

Current Population Reports

Household Economic Studies

Dynamics of Economic Well-Being: Program Participation, 1992-1993 Who Gets Assistance?

By Jan Tin



Introduction

How to improve the welfare system has been the subject of intense debate in recent years and many States are modifying their programs substantially under waivers granted by Federal Government. These changes and proposed ones have intensified the interest in information on people who participate in welfare programs. This report uses data from the Survey of Income and Program Participation (SIPP) to examine who receives assistance from the major means-tested government programs—namely, Aid to Families With Dependent Children (AFDC), General Assistance, food stamps, Supplemental Security Income (SSI), Medicaid, and housing assistance—over the 28-month period from October 1991 through January 1994.¹

Because SIPP provides monthly information on the program participation of individuals, as well as on many demographic and socioeconomic characteristics that can vary over time such as family and labor force status, differences in patterns of participation can be analyzed.² Specifically, this report examines similarities and differences in: (1) average monthly program participation in 1993; (2) the percent of people who participated in at least one of these programs

at some time during the 1992-1993 period; (3) the percent who participated in at least one program in all 24 months of 1992 and 1993; and (4) the length of time participants stayed in the programs (the duration of the spell).

Highlights

- Approximately 1 in 7 Americans participated in major means-tested assistance programs in 1993. On average, 36.0 (±0.8) million persons or 14.0 (±0.3) percent of the population were assisted that year, an increase of 8.6 million program participants from the 1987 level of 27.4 (±0.9) million.³
- In 1993, over one-third of Blacks (35.5 ± 0.8 percent) participated in major means-tested assistance programs, compared with 10.6 (±0.3) percent of Whites. The proportion of Hispanics receiving this assistance was 28.9 (±0.4) percent.⁴
- Nearly a quarter of the Nation's children participated in at least one of these means-tested programs in 1993. About 23.7 (±0.8) percent of children under 18 years of age received assistance, while only 10.0 (±0.3) percent of persons age 18 to 64 years and 12.0 (±0.8) percent of the elderly (65 and older) were participants.
- Over half of the poor in 1993 received means-tested assistance—57.3 (±1.2) percent compared with 6.5 (±0.3) percent of the nonpoor.
- Persons in married-couple families were less likely than those

in families with female householders, no spouse present, to participate in means-tested programs—7.7 (±0.3) percent compared with 42.9 (±1.2) percent in 1993.

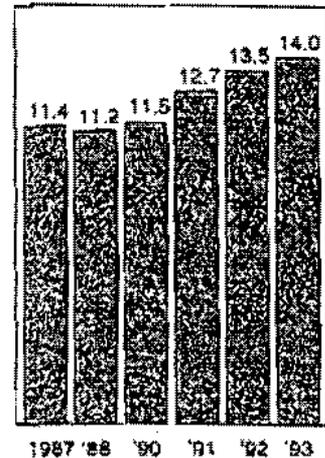
- The median length of time participants received benefits from these programs was 7.7 (±0.3) months during the 1992-1993 period, similar to that of the 1990-1992 period.

One in Seven Americans Receive Means-Tested Assistance

Of the estimated 258 million civilians living in the United States, approximately 36 million or 14.0 percent participated in one or more of the major means-tested assistance programs. As shown in figure 1, the average monthly program participation rate has

Figure 1.
Average Monthly Participation in Means-Tested Programs: 1987-1988 and 1990-1993

(In percent)



Source: U.S. Bureau of the Census, Survey of Income and Program Participation (SIPP).

¹Means-tested programs are those that require the income and/or assets of the individual or family to be below specified thresholds in order to qualify for benefits. These programs provide cash and non-cash assistance to portions of the low-income population.

²Efforts were made during the life of the panel to follow people who moved to ensure that the sample remained representative of the noninstitutional population of the United States.

³The figures in parentheses denote the 90-percent confidence intervals of the estimates.

⁴Hispanics may be of any race.

increased noticeably, from 11.4 percent in 1987 to 14.0 percent in 1993.⁵

A substantial proportion of the recipients, however, participated in major government programs only on a short-term basis. Only 8.6 percent of persons participated in these programs all 24 months of the 1992-1993 period. These long-term recipients were likely to be children or at least 65 years old. The proportions of children and the elderly that participated in these means-tested programs in each month of 1992 and 1993 were 14.1 percent and 9.7 percent, respectively, compared with 6.0 percent of people who were 18 to 64 years old.

Generally, program participation rates are related to poverty and business cycles—rising along with poverty rates during periods of economic contraction, and both falling during periods of economic expansion. During the expansionary period of 1987 and 1988, the official poverty rate dropped slightly from 13.4 percent to 12.8 percent. The poverty rate then rose to 13.5 percent in 1990 and reached 15.1 percent in 1993—a period when participation rates rose from 11.5 percent to 14 percent.⁶

Medicaid Has the Highest Participation Rate

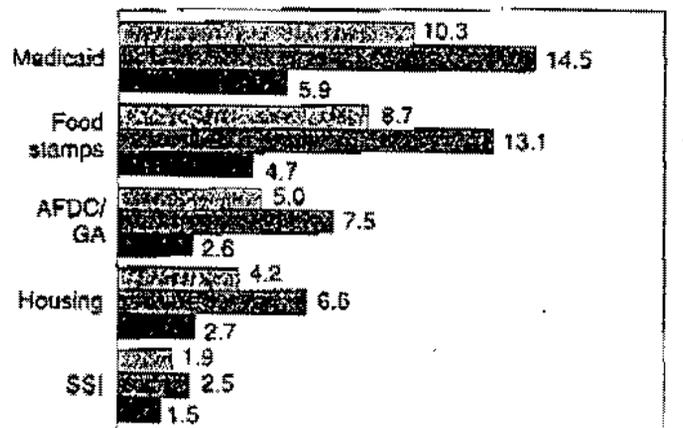
As shown in table A and figure 2, individuals were more likely to participate in Medicaid than in any other program. In 1993, the average monthly participation rate for Medicaid, 10.3 percent, was

⁵SIPP average program participation rates from 1987 to 1991 were obtained from previous Census Bureau reports, specifically, Current Population Reports, Household Economic Studies, Series P70-31, P70-41, and P70-46. The program participation rate for 1989 was not available for comparison. The 1993 program participation rate was not significantly different from that of 1992.

⁶Estimates of the poverty rates were obtained from Current Population Reports, Consumer Income, series P60-186. The 1988 poverty rate did not differ statistically from those of 1987 and 1989. Both poverty and program participation rates might have peaked in 1993.

Figure 2.
Participation Rates for
Means-Tested Programs

(In percent)



Source: U.S. Bureau of the Census, Survey of Income and Program Participation (SIPP).

higher than that of food stamps, AFDC or General Assistance, housing assistance, or SSI. A similar pattern existed for persons who were long-term participants, that is, who participated in these programs all 24 months of the 1992-1993 period.⁷

However, while a higher proportion participated in Medicaid, the length of stay on each of these programs was similar. Specifically, the median durations of participation for Medicaid, food stamps, and AFDC were not significantly different from one another (see table B). The median spells for SSI and housing assistance were not available for analysis, because more than half of their spells continued in the last month of data collection. This situation is especially likely to occur for elderly recipients whose incomes are likely to be stable over time.

Over 1 in 3 Black Americans Receive Means-Tested Assistance

In 1993, the average monthly number of Whites receiving means-tested assistance was far

greater than of Blacks, 22.9 million compared with 11.6 million. However, Blacks and Hispanics had higher average participation rates than Whites and non-Hispanics, respectively, both overall and for the individual programs as well. More than one-third (35.5 percent) of Blacks participated in these means-tested programs, compared with only 10.6 percent of Whites (see table A). The proportion of Hispanics who received benefits was 28.8 percent, significantly higher than the 12.3 percent of non-Hispanics who participated.

Additionally, in the 1992-1993 period, the median number of months Blacks received benefits was larger than for Whites (see table B). However, the median duration for Hispanics was not significantly different from the medians for non-Hispanics, Whites, and Blacks.⁸

Blacks tended to receive higher monthly benefits than Whites, a reflection of their relatively lower incomes and larger families. As indicated in table A, the median monthly benefit for Black families

⁷The long-term participants receiving AFDC and housing assistance were not significantly different.

⁸The median number of months Whites received benefits was not significantly different from that of Non-Hispanics.

(\$526) was significantly higher than the median for White families (\$399) in 1993, whereas the median benefit of Hispanics was not significantly different from that of non-Hispanics.

About One-Quarter of Children Under Age 18 Receive Means-Tested Assistance

Program participation is closely associated with the age of an individual, as shown in figure 3. In 1993, nearly 1 in 4 (23.7 percent) children younger than 18 received some type of means-tested assistance, compared with only 1 in 10 (10.0 percent) persons age 18 to 64 years and 1 in 8 (12.0 percent) of the elderly.

Recipients Have Lower Educational Levels

For people age 18 and over, lower educational attainment is associated with greater program participation (see table A). In 1993, about 1 in 4 (23.6 percent) of those with less than 4 years of high school received means-tested benefits, compared with 1 in 10 (10.1 percent) of those who completed high school but did not attend college, and only 4.1 percent of those with at least 1 year of college.

