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OFFICE OF THE VICE PRESIDENT

WASHINGTON

May 8, 1992

MEMORANDUM FOR THE VICE PRESIDENT

FROM:

RICHARD PORTER

RWP

SUBJECT:

Briefing for Face the Nation

I have attached talking points for your review. The data was compiled by the Heritage Foundation, Department of Justice, HHS and OMB.

I have also attached a fact sheet showing the commitment this Administration has made to programs benefitting low-income Americans since 1989.

TALKING POINTS
EFFECT OF THE GREAT SOCIETY -- WHAT NEEDS TO BE DONE

How much have we spent on welfare?

- o Total federal, state and local welfare spending in 1965 was **\$9.6 billion**. Total welfare spending in 1990 was **\$225 billion**. Even after adjusting for inflation **there has been a sixfold increase in spending on welfare programs since 1965**.
 - In 1990 dollars, 1965 spending was \$36 billion.
- o Total spending on welfare from 1965 to 1990 was **\$3.3 trillion**.
 - This figure, calculated by the Heritage Foundation, is the total of all 80 federal means-tested programs, including state contributions to federal programs where they are required. Thus, this figure includes spending on Medicaid, AFDC, school lunches and so forth.
- o The \$225 billion spent in 1990 is **at least twice the amount of money necessary to bring everyone's income above the current poverty level**. Noncash benefits are not included in official census income data. Also, they are not evenly distributed because of the peculiarities of program rules.
 - Calculated by scholars at the Heritage Foundation.
- o Since the start of Lyndon Johnson's "Great Society" programs in 1966, entitlements have grown an astonishing 1,882% after adjusting for inflation. By comparison, real gross national product (GNP) increased by only 81% in the same period.
 - Source: Heritage Foundation "A Prosperity Plan for America"
- o When the Ways and Means Committee reported the bill establishing Medicare in 1965, it estimated that program costs would rise to \$10.1 billion per year by 1990. Actual 1990 costs were \$95.8 billion.
- o In 1965, public aid was less than 1% of GNP. By 1987, it had more than doubled to over 2.5%.
 - This calculation does not include all entitlements.

What has this money bought? Illegitimacy

- o What has all this money bought? **Illegitimacy rate among black families in 1955 was 22%; in 1965, it was 28%. By 1989, 65% of all black children born were illegitimate. If current trends continue, 75% of all births to black mothers will be out of wedlock by the year 2000.**
- o Why is this happening? Cultural changes, but also the way we have designed the welfare system. The value of the full range of welfare programs to a single mother is between \$8,500 and \$15,000, depending on the state and the number of children. **We provide this money to her on two conditions: Don't work and don't get married to a man that works!**
- o One study of white teenage girls by a University of Washington researcher shows that **raising welfare by \$200 a month increases the teen illegitimacy rate by 150%.**
 - The higher the base of illegitimacy, as with black teenagers, the lower the increase.
- o Why does illegitimacy matter? When compared to children raised in intact families, children raised in single-parent families are:
 - **One-third more likely to exhibit behavioral problems such as hyperactivity, antisocial behavior and anxiety, and they are more likely to commit suicide as teenagers.**
 - **Three times as likely to fail and repeat a year in grade school.**
 - **More likely to use drugs and engage in criminal activity (70% of juveniles in state reform institutions came from single-parent or no parent homes).**
 - **164% more likely to bear children out of wedlock themselves and 111% more likely to have children as teenagers.**

What has this money bought? Crime

- o In the 1950s we had tough incarceration policies, and violent crime was at low levels. **Tough incarceration policies were abandoned in the 1960's and 1970's -- when criminals were viewed as society's victims; not as its victimizers.**

- Rate of violent crime more than doubled in the 1960's. By the end of the 1970's, it had tripled. The spiral peaked in 1980.
- Between 1.7 million and 1.8 million additional violent crimes would have been committed in the decade of the 80's had the trend from 1959-79 continued.
- o 1980 was a watershed. The reaction to the 1960's and 1970's began. During the 1980's, we started to toughen up our criminal justice system -- at the federal level and in some states. We got longer and surer sentences and we started to build more prison space.
 - In line with these tougher policies, **the incarceration rate more than doubled during the 1980's**. Prison population grew from 305,000 in 1980 to 775,000 in 1990.
 - In the 60's, the murder rate climbed 55%; in the 70's it rose 29%; in the 80's it actually dropped by 8%.
 - In the 60's, the rate of aggravated assault and robbery increased by 187%; in the 1980's it increased by only 2%.

What has this money bought? Unemployment

	<u>Whites, 16-19</u>	<u>Blacks, 16-19</u>
1951	8.1%	9.2%
1965	13.1%	23.7%
1980	16.6%	35.4%
1989	12.7%	32.4%

What is the Bush/Quayle solution to the problem?

(see the attached fact sheets as well)

- o We need to take **Six Steps** to change things in the inner cities:
 - 1) **School Choice** -- frees low income children to go to better schools, gets parents involved again in child's education, gives schools an incentive to improve and a better education provides hope for a better future. Plus, public schools are hamstrung in their ability to discipline students by Warren Court decisions expanding student rights.
 - 2) **Enterprise Zones** -- lower capital gains rate and the other incentives would attract private investment capital to

inner cities and provide an incentive to hire local residents from the zone.

3) **HOPE** -- Housing Opportunities for People Everywhere encourages tenant management and ownership, gives people a stake in the community, improves the quality of life for housing residents, crime goes down, graduation rates go up. Congress has refused to fully fund the Act.

4) **Fight Crime** -- People won't invest in areas they are afraid to enter, people won't work if they are afraid to walk in the streets. Being safe is the first civil right. "Weed and Seed" is the new initiative in 1993 budget.

5) **Welfare Reform** -- More on this below.

6) **Change the Moral Message** -- We need everyone to start sending a better message to the young: crime is not justified, illegitimacy is bad -- for moms and for children, and there is opportunity for those that stay in school.

-- A Harvard economist (Roger Freeman) showed that young black men who had religious belief are 47% less likely to drop out of high school, 50% less likely to engage in criminal activity and 54% less likely to use drugs. Government can help by letting parents choose to send their children to religious schools if that's what parents want to do.

-- Story Kino Flores told VP in Phoenix meeting: at the funeral for an honor student killed in a random shooting, 350 classmates did not know what to do in a church -- they didn't know when to stand, sit or kneel.

What needs to be done about welfare?

o What needs to be done about welfare? **We need to change the two conditions for welfare: recipients should have to work and should be encouraged to marry working men.**

-- In the 1988 welfare reform legislation, the Family Support Act, Republicans fought to make work a condition for moms that don't have young children. The result was a limited program -- JOBS.

-- The Administration just approved waivers for Wisconsin so that they could encourage teen moms to marry working men and discourage them from having any more children out of wedlock.

-- Both this Administration and the previous one

significantly expanded the Earned Income Tax Credit, that mitigates the loss of welfare benefits to a worker and increases the incentives to work.

- Also, the Administration's Health Reform proposal would provide a voucher for low-income workers to cover fully the cost of health insurance, replacing the Medicaid benefits lost when someone starts working.
- o Welfare is a surrogate for a husband. Under the existing rules, a low-income husband is a financial handicap, not a breadwinner. We need to make the surrogate less attractive (by requiring work) and the husband more attractive (by allowing them to keep more benefits).
 - Consider the young man making \$7 an hour in the delivery room watching his girlfriend deliver a baby. If he marries her, she will lose most of the \$13,000 in total benefits to which she is entitled if he abandons her. If they maintain an unofficial relationship -- easily terminated -- their joint income would be about \$27,000 a year.
- o But welfare is not the whole story about the profound changes in responsibility that were implemented in the 1960s through a series of small, related steps by the Courts, by Congress and by the Johnson and Nixon Administrations.
 - The ethic of **Don't blame the victim for social ills** had the effect of taking from the individual responsibility for personal actions. This ethic was the motivating force behind changes in all aspects of social policy -- and that ethic has not changed profoundly since the 1960s, at least not in the media or in regulations.
 - Criminal Justice: Police authority was eroded by technical interpretations of search and seizure rules and penalties for criminal violations were effectively reduced. Drug laws were flaunted and then repealed, diminishing respect for the law and law enforcement. The Court even abolished the death penalty for a short period of time. All of this reduced the consequences of bad behavior.
 - Education: Prayer banned from schools. Authority to dismiss students for bad behavior limited. Dress codes were limited and other types of discipline, through searches of lockers and so forth, was also limited.

- Civil Justice: This same ethic, expanding "rights" and limiting "responsibility," is behind the explosion in civil litigation. Just as the courts picked up where Congress left off in social engineering, they picked up where the welfare system left off in redistributing wealth.

Has our commitment to cities declined?

- o Total **federal** aid to governments and individuals in **urban areas** increased during the last 12 years, even after correcting for inflation.

	<u>current \$</u>	<u>1987 \$</u>
1980	62.8 bill.	87.7 bill.
1992	124.8 bill.	102.6 bill.

- o It's true that some cash grants to cities have declined -- for good reason. Cash grants, like UDAG, did not help low income people in cities.
 - UDAG helped to **build 262 hotels nationwide** and provided subsidies for large corporations like the Hyatt Corporation, Sherwin-Williams and General Motors.
 - Only 39% of all housing units subsidized with UDAG money are occupied by low- and moderate-income persons. (Source: 1986 budget supplement)
- o Los Angeles in particular has not suffered from cutbacks in federal aid, as the summary of HHS aid to LA demonstrates.

HHS FUNDING FOR LOS ANGELES COUNTY
In thousands (000)

HHS FUNDING FOR LOS ANGELES	1960	1980	1991
Supplemental Security Income	\$6,851	\$262,671	\$833,323
Medicaid	\$0	\$563,566	\$1,521,122
Child Support Enforcement	\$0	\$32,804	\$20,322
AFDC	\$58,719	\$494,102	\$1,135,562
GRAND TOTAL	\$65,570	\$1,353,143	\$3,510,329

Selected Federal Programs Affecting the Poor: Facts Re Budgetary Growth

Economic Assistance

- o Assistance to low-income families has increased by 82% (or \$79.4 billion) since 1989 -- growing from \$97.3 billion in 1989 to \$176.7 billion in 1993. These entitlement programs, which help mostly low-income families, include:
 - Medicaid, up 144% (or \$49.9 billion) from \$34.6 billion in 1989 to \$84.5 billion in 1993;
 - Food stamps and other nutrition assistance programs, up 64% (or \$12 billion) from \$18.8 billion in 1989 to \$30.8 billion in 1993;
 - Supplemental Security Income, up 71% (or \$8.2 billion) from \$11.5 billion in 1989 to \$19.7 billion in 1993;
 - AFDC and other Family Support Assistance, up 37% (or \$4.1 billion) from \$11.2 in 1989 to \$15.3 billion in 1993;
 - Earned income tax credits, housing assistance, and programs for low-income veterans, up 25% (or \$5.2 billion) from \$21.2 billion in 1989 to \$26.4 billion in 1993.
- o In addition to the above entitlement programs, other discretionary programs provide assistance to low-income families.
 - Housing assistance has grown from \$5.5 billion in 1980 to \$14.0 billion in 1989 and to \$21.7 billion in 1993 -- an increase of 295% from 1980 (55% from 1989).
 - Other discretionary income security programs have also grown dramatically since 1980 -- from \$5.3 billion to \$7.6 billion in 1989 and to \$9.6 billion in 1993 (an increase of 81% from 1980 and 26% from 1989).

Crime

- o The Administration's FY 1993 request to help fight crime is \$15.8 billion; 59 percent larger than the level of funding in FY 1989.
- o The Administration's drug law enforcement request for FY 1993 is \$8.6 billion, nearly double the amount spent in FY 1989.
- o The budget contains a first, but bold, step to marry law enforcement operations with programs to support social regeneration in inner city neighborhoods. A new "Weed and Seed" program will root out the violent criminals and provide investments to revitalize neighborhoods.

Weed and Seed uses a neighborhood-focused, two-part strategy to control violent crime, and to provide social and economic support to areas where high crime rates and social ills are prevalent. Consistent with the President's Drug Strategy, the initiative first seeks to remove or "weed" gang leaders, violent criminals, and drug dealers from the neighborhoods. Second, the initiative attempts to prevent a reinfestation of criminal activity by "seeding" the neighborhoods with public and private services, community-based policing, and the tax incentives of Enterprise Zones. Weed and Seed is built on the premise that community organizations, social services providers, the criminal justice system, and community residents must work together to regain control and revitalize crime-ridden and drug-plagued neighborhoods.

Under the President's Weed and Seed proposal, law enforcement will be delivered in a planned, powerful, and efficient manner, which will better enable communities to take advantage of job training, recreational, health care, drug treatment, and educational activities.

Health

- o Through careful investment in prevention, the Nation can avert premature deaths, extend average life expectancy, and reduce illness and disability. The budget provides substantial increases for programs focused on prevention and the next generation:
 - For CDC childhood immunization, \$349 million (148 percent above the FY 1989 level);
 - For infant mortality reduction, \$9.4 billion (65 percent above FY 1989);
 - For Women, Infants, and Children Nutrition Assistance (WIC), \$2.8 billion (47 percent above FY 1989);

- For Head Start, \$2.8 billion (127 percent above FY 1989);
 - For expansion of community health centers, \$684 million (42 percent above FY 1989); and
 - For the National Health Service Corps, \$120 million (150 percent above FY 1989).
- o The President's FY 1993 Budget expands and deepens the nation's commitment to careful investment in prevention. There will be many beneficial results from this investment in FY 1993, including:
- 6,710,000 polio immunizations, 4,147,000 measles, mumps, and rubella immunizations, and 2,600,000 hepatitis b immunizations;
 - an additional 157,206 children per year will be enrolled in Head Start (all expected eligible enrollees will have access to one year of Head Start);
 - 445,000 more disadvantaged Americans will have access to primary care services through community health centers;
 - at least 96,000 more women per year will be screened for breast and cervical cancer; and
 - 125,000 more children per year will be screened for lead poisoning.

Education

- o The FY 1993 Budget proposes a 45% increase over 1989 for the Education Department and Head Start. Included in this total are:
- 127% increase (or \$1.6 billion) for Head Start since '89, enough to provide one year of Head Start participation for all eligible children wanting to participate in the program;
 - 131% increase (or \$179 million) for math and science education, designed to help States provide training to 770,000 elementary and secondary school teachers and to launch a new, intensive teacher training initiative;
 - 84% increase (or \$299 million) for drug-free schools, including \$60 million for emergency grants, which provide extra funding for prevention programs in school districts with the most substantial drug related problems;

- 49% increase (or \$2,249 million) for compensatory education for the disadvantaged;
 - 85% increase (or \$190 million) for disadvantaged student support services; and
 - 45% increase (or \$38 million) for Historically Black Colleges.
- o In addition to the largest one-year increase for Head Start in its 25 year history, the FY 93 Budget proposes many other programs that support inner city pre-school and elementary and secondary education, including:
- Even Start: \$90 million to help young at-risk children obtain the skills they need to succeed in school while helping improve the educational and parenting skills of their parents;
 - WIC: The FY 93 Budget funds full participation in the Women' Infants and Children Supplemental Feeding Program for all eligible pregnant women and infants. Compared to 1989, WIC would grow by almost \$1 billion, or 47%, serving 5.3 million women and children, an increase of 61% over 1989.
 - Child nutrition programs: The budget proposes \$6.5 billion for subsidies for school lunch, school breakfast, and day care homes -- an increase of \$1.9 billion (or 42%) over 1989.
 - Child care assistance: A new block grant, funded at \$850 million, makes payments to States to help low-income families pay for day care.
 - "Ready to Learn" Primary Health Grants: These grants (a \$6 million demonstration program) will improve access to primary health care for young children in low income communities.
 - Choice Grants: \$500 million to provide education certificates to middle- and low-income children for public or private schooling.
 - Chapter 1 "follow the child": \$6.2 billion of the \$6.8 billion for remedial education would allow parents who choose other schools to take Chapter 1 funds with the child to the new school.
- o Assistance for higher education for the children of low-income families has also been increased. Pell grants are proposed to increase by 48% since 1989 -- almost all of that increase going to families with incomes below \$20,000.

- o Job Training 2000. The Administration proposes to replace the fragmentation and inefficiency of current Federal job training programs, with a new, coordinated market-driven system. It would greatly improve services to clients, provide \$2.2 billion for new job training vouchers, provide training based on locally determined needs, ensure that only quality training providers receive Federal subsidies, and allocate most funding in the form of voucherable aid to individuals.

Domestic Grants to 15 Largest Cities

- o According to the Bureau of the Census (Consolidated Federal Funds Report), federal grants to the 15 largest cities have increased by 36% between 1988 and 1991 -- an increase of \$7.7 billion from \$21.4 billion in 1988 to \$29.0 billion in 1991.



Health & Income Maintenance Division



Office of Management and Budget
Executive Office of the President
Washington, DC 20503

*File: URBAN
AID*

May 4, 1992

Please route to:

Keith Fontenot *KF*
David Kleinberg *DK*
Tom Scully

Decision needed _____
Please sign _____
Please comment _____
For your information X
As you requested X

Subject: Federal aid to cities

From: Lester Cash *LC*

Copy to:

Phone: 202/395-4686
Fax: 202/395-3910
Room: #7026

Excellent!

You requested information on total Federal aid to cities in 1980 and 1992. We checked with BRD and Housing Branch, and found the following summarized below.

Budget Examiner General's Warning:

This data is extremely unreliable, and should not be used without consulting with Barry Anderson first. In the post-Los Angeles environment, there will be a lot of different numbers in the press purporting to be Federal aid to cities. Each is likely to include very different sets of Federal programs. Before using this information to inform policy, you should decide what types of spending you want to include and consult with interest groups such as the League of Cities.

About 68.5 percent of grants to State and local governments benefit urban areas, according to BRD¹. This assistance includes a portion of Medicaid and AFDC, as well as development grants.

(Dollars in billions)				
	Grants		Urban Area's Share	
	current \$	1987 \$	current \$	1987 \$
1980	91.5	127.6	62.8	87.7
1992	182.2	149.8	124.8	102.6

BRD has additional data:

- information on specific cities.
- other tallies of Federal grants.

The attached sheets show what data is readily available.

¹The estimated percentage was 68.7 in 1980. BRD stopped collecting this information after FY88. However, the percentage going to urban areas was steady for the last nine years BRD collected the information.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

no further
updates
LH
6/19/91

September 7, 1989

MEMORANDUM TO: SUSANNE LIND
FROM: ~~Larry Hush~~ and Alison Jacobs-Ebert ^{LH} ^{AJ} ^U
SUBJECT: Data on Grants that Benefit Urban Areas and
State and Local Minimum Matching Requirements

Each year we collect from the divisions revised estimates of the approximate share of grants that benefit urban areas and the percent of funds that State and local governments are required to provide to receive certain grants-in-aid (i.e., the minimum matching requirements).

The urban data -- which include both central cities and suburban areas -- are occasionally useful in answering questions about the effect of grants on urban areas. The matching data are maintained in order to monitor trends in this aspect of grants and to measure in part the burden (or lack thereof) on the recipients.

The data are shown on the attached Tables 1 and 2.

- For urban data (Table 1), about two-thirds of the grants benefit urban (Metropolitan Statistical Areas) areas, a percentage that has been fairly stable since 1971 and that is less than the percent of the population living in urban areas. (In 1987, about three-fourths (76.7 percent) of the population lived in urban areas.)
- The required State and local matching share has also been fairly stable, at just under 30 percent (Table 2).

I will keep this information in the file, in case it is useful.

Attachments

cc: Dave Mathiasen
Phil Dame
Harry Meyers
Kathy Peroff

07-Sep-89

Table 1. Estimated Benefits of Federal Grant Outlays by Urban and Rural Areas

Fiscal Year	(in billions of dollars)			(as a percent of total)		
	Urban	Rural	Total	Urban	Rural	Total
1971.....	19.4	8.7	28.1	69.0%	31.0%	100.0%
1972.....	24.2	10.2	34.4	70.3%	29.7%	100.0%
1973.....	29.5	12.3	41.8	70.6%	29.4%	100.0%
1974.....	NA	NA	43.4	NA	NA	100.0%
1975.....	NA	NA	49.8	NA	NA	100.0%
1976.....	39.4	19.7	59.1	66.7%	33.3%	100.0%
TQ.....	10.6	5.3	15.9	66.5%	33.5%	100.0%
1977.....	46.1	22.3	68.4	67.5%	32.5%	100.0%
1978.....	52.1	25.8	77.9	66.9%	33.1%	100.0%
1979.....	53.3	29.6	82.9	64.3%	35.7%	100.0%
1980.....	62.9	28.6	91.5	68.7%	31.3%	100.0%
1981.....	64.6	30.1	94.8	68.2%	31.8%	100.0%
1982.....	60.4	27.8	88.2	68.5%	31.5%	100.0%
1983.....	63.2	29.3	92.5	68.3%	31.7%	100.0%
1984.....	66.3	31.2	97.6	68.0%	32.0%	100.0%
1985.....	71.3	34.6	105.9	67.3%	32.7%	100.0%
1986.....	75.8	36.5	112.4	67.5%	32.5%	100.0%
1987.....	74.5	33.9	108.4	68.7%	31.3%	100.0%
1988.....	78.8	36.5	115.3	68.4%	31.6%	100.0%

Note: For 1974 and 1975, the urban and rural percentages are not available.

Table 2: State and Local Government Minimum Matching Share Requirements

(in billions of dollars)				(as a percent of total)		
Fiscal Year	Federal Grants	State and Local Minimum Matching Requirements 1/	Total	Federal	State and Local 1/	Total
1971.....	28.1	12.0	40.1	70.0%	30.0%	100.0%
1972.....	34.4	15.3	49.6	69.3%	30.7%	100.0%
1973.....	41.8	NA	NA	NA	NA	NA
1974.....	43.4	NA	NA	NA	NA	NA
1975.....	49.8	NA	NA	NA	NA	NA
1976.....	59.1	22.0	81.1	72.9%	27.1%	100.0%
TQ.....	15.9	5.7	21.6	73.7%	26.3%	100.0%
1977.....	68.4	26.3	94.7	72.3%	27.7%	100.0%
1978.....	77.9	27.6	105.5	73.8%	26.2%	100.0%
1979.....	82.9	29.8	112.7	73.5%	26.5%	100.0%
1980.....	91.5	33.9	125.4	72.9%	27.1%	100.0%
1981.....	94.8	39.7	134.4	70.5%	29.5%	100.0%
1982.....	88.2	36.5	124.7	70.7%	29.3%	100.0%
1983.....	92.5	36.8	129.3	71.5%	28.5%	100.0%
1984.....	97.6	39.2	136.8	71.3%	28.7%	100.0%
1985.....	105.9	43.2	149.1	71.0%	29.0%	100.0%
1986.....	112.4	46.4	158.7	70.8%	29.2%	100.0%
1987.....	108.4	45.8	154.1	70.3%	29.7%	100.0%
1988.....	115.3	46.9	162.2	71.1%	28.9%	100.0%

Note: For 1973-75, the matching share data are not available.

1/ The data include matching funds for UDAG, which is matched primarily by private sources. This matching amount was an estimated \$1.2 billion in 1988. The data may include relatively minor amounts of matching funds from other private sources.

Table 123—TOTAL OUTLAYS FOR GRANTS TO STATE AND LOCAL GOVERNMENTS, BY FUNCTION, AGENCY, AND PROGRAM:
1940—1997—Continued
(in millions of dollars)

	1987	1988	1989	1990	1991	1992 est- mate	1993 est- mate	1994 est- mate	1995 est- mate	1996 est- mate	1997 est- mate
050 NATIONAL DEFENSE											
Defense-Military:											
Operation and maintenance, Navy	5		4								
Research, development, test, and evaluation, Navy ..	2	2	1								
Research, development, test, and evaluation, Army ..			2								
Military construction, Army National Guard	107	104	131	150	104	80	20	40	40	40	40
National Defense Stockpile transaction fund		2	28								
SUBTOTAL, Defense-Military	113	108	165	150	104	80	20	40	40	40	40
Other Independent Agencies:											
FEMA: Disaster assistance	80	80	88	91	80	102	94	92	91	91	91
TOTAL, 050	193	188	253	241	185	182	114	132	131	131	131
270 ENERGY											
Energy:											
Emergency conservation and regulation	242	230	187	228	214	208	186	138	125	125	125
Housing and Urban Development:											
Assistance for solar and conservation improvements ..	10	3	1								
Other Independent Agencies:											
Tennessee Valley Authority fund	203	225	232	233	243	240	253	261	266	302	321
TOTAL, 270	455	457	420	461	457	448	439	399	391	427	446

See footnotes at end of table.

Table 12.3—TOTAL OUTLAYS FOR GRANTS TO STATE AND LOCAL GOVERNMENTS, BY FUNCTION, AGENCY, AND PROGRAM:
1940–1997—Continued
(in millions of dollars)

	1987	1988	1989	1990	1991	1992 esti- mate	1993 esti- mate	1994 esti- mate	1995 esti- mate	1996 esti- mate	1997 esti- mate
300 NATURAL RESOURCES AND ENVIRONMENT											
Agriculture:											
Resource conservation and development	7	11	9	19	22	25	24				
Watershed and flood prevention operations	124	114	94	122	133	166	90	92			
Forest research	13	14	15	*	1	1	1	1	1	1	1
State and private forestry	27	37	40	56	72	71	78	78	78	78	78
SUBTOTAL, Agriculture	171	178	158	197	228	263	194	171	79	79	79
Commerce:											
NOAA: Operations, research, and facilities	158	140	151	93	126	130	99	115	138	138	138
SUBTOTAL, Commerce	158	140	151	93	126	130	99	115	138	138	138
Environmental Protection Agency:											
Construction grants	2,919	2,514	2,354	2,290	2,389	2,199	2,159	2,197	2,120	1,846	1,368
Abatement, control, and compliance	290	295	239	341	357	474	459	503	500	499	498
Abatement, control and compliance loan program ac- count						2	8	4	1	1	
Hazardous substance superfund	42	78	120	198	262	280	288	300	310	316	317
Leaking underground storage tank trust fund ... TF		7	24	45	63	61	62	64	64	64	64
SUBTOTAL, Environmental Protection Agency	3,251	2,895	2,797	2,874	3,071	3,016	2,976	3,068	2,995	2,726	2,248
Interior:											
Mines and minerals	179	195	181	200	197	157	196	222	228	183	183
Bureau of Reclamation Loans Program Account						1	1	1	1	1	1
Fish and Wildlife Service	119	134	106	141	156	168	172	186	164	164	170
Fish and Wildlife Service (Sport fish restoration) TF	85	122	146	179	200	203	220	235	249	258	267
Parks and recreation	4	1	2	2	*	6	9	7	3	1	*
Land acquisition (land and water conservation fund) ..	80	59	37	27	27	45	48	53	51	56	56
Historic preservation fund	25	25	28	31	34	34	38	40	41	41	41
SUBTOTAL, Interior	493	537	500	580	614	612	684	724	737	705	719
Transportation:											
National recreational trails trust fund							9	14			
TOTAL, 300	4,073	3,747	3,606	3,745	4,040	4,022	3,962	4,092	3,950	3,648	3,184
350 AGRICULTURE											
Agriculture:											
Cooperative State Research Service	281	302	343	350	396	428	434	443	462	435	416
Extension Service	319	318	360	364	367	414	418	422	425	425	429
AMS payments to States and possessions	1	1	1	1	1	1	1	1	1	1	1
Price support and related programs: CCC	1,445	1,400	493	403	288	299	227	223	221	223	224
State mediation grants						3	3	2			
Agricultural resource conservation demo guaranteed loans						4	4	4	4	4	
Temporary emergency food assistance program	46	49	161	167	168	168	185	185	185	185	185
TOTAL, 350	2,092	2,069	1,359	1,285	1,220	1,317	1,251	1,260	1,278	1,253	1,236
370 COMMERCE AND HOUSING CREDIT											
Commerce:											
Minority business development	1	1									
SUBTOTAL, Commerce	1	1									
TOTAL, 370	1	1									

See footnotes at end of table.

Table 123—TOTAL OUTLAYS FOR GRANTS TO STATE AND LOCAL GOVERNMENTS, BY FUNCTION, AGENCY, AND PROGRAM:
1940—1997—Continued
(in millions of dollars)

	1987	1988	1989	1990	1991	1992 est- mate	1993 est- mate	1994 est- mate	1995 est- mate	1996 est- mate	1997 est- mate
400 TRANSPORTATION											
Other Independent Agencies:											
WMATA	52	49	52	60	55	52	52	52	52	52	52
Transportation:											
Other Federal fund aid for highways	70	57	64	66	44	135	222	274	239	152	78
Federal-aid highways (trust fund) TF	12,414	13,865	13,196	13,854	14,124	15,505	16,575	17,670	18,091	18,146	18,253
Trust fund share of other highway programs TF	47	79	81	115	112	128	159	170	156	133	113
Federal fund highway safety grants	4	7	8	-3	4	7	10	8	6	4	2
Highway safety grants TF	115	118	142	140	134	129	139	152	165	173	173
Rail service assistance	19	21	14	14	*	*	*	*	*	*	*
Railroad safety	2	1	1								
Local rail service assistance				*	2	6	6	3			
Conrail Commuter Transition Assistance		1	2	2	5	3	19	6			
Urban mass transportation grants TF	668	696	849	879	1,054	1,245	1,490	1,449	1,263	1,306	1,135
Urban mass transportation grants	2,586	2,531	2,649	2,849	2,762	2,451	1,853	1,896	581	649	768
Grants for airports (Airport and airway trust fund) TF	917	825	1,135	1,220	1,541	1,556	1,759	1,846	1,876	1,896	1,900
Research, development, test, and evaluation							*	*	*	*	*
Boat safety TF	22	31	27	26	35	35	35	35	35	35	35
Research and special programs (pipeline safety and other)	4	1									
Pipeline safety		2	4	4	5	6	6	7	7	7	7
Emergency preparedness grants							7	13	13	13	13
SUBTOTAL, Transportation	16,867	18,034	18,173	19,166	19,822	21,208	22,281	23,330	22,433	22,515	22,477
TOTAL, 400	16,919	18,083	18,225	19,225	19,878	21,259	22,333	23,381	22,485	22,566	22,529

See footnotes at end of table.

Table 12.3—TOTAL OUTLAYS FOR GRANTS TO STATE AND LOCAL GOVERNMENTS, BY FUNCTION, AGENCY, AND PROGRAM:
1940–1997—Continued

(in millions of dollars)

	1987	1988	1989	1990	1991	1992 est- mate	1993 est- mate	1994 est- mate	1995 est- mate	1996 est- mate	1997 est- mate
450 COMMUNITY AND REGIONAL DEVELOPMENT											
Agriculture:											
Emergency community water assistance grants					1	9	6	•			
Rural development grants				7	15	18	19	22	16	18	19
Rural water and waste disposal grants	157	136	126	132	125	160	208	234	244	239	239
Rural community fire protection grants	3	3	3	3	3	4	2	•	•	•	•
Rural Development Insurance Fund Program Account						6	32	59	72	82	77
Rural development loan fund		2	3	2	2	2	2	1			
SUBTOTAL, Agriculture	160	142	134	144	146	199	270	317	332	338	335
Commerce:											
Economic development assistance programs	205	211	184	160	153	194	186	129	79	36	5
Local public works and drought assistance programs	1	•	•	•	•	•	•	•	•	•	•
Regional development programs	•	•	•	•	•	•	•	•	•	•	•
Regional development commissions	•	•	•	•	•	•	•	•	•	•	•
SUBTOTAL, Commerce	205	211	183	160	153	194	186	129	79	36	5
Housing and Urban Development:											
Subsidized housing programs	166	180	271								
Other assisted housing programs				239	88	78					
Community development grants	2,967	3,050	2,948	2,818	2,976	3,125	3,339	3,247	3,072	2,917	2,894
Urban development action grants	354	216	242	209	128	150	103	63	35		
Rental rehabilitation grants			4	37	80						
Supp. assist. for facilities for the homeless		3	6	3	4	9	11	5	5	3	
Miscellaneous appropriations	•										
Public facilities (including Model cities, water and sewers)	7	109	8	-1	2	121	79				
New community assistance grants											
SUBTOTAL, Housing and Urban Development	3,494	3,557	3,480	3,304	3,278	3,483	3,532	3,315	3,111	2,921	2,894
Interior:											
Operation of Indian programs (Area and regional de- velopment)	8	24	21	20	17	49	59	60	60	60	60
Pmt to White Earth econ. dev. and tribal govt funds	7	•									
Indian direct loan subsidies						3					
Indian Guaranteed loan subsidies						8	9	9	9	9	9
SUBTOTAL, Interior	14	24	21	20	17	60	67	69	69	69	69
Other Independent Agencies:											
Appalachian regional development programs	141	141	104	124	157	111	127	141	124	113	106
FEMA: Disaster assistance	9	9	9	11	15	17	12	11	11	11	11
FEMA: Disaster relief	193	164	123	1,173	482	589	691	495	248	248	248
Payment to the Neighborhood Reinvestment Cor- poration	19	19	19	27	26	26	30	30	28	28	28
SUBTOTAL, Other Independent Agencies	361	333	256	1,335	679	744	860	677	411	400	392
TOTAL, 450	4,235	4,266	4,074	4,965	4,273	4,681	4,915	4,508	4,002	3,764	3,696

See footnotes at end of table.

