
POLICY INFORMATION REPORT

WELFARE: Indicators of Dependency

By

Paul E. Barton

with a Foreword by

Daniel Patrick Moynihan



POLICY INFORMATION CENTER
Research Division
Educational Testing Service
Princeton, New Jersey 08541-0001

NOTE TO READERS

Each indicator is presented on two facing pages. On the right page, summary information for the indicator is highlighted and the data are displayed graphically. On the left page, the data regarding the indicator are discussed, tables are provided when not provided in the graphs, and sources and other contextual information are given.

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**Policy Information Center
Mail Stop 04-R
Educational Testing Service
Rosedale Road
Princeton, NJ 08541-0001
(609) 734-5694
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FOREWORD

Paul E. Barton is a pivotal figure in the history of social statisticians in the United States. He joined the Department of Labor in the years following the second world war, when policy makers in Washington watched anxiously to see whether the Great Depression of the 1930s would return. The operative term here is *watched*, for there was no way to *know*. The key indicator, or so it was believed — and legitimately so — would be an unemployment rate. But no one could be sure what that rate was. Previously, it was recorded in the decennial census (thus missing the truly horrendous years of the 1930s). The Employment Act of 1946 avowed a national interest in ample, if not “full,” employment, but again there was no number.

The task of determining this figure was left to the Bureau of Labor Statistics (BLS), a 19th century agency, older in fact than the Department of Labor itself. The Bureau had a distinguished history and by the 1930s was recruiting a remarkable body of statisticians exploring and developing the new mathematics of sampling. By 1948 we had an unemployment rate. In the years that followed,

the global figure was disaggregated into ever more refined subcategories. In time we developed the splendid array of data we now take for granted, surely contributing to the decline in unemployment over the years. There are ups and downs, but the secular trend is away from the dizzying and disorienting swings — boom and bust — of the previous century and a half. In his volume *Essays in Persuasion*, which appeared in the United States in 1932, John Maynard Keynes wrote that the “economic problem” was no more than a “giant muddle” and would surely be resolved in a hundred years.

If at mid-century one could have foreseen the state of the American economy at century’s end — the finest, avows Alan Greenspan, chairman of the Federal Reserve Board, in his personal observation of some 50 years — it would have been judged an unequalled achievement, an end to all manner of trouble.

Yet even then there were contrary signs. Barton was one of the first to spot them. In 1962 a policy planning staff was created within the Department of Labor. Policy planning was much in vogue during the

New Frontier, and first rate career officers were immediately attracted to it. No grand enterprise was contemplated, simply a small cadre of professionals — half a dozen in all — who would think “outside the box,” putting the formidable statistical capacities of the BLS to new uses. In July of 1963, for example, a study of young males called up by Selective Service was undertaken. The data was available in annual reports but had never been broken down, taken apart. When this was done, extraordinary disparities appeared. If the whole of the age groups involved had been tested — including, that is, college students then exempt — fully a third would have failed the mental test — Armed Forces Qualifications Test — the physical examination, or both. Regional differences and racial distances were striking (although not always in expected directions). The report *One Third of a Nation*, echoing President Franklin D. Roosevelt’s evocative challenge, was presented to Lyndon B. Johnson in January 1964 and quickly became the database for the president’s task force designing what would

become his War on Poverty.

In the meantime, the policy planning staff began to sort through anomalies and mysteries that emerged from *One Third of a Nation*. By the end of 1964, Barton and others had come across mystifying, seemingly new patterns of social dysfunction. Put simply, rates of declining unemployment that had been associated with declining rates of dependency of various orders, of a sudden ceased to be shown to be related. To the contrary, declining unemployment became — statistically — associated with higher rates of dependency. The “welfare crisis” had arrived.

These findings were published in various forms and at first were generally welcomed as important and relevant. Soon, however, there was a reaction of singular hostility and obscurantism. *Why* had these findings emerged? *What* was the motive? Thirty years of controversy followed, until finally there was no mistaking their validity at all. Barton and his colleagues, notably Ellen Broderick, had picked up the first tremors of what Samuel H. Preston in the 1984 Presidential Address to the Popula-

tion Association of America termed “the earthquake that shuddered through the American family over the past 20 years.” Note the length of time: 20 years after the work of Barton and his colleagues. Ten years later Congress, by statute, enacted the Welfare Indicators Act of 1994. Barton had testified in support of the measure in hearings before the Senate Committee on Finance, and served as a member of the advisory board that later assisted the Department of Health and Human Services in beginning the series. The legislation was specifically modeled on the Economic Report of the President, provided for in the Employment Act of 1946, which matured into an indispensable instrument of public policy. Data matters.

The first full *Indicators of Welfare Dependence* was completed and sent to Congress in October 1997. It was perhaps a trifle too full, almost an inch thick. Barton has accordingly developed 12 key indicators that provide an accessible and incisive metric. He reminds us that “the state of research in this field is primitive.” As well he might, for the great irony and difficulty of this subject is that even as we begin to recognize

the emergence of what James Q. Wilson has termed “two nations,” we are somehow averse to the findings of our own inquiries. That 30-year spell has not been broken.

Thus, in the mid-1990s, officials of the Department of Health and Human Services began to put it about that the teenage birth rate was declining. This was meant to be a significant social indicator and subliminally to suggest that the matter of illegitimate births to teenagers was receding. In time these pronouncements began to emerge from the White House. Thus:

“. . . the teen birth rate went down for the fourth year in a row. And, even more encouraging, the out-of-wedlock birth rate declined for the first time in 20 years.”

*President Clinton,
October 4, 1996,
Saturday radio address*

“Last year we learned that the teen birth rate has dropped for the fourth year in a row and that out-of-wedlock birth rates dropped for the first time in 19 years.”

*President Clinton,
January 4, 1997,
Saturday radio address*

“The teen birth rate declined for the fifth straight year...”

*—President Clinton,
September 12, 1997,
nominating Dr. David
Satcher for surgeon
general.*

This is not so. Or not significantly so. While the teenage birth rate in fact declined from 62.1 per 1,000 teenagers in 1991 to 54.7 per 1,000 teenagers in 1996, it is still higher than it was for almost all of the 1980s.

More importantly, the repeated focus on the teenage birth rate, obscures the far more telling point: the *proportion* of births to *unwed* mothers — the illegitimacy ratio — isn’t going down at all. In 1995 the percent of teen births to unmarried teenagers 15 to 19 years old declined from 75.5 percent to 75.2 percent (the only such decline since 1960). But the next year, 1996, it was up to 75.9 percent. In 1990 it was 13.4 percent. Barton writes:

“Births to unmarried teens as a proportion of births to all teens has risen steadily and continued to rise even when the rate of births was declining. This is because the birth rate to married teens was declining even faster

so that more babies who were born were born to unmarried women.”

Surely the curve is becoming asymptotic, but there is no good news in this regard. We know precious little about this subject, but we do know that children born out of wedlock are at greater risk of welfare dependency and virtually every sort of antisocial behavior. Therefore it is the illegitimacy ratio rather than the teenage birth rate that ought to command our attention. To celebrate a few ticks down in the teenage birth rate while ignoring the far more important and ominous statistic is a form of avoidance. The president, surely, is not to blame. His speechwriters perhaps. But if we are to take this social issue beyond the legitimate but too general issue of “family values,” we shall need more candor. Withal, emergence of this issue in American politics does suggest that Paul E. Barton’s work is finally registering. The nation owes him more than it knows. Perhaps this concise guide may change that.

*Daniel Patrick Moynihan
June 12, 1998*

PREFACE

In 1994, Senator Daniel Patrick Moynihan was instrumental in getting the Welfare Indicators Act (WIA) passed by Congress. I had testified at the hearings held by the Senate Finance Committee and subsequently served on the bipartisan Welfare Indicators Advisory Board created by WIA. The first annual report under WIA was submitted to Congress by the Secretary of the U.S. Department of Health and Human Services, Donna E. Shalala, last October. I recommend the 200-page report to anyone with a deep interest in welfare dependency. My own interest in social and economic indicators dates to the beginning of my career, and was particularly stimulated when I was a member of the Department of Labor's Policy Planning staff, directed by Assistant Secretary Daniel Patrick Moynihan.

This is a matter, I believe, that should warrant widespread interest among Americans. So I decided to

prepare a short report, concentrating on a few key indicators of the forces and developments from which dependence springs. I am indebted to Secretary Shalala's comprehensive report for much of the information used; however, I have also drawn from other sources.

Paul E. Barton
Director
Policy Information Center

ACKNOWLEDGMENTS

As explained in the Preface, this report draws heavily from the one sent to Congress by Secretary Donna E. Shalala last October, entitled *Indicators of Welfare Dependence*. So I am indebted to the staff, consultants, and advisers involved in producing that report.

My report was reviewed by Susan Hanan of the U.S. Department of Health and Human Services, and by Howard Wainer, Garlie Forehand, and Harold Wenglinsky from the Research Division at Educational Testing Service.

Richard Coley provided all the graphics; Carla Cooper provided desktop publishing services. The cover design is by Gil Howard. Janet Spiegel was the editor. Jim Chewning coordinated production.

IN BRIEF

This report attempts to assemble data on the trends that are favorable or unfavorable to independence — and how they are changing over time. Twelve such conditions are examined in this report. We identify all 12 below, and sum up what we think the related trends tell us. Included on this list are deprivation indicators, such as hunger, of which we propose further development.

The debate about welfare and the causes underlying changes in the number of people receiving aid has been heated. What we have not had is a way to look at those fundamental developments that give rise to the need for such assistance. This is an effort to fill that void, to track trends in the underlying conditions.

THE INDICATORS

Indicators	Direction of Trend	Comment
1. Literacy	Unknown	Measured only in 1992; highly related to dependence
2. Poverty		
Trends	Level for population	Rate for children higher than in 1969
Concentration	Unknown	Needs regular measurement
3. Employment prospects	Recently favorable	Men's decline halted; up for women
4. Early sexual intercourse	Unfavorable	Trend not well measured
5. Births outside marriage		
Rate	Favorable	The rate is declining.
Ratio	Unfavorable	An ever-increasing proportion of children are born outside marriage.
6. Establishing fatherhood		
Babies born	Favorable	More babies born have legally identified fathers.
All children under 18	Unfavorable	The number of all children without identified fathers is also up.
7. Child support enforcement	Favorable	But half of what is owed under enforcement orders is not collected.
8. Intergenerational dependence	Unknown	While young adult dependency rates for those on welfare as teenagers were six times higher than those who were not, there have been no measures since 1992.
9. Teenage violent crime	Unfavorable	Trend sharply up
10. Adult incarceration	Unfavorable	Trend sharply up
11. The welfare choice	Unfavorable	The proportion of those eligible who have been receiving assistance has been rising.
12. Deprivation indicators		
Hunger	Unknown	In 1996, about 4 percent of all households experienced moderate to severe hunger.
Cold	Indicator needs to be developed	
Overcrowded or unsafe housing	Indicator needs to be developed	
Ill-clothed	Indicator needs to be developed	

THE SUMMARY

THE FUNCTIONING OF FAMILIES

We begin with the health of the basic institution that we rely on for supporting children and socializing them into the world of adult economic independence. Young people begin sexual intercourse at an increasingly younger age; currently, one in three girls and two in five boys engage in it by ninth grade. The *rate* of births outside marriage has begun to decrease somewhat for older teenage girls and to level off for younger girls. But the *proportion* of births to unmarried teenage women continues to rise. Establishing legal fathers for babies is on the rise, as are collections of child support payments; however, the number of children under age 18 without legal fathers is a third greater than in 1978, and only half of what was owed under enforcement orders has been collected. Overall, the family trends are *unfavorable*.

THE POOR STILL WITH US

Figures relating to the poverty that propels people into seeking assistance have remained

fairly constant, despite the economic growth of the 1990s; poverty rates for children are higher now than they were in 1969. The transfer payment system we have had in place holds the rates down; if those payments were withdrawn, 19 percent of Americans would be poor, compared to the 14 percent who are currently officially poor. In addition, the concentration of poverty makes it harder to escape; for example, about one in five Black children lives in neighborhoods where over 40 percent of residents are poor.

Being poor by no means always leads to dependence; many of those eligible for welfare do not apply. The proportion of eligible individuals *who do* apply is, however, rising, and contributing to higher dependency rates.