As expected, individuals who had not graduated from high school stayed in these programs longer than those with more education. The median duration of receipt for those without a high school degree (11.7 months) was higher than the medians for high school graduates (7.7 months) and persons with some college experience (7.4 months).⁹

One-Quarter of Those With Work Disabilities Receive Means-Tested Benefits

In 1993, on average, 25.2 percent of people 15 to 69 years old with a work disability received

⁹The median spell durations of receipt for high school graduates and persons with some college experience were not statistically different.

means-tested benefits, compared with only 7.8 percent of those with no work disability. Although SSI was designed for the disabled and automatically confers eligibility for Medicaid, people with work disabilities were also more likely than others without work disabilities to

participate in General Assistance and housing assistance.¹⁰

¹⁰For disabled persons, the average monthly participation rates of food stamps and SSI were not statistically different, neither were those of AFDC and housing assistance. For persons with no work disabilities, the average monthly participation rate of Medicaid was not significantly different from that of food stamps. Their average monthly participation rates of AFDC and housing assistance were also not significantly different.

Table A.

Average Monthly Participation Rates and Median Monthly Family Benefits by Selected Characteristics: 1992 and 1993

Characteristic	Participation rates (in percent)					
	Means-tested programs ¹		AFDC/General Assistance		SSI	
	1992	1993	1992	1993	1992	1993
Total number of recipients (thousands)	34,464	35,068	12,386	12,700	4,721	4,697
As percent of the population	13.5	14.0	4.8	5.0	1.8	1.8
RACE AND HISPANIC ORIGIN						
White	10.8	10.8	3.1	3.1	1.5	1.5
Not of Hispanic origin	10.7	10.7	2.8	2.8	1.4	1.4
Black	23.5	23.5	10.5	10.4	3.4	3.7
Hispanic origin	28.9	28.9	10.4	10.0	2.6	2.8
Not of Hispanic origin	12.3	12.3	4.2	4.3	1.8	1.8
AGE						
Under 18 years	22.7	23.7	11.1	11.4	0.0	0.0
18 to 64 years	9.8	10.0	3.0	3.0	1.8	2.0
65 years and over	11.8	12.0	0.2	0.2	6.1	5.9
EDUCATIONAL ATTAINMENT						
(Persons 15 years and over)						
Under 4 years of high school	22.7	23.6	5.3	5.3	7.0	7.8
High school graduate, no college	10.1	10.1	2.7	2.7	1.7	2.0
1 or more years of college	4.1	4.1	1.0	1.0	0.7	0.7
DISABILITY STATUS						
(Persons 15 to 69 years)						
With work disability	24.8	25.2	5.4	5.0	10.3	11.0
With no work disability	7.5	7.8	2.7	2.8	0.3	0.4
RESIDENCY						
Metropolitan	13.3	13.3	5.0	5.1	1.8	1.8
Central	10.4	10.5	6.2	6.5	2.5	2.6
Nonmetropolitan	15.9	16.2	4.6	4.6	2.4	2.5
REGION						
Northeast	13.2	13.8	5.0	5.7	1.7	1.8
Midwest	11.6	11.9	4.7	4.7	1.2	1.2
South	15.0	15.5	4.2	4.4	2.2	2.3
West	13.7	14.2	5.5	5.5	2.1	2.3
FAMILY STATUS						
In families	16.2	16.2	1.5	1.7	1.1	1.4
In married-couple families	7.7	7.7	1.6	1.7	0.9	0.9
In families with a female householder, no spouse present	4.5	4.5	3.6	23.0	1.3	3.8
Unrelated individuals	13.3	12.3	0.9	0.6	5.0	5.2
EMPLOYMENT AND LABOR FORCE STATUS (PERSONS 15 YEARS AND OVER)						
Employed full time	3.1	3.5	0.3	0.3	0.7	0.2
Employed part time	3.4	3.6	1.0	1.5	1.0	1.0
Unemployed	24.5	24.3	9.5	9.3	1.4	1.3
Not in the labor force	19.8	20.2	5.6	5.8	5.9	7.2
FAMILY INCOME TO POVERTY RATIO						
Less than 100	58.2	57.9	28.8	26.9	8.0	6.6
100 and over	6.2	6.0	1.1	1.2	1.1	1.1

See footnotes at end of table.

Table A.

Average Monthly Participation Rates and Median Monthly Family Benefits by Selected Characteristics: 1992 and 1993—Con.

Characteristic	Participation rates (in percent)						Monthly family benefits ³ (in dollars)			
	Food stamps		Medicaid		Housing assistance		1992		1993	
	1992	1993	1992	1993	1992	1993	Median	Standard error	Median	Standard error
Total number of recipients (thousands)	21,767	22,553	24,580	26,453	10,749	10,759	(X)	(X)	(X)	(X)
As percent of the population	8.5	8.7	9.8	10.3	4.2	4.2	452	3.0	494	4.5
RACE AND HISPANIC ORIGIN¹										
White	6.2	6.2	7.1	7.7	2.6	2.7	402	2.5	386	4.0
Not of Hispanic origin	5.0	4.9	5.8	6.2	2.4	2.3	359	4.5	365	5.5
Black	24.3	25.4	26.1	27.0	13.4	13.7	538	6.0	526	3.5
Hispanic origin	17.7	18.9	19.8	21.6	7.7	7.9	490	7.5	478	7.5
Not of Hispanic origin	7.5	7.6	8.5	9.0	3.6	3.6	448	4.5	443	4.3
AGE										
Under 18 years	18.1	16.9	18.0	19.5	6.6	6.6	565	7.0	555	5.5
18 to 64 years	6.0	6.1	6.3	6.6	3.1	3.0	425	4.5	426	4.5
65 years and over	3.6	3.9	7.9	8.1	4.7	4.8	202	4.5	197	6.0
EDUCATIONAL ATTAINMENT (PERSONS 18 YEARS AND OVER)										
Under 4 years of high school	13.0	13.5	15.8	18.5	7.1	7.2	386	6.0	390	6.0
High school graduate, no college	5.8	5.8	6.1	6.3	3.2	3.1	359	10.0	373	10.5
For more years of college	11.9	11.9	22.4	22.4	1.6	1.6	415	10.0	436	13.0
DISABILITY STATUS (PERSONS 15 TO 69 YEARS)										
With work disability	13.4	13.2	18.6	19.5	6.2	6.2	417	6.5	412	10.0
With no work disability	4.9	5.1	4.4	4.7	2.6	2.6	434	7.5	438	3.0
RESIDENCE										
Metropolitan	7.9	8.1	9.4	10.0	4.2	4.3	498	9.0	493	5.5
Central city	13.0	12.8	14.7	14.9	7.3	7.3	551	7.0	551	6.5
Noncentral city	4.5	4.9	5.9	6.0	2.2	2.3	426	6.0	430	5.3
Nonmetropolitan	10.7	10.9	10.5	11.2	4.2	3.7	349	6.0	345	6.5
REGION										
Northeast	8.0	8.2	9.9	10.5	5.6	5.8	532	11.5	548	12.0
Midwest	7.3	7.7	8.4	8.9	4.0	3.9	486	9.0	481	6.0
South	10.9	10.7	9.4	10.3	4.1	4.0	362	7.0	362	6.0
West	7.3	7.3	11.3	11.7	3.4	3.4	625	7.5	500	2.5
FAMILY STATUS										
In families	9.1	9.4	10.6	10.6	3.9	3.9	489	3.0	482	4.5
In married-couple families	4.2	4.3	4.7	5.2	1.6	1.6	355	5.0	340	7.5
In families with a female householder, no spouse present	31.7	32.6	33.4	34.8	14.5	14.4	571	5.5	534	4.5
Unrelated individuals	5.1	4.9	5.1	5.1	6.0	5.7	184	6.5	189	6.0
EMPLOYMENT AND LABOR FORCE STATUS (PERSONS 18 YEARS AND OVER)										
Employed full time	1.6	1.5	1.2	1.2	1.5	1.5	233	5.5	231	6.5
Employed part time	4.8	4.8	4.5	4.9	3.1	2.9	277	9.0	282	6.5
Unemployed	16.1	16.6	14.7	14.2	6.9	7.3	600	19.5	411	26.5
Not in the labor force	10.9	11.2	14.8	15.5	5.9	5.8	434	0.0	433	1.0
FAMILY INCOME-TO-POVERTY RATIO										
Less than 1.00	45.0	45.7	43.6	44.9	17.8	16.0	498	7.0	498	7.5
1.00 and over	3.3	2.4	3.9	4.3	1.0	1.8	334	6.5	349	4.5

X Not applicable.

¹Major means-tested programs include AFDC, General Assistance, SSI, food stamps, Medicaid, and housing assistance.

²Persons of Hispanic origin may be of any race.

³Median monthly family benefits are the total received from AFDC, General Assistance, food stamps, and SSI.

When we examine program participation over time, those with disabilities were more likely to be long-term recipients than others—19.2 percent of them collected benefits in all 24 months, compared with 4.0 percent of those without work disabilities.

