFDC under a House Republican proposal.

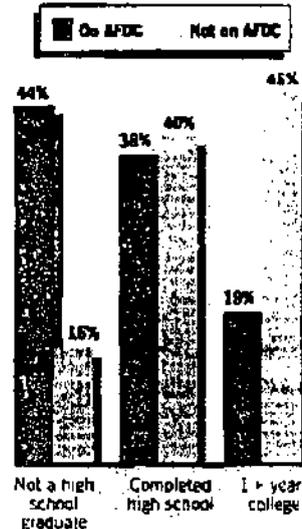
Children

... and women on AFDC are younger than others when they bear their first child. AFDC mothers also have a slightly higher number of children.



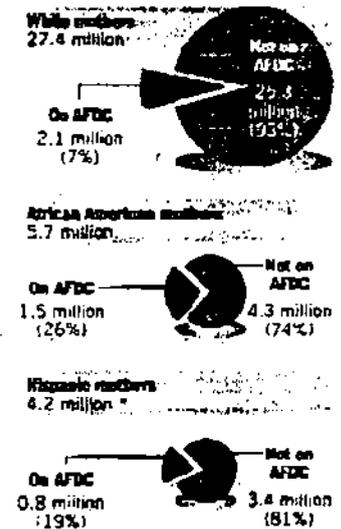
Education

Almost half of AFDC mothers do not have a high school diploma.



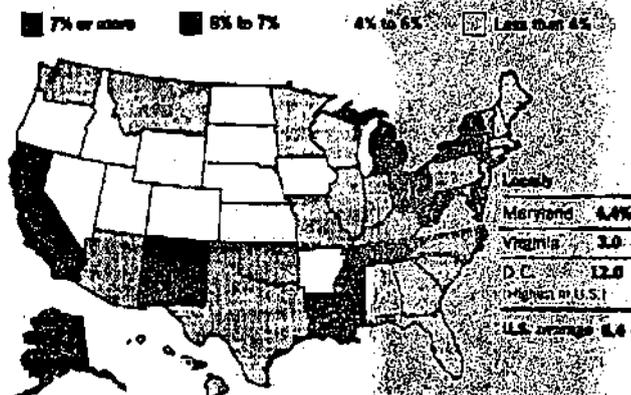
Race

More white women in their child-bearing years receive AFDC than African American or Hispanic women, but minority women receive aid in disproportionate numbers.



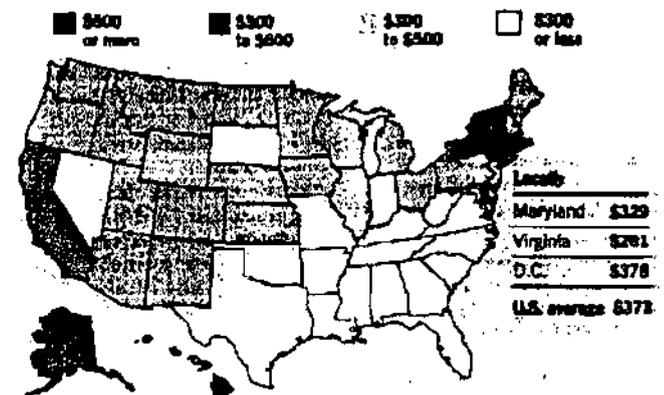
Percentage of total residents on AFDC

California and Michigan, according to Health and Human Services figures, are the states with the highest proportions of AFDC recipients; each pays AFDC to more than one in 14 residents. The Rocky Mountain and Great Plains states have the lowest proportions, with Idaho lowest at one in 50 residents.



Average monthly payment per family

Alaska and Hawaii pay the highest monthly average, \$762 and \$653 respectively. The Southeast states pay the least, with Mississippi lowest at \$120. States set eligibility and benefit levels. Payments tend to reflect the local cost of living.



SOURCES: Census Bureau, Department of Health and Human Services. NOTE: Figures are rounded. * Persons of Hispanic origin may be of any race.

—Compiled by Jeanette Belluso

BACKGROUND MATERIAL SUBMITTED BY CONGRESSIONAL DEMOCRATS

House Dem. Leader Dick Gephardt
Representative Sam Gibbons
Representative Bill Clay
Representative Harold Ford

Senator Pat Moynihan *
Senator Ted Kennedy
Senator John Breaux *
Senator Barbara Mikulski

- A) Existing State Waivers, Effective January 20, 1995
- B) JOBS Program Summary Data, FY93
- C) HHS Hypothetical Impact FY93, Block Grant Proposal
- D) Nutrition Program Facts
- E) CBO Baseline Data on Entitlement Spending

*Senators Moynihan and Breaux have also submitted material individually.

State Waivers

TO

Effective: January 20, 1995

<u>Provision</u>	<u>State</u>
o Time Limit Benefits	CO, CT, FL, IA, IN, SD, VT, WI(7)
o Limit Benefits for Additional Children	AR, GA(2), IN, NJ, WI(3)(7)(8)
o Eligibility for Pregnant Women With No Other Children, in 1st and 2nd Trimester	CA(3), ND
o Increase Income Disregard (Amount/Duration)	CA(2), CO, CT, FL, IA, IL, MI, MO, MN, MS, NJ, OR(2), PA, SC, SD, UT, VA(2), VT, WI(2)(3)(7)
o Increase Resource Limit	AL, CA(3), CO, CT, FL, IA, IL, IN, MI, MO, NY(2), OR(2), PA, SD, UT, VA(2), VT, WY
o Disregard Resources in Special Accounts	CA(3), CT, IA, MS, NY(1)(2), OR(2), PA, VA(2), WI(5)
o Increase Vehicle Asset Limit	CA(3), CO, CT, FL, IA, MI, NY(2), OH, PA, SC, SD, UT, VA(2), VT, WI(6)
o Eliminate 100 Hour Rule	AL, CA(2), CT, FL, IA, IL, IN, MI, MO, MS, NY(2), PA, SC, VT, WI(3)(7)
o Eliminate Labor Force Attachment Requirement	AL, CT, FL, IA, IL, MI, MS, OR(2), PA, VT, WI(3)
o Work Requirement	CT, FL, HI, IL, IN, MO, MS, DR(2), SC, SD, VT, WI(7), WY
o Require Immunizations	CO, FL, GA(1), IN, MD, MI, MS, SC
o Change JOBS Exemptions	AL, AR, CA(3), CT, FL, IA, IL, IN, MI, MN, ND, NJ, OK, OR(1)(2), SC, UT, VT, WI(3)(7), WY
o JOBS Participation for Non-Custodial Parents	AL, FL, IL, MI, MS, NJ, NY(2), OR(2), SC, UT, WI(3), WY
o Change JOBS Sanction	AL, CO, CT, GA(2), IA, IL, IN, MI, MN, MS, NJ, OK, OR(1)(2), SC, SD, UT, VT, WI(3)(7), WY
o Extend Job Search	CT, HI, IA, MI, MN, NY(2), OR(1), VT
o Benefits Linked to School Attendance/Performance	AR, CA(3), CO, CT, FL, IL, IN, MD, NY(2), OH, OR, OK, PA, SC, VA(1), VT, WI(1)(3), WY
o Cash-out Food Stamps	AL, CO, MN, MO, NY(1), OR(2), PA, UT, WI(7)
o Expand Transitional Benefits (Medicaid/TCC)	CO, CT, FL, IA, IL, MN, NY(2), PA, SC, UT, VA(2), WI(2)(7)
o JOBS Cap	CA(3), HI, IA, UT, WI(7)

End Notes:

State Codes followed by () = State has more than one waiver demonstration approved.

LEGEND:

AL = Alabama - Avenues to Self-Sufficiency through Education and Training Services (ASSETS).

*AR = Arkansas - Reduction in AFDC Birth Rates Project.

CA = California - (1) Automated Finger Print Image Reporting and Match (AFIRM);
(2) Assistance Payments Demonstration Project (APDP);
*(3) Work Pays Demonstration Project (WPDP).

*CO = Colorado - Colorado Personal Responsibility and Education Program (CPREP).

*CT = Connecticut - A Fair Chance.

*FL = Florida - Family Transition Program (FTP).

GA = Georgia - (1) Preschool Immunization Project (PIP);
*(2) Personal Accountability and Responsibility Project (PAR).

*HI = Hawaii - Creating Work Opportunities for JOBS Families.

*IA = Iowa - Iowa Family Investment Plan (IFIP).

*IL = Illinois - Fresh Start Initiative. 1/

*IN = Indiana - Indiana Manpower Placement and Comprehensive Training Program (IMPACT).

MD = Maryland - Primary Prevention Initiative (PPI).

*MI = Michigan - To Strengthen Michigan Families (TSMF). 1/

MN = Minnesota - Minnesota Family Investment Plan (MFIP).

*MS = Mississippi - Mississippi New Direction.

MO = Missouri - 21st Century Communities.

NJ = New Jersey - Family Development Program (FDP).

NY = New York - (1) Child Assistance Program (CAP);
*(2) JOBS First.

*ND = North Dakota - Early Intervention Program (EIP).

OH = Ohio - Learning, Earning and Parenting (LEAP).

*OK = Oklahoma - Oklahoma's Learnfare Project.

OR = Oregon - (1) JOBS Waiver Project;
*(2) Jobs Plus.

*PA = Pennsylvania - Pathways to Independence.

*SC = South Carolina - South Carolina Self-Sufficiency and Parental Responsibility Program.

* Approved by Clinton Administration.

1/ Major components approved by Bush and Clinton Administration's.

*SD = South Dakota -

Strengthening South Dakota Families Initiative

UT = Utah -

Single Parent Employment Demonstration Project (SPED).

VA = Virginia -

(1) Virginia Incentives to Advance Learning (VITAL);

* (2) Welfare Reform Project.

*VT = Vermont -

Family Independence Project (FIP).

WI = Wisconsin -

(1) Learnfare Demonstration;

(2) Modified Earned Income Disregard Project;

(3) Parental and Family Responsibility Project;

(4) Two-Tier Benefit Project;

(5) Special Resource Account Project;

(6) Vehicle Asset Limit Project;

* (7) Work Not Welfare Demonstration (WNW);

* (8) AFDC Benefit Cap (ABC).

*WY = Wyoming -

New Opportunities/New Responsibilities.

* = Approved by Clinton Administration.

JOBS PROGRAM SUMMARY DATA: FY 1993
(numbers represent monthly averages)

	<u>Total Adult AFDC Recipients</u>	<u>JOBS- Mandatory Adult AFDC Recipients</u>	<u>Total Active JOBS Participants</u>	<u>JOBS Participants in Work Activities</u>	<u>% of Adult Recipients in Work Activities</u>
U.S. Total	4,604,138	2,043,357	541,995	26,552	0.6%
Alabama	39,638	11,129	8,402	8	0.0%
Alaska	13,339	3,470	758	2	0.0%
Arizona	62,485	13,734	2,803	172	0.3%
Arkansas/1	20,898	4,941	/1	/1	/1
California	757,973	330,115	56,653	2,619	0.3%
Colorado	40,543	29,147	5,591	682	1.7%
Connecticut	53,259	34,408	5,070	111	0.2%
Delaware	9,014	3,718	1,102	20	0.2%
Dist. of Columbia	20,842	6,128	2,293	81	0.4%
Florida	217,408	51,813	19,082	83	0.0%
Georgia	121,973	43,878	12,454	496	0.4%
Guam/1	1,618	357	/1	/1	/1
Hawaii	18,679	6,771	673	95	0.5%
Idaho	7,073	1,720	885	1	0.0%
Illinois	216,440	127,664	17,957	306	0.1%
Indiana	70,568	28,391	5,243	330	0.5%
Iowa	34,922	12,351	6,382	14	0.0%
Kansas	28,867	16,259	5,698	354	1.2%
Kentucky	80,180	45,391	3,643	347	0.4%
Louisiana	74,211	33,671	7,349	103	0.1%
Maine	25,506	13,846	2,450	9	0.0%
Maryland	71,514	32,229	7,457	33	0.0%
Massachusetts	116,780	53,985	18,010	34	0.0%
Michigan	238,218	144,019	47,460	1,350	0.6%
Minnesota	65,623	19,629	5,418	46	0.1%
Mississippi	47,597	23,160	3,581	378	0.8%
Missouri	90,161	33,481	5,158	230	0.3%
Montana	12,134	7,041	2,548	28	0.2%

/1 Data not reported according to ACF-108 sampling requirements

JOBS PROGRAM SUMMARY DATA: FY 1993

(numbers represent monthly averages)

	Total Adult AFDC Recipients	JOBS- Mandatory Adult AFDC Recipients	Total Active JOBS Participants	JOBS Participants in Work Activities	% of Adult Recipients in Work Activities
U.S. Total	4,604,138	2,043,357	541,995	26,552	0.6%
Nebraska	15,547	6,201	7,698	2,477	15.9%
Nevada	10,723	3,978	928	205	1.9%
New Hampshire	10,728	4,363	1,357	8	0.1%
New Jersey	111,110	65,394	9,623	231	0.2%
New Mexico	33,607	9,815	5,535	202	0.6%
New York	414,495	189,133	40,633	1,753	0.4%
North Carolina	111,327	44,257	8,912	335	0.3%
North Dakota	6,548	2,403	1,880	90	1.4%
Ohio	245,637	109,791	54,037	9,091	3.7%
Oklahoma	43,713	30,492	6,716	697	1.6%
Oregon	39,949	20,232	6,052	75	0.2%
Pennsylvania	199,891	95,365	27,605	506	0.3%
Puerto Rico	60,528	26,171	4,166	51	0.1%
Rhode Island	21,270	14,297	3,675	33	0.2%
South Carolina	40,904	11,851	8,363	6	0.0%
South Dakota	5,890	2,841	1,434	133	2.3%
Tennessee	94,028	19,502	4,776	23	0.0%
Texas	236,106	110,883	23,953	119	0.1%
Utah	17,809	13,061	7,085	210	1.2%
Vermont	11,018	5,637	2,087	306	2.8%
Virgin Islands	997	394	454	51	5.1%
Virginia	60,890	22,730	7,453	65	0.1%
Washington	103,158	36,669	19,013	87	0.1%
West Virginia	45,031	22,199	19,098	1,074	2.4%
Wisconsin	99,781	40,266	14,428	783	0.8%
Wyoming	5,989	2,986	914	9	0.2%

/1 Data not reported according to ACF-108 sampling requirements

SELECTED MEASURES OF STATE PERFORMANCE

State	Percent of Adult AFDC Recipients in JOBS (1993)	Percent of Adult AFDC Recipients in Work Activities (1993)	Percent of AFDC Families With Earnings (1992)	Percent of AFDC Families With Child Support Payments (1993)	Percent of IV-D Cases With Paternity Established (1991)	AFDC Quality Control Error Rate (1991)
Alabama	21.2%	0.0%	3.1%	36.3%	33.1%	6.3%
Alaska	5.7%	0.0%	16.9%	18.8%	21.4%	2.9%
Arizona	4.5%	0.3%	7.0%	3.9%	11.2%	8.3%
Arkansas	0.0%	0.0%	6.2%	29.5%	44.4%	3.8%
California	7.5%	0.3%	7.5%	11.5%	27.9%	3.5%
Colorado	13.8%	1.7%	8.6%	20.7%	22.8%	2.7%
Connecticut	9.5%	0.2%	5.9%	20.3%	39.1%	2.7%
Delaware	12.2%	0.2%	10.3%	22.3%	20.5%	6.7%
Dist. of Columbia	11.0%	0.4%	1.5%	7.6%	49.9%	6.0%
Florida	8.8%	0.0%	4.9%	15.3%	27.9%	9.7%
Georgia	10.2%	0.4%	7.6%	19.2%	73.5%	3.4%
Hawaii	3.6%	0.5%	14.0%	17.4%	32.2%	3.2%
Idaho	12.5%	0.0%	12.8%	52.7%	53.0%	4.2%
Illinois	8.3%	0.1%	5.3%	8.1%	33.5%	5.0%
Indiana	7.4%	0.5%	6.9%	34.6%	25.9%	5.8%
Iowa	18.3%	0.0%	19.1%	26.6%	22.0%	5.2%
Kansas	19.7%	1.2%	11.5%	34.9%	35.7%	4.4%
Kennucky	4.5%	0.4%	12.6%	17.0%	49.4%	3.1%
Louisiana	9.9%	0.1%	3.5%	9.3%	40.1%	7.1%
Maine	9.6%	0.0%	18.0%	34.7%	32.9%	3.3%
Maryland	10.4%	0.0%	4.0%	18.1%	49.7%	6.9%
Massachusetts	15.4%	0.0%	4.0%	11.5%	25.1%	4.0%
Michigan	19.9%	0.6%	13.2%	27.1%	68.3%	4.1%
Minnesota	8.3%	0.1%	13.8%	35.1%	51.4%	2.8%
Mississippi	7.5%	0.8%	11.3%	13.3%	65.2%	7.5%
Missouri	5.7%	0.3%	5.7%	17.5%	92.6%	5.3%
Montana	21.0%	0.2%	16.9%	18.1%	23.4%	4.4%