LEARNING TO BE LITERATE

To be independent in an ever more demanding modern economy requires reaching at least acceptable levels of literacy. The facts bear it out: As literacy levels increase, so do weeks worked during the year and average earnings. Seventy

percent of welfare recipients are in the two lowest literacy levels, below the levels the National Education Goals Panel says are necessary to make it in our economy and society. Trend data on literacy are unavailable; a large-scale assessment was conducted in 1992, but none has been conducted since. Plans are being made for another survey, but the current state of literacy is *not favorable* to reducing dependence.

HEALTH OF THE ECONOMY

The economy is booming and recording low levels of unemployment. It has been serendipitous that the recent enforcement of work tests and time limits on receiving welfare were launched in an expanding economy. However, the job market for the less educated portion of our population is more relevant to studying the risks of dependency. In a recent report, Anthony Carnevale and Stephen Rose divide jobs into elite, good, and less-skilled. While elite jobs grew from 17 percent to 28 percent of all jobs, from 1959 to 1995, respectively, less-skilled jobs dropped from 47

percent to 36 percent, respectively. So the state of the economy is *favorable* to fostering independence, but those with little education are *doing less well* than in decades past.

The Bureau of Labor Statistics has computed the percentage of employed people in the prime age working population — ages 25 to 54 — with no more than a high school education. The long-term trend shows lower percentages — from 93 percent of White men and 86 percent of Black men in 1970, to 86 percent and 72 percent, respectively, in 1997; however, women's rates are up. The boom economy of the last two years has also raised the employment rate by a couple of percentage points. Overall, the job market for this at-risk group is unfavorable but recently improving.

THE DEPTHS OF DEVIANCY

While the newspapers are currently reporting declines in the murder rate, a newly released survey in *Annals of Internal Medicine* reports that “87 percent of surgeons and 94 percent of internists across the country

believe it is time to consider gunshot wounds a public health epidemic — akin to AIDS, alcoholism and tobacco use.”¹

Young people caught up in crime are not good prospects for starting stable families; their prison time both prevents them from supporting children and makes employment difficult when they are released. Arrest rates for 10- to 18-year-olds have been on the rise for over three decades.

The incarceration rates in state and federal prisons have been growing by leaps and bounds. Prisoners in such facilities will undoubtedly have trouble finding future employment, thereby increasing the difficulty for them to provide child support, as necessary. A society, we are told by Senator Daniel Patrick Moynihan, will at some point of saturation redefine deviancy down to a level it finds more tolerable, until official rates of incarceration do not disclose all the behavior society formerly found intolerable. The trends

in deviancy are *unfavorable* to the reduction of dependence.

INTERGENERATIONAL TRANSFER

To what extent does being on welfare as a child lead to welfare dependence as an adult? While there is no clear answer to the question and no current data, we do know what the numbers are for those born from 1960 to 1964. Those who were on welfare as teenagers were about six times more likely to be dependent as young adults than their counterparts who were not on welfare as teens.

* * *

These are indicators of the conditions that foster dependence, usually gauged by being on welfare. But if welfare rolls are reduced by arbitrary time caps, people may be removed from the rolls whether or not they have established, or can establish, the means to independence. To this extent, the traditional

way of measuring dependence — the rate of being on welfare — will not measure the extent of need as well. We argue that we need new measures for the extent of deprivation — ones that tell us how many people are in great need, independent of the welfare rate.

The example we use is hunger, about which we have data for 1995. One in 13 households that year were classified as “food insecure” by the U.S. Department of Agriculture, with half of them suffering from moderate or severe hunger. Among Black families with children under 6, one in five was “food insecure,” and one in 10 was hungry. We suggest developing similar measures involving being cold, inadequately clothed, and in overcrowded or unsafe housing. In the Great Depression, Franklin Roosevelt said that one-third of the nation was ill-fed, ill-housed, and ill-clothed. What fraction of our nation is in these categories today? And how is it changing?

¹ *The Washington Post*, February 2, 1998, p. A5.

INTRODUCTION

This publication reports on trends in the conditions that foster dependence or, conversely, nurture independence. Anyone who attempts in some way to explain welfare dependency necessarily has modest goals, simply because we know so little about the causes of dependency and why some who fall into it remain, and some escape.

This publication owes a lot to the work that went into last October's *Indicators of Welfare Dependence, Annual Report to Congress*. This report was sent to Congress by the Secretary of Health and Human Services (HHS), Donna E. Shalala, and was the first one issued under the requirements of the Welfare Indicators Act of 1994. Secretary Shalala describes the report's background:

"This report is the direct result of the foresight and leadership of Senator Daniel Patrick Moynihan. He sponsored the Welfare Indicators Act of 1994 to make it clear that reduction in welfare dependence is a national goal and that regular measurement and assessment of

progress toward that goal is necessary."

The selection of 54 indicators emerged through the interaction of HHS staff and members of the bipartisan Welfare Indicators Advisory Board. The board's members were appointed by the House of Representatives, the Senate, and the president. While this small report is largely indebted to the HHS report and members of this board, it also contains data from and references to other sources. This report's author served on the Welfare Indicators Advisory Board and both thanks this board and absolves its members from any responsibility for the way indicators are used herein.

The HHS report contains indicators of various forms of welfare receipt and trends, as well as detailed information about who receives welfare, and for how long. It also contains state-by-state information. This Policy Information Report, however, looks only at those family, economic, and societal developments that either give rise to dependency or foster independence. In this effort, it has aimed

to be selective, not comprehensive.

The reader is asked to keep in mind that the state of research in this field is primitive. (In the summer of 1996, *The Washington Post* ran a story titled, "What Welfare Research?")

With the overhaul of welfare and its devolution to the states, each state will be interested in its own developments in welfare. The new federal welfare law has many data requirements, and data will need to be developed at the state level. Much of this data will involve tracking the effects of a particular state's approaches to reducing welfare dependence, and to the extent that these approaches are administrative, the type of information used in this report will not likely be helpful; however, where states are trying to affect the general conditions that give rise to dependency and the need for welfare, this report may be of some help in developing a state-level monitoring system.

INDICATORS

OF DEPENDENCY

Literacy

Literacy is key to employability at a sustaining wage. Three in four welfare recipients are in the lowest two levels of prose literacy. However, literacy has been assessed only once, in 1992, so we do not know what the recent trends are.

Poverty

Trends - The poverty rate is as close as any measure we have to the kind of economic need that results in welfare dependence. Of course, not all people in poverty are on assistance, and some receive assistance who are not officially poor. The poverty rate has been basically flat since 1969, although it has increased for children. Without transfer payments, one in five was poor in 1996; with them, one in seven was poor.

Concentration - Being poor in a highly concentrated neighborhood of poverty compounds the problem of escaping poverty. In 1990, one in 20 children lived in

neighborhoods where 40 percent or more of the residents were poor; this was true of almost one in five Black children and one in 11 Hispanic children.

Employment Prospects

Employment is the principal means of avoiding dependence. The percentage of men ages 25 to 54 who were employed and had no more than a high school education was on a downward spiral from 1970 to the mid-1990s. Recently, however, there have been small increases. The employment rate is much lower for Black men than for Whites and Hispanics. The rate is up for women, other than Hispanic ones.

Early Sexual Intercourse

The earlier there is sexual activity, the more likely the resulting babies will be dependent. In 1995, two in five male ninth-graders and one in three of their female counterparts reported having sexual intercourse.

Births Outside Marriage

Babies born without legal fathers are at high risk of dependency, as are their mothers. The *rate* of births to unmarried teenage women has been falling in the 1990s, after rising in the 1980s. However, the *proportion* of babies born to unmarried mothers has been rising steadily.

Establishing Fatherhood

Legally establishing a father is the first step to having support in child rearing and to a child's avoiding dependency. The proportion of babies born out of wedlock who have a legally identified father has been rising steadily. However, there are 9.3 million children under 18 who were born outside of marriage and who do not have a legally identified father, up from 6.3 million in 1978.

Child Support Enforcement

Getting parents to make their child support payments is critical to avoiding or reducing dependence.

Under the Federal Child Support Enforcement Act, payments have been rising steadily and were more than \$12 billion in 1996.

Intergenerational Dependence

It is debatable how much growing up on welfare is a factor to being on welfare as an adult; however, one study showed that 14- to 16-year-olds in families receiving assistance were six times more likely to be on welfare in their mid-20s than their counterparts whose families had not been on welfare.

Teenage Violent Crime

Teenage crime means less achievement, in terms of education, and reduced employability, possibly for a lifetime. The arrest rate has been steadily upward, and is much higher for males than females.

Adult Incarceration

Adults in prison cannot support their children. Most cannot do so when they leave, either — given the little training and education they receive in prison, and

the criminal record with which they end up. It is worthwhile for our purposes, then, to note that the incarceration rate has been steadily climbing.

The Welfare Choice

Not all who are eligible for assistance seek it; attitudes toward the acceptability of being on welfare vary among those who experience poverty, and tend to change over time. The percentage of eligible people who are, indeed, receiving assistance has been rising since the mid-1980s.

The hunger rate is one way to track what happens to people. About 12 percent of households could not afford enough food in 1995, with one-third of these households experiencing moderate or severe hunger.

Living in Cold; Residing in Overcrowded, or Dangerous Housing; Being Ill-Clothed

We need to develop trend measures of other types of severe deprivation, similar to the 1995 survey of hunger.

OF DEPRIVATION

Hunger

Hunger existed in 1995, even with Aid to Families with Dependent Children (AFDC), food stamps, and other transfer payments. Since welfare rolls are now reduced at the discretion of state governments, those who are separated from welfare are not necessarily newly independent.

LITERACY AND DEPENDENCY

Economic success and independence are closely related to the level of literacy attained. As can be seen in Figure 1, the welfare population has a much higher proportion of individuals in the two lowest levels of prose literacy. The National Education Goals Panel sets Level 3 as the U.S. objective; yet, only about one-fourth of the welfare population included in the study used for this graph attained Level 3 or higher.

The relationship between literacy and average weeks worked can be seen in Figure 2. While average weeks worked are higher at all levels of literacy for the total population, weeks worked increase with higher literacy levels for both the total and welfare populations.

A similar pattern can be seen in Figure 3 for average weekly wages, which also rise with literacy levels.

In the current early period of welfare reform, states, aided by

Average Weeks Worked, by Prose Literacy Level, 1992					
	Prose Literacy Level				
	1	2	3	4	5
Total Population	19	27	35	38	44
AFDC	11	16	20	24	*
Food Stamps	11	17	20	29	*
*Insufficient number to provide estimate.					

Average Weekly Wages, by Prose Literacy Level, 1992					
	Prose Literacy Level				
	1	2	3	4	5
Total Population	\$240	\$281	\$339	\$465	\$650
AFDC	165	177	200	223	*
Food Stamps	168	178	200	204	*
*Insufficient number to provide estimate.					

an exceedingly strong economy, have been having considerable success placing welfare recipients in jobs. It is also likely that welfare recipients who have the best literacy skills are the ones most easily placed. As states reach deeper into the recipient population, they are likely to find low-level literacy increasingly becoming a barrier to successful employment and adequate earnings.

Data are from Paul E. Barton and Lynn Jenkins, *Literacy and Dependency: The Literacy Skills of Welfare Recipients in the United States*, a Policy Information Report, Princeton, NJ: Policy Information Center, Educational Testing Service, 1995, pp. 15, 50, and 52. The original data are from *National Adult Literacy Survey*, 1992.

The prose literacy level is much lower among welfare recipients, with seven in 10 at Levels 1 and 2. For both the total population and those on welfare, the lower the literacy level, the fewer weeks worked and less average weekly wages.