Table 123—TOTAL OUTLAYS FOR GRANTS TO STATE AND LOCAL GOVERNMENTS, BY FUNCTION, AGENCY, AND PROGRAM:
1940—1997—Continued
(in millions of dollars)

	1987	1988	1989	1990	1991	1992 est- imate	1993 est- imate	1994 est- imate	1995 est- imate	1996 est- imate	1997 est- imate
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES											
Commerce:											
Job opportunities program	•	•	•								
Public telecommunications facilities, planning and construction	22	20	18	23	20	18	18	9	1	-5	
SUBTOTAL, Commerce	22	20	18	23	20	18	18	9	1	-5	
Defense-Civil:											
Payment to the Henry M. Jackson Foundation	10										
Education:											
Indian education	37	18	60	63	59	66	70	72	73	73	73
Impact aid	695	694	735	799	747	794	814	555	538	532	532
Chicago litigation settlement		•	6	10	10	12	12	14	12	5	1
Compensatory education for the disadvantaged	3,199	4,016	4,165	4,437	5,193	6,146	6,578	6,768	6,800	6,803	6,803
School improvement programs	785	384	846	1,080	1,243	1,570	1,529	1,516	1,516	1,493	1,486
Educational Excellence						12	180	632	754	768	768
Bilingual and Immigrant Education	103	130	132	152	148	172	180	191	193	193	193
Education for the handicapped	1,159	1,355	1,771	1,485	2,006	2,349	2,624	2,902	2,732	2,710	2,710
Rehabilitation services and handicapped research	1,280	1,409	1,490	1,623	1,751	1,884	1,941	2,084	2,055	2,110	2,168
Special institutions for the handicapped	6	5	7	6	8	6	6	6	6	6	6
Promotion of education for the blind	TF	•	•	•	•	•	•	•	•	•	•
Vocational and adult education	1,225	1,261	824	1,287	1,038	1,024	1,156	1,379	1,401	1,392	1,392
Higher education	15	21	21	25	19	21	56	240	289	294	294
College housing and academic facilities program account							•	1	1	1	•
Libraries	122	94	131	127	132	162	103	70	39	35	35
Education research, statistics and improvement						4	29	35	35	35	35
Student financial assistance	66	68	68	73	80	85	43	48	50	50	50
SUBTOTAL, Education	8,693	9,454	10,256	11,167	12,414	14,308	15,100	16,512	16,493	16,499	16,546
Health and Human Services-except social security:											
Community services block grant	361	408	383	351	420	453	149	18			
Interim assistance to States for legalization		9	321	544	825	451	375	88	21		
Payments to States for AFDC work programs	137	90	86	7							
Social Services Block Grant	2,688	2,666	2,671	2,749	2,822	2,785	2,800	2,800	2,800	2,800	2,800
ACF services programs	1,771	1,997	2,571	2,267	2,920	3,369	3,775	3,938	4,038	4,038	4,038
Pmts to State for foster care/adoption assistance	783	988	1,338	1,579	2,120	2,500	2,835	3,305	3,772	4,192	4,608
SUBTOTAL, Health and Human Services- except social security	5,740	6,159	7,369	7,496	9,108	9,578	9,933	10,149	10,631	11,030	11,446
Interior:											
Indian education	23										
Labor:											
Training and employment services	2,929	2,958	3,020	3,042	2,985	3,145	3,191	3,301	3,152	3,172	3,127
Community service employment for older Americans	68	62	68	76	79	84	85	77	75	75	75
State unemployment insurance and employment services	36	29	-22	23	-25	24	24	27	27	27	27
Federal unemployment benefits and allowances			17	3	51	66	49	15			
Unemployment trust fund	901	950	995	1,009	1,045	1,086	1,081	1,066	1,066	1,066	1,066
SUBTOTAL, Labor	3,936	3,998	4,078	4,152	4,135	4,405	4,431	4,485	4,320	4,341	4,296
Other Independent Agencies:											
Community services program	-3	-•	-1	-1							
Public broadcasting fund	200	214	228	229	299	327	319	275	275	275	275
Institute of Museum Services	5	5	5	5	6	8	7	7	7	7	7
National Endowments for the Arts: Grants	31	32	33	30	38	45	46	50	49	49	49
SUBTOTAL, Other Independent Agencies	234	251	266	264	342	379	371	332	331	331	331
TOTAL, 500	18,657	19,882	21,987	23,101	26,020	28,688	29,851	31,488	31,776	32,197	32,619

See footnotes at end of table.

1940-1997-Continued

1997 est-		1996 est-		1995 est-		1994 est-		1993 est-		1992 est-		1991		1990		1989		1988		1987	
male	1997 est-	male	1996 est-	male	1995 est-	male	1994 est-	male	1993 est-	male	1992 est-	male	1991	male	1990	male	1989	male	1988	male	1987
496	1,745	495	1,739	493	1,724	486	1,684	457	1,577	375	1,555	281	1,141	299	1,085	230	1,079	213	1,128	182	1,128
39	496	39	495	39	493	39	486	39	457	39	375	39	281	39	299	36	230	35	213	34	182
2,061	150,565	2,060	130,988	2,056	113,589	2,036	98,144	1,963	84,396	1,815	72,503	1,744	62,533	1,241	41,103	866	34,804	720	30,462	622	27,435
154,967	135,282	117,863	102,353	102,353	88,983	88,983	78,048	75	55,670	43,784	36,588	55	32,500	51	29,666	65	29,466	32,586	29,466	550	29,466
69	155,074	69	135,389	69	117,870	69	102,460	69	88,500	78	78,163	78	55,783	70	43,890	55	36,679	56,679	32,586	550	29,466
550 HEALTH Agriculture: Food safety and inspection Health and Human Services-except social security: Disease control (Preventive health) Public health emergency fund Health Resources and Services Alcohol, drug abuse, and mental health (Health care services) Grants to States for Medicaid SUBTOTAL Health and Human Services- except social security Labor: Occupational and mine safety TOTAL, 550																					

Table 123—TOTAL OUTLAYS FOR GRANTS TO STATE AND LOCAL GOVERNMENTS, BY FUNCTION, AGENCY, AND PROGRAM:
1940—1997—Continued
(in millions of dollars)

	1987	1988	1989	1990	1991	1992 est- mate	1993 est- mate	1994 est- mate	1995 est- mate	1996 est- mate	1997 est- mate
800 INCOME SECURITY											
Agriculture:											
Supervisory and Technical Assistance Grants						1	1				
*** Funds for strengthening markets, income, and supply (section 32)	381	373	445	368	439	484	450	400	400	400	400
*** Rural housing for domestic farm labor	9	7	12	8							
*** Mutual and self-help housing	6	7	7	8							
*** Rural housing preservation grants	10	19	19	20	10	9	10	7	5	4	4
*** Special milk program	15	18	18	18	19	21	21	23	24	26	28
*** Food donations programs for selected groups	188	194	229	245	243	258	255	256	256	256	256
*** Food stamp program	1,107	1,113	1,167	1,199	1,406	1,611	1,584	1,637	1,692	1,750	1,810
*** Supplemental feeding programs (WIC and CSFP)	1,701	1,850	1,993	2,194	2,349	2,702	2,908	2,923	2,930	2,930	2,930
*** Child nutrition programs	3,907	4,141	4,437	4,853	5,399	5,958	6,290	6,754	7,506	8,015	8,543
*** Nutrition assistance for Puerto Rico	852	880	908	931	965	1,002	1,051	1,081	1,133	1,133	1,133
SUBTOTAL, Agriculture	8,178	8,601	9,237	9,844	10,830	12,044	12,570	13,090	13,946	14,515	15,105
Health and Human Services—except social security:											
Program administration	3	10	4	4							
Payments to States for AFDC work programs				258	546	832	885	951	1,031	1,008	1,000
Payments to States from receipts for child support											
*** Family support payments to States	10,540	10,764	11,166	12,246	13,520	15,114	15,303	15,724	16,170	16,494	16,628
*** Low income home energy assistance	1,829	1,585	1,393	1,314	1,742	1,143	874	1,026	1,061	1,065	1,065
*** Refugee and Entrant Assistance	374	312	370	391	228	331	227	183	185	183	182
*** Payments to States for daycare assistance						574	787	890	906	856	851
SUBTOTAL, Health and Human Services—except social security	12,746	12,672	12,933	14,213	16,036	17,994	17,876	18,784	19,354	19,805	19,726
Housing and Urban Development:											
Section 8 moderate rehab. single room occupancy						2	14	28			
Flexible subsidy fund						-25					
Home Block Grant						30	269	703	819	820	700
Safe havens							20	28	35	42	50
*** Subsidized housing programs	4,588	5,880	6,154	7,212	5,226	5,523	5,916	6,257	6,668	6,866	6,854
*** Congregate services	4	5	5	5	4	8	8				
*** Asst. for the renewal of expiring sect. 8 contracts				3	240	1,114	2,116	2,819	3,292	3,607	4,125
*** HOPE grants						7	118	469	705	829	932
*** Payments for operation of low income housing projects	1,368	1,489	1,519	1,759	2,004	2,196	2,271	2,282	2,282	2,282	2,282
*** Drug elimination grants for low-income housing						99	182	165	165	165	165
*** Low-rent public housing—loans and other expenses	1,393	1,210	773	458	313	226	173	119	116	112	108
*** Emergency shelter grants program	2	23	42	46	60	77	67	30	4		
*** Transitional housing program		11	22	33	56	73	75	119	136	177	176
*** Rental Housing Assistance for the Homeless						9	43	84	108	132	156
SUBTOTAL, Housing and Urban Development	7,375	8,618	8,515	9,516	7,903	9,339	11,272	13,104	14,330	15,032	15,548
Labor:											
Unemployment trust fund (administrative expenses)	1,560	1,810	1,714	1,742	1,954	2,476	2,316	2,278	2,243	2,207	2,195
SUBTOTAL, Labor	1,560	1,810	1,714	1,742	1,954	2,476	2,316	2,278	2,243	2,207	2,195
Other Independent Agencies:											
*** Emergency food and shelter program	114	120	125	132	133	134	100	100	100	100	100
TOTAL, 800	29,972	31,820	32,523	35,447	36,856	41,988	44,133	47,355	49,972	51,459	52,674

See footnotes at end of table.

Table 12.3—TOTAL OUTLAYS FOR GRANTS TO STATE AND LOCAL GOVERNMENTS, BY FUNCTION, AGENCY, AND PROGRAM:
1940–1997—Continued
(in millions of dollars)

	1987	1988	1989	1990	1991	1992 est- mate	1993 est- mate	1994 est- mate	1995 est- mate	1996 est- mate	1997 est- mate
700 VETERANS BENEFITS AND SERVICES											
Veterans Affairs:											
Assistance for health manpower training institutions ..	•	•	•	•	•	•	•	•	•	•	•
Grants for the construction of State veterans care- teries	1	•	2	3	3	8	8	7	7	5	5
--- Medical care	67	78	83	92	99	123	149	149	149	149	149
--- Grants for construction of State extended care fa- cilities	28	28	41	38	39	46	80	72	59	40	40
TOTAL, 700	95	106	127	134	141	176	217	228	215	195	194
750 ADMINISTRATION OF JUSTICE											
Housing and Urban Development:											
Fair housing activities	6	8	7	5	11	12	13	13	12	12	12
Justice:											
Assets forfeiture fund	47	77	156	177	267	247	257	263	274	282	301
National Institute of Corrections	3	3	3	3	3	3	3	3	3	3	3
Justice assistance	148	239	235	244	367	432	550	625	475	471	471
Crime Victims Fund	49	58	78	85	105	119	137	155	135	136	136
SUBTOTAL, Justice	248	377	469	508	772	801	947	1,046	887	892	911
Other Independent Agencies:											
Equal Employment Opportunity Commission	20	20	20	20	24	25	25	25	25	25	25
State Justice Institute	•	3	8	10	13	13	13	•	•	•	•
SUBTOTAL, Other Independent Agencies	20	23	28	30	38	38	38	25	25	25	25
Treasury:											
Payments to the Government of Puerto Rico	8	8	•	•	•	•	•	•	•	•	•
Customs forfeiture fund	6	11	17	30	119	120	120	120	120	120	120
SUBTOTAL, Treasury	14	19	17	30	119	120	120	120	120	120	120
TOTAL, 750	288	427	520	574	940	971	1,118	1,204	1,045	1,050	1,068
800 GENERAL GOVERNMENT											
Agriculture:											
Forest Service: shared revenues	303	305	362	369	330	328	324	310	301	295	294
Defense-Civil:											
Corps of Engineers: shared revenues	7	5	5	6	7	6	6	6	6	6	6
Energy:											
Payments to States under Federal Power Act	1	2	2	2	3	2	3	3	3	3	3
Interior:											
Payments in lieu of taxes	105	103	104	103	100	104	105	105	105	105	105
Miscellaneous shared revenues	89	86	128	231	95	152	124	93	93	84	79
Payments to States from receipts under Mineral Leasing Act	375	396	432	451	480	420	416	452	458	481	502

See footnotes at end of table.

Table 12.3—TOTAL OUTLAYS FOR GRANTS TO STATE AND LOCAL GOVERNMENTS, BY FUNCTION, AGENCY, AND PROGRAM:
1940—1997—Continued
(In millions of dollars)

	1987	1988	1989	1990	1991	1992 est- mate	1993 est- mate	1994 est- mate	1995 est- mate	1996 est- mate	1997 est- mate
ANWR payments to Alaska								1,280	*	765	*
Administration of territories	52	70	69	78	69	56	38	38	38	38	38
Trust Territory of the Pacific Islands	38	35	46	38	22	27	17	16	16	16	16
Payments to the United States territories, fiscal as- sistance	71	71	80	74	64	78	81	83	86	89	92
SUBTOTAL, Interior	731	782	860	978	830	837	781	2,069	797	1,579	833
Other Independent Agencies:											
Commission on national and community service S&E						38	57	70	73	73	73
Federal payment to the District of Columbia	580	550	538	578	671	690	698	683	683	683	689
SUBTOTAL, Other Independent Agencies	580	550	538	578	671	728	755	753	756	756	762
Treasury:											
General revenue sharing trust fund	76	-*	*								
Internal revenue collections for Puerto Rico	225	210	308	277	272	272	272	272	272	272	272
Customs: Miscellaneous shared revenues	97	116	129	101	111	141	142	142	148	147	147
SUBTOTAL, Treasury	398	326	437	378	383	413	414	414	420	419	419
TOTAL, 800	2,000	1,950	2,204	2,309	2,224	2,313	2,282	3,554	2,282	3,057	2,317
TOTAL OUTLAYS FOR GRANTS	108,446	115,382	121,978	135,377	152,017	182,210	199,116	220,060	235,496	255,136	275,187

* \$500 thousand or less.

All data in this table are Federal funds, unless noted as being Trust funds (TF).

-- All grants that are also payments for individuals are identified by a triple asterisk (***) preceding the title.

CFFR/91-1
Volume I:
County Areas

Consolidated Federal Funds Report

Fiscal Year 1991



U.S. Department of Commerce
Economics and Statistics Administration
BUREAU OF THE CENSUS
for the
Office of Management and Budget

2 Consolidated Federal Funds Report

Federal Government Expenditures or Obligations by State and County Area:

[Thousand dollars]

	State and county area	Congressional district	United States resident population ¹	Direct Federal expenditures or obligations					Salaries and wages	
				Total direct expenditures or obligations			Grant awards		Total	
				Total	Department of Defense	All other agencies			Total	Department of Defense
1	United States, total		252 556 969	1 107 598 633	238 094 067	869 504 566	169 729 802		156 349 994	75 254 721
2	Alabama		4 040 587	18 670 648	3 996 586	14 674 062	2 645 588		2 917 490	1 629 026
3	Autauga County	03	34 222	89 385	15 017	74 368	13 006		4 199	1 198
4	Baldwin County	01	96 280	275 782	23 862	252 130	21 238		10 464	1 845
5	Barbour County	02	25 417	94 284	11 464	82 800	24 280		3 913	1 404
6	Bibb County	07	16 576	46 804	2 395	44 209	7 821		3 633	813
7	Blount County	04	39 248	83 369	2 649	80 720	16 542		3 434	544
8	Butlock County	02	11 042	38 379	722	37 657	11 049		1 860	166
9	Butler County	02	21 892	66 929	2 070	64 859	12 446		2 403	324
10	Calhoun County	03	116 034	799 075	474 644	324 431	39 396		285 853	271 230
11	Chambers County	03	36 876	105 001	5 127	99 874	13 052		2 890	378
12	Cherokee County	04	19 543	68 785	22 761	46 024	6 496		1 672	264
13	Chilton County	07	32 458	80 359	5 146	75 213	11 035		2 619	315
14	Choctaw County	07	16 018	62 478	14 239	48 239	10 634		1 766	104
15	Clarke County	01	27 240	78 814	3 633	75 181	18 136		3 845	1 043
16	Clay County	03	13 252	40 548	2 089	38 459	8 837		2 399	716
17	Cleburne County	03	12 730	32 730	1 095	31 635	4 916		2 454	292
18	Coffee County	02	40 240	319 627	214 151	105 476	17 206		11 715	7 196
19	Colbert County	05	51 666	254 238	6 836	247 402	23 475		95 451	1 508
20	Conecuh County	02	14 054	49 744	1 479	48 265	10 135		2 127	303
21	Coosa County	03	11 063	26 216	1 414	26 802	4 799		1 416	154
22	Covington County	02	36 478	126 689	7 605	121 084	18 968		6 164	1 632
23	Crenshaw County	02	13 635	48 864	2 520	46 344	10 318		2 723	636
24	Cullman County	04	67 613	185 185	15 289	169 896	23 616		9 403	2 740
25	Dale County	02	49 633	457 351	352 663	104 688	20 204		316 915	312 431
26	Dallas County	07	48 130	272 695	91 661	181 014	41 397		7 612	2 632
27	De Kalb County	04	54 651	145 959	5 326	140 633	29 315		6 550	1 439
28	Elmore County	03	49 210	136 426	16 354	122 074	19 879		4 892	849
29	Escambia County	01	35 518	112 413	3 568	108 845	24 049		3 525	759
30	Etowah County	04	99 840	343 882	46 609	297 273	42 206		17 403	6 128
31	Fayette County	04	17 962	47 966	2 397	45 571	8 027		2 554	777
32	Franklin County	04	27 614	109 261	18 181	91 080	15 773		3 205	30
33	Geneva County	02	23 647	77 896	5 225	72 671	11 972		3 129	867
34	Greene County	07	10 153	47 478	824	46 654	20 929		1 536	258
35	Hale County	07	15 496	58 325	3 126	55 199	9 786		3 584	1 708
36	Henry County	02	15 374	56 018	3 582	54 436	30 464		15 360	2 296
37	Houston County	02	81 331	269 078	25 708	243 370	36 890		44 349	587
38	Jackson County	05	47 796	186 031	4 476	181 555	36 031		340 774	65 310
39	Jefferson County	06 07	651 525	2 502 530	186 783	2 315 747	7 321		2 554	796
40	Lamar County	04	15 715	45 853	3 007	42 846	30 403		12 876	3 061
41	Lauderdale County	05	79 661	234 979	9 287	225 692	14 410		4 277	174
42	Lawrence County	06	31 513	76 179	1 200	74 979	13 960		2 596	319
43	Lee County	03	87 146	204 594	23 073	181 521	49 993		18 700	6 772
44	Limestone County	05	54 135	124 592	7 988	116 604	17 857		5 483	1 058
45	Lowndes County	07	12 658	38 281	2 616	35 665	11 401		2 690	1 650
46	Macon County	03	24 828	140 627	3 940	136 687	29 217		43 212	919
47	Madison County	05	238 912	3 561 121	1 429 608	2 131 513	81 330		777 455	539 846
48	Marion County	07	23 064	70 438	3 056	67 382	18 147		4 199	1 769
49	Marshall County	04	29 830	84 335	3 735	80 600	17 263		4 022	1 644
50	Mobile County	04	70 832	227 709	9 122	218 587	41 112		11 108	1 552
51	Montgomery County	01	378 643	1 400 761	223 265	1 177 496	273 826		136 807	45 771
52	Monroe County	01	23 968	63 801	1 683	62 118	13 360		2 596	319
53	Montgomery County	02	209 085	1 502 943	485 810	1 017 133	461 174		367 334	294 760
54	Morgan County	05	100 043	393 432	22 381	371 051	32 439		122 094	2 804
55	Perry County	07	12 759	47 950	2 376	45 574	13 546		2 330	773
56	Pickens County	04	20 699	78 429	11 079	67 350	16 595		5 066	3 024
57	Pike County	02	27 595	101 437	6 728	92 709	20 914		4 862	2 228
58	Randolph County	03	19 881	70 073	12 582	57 491	9 709		2 514	474
59	Russell County	03	46 860	153 808	13 561	140 247	26 730		4 681	1 052
60	St. Clair County	04 07	50 009	106 583	6 012	100 571	15 927		5 335	1 932
61	Shelby County	07	99 358	147 740	5 568	142 172	15 452		8 776	543
62	Sumter County	07	16 174	62 626	1 947	60 679	17 290		1 906	373
63	Talladega County	03	74 107	245 159	20 356	224 803	41 465		18 466	1 864
64	Tallapoosa County	03	38 626	111 877	4 976	106 701	19 287		3 974	379
65	Tuscaloosa County	07	150 522	450 759	46 711	404 048	67 465		59 703	8 992
66	Walker County	04	67 670	233 234	7 550	225 684	27 373		9 651	1 839
67	Washington County	01	16 694	57 192	13 882	43 310	9 190		9 679	7 907
68	Wilcox County	01	13 566	54 484	2 892	51 592	15 393		3 623	1 532
69	Winston County	04	22 053	62 710	3 803	58 907	9 318		5 038	1 772
70	State undistributed			712 571	2 262	710 309	204 686		-	-
71	Alaska		550 043	3 752 153	1 462 148	2 290 005	961 846		1 274 303	815 780
72	Aleutian Census Area	00	9 478	145 843	133 710	12 133	5 806		59 550	57 437
73	Anchorage City/Borough	00	226 338	1 463 260	692 781	770 479	217 184		678 836	410 296
74	Bethel Census Area	00	13 656	101 208	15 529	85 679	60 024		22 990	12 387
75	Bristol Bay Borough	00	1 410	26 905	16 048	10 857	6 366		10 027	7 384
76	Dillingham Census Area	00	4 012	29 722	170	29 552	20 599		2 843	122
77	Fairbanks-North Star Bor.	00	77 720	657 138	411 663	245 475	116 085		315 110	278 782
78	Haines Borough	00	2 117	10 509	848	9 661	6 269		570	39
79	Juneau city and Borough	00	26 751	309 720	9 023	300 697	164 544		52 990	7 637
80	Kenai Peninsula Borough	00	40 802	126 896	29 321	97 575	41 648		14 811	2 905
81	Ketchikan-Gateway Boro.	00	13 626	47 848	1 936	45 912	8 635		15 966	500
82	Northwest Arctic Borough	00	6 113	36 491	1 127	35 364	20 872		3 052	1 033
83	Kodiak Island Borough	00	13 309	47 369	4 349	43 020	8 008		8 702	305
84	Matanuska-Susitna Boro.	00	39 683	83 550	9 575	73 975	27 990		8 643	1 666
85	Nome Census Area	00	8 288	64 203	7 708	56 495	43 814		7 338	2 930
86	North Slope Borough	00	5 979	20 964	402	20 562	14 439		2 550	150

See footnotes at end of table.

Fiscal Year 1991

Direct Federal expenditures or obligations—Con.					Other Federal assistance		
Direct payments for individuals			Procurement contract awards		Other Federal expenditures or obligations	Direct loans	Guaranteed loans and insurance
Total	Retirement and disability	All other	Total	Department of Defense			
549 596 068	362 337 376	187 258 712	207 702 019	139 570 721	24 220 929	10 925 564	226 486 010
9 413 224	6 621 288	2 791 936	3 480 784	1 816 191	233 581	120 188	2 052 733
70 156	56 077	14 079	702	-	1 299	1 083	14 094
238 727	194 561	44 166	3 420	1 551	1 843	3 809	346 019
63 300	43 973	19 327	449	50	2 321	5 878	16 276
34 148	24 577	9 571	724	244	279	1 300	1 556
62 211	45 567	16 644	946	48	235	3 445	6 261
23 831	16 862	6 969	218	-	1 420	568	1 165
51 013	36 064	14 949	413	-	654	1 044	2 003
302 432	234 781	67 671	171 075	168 449	318	734	26 583
84 387	62 342	22 045	4 199	1 508	473	252	4 691
37 614	28 576	9 038	21 618	21 303	1 183	1 053	2 529
63 340	45 762	17 578	2 478	1 872	686	1 863	2 694
35 966	24 881	11 105	13 879	13 410	213	1 321	1 081
57 200	40 058	17 142	1 403	683	228	2 646	1 684
26 879	22 671	6 208	244	-	190	18	1 345
24 392	18 666	5 726	843	-	125	863	1 135
101 724	81 058	20 666	186 068	183 765	2 883	1 758	39 941
128 740	97 584	31 156	4 049	2 382	2 524	1 251	9 691
36 142	23 517	12 625	433	-	905	506	1 295
21 625	16 873	4 752	264	-	112	85	658
100 319	69 179	31 140	1 315	330	1 904	1 369	65 044
34 446	24 240	10 206	223	-136	1 154	2 909	4 517
142 580	104 421	38 159	8 749	7 124	836	2 064	10 655
111 484	91 571	19 893	6 548	5 431	2 220	1 389	26 540
127 061	85 131	41 950	83 103	83 387	3 502	483	17 556
104 374	78 783	25 591	4 477	477	1 242	2 438	6 180
110 747	86 675	24 072	1 391	328	1 519	1 366	20 412
80 976	55 864	25 112	2 825	-	1 038	3 547	8 330
248 536	184 852	63 684	35 371	31 517	366	453	11 496
35 858	26 735	9 123	1 031	674	498	257	888
71 564	47 948	23 616	18 273	17 250	445	2 344	1 806
59 413	43 782	15 631	895	-	2 485	223	23 960
23 037	15 413	7 624	263	36	1 713	1 567	1 338
35 265	24 876	10 389	603	301	2 236	833	1 677
35 126	26 001	9 125	683	331	10 131	747	26 771
162 006	118 531	43 477	57 191	17 710	4 058	451	48 994
102 315	77 979	24 336	1 551	29	826	2 177	5 952
1 634 760	1 132 229	502 531	165 358	80 142	1 607	2 708	253 912
33 876	24 779	9 097	1 738	978	364	715	569
187 529	142 755	44 774	1 941	43	2 230	3 389	15 833
50 661	35 412	15 249	3 587	89	3 245	1 890	5 070
126 615	95 746	30 869	8 682	4 627	605	1 132	12 388
92 763	73 159	19 604	4 009	2 964	4 480	12 340	17 261
21 863	14 974	6 889	341	146	1 986	1 605	1 837
62 565	41 948	20 617	4 681	1 055	1 152	493	1 329
531 613	447 963	83 650	2 166 272	818 828	4 451	7 335	180 325
45 372	30 363	15 009	949	236	1 771	608	1 891
61 293	44 120	17 173	1 143	669	615	749	2 849
168 025	132 045	35 980	6 392	481	1 073	811	12 733
819 667	570 112	249 555	169 069	149 396	1 390	3 619	367 775
46 067	32 140	13 927	522	-	1 256	1 189	4 849
514 026	377 007	137 019	137 945	121 307	2 464	6 946	114 804
201 726	153 135	48 591	68 299	10 636	874	3 590	43 704
29 045	18 424	10 621	487	164	2 542	504	1 345
48 716	32 795	15 921	6 929	6 563	1 124	1 465	2 873
67 575	43 744	23 831	4 281	3 633	3 804	1 149	17 464
46 118	33 489	12 649	11 419	10 343	314	979	1 723
117 568	85 045	32 523	718	-	1 111	896	12 933
84 354	64 247	20 107	801	70	166	460	7 757
111 754	81 671	30 083	11 253	168	506	1 221	54 142
35 018	20 369	14 647	6 842	840	1 571	671	1 735
189 221	122 294	46 927	15 061	13 053	945	2 232	11 296
86 873	63 721	23 152	1 131	121	412	515	3 037
287 782	204 253	83 529	34 793	26 833	1 016	4 490	40 692
188 782	134 286	54 496	7 060	1 052	369	1 726	6 262
37 226	26 972	10 254	844	401	253	597	323
33 098	22 660	10 438	1 016	823	1 354	136	549
46 770	35 406	11 364	1 250	683	335	74	1 918
373 949	7 654	366 295	-	-	133 836	-	86 758
702 552	454 336	248 216	805 543	554 856	17 910	7 489	495 285
3 538	3 235	303	76 886	75 785	63	-	-
251 456	206 791	44 665	318 803	242 425	1 001	305	296 664
7 115	6 147	968	11 015	2 533	65	263	3 623
1 756	1 467	289	8 751	8 570	5	-	349
3 100	2 713	387	3 155	-	25	-	848
75 022	56 804	16 218	147 934	121 565	2 987	2 836	106 159
2 923	2 556	367	745	703	3	-	-
30 412	23 889	6 523	52 934	391	8 839	-	38 057
41 456	33 896	7 560	27 757	22 443	1 224	2 971	4 242
15 252	11 314	3 938	7 968	1 019	26	-	11 622
3 538	3 143	395	9 002	-	27	8	1 188
8 608	6 322	2 287	23 029	3 340	25	-	278
42 520	36 918	5 604	6 095	2 186	102	94	8 276
8 970	6 074	896	4 054	958	28	23	1 473
2 967	2 637	350	975	67	11	-	36

No, welfare isn't really the problem

CHARLES MURRAY

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AVID ELLWOOD and Lawrence

Summers's article "Is Welfare Really the Problem?" (Spring 1986) exemplifies a continuing problem that clouds debate about the underclass. On one side are scholars like myself who have advanced over the last decade explanations for illegitimacy and chronic unemployment that include welfare among their causes. Our accounts have generally been expository and speculative. On the other side are scholars who have been attempting to demonstrate that welfare *per se* does not cause illegitimacy and chronic unemployment. Their accounts have generally been quantitative and presented as refutations of the critics.

The defenders of welfare's good name are in a sense correct: Welfare all by itself *isn't* really the problem. But neither has the debate been joined. The models they "test" are stick-figure caricatures. But, still by the same token, if those of us who are critics do not like the way they deal with our arguments, what way would we propose instead?

Illegitimate births in poor communities, perhaps the most crucial of the problems associated with the underclass, provide a case in point that I will use for this presentation. My approach to the problem could also be used to explore the reasons behind chronic unemployment, delinquency, and drug dependency.

THE IMPLIED CAUSAL MODEL that Ellwood and Summers examine in their commentary—as do virtually all other defenders of the welfare system—is one in which the Aid to Families with Dependent Children program (AFDC) payment causes women to get pregnant and have babies. One direct cause, one direct effect. Women get pregnant to get money, and the larger the welfare reward, the more children single women will have. If the reward is reduced, the number of births to such women will be reduced in tandem. Such hypotheses are easy to knock down, as Ellwood and Summers demonstrate: Illegitimacy rates are similar in states that have widely varying AFDC payments; the illegitimacy ratio continued to rise in the 1970s despite the fact that inflation was eroding the real value of AFDC benefits; and so on.

But hardly anyone who takes a moment to think about the problem would propose this model in the first place. Suppose that instead of asking, “Does welfare cause illegitimate births?” and then rushing to find a measure, one stands back and contemplates why on earth a single young woman with no income would conceive, carry a fetus to term, and then keep the baby to raise when she has other options (abstinence, contraception, abortion, marriage, adoption) available to her at each step of the process. Let me suggest an alternative model with four successively more complex, but also more realistic, variations.

THERE IS NO MYSTERY about why a young woman might want to have a baby. Nature has made her physically ready for intercourse and pregnancy, and she may well believe that a baby will bring her love and fulfillment. One might rather ask: Why have so many affluent young women been successfully persuaded to wait until they have a husband? (Illegitimacy rates in affluent communities are extremely low.)

For a poor young woman who has not been indoctrinated with the moral imperative of marriage, who is not going to college, and who is not going to have an interesting job, why not have a baby? Why not do this natural thing? Viewed in this light, welfare does not *bribe* poor women to have babies, it *enables* them to do so. For the young woman who is not pregnant, “enabling” means that she does not ask, “Do I want a welfare check badly enough to get pregnant?” but rather, “If I happen to get pregnant, will the consequences really be so bad?” For the woman who finds herself pregnant, the question becomes more poignant: “Even though I do not have a husband and even though I have no money, am I really forced to abort this child or give it away?”

If “enabling” is a more realistic conceptualization than “bribe,”

several testable implications seem to follow. One is that the concept of "enough" comes into play. At some very low level, the welfare package is so small that no woman will think she can support a baby on it. If every woman had precisely the same threshold definition of "enough," then illegitimacy ratios would be discontinuous as the welfare package increased. It is more reasonable to assume that women's threshold definitions are different but bunched within a relatively small range, so that at some point there is a bump in the "enabling effect" as the welfare package reaches a point where any poor woman can reasonably decide that the package is large enough for her to take care of the baby by herself if she must.

