Food Stamps

FOOD STAMPS

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Divider Title: **OVERVIEW**

Food Stamps Overview

Problem

- The 1996 Welfare Reform Act set a five-year lifetime limit on welfare benefits. This however did not apply to food stamp coverage.

- There are three possible causes for the decline in applications for food stamps:

    1) There truly has been economic advancement for all of these people.

    2) Caseworkers have encouraged people to find jobs so they do not use up their time on welfare. As a by-product of having a job, former food stamp recipients are now making too much money to qualify for stamps. This does not necessarily mean that they can afford to feed their families.

    3) People are simply misinformed and believe that the time one can be on food stamps is limited.

- Far more individuals are seeking the help of food banks than ever before.

Facts

- As of this spring, 18.1 million people receive food stamps.

- Nationally, use of food stamps has dropped by 35% in the past five years.

- The rate of decline in food stamp applications far exceeds the rate of increase in people above the poverty level.

- Only 39% of working families eligible for food stamps actually apply for them.

- Individuals earning less than $873 monthly, or $1,783 for a family of four, are eligible for federal nutrition assistance.

- Food stamp recipients receive an average of $71 per person monthly, with the maximum for a family of four capped at $419 monthly.

- If one owns a car valued at $4,650 or more they cannot receive food stamps.

- Three months after leaving welfare about 10% of former recipients report having gone hungry. This is the same percentage as reported having gone hungry while still on welfare.

Divider Title: **POTUS REMARKS**

THE WHITE HOUSE

Office of the Press Secretary
(New York City, New York)

For Immediate Release February 18, 1997

REMARKS BY THE PRESIDENT
IN ROUNDTABLE DISCUSSION ON WELFARE REFORM

Riverside Church
New York, New York

11:07 A.M. EST

THE PRESIDENT: I now know that I came here because after a long holiday weekend I needed a little good preaching to wake up for the rest of the week. (Laughter.)

Let me thank you, Dr. Forbes, for welcoming me here, and, Dr. Washington, for giving me the chance just before we began to walk through the beautiful sanctuary upstairs, which I have heard about and known about for many years -- the legendary story of Harry Emerson Fosdick and John D. Rockefeller even made its way to me many years ago.

I want to thank Senator Moynihan and Congressman Rangel for being here, as well as Congresswoman Nydia Velazquez and Congresswoman Carol Maloney, thank you for being here. The members of the panel, thank you all. I want to especially say a word of thanks to Secretary of Health and Human Services Donna Shalala who literally just got off an airplane this morning from South Africa, where she went with the Vice President -- and got off one airplane and got on mine and came here. So if she nods out during the ceremony -- (laughter) -- we will forgive her.

Let me get right to business. I came here because I wanted to know a little about what this church is doing and because I wanted to say to the people of New York City and New York what is required of us to do together under this welfare reform law.

By way of background, in the last four years and before the law was passed, before the law was changed -- the welfare rolls in America were reduced by almost 2.3 million. I received just yesterday an analysis by the Council of Economic Advisors -- and that's a record, by the way -- the welfare rolls had never gone down by that much in a four-year period before -- the Council of Economic Advisors saying to me that they thought about half of the welfare rolls reduction had come because the economy had improved. We, after all, had 11.5 million new jobs in the last four years and no four-year period had produced that many before. But about 30 percent of these jobs had materialized, or this movement had materialized, because of the welfare reform efforts already going on in 43 states -- people in the states making an extra effort to move people from welfare to work. And about 20 percent happened for reasons that cannot be identified. But, among other things, we had a 50 percent increase in child support collections over the last four years, and anything of that magnitude always enables some people to move out of the welfare rolls and out of the ranks of poverty.

Now, that's what happened in the last four years. In the next four years -- I won't go through all the details of it, but Secretary Shalala and my staff have provided me with an analysis which says that, in essence, the welfare roll law now says that after a certain amount of time everybody who's able to work should be in the work force and, therefore, welfare can't be for a lifetime. And then there are all kinds of rules and regulations and requirements. But the bottom line is we have to move about a million people from the welfare rolls to the work rolls in the next four years. That's about the same number of people we moved in the last four years, because the average welfare family actually has about 2.5, 2.7 people in it.

Now, the problem is in the last four years we had 11.5 million jobs. If we can produce 11.5 million jobs in the next four years we'll be doing fine. But we have to do it without knowing that for sure. And how are we going to do this? That's what I want to talk about today. And, more importantly, how can we not just use move people for a month or two, or three or four or five or six months, into a job, but how can we help people who have been trapped in a culture of dependence and poverty to move to a culture of independence, family, and work?

I think it is fair to assume that whenever you reduce the welfare rolls, the people who are most employable move off first. Therefore, the people who are left may be more difficult to employ than the ones who have already moved.