SELECTED MEASURES OF STATE PERFORMANCE

State	Percent of Adult AFDC Recipients in JOBS (1993)	Percent of Adult AFDC Recipients in Work Activities (1993)	Percent of AFDC Families With Earnings (1992)	Percent of AFDC Families With Child Support Payments (1993)	Percent of IV-D Cases With Paternity Established (1991)	AFDC Quality Control Error Rate (1991)
Nebraska	49.5%	15.9%	14.2%	29.2%	24.7%	6.9%
Nevada	8.7%	1.9%	4.1%	33.3%	23.6%	4.0%
New Hampshire	12.6%	0.1%	8.1%	34.1%	21.5%	3.7%
New Jersey	8.7%	0.2%	2.7%	20.8%	33.1%	4.7%
New Mexico	16.5%	0.6%	9.3%	9.9%	15.3%	4.9%
New York	9.8%	0.4%	4.3%	11.7%	30.3%	6.7%
North Carolina	8.0%	0.3%	11.6%	19.0%	56.2%	3.7%
North Dakota	28.7%	1.4%	16.2%	39.2%	47.9%	1.7%
Ohio	22.0%	3.7%	7.0%	15.0%	41.0%	8.4%
Oklahoma	15.4%	1.6%	5.4%	9.7%	38.1%	3.9%
Oregon	15.1%	0.2%	12.2%	25.8%	33.9%	3.7%
Pennsylvania	13.8%	0.3%	5.9%	26.2%	44.9%	4.9%
Rhode Island	17.3%	0.2%	5.8%	12.7%	18.8%	3.5%
South Carolina	20.4%	0.0%	8.3%	25.3%	30.3%	6.6%
South Dakota	24.3%	2.3%	13.7%	26.5%	25.3%	1.2%
Tennessee	5.1%	0.0%	11.2%	10.7%	42.9%	6.7%
Texas	10.1%	0.1%	5.6%	6.7%	34.7%	8.0%
Utah	39.8%	1.2%	14.8%	25.9%	47.8%	3.6%
Vermont	18.9%	2.8%	12.8%	40.1%	24.2%	2.0%
Virginia	12.2%	0.1%	5.2%	23.9%	58.9%	3.4%
Washington	18.4%	0.1%	9.1%	32.0%	43.3%	5.8%
West Virginia	42.4%	2.4%	3.2%	11.0%	21.9%	8.2%
Wisconsin	14.5%	0.8%	16.1%	40.6%	70.9%	4.8%
Wyoming	15.3%	0.2%	26.2%	24.3%	23.9%	4.3%
U.S. Totals	11.8%	0.6%	7.4%	16.8%	38.8%	5.0%

Hypothetical Impact in FY 1993 if an AFDC Block Grant Provision Similar to the Block Grant Option in the Personal Responsibility Act Had Been Adopted in FY 1988 Using FY 1987 Funding Levels

(amounts in millions)

State	FY 1993: Actual Federal Payments	Block Grant: 103% of FY 87 Level	Difference	Percentage Change
Alabama	\$79	\$57	(\$22)	-28%
Alaska	\$60	\$29	(\$31)	-51%
Arizona	\$200	\$65	(\$135)	-67%
Arkansas	\$50	\$42	(\$8)	-16%
California	\$3,205	\$2,157	(\$1,048)	-33%
Colorado	\$102	\$70	(\$32)	-31%
Connecticut	\$207	\$124	(\$83)	-40%
Delaware	\$23	\$15	(\$8)	-35%
Dist. of Columbia	\$67	\$52	(\$15)	-22%
Florida	\$517	\$202	(\$315)	-61%
Georgia	\$297	\$189	(\$109)	-37%
Guam	\$8	\$3	(\$5)	-63%
Hawaii	\$76	\$38	(\$38)	-50%
Idaho	\$24	\$18	(\$7)	-28%
Illinois	\$487	\$487	\$0	0%
Indiana	\$158	\$111	(\$47)	-30%
Iowa	\$111	\$110	(\$1)	-1%
Kansas	\$84	\$56	(\$28)	-33%
Kentucky	\$166	\$110	(\$56)	-34%
Louisiana	\$141	\$129	(\$12)	-8%
Maine	\$75	\$62	(\$14)	-18%
Maryland	\$190	\$147	(\$44)	-23%
Massachusetts	\$408	\$303	(\$106)	-26%
Michigan	\$751	\$777	\$26	3%
Minnesota	\$239	\$198	(\$41)	-17%
Mississippi	\$75	\$69	(\$6)	-8%
Missouri	\$189	\$146	(\$43)	-23%
Montana	\$37	\$30	(\$7)	-19%

NOTES:

The table estimates, for FY 1993, the hypothetical impact of a mandatory AFDC block grant provision similar to the block grant option in the Personal Responsibility Act, assuming implementation of the provision in FY 1988. The level of the block grant for each State is set at 103 percent of FY 1987 Federal payments for AFDC benefits and administration, unadjusted for inflation.

The Family Support Act was not in effect during FY 1987. To avoid overstating the impact of a block grant, Federal payments for AFDC work activities (WIN/JOBS) and AFDC-related child care are not included in either column.

Hypothetical Impact in FY 1993 if an AFDC Block Grant Provision Similar to the Block Grant Option in the Personal Responsibility Act Had Been Adopted in FY 1988 Using FY 1987 Funding Levels

(amounts in millions)

State	FY 1993: Actual Federal Payments	Block Grant: 103% of FY 87 Level	Difference	Percentage Change
Nebraska	\$46	\$41	(\$5)	-11%
Nevada	\$28	\$10	(\$17)	-63%
New Hampshire	\$31	\$12	(\$19)	-61%
New Jersey	\$341	\$298	(\$43)	-13%
New Mexico	\$94	\$45	(\$49)	-52%
New York	\$1,684	\$1,268	(\$416)	-25%
North Carolina	\$263	\$154	(\$109)	-41%
North Dakota	\$22	\$14	(\$8)	-38%
Ohio	\$626	\$522	(\$105)	-17%
Oklahoma	\$140	\$84	(\$55)	-40%
Oregon	\$146	\$92	(\$53)	-37%
Pennsylvania	\$561	\$506	(\$56)	-10%
Puerto Rico	\$65	\$59	(\$6)	-10%
Rhode Island	\$75	\$50	(\$25)	-33%
South Carolina	\$92	\$86	(\$6)	-6%
South Dakota	\$19	\$17	(\$3)	-14%
Tennessee	\$166	\$95	(\$71)	-43%
Texas	\$385	\$207	(\$178)	-46%
Utah	\$67	\$51	(\$15)	-23%
Vermont	\$42	\$31	(\$11)	-26%
Virgin Islands	\$3	\$2	(\$1)	-26%
Virginia	\$138	\$117	(\$20)	-15%
Washington	\$365	\$239	(\$126)	-35%
West Virginia	\$97	\$87	(\$10)	-10%
Wisconsin	\$289	\$348	\$58	20%
Wyoming	\$19	\$11	(\$8)	-43%
U.S. TOTAL	\$13,834	\$10,243	(\$3,591)	-26%

NOTES:

The table estimates, for FY 1993, the hypothetical impact of a mandatory AFDC block grant provision similar to the block grant option in the Personal Responsibility Act, assuming implementation of the provision in FY 1988. The level of the block grant for each State is set at 103 percent of FY 1987 Federal payments for AFDC benefits and administration, unadjusted for inflation.

The Family Support Act was not in effect during FY 1987. To avoid overstating the impact of a block grant, Federal payments for AFDC work activities (WIN/JOBS) and AFDC-related child care are not included in either column.

Nutrition program facts:

School lunch:

Serves 25 million children per day.

Children whose parents earn less than 130% of poverty line get a free lunch (USDA provides a reimbursement to the school to pay for the lunch); between 130% and 185% of poverty line do not have to spend more than 40 cents for lunch; the schools get money to improve the quality of meals for all children (less than 20 cents per lunch from USDA).

The American School Food Service Association estimates that 40,000 schools (out of 92,000 throughout the nation) and 10 million children would be forced off the school lunch program if the "Personal Responsibility Act" were enacted.

The "Personal Responsibility Act" also eliminates all nutrition requirements for school lunches; anything could be served to children.

For most states the Act would mean that about 45 percent of the children are taken off the school lunch program.

School Breakfast: similar principles and rules apply to the 5.4 million children on the school breakfast program.

WIC:

Provides nutritious foods to low-income pregnant women, infants and children. GAO reports that each dollar spent on a pregnant woman saves up to \$4 in medical costs for medical problems arising in the first 60 days after birth.

Average WIC household income is \$9,291 dollars.

About 3/4 of WIC families have incomes at or below the poverty level.

WIC serves one million pregnant women.

The National Association of WIC Directors is very concerned that the 5 percent cap on administration costs in the "Personal Responsibility Act" will greatly reduce WIC's ability to do medical and nutrition tests, and provide needed health counseling.

Food Stamps: 27 million Americans are on the food stamp program.

The food stamp program has job search and work requirements for all able-bodied adults (not senior citizens) not caring for infants or young children or for a disabled parent. Non-compliance with the work requirements makes the family ineligible.

Over 80 percent of food stamp benefits go to families with children.

97 percent of food stamp benefits go to families below the poverty line, and about 60 percent of benefits go to families below half of the poverty line.

Fifteen percent of households have at least one elderly person. 25 percent of households have either an elderly or disabled person.

Half of all food stamp households are off food stamps within six months.

Average food stamp benefit is 76 cents per person, per meal.

Senior Meals Programs (including "Meals on Wheels"):

These programs -- that provide either hot meals to the elderly (in "congregate" eating settings) or delivered meals to the homebound elderly -- would be terminated under the "Personal Responsibility Act."

CBO Baseline

DECEMBER 1994 BASELINE GROWTH (by program, in millions of dollars)

09-Jan-95

	1995	1996	1997	1998	1999	2000
FOSTER CARE & ADOPTION ASST.	3,437	3,912	4,265	4,661	5,040	5,466
STUDENT LOANS 1/	3,920	3,117	2,737	2,826	2,965	3,131
MEDICAID	89,957	100,134	110,952	123,072	135,995	149,458
MEDICARE, PART A (HI)	112,028	122,925	133,425	143,929	155,969	167,577
MEDICARE, PART B (SMI)	64,410	73,378	83,326	94,020	105,827	118,852
RAILROAD RETIREMENT	4,574	4,686	4,781	4,860	4,957	5,575
CIVIL SERVICE RETIREMENT	37,802	39,010	40,925	42,710	44,592	46,563
MILITARY RETIREMENT	27,878	28,965	30,560	32,329	34,978	36,866
UNEMPLOYMENT	21,645	23,060	24,128	25,571	27,012	28,191
FOOD STAMPS	25,140	25,950	27,370	28,820	30,280	31,110
CHILD NUTRITION	7,569	8,078	8,638	9,232	9,853	10,475
SUPPLEMENTAL SECURITY INCOME 2/	24,270	24,280	29,219	32,074	35,066	39,998
FAMILY SUPPORT PAYMENTS	17,181	17,520	17,892	18,333	18,849	19,425
SOCIAL SECURITY	333,747	351,592	370,515	390,323	411,102	433,299
READJUSTMENT BENEFITS	1,300	1,480	1,570	1,650	1,710	1,770
VET. COMP. & PENSIONS 3/	17,340	16,140	17,776	18,163	18,823	20,698
HOUSING ASSISTANCE 604	166	112	105	106	110	115
EARNED INCOME TAX CREDIT	17,260	20,392	22,904	23,880	24,938	25,982
VOCATIONAL REHABILITATION	2,336	2,401	2,481	2,560	2,646	2,736
TOTAL FOR ABOVE PROGRAMS	811,960	867,132	933,569	999,120	1,070,712	1,147,297
FARM PRICE SUPPORTS	9,694	9,573	8,675	8,299	8,577	8,705
Other Mandatory Programs	23,554	21,964	19,789	18,419	17,633	16,514
TOTAL: ALL CBO CATEGORIES	845,208	898,669	962,033	1,025,838	1,096,922	1,172,516

1/ Student loan liquidating acct. in other mandatory category

2/SSI: 11 payments in 1996; 13 in 2000.

3/Veterans: 11 payments in 1996; 13 in 2000.

09-Jan-95	*****1995 vs. 1996*****				
	CHANGE	GROWTH DUE TO CASELOAD CHANGE	COLA FREEZE	FREEZE CERTAIN PROGRAM PARAMETERS	RESIDUAL GROWTH
FOSTER CARE & ADOPTION ASST.	475	240	0	0	235
STUDENT LOANS 1/	(803)	0	0	0	(803)
MEDICAID	10,177	3,701	0	0	6,476
MEDICARE, PART A (HI)	10,897	1,664	0	1,699	7,534
MEDICARE, PART B (SMI)	8,968	1,013	0	2,349	5,606
RAILROAD RETIREMENT	112	(227)	140	0	199
CIVIL SERVICE RETIREMENT	1,208	176	577	0	455
MILITARY RETIREMENT	1,087	501	73	0	513
UNEMPLOYMENT	1,415	670	0	0	745
FOOD STAMPS	810	350	0	1,270	(810)
CHILD NUTRITION	509	250	190	0	69
SUPPLEMENTAL SECURITY INCOME 2/	10	1,377	536	0	(1,903)
FAMILY SUPPORT PAYMENTS	339	100	0	0	239
SOCIAL SECURITY	17,845	4,907	7,898	0	5,040
READJUSTMENT BENEFITS	180	130	40	10	0
VET. COMP. & PENSIONS 3/	(1,200)	(272)	495	0	(1,423)
HOUSING ASSISTANCE 604	(54)	0	0	0	(54)
EARNED INCOME TAX CREDIT	3,132	228	0	1,014	1,890
VOCATIONAL REHABILITATION	64	0	41	8	15
TOTAL FOR ABOVE PROGRAMS	55,172	14,808	9,990	6,350	24,024
		26.84%	18.11%	11.51%	43.54%
FARM PRICE SUPPORTS	(121)	0	0	0	(121)
Other Mandatory Programs	(1,590)				
TOTAL: ALL CBO CATEGORIES	53,461				

1/ Student loan liquidating acct. in other mandatory ca
 2/SSI: 11 payments in 1996; 13 in 2000.
 3/Veterans: 11 payments in 1996; 13 in 2000.