Another implication is that the focus on AFDC as a synonym for "welfare" is wrong. The appropriate measure of welfare will not be the size of the AFDC payment (the bribe) but the size of the entire welfare package (the enabler). It does not make any difference where the money comes from; only if the total resources are enough to get along. Still another implication is that a great deal will depend on whether a young woman *perceives* that the money is enough to enable the behavior. Thus, for example, calculations are likely to be based in part on local standards of living and whether other women in the neighborhood are managing to get along, not just on the raw purchasing power of the welfare package.

THESE IMPLICATIONS, which seem themselves straightforward and unremarkable, drastically change the way that one appraises the available data. If welfare bribes single women to have babies, then it makes sense to compare the illegitimacy rates in stingy AFDC states and generous AFDC states and to be surprised that there is little difference. But if welfare *enables* single women to have babies, the comparison therefore focuses on the total welfare package. With so many sources of cash and in-kind welfare, this has in recent decades become difficult to do, but the GAO did so in 1978 with surprising results. Despite the dramatic differences in the size of the AFDC payments across states, the differences in the values of *the total packages* were modest. Using the GAO's example, poor young women in a stingy AFDC location (New Orleans) and in a generous AFDC location (San Francisco) were looking at nearly identical choices relative to the local economy. As of 1978, welfare packages provided 66 percent of the local median household income in New Orleans compared to 65 percent of the local median household income in San Francisco.¹ Moreover, in both cases the raw amount

¹ Based on a GAO study of 1978 benefit levels, "Public Assistance Benefits Vary Widely from State to State, But Generally Exceed the Poverty Line" (Washington: Government Printing Office, November 14, 1980), pp. 19-20.

of purchasing power is plausibly beyond the threshold of a reasonable poor woman—in 1978, according to GAO estimates, more than \$10,000 a year for a San Francisco woman with a baby looking at California prices and almost \$8,000 for a New Orleans woman looking at Louisiana prices. It is no surprise, then, that one finds little difference between the illegitimacy ratios in California and Louisiana. Nor should it be surprising that erosion of the real value of AFDC payments has had little effect on illegitimate birth ratios. As long as poor women perceive the total welfare package as providing “enough,” they might reasonably choose welfare as a means of doing something they might, *ceteris paribus*, like to do anyway. Inflation in the 1970s and 1980s has left the total benefit package well above a plausible threshold of “enough.”

In contrast, there was during the 1960s a very large change in the size of the welfare package. In 1959, when the welfare package was essentially limited to AFDC, the average payment provided only 25 percent of the median income in Louisiana and 29 percent in California. Nationwide, the average annual total payment to AFDC families in 1959 was only \$1,300—less than \$3,000 even in 1978 dollars. Furthermore, in 1959 (unlike 1978) this amount could not be supplemented by income from a job, and the woman could not live with a man without risking loss of all her benefits. It would be no surprise if a reasonable poor young woman in 1959 thought that, all in all, the welfare package failed to reach the threshold of “enough.”

It may be noted for the record that time-series analyses which match illegitimacy against welfare benefits conclude that welfare is the villain after all.² But the point is not to defend any particular analysis and its results. Rather, I am suggesting that the data being used to prove that welfare is innocent are not exculpatory once they are considered in light of a model that more closely reflects the way a real, live young woman who is pregnant and poor might look at the welfare option.

BUT PUTTING THE ISSUE in terms of a “real, live young woman” brings us back to the need to broaden the model beyond the direct effects of welfare payments on the utility functions of young women. A real, live young woman is going to be affected by all sorts of other things as well.

Chief among these other things is likely to be a man. At the same time that women were becoming enabled to support a child without having to rely on a man, men in poor communities were becoming

² See, for example, C.R. Winegarden, “AFDC Effects on Illegitimacy Ratios: A Granger-Causal Analysis.” Working Paper UT-86-01, University of Toledo.

less reliable. A realistic model must consider the possibility that these two phenomena are related. George Gilder was one of the first to state what the relationship might be, arguing that in poor communities a major effect of welfare has been to change the male role and consequently to change male behavior.³

At an individual level, a man uses a woman's welfare as a way of getting along—sometimes living wholly off the woman, probably more often using the woman's apartment and other benefits as a supplement to his own income. At the least, he is not compelled to support the child in the household. This makes it easier for him to leave a job, to behave in ways that get one fired, or to delay acquiring a new job, all of which in turn contribute to his longer-term unemployability. At a community level, the hypothesis is that the existence of a large number of women on welfare leads to changes in peer values among young men. Getting a woman to support you confers status. Conversely, the status formerly associated with "being a good provider" disappears—even when the man is employed, he is not the pillar of support for the family; the welfare system is. Gilder further argues that these conditions have profound psychological implications for males in that they create circular effects.

To simplify a rich argument: The existence of an extensive welfare system permits the woman to put less pressure on the man to behave responsibly, which facilitates irresponsible behavior on his part, which in turn leads the woman to put less reliance on the man, which exacerbates his sense of superfluity and his search for alternative definitions of manliness. When welfare recipients are concentrated, as they are in the inner city, these dynamics create problems that extend far beyond the recipients of welfare. Community values and expectations of male behavior are changed, and with them the behavior of young men and women who never touch an AFDC check. The defenders of the welfare system are prone to sanitize their estimates of effects: When a single young woman in the inner city has a child and does not go on welfare (as often happens), it is inferred that welfare is not implicated in her behavior. This set of hypotheses argues otherwise, focusing on the fact that she *does* bear the child.

BUT WELFARE all by itself truly is not the problem. As one tries to develop a model that approaches reality, it is necessary to deal with a proposition that has barely been recognized let alone tested in the debate over the underclass: The environment in which a

³ George Gilder, *Visible Man* (New York: Basic Books, 1978).

young poor person grew up changed in several mutually consistent and interacting ways during the 1960s. The changes in welfare *and* changes in the risks attached to crime *and* changes in the educational environment reinforced each other. Together, they changed the incentive structure facing young people and they changed status rewards associated with behaviors that make escape from poverty possible. In this third version of the model, these additional hypotheses seem especially important:

Education. One obvious hypothesis regarding education is that the deterioration of inner-city education left girls with fewer perceived options to compete with having a baby. The less obvious hypothesis outlined here is that a series of reforms crippled an important deterrent function that schools formerly served and instead facilitated the fashionability of teenage pregnancy.

Schools in poor neighborhoods traditionally have been a primary dispenser of status rewards for youngsters, from the prestige of being a cheerleader to the prize of a high school diploma. Schools also formerly served as the validator of conventional morality. A female student who was pregnant or had a child was, at the least, stigmatized and was often expelled in disgrace. In treating her this way, the school deterred pregnancy by girls who wanted to get a diploma or who were fearful (as most adolescents are) of being separated from their friends. It buttressed a united front of institutional disapproval (along with parents and church) among the institutions likely to play the largest roles in an adolescent's socialization. And by expelling pregnant girls, the school physically segregated the girls who did not get pregnant from the day-to-day classroom and schoolyard influence of girls who did.

Beginning in the mid-1960s, a concentrated effort was made by the reformers to keep schools from acting in these punitive ways toward pregnant girls, and these efforts were largely successful. Indeed, many inner-city schools now provide special services available only to pregnant girls and young mothers. If, as is commonly reported, pregnancy has become a high-status thing to do in some inner-city schools, the phenomenon may not be completely mysterious: Schools once helped make such behavior scandalous and exacted the kinds of prices that adolescents are loathe to pay; now, they do not.

Crime. In inner-city communities where the increase in crime was greatest, the hypothesized effects of this increase on illegitimacy are at once indirect and large. At a specific level, access to income from the underground economy influences the role of men. A man who can make money from a hustle is less attached to the labor

force, more likely to end up in jail, and is not the kind of man that a pregnant young woman of sense will rely on. She might, with good reason, decide it is better for her to rely on welfare than to pressure such a man into marriage. At a more general level, a community that subsists on illegal sources of income and that is victimized by widespread violent crime is socially disorganized in crucial ways. To put it roughly, good folks no longer set the standards. In some cases they are physically intimidated from setting standards (witness the situation in many housing projects); in others, the role models for the youth are not blue-collar working men who raise families but hustlers. In such communities, the social stigma against illegitimacy that used to exist in poor working communities is impossible, because in lawless communities the people whose values would produce that stigma cannot be in control. The soaring crime rate in the late 1960s is not irrelevant to the soaring illegitimacy ratio.

THESE HYPOTHESES already exceed the capacity of quantitative policy analysis. It is hard to imagine, for example, that anyone can trace with structural equations the web of connections that might link policy changes in law enforcement, increases in crime, losses of informal social control, changes in norms, and increases in illegitimacy ratios. But the purpose of this essay is not to establish the questions that might be answered, but the questions that ought to be kept in mind when examining smaller pieces of the puzzle. James Q. Wilson made a similar point in these pages when he argued that the development of character in the citizenry must be a central concern of public policy, despite the looming difficulties of doing so.⁴

In that spirit, let me suggest a fourth elaboration of the welfare model. The hypothesis is that the effect of the social reforms of the 1960s on a specific problem such as illegitimacy springs not only from discrete changes in incentives and status rewards, but also from a larger effect on the formation of character among poor young people, and especially black poor young people.

Perhaps the best place to start is with the young people themselves. Three patterns of behavior are familiar to the teachers, pediatricians, probation officers, and social workers who work with poor youths. One is that of the passive bystander. Two pediatricians put it this way: "One of the most difficult and frustrating scenarios faced by the practitioner who works with adolescents is the fifteen- or sixteen-year-old who comes to find out if she is pregnant. When

⁴ James Q. Wilson, "The Rediscovery of Character: Private Virtue and Public Policy," *The Public Interest* No. 81 (Fall 1985), pp. 3-16.

People have gotten tangled up in the safety net. It should be a trampoline, not a trap.

We need to lower the ladder of opportunity down to those in despair. We need to add rungs for those people that can't reach the ladder today.

We need to give people the power to make choices and the incentive to act responsibly.

We worried too much about society in the 1960s and not enough about the individual and the family. Strong families are the foundation of a great society.

Society can't be great unless families are strong, children have hope and streets are safe.

Consider life for children growing up on welfare. They live in public housing, they ride on public transport to go to public schools. What do their parents control? Without power over their own lives, they will never see their own potential.

We need to change that by giving their parents control over their homes, we need to encourage cities to privatize their services, and we need give them the power to choose schools for their children.

The power to choose, the power to control -- that's what gives people a stake in the community.

In the 1960's we heard a lot about rights, and look where it got us. Now in the 1990's, we need to focus on responsibility.

Kempism -- We live in a country with two economies. One we all live in, is capitalistic. Another, a socialist system, we have imposed on the inner cities. No wonder they have lost hope. We must change the system before we can change life in the cities.

Jackson -- Hope, not dope!

OFFICE OF THE VICE PRESIDENT
WASHINGTON

DATE:

TO:

FROM: Richard W. Porter
Counselor to the Vice President

65 \$9.6 total welfare spending
36B - 1990 doll.

-1990 \$.215 bill

sixfold increase since war on poverty
began

All Federal means-tested
(welfare) programs
\$3.3 trillion only including
states contributions
since 1965
90%
80
Federal
welfare

OFFICE OF THE VICE PRESIDENT
WASHINGTON

DATE:

TO:

FROM: Richard W. Porter
Counselor to the Vice President

Total amount \$215 bill - at least
twice ~~the~~ what would be necessary
to bring everyone's ~~po~~ above
poverty line

Programs very erratic - particularly heavy
subsidy

Illegit	25% in 1965
among	2 out of 3 in 1990
blacks	3 out of 4 by year 2000

OFFICE OF THE VICE PRESIDENT
WASHINGTON

DATE:

TO:

FROM: Richard W. Porter
Counselor to the Vice President

Why?

- Cultural changes
- but also welfare.

Best way to conceptualize
welfare program

\$13,000 average value

2 conditions

- don't work
- can't get married
to an employed
male.

OFFICE OF THE VICE PRESIDENT
WASHINGTON

DATE:

TO:

FROM: Richard W. Porter
Counselor to the Vice President

- 5 things to reform inner city
- (1) School Choice
 - (2) Entry Zones
 - (3) Tough Crime Fnl.
 - (4) welfare Reform
 - stop penalizing work & marriage.
 - require work after a few years
 - moral msg. that life is not a handout - recip. obligations -
 - move people off of welfare
 - comm. involvement -
 - patrol streets
 - hold crack babies

OFFICE OF THE VICE PRESIDENT
WASHINGTON

DATE:

TO:

FROM:

Richard W. Porter
Counselor to the Vice President

Raising welfare by
\$200 a mo.

150% increase
in teen ill.

Univ. of Washington

research
Dr. Robert Plomin

- Pos. support to work + marriage -

~~the~~

Our health plan provides
free health benefits

- Vouchering medical coverage
for married men

- Family tax relief

- Man making \$16,000

makes \$2,000 in tax

- Expanded EITC,
does part of that.

⑤ Change Moral Message Being
Sent to young people

- Crime not justified

- illegitimacy is bad

- victims. not real

OFFICE OF THE VICE PRESIDENT
WASHINGTON

DATE:

TO:

FROM: Richard W. Porter
Counselor to the Vice President

Young man - if he abandons girl
& child, we'll provide \$13,000.
If he becomes a father, then
we cut off nearly all ^{\$}13,000 -
& actually start trying to
tax him.

\$7 an hour - if they live together
\$27,000 a year - if they
get married, joint income
falls to about \$17,000 -
Low Inc -
Men are net financial handicaps
instead of breadwinners.

OFFICE OF THE VICE PRESIDENT
WASHINGTON

DATE:

TO:

FROM: Richard W. Porter
Counselor to the Vice President

Public Interest
summer of '86
- No welfare is
not really the
problem

Welfare is a surrogate for
husband, so need to make
surrogate less attractive
& real husband's more
attractive.

If you have to work, anyway, loss of
benefits won't hurt as much

Criminal justice
- little responsibility
for consequences
for behavior

Ed welfare -
100s of charges that
not charged &
profound change
in prisons.

that murder threatened and still threatens Jews? Life is a circus? Life is a brothel? Life is a circus and a brothel, wrapped in the fog of mystery? I can hear the word processors humming in every college town in America. (They've already begun in France, where the film

had its premiere.)

Allen has made better and better films in recent years, which are always improved when he isn't in them. But *Shadows and Fog*, a title too plainly meant to echo Resnais's *Night and Fog*, is a willful disaster. •

Venus in Robes

BY MARTHA C. NUSSBAUM

Sex and Reason by Richard Posner

(Harvard University Press, 458 pp., \$29.95)

THE STATUE: My experience is that one's pleasures don't bear thinking about.
DON JUAN: That is why intellect is so unpopular.

—Shaw, *Don Juan in Hell*

Sex is ubiquitous in American courts, as it is in American life. Judges must deal with it in civil, criminal, and constitutional cases of many kinds; they are called upon to concern themselves with topics such as prostitution, homosexuality, contraception, nudity, child abuse, and erotic art. And yet, as Richard Posner rightly observes, judges often know very little about such topics. Proceeding on the assumption that sexual matters are ahistorical and "natural," and therefore sufficiently understood by simply consulting one's own intuitions, they approach these matters, all too often, with little historical or scientific learning, and with a personal experience that is likely, as Posner notes, to be somewhat narrow and uniform, given the effectiveness with which the background checking of judges weeds out members of sexual minorities. Thus, in deeply important human matters, we all too often find opinions that combine naïveté with the puritanism and the moralism that are such a large part of the American cultural heritage.

Consider, for example, the opinions in *Bowers v. Hardwick* (1986), the case in which the Supreme Court denied that a gay man, arrested in his own bedroom while having oral sex with another man, could legitimately claim that the Georgia sodomy law under which he was arrested violated a fundamental personal liberty, in connection with the due process clause of the Fourteenth Amendment. The case bore, on its surface, a very close relationship to other privacy cases (dealing with contraception, abortion, and the use of pornographic materials in the

home) in which the Supreme Court had upheld the rights of individuals to regulate their sexual conduct by their own choice.

It also invited comparison to earlier cases in which laws forbidding miscegenation had been struck down as violations of both the due process clause and the equal protection clause: for miscegenation in the South a few decades ago, like homosexual conduct in Georgia today, was highly unpopular, and not likely to seem to most citizens the sort of thing to which individuals had a fundamental right "implicit in the concept of ordered liberty." And yet the Court had ruled that the Lovings (the remarkably named interracial couple) did in fact have such a right. For, the ruling held, miscegenation was a species of a genus—choice of one's own marital partner—that was protected, as a genus, by the Constitution, whether one liked all of its species or not. The same could have been said for homosexual sex acts in *Bowers*. It was not.

One would have expected the judges deciding such a complex and delicate case to have investigated the phenomenon of homosexuality very thoroughly, finding out what history and science have to say about it, and considering in some depth the lives of homosexuals in American society. None of this happened. The justices spoke in vague and highly inaccurate terms of a general condemnation of homosexual conduct stretching back to "ancient roots." But in fact their scanty references to the ancient pagan world were largely inaccurate, and even their picture of the history of Christian views on the topic was highly misleading. Nor did they do better when thinking about the way of life of a gay man in America—for they managed to dismiss without argument

the notion that what was at stake for Michael Hardwick in choosing a sexual partner bore any relation at all to any of the Court's previous cases. Thus, as Justice Blackmun observed in his eloquent dissenting opinion, they all too quickly avoided asking whether there was not indeed a generic right to sexual choice that Hardwick, as much as "straight" Americans, enjoyed; nor did they even reach the point of asking whether the case could be construed as having an equal protection aspect, as Blackmun suggested it did.

The opinions in *Bowers* have drawn a lot of criticism, but the ignorance that they display is not unusual. One could also cite, for example, the opinion of Judge Robert Bork in the case of *Dronenberg v. Zeck*, involving homosexuals in the military. Again without any argument at all, and without any evidence of interest in learning and research, Bork simply asserted that the presence of gays in the services will lead to problems of sexual harassment in the workplace—never pausing to wonder whether this problem does not obtain similarly between males and females as well, whether gays are any more likely to harass their fellow workers than straights, whether all such problems could not best be dealt with by effective regulations governing sexual harassment, rather than by the exclusion of an entire class of qualified persons from the services. And one could also cite the recent District Court ruling by Judge Oliver Gasch in *Steffan v. Cheney*, the case of the talented midshipman at the U.S. Naval Academy who was forced to withdraw shortly before graduation because he admitted to a homosexual orientation (though not to homosexual conduct). Without citing any of the pertinent literature on the topic, Gasch simply asserted that homosexual orientation is a mutable behavioral choice and that homosexuals are not disadvantaged with respect to political power in American society—all this in order to establish that homosexuals do not constitute a "suspect class" for the purposes of the equal protection clause.

I have focused on cases involving homosexuality since these are a rich repository of judicial bias and ignorance; but one could find many similarly unargued and insubstantial opinions in cases pertaining to other sexual matters. Prejudice, a lack of curiosity, flawed logic: all of these are depressingly common when judges confront the complexities of sex.

Posner wishes to alter this situation. A judge on the U.S. Court of Appeals for the Seventh Circuit, as well as one of the most distinguished and prolific legal thinkers of his generation, he is well

known for opinions that combine broad erudition with clear argument and eloquent, pungent writing. Where sexual matters are concerned, these virtues are combined, in the opinions he has written to date, with a refreshing lack of cant and a passionate concern for artistic liberty of expression.

His most important opinion—recently overturned by the Supreme Court—held unconstitutional, on First Amendment grounds, an Indiana statute that banned nude dancing. Defending the right of the striptease dancers of the Kitty Kat Lounge to keep their nipples uncovered, Posner wrote a learned (and witty) disquisition on the expressive properties of the dance, on the role of the erotic in the history of dance, on expression in the verbal and non-verbal artistic media, on the relationship between “high” and popular culture, and on the limitations of American moralism. He concludes:

The true reason I think for wanting to exclude striptease dancing from the protection of the First Amendment is not any of the lawyers’ classification games that I have been discussing. . . . It is a feeling that the proposition, “the First Amendment forbids the State of Indiana to require striptease dancers to cover their nipples,” is ridiculous. It strikes judges as ridiculous in part

because most of us are either middle-aged or elderly men, in part because we tend to be snooty about popular culture . . . in part because we are Americans—which means that we have been raised in a culture in which puritanism, philistinism, and promiscuity are complexly and often incongruously interwoven. . . . But the element of the ridiculous is not all on one side. Censorship of erotica is pretty ridiculous too. What kind of people make a career of checking to see whether the covering of a woman’s nipples is fully opaque, as the statute requires? (These statutes are full of absurd locutions, such as: “‘Wholly or substantially exposed to public view,’ as it pertains to breasts, shall mean . . .”). . . . Most of us do not admire the Islamic clergy for their meticulous insistence on modesty in female dress. Many of us do not admire busybodies who want to bring the force of law down on the heads of adults whose harmless private pleasures the busybodies find revolting. The history of censorship is a history of folly and cruelty.

(It is worth reflecting, incidentally, on what might be made of this one paragraph alone in a Supreme Court confirmation hearing. If the confirmation process has evolved in a way that excludes a provocative and brilliant figure such as Posner, but gives us people who either have no opinions or are willing to deny the opinions they have, we are much the worse.)

Out of Posner’s dissatisfaction with judicial opinions in cases such as *Bowers* (of which he is highly critical) came this extraordinary book. It is an ambitious and complex undertaking and really has three distinct goals. Its first and modest goal is to provide judges (and others) with information and arguments—historical, cross-cultural, scientific—on sexual matters likely to come before the courts. Its second goal, far more ambitious, is to provide a comprehensive explanatory theory of sexual behavior, drawing both on economics and on evolutionary biology. Its third goal is to advance a normative theory of sexual legislation that is “libertarian,” defending the rights of individuals to regulate their sexual conduct by their own lights except in those cases where it can be shown to cause harm to or to infringe on the rights of others.

How are these goals connected? It seems important to ask this question at the start, since Posner pursues the first and the third with far greater success than the second. And readers of Posner’s previous work will have another reason to press the question. For Posner is one of the leading defenders of the thesis that judicial reasoning, properly understood, is really like economic reasoning, that the procedure of judges in

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torts and contracts, and indeed in constitutional law as well, is actually reasoning that seeks to maximize society's wealth. He advances this thesis as a descriptive thesis (seeing things this way will help us to understand what judges actually do, though they use other language) and as a normative thesis (when judges do not proceed in this way, they are reasoning badly).

By appeal to the normative thesis, he has, in *The Economics of Justice* (1981), criticized the privacy jurisprudence of the Supreme Court as "topsy-turvy," suggesting that the economic meaning of privacy is "profitable secrecy"; a judge who proceeds rationally will build up protections for, say, industrial secrecy, while being far less concerned about the unprofitable privacy of the bedroom. And he has shocked his readers by trying out economic reasoning in the sensitive areas of surrogate motherhood (where he called for a "thriving market in babies") and even rape (where he speculated about whether the special pleasure derived by the rapist from the non-consensual nature of his act is or is not outweighed by the woman's loss in property rights in her body). Posner defends this apparently crude way of looking at things by asserting, repeatedly, the extremely controversial thesis that whenever individuals (judges or anyone else) are thinking rationally, they are seeking to maximize their satisfactions: so, if we are to give individuals (including women) credit for rationality, we had better see how we can cast their reasoning in this "economic" form.

In his economic mode, Posner has struck many of his readers as dogmatic and quite insensitive to the history and the complexity of human phenomena. In his recent book, the ambitious *The Problems of Jurisprudence* (1990), he seemed to waver about whether the economic approach provides a sufficient account of judging, and even of rationality. In any event, in none of his judicial opinions in the area of sexual conduct is there the slightest mention of economic notions, or even of cost benefit analysis. These opinions display a sensitivity and a flexibility that were notably lacking in some of his earlier theoretical writing. All of this gives ample reason for Posner's readers to wonder about the role played by economic theorizing in his current account of judicial reasoning about sex.

All three of Posner's projects in this book are connected by an opposition to puritanism and to simple moralism, and by his closely related view that ethical

norms in matters of sex are not "natural" at all, but are constructed by societies in different ways. This anti-puritanism and anti-naturalism support Posner's determination to look to other times and other places for a more comprehensive understanding of human sexuality than a scrutiny of contemporary American intuitions might yield. And all this, in turn, supports his "hands-off" libertarian stance in areas such as homosexuality (where he holds that *Bowers* was wrongly decided), abortion (where he defends the general outcome in *Roe*, if not all the reasoning), and erotic art (where he wishes to give all expressive material full First Amendment protection, whether its content is political or not, propositional or not).

The informational and historical part of Posner's book is in many respects its most successful. Although the task of providing, in 100 pages of text, a short version of what judges ought to know about this topic is a daunting one, Posner, with his broad and accurate erudition, his curiosity and wit, does it remarkably well. He draws on the findings of anthropology, psychology, psychoanalysis, classical scholarship, and cultural history; and although the historical account is thin on material outside the Western tradition, it ranges very widely over times and places within that tradition.

Posner is especially interested in the ancient Greek world, and in analyses of ancient sexuality inspired by Foucault and the "social constructionists." The imaginary judges to whom this segment of the book is addressed would learn from even a cursory study of its contents that sexual categories and normative judgments about those categories are far more various than a modern American perspective might lead one to suppose. He or she would learn, for example, that in ancient Greece the fundamental distinction of sexual roles was between the active partner and the passive partner in the sexual act. For the active partner, the gender of the passive object was a matter of relative indifference. Thus the category of the "homosexual" as we know it—an individual who has an abiding preference for partners of a certain gender, regardless of the distinction between activity and passivity—did not really exist in that society. And in other ways, too, Posner is very good at showing the great diversity of attitudes that respectable societies have taken about many highly charged sexual topics, at setting contemporary America in perspective, among the cultures of the world, as a society marked by a singular combination of heterogeneity, puri-

tanism, and "machismo."

The dominant position of the book's historical section is "social-constructionist," that is, it adopts the view that sexual norms do not derive from permanent and immutable laws of nature, but are devised by society and tradition. But Posner then goes on to defend as the best explanatory theory of human sexual behavior a theory that combines evolutionary biology with economics. The combined thesis is somewhat elusive, but one might attempt to capture it as follows. Large-scale patterns in sexual behavior—persistent behavioral tendencies and repeated social patterns—are best explained biologically, as ways that the species has found of maximizing its evolutionary fitness. Within the large constraints of biology, on the other hand, individuals, being rational agents (a characteristic that itself is held to derive from evolution), seek to maximize their own satisfactions, computing costs and benefits.

There is no reason in principle why someone who recognizes and stresses the great variety with which societies have constructed sexual categories and norms might not also believe that beneath this variety lie certain "natural" regularities. These regularities might even be invoked to explain why, in each concrete set of circumstances, the specific cultural manifestations take the form they do. Sometimes Posner attempts to integrate his bioeconomic with his historical argument in some such way, as in his attempt to explain ancient Greek homosexuals as of two different sorts: some (the "pathics") being males biologically determined to a preference for the passive role (which, quite confusingly, he simply equates with today's people who prefer a same-sex partner, regardless of what sexual role they take), others (the vast majority) being "opportunistic" homosexuals who prefer (young) male partners simply because access to women is difficult.

Still, even such an attempted reconciliation of the two theses runs into difficulty. For in fact the evidence shows that women, in the role of prostitutes, were widely available in ancient Athens; nor can Posner's argument explain the thriving business done by male prostitutes in that same city. Posner's account of the ways in which the changing social position of women influences social mores regarding marriage and related sexual matters is stronger and more interesting—though its interest derives far more from its historical than from its bioeconomic component.

In many other cases, Posner does not

even try to reconcile his two lines of argument. For example, he asserts that the fact that women frequent prostitutes less often than men shows that women have, by nature, a lower "sex drive" than do men, failing to consider the manifold cultural and emotional factors that play a role in women's distaste for such choices. Again, he asserts that biology determines males to a preference for women with large breasts and hips, although elsewhere in the book he stresses evidence that the sexual attractiveness of bodily shape is a matter of "social construction," the desirable shape varying a great deal from culture to culture. Some of Posner's bioeconomic assertions seem just as false and unsupported by evidence as those in the judicial opinions that he deplores: for example, the assertion that males are more sexually jealous than females—a fact that experience does not appear to bear out—and the assertion that a woman's ideal of an appealing sexual partner is a male who will be likely to protect and care for her offspring. (The plots of many works, from *Medea* to *Casablanca*, might be considered with these two theses in mind.)

And there is a more general problem about the fit between the two projects. The historical project speaks of sexual desire as a phenomenon characterized

by a rich and complex intentionality: that is, as fundamentally directed to an object and concerned with the object seen in a certain way. Desire, in that picture, might contain instinctual components, but it is essentially a pull rather than a push, a response to the perception of some value. The biological argument, by contrast, and its economic companion even more clearly, views desire as simply a push, as a force that demands discharge and satisfaction and remains rather constant, whether a suitably evocative object is on the scene or not. It is by making this assumption that Posner can argue, for example, that a male deprived of access to females will choose an available male partner; that a female who, in the absence of a male partner, does not, like a similarly situated male, frequent a prostitute gives evidence thereby of a lower "sex drive." To have sorted out the "drive" component and the intentional component in sexual desire, and to have described some of the complexities of the interactions between the two, would have been a first step toward an adequate theory of human sexuality. In this sense, Posner's book doesn't even take the first step.

Nor is it clear that Posner's explanatory theory, such as it is, is really the alternative to moral and religious theo-

ries of sexuality that he believes it to be. His strategy is to demonstrate that if one understands that sexual matters have a non-metaphysical origin, an origin in our animal history, and if one can push this secular explanation far enough, so that it seems to explain what we want to explain at least as well as explanations of sex that invoke divine entities and laws, then we will have put those vestiges of religious moralism at a considerable disadvantage in the American legal process.

But this does not make biology a replacement for morality. As Posner himself is well aware, one may hold that biology has constrained human behavior in certain ways without believing that this goes very far in telling us how we ought to behave toward one another in sexual matters. The fact (if it is a fact) that certain forms of behavior promoted the evolutionary fitness of the species at a certain time in its history says nothing at all about whether intelligent reflective creatures should choose to perpetuate these patterns of action. Posner, as I say, knows this; and he insists, for example, on the fact that polygamy, while functional in certain contexts, is unlikely to promote the equality of women, a goal that many modern societies with good reason (in his view) pursue.

But then it is not clear why his theory

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is a replacement for moral theorizing—except in the sense that any Darwinian explanation tends to undercut modes of explanation and normative discourse that stress the discontinuity between humans and other animals, and that posit otherworldly origins for all that is valuable in human life. To stress the this-worldly and animal nature of sexuality, however, does not go far toward justifying the reductive modes of analysis (“search costs,” “transaction costs,” and so on) in which Posner takes such pride. For there are many ways of being a this-worldly animal; and one of those ways is to be an animal that is ethical. Such an animal will be likely to need a more complex language than Posner offers.

The largest problem in the book—and, I think, in much of Posner’s other writing about secular morality—is that he supposes, in effect, that if God is dead, then everything is indeed permitted; that when religion goes out the door, morality goes out the door, too; that all we have left, if we deny ourselves the appeal to transcendent sources of authority in moral matters, is a situation in which the world is a great market and individuals are simply competing to maximize the satisfaction of their subjective preferences, any one of which is as good as any other. If not heavenly judgment, then hands off on all moral judgment. It is for this reason that Posner can oddly classify Ronald Dworkin’s rights-based approach to sexual/legal matters as a species of religious view. He makes the mistake of thinking that humans cannot invent and commit themselves to moral categories on their very own hook, without the other world to tell them so.

This is the sort of error that will be made by someone all too fascinated by religion, and by human dependence on it; by someone who doesn’t altogether trust human beings to use their very own wits to say what has value and how much. Posner, secular humanist that he is, should not make such an error. And, to be sure, he doesn’t always. His book, far more quirky and fascinating than this summary of its argument makes it seem, contains constantly surprising reminders of its author’s complexity and perceptiveness—as when, in a brief paragraph, he distinguishes between two types of erotic love, giving an account of love that cannot be integrated into the central argument, and is the richer for that. And at one point he seems to acknowledge that his own theory is simply a crude and somewhat shocking theory that will, like an “acid bath,” peel away “layers of ignorance, ideology, superstition, and preju-

dice,” and “clear the ground for a normative analysis” of a more complete and adequate sort.

How important is the bioeconomic theory for the concrete legal reasoning in the book’s third section, where Posner unfolds his normative “libertarian” approach? Fortunately, at least as I see it, not very important. Posner frequently refers back to the bioeconomic theory for a general atmosphere of this-worldliness, hardheadedness, and sanity, but he might as well have invoked any secular moral theory. Indeed, there are some theories—say, Dworkin’s rights-based theory—that would have provided a far more adequate philosophical foundation for Posner’s libertarian judgments than his own theory does.

