

The Economic Report of the President: Examining the Economic Well-Being of Children

President Clinton is committed to investing in the future of our children. The Administration has adopted a number of strategies to ensure that children grow up in a economically and socially stable environment. These efforts have resulted in a dramatic improvement in the overall welfare of our children. The Administration will continue to invest in these and other new initiatives to improve upon the gains they have already made.

THE RESULTS

A Decline in the Poverty Rate. The official poverty rate among children trended upward from 1969 to 1993. Recently, however, that trend has been reversed, with the child poverty rate declining by 2.2% between 1993 and 1996. The recent expansion of the Earned Income Tax Credit (EITC) is largely responsible for this reduction.

An Increase in the Availability of Food. The percentage of children living in households without enough to eat has fallen from 4.1% in 1989-1991 to 3.0% in 1994-1996 for all children, and from 13.5% to 9.4% for children in households with incomes below 130% of the poverty line.

An Improvement in the Adequacy and Quality of Housing. The percentage of all households with children living in housing with moderate to severe physical problems fell from 8.7% in 1978 to 7.2% in 1995, and from 18% to 12.9% for very low income renters. In addition, households with children were less likely to live in crowded living situations in 1995 than in 1978: the percentage of people living in housing with more than one person per room dropped from 9.4% to 6.6% for all households and from 21.9% to 17% for low-income rentals.

Lower Infant Mortality Rates. Infant mortality rates fell from 9.8 deaths per 1,000 births in 1989 to 7.2 per 1,000 births in 1996. Mortality rates have also continued to decline since the mid-1980's for all children and youths except those aged 15-19.

Increased Access to Health Care. The proportion of children who are enrolled in Medicaid increased from 16% in 1989 to 23% in 1995. By 1996 all pregnant women and all children under the age of 6 who had family incomes below 133% of the poverty line were eligible for Medicaid. The average number of physician visits per year rose by more than 30% for poor children in fair or poor health, and by more than 10% for poor children in excellent or good health.

More Child Support Payments. From 1992 to 1996 child support payments increased by 50%, to a record \$12 billion.

Gains in Educational Test Scores. Results from the National Assessment of Educational Progress (NAEP) suggests that achievement in math, science and reading has improved since the late 1970s. These gains have been especially dramatic for black and Hispanic students in mathematics and science.

CHALLENGES AHEAD

Child Care Quality and Affordability. One study found that 86% of child care centers surveyed provided mediocre or poor care when judged from the perspective of childhood development. Additionally, although there are approximately 10 million children under 13 with employed mothers and family incomes below 200% of poverty level, only approximately 1 million low-level children under 13 receive federally subsidized care.

Educational Standards. 38% of eighth-grade children performed below the basic level in mathematics, as did 40% in science and 30% in reading. United States eighth-graders mathematics scores were below that of children from 20 other nations.

Inequality along Racial and Gender Lines. The poverty rate for black and Hispanic children was 2.5 times that for white children, and the rate for children in female-headed households with no male present was nearly five times that for children in married-couple families.

Increasing Rent Burden. The percentage of households with children that spend more than half their income on housing has increased from 6.5% in 1978 to 11.5% in 1995. For renters with very low incomes the increase has been from 31% to 37.6%.

Levels of Low Birth Weights. The levels of low birth weight have increased slightly, from 7% in 1989 to 7.3% in 1995.

Mortality Rates for 15-19 Year Olds. The mortality rate for this age group has increased since 1985. Homicide rates in this group have more than doubled, and the homicide rate for black adolescents has nearly tripled.

SUCCESSFUL INITIATIVES

A Higher Minimum Wage. The Administration worked successfully to increase the minimum wage from \$4.25 to \$4.75 per hour in October 1996 and to \$5.15 per hour in 1997, bringing the minimum wage to its highest level in real terms since 1984.

An Expanded Earned Income Tax Credit (EITC). In 1993 Congress approved the Administration's proposal to expand the Earned Income Tax Credit. Designed primarily for low-income families with children, the EITC has produced significant increases in the levels of income of working parents.

Welfare Reform. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 dramatically restructured the welfare system to promote work and individual responsibility. The law converted the Aid to Families with Dependent Children (AFDC) into a new block grant, and expanded funding for child care to make it easier for families to move from welfare to work.

Increased Child Support Enforcement. Federal legislation in 1993, 1994 and 1996 included measures to make child support enforcement systems more effective. Tough new penalties and uniform interstate child support laws, among other features, have had a successful impact on child

support enforcement.

NEW INITIATIVES

A Renewed Commitment to Safe and Affordable Housing. President Clinton proposes to increase the low-income housing tax-credit, giving States the authority to allocate a fixed pool of tax credits to developers of affordable housing. For 1999, the President proposes increasing the credit from \$1.25 to \$1.75 per State resident. The Administration also has expanded funding for the HOME investments partnership program to \$1.5 billion in fiscal year 1999. This program offers States funding to develop affordable housing options for low-income families.

Further Expanding Children's Access to Health Insurance. The Administration proposes to expand children's health insurance coverage through the new Children's Health Insurance Program (CHIP). This program offers States \$24 billion over 5 years to expand health insurance programs for uninsured low-income children. In addition, the President will make enrolling uninsured low-income children in Medicaid and CHIP a priority through outreach campaigns in cooperation with States, business and community groups and health care providers.

Additional Support for Child Care. President Clinton is committed to increasing the affordability and quality of child care for low-income working families. By expanding child care subsidies and after-school care for children, increasing tax credits for child care expenses and improving learning and child care quality, the President fulfills that commitment. The proposal would devote \$21.7 billion towards making quality child care an affordable resource for these families.

Improving the Education of Our Children. The President proposes two major initiatives to increase the financial resources available to public schools. The President proposes that \$12.4 billion be devoted over 7 years to reduce class sizes in public schools in class grades 1 to 3 nationwide from an average of 22 pupils to an average of 18, and to help school districts hire an additional 100,000 teachers. The funding would also provide funds to States and localities to test new teachers, develop more rigorous teacher testing and certification requirements, and train teachers in effective reading instruction. The President is also proposing Federal tax credits to pay interest on nearly \$22 billion in bonds to build and renovate public schools. Half of this new bond authority would be allocated to the 100 school districts with the largest number of low-income children, and the other half would be allocated to the States.

Expenditures on Children by Families

1997 Annual Report

UNITED STATES DEPARTMENT OF AGRICULTURE
Miscellaneous Publication Number 1528-1997

March 24, 1998

Abstract

Lino, Mark. 1998. Expenditures on Children by Families, 1997 Annual Report. U.S. Department of Agriculture, Center for Nutrition Policy and Promotion. Miscellaneous Publication No. 1528-1997.

Since 1960, the U.S. Department of Agriculture has provided estimates of expenditures on children from birth through age 17. This technical report presents the most recent estimates for husband-wife and single-parent families using data from the 1990-92 Consumer Expenditure Survey, updated to 1997 dollars using the Consumer Price Index. Data and methods used in calculating annual child-rearing expenses are described. Estimates are provided for major components of the budget by age of child, family income, and region of residence. For the overall United States, child-rearing expense estimates ranged between \$8,060 and \$9,170 for a child in a two-child, married-couple family in the middle income group. Adjustment factors for number of children in the household are also provided. Results of this study should be of use in developing State child support guidelines and foster care payments as well as in family educational programs.

Keywords: children, expenditures

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March 1998

Executive Summary

Since 1960, the U.S. Department of Agriculture (USDA) has provided estimates of annual expenditures on children from birth through age 17. This technical report presents the 1997 estimates for husband-wife and single-parent families. The 1997 figures for husband-wife families for the Nation as a whole are shown in table ES-1. Other tables are shown at the end of the report.

For husband-wife families, estimates are for three income groups and for single-parent families, two income groups. To partially adjust for price differentials and varying patterns of expenditures, estimates are also provided for husband-wife families in urban areas in four regions (West, Northeast, South, and Midwest) and for rural areas throughout the United States, as well as for the United States overall. For single-parent families, estimates are provided only for the United States because of sample size limitations. Expenditures on children are estimated for the major budgetary components: Housing, food, transportation, clothing, health care, child care and education, and miscellaneous goods and services.

Methods

Data used to estimate expenditures on children are from the 1990-92 Consumer Expenditure Survey—Interview portion (CE). Administered by the Bureau of Labor Statistics (BLS), U.S. Department of Labor, this survey is the most comprehensive source of information on household expenditures available at the national level. The sample consists of 12,850 husband-wife households and 3,395 single-parent households and was weighted to reflect the U.S. population of interest, using BLS weighting methods.

Multivariate analysis was used to estimate household and child-specific expenditures, controlling for income level, family size, and age of the younger child so estimates could be made for families with these varying characteristics (regional estimates were also derived by controlling for region). Households with two children were selected as the base since this was the average number of children in two-parent families.

Estimated household and child-specific expenditures were allocated among family members. Since the estimated expenditures for clothing, child care, and education only apply to children (adult-related expenses for these items were excluded), allocations of these expenses were made by dividing the estimates equally among the children.

The 1994 food plans of USDA were used to allocate food expenses among family members. These plans, derived from a national food consumption survey, show the share of food expenses attributable to individual family members by age and household income level. These member food budget shares were applied to estimated 1990-92 household food expenditures to determine food expenses on a child. Similarly, health care expenses were allocated to each family member based on budget share data from the 1987 National Medical Expenditure Survey. This survey contains data on the proportion of health care expenses attributable to individual family members. These member budget shares for health care were applied to estimated 1990-92 household health care expenditures to determine expenses on a child.

Unlike food and health care, no research base exists for allocating estimated household expenditures on housing, transportation, and other miscellaneous goods and services among family members. USDA uses the per capita method in allocating these expenses; the per capita method allocates expenses among household members in equal proportions. A marginal cost method, which assumes that expenditures on children may be measured as the difference in total expenses between couples with children and equivalent childless couples, was not used because of limitations with this approach. The marginal cost method depends on development of an equivalency measure for which there is no established base. Various measures have been proposed, with each yielding different estimates of expenditures on children. Also, some of the marginal cost approaches do not consider substitution effects. They assume, for example, that parents do not alter their expenditures on themselves after a child is added to a household.

As transportation expenses resulting from work activities are not related to expenses on children, these costs were excluded when estimating children's transportation expenses. The overall USDA methodology was repeated for families with one child and more than two children so adjustments may be made for families of different sizes.

Although based on the 1990-92 CE, the expense estimates were updated to 1997 dollars using the Consumer Price Index (CPI) (1990 and 1991 expenditure and income data were first converted to 1992 dollars; then all 3 years of data were updated to 1997 dollars).

Table ES-1. Estimated annual expenditures* on a child by husband-wife families, overall United States, 1997

Age of child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous†
Before-tax income: Less than \$35,500 (Average=\$22,100)								
0-2	\$5,820	\$2,220	\$830	\$730	\$370	\$400	\$690	\$580
3-5	5,920	2,190	920	700	360	380	780	590
6-8	6,070	2,120	1,190	820	410	440	460	630
9-11	6,090	1,910	1,420	890	450	480	280	660
12-14	6,880	2,130	1,490	1,000	760	480	200	820
15-17	6,790	1,720	1,610	1,350	670	510	330	600
Total	\$112,710	\$36,870	\$22,380	\$16,470	\$9,060	\$8,070	\$8,220	\$11,640
Before-tax income: \$35,500 to \$59,700 (Average=\$47,200)								
0-2	\$8,060	\$3,000	\$990	\$1,090	\$440	\$520	\$1,130	\$890
3-5	8,270	2,970	1,140	1,060	430	500	1,260	910
6-8	8,350	2,900	1,460	1,180	480	570	810	950
9-11	8,320	2,700	1,710	1,250	530	620	530	980
12-14	9,050	2,920	1,730	1,360	890	620	390	1,140
15-17	9,170	2,500	1,920	1,720	790	660	660	920
Total	\$153,660	\$50,970	\$26,850	\$22,980	\$10,680	\$10,470	\$14,340	\$17,370
Before-tax income: More than \$59,700 (Average=\$89,300)								
0-2	\$11,990	\$4,770	\$1,310	\$1,520	\$580	\$600	\$1,710	\$1,500
3-5	12,230	4,740	1,480	1,490	570	580	1,860	1,510
6-8	12,180	4,670	1,790	1,610	620	660	1,280	1,550
9-11	12,090	4,470	2,080	1,680	680	710	890	1,580
12-14	12,930	4,690	2,180	1,790	1,120	710	690	1,750
15-17	13,260	4,270	2,300	2,180	1,020	750	1,210	1,530
Total	\$224,040	\$82,830	\$33,420	\$30,810	\$13,770	\$12,030	\$22,920	\$28,260

*Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 1997 dollars using the Consumer Price Index. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.24. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.77. For expenses on all children in a family, these totals should be summed.

†Miscellaneous expenses include personal care items, entertainment, and reading materials.

Results

Expenses on younger child in two-child, husband-wife households:

- Estimated expenses vary considerably by household income level. Depending on age of the child, the expenses range from \$5,820 to \$6,880 for families in the lowest income group (1997 before-tax income less than \$35,500), from \$8,060 to \$9,170 for families in the middle income group (1997 before-tax income between \$35,500 and \$59,700), and from \$11,990 to \$13,260 for families in the highest income group (1997 before-tax income more than \$59,700).
- As a proportion of total child-rearing expenses, housing accounts for the largest share across income groups, comprising 33 to 37 percent of expenses. Food is the second largest average expense on a child for families regardless of income level, accounting for 15 to 20 percent of child-rearing expenses.
- Expenditures on children are lower in the younger age categories and higher in the older age categories. This held across income groups.
- Overall child-rearing expenses are highest for families in the urban West, followed by the urban Northeast and urban South; families in the urban Midwest and rural areas have the lowest child-rearing expenses.

Expenses on older child and on children in husband-wife households of different sizes:

- Tables 1-6 (see pp. 15-20) reflect total expenditures on an older child in a two-child family, as well as on a younger child (as shown by additional analyses). Annual expenditures on children may be estimated by summing the total expenses for the specific age categories of the two children.
- Compared with expenditures for each child in a two-child family, households with one child spend an average of 24 percent more on the single child, and those with three or more children spend an average of 23 percent less on each child.

Expenses on children in single-parent households:

- For the younger child in a two-child household, the child-rearing expense patterns of single-parent households are similar to those of husband-wife households. The primary difference is that the majority of single-parent households are in the lower income group.
- In single-parent households with two children, about 7 percent less is spent on the older child than on the younger child at a specific age category. In addition, more is spent if a single-parent household has only one child and less is spent per child if a single-parent household has three or more children.

Other Expenditures on Children

Expenditures estimated in this study are composed of direct parental expenses made on children through age 17 for seven major budgetary components. These expenditures exclude college costs and other parental expenses on children after age 17. In addition, expenditures on children made by people outside the household and by the government are not included. Indirect costs involved in child rearing by parents (time costs, foregone earnings and career opportunities) are also not included in the estimates.

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Expenditures on Children by Families

The U.S. Department of Agriculture (USDA) provides estimates of expenditures on children from birth through age 17 by husband-wife and single-parent families. The figures for 1997 are shown in tables 1–7, which have been placed for convenience at the end of this report. Recent USDA estimates are not directly comparable to estimates published in 1988 or earlier because of changes in methods (U.S. Department of Agriculture 1981). The estimates are comparable to those made in 1989 and later as the methodology for the estimates is essentially the same for these years. For husband-wife families, estimates are for three income groups and for single-parent families, two income groups. To partially adjust for price differentials and varying patterns of expenditures, estimates are also provided for husband-wife families in urban areas in four regions (West, Northeast, South, and Midwest) and for rural areas throughout the United States, as well as for the United States overall. Urban areas are defined as Metropolitan Statistical Areas (MSA's) and other places of 2,500 or more people outside an MSA; rural areas are places of fewer than 2,500 people outside an MSA.

For single-parent families, estimates are provided only for the United States overall because of sample size limitations. Expenditures on children are estimated for the major budgetary components: Housing, food, transportation, clothing, health care, child care and education, and miscellaneous goods and services. The box on p. 2 describes each expenditure component.

Source of Data

Data used to estimate expenditures on children are from the 1990-92 Consumer Expenditure Survey-Interview portion (CE). This survey is the most comprehensive source of information on household expenditures available at the national level. Administered by the Bureau of Labor Statistics (BLS), U.S. Department of Labor, the CE has been conducted annually since 1980 and collects information on characteristics and income as well as expenditures of consumer units. For this study, the terms *households* and *families* are used for consumer units. About 5,000 households are interviewed each quarter over a 1-year period. Each quarter is deemed an independent sample by BLS, bringing

the total number of households in each year's survey to about 20,000 households.

From these households, husband-wife and single-parent families were selected for this study if: (1) they had at least one child of their own, age 17 or under, in the household, (2) they had six or fewer children, (3) there were no other related or unrelated people present in the household except their own children, and (4) they were complete income reporters. As defined by BLS, complete income reporters are households that provide values for major sources of income, such as wages and salaries, self-employment income, and Social Security income. Quarterly expenditures were annualized. The sample consisted of 12,850 husband-wife households and 3,395 single-parent households and was weighted to reflect the U.S. population of interest, using BLS weighting methods.

Although based on 1990-92 data, the expense estimates were updated to 1997 dollars using the Consumer Price Index (CPI) (1990 and 1991 expenditure and income data were first converted to 1992 dollars; then all 3 years of data were updated to 1997 dollars). Income levels of households were updated to 1997 dollars using the all-items category of the CPI, and expenditures were updated using the CPI for the corresponding item (that is, the CPI's for housing, food, etc.). Regional estimates were updated to 1997 dollars using the regional CPI's. Because there is no rural CPI, the CPI for size class D—nonmetropolitan areas with populations less than 50,000—was applied to rural areas.

Expenditures by Husband-Wife Families

Estimating Expenditures

The CE collects overall household expenditure data for some budgetary components (housing, food, transportation, health care, and miscellaneous goods and services) and child-specific (or adult-specific) expenditure data for other components (clothing, child care, and education). Multivariate analysis was used to estimate household and child-specific expenditures, controlling for income level, family size, and age of the younger child so estimates could be made for families with these varying characteristics. Regional estimates were derived by controlling for region. The three income groups of husband-wife households (before-tax income

Categories of Household Expenditures

Housing expenses include shelter (mortgage interest, property taxes, or rent; maintenance and repairs; and insurance), utilities (gas, electricity, fuel, telephone, and water), and house furnishings and equipment (furniture, floor coverings, major appliances, and small appliances). It should be noted that for homeowners, housing expenses do not include mortgage principal payments; such payments are considered in the CE to be a part of savings. So total dollars allocated to housing by homeowners are underestimated in this report.

Food expenses include food and nonalcoholic beverages purchased at grocery, convenience, and specialty stores, including purchases with food stamps, dining at restaurants, and household expenditures on school meals.

Transportation expenses include the net outlay on purchase of new and used vehicles, vehicle finance charges, gasoline and motor oil, maintenance and repairs, insurance, and public transportation.

Clothing expenses include children's apparel such as diapers, shirts, pants, dresses, and suits; footwear; and clothing services such as dry cleaning, alterations and repair, and storage.

Health care expenses include medical and dental services not covered by insurance, prescription drugs and medical supplies not covered by insurance, and health insurance premiums not paid by employer or other organization.

Child care and education expenses include day care tuition and supplies, baby-sitting, and elementary and high school tuition, books, and supplies.

Miscellaneous expenses include personal care items, entertainment, and reading materials.

under \$31,000, between \$31,000 and \$52,160, and over \$52,160 in 1992 dollars) were determined by dividing the sample for the overall United States into equal thirds. Income intervals were used to be consistent with previous USDA studies and to allow ready reference to information for commonly used ranges of income.

For each income level, estimates were made for husband-wife families with two children, where the younger child was in one of six age categories (0-2, 3-5, 6-8, 9-11, 12-14, and 15-17 years). Households with four members (two children) were selected as the standard since four was the average size of two-parent families in 1990-92 based on CE data. The focus was on the younger child in a household because the older child was sometimes over age 17. If the older child had been selected as the household member of interest, expenditures for some items would be higher or lower.

In addition, if households with one or three or more children had been selected, per-child expenditures would reflect the differences in family size. As the number of children in a family increases, the allocation of resources

among children changes. To adjust expenditures for the older child and number of children, see discussion on pp. 5-7. As an estimated average expense was wanted for families with two children in a given income group, with the younger child in a given age group, and (when appropriate) who resided in a given region, each expense was estimated separately. The specific equations used in estimating child-rearing expenses are listed in the box on p. 3.

It should be noted that the estimates are based on CE interviews of households with and without specific expenses, so for some families their expenditures may be higher or lower than the mean estimates, depending on whether they incur the expense or not. This particularly applies to child care and education for which about 50 percent of families in the study had no expenditure. For more detailed information on child care expenses for households with the expense, see Casper 1995. Also, the estimates only cover out-of-pocket expenditures on children made by the parents and not by others such as grandparents or friends. For example, the

Equations Used in Multivariate Analyses

For the overall U.S. estimates of husband-wife expenditures on children, the specific equation was

$$E_i = a + b_1Y_2 + b_2Y_3 + c_1HS_1 + c_2HS_3 + d_1CA_2 + d_2CA_3 + d_3CA_4 + d_4CA_5 + d_5CA_6$$

where

- E_i = household expenditures on a particular budgetary component (housing, food, transportation, health care, children's clothing, child care and education, and miscellaneous goods and services)
- Y_2 = 1 if household had before-tax income between \$31,000 and \$52,160 in 1992 dollars; 0 otherwise
- Y_3 = 1 if household had before-tax income over \$52,160 in 1992 dollars; 0 otherwise (the omitted category being "household had before-tax income under \$31,000 in 1992 dollars")
- HS_1 = 1 if husband-wife household with one child; 0 otherwise
- HS_3 = 1 if husband-wife household with three or more children; 0 otherwise (the omitted category being "husband-wife household with two children")
- CA_2 = 1 if age of the younger child was 3-5; 0 otherwise
- CA_3 = 1 if age of the younger child was 6-8; 0 otherwise
- CA_4 = 1 if age of the younger child was 9-11; 0 otherwise
- CA_5 = 1 if age of the younger child was 12-14; 0 otherwise
- CA_6 = 1 if age of the younger child was 15-17; 0 otherwise (the omitted category being "age of the younger child was 0-2")

For the regional estimates of husband-wife expenditures on children, the specific equation was

$$E_i = a + b_1Y_2 + b_2Y_3 + c_1HS_1 + c_2HS_3 + d_1CA_2 + d_2CA_3 + d_3CA_4 + d_4CA_5 + d_5CA_6 + e_1NE + e_2S + e_3MW + e_4W$$

where

E_i through CA_6 are the same as before, and

- NE = 1 if household resided in the urban Northeast; 0 otherwise
- S = 1 if household resided in the urban South; 0 otherwise
- MW = 1 if household resided in the urban Midwest; 0 otherwise
- W = 1 if household resided in the urban West; 0 otherwise (the omitted category being "household resided in a rural area anywhere within the United States")

Ordinary least squares analysis was used to estimate expenditures for housing, food, transportation, and miscellaneous goods and services. Tobit analysis was used to estimate expenditures for health care, children's clothing, and child care and education since over 10 percent of the sample reported zero expenses for these budgetary components. Because of these zero expenditures, tobit analysis yields more efficient estimates than ordinary least squares analysis. The procedure outlined by McDonald and Moffitt (1980) was used to transform the tobit analysis estimates into dollars.

Family expenditures on each budgetary component (E_i) were calculated by summing the coefficients for the appropriate income level, household size, age of the younger child, and region when appropriate. For example, expenditures for a husband-wife household in the urban Northeast, with before-tax income between \$31,000 and \$52,160 in 1992 dollars, two children, and the younger child age 6-8 were calculated as $E_i = a + b_1Y_2 + d_2CA_3 + e_1NE$.

value of clothing gifts to children from grandparents would not be included in clothing expenses. On the other hand, some of the expenditures reported by parents may be gifts for children other than their own.

Regional income categories are based on the national income categories in 1992 dollars, updated to 1997 dollars using regional/population size CPI's. The regional income categories were not divided into equal thirds for each region. As previously mentioned, the three income categories were calculated for the overall United States by dividing the sample into equal thirds. In the West, Northeast, and Midwest, a lower percentage of households were in the lower income group because income levels were higher in these regions compared with the overall United States; in the South and rural areas, a higher percentage of households were in the lower income group. In the West and Northeast, a higher percentage of households were in the higher income group because income levels were higher in these regions compared with the overall United States.

Allocating Expenditures

After the overall household and child-specific expenditures were estimated, these total amounts were allocated among the four family members (husband, wife, older child, and younger child). The estimated expenditures for clothing and child care and education were only for children. It was assumed these expenses were equally allocated to each child so allocations of these expenses were made by dividing the estimated expenditures by two (the number of children in the household).

CE data on children's clothing expenditures were for children age 15 and under. For the estimates, therefore, it was assumed that the clothing expenditures of a 16- or 17-year-old were similar to those of a 15-year-old, and these older teenagers were assigned the expenditures of a 15-year-old. Also, expenditures for clothing services (dry cleaning, alterations, etc.) were estimated for the overall household and allocated on a per capita basis among its members.

Because the CE did not collect expenditures on food and health care by family member, data from other Federal studies were used to apportion these budgetary components to children by age and household size. Food budget shares as a percentage of total food expenditures for the younger child in a husband-wife household with two children were determined using the 1994 USDA food plans (U.S. Department of Agriculture 1994). The food plans are based on

Table 8. Children's food budget shares by age and income group in husband-wife families*

Age of child	Income group		
	Lowest	Middle	Highest
-----Percent share-----			
0-2	18	17	17
3-5	18	18	18
6-8	22	22	21
9-11	24	24	23
12-14	25	24	24
15-17	25	25	24

*Estimated shares are for the younger child in two-child families.

household use and individual intake, and food expenditure data. They reflect the cost of a nutritious diet taking into account food costs, food composition, nutritional needs, and consumption behavior. The food budget shares from the food plans were estimated by age of the child and household income level. The food budget shares were then applied to the estimated household food expenditures to determine food expenses on children. The calculated food budget shares are shown in table 8. As an example of how food expenditures were calculated on a 3-5 year old, who is the younger child in a married-couple, two-child household in the middle income group, overall household food expenditures were estimated from the multivariate analysis to be \$5,565 in 1992 dollars for this family type. Based on the food plans, the food budget share for this 3-5 year old was figured to be 18 percent. Thus, food expenditures on the 3-5 year old were estimated to be \$1,002 ($\$5,565 \times .18$) in 1992 dollars.

The 1987 National Medical Expenditure Survey (NMES) conducted by the Public Health Service, U.S. Department of Health and Human Services (HHS) contains data on out-of-pocket health care expenses by age of individual household members (Lefkowitz and Monheit 1991). NMES data were used to determine the proportion of health care expenses attributable to the younger child in a husband-wife household with two children. These individual member shares for health care expenses were then applied to estimated household health care expenditures to determine expenses

on children. Applying these derived health care expense shares to total household health care expenditures for the three income groups in 1990-92 assumes these shares have not changed since 1987 and do not vary by income. Published data on individual member shares for health care expenses by household income level were not available. Health care budget shares by age of the younger child in a husband-wife household with two children were 20 percent for a child age 0-5 and 22 percent for a child age 6-17.

Unlike food and health care, no research base exists for allocating expenditures on housing, transportation, and miscellaneous goods and services among individual household members. Two of the most common approaches for allocating these expenses are the marginal cost method and the per capita method.

The marginal cost method measures expenditures on children as the difference in expenses between couples with children and equivalent childless couples. The method depends on development of an equivalency measure for which there is no established base. Various measures have been proposed, with each yielding different estimates of expenditures on children. These measures are described in more detail in the section "Alternative Estimates of Expenditures on Children" and the appendix. Some of the marginal cost approaches do not consider substitution effects. They assume, for example, that parents do not alter their expenditures on themselves after a child is added to a household. In addition, it is possible that some couples without children buy larger houses in anticipation of children; other couples without children purchase less expensive housing in anticipation of future child-rearing expenses. Comparing the expenditures of these couples to similar couples with children could lead to underestimates or overestimates of expenditures on children.

For these reasons, the per capita method was used for this study. This method simply allocates expenses among household members in equal proportions. Although the per capita method has its limitations, these were deemed less than those of the marginal cost approach. A major limitation of the per capita method is that expenditures for an additional child may be less than average expenditures. Because of this possibility, adjustment formulas for one child or three or more children were devised for use when estimating expenditures on children for households of

different sizes. These formulas are discussed in the next section.

Transportation expenses attributed to employment (employment being the primary purpose of the trip) are not related to expenses on children, so these costs were excluded from estimated expenses. Data from a 1990 study by the U.S. Department of Transportation (1994) were used to calculate the percentage of transportation expenditures attributable to employment-related activities for husband-wife households with the youngest child of different ages. Employment-related transportation activities accounted for 40 percent of travel for households with the youngest child under age 6, and 38 percent for households with the youngest child age 6-17. Deducting these percentages from total transportation expenditures for the three income groups assumes these patterns do not vary by income level. Published data on transportation activities for various family types by income level were not available.

Adjustments for Older Children and Household Size

The estimates of expenses on children represent expenditures on the younger child in a husband-wife household with two children. Expenses for the older child may be different. To determine the extent of this difference and how the expenditures may be adjusted to estimate expenses on an older child, the previous method was essentially repeated with the focus on the older child. Multivariate analysis was used to estimate expenditures for each budgetary component, controlling for household size (a family with two children was used as the standard) and age of the older child (the same age categories as used with the younger child). Household income and region of residence were not held constant, so findings apply to all families. The sample was smaller than that used for the principal analysis, since only households with an older child age 17 or under were selected. The sample was weighted to reflect the U.S. population of interest.

Children's clothing and child care and education expenditures were divided between the two children in the two-parent household. For food and health care, household member shares were calculated for a four-person household (husband, wife, and two children with the older child in one of the six age categories) using the USDA and HHS studies. The shares for the

Table 9. Estimated annual expenditures* on one, two, or three children by husband-wife families, overall United States, 1997

One-child household		Annual expenditure
Age of child		
0-2		\$9,990 = (\$8,060 x 1.24)
3-5		10,250 = (8,270 x 1.24)
6-8		10,350 = (8,350 x 1.24)
9-11		10,320 = (8,320 x 1.24)
12-14		11,220 = (9,050 x 1.24)
15-17		11,370 = (9,170 x 1.24)
Two-child household		
Age of younger child	Age of older child	
0-2	16	\$17,230 = (\$8,060 + \$9,170)
3-5	16	17,440 = (8,270 + 9,170)
6-8	16	17,520 = (8,350 + 9,170)
9-11	16	17,490 = (8,320 + 9,170)
12-14	16	18,220 = (9,050 + 9,170)
15	16	18,340 = (9,170 + 9,170)
Three-child household		
Age of youngest child	Age of older children	
0-2	13, 16	\$20,240 = [(\$8,060 + \$9,050 + \$9,170) x 0.77]
3-5	13, 16	20,400 = [(8,270 + 9,050 + 9,170) x 0.77]
6-8	13, 16	20,460 = [(8,350 + 9,050 + 9,170) x 0.77]
9-11	13, 16	20,440 = [(8,320 + 9,050 + 9,170) x 0.77]
12	13, 16	21,000 = [(9,050 + 9,050 + 9,170) x 0.77]

*Estimates are for families with 1997 before-tax incomes between \$35,500 and \$59,700.

older child were then applied to estimated household food and health care expenditures to determine expenses on the older child in each age category. Housing, transportation, and miscellaneous expenditures were allocated among household members on a per capita basis. Transportation expenses were adjusted to reflect nonemployment-related activities.

It was found that tables 1-6 reflect total expenditures on an older child in a husband-wife, two-child family, as well as on a younger child. Therefore, annual

expenditures on children in a husband-wife, two-child family may be estimated by summing the total expenses for the specific age categories of the two children. For example, annual expenditures on a younger child age 9-11 and an older child age 15-17 in a husband-wife, two-child family in the middle income group for the overall United States would be \$17,490 (\$8,320 + \$9,170) (table 9). It should be noted that for specific budgetary components, annual expenses on an older child varied compared with those on a younger child.

Families spent more on clothing and education for an older child but less on transportation and miscellaneous expenses.

The estimates should be adjusted if a household has only one child or more than two children. Families will spend more or less on a child depending on the number of other children in the household and economies of scale. To derive these adjustments, multivariate analysis was used to estimate expenditures for each budgetary component, controlling for household size and age of the younger child but not household income level and region of the country, so the results are applicable to all families. These expenditures were then assigned to children using the previous method. Compared with expenditures for each child in a husband-wife, two-child family, husband-wife households with one child spend an average of 24 percent more on the single child, and those with three or more children spend an average of 23 percent less on each child.

Therefore, to estimate annual overall expenditures on an only child using tables 1–6, 24 percent should be added to the total expense for each age category. To estimate expenses on three or more children, 23 percent should be subtracted from the total expense for each child's age category and these totals should be summed. For a particular budgetary component, the percentages may be more or less. As family size increases, costs per child for food decrease less than for housing and transportation. Much housing space is used in common, and car trips can serve more than one child.

As an example of adjustments needed for different numbers of children, total expenses on children in families with one, two, and three children are presented in table 9 for a household in the middle income group. In the example, the age of the older child is 16 in the two-child household and the ages of the older children are 13 and 16 in the three-child household. As can be seen, less is spent per child as family size increases. The estimated annual expense on a child age 0–2 with no siblings is \$9,990; for two children ages 0–2 and 16, it is \$17,230; and for three children ages 0–2, 13, and 16, \$20,240.

Expenditures by Single-Parent Families

The estimates of expenditures on children by husband-wife families do not apply to single-parent families, which account for an increasing percentage of families with children. Separate estimates of child-rearing expenses in single-parent households were made using 1990–92 CE data. Most single-parent families in the survey (90 percent) were headed by a woman.

The method used in determining child-rearing expenses for two-parent households was followed. Multivariate analysis was used to estimate expenditures for each budgetary component, controlling for income level, household size (a single parent with two children was used as the standard), and age of the younger child (the same age categories as used with children in two-parent families). Because of sample size limitations, expenses were not estimated by region.