I want to talk about just three or four things that we intend to continue to do. Number one, we believe that child support collections will continue to increase because we've made significant changes in the law to help us do that.

Number two, we have asked the Congress to pass a bill which would give employers who hire people from welfare to work or who hire single men off food stamps, who have no income and get food stamps, into the work force would get a 50-percent tax credit for a salary of up to $10,000. So a maximum tax credit -- actual reduction of the tax bill of $5,000, which is quite a significant incentive.

Thirdly, we recommend funds to states and to cities sufficient to create about 380,000 jobs in the public sector over the next four years.

Fourthly, I would remind you that the existing law provides for now more funds for child care than before -- $4 billion -- and continuing support for health care for people who have public assistance and who move into the work force.

Now, in addition to that, if you look at this pattern, I also want to point out that the state has some flexibility right now. The State of New York, for example, right now, can offer all or part of a monthly welfare check to an employer as a wage and training subsidy if the employer will hire someone off welfare. For a single man on food stamps, but with no welfare check, the State of New York can cash out the food stamps and give it to the employer as a wage and training subsidy under the new law.

Some states -- Secretary Shalala and I will work together to give some states the flexibility under the old law, and the results, the preliminary results are quite encouraging. The State of Florida has just announced a program to try this.

How are we going to get all these people jobs? Let me give you some numbers. This country has 826,000 private sector business employers with 20 or more employees. A lot of them have a lot more than 20 employees. We have 1.1 million nonprofit organizations; many of them are large enough to hire someone else. We have 135,000 religious -- churches, synagogues, mosques and others with 200 or more members. Obviously, if half that many -- 50 percent of them hired one person, we could get there. And a lot of the big companies can hire more than one.

The point I want to make is that this is a manageable problem, if you look at the tax credits, if you look at the cash incentives that the states can offer. It's a manageable problem. But it will not work unless out of this we create what Dr. Forbes talked about at the beginning, in this partnership of hope here.

We have got to create a community-based system, supporting work and family, to make welfare a transitional program that is a program of support and movement to independence. The way the law is written we have several years to phase in what has to be done, but we've worked out the numbers. We think we have to move another million people from the welfare rolls into the job market, which would reduce the overall rolls by about almost 3 million if we did that, with the children.

So that's the background. Those are the incentives we can bring to the table. But we have to have your help to set up this network.

Let me just say one other thing that has particular impacts New York and five or six other states. I think it is imperative that in this budget we are about to pass that Congress include the provisions that I have recommended to restore benefits to legal immigrants who have been damaged and have health and other problems through no faults of their own. And I assure you I intend to fight hard for that, and I know that your delegation will, but we need your support. The Congress needs to understand that there are an awful lot of people who came here legally who are not on welfare, who are out working, who are paying taxes and who wound up getting hurt and needing disability or health benefits through no fault of their own, and I think it's a mistake to cut them off. And so we're working on that and I'd ask for your help on that. (Applause.)

I'd like to turn the program back over to Dr. Forbes, but let me just say again, we've moved about a million people into the work force in the last four years and reduced the welfare rolls by 2.3 million. To meet the requirements of the law it is a calculation of the Department of Health and Human Services we have to meet another million in the next four years. We may or may not create 11.5 million new jobs in the next four years. If we did it twice in a row it would be something for sure. Whether or not we do, we have to do that. We can only do it if churches, nonprofits and private employers make maximum use of tax credits; if the cities and states get the funds that I recommended to hire people in the public sector; and if the states provide the kind of flexibility to private employers everywhere in America that some have done in some places.

You should know that Indiana and Wisconsin reduced their welfare rolls by 40 percent in the last four years -- 40 percent -- by aggressive efforts, and without particularly ungenerous programs either, just aggressive efforts. This can be done and I need your help to do it. And I do think it's part of all of our mission in life, Doctor, to do this, anyway.

Thank you. (Applause.)

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THE PRESIDENT: Let me say, with all respect, I don't think it's that simple. I don't think it's accurate to say that this bill destroys the safety net for poor people. It maintains a federal guarantee for poor women and children for nutrition, a federal guarantee for health care, spends $4 billion more on child care, and says, simply, that is you are able bodied, you cannot stay on welfare forever without going into the work force. And the way the work participation requirements were put on states, by the year 2000 about 40 percent of all the able-bodied people in the welfare -- able-bodied adults have to be in -- have had some work experience within a given two-year period. That's what it says.

Now, hardly -- and when you consider the fact that the welfare population, Earl, is different than it used to be, and that there are some people who are on it perpetually, I think it is a good thing, not a bad thing, that we did that.