Revealingly, in his first reference to the “libertarian” normative theory, he borrows the language of Mill: conduct should not be regulated that does not damage another’s “liberty or property” (my emphasis). Later, he says in his own voice that conduct will be regulable only on the basis of “economic or other utilitarian considerations.” But protection of fundamental rights and liberties has not generally been a strong point of utilitarianism, which usually holds that such moral considerations are merely instrumental to satisfactions, and are to be overridden when the balance of satisfactions goes against them. Still, one might, with Mill (and with contemporary thinkers such as Amartya Sen), defend a general consequentialist conception—a conception in which the right question to ask about an action is whether it promotes the best consequences overall—and yet include the protection of fundamental human rights among the consequences that get promoted. I think that this is what Posner actually does, in many cases; and insofar as he follows Mill (and Sen) in this way, he is a lot closer to Dworkin’s view of legal reasoning than his own statements suggest.

Posner’s general strategy in this section of the book is to demand that we ask about social costs and benefits calmly and comprehensively, prejudice and disgust aside, using all the information available to us about the practices concerning which we are judging. Proceeding in this way, he arrives at results that will surprise those who are accustomed to making simple distinctions between “left” and “right,” and who have long since decided that Posner, in virtue of his pro-market stances, must be a “right-wing” thinker. Describing his conclusions will not do justice to his arguments, but the conclusions are remarkable in their own right.

Marriage. On the whole Posner favors

the gradual substitution of a secular form of contractual cohabitation (currently available in Scandinavia) for the institution of marriage as it is presently understood. Short of this, he would wish (a) to recognize non-marital cohabitation by some form of legal contract guaranteeing certain rights and benefits, and (b) to overhaul the system of alimony in order to provide compensatory benefits, in the case of divorce, for women who have sacrificed career opportunities to assist a spouse. He tends to favor allowing homosexuals to marry, although he would really like to solve this problem by “chucking the whole institution of marriage in favor of an explicitly contractual approach that would make the current realities of marriage transparent.” Polygamy, he tentatively holds, should continue to be illegal, since it remains connected with hierarchy and the unequal social position of women. But women who have children outside of a recognized marriage should be protected somehow.

Homosexuality. The disgust that many Americans feel toward homosexuals is based on a combination of ignorance and machismo. (The only popular stereotype on this question that Posner finds reliable, on the basis of his cross-cultural study, is that homosexuals have a higher than average probability of having an artistic career, and “it is not the worst fate in the world to be condemned to a career in the arts.”) Sodomy laws should be repealed, even if they are not enforced, since they tend to provide a basis for other exclusions—for example, from professions such as that of the judiciary, in which we would be reluctant to see an admitted lawbreaker. He is highly critical of the opinions in *Bowers* for “ignoring the ideological roots” of the Georgia sodomy law, for “lack of knowledge about this history and character of the regulation of sexuality,” and, above all, for “profound lack of empathy for the situation of the male homosexual in America.” And he supports the idea of a general constitutional right of sexual autonomy, which would cover this case along with many others. He also suggests that homosexuals should count as a suspect class for the purposes of the equal protection clause, and that, even given the *Bowers* result, this avenue of argument might possibly still be used by courts to rule in their favor.

As for the issue of homosexuals in the military, Posner provides a devastating criticism of the arguments most often used to support their exclusion: the security risk argument, the argument that gays are unstable, the sexual harassment argument. The one argument that he takes seriously is the view that the presence of gay men (he doesn’t find this

problem in the case of women) may well create serious morale problems, given the prevalence and the violence of male homophobia in America (by contrast to other countries, such as the Netherlands, which have unproblematically integrated gays into the services). Posner fears that homophobia is so deep in the self-definition of many American males that the danger of violence against gays is really rather great, and greater than in the parallel case of racial integration. Yet he thinks that the risk should be run, "for it is terrible to tell people they are unfit to serve their country, unless they really are unfit, which is not the case here." He favors a gradual policy of integration, beginning by keeping in the services gays who are already there and "come out," gradually accepting new recruits.

Privacy and the Constitution. Posner holds that the privacy cases involving contraception and abortion were, in general, correctly decided, although he does not approve of all the reasoning in the opinions. He thinks that in the end no compelling basis in the Constitution exists for the recognition of a general right to sexual autonomy, but that the courts should plug this gap and recognize one anyhow:

A constitution that did not invalidate so offensive, oppressive, probably undemocratic, and sectarian a law [viz., the anti-contraception law at issue in *Griswold v. Connecticut*] would stand revealed as containing major gaps. Maybe that is the nature of our, as perhaps of any, written Constitution; but yet, perhaps the courts are authorized to plug at least the more glaring gaps. Does anyone really believe, in his heart of hearts, that the Constitution should be interpreted so literally as to authorize every conceivable law that would not violate a specific constitutional clause? This would mean that a state could require everyone to marry, or to have sexual intercourse at least once a month.... Yet we do find it reassuring to think that the courts stand between us and legislative tyranny even if a particular form of tyranny was not foreseen and expressly forbidden by the framers of the Constitution.

Pornography. In a discussion closely linked to Posner's opinion in the Kitty Kat Lounge case but ranging more widely, since here he is not constrained by previous Supreme Court pronouncements on obscenity, Posner holds that the only pornography that should be legally restricted is pornography that uses child models or inflicts damage on adult models. (His ruling in the case of *Robyn Douglass v. Hustler Magazine*, however, also shows that he is willing to support civil damage actions against such publications when photographs are used without consent.) His conclusion here is tentative; and yet, having argued that

expressive artistic representations (for example, Robert Mapplethorpe's photographs) must be protected, he confesses that he can find no evident differences—with respect to the issues of violence and misogyny that are of most concern to feminists—between these "arty" works and the more popular pornographic forms.

Citing the arguments of the feminist historian of religion Margaret Miles concerning the patriarchal and misogynistic dimensions of much of classical art, Posner concludes that "if a *Playboy* pinup belongs to the same genre as a Renaissance nude, then since the latter is plainly protected by the First Amendment, so must the former be." In the *Kitty Kat* opinion, he notes that the category of "established art," sometimes invoked to try to make this distinction, would have excluded from protection Manet's *Déjeuner sur l'herbe*, and much else besides. And that is not his only worry. He plainly wants the dancers of the Kitty Kat Lounge to be free to express themselves in their own low-art way, and doesn't see why the protection of the First Amendment should be extended only to those who meet with the approval of highbrow tastes. Here Posner is openly at odds with many feminists. Though some of their arguments are powerful, and perhaps deserving of more scrutiny than Posner gives them, I am in sympathy with his conclusions.

Posner, plainly, is a complex character, difficult to pin down. One might do worse than to think of him as the George Bernard Shaw of American law. Like Shaw, he combines a passion for exposing humbug and pseudo-profundity with an odd but genuine sort of social compassion, a delight in shocking the self-righteous with a love of human diversity and freedom—and all of this, one must add, with a good deal of Shaw's inability to get inside the messier human emotions, with his tendency to think of emotion itself as a peculiar sort of religious dogma. Posner's bioeconomic theory is no better than Don Juan's theory of "the Life Force" (which it strongly resembles) as an explanation of the complexities of human sexuality. But as with Shaw, I think, so with Posner: long after the deeply flawed theories have been forgotten, we will remember, and profit by, the wit and the courage of his attacks on bigotry, folly, and cruelty.

MARTHA C. NUSSBAUM is the author most recently of *Love's Knowledge: Essays on Philosophy and Literature* (Oxford University Press).

FORBIDDEN GROUNDS

The Case against Employment Discrimination Laws

RICHARD A. EPSTEIN

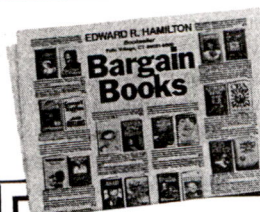
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 6, 1992

**Federal Relief Assistance to Individuals, Families,
Communities, and Businesses in Los Angeles**

FACT SHEET

The Administration is implementing an expeditious and comprehensive response to help support individuals, families, communities and businesses in need as a result of the rioting in Los Angeles.

At the direction of the President, an interagency task force of Administration officials is working with state and local leaders and private sector representatives in Los Angeles to speed the availability of Federal disaster assistance to Los Angeles, to coordinate Federal, State and local efforts to maximize quick results, and to bring to bear every appropriate resource of the Federal Government to lay the groundwork for rebuilding the affected areas of Los Angeles.

The interagency task force includes representatives from the White House, OMB, the Departments of Agriculture, Commerce, Education, Housing and Urban Development, Health and Human Services, Justice, and Labor, the Small Business Administration, the Federal Emergency Management Agency, and the Office of Personnel Management.

FEMA and SBA Disaster Relief

The President's disaster declaration activates assistance through the Federal Emergency Management Agency (FEMA) and the Small Business Administration (SBA) to the City and County of Los Angeles. On Friday, May 8, seven Disaster Assistance Centers (DACs) will be opened throughout the Los Angeles area to provide coordinated Federal, State and local services to affected residents and businesses.

FEMA provides assistance to individuals and State and local governments. This assistance includes:

- Temporary housing and grants to individuals and families (up to \$11,500 per household) whose homes and property were damaged in the disaster, and who cannot qualify for SBA loans.

- Assistance to local governments to cover the costs of repairing damaged public buildings and utilities and regular and overtime salary costs of State and local workers involved in responding to the disaster.

Preliminary estimates from FEMA suggest that assistance could total approximately \$300 million. About one-third of this money will go to individuals and families; two-thirds will help County and City governments and qualifying private non-profit organizations. Applications for assistance can be made by calling 1-800-462-9029.

The Small Business Administration will also provide direct, low-interest loans to Los Angeles homeowners, renters, businesses, and non-profit organizations experiencing losses.

- SBA disaster loans will be a critical source of economic stimulus helping to rebuild employment and stabilize the tax base.
- Homeowners, renters, businesses, and non-profit organizations can apply for either one or both of two types of SBA's disaster loans. Loan repayments are based on an ability to repay, and can run for terms of up to 30 years. The majority of these loans will be at an interest rate of 4 percent.
 - Physical Disaster Loans are made for permanent rebuilding and replacement of uninsured disaster damages to privately-owned property.
 - Economic Injury Disaster Loans are made to help provide necessary working capital until the resumption of normal operations after a physical disaster. Such loans can be made to small businesses only.
- Loans of up to \$100,000 can be made to homeowners and renters to cover damage to residences, and up to \$20,000 to cover damage to personal property. Loans of up to \$500,000 can be made to businesses to cover physical damage and economic injury.
- SBA currently estimates that it will make approximately \$300 million in loans.
- Loans are available for costs not covered by insurance.

Additional Immediate Assistance to Individuals and Families

A large number of Federal agencies are also providing additional immediate assistance to individuals and families.

Income Assistance

- All seventeen Social Security Administration (SSA) facilities in the affected area were closed at some point. None were damaged significantly by the riots. All have reopened. SSA is making emergency Supplemental Security Income (SSI) payments up to \$200 to those elderly poor or low income, disabled children in the Los Angeles community whose SSI checks have been stolen or have not been received. SSA has instituted emergency procedures to expedite claims for survivor benefits for the families of those killed in the Los Angeles disturbance.
- Immediate unemployment assistance to those who have lost their jobs or businesses due to the rioting is available through the Disaster Assistance Centers.

Housing

- The Department of Housing and Urban Development (HUD) is making available Section 8 rental assistance to those families that have been displaced by fires due to rioting. Approximately 250 families were displaced.
- HUD has also executed a new regulation giving expedited and preferential procurement opportunities to 51 percent resident-owned businesses in public housing, such as the ones forming in Los Angeles.

Food

- The Department of Agriculture (USDA) has sent or is sending to Los Angeles food banks:
 - 27,000 8-ounce boxes of cereal;
 - 58,000 cans of infant formula; and
 - 1,500 6-pound boxes of nonfat dry milk.
- USDA has also made arrangements with packers for 5 million pounds of fresh produce to be delivered to Los Angeles food banks.

- Because certain WIC (Women, Infants, and Children)-authorized major chain stores have been closed or destroyed, instructions have been issued to allow WIC coupons to be valid at any authorized vendor. In addition, WIC services are being provided at alternative sites.
- Although two of the thirty-eight Food Stamp issuance offices were destroyed, individuals can receive stamps from any other location in Los Angeles county. New applications for Food Stamp authorizations from grocery stores are now being processed in only one day.

Health and Other Support Services

- The Department of Health and Human Services has dispatched a crisis counseling team to help organize crisis intervention and counseling services.
- HHS is reimbursing the costs of emergency services for the elderly including providing meals, emergency pharmaceutical vouchers, and telephone service.
- At the request of State and local health officials, the Centers for Disease Control has sent a team of epidemiologists to Los Angeles to assist in assessing the health effects of the riots last week, and to assist the community in developing long-term strategies to address community violence.
- The six federally funded community health centers in Los Angeles remain operational and will increase their outreach activity to meet community needs.
- All Head Start centers whose programs were interrupted by the riots have resumed operation.
- Officials from the Health Care Financing Administration have visited hospitals in the affected area and determined that all are able to meet patient care needs and comply with federal health care standards.

Education and Job Training

- The Department of Labor will provide \$2 million in emergency grants to create temporary jobs cleaning up and repairing damaged public structures. Workers dislocated due to the riots will be hired for these jobs.

- The Department of Education will expedite approximately \$1.2 billion in formula grants to the State of California when the funds become available on July 1. Much of this funding is already directed to the Los Angeles area, and the Department of Education will work with State and local officials to determine how suballocations of these funds can be most effectively used.
- A special desk will be established at the Department of Education's Federal Student Aid Information Center to handle inquiries from Los Angeles students concerning how to apply for student aid and how to reflect loss of assets on income in the application. The number is 1-800-4-FED-AID.

Business Assistance

- The Minority Business Development Agency will be working with FEMA and SBA to assist in the preparation of loan applications and to offer general business assistance to applicants.

Assistance to Communities

Law Enforcement

- The Department of Justice will release \$3 million from Emergency Federal Law Enforcement Assistance funds to be available for State and local law enforcement equipment, training, intelligence information and personnel.

Housing

- HUD will approve a city request to expedite the early release of Community Development Block Grants funds, which were scheduled to be released to the City of Los Angeles (\$62.5 million) and the County of Los Angeles (\$30.38 million) on July 1, 1992. These funds can be used for demolition, emergency reconstruction of water, sewer, electrical, and telephone facilities, relief services (including medicine and other essential items), clearance of damaged land, relocation costs, and as matching costs to FEMA or other aid programs.
- The City of Los Angeles has \$384,995 and the County of Los Angeles has \$606,631 in uncommitted Rental Rehabilitation Program funds. These funds -- already

in the hands of the City and County -- are available for immediate use, in conjunction with other public and private funds, to subsidize up to 50 percent of the costs of rehabilitating riot-damaged residences in low-income neighborhoods.

- HUD will allow the City of Los Angeles and the County of Los Angeles to use Section 108 loan guarantees. The loans can finance removal of debris, repair, rehabilitation or demolition of buildings on public land, installation of public improvements, housing rehabilitation, and economic development activities.

Economic Assistance

- The Economic Development Administration will release funds from its Sudden and Severe Economic Dislocation Program to assist affected governments in developing adjustment strategies and in implementing specific local public works repair projects.

#

THE WHITE HOUSE
WASHINGTON

DATE: _____

TO:

RWP

FROM: HANNS KUTTNER
Associate Director for Health
and Social Services Policy
Office of Policy Development
Room 219, OEOB, x6563

I have some comments,

*see also the attached
"Selected Facts" that showed
up on my desk yesterday.*

H.

In 1965, public aid was less than 1% of GNP. By 1987 it had more than doubled to over 2.5% (Source: Social Security Bulletin, Volume 53, No. 2, P. 22).

Larry Mead points out in *Beyond Entitlement*, since 1965 serious crimes have risen 200%, and average SAT scores have dropped from 967 to 894. (p. 7).

According to the Heritage foundation study, "Since the start of Lyndon Johnson's "Great Society" programs in 1966, entitlements have grown an astonishing 1882 percent after adjusting for inflation. By comparison, real gross national product (GNP) increased by only 81 percent in the same period." *A Prosperity Plan for America*, edited by Scott A. Hodge, p. 5.

- When the Ways and Means committee reported its bill establishing Medicare in 1965, it estimated that program costs would rise to \$10.1 billion per year by 1990. Actual 1990 costs were \$95.8 billion.

The 1965 legislation established a long-run HI tax rate of 0.85% on employers and employees, considered adequate to meet the actuarial needs of the system. Today, the tax rate is 1.45% on employers and employees—and the trust fund is expected to go bust by 2002.

Sources: House Report #213, 29 March 1965 and the FY92 Budget.

In 1965 public aid spending per capita was \$108 in constant 1987 dollars. By 1987 it had more than quadrupled to \$447 per capita. (Source: Social Security Bulletin, Volume 53, No. 2, p. 23).

Payments For Individuals In Millions of Current (Nominal) Dollars 1940 - 1997

	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
SOCIAL SECURITY AND RAILROAD RETIREMENT:	56,712	67,277	74,929	20,371	86,258	94,779	105,361	120,333	141,524	157,773	172,284	179,724	190,295	200,246	209,009
Social Security: old age & survivors insurance	47,851	54,847	62,149	16,876	71,278	78,531	87,604	100,625	119,418	134,660	148,642	155,852	165,422	174,364	182,055
Social Security: disability insurance	6,208	7,701	9,315	2,582	11,212	12,298	13,512	14,998	16,849	17,437	17,592	17,775	18,657	19,531	20,436
Railroad retirement	2,654	4,730	3,465	912	3,768	3,950	4,245	4,710	5,257	5,676	6,050	6,097	6,216	6,351	6,518
FEDERAL EMPLOYEES RETIREMENT AND INSURANCE:	11,052	13,675	16,026	4,337	18,300	20,522	23,186	27,244	32,062	35,159	37,421	39,109	39,603	42,504	44,700
Military retirement	5,128	6,242	7,296	1,947	8,216	9,172	10,279	11,920	13,729	14,938	15,945	16,471	15,801	17,621	18,081
Civil service retirement	5,662	7,048	8,267	2,261	9,531	10,867	12,369	14,662	17,597	19,405	20,717	21,813	23,012	23,942	25,713
Other	263	385	463	129	553	483	539	661	735	816	759	825	790	942	907
UNEMPLOYMENT ASSISTANCE	5,594	12,806	18,560	3,304	14,318	10,886	9,837	16,889	18,406	22,314	29,815	16,911	16,186	16,427	15,760
MEDICAL CARE:	20,694	26,240	31,519	8,282	37,195	42,277	48,430	56,986	67,647	76,778	84,991	92,217	104,220	111,487	120,165
Medicare: hospital insurance	7,807	10,355	12,270	3,315	14,912	17,419	19,900	23,802	28,916	34,354	38,005	41,476	47,841	49,018	49,976
Medicare: supplementary medical insurance	2,874	3,765	4,672	1,269	5,867	6,856	8,260	10,152	12,351	14,813	17,493	19,475	21,808	25,166	29,937
Medicaid	5,818	6,840	8,568	2,229	9,876	10,680	12,407	13,957	16,833	17,391	18,985	20,061	22,655	24,995	27,435
Hospital and medical care for veterans	2,896	3,527	3,892	999	4,532	5,060	5,410	6,290	6,733	7,295	8,044	8,604	9,264	9,634	10,061
Other	1,299	1,752	2,117	470	2,007	2,262	2,453	2,784	2,814	2,925	2,463	2,600	2,652	2,674	2,757
ASSISTANCE TO STUDENTS:	4,303	6,195	7,921	783	6,419	6,422	6,593	7,539	8,560	7,871	8,455	8,600	9,152	9,208	8,573
Veterans education benefits	3,249	4,591	5,527	783	3,700	3,362	2,825	2,450	2,395	2,113	1,854	1,564	1,352	1,172	1,105
Student assistance - Dept of Education and others	1,054	1,604	2,394		2,719	3,060	3,768	5,089	6,165	5,758	6,601	7,036	7,800	8,036	7,468
HOUSING ASSISTANCE	1,794	2,094	2,466	648	2,964	3,631	4,230	5,418	6,775	7,960	9,366	9,932	11,200	12,279	12,626
FOOD AND NUTRITION ASSISTANCE:	4,433	6,643	7,959	1,824	8,527	8,859	10,716	13,932	16,119	15,493	17,869	17,972	18,457	18,524	18,863
Food stamp program	2,845	4,599	5,632	1,325	5,399	5,499	6,822	9,117	11,253	11,014	11,839	11,561	11,701	11,620	11,556
Nutrition assistance for Puerto Rico											814	814	825	824	852
Child nutrition and special milk programs	802	1,575	1,890	393	2,792	2,665	3,014	3,536	3,543	3,043	3,293	3,552	3,681	3,835	4,060
Supplemental feeding programs (WIC and CSFP)			143	42	245	371	542	717	930	930	1,150	1,398	1,538	1,614	1,702
Commodity donations and other	787	469	294	64	91	325	338	562	394	506	773	647	712	632	693
PUBLIC ASSISTANCE AND RELATED PROGRAMS:	7,377	9,441	11,219	3,540	12,072	12,904	12,435	15,812	17,625	17,542	19,209	19,468	20,820	22,966	24,021
Supplemental security income program	1,954	4,320	4,573	1,165	4,772	5,280	4,865	5,716	6,467	6,864	7,894	7,633	8,654	9,324	9,933
Family support payments to States (AFDC & CSE)	5,423	5,121	5,753	1,570	6,165	6,393	6,358	6,924	7,736	7,530	7,875	8,346	8,625	9,877	10,540
Low income home energy assistance					110	193	186	1,577	1,780	1,687	1,993	2,026	2,141	2,046	1,829
Earned income tax credit			808	86	900	881	773	1,275	1,318	1,202	1,213	1,193	1,100	1,415	1,410
Legal services			85	719	125	157	254	320	324	259	234	271	300	305	309
Payments to States for daycare assistance															
ALL OTHER PAYMENTS FOR INDIVIDUALS:	8,448	9,464	10,036	478	10,924	11,484	13,049	14,377	15,939	17,035	17,114	17,273	17,369	17,620	17,559
Coal miners and black lung benefits	1,000	968	998	241	956	1,005	1,604	1,788	1,770	1,706	1,737	1,687	1,663	1,612	1,598
Veterans compensation, pensions, and burial benefits	6,633	7,581	8,178		9,000	9,573	10,442	11,202	12,389	13,296	13,860	13,918	14,217	14,412	14,426
Veterans insurance	701	816	704	197	769	735	856	1,005	1,035	990	951	1,019	986	1,092	1,072
Payments to Japanese American WWII internees															
Refugee assistance and other	114	99	157	41	199	171	147	382	745	1,043	566	649	503	504	463
TOTAL, PAYMENTS FOR INDIVIDUALS	120,407	153,835	180,634	43,566	196,978	211,763	233,837	278,530	324,656	357,925	396,523	401,208	427,301	451,261	471,275

Payments For Individuals In Millions of Current (Nominal) Dollars 1940 - 1997

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Total 40 - 97
SOCIAL SECURITY AND RAILROAD RETIREMENT:	220,679	234,235	250,633	270,514	288,318	303,805	319,195	335,241	351,828	369,190	5,216,355
Social Security: old age & survivors insurance	192,541	204,648	219,065	236,120	251,137	264,486	277,849	291,613	305,726	320,385	4,502,875
Social Security: disability insurance	21,416	22,556	24,381	26,905	29,467	31,392	33,276	35,375	37,700	40,302	539,059
Railroad retirement	6,723	7,030	7,187	7,489	7,714	7,927	8,070	8,253	8,402	8,503	174,420
FEDERAL EMPLOYEES RETIREMENT AND INSURANCE:	48,028	50,450	53,385	57,510	59,496	61,861	64,936	68,157	71,438	74,793	1,086,903
Military retirement	19,011	20,184	21,545	23,093	24,300	25,587	26,913	28,291	29,714	31,157	456,181
Civil service retirement	28,047	29,134	31,036	33,188	33,985	34,909	36,588	38,328	40,083	41,889	605,557
Other	970	1,132	804	1,229	1,211	1,365	1,435	1,538	1,641	1,747	25,164
UNEMPLOYMENT ASSISTANCE	13,857	14,125	17,445	25,506	34,655	26,312	24,993	24,697	24,323	24,635	531,561
MEDICAL CARE:	129,901	143,113	164,282	184,140	221,323	247,482	277,493	311,293	350,442	392,744	3,317,641
Medicare: hospital insurance	52,022	57,433	65,912	68,705	76,416	82,428	90,683	100,164	111,581	122,846	1,261,460
Medicare: supplementary medical insurance	33,682	36,867	41,498	45,514	52,765	59,398	66,990	75,883	86,233	97,594	793,542
Medicaid	30,462	34,604	41,103	52,533	72,503	84,396	98,144	113,589	130,988	150,665	1,049,806
Hospital and medical care for veterans	10,714	11,242	12,021	12,853	13,847	14,958	15,123	15,105	15,079	15,074	259,045
Other	3,021	2,968	3,748	4,535	5,792	6,302	6,553	6,552	6,561	6,565	95,729
ASSISTANCE TO STUDENTS:	9,209	10,952	11,270	12,120	11,429	14,458	14,079	13,522	8,675	12,630	259,985
Veterans education benefits	1,071	1,046	828	849	1,114	1,278	1,358	1,444	1,464	1,568	80,135
Student assistance - Dept of Education and others	8,138	9,906	10,442	11,271	10,315	13,180	12,721	12,078	7,211	11,062	179,850
HOUSING ASSISTANCE	13,841	14,661	15,901	17,178	19,310	21,393	23,131	24,697	25,508	25,964	301,710
FOOD AND NUTRITION ASSISTANCE:	19,998	21,102	23,872	28,388	33,460	33,950	34,698	35,547	36,359	37,440	505,792
Food stamp program	12,265	12,817	14,992	18,684	22,724	22,698	22,975	23,250	23,551	24,102	326,995
Nutrition assistance for Puerto Rico	880	908	931	965	1,002	1,051	1,091	1,133	1,133	1,133	14,356
Child nutrition and special milk programs	4,305	4,574	4,996	5,557	6,131	6,472	6,940	7,472	7,983	8,513	110,914
Supplemental feeding programs (WIC and CSFP)	1,853	1,995	2,197	2,354	2,711	2,915	2,930	2,930	2,930	2,930	37,064
Commodity donations and other	696	808	756	828	892	814	762	762	762	762	16,463
PUBLIC ASSISTANCE AND RELATED PROGRAMS:	26,723	28,371	29,698	35,159	42,643	44,729	49,494	53,697	54,696	59,655	714,834
Supplemental security income program	11,370	11,503	11,493	14,668	18,295	19,721	22,718	23,290	23,392	27,509	273,372
Family support payments to States (AFDC & CSE)	10,764	11,166	12,246	13,520	15,114	15,303	15,724	16,170	16,494	16,628	315,746
Low income home energy assistance	1,585	1,393	1,314	1,742	1,143	674	1,026	1,061	1,065	1,065	27,637
Earned income tax credit	2,698	4,002	4,354	4,885	7,171	7,894	8,786	11,920	12,539	13,252	91,074
Legal services	306	307	291	344	346	350	350	350	350	350	7,006
Payments to States for daycare assistance					574	787	890	906	856	851	4,864
ALL OTHER PAYMENTS FOR INDIVIDUALS:	18,419	19,020	17,748	19,803	20,242	20,378	21,039	20,678	19,736	21,470	521,382
Coal miners and black lung benefits	1,558	1,520	1,482	1,462	1,459	1,425	1,404	1,383	1,358	1,321	36,404
Veterans compensation, pensions, and burial benefits	15,328	15,816	14,453	16,168	16,295	16,480	17,765	17,422	16,490	18,241	424,473
Veterans insurance	1,133	1,208	1,255	1,277	1,316	1,323	1,372	1,404	1,414	1,426	47,352
Payments to Japanese American WWII internees				499	501	500					1,500
Refugee assistance and other	400	476	558	397	671	650	498	469	474	482	11,654
TOTAL, PAYMENTS FOR INDIVIDUALS	500,656	536,030	584,234	650,318	730,876	774,368	829,058	887,529	943,005	1,018,521	10,439,621

Payments For Individuals In Millions of 1992 Dollars, 1960 - 1997 (Adjusted With The CPI-U)

Constant 1992 Dollars (millions, CPI)	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
SOCIAL SECURITY AND RAILROAD RETIREMENT:			55,571	60,088	68,040	73,541	76,339	79,019	91,524	93,035	99,125	108,140	112,910	127,492	137,710	161,855
Social Security: old age & survivors insurance			48,603	52,206	58,621	63,320	65,773	67,843	78,807	79,828	84,840	92,573	96,754	108,926	116,775	137,070
Social Security: disability insurance			2,501	3,290	4,681	5,354	5,637	6,203	7,512	7,893	8,607	9,588	10,293	11,917	13,771	16,905
Railroad retirement			4,466	4,592	4,739	4,866	4,929	4,973	5,205	5,314	5,677	5,979	5,863	6,649	7,165	7,880
FEDERAL EMPLOYEES RETIREMENT AND INSURANCE:			7,960	8,587	9,520	10,530	11,897	13,053	14,762	16,542	17,856	19,486	21,242	23,873	26,632	29,721
Military retirement			3,286	3,677	4,139	4,641	5,456	6,167	6,938	7,736	8,570	9,533	10,495	11,857	13,133	14,269
Civil service retirement			4,226	4,448	4,904	5,386	5,955	6,414	7,358	8,292	8,739	9,372	10,114	11,305	12,753	14,673
Other			447	463	477	503	485	472	466	514	547	581	632	711	746	779
UNEMPLOYMENT ASSISTANCE			13,171	20,701	16,081	14,688	13,588	11,301	9,020	8,633	9,286	8,958	11,357	20,173	22,489	15,903
MEDICAL CARE:			5,229	5,651	6,265	6,763	7,478	7,955	10,525	26,098	36,154	41,892	44,297	47,913	55,486	57,063
Medicare: hospital insurance										10,600	15,286	18,153	17,696	19,062	20,653	21,610
Medicare: supplementary medical insurance										2,808	5,685	6,415	7,291	7,127	7,624	7,772
Medicaid				107	477	718	947	1,212	3,358	4,958	7,390	8,913	10,045	11,774	15,554	14,951
Hospital and medical care for veterans			4,409	4,658	4,823	5,035	5,332	5,426	5,521	5,632	5,770	5,843	6,348	6,842	7,897	8,485
Other			820	885	965	1,010	1,198	1,317	1,647	2,101	2,022	2,568	2,917	3,107	3,759	4,245
ASSISTANCE TO STUDENTS:			1,857	1,151	734	464	345	260	433	2,246	3,836	4,958	5,593	8,976	10,232	12,999
Veterans education benefits			1,857	1,151	734	464	345	260	236	1,291	1,954	2,735	3,740	5,810	6,625	9,102
Student assistance - Dept of Education and others									196	955	1,882	2,223	1,853	3,166	3,607	3,897
HOUSING ASSISTANCE			663	725	773	831	871	974	1,041	1,088	1,149	1,333	1,770	2,581	3,791	5,246
FOOD AND NUTRITION ASSISTANCE:			1,098	1,116	1,272	1,297	1,391	1,334	1,584	1,768	2,067	2,288	3,535	7,630	10,880	11,834
Food stamp program					65	92	138	153	303	482	756	966	2,125	5,491	6,454	7,175
Nutrition assistance for Puerto Rico																
Child nutrition and special milk programs			1,098	1,116	1,207	1,204	1,253	1,181	1,281	1,286	1,312	1,322	1,410	2,139	2,420	2,253
Supplemental feeding programs (WIC and CSFP)																
Commodity donations and other															2,005	2,406
PUBLIC ASSISTANCE AND RELATED PROGRAMS:			9,747	10,028	10,781	11,765	12,336	12,417	12,027	11,499	12,954	14,111	15,258	19,214	22,173	19,247
Supplemental security income program																
Family support payments to States (AFDC & CSE)			9,747	10,028	10,781	11,765	12,336	12,417	12,027	11,499	12,954	14,111	15,258	19,214	22,173	19,247
Low income home energy assistance																
Earned income tax credit																
Legal services																
Payments to States for daycare assistance																
ALL OTHER PAYMENTS FOR INDIVIDUALS:			19,093	20,686	20,461	21,701	19,764	21,149	20,763	21,728	21,522	22,039	22,744	24,289	25,195	26,554
Coal miners and black lung benefits													38	1,118	1,413	3,093
Veterans compensation, pensions, and burial benefits			15,945	16,940	17,114	17,680	17,839	18,265	18,324	18,124	18,779	19,030	19,552	20,172	20,625	21,110
Veterans insurance			3,148	3,746	3,346	3,778	1,732	2,740	2,307	3,428	2,516	2,742	2,833	2,602	2,708	1,901
Payments to Japanese American WWII internees																
Refugee assistance and other						243	193	145	132	176	227	267	322	397	449	450
TOTAL, PAYMENTS FOR INDIVIDUALS			114,389	128,734	133,926	141,579	144,009	147,463	161,678	182,636	203,948	223,206	238,706	282,141	314,587	340,421

Payments For Individuals In Millions of 1992 Dollars, 1960 - 1997 (Adjusted With The CPI-U)