Income groups of single-parent households (before-tax income under \$31,000 and \$31,000 and over in 1992 dollars; these income groups are inflated to 1997 dollars in the table) were selected to correspond with the income groups used for husband-wife households. This income includes child support payments. The two higher income groups of two-parent families (income between \$31,000 and \$52,160 and over \$52,160 in 1992 dollars) were combined because only 17 percent of single-parent households had a before-tax income of \$31,000 and over. The sample was weighted to reflect the U.S. population of interest.

Expenses for children's clothing and for child care and education were divided between the two children in the one-parent household. For food and health care, household member expenditure shares were calculated for a three-member household (single parent and two children, with the younger child in one of the six age categories) using the USDA and HHS studies. These shares for the younger child in a single-parent family were then applied to estimated household food and health care expenditures to determine expenses for the younger child in each age category. Housing, transportation, and miscellaneous expenditures were allocated among household members on a per capita basis. Transportation expenses were adjusted to account for nonemployment-related activities in single-parent families. Income and expenses were updated to 1997 dollars.

Table 10. Comparison of estimated expenditures* on children by single-parent and husband-wife families, overall United States, 1997

Age of child	Single-parent households	Husband-wife households
0-2	\$4,900	\$5,820
3-5	5,510	5,920
6-8	6,230	6,070
9-11	5,820	6,090
12-14	6,270	6,880
15-17	6,970	6,790
Total	\$107,100	\$112,710

*Estimates are for the younger child in two-child families with 1997 before-tax income less than \$35,500.

Estimates of child-rearing expenses for single-parent families are in table 7. For the lower income group (1997 before-tax income less than \$35,500), a comparison of estimated expenditures on the younger child in a two-child, single-parent family with those in a husband-wife family is presented in table 10, as previously discussed, 83 percent of single-parent families and 33 percent of husband-wife families were in this lower income group. Total expenditures on a child up to age 18 were, on average, 5 percent lower in single-parent households than in two-parent households. But more single-parent than husband-wife families fell in the bottom range of this lower income group. Average income for single-parent families in the lower income group was \$14,800, compared with \$22,100 for husband-wife families. Single-parent families in this lower income group, therefore, spend a larger proportion of their income on their children. On average, child-related housing expenses were higher, whereas expenditures on transportation, health care, child care and education, and miscellaneous goods and services were lower in single-parent families. Child-related food and clothing expenditures were similar, on average, in single-parent and in two-parent families.

For the higher income group of single-parent families (1997 before-tax income of \$35,500 and over), estimates of child-rearing expenses were about the same as those for two-parent households in the

before-tax income group of more than \$59,700: total expenses for the younger child up to age 18 were \$225,360 for single-parent families versus \$224,040 for husband-wife families in 1997 dollars. However, the average income of single-parent households was much lower. Therefore, child-rearing expenses in the higher income group of single-parent families consume a larger proportion of income than they do in husband-wife families. Expenditures on children do not appear to differ very much among single-parent and husband-wife households. What differs is household income levels. As single-parent families have one less potential earner (the absent partner), their total household income is lower and child-rearing expenses consume a greater percentage of income.

The estimates only cover out-of-pocket child-rearing expenditures made by the parent who has the primary care of the child. The estimates do not include child-related expenditures made by the parent without primary care or by others, such as grandparents. For example, the parent with whom the child does not reside the majority of the time may incur transportation, food, and entertainment expenses during visitation days and maintain a larger living unit because the child stays with him or her on weekends. The noncustodial parent could also contribute to the child's clothing and health care expenses. Such expenditures could not be estimated from the data. Overall expenses paid by both parents on a child in a single-parent household, therefore, are likely to be greater than this study's estimates.

Adjustments for Older Children and Household Size

To determine the difference in expenditures on an older child in single-parent households, multivariate analysis was used to estimate expenditures for each budgetary component, controlling for household size (a family with two children was used as the standard) and age of the older child. These expenditures were then assigned to children for child-specific expenditures or, for overall household expenditures, allocated to children based on previous research (Lefkowitz and Monheit 1991; U.S. Department of Agriculture 1994) or on a per capita basis.

On average, single-parent households with two children spend about 7 percent less on the older child than on the younger child at a specific age category. This is contrary to husband-wife households that spend about the same amount on either child at a specific

age category. In addition, more or less is spent if a single-parent household has only one child or three or more children. To determine these differences, multivariate analysis was used to estimate expenditures for each budgetary component, controlling for household size and age of the younger child. These expenditures were then assigned to children using the previously described method. Compared with expenditures on the younger child in a two-child single-parent family, single-parent families with one child spend an average of 35 percent more on the single child, and those with three or more children spend an average of 28 percent less on each child.

Alternative Estimates of Expenditures on Children

This study estimated child-related expenditures and overall household expenditures. Child-specific expenses were assigned to children; overall expenses were allocated to children based on previous research or on a per capita basis. There are other approaches to estimating expenditures on children. Two common methods are the marginal cost method and a strict per capita method.

A study sponsored by the U.S. Department of Health and Human Services (1990) estimated husband-wife child-rearing expenses, based on the 1980-87 CE, using these alternative methods and compared them with USDA's estimates. The comparison was based on child-rearing expense estimates as a percentage of total family expenditures, so the estimates did not have to be converted into real dollars. The marginal cost method, which measures expenditures on children as the difference in expenses between couples with children and equivalent childless couples, was implemented using two equivalency measures—the Engel and Rothbarth estimators.

The Engel estimator assumes that if two families spend an equal percentage of their total expenditures on food, they are equally well-off. The Rothbarth estimator uses spending an equal amount on observable adult goods as the equivalency measure. The strict per capita approach allocates household expenditures equally among family members.

The results of these different methods for estimating child-rearing expenses (including the most recent USDA estimates) are presented in table 11, by number of children and total household expenditures. The results for the Engel and Rothbarth estimators are taken directly from the HHS study. The USDA estimates are based on the 1995 study. USDA's child-rearing estimates were consistently below those derived using a strict per capita approach. This was expected, as not all goods and services are shared equally among family members. The Engel and Rothbarth techniques yield varying estimates, which differ as much as 20 percentage points for a family with three children. So when using the marginal cost method in estimating expenditures on children, the choice of an equivalency measure is obviously critical since different measures yield different results.

USDA's estimates of child-rearing expenses were between those produced by the Engel and Rothbarth techniques. All estimates indicate that expenditures on children do not increase proportionately as the number of children increases. Expenditures on two children are less than twice as much as those on one child.

Although the USDA utilizes the per capita approach rather than a marginal cost approach in allocating housing, transportation, and miscellaneous expenditures to children in a household, a USDA study (Lino and Johnson 1995) examined how these expenses would be allocated using three different marginal cost approaches—the Engel, Rothbarth, and Barten-Gorman estimators. The USDA study differed from the HHS study in that it only applied the results from the marginal cost methods to these three selected expenses. The focus was on the younger child in a two-child family. The Rothbarth method produced unrealistically low estimates of expenditures on children. The Engel and Barten-Gorman methods produced estimates of expenditures on a child for housing and miscellaneous goods and services that were below those produced by the USDA per capita method. For transportation expenses on a child, the Engel and Barten-Gorman methods produced estimates that were higher than the USDA per capita method. For a detailed description of this study, see the appendix, p. 13.

Table 11. Average percent of household expenditures attributable to children in husband-wife families

Child expenditures	Estimator			USDA ²
	Engel ¹	Rothbarth ¹	Per capita	
Number of children		-----Percent-----		
One	33	25	33	26
Two	49	35	50	42
Three	59	39	60	48
Household expenditure level ³				
Low	49	36	50	45
Average	49	36	50	42
High	49	35	50	39

¹Percentages for these estimators taken from: U.S. Department of Health and Human Services, 1990.

²Percentages taken from the 1995 USDA study. Average expenditures of families in each income level were used to make comparisons.

Percentages by number of children are based on average expenditures of middle-income families.

³Percentages by household expenditure level are for a family with two children.

Estimating Future Costs

The estimates presented so far represent household expenditures on a child of a certain age in 1997. To estimate these expenses over time future price changes need to be incorporated. To do this, a future cost formula is used:

$$C_f = C_p (1 + i)^n$$

where

C_f = projected future annual dollar expenditure on a child of a particular age

C_p = present (1997) annual dollar expenditure on a child of a particular age

i = projected annual inflation (or deflation)

n = number of years from present until child will reach a particular age.

An example of estimated future expenditures on the younger child in a husband-wife family with two children is presented in table 12. The example assumes a child is born in 1997, reaching age 17 in the year 2014, and the average annual inflation rate over this time is 5.0 percent (the average annual inflation rate over the past 20 years) (U.S. Department of Commerce 1997). As

can be seen, total family expenses on a child through age 17 would be \$178,840 for households in the lowest income group, \$242,890 for those in the middle, and \$353,130 for those in the highest. In 1997 dollar values, these figures would be \$112,710, \$153,660, and \$224,040, respectively.

Inflation rates other than 5.0 percent could be used in the formula if inflation projections change. Also, it is somewhat unrealistic to assume that households remain in one income category as a child grows older. For most families, income rises over time so a family may move from one income group to another. In addition, such inflation projections assume child-rearing expenditures change only with inflation. Parental expenditure patterns also change over time.

Other Expenditures

Expenditures estimated in this study were composed of direct parental expenses made on children through age 17 for seven major budgetary components. These expenditures excluded costs related to childbirth and prenatal health care. In 1995, health care costs averaged \$6,378 for a normal delivery and \$10,638 for a Caesarean delivery (Health Insurance Association of America 1996). These costs may be reduced by health insurance.

Table 12. Estimated annual expenditures* on children born in 1997, by income group, overall United States

Year	Age	Income group		
		Lowest	Middle	Highest
1997	<1	\$5,820	\$8,060	\$11,990
1998	1	6,110	8,460	12,590
1999	2	6,420	8,890	13,220
2000	3	6,850	9,570	14,160
2001	4	7,200	10,050	14,870
2002	5	7,560	10,550	15,610
2003	6	8,130	11,190	16,320
2004	7	8,540	11,750	17,140
2005	8	8,970	12,340	18,000
2006	9	9,450	12,910	18,760
2007	10	9,920	13,550	19,690
2008	11	10,420	14,230	20,680
2009	12	12,360	16,250	23,220
2010	13	12,970	17,070	24,380
2011	14	13,620	17,920	25,600
2012	15	14,120	19,060	27,570
2013	16	14,820	20,020	28,940
2014	17	15,560	21,020	30,390
Total		\$178,840	\$242,890	\$353,130

*Estimates are for the younger child in husband-wife families with two children.

One of the largest expenses made on children after age 17 is the cost of a college education. The College Board (1997) estimated that in 1997-98, annual average tuition and fees were \$3,027 at 4-year public colleges and \$11,721 at 4-year private colleges; annual room and board was \$4,152 at 4-year public colleges and \$4,883 at 4-year private colleges. For 2-year colleges in 1997-98, annual average tuition and fees were \$1,538 at public colleges and \$7,100 at private colleges; annual room and board was \$4,240 at 2-year private colleges (no estimates were given for 2-year public colleges). Other parental expenses on children after age 17 could include those associated with children living at home or if children do not live at home, gifts and other contributions to them. A 1996 survey found that 47 percent of parents in their fifties support children over 21 years of age (Phoenix Home Life Mutual Insurance Company 1996).

The estimates do not include all government expenditures on children. Examples of excluded expenses would be public education, Medicaid, and subsidized school meals. The actual expenditures on children (by parents and the government), therefore, would be higher than reported in this study, especially for children in the lowest income group. Indirect costs involved in child rearing were also not included in the estimates. Although these costs are typically more difficult to measure than direct expenditures, they may be substantial. The time involved in rearing children is considerable. In addition, to care for children, current earnings and future career opportunities may be diminished because of reduced time in the labor force for one or both parents. For more on these indirect costs, see Ireland and Ward 1995, Bryant et al. 1992, and Spalter-Roth and Hartmann 1990.

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Appendix

Allocating Selected Expenditures Using Marginal Cost Methods

The USDA utilizes the per capita approach rather than a marginal cost approach in allocating housing, transportation, and miscellaneous expenditures to children in a household. A USDA study (Lino and Johnson 1995) examined how these expenses would be allocated using three different marginal cost approaches. Using data from the 1990 CE, the USDA study derived the share of expenditures allocated to children from the marginal cost methods and applied them to housing, transportation, and miscellaneous expenses for married-couple families with two children with the focus being on the younger child. The three marginal cost methods were the Engel, Rothbarth, and Barten-Gorman estimators. Each of these estimators measure expenditures on children as the difference in expenses between couples with children and equivalent childless couples. However, they differ on how to determine the equivalency between couples.

The Engel estimator is based on work done in the 19th century (see U.S. Department of Health and Human Services 1990 for a summary of Engel's work). It postulates that the percentage of a family's total expenditures allocated to food—their food share—is a measure of well-being. Families with the same food share are assumed to be equally well-off. The Rothbarth estimator, which is based on work done in the 1940's (Rothbarth 1943), postulates that the well-being of families can be determined by the level of excess income available to them after necessary expenditures are met. Although Rothbarth defined excess income to include luxuries and savings, the USDA study used expenditures on adult clothing, alcohol, and tobacco as the measure of well-being. Other studies applying the Rothbarth method have used a similar definition (Lazear and Michael 1988, U.S. Department of Health and Human Services 1990). Whereas the Engel and Rothbarth methods use a proxy for the well-being of a household, the Barten-Gorman method uses a more general utility function to measure it (see Lino and Johnson 1995 for more detail). Individual budgetary-component shares attributable to children are derived with this method.

The Rothbarth method produced unrealistically low estimates of expenditures on children, which was probably due to the measure of well-being used in the study. Rothbarth defined the measure of well-being as excess income, which included expenses on luxuries and savings. As the CE does not have a direct measure of excess income, a proxy had to be used (expenditures on adult clothing, alcohol, and tobacco). Because of this problem, results from the Rothbarth method were discounted.

The Engel method produced estimates of expenditures on a child for housing and miscellaneous goods and services that were 28 percent below those produced by the USDA per capita method. The Barten-Gorman method produced estimates for housing expenses that were 44 percent below the per capita method and estimates for expenses on miscellaneous goods and services that were 28 percent below the per capita method. For transportation expenses on a child, the Engel and Barten-Gorman methods produced estimates that were higher than the USDA per capita method because the latter excludes the proportion of household transportation expenses that are employment related. Estimates of transportation expenses on a child using the Engel method were 19 percent above the USDA estimates, and those using the Barten-Gorman method were 26 percent above the USDA estimates.

If the Engel or Barten-Gorman methods are preferred over the per capita method for estimating child-rearing expenses for housing, transportation, or miscellaneous goods and services, the expense estimates produced by USDA could be adjusted by the percentages given above. For example, if the Engel approach is believed to be more appropriate for measuring housing expenses on a child than the USDA per capita approach, the USDA expense estimates for housing should be reduced by 28 percent; or if the Engel approach is believed to be more appropriate for measuring transportation expenses on a child, the USDA expense estimates for transportation should be increased by 19 percent.

The USDA study (Lino and Johnson 1995) concluded the marginal cost methods described here are not more appropriate than the per capita method in estimating child-rearing expenses for these three budgetary components. The marginal cost methods have limitations that are equal to or exceed those of the per capita method. As previously explained, each version of the marginal cost method assumes a "true equivalency measure." The assumption that families who spend the same proportion of their total expenditures on food are equally well-off has never been proven, nor has the supposition that families behave according to a specific utility function. Also, the marginal cost method theorizes the difference in total expenditures between couples with and without children can be attributed solely to the children in a family. This has never been proven either.

The marginal cost approach was not applied to the housing, transportation, and miscellaneous expenses of single-parent families as the selection of a comparison group was too difficult. Single parents with children face circumstances that are very different from those faced by single people. Most single parents are mothers with low family incomes. Single people include many professionals with high incomes and high expenditures. Comparing the two groups could lead to the illogical finding that expenses on children are negative.

It should be noted that the equivalency measures obtained from the Engel and Rothbarth techniques in the HHS study described in the section "Alternative Estimates of Expenditures on Children" differ from those obtained in the USDA study using the same techniques. Both techniques yielded lower estimates in the USDA study than in the HHS study. Different results from the two studies may be caused by: (1) controlling for more variables, such as race, parents' education, etc., when the HHS study estimated its equivalency measures, and (2) the different years of data used in the two studies.

Table 1. Estimated annual expenditures* on a child by husband-wife families, overall United States, 1997

Age of child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous [†]
Before-tax income: Less than \$35,500 (Average=\$22,100)								
0-2	\$5,820	\$2,220	\$830	\$730	\$370	\$400	\$690	\$580
3-5	5,920	2,190	920	700	360	380	780	590
6-8	6,070	2,120	1,190	820	410	440	460	630
9-11	6,090	1,910	1,420	890	450	480	280	660
12-14	6,880	2,130	1,490	1,000	760	480	200	820
15-17	6,790	1,720	1,610	1,350	670	510	330	600
Total	\$112,710	\$36,870	\$22,380	\$16,470	\$9,060	\$8,070	\$8,220	\$11,640
Before-tax income: \$35,500 to \$59,700 (Average=\$47,200)								
0-2	\$8,060	\$3,000	\$990	\$1,090	\$440	\$520	\$1,130	\$890
3-5	8,270	2,970	1,140	1,060	430	500	1,260	910
6-8	8,350	2,900	1,460	1,180	480	570	810	950
9-11	8,320	2,700	1,710	1,250	530	620	530	980
12-14	9,050	2,920	1,730	1,360	890	620	390	1,140
15-17	9,170	2,500	1,920	1,720	790	660	660	920
Total	\$153,660	\$50,970	\$26,850	\$22,980	\$10,680	\$10,470	\$14,340	\$17,370
Before-tax income: More than \$59,700 (Average=\$89,300)								
0-2	\$11,990	\$4,770	\$1,310	\$1,520	\$580	\$600	\$1,710	\$1,500
3-5	12,230	4,740	1,480	1,490	570	580	1,860	1,510
6-8	12,180	4,670	1,790	1,610	620	660	1,280	1,550
9-11	12,090	4,470	2,080	1,680	680	710	890	1,580
12-14	12,930	4,690	2,180	1,790	1,120	710	690	1,750
15-17	13,260	4,270	2,300	2,180	1,020	750	1,210	1,530
Total	\$224,040	\$82,830	\$33,420	\$30,810	\$13,770	\$12,030	\$22,920	\$28,260

*Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 1997 dollars using the Consumer Price Index. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.24. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.77. For expenses on all children in a family, these totals should be summed.

†Miscellaneous expenses include personal care items, entertainment, and reading materials.

Table 2. Estimated annual expenditures* on a child by husband-wife families, urban West,† 1997

Age of child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous‡
Before-tax income: Less than \$35,200 (Average=\$22,000)								
0-2	\$6,420	\$2,650	\$900	\$790	\$360	\$340	\$700	\$680
3-5	6,560	2,630	1,000	770	350	320	790	700
6-8	6,730	2,600	1,290	880	390	370	470	730
9-11	6,820	2,450	1,540	950	430	400	280	770
12-14	7,570	2,630	1,610	1,070	720	410	200	930
15-17	7,520	2,260	1,740	1,410	640	430	330	710
Total	\$124,860	\$45,660	\$24,240	\$17,610	\$8,670	\$6,810	\$8,310	\$13,560
Before-tax income: \$35,200 to \$59,300 (Average=\$46,900)								
0-2	\$8,670	\$3,410	\$1,060	\$1,160	\$420	\$460	\$1,160	\$1,000
3-5	8,900	3,390	1,220	1,140	410	440	1,280	1,020
6-8	8,990	3,350	1,560	1,250	460	500	820	1,050
9-11	9,030	3,210	1,840	1,310	510	540	530	1,090
12-14	9,720	3,390	1,840	1,440	850	550	400	1,250
15-17	9,900	3,020	2,050	1,790	750	580	680	1,030
Total	\$165,630	\$59,310	\$28,710	\$24,270	\$10,200	\$9,210	\$14,610	\$19,320
Before-tax income: More than \$59,300 (Average=\$88,700)								
0-2	\$12,450	\$5,040	\$1,370	\$1,600	\$550	\$540	\$1,760	\$1,590
3-5	12,740	5,030	1,550	1,580	540	520	1,910	1,610
6-8	12,680	4,990	1,870	1,680	590	590	1,320	1,640
9-11	12,630	4,840	2,180	1,750	640	630	910	1,680
12-14	13,430	5,020	2,280	1,870	1,070	640	710	1,840
15-17	13,800	4,650	2,400	2,250	960	670	1,240	1,630
Total	\$233,190	\$88,710	\$34,950	\$32,190	\$13,050	\$10,770	\$23,550	\$29,970

*Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 1997 dollars using the regional Consumer Price Index. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.24. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.77. For expenses on all children in a family, these totals should be summed.

†The Western region consists of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

‡Miscellaneous expenses include personal care items, entertainment, and reading materials.

Table 3. Estimated annual expenditures* on a child by husband-wife families, urban Northeast,[†] 1997

Age of child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous [‡]
Before-tax income: Less than \$35,300 (Average=\$22,000)								
0-2	\$6,100	\$2,650	\$930	\$610	\$400	\$390	\$560	\$560
3-5	6,210	2,640	1,020	580	390	370	630	580
6-8	6,420	2,600	1,310	690	430	420	360	610
9-11	6,570	2,450	1,570	760	480	450	210	650
12-14	7,390	2,630	1,640	880	820	460	150	810
15-17	7,300	2,260	1,760	1,220	720	490	250	600
Total	\$119,970	\$45,690	\$24,690	\$14,220	\$9,720	\$7,740	\$6,480	\$11,430
Before-tax income: \$35,300 to \$59,300 (Average=\$46,900)								
0-2	\$8,280	\$3,410	\$1,080	\$980	\$470	\$510	\$950	\$880
3-5	8,500	3,390	1,240	960	460	490	1,060	900
6-8	8,660	3,360	1,580	1,060	510	560	660	930
9-11	8,740	3,210	1,850	1,130	560	600	420	970
12-14	9,520	3,390	1,860	1,260	950	610	310	1,140
15-17	9,620	3,020	2,060	1,610	850	640	520	920
Total	\$159,960	\$59,340	\$29,010	\$21,000	\$11,400	\$10,230	\$11,760	\$17,220
Before-tax income: More than \$59,300 (Average=\$88,800)								
0-2	\$12,010	\$5,050	\$1,380	\$1,420	\$610	\$600	\$1,480	\$1,470
3-5	12,260	5,030	1,560	1,400	590	570	1,620	1,490
6-8	12,300	4,990	1,880	1,510	650	650	1,090	1,530
9-11	12,320	4,840	2,190	1,580	710	700	740	1,560
12-14	13,190	5,020	2,280	1,700	1,180	710	570	1,730
15-17	13,430	4,650	2,410	2,070	1,070	740	980	1,510
Total	\$226,530	\$88,740	\$35,100	\$29,040	\$14,430	\$11,910	\$19,440	\$27,870

*Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 1997 dollars using the regional Consumer Price Index. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.24. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.77. For expenses on all children in a family, these totals should be summed.

[†]The Northeast region consists of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

[‡]Miscellaneous expenses include personal care items, entertainment, and reading materials.

Table 4. Estimated annual expenditures* on a child by husband-wife families, urban South,[†] 1997

Age of child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous [‡]
Before-tax income: Less than \$35,600 (Average=\$22,200)								
0-2	\$5,890	\$2,190	\$800	\$720	\$400	\$450	\$780	\$550
3-5	6,030	2,170	900	700	390	430	870	570
6-8	6,140	2,130	1,160	800	430	490	530	600
9-11	6,220	1,980	1,410	870	480	520	320	640
12-14	7,020	2,170	1,470	1,000	800	540	230	810
15-17	6,970	1,790	1,600	1,330	710	560	390	590
Total	\$114,810	\$37,290	\$22,020	\$16,260	\$9,630	\$8,970	\$9,360	\$11,280
Before-tax income: \$35,600 to \$60,000 (Average=\$47,400)								
0-2	\$8,220	\$2,960	\$970	\$1,090	\$470	\$590	\$1,270	\$870
3-5	8,440	2,940	1,120	1,070	460	560	1,400	890
6-8	8,500	2,910	1,430	1,170	510	640	910	930
9-11	8,500	2,760	1,700	1,240	560	680	600	960
12-14	9,210	2,940	1,710	1,360	930	690	450	1,130
15-17	9,420	2,560	1,910	1,720	830	720	770	910
Total	\$156,870	\$51,210	\$26,520	\$22,950	\$11,280	\$11,640	\$16,200	\$17,070
Before-tax income: More than \$60,000 (Average=\$89,700)								
0-2	\$12,080	\$4,630	\$1,270	\$1,530	\$610	\$680	\$1,890	\$1,470
3-5	12,360	4,610	1,450	1,510	600	650	2,050	1,490
6-8	12,280	4,580	1,750	1,610	650	740	1,430	1,520
9-11	12,200	4,420	2,040	1,680	710	780	1,010	1,560
12-14	13,020	4,610	2,140	1,800	1,160	800	790	1,720
15-17	13,440	4,230	2,260	2,170	1,060	820	1,390	1,510
Total	\$226,140	\$81,240	\$32,730	\$30,900	\$14,370	\$13,410	\$25,680	\$27,810

*Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 1997 dollars using the regional Consumer Price Index. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.24. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.77. For expenses on all children in a family, these totals should be summed.

[†]The Southern region consists of Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

[‡]Miscellaneous expenses include personal care items, entertainment, and reading materials.

Table 5. Estimated annual expenditures* on a child by husband-wife families, urban Midwest,[†] 1997

Age of child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous [‡]
Before-tax income: Less than \$35,700 (Average=\$22,300)								
0-2	\$5,270	\$1,970	\$760	\$640	\$350	\$360	\$670	\$520
3-5	5,400	1,960	850	620	340	340	750	540
6-8	5,540	1,920	1,100	720	380	390	450	580
9-11	5,640	1,770	1,340	790	430	430	270	610
12-14	6,400	1,950	1,400	920	720	440	190	780
15-17	6,330	1,570	1,530	1,260	630	460	320	560
Total	\$103,740	\$33,420	\$20,940	\$14,850	\$8,550	\$7,260	\$7,950	\$10,770
Before-tax income: \$35,700 to \$60,100 (Average=\$47,500)								
0-2	\$7,540	\$2,740	\$920	\$1,010	\$420	\$490	\$1,110	\$850
3-5	7,760	2,730	1,070	990	410	460	1,230	870
6-8	7,830	2,690	1,370	1,100	450	530	790	900
9-11	7,870	2,540	1,640	1,170	500	570	510	940
12-14	8,560	2,720	1,640	1,290	850	580	380	1,100
15-17	8,720	2,340	1,840	1,650	750	600	650	890
Total	\$144,840	\$47,280	\$25,440	\$21,630	\$10,140	\$9,690	\$14,010	\$16,650
Before-tax income: More than \$60,100 (Average=\$89,900)								
0-2	\$11,350	\$4,410	\$1,230	\$1,460	\$550	\$570	\$1,690	\$1,440
3-5	11,620	4,390	1,400	1,440	540	550	1,840	1,460
6-8	11,550	4,350	1,690	1,540	590	620	1,260	1,500
9-11	11,500	4,200	1,980	1,610	640	660	870	1,540
12-14	12,330	4,390	2,070	1,740	1,070	680	680	1,700
15-17	12,650	4,010	2,190	2,110	970	700	1,190	1,480
Total	\$213,000	\$77,250	\$31,680	\$29,700	\$13,080	\$11,340	\$22,590	\$27,360

*Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 1997 dollars using the regional Consumer Price Index. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.24. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.77. For expenses on all children in a family, these totals should be summed.

[†]The Midwest region consists of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

[‡]Miscellaneous expenses include personal care items, entertainment, and reading materials.

Table 6. Estimated annual expenditures* on a child by husband-wife families, Rural areas,† 1997

Age of child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous‡
Before-tax income: Less than \$35,900 (Average=\$22,400)								
0-2	\$5,310	\$1,660	\$770	\$830	\$360	\$440	\$700	\$550
3-5	5,460	1,650	870	810	350	420	790	570
6-8	5,600	1,610	1,130	920	390	480	470	600
9-11	5,690	1,450	1,370	990	440	520	280	640
12-14	6,460	1,640	1,430	1,110	750	530	200	800
15-17	6,410	1,260	1,560	1,460	660	550	330	590
Total	\$104,790	\$27,810	\$21,390	\$18,360	\$8,850	\$8,820	\$8,310	\$11,250
Before-tax income: \$35,900 to \$60,400 (Average=\$47,800)								
0-2	\$7,640	\$2,450	\$940	\$1,210	\$430	\$580	\$1,160	\$870
3-5	7,850	2,430	1,090	1,180	420	550	1,290	890
6-8	7,900	2,390	1,390	1,290	460	630	820	920
9-11	7,950	2,240	1,660	1,360	520	670	540	960
12-14	8,630	2,420	1,660	1,480	870	680	400	1,120
15-17	8,820	2,040	1,860	1,840	780	710	680	910
Total	\$146,370	\$41,910	\$25,800	\$25,080	\$10,440	\$11,460	\$14,670	\$17,010
Before-tax income: More than \$60,400 (Average=\$90,500)								
0-2	\$11,470	\$4,130	\$1,240	\$1,650	\$560	\$670	\$1,760	\$1,460
3-5	11,750	4,120	1,410	1,630	550	640	1,920	1,480
6-8	11,680	4,080	1,710	1,730	600	730	1,320	1,510
9-11	11,630	3,930	2,000	1,800	660	770	920	1,550
12-14	12,450	4,110	2,100	1,930	1,100	790	710	1,710
15-17	12,800	3,730	2,220	2,310	990	810	1,240	1,500
Total	\$215,340	\$72,300	\$32,040	\$33,150	\$13,380	\$13,230	\$23,610	\$27,630

Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 1997 dollars using the population size Consumer Price Index. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.24. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.77. For expenses on all children in a family, these totals should be summed.

†Rural areas are places of fewer than 2,500 people outside a Metropolitan Statistical Area.

‡Miscellaneous expenses include personal care items, entertainment, and reading materials.

Table 7. Estimated annual expenditures* on a child by single-parent families, overall United States, 1997

Age of child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous [†]
Before-tax income: Less than \$35,500 (Average=\$14,800)								
0-2	\$4,900	\$1,990	\$920	\$680	\$340	\$190	\$430	\$350
3-5	5,510	2,260	960	600	360	280	590	460
6-8	6,230	2,410	1,220	690	420	330	540	620
9-11	5,820	2,310	1,410	500	430	420	260	490
12-14	6,270	2,310	1,410	580	720	450	320	480
15-17	6,970	2,450	1,540	900	840	440	250	550
Total	\$107,100	\$41,190	\$22,380	\$11,850	\$9,330	\$6,330	\$7,170	\$8,850
Before-tax income: \$35,500 or more (Average=\$53,900)								
0-2	\$11,210	\$4,290	\$1,410	\$2,080	\$480	\$440	\$1,060	\$1,450
3-5	12,030	4,560	1,500	2,000	500	590	1,330	1,550
6-8	12,800	4,700	1,800	2,090	580	680	1,240	1,710
9-11	12,380	4,610	2,160	1,900	580	810	730	1,590
12-14	13,120	4,610	2,120	1,970	960	860	1,030	1,570
15-17	13,580	4,750	2,240	2,140	1,110	850	840	1,650
Total	\$225,360	\$82,560	\$33,690	\$36,540	\$12,630	\$12,690	\$18,690	\$28,560

*Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 1997 dollars using the Consumer Price Index. The figures represent estimated expenses on the younger child in a single-parent, two-child family. For estimated expenses on the older child, multiply the total expense for the appropriate age category by 0.93. To estimate expenses for two children, the expenses on the younger child and older child—after adjusting the expense on the older child downward—should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.35. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.72—after adjusting the expenses on the older children downward. For expenses on all children in a family, these totals should be summed.

†Miscellaneous expenses include personal care items, entertainment, and reading materials.

HEALTH GUIDE
NEW LIFESAVING TECHNOLOGY

U.S. News & World Report

MARCH 30, 1998

The Real Cost of Raising Kids

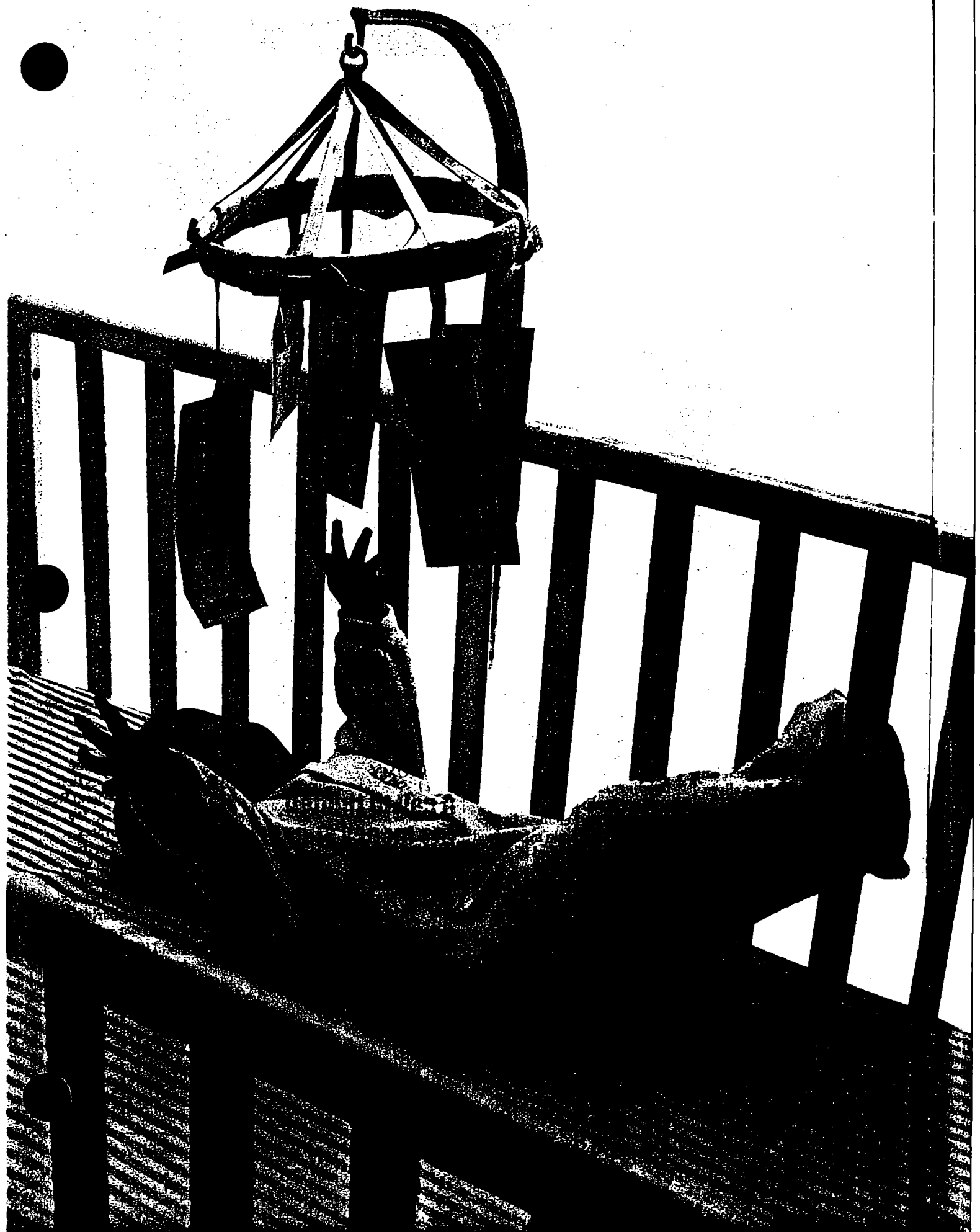
Would You
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**Plus: Clinton
vs. Willey**



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NON-CIRCULATING



BY PHILLIP J. LONGMAN

To examine in coldly economic terms a parent's decision to have children is widely thought to be in bad taste. A child, after all, isn't precisely akin to a consumer product such as a dishwasher, a house, a car, or a personal computer—any one of which, of course, is cheaper to acquire and usually easier to return. A child is a font of love, hope for the future, continuation of one's bloodline, and various other intangible pleasures, and it is these sentimental considerations (along with some earthier imperatives) that prevail when parents bring a child into this world.