Number two, I do not think it is so simple to say that at any given moment in time there are a fixed number of people who have to be hired by all the employers in America, and if they hire a few more they're all going down the tubes and lose money. This bill that I have proposed will give a 50 percent tax credit, up to $5,000 a year, for people who hire people. That means you can hire somebody for $10,000 a year and, in effect, the out-of-pocket cost to you is less than the minimum wage.

I met a man with only 25 employees in Kansas City, and five of his employees were former welfare recipients. And they were happy at work and he was happy with them. And he only hired them because he figured that the marginal cost of hiring them, since he got the welfare check as a wage subsidy for a couple of years, lowered his risk of adding to the work force. And, sure enough, when he added to the work force, he generated some more work and it turned out to be a profitable decision for him.

I talked to a former governor last week who's back in private business, who's got a small business, who told me once I explained the proposal to him that he would now go hire three or four people from the welfare rolls because it lowered the marginal cost of adding employees to him. And there is no reason to believe, if we all work on this, that we can't create another million jobs over four years without bankrupting businesses, and that it wouldn't be better for people who otherwise are going to be permanently dependent on welfare.

And it is not true that we have withdrawn all supports. We are spending more on child care. I want to also spend $3 billion on public service related jobs to create over a third of a million there. And the health care and the nutrition guarantees are still there. So I think it will be a good thing if we make this work, but there is no automatic system for doing it and that's why we need your help.

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THE PRESIDENT: Let me say this, first of all, I agree with what you said about people being in college -- I don't think -- people who are going to college who are full-time students -- we are looking at whether -- if there's some way to get -- to deal with that because I don't think people should be pulled out of college. I agree with that. (Applause.)

Secondly, for one thing, you just -- from the point of view of the State of New York, this is a -- we need to -- we're trying to work this out because the states basically have control of this -- the

State of New York would be much better with you as a college graduate, which is the point you tried to make. So I believe that.

Now, the other problem is these training programs essentially are all run by the states and the cities. But I will do some -- you've given me some things that we need to obviously do some work on. We need to make sure that there is an adequate training and preparation. That's one of the things I know that you've talked about what you can do here because an awful lot of people who move from welfare who are just thrown into these jobs don't last because they were never prepared for them in the first place and they're traumatized as a result of it. And oftentimes, just basic preparation of a few months can make a -- a few weeks even -- can make all the difference in the world. So we'll go back and do -- we will pay some more attention to that.

But on the college education thing, I think you're right, and I think we ought to find some way to accommodate that and we're working on that. (Applause.)

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THE PRESIDENT: If I could just make one point on that. Next to education and child care, the thing we hear most all around the country from people who seek to move from welfare to work or very often even to go to college is whether they have adequate transportation. And this ISTEA act that Lou just mentioned, which is -- it took me a long time to remember what all those little letters were for. But the bottom line is, I asked the new Secretary of Transportation, Rodney Slater, to look at that to see that we were allocating enough money in here not only for mass transit, but also for the appropriate subsidies to make sure that poor people could have access to this. Otherwise, they won't be able to get to work.

And this is an interesting opportunity for New York to make an alliance with smaller cities. For example, there was just a study on Atlanta, which said that in something like 80 percent of the entry-level jobs in the city of Atlanta were filled by people who lived in low-income neighborhoods in Atlanta. In the suburban towns outside just that touch Atlanta, only 55 percent were. And it was clearly the result of the inadequate ability of low-income people to access transportation to get there.

So this is a huge issue, Lou. It's a huge issue for welfare reform and basically for the integrity of poor families to be able to sort of aspire and move and do things.

Senator, were you going to say something about this?

SENATOR MOYNIHAN: Yes. We very much appreciate your endorsing the existing formula, Mr. President. (Laughter and applause.)

THE PRESIDENT: Is that what I did?

SENATOR MOYNIHAN: Wyoming, Montana --

THE PRESIDENT: I thought we could do a little better on mass transit.

SENATOR MOYNIHAN: The newspapers out there, did you hear that? (Laughter.)

THE PRESIDENT: Never misses the lick. (Laughter.)

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THE PRESIDENT: Let me say, as I'm sure you know, all the members of Congress who are present here supported the efforts we made last year to raise the minimum wage. And that, plus doubling the earned income tax credit, the refundable earned income tax credit for lower income working people, led in 1995, before the minimum wage even went into -- we had the biggest drop in poverty, in the poverty rate, among single women with children in 20 years.

And so I couldn't agree with you more. We have still 20 percent of our kids living in poverty. And it's not very complicated. I mean, it's the reverse of why we have lowered the poverty rate among our seniors to 11 percent, and it's the lowest it's ever been in history because we met a national, common commitment to investing in retirement and health care for seniors. And one of the things that I earnestly hope we can do is to -- in the next two years is to do something really significant to deal with the fact there's still 10 million children in our country without health care. And they're not primarily people who are presently on public assistance because they're eligible for Medicaid.

