

**Table 1**  
**Description of Public Assistance Programs for Families with Children, 1993** <sup>1</sup>

	<b>AFDC</b>	<b>Food Stamps</b> <sup>2</sup>	<b>Medicaid</b> <sup>2</sup>	<b>EITC</b>
<b>Year Established</b>	1935	1964	1965	1975
<b>Level of Finance</b>	Federal&State	Federal	Federal&State	Federal
<b>Level of Delivery</b>	State&Local	Federal	State	Federal
<b>Form of Benefits</b>	cash	food stamp coupons	free medical services	refundable tax credit
<b>Nature of Means Test</b>	income, asset	income, asset	income, asset	income
<b>Groups Covered</b>	Families with kids (primarily single parents)	All persons	AFDC recipients, poor children , elderly and disabled	Families with kids
<b>1993 Expenditures for Families with Children</b>	\$25.2 billion	\$12.9 billion. <sup>3</sup>	\$32.1 billion	\$13,239 m. (Preliminary)
<b>1993 Participation for Families with Children</b>	5 m. families 14 m. persons	6.8 m. families <sup>4</sup>	25.8 m. persons	14 m. families (Preliminary)
<b>1993 Average Benefit for Families with Children</b>	\$373/month (family)	\$189/month (family)	\$1013/yr for kids \$1813/yr for adults	\$945/yr (family)
<b>Statutory Tax Rate on Earnings</b>	67% or 100%	30%	full benefits until eligibility point ("notch")	-30% phase in 0% flat 18% phase out

Source: U.S. House of Representatives (1994), Social Security Administration (1995), and unpublished data from the Food and Nutrition Service.

Notes: 1. All dollar amounts are in current dollars.

2. Program is not limited to families with children. The expenditure and participation figures reflect just those for the portion of the caseload comprised of families with children.

3. Calculated by multiplying total benefit payments by reported figures on the percent of benefits going to AFDC recipients. This is an underestimate of the total cost of the food stamp program for families with children.

4. Calculated from figures on the percent of households with children in the food stamp unit.

**Table 2**  
**Expenditures and Participation in Selected Public Assistance Programs, 1960-1993** <sup>1</sup>

	1960	1975	1980	1985	1990	1993
<i>Program Expenditures (Millions of 1993 Dollars)</i>						
<u>Cash Programs</u>						
AFDC	4,887	25,500	23,560	21,969	23,438	25,242
EITC <sup>2,3</sup>	0	3,357	3,483	2,804	7,659	13,239
<u>In-Kind Programs</u>						
Food Stamps <sup>4</sup>	0	12,607	16,770	18,089	19,553	26,304
Medicaid	0	33,941	45,211	54,949	80,146	132,010
Housing <sup>5</sup>	864	30,189	29,554	25,167	20,940	20,535
<i>Program Participation (Millions)</i>						
<u>Cash Programs</u>						
AFDC (families)	n/a	3.3	3.6	3.7	4.0	5.0
AFDC (persons)	3.0	11.1	10.6	10.8	11.5	14.1
EITC (families) <sup>3</sup>	-	6.2	7.0	7.4	12.6	14.0
<u>In-Kind Programs</u>						
Food Stamps (persons) <sup>4</sup>	-	16.3	19.2	19.9	20.0	27.0
Medicaid (persons)	-	22.0	21.6	21.8	25.3	30.9
Housing (households) <sup>5</sup>	n/a	n/a	4.0	5.1	5.4	5.6
<i>Percent of Benefits For Families with Children</i>						
Food Stamps <sup>6</sup>	-	-	52.0%	51.5%	56.3%	54.7%
Medicaid	-	-	27.3%	24.4%	27.2%	29.8%

Sources: U.S. House of Representatives (1994), Social Security Administration (1995), Congressional Research Service (1993) and unpublished data from the Food and Nutrition Service.

Notes:

1. Many of these programs are also available to the elderly and childless families. Unless otherwise stated, the figures correspond to program totals, not just the benefits for the non-elderly. Expenditures include federal and state costs.
2. Cost of EITC includes the tax expenditure associated with the credit and measures the decrease in individual tax receipts due to the credit, and the refunded portion.
3. Figures for 1993 are projections.
4. Does not include data for Puerto Rico which operated a food stamp program from 1975-1982.
5. Figures in the final column are for 1992.
6. Includes percent of benefits to AFDC recipients only.

**Table 3**  
**Annual Income, Expenses and Tax Rates Faced by a Representative Welfare Recipient in 1993<sup>1</sup>**  
*California AFDC Benefits with 30 and 1/3 Rule*

	No Work	Part-Time Work <sup>2</sup>	Full-time Work <sup>3</sup>
<u>Income</u>			
Earnings	\$0	\$5,200	\$10,400
EITC	0	1,014	1,511
AFDC	7,284	5,817	3,391
Food Stamp Benefits	1,355	1,015	963
<u>Expenses</u>			
Child Care	0	1,040	2,080
Work Expenses	0	520	1,040
Other Federal Taxes	0	0	0
Payroll Taxes	0	398	796
State Taxes	0	0	0
Disposable Income	8,639	11,088	12,349
Average Tax Rate, from no work <sup>4</sup>	--	52.9%	64.3%
Average Tax Rate, from part-time <sup>4</sup>	--	--	75.8%

Notes:

1. The simulation is for a single mother living with two children in California earning \$5.00 per hour. Child care expenses are 20 percent of earnings and other work expenses are 10 percent of earnings. AFDC benefits are calculated using the 30 and 1/3 rule.
2. 20 hours per week.
3. 40 hours per week.
4. Tax rates calculated as one minus the change in disposable income over the change in earnings.