09-Jan-95	*****1995 vs. 1997*****				
	CHANGE	GROWTH DUE TO CASELOAD CHANGE	COLA FREEZE	FREEZE CERTAIN PROGRAM PARAMETERS	RESIDUAL GROWTH
FOSTER CARE & ADOPTION ASST.	828	480	0	0	348
STUDENT LOANS 1/	(1,183)	0	0	0	(1,183)
MEDICAID	20,995	7,502	0	0	13,493
MEDICARE, PART A (HI)	21,397	3,326	0	5,530	12,541
MEDICARE, PART B (SMI)	18,916	1,909	0	4,840	12,167
RAILROAD RETIREMENT	207	(683)	343	0	547
CIVIL SERVICE RETIREMENT	3,123	397	2,114	0	612
MILITARY RETIREMENT	2,682	1,002	1,001	0	679
UNEMPLOYMENT	2,483	1,260	0	0	1,223
FOOD STAMPS	2,230	140	0	2,440	(350)
CHILD NUTRITION	1,069	530	460	0	79
SUPPLEMENTAL SECURITY INCOME 2/	4,949	2,922	1,594	0	433
FAMILY SUPPORT PAYMENTS	711	205	0	0	506
SOCIAL SECURITY	36,768	9,374	19,593	0	7,801
READJUSTMENT BENEFITS	270	160	80	30	0
VET. COMP. & PENSIONS 3/	436	(548)	986	0	(2)
HOUSING ASSISTANCE 604	(61)	0	0	0	(61)
EARNED INCOME TAX CREDIT	5,644	497	0	2,424	2,723
VOCATIONAL REHABILITATION	145	0	110	18	18
TOTAL FOR ABOVE PROGRAMS	121,609	28,473	26,281	15,282	51,574
FARM PRICE SUPPORTS	(1,019)	0	0	0	(1,019)
Other Mandatory Programs	(3,765)				
TOTAL ALL CBO CATEGORIES	116,825	23.41%	21.61%	12.57%	42.41%

1/ Student loan liquidating acct. in other mandatory ca
 2/SSI: 11 payments in 1996; 13 in 2000.
 3/Veterans: 11 payments in 1996; 13 in 2000.

-----1995 vs. 1998-----

09-Jan-95	CHANGE	GROWTH DUE TO CASELOAD CHANGE	COLA FREEZE	FREEZE CERTAIN PROGRAM PARAMETERS	RESIDUAL GROWTH
FOSTER CARE & ADOPTION ASST.	1,224	730	0	0	494
STUDENT LOANS 1/	(1,094)	0	0	0	(1,094)
MEDICAID	33,115	10,920	0	0	22,195
MEDICARE, PART A (HI)	31,901	4,859	0	9,399	17,643
MEDICARE, PART B (SMI)	29,610	2,744	0	6,785	20,081
RAILROAD RETIREMENT	286	(904)	553	0	637
CIVIL SERVICE RETIREMENT	4,908	609	3,418	0	881
MILITARY RETIREMENT	4,451	1,503	2,087	0	861
UNEMPLOYMENT	3,926	1,820	0	0	2,105
FOOD STAMPS	3,680	(140)	0	3,670	150
CHILD NUTRITION	1,663	810	770	0	83
SUPPLEMENTAL SECURITY INCOME 2/	7,804	4,339	2,726	0	739
FAMILY SUPPORT PAYMENTS	1,152	312	0	0	840
SOCIAL SECURITY	56,576	13,523	31,997	0	11,056
READJUSTMENT BENEFITS	350	190	120	40	0
VET. COMP. & PENSIONS 3/	823	(820)	1,598	0	45
HOUSING ASSISTANCE 604	(60)	0	0	0	(60)
EARNED INCOME TAX CREDIT	6,620	799	0	3,912	1,909
VOCATIONAL REHABILITATION	224	0	183	28	12
TOTAL FOR ABOVE PROGRAMS	187,159	41,294	43,452	23,834	78,579
		22.06%	23.22%	12.73%	41.98%
FARM PRICE SUPPORTS	(1,395)	0	0	0	(1,395)
Other Mandatory Programs	(5,134)				
TOTAL: ALL CBO CATEGORIES	180,630				

1/ Student loan liquidating acct. in other mandatory ca

2/SSI: 11 payments in 1996; 13 in 2000.

3/Veterans: 11 payments in 1996; 13 in 2000.

*****1995 vs. 1999*****

09-Jan-95	CHANGE	GROWTH DUE TO CASELOAD CHANGE	COLA FREEZE	FREEZE CERTAIN PROGRAM PARAMETERS	RESIDUAL GROWTH
FOSTER CARE & ADOPTION ASST.	1,603	985	0	0	618
STUDENT LOANS 1/	(955)	0	0	0	(955)
MEDICAID	46,038	14,878	0	0	31,160
MEDICARE, PART A (HI)	43,941	6,343	0	13,467	24,131
MEDICARE, PART B (SMI)	41,417	3,588	0	8,135	29,694
RAILROAD RETIREMENT	383	(1,125)	765	0	743
CIVIL SERVICE RETIREMENT	6,790	848	4,753	0	1,189
MILITARY RETIREMENT	7,100	2,004	4,037	0	1,059
UNEMPLOYMENT	5,367	2,340	0	0	3,027
FOOD STAMPS	5,140	(500)	0	5,020	620
CHILD NUTRITION	2,284	1,090	1,110	0	84
SUPPLEMENTAL SECURITY INCOME 2/	10,796	5,737	4,009	0	1,050
FAMILY SUPPORT PAYMENTS	1,668	421	0	0	1,247
SOCIAL SECURITY	77,355	17,661	44,744	0	14,950
READJUSTMENT BENEFITS	410	180	170	60	0
VET. COMP. & PENSIONS 3/	1,483	(1,027)	2,196	0	314
HOUSING ASSISTANCE 604	(56)	0	0	0	(56)
EARNED INCOME TAX CREDIT	7,678	1,114	0	5,528	1,036
VOCATIONAL REHABILITATION	310	0	260	39	11
TOTAL FOR ABOVE PROGRAMS	258,752	54,537 21.08%	62,044 23.98%	32,249 12.46%	109,922 42.48%
FARM PRICE SUPPORTS	(1,117)	0	0	0	(1,117)
Other Mandatory Programs	(5,921)				
TOTAL: ALL CBO CATEGORIES	251,714				

1/ Student loan liquidating acct. In other mandatory ca
 2/SSI: 11 payments in 1996; 13 in 2000.
 3/Veterans: 11 payments in 1996; 13 in 2000.

*****1996 vs. 2000*****

09-Jan-95	CHANGE	GROWTH DUE TO CASELOAD CHANGE	COLA FREEZE	FREEZE CERTAIN PROGRAM PARAMETERS	RESIDUAL GROWTH
FOSTER CARE & ADOPTION ASST.	2,029	1,240	0	0	789
STUDENT LOANS 1/	(789)	0	0	0	(789)
MEDICAID	59,501	18,410	0	0	41,091
MEDICARE, PART A (HI)	55,549	7,862	0	17,710	29,977
MEDICARE, PART B (SMI)	54,452	4,084	0	9,167	41,201
RAILROAD RETIREMENT	1,001	(1,125)	980	0	1,146
CIVIL SERVICE RETIREMENT	8,761	1,062	6,119	0	1,580
MILITARY RETIREMENT	8,988	2,505	4,752	0	1,731
UNEMPLOYMENT	6,546	2,420	0	0	4,126
FOOD STAMPS	5,970	(900)	0	6,490	380
CHILD NUTRITION	2,906	1,350	1,490	0	66
SUPPLEMENTAL SECURITY INCOME 2/	15,728	7,574	5,504	0	2,650
FAMILY SUPPORT PAYMENTS	2,244	542	0	0	1,702
SOCIAL SECURITY	99,552	22,220	57,808	0	19,524
READJUSTMENT BENEFITS	470	190	190	70	20
VET. COMP. & PENSIONS 3/	3,358	(1,326)	2,841	0	1,843
HOUSING ASSISTANCE 604	(51)	0	0	0	(51)
EARNED INCOME TAX CREDIT	8,722	1,443	0	7,170	109
VOCATIONAL REHABILITATION	400	0	338	51	11
TOTAL FOR ABOVE PROGRAMS	335,337	67,551 20.14%	80,022 23.86%	40,658 12.12%	147,106 43.87%
FARM PRICE SUPPORTS	(989)	0	0	0	(989)
Other Mandatory Programs	(7,040)				
TOTAL: ALL CBO CATEGORIES	327,308				

1/ Student loan liquidating accl. in other mandatory ca
 2/SSI: 11 payments in 1996; 13 in 2000.
 3/Veterans: 11 payments in 1996; 13 in 2000.

CASH WELFARE PROGRAMS (9)

Total cash welfare spending:	
Federal:	\$52.6 billion
State:	\$16.7 billion
Total spending:	\$69.3 billion

*Aid to Families With Dependent Children	
Federal:	\$13.7 billion
State:	\$11.4 billion
Total spending:	\$25.1 billion
People helped:	13,754,000

GOP reform:

- Federal spending is capped (estimated at less than 5 percent annually).
- Unwed parents 17 and younger become ineligible for AFDC.
- Federal AFDC funds not used for unwed teen parents are given to states to create non-cash services to those parents.
- Unwed teen mothers 18 and older must live at home to receive AFDC.
- State may define unwed mothers ages 18, 19 and 20 as ineligible for AFDC and housing services.
- Paternity must be established before any AFDC is paid.
- AFDC benefits do not increase if additional children are born.
- Substance abusers must participate in treatment program to receive benefits.
- Many AFDC recipients are required to work 35 hours a week.
- States are required to drop families from AFDC after five years.
- States may drop families from AFDC after two years.
- States may receive all federal AFDC funding as a block grant.

*Supplemental Security Income	
Federal:	\$22.6 billion
State:	\$ 3.3 billion
Total spending:	\$25.9 billion
People helped:	4,875,000 (per month)

GOP reform:

- Federal spending is capped (estimated at less than 5 percent annually).

General Assistance (state cash program)	
State:	\$3.3 billion
People helped:	1,205,000 (estimated)

Earned Income Tax Credit (refundable portion only)	
Federal:	\$13.2 billion
(estimated)	
Number of households helped:	13.86 million

*Foster Care, Title IV E	
Federal:	\$2.5 billion
State:	\$1.7 billion
Total spending:	\$4.2 billion
People helped:	222,000 (per month)

Assistance to Refugees, Cuban/Haitian entrants	
Federal:	\$65 million
People helped:	31,300

Emergency Assistance to Needy Families With Children	
Federal:	\$202 million
State:	\$202 million
Total spending:	\$404 million
People helped:	52,900 (per month)

Adoption Assistance (for parents of low-income, special needs children)	
Federal:	\$273 million
State:	\$155 million
Total spending:	\$428 million
People helped:	66,200

General Assistance to Indians	
Federal:	\$106 million
People helped:	55,540 (per month)

MEDICAL WELFARE PROGRAMS (8)

Total medical welfare spending:	
Federal:	\$93.9 billion
State:	\$ 61.6 billion
Total spending:	\$155.5 billion

*Medicaid	
Federal:	\$ 75.7 billion
State:	\$ 56.0 billion
Total spending:	\$131.7 billion
People helped:	30,802,000

GOP reform:

- Noncitizen residents are eligible for emergency services.

General Assistance (state program)	
State:	\$5.2 billion (estimated)
People helped:	n/a

Indian Health Services	
Federal:	\$1.4 billion
People helped:	1,100,000

*Maternal and Child Health Services Block Grant, Title V	
Federal:	\$664 million
State:	\$423 million
Total spending:	\$1 billion
People helped:	5,850,000

*Community Health Centers	
Federal:	\$558 million
People helped:	5,860,000

Medical Assistance to Refugees and Cuban/Haitian entrants	
Federal:	\$98 million
People helped:	43,500

*Migrant Health Centers	
Federal:	\$57 million
People helped:	600,000

Medicare (poverty population only)	
Federal:	\$15.5 billion
People helped:	391,664

FOOD WELFARE PROGRAMS (11)

Total food welfare spending:	
Federal:	\$34.3 billion
State:	\$ 1.6 billion
Total spending:	\$35.9 billion

Food Stamps	
Federal:	\$23.5 billion
State:	\$ 1.6 billion
Total spending:	\$25.1 billion
People helped:	25,400,000

School Lunch Program	
Federal:	\$4.6 billion
People helped:	24,100,000

Special Supplemental Food Program for Women, Infants and Children	
Federal:	\$2.8 billion
People helped:	5,412,303

Emergency Food Assistance Program	
Federal:	\$163 million
People helped:	7,500,000

Nutrition Program for the Elderly	
Federal:	\$573 million
State:	\$ 65 million
Total spending:	\$638 million
People helped:	3,349,000

School Breakfast Program	
Federal:	\$866 million
People helped:	4,500,000

Child and Adult Care Food Program (means-tested part only)	
Federal:	\$1.2 billion
People helped:	1,019,000

Summer Food Service Program for Children	
Federal:	\$210 million
People helped:	1,919,000

Food Distribution Program on Indian Reservations	
Federal:	\$61 million
People helped:	119,000

Commodity Supplemental Food Program	
Federal:	\$110 million
People helped:	345,500

Special Milk Program (free segment)	
Federal:	\$1.4 million
People helped:	60,000

GOP reform:

- Repeals the seven acts that authorize these 11 programs.
- Creates Food Assistance Block Grant program, which will provide same services as repealed programs.
- States will receive block grants according to poverty population and other criteria.
- Initial funding for block grant will be \$35.6 billion; subsequent funding growth will be restricted.
- Noncustodial parents who receive food benefits must work eight hours a week.
- Noncitizen residents are ineligible for food assistance.

In fiscal 1993, federal and state governments spent \$320 billion on 80 means-tested programs designed to help people and communities in poverty. Means-tested refers to a requirement that the recipient's income be below a certain threshold to qualify for aid.

Data for 80 of the largest programs is listed below. Figures are from 1992 or fiscal year 1993; they were obtained from government sources and the Congressional

U.S. WELFARE PROGRAMS

Research Service and compiled by the Heritage Foundation.

The welfare proposal contained in the House Republicans "Contract With America" would: 1) Cap federal spending for Aid to Families With Dependent Children (AFDC). Supplemental Security Income and 15 housing programs; 2) Combine 11 nutrition programs into a single block grant to be distributed to states according to their

poverty population; 3) Make 60 programs unavailable to most noncitizen residents; 4) Change eligibility rules for AFDC and housing programs making them unavailable to young, unwed parents; 5) Give AFDC funding not used for young, unwed parents to states to create non-cash services for those parents and their families.

The GOP estimates these and other changes will save \$40 billion over five years.

HOUSING WELFARE PROGRAMS (15)

Total housing welfare spending

Federal:	\$20.6 billion
State:	\$ 2.8 billion (est.)
Total spending:	\$23.4 billion

*Section 8 Housing Assistance

Federal:	\$13.2 billion
Number of households helped:	835,076

*Low-rent Public Housing

Federal:	\$3.7 billion
Number of households helped:	1,409,000

*Section 502 (rural housing loans)

Federal:	\$1.8 billion
Number of households helped:	25,700

*Section 236 (interest reduction payments)

Federal:	\$634 million
Number of households helped:	510,600

*Section 515 (rural rental housing loans)

Federal:	\$573 million
Number of households helped:	15,000

*Section 521 (rural rental assistance)

Federal:	\$393 million
Number of households helped:	29,434

*Section 235 (home ownership assistance)

Federal:	\$62 million
Number of households helped:	98,000

*Section 101 (rent supplements)

Federal:	\$55 million
Number of households helped:	20,000

Indian Housing Improvement Grants

Federal:	\$19 million
Number of households helped:	1,380

*Section 504 (rural housing repair loans)

Federal:	\$11 million
Number of households helped:	5,300

*Section 514 (farm labor housing loans)

Federal:	\$16 million
Number of households helped:	574

*Section 523 (rural housing grants and loans)

Federal:	\$11 million
Number of households helped:	n/a

*Section 516 (farm labor housing grants)

Federal:	\$15 million
Number of households helped:	600

*Section 533 (rural housing preservation grants)

Federal:	\$23 million
Number of households helped:	4,000

Public housing expenditures by state government

State:	\$2.8 billion
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(estimated)	
Number of households helped:	n/a

GOP reform:

- Federal spending is capped (estimated at less than 5 percent annually).
- State has the option to deny federal housing programs to older unwed teen parents.