But education, health care and safety are the three big priorities that we have for our children. And I think they're all very important and we're nowhere near where we ought to be.

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THE PRESIDENT: Let me just say very briefly, I think you're right on both counts. We have five American corporations including UPS and Sprint, Monsanto, Burger King -- and somebody I've left out -- United Airlines -- who have agreed to head a national effort to get major corporations to hire and train people in good jobs.

The second point you made, though, is absolutely right, we have to have -- this will not work unless we also have a floor plan for publicly-financed jobs for people in training programs in the beginning, and also just continuing support for higher education. I'll give you an example. We've been working very hard for months now to try to get a new agreement among the world's nations on telecommunications services, giving American companies the right to compete in other countries for telecommunications services. We finally got an agreement that was far better than I ever dreamed we could get. It is estimated it will bring a million new jobs to America -- this one agreement -- a million new jobs over the next 10 years, but not one of those new jobs will be a low-skilled job. Every one of those jobs will require a level of skills and education that the folks that want to go to work, but don't have those skills, desperately need.

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THE PRESIDENT: One of the best things we did in the last session of Congress, in the last days, was to add 200,000 more work-study slots. There was another 100,000 in my new budget. If they pass we will go to a million people on work-study in this country in the next two years.

If we can do that, surely -- if you think about the numbers you're talking about, you're talking about maybe 100,000 nationwide of the million people that must be in the work force -- surely we can get some consideration for permitting a certain number of hours worked on the campus in connection with elections. I want to say that I think the one thing that I know that is not working the way this thing is being applied now is rules that, in effect, force people out of college. You know, we're cutting off our nose to spite our face. These are not people who do not want to work. So I will work on that for you. (Applause.)

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Q Mr. President, in relationship to your coming to be with us and your announcing your concern for Partnership of Hope, we have created this, a symbol of our determination not to quit until we have really announced that there is significant progress towards narrowing the gap between the haves and have-nots. We call it Emancipation From Poverty.

The symbol, you will observe, has red, white and blue. That's the evidence that we are committed to your leadership and to the well-being of our nation. And then you see the yellow, which is our symbol of hope, something you know something about in a very special way because that's where you're from.

And so we want you to look at this symbol until we translate it into quality movement towards changing the whole spirit of the nation so that everybody understands it's a spiritual issue and that if we are interested in being blessed of the God we serve, we will not stop until every child of God has a fair opportunity to work and to thrive.

THE PRESIDENT: Thank you. (Applause.)

END 12:10 P.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release August 22, 1996

REMARKS BY THE PRESIDENT
AT THE SIGNING OF THE
PERSONAL RESPONSIBILITY AND
WORK OPPORTUNITY RECONCILIATION ACT

The Rose Garden

11:15 A.M. EDT

THE PRESIDENT: Thank you very much. Thank you very much. Lillie, thank you. Thank you, Mr. Vice President, to the members of the Cabinet. All of the members of Congress who are here, thank you very much.

I'd like to say to Congressman Castle, I'm especially glad to see you here, because eight years ago about this time when you were the Governor of Delaware and Governor Carper was the Congressman from Delaware, you and I were together at a signing like this.

Thank you, Senator Long, for coming here. Thank you, Governors Romer, Carper, Miller and Caperton.

I'd also like to thank Penelope Howard and Janet Ferrel for coming here. They, too, have worked their way from welfare to independence and we're honored to have them here. I'd like to thank all of the people who worked on this bill who have been introduced from our staff and Cabinet, but I'd also like to especially thank Bruce Reed, who did a lot to do with working on the final compromises of this bill; I thank him.

Lillie Harden was up there talking, and I want to tell you how she happens to be here today. Ten years ago, Governor Castle and I were asked to cochair a Governors Task Force on Welfare Reform, and we were asked together on it, and when we met at Hilton Head in South Carolina, we had a little panel. And 41 governors showed up to listen to people who were on welfare from several states.

So I asked Carol Rasco to find me somebody from our state who had been in one of our welfare reform programs and had gone to work. She found Lillie Harden and Lillie showed up at the program. And I was conducting this meeting and I committed a mistake that they always tell lawyers never to do: never ask a question you do not know the answer to. (Laughter.)

But she was doing so well talking about it, as you saw how well-spoken she was today -- and I said, "Lillie, what's the best thing about being off welfare?" And she looked me straight in the eye and said, "When my boy goes to school and they say what does your mama do for a living, he can give an answer." I have never forgotten that. (Applause.) And when I saw the success of all of her children and the success that she's had in the past 10 years, I can tell you, you've had a bigger impact on me than I've had on you. And I thank you for the power of your example, for your family's. And for all of America, thank you very much. (Applause.)