Figure 1: Distribution of Prose Literacy, Total and Welfare Population

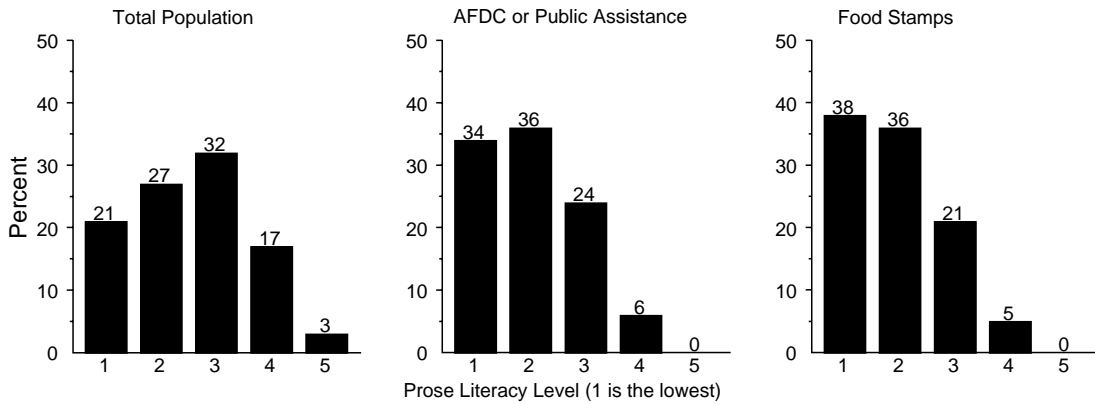


Figure 2: Average Weeks Worked in Year and Prose Literacy, 1992

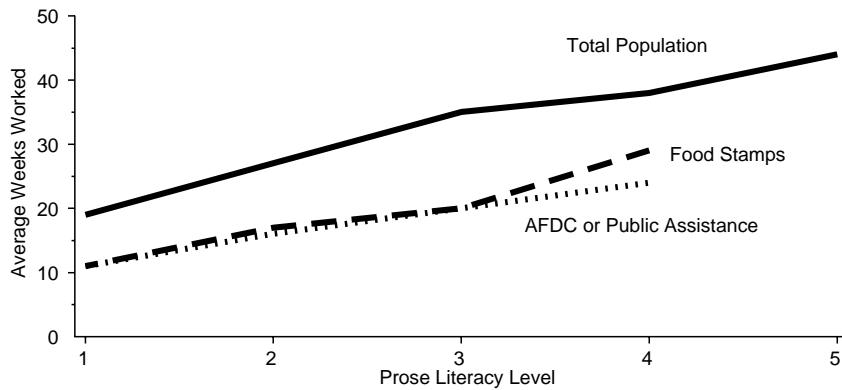
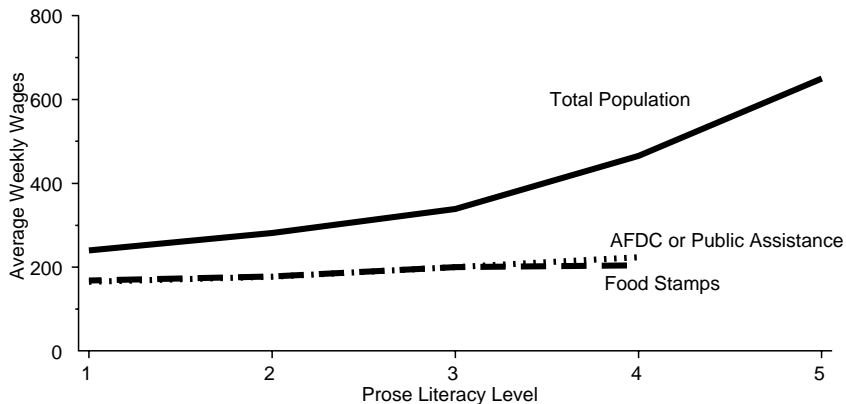


Figure 3: Average Weekly Wages and Prose Literacy, 1992



POVERTY TRENDS

Trends in the poverty rate have obvious connections to families' needs for assistance. In relative terms, the proportion of both low-income and high-income households has been increasing. On an absolute basis, the percentage that falls below the poverty line has been basically level; the rate for children, however, remains higher than it was two decades ago. (See Figure 4.)

Even more disturbing is that the poverty rate for children is considerably higher than the overall rate and that the gap between the overall rate and the children's rate leaped from just about one percentage point in 1969 to six points in 1996.

If there were no transfer payments and only cash income available, 19 percent of families in 1996 would have been poor. Taking into account all transfer payments, the poverty rate dropped to 14 percent. (See Figure 5.)

Lack of income to buy necessities is the direct link to need, while a less obvious link is health problems. Poor people are more likely to suffer

Poverty Rates for Selected Years									
	1969	1979	1983	1986	1989	1993	1994	1995	1996
All Persons	14	12	15	14	13	15	15	14	14
Related Children Under 18	15	16	22	20	19	22	21	20	20

Poverty Rates of All Families With Related Children Using Alternative Definitions of Income for Selected Years							
	1979	1983	1989	1993	1994	1995	1996
Official Rate	13	18	16	19	18	17	18
Pre-transfer Rate	17	22	19	22	21	20	19
Post-transfer Rate	11	18	14	16	14	13	14

Official rate includes cash income plus social security and means-tested cash transfers. Pre-transfer rate includes cash income only before all transfers. Post-transfer rate includes social security and means-tested cash transfer but also the market value of food and housing benefits plus taxes, including the EITC. Does not include medicare and medicaid.

physical and mental health problems, according to a recent report, based on a 30-year follow-up study of 1,100 Californians, published in the *New England Journal of Medicine*.²

The poverty rate and dependence do not necessarily move perfectly in tandem. The official poverty level does not always equate with eligibility for welfare programs, which is determined by each state. Other factors affecting welfare trends include demographic changes, birth rates, and the proportion of eligible people who actually seek assistance.

Data are from *Indicators of Welfare Dependence, Annual Report to Congress*, October 1997, U.S. Department of Health and Human Services, pp. III-16, 17, B5, and B6.

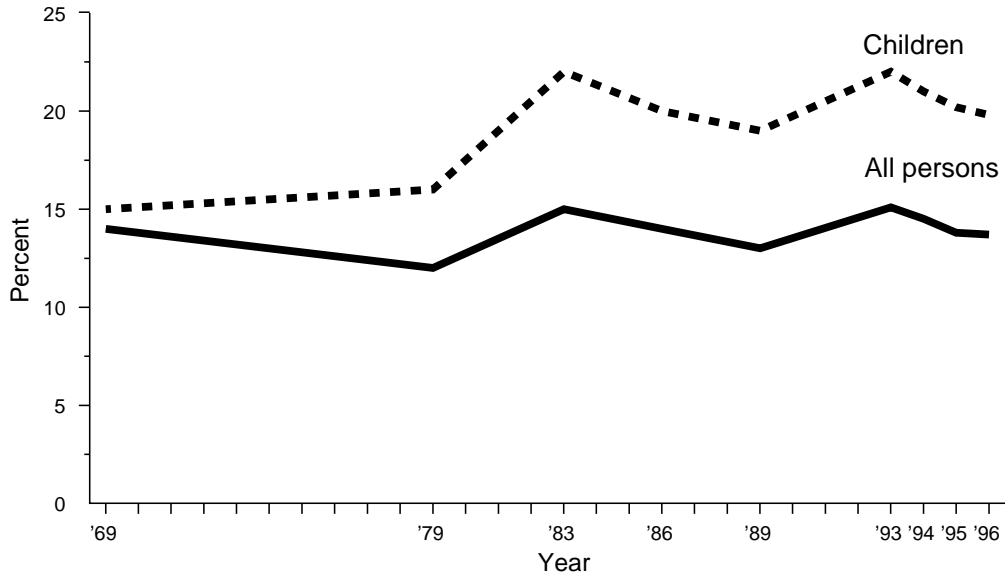
The Congressional Budget Office calculated pre- and post-transfer rates, with additional calculations by the U.S. Department of Health and Human Services.

Official poverty rates come from various reports of the Bureau of the Census.

² *The Washington Post*, December 27, 1997.

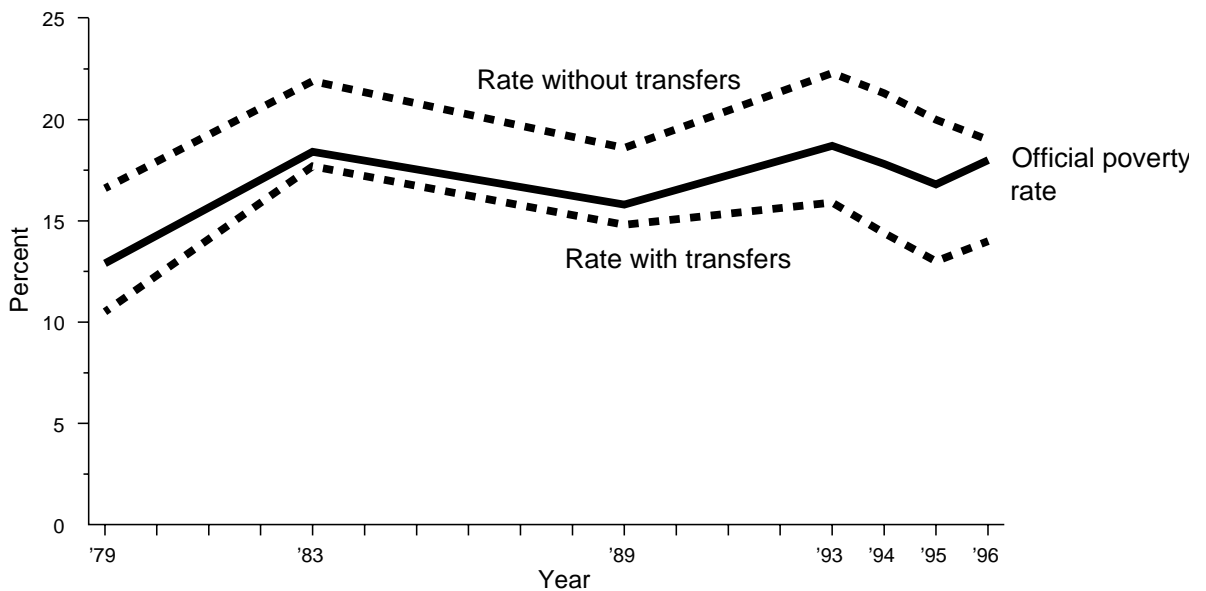
While the poverty rate for all persons is basically unchanged since 1969, the rate for children has increased.

Figure 4: Trends in the Poverty Rate



Without transfer payments, 19 percent of families were poor in 1996; with transfer payments, 14 percent were poor.

Figure 5: Trends in the Poverty Rate, Before and After Transfer Payments



CONCENTRATION OF POVERTY

When children grow up in neighborhoods where poverty is concentrated, they face greater barriers to escaping it. There are fewer resources for families, fewer jobs, fewer successful role models in the neighborhood to emulate, more schools with lower academic achievement, and a greater risk of exposure to crime, drugs, alcohol, and violence.

As shown in Figure 6, more than half of Black children and just under half of Hispanic children live in neighborhoods where more than 20 percent of the residents are poor.

About one in five Black children lives in neighborhoods where more than 40 percent are poor.

These conditions have been extensively analyzed by William Julius Wilson, as well as by Mark S. Littman, Paul A. Jargowsky and Mary Jo Bane. The Jargowsky and Bane analysis supports Wilson's contention that there has been an increase in poverty concentration in several cities in the Northeast and Midwest. We need regular measures of changes in the degree of concentration of poverty.

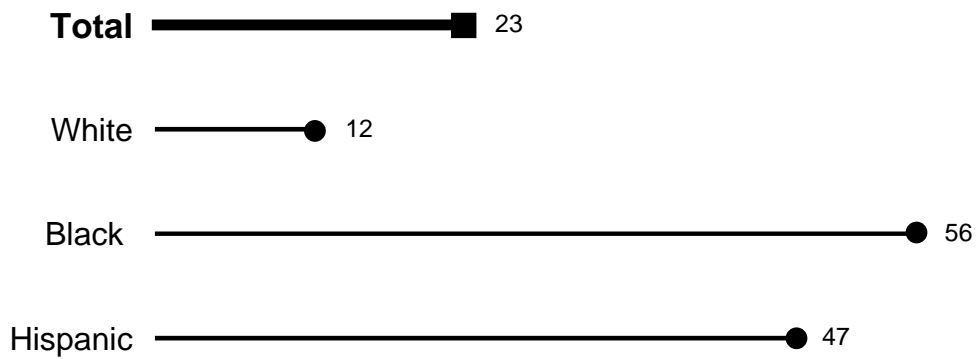
Data are from U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Trends in the Well-Being of America's Children and Youth: 1997*, Table PF 32.