But let's face it: Children don't come free. Indeed, their

of how much families in different income brackets spend on raising children to age 18. To these calculations we have added the cost of a college education and wages forgone because of the rigors of child-rearing. (There's plenty we haven't counted: soccer camp, cello lessons, SAT prep., and other extra-cost options.) What we've found is that the typical child in a middle-income family requires a 22-year investment of just over \$1.45 million. That's a pretty steep price tag in a country where the median income for families with children is just \$41,000. The child's unit cost rises to \$2.78 million for the top-third income bracket and drops to \$761,871 for the bottom-third income bracket.

Tut tut, you say. Surely this is another case of news magazine hyperbole. All right, then, let's take it from the top:

THE COST OF CHILDREN

Of course they're cute. But have you any idea how much one will set you back? A hardheaded inquiry

cost is rising. According to one government calculation, the direct cost of raising a child to age 18 has risen by 20 percent since 1960 (adjusted for inflation and changes in family size). And this calculation doesn't take into account the forgone wages that result from a parent taking time off to raise children—an economic cost that has skyrocketed during the last generation as women have entered the work force in unprecedented numbers. "It's become much more expensive to raise children while the economic returns to parents have diminished," notes feminist economist Shirley Burggraf. "The family can't survive on romance."

Knowing the real cost of children is critical to a host of financial questions, such as how much house one can afford, how much one should be saving for college tuition, and how much one must earn to have a larger family. To help answer such questions, *U.S. News* has undertaken to identify and add up as best it can all the costs of raising a child from birth to college graduation. (For the purposes of this calculation, we're assuming these children will pay for any advanced degrees they may want out of their own pockets.)

Our starting point is data from the United States Department of Agriculture, which every year publishes estimates

■ **Acquisition costs.** In most cases, conceiving a child biologically is gloriously cost free. But not for all: An estimated 6.1 percent of women ages 15-24, and 11.2 percent of women ages 25-34, suffer from what health statisticians refer to as "impaired fecundity." Serving this huge market are some 300 infertility clinics nationwide that performed 59,142 treatment "cycles" in 1995, according to a recently released study by the Centers for Disease Control and Prevention. The cost of treatments—only 19 percent of which actually produced a take-home baby—averaged around \$8,000 a try. It's not uncommon for infertile couples to spend \$50,000 or more in pursuit of pregnancy. Though most insurance policies will pay for some form of infertility treatment, insurers are cutting back rapidly in the total bills they'll cover. For the purposes of our tally, we'll ignore fertility treatments, but this can be a significant cost.

For most people, the meter starts running with pregnancy. Costs vary dramatically from hospital to hospital, from region to region, and according to how complicated the pregnancy is. Out-of-pocket costs, obviously, will also vary

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depending on how much health insurance you have. But here's an idea of what your bills might be.

For an uneventful normal pregnancy, 12 prenatal care visits are usually recommended—the cost of which varies according to one's insurance plan. According to HCIA Inc., a Baltimore health care information company, the cost to insured patients of a normal delivery in a hospital averages about \$2,800. (Twins are cheaper on a per-head basis: typical total delivery cost: \$4,115.)

For parents without insurance, direct costs are clearly much higher. According to a 1994 study, the cost of an uncomplicated "normal" delivery averages \$6,400 nationally. Caesarean delivery costs an average of \$11,000, and more complicated births may range up to \$400,000. Premature babies requiring neonatal intensive care will cost \$1,000 to \$2,500 for every day they stay in the hospital (story, Page 60). Though most people can count on insurance to cover a majority of such costs, there are many people who can't. According to a report issued in March by the U.S. government's Agency for Health Care Policy and Research, 17 percent of Hispanic children, 12.6 percent of black children, and 6 percent of white ones lack any health insurance coverage whatsoever, including coverage by Medicaid or other public programs.

An alternative path to acquiring a child is through adoption. Of the roughly 30,000 adoptions of healthy infants in the United States each year, most involve expenses of \$10,000 to \$15,000. These include the cost of paying for a social worker to perform a "home study" to vouchsafe the adoptive parents' suitability, agency fees, travel expenses (many adoptions these days cross national boundaries), medical and sometimes living expenses for the birth mother, and legal fees. Offsetting these costs for parents who adopt is a new \$5,000 federal tax credit. Since most people don't adopt, these costs, too, are excluded from *U.S. News's* tally.

■ **Child care.** The Department of Agriculture calculates that the middle-class parents of a 3-to-5-year-old spend just over \$1,260 a year on average for child care. (According to the Census Bureau, fully 56 percent of American families with children use paid child care.) Wealthier families are more likely to opt for the pricier nanny. Irish Nanny Services of Dublin advertises Irish nannies "with good moral

standards" who are "renowned for their expertise with children." The price for U.S. parents begins at \$250 per week; plus 1.5 paid holidays for every month worked; plus a nonrefundable finder's fee equal to 10 percent of the yearly salary payable upfront.

The average cost for all families using child care is \$74.15 a week, or about 7.5 percent of average pretax family income, which is roughly equal to most workers' employee-contribution rate for Social Security. The rate is much steeper, of course, at the low end of the income



THREADS. To clothe a child to age 18 costs **\$22,063**. And yes, girls cost 18 percent more than boys.

scale; families making less than \$1,200 a month who use day care spend an average 25.1 percent of their income on day-care expenses.

■ **Food.** Middle-class families spend an average \$990 a year feeding a child under 2. (Breast-feeding helps: One serving of infant formula can cost as much as \$3.29.) As kids get bigger, so do their appetites: Feeding a middle-class 15-year-old currently costs \$1,920 a year on average. A middle-class only child born in 1997 can be expected to consume a total of \$54,795 in food by age 18.

■ **Housing.** The bigger your family, the bigger the house you need. Families with children also often pay a premium to live in safe, leafy neighborhoods with good schools. USDA estimates that the average middle-class, husband-wife family with

one child will spend, on a per capita basis, an additional \$97,549 to provide the child with shelter.

■ **Transportation.** Priced a minivan lately? The added transportation cost of having one middle-class child totals \$46,345, according to the USDA. This does not include the cost of commuting to jobs parents must hold in order to support their children. Predictably, as children get older, the cost of driving them around grows. Parents with teenagers spend over 70 percent more on transportation than families with infants. Just the cost of providing teenage drivers with auto insurance can run into the thousands.

■ **Health care.** Obviously, this cost varies tremendously, depending largely on the health of the child. The lifetime health costs of a child born with cerebral palsy, for instance, average \$503,000; with Down's syndrome, \$451,000; and with spina bifida, \$294,000, according to the March of Dimes.

Again, out-of-pocket costs for health care will depend largely on whether the parents have good (or any) health insurance. In 1996, nearly 11 million American children, or 15.4 percent of the population under 18, had none. Deductibles, copayments, and specific coverages also vary widely even among those with insurance. Taking all these variables into account, and including the cost of insurance, the USDA estimates that the average cost of keeping a middle-class child born in 1997 healthy to age 18 will be more than \$20,757.

■ **Clothing.** Even after allowing for hand-me-downs and gifts from dotting grandparents, keeping an only child properly dressed to age 18 will cost an average total of \$22,063, according to the USDA. Predictably, in this realm, daughters cost more than sons: According to the Bureau of Labor Statistics, husband-wife families with children spend nearly 18 percent more on girls' clothes than on those for boys.

■ **Primary and secondary education.** Fully 89 percent of all school-age kids in the United States attend public school. Public education costs American society more than \$293 billion per year, but for the purposes of this tally, we'll exclude taxes (which, after all, are paid by parents and nonparents alike) and consider public education to be free.

For the roughly 5 million grade-school students now enrolled in private schools, costs vary widely. About 50 percent of these students attend parochial schools,

Cost of children born in 1997

Higher income (one-child family; 1997 before-tax family income: more than \$59,700)

Age	Housing	Food	Transportation	Clothing	Health care	Day care and education	Misc.	College (Princeton)	Forgone wages	Total for year
0	\$5,915	\$1,624	\$1,885	\$719	\$744	\$2,120	\$1,860		\$44,650	\$59,518
1	\$6,211	\$1,706	\$1,979	\$755	\$781	\$2,226	\$1,953		\$48,669	\$64,278
2	\$6,521	\$1,791	\$2,078	\$793	\$820	\$2,338	\$2,051		\$53,049	\$69,440
3	\$6,804	\$2,124	\$2,139	\$818	\$833	\$2,670	\$2,168		\$57,823	\$75,379
4	\$7,144	\$2,231	\$2,246	\$859	\$874	\$2,803	\$2,276		\$63,027	\$81,461
5	\$7,501	\$2,342	\$2,358	\$902	\$918	\$2,944	\$2,390		\$41,047	\$60
6	\$7,760	\$2,974	\$2,675	\$1,030	\$1,097	\$2,127	\$2,576		\$45,847	\$66,887
7	\$8,148	\$3,123	\$2,809	\$1,082	\$1,152	\$2,233	\$2,704		\$52,033	\$73
8	\$8,556	\$3,279	\$2,950	\$1,136	\$1,209	\$2,345	\$2,840		\$57,900	\$80,214
9	\$8,599	\$4,001	\$3,232	\$1,308	\$1,366	\$1,712	\$3,039		\$65,315	\$88,572
10	\$9,029	\$4,201	\$3,393	\$1,373	\$1,434	\$1,798	\$3,191		\$72,460	\$96
11	\$9,480	\$4,411	\$3,563	\$1,442	\$1,506	\$1,888	\$3,351		\$64,402	\$90,042
12	\$10,444	\$4,855	\$3,986	\$2,494	\$1,581	\$1,537	\$3,897		\$72,230	\$101,824
13	\$10,966	\$5,097	\$4,185	\$2,619	\$1,660	\$1,613	\$4,092		\$82,517	\$112,750
14	\$11,514	\$5,352	\$4,395	\$2,750	\$1,743	\$1,694	\$4,296		\$92,118	\$123,883
15	\$11,008	\$5,929	\$5,620	\$2,629	\$1,933	\$3,119	\$3,944		\$104,460	\$138,842
16	\$11,558	\$6,226	\$5,901	\$2,761	\$2,030	\$3,275	\$4,141		\$116,188	\$152
17	\$12,136	\$6,537	\$6,196	\$2,899	\$2,132	\$3,439	\$4,348		\$130,979	\$168,665
18								\$103,574	\$145,257	\$248,831
19								\$110,831	\$140,766	\$251,597
20								\$118,605	\$156,987	\$275,592
21								\$126,935	\$177,732	\$304,667
	\$159,284	\$67,805	\$61,588	\$28,370	\$23,813	\$41,881	\$55,117	\$458,845	\$1,885,454	\$2,783,268

Middle income (one-child family; 1997 before-tax family income: \$35,500 to \$59,700)

Age	Housing	Food	Transportation	Clothing	Health care	Day care and education	Misc.	College (Univ. of Michigan)	Forgone wages	Total for year
0	\$3,720	\$1,228	\$1,352	\$546	\$645	\$1,401	\$1,104		\$23,600	\$33,584
1	\$3,906	\$1,289	\$1,419	\$573	\$677	\$1,471	\$1,159		\$25,724	\$36,218
2	\$4,101	\$1,353	\$1,490	\$602	\$711	\$1,545	\$1,217		\$28,039	\$39,858
3	\$4,263	\$1,636	\$1,522	\$617	\$718	\$1,809	\$1,306		\$30,563	\$42,434
4	\$4,476	\$1,718	\$1,598	\$648	\$754	\$1,899	\$1,372		\$33,313	\$45,778
5	\$4,700	\$1,804	\$1,678	\$681	\$791	\$1,994	\$1,440		\$21,695	\$34,783
6	\$4,819	\$2,426	\$1,961	\$798	\$947	\$1,346	\$1,579		\$24,233	\$38,1
7	\$5,060	\$2,547	\$2,059	\$838	\$995	\$1,413	\$1,658		\$27,502	\$42,872
8	\$5,313	\$2,675	\$2,162	\$879	\$1,044	\$1,484	\$1,740		\$30,603	\$45,901
9	\$5,194	\$3,289	\$2,405	\$1,020	\$1,193	\$1,020	\$1,885		\$34,523	\$50,527
10	\$5,454	\$3,454	\$2,525	\$1,071	\$1,252	\$1,071	\$1,979		\$38,299	\$55,104
11	\$5,726	\$3,627	\$2,651	\$1,124	\$1,315	\$1,124	\$2,078		\$34,040	\$51,685
12	\$6,502	\$3,852	\$3,029	\$1,982	\$1,381	\$868	\$2,539		\$38,178	\$58,331
13	\$6,828	\$4,045	\$3,180	\$2,081	\$1,450	\$912	\$2,666		\$43,615	\$64,776
14	\$7,169	\$4,247	\$3,339	\$2,185	\$1,522	\$957	\$2,799		\$48,690	\$70,908
15	\$6,445	\$4,950	\$4,434	\$2,037	\$1,701	\$1,701	\$2,372		\$55,213	\$78,852
16	\$6,767	\$5,197	\$4,656	\$2,138	\$1,786	\$1,786	\$2,490		\$61,412	\$86,233
17	\$7,105	\$5,457	\$4,888	\$2,245	\$1,876	\$1,876	\$2,615		\$69,230	\$95,292
18								\$35,821	\$76,777	\$112,598
19								\$38,140	\$74,402	\$112,543
20								\$40,614	\$82,976	\$123,591
21								\$43,255	\$93,941	\$137,1
	\$97,548	\$54,785	\$48,345	\$22,083	\$20,757	\$25,678	\$33,986	\$157,831	\$988,567	\$1,455,581

Cost of children born in 1997

Lower income (one-child family; 1997 before-tax family income: less than \$35,500)

Age	Housing	Food	Transportation	Clothing	Health care	Day care and education	Misc.	College (Florida A&M)	Forgone wages	Total for year
0	\$2,753	\$1,029	\$905	\$459	\$496	\$856	\$719		\$11,050	\$18,267
1	\$2,890	\$1,081	\$950	\$482	\$521	\$898	\$755		\$12,045	\$19,622
2	\$3,035	\$1,135	\$998	\$506	\$547	\$943	\$793		\$13,129	\$21,885
3	\$3,144	\$1,321	\$1,005	\$517	\$545	\$1,120	\$847		\$14,310	\$22,808
4	\$3,301	\$1,387	\$1,055	\$543	\$573	\$1,176	\$889		\$15,598	\$24,521
5	\$3,466	\$1,456	\$1,108	\$570	\$601	\$1,234	\$934		\$10,158	\$19,527
6	\$3,523	\$1,977	\$1,363	\$681	\$731	\$764	\$1,047		\$11,346	\$21,433
7	\$3,699	\$2,076	\$1,431	\$715	\$768	\$803	\$1,099		\$12,877	\$23,468
8	\$3,884	\$2,180	\$1,502	\$751	\$806	\$843	\$1,154		\$14,329	\$25,450
9	\$3,674	\$2,732	\$1,712	\$866	\$923	\$539	\$1,270		\$16,164	\$27,879
10	\$3,858	\$2,868	\$1,798	\$909	\$970	\$566	\$1,333		\$17,932	\$30,233
11	\$4,051	\$3,012	\$1,888	\$954	\$1,018	\$594	\$1,400		\$15,938	\$28,854
12	\$4,743	\$3,318	\$2,227	\$1,692	\$1,069	\$445	\$1,826		\$17,876	\$33,186
13	\$4,980	\$3,484	\$2,338	\$1,777	\$1,122	\$468	\$1,917		\$20,421	\$36,508
14	\$5,229	\$3,658	\$2,455	\$1,866	\$1,178	\$491	\$2,013		\$22,797	\$39,689
15	\$4,434	\$4,150	\$3,480	\$1,727	\$1,315	\$851	\$1,547		\$25,852	\$43,355
16	\$4,656	\$4,358	\$3,654	\$1,814	\$1,380	\$893	\$1,624		\$28,754	\$47,123
17	\$4,888	\$4,576	\$3,837	\$1,904	\$1,449	\$938	\$1,705		\$32,415	\$51,713
18								\$16,783	\$35,948	\$52,731
19								\$17,802	\$34,837	\$52,839
20								\$18,886	\$38,851	\$57,737
1								\$20,038	\$43,985	\$64,823
	\$70,208	\$45,797	\$33,705	\$18,732	\$18,013	\$14,421	\$22,873	\$73,508	\$488,813	\$761,871

Note: Numbers may not add up because of rounding

where tuition averaged \$1,934 in 1993-94, the last school year for which data are available. By contrast, parents earning over \$125,000 a year who send a child to the elite Deerfield Academy in Deerfield, Mass., and who manage to qualify for financial aid, are expected to contribute \$10,600 a year in tuition. Overall, the U.S. Department of Education reports, private-school tuition in 1993-94 averaged \$2,200 a year in elementary schools and \$5,500 in secondary schools, with schools for children who are handicapped or have "special needs" charging an average \$15,189. These costs have been rising quickly. Reflecting increasing demand, the average tuition of private schools increased by more than double the overall rate of inflation between 1990 and 1996.

■ Toys and other miscellaneous expenses. The USDA doesn't break out spending on toys by income group or the age of children. But for all husband-and-wife families with children, the average amount spent on pets, toys, and playground equipment in 1995 was \$485.

What do all these bills come to? USDA calculates that a typical middle-class, husband-wife family will spend a total of

\$301,183 to raise an only child born in 1997 to age 18 (table, Page 53). More affluent parents (with income over \$59,700 a year) will spend an average of \$437,869 on an only child. The average figure for lower-income families (with income below \$35,500 a year) is \$221,750.

Certain economies of scale are available to larger families. As family size increases, food costs per person go down the most. (Just feed everyone stew.) Per capita housing and transportation costs also decrease, but not by as much. All told, for middle-class families, the marginal cost of raising a second child will be approximately 24 percent less than the cost of a single child. The marginal unit cost continues to drop for each successive child.

Now let's consider two costs the USDA calculation leaves out. The first is college. From the start of the 1990s through September of 1997, average tuition at the nation's colleges increased by more than 75 percent, while overall prices in the economy inflated by little more than 26 percent. Common sense would suggest that this rate of tuition inflation cannot possibly sustain itself over the long term, especially if real family income remains flat or

grows only slowly. Sooner or later, some combination of new technology and organizational reform will surely render higher education less costly. Still, who would have imagined that the price of a college education would ever have risen to where it is today? With an undergraduate education becoming ever more necessary to guarantee a middle-class lifestyle, perhaps its price will rise even faster in the future. Given these imponderables, we'll assume college costs will continue to rise at the average annual rate of the 1990s, or 7.45 percent, and that the cost of room, board, and books grows at 5 percent, which is the annual inflation rate of the past 20 years.

Now, let's do some illustrative arithmetic. Say you had a child in September 1997. Let's forget straight off about sending him to Harvard or Princeton, or any other private college, and aim for a top state school, the University of Michigan-Ann Arbor. Tuition, fees, plus room and board for in-state students there currently amount to \$11,694 a year. Under the inflation assumptions described above, it turns out you'll need a total of \$157,831 to see a child born last year through graduation at Ann Arbor (assuming you are a

Michigan resident; tuition is more than three times higher for out-of-state residents).

OK, now let's figure out how to pay for that tuition. Assuming an average annual 7 percent total return on savings, you'll have put away more than \$319 each month, starting on your child's date of birth, to have enough money on hand to pay for four years of college as each semester's tuition bill comes due. If you wait until the child is in kindergarten to start saving, your monthly savings requirement will jump to \$524. If you wait until the child reaches freshman year of high school, the number will jump to \$1,957 a month.

Or here's another way to look at the challenge. Take a middle-class family earning, say, \$47,200 in 1998. Assume that inflation will average 5 percent over the next 18 years and that this family's income will grow 4 percent above inflation. Assume finally that this family will earn a 7 percent annual average return on its savings. Now suppose this family had a new child last year, and the parents want to pre-fund the likely cost of sending this child to a top-rank state school. What percent of family income do they need to put away each year toward the child's college expenses? Answer: about 4 percent.

So far, this accounting puts the cost of raising and educating a middle-class, only child at roughly \$459,014 (\$301,183 in direct expenditures to age 18 plus \$157,831 for college costs). Now suppose you're considering having a child and want to have enough money in the bank by the day the child is born to be able to cover all of his or her direct future costs to you. No one actually does this, of course, but as any chief financial officer knows, this is a useful way to calculate the real burden of long-term liabilities. Assume you can earn 7 percent on your investments after your child is born. In that case, you'll need to build a nest egg of \$204,470 by delivery day. Assuming you want to raise your child with a middle-class standard of living, this is the approximate present value of your liabilities for future expenses related to that child.

Or, suppose you want to have a child 10 years from now and want to start a regular savings plan that will allow you just enough money by the child's date of birth to cover all future child-related expenses as they occur. What you need to start saving today is \$1,181 a month. Again, no-

body actually does this, but amortizing the cost of children in this way provides a useful benchmark in figuring how "affordable" children are. Could you "afford" to pay an extra \$1,181 every month for the next 10 years servicing your credit-card debt? Failing to pre-fund future liabilities, such as the future cost of a child, is financially equivalent to borrowing. If your family income goes up substantially in the future, you may be able to afford your child-related "unfunded liabilities," but if it remains stagnant or grows only slowly, as real family income has for dec-



TUMBLES. Children are usually quite healthy, but they'll still run you **\$20,757** to keep fit till age 18.

ades, then these unfunded liabilities will hurt.

A final expenditure to add to our tally is a bit more abstract but no less real: forgone family income. People who have children tend to have less time on their hands to make money.

Consider first the forgone income for an unwed teenage mother who rears her child alone. Researchers at the University of Michigan have compared the earning power, over 20 years, of women who did and did not have children out of wedlock as teenagers. Interestingly, at ages 19 and 20, women who had given birth to illegitimate children actually had slightly higher incomes on average than women who remained childless during their teenage years; this presumably reflected the effect of welfare payments, which can boost

short-term income above what the average childless full-time student earns. But by age 21, unmarried women who refrained from having become pregnant as teenagers, or who had abortions, began to pull well ahead of those who did not. By age 29, women who did not have the burden of raising a child alone as teenagers could expect to have earned a total of \$72,191 more than women who did carry this burden.

What does it cost a married woman to have children? The answer depends crucially on her career opportunities. Obviously, a woman who gives up a career as a nurse's aide to have a baby does not forgo as much income as a woman who gives up a law partnership. But for both there is an "opportunity cost," which can be roughly estimated. As economist Burggraf points out in her recent book, *The Feminine Economy and Economic Man*, people tend to take marriage partners of similar educational backgrounds and aspirations (social scientists label this "assortative mating"). For example, college-educated men are 15 times more likely to marry college-educated women than are men who never completed high school. This means that the opportunity cost of either spouse taking time off to raise a child is often 50 percent of a family's potential income.

That's exactly the trade-off faced by Colette Hochstein and her husband, Michael Lingenfelter. Both are librarians who work extensively with computer-information retrieval systems. Her position is with the National Institutes of Health in Bethesda, Md.; he works in the White House library. Together, they spend more money on day care for their 2-year-old daughter, Miranda—about 17 percent of their household income—than on any other expense except their mortgage. Yet since they both earn roughly the same salary, the only way to avoid paying for day care would be to sacrifice half their household income. If either of them were to quit work to take care of Miranda full time, says Hochstein, the economic cost would extend beyond Miranda's childhood years: "In this rapidly changing, high-tech time, there are few provisions in which one could take even a year's leave of absence without falling seriously behind."

Given the career opportunities now available to women, virtually all parents face some opportunity cost in having children, and it usually adds up to serious

money. Consider this hypothetical middle-class, husband-wife family. They met in college and soon after married. Two years into their marriage, they each were earning \$23,600, but then came Junior. She immediately quit her job to stay home with the baby, causing their family income to fall by half. After their child reaches kindergarten, she hopes to begin working half time; by the time the child reaches age 11, she hopes to be able to boost her work hours to 30 a week. But remembering her own escapades while home alone during high school, she does not plan to return to full-time work until the child goes off to college.

What's the opportunity cost of these life choices? Assume, as the USDA does, that inflation averages 5 percent over her working life. Further assume that, because of her "mommy track," her average annual real wage increases come to 2 percent instead of a possible 4 percent she could have earned as a childless and fully committed full-time professional. In that event, she'll sacrifice \$996,567 in forgone income over just the next 21 years. Adjusting for inflation, that's equal to today's dollars to roughly \$548,563.

Where does this leave the total bill? Combine \$996,567 in forgone wages with the USDA's estimates of a typical middle-class family's direct child-related expenses for an only child (\$301,183); add in the likely cost of sending a child born last year to a first-rank, in-state public university (\$157,831), and the total cost of one typical middle-class child born in 1997 comes in at \$1,455,581. Even after adjusting for inflation, the cost of a middle-class child born last year is still \$799,913 in today's dollars.

To be sure, parents also receive some direct subsidies for their child-care costs. Being able to claim a dependent is worth \$2,650 in federal taxes due this year, for example. And under current law, families are eligible to take a tax credit for child-care expenses, with a maximum credit of \$720 for one child in a low-income family and up to \$1,440 for two or more children. President Clinton recently proposed making this credit more generous, so that a family of four making \$35,000 and saddled with high child-care bills would no longer owe any federal income taxes. But even if Clinton's plan is approved, parents who stay home with their kids will continue to receive no compensation for their lost income, and even

those taking the credits will find themselves far worse off financially, in most cases, than if they had decided to remain childless.

Given current economic incentives, it is hardly surprising that the "smartest" people in our society end up being those least likely to have children. Middle-aged women with graduate degrees are more than three times more likely to be childless than those who dropped out of high school. Similarly, two-income married-couple families earning over \$75,000 are 70 percent more likely to be childless than those earning between \$10,000 and \$19,999. You don't have to be an economic materialist to see the financial reality



TUMMIES. Feeding a middle-class 15-year-old costs **\$1,920** a year on average. Hide the Cheez-Its!

behind these numbers. Highly educated, high-income people have a higher opportunity cost, in the form of lost income, if they decide to have children.

Government policy makers are forever talking about the need for society to "invest" in today's youth, if for no other reason than to pay for the huge, largely socialized cost of supporting the growing ranks of the elderly. It's a noble goal, but at the individual family level, a child, financially speaking, looks more like a high-priced consumer item with no warranty. It's the decision to remain childless that offers the real investment opportunity.

Imagine a middle-class, college-age,

sexually active woman who is contemplating whether to spend \$5,000 to have her tubes tied so she'll never have to worry about getting pregnant. We've already seen how the cost of giving birth to just one child could easily exceed \$1.4 million over the next 22 years. Even though many of those costs could be well down the road, a typical middle-class young woman paying \$5,000 for such an operation could expect that "investment" to compound at a rate of fully 680 percent over the next 22 years alone. (The return on a vasectomy, which is even cheaper, would be much higher.) It will be a long time before anyone finds a deal that lucrative on Wall Street.

But wait a minute. Isn't this an absurd conclusion? Children aren't just a bundle of liabilities. If they were, the way for society to become richer would be for everyone to stop having kids, but of course that wouldn't work. Without a rising new generation of workers, there will be nobody around to assume our debts, and before long, even the store shelves will be empty. So why does our accounting suggest the opposite?

Because society's economic interests and those of parents as individuals don't perfectly coincide. The financial sacrifice a parent makes to have and raise children creates enormous wealth for society as a whole. But the modern reality is that everyone shares in much of that wealth regardless of what role he or she played in creating it. If, for example, you don't choose to have children, or you treat your children badly, you still won't have to give up any of your Social Security pension.

Historically, support in old age did depend, almost entirely, on how many children you had, and on how well your investment in them turned out. Even before parents grew old, they could usually count on their children to perform economically useful tasks around the farm or shop. This made children economic assets—from the point of view of both society at large and parents.

Now the economic returns of parenting mostly bypass parents, and a proper accounting has to reflect that. For economic man in the late 20th century, child-rearing has become a crummy financial bargain. Fortunately, as Mom always said, there's more to life than money. ■

Amy Graham contributed to this article.

PRELIMINARY - DO NOT QUOTE

FAMILIES AND THE CHANGING LABOR MARKET

December 1998

**A Report by the
Council of Economic Advisers**

EXECUTIVE SUMMARY

American families have been in the midst of change in the last three decades – changes in time worked for pay; changes in income and by whom it is earned; changes in family size; and changes in how child care and household tasks are accomplished. This report assesses these changes and the challenges and opportunities they create.

- The hours American parents work in paid jobs have increased enormously since 1969, due to a dramatic shift of mothers' time from the household to the labor market. In 1969, 38 percent of married mothers worked for pay; in 1996, 68 percent did so. Both married mothers and single parents are working more for pay today than 30 years ago.
- Average family income has increased as a result of the increase in paid work hours, so that families can purchase more goods and services than in the past. The average American family is better off economically today than in 1969, but has less time for activities other than work.
- Not everyone has gained by working harder, however. Since 1969, the top quarter of families gained, while the lower quarter lost and the middle has remained nearly constant in per capita income, adjusted for inflation. The situation of lower-income families has been improving, however, in the strong economic expansion of the 1990s.
- At the same time, the share of families with a single parent has grown dramatically since 1969. The typical single parent has less than half as much potential income and only half as much total time as two parents have. The rising number of single parents has increased the proportion of families who are "cash-strapped" and "time-poor."
- The increase in work among women appears to have produced some reduction in the time parents spend with their children, although the evidence on time use within families is limited. Most of the extra time spent earning income has come at the expense of housework, not child care or leisure activities.
- Increased time in market work among parents raises a key set of policy issues, including the need for flexibility in paid work hours, the need for available and affordable child care, the need for effective ways to support the earnings of families with low-wage earning parents; and the need to encourage two-parent families to form and stay together. In all of these areas, the Clinton Administration has actively worked to improve the situation of American families.

I. INTRODUCTION

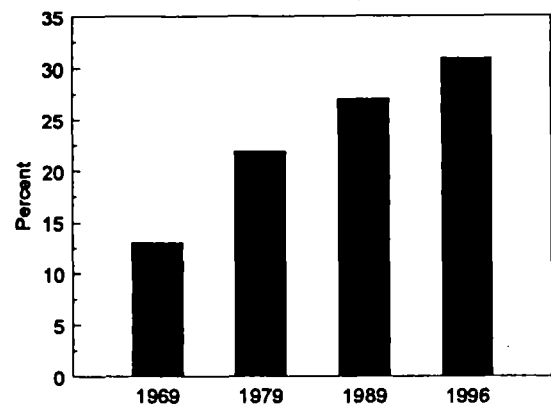
Dramatic changes have occurred over the last thirty years in how families combine work and family life. During the last three decades, women have devoted more and more time to market work. Combined with hourly earnings increases among women, this means women's earnings have gone up substantially, while their time available for work in the home has declined. In contrast, men's average hours of paid work and earnings have remained relatively stable. As a result, families have higher incomes, but they have less time for other activities. In short, American families have been in the midst of change – changes in time worked for pay; changes in income and by whom it is earned; changes in family size; and changes in how child care and household tasks are accomplished. This report assesses these changes since 1969 for families with children under age 18.

Two other trends in family life are also likely to affect the well-being of families with children, occurring along with changes in their income and time allocations. First, the share of families with children that are headed by a single parent has increased significantly (see figure 1). Since single parents typically have both lower incomes *and* less total adult time available for work in the home than married-couple families, this trend tends to increase the proportion of families who are “cash-strapped” and “time poor.” Second, families have decreased in size as the average number of children in families with children has declined (see figure 2).

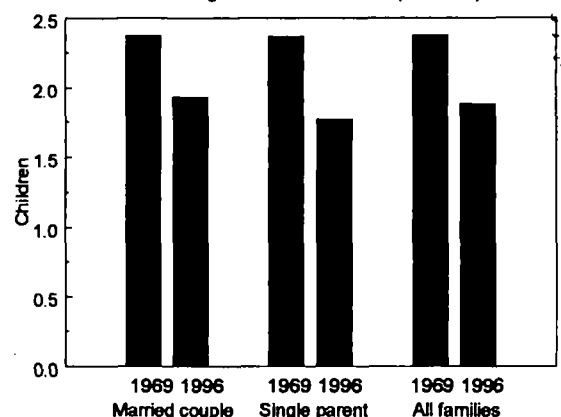
This paper will examine how families with children are faring in the face of all these changes. Key questions to be addressed include:

- How much have hours of market work increased for families?
- How have the extra hours worked by families affected family incomes? How have these trends differentially affected families that differ in skill level, minority status, and number of parents in the household?
- How have these changes in market work and income affected how families use their time in the home? In particular, how have these changes affected parental time available for children?