Over Half of the Poor Receive Means-Tested Assistance

Not surprisingly, 57.3 percent of the poor received means-tested benefits in 1993, compared with 6.5 percent of the nonpoor (see

figure 4). Over half (53.5 percent) of the poor participated in all 24 months of 1992 and 1993, as did only 3.0 percent of the nonpoor. In addition, the median duration of receipt for the poor was about twice that of the nonpoor

(11.5 months compared with 6.0 months).¹¹

¹¹The poverty status of a person in a given period is defined by dividing the sum of his/her monthly family incomes by the sum of higher monthly family poverty thresholds. The person is considered "poor" if the ratio is less than one and is considered "non-poor" otherwise. This implies that individuals who are considered "poor" in a year may not necessarily be "poor" in every month of the year.

Families Maintained by Women Have Higher Participation Rates

Reflecting their relatively low incomes, individuals in families maintained by women were much more likely to participate in means-tested programs than those in married-couple families—42.9 percent compared with

7.7 percent in 1993. Moreover, over half (51.1 percent) of those in families maintained by women participated in means-tested programs during at least 1 month of 1992 and 1993, compared with 13.8 percent of those in married-couple families. Similarly, a higher proportion of families maintained by women received means-tested

Table B.

Median Duration of Participation and Standard Errors by Program: 1992-1993

(In months. Median duration cannot be computed when more than half of the spells are continuing in the last month of data collection. This situation is especially likely to occur for elderly recipients whose income from other sources is unlikely to rise over time.)

Characteristic	Major assistance programs ¹		AFDC/General Assistance		SSI		Food stamps		Medicaid		Housing assistance	
	Median	Standard error	Median	Standard error	Median	Standard error	Median	Standard error	Median	Standard error	Median	Standard error
All recipients	7.7	0.310	8.5	1.110	(X)	(X)	8.0	0.444	8.1	1.505	(X)	(X)
RACE AND HISPANIC ORIGIN												
White	7.3	0.317	7.5	0.581	(X)	(X)	7.2	0.534	7.9	0.288	14.5	2.072
Not of Hispanic origin	6.9	1.173	7.5	0.591	(X)	(X)	6.6	0.951	7.9	0.388	11.8	0.973
Black	13.3	1.391	13.8	1.068	(X)	(X)	10.9	0.569	11.8	0.924	(X)	(X)
Hispanic origin	9.3	1.887	7.5	1.717	(X)	(X)	9.5	1.484	7.9	0.438	18.1	0.475
Not of Hispanic origin	7.5	0.384	6.8	1.109	(X)	(X)	7.8	0.529	8.4	1.878	(X)	(X)
AGE²												
Under 18 years	7.2	0.438	10.0	1.870	(B)	(B)	8.5	1.141	7.1	0.375	(X)	(X)
18 to 64 years	7.8	0.397	7.8	0.641	(X)	(X)	7.5	0.620	11.4	0.680	14.6	2.063
65 years and over	(X)	(X)	(B)	(B)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
EDUCATIONAL ATTAINMENT (PERSONS 18 YEARS AND OVER)												
Under 4 years of high school	11.7	1.001	7.9	1.194	(X)	(X)	10.3	1.938	17.5	2.733	(X)	(X)
High school graduate, no college	7.7	0.608	7.8	0.811	(X)	(X)	7.9	0.808	11.1	0.897	11.5	1.194
1 or more years of college	7.4	0.713	7.9	1.559	14.3	3.6	5.8	1.264	9.9	3.231	14.3	1.844
DISABILITY STATUS (PERSONS 16 TO 64 YEARS)												
With work disability	10.6	2.028	8.3	4.135	(X)	(X)	7.9	1.354	19.1	2.133	(X)	(X)
With no work disability	7.6	0.434	7.8	0.857	7.8	1.846	7.5	0.574	7.9	0.360	13.6	5.416
RESIDENCE												
Metropolitan	7.5	0.328	8.5	1.772	(X)	(X)	6.1	1.015	7.9	0.301	(X)	(X)
Central city	8.5	4.551	9.8	3.878	(X)	(X)	6.7	1.679	7.8	0.364	(X)	(X)
Noncentral city	7.7	0.406	9.3	1.772	(X)	(X)	7.5	0.781	8.0	0.472	(X)	(X)
Nonmetropolitan	7.4	0.803	7.4	0.572	(X)	(X)	7.4	1.095	9.3	2.935	14.0	3.697
REGION												
Northeast	7.8	0.691	7.8	0.699	(X)	(X)	7.5	0.878	8.0	0.479	(X)	(X)
Midwest	7.4	0.844	10.9	1.552	17.4	2.619	7.9	1.463	11.5	1.297	19.4	1.680
South	8.9	1.800	9.7	1.965	(X)	(X)	9.5	1.571	7.8	0.467	(X)	(X)
West	7.3	0.488	7.5	2.404	(X)	(X)	8.9	0.696	7.8	0.467	(X)	(X)
FAMILY STATUS												
In families	7.6	0.332	8.8	1.124	(X)	(X)	7.8	0.459	7.9	0.274	(X)	(X)
In married-couple families	6.3	1.569	5.0	3.544	19.7	5.531	6.7	0.859	7.2	0.306	15.1	1.888
In families with a female householder, no spouse present	13.1	8.196	12.3	1.726	(X)	(X)	11.5	1.556	12.6	1.643	(X)	(X)
Unrelated individuals	11.2	0.898	13.1	2.087	(X)	(X)	10.8	3.912	12.1	1.746	11.2	1.123
EMPLOYMENT AND LABOR FORCE STATUS (PERSONS 18 YEARS AND OVER)												
Employed full time	5.4	1.091	3.7	0.293	7.0	2.624	4.2	0.709	7.0	0.554	10.6	2.949
Employed part time	7.6	1.162	7.0	1.340	(B)	(B)	7.2	1.745	7.8	0.525	(X)	(X)
Unemployed	8.0	1.353	6.1	1.641	(B)	(B)	7.8	0.709	12.2	1.938	(X)	(X)
Not in the labor force	18.7	0.549	11.5	1.462	(X)	(X)	12.5	2.577	19.7	0.785	(X)	(X)
FAMILY INCOME-TO-POVERTY RATIO												
Less than 1.00	11.5	0.831	9.6	1.402	(X)	(X)	9.8	1.461	11.5	0.568	(X)	(X)
1.00 and over	6.0	1.118	5.5	1.627	(X)	(X)	5.9	1.076	7.1	0.294	(X)	(X)

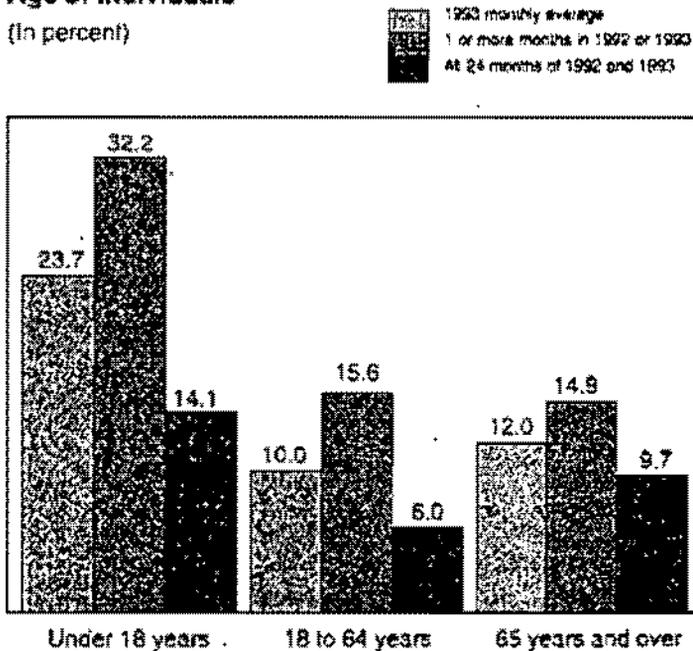
X Not applicable. B Base less than 200,000.

¹Means-tested programs include AFDC and General Assistance, SSI, food stamps, Medicaid, and housing assistance.

²Persons of Hispanic origin may be of any race.

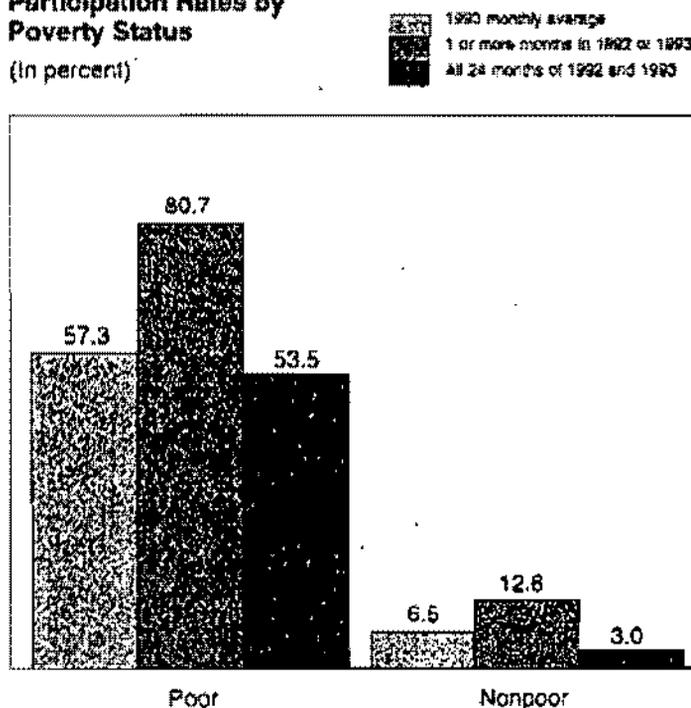
³Age, educational attainment, and other variables are measured at the time the spells begin, excluding those who are already on programs at the start of the survey.