For a concise summary of the findings of the author's referred to above, see L. Scott Miller, *An American Imperative*, Yale University Press, New Haven and London, 1995, pp 109-111.

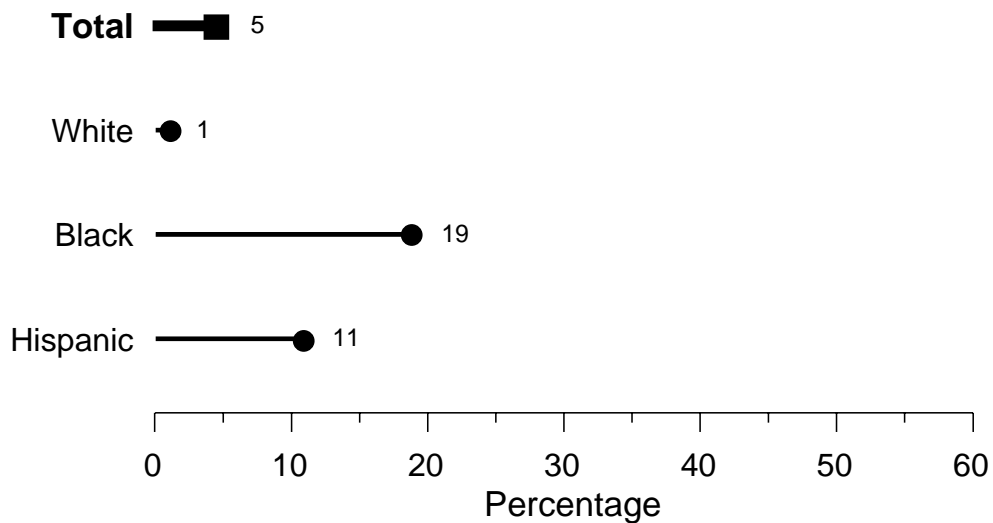
*More than half of Black children
and just under half of Hispanic children
live in neighborhoods where more than 20 percent
of the residents are poor.
About one in five Black children
lives where more than 40 percent are poor.*

Figure 6: Percentage of Children Residing in High-Poverty Neighborhoods, 1990

Neighborhood more than 20 percent poor



Neighborhood more than 40 percent poor



**EMPLOYMENT
PROSPECTS:
EMPLOYMENT
RATIOS AMONG
LESS-EDUCATED
ADULTS**

Adults with limited education have greater handicaps in the labor market and greater difficulty supporting themselves and their families. While traditionally faring less well in employment, men with no more than a high school education have been working less, while women have been working more.

The employment rate of less-educated White men in the prime working age of 25 to 54 dropped from 93 percent in 1970 to 86 percent in 1997, a decline of seven percentage points. This rate plummeted for Black men, falling from 86 percent in 1970 to just 72 percent in 1997. The rate for Hispanic men declined much less and in 1997 was about the same as for White men. (The data for these males are shown in Figure 7.)

The drops that occurred were due to a combination of withdrawal from the labor force and high overall

Trends in Employment Rate, 25- to 54-Year-Old High School Graduate or Less, by Race/Ethnicity and Sex							
	1970	1980	1990	1994	1995	1996	1997
Black Men	86	78	74	70	71	71	72
Hispanic Men	NA	86	84	82	83	84	85
White Men	93	88	88	84	85	86	86
Black Women	55	56	59	56	58	59	62
Hispanic Women	NA	46	52	50	51	51	54
White Women	46	66	65	65	66	66	67

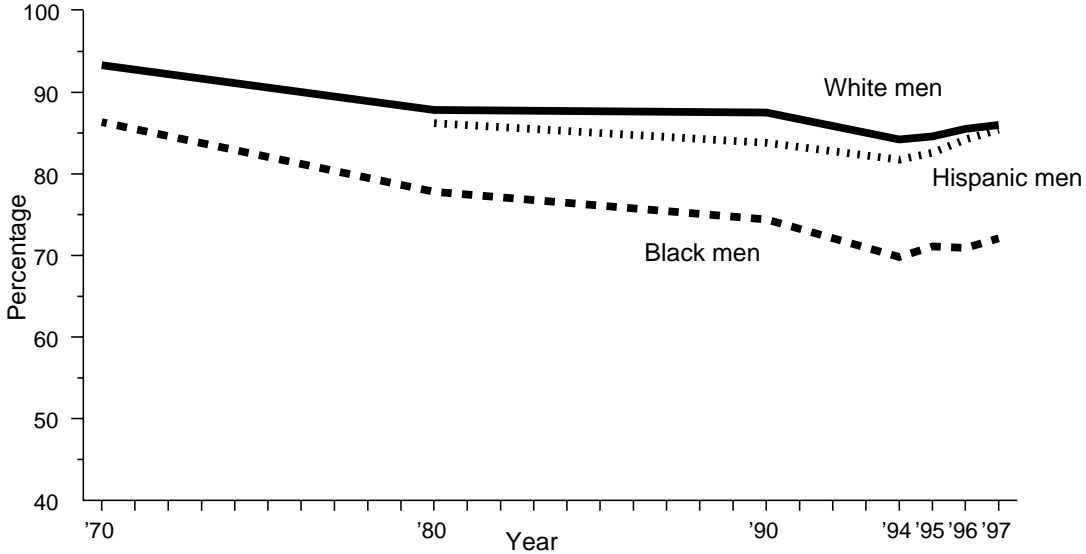
unemployment. The erosion of employment rates for less-educated men is a substantial contributor to their dependence, as well as to the dependence of their children and families.

A counter trend has long been under way for less-educated women. As can be seen in Figure 8, the rates for White women have gone from 46 percent employed in 1970 to 67 percent in 1997. Black women started higher and rose less but ended the period within five points of White women. The rate for Hispanic women has been lower and relatively stable since 1990.

Statistics prepared by John Stinson, U.S. Bureau of Labor Statistics. Data for 1970 and 1980 are for March; data from 1990 onward are annual averages. Data for 1970-90 are based on years of school completed and represent persons who completed four years of high school or less. Data from 1994 and beyond are based on degrees earned. Persons of Hispanic origin may be of any race.

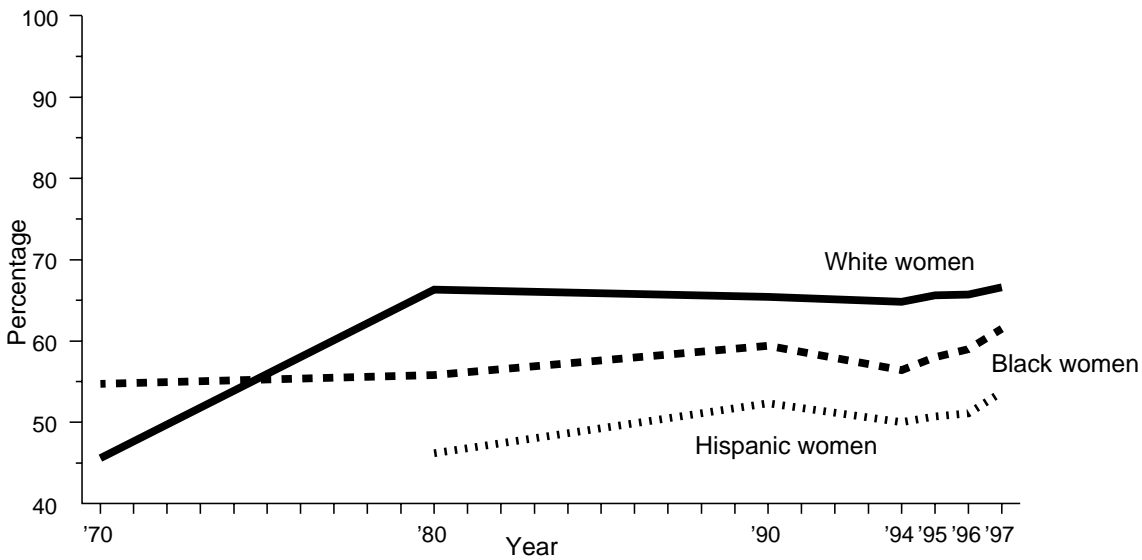
The employment rate for men with minimal education has dropped over the last quarter century. The gap between White and Black men has grown.

Figure 7: Male Employment Rate Trend, High School Graduate or Less, by Race/Ethnicity



In contrast, the employment rate for White and Black women with minimal education has risen, with the gap closing. The rate for Hispanic women has also risen but remains lower than for White and Black women.

Figure 8: Female Employment Rate Trend, High School Graduate or Less, by Race/Ethnicity



EARLY SEXUAL INTERCOURSE

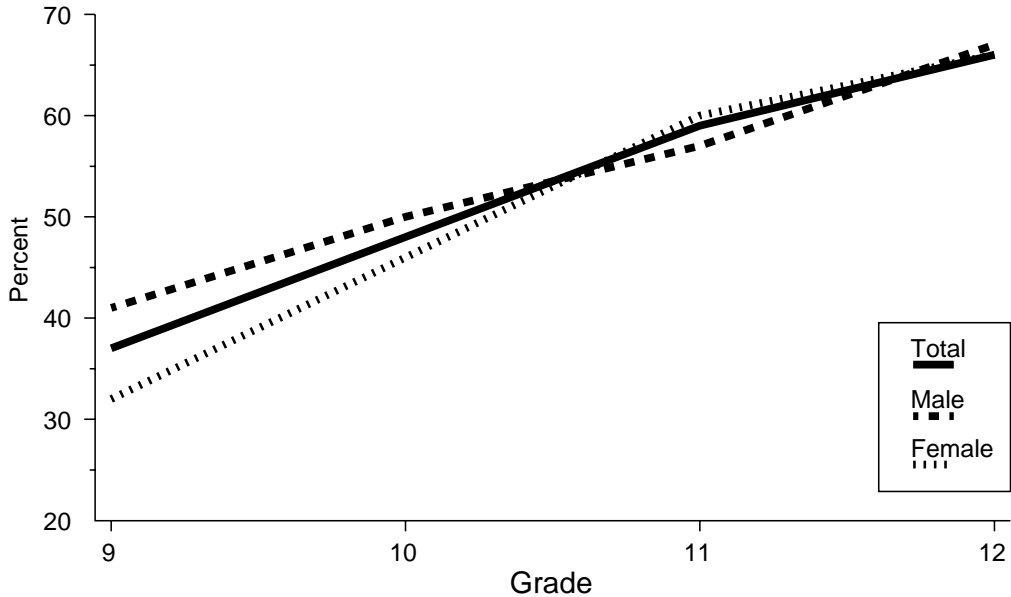
The earlier sexual intercourse takes place, the more babies are born, and the more mothers risk dependency. As shown in Figure 9, at grade nine, more than a third of students in 1995 reported having had sexual intercourse; and of these, more were boys than girls. By grade 12, the proportion rose to two out of three and was relatively equal for males and females. In addition, almost half of White high school students were sexually active in 1995, as were almost three in five Hispanics. The highest such percentage, however, was for Black males, at 81 percent. (See Figure 10.)

Percentage Reporting Ever Having Sexual Intercourse, 1995			
	Total	Male	Female
Grade 9	37	41	32
Grade 10	48	50	46
Grade 11	59	57	60
Grade 12	66	67	66

Data are from U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Trends in the Well-Being of America's Children and Youth: 1997*, Table SD 4.1.A. Original source is *Indicators of Welfare Dependence, Annual Report to Congress*, October 1997, U.S. Department of Health and Human Services, p. III, 64, and 65.

Forty-one percent of male and 32 percent of female ninth-graders had sexual intercourse in 1995, rising to 66 percent of twelfth-graders.

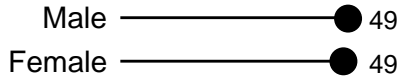
Figure 9: Percentage of High School Students Ever Having Sexual Intercourse, 1995, by Grade and Sex



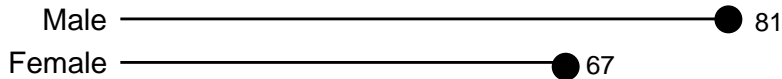
For high school students in 1995, the highest rates of ever having sexual intercourse were among Black males, at 81 percent.