1. Single Parent Families as Share of All Families



2. Average Number of Children per Family



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Some have argued that Americans are facing more and more of a "time bind" as they work longer and longer hours in order to attain an increasing standard of living.¹ Others have argued that, even with increases in hours of paid work, families are not realizing significant income gains, or that families are working harder and harder "just to stay in the same place."² No such "one size fits all" characterization adequately captures the variety of experience in different segments of the population. Different types of families have experienced different changes in paid work time and income.

Overall, we find that parents today are spending more time in paid work. Time available for children has declined, but parents have protected child-rearing time by spending less time on household chores. For most groups, family income has increased. With fewer children, parents are able to buy more goods and services for themselves and their children. The average American child – particularly if he or she is living in a family headed by a married couple – is better off economically today than in 1969.

There are some groups for whom the picture is not as rosy, however. The continuing increase in the share of children living in single-parent families has substantially diminished the economic progress that families with children would otherwise have made, limiting both their income and their time. Less educated parents, who have not experienced the wage gains of other families, are working more hours without a commensurate increase in income. It is encouraging to note, however, that most of these families have experienced income gains in recent years during the strong economic expansion of the 1990s, making it easier for them to effectively combine work and family life.

Underlying and reinforcing the trends toward more paid work time and smaller families has been the long-term growth of women's wages. Rising wages pull women into the labor market by making it more expensive for them to stay at home, in terms of foregone income. Higher wage levels for women in the labor market, combined with other changes in attitudes toward market work among women, make it unlikely that families will ever return to the way they were in 1969. With both mothers and fathers in the labor market, we have no realistic alternative but to help parents balance paid work and family life as effectively as possible.

good way to put kids in labor market - we never do

¹ Hochschild (1997); Schor (1991).

² Bluestone and Rose (1997).

II. TRENDS IN HOURS OF MARKET WORK

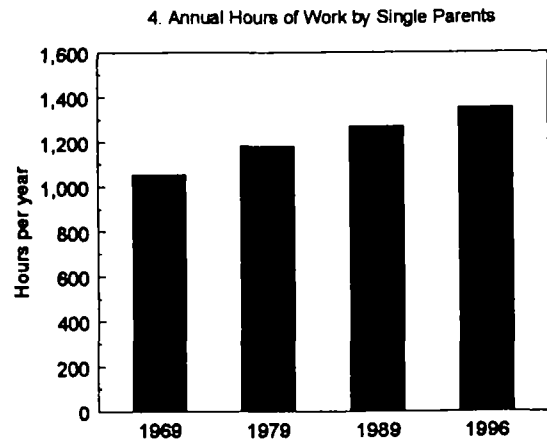
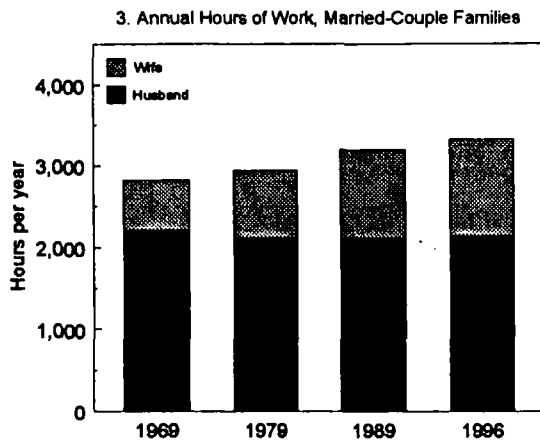
The most dramatic change in the time allocation of families has been in time spent at work for pay. Since 1969, both married-couple and single-parent families have substantially increased their annual hours of paid work. These increases have come almost entirely from the women in these families, who are working more outside the home – more weeks in the year and more hours in the week – than they did thirty years ago. However, while the increase in paid work time has been widespread, the size of the increase has varied considerably across families, depending on the number of parents, their education, whether they have a preschool-age child, and their race or ethnicity.

The estimates of annual hours of work presented in this section are based on the March Current Population Survey (CPS), a large representative survey of about 50,000 households each year.³ While the CPS is the only large-scale representative sample which consistently measures hours of work and family incomes on an annual basis and is therefore the standard data set used for labor market analyses, some have argued that the CPS may be inaccurate because individuals may not be able to recall accurately their usual hours of work during the last year.⁴ In section IV of this report we discuss alternative estimates of paid work time based upon “time diaries,” which require individuals to maintain detailed accounts of how they spent their time during a day.

For purposes of this analysis, we use the same definition of a “family” as the Census Bureau: all related individuals living together in the same household. We restrict the analysis to families whose head is at least eighteen years old and where there is a child under age 18. A mother (or couple) and her (their) children living in a household headed by another family member are part of the head’s family, and an unmarried parent co-habiting with a domestic partner is classified as a single parent. Throughout this paper, unless otherwise specified, the terms “wives” and “married women” refer only to those with children.

³ We are using the March 1970, 1980, 1990, and 1997 CPS data sets. The data collected each March refer to the previous calendar year. Thus we refer to data for 1969, 1979, 1989, and 1996. We chose those years because they represent peak years (or upswing, in 1996) in the business cycle and thus permit valid historical comparisons. For 1979, 1989, and 1996, information on annual hours of work was derived from two questions which ask how many weeks each individual worked in the previous year and how many hours they “usually worked” in the weeks they worked. Multiplying weeks worked by usual hours worked per week provides a measure of annual hours of work. The 1969 data are not strictly comparable to later years due to differences in data reporting. We have developed an imputation procedure to make these data more comparable to information in later years.

⁴ Juster and Stafford (1991); Robinson and Godbey (1997), chapter 4.



As shown in figures 3 and 4, annual hours of paid work have increased substantially for both married-couple and single-parent families. (All families with children under 18 are included in figures 3 through 6, including parents with zero hours of paid work.) A person who works forty hours a week for 50 weeks a year (a traditional "full-time" job) will work 2,000 hours in a year. For two-parent families (figure 3) annual hours of paid work increased by 497 hours (18 percent) from 1969 to 1996; for single-parent households (figure 4) they increased by 297 hours (28 percent).

Virtually all of the increase in families' market hours of work has come from increases in women's hours. Conceptually, the increase in women's hours can be divided into three components: more women are employed, employed women are working more hours per week, and employed women are working more weeks per year.

The most dramatic change has been in the percentage of women employed. In 1969, 38 percent of married women with children worked for pay, while in 1996, 68 percent did so – a 79 percent increase in employment. The increase in employment for single mothers has been less dramatic: 53 percent worked for pay in 1969 and 66 percent in 1996.

Average annual hours worked by those who worked for pay also increased over time, showing that not all of the increase in hours came simply from more women entering the labor force. This increase was much greater for wives (who experienced a 24 percent increase) than for single parents (who experienced an 8 percent increase). This is not surprising since on average, single parents in 1969 worked more hours per year for pay than wives did in 1996. Both hours worked per week and weeks worked per year increased for wives and single parents, among those who worked for pay. Each of these components of annual hours, like the total, increased more for wives than for single parents. Increases in weeks worked per year were more dramatic than increases in hours worked per week.

While annual hours of paid work by all wives increased greatly – by 576 hours, or 93 percent – husbands' hours of paid work decreased slightly from 1969 to 1996. This is the result

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of husbands working both slightly fewer weeks per year and hours per week. These trends are consistent with estimates reported elsewhere in the literature, based on a variety of data sources.⁵

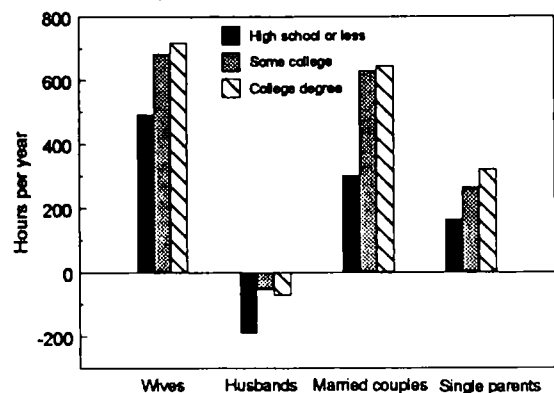
The increase in families' hours of paid work has been widespread throughout the population. All types of families – whether defined by the head's education level, spouse's education level, presence of young children, or race or ethnicity of the household head – have experienced substantial increases in hours of paid work from 1969 to 1996. In virtually every case, the increase in family hours of paid work reflects increases by wives and by single parents, rather than by husbands.

While the basic trends have been similar, the magnitude of the increase in hours of paid work has differed substantially across different demographic groups. In part, this is because some groups, such as women with preschool-age children, had lower hours to start with and therefore more room for expansion than others.

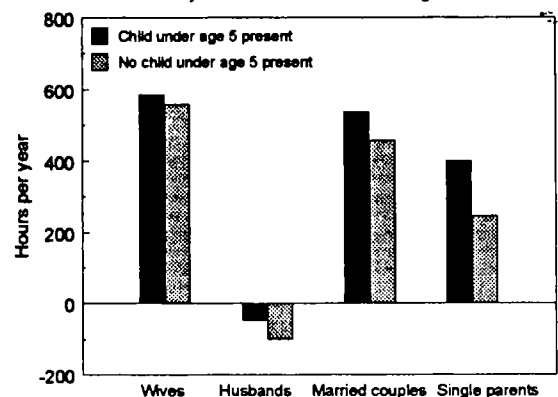
- Families whose head had gone to college have increased their hours of paid work much more than those whose head had less education* (see figure 5). For married couples with a college-educated husband, annual hours of paid work increased by 644 hours (23 percent) – more than twice the increase for couples in which the husband had a high school diploma or less. The difference was due to the wives' hours increasing more and the husbands' hours decreasing less in the college-educated families. For single parents with a college degree, hours of paid work increased by 320 hours (20 percent), compared to 165 hours (16 percent) for single parents with a high school diploma or less.

- Families with a young child increased their hours of paid work more than those with only school-age children* (see figure 6). For single parents with a child under age five, hours of paid work increased by 400 hours (50 percent), compared to 246 hours (21 percent) for single parents without a young child. For married couples, hours of paid work increased

5. Change in Annual Hours Worked, 1969-96
by Education Level of Head of Household



6. Change in Annual Hours Worked, 1969-96
by Presence of Child Under Age 5



⁵ Ellwood (1998), Ronces, Ilg and Gardner (1997) and Leete and Schor (1994) used CPS data, Bluestone and Rose (1997) used data from the Panel Study of Income Dynamics, and McGrattan and Rogerson (1998) used decennial Census data. All of these studies show increases in hours of work for women and decreasing or stable hours of work for men when nonemployment is taken into account.

by 537 hours (20 percent) for families with a child under age five, compared to 457 hours (15 percent) for families without a young child.

- *Married couples with a white or black husband increased their hours of paid work nearly twice as much as married couples with a Hispanic husband.* By contrast, single Hispanic parents increased their hours slightly more than either white or black single parents.⁶

Why have parents changed their hours of paid work? Trends in wages and trends in paid work hours influence each other. Rising wages tend to draw more individuals into the labor force, while falling wages tend to reduce participation. In turn, more work experience leads to faster wage growth, and vice versa. As a result, wages and paid work time tend to move up (or down) together, in a virtuous (or vicious) cycle.

Trends in hours of paid work for both men and women have roughly paralleled the trends in their wages since 1969 (discussed in section III-A below).⁷ However, the magnitudes of the changes in paid work time are still not completely understood, as they are not easily "explained" by changes in key economic variables.⁸ The increases in paid work among women seem to be much more closely related to increases in their own wages than to the changes in their husband's wages over this period. Declining male wages do not appear to be the main reason why women are increasing their market work.⁹ Increased work among women may also be affected by such hard-to-measure factors as changes in assumptions about women's role in the family, diminished discrimination against women in the workplace, or falling barriers to women entering non-traditional occupations. Highly educated women have benefited more from diminished discrimination than have women with less education, as higher-level professional and management jobs have opened up to them. Whatever the reason, large increases in market work hours among women have substantially changed the time allocation and income of families.

Are there constraints in the labor market that have led workers to choose more work hours than they would want? For instance, perhaps some full-time workers would rather work part-time. A worker's decision about how many hours to work on a job is determined by a number of factors. When workers accept a job, they are agreeing to a formal contract of hours and wages as well as to an implicit contract about career development. They are *jointly* choosing the type of work they do, the environment in which they do it, the wages and benefits they earn, the job's future prospects, and the hours they work. It is possible that employees are working more hours than they would like, but that they value the other characteristics of their jobs sufficiently to work those extra hours.

⁶ Trends for Hispanic families are difficult to interpret because of significant changes in the composition of the Hispanic population over this time period.

⁷ Blank (1997), chapter 3; Juhn and Murphy (1997).

⁸ Blau (1998); Danziger and Reed (1997).

⁹ Juhn and Murphy (1997).

III. TRENDS IN FAMILY INCOME

The upward trend in hours of market work raises questions about trends in family well-being. A family's economic well-being is typically measured by its income. Earnings are the largest part of family income, which also includes transfer payments such as welfare and unemployment insurance, interest, dividends, and other unearned income such as child support. Earnings, in turn, come from wages and/or salary, plus any overtime, tips, or commissions. Rising work hours should lead to rising incomes, but the magnitude of this effect depends on changes in wages and other income sources that might be occurring at the same time.

A. Wages

During the same period in which women's hours of paid work have increased, inflation-adjusted wages have been increasing for women on average. Female college graduates' wages have risen more than wages among the less educated. In fact, female high school dropouts' wages have stagnated or even declined slightly. Men's wages have grown very little on average. ~~They have fallen for men without college degrees and remained virtually constant for men with at least a BA.~~¹⁰ Because fringe benefits have grown since 1969, workers' hourly compensation (including the value of fringe benefits) has improved more than their wages alone.

As we discussed above, these wage changes are positively related to changes in hours of work. More educated women have shown the largest increase in their market work, and their earnings have gone up even faster as wages and hours of work rose together. Less educated men have experienced both declining wages and declining hours of work, leading to earnings reductions.

B. Total Family Income

Putting the trends in wages and hours together, to what extent have increases in hours of paid work within families translated into increases in family income – the measure we ultimately care about? To answer this question, we present estimates of average family incomes, by income component, to provide one assessment of how the changes in hours have affected the standard of living of families in the United States.¹¹ Our income measure is based upon before-tax cash income only, including cash benefits such as welfare and unemployment insurance benefits, and does not include other family resources, such as fringe benefits, food stamps, and the Earned

¹⁰ Blau (1998). These are the trends in mean weekly earnings of full-time workers aged 25-64. Other wage measures such as average hourly earnings or median weekly earnings show slightly different trends, but all show a similar relationship between education levels.

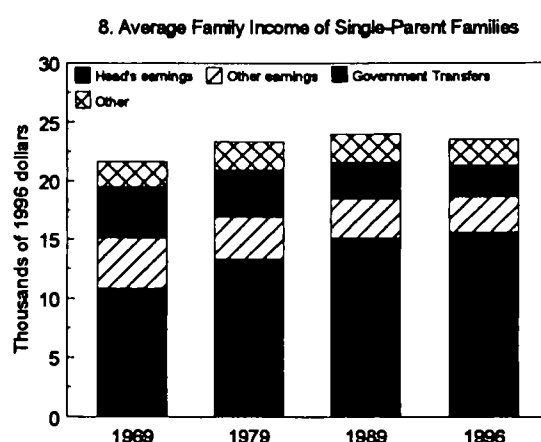
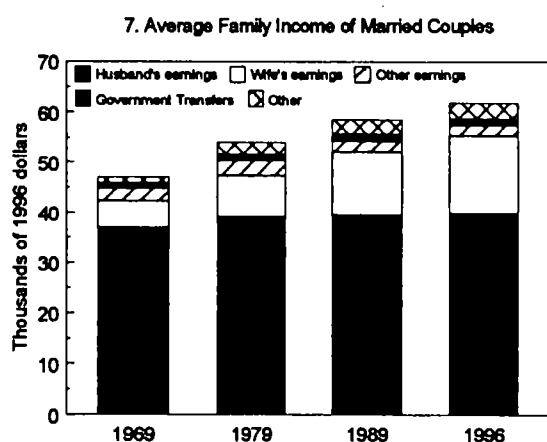
¹¹ To adjust for changes in prices over time, these estimates use the CPI-U-X1 price index measure. The CPI-U-X1, an alternative to the CPI-U (Consumer Price Index for Urban Consumers), uses the rental equivalence approach to improve the treatment of home ownership costs.

Income Tax Credit (EITC). While these other resources and taxes are important, they are difficult to measure accurately or consistently for individual families. Because food stamp use grew rapidly in the 1970s and the EITC expanded greatly in the 1990s, the income measure we use omits more of the resources available to low-income families today than in the 1960s. Our estimates therefore understate the gains made by low-income families since 1969.¹²

Trends in income and in the various components of income (earnings, government transfers, other sources of income) have varied across different types of families.¹³

1. Trends in Income by Family Structure

Both married-couple families and single-parent families achieved increases in inflation-adjusted income from 1969 to 1996 (see figures 7 and 8). However, even though single parents had substantially higher rates of growth in paid work hours, married-couple families experienced a much larger average increase in income.



- *The incomes of married-couple families increased by more than their increase in paid work time. Their average family income increased by almost a third from 1969 to 1996 (\$14,800 in 1996 dollars), while their annual hours of paid work increased by less than a fifth.*

¹² For estimates of changes in family incomes using a broader definition of income, see Levy (1996).

¹³ Throughout the following analysis we use mean (that is, average) income, rather than the median or another indicator of the distribution. Changes in mean income can be decomposed into changes in means of the components of income, whereas changes in the median cannot. There has been a more positive change in mean income than in median income, as disproportionate growth in the upper tail of the income distribution pulls up the mean without affecting the median. We multiplied topcoded values by 1.45 before taking the means of the distributions so that the means would not be underestimated.

- *For single-parent families, incomes increased by much less than paid work time. They also increased much less than the incomes of married-couple families over this period, after adjusting for inflation. Average income of single-parent families increased by less than ten percent (\$1,920 in 1996 dollars) from 1969 to 1996, while their paid work hours increased by more than a quarter.*

Increases in the earnings of wives and single parents generated most of the income growth from 1969 to 1996. Single parents' earnings increased more than their total family incomes did, as earnings increases were offset by a forty percent decline in average government cash transfer payments. For two-parent families, increases in the wives' earnings represented two thirds of the increase in family income, with the remainder attributable to an increase in the husbands' earnings and an increase in unearned income from sources other than government transfer payments.

Among both wives and single parents, their increased earnings reflect an increase in hours of work and an increase in hourly earnings rates. Rising earnings among wives reflected a startling 93 percent increase in their hours and a 52 percent increase in their earnings per hour. For single parents, hours of work increased by 28 percent, while hourly earnings increased by 17 percent.

2. Trends in Income by Other Demographic Characteristics

As with hours of paid work, trends in average family incomes differ substantially across groups of families classified by education, race or ethnicity, or presence of young children. Income growth has been greater for families whose head is highly skilled, for families headed by a non-Hispanic person, and for families with preschool-age children.

- *More highly educated families had greater income growth from 1969 to 1996. Married couples' income grew by almost a third if the husband had a college education, but less than ten percent if the husband had a high school diploma or less. For single parents, inflation-adjusted incomes grew by eight percent if they had a college degree, but incomes fell by four percent for single parents with a high school diploma or less. Much of this difference in income growth reflects larger hours increases for highly skilled wives and single parents, and earnings declines for low skilled husbands. Erosion of the purchasing power of cash welfare benefits also helps explain why the inflation-adjusted incomes of less-educated single parents fell.*
- *Average income growth for whites and blacks was substantially higher than for Hispanics. Among families headed by a white person, average incomes grew for both married couples (18 percent) and single parents (2 percent) from 1979 to 1996.¹⁴ For blacks, average incomes grew by 18 percent for two-parent families and by 6 percent for single-parent families. Finally, for Hispanics, average incomes fell for both married couples (4 percent) and single parents (3 percent). These results are striking, given the*

¹⁴ Our race and ethnicity comparisons begin in 1979 because the CPS did not identify Hispanics in 1969.

relatively large increases in hours worked for pay by Hispanic single parents over this period. An increasing share of recent immigrants with lower education and wage levels in the Hispanic population helps explain why Hispanics' incomes fell. In addition, wages and cash welfare benefits declined.

Families with a child under age five had greater average income growth than families with older children. For married couples, average incomes increased by 38 percent for families with a child under age five, compared to 27 percent for families with only older children. For single parent families, mean incomes increased by 17 percent for those with young children, but by just 6 percent for families with only older children.¹⁵

3. Recent Trends in Family Income

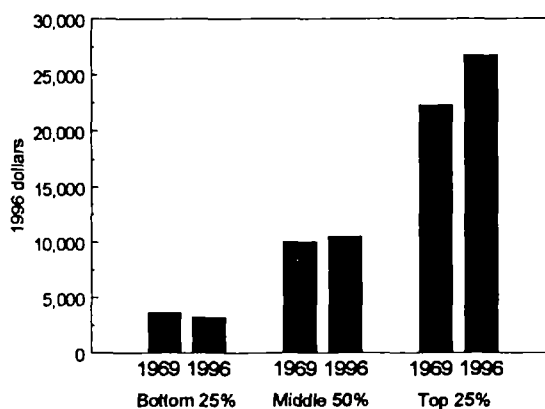
Trends in family income from 1992 to 1996 are considerably more favorable than the longer term trend since 1969. Even families headed by single parents with a high school diploma or less, whose real income deteriorated from 1969 through 1992, made income gains from 1992 to 1996 during the sustained period of economic expansion under the Clinton Administration.

C. The Distribution of Family Per Capita Income

To assess the implications of income growth for families with children, we need to take account of the increasing share of single-parent families, whose incomes are lower and grew much less than the incomes of married-couple families (see section III-B-1 above). We also need to consider the decrease in family size, because a given family income provides more resources per child when there are fewer children in the family. Moreover, because less-skilled, lower-income parents have had slower income growth than highly skilled, higher-income parents, it is important to consider the trends in income for lower-income and higher-income families, not just the average family.

Figure 9 presents estimates which incorporate the combined effects of the increasing share of single-parent families and decreasing average family size, to assess changes in incomes for families with children. To reflect changes in the share of single-parent families, the diagram shows changes for the combined family income distribution of single-parent and two-parent families. In addition, as a crude way of adjusting for the differences in family size between two-parent and

9. Mean Family Income, Per Capita



¹⁵ Of course, having a younger child often implies being a younger parent. We do not control for the age of the parent in this analysis.

one-parent families and for the decreases in family size over time, family incomes are presented in per capita terms. (This is a crude measure because it does not cost twice as much to support two people as one. On the other hand, two do cost more to support than one. The true measure of equivalent income for different family sizes lies somewhere between per capita and total income.) The figure shows the change in average income per person for the lowest quarter, the highest quarter, and the middle half of the distribution of all families' per capita incomes.

These estimates indicate that while there has been substantial growth in income per person for families with high per capita income, income per person has been either stable or decreasing for other families when 1996 is compared with 1969. During the economic expansion from 1992 to 1996, however, families with lower per capita incomes also experienced rising income per person.

- *Since 1969, the top quarter of families gained, while the lower quarter lost and the middle half remained nearly constant in per capita income terms, after adjusting for inflation.* The top quarter gained 20 percent (\$4,420 in 1996 dollars) from 1969 to 1996, while families in the lower quarter of the per capita income distribution had declines of 11 percent (\$410). For families in the middle half of the per capita income distribution, average income per person has remained relatively constant, with income gains of 4 percent (\$452).

Since family size has been decreasing, it follows logically that increases in mean income are less dramatic, and decreases are more dramatic, when calculated on a family basis rather than on a per capita basis.

IV. HOW DO FAMILIES RESPOND? IMPLICATIONS FOR FAMILY TIME USE OUTSIDE THE JOB

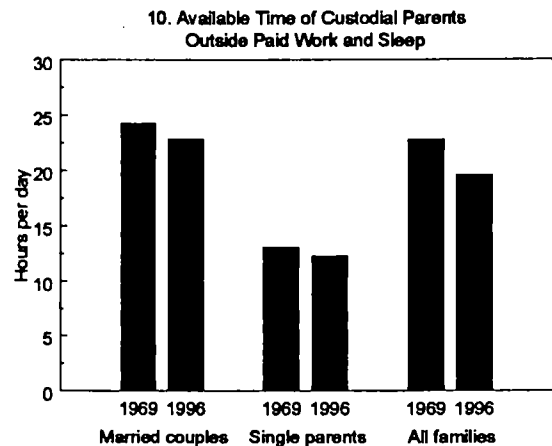
The trends in hours of paid work and family incomes described above have had a major impact on family life. Increasing hours of paid work may mean higher incomes, which provide more resources for parents and children. But increasing paid work time also means less time for other activities. The evidence on time allocation to non-market activities is much more limited than the data on hours of paid work and income, and conclusions must therefore be more tentative.

The CPS, with its larger sample size, only allows us to examine hours spent on paid work (and therefore hours available for other activities) along with changes in family size and structure. We have limited data on what people actually do with the time they do not spend in paid work, mainly from time-use diary studies. These studies have complete data only for a small sample of people. We begin with the CPS data regarding basic trends and then discuss the more detailed time-use diary data.

A. Trends in Current Population Survey Data

What can the CPS tell us about how the changes of the past several decades have affected the number of home hours that families have available for caring for children and maintaining a household? On the one hand, families may have less time available for child care because they are spending more time in the labor market and because the share of families with a single parent is growing. On the other hand, the number of children per family has fallen, which would tend to increase parental time per child.

Figure 10 shows the trends in non-market time that custodial parents potentially had available to spend with all their children, after subtracting time spent at paid work and allowing eight hours per day for sleep. We emphasize the fact that this is only time *potentially available* in the home; there is no information in the CPS about how parents actually spend their time outside paid work. Figure 10 shows that from 1969 to 1996, both married couple and single parent families experienced a decrease in time not spent on paid work. The overall decrease is greater than the decreases within either family type because the proportion of single-parent families increased over this period.



The other extreme is to assess changes in total parental time potentially available *per child*. This measure is obviously misleading because it assumes that a single child who spends two hours a day with a parent gets as much parental attention as two children who spend four hours a day with a parent. While this assumption is clearly false, it gives us a lower bound for the impact on children. Despite increases in paid work hours for each type of family, the amount of non-market time available *per child* has increased for both married-couple and single-parent families since 1969. When single-parent and married-couple families are added together, however, the amount of family time per child has remained relatively constant. This reflects the fact that a shift toward more single parents tends to decrease parental time available to children, because it reduces the number of custodial parents available to spend time with children.

This extreme case suggests that, *at best*, parents have about as much time available to spend with their children as before, while under more realistic scenarios, the time potentially available for them to be at home with their children has declined. Determining what these changes in potential time available at home mean for actual time spent with children is difficult, however.

B. Time Use in the Home Estimated from Time-use Diaries

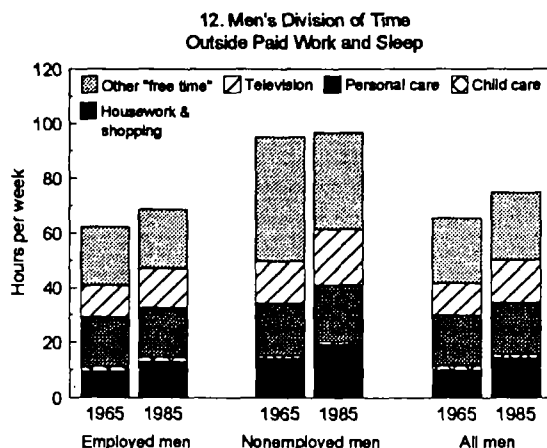
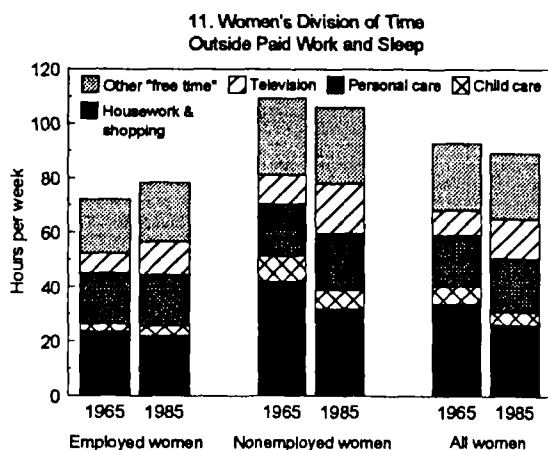
Fortunately, we have an alternative – and somewhat more informative – source of data: time-use diary surveys, which ask respondents to keep a detailed diary recording how they spend their time during a specific day. These surveys provide an alternative, more accurate method of

measuring paid work time, as well as time spent in various kinds of unpaid activities, such as commuting, housework, child care, shopping, recreation, and personal care. The trends in hours of paid work time and non-market time described above are based on data which report individuals' estimates of their usual hours worked per week in the previous year. Such estimates may not accurately portray the actual hours worked for pay because the question is somewhat ambiguous and respondents may not be able to report accurately on a "usual" week in the few minutes allowed during the CPS interview. Time-use diary measures tend to show shorter paid work hours and sometimes even different trends than the CPS.¹⁶

Unfortunately, such time-use diary surveys are conducted much less frequently and with much smaller samples than the CPS. The latest available data were collected in 1985; results of a survey done in 1992-94 are not yet available. Because of the small samples, time-use diary surveys cannot be used to examine trends for smaller subgroups of the population, such as single parents or blacks. Moreover, the individuals who complete the diaries may not represent the U.S. population as well as the CPS sample does. These surveys do, however, provide information about how much time is spent in different types of unpaid work at home, such as child care and housework, in leisure pursuits, and sleep.

1. Averages

Time-use diary surveys suggest that most of the increase in women's formal working hours between 1965 and 1985 was offset by decreases in time spent on household chores (see figure 11). These decreases were coupled with increases in time spent on household chores by both employed and nonemployed men over this period (see figure 12). There was very little reduction in time spent with children, and "free time" spent watching TV actually increased.¹⁷ These trends are rather surprising, since they are not consistent with the widespread feeling that leisure time has become less available.

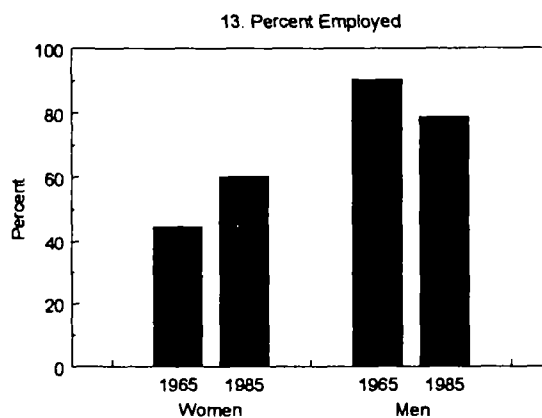


¹⁶ Robinson and Godbey (1997), chapter 5.

¹⁷ Robinson and Godbey (1997), Tables 3 and 9.

One possible way to reconcile these numbers with a general sense of “time stress” may be to note that many women have moved from the “nonemployed” to the “employed” category, which dramatically changes their time-use patterns. In any single year, employed women spend over one third less time on child care and household tasks than women without paid jobs, but still have 25-30 percent less free time.¹⁸ Time-use surveys conducted in the U.S. in 1965 and 1985 show that employed mothers spent virtually the same amount of time taking care of children in 1985 (6.7 hours per week) as in 1965 (6.3 hours per week). Mothers without paid jobs spent 12 hours a week on child care in both years. (But note that nonemployed women are more likely to have young children.) This is consistent with other analyses of these time-use surveys, which show no decline in child care time within mothers’ employment category.

When the shift of women into employment (shown in figure 13) is taken into account, however, mothers’ time in child care declined by 10 percent overall, from ten to nine hours per week. Fathers did not make up the difference; their child care time remained about 2.6 hours per week from 1965 to 1985. This suggests that the increase in market work among women has reduced parents’ total time with children.



Source: Time-Use Diary Surveys (Robinson & Godbey 1997)

Time spent in personal care and commuting to work did not change much. The time-use diary estimates of commuting time are corroborated by Census department data. A Federal Highway Administration survey found that the average commute time increased by 2.5 minutes (13 percent) between 1983 and 1995. Surprisingly, “free time” activities *increased* by almost 5 hours per week for both men and women, due almost entirely to an increase in television-watching (including watching TV with children). What “gave” for women was household chores.

The time-diary results above are from descriptions of adults’ time. Recent time-diary evidence sheds new light on how *children* spent their hours in 1997. The most striking finding is that two-parent families on average spent remarkably similar amounts of time engaged with their children regardless of whether or not the mothers were working. Dual earner couples spent an average of 19 hours per week engaged with their children, while families with working fathers and stay-at-home mothers spent 22 hours per week engaged with their children.

2. Differences among Families

These estimates are based on average trends. They may miss important distinctions between high- and low-income groups, or between single-parent and two-parent families. The effect of women’s increased hours in the labor market on families is likely to vary between college-educated parents, whose incomes have been rising because their hours and wages both

¹⁸ Robinson and Godbey (1997), Tables 3 and 6.

increased, and less-educated parents, whose incomes may have fallen despite increased work hours because of falling wages. It may be harder for families with more limited resources to cut back on housework by buying time-saving services and appliances. The effect of women's increased hours in the labor market on families is also likely to vary between married couples, who can shift some housework and child care from working wife to husband, and single parents, who cannot. Within married-couple families, moreover, there are likely to be differences across education levels in this shifting of tasks, as child care time by fathers rises with their education. Unfortunately, the time-use diary survey samples are too small to be broken down into these subsamples.

V. KEY POLICY ISSUES RELATED TO THESE CHANGES IN FAMILY LIFE

The enormous changes in the ways American families function create new opportunities, but also present new policy challenges, to private employers as well as to the government. There are four key areas of policy that are important in helping families better balance work and family life: increasing the flexibility of market work; supporting income among low-income working families; improving access to high quality, affordable child care; and encouraging the formation and maintenance of two-parent families.