ENERGY WELFARE PROGRAMS (2)

Total energy welfare spending

Federal:	\$1.5 billion
State:	\$ 92 million
Total spending:	\$1.5 billion

*Low-Income Home Energy Assistance Program

Federal:	\$1.3 billion
State:	\$ 92 million
Total:	\$2.2 billion

Number of households helped:	6,200,000
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*Weatherization Assistance

Federal:	\$186 million
Number of households helped:	87,000

EDUCATION WELFARE PROGRAMS (10)

Total education welfare spending

Federal:	\$16.3 billion
State:	\$ 772 million
Total:	\$17 billion

Pell Grants

Federal:	\$6 billion
People helped:	4,200,000

Head Start

Federal:	\$2.7 billion
State:	\$694 million
Total:	\$3.4 billion
People helped:	621,000

Title I Grants

Federal:	\$6.1 billion
People helped:	n/a

Supplemental Educational Opportunity Grants

Federal:	\$588 million
People helped:	907,000

Chapter 1 Migrant Education Program

Federal:	\$302 million
People helped:	417,000

TRIO programs (6)

Federal:	\$388 million
People helped:	649,200

State Student Incentive Grants

Federal:	\$ 78 million
State:	\$ 78 million
Total:	\$156 million

People helped:	240,000
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Fellowships for graduate/professional study

Federal:	\$61 million
People helped:	1,981

The Follow Through Program

Federal:	\$8 million
People helped:	n/a

Even Start

Federal:	\$90 million
People helped:	n/a

WORK-RELATED WELFARE PROGRAMS (9)

Total work-related welfare spending

Federal:	\$4.2 billion
State:	\$510 million
Total spending:	\$4.7 billion

*Job Training Partnership Act

Title II-A (job training and support):	
Federal:	\$1.1 billion
People helped:	416,000

*Job Training Partnership Act

Title II-B (summer jobs):	
Federal:	\$849 million
People helped:	625,000

*Job Training Partnership Act

Title IV (Job Corps):	
Federal:	\$949 million
People helped:	40,000

*Older Americans Act

Title V (work program for seniors):	
Federal:	\$389 million
State:	43 million
Total spending:	\$432 million
People helped:	64,353

Job Opportunity and Basic Skills Training

Federal:	\$736 million
State:	456 million
Total spending:	\$1.1 billion
People helped:	510,000

Foster Grandparents Program

Federal:	\$38 million
State:	8 million
Total spending:	\$46 million
People helped:	18,120

Senior Companion Program

Federal:	\$14 million
State:	3 million
Total spending:	\$17 million
People helped:	7,790

Migrant & Seasonal Farmworker Program

Federal:	\$78 million
People helped:	53,000

Native American Employment & Training Program

Federal:	\$61 million
People helped:	21,900

GOP reform:

- Authorizes \$9.9 billion to states to create and run work programs.
- AFDC recipients are required to work 35 hours a week or enroll in job training programs.
- One parent in two-parent family must work 32 hours a week.
- AFDC recipients can be in work program a maximum of two years.
- 100,000 AFDC recipients must work in first year of reform.
- 200,000 AFDC recipients must work in

second year of reform.

■ 400,000 AFDC recipients must work in the year of reform.

■ 600,000 AFDC recipients must work in fourth year of reform.

■ 900,000 AFDC recipients must work in fifth year of reform.

■ 1.5 million recipients must work in sixth year of reform.

■ Federal spending is capped (estimated 5 percent annual growth).

SOCIAL SERVICES WELFARE PROGRAMS (11)

Total social services welfare spending:

Federal:	\$5.9 billion
State:	\$2.2 billion
Total spending:	\$8.1 billion

*Social Services Block Grant Title XX

Federal:	\$2.7 billion
State:	\$2.2 billion
Total spending:	\$4.9 billion

People helped:	n/a
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*Community Services Block Grant

Federal:	\$442 million
People helped:	n/a

*Legal Services Corporation

Federal:	\$360 million
People helped:	n/a

*Emergency Food & Shelter Program

Federal:	\$128 million
People helped:	n/a

Social Services for Refugees and Cuban/Haitian entrants

Federal:	\$68 million
People helped:	339,800

Public Health Service Act Title X (family planning)

Federal:	\$162 million
People helped:	4,300,000

Volunteers In Service To America (3,966 VISTA volunteers)

Federal:	\$43 million
People helped:	n/a

Older Americans Act Title III (supportive services for elderly)

Federal:	\$296 million
People helped:	n/a

*"At-risk" Daycare Assistance Grants (for AFDC families)

Federal:	\$264 million
Number of households helped:	57,440

GOP reform:

■ Federal spending is capped (estimated 5 percent growth annually).

*Child Care & Development Block Grant

Federal:	\$892 million
People helped:	570,000

*Child Care for Recipients (and Ex-Recipients of AFDC)

Federal:	\$595 million
People helped:	265,000

COMMUNITY DEVELOPMENT WELFARE PROGRAMS (5)

Total community development welfare spending

Federal:	\$4.7 billion
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Community Development Block Grant

Federal:	\$4.2 billion
Number of households helped:	n/a

Urban Development Action Grant Program

Federal:	\$51 million
Number of households helped:	n/a

Economic Development Administration

Federal:	\$26 million
Number of households helped:	n/a

Appalachian Regional Development Program

Federal:	\$144 million
Number of households helped:	n/a

*State Legalization Impact Assistance Grants

Federal:	\$325 million
People helped:	114,000

*Programs that will be unavailable to noncitizen residents, except elderly, lawfully admitted individuals who have lived in the United States for at least five years. Some programs for which they are not eligible are not on this list.

WR-STATISTICS

December 23, 1993

THE FACTS ABOUT AMERICA'S POOR

Robert Rector
Senior Policy Analyst

Each year, the U.S. Census Bureau reports the number of Americans who are "living in poverty." According to the Bureau, in 1992 there were 37 million poor Americans. But a close look at the actual material living standards of persons defined as "poor" demonstrates that the Census Bureau's official poverty report is highly misleading. For most Americans the word "poverty" means destitution, an inability to provide a family with nutritious food, clothing, and reasonable shelter. Only a small number of the 37 million persons classified as "poor" by the Census Bureau fit such a description.

In fact, numerous government reports indicate that most "poor" Americans today are better housed, better fed, and own more personal property than average Americans throughout most of the century. As Chart 1 shows, in 1991, the per capita expenditures of the lowest income one-fifth of the U.S. population exceeded the per capita income of the average American household in 1960, after adjusting for inflation.¹

Actual Living Standards

The following are facts about persons defined as "poor" by the Census Bureau. Data are taken from various government reports:

- ✓ In 1991 nearly 40 percent of all "poor" households actually owned their own homes. The average home owned by persons classified as "poor" by the Census Bureau is a three-bedroom house with a garage and porch or patio.²
- ✓ Over three-quarters of a million "poor" persons own homes worth over \$100,000; 71,000 "poor" persons own homes worth over \$300,000.³

FYI/12/93

- 1 U.S. Department of Labor, Bureau of Labor Statistics, *Consumer Expenditures in 1991*, Report 835, December 1992, p. 4. U.S. Department of Commerce, Bureau of the Census, *Historical Statistics of the United States, Part I* (Washington, D.C.: U.S. Bureau of the Census), 1975, pp. 297 and 301.
- 2 U.S. Department of Housing and Urban Development, and U.S. Department of Commerce, Bureau of the Census, *American Housing Survey for the United States in 1991*, Current Housing Reports H150/91 (Washington D.C.: U.S. Government Printing Office, April 1993), pp. 38, 90, 94, 102.
- 3 *Ibid.*, p. 120.

- ✓ Only 8 percent of "poor" households are overcrowded. Nearly 60 percent have more than two rooms per person.⁴
- ✓ As Chart 2 shows, the average "poor" American has twice as much living space as the average Japanese and four times as much living space as the average Russian. (Note: These comparisons are to the *average* citizens in Russia and Japan, not to those classified as poor.)⁵
- ✓ Nearly 60 percent of "poor" households have air conditioning.⁶ By contrast, just twenty years ago only 36 percent of the entire U.S. population enjoyed air conditioning.
- ✓ Sixty-four percent of "poor" households own a car; 14 percent own two or more cars.⁷
- ✓ Fifty-six percent own microwave ovens.⁸
- ✓ Close to a quarter have an automatic dishwasher;⁹ nearly one-third own a separate, stand-alone freezer in addition to their refrigerator.¹⁰
- ✓ Ninety-one percent have a color television. Twenty-nine percent own two or more color televisions.¹¹
- ✓ "Poor" Americans live in larger houses or apartments, eat more meat, and are more likely to own cars and dishwashers than is the general population in Western Europe.¹²
- ✓ The "poor" are far from being chronically hungry and malnourished. In fact, poor persons are more likely to be overweight than are the middle-class persons.¹³
- ✓ Poor children actually consume more meat than do higher-income children and have average protein intakes 100 percent above recommended levels.¹⁴

4 Only 7.5 percent of poor households have one room per person or less. *Ibid.*, p. 42.

5 Robert Rector, "How the Poor Really Live: Lessons for Welfare Reform" Heritage Foundation *Backgrounder* No. 875, January 31 1992, pp. 12, 13.

6 *American Housing Survey for the United States in 1991*, p. 50.

7 *Ibid.*, p. 50.

8 U.S. Department of Energy, Energy Information Administration, *Housing Characteristics 1990* (Washington, D.C., Department of Energy, May 1992). *Ibid.*, p. 112.

9 *American Housing Survey*, *op. cit.*, p. 44.

10 *Housing Characteristics*, *op. cit.*, p. 114.

11 U.S. Department of Energy, Energy Information Administration, *Housing Characteristics 1990* (Washington D.C., Department of Energy, May 1992), p. 115.

12 Robert Rector, Kate Walsh O'Beirne, Michael McLaughlin, "How Poor Are America's Poor?" Heritage Foundation *Backgrounder* No. 791, September 21, 1990.

13 Robert Rector, "Food Fight: How Hungry Are America's Children?" *Policy Review*, Fall 1991.

14 U.S. Department of Agriculture, Human Nutrition Information Service, Nutrition Monitoring Division, *Low Income Women 19-50 Years and Their Children 1-5 Years, 4 Days, Nationwide Food Consumption Survey of Food Intakes by Individuals*, NFCS CSFII Report No. 85-5 (Washington, D.C.: U.S. Department of Agriculture, March 1988), pp. 14, 72-73. U.S. Department of Agriculture, Human Nutrition Information Service, Nutrition Monitoring Division, *Women 19-50 Years and Their Children 1-5 Years, 4 Days, Nationwide Food Consumption Survey of Food Intakes by Individuals*, NFCS CSFII Report No. 85-4 (Washington, D.C.: U.S. Department of Agriculture, August 1987), pp. 16, 64-65.

✓ As Table 1 shows, the average consumption of protein, vitamins, and minerals is virtually the same for poor and middle-class children, and in most cases is well above recommended norms.¹⁵ Poor children today are in fact super-nourished, growing up to be on average one inch taller and ten pounds heavier than the GIs who stormed the beaches of Normandy in World War II.¹⁶

Comparing Spending with Income

The Census Bureau counts as poor any household with a cash income less than the official poverty threshold, which was \$14,343 for a family of four in 1992. But the simple fact is that the Census Bureau dramatically undercounts the incomes of less affluent Americans. Other government surveys consistently show that spending by low-income U.S. households greatly exceeds the income which Census claims these households have.

As Chart 3 shows, in 1991 Census claimed that the lowest income fifth (or quintile) of U.S. households had an average "income" of \$7,263. In the same year, the Consumer Expenditure Survey of the Department of Labor showed that the average household in the same lowest income quintile spent \$13,464. The Labor Department and the Census Bureau data directly contradict each other. The Labor Department survey shows \$1.85 in spending for every \$1.00 of income Census claims these same households possess. This is no fluke; a similar wide gap between spending and alleged "income" occurred throughout the 1980s.

But the picture is still incomplete. When counting household expenditures, the Labor Department's Consumer Expenditure Survey excludes public housing subsidies and health care subsidies provided through Medicaid, Medicare, and other government medical programs. If housing and medical subsidies are included, the total expenditures of the average household in the bottom income quintile rise to \$17,804.¹⁷ This means less-affluent households spend \$2.45 for every \$1.00 of "income" reported by Census.

Table 1
Average Per-Capita Consumption of Nutrients as a Percentage of Recommended Daily Allowances for Children Under Age 6 in 1985

	Family Income Below 75% of Poverty Threshold	Family Income Above 300% of Poverty Threshold
Protein	211	213
Vitamin B-12	211	164
Thiamin	192	152
Vitamin A	186	230
Vitamin C	179	164
Riboflavin	181	182
Folacin	149	158
Niacin	138	145
Phosphorous	120	127
Vitamin B-6	113	133
Vitamin E	113	102
Magnesium	105	126
Calcium	94	99
Zinc	76	73

Source: See footnote 15.

15 *Low Income Women 19-50 Years and Their Children 1-5 Years, 4 Days, op.cit.*, pp. 72-73. *Women 19-50 Years and Their Children 1-5 Years, 4 Days, op.cit.*, pp. 64-65.

16 Based on a comparison of males in their late teens. Bernard D. Karpinos, *Height and Weight of Military Youths* (Medical Statistics Division, Office of the Surgeon General, Department of the Army, 1960), pp. 336-351. Information on the current height and weight of youths provided by the National Center for Health Statistics of the U.S. Department of Health and Human Services based on the National Health and Nutrition Examination survey.

17 This calculation assumes that the bottom income quintile received the following share of government outlays: 75 percent of means-tested housing subsidies; 60 percent of means-tested medical subsidies to non-institutionalized persons, and 30 percent of Medicare outlays. The share of outlays going to the bottom quintile was estimated using data provided in the American Housing Survey, the Current Population Survey, and the Survey of Income and Program Participation.

Errors in the Census Bureau's Poverty Measurement

The above facts make it clear that something is radically wrong with the annual Census Bureau poverty report. In reality, the Census report dramatically underestimates the economic resources available to less affluent American households and dramatically overstates the number of poor Americans. There are three sources of error in the annual Census poverty report.

- 1) **The Census Bureau fails to count most welfare benefits as income.** As noted, the Census Bureau counts as poor any household whose "income" falls below specified thresholds. However, in determining family's income, the Census Bureau deliberately ignores all non-cash welfare benefits received by the family. For example, if a family received \$4,000 in Food Stamps and \$5,000 in housing aid over a year, these benefits would be treated as having zero income value by Census.

In 1992, federal, state, and local governments spent \$305 billion on welfare programs providing cash, food, housing, medical aid and social services to low-income Americans. This was roughly three times the amount of money needed to raise the incomes of all poor Americans, as identified by the Census Bureau, above the poverty income thresholds. But the Census Bureau, in counting incomes, ignores most of this welfare aid. According to the official government figures, Medicaid, Food Stamps, the Women, Infants and Children (WIC) food program, public housing, and most other welfare programs, have no effect on the living standards of the poor.

In 1992, welfare benefits and services which were provided to low-income Americans, but not counted as income by the Census Bureau, equalled \$183 billion, or 3.1 percent of the total U.S. economy. Overall, the missing or non-counted funds amounted to \$11,470 for every "poor" household. While not every poor household received that level of non-cash aid, it clear that Census vastly undercounts the level of government assistance provided to most low income households.

- 2) **The Census poverty report also undercounts household income because it fails to count the enormous "underground economy" in the U.S.** The underground economy consists primarily of persons who perform legitimate work "off the books" in order to avoid government taxes and regulation. Most of the individuals with "off the books" earnings are low-income persons, particularly those who are self-employed or work in small businesses. Estimates put the total value of the unreported earnings at around \$300 billion or 5 percent of the gross national product.¹⁸ While Americans do report more income to the Census Bureau than to the Internal Revenue Service, much of the informal economy is still not reported to the Census Bureau and thus not included in the Census count of household income.¹⁹
- 3) **The Census Bureau ignores household assets.** In determining whether a household is "poor" the Census Bureau counts only the household's income in the current year. It ignores all assets accumulated in prior years. Thus a businessman, who has suffered losses and, as a result, has a zero or negative income for the current year, will be officially counted as "poor" even if he owns a home and has several million dollars in the bank.

18 These figures include only unreported wages and self-employment earnings from lawful activities. U.S. Department of Labor, *The Underground Economy in the United States*, Occasional Paper No. 2, September 1992, p. 24. See also Carol S. Carson, "The Underground Economy: An Introduction," *Survey of Current Business*, May 1984, pp. 21-37.