What we are trying to do today is to overcome the flaws of the welfare system for the people who are trapped on it. We all know that the typical family on welfare today is very different from the one that welfare was designed to deal with 60 years ago. We all know that there are a lot of good people on welfare who just get off of it in the ordinary course of business, but that a significant number of people are trapped on welfare for a very long time, exiling them from the entire community of work that gives structure to our lives.

Nearly 30 years ago, Robert Kennedy said, "Work is the meaning of what this country is all about. We need it as individuals, we need to sense it in our fellow citizens, and we need it as a society and as a people." He was right then, and it's right now.

From now on, our nation's answer to this great social challenge will no longer be a never-ending cycle of welfare, it will be the dignity, the power and the ethic of work. Today, we are taking an historic chance to make welfare what it was meant to be: a second chance, not a way of life.

The bill I'm about to sign, as I have said many times, is far from perfect, but it has come a very long way. Congress sent me two previous bills that I strongly believe failed to protect our children and did too little to move people from welfare to work. I vetoed both of them. This bill had broad bipartisan support and is much, much better on both counts.

The new bill restores America's basic bargain of providing opportunity and demanding in return responsibility. It provides $14 billion for child care, $4 billion more than the present law does. It is good because without the assurance of child care it's all but impossible for a mother with young children to go to work. It requires states to maintain their own spending on welfare reform and gives them powerful performance incentives to place more people on welfare in jobs. It gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as subsidies as incentives to hire people. This bill will help people to go to work so they can stop drawing a welfare check and start drawing a paycheck.

It's also better for children. It preserves the national safety net of food stamps and school lunches. It drops the deep cuts and the devastating changes in child protection, adoption, and help for disabled children. It preserves the national guarantee of health care for poor children, the disabled, the elderly, and people on welfare -- the most important preservation of all.

It includes the tough child support enforcement measures that, as far as I know, every member of Congress and everybody in the administration and every thinking person in the country has supported for more than two years.

It's the most sweeping crackdown on deadbeat parents in history. We have succeeded in increasing child support collection 40 percent, but over a third of the cases where there's delinquencies, involve who cross state lines. For a lot of women and children, the only reason they're on welfare today -- the only reason -- is that the father up and walked away when he could have made a contribution to the welfare of the children. That is wrong. If every parent paid the child support that he or she owes legally today, we could move 800,000 women and children off welfare immediately.

With this bill we say, if you don't pay the child support you owe we'll garnish your wages, take away your driver's license, track you across state lines; if necessary, make you work off what you pay -- what you owe. It is a good thing and it will help dramatically to reduce welfare, increase independence, and reenforce parental responsibility. (Applause.)

As the Vice President said, we strongly disagree with a couple of provisions of this bill. We believe that the nutritional cuts are too deep, especially as they affect low-income working people and children. We should not be punishing people who are working for a living already; we should do everything we can to lift them up and keep them at work and help them to support their children. We also believe that the congressional leadership insisted in cuts in programs for legal immigrants that are far too deep.

These cuts, however, have nothing to do with the fundamental purpose of welfare reform. I signed this bill because this is an historic chance -- where Republicans and Democrats got together and said, we're going to take this historic chance to try to recreate the nation's social bargain with the poor. We're going to try to change the parameters of the debate. We're going to make it all new again and see if we can't create a system of incentives which reenforce work and family and independence.

We can change what is wrong. We should not have passed this historic opportunity to do what is right. And so I want to ask all of you, without regard to party, to think through the implications of these other non-welfare issues on the American people and let's work together in good spirits and good faith to remedy what is wrong. We can balance the budget without these cuts, but let's not obscure the fundamental purpose of the welfare provisions of this legislation which are good and solid, and which can give us at least the chance to end the terrible, almost physical isolation of huge numbers of poor people and their children from the rest of mainstream America. We have to do that. (Applause.)

Let me also say that there's something really good about this legislation. When I sign it we all have to start again. And this becomes everybody's responsibility. After I sign my name to this bill, welfare will no longer be a political issue. The two parties cannot attack each other over it. Politicians cannot attack poor people over it. There are no encrusted habits, systems and failures that can be laid at the foot of someone else. We have to begin again. This is not the end of welfare reform, this is the beginning. And we have to all assume responsibility. (Applause.)

Now that we are saying with this bill we expect work, we have to make sure the people have a chance to go to work. If we really value work, everybody in this society -- businesses, non-profits, religious institutions, individuals, those in government -- all have a responsibility to make sure the jobs are there.

These three women have great stories. Almost everybody on welfare would like to have a story like that. And the rest of us now have a responsibility to give them that story. We cannot blame the system for the jobs they don't have anymore. If it doesn't work now, it's everybody's fault -- mine, yours, and everybody else. There is no longer a system in the way. (Applause.)