A. Increasing the Flexibility of Paid Work

The effect of parents' market work time on children also depends on when and where it is performed. By shifting from work in the home to work in the market, many women find themselves with far less flexible schedules to respond to other family needs. Key employment arrangements that affect hours flexibility include:

- *Flexible work arrangements* (defined as allowing workers to vary the time they begin or end work) are an increasingly popular approach to decreasing the tension between work and family. In 1997, 28 percent of full-time wage and salary workers had flexible work schedules. This was up sharply from 15 percent in 1991, the most recent prior year when data were collected.¹⁹
- *Shift work* may enable parents to share child care more easily by working different shifts. If shift work is to ease the task of combining paid work and child care, however, the choice of shifts must be voluntary. For those workers who cannot determine their own schedules, the combination of shift work and work in the home is a potential source of stress and expense. Non-standard working hours may make it difficult both to find time to spend with children when they are awake and not in school and to arrange for child care

¹⁹ Data on alternative work arrangements comes from the 1991 and 1997 May supplements to the CPS.

while working. In 1997, 83 percent of full-time wage and salary workers were on regular daytime schedules, 4.6 percent were on evening shifts, 3.9 percent were on employer-arranged irregular schedules, 3.5 percent were on night shifts, and 2.9 percent were on rotating shifts.

- Working at home for pay can sometimes increase parents' flexibility. In 1997, 3.3 percent of all wage and salary workers were doing work at home for pay, up from 1.9 percent in 1991. An additional ten percent of all wage and salary workers in 1997 were doing work at home without receiving extra pay for it. Nearly 9 out of 10 workers who were paid for work at home were in "white-collar" occupations.

Maintaining high productivity need not be inconsistent with allowing flexibility in work arrangements, as many private sector employers have discovered. The Federal government has led by example, instituting "flextime" which allows employees some discretion in when they work their allotted hours. The President has proposed a flextime initiative that would allow *all* workers to take "time-and-a-half" overtime compensation in the form of compensatory time whenever they need it for family and medical leave purposes or vacation, instead of cash.

This Administration has played a major role in increasing flexibility among families by helping enact the Family and Medical Leave Act (FMLA), which enables workers to take up to 12 weeks unpaid leave to care for a new baby or ailing family member without jeopardizing their jobs. Since its inception in 1993, millions of workers have taken advantage of the FMLA to spend necessary time with their families. The President has also proposed expanding FMLA to allow workers up to 24 hours per year for parent-teacher conferences or to accompany a child, spouse, or elderly parent for routine medical and dental care.

B. Giving All Parents, Especially Low-Income Parents, More Choices

While incomes have been rising for most people, families at the bottom of the income distribution, particularly the less educated and single parents whose inflation-adjusted incomes were lower in 1996 than in 1969, still face serious economic hardship. For many low-income parents, working harder and spending less time with their families is not a choice but a necessity. Recent policy changes that have helped these families cope include:

- Expansions in the *Earned Income Tax Credit* (EITC), to assure that persons who work hard on their jobs can take home enough money to support their families;
- Providing a \$500 per-child tax credit to help offset the expense of raising children;
- Increases in the *minimum wage* from \$4.25 in 1993 to \$5.15 in 1997;
- Expanded *child support enforcement* provisions, which help ease the economic burden on single mothers and enforce responsibility for economic support of children on both parents;

- Major *welfare reform legislation* that has helped single mothers move from welfare to work;
- Employer tax credits to help create jobs for welfare recipients;
- Substantial expansions in *support for vocational education, community college, and skill development* among persons in lower-income families, including the creation of Hope Scholarships, increases in the maximum Pell Grant, and the passage of the Workforce Investment Act of 1998.

In addition, it is hard to underestimate the importance of a strong economy and steady economic growth, which creates jobs, reduces unemployment, and raises wages for all workers – especially the less skilled who are most affected when jobs are scarce.

C. Improving Access to High Quality, Affordable Child Care

Most parents adjust to an increase in their paid work time by increasing their use of child care providers other than themselves. As mothers go to work, families have more income to spend. Some of it can be spent on paid child care. The availability, cost, and quality of child care that can be purchased in the market affects the employment decisions and financial status of families.

The primary child care arrangements for preschool-age children of employed mothers in the fall of 1994 were divided roughly equally among care in the child's home (by a relative or nonrelative), care in another home (by a relative or nonrelative), and care in an organized child care facility. Since comparable data were first collected in 1986, the trend shows a slight increase in the proportion of children receiving care in their own homes, relatively fewer children receiving care in another home, and relatively more children receiving care in an organized facility. The share of monthly income spent on child care by those purchasing this service rose from 6.3 percent to 7.3 percent between 1986 and 1993.²⁰

This Administration has consistently emphasized the importance of child care availability and quality. Since 1993, child care subsidies for low-income families have grown by 80 percent. In addition, the Administration's budget proposal for the 1999 fiscal year included \$5.0 billion to increase the Child and Dependent Care Tax Credit for three million families earning under \$60,000 a year.

Need stay-at-home tax credit

²⁰ The earliest comprehensive data on families' child care arrangements were collected by the Bureau of the Census in 1977. The earliest data that are compatible with the most recent data are from fall 1986. We use the 1986 data for consistency.

D. Encouraging Two-Parent Families

When two-parent families form and stay together in a supportive relationship, many of the economic and emotional stresses of balancing work and family are eased. Two-parent families have greater earnings potential and more potential time to spend with their children than do single-parent families. Among the recent policies which have helped maintain married couple families, the *eligibility rules for Medicaid* and other programs have been changed so as not to penalize two-parent families for staying together. → *mention welfare reform*

VI. CONCLUSION

A massive shift of women's time from the home to the labor market has occurred in the last generation. For most families, increasing incomes have accompanied mothers' increasing paid employment, although the shift from married-couple to single-parent families has reduced both income and parental time available for many children. While smaller family sizes have helped offset the increase in market work, many parents still find it difficult to balance jobs and children. Raising children is not easy; even in the past when more women stayed at home while their children were young, many of them found full-time homemaking extremely stressful.

Single parents face the most difficulties. They have only half as much total time available as two parents, and single mothers typically have less than half as much earning power as a married couple because women's wages are lower than men's. Lack of income limits most single parents' ability to purchase time-saving goods and services and high quality child care. Thus, they may face a severe time and money bind.

Men without college educations have faced declining wages. While increased work by their wives has helped maintain their families' standard of living, it is still difficult for them to afford child care. Moreover, less-educated workers are less likely to have jobs that permit parents to arrange their hours to accommodate family needs.

Better educated parents, whose increased time in the labor market has been rewarded with considerably higher incomes than in 1969, can better afford to pay for high quality child care, household help, and other time-saving goods and services. Married-couple families, particularly those where the husband has a college degree, have seen substantial improvements in their economic situation over the last three decades. Yet, even these couples often express dissatisfaction with the stresses involved in balancing work and family.

It may be that changing social norms have increased the income requirements for raising children, making even married women in families whose income has gone up over time feel that they cannot afford to stay at home as their mothers did. Moreover, even high-income two-earner couples may find that their jobs entail longer hours and a more demanding, stressful pace than they would freely choose, although these jobs may also provide the income, long-term career

PRELIMINARY - DO NOT QUOTE

prospects, and personal fulfillment that they desire. But a job comes as a total package, and these families cannot give up some income for more time at home without giving up the rest of the package, which they find attractive on the whole. Therefore they, too, are looking for help in balancing the demands of job and family.

The changes in parents' paid work time and family size of the past three decades have been driven by the long-term increase in women's wages and job opportunities; hence they are not likely to be reversed. These increases in women's earning power may have other long-term positive effects besides their immediate effect on family incomes. As wives and husbands become more able to earn similar amounts in the labor market, it encourages a more equal balance between them in terms of responsibilities for earning money, household tasks, and child care. Fathers are becoming more involved in child-rearing than in the past. Women are better able to support their families in the event of widowhood, divorce, or their husbands' disability or unemployment. Moreover, as women gain more (and more continuous) market work experience, their earning potential also increases. Young women, expecting to spend more time in the labor market, increasingly prepare themselves for more skilled and higher-paying jobs. These developments all work to increase the long-term security of women and their families.

In the meantime, both employers and public policy-makers need to continue to search for creative ways to help productive workers also function as effective parents and responsible family members. If families and children are going to withstand the stresses of these trends, employers and public policy makers have a responsibility to do everything they can to help parents balance work and family. Workplaces and work hours must become more flexible, parents need more supports and more choices, and more children need to live with both parents in their lives.

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Los Angeles Times

March 13, 1998, Friday, Home Edition

SECTION: Part A; Page 17; National Desk

LENGTH: 873 words

HEADLINE: STUDY SAYS POVERTY PERSISTS FOR KIDS OF WORKING POOR

BYLINE: MELISSA HEALY, TIMES STAFF WRITER

DATELINE: WASHINGTON

BODY:

A booming national economy has drawn millions of poor parents off of welfare rolls and into jobs, but many of their children still live in poverty, according to a comprehensive assessment of the nation's youngest poor released Thursday.

In 1996, the most recent year for which data are available, 5.5 million children lived in poverty across the nation, and 63% of them lived in families with at least one working parent, according to Columbia University's National Center for Children in Poverty.

The number of poor children has declined since peaking at 6.4 million in 1993, shortly after the last recession. In that year, however, only 55% of poor young children came from working-poor families.

The finding that kids with working parents represent a growing segment of the nation's poor children underscores a central fear of many state officials and welfare analysts. New requirements that welfare recipients find jobs may be driving many parents off public assistance, but the jobs that these adults can command frequently do not lift their families above the poverty line, which was \$ 12,516 in 1996 for a family of three.

As welfare reform progresses, experts say, the result could be a rising tide of working poor struggling to stay afloat without any federal promise of a life raft. It is the children of these families, some fear, who are at greatest risk of going under.

"All my instincts tell me that folks are struggling out there, trying to put it together," said David Liederman, executive director of the Child Welfare League of America. "They're doubling and tripling up, and they'll survive as long as they can. And then when they can't do it any longer, their kids will come into the foster care system."

The center's report observed that children living with unmarried mothers were still five times more likely to be poor than were those living with married parents. But living with both parents was no assurance of clearing the poverty hurdle; more than one-third of young children in poverty were living with two parents.

Los Angeles Times March 13, 1998, Friday,

In fact, the poverty rate for children under 6 living in "traditional" two-parent families--in which father worked full-time and mother stayed home--doubled to 14% between 1975 and 1996.

Those findings, said ChildTrends economist Richard Wertheimer, all point to an emerging reality in the U.S. economy: Increasingly, it takes two parents--and two earners--to maintain a household's grasp on middle-class status.

Experts say the 1996 federal welfare reform law also has contributed to the child poverty rate.

From 1993 to 1997, more than 6.7 million Americans--almost two-thirds of them children--have dropped off the nation's welfare rolls, according to the Department of Health and Human Services. The rate has accelerated since August 1996, when welfare reform became law.

Even before welfare reform, a strong economy generated many jobs for parents and helped lift many children out of poverty, according to the report. In 1993, 26% of all children under 6 lived in poverty, a rate that dropped to 23% in 1996. At the same time, however, the center's data show that the living conditions of many children did not significantly improve when their parents went to work.

"The combination of a robust economy and the social messages that poor parents are receiving are putting more parents to work. But it's had a modest anti-poverty effect" for children, said J. Lawrence Aber, director of the National Center for Children in Poverty.

Several state officials carrying out welfare reform acknowledged Thursday that while aid recipients were flocking to work, the number of families with children in poverty has been difficult to budge.

"Basically, we're seeing it improve gently, but not as strongly as you would hope to see in a solid economy," said Vermont's secretary of human services, Cornelius Hogan.

Researchers say little is known about what happens to the children of low-income parents making the transition from welfare to work. Among the children of working-poor parents who either cannot or do not receive public assistance, researchers have found, a mother's decision to work often improves her children's overall well-being.

But when a mother goes to work under new welfare requirements, researchers are less sure that her employment will improve her children's well-being, as judged by such diverse measures as family income, health-care access, quality of day care and academic achievement.

"We're looking at parents who have not necessarily entered employment because they want to or have skills equivalent to those who've avoided welfare," said Sheila Smith, author of a report on working-poor children for the New York-based Foundation for Child Development. "These parents may be more depressed, have less work history, have fewer psychological and job resources."

The Columbia University report did not provide details of child poverty by state. But a recent U.S. Census Bureau report found that the number of

Los Angeles Times March 13, 1998, Friday,

children in poverty surged by 44% in California between 1989 and 1993 before declining by 5% over the next two years.

In 1993, according to the census report, the child poverty rate in Los Angeles County was 36.6%.

LANGUAGE: English

LOAD-DATE: March 13, 1998



NATIONAL CENTER FOR CHILDREN IN POVERTY

Identifying and promoting strategies to reduce child poverty, and to improve the life chances of the millions of young children still living in poverty

Child Poverty News & Issues: Summer 1997, Vol. 7, No. 1

Poverty and the Baby Brain Drain



Dr. Aber, a developmental psychologist, is director of the National Center for Children in Poverty, Columbia School of Public Health. He was a participant in the White House Conference on Early Childhood Development and Learning. This article is adapted from an opinion piece about the conference that appeared in Newsday on April 30, 1997.

In April, President and Mrs. Clinton held the first ever White House Conference on Early Childhood Development and Learning. Neuroscientists at the conference presented fascinating new research on how the brain grows in utero and in early childhood. Practitioners explored the implications of the research for designing strategies to enhance children's early development.

But the conference gingerly side-stepped the single greatest threat to the brain development and early learning of our nation's youngest children. That threat is poverty, and we can do something about it.

Recent research demonstrates that exposure to such risks as inadequate nutrition, environmental toxins, trauma and abuse, maternal depression and substance abuse, and low-quality child care can adversely affect early brain development. Infants and toddlers living in poverty are especially vulnerable to being exposed to these risks during this most formative stage of their lives. The cumulative effects of these poverty-related risks on young children are this country's most serious brain drain.

According to a new report from the National Center for Children in Poverty, an astounding 2.8 million children under age three in the U.S.--24 percent--are poor (living in families with incomes below the federal poverty line of \$15,569 for a family of four). Since 1975 the infant/toddler poverty rate in the U.S. has grown by 33 percent.

Poor Despite Employment

The trends in early childhood poverty over the last two decades contradict many common stereotypes. For example, the poverty rate of our youngest citizens has grown faster among white and suburban children than among black and urban children. Early childhood poverty also extends beyond single-parent

families. The poverty rate has risen by 35 percent for children under age three living with married parents. And the majority of poor infants and toddlers (64 percent in 1995) have employed parents. Thus, moving parents from welfare to work alone will not solve the problem of early childhood poverty and reverse the baby brain drain.

We know enough now to mount effective practices and programs that protect infants and toddlers from the harmful effects of poverty on early brain development. Parents and concerned adults can talk with and read to young children. Citizens can insist that their elected representatives support programs proven to be effective at reducing risks for children, such as nutrition programs, home visiting programs to help identify and prevent potential trauma and abuse, and caregiver training to improve child care quality and teach child care providers how to create more responsive and intellectually stimulating environments.

A Fresh Approach to the Problem

But the common-sense logic of "an ounce of prevention is worth a pound of cure" requires us to do more to address the primary risk factor--child poverty itself. Innovative strategies are needed to reduce the early childhood poverty rate and address the long-term growth in the number of working poor families with children. Many low-income children with working parents could be helped by new partnerships between government and employers to make quality child care and health insurance more affordable and accessible. Children in these families would also benefit from expanded state and federal earned income tax credits and refundable child tax credits. Although the new \$500 per child federal child tax credit will benefit many children, it will not help those who need it most--children in families earning less than \$18,000 per year. It is critically important to take additional steps that will reach the millions of at-risk poor children and their families who will not share in the proceeds of the child tax credit.

The U.S. can learn from other Western industrialized democracies that have developed policies that effectively protect their children from poverty. We can also apply the lessons of our own successes in protecting the elderly from poverty. Over the last 35 years, while the child poverty rate has grown in the U.S., the elderly poverty rate has been reduced from over 30 percent to nearly 10 percent. Virtually all senior citizens have benefited from social security and Medicare, while many of our youngest citizens have been denied similar income supports and medical coverage during their most developmentally sensitive years.

Momentum Building for Action

In addition to the recent White House conference, there are other indications of a growing awareness of the importance of early childhood issues. The National Governors' Association has established a bipartisan Early Childhood Task Force. Rob Reiner created a television special focused on the first three years of life which aired on ABC on April 28th. And Colin Powell is leading a national campaign to promote volunteer efforts on behalf of children.

The above events could mark the beginnings of a turning point for the nation--but only if they can be used to mobilize an army of grown-ups in this country--parents, community leaders, business executives, and government officials--to take action. Any action agenda that emerges from these efforts will be incomplete if it lacks meaningful strategies to reverse the baby brain drain caused by poverty.

[Editor's Note: NCCP issued two reports to complement the White House conference: "Early Childhood Poverty: A Statistical Profile" (7 pp.) and "Poverty and Brain Development in Early Childhood" (3 pp). They are available without charge from the NCCP Publications Department. See the back page of this newsletter for ordering information. Also, see p. 11 for a description of a new report from the Families

and Work Institute, Rethinking the Brain: New Insights Into Early Development, by Rima Shore, that was released in conjunction with the conference. The full conference transcript: White House Conference on Early Childhood Development and Learning: What New Research on the Brain Tells Us About Our Youngest Children, is available on the Internet at <http://www.ed.gov/offices/OERI/ECI/session1.html>. Two booklets released by the White House and the U.S. Department of Education—one for caregivers and one for families of young children—are also on the Internet, at <http://www.ed.gov/inits/americanreads/RSRkit.html>. Additional links to related Internet sites are at <http://www.whitehouse.gov/WH/New/ECDC.>

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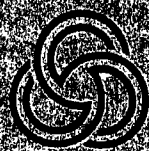
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NATIONAL CENTER FOR CHILDREN IN POVERTY

COLUMBIA SCHOOL OF PUBLIC HEALTH

YOUNG CHILDREN IN POVERTY

A Statistical Update
March 1998 Edition

This publication updates the National Center for Children in Poverty's (NCCP) 1996 volume, *One in Four: America's Youngest Poor*, and continues a series of reports and statistical updates about young child poverty in the United States. It incorporates information from the 1997 March Supplement to the Census Bureau's Current Population Survey (CPS), which provides poverty estimates for 1996.* The highlights of this update include:

- a new profile of the extremely poor, poor, and near poor population of young children in the United States using the federal government's official poverty measure;
- the use of an alternative measure of young child poverty that provides new insights into the impact of programs and policies on the economic well-being of young children; and
- a brief examination of why the young child poverty rate (YCPR) has decreased since 1993.

Both the official and alternative measures indicate that despite the recent decline in the young child poverty rate, the U.S. YCPR ranks among the worst of the Western industrialized nations. However, the alternative measure reveals that policy can make a significant difference. In particular, the expansion of the Earned Income Tax Credit has served to reduce young child poverty substantially over the past few years.

* The official federal poverty line (PL) adjusts for annual cost-of-living increases and family size. In 1996, the poverty line was \$10,233 for a family of two, \$12,516 for a family of three, and \$16,036 for a family of four. Unless otherwise noted, family income used for the calculation of poverty statistics is pre-tax income. It excludes non-cash public assistance and the Earned Income Tax Credit (EITC).

Poor Children Under Age Six: How Many Are There, Who Are They, and Where Do They Live?

The poverty rate for young children and the number of poor young children have declined yet remain high.

The early 1990s marked a staggering increase in the number of poor children under age six. The number of poor young children reached six million for the first time in 1992, and rose to almost 6.4 million in 1993. The number of poor children under age six declined by almost 14 percent over the past three years, to 5.5 million in 1996—a figure that is still higher than that in any year between 1975 and 1990. (See Figure 1.) At the same time, the young child poverty rate (YCPR)—defined as the percentage of young children who live in families with a combined income below the federal poverty line*—decreased from 26 percent to 23 percent. (See Figure 2.)

Figure 1: Number of poor children under age six, 1975–1996



EMBARGOED FOR RELEASE AT 6:00 PM E.S.T. ON JULY 9, 1998

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California, New York, and Texas Hit Hard by Increases in Young Child Poverty Over Past Two Decades

Smaller States also Hit by Large Increases but Child Poverty Falls in New Jersey and Vermont

More than half of the increase in the number of poor young children in the United States over the last two decades can be attributed to the nation's three most populous states, California, New York, and Texas, according to a study released today by the National Center for Children in Poverty (NCCP) at the Columbia School of Public Health. The study, "Young Child Poverty in the States: Wide Variation and Significant Change," found that the number of poor children under age six in California, New York, and Texas rose to an average of 2.0 million in 1992-1996--up from an average of 1.2 million in 1979-1983. The number of poor young children in the United States grew from an average of 4.4 million to an average of 5.9 million over the same period. Nationally, the young child poverty rate (YCPR) increased from 22.0 to 24.7 percent during the period covered by the study--an increase of 12 percent.

California, New York, and Texas each experienced steep rises in their young child poverty rates over the past two decades (24, 21, and 24 percent respectively). Several smaller states also experienced significant increases in their YCPRs during that period, including Oklahoma (53 percent), Montana (51 percent), Arizona (46 percent), West Virginia (45 percent), and Louisiana (40 percent). Two states saw their YCPRs fall dramatically, with a 26 percent drop in New Jersey and a 39 percent fall in Vermont.

Overall, the YCPR increased by more than 20 percent in 15 states and fell by more than 20 percent in five states but due to sample sizes the trends can only be deemed statistically significant in ten states. Seven states (California, Louisiana, Mississippi, New Mexico, New York, Texas, and West Virginia) and the District of Columbia had young child poverty rates that were higher than the national average by a significant margin in 1992-1996. Five of those states (California, Louisiana, New York, Texas, and West Virginia) also experienced statistically significant increases in their YCPRs between 1979-1983 and 1992-1996. "Our report offers some preliminary insights into state young child poverty trends. As researchers develop a clearer picture of what is behind these divergent state trends, it will help us address young child poverty more effectively as a nation," said Dr. Neil Bennett, NCCP's director of demographic research and co-author of the study, along with Dr. Jiali Li.

The NCCP report is being released at a time when a key deadline in the 1996 federal welfare overhaul has been recently missed. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires each of the 50 states to provide an annual current estimate of its child poverty by May 31 of each year, beginning in 1998. If a state's child poverty rate increases by five percent or more, and the increase can be attributed to welfare reform, the new law requires the state to file a corrective action plan with the Department of Health and Human Services (DHSS). On May 29 DHHS informed the states that they did not have to submit their child poverty rates and that DHHS will send the states their official child poverty estimates as soon as the Census Bureau develops them. "Congress and President Clinton were absolutely right to require that state child poverty rates be tracked as part of welfare reform," asserted Dr. Larry Aber, the director of NCCP. "But it would be absolutely wrong for any elected official to declare welfare reform a success without knowing its impact on child poverty." Aber added.

NCCP conducted statistical analyses in order to examine the degree to which three demographic factors (single motherhood, parental education, and parental employment) could account for the wide variation in state child poverty trends. Changes in these three variables accounted for all of the change

in the YCPR in seven states and none of the change in 12 states. The median percentage of the change in the YCPR that is explained by these variables was 30 percent. "Our research raises a red flag for anyone who thinks that our high rate of young child poverty can be explained by a single demographic factor," said Dr Bennett.

In order to increase the statistical reliability of its state poverty estimates, the study combined the five most recent years of income data (1992-1996) from the U.S. Bureau of the Census and compared it with five years of baseline data from 1979-1983 to track poverty trends in each of the 50 states and the District of Columbia.

EARLY CHILDHOOD POVERTY RESEARCH BRIEF 1

Young Child Poverty in the States--Wide Variation and Significant Change

(For PDF version click here)

News Release: California, New York, and Texas Hit Hard by Increases in Young Child Poverty Over Past Two Decades (July 9, 1998)

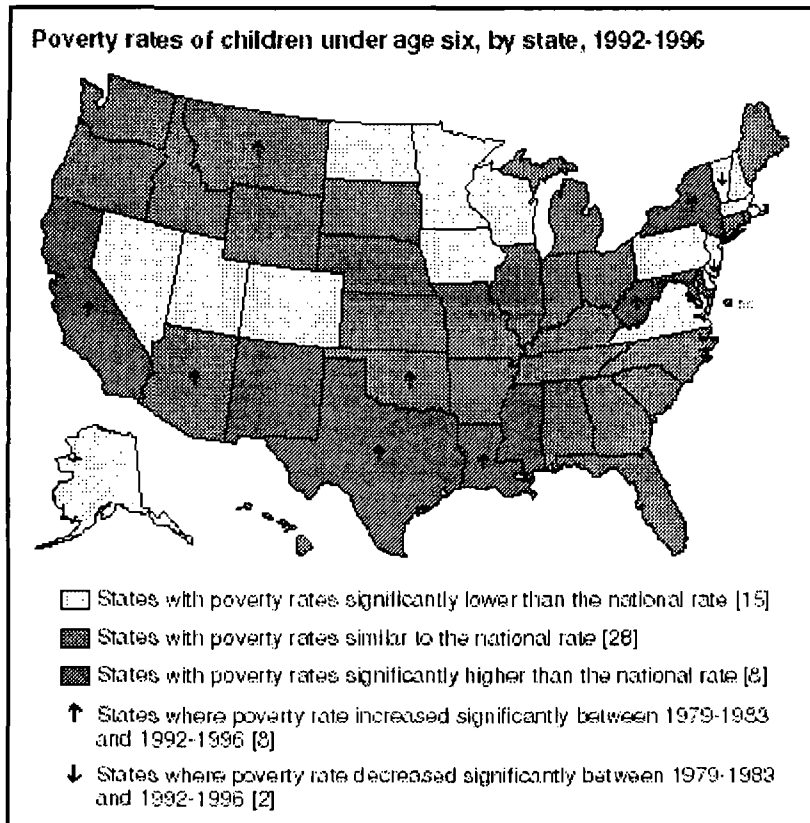
Young Child Poverty in the States--Wide Variation and Significant Change examines the differences in poverty rates for children under age six among the 50 states and the changes that have taken place between 1979-1983 and 1992-1996. The poverty rates are based on data from the Current Population Survey of the U.S. Bureau of the Census, with 1996 being the most recent year for which poverty data have been collected. (Five years of data are aggregated to increase the statistical reliability of the poverty estimates.) This research brief summary provides baseline information on state young child poverty rates to help establish a context in which individual state child poverty trends can be better understood as the nation enters a new era of increased state responsibility for children's well-being.¹ Highlights from the research brief include the following:

Rates of Poverty, Extreme Poverty, and Near Poverty Among the States

State young child poverty rates (YCPRs) range from under 12 percent in New Hampshire and Utah to 40 percent or more in Louisiana and West Virginia.² The District of Columbia and seven states--the large states of California, New York, and Texas, plus Louisiana, Mississippi, New Mexico, and West Virginia--have young child poverty rates that significantly exceed the 1992-1996 national rate of 24.7 percent. Fifteen states have rates of poverty that are significantly lower than the national rate.

Extreme poverty among young children varies to an even greater extent across the states. Eight states and the District of Columbia (including the large states of Florida, New York, and Texas) have extreme poverty rates that are significantly higher than the U.S. average of 11.7 percent. Rates are significantly lower than the U.S. average in fifteen states.

The near poverty rate among young children ranges from less than 30 percent in Massachusetts and New Jersey to greater than 60 percent in Mississippi, West Virginia, and the District of Columbia. Eleven states--including California, Florida, and Texas--and the District of Columbia have near poverty rates that are significantly higher than the national average of 44.2 percent, whereas 12 states have rates that are significantly lower than the national rate.



Changes in State Poverty from 1979-1983 to 1992-1996

Nationally, the YCPR climbed from 22.0 to 24.7 percent between 1979-1983 and 1992-1996, an increase of 12 percent. The number of young children in poverty grew from an average of 4.4 million to 5.9 million over that same period. More than half of the total increase (773,000) in the number of poor young children can be attributed to the nation's three most populous states: California, New York, and Texas. Each of these states experienced disproportionately steep rises in its young child poverty rate (YCPR) over the last two decades and now has a significantly higher rate of young child poverty than the nation as a whole. Collectively, these three states had 28 percent of the children under age six, yet they accounted for 53 percent of the increase in the number of poor young children. Five smaller states also experienced statistically significant increases in their YCPRs, including Oklahoma (53 percent), Montana (51 percent), Arizona (46 percent), West Virginia (45 percent), and Louisiana (40 percent). Two states experienced significant decreases of over 25 percent: New Jersey (26 percent) and Vermont (39 percent).

Overall, the YCPR increased by more than 20 percent in 15 states and fell by more than 20 percent in five states; however, due to sample sizes the trends can only be deemed statistically significant in ten states. The fact that only ten states show statistically significant changes does not imply that other states' YCPRs did not change, even dramatically. For many states the number of individuals interviewed by the Census Bureau was simply insufficient to draw such a conclusion.

Why Do State Poverty Trends Differ?

This research brief from the National Center for Children in Poverty (NCCP) identifies three key demographic factors that help to explain the differences among the states in the growth of their

YCPRs--the proportions of young children with: (1) single mothers (family structure), (2) mothers who completed high school (parental education), and (3) at least one parent employed full-time (parental employment).

The increase in the nationwide proportion of young children with single mothers was 25 percent. However, state trends varied from large increases in New Mexico (99 percent), Kentucky (88 percent), Montana (84 percent), and Nebraska (77 percent), to decreases in New Jersey (-15 percent), Arkansas (-6 percent), Maryland (-4 percent), and the District of Columbia (-3 percent).

Variation also existed in the changes of the proportion of young children with mothers who completed high school. The proportion increased nationally by 4 percent, but increases were much more pronounced in Mississippi (17 percent), Arkansas (16 percent), and Indiana (16 percent). The proportion actually decreased in the District of Columbia (-12 percent) and eight states, including Montana (-7 percent) and California (-6 percent).

Although the employment scene improved for the nation over this time period, with a 3 percent increase in the proportion of young children with at least one parent employed full-time, the situation differed dramatically among the states. Full-time employment rates for parents of young children deteriorated in the District of Columbia (-18 percent) and in many states, including New Hampshire (-14 percent) and Connecticut (-13 percent). In contrast, six states saw improvements of 15 percent or more--Alaska (48 percent), Hawaii (21 percent), Arkansas (17 percent), Virginia (16 percent), Delaware (15 percent), and Washington (15 percent).

NCCP's statistical analysis³ finds that changes in family structure, parental education, and parental employment variables account for all of the change in the YCPR in seven states and none of the change in 12 states. The median percentage of the change in the YCPR that is explained by changes in these variables is substantial--30 percent. NCCP's analysis suggests that all three factors combine to influence rates of states' growth in their YCPRs and that policymakers would do well to recognize that multiple demographic, economic, and policy variables are behind state child poverty trends. Indeed, California, New York, and Texas each has a large and growing immigrant population. In preliminary analyses, NCCP finds that immigration constitutes an important but not exclusive factor in the growth of family poverty in these states. In collaboration with other researchers, NCCP plans to examine these factors in greater depth over the next year.

Change in the percentage and number of children under age six in poverty, by state, 1979-1983 to 1992-1996

	1979-1983		1992-1996		% Change in rate	Change in number
	Rate	Number	Rate	Number		
USA	22.04	4,420,791	24.67	5,977,075	12	1,456,284
Connecticut	14.75	30,440	23.06	67,250	62	36,810
Wyoming	12.50	6,075	19.38	7,710	55	1,635
Oklahoma	20.94	54,643	32.03	92,384	53	37,741
Montana	17.22	14,626	25.95	20,019	51	5,393
Arizona	19.76	49,025	28.89	124,350	46	75,325
West Virginia	27.65	48,739	39.99	47,962	45	-777
Louisiana	29.14	133,557	40.65	158,447	40	24,890
Kentucky	21.37	73,950	29.37	90,042	37	16,092
District of Columbia	33.09	13,791	44.17	23,424	33	9,632
Maryland	13.94	40,545	18.57	94,425	33	53,879
Texas	24.39	358,482	30.27	572,180	24	213,698
California	23.40	516,759	28.97	950,269	24	433,510
Missouri	19.38	81,911	23.95	102,202	24	20,291
New York	23.75	338,754	28.76	464,551	21	125,797
Minnesota	14.30	55,640	17.19	68,142	20	12,503
Ohio	19.55	188,078	23.06	223,470	18	35,392
New Mexico	28.82	39,598	33.99	58,049	18	18,450
North Carolina	20.90	94,868	24.59	144,267	18	49,398
Nevada	14.22	10,790	16.63	20,938	17	10,148
North Dakota	14.79	9,744	17.26	8,613	17	-1,131
Michigan	22.82	188,947	25.75	225,755	13	36,808
Maine	20.20	18,634	22.45	19,567	11	933
Massachusetts	14.99	66,137	16.65	84,557	11	18,420
Wisconsin	14.60	64,074	16.16	73,080	11	9,006
New Hampshire	10.85	7,761	11.85	12,236	9	4,475
Georgia	21.83	107,270	23.74	152,241	8	44,971
Kansas	18.84	41,567	20.23	50,245	7	8,678
Illinois	23.27	232,025	24.27	271,889	4	39,864
Indiana	20.60	107,121	21.47	118,010	4	10,889
Colorado	16.66	43,763	17.23	55,859	3	11,896
Iowa	16.64	41,564	17.09	45,228	3	3,664
Florida	26.35	199,106	26.55	313,231	1	114,125
Washington	18.31	69,858	18.44	89,168	1	19,310
Oregon	20.34	50,535	20.13	51,635	-1	1,101
Nebraska	19.42	29,290	18.71	29,478	-4	188
Tennessee	28.90	114,313	27.83	123,466	-4	9,153
Virginia	18.41	79,434	17.43	92,544	-5	13,110
Mississippi	38.01	87,044	35.49	86,319	-7	-726
South Carolina	25.90	88,330	23.99	74,702	-7	-13,628
Arkansas	30.04	60,633	27.02	59,990	-10	-643
Pennsylvania	20.60	179,593	18.38	179,569	-11	-23
Idaho	24.59	26,458	21.74	22,397	-12	-4,061
South Dakota	24.94	18,767	21.92	13,437	-12	-5,330
Rhode Island	24.47	16,862	20.39	15,266	-17	-1,596
Hawaii	22.03	23,490	18.35	19,015	-17	-1,475
Utah	14.14	32,778	11.36	26,338	-20	-6,440
Alabama	32.46	118,385	25.86	100,936	-20	-17,449
Alaska	18.01	9,452	13.78	8,749	-23	-703
Delaware	20.07	10,709	15.27	8,750	-24	-1,959
New Jersey	20.88	119,125	15.37	107,412	-26	-11,713
Vermont	21.91	10,754	13.31	7,521	-39	-3,233

* States in bold letters had significantly positive or significantly negative growth as indicated. Other states may have had similar changes but because of small sample sizes these changes are considered statistically insignificant.