19 U.S. Department of the Treasury, Internal Revenue Service, *Estimates of Income Unreported on Individual Income Tax Returns*, Publication 1104 (9-79), pp. 118-132.

War on Poverty Not a Success

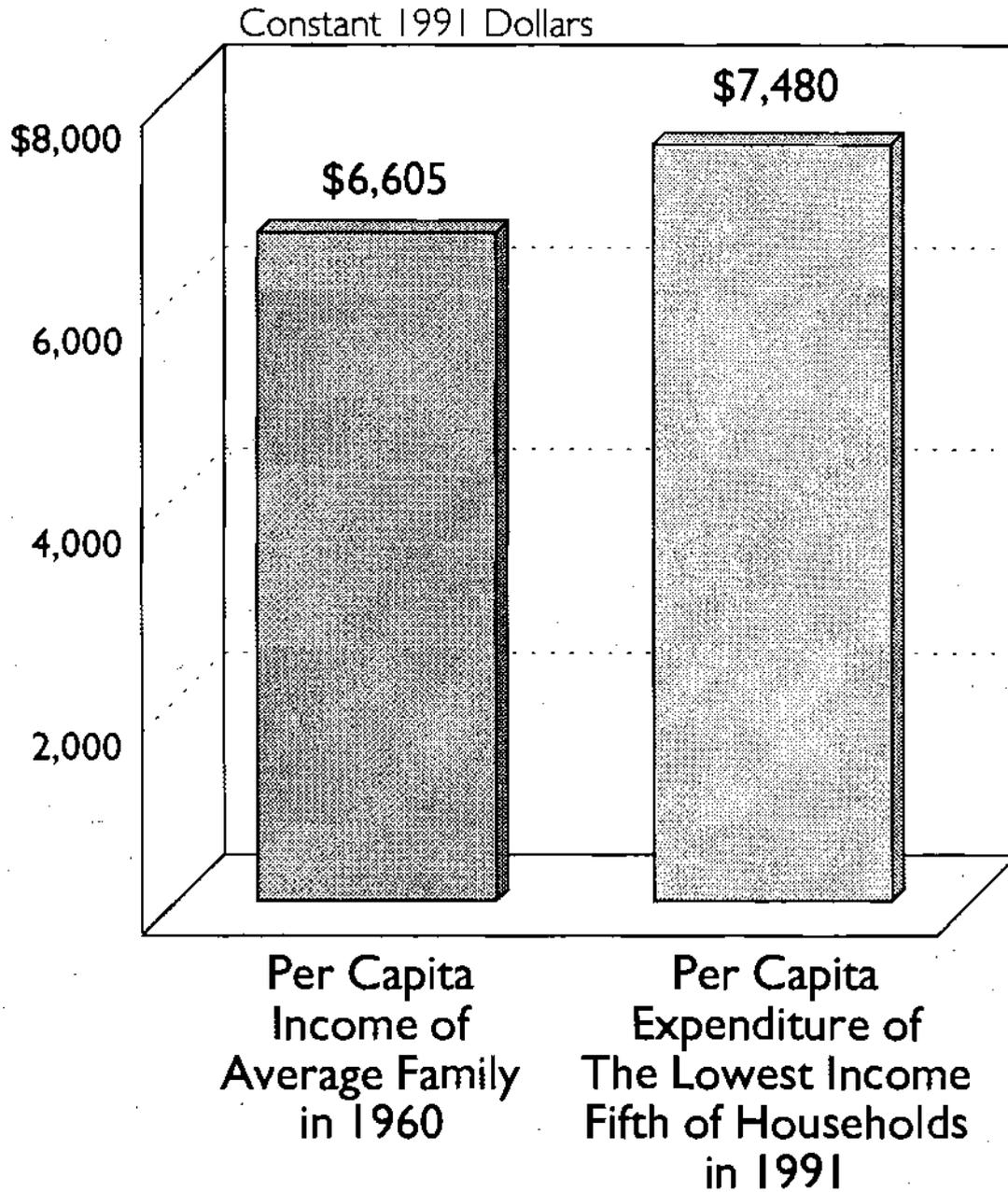
If poverty is defined as: an individual who lacks adequate nutritious food for his family, lacks clothing, lacks a reasonably warm, dry apartment to live in, or who needs a car to get to work and does not have one—then there are very few poor persons remaining in the U.S. Certainly, only a small fraction of the 37 million persons classified as “poor” by Census would be poor by the preceding criteria.

But the low level of actual material poverty in the U.S. should not be regarded as victory for the War on Poverty. Studies reveal that the biggest effect of current welfare spending is not to raise income, but merely to replace self-sufficiency with dependence. A second consequence of welfare has been the destruction of families. In 1959, 28 percent of poor families with children were headed by women. By 1991, 61 percent of poor families with children were headed by single mothers. In the 1960s when the War on Poverty was beginning, the black illegitimate birth rate was about 25 percent; today more than two out of three black children are born out of wedlock. Similar increases in illegitimacy are occurring among low-income whites; the illegitimate birth rate among white high school dropouts is now 48 percent.

The Census Bureau poverty figures lack even a tenuous link to social and economic realities in the U.S. Even worse, the Census Bureau, by creating a false picture of widespread chronic material poverty, distracts attention from the real problems crippling low-income communities: crime, prolonged welfare dependence, illegitimacy and family breakup, eroded work ethic, and moribund, failing public school systems. It thus makes solving these real problems all the more difficult.

Chart 1

Living Standards of Low-Income Households Today Exceed Average Household in 1960

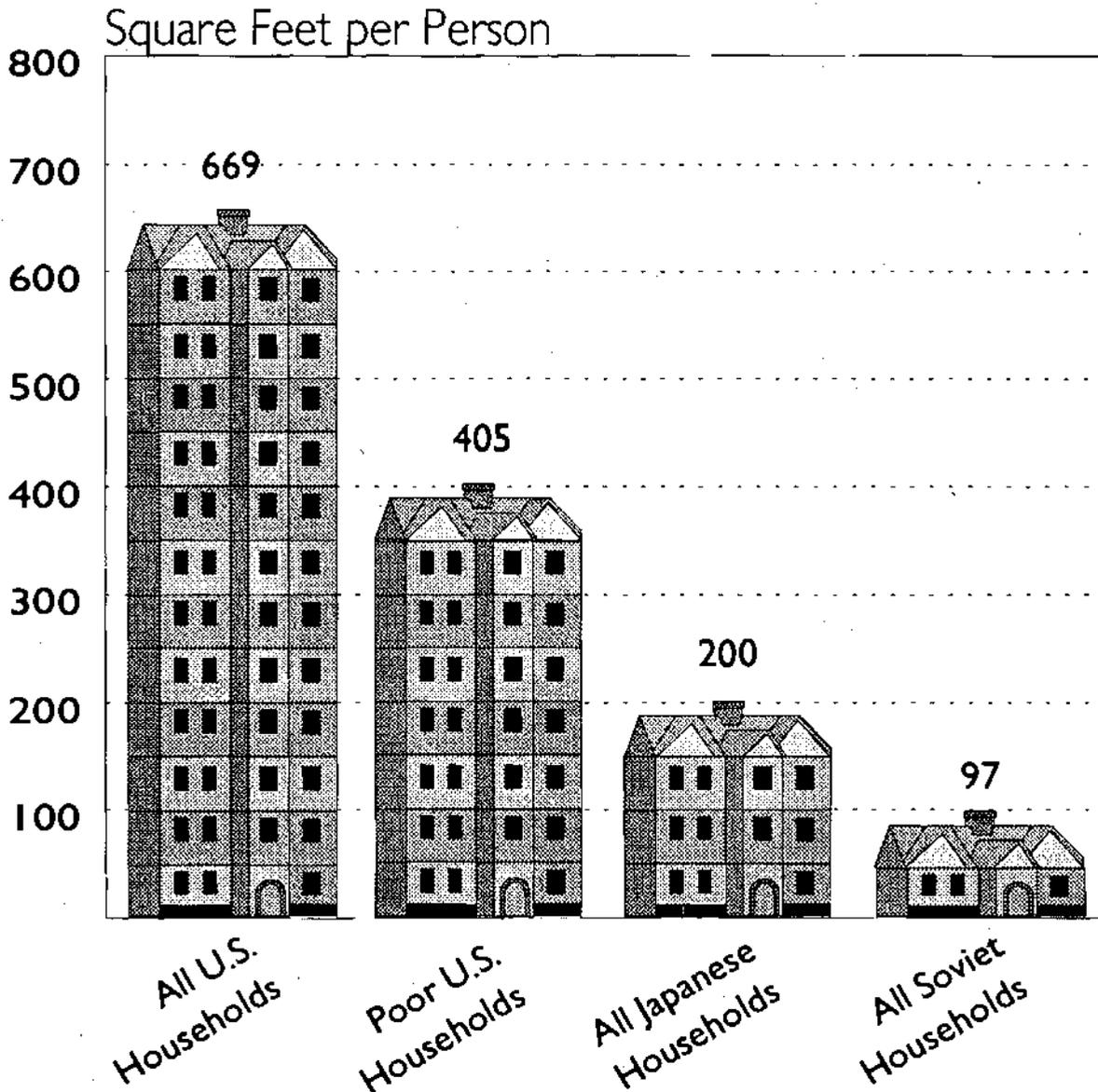


Source: See text.

Heritage DataChart

Chart 2

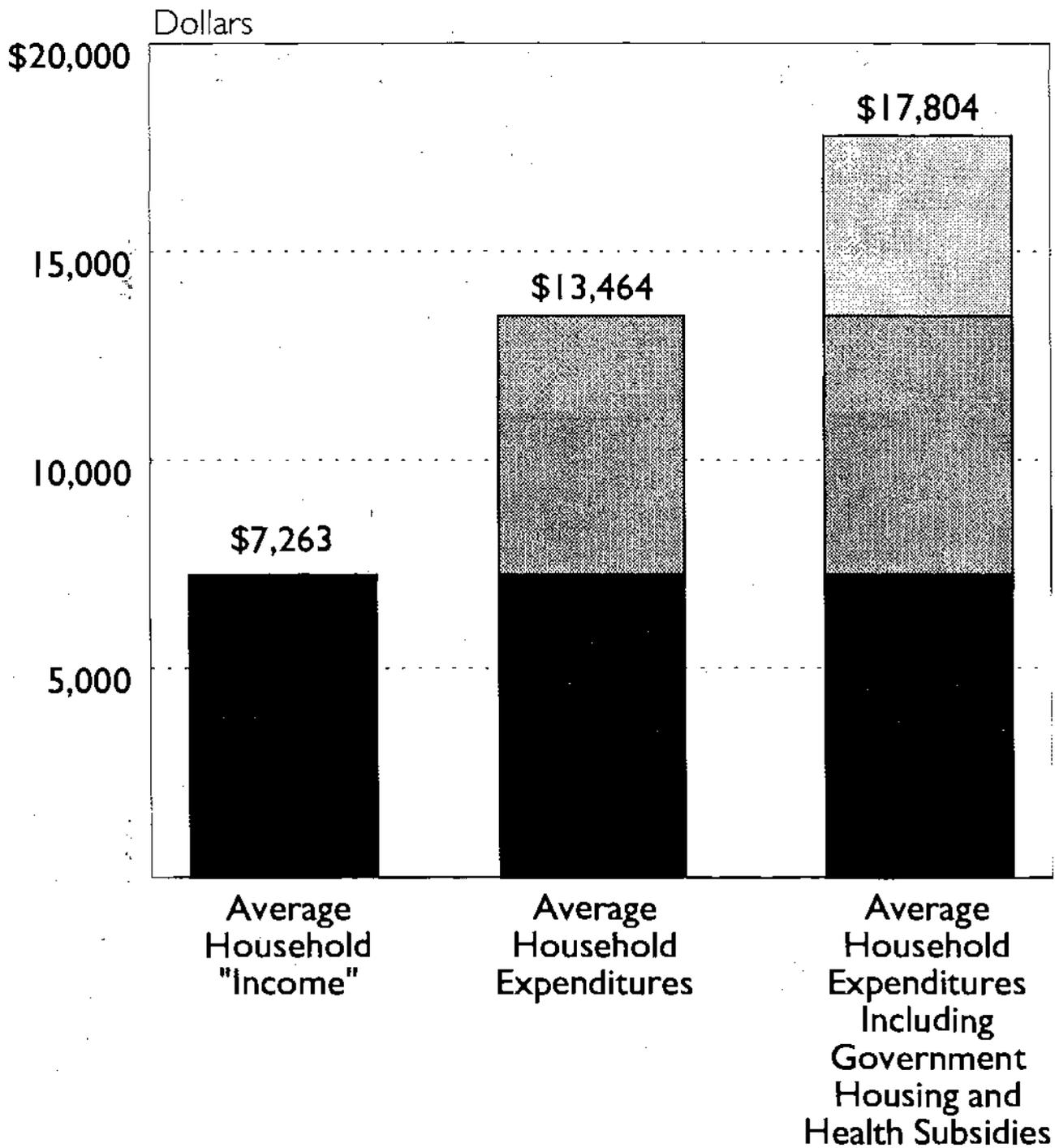
Housing Space: Poor American Households Have Twice the Area of All Japanese Households, And Four Times That of All Soviet Households



Source: U.S. Department of Energy, Energy Information Administration, *Housing Characteristics 1987*; A.S. Zaychenko, "United States-USSR: Individual Consumption (Some Comparisons)," *World Affairs*, Summer 1990; "The Affluent Japanese Household," *Business America*, March 23, 1981.

Chart 3

Low-Income Households in 1991: Spending Compared to "Official Income"



Note: Figures are for households in the lowest income quintile.

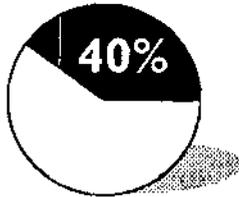
Sources: "Income:" Census Bureau; Expenditures: Department of Labor.

Heritage DataChart

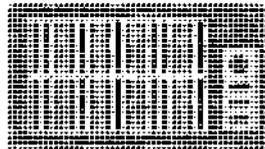
Chart 4

Living Standards of "Poor" Households

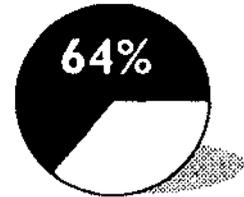
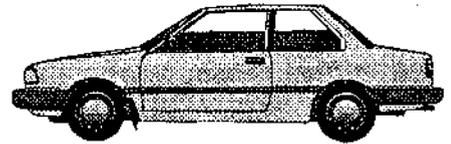
Own Home



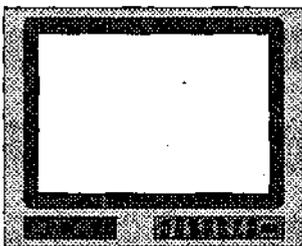
Have Air Conditioning



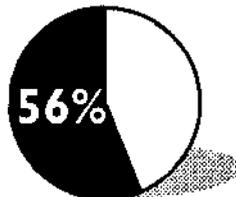
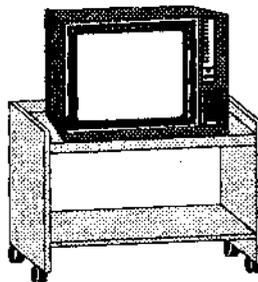
Own Car



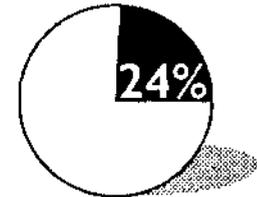
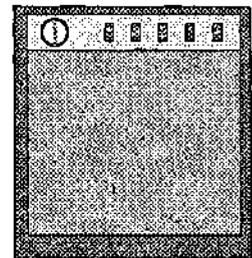
Own Color TV



Own Microwave



Have Dishwasher

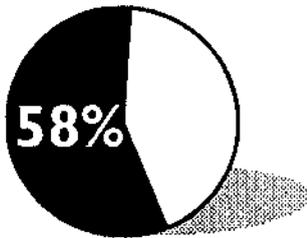
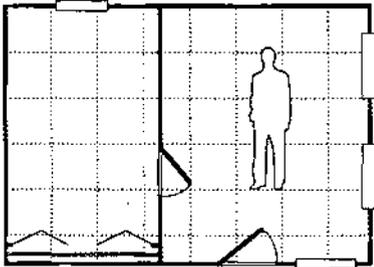


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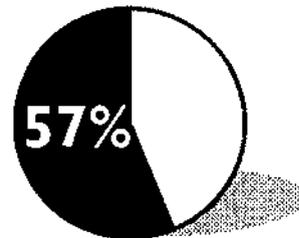
Heritage DataChart

Living Standards of "Poor" Households

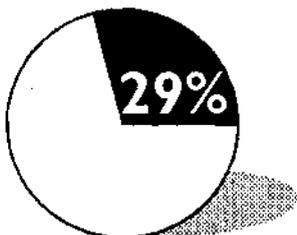
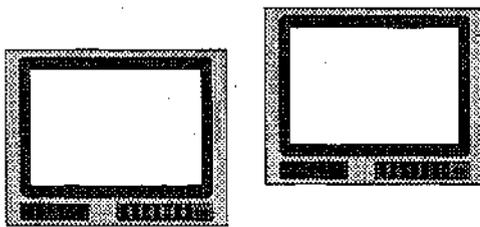
Two or More Rooms per Person



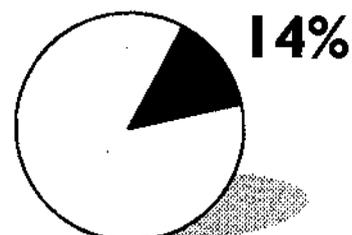
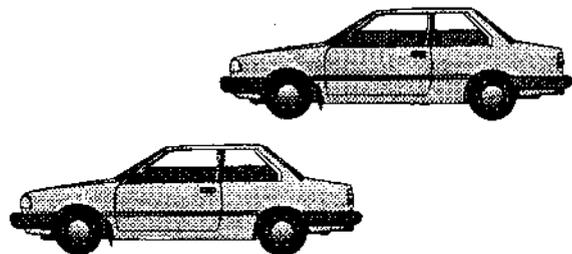
Own Clotheswashing Machine



Own Two or More Color TVs



Own Two or More Cars



Source: See text.