Figure 3.
Participation Rates by
Age of Individuals
(In percent)



Source: U.S. Bureau of the Census, Survey of Income and Program Participation (SIPP).

Figure 4.
Participation Rates by
Poverty Status
(In percent)



Source: U.S. Bureau of the Census, Survey of Income and Program Participation (SIPP).

benefits in all 24 months than of married-couple families.

Nearly One-Quarter of the Unemployed Receive Means-Tested Benefits

As shown in figure 5, in an average month of 1993, almost one-quarter of the unemployed received means-tested assistance, as did 1 in 5 individuals not in the labor force. In contrast, only 3.5 percent of those with full-time jobs and 8.6 percent of those with part-time jobs received these benefits at some time during 1993.

The unemployed and those who were not in the labor force received higher monthly benefits than people with full- or part-time jobs. The median monthly benefit from AFDC, General Assistance, food stamps, and SSI for families with an unemployed worker was \$411, not significantly different from that of families with no members who were in the labor force. The median benefits for full- and part-time workers were \$231 and \$282, respectively. In addition, the median unemployment compensation benefit among recipients was \$618 in 1993, although only 28.7 percent of the unemployed received these benefits.

Residential and Regional Differences

As shown in table A, people living outside metropolitan areas had a higher average program participation rate in 1993 than those living inside metropolitan areas. However, dividing metropolitan areas into central cities and non-central cities reveals a different picture, with those in central cities having participation rates significantly higher than either of the other two groups.

Regionally, the average monthly program participation rate was highest in the South (15.5 percent) and lowest in the Midwest (11.9 percent). The average participation rate in the West was similar to those of the Northeast and the South, but the average rates in

the Northeast and the South were significantly different. However, disaggregation by type of program shows that people in the West were more likely to be covered by Medicaid than those in the South or the Midwest. People in the South were more likely to be covered by food stamps than those in any other region, but less likely to receive AFDC.¹²

Source and Accuracy of Estimates

All statistics are subject to sampling error, as well as non-sampling error such as survey design flaws, respondent classification and reporting errors, data processing mistakes, and undercoverage. The Census Bureau has taken steps to minimize errors in the form of quality control and edit procedures to reduce errors made by respondents, coders, and interviewers. Ratio estimation to independent age-race-sex population controls partially corrects for bias attributable to survey undercoverage. However, biases exist in the estimates when missed persons have characteristics different from those of interviewed persons in the same age-race-sex group.

Analytical statements in this report have been tested and meet statistical standards. However, because of methodological differences, use caution when comparing these data with data from other sources.

Contact Elaine Hock, Demographic Statistical Methods Division, at 301-457-4192 or on the internet at ehock@census.gov

¹²The AFDC participation rates in the Northeast, Midwest, and West were not significantly different from one another. The food stamp participation rates in the Northeast, Midwest, and West were not significantly different from each other. The Medicaid participation rate in the Northeast was not significantly different from those in the South and West. In the Midwest and South, the Medicaid participation rate was not significantly different from the food stamp participation rate.

Figure 5.
Participation Rates by
Employment Status

(In percent)



Source: U.S. Bureau of the Census, Survey of Income and Program Participation (SIPP).

for information on (1) the source of the data, (2) the accuracy of the estimates, (3) the use of standard errors, and (4) the computation of standard errors.

Note: All demographic surveys, including SIPP, are affected by undercoverage of the population. This undercoverage results from missed housing units and missed persons within sample households. Compared with the level of the 1980 decennial census, overall undercoverage in SIPP is about 7 percent. Undercoverage varies with age, sex, and race. For some groups, such as 20 to 24 year old Black men, the undercoverage is as high as 27 percent compared with the census. It is important to note that the survey undercoverage is in addition to the decennial census undercoverage, which in 1980 was estimated to be about 1 percent overall and about 8.5 percent for Black men. The weighting procedures used by the Census

Bureau partially correct for the bias due to undercoverage, but its final impact on estimates is not known.

Comments from Data Users

The Census Bureau welcomes the comments and advice of data users. If you have suggestions or comments, please write to:

Daniel H. Weinberg
Chief, Housing and Household
Economic Statistics Division
U.S. Bureau of the Census
Washington, DC 20233-8500

or contact:
Program Participation Statistics-
Jan Tin
301-763-8375
JTIN@CENSUS.GOV

Statistical Methods Division-
Vicki Huggins
301-457-4192
VHUGGINS@CENSUS.GOV

WR-Work

September 29, 1993
Child Care Issue Group

Training Welfare Recipients to be Child Care Workers Executive Summary

As one considers the implementation of a time-limited welfare program which would require employment after some period of time, two dilemmas immediately arise: 1) Where will these people, mostly women, find employment that pays a living wage, offers benefits, and provides a career ladder? and 2) How can the supply of quality child care be expanded to accommodate their child care needs? One solution is to train these women to provide quality child care services. Although such a solution would seem to effectively "kill two birds with one stone", there are serious concerns about its viability ranging from the quality of the care provided to the limited career advancement opportunities in the child care field. To evaluate those concerns and explore options to address them, we reviewed the literature and spoke with over 60 experts in training, child care, child development, and related research. The consensus was that a program to train AFDC recipients as child care workers could provide a partial solution for both of these problems, but that for the program to succeed it would have to be carefully designed and participants would have to be screened.

Existing Programs - Programs to train child care providers already exist. The per person costs range from \$325 for a self-initiated Child Development Associate (CDA) program to \$6000 for Massachusetts' nine-month college certificate program. The Massachusetts program includes college courses and field experiences that can be applied toward an Associates (AS) degree, a weekly support group, adult literacy, tutoring, job preparation, job search, and job placement. Pell grants cover \$1800 of the expenses. The Family Education and Training Program in Connecticut, a nine month program leading to a CDA that includes classroom-based training, parenting, job readiness, job search, a field experience, and support group meetings costs \$2700. The California Child Care Resource and Referral Network provides training for family day care providers at an average cost of \$1000. Training is structured around the needs of the individual and might include one-time workshops, home visits, or multi-session courses which result in CDAs, state licenses, or new skills.

Each of these programs has three basic components which lead to their success: they have considered the needs of the community; they screen potential trainees for interest and aptitude; and they provide training for people who would like to work in a variety of settings (centers, family day care, and schools) and who have varying capacities (child care providers, and clerical, maintenance, or food service staff).

Designing Training Programs - Although we should not design a rigid national training system, any training program should focus on the entire family and should include information both on how to become an effective child care provider and a more knowledgeable parent. The training should provide a recognizable credential and would

ideally provide credits that could be applied to an Associates or Bachelor's degree. Coursework should include child development, curriculum focusing on early childhood education and developmentally appropriate practices, building self-esteem, basic literacy and communication skills, business skills, and parenting. The training should also include field experiences, supervision including feedback on performance, mentoring, placement in jobs with a career ladder, and benefits and services that insure self-sufficiency including child care, health care, and transportation.

Delivering the Training - To deliver the training to AFDC recipients, we have several options. We could: fund pilot programs that would allow States, communities, or other providers of training to test training programs at the local level before implementing them on a larger scale; provide planning grants to states; provide training grants to existing providers of training such as Head Start's Training and Technical Assistance System, NACCRRRA, NAEYC, or colleges and universities; provide incentives to current providers of training to expand their training efforts or provide incentives to child care providers to obtain training for themselves or their staffs; create set-asides for training in the IV-A programs or increase and/or target the "quality" set-aside in the CCDBG; and, collaborate with other agencies such as the Departments of Labor and Education who provide funding to train child care workers.

Overall Strategy - If we agree that training AFDC recipients to be child care providers is a worthwhile strategy, we should take positive steps to assure its success. An alternative that has been suggested - child care as a form of public service employment, a "job of last resort" - was almost universally rejected by the experts we consulted with.

Such an approach would likely do more harm than good. Children would be poorly served by ill-prepared providers. Care would be unreliable because caregivers would change frequently. Parents, in this case AFDC parents, would not be comfortable with such providers, threatening the success of their work efforts. As a consequence, we strongly recommend a more proactive approach that sends the message that we are concerned about the quality of care, and that we are willing to invest significant resources to ensure that providers are well trained.

WR - Work

WORK AND NONCUSTODIAL FATHERS

**U.S. Department of Labor
July 1993**

WORK AND NONCUSTODIAL FATHERS

There is much evidence linking the rise in female-headed households--and thus the increase in welfare--to the declining economic position of non-college males. William Julius Wilson and Eleanor Holmes Norton have each portrayed males joblessness as the root cause of the various evils of ghetto life--crime, teen pregnancy, welfare dependency, drug abuse. Wilson has developed a "male marriageable pool index", which looks at the number of females in each age cohort relative to the number males with sufficient earnings to support a family. He finds that currently among non-whites there are less than 50 employed men in the 20-24 age cohort for every 100 women (Wilson). Andy Sum has used CPS data to show declining marriage rates for non-college males as their earnings power has decreased. Sociologists and demographers have also documented the link between unemployment rates and marital delays and out-of-wedlock births (Fairchild, Tilly and Scott, Furstenberg).