Conclusion

The dramatic state variation in both the levels of the YCPR and their rate of growth over time underscores the importance of focusing upon poverty at the state level. The analyses described here also suggest the difficulty, given current data sources, of meeting the requirements of the 1996 federal welfare reform to track annual changes of as little as 5 percent in state YCPRs. Substantially larger samples of state populations will be needed to measure meaningful differences in state poverty rates obtained from two adjacent years of data. While methodological advances are needed to track poverty in the states on a year-to-year basis, this challenge cannot be allowed to discourage a vigorous national debate about how to address the problem of widespread young child poverty in a time of growing national prosperity. NCCP hopes that this publication will focus greater attention on young child poverty within individual states and also help to encourage a "race to the top" among the states to find the most effective strategies to prevent young child poverty.

Endnotes

1. For example, states have vastly increased responsibility for welfare legislation. A key provision of the 1996 federal welfare overhaul (The Personal Responsibility and Work Opportunity Reconciliation Act) requires each state to provide an annual current estimate of its child poverty rate by May 31st, starting in 1998. If that rate exceeds the previous year's rate by more than 5 percent, and this increase can be attributed to the effects of welfare reform, then the state must submit a corrective action plan. The logic of this requirement is clear: two-thirds of welfare recipients are children, and welfare reform cannot be deemed a success if it leads to higher child poverty rates. At this writing, the federal government is still in the process of determining the methodologies necessary for the states to fulfill the obligations outlined for them in the welfare reform act.
2. Poverty, extreme poverty, and near poverty are defined as living in families with incomes below 100 percent, 50 percent, and 185 percent of the poverty line, respectively. In 1996, the official federal poverty line was \$16,036 for a family of four and \$12,516 for a family of three. The YCPR is the percentage of children under age six who live in families with incomes below the poverty line.
3. Details of these analyses are available from NCCP.

Early Childhood Poverty Research Briefs

This research brief series has been established to present timely research findings on the nature, scope, and impact of young child poverty in the United States, primarily based on analyses by the National Center for Children in Poverty (NCCP). This series will explore the causes and consequences of young child poverty as well as identify promising strategies to reduce the incidence of young child poverty. As with much of NCCP's work, there will be a strong state and local focus on young child poverty and related issues.

Support for this Early Childhood Poverty Research Brief was provided in part by generous funding

from the Charles Stewart Mott Foundation in addition to core support from Carnegie Corporation of New York and the Ford Foundation. NCCP takes responsibility for the facts and opinions presented in the research brief.

Early Childhood Poverty Research Brief 1: "Young Child Poverty in the States--Wide Variation and Significant Change"

by Neil G. Bennett, Director of Demographic Research and Analysis and Jiali Li, Associate Research Scientist at NCCP

This document summarizes Early Childhood Poverty Research Brief 1. Copies of the full publication are available for \$5.00 each from NCCP, 154 Haven Avenue, New York, NY 10032; Tel: (212) 304-7100; Fax: (212) 544-4200 or 544-4201; E-mail: nccp@columbia.edu. Checks should be made payable to Columbia University.

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July 10, 1998

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20010

Dear Mr. President,

I am happy to provide you with the following summary of the new Research Brief from the National Center for Children in Poverty (NCCP): "Young Child Poverty in the States-- Wide Variation and Significant Change." This report continues our work on the demography of young child poverty. As you may know, *One in Four: America's Youngest Poor*, described the changing face of young child poverty and illustrated how it cuts across racial and geographic boundaries. Our March 1998 publication, "Young Children in Poverty: A Statistical Update," used an alternative measure of young child poverty to demonstrate the powerful impact of the Earned Income Tax Credit as a tool against young child poverty.

The key findings of the Research Brief include:

Wide Differences Among the States: There is great variation in both trends and levels of young child poverty among the states. Over the last two decades, changes in state young child poverty rates ranged from a 53 percent increase in Oklahoma to a 39 percent fall in Vermont.

More than half of the increase in the average number of poor young children in the United States over the last two decades can be attributed to the nation's three most populous states, California, New York, and Texas. These three states each experienced *disproportionately* steep rises in their young child poverty rates over the past two decades (24, 21, and 24 percent respectively). The number of poor children under age six in California, New York, and Texas rose to an average of 2.0 million in 1992-1996—up from an average of 1.2 million in 1979-1983.

Several smaller states also experienced significant increases in their YCPRs during that period, including Montana (51 percent), Arizona (46 percent), West Virginia (45 percent), and Louisiana (40 percent). Two states saw their YCPRs fall dramatically, with a 26 percent drop in New Jersey in addition to the 39 percent fall in Vermont.

Young Child Poverty is an American Problem: This report confirms that young child poverty is an American problem that affects regions all across the nation. We found states with either high rates of poverty and/or steep increases in their poverty levels in the West (CA), Northeast (NY), South (LA, WV), Southwest (AZ) and in the Rockies (MT).

Welfare Reform: It is still too early to fully evaluate the impact that welfare reform has had on young child poverty rates, as the most recent Census data predate the implementation of the changes in the 1996 federal welfare law. You are well aware that two-thirds of welfare recipients are children. Welfare reform cannot be a success if it leaves millions of children in poverty. It is not enough to end welfare as we know it. We also have to end child poverty as we know it.

As you know, our report is being released at a time when a key deadline in the 1996 federal welfare overhaul has been recently missed. The law requires each of the 50 states to provide an annual current estimate of its child poverty rate by May 31 of each year, beginning in 1998. If a state's child poverty rate increases by five percent or more, and the increase can be attributed to welfare reform, the new law requires the state to file a corrective action plan with the Department of Health and Human Services (DHHS). It is critically important for DHHS to complete the task of developing an appropriate methodology to track year-to-year changes in state child poverty rates.

The Working Poor: It is also important to remember that most poor young children live in working families (63 percent) and that states need to develop strategies to help non-welfare families to get out of poverty.

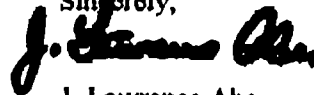
Demographic Factors: NCCP conducted statistical analyses in order to examine the degree to which three demographic factors (single motherhood, maternal education, and parental employment) could account for the wide variation in state child poverty trends. Changes in these three variables accounted for all of the change in the YCPR in seven states and none of the change in 12 states. The median percentage of the change in the YCPR that is explained by these variables was 30 percent. We also found that immigration constitutes an important but-not exclusive factor in the growth of family poverty in the three most populous states: California, New York, and Texas.

Future Research: Over the next year, NCCP intends to intensively examine other factors at the state level--such as economic and policy variables--that affect young child poverty rates, and to issue additional reports.

Leadership from the White House could be critically important in encouraging a "race to the top" among the states to see who can do the most to reduce young child poverty. We at NCCP hope that this report can in some way serve that goal.

I would be happy to brief you in more detail about our research or any other relevant issues at your earliest convenience. My home number is 212-579-2424 and my direct line at NCCP is 212-304-7101. Please do not hesitate to contact me if you should have any further questions.

Sincerely,



J. Lawrence Aber
Director

Cc: Bruce Reed
Debra Waxman

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EMBARGOED FOR RELEASE AT 6:00 PM E.S.T. ON JULY 9, 1998

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**CALIFORNIA, NEW YORK, AND TEXAS HIT HARD BY INCREASES IN YOUNG CHILD
POVERTY OVER PAST TWO DECADES: Smaller States also Hit by Large Increases but
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Columbia School of Public Health

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Early Childhood Poverty

RESEARCH BRIEF 1

Young Child Poverty in the States—Wide Variation and Significant Change

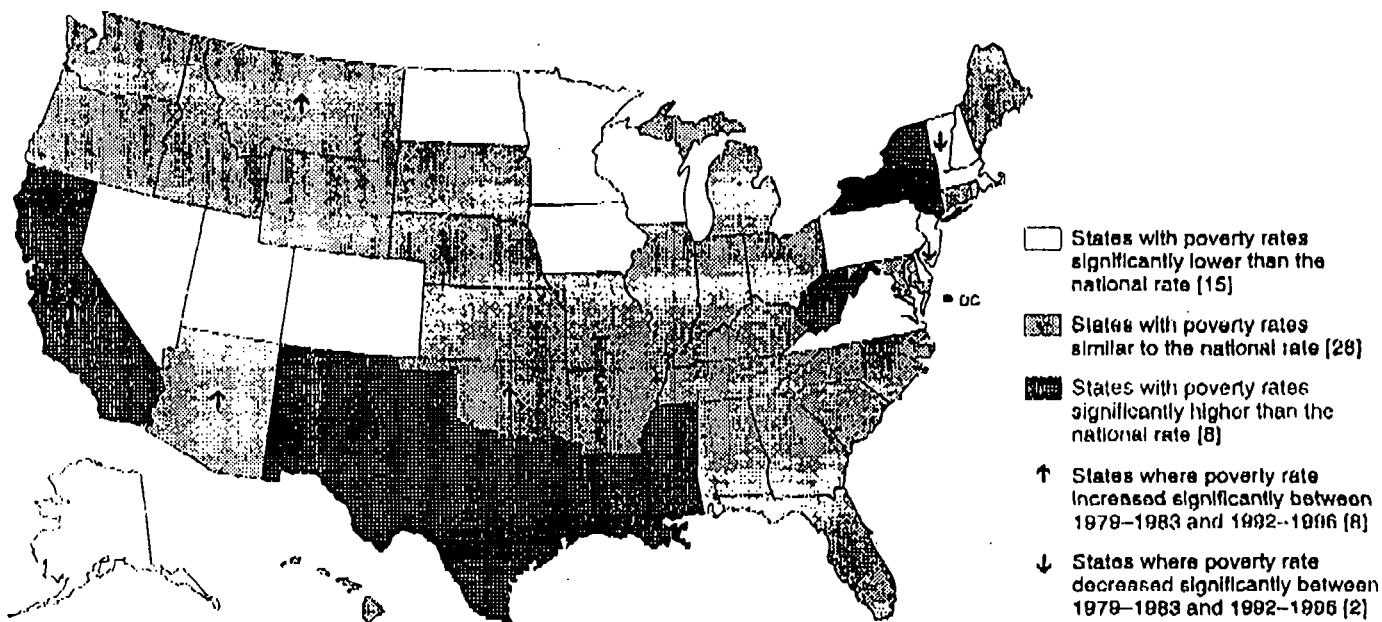
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Poverty rates of children under age six, by state, 1992–1996



¹ For example, states have vastly increased responsibility for welfare legislation. A key provision of the 1996 federal welfare overhaul (The Personal Responsibility and Work Opportunity Reconciliation Act) requires each state to provide an annual current estimate of its child poverty rate by May 31st, starting in 1998. If that rate exceeds the previous year's rate by more than 5 percent, and this increase can be attributed to the effects of welfare reform, then the state must submit a corrective action plan. The logic of this requirement is clear: two-thirds of welfare recipients are children, and welfare reform cannot be deemed a success if it leads to higher child poverty rates. At this writing, the federal government is still in the process of determining the methodologies necessary for the states to fulfill the obligations outlined for them in the welfare reform act.

² Poverty, extreme poverty, and near poverty are defined as living in families with incomes below 100 percent, 50 percent, and 185 percent of the poverty line, respectively. In 1996, the official federal poverty line was \$16,036 for a family of four and \$12,516 for a family of three. The YCPR is the percentage of children under age six who live in families with incomes below the poverty line.

Extreme poverty among young children varies to an even greater extent across the states. Eight states and the District of Columbia (including the large states of Florida, New York, and Texas) have extreme poverty rates that are significantly higher than the U.S. average of 11.7 percent. Rates are significantly lower than the U.S. average in fifteen states.

The near poverty rate among young children ranges from less than 30 percent in Massachusetts and New Jersey to greater than 60 percent in Mississippi, West Virginia, and the District of Columbia. Eleven states—including California, Florida, and Texas—and the District of Columbia have near poverty rates that are significantly higher than the national average of 44.2 percent, whereas 12 states have rates that are significantly lower than the national rate.

Changes in State Poverty from 1979–1983 to 1992–1996

Nationally, the YCPR climbed from 22.0 to 24.7 percent between 1979–1983 and 1992–1996, an increase of 12 percent. The number of young children in poverty grew from an average of 4.4 million to 5.9 million over that same period. More than half of the total increase (773,000) in the number of poor young children can be attributed to the nation's three most populous states: California, New York, and Texas. Each of these states experienced disproportionately steep rises in its young child poverty rate (YCPR) over the last two decades and now has a significantly higher rate of young child poverty than the nation as a whole. Collectively, these three states had 28 percent of the children under age six, yet they accounted for 53 percent of the increase in the number of poor young children. Five smaller states also experienced statistically significant increases in their YCPRs, including Oklahoma (53 percent), Montana (51 percent), Arizona (46 percent), West Virginia (45 percent), and Louisiana (40 percent). Two states experienced significant decreases of over 25 percent: New Jersey (26 percent) and Vermont (39 percent).

Overall, the YCPR increased by more than 20 percent in 15 states and fell by more than 20 percent in five states; however, due to sample sizes the trends can only be deemed statistically significant in ten states. The fact that only ten states show statistically significant changes does not imply that other states' YCPRs did not change, even dramatically. For many states the number of individuals interviewed by the Census Bureau was simply insufficient to draw such a conclusion.

Why Do State Poverty Trends Differ?

This research brief from the National Center for Children in Poverty (NCCP) identifies three key demographic factors that help to explain the differences among the states in the growth of their YCPRs—the proportions of young children with: (1) single mothers (family structure), (2) mothers who completed high school (parental education), and (3) at least one parent employed full-time (parental employment).

The increase in the nationwide proportion of young children with single mothers was 25 percent. However, state trends varied from large increases in New Mexico (99 percent), Kentucky (88 percent), Montana (84 percent), and Nebraska (77 percent), to decreases in New Jersey (-15 percent), Arkansas (-6 percent), Maryland (-4 percent), and the District of Columbia (-3 percent).

Variation also existed in the changes of the proportion of young children with mothers who completed high school. The proportion increased nationally by 4 percent, but increases were much more pronounced in Mississippi (17 percent), Arkansas (16 percent), and Indiana (16 percent). The proportion actually decreased in the District of Columbia (-12 percent) and eight states, including Montana (-7 percent) and California (-6 percent).

Although the employment scene improved for the nation over this time period, with a 3 percent increase in the proportion of young children with at least one parent employed full-time, the situation differed dramatically among the states. Full-time employment rates for parents of young children deteriorated in the District of Columbia (-18 percent) and in many states, including New Hampshire (-14 percent) and Connecticut (-13 percent). In contrast, six states saw improvements of 15 percent or more—Alaska (48 percent), Hawaii (21 percent), Arkansas (17 percent), Virginia (16 percent), Delaware (15 percent), and Washington (15 percent).

NCCP's statistical analysis¹ finds that changes in family structure, parental education, and parental employment variables account for all of the change in the YCPR in seven states and none of the change in 12 states. The median percentage of the change in the YCPR that is explained by changes in these variables is substantial—30 percent. NCCP's analysis suggests that all three factors combine to influence rates of states' growth in their YCPRs and that policymakers would do well to recognize that multiple demographic, economic, and policy variables are behind state child poverty trends. Indeed, California, New York, and

¹ Details of these analyses are available from NCCP.

Change in the percentage and number of children under age six in poverty, by state, 1979-1983 to 1992-1996

	1979-1983		1992-1996		% Change in rate	Change in number
	Rate	Number	Rate	Number		
USA	22.04	4,420,791	24.67	5,877,075	12	1,456,284
Connecticut	14.75	30,440	23.96	67,250	62	36,810
Wyoming	12.60	6,076	19.38	7,710	56	1,636
Oklahoma	20.94	54,843	32.03	92,384	53	37,741
Montana	17.22	14,826	25.95	20,019	51	5,393
Arizona	19.78	49,025	28.89	124,350	48	75,325
West Virginia	27.65	48,739	39.88	47,962	45	-777
Louisiana	29.14	133,557	40.65	168,447	40	24,890
Kentucky	21.37	73,950	29.37	90,042	37	16,092
District of Columbia	33.09	13,791	44.17	23,424	33	9,632
Maryland	13.94	40,545	18.57	94,426	33	53,879
Texas	24.39	358,482	30.27	572,180	24	213,698
California	23.40	516,759	28.97	950,269	24	433,510
Missouri	19.38	81,911	23.95	102,202	24	20,291
New York	23.76	338,764	28.76	484,661	21	126,797
Minnesota	14.30	55,840	17.19	68,142	20	12,503
Ohio	19.53	188,078	23.06	223,470	18	35,392
New Mexico	28.82	39,598	33.99	58,049	18	18,450
North Carolina	20.90	94,869	24.59	144,287	18	49,398
Nevada	14.22	10,790	16.63	20,938	17	10,148
North Dakota	14.79	9,744	17.26	8,613	17	-1,131
Michigan	22.82	188,947	25.75	225,755	13	36,809
Maine	20.20	18,634	22.46	19,507	11	933
Massachusetts	14.99	66,137	16.85	84,557	11	18,420
Wisconsin	14.80	64,074	16.16	73,080	11	9,006
New Hampshire	10.85	7,781	11.85	12,238	9	4,475
Georgia	21.93	107,270	23.74	152,241	8	44,971
Kansas	18.84	41,567	20.23	50,245	7	8,678
Illinois	23.27	232,025	24.27	271,889	4	39,864
Indiana	20.60	107,121	21.47	118,010	4	10,889
Colorado	16.66	43,763	17.23	55,659	3	11,896
Iowa	16.84	41,584	17.09	45,228	3	3,644
Florida	26.35	199,106	26.55	313,231	1	114,125
Washington	18.31	69,858	18.44	89,168	1	19,310
Oregon	20.34	50,535	20.13	51,635	-1	1,101
Nebraska	19.42	29,290	18.71	29,478	-4	188
Tennessee	28.90	114,313	27.83	123,486	-4	9,153
Virginia	18.41	79,434	17.43	92,544	-5	13,110
Mississippi	38.01	87,044	35.48	86,318	-7	-726
South Carolina	25.90	88,330	23.99	74,702	-7	-13,628
Arkansas	30.04	60,633	27.02	59,990	-10	-643
Pennsylvania	20.60	179,593	18.38	179,569	-11	-23
Idaho	24.59	26,458	21.74	22,397	-12	-4,061
South Dakota	24.94	18,767	21.82	13,437	-12	-5,330
Rhode Island	24.47	16,862	20.39	15,266	-17	-1,596
Hawaii	22.03	20,490	18.35	19,016	-17	-1,476
Utah	14.14	32,770	11.36	28,338	-20	-6,440
Alabama	32.46	118,385	25.86	100,936	-20	-17,449
Alaska	18.01	8,452	13.70	8,749	-23	-703
Delaware	20.07	10,708	15.27	8,750	-24	-1,958
New Jersey	20.88	119,126	15.37	107,412	-26	-11,713
Vermont	21.91	10,754	13.31	7,521	-39	-3,233

* States in bold letters had significantly positive or significantly negative growth as indicated. Other states may have had similar changes but because of small sample sizes these changes are not considered statistically significant at a 90 percent confidence interval. Changes in poverty rates are rounded to the nearest whole number.

Each state has a large and growing immigrant population. In preliminary analyses, NCCP finds that immigration constitutes an important but not exclusive factor in the growth of family poverty in these states. In collaboration with other researchers, NCCP plans to examine these factors in greater depth over the next year.

Conclusion

The dramatic state variation in both the levels of the YCPR and their rate of growth over time underscores the importance of focusing upon poverty at the state level. The analyses described here also suggest the difficulty, given current data sources, of meeting the requirements of the 1996 federal welfare reform to track annual changes of as little as 5 percent in state YCPRs. Substantially larger samples of state populations will be needed to measure meaningful differences in state poverty rates obtained from two adjacent years of data. While methodological advances are needed to track poverty in the states on a year-to-year basis, this challenge cannot be allowed to discourage a vigorous national debate about how to address the problem of widespread young child poverty in a time of growing national prosperity. NCCP hopes that this publication will focus greater attention on young child poverty within individual states and also help to encourage a "race to the top" among the states to find the most effective strategies to prevent young child poverty.

This document summarizes Early Childhood Poverty Research Brief 1. Copies of the full publication are available for \$5.00 each from NCCP, 154 Haven Avenue, New York, NY 10032; Tel: (212) 304-7100; Fax: (212) 544-4200 or 544-4201; E-mail: nccp@columbia.edu. Checks should be made payable to Columbia University.

Early Childhood Poverty Research Briefs

This research brief series has been established to present timely research findings on the nature, scope, and impact of young child poverty in the United States, primarily based on analyses by the National Center for Children in Poverty (NCCP). This series will explore the causes and consequences of young child poverty as well as identify promising strategies to reduce the incidence of young child poverty. As with much of NCCP's work, there will be a strong state and local focus on young child poverty and related issues.

Support for this Early Childhood Poverty Research Brief was provided in part by generous funding from the Charles Stewart Mott Foundation in addition to core support from the Carnegie Corporation of New York and the Ford Foundation. NCCP takes responsibility for the facts and opinions presented in the research brief.

Early Childhood Poverty Research Brief 1 *Young Child Poverty in the States— Wide Variation and Significant Change*

by Neil G. Bennett, Director of Demographic Research and Analysis and Jiali Li, Associate Research Scientist at NCCP

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NATIONAL CENTER FOR CHILDREN IN POVERTY (NCCP) was established in 1989 at the School of Public Health, Columbia University, with core support from the Ford Foundation and the Carnegie Corporation of New York. The Center's mission is to identify and promote strategies that reduce the number of young children living in poverty in the United States, and that improve the life chances of the millions of children under age six who are growing up poor.

The Center:

- Alerts the public to demographic statistics about child poverty and to the scientific research on the serious impact of poverty on young children, their families, and their communities.
- Designs and conducts field-based studies to identify programs, policies, and practices that work best for young children and their families living in poverty.
- Disseminates information about early childhood care and education, child health, and family and community support to government officials, private organizations, and child advocates, and provides a state and local perspective on relevant national issues.
- Brings together public and private groups to assess the efficacy of current and potential strategies to lower the young child poverty rate and to improve the well-being of young children in poverty, their families, and their communities.
- Challenges policymakers and opinion leaders to help ameliorate the adverse consequences of poverty on young children.

Early Childhood Poverty

RESEARCH BRIEF

1 Young Child Poverty in the States — Wide Variation and Significant Change

by Neil G. Bennett and Jiahui



**NATIONAL CENTER
FOR CHILDREN IN POVERTY**

Overview

The purpose of this research brief from the National Center for Children in Poverty (NCCP) is to describe levels and trends of young child poverty in the states and to understand some of the important reasons behind the differences across the states. Key findings from the research brief include:

- ▶ Considerable variation exists among the states' young child poverty rates (YCPRs). In particular, seven states and the District of Columbia have rates significantly higher than the national average and 15 states have rates that are significantly lower. Young child poverty rates for 1992–1996 ranged from 11 percent in Utah to 41 percent in Louisiana.
- ▶ Ten states have experienced significant changes in their YCPRs between 1979–1983* and 1992–1996. Specifically, eight states' YCPRs increased, while the rates of two states decreased. Changes in state young child poverty rates ranged from a 53 percent increase in Oklahoma to a 39 percent fall in Vermont. Nationally, the young child poverty rate (YCPR) increased from 22.0 to 24.7 percent during the period covered by the study—an increase of 12 percent. The number of poor young children in the United States grew from an average of 4.4 million to an average of 5.9 million over the same period.
- ▶ California, New York, and Texas each experienced steep increases (24, 21, and 24 percent respectively) in their YCPRs between 1979–1983 and 1992–1996. These increases were significantly higher than the national increase of 12 percent. Indeed, more than half of the increase in the average number of poor young children in the United States over the period covered in this study can be attributed to these three states.
- ▶ Three demographic factors—changes in family structure, employment patterns, and educational attainment—accounted for a notable proportion of the changes in state young child poverty rates over the past two decades.

Introduction

With the passage of federal welfare reform in 1996 (The Personal Responsibility and Work Opportunity Reconciliation Act or PRA), accountability for the well-being of low-income families has shifted substantially from the federal government to the states. The legislation requires that each state provide an annual current estimate of its child poverty rate by May 31st, starting in 1998. If that rate exceeds the previous year's rate by more than 5 percent (e.g., from 20 percent to more than 21 percent), and this increase can be attributed to the effects of welfare reform, then the state must submit a corrective action plan. The logic of this requirement is clear: two-thirds of welfare recipients are children¹ and welfare reform cannot be deemed a success if it leads to higher child poverty rates.²

As of July 1998, the federal government is in the process of determining two critical methodologies: (1) how to estimate state-level poverty rates and (2) how to isolate the causes of poverty increases so that the conditions underlying the requirement for proposing a corrective action plan can, in fact, be met. With respect to the latter point, it is clear that if such a methodology is unavailable to the states, then it will be impossible to determine whether a corrective action plan is necessary. The federal government is months behind their anticipated schedule of developing the means necessary for the states to fulfill the obligations outlined for them in the welfare reform act.³

* This research brief discusses young child poverty since 1979 because NCCP plans to use these statistics as a baseline for a future report that will use alternative measures of poverty—for which the necessary data only became available in 1979—to examine the effects of policy changes on young child poverty rates.

In the end, it may be that the major outcome of the reporting requirement will be simply to help shine a spotlight on the problem of child poverty in the United States: its level, trends over time, differences across states and various subgroups, and its causes and consequences.

This research brief focuses primarily on variation among the 50 states in young child poverty,⁴ that is, poverty among children under age six. These young children have the highest poverty rates of any age group and are the most vulnerable to the impact of poverty. Preventing poverty in early childhood can reduce the incidence of several negative outcomes—e.g., costly medical problems, developmental delays, teen pregnancy, and adult unemployment—that are associated with young child poverty.⁵ The report addresses three sets of questions:

- ▶ For the five-year period prior to the passage and implementation of the PRA, 1992 through 1996,⁶ how much did states vary in their YCPRs?
- ▶ For the period from the late 1970s/early 1980s (1979–1983) through the early 1990s (1992–1996), how much did states vary in their rates of change in the YCPR?
- ▶ Are there key demographic factors that help to explain the differences among the states in the extent to which their YCPRs have changed?

As America enters a new era of increased state responsibility for children's well-being, this report provides baseline information on state child poverty rates to help establish a context in which individual state child poverty trends can be better understood.

State Rates of Poverty, Extreme Poverty, and Near Poverty Among Young Children

For the five-year period prior to the passage and implementation of the PRA, 1992 through 1996, how much did states vary in their YCPRs? Maps 1 through 3 display the poverty, extreme poverty, and near poverty rates of the states according to three categories—whether each state's rate was: (1) statistically similar to the national rate, (2) statistically significantly higher than the national rate, or (3) statistically significantly lower than the national rate. Actual estimates and their associated 90 percent confidence intervals are presented in Appendix Tables 1 through 3.⁷

Map 1 and Appendix Table 1 (Poverty rates of children under age six, by state, 1992–1996) reveal that the economic well-being of young children varied substantially across the United States. (The official poverty threshold in the United States in 1996 was \$16,036 for a family of four.) The young child poverty rate ranged from under 12 percent in New Hampshire and Utah to 40 percent or more in Louisiana and West Virginia. The District of Columbia and seven states—the large states of California, New York, and Texas, plus Louisiana, Mississippi, New Mexico, and West Virginia—had young child poverty rates that significantly exceeded the 1992–1996 national rate of 24.7 percent. Fifteen states had rates of poverty that were significantly lower than the national rate. These were distributed around the country and included large states like Pennsylvania and New Jersey and small states like Vermont and North Dakota.

Map 2 and Appendix Table 2 (Extreme poverty rates of children under age six, by state, 1992–1996) show that extreme poverty (the proportion of young children in families with incomes of less than 50 percent of the poverty line) varied to an even greater extent across the states. Fewer than 3 percent of young children in Hawaii and Vermont found themselves in extreme poverty compared to more than 20 percent in Louisiana, Mississippi, West Virginia, and the District of Columbia. All together, eight states (the large states of Florida, New York, and Texas, in addition to New Mexico, Oklahoma, and the

latter group just mentioned) and the District of Columbia had extreme poverty rates that were significantly higher than the U.S. average of 11.7 percent. Fifteen states had rates that were significantly lower than the U.S. average.

Last, Map 3 and Appendix Table 3 (Near poverty rates of children under age six, by state, 1992-1996) reveal that the near poverty rate (the proportion of young children in families with incomes below 185 percent of the poverty line)* among young children ranged from less than 30 percent in Massachusetts and New Jersey to greater than 60 percent in Mississippi, West Virginia, and the District of Columbia. Twelve states had near poverty rates that were significantly lower than the national average of 44.2 percent, whereas 11 states—including California, Florida, and Texas—and the District of Columbia had rates that were significantly greater than the national rate.

MAP 1
Poverty rates of children
under age six, by state,
1992-1996

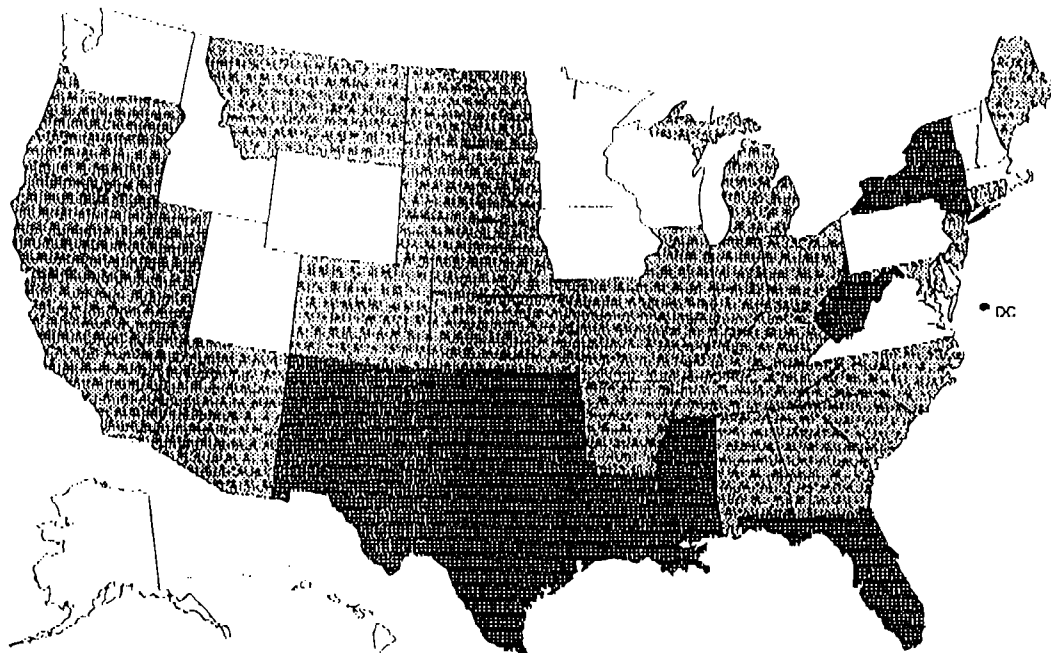


- ☐ States with poverty rates significantly lower than the national rate [15]
- ☒ States with poverty rates similar to the national rate [28]
- ☒ States with poverty rates significantly higher than the national rate [8]

* Children in families with incomes between 100 and 185 percent of the federal poverty line are considered near poor because they are served by a number of government assistance programs for low-income people—such as Medicaid, the School Lunch and School Breakfast programs, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)—that use 185 percent of the poverty line as the upper limit to determine eligibility.

MAP 2

Extreme poverty rates*
children under age six,
by state, 1992-1996

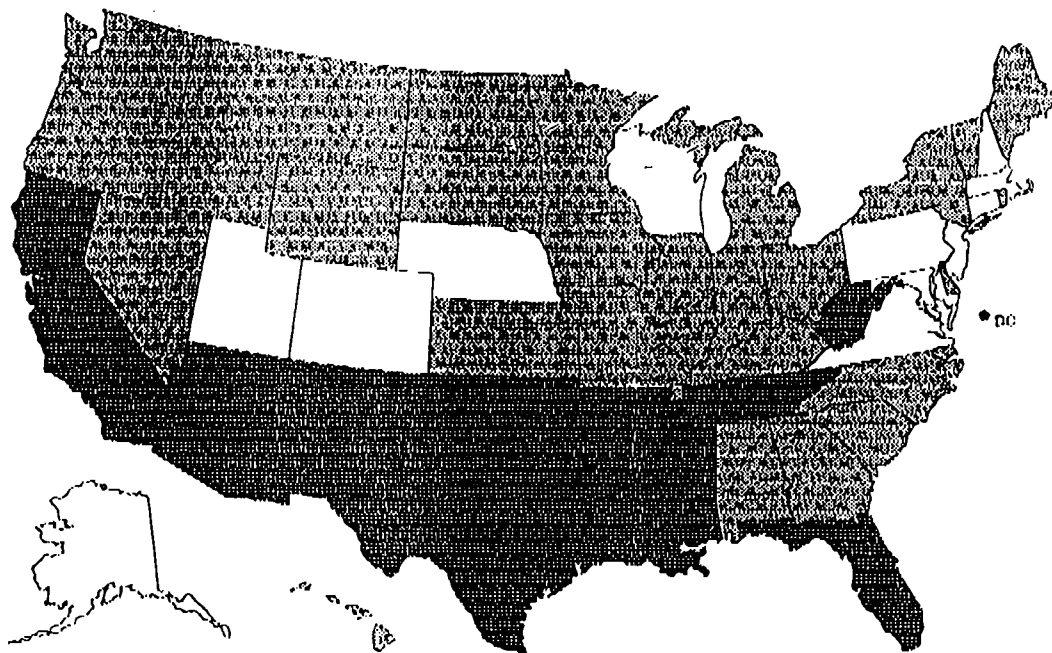


- ☐ States with extreme poverty rates significantly lower than the national rate [15]
- ☒ States with extreme poverty rates similar to the national rate [27]
- ☒ States with extreme poverty rates significantly higher than the national rate [9]

* Children in families with incomes of less than 50 percent of the federal poverty line.

MAP 3

Near poverty rates*
children under age six,
by state, 1992-1996



- ☐ States with near poverty rates significantly lower than the national rate [12]
- ☒ States with near poverty rates similar to the national rate [27]
- ☒ States with near poverty rates significantly higher than the national rate [12]

* Children in families with incomes below 185 percent of the federal poverty line.