Heritage DataChart

BEN WATTENBERG

Adding up the latest 'Youth Indicators'

Secretary of Education Richard Riley, the prize of the Clinton Cabinet, makes a simple point: "Our children are 20 percent of our population, but 100 percent of our future." And so, looking at American youngsters is a good way to look at America.

Accordingly, I commend to your attention the new edition of "Youth Indicators," published by the National Center for Educational Statistics. The results, as I divine them, are ambiguously clear: There is good news; there is medium news; there is real bad news.

GOOD NEWS: In school, many of the things that nice people once wanted to happen, have happened. The high-school dropout rate is now at about an all-time low, 13 percent. (The rate among blacks is 14 percent, down from 28 percent in 1970.) We spend much more money per child on education: up 38 percent from \$3,992 in 1980 to \$5,501 in 1992 (constant dollars). Classrooms are less populated: The pupil-teacher ratio has fallen steadily from 27 children per teacher in 1955 to 17 children today.

There's more. Follow the indicators. It's not what we heard during the election campaign, but family income went up by 8 percent during the 1980s (before wrinkling down 4 percent in the recession, and now climbing again). Or consider housing: 11 percent of young children lived in an "over-crowded" circumstance in 1975; by 1989 the rate was 7 percent. Youngsters are less likely to die; since 1960 the death rate for ages 5-14 has declined by 48 percent, and declined by 7 percent for ages 15-24. (Mostly due to fewer accidents, and less death from cancer.)

MEDIUM NEWS: Scores for proficiency in reading, mathematics and science have remained about flat from the 1970s. There has been a small decline in writing proficiency since 1984. At best, things haven't gotten worse. On the plus side, there has been an increase in reading proficiency among black and Hispanic 17-year-olds.

But American youngsters are still at the bottom end of the international spectrum in math, and mildly lower than average in science. At the top of the math/science lists is South

Scores for proficiency in reading, mathematics and science have remained about flat from the 1970s. There has been a small decline in writing proficiency since 1984.

Korea; we trail Slovenia, but — hooray! — we beat the Kingdom of Jordan, consistently. We are about average in reading. (Riley's legislative campaign for national educational standards of excellence is the right way to go. It could break up the dumbing down of American schools. We shall see early next year whether Congress is willing to do it with teeth, and whether the Clinton administration is willing to bite if they don't.)

BAD NEWS: We are a nation at risk, socially. From 1960 to 1988 the rate of children born to unmarried women soared from 5 percent to 26 percent. (The most recent rate for blacks is 67 percent.) The divorce

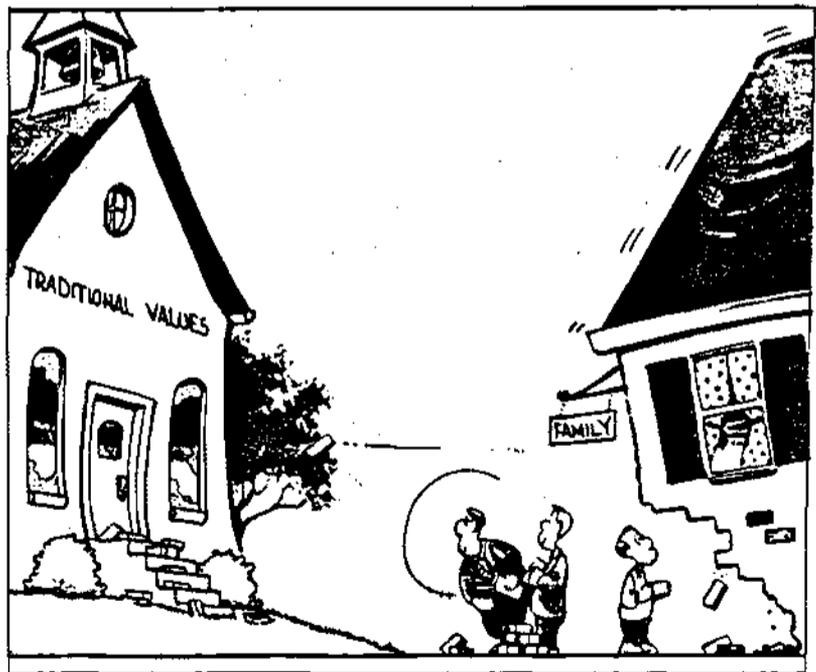
rate has more than doubled in a generation. At any given moment about a quarter of our children are living in a single-parent family.

In 1975, among married couples with children, 41 percent of the mothers worked; in 1991 the figure was 64 percent. Youngsters with absent fathers and working mothers get less attention. They also commit more crime and are more likely to be victimized by crime. The arrest rate for teen-agers ages 14-17 in 1960 was 47 per thousand. In 1991 it was 132! The "victimization" rate of males ages 16-19 was an incredible 121 per thousand, up from 89 as recently as 1988. Most of the victims suffered "assault." (I mostly blame governments for this. We ought to stop giving welfare to any new out-of-wedlock births to teen-agers. We ought to lock up violent young hoodlums, for a long time.)

Is there hope? You bet there is. Something else comes through in the indicators. These are mostly good kids. A majority (58 percent) say that religion is "very important" or "pretty important" in their lives, a rate that hasn't changed. High-school seniors are much less likely to smoke cigarettes, drink alcoholic beverages, or use drugs. Huge majorities (over 75 percent) still believe that success at work and marriage and family are "very important."

Much more than before, a solid majority of both whites and blacks aspire to a college or post-graduate degree; other millions seek to go beyond high school to junior college or vocational school. Above all, these youngsters live in a very open and responsive society: America. We don't do everything right, but we know how to change. There had better be hope. Those kids are 100 percent of our future.

Ben J. Wattenberg, a senior fellow at the American Enterprise Institute, is a nationally syndicated columnist.



CAL THOMAS

Clinton's press 'problem'

Every president, from George Washington to the current one, has been critical of the press, which at some point always returns the sentiment. Bill Clinton unburdened himself about his feelings toward the press in a Nov. 2 interview with Rolling Stone (published in the Dec. 9 issue).

Mr. Clinton blames journalists for not giving him the credit he thinks he deserves (but quickly adds with false modesty he doesn't want).

His approval ratings remain locked below 50 percent "because of the way this administration has been covered," not because of the policies it is pursuing.

The press thinks Bill Clinton is the best communicator since Franklin D. Roosevelt. Still the president says, "I'm sorry if I'm not very good at communicating, but I haven't gotten a hell of a lot of help since I've been here."

In fact, Mr. Clinton has received so much help that the coverage has crossed the line into cheerleading and editorializing masked as reporting.

Examples abound. Take Dan Rather's sugary conversation via satellite with the president during a CBS affiliates meeting on May 27. Speaking of his pairing with co-anchor Connie Chung, Mr. Rather was caught with his ideological pants down when he said: "If we could be one-hundredth as great as you and Hillary Rodham Clinton have been in the White House, we'd take it right now and walk away winners. . . . Thank you very much and tell Mrs. Clinton we respect her and we're pulling for her."

In the Rolling Stone interview, the president cited Time magazine as being less friendly than other media organs. You wouldn't know it from Lance Morrow's Man of the Year cover story on Jan. 4: "Clinton's campaign, conducted with dignity, with earnest attention to issues and with an impressive display of self-possession under fire, served to rehabilitate and restore the legitimacy of American politics and thus, prospectively, of government itself. He vindicated (at least for a while) the honor of a system that has been sinking fast."

How about this example of "negative" Clinton reporting from the Dec. 14, 1992, edition of The Washington Post: "Without running the risk of being considered 'touchy-feely,' Clinton is known as a hugger of men and women. Simple handshakes aren't enough for this man whose theme song easily could be borrowed from the cotton industry's 'the touch, the feel, the fabric of our lives.' . . ."

Writing in the Jan. 25 Newsweek, Howard Fineman said, "There's no doubting that the nation is about to be led by its first sensitive male chief executive. He's the first president to have attended both Lamaze classes and family therapy. . . . He can speak in the rhythms of pop psychology and self-actualization. He can search for the inner self while seeking connectedness with the greater whole."

ABC's Tom Foreman, following Mr. Clinton's appearance with children on the network on Feb. 20, elevated him to Hans Christian Andersen status: "As one parent put it: 'There is no better way to make me change my opinion than to change the world for my child.' With nothing more than a listening ear, that is what Bill Clinton did."

NBC's Bryant Gumbel seems to be little more than a mouthpiece for the Clinton administration with his uncritical accolades of its policies. In a March 17 interview with Gerald Swanson, co-author of "Bankruptcy 1995," Mr. Gumbel posed this loaded question: "It's early yet, but for at least trying to address the deficit in a more serious fashion than anybody in 12 years, what kind of early marks do you give Bill Clinton?"

Newsweek's Eleanor Clift has been conducting a journalistic love affair with both Clintons and enjoying access to the president because of it. About Mr. Clinton's proposed tax increases and supposed spending cuts, Miss Clift said on the Feb. 12 "McLaughlin Group": "It's one for one, and it's gutsier than any Republican president has done in 12 years of feel-goodism. This is going to be politically courageous, and you're going to hear a lot of screaming."

These are not isolated examples. They are representative of a press that, while fickle, largely supports President Clinton's programs, ideology and objectives. The president has no cause for complaining that he hasn't gotten any help from the press. He's gotten far more than he deserves.

Cal Thomas is a nationally syndicated columnist.



WR-STATS^R

June 7, 1993

Melanne Verveer
Deputy Chief of Staff
Office of the First Lady
The White House
Washington, DC 20500

Dear Melanne:

With a number of important community development initiatives pending in the White House National Economic Council, I thought you might be interested in how these investment oriented programs could reflect the recommendations from our Arlington Hill meeting. As you might recall, the Arlington Hill meeting suggested that the definition of investment in infrastructure be broadened to include early childhood and family support facilities.

Access to quality child care and Head Start facilities are essential to the bottom-up community development initiatives championed by the President and Mrs. Clinton. Reknitting the fabric of our rural and urban communities requires making care of children part of the administrations's approach to community economic development.

The lack of appropriate child care facilities restricts the availability of quality child care services to millions of families. State and local governments lack the revenue to directly pay for new facilities. The current federal child care funding system pays for operating support but not for creating or upgrading facility space.

* By 1995, two-thirds of all preschool children and 80% of all school-age children will have mothers in the work force. The Urban Institute estimates that more than 12 million children under the age of six currently need care while their parent(s) work. But 1990 census figures count only 80,000 child care centers with a total capacity of 4.2 million children, while home day care providers care for only an additional 2 million children.

Arlington Hill outcomes have direct implications for pending White House proposals on community banking revisions to the Community Reinvestment Act and empowerment zone legislation. The Center for Policy Alternatives has undertaken substantial policy research examining how the Community Reinvestment Act can be used to finance the nation's gap in child care facilities and other community-based service facilities.

We ask you to consider and advocate for the following four policy recommendations that explicitly link child care facility development to job creation, economic development, and community lending programs.

• Community-Based Financial Lending Institutions

The RFP process established for the community banking grants and loans could give additional points for child care lending programs. Child care loan guarantee programs should be an authorized use of federal funds. Present financial intermediaries with large child care financing programs include Coastal Enterprises of Maine, the Center for Self-Help in North Carolina, and a number of micro loan funds.

• Recasting the Community Reinvestment Act

A quantitative evaluation of community-lending which replaces the current 12 assessment factor qualitative approach to bank rating should incorporate a category for child care lending. New York Banking Commissioner Dick Cephus explicitly looks at child care lending in his rating system. In 1991, the Federal Reserve Bank of New York identified child care lending as a category it considers when undertaking bank evaluations.

Within the current regulatory framework, participation in state child care loan guarantee programs, marketing SBA loans through child care resource and referral networks, and appointing child care representatives to CRA advisory board could become additional evaluation criteria in the rating system.

• Financing Infrastructure Development

Expand the concept of infrastructure development beyond roads, sewers, and bridges to include social infrastructure that the nation needs for the next century. Child care centers are a key component. Building child care centers not only creates construction and service jobs (with the proviso that these jobs are linked to new career ladders), but will also allow single mothers and families seeking dual incomes to join the work force. Equity infrastructure grants reduce the cost of debt financing for facilities and increase the ability of providers to leverage private sector financing.

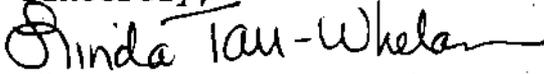
• Empowerment Zones

An obvious key to increasing work force participation in distressed communities is the network of social and family supports. Here again child care centers proximate to work sites are important for employing single mothers. The coordination of Child Care Block Grant contracts to facilities in target empowerment zone areas would stabilize their long term cash-flows, giving them access to lender finance.

These policy recommendations are supported by the findings of our soon to be released national survey of the financial relationships between banks and child care providers. I have enclosed an early draft of that report. Also enclosed are more detailed papers describing how private sector lenders can design products for child care facility development.

We have had a tremendous response from the child care community to this approach. NationsBank is a leader in this area and can provide details of how to make SBA loan programs child care friendly.

Richard Ferlauto, from my staff, would be happy to brief you with more details if you find this interesting. Please let me know how I can be helpful.

Sincerely,

Linda Tarr-Whelan
President

Enclosures: Draft of the "National Child Care Financing Survey"
"Child Care Loan Guarantee Funds"
New York Times Article
Investing in the Future
Reinvesting in Child Care

cc: Paul Diamond, Sarah Kovner, and Alexis Herman

Administration for Children and Families

370 L'Enfant Promenade, SW
Washington, DC 20447-0001

Date: 11/9/93

This transmission consists of this cover page plus 1 pages.