<u>Constant 1992 Dollars (millions, CPI)</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>TQ</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
SOCIAL SECURITY AND RAILROAD RETIREMENT:	169,221	180,710	187,967	49,400	201,183	206,505	208,100	209,260	221,528	229,981	242,620	243,115	248,272	254,993	258,753
Social Security: old age & survivors insurance	142,781	147,320	155,908	40,926	166,244	171,103	173,028	174,988	186,925	196,291	209,326	210,822	215,821	222,035	225,384
Social Security: disability insurance	18,522	20,684	23,366	6,262	26,151	26,795	26,688	26,082	26,374	25,417	24,774	24,045	24,341	24,871	25,299
Railroad retirement	7,918	12,705	8,692	2,212	8,788	8,607	8,384	8,191	8,229	8,274	8,519	8,248	8,109	8,088	8,069
FEDERAL EMPLOYEES RETIREMENT AND INSURANCE:	32,977	36,731	40,202	10,518	42,682	44,713	45,795	47,377	50,186	51,251	52,698	52,902	51,669	54,124	55,339
Military retirement	15,300	16,766	18,302	4,722	19,163	19,983	20,302	20,729	21,490	21,775	22,454	22,280	20,615	22,438	22,384
Civil service retirement	16,893	18,930	20,739	5,483	22,230	23,678	24,429	25,498	27,545	28,286	29,175	29,507	30,023	30,487	31,833
Other	784	1,035	1,161	312	1,289	1,053	1,064	1,150	1,151	1,190	1,069	1,116	1,031	1,199	1,122
UNEMPLOYMENT ASSISTANCE	16,691	34,398	46,560	8,011	33,394	23,717	19,428	29,371	28,811	32,526	41,987	22,876	21,117	20,919	19,511
MEDICAL CARE:	61,747	70,482	79,068	20,084	86,751	92,113	95,655	99,099	105,888	111,918	119,689	124,743	135,972	141,968	148,764
Medicare: hospital insurance	23,294	27,815	30,782	8,040	34,781	37,953	39,304	41,392	45,262	50,077	53,521	56,106	62,417	62,420	61,870
Medicare: supplementary medical insurance	8,574	10,114	11,720	3,077	13,684	14,937	16,315	17,655	19,334	21,593	24,635	26,344	28,452	32,047	37,062
Medicaid	17,360	18,373	21,494	5,405	23,034	23,270	24,505	24,271	26,349	25,350	26,736	27,137	29,557	31,829	33,965
Hospital and medical care for veterans	8,642	9,475	9,763	2,421	10,571	11,024	10,686	10,939	10,539	10,634	11,329	11,639	12,086	12,268	12,455
Other	3,877	4,706	5,310	1,140	4,682	4,929	4,845	4,842	4,405	4,264	3,468	3,518	3,460	3,404	3,413
ASSISTANCE TO STUDENTS:	12,839	16,640	19,870	1,899	14,971	13,992	13,021	13,110	13,399	11,473	11,907	11,634	11,940	11,726	10,614
Veterans education benefits	9,694	12,332	13,864	1,899	8,630	7,325	5,579	4,260	3,749	3,080	2,611	2,116	1,763	1,493	1,368
Student assistance - Dept of Education and others	3,145	4,308	6,006		6,342	6,667	7,442	8,850	9,650	8,393	9,296	9,518	10,176	10,233	9,245
HOUSING ASSISTANCE	5,354	5,624	6,187	1,572	6,913	7,911	8,356	9,422	10,604	11,603	13,190	13,436	14,613	15,636	15,631
FOOD AND NUTRITION ASSISTANCE:	13,228	17,844	19,966	4,424	19,889	19,303	21,165	24,229	25,232	22,583	25,164	24,311	24,080	23,588	23,352
Food stamp program	8,488	12,353	14,129	3,214	12,592	11,981	13,474	15,855	17,614	16,055	16,673	15,639	15,266	14,796	14,306
Nutrition assistance for Puerto Rico											1,147	1,101	1,076	1,049	1,055
Child nutrition and special milk programs	2,392	4,231	4,742	953	6,512	5,807	5,953	6,150	5,545	4,435	4,638	4,805	4,802	4,883	5,027
Supplemental feeding programs (WIC and CSFP)			357	101	572	807	1,071	1,246	1,456	1,355	1,619	1,891	2,006	2,055	2,107
Commodity donations and other	2,348	1,260	738	156	212	707	668	978	616	738	1,088	875	929	805	858
PUBLIC ASSISTANCE AND RELATED PROGRAMS:	22,012	25,358	28,145	8,584	28,155	28,116	24,561	27,498	27,589	25,570	27,052	26,335	27,163	29,245	29,738
Supplemental security income program	5,829	11,603	11,473	2,824	11,129	11,504	9,609	9,940	10,123	10,005	11,116	10,325	11,290	11,873	12,297
Family support payments to States (AFDC & CSE)	16,183	13,755	14,431	3,808	14,379	13,930	12,558	12,041	12,109	10,977	11,090	11,289	11,253	12,577	13,048
Low income home energy assistance					257	421	367	2,743	2,786	2,459	2,807	2,740	2,794	2,605	2,264
Earned income tax credit			2,028	208	2,099	1,919	1,526	2,218	2,063	1,751	1,709	1,614	1,435	1,802	1,745
Legal services			213	1,743	292	342	502	556	507	378	330	367	391	388	383
Payments to States for daycare assistance															
ALL OTHER PAYMENTS FOR INDIVIDUALS:	25,207	25,420	25,177	1,160	25,479	25,021	25,773	25,002	24,949	24,831	24,101	23,365	22,661	22,437	21,738
Coal miners and black lung benefits	2,984	2,600	2,503	583	2,230	2,190	3,168	3,109	2,771	2,487	2,446	2,282	2,170	2,053	1,978
Veterans compensation, pensions, and burial benefits	19,792	20,363	20,515		20,991	20,858	20,624	19,480	19,393	19,381	19,518	18,827	18,548	18,352	17,859
Veterans insurance	2,092	2,192	1,766	477	1,794	1,601	1,691	1,748	1,620	1,443	1,339	1,378	1,286	1,391	1,327
Payments to Japanese American WWII internees															
Refugee assistance and other	339	266	393	100	465	372	290	664	1,166	1,520	797	878	656	642	573
TOTAL, PAYMENTS FOR INDIVIDUALS	359,277	413,209	453,141	105,651	459,416	461,392	461,855	484,366	508,186	521,737	558,407	542,718	557,486	574,637	583,439

Payments For Individuals In Millions of 1992 Dollars, 1960 - 1997 (Adjusted With The CPI-U)

<u>Constant 1992 Dollars (millions, CPI)</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>Total 1960-97</u>
SOCIAL SECURITY AND RAILROAD RETIREMENT:	262,390	265,844	270,943	278,384	288,318	294,319	299,525	304,809	309,987	315,342	7,345,861
Social Security: old age & survivors insurance	228,933	232,265	236,817	242,990	251,137	256,228	260,727	265,142	269,368	273,656	6,308,104
Social Security: disability insurance	25,464	25,600	26,357	27,688	29,467	30,412	31,225	32,164	33,217	34,424	759,841
Railroad retirement	7,993	7,979	7,769	7,707	7,714	7,679	7,573	7,504	7,403	7,263	277,916
FEDERAL EMPLOYEES RETIREMENT AND INSURANCE:	57,106	57,258	57,711	59,183	59,496	59,930	60,934	61,970	62,942	63,884	1,501,240
Military retirement	22,604	22,908	23,291	23,765	24,300	24,788	25,255	25,723	26,180	26,613	644,026
Civil service retirement	33,349	33,066	33,551	34,154	33,985	33,819	34,333	34,849	35,316	35,779	820,878
Other	1,153	1,285	869	1,265	1,211	1,322	1,347	1,398	1,446	1,492	36,336
UNEMPLOYMENT ASSISTANCE	16,476	16,032	18,859	26,248	34,655	25,490	23,453	22,455	21,430	21,042	820,807
MEDICAL CARE:	154,454	162,426	177,594	189,497	221,323	239,755	260,393	283,035	308,766	335,461	4,185,412
Medicare: hospital insurance	61,855	65,183	71,253	70,704	76,416	79,854	85,095	91,072	98,311	104,928	1,562,763
Medicare: supplementary medical insurance	40,048	41,842	44,861	46,838	52,765	57,543	62,862	68,995	75,978	83,360	905,355
Medicaid	36,220	39,274	44,434	54,061	72,503	81,761	92,096	103,278	115,410	128,690	1,206,764
Hospital and medical care for veterans	12,739	12,759	12,995	13,227	13,847	14,491	14,191	13,734	13,286	12,875	370,637
Other	3,592	3,369	4,052	4,667	5,792	6,105	6,149	5,957	5,781	5,607	139,893
ASSISTANCE TO STUDENTS:	10,950	12,430	12,183	12,473	11,429	14,007	13,211	12,295	7,643	10,788	360,526
Veterans education benefits	1,274	1,187	895	874	1,114	1,238	1,274	1,313	1,290	1,339	127,865
Student assistance - Dept of Education and others	9,676	11,243	11,288	11,599	10,315	12,768	11,937	10,982	6,353	9,449	232,661
HOUSING ASSISTANCE	16,457	16,639	17,190	17,678	19,310	20,725	21,706	22,455	22,474	22,177	365,698
FOOD AND NUTRITION ASSISTANCE:	23,778	23,950	25,806	29,214	33,460	32,890	32,560	32,320	32,035	31,979	655,443
Food stamp program	14,583	14,547	16,207	19,228	22,724	21,989	21,559	21,139	20,750	20,587	419,946
Nutrition assistance for Puerto Rico	1,047	1,031	1,006	993	1,002	1,018	1,024	1,030	998	968	15,544
Child nutrition and special milk programs	5,118	5,191	5,401	5,719	6,131	6,270	6,512	6,794	7,034	7,271	152,798
Supplemental feeding programs (WIC and CSFP)	2,203	2,264	2,375	2,422	2,711	2,824	2,749	2,664	2,582	2,503	41,941
Commodity donations and other	827	917	817	852	892	789	715	693	671	651	25,213
PUBLIC ASSISTANCE AND RELATED PROGRAMS:	31,774	32,200	32,105	36,182	42,643	43,332	46,444	48,823	48,191	50,954	991,323
Supplemental security income program	13,519	13,056	12,424	15,095	18,295	19,105	21,318	21,176	20,610	23,497	329,036
Family support payments to States (AFDC & CSE)	12,799	12,672	13,238	13,913	15,114	14,825	14,755	14,702	14,532	14,203	517,736
Low income home energy assistance	1,884	1,581	1,420	1,793	1,143	653	963	965	938	910	34,494
Earned income tax credit	3,207	4,542	4,707	5,027	7,171	7,648	8,245	10,838	11,048	11,319	95,869
Legal services	364	348	315	354	346	339	328	318	308	299	9,711
Payments to States for daycare assistance					574	762	835	824	754	727	4,476
ALL OTHER PAYMENTS FOR INDIVIDUALS:	21,901	21,587	19,186	20,379	20,242	19,742	19,743	18,801	17,389	18,339	847,319
Coal miners and black lung benefits	1,853	1,725	1,602	1,505	1,459	1,381	1,317	1,257	1,197	1,128	55,639
Veterans compensation, pensions, and burial benefits	18,225	17,950	15,624	16,638	16,295	15,965	16,670	15,841	14,529	15,580	697,321
Veterans insurance	1,347	1,371	1,357	1,314	1,316	1,282	1,287	1,277	1,246	1,218	75,686
Payments to Japanese American WWII internees				514	501	484					1,499
Refugee assistance and other	475	541	603	409	671	630	467	426	418	412	17,173
TOTAL, PAYMENTS FOR INDIVIDUALS	595,286	608,366	631,577	669,238	730,876	750,190	777,968	806,963	830,859	869,966	17,073,629

Payments For Individuals In Millions of Current (Nominal) Dollars 1940 - 1997

	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
SOCIAL SECURITY AND RAILROAD RETIREMENT:	129	186	237	280	319	381	473	599	734	885	1,027	1,815	2,367	3,087	3,771	4,912	5,965	7,190
Social Security: old age & survivors insurance	16	64	110	149	185	240	321	426	512	607	727	1,498	1,982	2,628	3,275	4,333	5,361	6,515
Social Security: disability insurance																		
Railroad retirement	113	121	126	131	134	141	152	173	222	278	300	317	385	459	496	579	604	675
FEDERAL EMPLOYEES RETIREMENT AND INSURANCE:	145	155	163	176	202	257	398	444	405	410	500	637	680	780	858	918	1,058	1,183
Military retirement	60	65	70	75	80	85	93	122	136	162	195	324	329	358	386	419	477	511
Civil service retirement	68	74	78	85	105	154	287	296	243	220	267	269	299	361	409	428	504	588
Other	17	16	16	16	17	18	17	25	26	27	38	44	52	61	63	71	77	84
UNEMPLOYMENT ASSISTANCE	498	451	377	176	61	71	1,146	869	858	1,327	2,013	898	1,057	1,034	1,836	2,099	1,498	1,729
MEDICAL CARE:	97	104	113	121	136	171	297	571	612	690	848	838	883	863	781	811	891	922
Medicare: hospital insurance																		
Medicare: supplementary medical insurance																		
Medicaid																		
Hospital and medical care for veterans	69	73	81	87	97	131	253	516	559	620	764	744	783	755	675	706	768	780
Other	27	30	33	34	38	40	43	55	53	70	84	94	101	108	106	106	123	142
ASSISTANCE TO STUDENTS:							1,342	3,566	3,174	3,207	2,739	1,953			546	678	781	787
Veterans education benefits							1,342	3,566	3,174	3,207	2,739	1,953			546	678	781	787
Student assistance - Dept of Education and others																		
HOUSING ASSISTANCE		5	10	10	10	9	7	6	3	3	7	7	13	26	45	67	82	91
FOOD AND NUTRITION ASSISTANCE:								76	68	75	83	83	84	83	84	83	82	98
Food stamp program																	82	98
Nutrition assistance for Puerto Rico																		
Child nutrition and special milk programs								76	68	75	83	83	84	83	84	83		
Supplemental feeding programs (WIC and CSFP)																		
Commodity donations and other																		
PUBLIC ASSISTANCE AND RELATED PROGRAMS:	279	330	376	395	430	401	421	644	732	921	1,123	1,186	1,178	1,330	1,438	1,427	1,455	1,556
Supplemental security income program																		
Family support payments to States (AFDC & CSE)	279	330	376	395	430	401	421	644	732	921	1,123	1,186	1,178	1,330	1,438	1,427	1,455	1,556
Low income home energy assistance																		
Earned income tax credit																		
Legal services																		
Payments to States for daycare assistance																		
ALL OTHER PAYMENTS FOR INDIVIDUALS:	909	501	482	488	565	925	1,591	2,278	2,457	2,547	5,324	2,863	3,266	3,080	3,251	3,303	3,397	3,471
Coal miners and black lung benefits																		
Veterans compensation, pensions, and burial benefits	433	438	436	451	500	772	1,261	1,929	2,080	2,154	2,223	2,172	2,178	2,420	2,482	2,681	2,798	2,870
Veterans insurance	76	63	46	37	65	153	330	349	377	393	3,101	691	1,088	660	769	622	599	601
Payments to Japanese American WWII internees																		
Refugee assistance and other																		
TOTAL, PAYMENTS FOR INDIVIDUALS	1,657	1,731	1,758	1,647	1,722	2,215	5,673	9,052	9,043	10,065	13,664	10,279	10,853	10,282	12,610	14,297	15,208	17,027

Payments For Individuals In Millions of Current (Nominal) Dollars 1940 - 1997

	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
SOCIAL SECURITY AND RAILROAD RETIREMENT:	8,764	10,153	11,738	12,848	14,702	16,080	16,920	17,738	20,989	22,011	24,229	27,725	30,654	36,404	40,735	49,799
Social Security: old age & survivors insurance	7,875	9,046	10,266	11,162	12,666	13,846	14,578	15,229	18,072	18,887	20,737	23,734	26,268	31,103	34,542	42,173
Social Security: disability insurance	168	339	528	703	1,011	1,171	1,250	1,392	1,723	1,867	2,104	2,458	2,795	3,403	4,073	5,201
Railroad retirement	721	768	943	982	1,024	1,064	1,093	1,116	1,194	1,257	1,388	1,533	1,592	1,899	2,119	2,425
FEDERAL EMPLOYEES RETIREMENT AND INSURANCE:	1,349	1,527	1,681	1,836	2,057	2,302	2,637	2,930	3,385	3,914	4,364	4,996	5,767	6,817	7,878	9,144
Military retirement	562	641	694	786	894	1,015	1,209	1,384	1,591	1,830	2,095	2,444	2,849	3,386	3,885	4,390
Civil service retirement	696	783	893	951	1,060	1,178	1,320	1,440	1,687	1,962	2,136	2,403	2,746	3,228	3,772	4,515
Other	90	103	95	99	103	110	108	106	107	122	134	149	172	203	221	240
UNEMPLOYMENT ASSISTANCE	3,288	3,207	2,782	4,426	3,475	3,212	3,012	2,537	2,069	2,043	2,270	2,297	3,083	5,760	6,652	4,893
MEDICAL CARE:	993	1,069	1,105	1,208	1,354	1,479	1,657	1,786	2,414	6,175	8,837	10,740	12,026	13,681	16,413	17,557
Medicare: hospital insurance										2,508	3,736	4,654	4,804	5,443	6,109	6,649
Medicare: supplementary medical insurance										664	1,390	1,645	1,979	2,035	2,255	2,391
Medicaid				23	103	157	210	272	770	1,173	1,806	2,285	2,727	3,362	4,601	4,600
Hospital and medical care for veterans	832	894	931	996	1,042	1,101	1,182	1,218	1,266	1,332	1,410	1,498	1,724	1,954	2,336	2,611
Other	162	176	173	189	209	221	266	296	378	497	494	658	792	887	1,112	1,306
ASSISTANCE TO STUDENTS:	711	585	392	246	159	102	77	58	99	531	938	1,271	1,518	2,563	3,027	3,999
Veterans education benefits	711	585	392	246	159	102	77	58	54	305	478	701	1,015	1,659	1,960	2,800
Student assistance - Dept of Education and others									45	226	460	570	503	904	1,067	1,199
HOUSING ASSISTANCE	99	117	140	155	167	182	193	219	239	257	281	342	480	737	1,121	1,614
FOOD AND NUTRITION ASSISTANCE:	165	216	232	239	275	284	308	300	363	418	505	587	960	2,179	3,218	3,641
Food stamp program					14	20	31	34	70	114	185	248	577	1,568	1,909	2,208
Nutrition assistance for Puerto Rico																
Child nutrition and special milk programs	165	216	232	239	261	263	278	265	294	304	321	339	383	611	716	693
Supplemental feeding programs (WIC and CSFP)																
Commodity donations and other															593	740
PUBLIC ASSISTANCE AND RELATED PROGRAMS:	1,795	1,966	2,059	2,144	2,329	2,573	2,734	2,787	2,758	2,721	3,166	3,618	4,142	5,486	6,559	5,922
Supplemental security income program																
Family support payments to States (AFDC & CSE)	1,795	1,966	2,059	2,144	2,329	2,573	2,734	2,787	2,758	2,721	3,166	3,618	4,142	5,486	6,559	5,922
Low income home energy assistance																
Earned income tax credit																
Legal services																
Payments to States for daycare assistance																
ALL OTHER PAYMENTS FOR INDIVIDUALS:	3,768	3,917	4,033	4,423	4,421	4,745	4,381	4,748	4,761	5,141	5,261	5,651	6,175	6,936	7,453	8,170
Coal miners and black lung benefits													10	319	418	952
Veterans compensation, pensions, and burial benefits	3,104	3,275	3,368	3,622	3,698	3,866	3,954	4,100	4,202	4,288	4,590	4,879	5,308	5,760	6,101	6,495
Veterans insurance	664	642	665	801	723	826	384	615	529	811	615	703	769	743	801	585
Payments to Japanese American WWII internees																
Refugee assistance and other						53	43	33	30	42	56	69	87	113	133	138
TOTAL, PAYMENTS FOR INDIVIDUALS	20,932	22,757	24,162	27,525	28,938	30,958	31,919	33,102	37,076	43,210	49,850	57,226	64,805	80,563	93,055	104,739

Hanns -
How does this look?
Richard
X6640

One caveat —
"welfare" is understood by most people to
include cash payments — these dollar figures
reflect cash payments to individuals, in-kind services (Medicaid)
and payments to state and local
government to provide
services.

TALKING POINTS

EFFECT OF THE GREAT SOCIETY -- WHAT NEEDS TO BE DONE

- o Total welfare spending in 1965 was **\$9.6 billion**. Total welfare spending in 1990 was **\$215 billion**. Even after adjusting for inflation **there has been a sixfold increase in spending on welfare programs since 1965**.
 - In 1990 dollars, 1965 spending was \$36 billion.
- o Total spending on welfare from 1965 to 1990 was **\$3.3 trillion**.
 - This figure, calculated by the Heritage Foundation, is the total of all 80 federal means-tested programs, including state contributions to federal programs where they are required. Thus, this figure includes spending on Medicaid, AFDC, school lunches and so forth.
- o The \$215 billion spent in 1990 is **at least twice the amount of money necessary to bring everyone's income above the current poverty level**. These benefits are not typically included in census income data. Also, they are not evenly distributed because of the peculiarities of program rules (e.g., the Medicaid recipient with a \$15,000 hospital bill).
 - Calculated by scholars at the Heritage Foundation.
- o What has all this money bought? **Illegitimacy rate among black families in 1965 was 25%. By 1990, two-thirds of all black children born were illegitimate**. If current trends continue, 75% if all births to black mothers will be out of wedlock by the year 2000.
 - Why is this happening? Cultural changes, but also the way we have designed the welfare system. The average value of the full range of welfare programs to a single mother is \$13,000. **We provide this money to her on two conditions: Don't work, and don't get married to a man that works!**
if you work, don't report it,
 - One study by a University of Washington researcher shows that **raising welfare by \$200 a month increases the teen illegitimacy rate by 150%**.
 - We need to take **Five Steps** to change things in the inner cities:
 - 1) **School Choice** -- frees low income children to go to

While the
fact is
true, the
juxtaposition
makes it
look like it
was just the
black rate -
It would look
better if
the overall
fact was
given
and then
in fact, in
the black
population
is so striking
that...

better schools, gets parents involved again in child's education, gives schools an incentive to improve and a better education provides hope for a better future. Plus, public schools are hamstrung in their ability to discipline students by Warren Court decisions expanding student rights.

2) **Enterprise Zones** -- lower capital gains rate and the other incentives would attract private investment capital to inner cities and provide an incentive to hire local residents from the zone.

3) **Fight Crime** -- People won't invest in areas they are afraid to enter, people won't work if they are afraid to walk in the streets. Being safe is the first civil right.

4) **Welfare Reform** -- More on this below.

5) **Change the Moral Message** -- We need everyone to start sending a better message to the young: crime is not justified, illegitimacy is bad -- for moms and for children, and there is opportunity for those that stay in school.

- o What needs to be done about welfare? **We need to change the two conditions for welfare: recipients should have to work and should be encouraged to marry working men.**

- In the 1988 ~~Welfare Reform~~ ^{Legislation, the Family Support Act} Bill, Republicans fought to make work a condition for moms that don't have young children. The result was a limited programs -- JOBS.
- The Administration just approved waivers for Wisconsin so that they could ~~vary payments~~, encouraging moms to marry working men and discouraging them from having any more children out of wedlock. ^{teen}
- Both this Administration and the previous one significantly expanded the Earned Income Tax Credit, that mitigates the loss of welfare benefits to a worker and increases the incentives to work.
- Also, the Administration's Health Reform proposal would provide a voucher for low-income workers to cover fully the cost of health insurance, replacing the medicaid benefits lost when someone starts working. ==

- o Welfare is a surrogate for a husband. Under the existing rules, a low-income husband is a financial handicap, not a breadwinner. We need to make the surrogate less attractive (by requiring work) and [the husband more attractive (by allowing them to keep more benefits)].

→ Note that the effect of this is to increase dependency and the numbers on the welfare rolls, leading to higher welfare costs.

-- Consider the young man making \$7 an hour in the delivery room watching his girlfriend deliver a baby. If he marries her, she will lose most of the \$13,000 in total benefits to which she is entitled if he abandons her. If they maintain an unofficial relationship -- easily terminated -- their joint income would be about \$27,000 a year.

o But welfare is not the whole story about the profound changes in responsibility that were implemented in the 1960s through a series of small, related steps by the Courts, by Congress and by the Johnson and Nixon Administrations. (see attached article by Charles Murray)

This is the problem in the media now - we're referring to the totality of these as "not working" while the hits and the media refer to the narrow spectrum of domestic discretionary programs Johnson dropped part of his "War on Poverty."

-- The ethic of **Don't blame the victim for social ills** had the effect of taking from the individual responsibility for personal actions. This ethic was the motivating force behind changes in all aspects of social policy -- and that ethic has not changed profoundly since the 1960s, at least not in the media or in regulations.

-- Criminal Justice: Police authority was eroded by technical interpretations of search and seizure rules and penalties for criminal penalties were effectively reduced. Drug laws were flaunted and **(then repealed)** ?? diminishing respect for the law and law enforcement. The Court even abolished the death penalty for a short period of time. All of this reduced the consequences of bad behavior.

-- Education: Prayer banned from schools. Authority to dismiss students for bad behavior limited. Dress codes were limited and other types of discipline, through searches of lockers and so forth, was also limited.

-- Civil Justice: This same ethic, expanding "rights" and limiting "responsibility," is behind the explosion in civil litigation. Just as the courts picked up where Congress left off in social engineering, they picked up where the welfare system left off in redistributing wealth.

o Total federal aid to urban areas ^{-- government and residents --} increased during the last 12 years, even after correcting for inflation.

	<u>current \$</u>	<u>1987 \$</u>
1980	62.8 bill.	87.7 bill.
1992	124.8 bill.	102.6 bill.

Historical Poverty

+

Labor Force Data

NOTICE

There Should Be No Release
of Material in This Document
Until 11:00 a.m. (E.S.T.)
Thursday, February 6, 1992

Economic Report of the President

Transmitted to the Congress
February 1992

TABLE B-28.—Median income (in 1990 dollars) and poverty status of families and persons, by race, selected years, 1971-90

Year	Families ¹						Persons below poverty level		Median income (in 1990 dollars) of persons 15 years old and over with income ²			
	Number (millions)	Median income (in 1990 dollars)	Below poverty level				Number (millions)	Per cent	Males		Females	
			Total		Female householder				All persons	Year-round full-time workers	All persons	Year-round full-time workers
			Number (millions)	Per cent	Number (millions)	Per cent						
ALL RACES												
1971.....	53.3	\$33,191	5.3	10.0	2.1	33.9	25.6	12.5	\$22,277	\$31,081	\$7,771	\$18,398
1973.....	55.1	35,474	4.8	8.8	2.2	32.2	23.0	11.1	23,714	33,758	8,231	19,099
1975 ^a	56.2	33,329	5.5	9.7	2.4	32.5	25.9	12.3	21,507	31,932	8,223	18,752
1977.....	57.2	34,528	5.3	9.3	2.6	31.7	24.7	11.6	21,833	32,502	8,500	19,010
1978.....	57.8	35,361	5.3	9.1	2.7	31.4	24.5	11.4	21,920	32,198	8,155	19,326
1979 ^a	59.6	35,262	5.5	9.2	2.6	30.4	26.1	11.7	21,205	31,467	7,835	18,959
1980.....	60.3	33,346	6.2	10.3	3.0	32.7	29.3	13.0	19,875	30,412	7,804	18,385
1981.....	61.0	32,190	6.9	11.2	3.3	34.6	31.8	14.0	19,372	29,752	7,848	17,911
1982.....	61.4	31,738	7.5	12.2	3.4	36.3	34.4	15.0	18,894	29,330	7,973	18,505
1983 ^a	62.0	32,378	7.6	12.3	3.6	36.0	35.3	15.2	19,239	29,533	8,405	19,012
1984.....	62.7	33,251	7.3	11.6	3.5	34.5	33.7	14.4	19,624	30,196	8,640	19,400
1985.....	63.6	33,689	7.2	11.4	3.5	34.0	33.1	14.0	19,813	30,366	8,766	19,741
1986.....	64.5	35,129	7.0	10.9	3.6	34.6	32.4	13.6	20,409	30,879	9,075	20,086
1987 ^a	65.2	35,632	7.0	10.7	3.7	34.2	32.2	13.4	20,463	30,697	9,544	20,208
1988.....	65.8	35,565	6.9	10.4	3.6	33.4	31.7	13.0	20,890	30,208	9,815	20,489
1989.....	66.1	36,062	6.8	10.3	3.5	32.2	31.5	12.8	20,968	30,151	10,144	20,704
1990.....	66.3	35,353	7.1	10.7	3.8	33.4	33.6	13.5	20,293	29,172	10,070	20,586
WHITE												
1971.....	47.6	34,440	3.8	7.9	1.2	26.5	17.8	9.9	23,355	31,955	7,900	18,611
1973.....	48.9	37,076	3.2	6.6	1.2	24.5	15.1	8.4	24,883	34,736	8,310	19,422
1975 ^a	49.9	34,662	3.8	7.7	1.4	25.9	17.8	9.7	22,593	32,697	8,308	18,796
1977.....	50.5	36,104	3.5	7.0	1.4	24.0	16.4	8.9	22,868	33,167	8,629	19,131
1978.....	50.9	36,821	3.5	6.9	1.3	23.5	16.3	8.7	22,959	32,795	8,253	19,509
1979 ^a	52.2	36,796	3.6	6.9	1.4	22.3	17.2	9.0	22,152	32,376	7,909	19,124
1980.....	52.7	34,743	4.2	8.0	1.6	25.7	19.7	10.2	21,140	31,279	7,847	18,563
1981.....	53.3	33,814	4.7	8.8	1.8	27.4	21.6	11.1	20,555	30,451	7,935	18,210
1982.....	53.4	33,322	5.1	9.6	1.8	27.9	23.5	12.0	19,975	30,111	8,082	18,754
1983 ^a	53.9	33,905	5.2	9.7	1.9	28.3	24.0	12.1	20,240	30,322	8,552	19,266
1984.....	54.4	34,827	4.9	9.1	1.9	27.1	23.0	11.5	20,715	31,230	8,741	19,592
1985.....	55.0	35,410	5.0	9.1	2.0	27.4	22.9	11.4	20,784	31,209	8,936	20,020
1986.....	55.7	36,740	4.8	8.6	2.0	28.2	22.2	11.0	21,537	31,741	9,254	20,393
1987 ^a	56.1	37,260	4.6	8.1	2.0	26.9	21.2	10.4	21,751	31,413	9,788	20,582
1988.....	56.5	37,470	4.5	7.9	1.9	26.5	20.7	10.1	22,051	31,224	10,057	20,796
1989.....	56.6	37,919	4.4	7.8	1.9	25.4	20.8	10.0	21,990	31,459	10,342	20,947
1990.....	56.8	36,915	4.6	8.1	2.0	26.8	22.3	10.7	21,170	30,186	10,317	20,840
BLACK												
1971.....	5.2	20,783	1.5	28.8	.9	53.5	7.4	32.5	13,928	21,851	6,922	16,433
1973.....	5.4	21,398	1.5	28.1	1.0	52.7	7.4	31.4	15,051	23,411	7,501	16,470
1975 ^a	5.6	21,327	1.5	27.1	1.0	50.1	7.5	31.3	13,507	23,924	7,548	17,958
1977.....	5.8	20,625	1.6	28.2	1.2	51.0	7.7	31.3	13,570	22,866	7,452	17,880
1978.....	5.9	21,808	1.6	27.5	1.2	50.6	7.6	30.6	13,754	25,118	7,431	18,082
1979 ^a	6.2	20,836	1.7	27.8	1.2	49.4	8.1	31.0	13,713	23,333	7,198	17,524
1980.....	6.3	20,103	1.8	28.9	1.3	49.4	8.6	32.5	12,704	22,008	7,265	17,313
1981.....	6.4	19,074	2.0	30.8	1.4	52.9	9.2	34.2	12,223	21,545	7,050	16,446
1982.....	6.5	18,417	2.2	33.0	1.5	56.2	9.7	35.6	11,970	21,386	7,128	16,762
1983 ^a	6.7	19,108	2.2	32.3	1.5	53.7	9.9	35.7	11,836	21,619	7,308	17,103
1984.....	6.8	19,411	2.1	30.9	1.5	51.7	9.5	33.8	11,885	21,313	7,754	17,656
1985.....	6.9	20,390	2.0	28.7	1.5	50.5	8.9	31.3	13,080	21,829	7,625	17,722
1986.....	7.1	20,993	2.0	28.0	1.5	50.1	9.0	31.1	12,905	22,379	7,830	17,845
1987 ^a	7.2	21,177	2.1	29.4	1.6	51.1	9.5	32.4	12,903	22,461	7,995	18,383
1988.....	7.4	21,355	2.1	28.2	1.6	49.0	9.4	31.3	13,306	22,887	8,119	18,635
1989.....	7.5	21,301	2.1	27.8	1.5	46.5	9.3	30.7	13,290	21,825	8,301	18,876
1990.....	7.5	21,423	2.2	29.3	1.6	48.1	9.8	31.9	12,868	21,540	8,328	18,518

¹ The term "family" refers to a group of two or more persons related by blood, marriage, or adoption and residing together; all such persons are considered members of the same family. Beginning 1979, based on householder concept and restricted to primary families.