Changes in State Young Child Poverty Rates from 1979-1983 to 1992-1996

For the period from 1979-1983 through 1992-1996, how much did states vary in their rates of change in their YCPRs? Map 4 and Appendix Table 4 (Change in the percentage of children under age six in poverty, by state, 1979-1983 to 1992-1996) examine the levels of poverty in each of the two time periods and the percentage change that took place in each state. Here, too, there is abundant variation by state. Nationally, the YCPR climbed by 12 percent over the time period observed. The rate appeared to increase by over 20 percent in 15 states, including Connecticut (62 percent), Wyoming (55 percent), Oklahoma (53 percent), and Montana (51 percent). At the same time, the poverty rate decreased by more than 20 percent in five states: Alabama (-20 percent), Alaska (-23 percent), Delaware (-24 percent), New Jersey (-26 percent), and Vermont (-39 percent).

Ten states exhibit statistically significant changes in their YCPRs.⁸ In particular, the YCPR increased significantly in eight states—the three largest states in the union, California, New York, and Texas, as well as West Virginia, Louisiana, Oklahoma, Montana, and Arizona (see Appendix Table 4). California, New York, and Texas each experienced disproportionately steep rises in their young child poverty rates over the past two decades (24, 21, and 24 percent respectively). Indeed, these three states accounted for 53 percent (nearly 800,000) of the total national increase of 1.5 million in the average number of poor young children. On the other hand, New Jersey and Vermont are the only states that experienced significant declines in their YCPRs between 1979-1983 and 1992-1996. The fact that only ten states showed statistically significant trends does not imply that other states' YCPRs did not change, even dramatically, over the time period observed. For many states the number of individuals interviewed was simply insufficient to draw such a conclusion.

MAP 4
Change in the percentage
of children under age six
in poverty, by state,
1979-1983 to 1992-1996



- ☐ States where poverty rate decreased significantly [2]
- ☒ States where poverty rate did not change by a statistically significant margin [41]
- ☒ States where poverty rate increased significantly [8]

Why Do State Poverty Trends Differ?

Are there key demographic factors that help to explain the differences among the states in the extent to which their YCPRs changed? States differ considerably with respect to how they fared over the period 1979–1983 to 1992–1996. This variation may be caused by the possible differences among the states in the trends for a wide range of factors. On the basis of prior research,⁹ NCCP focused on three of these variables which are potentially relevant to all of the states: the proportions of children with (1) single mothers (family structure), (2) mothers who completed high school (maternal education), and (3) at least one parent employed full time (parental employment). (See Appendix Table 5.)

Single Motherhood

The increase in the nationwide proportion of young children with single mothers was 25 percent since 1979–1983. However, the change varied from increases of more than three-quarters in New Mexico (99 percent), Kentucky (88 percent), Montana (84 percent), and Nebraska (77 percent), to decreases in the District of Columbia (-3 percent), and the three states of Maryland (-4 percent), Arkansas (-6 percent), and New Jersey (-15 percent).

Maternal Education

Similar variation existed across the states in the changes in the proportion of mothers who completed high school. The proportion increased nationally by 4 percent, but increases were much more pronounced in states such as Mississippi (17 percent; its percentage in 1979–1983 was the lowest among all states), Arkansas (16 percent), and Indiana (16 percent). The proportion actually decreased in the District of Columbia (-12 percent) and eight states, including Montana (-7 percent) and California (-6 percent).

Parental Employment

Although the employment scene generally improved for the nation over this time period, with a 3 percent increase in the proportion of young children with at least one parent employed full time, the situation differed dramatically among the states. The employment environment deteriorated in the District of Columbia (-18 percent) and many states, including New Hampshire (-14 percent) and Connecticut (-13 percent). At the opposite end of the spectrum, six states saw increases of 15 percent or more—Alaska (48 percent), Hawaii (21 percent), Arkansas (17 percent), Virginia (16 percent), Delaware (15 percent), and Washington (15 percent).

NCCP conducted statistical analyses (details of which are available on request) to assess the degree to which these three factors explain the rise or fall of individual state poverty rates. Family structure, maternal education, and parental employment variables account for all of the change in the YCPR in seven states and none of the change in 12 states. The median percentage of the change in the YCPR that is explained by these variables is 30 percent. Thus, once again there is great variation among the states—this time not only in the magnitude of change that they had experienced in the YCPR, but in the degree to which the three factors drove these changes. A summary measure of the distribution across states of the explanatory power of these factors—the 30 percent median—indicates that these factors played an important role in state poverty trends. In many political and policy discussions, either the breakdown of the two-parent family or high school dropout rates or the lack of full-time employment is cited as the major cause of increases in young child poverty. This analysis suggests that all three factors combine to influence rates of states' growth in the YCPR and that policymakers would do well to monitor each of them closely.

Because this study found that more than half of the national increase in the average number of young children in poverty occurred in California, New York, and Texas, NCCP examined the impact of immigration on the increase in young child poverty in those states. Indeed, each of these states has a large and growing immigrant population. In preliminary analyses, NCCP finds that immigration trends constitute an important, though not exclusive factor in the growth of family poverty in California, New York, and Texas. NCCP is now embarking on further research to refine our understanding of immigration's place in the larger picture of the many elements that influence the economic well-being of children and families in the states.

The effects of additional factors on state YCPRs—especially economic and policy factors—remain to be explored. In collaboration with other researchers, NCCP plans to intensively examine these factors over the next year. These may include, for example, variables that describe a state's business climate, which surely has substantial effects on individual low-income families' economic well-being. A potential state policy variable would be the extent to which a state's child care policies help low-income parents gain access to affordable child care and enter the work force. NCCP will also use an alternative measure of poverty to determine the impact of state tax policies, particularly state earned income tax credits, which are currently available in only ten states.¹⁰

Conclusion

NCCP has sought in this research brief to describe current variation in young child poverty rates across the 50 states, as well as in the trends that have taken place over the period 1979–1996. This study has been motivated in part by the shift of responsibility for the well-being of low-income families from the federal to state governments.

The dramatic state variation in both the levels of the YCPR and their rates of growth over time underscores the wisdom of focusing on poverty at the state level. The analyses described here, however, highlight the technical difficulty in detecting annual changes of as little as 5 percent in the YCPR, given current data sources. Only ten states experienced statistically significant changes in their YCPRs, in this analysis, as measured by the differences in two five-year averages separated by more than a decade.

The federal government has mandated a focus upon the difference in child poverty rates obtained by comparing consecutive years of data. The U.S. Bureau of the Census is currently engaged in work aimed towards decreasing the uncertainty surrounding poverty estimates by developing new methodologies and supplementing existing data from the Current Population Survey with new data from other sources. It will be difficult to fully judge the impact of welfare reform on children and families until such time as rigorous and sensitive means to detect annual changes in state poverty rates are devised.

The simple analyses presented in this research brief do not by any means yield a comprehensive knowledge of state variation in young child poverty. Yet it is NCCP's hope that this publication will focus greater attention on young child poverty within individual states and also help to encourage a "race to the top" among the states to find the most targeted and effective strategies to prevent young child poverty.

APPENDIX 1

The Interpretation of Confidence Intervals

The poverty rates in this publication were obtained from survey data collected from each state by the U.S. Bureau of the Census. In some instances, the state samples upon which the estimates are based are as small as a few hundred individuals. It is important to recognize the degree to which poverty estimates can fluctuate merely because of small sample sizes. A random sample of 300 people might yield one poverty rate; however, another sample of 300 might result in a rather different rate. The 90 percent confidence intervals shown in the tables detailing the poverty, extreme poverty, and near poverty rates of states reflect this variability. There is a 90 percent probability that the actual poverty rate falls within the upper and lower estimates indicated for each of the states. The precise poverty rates are unknown because the Census Bureau does not interview everyone but instead relies on samples that include only a fraction of the population.

The national young child poverty rate (YCPR) for 1992–1996 was 24.7 percent, with a 90 percent confidence interval of 23.9 to 25.4 percent. There are two reasons that a state would fall in the middle group of states, that is, with a rate that appears to be similar to the national rate: (1) The estimated rate for the state is very close to the national rate—North Carolina is an appropriate example of this, since its estimated rate is 24.6 percent; or (2) the estimated rate is quite low or high, but small sample sizes prevent concluding with certainty that the state rate truly differs from the national rate. Wyoming, which appears to have a relatively low YCPR, 19.4 percent, is a suitable example of this. Once again, there is fair uncertainty about pinpointing that rate due to the small sample size on which that estimated rate was based. In Wyoming's case (and that of other states with small populations), there is a wide confidence interval (in this case, between 12.7 and 26.0 percent). Because the national YCPR of 24.7 percent falls within the possible range for the YCPR of Wyoming, NCCP cannot say that Wyoming has a significantly lower YCPR than the nation as a whole. This is true for the large group of states shown in the middle of Appendix Tables 1 through 3 and Maps 1 through 3. Technically speaking, the uncertainty of the poverty estimates of the states comprising the middle group does not permit one to infer whether true differences exist between their rates and the national rate. None of them, then, has a YCPR that is statistically distinguishable from the national rate. The shorthand description of this concept that is invoked in the text, maps, and tables is simply that these rates are "similar" to the national rate.

On the other hand, the confidence intervals of the District of Columbia and the seven states at the bottom of Appendix Table 1 lie entirely above the national rate of 24.7 percent. Consequently, the District of Columbia and these seven states—California, Louisiana, Mississippi, New Mexico, New York, Texas, and West Virginia—have YCPRs that are significantly higher (in a statistical sense) than the national rate. In contrast, 15 states have YCPRs that are significantly lower than the national rate.

Last, it may be confusing to note that Hawaii, for example, appears to have a lower YCPR than, let's say, Pennsylvania, and yet Pennsylvania falls in the lowest category while Hawaii falls in the middle category. This is due to the fact that the larger sample size for Pennsylvania results in a much narrower confidence interval than the small sample size does for Hawaii. Thus, while the interval for Pennsylvania (15.2 percent to 21.5 percent) falls safely below the confidence interval associated with the national rate—23.9 percent to 25.4 percent—the interval for Hawaii does not.

APPENDIX 2

Discerning the
Influence of Key
Factors on Changes
in State YCPRs

In order to ascertain the extent to which three factors—single motherhood, maternal education, and parental employment—explain changes in individual state poverty rates, two regression analyses were conducted for each state. The dependent variable in both regressions was whether a young child is in poverty.¹¹ The first regression simply included one independent variable, namely a dummy reflecting the time period 1992–1996. (The omitted variable, reflected in the constant term, referred to the time period 1979–1983.) Thus, the coefficient of the time dummy is identical to the change in the YCPR, positive or negative, that took place between 1979–1983 and 1992–1996.

The second regression added the three control variables to the model. The extent to which the coefficient of the time dummy moved toward zero is the amount of the change that can be attributed to the effects of the three control variables. If the coefficient moves to zero or switches signs, then it can be said that the three variables account for 100 percent of the change observed in the YCPR. In the latter instance, the poverty rate actually would have increased, for example, rather than decreased had it not been for the trends in the state's three factors. If the coefficient moves further away from zero, then it can be said that the factors account for none of the change in the YCPR, because the YCPR actually would have increased (or decreased) further had the observed trends in the three control variables not taken place.

Endnotes

1. U.S. Department of Health and Human Services, Administration for Children and Families. (1996). *Characteristics and financial circumstances of AFDC recipients: FY 1993*. Washington, DC: U.S. Department of Health and Human Services.
2. See Collins, A. & Aber, J. L. (1997). *How welfare reform can help or hurt children* (Children and Welfare Reform Issue Brief 1). New York, NY: National Center for Children in Poverty, Columbia School of Public Health.
3. On May 29th the U.S. Department of Health and Human Services (DHHS) issued a "Program Instruction" to all state agencies administering the Temporary Assistance for Needy Families (TANF) program, informing them that the states need not submit their estimates of their child poverty rates for the time being. Rather, DHHS will send the states child poverty estimates as soon as the U. S. Bureau of the Census develops them. The particular methodology by which child poverty rates should be estimated and how the requirement for a corrective action plan will be carried out will be contained in a Notice of Proposed Rulemaking, which is scheduled to be published in summer 1998.
4. State-specific estimates of young child poverty rates do not yet take into account differences in the cost of living by state. This data is simply not available and the differences are substantial. The federal government, for example, has determined that in 1996 the fair market rent including utilities for a two-bedroom apartment in Birmingham, Alabama was \$447, while it was \$817 in New York City. NCCIP will address this issue in a subsequent work.
5. Duncan, G. J. & Brooks-Gunn, J. (Eds.). *Consequences of growing up poor*. New York, NY: Russell Sage Foundation.
6. It is not possible at this time to study the impact of federal welfare reform, in the form of the Temporary Assistance for Needy Families (TANF) program, on young child poverty because the reform was implemented only in late 1996. For a brief discussion of the possible impact of state-initiated welfare changes on the YCPR, see p. 12 of: Li, J. & Bennett, N. (1998). *Young children in poverty: A statistical update, March 1998 Edition*. New York, NY: National Center for Children in Poverty, Columbia School of Public Health. Data for 1997 will be available fall 1998.
7. All poverty estimates are based on data from the March Current Population Surveys (CPS), conducted annually by the U.S. Bureau of the Census. The CPS is a nationally representative survey of approximately 50,000 households. For an in-depth discussion of the interpretation of confidence intervals, see Appendix 1.
8. Statistical significance is measured at the .10 level. Thus, for each of these ten states there is a 90 percent probability that the actual change in the YCPR is different from zero. The precise changes in poverty rates are unknown because the Census Bureau does not interview everyone in a given state for a particular time period, but instead relies on samples that include only a fraction of the population.
9. See, for example, Li & Bennett in endnote 6 and National Center for Children in Poverty. (1996). *One in four: America's youngest poor*. New York, NY: National Center for Children in Poverty, Columbia School of Public Health.
10. The ten states that supplement the federal EITC program with their own are Iowa, Kansas, Maryland, Massachusetts, Minnesota, New York, Oregon, Rhode Island, Vermont, and Wisconsin.
11. Typically, one does not apply ordinary least squares regression analysis when the dependent variable is dichotomous. Here it is done for ease of explanation. Logistic regression analyses yield findings that are consistent with those that are described.

APPENDIX TABLE 1

Poverty rates of children
under age six, by state,
1992-1996

	Poverty rate (%)	Number of children		Confidence interval (90%)	
		In poverty	Total	Lower	Upper
USA	24.7	6,877,088	23,827,204	23.9	25.4
<i>States with poverty rates significantly lower than the national rate</i>					
Alaska	13.8	8,749	63,408	8.5	18.0
Colorado	17.2	65,864	323,110	11.6	22.9
Delaware	15.3	8,750	57,297	9.3	21.3
Iowa	17.1	45,228	264,817	11.8	22.4
Massachusetts	18.6	84,557	507,816	13.3	24.0
Minnesota	17.2	68,142	308,345	11.6	22.8
Nevada	16.6	20,938	125,814	11.1	22.1
New Hampshire	11.9	12,236	103,215	6.5	17.2
New Jersey	16.4	107,412	698,922	12.4	18.4
North Dakota	17.3	8,814	49,005	11.8	23.0
Pennsylvania	18.4	170,560	876,732	15.2	21.5
Utah	11.4	26,338	231,845	7.8	15.1
Vermont	13.3	7,521	66,502	8.0	18.6
Virginia	17.4	92,544	530,930	12.2	22.0
Wisconsin	16.2	73,080	452,219	11.1	21.2
<i>States with poverty rates similar to the national rate</i>					
Alabama	25.9	100,936	390,292	19.7	32.1
Arizona	28.9	124,350	430,433	23.0	34.8
Arkansas	27.0	59,880	222,046	20.7	33.3
Connecticut	24.0	87,260	280,728	16.7	31.2
Florida	26.6	313,231	1,179,708	23.3	29.8
Georgia	23.7	152,241	641,174	18.0	29.5
Hawaii	18.3	19,015	103,640	12.3	24.4
Idaho	21.7	22,997	103,010	16.2	27.3
Illinois	24.3	271,880	1,120,426	20.9	27.6
Indiana	21.5	118,010	549,748	15.6	27.3
Kansas	20.2	50,245	248,334	14.8	25.7
Kentucky	29.4	90,042	300,544	22.4	36.3
Maine	22.4	19,587	87,170	15.2	29.6
Maryland	18.6	94,426	508,309	13.0	24.1
Michigan	25.7	225,756	876,795	22.2	29.2
Missouri	23.8	102,202	428,772	17.2	30.7
Montana	25.0	20,019	77,160	19.0	32.1
Nebraska	18.7	29,478	157,568	13.4	24.0
North Carolina	24.6	144,267	586,772	20.8	28.4
Ohio	23.1	223,470	968,149	19.7	26.5
Oklahoma	32.0	92,384	288,395	25.4	38.7
Oregon	20.1	51,635	256,487	13.7	26.5
Rhode Island	20.4	15,886	74,879	13.2	27.5
South Carolina	24.0	74,702	311,445	18.0	30.0
South Dakota	21.9	13,437	61,286	16.2	27.6
Tennessee	27.8	123,466	443,652	21.4	34.3
Washington	18.4	89,168	483,589	12.9	24.0
Wyoming	19.4	7,710	39,700	12.7	26.0
<i>States with poverty rates significantly higher than the national rate</i>					
California	29.0	960,289	3,280,728	26.6	31.3
District of Columbia	44.2	23,424	53,032	35.9	62.4
Louisiana	40.6	158,417	389,800	33.5	47.8
Mississippi	35.5	88,319	243,200	28.9	42.1
New Mexico	34.0	58,049	170,793	27.8	40.1
New York	28.8	404,551	1,015,424	26.0	31.5
Texas	30.3	572,180	1,889,067	27.1	33.4
West Virginia	40.0	47,863	119,936	31.8	48.2

APPENDIX TABLE 2

Extreme poverty rates of
children under age six,
by state, 1992-1996

	Extreme poverty rate (%)	Number of children		Confidence interval (90%)	
		In poverty	Total	Lower	Upper
USA	11.7	2,785,214	23,827,204	11.1	12.2
<i>States with extreme poverty rates significantly lower than the national rate</i>					
Alaska	3.6	2,225	63,409	1.2	8.8
Delaware	6.4	3,067	67,297	1.6	9.1
Hawaii	2.7	2,768	103,648	0.2	5.2
Idaho	7.6	7,732	103,018	4.0	11.0
Iowa	6.9	18,208	264,817	3.3	10.4
Massachusetts	7.9	39,908	507,916	6.4	10.3
Minnesota	4.6	10,381	386,845	1.5	7.8
New Hampshire	6.1	8,280	103,216	2.1	10.0
Pennsylvania	8.6	84,434	878,732	6.4	10.8
Utah	3.4	7,031	231,045	1.3	5.0
Vermont	2.7	1,549	56,502	0.2	6.3
Virginia	6.8	30,281	630,930	3.4	10.3
Washington	4.9	23,571	483,688	1.8	8.0
Wisconsin	5.4	24,339	452,219	2.3	8.5
Wyoming	6.7	2,657	39,788	2.5	10.9
<i>States with extreme poverty rates similar to the national rate</i>					
Alabama	14.7	67,434	390,292	9.7	19.7
Arizona	12.9	66,336	430,433	8.5	17.2
Arkansas	12.2	27,178	222,048	7.8	16.8
California	9.7	319,344	3,280,728	8.2	11.3
Colorado	8.6	27,709	323,119	4.4	12.8
Connecticut	8.3	23,304	280,720	3.6	13.0
Georgia	13.8	80,551	641,174	9.1	18.6
Illinois	13.8	152,502	1,120,428	11.0	16.3
Indiana	8.7	47,917	549,748	4.7	12.8
Kansas	7.9	19,515	240,334	4.2	11.5
Kentucky	18.3	40,880	308,544	10.7	22.0
Maine	9.4	8,184	87,170	4.4	14.4
Maryland	9.1	46,439	508,389	6.0	13.3
Michigan	14.6	127,917	878,795	11.8	17.4
Missouri	11.1	47,284	426,772	6.1	16.0
Montana	10.1	7,802	77,180	5.9	14.3
Nebraska	8.8	13,804	167,688	4.9	12.7
Nevada	9.4	11,800	126,814	6.1	13.7
New Jersey	8.9	82,524	698,922	6.6	11.3
North Carolina	11.0	89,596	606,772	9.0	14.7
North Dakota	8.3	4,182	40,006	4.2	12.5
Ohio	12.5	121,284	888,149	8.8	16.2
Oregon	6.2	20,918	256,487	3.8	12.6
Rhode Island	8.8	6,431	74,079	3.6	13.6
South Carolina	13.0	40,824	311,445	8.3	17.8
South Dakota	13.1	8,035	61,295	8.5	17.7
Tennessee	14.9	88,020	443,862	9.8	20.0
<i>States with extreme poverty rates significantly higher than the national rate</i>					
District of Columbia	26.3	13,920	53,032	19.0	33.6
Florida	15.3	180,698	1,179,706	12.6	18.0
Louisiana	24.3	94,631	389,800	18.0	30.5
Mississippi	23.1	68,134	243,200	17.3	28.9
New Mexico	18.3	31,193	170,793	13.2	23.3
New York	14.0	239,037	1,015,424	12.7	18.0
Oklahoma	10.4	53,005	288,395	12.9	21.0
Texas	14.0	279,280	1,889,967	12.4	17.9
West Virginia	22.0	28,300	119,935	15.1	28.9

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Children and Welfare Reform

Issue Brief 4

Responsible Fatherhood and Welfare: How States Can Use the New Law to Help Children

Stanley Bernard



NATIONAL CENTER FOR CHILDREN IN POVERTY

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Financial Incentives Can Be Key to Moving Families Off Welfare and Raising Income, Research Reveals by Ellen C. Berrey

At least 30 states are now using financial incentives in their welfare programs. Financial incentives change the economic structure of income support policies to "make work pay." They reward recipients who look for a job, work, or work longer hours. With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), states have the opportunity to design Temporary Aid for Needy Families (TANF) programs to replace AFDC that include a variety of financial incentives. Among the most prominent of these are earnings disregards, which in New Jersey, for example, enable a working TANF recipient to keep 100 percent of her income during her first full month of employment. Increased asset limits allow TANF families in North Carolina to own a car worth \$5,000 and retain \$3,000 in assets. Earnings supplements and benefits like the Earned Income Tax Credit (EITC) also can make work in the low-wage labor market considerably more advantageous than public assistance. Other financial incentives include bonuses or benefit increases for enrolling, participating, or completing a program; Individual Development Accounts; and utility, food, rent, child care, or shelter allowances often paid directly to the recipient.

While earlier research raised concerns that financial incentives could reduce recipients' work effort, more recent findings indicate that incentives are helping some families improve their income, obtain jobs, and escape poverty without increasing welfare receipt. This article describes findings from three large-scale evaluations of programs with significant financial incentives in Canada, New York, and Minnesota (see chart on p. 3). To encourage

specific behaviors, each of these programs supplements income and/or lowers the rate at which cash benefits are decreased as recipients' earnings increase. The two U.S. programs were created through state waivers available prior to the passage of PRWORA. All three evaluations include controlled experiments with random assignment of welfare recipients into treatment and control groups in order to assess the programs' impacts.

The lessons outlined here are not conclusive; final findings are available only for the New York project. Caution should also be exercised in comparing results from programs with different economic situations, incentives, and research samples. Nevertheless, the three projects provide valuable lessons about how various financial incentives can be used.

Generous Earnings Supplement Appears to Work

Canada's Self-Sufficiency Project (SSP) is a voluntary program for single parents. After receiving welfare benefits for one year, individuals who work at least 30 hours/week can leave welfare and receive an earnings supplement for as many as three years. This supplement is equal to half the difference between one's earnings and a target or "break-even" earnings level set at about U.S. \$27,750 in British Columbia and about U.S. \$22,500 in New Brunswick. The supplement effectively doubles income for jobs paying between U.S. \$3.75-\$6.00 per hour.

Interim findings show that Canada's SSP program is producing positive impacts—improving employment and

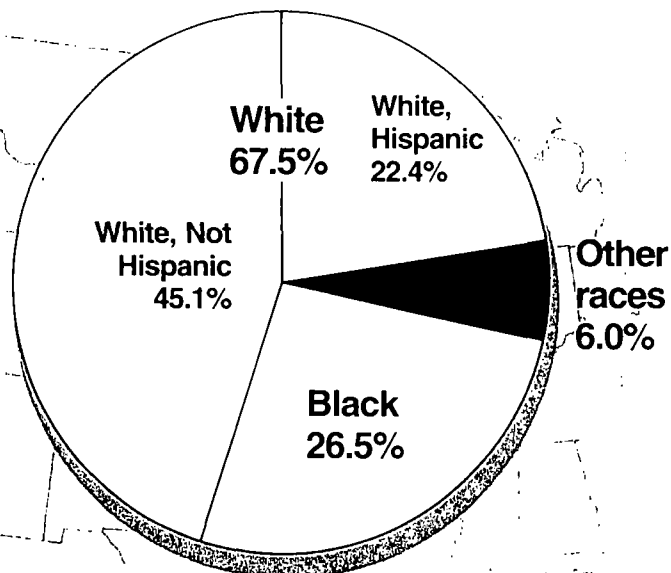
Note from the Director—Barbara B. Blum

The growing disparity between levels of income for working poor families as compared to the incomes of our wealthiest families is one of the starkest issues facing our nation. The experiments described in this issue of *the forum* provide provocative clues about strategies to alleviate the magnitude of this income gap, which, at the same time can also reduce the level of poverty experienced by so many working families

in the U.S. In addition, the research highlights challenges that must be confronted in conceptualizing an affordable approach to making work pay enough to provide adequate support to families.

The findings, however preliminary, are promising and should help guide our thinking about future income security policies which can further reduce the numbers of children living in poverty.

Poverty in the United States: 1996



by
Leatha Lamison-White

U.S. Department of Commerce
Economics and Statistics Administration
BUREAU OF THE CENSUS

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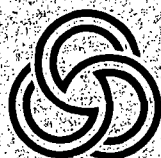
• News & Issues

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**NATIONAL
CENTER FOR
CHILDREN IN
POVERTY**

Columbia School
of Public Health

*Identifying and promoting
strategies to reduce the
young child poverty rate,
and to improve the life
chances of the millions of
young children still living
in poverty*

Study on State Investments Finds Good and Bad News for Young Children

A new report from NCCP, *Map and Track: State Initiatives for Young Children and Families*, highlights, more than ever, what a difference a state makes for a young child's chances in life. The report, written by NCCP deputy director Jane Knitzer and Stephen Page, finds significant inequality in what individual states are doing to promote the well-being of young children and families. At the same time, very few states are linking comprehensive programs to help children with revamped welfare programs that aim to help their parents become self-sufficient.

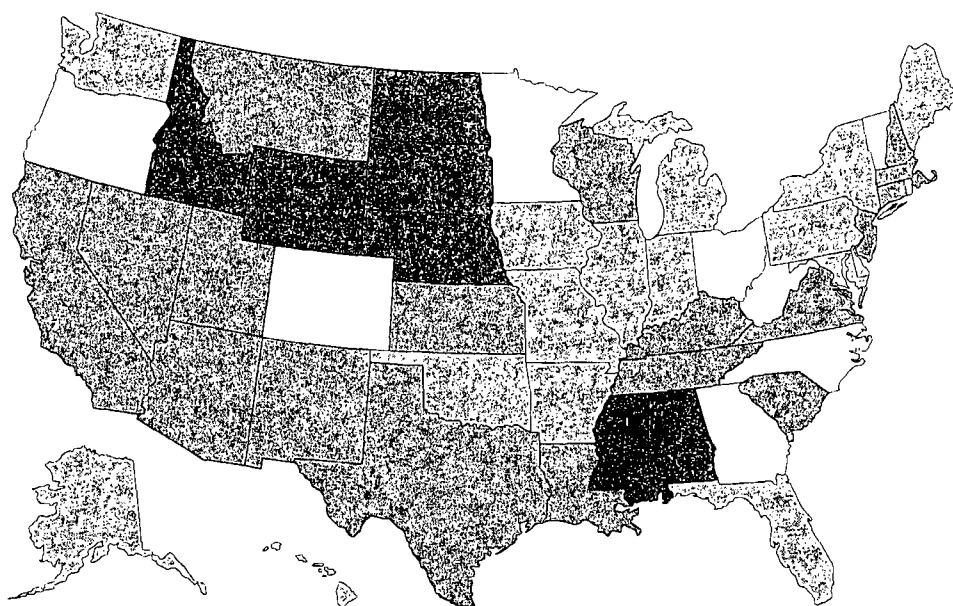
The findings suggest a pattern of both good and not so good news. On the positive side, *Map and Track '98*—building on NCCP's 1996 report—

*NCCP Update finds Child Poverty
Persists Despite Strong U.S. Economy*

see page 3

documents an increase in states funding programs for infants and toddlers, up from 18 in 1996 to 24 in 1998. This is an important finding in view of dramatic evidence that early brain development has a major impact on how well children do later on, not

State-by-state strategic approaches for enhancing the well-being
of young children and families



□ States funding comprehensive initiatives that combine high-level leadership, integrated program and community mobilization approaches, continued commitment to increased funding, and a framework for state action [8]

▣ States funding only comprehensive programs [18]

▤ States funding both community mobilization strategies and comprehensive programs [17]

■ States not funding any comprehensive programs [7]

P States funding only pilot programs [3]

52ND STORY of Level 1 printed in FULL format.

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USA TODAY

September 15, 1997, Monday, FINAL EDITION

CTION: NEWS; Pg. 3A

LENGTH: 392 words

HEADLINE: Survey says up to 11 million a year go hungry

BYLINE: Richard Wolf

DATELINE: WASHINGTON

BODY:

WASHINGTON -- As many as 11 million Americans go hungry every year, according to an Agriculture Department study being released today. And 2 million of them suffer severe hunger.

The study, based on a 1995 Census survey, says there are 4.2 million households with hungry people in them. That translates to 11 million Americans, but some -- parents, for example -- may skip meals at times so others in the house have enough to eat.

The survey defined hunger as not having enough food. Severe hunger would be when children in the household experience physical feelings of hunger.

The report did not include an estimated 600,000 homeless people among the hungry.

The study, obtained by USA TODAY, is being released as the Agriculture Department convenes a summit to discuss how to save some of the 96 billion pounds of food that is wasted every year.

It also comes at a time when the government is reining in the growth of the \$ 22 billion-a-year food stamp program. That could increase the ranks of the hungry.

About 88% of the nation's 100 million households have enough quality food, the report says. Another 8% sometimes cannot afford to eat healthful food, and 4% go hungry at some point during the year.

The most serious form of hunger, in which children as well as adults don't have enough to eat, is experienced by about 800,000 households or 2 million people.

While children in those households may get some food, the adults often go without eating for a day at a time.

The report found hunger is more common in households headed by women, those with young children, among blacks and Hispanics and in cities.

Today's summit is expected to draw about 300 people to discuss how to save excess food for the poor. They are targeting restaurants, hotels, manufacturers and retail stores that throw food away when it's no longer fresh enough to sell or when they prepare more than they need.

Americans waste 27% of their food -- a pound a day for every man, woman and child. It costs municipalities \$ 1 billion a year to dispose of it all.

The goal is to increase by 33% the 1.5 billion pounds of food saved and distributed to needy Americans. That would save 500 million pounds of food per year -- less than 1% of what's wasted, but enough to feed 450,000 people for a year.

LANGUAGE: ENGLISH

LOAD-DATE: September 15, 1997

49TH STORY of Level 1 printed in FULL format.

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AP Online

September 15, 1997; Monday 16:54 Eastern Time

ACTION: Washington - general news

LENGTH: 453 words

HEADLINE: Study Targets U.S. Hunger Problem

BYLINE: CURT ANDERSON

DATELINE: WASHINGTON

BODY:

Even as America wastes tons of food, people in 12 million households worry about getting enough to eat, a government study estimates. And that doesn't count the homeless.

"That is an appalling figure, and it must energize us as a nation to do more," Vice President Al Gore said Monday at the first national summit on how to recover more of the food that is discarded. "We already have enough food in America to feed everyone."

The Department of Agriculture study of the nation's eating patterns in 1995 found that about 12 percent of the 100 million households either experienced some hunger or had poor diets because they couldn't afford better food.

Of that number, about 800,000 households were found to be suffering from chronic hunger from time to time during the year. Those homes included 215,000 children under age 6.

Gore and Agriculture Secretary Dan Glickman released the study to underscore a new initiative aimed at increasing the food recovered from restaurants, cafeterias, farm fields and food processing plants by 33 percent by 2000.

The Agriculture Department has previously estimated that 96 billion pounds of food goes to waste each year, more than a quarter of the food produced in America. If the amount recovered or gleaned were raised by one-third, it would be enough to feed roughly 450,000 people a day for a year.

"I think Americans want a hands-on way to help," Glickman said. "Gleaning gives everyone a direct hand in being part of the solution."

Joining Glickman and Gore at the summit were the folk group Peter, Paul & Mary, who performed "This Land is Your Land" and have taped a public service TV spot urging people and businesses to help recover more food.

The trio also visited Martha's Table, a Washington food kitchen that feeds some 1,700 people a day, and helped pick cucumbers and squash that would have otherwise gone to waste at a suburban Maryland farm field.

"It's very important to do as much as you can on a local level," said Veronica Parke, president of Martha's Table. "You've got to do what you can

where you are.''

Gore and Glickman said the federal government would embark on several new gleaning programs, including a plan by the Defense Department to donate \$10 million in excess rations to local feeding centers and a USDA farm field gleaning program in 13 states next summer.

In addition, the National Restaurant Association is distributing a guide to its members on how unused food can be donated to the needy.

Editor's Note The Agriculture Department operates a toll-free number for people interested in finding organizations that can take donated food in their local area. The number is 1-800-GLEANIT.