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WR-STATS

	TOTAL CASES	TOTAL RECIPIENTS	
JANUARY 1988	3,742,100	10,910,308	
JANUARY 1989	3,760,396	10,923,965	
JANUARY 1990	3,920,673	11,318,485	
JANUARY 1991	4,268,815	12,321,303	
JANUARY 1992	4,739,436	13,581,431	10
JANUARY 1993	4,963,050	14,114,992	
AUGUST 1993 5/10 (ESTIMATED)	5,011,900 (ESTIMATED)	14,182,700 (ESTIMATED)	
ASSISTANCE PAYMENTS FY 1992			\$21,942,000,000

23%

Unwed fathers

**COMPLEX
DILEMMAS
FOR POLICY-
MAKERS**

After centuries of anonymity, unwed fathers are emerging from the shadows into the harsh spotlight of public scrutiny. The dramatic growth in nonmarital births and the associated rise in poverty and welfare costs have forced issues

BY ROBERT I. LERMAN AND THEODORA J. OOMS

PHOTOGRAPHS BY OI VEERASARN

involving unwed fathers onto the national agenda. Today more than one in four (about 1.2 million a year) births occur outside marriage. Since about two-thirds of unwed mothers are poor and three-quarters go on welfare, it should come as no surprise that the increase in never-married mothers accounted for over half of the recent jump in the welfare rolls from 3.7 million families in 1988 to over 4.8 million in 1992.

The exclusive focus of policymakers on unwed mothers in the past was natural since mothers are usually the custodians of children and thus the recipients of government cash, food, housing, medical, and other benefits. Very little was known, in any case, about the fathers, and they were rarely brought into policy discussions. Only recently has their obligation to provide financial support come into view. Federal and state governments have emphasized that welfare dollars can be saved by compelling unwed and other absent fathers to pay more child support. However, as they pay more support, unwed fathers are beginning to demand greater say in their children's upbringing as well as access to the public services the mothers receive. The new attention to unwed fathers is igniting a powder keg of controversies about the definition of fatherhood, the interests of children, and the rights and responsibilities of each parent.

W

hat are the responsibilities of unwed fathers? How realistic is it to expect them to help their children? What combination of carrots and sticks will help them fulfill their parental responsibilities? How much of our resources should be expended in trying to involve them?

To date, much of this attention has been fueled by sensational anecdotes portraying unwed fathers as shiftless and irresponsible—deadbeat dads who provide neither financial nor psychological support for their children. But evidence from large-scale surveys and small-scale ethnographic studies is beginning to challenge these characterizations and to demonstrate how diverse this population is.

Unwed Fathers: Changing Roles and Emerging Policies, a book we edited, brings together this research as well as analyses of the consequences of unwed fatherhood and of the many contentious social, moral, and legal issues surrounding it. Twenty-one contributors representing diverse perspectives and disciplines contributed to this volume.

Understanding more about unwed fathers is especially important as the nation begins another round of debate about welfare policy. The Clinton administration is currently deeply immersed in developing its proposals to “reform welfare as we know it.” Early indications are that the administration will place a strong emphasis on increasing paternity establishment (legal determinations of fatherhood), which is necessary in order to collect child support for out-of-wedlock children.

Should we do more? What are the responsibilities of unwed fathers? How realistic is it to expect them to help their children? What combination of carrots and sticks will help them fulfill their paternal responsibilities? How much of our resources should be expended in trying to involve them? These are the questions researchers and policymakers are beginning to grapple with, and they are the primary focus of this article.

But there is another, newer dimension to this story, and it will become increasingly important in years to come. Although the numbers are small, the fastest-growing group of unwed mothers in the population is made up of single professional women whose decision to have a child may have little or no impact on the welfare system. Still, many issues involving the establishment of paternity may affect them and their children. Do the partners of “single mothers by choice” have any rights in the upbringing of their children? Do the children have a right

to know who their father is or what their genetic makeup is? Issues involving these mothers raise myriad questions for the legal system and society at large.

The Context

Illegitimacy—as it used to be called—is hardly a new phenomenon nor one confined to this country. The social meaning of unwed parenthood, the rights of unmarried parents and their children, and even the language used to describe them have differed significantly over time and across countries. Rates of illegitimacy and premarital conception in the West have risen and fallen in cyclical patterns, reaching a peak of 30 percent in some areas in the nineteenth century. Community disapproval of unwed parents has varied in intensity, depending largely on prevailing religious attitudes. Early New England Puritans responded to nonmarital births with moral outrage, for example, while their Chesapeake Anglican contemporaries were principally concerned about how the potential dependency of such children affected the community’s purse.

Whatever their attitudes, nearly all societies have tried hard to limit the community’s costs of raising children born outside marriage. In sixteenth- and seventeenth-century England, if parents were able to support the child born out of wedlock, the community gave little overt disapproval; but if the child became a

*Robert I. Lerman is professor of economics at American University. Theodora J. Ooms is director of the Family Impact Seminar of the American Association for Marriage and Family Therapy Research and Education Foundation. Robert I. Lerman and Theodora J. Ooms coedited *Young Unwed Fathers: Changing Roles and Emerging Policies* (Temple, 1993). Contributors to this volume are Mercer L. Sullivan, Elijah Anderson, Freya L. Sonenstein, Joseph H. Pleck, Leighton C. Ku, Frank F. Furstenberg, Jr., Kathleen Mullan Harris, Ruth-Arlene W. Howe, George W. Harris, Arthur B. Shostak, Linda M. Mellgren, Esther Wattenberg, Sandra K. Danziger, Carolyn K. Kastner, Terri J. Nickel, Maureen A. Pirog-Good, M. Laurie Leitch, Anne M. Gonzalez, and Joelle Sander.*

public charge, the parents were subjected to public scorn and punishment. Foreshadowing our own time, the purpose of many laws was to force fathers to pay support for their children.

Throughout the centuries, most of the burden of illegitimacy fell on the mothers and their children, not on the fathers. In the late eighteenth and early nineteenth centuries English society dealt ever more harshly with unwed mothers as attitudes toward out-of-wedlock childbearing hardened. Illegitimate children were regarded with shame and derision, and their parents, especially their mothers, were shunned and often punished by religious and civil authorities.

By the early twentieth century, legal restrictions that punished mothers and stigmatized children had become less punitive in the United States and most European countries, but unwed mothers still faced considerable hardships. They received virtually no help from federal or state authorities and often found it nearly impossible to keep their families together. If they worked they were often accused of abandoning their children. In the period immediately after World War II, giving birth to a child outside marriage continued to carry a considerable stigma. In the United States, a white unmarried pregnant young woman often entered a maternity home until the birth of her baby and then gave her baby up for adoption. The social work literature of this period makes no mention of the baby's father.

The Sexual Revolution

Through the first half of the twentieth century, the illegitimacy ratios (the proportion of children born to unmarried mothers) declined in Western countries. In 1960, out-of-wedlock births constituted about 4 to 6 percent of live births in Germany, France, Finland, Norway, the United Kingdom, Canada, and the United States. The illegitimacy ratio was lower in Italy and the Netherlands.

The 1960s brought the beginning of a sharp rise in sexual activity and soaring illegitimacy ratios in the United States and other countries. The proportion of births that took place outside marriage in the United States doubled between 1960 and 1970 and then more than doubled again from 1970 to 1986. By the

late 1980s, over one in five births was outside marriage in the United States, Austria, Denmark, France, Norway, Sweden, and the United Kingdom. Not all of the growth in illegitimacy ratios was the result of a greater tendency of the unmarried to have children. These increases reflect other trends, including delays in the age of marriage and a falling birthrate among married women. Moreover, in several European countries the rise in nonmarital births involved a shift from marriage to cohabitation rather than children living apart from their fathers.

The increase in the U.S. proportion of out-of-wedlock births has taken place among blacks and whites, but the patterns and magnitudes differ considerably by race. Between 1960 and 1989 the chances of a black child being born to an unmarried woman rose from about 22 to 64 percent; at the same time the white child's chances increased from about 2 to almost 19 percent. New data released this summer by the Census Bureau show that the steepest rise (although the actual numbers are small) over the past decade in out-of-wedlock births has occurred among the most educated. For unmarried women with professional or managerial jobs, the percentage of those who gave birth rose from 3 percent in 1982 to 8 percent in 1992.

Law and Attitudes Today

With the rise in nonmarital births has come a profound shift in law and attitudes. The Uniform Parentage Act of 1973 and other similar state laws have had the effect of giving the nonmarital child complete legal equality with the legitimate child in matters such as inheritance, health and life insurance, and military benefits, as long as paternity is legally established. Most discrimination against children born outside marriage has been outlawed.

Partly because of increasingly permissive attitudes toward premarital sexual activity, unwed motherhood no longer carries the stigma it once did. Nor do young people, their parents, or their communities view marriage as necessarily the best solution to an unwed pregnancy; sometimes it is actively discouraged.

Public institutions in the United States are increasingly providing unwed mothers with financial help and services. Today about 75 per-

cent of unwed mothers receive welfare benefits, primarily Aid to Families with Dependent Children (AFDC). Their share of the welfare rolls has risen from 28 percent in the late 1960s to over 50 percent today.

Shifts in the availability of services for unwed mothers are also significant. High schools used to suspend or expel pregnant students.

Today many school districts offer alternative school programs, on-site day care, and other special services to unmarried mothers or pregnant students. In the late 1970s, the federal government funded com-

munity-based programs to provide comprehensive services to pregnant teenagers and adolescent mothers. Many private foundations also help support programs for pregnant teens. But most private and public involvement has been with the mothers, not the fathers.

More recently, federal and state legislative efforts have taken a new direction. The Family Support Act of 1988 (FSA) attempts to reduce welfare dependency through emphasizing family responsibility as part of a new social contract. Under this contract, the government provides income and services to the custodial AFDC parent, usually the mother, who is required to enroll in an education, job-training and placement program when her child is three years old (or even earlier in some states). In return she must cooperate in identifying the child's father (with a few exemptions for good cause) and in setting a child support award. The noncustodial parent must then make the appropriate support payments. Currently, however, only about a third of out-of-wedlock children have their paternity legally established. In 1989, only about 24 percent of never-married mothers had child support awards in place.

Competing Rights and Obligations

Two chapters in *Young Unwed Fathers* review unwed fathers' legal and ethical status and point out that their obligations must be viewed within the context of their rights. In one of the chapters Ruth-Arlene Howe examines how the legal rights and obligations of unwed fathers

have evolved. Today most unwed fathers can expect to have financial obligations imposed on them independent of the circumstances that led to the pregnancy (for example, the woman falsely claimed she was using birth control). In contrast, their legal rights as parents may be heavily circumscribed or completely thwarted by the actions of the mother of their children. Although state laws assign unwed fathers some due process rights in paternity proceedings, generally they have few legal rights. For example, they have no right to notification of their partner's pregnancy or decision to abort. Some limited rights have been accorded unwed fathers by several Supreme Court decisions in cases of adoption, but these rights depend upon the father's demonstration of strong parental interest in his child, which in turn depends in part on the mother's behavior.

Howe states, "There is thus a basic contradiction between basing a father's financial obligations on an alleged biological tie with no assessment of parental interest but according him rights to seek custody or veto an adoption only upon demonstrated parental interest or relationship."

Examining these issues from a moral philosopher's perspective, George Harris raises other difficult issues. For example, should an unwed father's obligation be based on his degree of culpability in the pregnancy? Upon his age or his mental competence? Should he be expected to pay support for a child he has never seen or didn't even know existed or is not allowed to see, especially when less income will be available to support his children he is living with? Although Harris makes a strong case for according unwed fathers increased rights in a number of areas, he points out that their rights may often come into conflict with the rights of the unwed mother, the child, related third parties such as grandparents, and unrelated parties such as the taxpaying public.

Another author, Esther Wattenberg, argues that the child's interest must be uppermost in paternity issues. Many believe children have a right to know about their parentage, about their genetic and medical heritage, and to have the opportunity to develop a relationship with their father. Children not only have the right to the financial support of both parents, but if legal paternity is established, may

Many people support the unwed mother's right to decide how much contact she wants to have with her baby's father, and therefore her right not to name him. Yet others believe paternity establishment should be enforced for every out-of-wedlock child.

be eligible to receive a number of benefits, including dependent benefits if the father is in the military, health benefits under his employer's health insurance, death, disability, and life insurance benefits.

These potential conflicts between the rights and interests of unwed mothers, fathers, and their children result in difficult moral and policy dilemmas. These dilemmas are universal and apply not only to the welfare population but also to other unmarried parents, including single mothers by choice. For example, many people support the unwed mother's right to decide how much contact she wants to have with her baby's father, and therefore her right not to name him or seek legal paternity. Yet others believe paternity establishment should be enforced for every out-of-wedlock child, because it is the child's right, the father's right, and a necessary first step to collecting child support.

When public programs are involved additional dilemmas arise, of course. Many unwed fathers are unemployed or erratically employed and have neither the education nor skills to earn incomes sufficient to pay child support. If they are to be legally obligated to pay child support, should they not have the same access to job training and employment opportunity programs as their child's mother, who is on welfare?

Policy Directions

At present, slightly more than half of the young unwed fathers show some responsible behavior toward their children (see Lerman, page 32). But their contact is largely informal, the support they provide is often "under the table," and their interest often declines over time. Many reasons explain why some unwed fathers are responsible and others are not. They seem to have as much to do with the young men's attitudes and interests as their circumstances and resources. They also have a good deal to do with the unwed mother's attitudes toward involving the father in her child's life and with her family's attitudes toward him. The primary challenge is to find ways to bring this large group of fathers who show interest into the formal system of legal awards and verified collections and to prevent their interest from waning. Fragile commitments between young parents often do not last.

Social, medical, and educational institutions, working together, may offer hope for change. Community-wide education and information activities about male parental responsibility, together with tightened enforcement of child support laws, are viewed by some as both a way to improve the current situation of children and a preventive strategy to diminish the currently high rates of out-of-wedlock pregnancy. If young men, it is argued, understood the responsibilities that accompany fatherhood and were aware that society would enforce those responsibilities until their children were 18 years old, they might be more reluctant to become fathers until they were prepared and able to support their children financially.

The National Urban League and the Children's Defense Fund have taken the lead in this educational effort with aggressive national media campaigns. Some school- and church-based pregnancy prevention and sex education programs are being revised to introduce discussions of the roles and responsibilities of fathers—something not hitherto commonly done.

Health care professionals in the public and private sector rarely make much effort to involve male partners in prenatal care services or discuss the issue of paternity or child support with pregnant women or unwed mothers. This could change. Public clinics and private medical organizations could make young women more aware of the issues involving their child's paternity and, if possible, involve fathers in prenatal care.

Available evidence indicates that present attempts to get unwed fathers to own up to their parenthood and to their financial responsibilities are largely ineffective because they come too late. A young father's emotional commitment to the family is likely to be strongest at the time of the birth of his child, when no official attempts are made to contact him.

Most states have voluntary procedures to establish paternity. Usually the issue only arises when the unwed mother takes action or applies for welfare assistance. Typically an official paternity determination does not take place until a year or more after the birth, if at all. Many now believe the best time to seek paternity is in the hospital, when both parents are most likely to cooperate.

Continued on page 36

Unwed Fathers:



Who They Are

BY ROBERT I. LERMAN

Do young unwed fathers differ significantly from other young men? Are they, as they are often portrayed, likely to be high school dropouts, unemployed, fathers of several children for whom they bear little or no emotional and financial responsibility? Are their family backgrounds and levels of

criminal activity like those of their contemporaries?

Until recently, these questions were impossible to answer. Most studies in this area have dealt primarily with unwed mothers; data on unwed fathers have been limited to a few case studies. Fortunately the comprehensive National Longitudinal Surveys of Labor Market Experience, Youth Cohort (NLSY) is available, and it has enabled us to draw a portrait

of unwed fathers with data beginning in 1979. This research—the first national estimate of its kind—can at least help to answer the questions above.

Unwed Father Figures

First marriages and fatherhood take place for most young men when they are in their 20s. In 1984, over half of

young men ages 19–26 in the NLSY were married. About 40 percent had become fathers by age 26. Most of these young fathers were married and living with their spouses, but a sizable minority was either divorced, separated, or never married. Of all fathers in the NLSY in 1984, 31 percent were not married.

As these young men aged, more became fathers, and most of the new fathers were married. Of all fathers in 1988, about 6 percent were never married at age 31. Divorced or separated fathers increased from 10.6 to 14.1 percent of young men (see Table 1).