Figure 10: Percentage of High School Students Ever Having Sexual Intercourse, 1995, by Race/Ethnicity and Sex

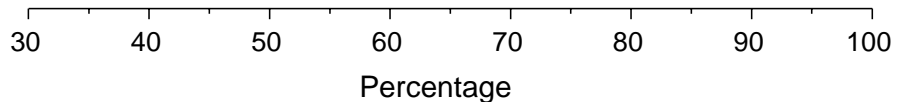
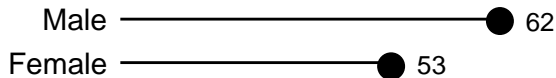
Non-Hispanic White



Non-Hispanic Black



Hispanic



BIRTHS OUTSIDE MARRIAGE

A large source of dependency comes from births outside of marriage, and particularly births to teenage women, who are unlikely to have the means to support children. Overall, birth rates to White unwed women have risen steadily; rates for Black women have fluctu-

ated, but have been persistently high.

Birth rates to unmarried Black teens had been falling until about 1985 but then rose sharply in 1990. Through 1995, the rates for Black teens declined again somewhat but remained above their 1985 lows. These rates are shown in Figure 11.

Births to unmarried teens as a proportion of births to all teens has risen steadily (Figure 12) and continued to rise even when the rate of births was declining. This is because the birth rate to married teens was declining even faster so that more of the babies who were born were born to unmarried women.

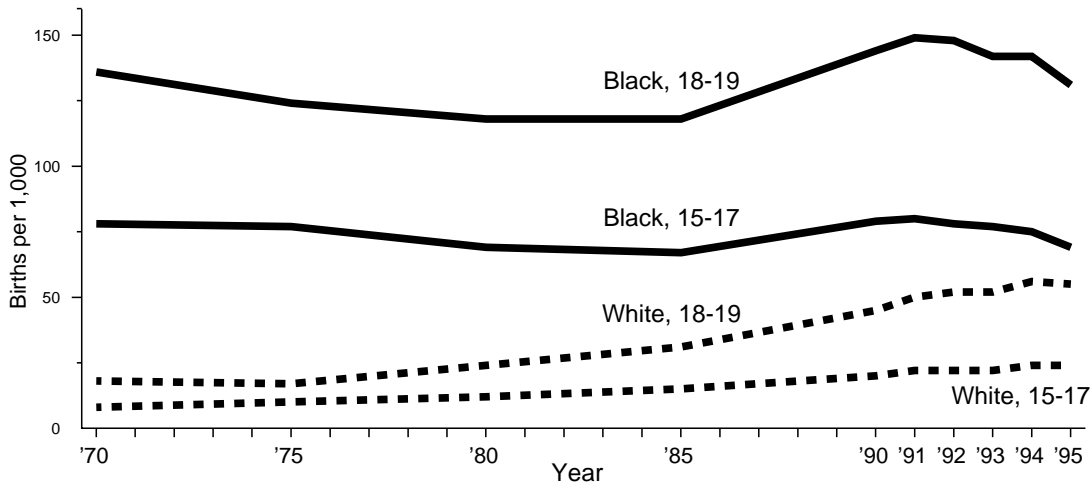
Number of Births per 1,000 Unmarried Teenage Women				
	White 15-17	White 18-19	Black 15-17	Black 18-19
1970	8	18	78	136
1975	10	17	77	124
1980	12	24	69	118
1985	15	31	67	118
1990	20	45	79	144
1991	22	50	80	149
1992	22	52	78	148
1993	22	52	77	142
1994	24	56	75	142
1995	24	55	69	131

Percentage of Births That Are to Unmarried Teenage Women				
	White 15-17	White 18-19	Black 15-17	Black 18-19
1970	25	14	76	52
1975	33	17	87	68
1980	45	27	93	80
1985	58	38	96	86
1990	68	51	96	86
1991	70	53	96	90
1992	71	55	96	90
1993	72	57	96	91
1994	78	62	98	93
1995	77	62	98	93
1996	79	63	98	94

Data are from *Indicators of Welfare Dependence, Annual Report to Congress*, October 1997, U.S. Department of Health and Human Services, pp. III-63 and D-1, 2. The original source is *Monthly Vital Statistics Reports and Vital and Health Statistics*.

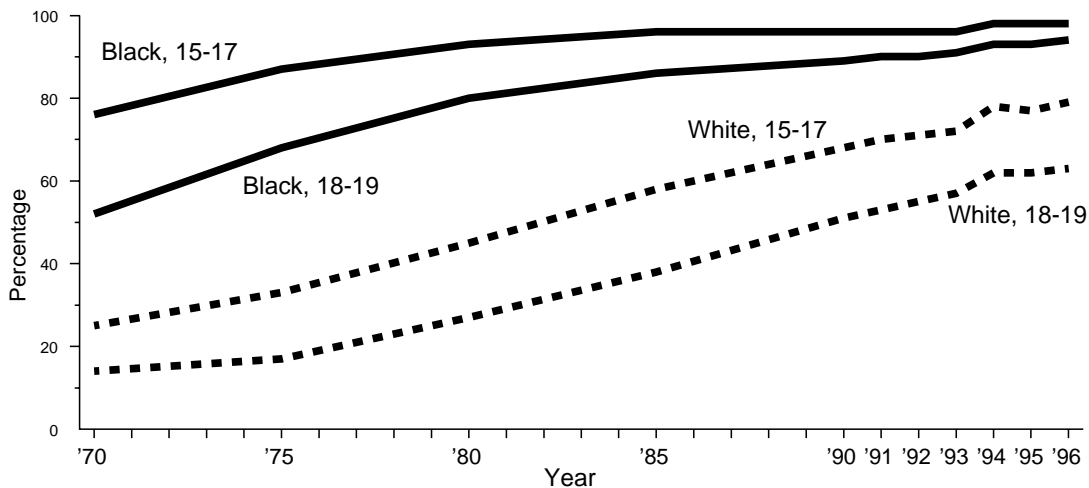
The birth rate for unmarried White teens has been rising steadily. The rate for Black teens, in contrast, fell from 1970 to 1985, rose substantially between 1985 and 1990, and has been declining ever since; however, this rate is still much higher than that of White teens.

Figure 11: Number of Births per 1,000 Unmarried Teenage Women



The proportion of teen births that are to unmarried teens has been rising. Among Black teens, almost all births are to unmarried women. Among White 15- to 17-year-olds, almost 80 percent of births are to single mothers. For White 18- to 19-year-olds, the percentage drops to 63.

Figure 12: Percentage of Births That Are to Unmarried Teenage Women



ESTABLISHING FATHERHOOD

A definite contributor to dependency is the large number of babies who do not have legally identified fathers. While many of these children will fare well, many will also require assistance. There are more than 9 million children under 18 who were born outside of marriage and who do not have a legally identified father — almost three times as many as there were in 1978. (See Figure 14.)

However, rates of establishing fatherhood have been greatly improving since the Child Enforcement Act

1978	1980	1982	1984	1986	1988	1990	1992	1994	1995	1996
20	22	24	28	28	31	34	42	53	74	79

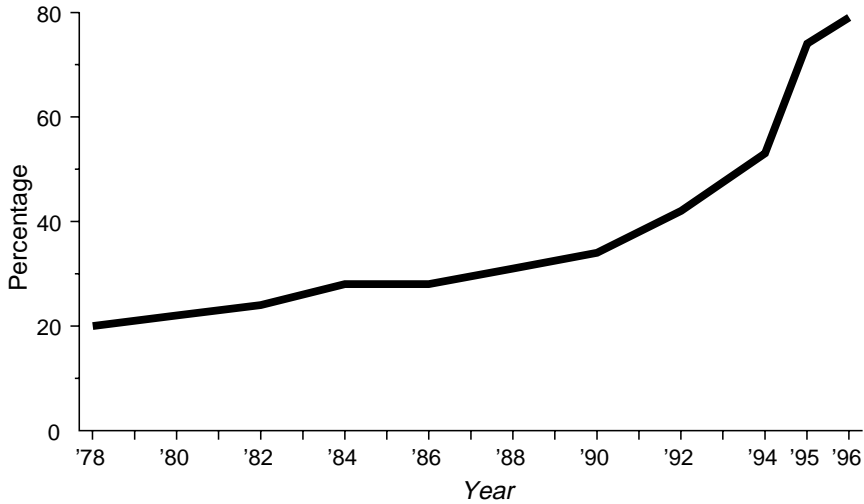
was established in the mid-1970s. Of babies born out of wedlock in 1996, 79 percent were born to identified fathers, up from just 20 percent in 1978. (See Figure 13.) In addition, the proportion of all children born out of wedlock and under 18 with identified fathers has been slowly increasing — going from 40 percent in 1978 to 46 percent in 1996.

Data are from *Indicators of Welfare Dependence, Annual Report to Congress*, October 1997, U.S. Department of Health and Human Services, pp. III-25. The original sources are National Center for Health Statistics; *Vital Statistics of the United States, Annual and Monthly Vital Statistics Report*, Volume 46, No. 1, Supplement 2, September 11, 1997; and U.S. Department of Health and Human Services reports on the Child Support Enforcement Program and annual reports to Congress.

Reports of in-hospital paternity establishments are voluntary and reflect those from only 32 states; therefore, the rate of increase in paternity establishments over the past three years may have been underestimated.

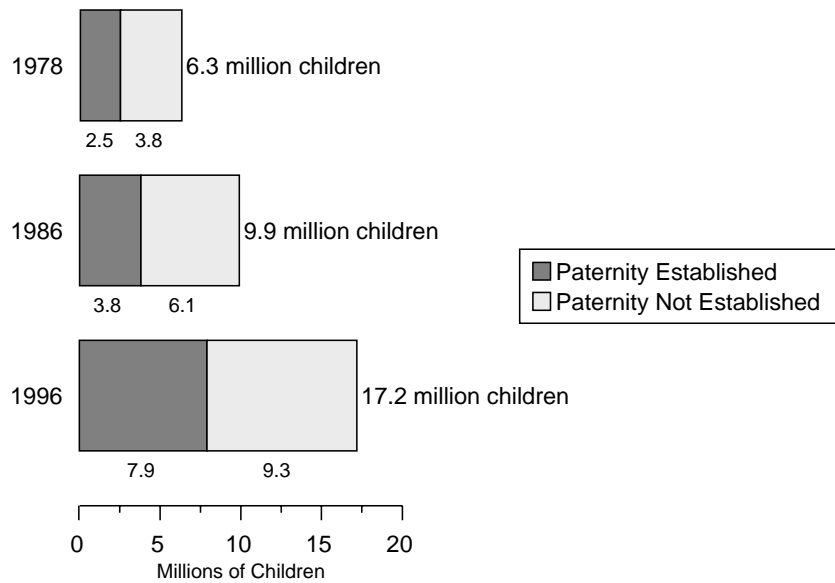
The proportion of babies born out of wedlock who have a legally identified father has risen from 20 percent to nearly 80 percent.

Figure 13: Percentage of Nonmarital Births Where Paternity Is Established



While more babies are born to identified fathers each year, there were 9.3 million children in 1996 under age 18 who were born outside marriage and who do not have legally identified fathers, up from 3.8 million in 1978.

Figure 14: Paternity Status of Children Born Outside of Marriage



ENFORCEMENT OF CHILD SUPPORT

Getting parents to make their child support payments is critical to their avoiding dependence, or at least reducing their level of public assistance. The Child Support Enforcement Act (Title IV-D of the Social Security Act) has been key to this effort.

Under this act, fulfilled support payments rose to more than \$12 billion dollars in 1996, up from about \$2.5 billion in 1978, in constant (1996) dollars. (See Figure 15.) The average annual payment is about what it was 10 years ago, in constant dollars, although it dropped to a low of \$1,844 in 1989. Average payments over a decade are shown in Figure 16.

In 1996, collections were received from about 60 percent of the cases where there were orders for support payment; these collections represented 52 percent of the child support that was due at the time. Thus, there is still a long way to go before full compliance is achieved.