I've worked hard over the past four years to create jobs and to steer investment into places where there are large numbers of people on welfare because there's been no economic recovery. That's what the empowerment zone program was all about. That's what the community development bank initiative was all about. That's what our urban Brownfield cleanup initiative was all about -- trying to give people the means to make a living in areas that had been left behind.

I think we have to do more here in Washington to do that, and I'll have more to say about that later. But let me say again, we have to build a new work and family system. And this is everybody's responsibility now. The people on welfare are people just like these three people we honor here today and their families. They are human beings. And we owe it to all of them to give them a chance to come back.

I talked the other day when the Vice President and I went down to Tennessee and we were working with Congressman Tanner's district, we were working on a church that had burned. And there was a pastor there from a church in North Carolina that brought a group of his people in to work. And he started asking me about welfare reform, and I started telling him about it. And I said, "You know what you ought to do? You ought to go tell Governor Hunt that you would hire somebody on welfare to work in your church if he would give you the welfare check as a wage supplement, you'd double their pay and you'd keep them employed for a year or so and see if you couldn't train them and help their families and see if their kids were all right." I said, "Would you do that?" He said, "In a heartbeat."

I think there are people all over America like that. (Applause.) I think there are people all over America like that. That's what I want all of you to be thinking about today -- what are we going to do now? This is not over, this is just beginning. The Congress deserves our thanks for creating a new reality, but we have to fill in the blanks. The governors asked for this responsibility; now they've got to live up to it. There are mayors that have responsibilities, county officials that have responsibilities. Every employer in this country that ever made a disparaging remark about the welfare system needs to think about whether he or she should now hire somebody from welfare and go to work. Go to the state and say, okay, you give me the check, I'll use it as an income supplement, I'll train these people, I'll help them to start their lives and we'll go forward from here.

Every single person needs to be thinking -- every person in America tonight who sees a report of this who has ever said a disparaging word about the welfare system should now say, "Okay, that's gone. What is my responsibility to make it better?" (Applause.)

Two days ago we signed a bill increasing the minimum wage here and making it easier for people in small businesses to get and keep pensions. Yesterday we signed the Kassebaum-Kennedy bill which makes health care more available to up to 25 million Americans, many of them in lower-income jobs where they're more vulnerable.

The bill I'm signing today preserves the increases in the earned income tax credit for working families. It is now clearly better to go to work than to stay on welfare -- clearly better. Because of actions taken by the Congress in this session, it is clearly better. And what we have to do now is to make that work a reality.

I've said this many times, but, you know, most American families find that the greatest challenge of their lives is how to do a good job raising their kids and do a good job at work. Trying to balance work and family is the challenge that most Americans in the workplace face. Thankfully, that's the challenge Lillie Harden's had to face for the last 10 years. That's just what we want for everybody. We want at least the chance to strike the right balance for everybody.

Today, we are ending welfare as we know it. But I hope this day will be remembered not for what it ended, but for what it began -- a new day that offers hope, honors responsibility, rewards work, and changes the terms of the debate so that no one in America ever feels again the need to criticize people who are poor on welfare, but instead feels the responsibility to reach out to men and women and children who are isolated, who need opportunity, and who are willing to assume responsibility, and give them to opportunity and the terms of responsibility. (Applause.)

Now, I'd like to ask Penelope Howard, Janet Ferrel, Lillie Harden, the governors and the members of Congress from both parties who are here to come up and join me as I sign the welfare reform bill.

Q Mr. President, before you sign the bill, can you tell us whether you think it's right to regulate tobacco or nicotine as a drug?

THE PRESIDENT: You know, Wolf, under the law, I have to wait until the OMB makes a recommendation to me. I think we have to anticipate things. I can't say more than that right now.

(The bill is signed.)

Q Mr. President, some of your core constituencies are furious with you for signing this bill. What do you say to them?

THE PRESIDENT: Just what I said up there. We saved medical care. We saved food stamps. We saved child care. We saved the aid to disabled children. We saved the school lunch program. We saved the framework of support. What we did was to tell the state, now you have to create a system to give everyone a chance to go to work who is able-bodied, give everyone a chance to be independent. And we did -- that is the right thing to do.

And now, welfare is no longer a political football to be kicked around. It's a personal responsibility of every American who ever criticized the welfare system to help the poor people now to move from welfare to work. That's what I say.

This is going to be a good thing for the country. We're going to monitor it and we're going to fix whatever is wrong with it.

Q What guarantees are there that these things will be fixed, Mr. President, especially if Republicans remain in control of Congress?

THE PRESIDENT: That's what we have elections for.