**Table 4**  
**Average Tax Rates for a Representative Welfare Recipient in 1993,**  
**by Wage Rate and Presence of EITC Program <sup>1</sup>**  
*California AFDC Program with 30 and 1/3 Rule*

	Work Transition		
	No Work → Part-time	Part-time → Full-time	No work → Full-time
<i>Average Tax Rate with 1996 EITC</i>			
<u>Wage Rate</u>			
\$5.00	32.4%	60.5%	46.5%
\$7.50	36.7	91.3	64.0
\$10.00	46.5	91.2	68.8
\$12.50	56.9	78.0	67.5
<i>Average Tax Rates without EITC</i>			
<u>Wage Rate</u>			
\$5.00	72.4%	85.3%	78.9%
\$7.50	76.7	82.1	79.4
\$10.00	78.9	71.4	75.1
\$12.50	79.6	56.9	68.3

Notes:

1. The simulation is based on a single mother living with two children in California. Child care expenses are 20 percent of earnings and other work expenses are 10 percent of earnings. AFDC benefits are calculated using the 30 and 1/3 rule. Part time work is 20 hours per week and full time is 40 hours per week. Tax rates calculated as one minus the change in disposable income over the change in earnings.

**Table 5**  
**Percent of Families in Poverty by Age of Head of Household and Family Type, 1993 <sup>1</sup>**

	All	Head < 65	Head ≥ 65
All Families	12.2%	13.3%	6.9%
<u>Families with Children &lt; 18</u>			
Husband-Wife Families	9.0	8.8	23.8
Female Head	46.1	46.8	28.2
Male Head	22.4	22.4	22.7
All	18.5	18.4	25.5
<u>Families without Children &lt; 18</u>			
Husband-Wife Families	4.1	3.8	4.8
Female Head	10.7	11.0	10.0
Male Head	10.0	10.5	8.4
All	5.1	4.9	5.5

Source: Author's tabulation of March 1994 Current Population Survey.

Notes:

1. Based on a sample of primary families only. Does not include secondary families or unrelated individuals. All results are weighted.

**Table 6**  
**Percent of Poor Families Receiving Public Assistance Benefits in 1993, By Family Type** <sup>1</sup>

	Number in Poverty (Millions)	<i>Percent of Poor Families Receiving Benefits From:</i>					
		AFDC or GA	Food Stamps	Medicaid <sup>2</sup>	Subsidized Housing	Any Means Tested <sup>3</sup>	No Benefits <sup>4</sup>
<u>Head &lt; 65 with kids</u>							
Husband-Wife	2,268	23.6%	49.1%	45.2%	9.5%	60.1%	39.9%
Female Head	3,941	62.6	76.5	77.0	36.7	86.5	13.6
Male Head	338	41.1	53.8	60.0	16.2	65.6	34.4
Head < 65, no kids	1,065	9.4	30.1	31.4	11.7	45.0	55.0
All Families with head < 65	7,612	42.6	60.8	60.4	24.2	71.9	28.1

Source: Author's tabulation of March 1994 Current Population Survey.

Notes:

1. Based on a sample of primary families only. Does not include secondary families or unrelated individuals. Receipt of benefits is determined at the household level. All results are weighted.
2. At least one person in the household is covered by Medicaid.
3. Includes receipt of AFDC, general assistance, food stamps, Medicaid, or subsidized housing.
4. Not receiving any of the benefits listed in note 3. Note that family can still be receiving other means tested benefits such as school lunches and energy assistance.

**Table 7**  
**Labor Force Participation Rates Among Parents in Poor Families,**  
**By Family Type and Receipt of Public Assistance Benefits in 1993 <sup>1</sup>**  
*Non-Elderly Families with Children*

	<i>Receipt of Public Assistance Benefits</i>			All Families 100%-200% Poverty
	AFDC or GA	Any Means Tested Benefits <sup>2</sup>	No Benefits <sup>3</sup>	
<u>Labor Force Participation Rates</u>				
<u>Among Non-Elderly Families with</u>				
<u>Kids</u>				
Female Head	32.8%	40.9%	70.8%	87.3%
Husband Wife Family				
Husband	45.4	61.6	83.4	91.8
Wife	22.7	32.4	49.7	60.4

Source: Author's tabulation of March 1994 Current Population Survey.

Notes:

1. Based on a sample of primary families only. Does not include secondary families or unrelated individuals. Receipt of benefits is determined at the household level. Non-elderly families are those headed by someone less than 65. All results are weighted.
2. Includes receipt of AFDC, general assistance, food stamps, Medicaid, or subsidized housing.
3. Not receiving any of the benefits listed in note 2. Note that family can still be receiving other means tested benefits such as school lunches and energy assistance.