This paper discusses various strategies for improving the employment and earnings of the noncustodial fathers of children on AFDC. It includes sections on estimating the target population of noncustodial fathers who may be interested in employment and training assistance; the effectiveness of job training in improving the earnings of male adults and youth; lessons learned from public service employment programs; possible strategies for decreasing the rate of teen pregnancy; and issues relating to the design of an employment and training program aimed at noncustodial fathers.

In attempting to enhance the labor market position of noncustodial fathers, it is useful to keep the following points in mind:

- o There are two main interventions to increase the employment levels of noncustodial fathers--job training and public service employment (PSE)--and the goals of these interventions differ. Job training is aimed at increasing the human capital of enrollees and to improve their chances of getting a private sector job. It is an intervention aimed at the private sector. The goal of PSE is to directly provide jobs to people, with the understanding that there currently are insufficient jobs in the private sector.
- o Evaluations of job training programs suggest that it is difficult to markedly increase the human capital of persons. These results are not relevant to PSE because PSE has a different goal. However, there is no evidence to suggest that six months or one year of PSE will necessarily lead to private sector employment. To sustain a person's earnings over time may require a multi-year stint on PSE.
- o Given that 60 percent of women on AFDC fail to identify the father of the children in the family, it is important that efforts to increase the employability of noncustodial fathers be framed in terms of a positive incentive rather than as a punitive measure. That so few women entering AFDC identify the father of the child also has implications for how many males can be reached by an employment and training program, and thus the costs of the program. The

fewer males we can reach, the less will be the cost of the program--but also the less effective the program will be in combatting poverty and welfare dependency.

- o Increasing the long-term employability of noncustodial fathers can have a variety of objectives--to increase child support payments to AFDC households, to prevent AFDC households from forming in the first place by increasing the aspirations of teenage men, to promote marriage between noncustodial fathers and women on AFDC caseloads, and to have broader effects in terms of helping improve the economic base of black males and thus helping restore the black family. These various objectives mainly overlap, but there are subtle differences between them in the policy directions they imply.

TARGET POPULATION OF NONCUSTODIAL FATHERS

In designing an employment and training program for noncustodial fathers, it would be useful to have a profile of the persons who would enroll in such a program, as well as an estimate of the number who would participate. There is no data base that specifically identifies noncustodial fathers of children on AFDC. Researchers have used various data files to indirectly estimate the characteristics and earnings potential of noncustodial fathers (Lerman, Garfinkel and Oellerich, MacDonald, Meyer, Barfield and Meyer, Sorenson, and Danzinger and Nichols-Casebolt). This paper makes use of these various studies, but starts by simply looking at the characteristics of women who head AFDC families.

The age profile of women who head AFDC households varies depending on whether one looks at the AFDC caseload at a point in time or when the women enter AFDC for the first time. At any given point in time, 8 percent are under 20 years old, 48 percent are between 20 and 29, 32 percent are between 30 and 39, and 12 percent are 40 and over (Green Book). However, if one looks at the age at which these women first entered welfare, data from the Panel Survey of Income Dynamics (PSID) suggests that 36 percent were under 22 and 78 percent were 30 years old or younger when they first started AFDC (Ellwood). Further, a fair proportion of the female caretakers over 30 years old may be grandmothers whose daughters had children in their teens or early twenties.

Thus, a program aimed at increasing child support for the current AFDC caseload would be targeted primarily on noncustodial fathers in their twenties and thirties, while a program aimed at households first entering AFDC would be targeted on teen fathers and young men in their twenties. It is unclear what proportion of fathers of children born to teen mothers are teenagers themselves. Data available from the National Center for Health Statistics indicates that information on the age of the father is available on only 62 percent of the birth certificates for children born to women age 19 and under (Smollar and Ooms). The data that is available indicates that roughly two-thirds of fathers of children born to teen mothers are in their early twenties and one-third are teenagers themselves. However, the age of the

father is most likely to be on the birth certificates of children born to married couples, and married teen mothers are more likely to be in their late teens than unwed teen mothers.

The educational attainment of women on AFDC suggests that a large share of noncustodial fathers are high school dropouts. Roughly half of women on AFDC were high school dropouts when they entered the program, and only a small percent had attended college.

At any point in time, roughly 38 percent of women on AFDC are white, 40 are black, and 17 percent are Hispanic. Published data on residence of AFDC recipients in poverty areas is not available, but there is data on cash assistance recipients (AFDC, SSI, and General Assistance). In 1991, 36 percent of cash assistance recipients lived in areas of 20 percent or higher poverty (Census Bureau). Overall, 26 percent of persons living in poverty areas received cash assistance, as compared to 8 percent of persons living in non-poverty areas. Most likely, the proportion of long-term recipients of cash assistance living in poverty areas is higher than 36 percent, given that minorities are more likely to have both long stays on AFDC and to live in poverty areas.

These statistics suggest a fairly disadvantaged population of noncustodial fathers. It is likely that some proportion of noncustodial fathers work, and would not require employment and training assistance. Given unemployment rates in the general population, the employed group of fathers is more likely to be older, more educated, white, and living in a non-poverty area. This suggests a target group of noncustodial fathers that is even more disadvantaged than the above profile.

It is difficult to estimate the number of noncustodial fathers who would enroll in an employment and training program. In both the general population and the AFDC population, there is a large difference in earnings between noncustodial fathers who were initially married and those who never married the custodial mother. Garfinkel and Oellerich estimate that the mean annual income (in 1983 dollars) of custodial fathers who are divorced is \$25,000 for whites and \$18,000 for non-whites, whereas the mean annual income for noncustodial fathers who never married the mother is \$10,000 for whites and \$6,000 for non-whites. Thus, it is most likely the males attached to unmarried women entering AFDC who would require employment and training assistance. The proportion of women on AFDC who enter with no marital tie has grown markedly from 31 percent in 1975 to 54 percent in 1990 (Green Book).

In the 3.4 million AFDC households headed by women, there are roughly 1.8 million women who have not been married, and the men attached to these women would be a logical target population for employment and training programs. This figure would be more manageable if we concentrated on households first entering AFDC. If approximately 1.5 million women enter AFDC in a given year and 54 percent of them have never been married, this would yield a target population of about 800,000 males for employment and training programs. It is unlikely, though, that we could serve these young fathers in a given year and then forget

about them. Many will require multi-years of service, which eventually will get us back to the 1.5 million target population for an ongoing program.

Some proportion of the men in this target population will be employed. While even the employed men could benefit from job training to improve their career prospects, they will not have an acute need for employment and training assistance. A rough estimate would be that half of the men in the above target population will be unemployed and in acute need of help to improve their chances for a decent work career. This estimate is based in part on the NBER survey of inner-city black males in Chicago, Boston, and Philadelphia. The study found an employment/population ratio for 18-24 year-old, out-of-school black men of 39 percent for high school dropouts and less than 50 percent overall. Assuming a 50 percent employment/population ratio would yield a target population of 400,000 for the first year of an employment and training program, and 750,000 in a steady state.

However, it may be impossible to reach all of this target population, given that many women entering AFDC do not identify the father of the child. An offer of job training or a PSE job may increase the number of men willing to establish paternity, but it is doubtful that we would be able to reach such an agreement with 100 percent of noncustodial fathers.

IMPACTS OF JOB TRAINING ON ECONOMICALLY DISADVANTAGED MALES

Currently, there are no net impact results of job training programs aimed specifically at noncustodial fathers. The results of the evaluations described below need to be interpreted with some caution because they deal with fathers in AFDC-U households or the general population of disadvantaged males. Even though their demographic characteristics may be similar, noncustodial fathers differ from fathers in AFDC-U households because one group of men chose to get married or stay with their families while the other group did not. Noncustodial fathers also most likely differ in motivation and maturity from the general population of males, which includes a combination of fathers living with their families, non-custodial fathers, and men without children.

Most of the results presented here are based on random assignment evaluations. Random assignment studies of job training employ experimental techniques similar to medical research. Program applicants are divided into treatment and control groups through a lottery. Control groups are denied job training services from the particular program under study to establish what would happen in the absence of the program. Individuals in the treatment and control groups are then followed-up over time to determine if the training has had an impact on post-program outcomes such as employment, earnings, and educational attainment.