END 11:33 A.M. EDT

THE WHITE HOUSE

Office of the Press Secretary
(Las Vegas, Nevada)

For Immediate Release July 28, 1997

REMARKS BY THE PRESIDENT TO THE NATIONAL GOVERNORS ASSOCIATION

The Mirage Hotel
Las Vegas, Nevada

11:05 A.M. PDT

THE PRESIDENT: Thank you very much for the warm welcome. I must say, whenever I come back here, I feel terribly nostalgic. I'm eager to come, I hate to leave, and I always know there's something that we don't entirely agree on. And right before we came in here, I came into the Mirage and I saw Steve Wynn and Governor Miller, and right before we walked in, we walked through another room which is set up just like this one -- a committee room -- there wasn't a soul in there. And I thought, look, I know we don't agree on everything, but this is taking it a little far. (Laughter.) I was delighted to see the real thing. Thank you very much.

I want to say that -- to you, Governor Miller and to Sandy and all your team here in Nevada, Hillary and I are very grateful to you for many things, but especially for what you've done on early childhood development. I congratulate Governor Voinovich on assuming the chairmanship. And I thank him for what he has done for young children. It is a remarkable record in Ohio. And Governor Carper, congratulations. I'm delighted to be joined here by many members of the administration who have been here before and will be here when I leave.

And I would like to talk today about a number of things, but let me say that I have tried to establish a better and a growing partnership with the NGA since I first took office. I've been working on one thing, really, which is to prepare our country to go into this new century where every American who is responsible enough to work for it has a chance at the American Dream; where out of our vast diversity we build one America; and where we will continue to be the world's leading force for peace and freedom and prosperity, with opportunity for all and responsibility from all, an American community of all.

The governors who have been kind enough to share with me work experiences, now going back nearly 20 years, have played a major role in a lot of what I have tried to do, because it seems to me now, as it seemed to me when I took office -- although, I feel more strongly about it now -- that in some ways our major challenge is to develop new ways of thinking and acting about all of our problems, going beyond false choices which are imposed on us by limited thinking and beyond old conflicts. It's so much easier to keep fighting in the same old way than it is to imagine a new way of doing business.

Indeed, a great deal of my time away from domestic issues is spent trying to get people to stop doing things that no one should have to ask them to stop doing. In Bosnia, people lived together for decades in peace -- within two months they were shooting at each other's children. In Ireland they're still fighting over 600-year-old disputes when the young people are dying to get away from it. But people just can't escape the habits of old conflicts. Thank goodness, ours are more constrained, but we have to do better.

And I must say, Governor, the best example that I have seen of a new way of doing things I saw two days ago when I was in Nevada at Lake Tahoe, one of the most perfectly beautiful large lakes in the world, which is losing about a foot of its clarity every year because of pollution. And at Lake Tahoe, I saw the most conservative business people sitting with the most active environmentalists on the same page. They would say that same things. You couldn't tell after a point who was in what group, because they have concluded that they cannot preserve their economy and grow it without also preserving their environment.

And it was a marvelous thing. I couldn't tell who was a Republican or who was a Democrat. I couldn't tell who was in the public interest environmental group and who was running a local business, because they have just imagined a future that is different from their past. And in large measure, that is what we all have to be doing because the time we're living in is so dramatically different.

And we've tried to do a little bit of that in Washington. They told me when I got there we couldn't balance the budget and reduce the deficit and cut spending and still invest more money in education -- but we did. They said that we couldn't have an activist federal government if we were going to cut the size of it and reduce regulations and give more authority to the states -- but the government is 300,000 people smaller than it was the day I took office. And I think it's clear that we've got a different kind of partnership here.

So that's the sort of the thing I'm interested in in all these areas. Let me just say that the most important test of any endeavor, I guess, is results. If you look at the economy, we said that we thought we had to cut the deficit, but invest more in our people and their future; and we had to open new markets to American products and services -- and we've got the strongest economy in a generation.

In crime, we said we had to keep being tough on criminals, but we had to do some intelligent things -- that we could have reasonable restrictions on keeping guns out of the hands of people who shouldn't have them, without interfering with the right of Americans to keep and bear arms, and we have done it. We said we had to punish people more, but we had to give children something to say yes to, and we've had five years of declining crime rate and last year the biggest drop in violent crime in 35 years. And welfare, all of you proved that you could be tough on work and still supportive of children and families, that it was a false choice -- and we had the biggest drop in welfare rolls in history.

Today, I would like to talk about three things, basically. One is finishing the job of balancing the budget; two is following through on welfare reform; and, third, achieving national excellence in education.

First, with regard to the budget, we're now in our final stage of negotiations on the details of legislation to write into law a balanced budget agreement. We know now that the deficit this year, when it comes in, will be over 80 percent less than it was in 1992, when I took office, in January of '93. And some people are saying, well, we ought to just forget about it, the economy will keep growing and the budget will be in balance next year. That is dead wrong. It might be in balance next year or it might not, but if it is the deficit will start going up again immediately. Why? Because as all of you know, you can't reform the entitlements in an annual appropriations basis. We have over $400 billion of savings in the entitlement programs in this balanced budget agreement and $900 billion in savings over 10 years.