LANGUAGE: ENGLISH

LOAD-DATE: September 15, 1997

Table A. Persons and Families in Poverty by Selected Characteristics: 1995 and 1996

[Numbers in thousands]

Characteristic	1996		1995		Difference 1996 less 1995	
	Below poverty		Below poverty			
	Number	Percent	Number	Percent	Number of poor	Poverty rate
PERSONS						
Total	36,529	13.7	36,425	13.8	105	- 0.1
Family Status						
In families	27,376	12.2	27,501	12.3	-125	-0.1
Householder	7,708	11.0	7,532	10.8	176	0.2
Related children under 18	13,764	19.8	13,999	20.2	-235	-0.3
Related children under 6	5,333	22.7	5,670	23.7	-337	-0.9
In unrelated subfamilies	701	45.6	676	46.4	25	-0.8
Children under 18	408	46.9	400	48.8	9	-1.9
Unrelated individual	8,452	20.8	8,247	20.9	205	-0.1
Male	3,308	17.0	3,382	18.0	-74	* -1.0
Female	5,145	24.2	4,865	23.5	* 279	0.6
Race¹						
White	24,650	11.2	24,423	11.2	227	-
White, not Hispanic	16,462	8.6	16,267	8.5	195	0.1
Black	9,694	28.4	9,872	29.3	-178	-0.8
Asian and Pacific Islander	1,454	14.5	1,411	14.6	43	-0.1
Hispanic origin ²	8,697	29.4	8,574	30.3	123	-0.9
Age						
Under 18 years	14,463	20.5	14,665	20.8	-202	-0.3
18 to 24 years	4,466	17.9	4,553	18.3	-87	-0.4
25 to 34 years	5,093	12.7	5,196	12.7	-103	-
35 to 44 years	4,343	9.9	4,064	9.4	* 279	0.5
45 to 54 years	2,516	7.6	2,470	7.8	* 46	-0.2
55 to 59 years	1,086	9.4	1,163	10.3	-76	-0.9
60 to 64 years	1,134	11.5	996	10.2	* 137	* 1.3
65 years and over	3,428	10.8	3,318	10.5	110	0.3
Nativity						
Native	31,117	12.9	30,972	12.9	145	-
Foreign born	5,412	21.0	5,452	22.2	-40	-1.2
Naturalized citizen	936	10.4	833	10.5	103	-0.1
Not a citizen	4,476	26.8	4,619	27.8	-143	-1.0
Region						
Northeast	6,558	12.7	6,445	12.5	113	0.2
Midwest	6,654	10.7	6,785	11.0	-131	-0.2
South	14,098	15.1	14,458	15.7	-360	-0.6
West	9,219	15.4	8,736	14.9	483	0.5
Residence						
Inside metropolitan areas	28,211	13.2	28,342	13.4	-131	-0.2
Inside central cities	15,645	19.6	16,269	20.6	-624	* -1.0
Outside central cities	12,566	9.4	12,072	9.1	494	0.3
Outside metropolitan areas	8,318	15.9	8,083	15.6	235	0.3
FAMILIES						
Total	7,708	11.0	7,532	10.8	176	0.2
White	5,059	8.6	4,994	8.5	65	0.1
White, not Hispanic	3,433	6.5	3,384	6.4	49	0.1
Black	2,206	26.1	2,127	26.4	79	-0.3
Asian and Pacific Islander	284	12.7	264	12.4	20	0.3
Hispanic origin ²	1,748	26.4	1,695	27.0	53	-0.6
Type of Family						
Married-couple	3,010	5.6	2,982	5.6	27	-
White	2,416	5.1	2,443	5.1	-27	-
Black	352	9.1	314	8.5	37	0.7
Hispanic origin ²	815	18.0	803	18.9	12	-0.9
Female householder, no husband present	4,167	32.6	4,057	32.4	110	0.2
White	2,276	27.3	2,200	26.6	76	0.7
Black	1,724	43.7	1,701	45.1	23	-1.5
Hispanic origin ²	823	50.9	792	49.4	31	1.5

- Represents zero. *Statistically significant at the 90-percent confidence level.

¹Data for American Indians, Eskimos, and Aleuts are not shown separately. Data for this population group should not be tabulated from the CPS because of its small sample size.²Persons of Hispanic origin may be of any race.

Source: U.S. Bureau of the Census, March 1997 Current Population Survey.

No. 736. Persons Below Poverty Level and Below 125 Percent of Poverty Level: 1960 to 1995

(Persons as of March of the following year. Based on Current Population Survey, see text, sections 1 and 14, and Appendix III.)

YEAR	NUMBER BELOW POVERTY LEVEL (1,000)				PERCENT BELOW POVERTY LEVEL				BELOW 125 PERCENT OF POVERTY LEVEL		AVERAGE INCOME CUTOFFS FOR NONFARM FAMILY OF FOUR ³	
	All races ¹	White	Black	Hispanic ²	All races ¹	White	Black	Hispanic ²	Number (1,000)	Per cent of total population	At poverty level	At 125 percent of poverty level
1960	39,851	28,309	(NA)	(NA)	22.2	17.8	(NA)	(NA)	54,560	30.4	3,022	3,778
1961	25,420	17,484	7,548	(NA)	12.6	9.9	33.5	(NA)	35,624	17.6	3,968	4,960
1962	25,877	17,770	7,545	2,991	12.3	9.7	31.3	23.0	37,182	17.6	5,500	6,875
1963	24,975	16,713	7,595	2,783	11.8	9.1	31.1	26.9	35,509	16.7	5,815	7,269
1964	24,720	16,416	7,726	2,700	11.6	8.9	31.3	24.7	35,659	16.7	6,191	7,739
1965	24,497	16,259	7,625	2,607	11.4	8.7	30.6	22.4	34,155	15.8	6,662	8,328
1966	26,072	17,214	8,050	2,921	11.7	9.0	31.0	21.6	36,616	16.4	7,412	9,265
1967	29,272	19,699	8,579	3,491	13.0	10.2	32.5	21.8	40,658	18.1	8,414	10,518
1968	31,822	21,553	9,173	3,713	14.0	11.1	34.2	25.7	43,748	19.3	9,287	11,609
1969	34,398	23,517	9,697	4,301	15.0	12.0	35.6	26.5	46,520	20.3	9,862	12,328
1970	35,303	23,984	9,882	4,633	15.2	12.1	35.7	29.9	47,150	20.3	10,178	12,723
1971	33,700	22,955	9,490	4,806	14.4	11.5	33.8	28.0	45,288	19.4	10,609	13,261
1972	33,064	22,860	8,926	5,236	14.0	11.4	31.3	28.4	44,166	18.7	10,989	13,736
1973	32,370	22,183	9,983	5,117	13.6	11.0	31.1	29.0	43,486	18.2	11,203	14,004
1974	32,221	21,195	9,520	5,422	13.4	10.4	32.4	27.3	43,032	17.9	11,611	14,514
1975	31,745	20,715	9,356	5,357	13.0	10.1	31.3	29.0	42,551	17.5	12,092	15,115
1976	31,528	20,735	9,302	5,430	12.8	10.0	30.7	26.7	42,653	17.3	12,674	15,843
1977	33,585	22,326	9,837	6,006	13.5	10.7	31.9	26.2	44,837	18.0	13,359	16,699
1978	35,708	23,747	10,242	6,339	14.2	11.3	32.7	28.1	47,527	18.9	13,924	17,435
1979	38,014	25,250	10,827	7,592	14.8	11.9	33.4	29.6	50,592	19.7	14,335	17,919
1980	39,265	26,226	10,877	8,126	15.1	12.2	33.1	30.6	51,801	20.0	14,763	(NA)
1981	38,059	25,376	10,196	8,416	14.5	11.7	30.6	30.7	50,401	19.3	15,141	19,926
1982	36,425	24,423	9,872	8,574	13.8	11.2	29.3	30.3	48,761	18.5	15,569	19,451

NA Not available. ¹ Includes other races not shown separately. ² Persons of Hispanic origin may be of any race. ³ Beginning 1981, income cutoffs for nonfarm families are applied to all families, both farm and nonfarm. ⁴ Population controls based on 1980 census; see text, sections 1 and 14. ⁵ Beginning 1983, data based on revised Hispanic population controls and not directly comparable with prior years. ⁶ Beginning 1987, data based on revised processing procedures and not directly comparable with prior years. ⁷ Beginning 1992, based on 1990 population controls.

Source: U.S. Bureau of the Census, Current Population Reports, P60-194.

No. 737. Children Below Poverty Level, by Race and Hispanic Origin: 1970 to 1995

(Persons as of March of the following year. Covers only related children in families under 18 years old. Based on Current Population Survey; see text, sections 1 and 14, and Appendix III.)

YEAR	NUMBER BELOW POVERTY LEVEL (1,000)				PERCENT BELOW POVERTY LEVEL			
	All races ¹	White	Black	Hispanic ²	All races ¹	White	Black	Hispanic ²
1970	13,235	6,138	3,922	(NA)	14.2	10.5	31.5	(NA)
1980	11,114	6,817	3,906	1,718	17.9	13.4	42.1	33.0
1981	12,068	7,429	4,170	1,874	19.5	14.7	44.9	35.4
1982	13,139	8,282	4,388	2,117	21.3	16.5	47.3	38.9
1983	13,427	8,534	4,273	2,251	21.8	17.0	46.2	37.7
1984	12,929	8,086	4,320	2,317	21.0	16.1	46.2	38.7
1985	13,483	7,838	4,057	2,512	20.1	15.6	43.1	39.6
1986	12,237	7,714	4,037	2,413	19.5	15.3	42.7	37.1
1987	12,275	7,398	4,234	2,606	19.7	14.7	44.4	38.9
1988	13,335	7,095	4,118	2,576	19.0	14.0	42.8	37.3
1989	13,001	7,164	4,287	2,496	19.0	14.1	43.2	35.5
1990	12,715	7,696	4,117	2,750	19.9	15.1	44.2	37.7
1991	13,658	8,316	4,637	2,977	21.1	16.1	45.6	39.8
1992	14,521	8,752	5,015	3,440	21.6	16.5	46.3	39.0
1993	14,361	9,123	5,030	3,666	22.0	17.0	45.9	39.9
1994	14,810	8,826	4,787	3,956	21.2	16.3	43.3	41.1
1995	14,996	8,474	4,644	3,938	20.3	15.5	41.5	39.3

NA Not available. ¹ Includes other races not shown separately. ² Persons of Hispanic origin may be of any race. ³ Beginning 1983, data based on revised Hispanic population controls and not directly comparable with prior years. ⁴ Beginning 1987, data based on revised processing procedures and not directly comparable with prior years. ⁵ Beginning 1992, based on 1990 population controls.

Source: U.S. Bureau of the Census, Current Population Reports, P60-194.

Table C-3. Poverty Status of Families by Type of Family, Presence of Related Children, Race, and Hispanic Origin: 1959 to 1996—Con.

[Number in thousands. Families as of March of the following year]

Year and characteristic	All families			Married-couple families			Male householder, no wife present			Female householder, no husband present		
	Total	Below poverty level		Total	Below poverty level		Total	Below poverty level		Total	Below poverty level	
		Number	Percent		Number	Percent		Number	Percent		Number	Percent
ALL RACES—Con.												
With Children Under 18 Years—Con.												
1990	34,503	5,676	16.4	25,410	1,990	7.8	1,386	260	18.8	7,707	3,426	44.5
1989	34,279	5,308	15.5	25,476	1,872	7.3	1,358	246	18.1	7,445	3,190	42.8
1988 ¹	34,251	5,373	15.7	25,598	1,847	7.2	1,292	232	18.0	7,361	3,294	44.7
1987 ¹	33,996	5,465	16.1	25,464	1,963	7.7	1,316	221	16.8	7,216	3,281	45.5
1986	33,801	5,516	16.3	25,571	2,050	8.0	1,136	202	17.8	7,094	3,264	46.0
1985	33,536	5,586	16.7	25,496	2,258	8.9	1,147	197	17.1	6,892	3,131	45.4
1984	32,942	5,662	17.2	25,038	2,344	9.4	1,072	194	18.1	6,832	3,124	45.7
1983	32,787	5,871	17.9	25,216	2,557	10.1	949	192	20.2	6,622	3,122	47.1
1982	32,565	5,712	17.5	25,276	2,470	9.8	892	184	20.6	6,397	3,059	47.8
1981	32,587	5,191	15.9	25,278	2,199	8.7	822	115	14.0	6,488	2,877	44.3
1980	32,773	4,822	14.7	25,671	1,974	7.7	802	144	18.0	6,299	2,703	42.9
1979	32,397	4,081	12.6	25,615	1,573	6.1	747	116	15.5	6,035	2,392	39.6
1978	31,735	4,060	12.8	25,199	1,495	5.9	699	103	14.7	5,837	2,462	42.2
1977	31,637	4,081	12.9	25,284	1,602	6.3	644	95	14.8	5,709	2,384	41.8
1976	31,434	4,060	12.9	25,515	1,623	6.4	609	94	15.4	5,310	2,343	44.1
1975	31,377	4,172	13.3	25,704	1,855	7.2	554	65	11.7	5,119	2,252	44.0
1974	31,319	3,789	12.1	25,857	1,558	6.0	545	84	15.4	4,917	2,147	43.7
1973	30,977	3,520	11.4	25,983	(NA)	(NA)	397	(NA)	(NA)	4,597	1,987	43.2
1972	30,807	3,621	11.8	26,085	(NA)	(NA)	401	(NA)	(NA)	4,321	1,925	44.5
1971	30,725	3,683	12.0	26,201	(NA)	(NA)	447	(NA)	(NA)	4,077	1,830	44.9
1970	30,070	3,491	11.6	25,789	(NA)	(NA)	444	(NA)	(NA)	3,837	1,680	43.8
1969	29,827	3,226	10.8	26,083	(NA)	(NA)	360	(NA)	(NA)	3,384	1,519	44.9
1968	29,325	3,347	11.4	25,684	(NA)	(NA)	372	(NA)	(NA)	3,269	1,459	44.6
1967	29,032	3,586	12.4	25,482	(NA)	(NA)	360	(NA)	(NA)	3,190	1,418	44.5
1966	28,592	3,734	13.4	25,197	(NA)	(NA)	436	(NA)	(NA)	2,959	1,410	47.1
1965	28,100	4,379	15.6	24,829	(NA)	(NA)	398	(NA)	(NA)	2,873	1,499	52.2
1964	28,277	4,771	16.9	25,017	(NA)	(NA)	367	(NA)	(NA)	2,893	1,439	49.7
1963	28,317	4,991	17.6	25,084	(NA)	(NA)	400	(NA)	(NA)	2,833	1,578	55.7
1962	28,174	5,460	19.4	24,990	(NA)	(NA)	483	(NA)	(NA)	2,701	1,613	59.7
1961	27,600	5,500	19.9	24,509	(NA)	(NA)	404	(NA)	(NA)	2,687	1,505	56.0
1960	27,102	5,328	19.7	24,164	(NA)	(NA)	319	(NA)	(NA)	2,619	1,476	56.3
1959	26,992	5,443	20.3	24,099	(NA)	(NA)	349	(NA)	(NA)	2,544	1,525	59.9
WHITE												
With and Without Children Under 18 Years												
1996	58,934	5,059	8.6	47,650	2,416	5.1	2,945	367	12.5	8,339	2,276	27.3
1995	58,872	4,994	8.5	47,877	2,443	5.1	2,711	351	12.9	8,284	2,200	26.6
1994	58,444	5,312	9.1	47,905	2,629	5.5	2,508	354	14.1	8,031	2,329	29.0
1993	57,881	5,452	9.4	47,452	2,757	5.8	2,298	319	13.9	8,131	2,376	29.2
1992 ²	57,669	5,255	9.1	47,383	2,677	5.7	2,418	333	13.8	7,868	2,245	28.5
1991	57,224	5,022	8.8	47,124	2,573	5.5	2,374	257	10.8	7,726	2,192	28.4
1990	56,803	4,622	8.1	47,014	2,386	5.1	2,277	226	9.9	7,512	2,010	26.8
1989	56,590	4,409	7.8	46,981	2,329	5.0	2,303	223	9.7	7,306	1,858	25.4
1988 ¹	56,492	4,471	7.9	46,877	2,294	4.9	2,274	231	10.2	7,342	1,945	26.5
1987 ¹	56,086	4,567	8.1	46,510	2,382	5.1	2,279	224	9.8	7,297	1,961	26.9
1986	55,676	4,811	8.6	46,410	2,591	5.6	2,038	179	8.8	7,227	2,041	28.2

See footnotes at end of table.

Table C-3. Poverty Status of Families by Type of Family, Presence of Related Children, Race, and Hispanic Origin: 1959 to 1996—Con.

[Number in thousands. Families as of March of the following year]

Year and characteristic	All families			Married-couple families			Male householder, no wife present			Female householder, no husband present		
	Total	Below poverty level		Total	Below poverty level		Total	Below poverty level		Total	Below poverty level	
		Number	Percent		Number	Percent		Number	Percent		Number	Percent
WHITE—Con.												
With and Without Children Under 18 Years—Con.												
1985.....	54,991	4,983	9.1	45,924	2,815	6.1	1,956	218	11.2	7,111	1,950	27.4
1984.....	54,400	4,925	9.1	45,643	2,858	6.3	1,816	189	10.4	6,941	1,878	27.1
1983.....	53,890	5,220	9.7	45,470	3,125	6.9	1,624	168	10.4	6,796	1,926	28.3
1982.....	53,407	5,118	9.6	45,252	3,104	6.9	1,648	201	12.2	6,507	1,813	27.9
1981.....	53,269	4,670	8.8	45,007	2,712	6.0	1,642	145	8.8	6,620	1,814	27.4
1980.....	52,710	4,195	8.0	44,860	2,437	5.4	1,584	149	9.4	6,266	1,609	25.7
1979.....	52,243	3,581	6.9	44,751	2,099	4.7	1,441	132	9.2	6,052	1,350	22.3
1978.....	50,910	3,523	6.9	43,636	2,033	4.7	1,356	99	7.3	5,918	1,391	23.5
1977.....	50,530	3,540	7.0	43,423	2,028	4.7	1,279	112	8.8	5,828	1,400	24.0
1976.....	50,083	3,560	7.1	43,397	2,071	4.8	1,219	110	9.0	5,467	1,379	25.2
1975.....	49,873	3,838	7.7	43,311	2,363	5.5	1,182	81	6.9	5,380	1,394	25.9
1974.....	49,440	3,352	6.8	43,049	1,977	4.6	1,182	86	7.3	5,208	1,289	24.8
1973.....	48,919	3,219	6.6	43,805	2,306	5.3	(NA)	(NA)	(NA)	4,853	1,190	24.5
1972.....	48,477	3,441	7.1	42,585	(NA)	(NA)	1,220	(NA)	(NA)	4,672	1,135	24.3
1971.....	47,641	3,751	7.9	42,039	(NA)	(NA)	1,113	(NA)	(NA)	4,489	1,191	26.5
1970.....	46,601	3,708	8.0	41,092	(NA)	(NA)	1,101	(NA)	(NA)	4,408	1,102	25.0
1969.....	46,261	3,574	7.7	40,802	(NA)	(NA)	1,294	(NA)	(NA)	4,165	1,069	25.7
1968.....	45,437	3,616	8.0	40,355	(NA)	(NA)	1,029	(NA)	(NA)	4,053	1,021	25.2
1967.....	44,813	4,056	9.1	39,821	(NA)	(NA)	984	(NA)	(NA)	4,008	1,037	25.9
1966.....	44,016	4,106	9.3	39,007	(NA)	(NA)	999	(NA)	(NA)	4,010	1,036	25.7
1965.....	43,496	4,824	11.1	38,632	(NA)	(NA)	1,004	(NA)	(NA)	3,860	1,196	31.0
1964.....	43,081	5,258	12.2	38,171	(NA)	(NA)	1,028	(NA)	(NA)	3,882	1,125	29.0
1963.....	42,663	5,466	12.8	37,799	(NA)	(NA)	1,067	(NA)	(NA)	3,797	1,191	31.4
1962.....	42,437	5,887	13.9	37,657	(NA)	(NA)	1,153	(NA)	(NA)	3,627	1,230	33.9
1961.....	41,888	6,205	14.8	37,185	(NA)	(NA)	1,095	(NA)	(NA)	3,608	1,208	33.5
1960.....	41,104	6,115	14.9	36,400	(NA)	(NA)	1,031	(NA)	(NA)	3,673	1,252	34.0
1959.....	40,820	6,185	15.2	36,217	(NA)	(NA)	1,056	(NA)	(NA)	3,547	1,233	34.8
With Children Under 18 Years												
1996.....	29,826	3,863	13.0	22,757	1,548	6.8	1,568	283	18.0	5,501	2,032	36.9
1995.....	29,713	3,839	12.9	22,663	1,583	7.0	1,496	276	18.4	5,554	1,980	35.6
1994.....	29,548	4,025	13.6	22,839	1,708	7.5	1,319	253	19.2	5,390	2,064	38.3
1993.....	29,234	4,226	14.5	22,670	1,868	8.2	1,203	235	19.5	5,361	2,123	39.6
1992.....	28,790	4,020	14.0	22,440	1,753	7.8	1,251	246	19.7	5,099	2,021	39.6
1991.....	28,368	3,880	13.7	22,213	1,715	7.7	1,188	196	16.5	4,967	1,969	39.6
1990.....	28,117	3,553	12.6	22,289	1,572	7.1	1,042	167	16.0	4,786	1,814	37.9
1989.....	27,977	3,290	11.8	22,271	1,457	6.5	1,079	162	15.0	4,627	1,671	36.1
1988.....	27,999	3,321	11.9	22,435	1,434	6.4	1,011	147	14.5	4,553	1,740	38.2
1987.....	27,930	3,433	12.3	22,336	1,538	6.9	1,046	153	14.6	4,548	1,742	38.3
1986.....	27,929	3,637	13.0	22,466	1,692	7.5	911	132	14.5	4,552	1,812	39.8
1985.....	27,795	3,695	13.3	22,399	1,827	8.2	926	138	14.9	4,470	1,730	38.7
1984.....	27,380	3,679	13.4	22,181	1,879	8.5	862	117	13.6	4,337	1,682	38.8
1983.....	27,303	3,859	14.1	22,361	2,060	9.2	732	123	16.8	4,210	1,676	39.8
1982.....	27,118	3,709	13.7	22,390	2,005	9.0	692	120	17.4	4,037	1,584	39.3
1981.....	27,223	3,362	12.4	22,334	1,723	7.7	652	75	11.6	4,237	1,564	36.9
1980.....	27,416	3,078	11.2	22,793	1,544	6.8	628	100	16.0	3,995	1,433	35.9
1979.....	27,329	2,509	9.2	22,878	1,216	5.3	584	82	14.1	3,866	1,211	31.3
1978.....	26,907	2,513	9.3	22,601	1,185	5.2	526	60	11.4	3,780	1,268	33.5

See footnotes at end of table.

Table C-3. **Poverty Status of Families by Type of Family, Presence of Related Children, Race, and Hispanic Origin: 1959 to 1996—Con.**

[Number in thousands. Families as of March of the following year]

Year and characteristic	All families			Married-couple families			Male householder, no wife present			Female householder, no husband present		
	Total	Below poverty level		Total	Below poverty level		Total	Below poverty level		Total	Below poverty level	
		Number	Percent		Number	Percent		Number	Percent		Number	Percent
WHITE—Con.												
With Children Under 18 Years—Con.												
1977.....	26,924	2,572	9.6	22,703	1,256	5.5	486	55	11.3	3,735	1,261	33.8
1976.....	26,812	2,566	9.6	22,872	1,242	5.4	484	64	13.2	3,456	1,260	36.4
1975.....	26,975	2,776	10.3	23,134	1,456	6.3	435	48	11.0	3,406	1,272	37.3
1974.....	26,890	2,430	9.0	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	3,244	1,180	36.4
1973.....	26,694	2,177	8.2	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	2,988	1,053	35.2
1972.....	26,763	2,238	8.4	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	2,748	970	35.3
1971.....	26,745	2,372	8.9	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	2,664	982	36.9
1970.....	26,256	2,219	8.5	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
1969.....	26,307	2,089	7.9	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
1968.....	25,803	2,176	8.4	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	792	36.0
1967.....	25,531	2,276	8.9	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	748	34.9
1966.....	(NA)	2,400	9.5	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	803	38.4
1965.....	(NA)	2,858	11.5	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	867	43.2
1964.....	(NA)	3,205	12.8	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	814	40.3
1963.....	25,056	3,328	13.3	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	882	45.0
1962.....	(NA)	3,673	14.7	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	908	49.2
1961.....	(NA)	3,785	15.4	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	892	46.4
1960.....	(NA)	3,690	15.3	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	905	47.1
1959.....	24,146	3,812	15.8	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	948	51.7
BLACK												
With and Without Children Under 18 Years												
1996.....	8,455	2,206	26.1	3,851	352	9.1	657	130	19.8	3,947	1,724	43.7
1995.....	8,055	2,127	26.4	3,713	314	8.5	573	112	19.5	3,769	1,701	45.1
1994.....	8,093	2,212	27.3	3,842	336	8.7	535	161	30.1	3,716	1,715	46.2
1993.....	7,993	2,499	31.3	3,715	458	12.3	450	133	29.6	3,828	1,908	49.9
1992.....	7,982	2,484	31.1	3,777	490	13.0	467	116	24.8	3,738	1,878	50.2
1991.....	7,716	2,343	30.4	3,631	399	11.0	503	110	21.9	3,582	1,834	51.2
1990.....	7,471	2,193	29.3	3,569	448	12.6	472	97	20.6	3,430	1,648	48.1
1989.....	7,470	2,077	27.8	3,750	443	11.8	446	110	24.7	3,275	1,524	46.5
1988.....	7,409	2,089	28.2	3,722	421	11.3	464	88	18.9	3,223	1,579	49.0
1987.....	7,202	2,117	29.4	3,681	439	11.9	432	101	23.4	3,089	1,577	51.1
1986.....	7,096	1,987	28.0	3,742	403	10.8	386	96	24.9	2,967	1,488	50.1
1985.....	6,921	1,983	28.7	3,680	447	12.2	368	84	22.9	2,874	1,452	50.5
1984.....	6,778	2,094	30.9	3,469	479	13.8	344	82	23.8	2,964	1,533	51.7
1983.....	6,681	2,161	32.3	3,454	535	15.5	355	85	24.0	2,871	1,541	53.7
1982.....	6,530	2,158	33.0	3,486	543	15.6	309	79	25.6	2,734	1,535	56.2
1981.....	6,413	1,972	30.8	3,535	543	15.4	273	52	19.1	2,605	1,377	52.9
1980.....	6,317	1,826	28.9	3,392	474	14.0	291	52	17.7	2,634	1,301	49.4
1979.....	6,184	1,722	27.8	3,433	453	13.2	256	35	13.7	2,495	1,234	49.4
1978.....	5,906	1,622	27.5	3,244	366	11.3	272	48	17.6	2,390	1,208	50.8
1977.....	5,806	1,637	28.2	3,260	429	13.1	269	46	17.1	2,277	1,162	51.0
1976.....	5,804	1,617	27.9	3,406	450	13.2	247	45	18.2	2,151	1,122	52.2
1975.....	5,586	1,513	27.1	3,352	479	14.3	230	30	13.0	2,004	1,004	50.1
1974.....	5,491	1,479	26.9	3,357	435	13.0	200	35	17.4	1,934	1,010	52.2
1973.....	5,440	1,527	28.1	3,360	(NA)	(NA)	231	(NA)	(NA)	1,849	974	52.7
1972.....	5,265	1,529	29.0	3,233	(NA)	(NA)	210	(NA)	(NA)	1,822	972	53.4
1971.....	5,157	1,484	28.8	3,289	(NA)	(NA)	226	(NA)	(NA)	1,642	879	53.5

See footnotes at end of table.

Table C-3. Poverty Status of Families by Type of Family, Presence of Related Children, Race, and Hispanic Origin: 1959 to 1996—Con.

[Number in thousands. Families as of March of the following year]

Year and characteristic	All families			Married-couple families			Male householder, no wife present			Female householder, no husband present		
	Total	Below poverty level		Total	Below poverty level		Total	Below poverty level		Total	Below poverty level	
		Number	Percent		Number	Percent		Number	Percent		Number	Percent
BLACK—Con.												
With and Without Children Under 18 Year—Con.												
1970.....	5,027	1,481	29.5	3,301	(NA)	(NA)	191	(NA)	(NA)	1,535	834	54.3
1969.....	4,887	1,365	27.9	3,323	(NA)	(NA)	180	(NA)	(NA)	1,384	737	53.3
1968.....	4,646	1,366	29.4	3,141	(NA)	(NA)	178	(NA)	(NA)	1,327	706	53.2
1967.....	4,589	1,555	33.9	3,118	(NA)	(NA)	199	(NA)	(NA)	1,272	716	56.3
With Children Under 18 Years												
1996.....	5,695	1,941	34.1	2,174	239	11.0	401	109	27.2	3,120	1,593	51.0
1995.....	5,340	1,821	34.1	2,119	209	9.9	337	79	23.4	2,884	1,533	53.2
1994.....	5,439	1,954	35.9	2,147	245	11.4	341	118	34.6	2,951	1,591	53.9
1993.....	5,525	2,171	39.3	2,147	298	13.9	294	93	31.6	3,084	1,780	57.7
1992 ¹	5,448	2,132	39.1	2,229	343	15.4	248	83	33.5	2,971	1,706	57.4
1991.....	5,143	2,016	39.2	2,129	263	12.4	243	77	31.7	2,771	1,676	60.5
1990.....	5,069	1,887	37.2	2,104	301	14.3	267	73	27.3	2,698	1,513	56.1
1989.....	5,031	1,783	35.4	2,179	291	13.3	228	77	33.8	2,624	1,415	53.9
1988 ¹	5,010	1,802	36.0	2,181	272	12.5	246	78	31.7	2,583	1,452	56.2
1987 ¹	4,880	1,788	36.6	2,205	290	13.2	222	61	27.5	2,453	1,437	58.6
1986.....	4,806	1,699	35.4	2,236	257	11.5	185	58	31.5	2,386	1,384	58.0
1985.....	4,636	1,670	36.0	2,185	281	12.9	182	53	29.0	2,269	1,336	58.9
1984.....	4,512	1,758	39.0	2,001	331	16.6	175	62	35.5	2,335	1,364	58.4
1983.....	4,482	1,789	39.9	2,052	369	18.0	186	58	31.1	2,244	1,362	60.7
1982.....	4,470	1,819	40.7	2,093	360	17.2	178	58	32.7	2,199	1,401	63.7
1981.....	4,455	1,652	37.1	2,202	357	16.2	135	34	25.0	2,118	1,261	59.5
1980.....	4,465	1,583	35.5	2,154	333	15.5	140	34	24.0	2,171	1,217	56.0
1979.....	4,297	1,441	33.5	2,095	286	13.7	139	26	18.4	2,063	1,129	54.7
1978.....	4,159	1,431	34.4	2,056	247	12.0	157	40	25.5	1,946	1,144	58.4
1977.....	4,107	1,406	34.2	2,088	295	14.1	141	30	21.3	1,878	1,081	57.5
1976.....	4,047	1,382	34.2	2,146	311	14.5	120	28	23.3	1,781	1,043	58.6
1975.....	3,878	1,314	33.9	2,119	349	16.5	108	16	14.8	1,651	949	57.5
1974.....	3,915	1,293	33.0	2,187	317	14.5	105	27	26.2	1,623	949	58.5
1973.....	3,831	1,280	33.4	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	1,538	905	58.8
1972.....	3,650	1,303	35.7	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	1,494	912	61.0
1971.....	3,660	1,261	34.5	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	1,369	821	60.0
1970.....	3,470	1,212	34.9	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
1969.....	3,386	1,095	32.3	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
1968.....	3,218	1,114	34.6	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
1967.....	3,200	1,261	39.4	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
HISPANIC ORIGIN ¹												
With and Without Children Under 18 Years												
1996.....	6,631	1,748	26.4	4,520	815	18.0	494	110	22.3	1,617	823	50.9
1995.....	6,287	1,695	27.0	4,247	803	18.9	436	100	22.9	1,604	792	49.4
1994.....	6,202	1,724	27.8	4,236	827	19.5	481	124	25.8	1,485	773	52.1
1993.....	5,946	1,625	27.3	4,038	770	19.1	410	83	20.2	1,498	772	51.6
1992 ¹	5,733	1,529	26.7	3,940	743	18.8	445	122	27.4	1,348	664	49.3
1991.....	5,177	1,372	26.5	3,532	674	19.1	384	71	18.5	1,261	627	49.7
1990.....	4,981	1,244	25.0	3,454	605	17.5	341	66	19.4	1,186	573	48.3
1989.....	4,840	1,133	23.4	3,395	549	16.2	329	54	16.3	1,116	530	47.5
1988 ¹	4,823	1,141	23.7	3,398	547	16.1	314	48	15.2	1,112	546	49.1
1987 ¹	4,576	1,168	25.5	3,196	556	17.4	298	47	15.8	1,082	565	52.2
1986.....	4,403	1,085	24.7	3,118	518	16.6	253	39	15.5	1,032	528	51.2

See footnotes at end of table.

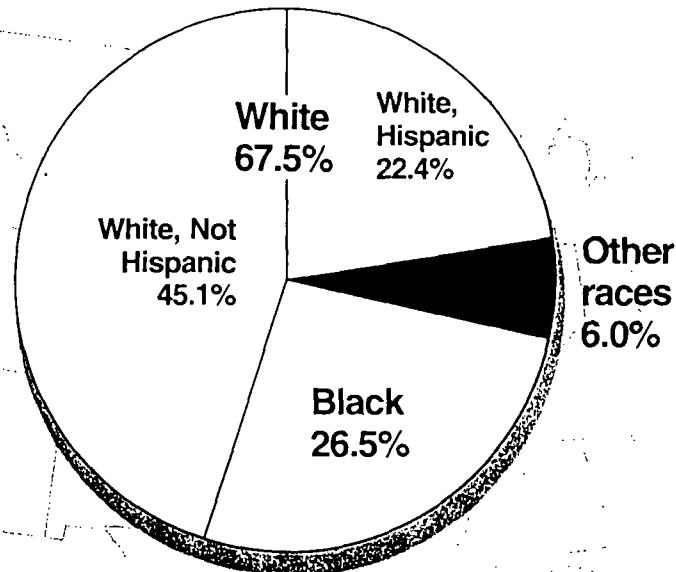
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Consumer Income

P60-198

Poverty in the United States: 1996



by
Leatha Lamison-White

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EXECUTIVE SUMMARY

MAP AND TRACK
STATE INITIATIVES FOR
YOUNG CHILDREN AND FAMILIES
1998 Edition

JANE KNITZER
STEPHEN PAGE



NATIONAL CENTER FOR CHILDREN IN POVERTY