Unmarried fatherhood appears to be a long-term proposition. Of the never-married fathers in 1979, 70 percent were not married as of 1984, and 60 percent still had not married as of 1988. Only about 12–14 percent of never-married fathers became married fathers living with all their children. By 1988, about 20–25 percent of the never-married fathers had started second families.

Racial differentials are striking. As Table 2 reveals, fully 20 percent of black 19- to 26-year-olds were unwed fathers in 1984. This rate was four times the average rate of unwed fatherhood and nearly four times as high as the next highest rate, 5.7 percent, among Hispanics. As young men age, large increases take place in the proportions of married fathers and fathers who are separated and divorced. In 1988, about one of three young men in most ethnic groups

**TABLE 1
FATHERHOOD
AND MARITAL STATUS
BY AGE,
1984 AND 1988**

Age in	FATHERS		
	Never Married	Married	Divorced or Separated
1984			
19	51.1%	46.7%	2.2%
20	42.8	46.1	10.9
21	30.1	60.1	9.8
22	29.6	55.6	14.8
23	24.0	62.2	13.8
24	17.2	73.1	9.7
25	12.5	76.0	11.5
26	13.4	79.0	7.6
Total N	748	2,545	390
Percent	20.3	69.1	10.6
(weighted population in thousands)			
Age in 1988			
23	31.5	56.8	11.7
24	25.1	66.7	8.2
25	18.7	63.6	17.7
26	20.8	69.8	9.4
27	15.5	65.4	19.1
28	14.1	70.5	15.1
29	8.0	77.1	14.9
30	9.0	77.7	13.3
31	5.8	81.0	13.2
Total N	1,009	5,230	1,017
Percent	13.9	72.0	14.1

Note: Never-married fathers made up 4.4 percent of all 19- to 26-year-olds in 1984, married fathers 15 percent, and divorced or separated fathers 2.3 percent; 78.3 percent of this age group were not fathers. In 1988, never-married fathers constituted 5.9 percent of all 23- to 31-year-olds, married fathers 30.6 percent, and divorced or separated fathers 6.0 percent; 57.5 percent of this age group were not fathers.
Source: Unpublished tabulations by author from NSY data.

was a married father living with his spouse. Blacks and Asians were the two unusual cases. Nearly one in three young black men was an unmarried father in 1988, double to triple the proportions showing up in other economically disadvantaged groups in Table 2. Asians delayed marriage and fatherhood.

In contrast to some images of unwed fathers, having several children by different women is highly unusual. About one-quarter of black and Hispanic young unwed fathers report having more than one child as of 1984; fewer than 7 percent of whites did.

Backgrounds and Behavior

Is there a connection between unwed fatherhood and education and unemployment? Comparing the employment and educational situation of 18- to 21-year-olds in 1979 by their subsequent fatherhood in 1984, we see that high school dropout rates and unemployment rates were substantially higher among those who became unwed fathers sometime between 1979 and 1984 than among those who did not.

Although the patterns varied widely by type of behavior and race, unwed fathers did exhibit more drug use and criminal behavior than other young men. Virtually no differences showed up between unwed fathers and other young men who had alcohol-related, school, or work problems. The rate at which young men were

**TABLE 2
FATHERHOOD BY RACE OR
ETHNICITY AND MARITAL STATUS,
1984 AND 1988**

	FATHERS			NON-FATHERS (percent of population)
	Never Married	Married, Spouse Present	Divorced or Separated	
1984				
Hispanic	5.7%	19.9%	4.2%	70.2%
Black	20.1	11.8	2.6	65.6
Poor White	4.0	20.1	5.0	70.9
Other White	1.4	14.5	1.8	82.3
American Indian	2.2	18.6	2.4	76.9
Asian	1.0	4.8	4.7	89.5
1988				
Hispanic	9.4	35.8	7.9	46.9
Black	23.3	22.8	8.7	45.2
Poor White	4.3	38.1	10.8	46.9
Other White	2.1	31.2	4.7	62.0
American Indian	4.9	31.8	6.9	56.5
Asian	3.9	14.6	6.5	75.0

Note: Men were ages 19-26 in 1984 and 23-31 in 1988.
Source: Unpublished tabulations by author from NSY data.

charged in adult court, however, was much higher among unwed fathers than among other young men. Convictions and time served in prison reveal a similar high pattern for unwed fathers.

Are job opportunities the critical determinants for unwed fatherhood? One reason for skepticism about the employment explanation is the fact that marriage rates have declined as rapidly for well-educated and high-earning black men as for less educated and less employable ones. The employment and fatherhood trends in the 1980s also raise questions about this expla-

nation. Between 1982 and 1988 the nation's unemployment rate fell from 9.5 to 5.2 percent, and the employed share of the nation's adult population increased from 58.2 percent to 62.6 percent. Among teenage males, unemployment dropped from 21.7 to 13.9 percent for whites and from 48.9 to 32.7 percent for blacks; the proportion of black men holding jobs rose from 50.9 to 57.4 percent. Despite this marked improvement in job opportunities, unwed fatherhood remained as high in the late 1980s as in the early 1980s. For example, the percentage of black 24- to 25-year-olds who were unwed fathers was about 26 percent



in 1982 and in 1988. Further, the flow into unwed fatherhood increased or stayed the same between 1982 and 1988, although job opportunities expanded.

These national trends do not take into account individual and family factors that might cause someone to become an unwed father. Looking at young men ages 15-19 in 1980 who were neither husbands nor fathers and then following them over four time periods during the 1980s make it possi-

ble to draw some conclusions about factors that might influence unwed fathers. In this time span the probability of becoming an unwed father within a two-year period ranged from 1 percent among nonpoor whites to 11 percent among young blacks. The black rates were more than double the rates among Hispanics and poor whites.

A number of individual and family variables exerted much larger impacts than employment conditions on flows into unwed fatherhood and marriage (see Table 3). Armed forces active duty was associated with a substantial reduction in the risk of unwed fatherhood and a doubling of the flow into marriage. Having lived in a welfare family—even controlling for family income—raised the occurrence of unwed fatherhood and reduced the likelihood of marriage. High

family income lowered the chances of unwed fatherhood and marriage. Frequent religious attendance gave rise to higher marriage rates and lower rates of unwed fatherhood. Overall these results point to large and systematic differences in the chances of a young man becoming an unwed father or entering marriage. Job opportunities showed little impact, while individual and family factors were important. Young men who were capable or engaged in constructive activities tended to avoid unwed fatherhood as did young men from high-income families or families not on welfare.

Earnings Patterns

Unwed fathers certainly earned more as they aged but at a slower pace than their contemporaries in other categories. The most striking comparisons are with single, childless men. In 1983, unwed fathers and single men without children worked about the same number of hours and earned about the same incomes. But four years later unwed fathers averaged 400 fewer hours per year.

Marriage apparently had an enormous effect on motivating unwed fathers. The 21 percent of 1984 unwed fathers who married by 1988 boosted their earnings dramatically (from about \$7,400 to \$17,700); those who re-

mained unwed fathers averaged substantial, but much lower earnings growth (from \$5,500 to \$10,500).

The primary concern about increases in unwed fatherhood is the potential negative impact on children. Evidence is accumulating that growing up in a one-parent family damages children's chances for success in school, in the job market, and in family life. These problems might be mitigated if fathers provided mothers and children with an adequate income and with significant help in child rearing. While large-scale national surveys cannot capture the quality of relationships between fathers and their offspring, they can provide information concerning how active unwed fathers are in their children's lives.

In the NLSY data, about three-quarters of young fathers who lived away from their children at birth never subsequently lived in the same household with them. But the proportion of fathers who moved away each year after the child's birth was only slightly higher than the proportion who returned in those years. Of these unwed fathers who remained away from their own children, only a small proportion lived on their own. As of 1984, about one in four lived with both parents and about 30 percent lived with one. In fact, unwed fathers were more likely to reside with a parent than young men who had never fathered a child.

Many unwed fathers remained in close contact with

TABLE 3
LIKELIHOOD OF BECOMING AN UNWED FATHER OR GETTING MARRIED
(EXPERIENCE OF MEN, 14-18 IN 1979, FROM 1979 TO 1988)

The whites, blacks, and Hispanics here share certain characteristics including, but not limited to, their age, their family income, and their level of sexual activity. The table shows the likelihood of these three groups moving into unwed fatherhood or marriage during two-year intervals in the 1980s. For blacks, additional characteristics were considered. A black with military service, for example, was substantially less likely to become an unwed father (3.3 v. 5.2) and more likely to be married (11.2 v. 7.0) than blacks in the base group.

	Unwed Fatherhood	Less Likely (<)/More Likely (>) Than All Blacks to Become an Unwed Father	Marriage	Less Likely (<)/More Likely (>) Than All Blacks to Get Married
White	1.3%		17.9%	
Hispanic	3.0		15.1	
Black	5.2		7.0	
Black, plus:				
✓ Military Service	3.3	<	11.2	>
Unemployment rate, 11%	6.0	>	7.9	>
✓ In Welfare Family 1979	6.5	>	6.1	>
✓ Religious Attendance, Once Per Week	3.9	<	8.0	>
Reading Test, 25th Percentile	7.1	>	7.7	>
Reading Test, 75th Percentile	3.7	<	6.3	>
Eight Years of Sexual Activity	11.4	>	9.2	>
1979 Family Income, \$20,000	4.4	<	6.4	>
Age 19	2.8	<	1.6	>
Age 26	6.4	>	12.1	>

Source: Author tabulations. Detailed information available from the author.

their children, at least according to their own reports. In 1985, of the 20 percent who lived close by, nearly 80 percent visited every day or several times per week. Fathers who lived more than 100 miles away from the child accounted for 52 percent of the fathers that never visited.

Fathers apparently lose contact with their children as the children age. In 1986, the proportion who visited more than once a week was 57 percent among fathers with a child 2 years or younger; it was 22 percent for those 7.5 years or older.

Those unwed fathers who rarely or never visited their children were also the ones least likely to pay child

support. In 1985, when 37 percent of unwed fathers reported paying child support, only about 20 percent of those fathers who never visited paid support. It is clear that fathers do not substitute one form of support, financial, for another form, help in child rearing. Blacks were more likely to live close to their children and to visit them than were white and Hispanic fathers. In this survey the black fathers' apparently closer involvement with their children translated into a slightly higher frequency of support payments. About 39 percent of black and 34 percent of white unwed fathers reported making support payments.

Overall we see two broad patterns of fathering. Half or more of unwed fathers live

near their children, visit them often, and make support payments. Most of the rest visit rarely and usually make no payment whatsoever.

Conclusion

If present trends continue, the incidence of unwed fatherhood appears unlikely to decline in the future. Unfortunately even improved employment conditions are probably not going to reverse these troubling patterns. It is hard to know what will. Most likely we will require stronger family, cultural, and peer pressure against unwed fatherhood as well as better opportunities for young men to enter rewarding careers.



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Washington State now requires physicians, midwives, and hospitals to provide parents with the opportunity to sign an affidavit of paternity at the time of birth and to give them information about the father's rights and responsibilities and the advantages for the child of legal paternity. Filed affidavits have doubled there since the law's enactment.

Other states have launched pilot programs based on this model.

States and localities are experimenting with ways to simplify and expedite the

lengthy and complex process of establishing paternity. In Illinois and various counties, courts now have simple civil paternity consent procedures that include on-site, same-day genetic testing when this is necessary. To encourage states to make more serious efforts, federal law now sets paternity rate performance standards for states and reimburses them for 90 percent of the cost of genetic paternity tests.

One reason young fathers do not acknowledge their paternity is that they consider the welfare system's focus on collecting child support to offset welfare costs as punitive. This discourages them from cooperating in establishing paternity. Unwed mothers often ignore the paternity process as well; in 1989, about 20 percent of those without support awards said they did not want awards and another 21 percent did not pursue an award.

Collecting child support from unwed fathers is not easy, even after the establishment of paternity. AFDC mothers have little immediate incentive to cooperate because they keep only about \$36 per month of the support payments, with the rest going to offset welfare and food stamp benefits. Child support officials see few incentives to pursue these difficult cases, since they are time consuming and yield little short-term savings to the states. Courts often do not even set an award amount for young unemployed fathers.

Some advocates urge courts to broaden the definition of support to include token awards or in-kind, nonmonetary support (for example, child care, boxes of diapers), which should be required of all fathers even when they have no income in order to establish a pat-

tern of support, and then to update these awards periodically.

Yet another reason unwed fathers fail to pay child support is that many are generally poorly educated, lack job skills, and earn little or no regular income, especially when their children are young. While their low observed earnings appears partly related to their motivation, few of them have the credentials to earn good wages. In past decades employment and training programs did not specifically target noncustodial fathers. Today two national demonstration projects—one for noncustodial parents and the other for unwed fathers only—offer them employment and training services. In one, unemployed noncustodial fathers either volunteer to participate or are referred by the courts in lieu of jail or fines for nonpayment of support. These programs offer job training and employment services, fatherhood classes, mediation services when disputes arise with their child's mother, and peer support groups. The program for unwed fathers puts special emphasis on encouraging fathers to declare paternity and pay some child support.

Conclusion

Society is only beginning to cope with the reality that one of every four U.S. children is born out of wedlock. We do not know whether the phenomenon is an inevitable part of modern societies or whether improved education, the availability of jobs, and strict paternity and child support enforcement and welfare reform can do something to reverse the trend or at least slow its growth.

More sophisticated research is needed if we are to gain a deeper understanding of unwed parenthood. Instead of simply studying unwed mothers and unwed fathers independently of each other, researchers need to examine the relationships between young men and women before and after pregnancies and childbirths. They should also study those young parents who marry and stay married. We need to examine closely programs that seem to work in such areas as paternity establishment and prevention. And of course it will be important to study further whether improved paternity establishment and child support lead to fewer nonmarital births and more contact between the unwed fa-

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ther and his children, and what the outcomes of any of these changes are for children.

The problems arising out of paternal irresponsibility will continue to attract the attention of the public and policymakers. Initial plans for legislation drafted last year by former Congressman Thomas Downey and by Congressman Henry Hyde called for federalizing the child support system and setting up demonstrations to test the concept of a minimum assured child support benefit. Under this system, the custodial parent would receive some minimum payment in the event the government was unable to collect support payments from the noncustodial parent. The proposed bill also called for "establishing paternity at birth (with as few exceptions as possible) for each child born in America, regardless of welfare status." Custodial parents would not qualify for the assured support payment without the establishment of paternity. Several of these ideas are likely to reappear in some version in the administration's forthcoming welfare-reform proposal.

Although a number of legislative and programmatic proposals exist, many important and practical policy questions remain. The list is long, but here are a few:

■ Should states require the establishment of paternity for all out-of-wedlock children? How in practice would this requirement be implemented?

■ To what extent should custodial mothers be required to identify their child's father? When is it in the best interest of the child not to do so?

■ In their eagerness to facilitate increased paternity adjudications, are states sufficiently careful to guard the due process rights of men who may have been unjustly named as the father by the unwed mother?

■ How can the current disincentives within the welfare and child support systems be restructured in order to encourage both parents' cooperation?

■ When employment and training programs specifically target unwed or noncustodial fathers, does this create perverse incentives that further weaken the institution of marriage? Will this take away resources that would otherwise go to assist the unwed mothers, and if so, is this justified?

■ Can the eligibility for the AFDC program be modified to provide benefits to young two-parent families who are living together, but who typically do not have a strong employment record?

What we do know is that policy toward unwed fathers is being pulled in two opposite directions. One is to impose tough obligations and sanctions on all unwed fathers, rich and poor alike. But this strategy could make the current problem worse by driving fathers away from their children and from their financial responsibilities for them. The other approach is to lend unwed fathers a hand in the hope of enabling and encouraging them to be more responsible. But this could be expensive, and by seeming to reward the behavior, could have the effect of producing more out-of-wedlock births. Both strategies are likely to be resisted by those whose primary interest is in the well-being and autonomy of the mother, because helping unwed fathers may take resources away from mothers and deny her the opportunity to raise a child alone. Unwed mothers and fathers, their children, and taxpayers all have a large stake in how society answers these questions and in what direction policy takes.