1978	1983	1988	1993	1994	1995	1996
\$2,461	\$3,198	\$6,124	\$9,658	\$10,405	\$11,128	\$12,018

	Current Dollars	Constant (1996) Dollars
1986	\$1,433	\$2,051
1987	1,416	1,956
1988	1,468	1,947
1989	1,457	1,844
1990	1,672	2,007
1991	1,711	1,971
1992	1,919	2,146
1993	1,990	2,161
1994	1,889	2,000
1995	2,167	2,231
1996	2,152	2,152

The data being discussed only represent collections made under the federal enforcement act; they do not include payments made voluntarily or under separate state or local efforts. For example, in Virginia, parents who do not make their child support payments can lose their driver's licenses, and in Fairfax County, Virginia, their cars may be booted (with the boots painted either pink or blue).³ In

June of 1998, federal efforts were strengthened by a law passed by Congress making it a federal felony for parents to cross state lines to evade child support.

Data are from *Indicators of Welfare Dependence, Annual Report to Congress*, October 1997, U.S. Department of Health and Human Services, pp. III-18-21. The original data are from the U.S. Department of Health and Human Services Office of Child Support Enforcement.

³ *The Washington Post*, June 6, 1998, p B8.

Collections under the Child Support Enforcement Act have risen to over \$12 billion in 1996. The annual payment of \$2,152 in 1996 is about what it was 10 years earlier, in constant dollars, after dipping to \$1,844 in 1989.

Figure 15: Total Child Support Collections (under the Child Support Enforcement Act)

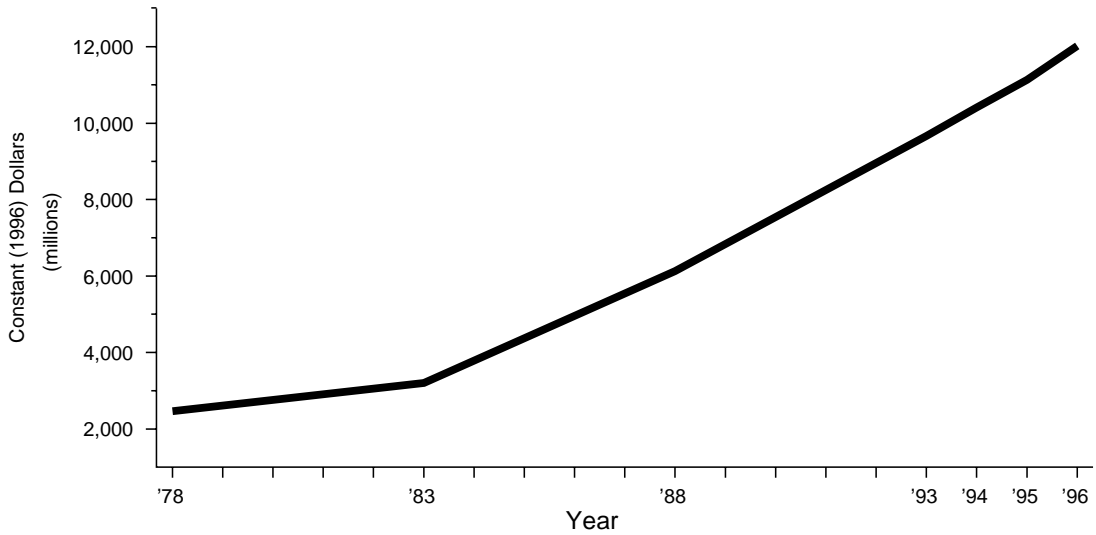
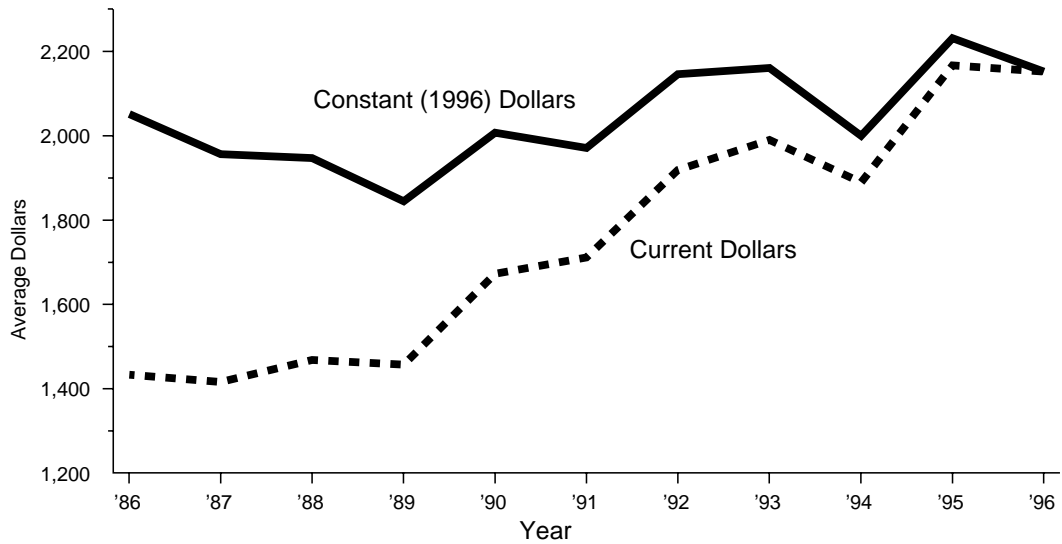


Figure 16: Average Annual Payment (through the Child Support Enforcement System)



INTERGENERATIONAL DEPENDENCE

Over the years, there has been considerable discussion about how much being on welfare when young affects one's dependence as an adult. Statistics are available for females and males who were born from 1960 to 1964 and who received assistance (AFDC or food stamps) all three years between the ages of 14 and 16. Eleven years later, at ages 25 to 27, 61 percent of the females and 32 percent of the males had received assistance for at least one year. Thirty-one percent of females and 14 percent of males had received assistance all three of these later years.

How did these assistance rates compare with those of the same cohort who did not receive assistance

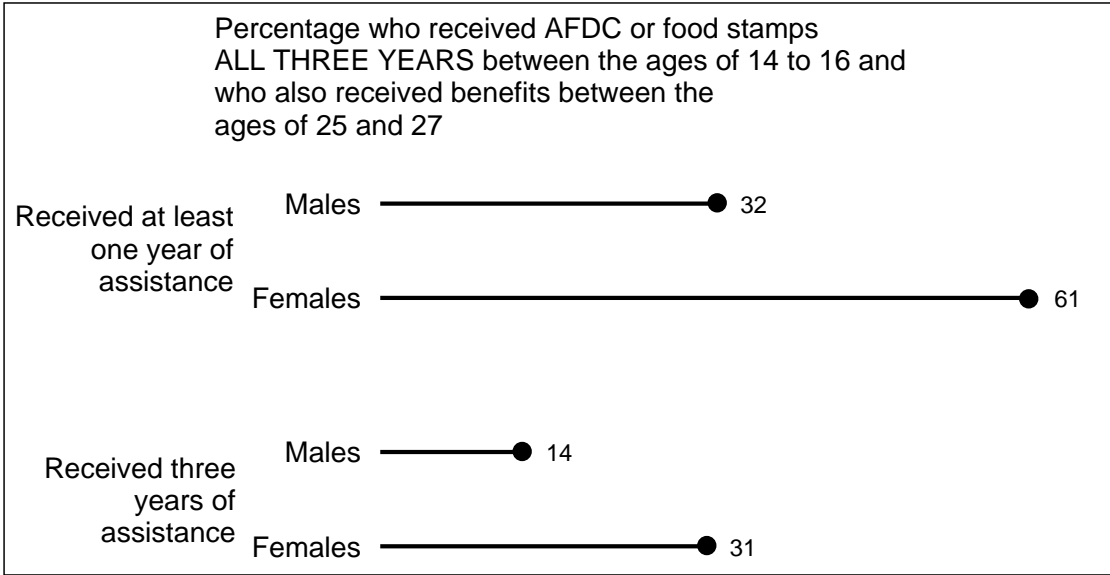
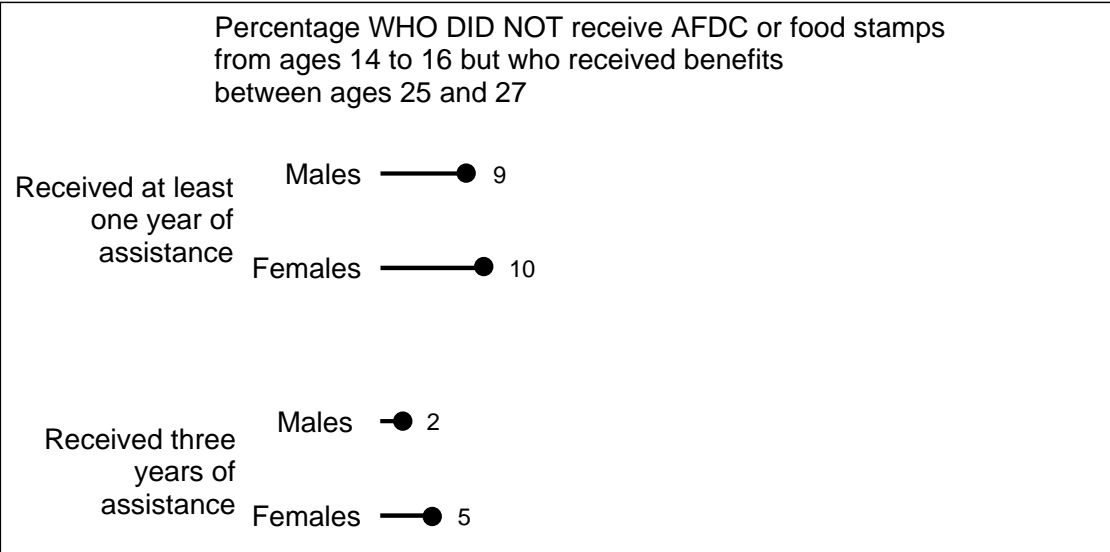
between 14 and 16? For females who had received previous assistance, the rates were six times higher for receiving both one year and three years of later assistance; for males, the rates were nearly four times as high for one year of later assistance and seven times as high for three years. These data are shown in Figure 17.

Intergenerational rates were somewhat lower for those born from 1960 to 1964 than from 1954 to 1959. Those born earlier, however, were 25 to 27 during the early 1980s, when the economy was experiencing a severe recession — which did not continue into the late '80s. Unfortunately, no data for more recent periods are available.

Data are from *Indicators of Welfare Dependence, Annual Report to Congress*, October 1997, U.S. Department of Health and Human Services, pp. II-38 and 39. The original source is unpublished data from the PSID, 1968-1992.

Young adults who were on welfare as teenagers were, on the whole, about six times more likely to be receiving assistance than their counterparts who were not on welfare as teens.

Figure 17: Association of Welfare Receipt Between Parents and Their Sons and Daughters



0 10 20 30 40 50 60 70
Percentage

*Rates are for the cohort born between 1960 and 1964.

TEENAGE VIOLENT CRIME

Growing teenage crime contributes to dependency. Criminal activity itself is a diversion from school studies and employment efforts. Teenagers with arrest and conviction records will undoubtedly have a hard time securing employment and, therefore, supporting themselves and their families. And time in prison often does little to increase education and employment skills.⁴

The arrest rate for all youths ages 10 to 18 has quadrupled

since 1965. While rising faster among White youths, it is also much higher among non-White ones. (See Figure 18.) In addition, arrest rates are significantly higher among males than females. The rate for 18-year-old males in 1994 was 2,042 per 100,000, compared to only 249 females per 100,000. Figure 19 shows the trend line for males ages 15 to 18.

Of course, arrests are not a direct measure of crime, since they do not necessarily result in criminal charges or convictions.

	All	White	Non-White	Males			
				Age 15	Age 16	Age 17	Age 18
1965	58	24	259	442	564	572	638
1970	101	42	436	664	838	957	1,065
1975	136	79	431	832	1,102	1,201	1,299
1980	163	92	492	877	1,130	1,322	1,350
1985	139	77	400	769	999	1,180	1,194
1990	184	108	488	1,137	1,525	1,745	1,840
1991	195	121	486	1,222	1,604	1,841	1,996
1992	188	126	534	1,210	1,621	1,757	1,944
1993	220	130	568	1,379	1,764	1,944	2,038
1994	231	138	584	1,414	1,798	1,939	2,042

Data are from *Indicators of Welfare Dependence, Annual Report to Congress*, October 1997, U.S. Department of Health and Human Services, pp. III-72 and 73. The original source is *Trends in the Well-Being of America's Children and Youth, 1997*, U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, Table SD 1.6.