Adult Males

Positive but generally modest net impacts for adult males have been found from a small number of random assignment evaluations of job training programs:

- o The National JTPA Study sponsored by DOL randomly assigned 20,000 JTPA applicants in 16 SDAs to treatment and control groups over the period November 1987 through September 1989. Eighty-eight percent of the men in the adult sample were between the ages of 22 and 45. Baseline data were not collected on whether children existed outside the household. Roughly 56 percent of adult males in the study reported no spouse or child present in the household; 8 percent reported a child in the household, but no spouse; and 37 percent reported a spouse with or without children. The Study found that job training produced earnings gains over controls of adult males assigned to the program of 5 percent during the 18-month period following random assignment. These gains occurred in both classroom training and on-the-job training (OJT), and were close to being statistically significant (Bloom et.al.). Preliminary results from the 30-month follow-up suggest that these gains have been maintained and have become slightly larger. The impacts being found for adult men in the JTPA Study are equivalent to those being found for adult women.
- o Long-term impacts of job training on fathers in AFDC-U families are available from two welfare-to-work demonstrations evaluated by the Manpower Demonstration Research Corporation (MDRC). The San Diego Saturation Work Initiative Model (SWIM) provided enrollees a combination of job search assistance, community work experience, and job training. During the first year after entry into the program, AFDC-U participants experienced a 17 percent increase in both employment levels and earnings over the randomly assigned control group. At the 5 year follow-up, however, both of these gains had for the most part disappeared. Initially, the employment and earnings impacts of SWIM on females was stronger than that for men, but by the five-year follow-up the impacts on females had also gone away (Friedlander and Hamilton). The California GAIN program provides enrollees with a combination of basic education, job search assistance, and job training. In the two-year follow-up, AFDC-U fathers experienced employment gains over controls in all six sites studies, and earnings gains in five of the six sites. The earnings gains were typically in the range of 10 to 20 percent. The earnings impacts for women in GAIN were much larger than those for men in the two-year follow-up (Friedlander et.al).
- o A Rockefeller Foundation study of training programs for minority female single parents is relevant here even though males were not included in the project. At a 30-month follow-up, the study found disappointing results in two

sites, somewhat positive results in a third site, and very strong positive earnings gains of 25 percent for the Center for Employment Training (CET) in San Jose. At the five-year follow-up, earnings gains still stood at 16 percent over controls. However, by the five-year follow-up, employment rates of participants and controls were almost the same (52.9 percent versus 50.4 percent). The CET program is quite structured and offers concurrent basic education and job training with close interaction with case managers and instructors with extensive industry experience (Burghardt et.al.). The results are of note because the earnings impacts are perhaps the strongest found thus far of job training programs.

Male Youth

Generally disappointing results for youth have been found in several net impact evaluations of job training programs:

- o Youth in the National JTPA Study were between the ages of 16 and 21. All youth in the study were out of school, and nearly 60 percent of the male youth sample were high school dropouts. Again, no baseline information was collected on the existence of children outside the household. Roughly 85 percent of male out-of-school youth in the study reported no spouse or child present in the household; 4 percent reported a child in the household, but no spouse; and 11 percent reported a spouse with or without children. The 18-month follow-up found negative net effects on earnings for out-of-school male youth. The negative results for male youth were concentrated among those with prior arrest records (25 percent of the sample), but even for male youth without records the program did not achieve positive impacts. (Bloom et.al.). For female youth, OJT appears to be having a negative impact on earnings, and classroom training a positive--but statistically insignificant--impact.
- o The JOBSTART demonstration funded in part by DOL attempted to provide a fairly comprehensive set of basic skills and vocational skills to dropout youth with low reading skills. The evaluation has found positive impacts on achieving a GED. However, the evaluation has found only modest net impacts on earnings for female youth, and negative impacts for male youth during the first two years of follow-up balanced by positive impacts during the third and fourth year of follow-up (Cave and Doolittle).
- o The JOBSTART cumulative four-year results for males are still slightly negative, but the third and fourth year gains suggest that early losses in earnings may be made up over time and that educational gains from the program may be beginning to have some effect (Cave and Doolittle).

- o Interestingly, while youth with prior arrest records seem to do poorly under JTPA, they did well under JOBSTART. In fact, JOBSTART appears to have been quite effective in serving males with arrest records--increasing their earnings during the fourth-year of follow-up by almost \$2,000. In contrast, the program appears to have no impact on the fourth-year earnings of males without arrest records (Cave and Doolittle).
- o The JOBSTART results are particularly important because the demonstration in many ways reflects the direction in which DOL and Congress has been pushing JTPA--towards more comprehensive services to more at-risk persons.
- o One of the JOBSTART sites that did have positive results is the CET program in San Jose. This same site had markedly positive results in the Rockefeller Foundation demonstration aimed at minority female single parents. Characteristics of the site which may contribute to the positive impacts in both demonstrations include providing basic skills and vocational training concurrently, using instructors who have previous professional experience, close interaction between instructors and enrollees, and the San Jose labor market's access to jobs in the computer field.
- o The Summer Training and Education Program (STEP) added remedial education, life skills, and sex education components to traditional summer employment programs for both girls and boys. The evaluation of STEP funded in part by DOL found short-term positive impacts on math and reading scores, but no long-term impact on staying in school, employment, or teen pregnancy (Grossman and Sipe).
- o A multi-year evaluation of the Job Corps funded by DOL and completed in 1982 did find a positive benefit-cost ratio of \$1.42 per \$1 spent for the program from society's point of view. The evaluation used a comparison group rather than a control group design. The study found post-program gains in earnings of perhaps 15 percent, but much of what tipped the scale in favor of a positive benefit-cost ratio were savings in criminal justice costs due to reduced serious crimes committed by participants--both while they were in the program and after they left (Mallar). Interestingly, the evaluation also found that the Job Corps reduced the rates of non-marital births for both male and female enrollees during a four-year follow-up period, although only the result for females was statistically significant. Again, the study did not use a control group design, so these results need to be used with caution.
- o Project Redirection was a project started in 1980 aimed at providing comprehensive services to pregnant and parenting adolescents. The program was aimed at teen mothers, but the results are relevant here. The evaluation used a comparison group rather than a random assignment design. At the one-

year follow-up point, the evaluation found gains in educational attainment and employment, and decreased pregnancy. At the two-year point, most of these gains had disappeared, leading researchers to conclude that the program's impacts were transitory. However, at the five-year follow-up point, Project Redirection participants had better outcomes than the comparison group in terms of employment and reduced welfare dependency. Most important, the five-year results showed gains in the developmental stages of the children of participants--suggesting inter-generational benefits of such programs (Polit et.al).

Summary of Lessons Learned

For adult males, net impact evaluations suggest that:

- o Job training programs produce modest gains in post-program earnings for participants over controls. For example, if current trends continue, JTPA will have increased the earnings of male adults assigned to OJT by \$650 a year.
- o For the most part, these gains are not sufficient to make a quantum difference in the earnings of participants sufficient to move them out of poverty. More comprehensive and thus more expensive interventions most likely are necessary to achieve this.
- o The San Jose CET results for minority females show additional promise here. At five years after application to the program, treatment group females were earning an average of 16 percent more per month than were control group members. However, the program had only a minimal impact on employment rates at the five-year follow-up point.
- o Job training programs for adults can have modest, but not spectacular, impacts on the subsequent employment rates of enrollees. A typical pattern, as was found in the San Diego SWIM demonstration, is that a year after entry, 39 percent of the treatment group is employed compared to 33 percent of the control group.

For youth, net impact evaluations suggest that:

- o At this point we do not know how to effectively serve out-of-school disadvantaged youth.
- o One logical conclusion from the generally disappointing research results is that we need to move towards more intensive interventions for youth.

- o There are, however, alternative conclusions that can be drawn. It could be that by age 16 it is already very difficult to turn around someone's life, and we should shift resources to earlier childhood interventions. It could also be that we need to wait until youth settle down in their twenties before trying to give them specific job training.
- o It could also be that we would be more successful if we caught youth earlier before they left school. This suggests the need for programs that are integrated with the public schools--including youth apprenticeship programs and alternative schools.
- o It could also be that we need to think in terms of providing disadvantaged youth with a series of interventions from childhood through young adulthood if we expect them to be able to compete in the economy with youth from more advantaged families (Walker and Villela-Velez).
- o Finally, it could be that what we need is not more intensive programs serving fewer youth, but rather a geographic saturation of program alternatives to give large numbers of youth something constructive to do. Peer pressure is perhaps the dominant force that acts on youth, and a saturation of programs may be necessary to reverse the negative peer pressure that in many cases now prevails among disadvantaged youth.
- o There are some points of hope--the JOBSTART results for males with arrest records, the JOBSTART results at the San Jose CET site, and the Project Redirection results suggesting developmental gains for the children of young mothers served by the program.

LESSONS LEARNED FROM PUBLIC SERVICE EMPLOYMENT AND WORK EXPERIENCE PROGRAMS

The federal government operated public service employment programs on a grand scale during the Great Depression. The most notable of these Depression-era programs were the Civilian Conservation Corps (CCC), the Works Progress Administration (WPA), and the National Youth Administration (NYA):

- These work relief programs took a large amount of the federal budget and of GNP during the Great Depression. Combined, the New Deal work relief programs employed over 4 million a year out of a total population of less than 130 million (Kesselman, Briscoe). This would be the equivalent of employing 8 million people today in public service employment. The WPA's \$1.36 billion annual budget made up over 10 percent of the federal government's

budget and over 1 percent of the country's GNP. An equivalent expenditure today would amount to an over \$60 billion a year public works program.

- These programs typically were targeted on the economically disadvantaged, and in most cases were further targeted on persons living in families receiving public assistance programs.
- The goals of these programs had little to do with increasing the human capital of enrollees. Rather, the goals were to put money into the hands of desperately poor families and to pump money into the depressed economy.