² Prior to 1979, data are for persons 14 years and over.

^a Based on revised methodology; comparable with succeeding years.

^b Based on 1980 census population controls; comparable with succeeding years.

Note.—The poverty level is based on the poverty index adopted by a Federal interagency committee in 1969. That index reflected different consumption requirements for families based on size and composition, sex and age of family householder, and farm-nonfarm residence. Minor revisions implemented in 1981 eliminated variations in the poverty thresholds based on two of these variables, farm-nonfarm residence and sex of householder. The poverty thresholds are updated every year to reflect changes in the consumer price index. For further details, see "Current Population Reports," Series P-60, No. 174.

Source: Department of Commerce, Bureau of the Census.

TABLE B-30.—Population and the labor force, 1929-91

(Monthly data seasonally adjusted, except as noted)

Year or month	Civilian noninstitutional population ¹	Resident Armed Forces ¹	Labor force including resident Armed Forces	Employment including resident Armed Forces	Civilian labor force					Unemployment rate		Civilian labor force participation rate ⁴	Civilian employment/population ratio ⁵
					Total	Employment			Unemployment	All workers ²	Civilian workers ³		
						Total	Agricultural	Non-agricultural					
Thousands of persons 14 years of age and over										Percent			
1929					49,180	47,630	10,450	37,180	1,550		3.2		
1933					51,590	38,760	10,090	28,670	12,830		24.9		
1939					55,230	45,750	9,610	36,140	9,480		17.2		
1940	99,840				55,640	47,520	9,540	37,980	8,120		14.6	55.7	47.6
1941	99,900				55,940	50,350	9,100	41,250	5,560		9.9	56.0	50.4
1942	98,640				56,410	53,750	9,250	44,500	2,660		4.7	57.2	54.5
1943	94,640				55,540	54,470	9,080	45,390	1,070		1.9	58.7	57.6
1944	93,220				54,630	53,960	8,950	45,010	670		1.2	58.6	57.9
1945	94,090				53,860	52,820	8,580	44,240	1,040		1.9	57.2	56.1
1946	103,070				57,520	55,250	8,320	46,930	2,270		3.9	55.8	53.6
1947	106,018				60,168	57,812	8,256	49,557	2,356		3.9	56.8	54.5
Thousands of persons 16 years of age and over													
1947	101,827				59,350	57,038	7,890	49,148	2,311		3.9	58.3	56.0
1948	103,068				60,621	58,343	7,629	50,714	2,276		3.8	58.8	56.6
1949	103,994				61,286	57,651	7,658	49,993	3,637		5.9	58.9	55.4
1950	104,995	1,169	63,377	60,087	62,208	58,918	7,160	51,758	3,288	5.2	5.3	59.2	56.1
1951	104,621	2,143	64,160	62,104	62,017	59,961	6,726	53,235	2,055	3.2	3.3	59.2	57.3
1952	105,231	2,386	64,524	62,636	62,138	60,250	6,500	53,749	1,883	2.9	3.0	59.0	57.3
1953*	107,056	2,231	65,246	63,410	63,015	61,109	6,260	54,919	1,834	2.8	2.9	58.9	57.1
1954	108,321	2,142	65,785	62,251	63,643	60,179	6,205	53,904	3,532	5.4	5.5	58.8	55.5
1955	109,683	2,064	67,087	64,234	65,023	62,170	6,450	55,722	2,852	4.3	4.4	59.3	56.7
1956	110,954	1,965	68,517	65,764	66,552	63,799	6,283	57,514	2,750	4.0	4.1	60.0	57.5
1957	112,265	1,948	68,877	66,019	66,929	64,071	5,947	58,123	2,859	4.2	4.3	59.6	57.1
1958	113,727	1,847	69,486	64,883	67,639	63,036	5,586	57,450	4,602	6.6	6.8	59.5	55.4
1959	115,329	1,788	70,157	66,418	68,369	64,630	5,565	59,065	3,740	5.3	5.5	59.3	56.0
1960*	117,245	1,861	71,489	67,639	69,628	65,778	5,458	60,318	3,852	5.4	5.5	59.4	56.1
1961	118,771	1,900	72,359	67,646	70,459	65,746	5,200	60,546	4,714	6.5	6.7	59.3	55.4
1962*	120,153	2,061	72,675	68,763	70,614	66,702	4,944	61,759	3,911	5.4	5.5	58.8	55.5
1963	122,416	2,006	73,839	69,768	71,833	67,762	4,687	63,076	4,070	5.5	5.7	58.7	55.4
1964	124,485	2,018	75,109	71,323	73,091	69,305	4,523	64,782	3,786	5.0	5.2	58.7	55.7
1965	126,513	1,946	76,401	73,034	74,455	71,088	4,361	66,726	3,366	4.4	4.5	58.9	56.2
1966	128,058	2,122	77,892	75,017	75,770	72,895	3,979	68,915	2,875	3.7	3.8	59.2	56.9
1967	129,874	2,218	79,565	76,590	77,347	74,372	3,844	70,527	2,975	3.7	3.8	59.6	57.3
1968	132,028	2,253	80,990	78,173	78,737	75,920	3,817	72,103	2,817	3.5	3.6	59.6	57.5
1969	134,335	2,238	82,972	80,140	80,734	77,902	3,606	74,296	2,832	3.4	3.5	60.1	58.0
1970	137,085	2,118	84,889	80,796	82,771	78,678	3,463	75,215	4,093	4.8	4.9	60.4	57.4
1971	140,216	1,973	86,355	81,340	84,382	79,367	3,394	75,972	5,016	5.8	5.9	60.2	56.6
1972*	144,126	1,813	88,847	83,966	87,034	82,153	3,484	78,669	4,882	5.5	5.6	60.4	57.0
1973*	147,096	1,774	91,203	86,838	89,429	85,064	3,470	81,594	4,365	4.8	4.9	60.8	57.8
1974	150,120	1,721	93,670	88,515	91,949	86,794	3,515	83,279	5,156	5.5	5.6	61.3	57.8
1975	153,153	1,678	95,453	87,524	93,775	85,846	3,408	82,438	7,929	8.3	8.5	61.2	56.1
1976	156,150	1,668	97,826	90,420	96,158	88,752	3,331	85,421	7,406	7.6	7.7	61.6	56.8
1977	159,033	1,656	100,665	93,673	99,009	92,017	3,283	88,734	6,991	6.9	7.1	62.3	57.9
1978*	161,910	1,631	103,882	97,679	102,251	96,048	3,387	92,661	6,202	6.0	6.1	63.2	59.3
1979	164,863	1,597	106,559	100,421	104,962	98,824	3,347	95,477	6,137	5.8	5.8	63.7	59.9
1980	167,745	1,604	108,544	100,907	106,940	99,303	3,364	95,938	7,637	7.0	7.1	63.8	59.2
1981	170,130	1,645	110,315	102,042	108,670	100,397	3,368	97,030	8,273	7.5	7.6	63.9	59.0
1982	172,271	1,668	111,872	101,194	110,204	99,526	3,401	96,125	10,678	9.5	9.7	64.0	57.8
1983	174,215	1,676	113,226	102,510	111,550	100,834	3,383	97,450	10,717	9.5	9.6	64.0	57.9
1984	176,383	1,697	115,241	106,702	113,544	105,005	3,321	101,685	8,539	7.4	7.5	64.4	59.5
1985	178,206	1,706	117,167	108,856	115,461	107,150	3,179	103,971	8,312	7.1	7.2	64.8	60.1
1986*	180,587	1,706	119,540	111,303	117,834	109,597	3,163	106,434	8,237	6.9	7.0	65.3	60.7
1987	182,753	1,737	121,602	114,177	119,865	112,440	3,208	109,232	7,425	6.1	6.2	65.6	61.5
1988	184,613	1,709	123,378	116,677	121,669	114,968	3,169	111,800	6,701	5.4	5.5	65.9	62.3
1989	186,393	1,688	125,557	119,030	123,869	117,342	3,199	114,142	6,528	5.2	5.3	66.5	63.0
1990	188,049	1,637	126,424	119,550	124,787	117,914	3,186	114,728	6,874	5.4	5.5	66.4	62.7
1991	189,765	1,564	126,867	118,440	125,303	116,877	3,233	113,644	8,426	6.6	6.7	66.0	61.6

¹ Not seasonally adjusted.² Unemployed as percent of labor force including resident Armed Forces.³ Unemployed as percent of civilian labor force.⁴ Civilian labor force as percent of civilian noninstitutional population.⁵ Civilian employment as percent of civilian noninstitutional population.

See next page for continuation of table.

TABLE B-34.—Labor force participation rate and employment/population ratio, 1948-91
[Percent; monthly data seasonally adjusted]

Year or month	Labor force participation rate						Employment/population ratio					
	Civilian ^a						Civilian ^a					
	Total ¹	Males	Females	Both sexes 16-19 years	White	Black and other	Total ¹	Males	Females	Both sexes 16-19 years	White	Black and other
1948	58.8	86.6	32.7	52.5			56.6	83.5	31.3	47.7		
1949	58.9	86.4	33.1	52.2			55.4	81.3	31.2	45.2		
1950	59.2	86.4	33.9	51.8			56.1	82.0	32.0	45.5		
1951	60.1	86.3	34.6	52.2			58.2	84.0	33.1	47.9		
1952	60.0	86.0	34.7	51.3			58.0	83.9	33.4	46.9		
1953	59.7	86.0	34.4	50.2			57.1	83.6	33.3	46.4		
1954	59.6	85.5	34.6	48.3	58.2	64.0	56.4	81.0	32.5	42.3	55.2	58.0
1955	60.0	85.4	35.7	48.9	58.7	64.2	57.5	81.8	34.0	43.5	56.5	58.7
1956	60.7	85.5	36.9	50.9	59.4	64.9	58.2	82.3	35.1	43.3	57.3	59.3
1957	60.3	84.8	36.9	49.6	59.1	64.4	57.8	81.3	35.1	43.9	56.8	59.3
1958	60.1	84.2	37.1	47.4	58.9	64.8	56.1	78.5	34.5	39.9	55.3	56.7
1959	59.9	83.7	37.1	46.7	58.7	64.3	56.7	79.3	35.0	39.9	55.9	57.5
1960	60.0	83.3	37.7	47.5	58.8	64.5	56.1	78.9	35.5	40.5	55.9	57.9
1961	60.0	82.9	38.1	46.9	58.8	64.5	56.1	77.6	35.4	38.1	55.3	56.2
1962	59.5	82.0	37.9	46.1	58.3	63.0	56.1	77.1	35.6	39.4	55.4	56.3
1963	59.3	81.4	38.3	45.2	58.2	63.0	56.1	77.1	35.8	37.4	55.3	56.2
1964	59.4	81.0	38.7	44.5	58.2	63.0	56.4	77.3	36.3	37.3	55.5	57.0
1965	59.5	80.7	39.3	45.7	58.4	62.9	56.9	77.5	37.1	38.9	56.0	57.8
1966	59.8	80.4	40.3	48.2	58.7	63.0	57.6	77.9	38.3	42.1	56.8	58.4
1967	60.2	80.4	41.1	48.4	59.2	62.8	58.0	78.0	39.0	42.2	57.2	58.2
1968	60.3	80.1	41.6	48.3	59.3	62.2	58.2	77.3	39.6	42.2	57.4	58.0
1969	60.8	80.1	42.7	49.4	59.9	62.1	58.7	77.6	40.7	43.4	58.0	58.1
1970	61.0	80.4	43.3	49.9	60.2	61.8	59.0	77.4	40.8	42.3	57.5	56.8
1971	61.7	80.2	43.4	49.7	60.1	60.9	59.4	76.2	40.4	42.3	57.5	56.8
1972	60.9	80.4	43.9	51.9	60.4	60.2	57.2	75.0	41.0	43.5	57.4	54.9
1973	61.3	80.8	44.7	53.7	60.8	60.5	57.5	75.5	42.0	45.9	58.2	55.0
1974	61.7	81.3	45.7	54.8	61.4	60.3	58.3	74.9	42.6	46.0	58.3	54.3
1975	62.6	81.2	46.3	54.0	61.8	59.8	58.5	74.5	42.6	46.0	58.3	54.3
1976	62.0	81.6	47.3	54.5	61.8	59.8	58.5	74.5	42.6	46.0	58.3	54.3
1977	62.5	82.3	48.4	56.0	62.5	60.4	58.8	72.0	43.2	44.2	57.5	52.0
1978	63.5	83.2	49.7	57.8	63.3	62.2	59.7	72.8	44.5	46.1	58.6	52.5
1979	64.0	83.7	50.9	57.9	63.9	62.2	60.3	73.8	46.4	48.5	60.0	54.7
1980	64.1	83.8	51.5	56.7	64.1	61.7	59.6	72.0	47.7	46.6	60.0	55.2
1981	64.2	83.9	52.1	55.4	64.3	61.3	59.4	71.3	48.0	44.6	60.0	52.6
1982	64.3	84.0	52.6	55.1	64.3	61.6	58.2	70.8	47.1	44.6	60.0	51.3
1983	64.4	84.0	52.9	53.9	64.3	62.1	58.3	69.0	47.0	41.5	58.9	50.9
1984	64.7	84.4	53.6	53.9	64.6	62.6	59.9	68.8	48.0	41.5	58.9	51.0
1985	65.1	84.8	54.5	54.5	65.0	63.3	60.5	69.5	49.5	44.6	61.0	53.6
1986	65.6	85.3	55.3	54.7	65.5	63.7	61.1	70.9	50.4	44.6	61.0	54.1
1987	65.9	85.6	56.0	54.7	65.8	64.3	61.9	71.0	51.4	44.6	61.5	55.4
1988	66.2	85.9	56.6	55.3	66.2	64.0	62.6	71.5	52.5	45.8	62.3	56.8
1989	66.8	86.5	57.4	55.9	66.7	64.7	63.3	72.0	53.4	46.8	63.1	57.4
1990	66.6	86.4	57.5	53.7	66.8	63.7	63.0	72.5	54.3	45.4	63.8	57.5
1991	66.3	86.0	57.3	51.7	66.6	63.1	61.9	71.9	54.3	45.4	63.6	57.3
Jan.	66.8	86.5	57.6	55.2	66.9	64.3	63.0	72.2	54.5	47.1	63.9	57.8
Feb.	66.8	86.3	57.6	54.8	66.9	64.2	63.3	72.3	54.5	46.6	63.8	56.8
Mar.	66.8	86.3	57.7	55.6	66.9	64.3	63.4	72.3	54.7	47.6	63.9	58.2
Apr.	66.8	86.3	57.6	54.9	66.9	64.1	63.2	72.2	54.7	46.8	63.7	58.1
May	66.8	86.3	57.7	54.5	66.9	64.1	63.3	72.2	54.7	46.2	63.9	58.1
June	66.6	86.4	57.5	53.5	66.8	63.6	63.3	72.1	54.6	45.7	63.8	57.5
July	66.6	86.3	57.5	52.9	66.8	63.2	63.0	71.7	54.5	44.9	63.7	56.6
Aug.	66.6	86.3	57.5	52.1	66.8	63.3	62.9	71.6	54.3	43.5	63.6	55.6
Sept.	66.6	86.3	57.4	53.3	66.8	63.2	62.8	71.6	54.2	44.9	63.5	55.5
Oct.	66.5	86.2	57.3	52.9	66.7	63.5	62.7	71.5	54.1	44.2	63.4	56.8
Nov.	66.4	86.1	57.1	52.3	66.7	63.5	62.5	71.3	53.8	43.5	63.1	56.6
Dec.	66.5	86.3	57.3	52.8	66.7	63.5	62.5	71.3	53.9	43.9	63.2	56.5
1991	66.3	86.0	57.2	53.0	66.5	63.3	62.2	70.8	53.8	43.3	62.9	56.4
Jan.	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
Feb.	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
Mar.	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
Apr.	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
May	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
June	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
July	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
Aug.	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
Sept.	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
Oct.	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
Nov.	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3
Dec.	66.4	86.1	57.4	53.0	66.7	63.4	62.0	70.5	53.9	43.8	62.9	56.3

¹ Labor force including resident Armed Forces as percent of noninstitutional population including resident Armed Forces.
² Civilian labor force as percent of civilian noninstitutional population in group specified.
³ Employment including resident Armed Forces as percent of noninstitutional population including resident Armed Forces.
⁴ Civilian employment as percent of civilian noninstitutional population including resident Armed Forces.
 Note.—Data relate to persons 16 years of age and over.
 See footnote 6 and Note, Table B-30.
 Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-35.—Civilian labor force participation rate by demographic characteristics, 1954-91

(Percent;¹ monthly data seasonally adjusted)

Year or month	All civilian workers	White					Black and other or black				
		Males		Females		Total	Males		Females		Total
		Total	16-19 years and over	Total	16-19 years and over		Total	16-19 years and over	Total	16-19 years and over	
1954.....	58.8	58.2	85.6	57.6	87.8	33.3	64.0	85.2	61.2	87.1	46.1
1955.....	59.3	58.7	85.6	58.6	87.3	34.5	64.2	85.1	60.8	87.8	46.1
1956.....	60.0	59.4	85.6	60.4	87.6	35.7	64.9	85.1	61.5	87.8	47.3
1957.....	59.6	59.1	84.8	59.2	86.3	35.7	64.9	85.1	61.5	87.8	47.1
1958.....	59.5	58.9	84.3	59.5	86.6	35.8	64.8	84.1	58.8	87.0	47.1
1959.....	59.3	58.7	83.8	58.9	86.3	35.6	64.3	83.4	57.3	86.7	47.7
1960.....	59.4	58.8	83.4	58.8	86.0	36.5	64.5	83.0	57.6	86.2	48.2
1961.....	59.3	58.8	83.0	58.8	85.7	36.9	64.1	82.2	55.8	85.5	48.3
1962.....	59.8	59.3	82.1	59.8	84.9	37.7	63.0	80.2	53.5	84.2	48.0
1963.....	59.7	59.2	81.5	59.7	84.4	37.2	63.0	80.2	53.5	84.2	48.0
1964.....	59.7	59.2	81.1	59.7	84.2	37.5	63.1	80.1	53.5	84.2	48.0
1965.....	59.8	59.3	80.8	59.8	83.9	38.1	63.0	80.1	53.5	84.2	48.0
1966.....	59.2	58.7	80.6	59.2	83.6	38.2	62.9	79.6	51.3	83.7	48.6
1967.....	59.6	59.1	80.6	59.6	83.5	40.1	62.8	78.5	51.4	83.3	49.4
1968.....	59.6	59.1	80.4	59.6	83.2	40.7	62.7	77.7	51.1	82.9	49.5
1969.....	60.1	59.9	80.2	60.1	83.0	41.8	62.2	77.7	51.1	82.9	49.5
1970.....	60.4	60.2	80.0	60.4	82.8	42.6	61.8	76.5	49.6	81.4	49.8
1971.....	60.2	60.1	79.6	60.2	82.3	42.6	61.8	76.5	49.6	81.4	49.8
1972.....	60.4	60.4	79.6	60.4	82.0	43.2	60.2	73.9	46.0	78.6	48.8
1972.....	60.4	60.4	79.6	60.4	82.0	43.2	60.2	73.9	46.0	78.6	48.8
1973.....	60.8	60.8	79.4	60.8	81.6	43.2	59.9	73.6	46.3	78.5	48.7
1974.....	61.3	61.4	79.4	61.3	81.6	44.1	60.2	73.4	46.3	78.5	48.7
1975.....	61.2	61.5	78.7	61.2	81.6	45.2	60.2	73.4	46.3	78.5	48.7
1976.....	61.6	61.8	78.5	61.6	81.6	45.2	60.2	73.4	46.3	78.5	48.7
1977.....	62.3	62.5	78.5	62.3	81.6	45.2	60.2	73.4	46.3	78.5	48.7
1978.....	63.2	63.3	78.5	63.2	81.6	45.2	60.2	73.4	46.3	78.5	48.7
1979.....	63.7	63.9	78.6	63.7	81.6	45.2	60.2	73.4	46.3	78.5	48.7
1980.....	63.8	64.1	78.2	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1981.....	63.9	64.3	77.9	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1982.....	64.0	64.3	77.4	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1983.....	64.0	64.3	77.1	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1984.....	64.0	64.3	77.1	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1985.....	64.4	64.6	77.0	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1986.....	64.8	65.0	76.9	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1987.....	65.3	65.5	76.8	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1988.....	65.6	65.8	76.8	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1989.....	65.9	66.2	76.9	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1990.....	66.4	66.8	76.9	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1991.....	66.0	66.6	76.4	63.7	79.8	51.2	59.9	73.6	46.3	78.5	48.7
1990:											
Jan.....	66.5	66.9	77.2	60.3	78.6	57.4	59.9	73.6	46.3	78.5	48.7
Feb.....	66.5	66.9	77.2	60.3	78.6	57.4	59.9	73.6	46.3	78.5	48.7
Mar.....	66.5	66.9	77.1	60.3	78.5	57.4	59.9	73.6	46.3	78.5	48.7
Apr.....	66.5	66.9	77.1	60.3	78.5	57.4	59.9	73.6	46.3	78.5	48.7
May.....	66.5	66.9	77.0	59.9	78.3	57.3	59.9	73.6	46.3	78.5	48.7
June.....	66.4	66.8	76.8	58.9	78.2	57.6	59.9	73.6	46.3	78.5	48.7
July.....	66.3	66.8	76.7	58.6	78.2	57.6	59.9	73.6	46.3	78.5	48.7
Aug.....	66.3	66.8	76.8	58.6	78.2	57.6	59.9	73.6	46.3	78.5	48.7
Sept.....	66.3	66.8	76.8	58.6	78.2	57.6	59.9	73.6	46.3	78.5	48.7
Oct.....	66.2	66.7	76.8	58.6	78.2	57.6	59.9	73.6	46.3	78.5	48.7
Nov.....	66.1	66.5	76.8	58.4	78.2	57.6	59.9	73.6	46.3	78.5	48.7
Dec.....	66.3	66.7	76.9	59.2	78.2	57.4	59.9	73.6	46.3	78.5	48.7
1991:											
Jan.....	66.0	66.5	76.5	59.1	77.8	57.3	59.9	73.6	46.3	78.5	48.7
Feb.....	66.1	66.7	76.5	58.9	77.8	57.3	59.9	73.6	46.3	78.5	48.7
Mar.....	66.2	66.7	76.5	58.7	78.0	57.5	59.9	73.6	46.3	78.5	48.7
Apr.....	66.3	66.8	76.5	58.6	78.2	57.7	59.9	73.6	46.3	78.5	48.7
May.....	66.1	66.6	76.5	57.9	78.0	57.4	59.9	73.6	46.3	78.5	48.7
June.....	66.2	66.7	76.4	56.8	77.9	57.7	59.9	73.6	46.3	78.5	48.7
July.....	66.0	66.5	76.4	56.0	77.9	57.3	59.9	73.6	46.3	78.5	48.7
Aug.....	65.8	66.3	76.2	55.3	77.7	57.2	59.9	73.6	46.3	78.5	48.7
Sept.....	66.1	66.5	76.5	57.6	77.9	57.2	59.9	73.6	46.3	78.5	48.7
Oct.....	66.0	66.5	76.2	56.9	77.7	57.5	59.9	73.6	46.3	78.5	48.7
Nov.....	65.8	66.4	76.2	56.9	77.6	57.4	59.9	73.6	46.3	78.5	48.7
Dec.....	65.9	66.4	76.0	56.2	77.4	57.6	59.9	73.6	46.3	78.5	48.7

¹ Civilian labor force as percent of civilian noninstitutional population in group specified.

Note.—Data relate to persons 16 years of age and over.

See footnote 6 and Note, Table B-30.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-38.—Civilian unemployment rate by demographic characteristics, 1948-91
[Percent; 1 monthly data seasonally adjusted]

Year or month	All civilian workers	White				Black and other or black			
		Males		Females		Males		Females	
		Total	16-19 years and over	Total	16-19 years and over	Total	16-19 years and over	Total	16-19 years and over
1948	3.8	3.5	3.4	3.8	3.8	5.9	5.8	6.1	6.1
1949	5.9	5.6	5.6	5.7	5.7	8.9	8.9	7.9	7.9
1950	5.3	4.9	4.7	5.3	5.3	9.0	9.0	8.4	8.4
1951	3.3	3.1	2.6	3.1	3.1	5.3	5.3	6.1	6.1
1952	3.0	2.8	2.5	3.3	3.3	5.4	5.4	5.7	5.7
1953	2.9	2.7	2.5	3.1	3.1	4.5	4.5	4.1	4.1
1954	5.5	5.0	4.8	5.5	5.5	9.9	9.9	9.2	9.2
1955	4.4	3.9	3.7	4.4	4.4	8.7	8.7	8.4	8.4
1956	4.1	3.6	3.4	4.1	4.1	7.9	7.9	7.7	7.7
1957	4.3	3.8	3.6	4.3	4.3	8.3	8.3	8.9	8.9
1958	6.8	6.1	6.1	6.8	6.8	13.7	13.7	10.8	10.8
1959	5.5	4.8	4.6	5.5	5.5	10.7	10.7	9.4	9.4
1960	5.5	5.0	4.8	5.5	5.5	12.0	12.0	9.4	9.4
1961	6.5	6.0	5.7	6.5	6.5	10.7	10.7	9.4	9.4
1962	5.5	4.9	4.7	5.5	5.5	12.4	12.4	11.3	11.3
1963	5.7	5.0	4.7	5.7	5.7	10.9	10.9	11.3	11.3
1964	5.2	4.6	4.4	5.2	5.2	10.8	10.8	11.3	11.3
1965	4.5	4.1	3.6	4.5	4.5	9.6	9.6	10.2	10.2
1966	3.8	3.4	3.2	3.8	3.8	7.3	7.3	6.7	6.7
1967	3.8	3.4	3.2	3.8	3.8	6.7	6.7	6.7	6.7
1968	3.5	3.1	2.5	3.5	3.5	6.4	6.4	7.8	7.8
1969	4.9	4.5	4.0	4.9	4.9	8.2	8.2	5.6	5.6
1970	5.1	4.5	4.0	5.1	5.1	8.2	8.2	5.6	5.6
1971	5.6	5.1	4.5	5.6	5.6	9.9	9.9	7.3	7.3
1972	5.6	5.1	4.5	5.6	5.6	10.0	10.0	8.9	8.9

Year or month	All civilian workers	White				Black			
		Males		Females		Males		Females	
		Total	16-19 years and over	Total	16-19 years and over	Total	16-19 years and over	Total	16-19 years and over
1972	5.6	5.1	4.5	5.6	5.6	14.2	14.2	11.8	11.8
1973	4.9	4.3	3.8	4.9	4.9	13.0	13.0	11.1	11.1
1974	5.6	5.0	4.4	5.6	5.6	14.5	14.5	11.8	11.8
1975	5.5	4.8	4.2	5.5	5.5	14.5	14.5	11.8	11.8
1976	7.7	7.0	6.2	7.7	7.7	17.3	17.3	14.3	14.3
1977	7.1	6.2	5.5	7.1	7.1	15.9	15.9	14.3	14.3
1978	6.1	5.2	4.5	6.1	6.1	14.4	14.4	13.3	13.3
1979	5.8	5.1	4.5	5.8	5.8	14.0	14.0	13.3	13.3
1980	7.1	6.3	5.5	7.1	7.1	16.2	16.2	14.0	14.0
1981	7.6	6.7	5.9	7.6	7.6	15.2	15.2	13.5	13.5
1982	9.6	8.8	8.0	9.6	9.6	21.7	21.7	17.8	17.8
1983	9.6	8.8	8.0	9.6	9.6	20.2	20.2	17.8	17.8
1984	7.5	6.5	5.7	7.5	7.5	16.5	16.5	14.3	14.3
1985	7.2	6.2	5.4	7.2	7.2	16.5	16.5	14.3	14.3
1986	7.0	6.0	5.0	7.0	7.0	16.3	16.3	14.3	14.3
1987	6.2	5.3	4.4	6.2	6.2	15.5	15.5	13.3	13.3
1988	5.5	4.7	4.0	5.5	5.5	13.9	13.9	11.1	11.1
1989	5.5	4.7	4.0	5.5	5.5	13.7	13.7	11.1	11.1
1990	5.5	4.7	4.0	5.5	5.5	14.2	14.2	11.1	11.1
1991	6.7	6.0	5.4	6.7	6.7	15.5	15.5	11.1	11.1
1990: Jan	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
Feb	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
Mar	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
Apr	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
May	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
June	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
July	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
Aug	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
Sept	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
Oct	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
Nov	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
Dec	5.3	4.5	3.8	5.3	5.3	13.5	13.5	10.8	10.8
1991: Jan	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
Feb	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
Mar	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
Apr	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
May	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
June	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
July	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
Aug	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
Sept	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
Oct	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
Nov	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5
Dec	6.2	5.5	4.7	6.2	6.2	15.1	15.1	11.5	11.5

1 Unemployed as percent of civilian labor force in group specified.
Note.—See Note, Table B-37.

TABLE B-37.—Unemployment rate, 1948-91
[Percent; monthly data seasonally adjusted]