⁴ See Paul E. Barton and Richard J. Coley, *Captive Students: Education and Training in America's Prisons*, Policy Information Report, Princeton, NJ: Policy Information Center, Educational Testing Service, 1996.

The teen arrest rate for violent crime has steadily risen over the last 30 years, except for a dip in the early 1980s, and has quadrupled since 1965. Reaching more than 2,000 per 100,000 18-year-olds in 1994, male teen rates are much higher than female rates.

Figure 18: Arrest Rates for Violent Crime for Youths Ages 10 to 18

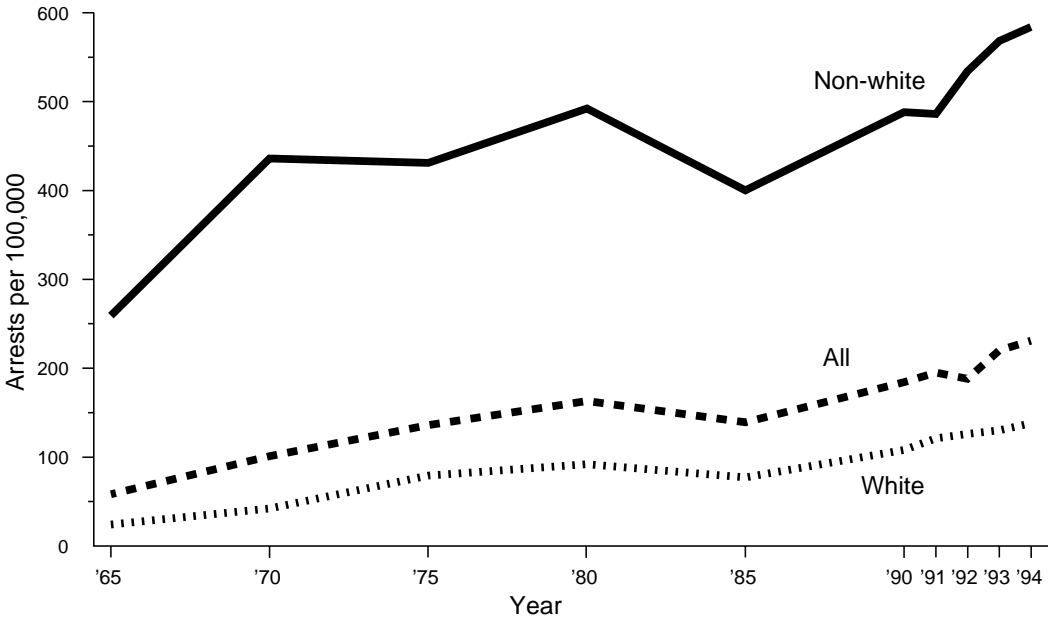
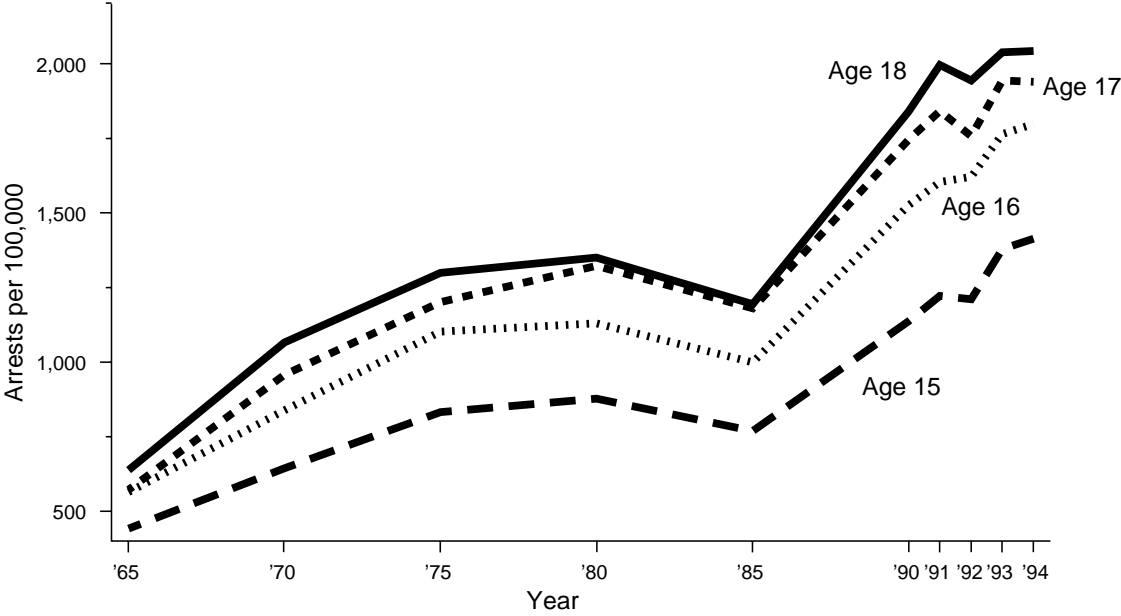


Figure 19: Arrest Rates for Violent Crime for Male Youths Ages 15 to 18



ADULT INCARCERATION

A seemingly ever-increasing proportion of men are being locked up in prison, as can be seen in Figure 20. The rate is also increasing for women but at a much lower level. (See Figure 21.) The rates for Black males are highest, by far, of all groups. Just recently, however, arrest rates for some crimes have leveled off or declined.

Prisoners are fully dependent on and supported by the public, even if involuntarily so, and the resulting bill is reaching huge proportions for taxpayers.

More importantly, perhaps, is the fact that men who are imprisoned cannot support their children and/or families. It has been little noted in public discussions of crime and incarceration that large numbers of children are affected by adult incarceration rates. These children are at high risk of dependency.

Efforts at making prisoners employable when they leave prison have been weak, so prisoners' risk of dependency continues as they return to the civilian world. For a discussion of prison education and training, see *Captive Students:*

Education and Training in America's Prisons, Paul Barton and Richard Coley, Policy Information Center, Educational Testing Service, 1996.

Estimated Number of Sentenced Prisoners Under State or Federal Jurisdiction per 100,000 Resident Population						
	Men	White Men	Black Men	All Women	White Women	Black Women
1981	304	186	1,217	12	7	50
1983	354	217	1,412	15	9	58
1985	397	246	1,559	17	10	68
1987	453	277	1,800	22	13	82
1989	535	317	2,200	29	17	115
1991	606	352	2,523	34	19	135
1993	698	398	2,920	41	23	165
1995	796	461	3,250	48	29	178

Data are from *Indicators of Welfare Dependence, Annual Report to Congress*, October 1997, U.S. Department of Health and Human Services, pp. III-34 and 35. The original source is *Correctional Populations in the United States*, U.S. Department of Justice.

The incarceration rates for both males and females have been steadily rising. They have especially mushroomed for men, with the highest rates for Black men, at 3,250 per 100,000 population in 1995.

Figure 20: Estimated Number of Sentenced Prisoners Under State or Federal Jurisdiction per 100,000 Population, Males, by Race

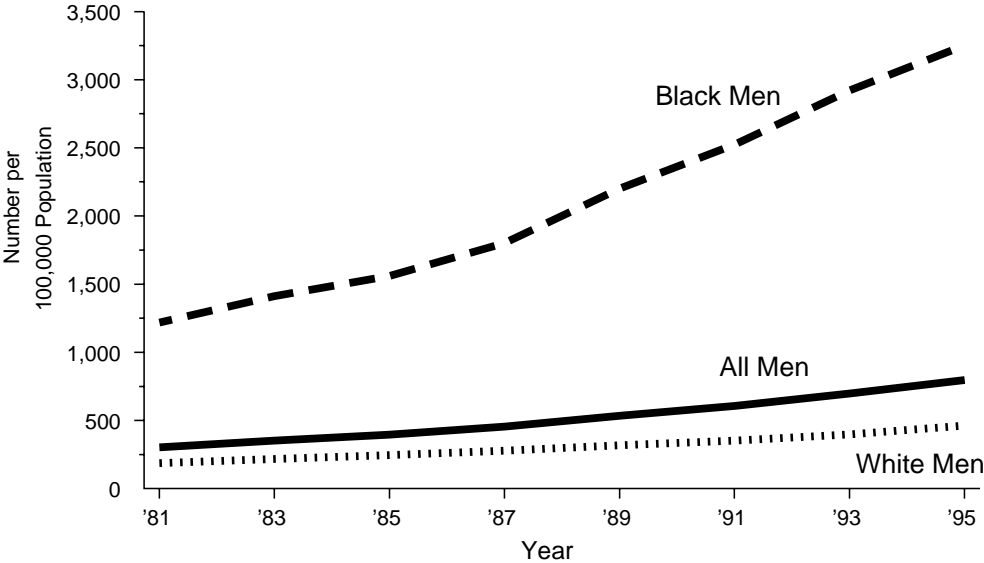
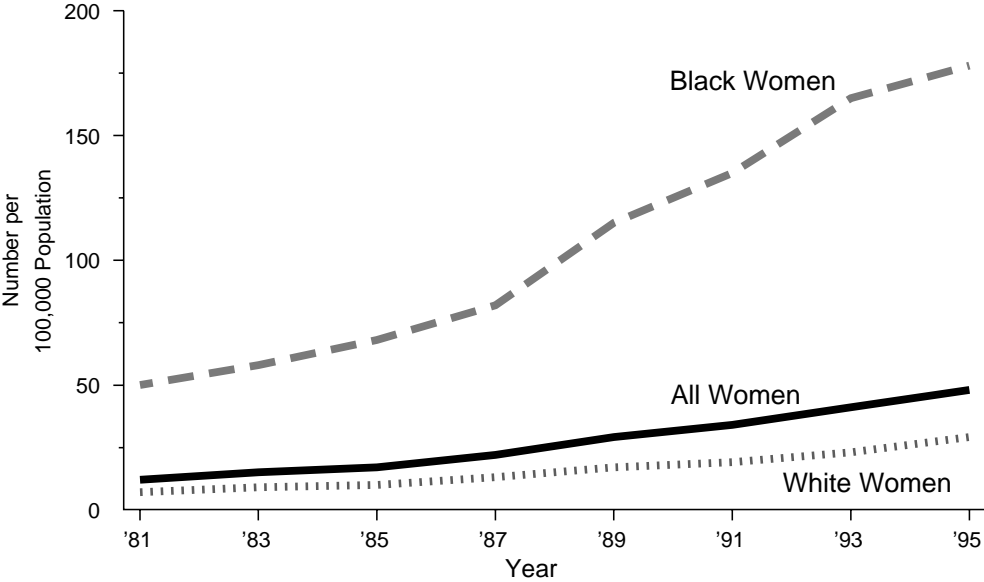


Figure 21: Estimated Number of Sentenced Prisoners Under State or Federal Jurisdiction per 100,000 Population, Females, by Race



CHANGE IN THE PROPORTIONS OF THOSE ELIGIBLE FOR AID WHO APPLIED FOR IT

By no means do all people who are eligible for aid apply for it. The 1994 percentages of those eligible who applied were estimated at 83 percent for AFDC and 71 percent for food stamps. (See Figures 22 and 23.) Since dependency refers to those actually receiving aid, the dependency rate changes with the willingness of people to apply for aid, as well as with economic circumstances. For AFDC, the 1994 rate was six percentage points higher than in 1987. For food stamps, the 1994 rate was seven percentage points higher than the 1985 rate. If the rate in 1994 were the same as in 1985, there would have been about 300,000 fewer families

Participation Rates for AFDC and Food Stamps*									
	1983	1985	1987	1988	1989	1990	1992	1993	1994
AFDC Participation Rate	78	79	77	78	84	82	86	82	83
Food Stamps Participation Rate		64		59	59		74		71

*Percent of those eligible for the benefit who receive it.

receiving AFDC in 1994, saving the nation more than a billion dollars.

During some periods of our history, changes in the proportion of those eligible who seek assistance have been a major factor in the growth of AFDC. This seems to have been the case in the 1960s, for one. Historically, after such periods, more people applied and were approved for aid. This, in turn, helped create an atmosphere of increased legitimacy to being on welfare.