After a 30 year lapse, the federal government again began to operate PSE programs in the 1970s. These programs were begun under the Nixon and Ford Administrations, but reached their peak during the Carter Administration:

- Unlike the Depression-era work programs, PSE during the 1970s tended not to operate special projects on its own, but rather to simply attach new workers to existing local government agencies and community-based organizations (Cook et.al.). As a result, little money in these 1970s programs went to supervision, equipment, or supplies. The 1970s programs were thus cheaper to operate. Replicating the 1930s CCC program would probably cost \$30,000 a slot today. The 1970s PSE programs could probably be replicated for \$10,000 a slot. However, the 1970s programs did not have the legacy projects that still exist from the CCC and WPA programs.
- The PSE programs of the 1970s had a peak enrollment of 755,000 in April 1978, with a funding level of almost \$6 billion that year.

There has not been the extent of random assignment evaluations of public service employment programs as there has been for job training. There are two reasons for this--1) random assignment has only become the rule in evaluating employment and training programs over the past ten years, and PSE has not been popular during this period; and 2) as noted above, the goal of PSE is to provide people with jobs, not necessarily to increase their human capital.

One PSE program that has been evaluated, but not using random assignment, was the Youth Entitlement demonstration that was begun in the late 1970s under the Carter Administration:

- o The Entitlement Demonstration offered disadvantaged youth a guaranteed job if they stayed in school or returned to school. The job guarantee was offered in 17 high-poverty inner-city or rural communities. The evaluation was based on comparing four demonstration sites to four similar sites. The results indicated no long-run impact on school completion, but some post-program impact on earnings (Farkas et.al.).

- o One clear finding of the Entitlement Demonstration is that inner-city, minority youth will work if given the chance. Of in-school youth who heard of the program, 85 percent applied. Of out-of-school youth who heard of the program, 61 percent applied even though it meant returning to school in order to get a job (Farkas). Of particular policy interest is that while the guaranteed jobs were provided the demonstration equalized the unemployment rates and employment-population ratios of black and white youth eligible for the program (Betsey et.al).

Work experience is somewhat of a cross between public service employment and job training. Enrollees are paid for public sector work, but are expected to become more employable in the private sector as a result of the experience. There have been random assignment evaluations of two work experience programs, and such an evaluation is planned for a third:

- o The Supported Work demonstration was operated during the late 1970s. It provided work experience for a year or so, under conditions of increasing demands, close supervision, and in association with a crew of peers. The model was tested using random assignment on four target groups--AFDC women, ex-addicts, ex-offenders, and dropout youth. Positive post-program impacts on earnings were found for female AFDC recipients, ex-offenders, and ex-addicts, but no impacts on earnings were found for youth (MDRC).
- o The West Virginia CWEP Program has been evaluated by MDRC. Random assignment was used in evaluating AFDC enrollees in the program, but not AFDC-U enrollees. No post-program impacts on earnings and employment were found for the AFDC enrollees, but MDRC did point out that the goal of the program was not to increase the employability of participants and that such a goal may not be realistic in the poor rural counties in which the demonstration was operated (Gueron and Pauly).
- o Random assignment evaluations of youth service and conservation corps--which have elements of both PSE and work experience--are slated to begin soon under funding from the National Youth Service Agency.

In summary, the lessons learned from public service employment programs suggest that:

- o It is possible to implement a large public service employment. The depression-era programs served over 4 million persons a year. The PSE programs in the 1970s enrolled as many as 700,000 persons at a time.
- o Implementing a PSE program today could probably be done for as little as \$10,000 per annual slot. However, such a program would only add workers to existing agencies. It would not carry on projects of its own. A public

works program that built new national parks, roads, and bridges, would cost perhaps \$30,000 per annual slot.

- o Based on the Entitlement experience, minority teenage males do want to work--black and white employment/population ratios can be equalized in geographic areas in which PSE jobs are saturated.
- o There is little evidence that six months or a year on PSE will necessarily result in private sector employment. A fair proportion of persons may need to be maintained on PSE over a multi-year period.

POSSIBLE PREVENTION INITIATIVES

The more or less discouraging results for job training programs and the fairly high costs for public service employment suggest that we may want to look at prevention of teen pregnancy as a good use of public dollars. The disappointing results of the STEP demonstration suggest that no one intervention, in isolation, is going to dramatically reduce teen pregnancy. However, because the costs of welfare are so high for families started by unwed teenagers, it is worth a lot of time and money to attempt to change cultural patterns of adolescent childbearing. Research on both young males and females suggest that youth who are doing well in school and have aspirations for college are markedly less likely to become teen parents (Polit, Lerman). Research also suggests much higher rates of teen parenthood in high-poverty urban neighborhoods (Hogan and Kitagawa).

What may be needed is a series of concentrated interventions started when children are small to boost their educational achievement and aspirations for college. To increase the cost-effectiveness of such programs, funding could be restricted to areas of 30 percent or higher poverty. New federal programs in such a prevention initiative could be based on the following models:

- o **New Beginnings** is a program aimed at increasing the involvement of parents in the education of children in elementary school. It is based in part on James Comer's ideas for increasing parent and community involvement in schools.
- o **LA's Best** is a comprehensive after-school program operated in inner-city elementary schools. Students receive a variety of positive experiences, including tutoring, sports and recreation, art instruction, and field trips to various cultural events.
- o **I Know I Can--Start Early** is a program that starts in the sixth grade to get children interested in the idea of going to college. Parents are also involved. During summers, children work and study on college campuses.

- o **Middle School Restructuring** has been identified by the Carnegie Council on Adolescent Development as fundamental to efforts to reform urban schools. Typically, students move from small elementary schools where they receive much attention to large, impersonal middle schools. In their **Turning Points** report, the Carnegie Council lists a number of recommendations for improving middle schools, including breaking up large schools into "houses" or "schools within schools" (Carnegie Council).
- o **Sports Programs** have been very effective in some of DOL's Youth Fair Chance pilot sites in expanding the involvement of youth in positive activities. There is much room in most inner-city neighborhoods for expanded sports leagues in baseball, softball, soccer, football, and basketball. Such leagues are needed for both children and youth, and for both boys and girls.
- o **CollegeBound** is a public/private collaboration started in Baltimore in which minority youth attending high school are assisted in applying for and enrolling in college. Counselors make sure that students take the PSAT and SAT tests on time, apply for financial aid, and fill out applications for colleges. Counselors also take students on trips to colleges, and parents are also involved. Counselors also work with local colleges to help youth get accepted and receive financial aid. Also, "last dollar" financial aid is promised to make up the difference between financial aid available and what the student needs to attend college. Combined, the **I Know I Can** and **CollegeBound** programs can be the equivalent of the more expensive **I Have a Dream** program.

ISSUES IN DESIGNING AN EMPLOYMENT AND TRAINING PROGRAM FOR NONCUSTODIAL FATHERS

1. To what extent are we willing to take another chance on job training, knowing that it has had limited effectiveness in serving youth under JTPA and in AFDC-U fathers in the San Diego SWIM project? If we are willing to go with job training, how can we improve on the services provided under JTPA and SWIM? One direction to go would be towards the San Jose CET model, which offers concurrent basic skills and vocational training with instructors who have private-sector experience. We also probably want to emphasize high-skill occupations.
2. If we decide to try public service employment, are we prepared to let a fair number of persons stay in these jobs over a multi-year period? One way of limiting the costs of PSE would be to restrict it to persons living in geographic areas of 30 percent or higher poverty.
3. If we use PSE, do we want to do it the cheapest way by simply adding persons to existing agencies, or do we want to have some more expensive PSE slots in

conservation corps and construction corps programs? The latter programs would more likely teach skills that could lead to private sector employment.

4. How would we ration available job training and PSE slots? Males already working most likely will not be interested in PSE positions, but they may be interested in job training for high-skill occupations. We probably want to concentrate resources on males attached to unwed AFDC women, given the much lower earnings levels of these men as compared to divorced or separated males. Unemployed divorced males could simply be referred to the Employment Service, whereas unmarried males would be placed in a training or PSE program.

5. How much funds could be made available for an employment and training program aimed at noncustodial fathers? 400,000 males the first year and 750,000 males in a steady state is a rough estimate of what the target population would be for an employment and training component aimed at noncustodial fathers. Restricting the program to 30 percent or higher poverty areas would perhaps reduce the number of persons to be served to 200,000 the first year and 375,000 in a steady state. Roughly \$10,000 per annual slot would be needed for a low-budget PSE program or a fairly intensive training program. This amounts to \$2 billion the first year and \$3.75 billion in a steady state.

6. The above target population figures assume all noncustodial fathers will be identified by the mother, and that the fathers are willing to acknowledge paternity in exchange for job training or a PSE position. If currently only 40 percent of all women entering AFDC identify the father of the child, the proportion of never married women identifying the father is much lower. Counting both voluntary and adjudicated cases, only a third of out-of-wedlock births have paternity established (beyond this figure, paternity is sometimes established through subsequent marriage). We may be fortunate to have 50 percent of males attached to unmarried women entering AFDC agree to establish paternity in exchange for job training or a PSE job. This would reduce the estimated costs for an employment and training program to \$1 billion the first year and roughly \$2 billion in a steady state.