Year or month	Unemployment rate, all workers 1	Unemployment rate, civilian workers *										Women who head main families		
		All civilian workers	Males		Females			Both sexes 16-19 years and over	White	Black and other	Black		Experienced wage and salary workers	Married men, spouse present *
			Total	16-19 years	20 years and over	Total	16-19 years							
1948	3.8	3.6	9.8	3.2	4.1	8.3	3.6	9.2	3.5	5.9	4.3	3.5		
1949	5.9	5.9	14.3	5.4	6.0	12.3	5.3	13.4	5.6	8.9	6.8	3.5		
1950	5.3	5.1	12.7	4.7	5.7	11.4	5.1	12.2	4.9	9.0	6.0	4.6		
1951	3.2	3.3	2.8	8.1	2.5	4.4	8.3	4.0	8.2	5.3	3.7	1.5		
1952	2.9	3.0	2.8	8.9	2.4	3.6	8.0	3.2	8.5	2.8	3.4	1.4		
1953	2.8	2.9	2.8	7.9	2.5	3.3	7.2	2.9	7.6	2.7	3.2	1.7		
1954	5.4	5.5	5.3	13.5	4.9	6.0	11.4	5.5	12.6	5.0	6.2	4.0		
1955	4.3	4.4	4.2	11.6	3.8	4.9	10.2	4.2	11.0	3.6	4.8	2.3		
1956	4.0	4.1	3.8	11.1	3.4	4.8	11.2	4.2	11.1	3.6	4.4	2.6		
1957	4.2	4.3	4.1	12.4	3.6	4.7	10.6	4.1	11.6	3.8	4.6	2.8		
1958	6.6	6.8	6.8	17.1	6.2	6.8	14.3	6.1	15.9	6.1	7.3	5.1		
1959	5.3	5.5	5.2	15.3	4.7	5.9	13.5	5.2	14.6	4.8	10.7	3.6		
1960	5.4	5.5	5.4	15.3	4.7	5.9	13.9	5.1	14.7	5.0	10.2	3.7		
1961	6.5	6.7	6.4	17.2	5.7	7.2	16.3	6.3	16.9	6.0	12.4	4.6		
1962	5.4	5.6	5.2	14.7	4.6	6.2	14.6	5.4	14.9	4.9	10.3	3.6		
1963	5.0	5.2	5.2	17.2	4.5	6.2	17.2	5.4	17.7	5.0	10.8	3.6		
1964	5.5	5.7	5.2	15.8	3.9	6.2	16.2	5.2	16.2	4.6	9.6	2.8		
1965	4.4	4.5	4.0	14.8	3.5	5.2	15.7	4.2	16.2	4.1	9.1	2.3		
1966	3.7	3.8	3.2	14.1	2.5	4.3	13.1	3.8	12.8	3.4	7.3	1.9		
1967	3.7	3.8	3.1	12.3	2.5	5.2	13.5	3.6	12.8	3.4	7.4	1.8		
1968	3.5	3.6	2.9	11.6	2.2	4.7	13.3	3.7	12.7	3.2	6.7	1.5		
1969	3.4	3.5	2.8	11.4	2.1	4.7	13.3	3.7	12.2	3.1	6.4	1.4		
1970	4.8	4.9	4.4	15.0	3.5	5.9	15.6	4.8	15.3	4.5	9.2	2.6		
1971	5.8	5.9	5.3	16.6	4.4	6.9	17.2	5.7	16.9	5.4	8.9	4.8		
1972	5.5	5.6	5.0	15.9	4.0	6.6	16.7	5.4	16.2	5.1	9.2	3.2		
1973	4.8	4.9	4.2	13.9	3.3	6.0	15.3	4.9	14.5	4.3	9.0	2.8		
1974	5.5	5.6	4.9	15.6	3.8	6.7	16.6	5.5	16.0	5.0	9.4	4.5		
1975	8.3	7.9	20.1	6.8	9.3	19.7	8.0	19.9	7.8	9.9	10.5	2.7		
1976	7.6	7.7	7.1	19.2	5.9	8.6	18.7	7.4	19.0	7.0	13.8	8.2		
1977	6.9	7.1	6.3	17.3	5.2	8.2	18.3	7.0	17.8	6.2	13.1	7.3		
1978	6.0	6.1	5.3	15.8	4.3	7.2	16.1	6.0	16.4	5.2	11.9	6.6		
1979	5.8	5.8	5.1	15.9	4.2	6.8	17.4	5.7	16.1	5.1	12.8	5.6		
1980	7.0	7.1	6.9	18.3	5.9	7.4	17.2	6.4	17.8	6.3	14.3	5.5		
1981	7.5	7.6	7.4	20.1	6.3	7.9	19.0	6.8	19.6	6.3	14.2	6.9		
1982	9.5	9.7	9.9	24.3	8.8	9.2	21.3	8.3	23.2	8.6	17.3	7.3		
1983	9.5	9.6	9.9	23.3	8.9	9.2	21.9	8.1	22.4	8.4	17.8	9.3		
1984	7.4	7.5	7.4	19.5	6.6	7.6	18.0	6.8	18.9	6.5	14.4	18.9		
1985	7.1	7.2	7.0	19.5	6.2	7.4	17.6	6.6	18.6	6.2	13.7	15.1		
1986	6.9	7.0	6.9	19.0	6.1	7.1	17.6	6.2	18.3	6.0	13.1	14.5		
1987	6.1	6.2	6.2	17.8	5.4	6.2	15.9	5.4	16.9	5.3	11.6	13.0		
1988	5.4	5.5	5.5	16.0	4.8	5.6	14.4	4.9	15.3	4.7	10.4	11.7		
1989	5.2	5.3	5.2	15.9	4.5	5.4	14.0	4.7	15.0	4.5	10.0	11.4		
1990	5.4	5.6	16.3	4.9	5.4	14.7	4.8	15.5	4.7	10.1	11.3	5.3		
1991	6.6	6.7	7.0	19.8	6.3	6.9	17.4	5.7	18.6	6.0	11.1	12.4		
1990: Jan	5.2	5.3	15.6	4.7	5.2	13.6	4.6	14.6	4.5	10.0	11.4	5.1		
Feb	5.2	5.3	15.2	15.4	4.6	5.3	14.5	4.7	15.0	4.6	9.4	10.7		
Mar	5.1	5.2	14.8	4.5	5.2	14.0	4.6	14.4	4.5	9.5	10.7	5.0		
Apr	5.3	5.4	15.7	4.7	5.4	14.0	4.8	14.9	4.7	9.3	10.5	5.1		
May	5.2	5.3	15.6	4.7	5.2	14.8	4.6	15.2	4.6	9.4	10.5	3.2		
June	5.1	5.2	15.2	4.9	5.1	14.0	4.5	14.6	4.5	9.5	10.5	3.1		
July	5.4	5.5	16.2	4.9	5.3	14.3	4.7	15.3	4.6	10.3	11.4	5.2		
Aug	5.6	5.6	17.6	5.0	5.5	15.4	4.9	15.8	4.8	10.4	11.7	5.3		
Sept	5.6	5.7	16.9	5.1	5.6	14.6	5.0	16.5	4.9	10.9	12.1	5.5		
Oct	5.7	5.8	17.2	5.3	5.6	15.5	5.0	16.7	5.0	10.6	11.8	3.5		
Nov	5.9	6.0	17.4	5.5	5.8	15.9	5.1	16.7	5.1	11.1	12.3	3.6		
Dec	6.1	6.3	17.7	5.7	5.9	15.6	5.2	16.8	5.2	11.1	12.3	3.8		
1991: Jan	6.1	6.2	18.4	5.7	6.1	17.9	5.3	18.2	5.5	10.8	12.1	4.0		
Feb	6.4	6.5	18.2	6.2	6.3	16.4	5.4	17.3	5.8	10.7	11.9	6.3		
Mar	6.6	6.7	19.1	6.2	6.4	16.6	5.6	18.5	6.0	11.0	12.3	4.2		
Apr	6.5	6.6	19.4	6.2	6.4	17.0	5.5	18.2	5.8	11.1	12.5	4.3		
May	6.7	6.8	20.6	6.4	6.6	16.9	5.7	18.9	6.1	11.3	12.8	6.5		
June	6.8	6.9	21.0	6.5	6.7	16.9	5.7	19.0	6.1	11.2	12.7	4.6		
July	6.7	6.8	20.9	6.5	6.2	18.8	5.4	19.9	6.1	10.6	11.9	6.4		
Aug	6.7	6.8	20.7	6.5	6.4	18.2	5.6	19.0	6.1	11.1	12.4	4.4		
Sept	6.7	6.8	20.6	6.5	6.2	17.5	5.6	18.2	6.1	11.1	12.3	3.5		
Oct	6.8	6.9	21.1	6.6	6.6	17.9	5.8	18.9	6.2	11.5	12.8	6.7		
Nov	6.8	6.9	21.1	6.6	6.6	17.9	5.8	18.9	6.2	11.5	12.8	4.2		
Dec	7.0	7.1	20.3	6.8	6.8	18.4	6.1	19.3	6.3	11.5	12.7	4.7		

No. 659. Unemployed Workers—Summary: 1980 to 1989

[In thousands, except as indicated. For civilian noninstitutional population 16 years old and over. Annual averages of monthly figures. For data on unemployment insurance, see table 602. See also *Historical Statistics, Colonial Times to 1970*, series D 87-101]

ITEM AND CHARACTERISTIC	1980	1982	1983	1984	1985	1986	1987	1988	1989
UNEMPLOYED									
Total ¹	7,637	10,678	10,717	8,539	8,312	8,237	7,425	6,701	6,528
Labor force time lost ² (percent)	7.9	11.0	10.9	8.6	8.1	7.9	7.1	6.3	5.9
16-19 years old	1,669	1,977	1,829	1,499	1,468	1,454	1,347	1,226	1,194
20-24 years old	1,835	2,392	2,330	1,838	1,738	1,651	1,453	1,261	1,218
25-44 years old	2,964	4,589	4,728	3,709	3,681	3,761	3,410	3,095	3,010
45-64 years old	1,075	1,613	1,716	1,394	1,331	1,279	1,135	1,032	1,016
65 years and over	94	107	114	97	93	91	78	87	91
Male	4,267	6,179	6,260	4,744	4,521	4,530	4,101	3,655	3,525
16-19 years old	913	1,090	1,003	812	806	779	732	667	658
20-24 years old	1,076	1,407	1,369	1,023	944	899	779	676	660
25-44 years old	1,619	2,670	2,769	2,050	1,950	2,054	1,858	1,657	1,572
45-64 years old	600	943	1,046	806	766	741	684	606	585
65 years and over	58	69	73	53	55	58	49	49	49
Female	3,370	4,499	4,457	3,794	3,791	3,707	3,324	3,046	3,003
16-19 years old	755	886	825	687	661	675	616	558	536
20-24 years old	760	985	961	815	794	752	674	585	558
25-44 years old	1,345	1,919	1,958	1,659	1,732	1,708	1,552	1,439	1,437
45-64 years old	473	670	671	589	566	539	453	427	430
65 years and over	36	38	41	45	39	33	30	38	41
White ³	5,884	8,241	8,128	6,372	6,191	6,140	5,501	4,944	4,770
16-19 years old	1,291	1,534	1,387	1,116	1,074	1,070	995	910	863
20-24 years old	1,364	1,770	1,678	1,282	1,235	1,149	1,017	874	856
Black ³	1,553	2,142	2,272	1,914	1,864	1,840	1,684	1,547	1,544
16-19 years old	343	396	392	353	357	347	312	288	300
20-24 years old	426	565	591	504	455	453	397	349	322
Hispanic ^{3,4}	620	929	961	800	811	857	751	732	750
16-19 years old	145	175	167	149	141	141	136	148	132
20-24 years old	138	221	214	164	171	183	152	145	158
Full-time workers	6,269	9,006	9,075	7,057	6,793	6,708	5,979	5,357	5,211
Part-time workers	1,369	1,672	1,642	1,481	1,519	1,529	1,446	1,343	1,317
UNEMPLOYMENT RATE (percent)⁵									
Total ¹	7.1	9.7	9.6	7.5	7.2	7.0	6.2	5.5	5.3
16-19 years old	17.8	23.2	22.4	18.9	18.6	18.3	16.9	15.3	15.0
20-24 years old	11.5	14.9	14.5	11.5	11.1	10.7	9.7	8.7	8.6
25-44 years old	6.0	8.6	8.5	6.4	6.2	6.1	5.4	4.8	4.5
45-64 years old	3.7	5.6	5.9	4.8	4.5	4.3	3.8	3.3	3.2
65 years and over	3.1	3.5	3.7	3.3	3.2	3.0	2.5	2.7	2.6
Male	6.9	9.9	9.9	7.4	7.0	6.9	6.2	5.5	5.2
16-19 years old	18.3	24.4	23.3	19.6	19.5	19.0	17.8	16.0	15.9
20-24 years old	12.5	16.4	15.9	11.9	11.4	11.0	9.9	8.9	8.8
25-44 years old	5.6	8.7	8.8	6.3	5.9	6.0	5.3	4.6	4.3
45-64 years old	3.5	5.6	6.2	4.8	4.5	4.4	4.0	3.5	3.3
65 years and over	3.1	3.7	3.9	3.0	3.1	3.2	2.6	2.5	2.4
Female	7.4	9.4	9.2	7.6	7.4	7.1	6.2	5.6	5.4
16-19 years old	17.2	21.9	21.3	18.0	17.6	17.6	15.9	14.4	14.0
20-24 years old	10.4	13.2	12.9	10.9	10.7	10.3	9.4	8.5	8.3
25-44 years old	6.4	8.3	8.2	6.6	6.6	6.2	5.5	4.9	4.8
45-64 years old	4.0	5.6	5.6	4.9	4.6	4.2	3.5	3.2	3.1
65 years and over	3.1	3.2	3.4	3.8	3.3	2.8	2.4	2.9	2.9
White ³	6.3	8.6	8.4	6.5	6.2	6.0	5.3	4.7	4.5
16-19 years old	15.5	20.4	19.3	16.0	15.7	15.6	14.4	13.1	12.7
20-24 years old	9.9	12.8	12.1	9.3	9.2	8.7	8.0	7.1	7.2
Black ³	14.3	18.9	19.5	15.9	15.1	14.5	13.0	11.7	11.4
16-19 years old	38.5	48.0	48.5	42.7	40.2	39.3	34.7	32.4	32.4
20-24 years old	23.6	30.5	31.4	26.1	24.5	24.1	21.8	19.6	18.0
Hispanic ^{3,4}	10.1	13.8	13.7	10.7	10.5	10.6	8.8	8.2	8.0
16-19 years old	22.5	29.9	28.4	24.1	24.3	24.7	22.3	22.0	19.4
20-24 years old	12.1	17.7	16.7	12.4	12.6	12.9	10.6	9.8	10.7
Experienced workers ⁶	6.9	9.3	9.2	7.1	6.8	6.6	5.8	5.2	5.0
Women maintaining families ¹	9.2	11.7	12.3	10.4	10.5	9.9	9.3	8.2	8.1
White	7.3	9.4	9.2	7.8	8.1	7.8	6.8	6.0	6.1
Black	14.0	18.0	20.2	16.7	16.4	15.4	15.4	13.7	13.0
Married men, wife present ¹	4.2	6.5	6.5	4.6	4.3	4.4	3.9	3.3	3.0
White	3.9	6.0	6.0	4.3	4.0	4.0	3.6	3.0	2.8
Black	7.4	11.5	11.3	8.1	8.0	8.0	6.5	5.8	5.8
Percent without work for—									
Less than 5 weeks	43.1	36.4	33.3	39.2	42.1	41.9	43.7	46.0	48.6
5-10 weeks	23.4	21.7	19.4	20.6	22.2	22.6	21.6	22.2	22.2
11-14 weeks	9.0	9.4	8.0	8.1	8.0	8.4	7.9	7.8	8.1
15-26 weeks	13.8	16.0	15.4	12.9	12.3	12.7	12.7	12.0	11.2
27 weeks and over	10.7	16.6	23.9	19.1	15.4	14.4	14.0	12.1	9.9
Unemployment duration, average (weeks)	11.9	15.6	20.0	18.2	15.6	15.0	14.5	13.5	11.9

¹ Includes other races, not shown separately. ² Aggregate hours lost by the unemployed and persons on part-time for economic reasons as a percent of potentially available labor force hours. ³ Includes other ages, not shown separately. ⁴ Persons of Hispanic origin may be of any race. ⁵ Unemployed as percent of civilian labor force in specified group. ⁶ Wage and salary workers.

Source: U.S. Bureau of Labor Statistics, *Employment and Earnings*, monthly; and unpublished data.

TABLE 7
Male Unemployment Rates by Race and Age
(Percentage of Persons in Labor Force)

Year	Age Range							
	16-17		18-19		20-24		25-34	
	Whites	Blacks & Others	Whites	Blacks & Others	Whites	Blacks & Others	Whites	Blacks & Others
1951	9.5	8.7	6.7	9.6	3.6	6.7	2.0	5.5
1952	10.9	8.0	7.0	10.0	4.3	7.9	1.9	5.5
1953	8.9	8.3	7.1	8.1	4.5	8.1	2.0	4.3
1954	14.0	13.4	13.0	14.7	9.8	16.9	4.2	10.1
1955	12.2	14.8	10.4	12.9	7.0	12.4	2.7	8.6
1956	11.2	15.7	9.7	14.9	6.1	12.0	2.8	7.6
1957	11.9	16.3	11.2	20.0	7.1	12.7	2.7	8.5
1958	14.9	27.1	16.5	26.7	11.7	19.5	5.6	14.7
1959	15.0	22.3	13.0	27.2	7.5	16.3	3.8	12.3
1960	14.6	22.7	13.5	25.1	8.3	13.1	4.1	10.7
1961	16.5	31.0	15.1	23.9	10.0	15.3	4.9	12.9
1962	15.1	21.9	12.7	21.8	8.0	14.6	3.8	10.5
1963	17.8	27.0	14.2	27.4	7.8	15.5	3.9	9.5
1964	16.1	25.9	13.4	23.1	7.4	12.6	3.0	7.7
1965	14.7	27.1	11.4	20.2	5.9	9.3	2.6	6.2
1966	12.5	22.5	8.9	20.5	4.1	7.9	2.1	4.9
1967	12.7	28.9	9.0	20.1	4.2	8.0	1.9	4.4
1968	12.3	26.6	8.2	19.0	4.6	8.3	1.7	3.8
1969	12.5	24.7	7.9	19.0	4.6	8.4	1.7	3.4
1970	15.7	27.8	12.0	23.1	7.8	12.6	3.1	6.1
1971	17.1	33.4	13.5	26.0	9.4	16.2	4.0	7.4
1972	16.4	35.1	12.4	26.2	8.5	14.7	3.4	6.8
1973	15.1	34.4	10.0	22.1	6.5	12.6	3.0	5.8
1974	16.2	39.0	11.5	26.6	7.8	15.4	3.5	7.2
1975	19.7	39.4	17.2	32.9	13.2	22.9	6.3	11.9
1976	19.7	37.7	15.5	34.0	10.9	20.7	5.6	11.0
1977	17.6	38.7	13.0	36.1	9.3	21.7	5.0	10.6
1978	16.9	40.0	10.8	30.8	7.6	20.0	3.7	8.8
1979	16.1	34.4	12.3	29.6	7.4	17.0	3.6	8.6
1980	18.5	37.7	14.6	33.0	11.1	22.3	6.0	12.5

Year	Age Range							
	35-44		45-54		55-64		65 and Over	
	Whites	Blacks & Others	Whites	Blacks & Others	Whites	Blacks & Others	Whites	Blacks & Others
1951	1.8	3.4	2.2	3.6	2.7	4.1	3.4	4.7
1952	1.7	4.4	2.0	4.2	2.3	3.7	2.9	4.7
1953	1.8	3.6	2.0	5.1	2.7	3.6	2.3	3.1
1954	3.6	9.0	3.8	9.3	4.3	7.5	4.2	7.5
1955	2.6	8.2	2.9	6.4	3.9	9.0	3.8	7.1
1956	2.2	6.6	2.8	5.4	3.1	8.1	3.4	4.9
1957	2.5	6.4	3.0	6.2	3.4	5.5	3.2	5.9
1958	4.4	11.4	4.8	10.3	5.2	10.1	5.0	9.0
1959	3.2	8.9	3.7	7.9	4.2	8.7	4.5	8.4
1960	3.3	8.2	3.6	8.5	4.1	9.5	4.0	6.3
1961	4.0	10.7	4.4	10.2	5.3	10.5	5.2	9.4
1962	3.1	8.6	3.5	8.3	4.1	9.6	4.1	11.9
1963	2.9	8.0	3.3	7.1	4.0	7.4	4.1	10.1
1964	2.5	6.2	2.9	5.9	3.5	8.1	3.6	8.3
1965	2.3	5.1	2.3	5.1	3.1	5.4	3.4	5.2
1966	1.7	4.2	1.7	4.1	2.5	4.4	3.0	4.9
1967	1.6	3.1	1.8	3.4	2.2	4.1	2.7	5.1
1968	1.4	2.9	1.5	2.5	1.7	3.6	2.8	4.0
1969	1.4	2.4	1.4	2.4	1.7	3.2	2.1	3.2
1970	2.3	3.9	2.3	3.3	2.7	3.4	3.2	3.8
1971	2.9	4.9	2.8	4.5	3.2	4.7	3.4	3.4
1972	2.5	4.8	2.5	3.8	3.0	4.6	3.3	6.9
1973	1.8	4.0	2.0	3.2	2.4	3.1	2.9	3.6
1974	2.4	4.1	2.2	4.0	2.5	3.6	3.0	5.6
1975	4.5	8.3	4.4	9.0	4.1	6.1	5.0	9.5
1976	3.7	7.3	3.7	7.2	4.0	6.2	4.8	9.3
1977	3.1	6.1	3.0	5.2	3.3	6.4	4.9	8.3
1978	2.5	4.9	2.5	5.0	2.6	4.4	3.9	7.1
1979	2.5	5.8	2.5	5.2	2.5	4.8	3.1	6.3
1980	3.6	7.8	3.3	6.6	3.1	6.0	2.5	8.8

Source: EIRP-81, Table A-30. Data for 1951-53 from earlier editions of the EIRP.

September 21, 1990

HOW "POOR" ARE AMERICA'S POOR?

INTRODUCTION

Next week the United States Census Bureau will release its annual report on "poverty" stating, as it has for many years, that there are some 31 million to 32 million poor Americans, a number greater than in 1965 when the War on Poverty began. Evidence mounts, however, that the Census Bureau's poverty report dramatically understates the living standards of low income Americans.

Here is a sample of facts that will not be mentioned in next week's poverty report.

- ◆ 38 percent of the persons whom the Census Bureau identifies as "poor" own their own homes with a median value of \$39,200.
- ◆ 62 percent of "poor" households own a car; 14 percent own two or more cars.
- ◆ Nearly half of all "poor" households have air-conditioning; 31 percent have microwave ovens.
- ◆ Nationwide, some 22,000 "poor" households have heated swimming pools or Jacuzzis.

"Poor" Americans today are better housed, better fed, and own more property than did the average U.S. citizen throughout much of the 20th Century. In 1988, the per capita expenditures of the lowest income fifth of the U.S. population exceeded the per capita expenditures of the median American household in 1955, after adjusting for inflation.¹

Better Off Than Europeans, Japanese. The average "poor" American lives in a larger house or apartment than does the average West European (This is the average West European, not poor West Europeans). Poor Americans eat far more meat, are more likely to own cars and dishwashers, and are more likely to have basic modern amenities such as indoor toilets than is the general West European population.

"Poor" Americans consume three times as much meat each year and are 40 percent more likely to own a car than the average Japanese. And the average Japanese is 22 times more likely to live without an indoor flush toilet than is a poor American.

The Census Bureau counts as "poor" anyone with "cash income" less than the official poverty threshold, which was \$12,675 for a family of four in 1989. The Census completely disregards assets owned by the "poor," and does not even count much of what, in fact, is income. This is clear from the Census's own data: low income persons spend \$1.94 for every \$1.00 in "income" reported by the Census. If this is true, then the poor somehow are getting \$0.94 in additional income above every \$1.00 counted by the Census. Indeed, the gap between spending and the Census's count of the income of the "poor" has grown larger year by year till, now, the Census measurement of the income of poor persons no longer has any bearing on economic reality.

Ignoring Billions of Dollars. A key reason that the Census undercounts the financial resources of the "poor" is that, remarkably, it ignores nearly all welfare spending when calculating the "incomes" of persons in poverty. Thus, as far as the Bureau is concerned, billions of dollars in in-kind benefits to poor Americans have no effect on their incomes. Out of \$184 billion in welfare spending, the Census counts only \$27 billion as income for poor persons. The bulk of the welfare system, including entire programs that provide non-cash aid to the poor, like food stamps, public housing, and Medicaid, is completely ignored in the Census Bureau's calculations of the living standards of the "poor." The missing welfare spending that is excluded from the Census Bureau poverty reports comes to \$158 billion, or over \$11,120 for every "poor" U.S. household.

1 U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Expenditures in 1988," *USDL Press Release Number 90-96*, February 26, 1990, Table 1. U.S. Department of Commerce, Bureau of the Census, *Historical Statistics of the United States, Part I* (Washington, D.C., U.S. Bureau of the Census), 1975, pp. 297 and 301.

The Census Bureau's poverty reports should be replaced by a new survey that counts income and assets accurately. With accurate counting, the number of poor persons would be shown to be only a small fraction of the Census Bureau's current estimate of 31.8 million.

Behavioral Effects of Welfare. However, the fact that there are fewer Americans living in material poverty than the official Census poverty report indicates, does not mean that the War on Poverty has been a success. Welfare spending seriously diminishes work effort and earned income. The largest effect of increased welfare spending is not to raise income but merely to replace self-sufficiency with dependence. Welfare also undermines family structure. In 1965 the black illegitimate birth rate was 28 percent; today it is 64 percent. Properly measured, the number of persons in material poverty has shrunk since 1965, but at the unnecessary cost of producing a burgeoning underclass. The current welfare system has created entire communities where work is rare, intact families virtually unknown, and dependence on government a way of life passed on from generation to generation.

HOW THE CENSUS BUREAU UNDERSTATES INCOME

The most comprehensive survey of welfare spending is provided by the non-partisan Congressional Research Service (CRS) of the Library of Congress. The CRS tracks state, local, and federal welfare spending in 75 "means-tested" programs, which are programs with benefits restricted to persons with low or limited income.² The CRS figures include programs targeted to low income persons such as Aid to Families with Dependent Children (AFDC), food stamps, and public housing. By contrast, the CRS does not include programs available to the general population, such as Social Security.

In fiscal 1988, the CRS recorded \$173 billion in means-tested welfare spending at all levels of government.³ There was an additional \$11.2 billion in Medicare spending on poor persons that year which was not included in the CRS total.⁴ The CRS means-tested figures plus Medicare benefits for poor persons yield a total welfare spending of \$184.2 billion in 1988.

During the presidency of Ronald Reagan, Americans were inundated by media reports of draconian cuts in welfare spending. But, the CRS data show otherwise.⁵ Today, welfare spending is at an all-time high. Adjusted for infla-

2 Vee Burke, *Cash and Non-cash Benefits for Persons with Limited Income: Eligibility Rules, Participant and Expenditure Data, FY 1986-88* (Washington, D.C., Congressional Research Service, The Library of Congress, October 24, 1989).

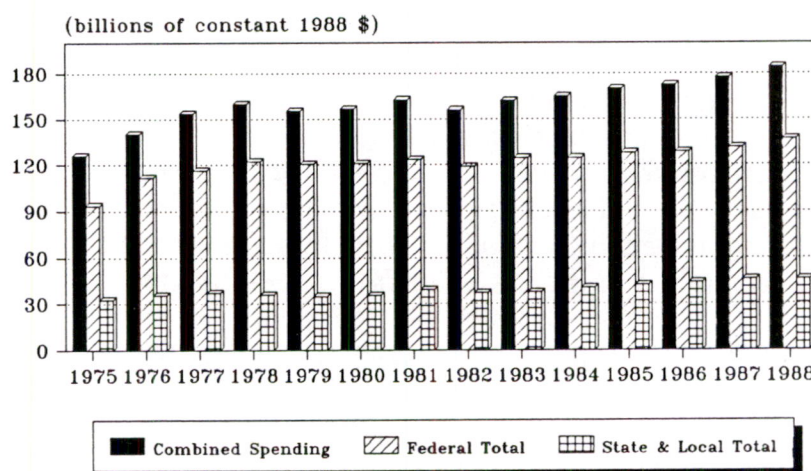
3 *Ibid.*, p. 6.

4 Estimate of percent of total Medicare spending going to "poor" is based on Congressional Budget Office figures showing 12.8 percent of Medicare recipients are "poor."

5 Vee Burke, *op. cit.*, p. 6.

tion, welfare spending at the state, local, and federal levels rose consistently through the 1980s. As Table 1 shows, welfare spending in constant 1988 dollars rose from \$156.6 billion in 1980 to \$184.2 billion in 1988. The total comes to \$5,790 for every poor person in the U.S., or \$23,160 for a family of four.

Table 1
Expenditures on Major Welfare Programs
FY 1975 - 1988



Heritage InfoChart

Source: Vee Burke, *Cash and Non-Cash Benefits for Persons with Limited Income: Eligibility Rules, Recipient and Expenditure Data FY 86-88*, p. 6; *op. cit.*, U.S. House of Reps., Committee on Ways and Means, *Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means: 1989 Edition* (Washington, D.C.: U.S. Government Printing Office, 1989), p. 152. Unpublished Congressional Budget Office data.

The Missing Billions

The Census Bureau considers a household as "poor" if its income falls below a specified "poverty income threshold." In 1988 the poverty income threshold for a family of four was \$12,675. That year, the Census Bureau estimates there were 33.3 million people who were poor before receiving welfare benefits; after receiving welfare benefits the number of poor persons fell to 31.9 million.⁶ In other words, according to the Census Bureau, \$184 billion in welfare spending reduced the number of poor persons in the U.S. by only 1.4 million, or \$131,570 in spending for each person lifted out of poverty. How is this possible?

The answer is simple: In counting the incomes of poor persons the Census Bureau actually excludes almost all welfare assistance. Some 75 percent of welfare spending in the U.S. is in the form of "non-cash" assistance. Yet the

6 U.S. Bureau of the Census, *Money Income and Poverty Status in the United States: 1988*, P-60, Number 166, p. 109.

Census Bureau ignores all non-cash benefits in determining the income of poor persons. Non-cash programs such as food stamps, public housing, energy assistance, school lunch and breakfast programs, and the Women, Infants, and Children's (WIC) food program are excluded from the Census Bureau's poverty calculations entirely.

Thus, the Census Bureau counts most persons receiving non-cash welfare as poor even if the total value of the welfare assistance received greatly exceeds the poverty income thresholds. Example: In 1988, many indigent elderly couples in New York state received income support from the Supplemental Security Income program and public housing assistance worth, on average, \$12,290. These couples also received Medicaid benefits costing an average of \$7,548. Despite the fact that they received welfare benefits with an average value of \$19,838, compared to the official poverty income threshold in 1988 of \$7,704 for elderly couples, the Census Bureau counted such elderly persons as "poor."⁷

Example: In Massachusetts in 1988 a welfare mother with three children could receive welfare benefits in the form of AFDC, food stamps, public housing, Medicaid, and school lunch and breakfast programs costing the taxpayers \$18,765 per year. The poverty income threshold for such a family that year was \$12,092. But the family would still be counted as poor by the Census Bureau.

Contradicting Itself. The misleading income figures used in the Census Bureau's annual poverty reports even contradict other Census data. Each year the Census Bureau undertakes a detailed survey of family expenditures to determine spending on rent, food, clothing, transportation, medical care, entertainment, and other items. While the Census Bureau poverty survey estimated that the average annual income of the poorest 20 percent of U.S. households in 1986 was \$5,904, the Bureau's Consumer Expenditure Survey showed that these same households were spending an average of \$11,477 that year. Thus the Census Bureau found that low income households spent \$1.94 for every \$1.00 of income reported in the Bureau's own income estimates.⁸ A small part of this discrepancy might be explained by some retired or temporarily unemployed individuals spending their savings. But a major part is due to excluded welfare income.

7 Average Medicaid benefit values for elderly persons in New York, excluding persons in institutions, is provided in the U.S. Bureau of the Census, *Technical Paper Number 58: Estimates of Poverty Including the Value of Non-Cash Benefits, 1987*, (U.S. Government Printing Office, December 1988), p. 25. Supplemental Security Insurance benefits are provided by in the House of Representatives, Committee on Ways and Means "Green Book," 1989 edition, p. 683. Public Housing subsidies from unpublished data provided by the U.S. Department of Housing and Urban Development.

8 Bureau of Labor Statistics, U.S. Department of Labor, *Consumer Expenditure Survey: Integrated Survey Data, 1984-86*, Bulletin No. 2333 (Washington, D.C.: U.S. Government Printing Office, August 1989) p.6. U.S. Census Bureau, *Measuring the Effect of Benefits and Taxes on Income and Poverty: 1986*, P-60, No.164-RD-1, p.20.

Underestimating the Welfare State

Table 2 analyzes the discrepancy between CRS and Census Bureau figures on welfare spending. According to CRS and other government sources, welfare spending was at least \$184 billion in 1988. But the Census Bureau counted only \$27 billion in welfare assistance when measuring household income. Part of this difference can be explained by welfare spending on persons in nursing homes and other institutions. These Americans are not included in the population surveyed by the Census in compiling its incomes and poverty data. Excluding welfare spending on persons in institutions, total welfare spending still equalled at least \$155.6 billion, so the total funds "lost" by the Census Bureau poverty reports amounted to \$128.7 billion in 1988.

Table 2
Missing Welfare Spending: 1988

(in \$ billions)	Total Welfare Spending: Congressional Research Service and Other Government Sources	Total Welfare Spending: Excluding Spending on Persons in Institutions	Total Welfare Spending: Census Bureau Estimates	Total Short Fall
Means-tested Cash Assistance	47.6	42.4	26.9	15.5
Means-tested Non-Cash Food Assistance	21.5	21.5	0	21.5
Means-tested Non-Cash Housing Assistance	14.7	14.7	0	14.7
Medicaid Other Means-tested Medical Benefits	66.4	43.2	0	43.2
Medicare for Poor Persons	11.2	11.2	0	11.2
Other Means-tested Non-Cash Benefits/Services	22.6	22.6	0	22.6
TOTAL	184.2	155.6	26.9	128.7

Source: Vee Burke, *Cash and Non-Cash Benefits for Persons with Limited Income: Eligibility Rules, Participant and Expenditure Data, FY 1986-88*, (Washington, D.C.: Congressional Research Service, The Library of Congress), October 24, 1989. *Background Material on Programs Within the Jurisdiction of the Committee on Ways and Means*, op. cit., p. 152. Unpublished data provided by Dept. of Health and Human Services.

Why the "Poor" Will Always Be With Us

The Census Bureau not only counts the number of poor persons in the U.S.; it also calculates the "poverty gap." This is the total amount of government assistance that would be needed to raise the income of all poor Americans up to the poverty income threshold. In 1986, the last year for which data are available, the poverty gap — before persons received any welfare benefits — was \$64.9 billion.⁹ After taking welfare benefits into consideration, the Census Bureau put the poverty gap at \$48.8 billion.¹⁰ Thus, according to the Bureau, \$126.2 billion spent on non-institutionalized persons in 1986 shrank the poverty gap by just \$16.1 billion. Every \$1.00 reduction in poverty, in other words, required at least \$7.80 in welfare spending.

Besides the exclusion of non-cash aid in measuring the impact of government assistance, two other factors help explain why enormous welfare spending appears to make such a small dent on poverty. First, up to 10 percent of all cash welfare spending is diverted to administrative costs. Second, the government distributes up to half of all welfare spending to persons who have low incomes but are not below the poverty line.

The implications of these figures are sobering. The total pre-welfare poverty gap in 1990 is approximately \$70 billion. Given the Census Bureau's current methods of measuring income, if the government expanded the existing welfare system, which provides 75 percent of benefits in non-cash assistance and targets nearly half of all aid to non-poor persons, it would require a staggering \$546 billion in welfare spending — or 46 percent of the total federal budget — to eliminate "poverty" in the U.S. As long as the Census Bureau continues to count poverty with its current methods, the U.S. inevitably will have a large number of "poor" persons every year for the foreseeable future.

EXAMINING "POVERTY" IN AMERICA

In addition to the serious deficiencies of the Census Bureau's measurement of income, the government's view of what constitutes "poverty" would be surprising to most Americans. Government data on the possessions of officially poor households starkly contradict the general public understanding of what it means to be "poor."