Data are from *Indicators of Welfare Dependence, Annual Report to Congress*, October 1997, U.S. Department of Health and Human Services, pp. II-33 and 34.

The number of AFDC eligibles was estimated by the Urban Institute, using TRIM model simulations. Food stamp statistics are from the U.S. Department of Agriculture. The discussion about the 1960s comes from *The Relationship of Employment to Welfare Dependence*, Paul E. Barton, The Urban Affairs Council, The White House, March 1969.

The percentage of families that were eligible for AFDC and received aid fluctuated between 77 percent and 86 percent over an 11-year period. The percentage of households that were eligible for food stamps and received them fluctuated between 59 percent and 74 percent over a nine-year time span.

Figure 22: AFDC Caseload as a Percentage of Those Eligible for AFDC

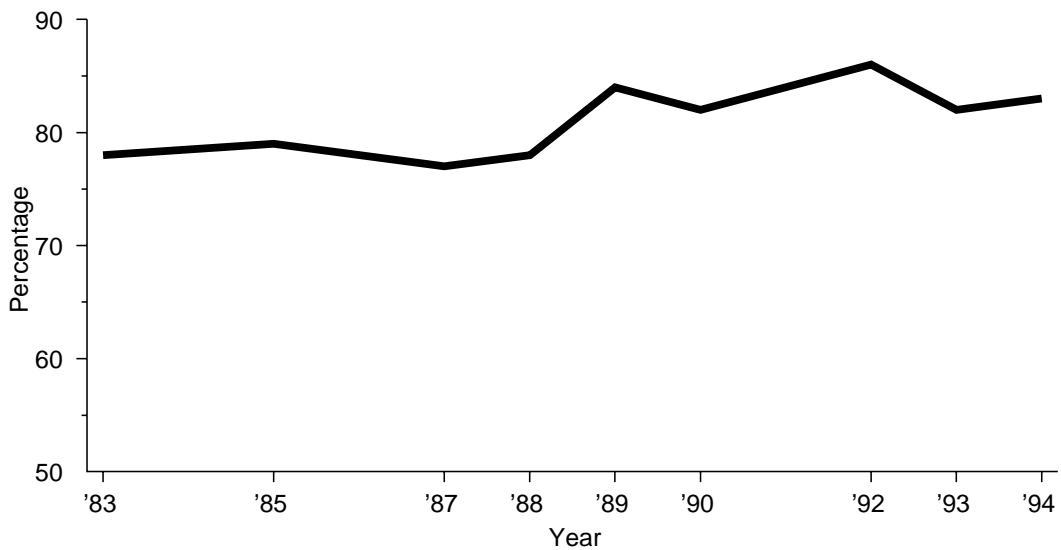
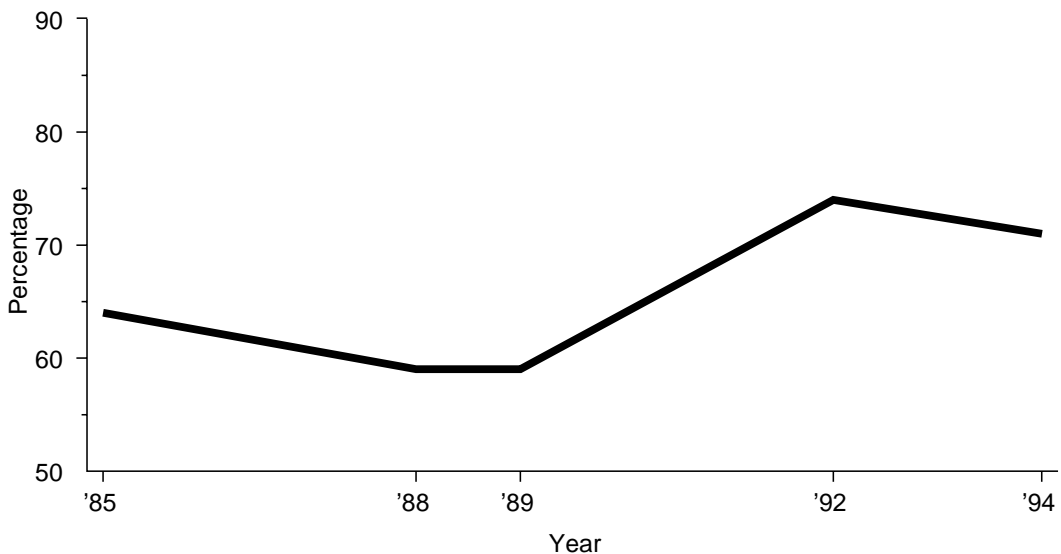


Figure 23: Households Receiving Food Stamps as a Percentage of Eligible Households



INDICATORS OF DEPRIVATION: HUNGER

Despite the extensive safety net available in the United States, many Americans' lives include hunger and/or the threat of hunger, as can be seen in Figure 24. About 12 percent of households in 1995 reported not being able to afford enough food, and one-third of these households reported facing moderate or severe hunger. About one-third of Hispanic households with children under six were "food insecure," and more than one-third of these households experienced hunger.

As the new welfare law is implemented, and time limits on welfare come into play, there will be declines in the count of those who are dependent on federally funded programs. However, many of those removed from the rolls may not have secured other sources of income; they may be "deprived," although no longer "dependent."

Through the welfare reform law, legal immigrants were cut off from receiving food stamps. Congress is now considering legislation that would partially restore these benefits.

The Boston-based group Physicians for Human Rights recently surveyed levels of hunger among immigrants in three states. They found that 79 percent of the 682 households surveyed were "food insecure," and a third suffered from at least "moderate hunger"; eight and one-half percent reported "severe hunger" — 10 times the rate of the general population.⁵

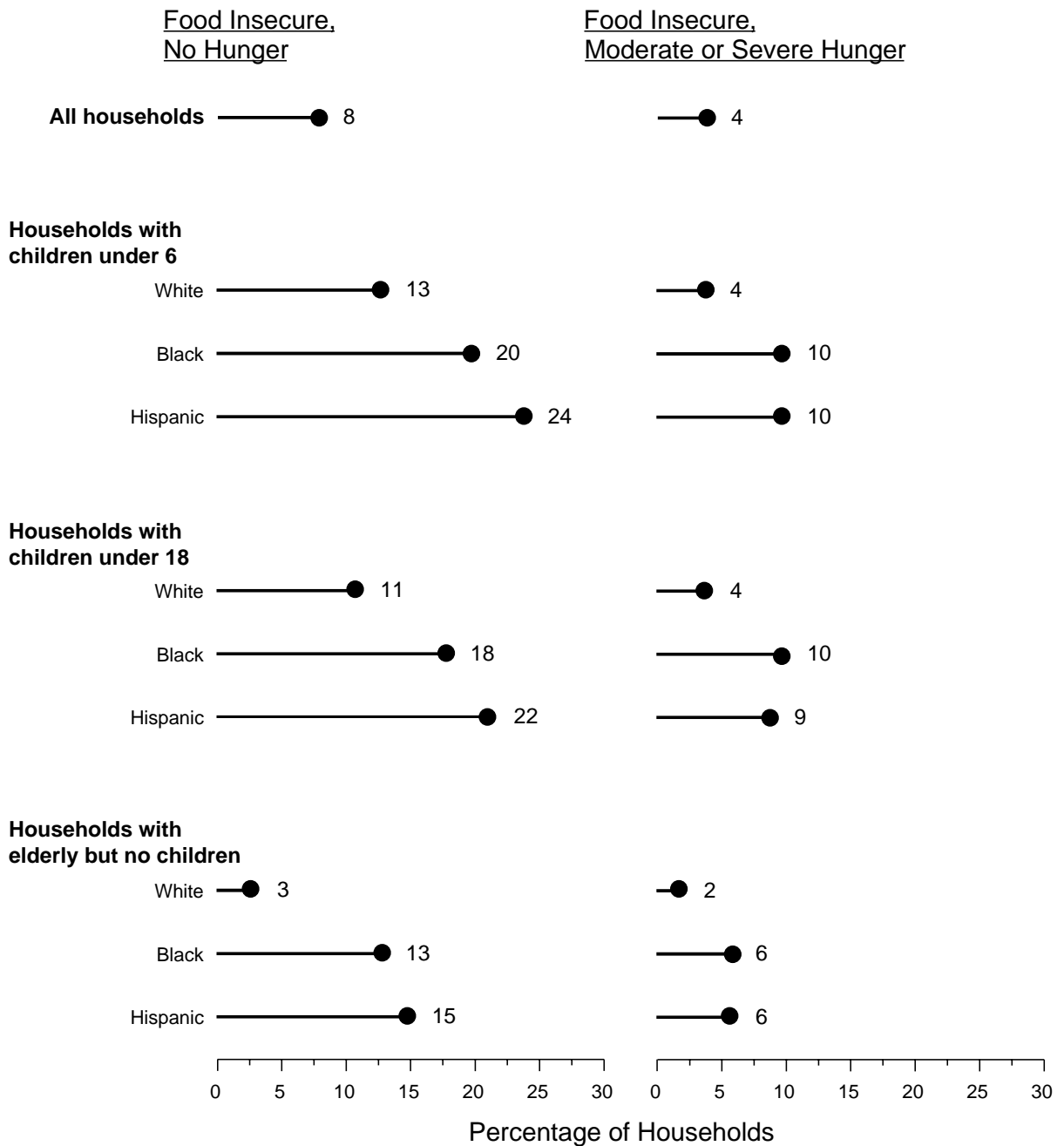
The 1995 national survey of hunger, meanwhile, can be used as a baseline with which to compare the extent of food deprivation and hunger in later years, as the welfare rolls are reduced.

Data are from *Indicators of Welfare Dependence, Annual Report to Congress*, October 1977, U.S. Department of Health and Human Services, p. III-27. The original source is *Household Food Security in the United States in 1995*, U.S. Department of Agriculture.

⁵ *Washington Post*, May 10, 1998.

Twelve percent of households were classified as "food insecure" in 1995, with one-third of those classified as suffering from moderate or severe hunger. The hunger rate for Black and Hispanic households with children rose to about 10 percent.

Figure 24: Percentage of Households Classified as "Food Insecure," 1995



CONCLUSION

We hope that when readers finish this report, they are at least somewhat better informed about trends in conditions that favor or are adverse to independence. They will see immediately, however, that with some of these indicators, data are only available for one point in time; in these cases, we do not know either the direction or magnitude of change beyond that point. Literacy is one example.

Readers may also find an indicator interesting and want to know more. For example, he or she may find the number of births outside marriage alarming but want to know how many of such babies are well cared for by their mothers, fathers — even if not present — or extended family members. For the indicators presented here, considerable analysis would be required to plumb the real meaning.

The indicators presented in this report may well bring to mind other factors that should be tracked. For example, how much bad parenting — parenting that impairs learning, motivation, and discipline to a degree that fosters dependence in adulthood — is there in *two* parent families?

Of course, we don't know. But the reader who wants to dig deeper can find broader and more detailed information in the large volume referred to at the outset of this report, *Indicators of Welfare Dependence, Annual Report to Congress*, October 1997. *Indicators* also goes into considerable detail about additional data needs. And it contains in-depth information about who is receiving what kinds of public assistance.

At another level, state policy makers may want to create a counterpart set of easily understood indicators for their states. Much of the information contained in this report — or else approximate substitutes — exists at the state level. As the devolution of the welfare system to the state level progresses and states go in different directions, the type of information that is useful and relevant will differ. For example, a state that has managed to reduce violent teenage crime to a very low level may no longer find such crime to be

an important indicator. A heavily agricultural state that is suffering, as did the dust bowl states of the 1930s, may find it more important to track the weather and crop yields.

There are many places where tears or rips in the social fabric need mending, if the conditions that breed dependence are to be minimized. Officials carrying out public assistance programs will deal with individuals applying for aid, or long receiving aid, in various ways. But it is larger forces that will set the stage for the potential success of efforts to contain the welfare rolls.

Will these forces be swimming against a swift current in the social and economic streams? Or will they be swimming with it, as they had the good fortune to do from 1996 to 1997, when economic growth and employment were setting new records?