7. How much can we expect existing job training programs to contribute to serving noncustodial fathers? Currently, JTPA serves about 125,000 economically disadvantaged adult males each year, and about 115,000 male youth in year-round programs. Additionally, about 400,000 male youth are served each year in the summer employment program. Also, the Job Corps currently enrolls about 62,000 youth, almost 40,000 of whom are males. It is probably best to view these programs as already pretty much doing what they are capable of doing in terms of serving non-custodial fathers. Certainly, the Job Corps with its targeting on dropout youth can be seen as already serving the exact target population we would want in welfare reform. The summer jobs program could be enhanced in various ways, but the disappointing results of the STEP demonstration suggest that this alone is not going to reduce teen

pregnancy. JTPA is designed to serve a wide range of disadvantaged persons throughout all geographic areas in the country. It would take a major legislative restructuring of the program and its allocation formula to make it targeted significantly more to the fathers of AFDC families.

8. How much of an effort are we willing to put into prevention programs serving both boys and girls? A new set of federal initiatives including New Beginnings, comprehensive after-school programs for elementary school youth, I Know I Can--Start Early, middle school restructuring, comprehensive sports and recreation programs, and CollegeBound, could collectively make a difference in raising the aspirations of youth and reducing teen pregnancy. Again, such initiatives could be limited to 30 percent or higher poverty areas. These six prevention initiatives would cost perhaps \$500 million a year funded as a package.

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Carload
work
Innings

GA

Record #'s leaving W, record #'s going to work

Carload gets all atten, but
Work - Explosion of work

More people on W are working, &
more people are leaving W for work.

- # of people → tripled

- # of people on welfare one year who are working the next has doubled

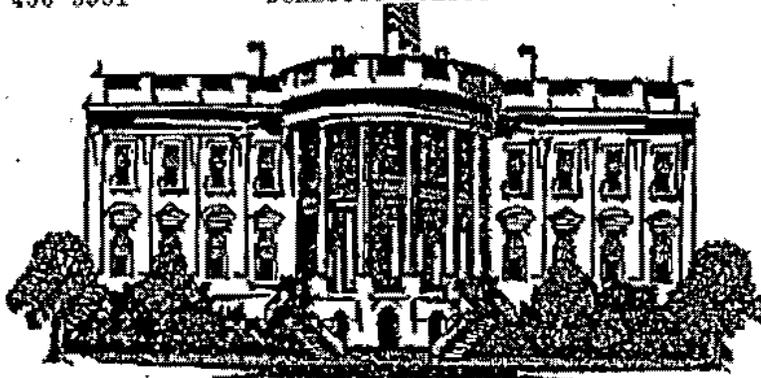
State
rates

Do more:
- 50% increase in WTW voucher
- 100% increase in Transportation
- \$1B → 200,000

Innings

Keeping both promises

- ① Restore Medicaid - SSI disabled after coming
- ② State option to cover legitimacy children after
- ③ State option to provide Medicaid for pregnant &



THE WHITE HOUSE

*AIR
Work*

Domestic Policy Council

DATE: 5/27

FACSIMILE FOR: Bruce Reed

FAX: 62878

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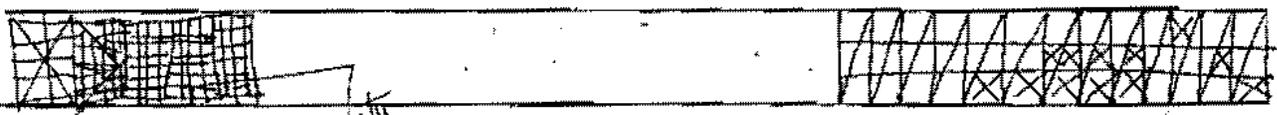
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PHONE: 202-456-5573

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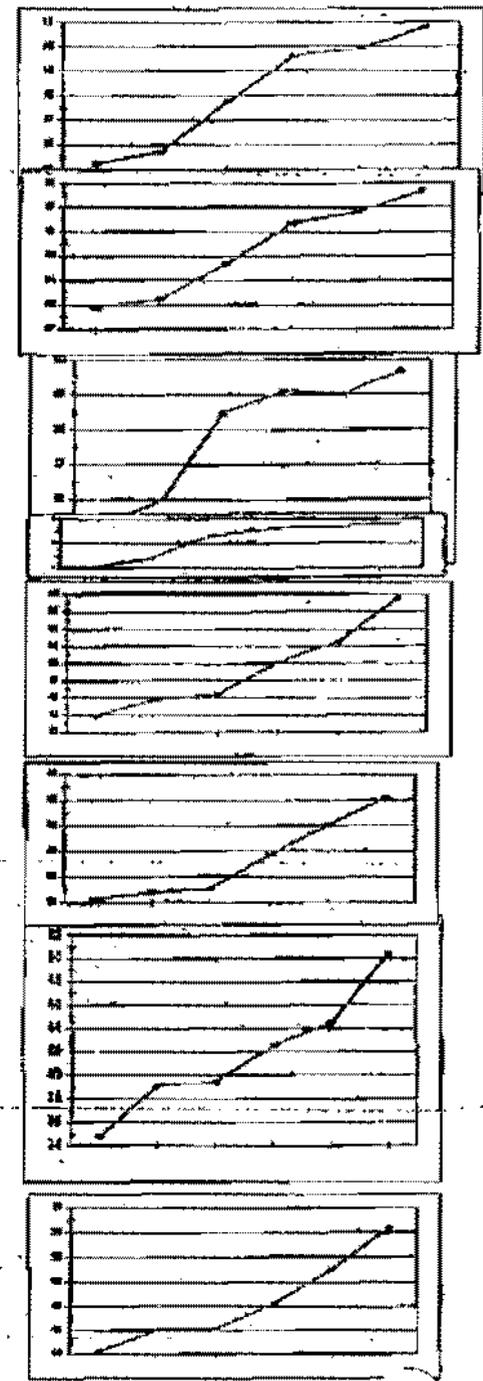
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P.02

	1992	1993	1994	1995	1996	1997
Married Mothers¹						
-with kids under 6						
employed	55.2	55.7	57.8	59.7	59.9	60.8
unemployed	4.2	3.7	3.5	3.3	2.4	2.6
not in labor force	40.4	40.6	38.4	38.0	37.6	36.3
-with kids under 18						
employed	62.9	63.3	64.7	66.4	66.8	67.6
unemployed	3.9	3.2	3.5	3.0	2.4	2.6
not in labor force	33.1	33.4	31.7	30.5	30.7	29.7
Married Mothers Under 200% of Poverty						
-with kids under 6						
employed	35.3	36.0	38.5	39.1	39.0	39.7
unemployed	6.8	5.9	5.9	4.8	4.2	4.4
not in labor force	57.9	57.9	55.4	56.3	56.7	55.9
-with kids under 18						
employed	41.0	41.8	43.7	44.2	44.4	44.6
unemployed	6.4	6.7	5.6	5.1	4.3	4.6
not in labor force	62.6	62.3	60.6	60.7	61.3	60.8
Single Mothers						
-with kids under 6						
employed	44.0	45.8	46.4	50.1	52.6	57.8
unemployed	6.7	8.4	9.7	8.0	8.4	9.8
not in labor force	47.3	45.8	43.7	41.9	39.1	32.6
-with kids under 18						
employed	56.2	58.8	57.1	59.7	62.1	64.2
unemployed	8.0	7.3	8.1	6.8	6.7	6.2
not in labor force	35.8	33.9	34.7	33.4	31.2	27.6
Single Mothers Under 200% of Poverty						
-with kids under 6						
employed	34.8	39.1	39.4	42.8	44.4	50.4
unemployed	9.8	9.1	10.8	6.7	9.8	11.8
not in labor force	55.5	51.8	50.0	48.8	46.0	37.8
-with kids under 18						
employed	44.1	46.0	48.1	48.2	51.1	54.4
unemployed	9.7	8.7	10.0	8.3	6.6	10.3
not in labor force	46.2	45.2	43.8	43.5	40.4	35.4
All previous-year AFDC recipients						
employed	19.1	21.4	N/A	22.6	24.0	29.8
unemployed	13.6	12.6	N/A	11.8	12.9	13.0
not in labor force	67.3	66.0	N/A	65.6	62.1	57.2
Previous-year AFDC recipients with no work in previous year a percent of all AFDC recipients						
	68.1	68.7		64.7	63.2	61.3



WR
Work

Q - What is the basis for the claim that 1.7 million family heads that received AFDC in 1996 were working in March of 1997?

A - The number is derived from an analysis of two Census surveys along with AFDC/TANF administrative records.

Background

In the Census' March/April, 1997 Current Population Survey (CPS), 31.5% of family heads who said they had received AFDC in the previous year reported that they were working in March. Although the CPS proportion should be accurate, it tends to significantly undercount total AFDC receipt. Therefore, we used the very accurate administrative count of AFDC cases.

According to administrative records, 4.39 million families received AFDC in the 50 states plus the District in an average month of 1996

An analysis of ten years of the Census' Survey of Income and Program Participation revealed that the number of families that receive AFDC at any time during the year is about 1.34 times the number that receive assistance in an average month. Thus, in 1996 about 5.88 million families received AFDC (1.34 times 4.39).

About 21.5% of those families did not include an adult recipient. Since the CPS question is ambiguous as to whether a person would appropriately answer "yes" to the question of whether they received AFDC, if in fact they had received it on behalf of a child, but not on behalf of themselves, we eliminated half of child-only cases in estimating what the total number of families were to which the CPS percentage would apply. This reduced the 5.88 million families to 5.24 million (5.88 times .892).

31.5% of 5.24 million is 1.65 million, or rounding up, 1.7 million.