9 U.S. Census Bureau, *Measuring the Effects of Benefits and Taxes on Income and Poverty: 1986*, op. cit., pp. 163, 183.

10 *Ibid.*, pp. 158, 170.

Table 3
Consumer Durables Owned by "Poor" Households¹: 1987

	All "Poor" Households	"Poor" Owner-Occupied Households	"Poor" Renter-Occupied Households
One or more automobiles ²	62.2	77.9	52.4
Two or more automobiles	13.6	21.0	9
Air Conditioning	49.0	55.8	44.7
Microwave Oven	30.7	—	—
Washing Machine	56.0	84.6	38.1
Dishwasher	17.0	23.2	13.2
Garbage Disposal	18.9	15.1	21.3
Refrigerator	99.1	99.5	98.9
Telephone	81.3	91.4	75.0

1. Figures represent percent of "poor" households which own the specified item.

2. "Automobiles" includes personal trucks and vans.

Source: U.S. Department of Commerce, Bureau of the Census, *American Housing Survey for the United States in 1987*, (Washington, D.C.: U.S. Government Printing Office, 1989) pp. 40, 46, 90, 96, 108, 154. Energy Information Administration, U.S. Department of Energy, *Housing Characteristics 1987*, (Washington, D.C.: U.S. Government Printing Office, 1989), p. 87.

Table 4
Historical Data for Consumer Goods of American Households

% of households which own:	All U.S. Households						1987 % of households with income below "poverty" level which own:
	1900	1930	1940	1950	1960	1987	
Automobile	1	60	58	—	75	89	62
Icebox	18	40	27	11	0	0	0
Mechanical Refrigerator	0	8	44	80	90	99.6	99.1
No Refrigeration	82	52	29	9	10	3.4	0.9
Washing Machine	0	24	—	70	73	74.4	56
Dishwasher	0	1	—	3	—	46.2	17
Telephone	5	36 ¹	—	—	—	93.1	81.3
Radio	0	40	83	96	92	—	—

1. 1932

Source: Stanley Lebergott, *The American Economy Income, Wealth and Want*, (U.S.A.: Princeton University Press, 1976) pp. 281, 286, 287, 288, 290, 355. *American Housing Survey for the United States in 1987*, op. cit., pp. 40, 46.

Example: Nearly a third of all “poor” American households have microwave ovens.¹¹

Example: Sixty-two percent of “poor” households own a car, truck or van. Fourteen percent own two or more cars.¹²

Example: According to government figures, over 22,000 “poor” households have a heated swimming pool or a Jacuzzi.¹³

Today, officially “poor” households are more likely to own common consumer durables such as televisions and refrigerators than the average family in the 1950s. In 1930, nearly two-thirds of U.S. households did not own a radio; over half had no form of refrigeration. Among the poor today, less than one percent lack a refrigerator.¹⁴

Seventeen percent of U.S. households in “poverty” have automatic dishwashers, well above the rate for the general West European population in 1980.¹⁵ Among America’s “poor” there are 344 cars per 1,000 persons.¹⁶ This is roughly the same ratio as exists for the total population of the United Kingdom. A poor American is 40 percent more likely to own a car than the average Japanese; 30 times more likely than the average Pole; and 50 times more likely than the average Mexican.¹⁷

Housing Conditions of the “Poor”

According to the 1987 U.S. Census Housing Survey, 38 percent of poor households own their own homes, with a median value of \$39,205.¹⁸ Nearly 50 percent of officially poor households are air conditioned.¹⁹

11 U.S. Department of Energy, Energy Information Administration, *Housing Characteristics 1987* (Washington, D.C.: Government Printing Office, 1989), p. 87.

12 *American Housing Survey 1987, op. cit.*, p. 46.

13 *Housing Characteristics 1987, op. cit.*, p. 87.

14 Lebergott, *op. cit.*, p. 282. *American Housing Survey 1987, op. cit.*, p. 40.

15 Organization for Economic Cooperation and Development, *Living Conditions in OECD Countries* (Paris, OECD, 1986) pp. 126-127.

16 *American Housing Survey 1987, op. cit.*, pp. 46, 50.

17 *Ibid.*, pp. 46, 50. U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States: 1989*, Table 1418. Comparison based on cars per 1,000 persons.

18 Fifty-eight percent of “poor,” owner-occupied households are non-elderly. Data from the U.S. Department of Commerce and the U.S. Department of Housing and Urban Development, *American Housing Survey for the United States in 1987*, Current Housing Reports H-150-87, pp. 34, 84, 114, and 304.

19 *Ibid.*, p. 40.

Table 5
Historical Data On Housing of American Families

% of households with:	All U.S. Households						1987 % of households below "poverty level" with:
	1900	1930	1940	1950	1960	1987	
Moderate crowding: more than 1 person per room	52	—	20	16	11	2.7	7.5
Crowding: more than 1.5 persons per room	—	—	9	6.2	3.6	0.5	1.6
Severe crowding: more than 2 persons per room	8.9	0	0	0	0	0	0
Running water	2	—	70	83	93	99.6	98.4
Flush toilet	15	51	60	71	87	99.5	98.15
Electric lights	3	68	79	94	99	99.97	99.9

Source: Data for 1900-1960: Stanley Lebergott, *The American Economy: Income, Wealth, and Want*, passim. Data for 1987: *American Housing Survey In the United States 1987*, op. cit., pp. 38, 40, 88, 90, 146, 148.

The homes of these households, whether owned or rented, also are on average quite spacious by historic or international standards. By American standards, "crowded" housing means more than 1.5 persons occupy each room. Less than 2 percent of "poor" U.S. households were "crowded" in 1987, according to this definition, and only 7.5 percent of poor households had more than one person per room.²⁰

Table 6
Size of American Housing: 1910-1987

Average Number of Persons Per Room U.S. Total Population:							U.S. Poor Population
1910	1940	1950	1960	1970	1980	1987	1987
1.13	.74	.68	.60	.62	.50	.48	.56

Source: Lebergott, op. cit., p. 258; *American Housing Survey for the United States in 1987*, op. cit.

²⁰ *Ibid.*, p. 38.

On average, officially poor U.S. households have 0.56 persons per room, which means they have more space than that available to the average American household in 1970, and the average West European household in 1980.²¹ By contrast, the average Japanese lives in a home with 0.8 persons per room, the average Mexican lives in a house with 2.5 persons in a room, while the average citizen of India lives in a house with 2.8 persons per room.²²

Nearly all officially poor U.S. households, moreover, are equipped with basic modern plumbing, including running hot and cold water, indoor flush toilets and indoor baths. While 30 percent of all Americans were without indoor toilets, in 1950, less than 2 percent of poor Americans lacked them by 1987.²³ As Table 7 shows, America's poor are less likely to lack indoor plumbing than the general population in Western Europe. The average Japanese is 22 times more likely to lack an indoor toilet than is an American officially classified as "poor."

Table 7
Households Without Modern Amenities

	% Lacking Indoor Flush Toilet	% Lacking Fixed Shower or Bath
U.S.A.-Poor Households	1.8	2.7
Other Nations - All Households		
United Kingdom	6	4
West Germany	7	11
Italy	11	11
Spain	12	39
France	17	17
Norway	17	18
Belgium	19	24
Ireland	22	26
Greece	29	—
Portugal	43	—
Japan	54	17

Source: European and Japanese data from 1980 census: *Living Conditions In OECD Countries* (Paris, OECD, 1987), p. 139. U.S. data: U.S. Census, *American Housing Survey For the United States in 1987*, pp. 44, 38.

21 *Living Conditions*, op. cit., p. 133. U.S. average computed from *American Housing Survey* data, 1987.

22 United Nations, *Compendium of Housing Statistics*, 1983, pp. 251-261.

23 Stanley Lebergott, *The American Economy: Income, Wealth and Want* (U.S.A.: Princeton University Press, 1976) p. 272. *American Housing Survey 1987*, op. cit., p. 272.

The houses and apartments of America's "poor" are in far better condition than generally assumed. The median age of such housing units is only seven years greater than the median age for the overall U.S. housing stock.²⁴ The overwhelming majority of this housing is in sound condition. According to the 1987 *American Housing Survey* of the U.S. Census, only 2.4 percent of housing units owned or rented by households deemed "poor" had significant structural defects such as crumbling foundations or missing roof material.²⁵ Some 9 percent of poor households reported being uncomfortably cold at least once during the previous winter due to inadequate insulation, inadequate heating capacity, or equipment failure.²⁶ This was roughly double the rate for the general population.

Food Consumption Of Low Income Americans

On a per capita basis, low income households in 1988 spent 80 cents on food for every \$1.00 spent by the median American household.²⁷ And out of every food dollar spent by low income persons, 32 cents was spent in restaurants.²⁸

Surveys conducted by the Department of Agriculture show relatively little difference in overall food consumption between high and low income households. Though the food purchased by low income households normally

Table 8 Food Consumption: Low Income Persons Compared to Upper Middle Income Persons	
All Meats	95%
Steak	70%
Poultry	109%
Fish	114%
Fresh Vegetables	92%
Fresh Fruits	71%

Note: Figures represent average per capita consumption of persons in the lowest income 20% of households compared to average per capita consumption in the most affluent 50% of households. Consumption is measured in pounds per week.

Source: Human Nutrition Information Service, U.S. Department of Agriculture, *Food Consumption: Households in the United States, Spring 1977* (Washington, D.C.: U.S. Government Printing Office, 1982).

24 *American Housing Survey 1987*, *op. cit.*, p. 34.

25 *Ibid.*, p. 36.

26 *Ibid.*, p. 44.

27 Bureau of Labor Statistics, "Consumer Expenditures in 1988," *USDL Press Release*, Feb. 26, 1990, No. 90-96, *op. cit.*, pp. 90-6. Throughout this paper the term "low-income" shall be used in reference to the one-fifth of households with the lowest income in a given year, usually termed the "Bottom Quintile." The term upper middle class shall refer to the most affluent 50 percent of households.

28 *Ibid.*

is of lower quality and less expensive than that consumed by the upper middle class, there is little evidence of material shortages. For instance, the average low income person eats 95 percent as much meat as the average person in the upper middle class. Measured in pounds of food consumed per week, low income persons actually consume 114 percent as much poultry, 109 percent as much fish and 92 percent of the fresh vegetables consumed by the upper middle class.

Table 9
Average Nutriment Consumed
as a Percentage of 1980 Recommended Dietary Standards

	Persons eligible for food stamps	Low income persons	Upper-Middle income persons
Protein	169	156	168
Calcium	89*	79*	89*
Iron	99*	100	101
Magnesium	87*	78*	86*
Phosphorus	131	126	139
Vitamin A	124	144	129
Thiamin	119	113	111
Riboflavin	135	130	133
Niacin	118	120	125
Vitamin B₆	75*	71*	77*
Vitamin B₁₂	142	178	171
Vitamin C	137	134	156

*Average consumption falls below recommended dietary standards.

Source: *Nutrient Intakes in 48 States, Year 1977-78*, op. cit.; *Food and Nutrient Intakes in 1 Day, Low-Income Households, November 1979-March 1980*, op. cit., p. 126.

Table 9, derived from studies conducted by the Nutrition Information Service of the U.S. Department of Agriculture, shows the average nutritional status of persons from three income groups:

- 1) Low income persons, from the least affluent 20 percent of the population.
- 2) Persons receiving food stamps, and those whose income is low enough to be eligible for food stamps but who did not actually receive them.
- 3) Upper middle class persons from the most affluent half of the population.

The table compares average food consumption in each of the three income groups to USDA recommended nutritional standards. For all three groups food consumption exceeds the standards in almost every nutritional category. Differences between the upper middle class and poor in almost all cases are quite modest.

Food Consumption of Poor Children. Many advocates have expressed concern about malnutrition caused by poverty among young children. In 1985 the Department of Agriculture conducted a thorough study of the food consumption and nutritional status of pre-school children. This study showed very little difference in the nutritional content of food consumed by low income as compared to affluent Americans. Children from families with incomes below 75 percent of the poverty level consumed 54.4 grams of protein per day compared to 53.6 grams for children in families with incomes above 300 percent of poverty (roughly \$33,000 for a family of four in 1985).²⁹ Black pre-school children consumed 56.9 grams of protein per day compared to 52.4 grams for white children.³⁰ Surprisingly, protein and calorie consumption was slightly higher among children in the central cities than in the suburbs.³¹

Average consumption of nutrients was very high for pre-school children of all income classes. Protein consumption among children living in families with incomes below 75 percent of the poverty level equalled 211 percent of recommended USDA standards.³² Consumption of essential vitamins and minerals among both high income and poor children generally exceeded USDA standards, often by as much as 50 to 100 percent. Shortfalls were found in the average consumption of iron and zinc, but these were unrelated to income class or race.³³

International Comparisons. Rich and poor Americans typically eat rich diets in comparison to the rest of the world. The item most associated with an expensive diet is the level of meat consumption; as income increases, the level of meat consumption increases sharply. Table 10 compares the level of meat consumption of persons living in the 20 percent of American households with the lowest incomes, with the average citizen in various other countries. There is very little difference in meat consumption between high and low income Americans, but the differences between poor Americans and

29 Human Nutrition Information Service, U.S. Department of Agriculture, *Low Income Women 19-50 Years and Their Children 1-5 Years, 4 Days:1985*, CSF II Report 85-5, (Washington, D.C.:U.S. Department of Agriculture, 1988), p.50. Human Nutrition Information Service, U.S. Department of Agriculture, *Women 19-50 Years and Their Children 1-5 Years, 4 Days:1985*, CSF II Report No. 85-4, (Washington, D.C.:U.S. Department of Agriculture, 1987), p.42.

30 *Women 19-50 Years and Their Children 1-5 Years, 4 Days:1985*, op. cit., p.42.

31 *Ibid.*

32 *Low Income Women 19-50 Years and Their Children 1-5 Years, 4 Days:1985*, op.cit., p. 72.

33 *Low Income Women 19-50 Years*, op.cit., p.73. *Women 19-50 Years*, op.cit., p.65.

the average population in the rest of the world are dramatic. Low income Americans eat 75 percent more meat than the average Briton and 61 percent more than the average Italian. In a nation allegedly afflicted with a "hunger crisis," low income Americans eat twice as much meat as the average Portuguese, and two and a half times as much meat as the average Mexican, and nearly four times as much meat as the average Brazilian.

Poverty and Malnutrition. Malnutrition and hunger caused by poverty are virtually non-existent in the U.S. Protein and overall caloric intake are the most expensive factors of any diet. Nevertheless, in its extensive surveys the U.S. government has found no evidence of significant caloric or protein deficiencies among the poor.³⁴ Indeed, being overweight is the number one dietary problem of both rich and poor Americans.³⁵

Poor persons have lower levels of serum cholesterol than non-poor persons of the same age, sex, and race.³⁶ Moderate deficiencies of certain vitamins and minerals such as vitamin B6 and zinc occur in part of the U.S. population but are unrelated to income class.³⁷ Moderate calcium and iron deficiencies do occur more frequently among poor women than non-poor women. But such deficiencies normally are the result of the type of food consumed rather than the amount of money spent on food; simply raising the income of poor women would have little bearing on the problem. A more efficient response

Table 10
Meat Consumption by Average Citizens
in Various Nations as a % of Consumption
by Low Income Americans

Low Income Person	
U.S.A.	100
Average Person	
West Germany	75
France	70
Italy	62
Great Britain	57
U.S.S.R.	56
Romania	40
Mexico	39
Japan	39
Venezuela	31
Brazil	27

Source: Foreign Agriculture Service, U.S. Department of Agriculture, *World Livestock Situation*, March 1990, and unpublished data provided by the U.S. Department of Agriculture. See Also: *Food Consumption: Households in the United States, Spring 1977*, op. cit.

34 Life Sciences Research Office, Federation of American Societies for Experimental Biology, *Nutrition Monitoring in The United States: An Update on Nutrition Monitoring*, Report prepared for the U.S. Department of Agriculture and the U.S. Department of Health and Human Services, (Washington, D.C.: U.S. Government Printing Office, 1989), p.51.

35 *Ibid.*, p. 73.

36 *Ibid.*, p. II 72-47.

37 *Ibid.*, p. II 136-142.

would be to distribute inexpensive vitamin and mineral supplements to adult female recipients of food stamps and WIC assistance.

CREATING A NEW POVERTY REPORT

The Census Bureau's annual estimate of poverty does not provide useful information about the standard of living of low income Americans or the impact of antipoverty programs. The current poverty report should be abolished and replaced with a new report based on the following methodology:

1) The economic well-being of American households would be measured using a detailed survey of household expenditures, not the deficient "income" survey currently used.

2) For those households receiving government non-cash assistance, such as energy assistance or public housing, the Census Bureau would determine the full cost of the subsidy provided. Special care would need to be taken to ensure that the number of Americans receiving such programs was properly counted. The value of medical benefits would be determined by what is generally termed the "insurance value": the average cost of the benefits received by individuals of a similar age and gender.

3) The survey would determine home ownership, housing quality, and other household assets. If assets exceeded a certain level — say \$15,000 — the household would not be defined as poor.

4) Any household where expenditures plus the cost of additional government benefits did not exceed the current poverty income threshold, and which did not have assets above the fixed asset limit, would be counted as poor.³⁸

More Accurate Picture. Such a survey could be conducted readily by expanding the existing Consumer Expenditure Survey undertaken by the Census Bureau each year.³⁹ The new survey would provide a far more accurate picture of the economic conditions of poor households than the current Census poverty reports. It would also give far more useful information about the specific financial needs of poor families, such as whether they lack sufficient funds for medical care, food, or housing. Such a reformed survey still would show that there are poor households in America. But by including all cash and in-kind income, and making proper allowances for assets, the number would be a small fraction of the 31.9 million poor persons estimated by the Census in recent years.

38 In some cases a household could have an income above the poverty threshold but expenditures below it. Under the proposed system such a household would not be counted as poor.

39 Technically, the proposed survey would incorporate elements for the *Survey of Income and Program Participation*, the *American Housing Survey* and the *Consumer Expenditure Survey*.

WAS THE WAR ON POVERTY A SUCCESS?

About half of today's official "poor" actually are elderly Americans with assets, working families who have suffered a temporary job loss or a divorce, or self-employed persons hiding income from the government. Few of these households are poor by any normal standard, especially when assets and non-cash benefits are counted.

The other half of the officially poor population consists of what might be called the traditional poor: welfare families and individuals and family heads with chronic underemployment. The material living conditions of this group are far better than the Census Bureau poverty reports suggest. Many have income and benefits putting them well above the poverty thresholds. However, it would be a mistake to conclude from this that the War on Poverty has been a success. On the contrary, these households, intended to be the primary beneficiaries of the welfare state, have turned out to be its victims.

The explosion of welfare spending in the last 25 years may, possibly, have raised the material living standards of some less affluent Americans, but it has done so at an enormous cost in terms of destroyed families, an eroded work ethic, and possibly irreparable damage to the social and moral fabric of low income communities.

Welfare Dependence. The strongest effect of welfare is to diminish work effort, reducing earned income and thus making families more dependent on welfare. In the mid-1970s the U.S. Department of Health Education and Welfare undertook the most extensive and thorough controlled experiment on the behavioral consequences of welfare ever attempted in the United States: the Seattle/Denver Income Maintenance Experiment, known as "SIME/DIME," involving nearly 5,000 families over seven years. The SIME/DIME experiment showed that every \$1.00 of welfare given to low income persons reduced labor and earnings by 80 cents.⁴⁰ In other words, while welfare is very ineffective in raising the incomes of the poor, it is very effective in replacing work with dependence. Recent national data show that among the poorest 20 percent of U.S. households there is only one full-time worker for every seven full-time workers in the most affluent 20 percent of households.⁴¹

40 Gregory B. Christiansen and Walter E. Williams, "Welfare Family Cohesiveness and Out of Wedlock Births," in Joseph Peden and Fred Glahe, *The American Family and the State* (San Francisco: Pacific Institute for Public Policy Research, 1986), p. 398.

41 Robert Rector and Kate Walsh O'Beirne, "Dispelling the Myth of Income Inequality," The Heritage Foundation, *Backgrounder* No. 710, June 6, 1989, p. 8.

Tragically, the system designed to alleviate poverty in large part has been responsible for destroying the work ethic in low-income neighborhoods. There has been an enormous growth in the number of non-working poor families since the advent of the "War on Poverty." In the 1950s, nearly one-third of poor families as defined by the Census Bureau were headed by adults who worked full-time throughout the year. In those days the problem was low earnings. In 1988, only 16.4 percent of poor families had full-time working heads of households.⁴² Today, the problem is that adults do not work.

Destroying Families. A second major consequence of welfare is the destruction of families. The black illegitimate birth rate was 25 percent in 1963 when the War on Poverty began. Today it is 64 percent. If current trends continue it will reach 75 percent within ten years. Recent research by Shelley Lundberg and Robert D. Plotnick of the University of Washington shows that an increase of roughly \$200 per month in welfare benefits per family causes the teenage illegitimate birth rate in a state to increase by 150 percent.⁴³ According to the Census Bureau, a single parent family is six times more likely than an intact married couple family to be officially poor.⁴⁴ To a considerable extent, the welfare state is generating poverty in the United States.

The impact of welfare dependency also seems to spread from one generation to the next. Children born into welfare normally remain in the system for many years. Of the 3.8 million families currently on AFDC, well over half will remain on welfare for over ten years; many for fifteen or more years.⁴⁵ Research shows that, holding demographic and income variables constant, being raised in a welfare family has serious negative effects on the behavior of young adults and their life prospects, as indicated by factors such as high school graduation, employment, criminal activity, and drug use.⁴⁶ And June

42 Rector and O'Beirne, "Poverty and Plenty in America: Understanding Census Bureau Data," *Executive Memorandum* No. 253, October 18, 1989.

43 Shelley Lundberg and Robert D. Plotnick, "Adolescent Premarital Childbearing: Do Opportunity Costs Matter?", June 1990, a revised version of a paper presented at the May 1990 Population Association of America Conference in Toronto, Canada.

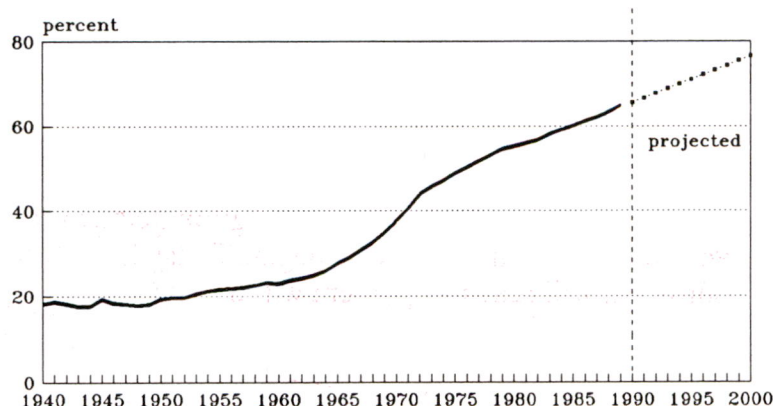
44 Rector and O'Beirne, *op.cit.* See also: Kate Walsh O'Beirne, "U.S. Income Data: Good Numbers Hiding Excellent News," *The Heritage Foundation, Background* No. 667, August 19, 1988, pp.4-5.

45 David Elwood, *Targeting "Would-be" Long-term Recipients of AFDC* (Washington, D.C.: U.S. Department of Health and Human Services, January 1986), p. 5.

46 Richard B. Freeman, "Who Escapes? The Relation of Churchgoing and Other Background Factors to the Socioeconomic Performance of Black Male Youths from Inner-City Poverty Tracks," pp. 357-377 and Robert Lerman, "Do Welfare Programs Affect the Schooling and Work Patterns of Young Black Men?", pp. 403-443. In Richard Freeman and Harry J. Holzer. *The Black Youth Employment Crisis*, 1986, University of Chicago Press.

Table 11

Black Illegitimate Birthrate 1940 - 2000



Heritage InforChart

Source: U.S. Department of Health and Human Services, National Center for Health Statistics.
Note: The black illegitimate birth rate is available only from 1969 on. The pre-1969 black illegitimate birth rates on this table were calculated from the very similar "Non-White" rate.

O'Neill, Director of the Center for the Study of Business and Government at Baruch College, City University New York, has found that after adjusting for racial and socio-economic differences, young women from AFDC families are three times more likely to receive AFDC themselves, as mothers.⁴⁷

Material Poverty Versus Behavioral Poverty

In the late 1920s the median household income in the U.S. was around \$1,600. After adjusting family incomes for inflation, over half of the families in this period would be considered "poor" using current official standards.⁴⁸ Indeed, nearly all adult Americans living today had a parent or grandparent who was "poor" according to the Census Bureau definition adjusted for inflation. Yet despite their low material standard of living, most of these individuals from earlier generations were not "poor" in a meaningful sense. Their behavior and values were middle class.

47 M. Anne Hill and June O'Neill, *Underclass Behaviors in the United States: Measurement and Analysis of Determinants*, Center for the Study of Business and Government, March 1990.

48 Estimated from *Historical Statistics*, *op. cit.*, pp. 300, 301. Income figures include self consumed food and fuel production by farm households.

But many of today's poor, while having a material standard of living above average Americans in an earlier period, are in another more important sense, very poor. They are trapped in "behavioral poverty": a vicious cycle of illegitimacy, destroyed families, absent work ethic, crime, drug addiction, and welfare dependency. Senator Daniel Moynihan, the New York Democrat, has stated that "in many if not most of our major cities we are facing something like social regression."⁴⁹ The welfare state, while transferring enormous financial resources to these lower income Americans, adds to this "behavioral poverty," rather than relieving it. And the Census poverty reports, by exaggerating poverty in the U.S. and thereby stimulating even greater welfare spending, in a real sense has added to the misery of these households.

CONCLUSION

It seems incredible to most Americans that so much can be spent combating poverty and yet millions of households remain poor. They are right to be incredulous. The fact is that the annual Census Bureau poverty reports vastly overstate the number of American poor because in determining who is "poor" they ignore assets and dramatically undercount the incomes of low income households.

An accurate examination of the expenditures, food consumption, housing, and assets of so-called poor families shows that there are far fewer persons in poverty than the Census Bureau indicates.

The principal reason the Census Bureau undercounts the incomes of the poor is that it deliberately ignores the effects of nearly the entire welfare system. Programs such as food stamps, public housing and Medicaid simply are excluded from the Census Bureau poverty estimates. The total welfare spending ignored in this way amounts each year to about \$128.7 billion.

New Underclass. Yet it would be a mistake to conclude that systematic errors by the Census Bureau mask success in the War on Poverty. Vast welfare spending designed to eliminate material poverty has in turn generated a new underclass, destroying the work ethic, family structure, and the social fabric of large segments of the U.S. population. Most material poverty has been replaced by a far deeper and more serious "behavioral poverty."

49 Daniel Patrick Moynihan, "Toward a Post-Industrial Social Policy," *The Public Interest*, No. 96, Summer 1989, p. 24.

Census "Openness." For most of this century the Soviet government conducted a "disinformation" campaign using government statistics to show that the living standards of Soviet citizens were far higher than they actually were. For thirty years the U.S. Census Bureau has, in effect, been conducting a disinformation campaign suggesting that the living standards of America's "poor" are far lower than, in reality, they are. It is time for "glasnost" at the Census Bureau.

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OFFICE OF THE VICE PRESIDENT
WASHINGTON

DATE:

TO:

FROM: Richard W. Porter
Counselor to the Vice President

~~*~~ Bonus sentence from Mary
Kate

Between 1.7 & 1.8 million
additional violent crimes
would have been committed
in the decade of the 80s
had the trend from 1959-79
continued."

faxing rest



TELE-FAX COVER SHEET

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SPEECH EXCERPT

PERHAPS HUNDREDS, FEWER VICTIMS ON OUR STREETS.

IN MY VIEW, IF WE WANT TO ACHIEVE ANY REDUCTION IN VIOLENT CRIME IN OUR SOCIETY, IN OUR LIFETIME, AND OUR CHILDREN'S LIFETIME, THIS POLICY OF INCAPACITATING REPEAT OFFENDERS THROUGH INCARCERATION IS THE ONLY POLICY THAT HAS ANY PROSPECT OF SUCCESS.

INDEED, THE HISTORY OF THE LAST 30 YEARS SHOWS CLEARLY THAT A TOUGH INCARCERATION POLICY WORKS.

IN THE 1950'S WE HAD TOUGH INCARCERATION POLICIES, AND VIOLENT CRIME WAS HELD AT LOW LEVELS.

WE ABANDONED THESE TOUGH POLICIES IN THE 1960'S AND 1970'S.

THIS WAS THE ERA OF PERMISSIVENESS. CRIMINALS WERE VIEWED AS SOCIETY'S VICTIMS; NOT AS ITS VICTIMIZERS.

THE PREVAILING ATTITUDE WAS THAT THE ANSWER TO CRIME WAS NOT IMPRISONMENT, BUT MASSIVE SOCIAL SPENDING TO CURE THE PERCEIVED "ROOT CAUSES" OF CRIME.

AS A RESULT OF THIS PERMISSIVENESS, -- DURING THE 1960'S AND EARLY 1970'S -- INCARCERATION RATES DROPPED SUBSTANTIALLY.

FEWER VIOLENT OFFENDERS WERE SENT TO PRISON. SENTENCES WERE

SHORTER. THE OVERALL STATE PRISON POPULATION ACTUALLY DECLINED.

AND WHAT WAS THE RESULT? AS INCARCERATION RATES DROPPED, VIOLENT CRIME SKYROCKETED.

INDEED, THE RATE OF VIOLENT CRIME MORE THAN DOUBLED IN THE 1960'S. BY THE END OF THE 1970'S IT HAD ALMOST QUADRUPLED.

THIS UNBELIEVABLE SPIRAL PEAKED IN 1980.

THAT YEAR -- 1980 -- WAS A WATERSHED. THE REACTION AGAINST THE EXCESSES OF THE 1960'S AND 1970'S STARTED TO TAKE HOLD.

DURING THE 1980'S WE STARTED TO TOUGHEN UP OUR CRIMINAL JUSTICE SYSTEM -- AT THE FEDERAL LEVEL AND IN SOME STATES. WE HAD BAIL REFORM AND PAROLE REFORM. WE GOT SURER AND STRONGER SENTENCES.

PERHAPS MOST IMPORTANTLY THE FEDERAL GOVERNMENT AND MANY STATES MADE THE NECESSARY INVESTMENT TO BUILD NEW PRISON SPACE.

IN LINE WITH THESE TOUGHER POLICIES, THE INCARCERATION RATE MORE THAN DOUBLED DURING THE 1980'S. IN THAT DECADE, THE TOTAL PRISON POPULATION GREW FROM 305,000 IN 1980 TO 775,000 IN 1990.

AND WHAT WAS THE RESULT OF THESE TOUGHER POLICIES?

THE SPIRALING CRIME RATES OF THE 60'S AND 70'S WERE HALTED.

AFTER PEAKING IN 1980, THE CRIME RATE LEVELED OFF AND EVEN EDGED SLIGHTLY DOWNWARD FOR SEVERAL YEARS.

THE FBI'S UNIFORM CRIME REPORT SHOWS THIS LEVELING OFF DRAMATICALLY.

IN THE 60'S THE MURDER RATE CLIMBED 55%; IN THE 70'S IT ROSE 29%; IN THE 80'S IT ACTUALLY DROPPED BY 8%.

IN THE 60'S THE RATE OF AGGRAVATED ASSAULT AND ROBBERY INCREASED BY 187%; IN THE 1980'S IT INCREASED BY ONLY 2%.

THE NATIONAL CRIME VICTIMIZATION SURVEY OF THE BUREAU OF JUSTICE STATISTICS -- WHICH ESTIMATES BOTH REPORTED AND UNREPORTED CRIMES -- INDICATES THAT IN THE 1980'S RAPE DROPPED 29%, AGGRAVATED ASSAULT BY 11%, AND ROBBERY BY 17%.

THE NATIONAL EXPERIENCE HAS ALSO BEEN REFLECTED IN STATES THAT HAVE GOTTEN TOUGH. IN THE 1980'S, CALIFORNIA MORE THAN QUADRUPLLED ITS PRISON POPULATION.

BY THE EARLY 1990'S, CALIFORNIA'S MURDER, RAPE, AND BURGLARY RATES HAD DROPPED BY 24% TO 37%.

WHAT ALL THIS SHOWS IS THAT THE TOUGH INCARCERATION POLICIES OF THE 1980'S WORKED.

WHILE THE VIOLENT CRIME RATE IS STILL UNACCEPTABLY HIGH, WE HAVE AT LEAST SEEN AN END TO THE DRAMATIC INCREASES THAT MARKED THE PREVIOUS TWO DECADES.

THIS IS A GREAT ACHIEVEMENT, AND WHAT MAKES IT REMARKABLE IS THAT IT WAS ACHIEVED AT THE HEIGHT OF THE CRACK COCAINE EPIDEMIC, WHICH HAS SPAWNED ITS OWN EPIDEMIC OF VIOLENCE.

AS BAD AS VIOLENT CRIME LEVELS ARE TODAY, IT IS HORRIFYING TO IMAGINE WHERE WE WOULD BE IF NOT FOR THE TOUGH INCARCERATION POLICIES OF THE 1980'S.