Secondly, one of the things that keeps the economy going is confidence that we're serious about fiscal responsibility. So if we walked away from the budget agreement we don't know what impact it would have on the stock market and on individual investment decisions and on the other things that keep our economy growing. So I think it would be a mistake.

More important, this is a remarkable budget. Because of the prosperity of our country we have an historic opportunity to balance the budget in a way that reflects our values and strengthens our economy as well; a historic opportunity to pass a balanced budget that includes the largest increase in education since 1965, the largest increase in helping people go to college since the G.I. Bill passed 50 years ago and, as Governor Miller said, the largest increase in health insurance and health support for children since Medicaid was enacted in 1965 -- with a bipartisan vote from the Congress.

We have a chance to pass a balanced budget that will move more people from welfare to work, that protects the environment, that extends the Medicaid trust fund for a decade -- although, to be sure, we will have to do more on that in the future. We have an opportunity to give the American people a tax cut that is modest in the context of the overall economy, but still will provide much needed relief to middle class families, will support education, and will help to grow this economy in the future.

This is an historic opportunity. It can be the achievement of a generation. It can only happen with big majorities of people in both Houses and both parties coming together. And I believe we're on the verge of achieving it.

We've worked hard over the past weekend trying to work out some of the last difficulties with which many of you are very familiar. I am pleased to say that we have reached agreement, that the American people will get America's version of Georgia's HOPE Scholarship -- a $1,500 tax credit for the first two years of college. There will be other things in the agreement that are well-known, but it's clear to me that it must have a child tax credit available for working families who need it -- from teachers to technicians, from fire fighters to small business people across this country. It should include $24 billion for children's health care. It should include a tobacco tax to help pay for that health care. And it should preserve the fiscal integrity of the budget. We need to be able to say to you, not just in five years, but in 10 years, we will continue to be able to keep this budget in balance if we have a reasonably successful economy.

Over the long-term, the policy of fiscal responsibility is best economics. And we dare not go back to a policy of sustained structural deficits. We will be punished in the international markets, and people in every state in this country that you represent will be hurt if we do that. I think we're going to do it.

I know that you have some concerns over the continuing debate in the children's health package. We're trying to work through that. Let me just say that I am striving to achieve two principles that I do not believe have to be in conflict. First of all, I think there will be more flexibility than the states have had in the past ever in the administration of the Medicaid program and the new children's health program. And there will be no new costs to the states in the children's health program.

But it is important also that we have an adequate benefit package for children, recognizing that there are some problems that children have in a way that is more profound than adults, including problems with vision, with hearing, with dental health. I also think it's important that the American people know if we're going to raise this tax money on tobacco that the money will actually add children to the ranks of the insured and not be used, in effect, for people to be able to drop other insurance schemes of children and put them on a public program, or that the money would be spent on things other than adding children.

So that's where we are. I feel good about it. And I think we're on the right track. And I will be surprised and deeply disappointed if we do not achieve an agreement in the near future that you will, hopefully, be quite supportive of and that will achieve sustained, big majorities from both Houses and both parties.

The second thing I'd like to talk about briefly is welfare reform. It has been one of my top priorities for a long time -- as Governor Miller said, for at least 10 years, since my predecessor, as head of the Governors Association, Lamar Alexander, asked Mike Castle and I to head a welfare reform task force a decade ago.

Since I took office, we have given waivers to 43 states to help you launch your own welfare reform experiments to make welfare a second chance, not a way of life; to promote independence and family and work and responsibility. And about a year ago, I signed the welfare reform law which has tough work requirements, time limits, parental responsibility, and imposes significant responsibilities on you, while giving you more flexibility to be fully responsible for the program.

There was a lot of debate about the time I signed the bill about whether welfare reform would work, about whether people would actually move from welfare to work or whether they could. I would submit to you that after four and a half years that debate should be over, based on the evidence that you have worked so hard to amass.

There are now 3 million fewer people on welfare than the day I took office and 1.2 million fewer people since I signed the welfare reform bill just a year ago. Nine states have cut their welfare rolls by more than 40 percent in the last four years. Wisconsin and Wyoming have cut their welfare rolls in half. This is the largest decrease in history. And we now have the lowest percentage of our population on welfare since 1970. And you should be very proud of your role in that achievement. That is something America can be proud of -- the lowest percentage of people on public assistance since 1970. (Applause.)

Now, I know there are a lot of reasons for that. The good economy has taken some people from welfare to work. There's been a 50-percent increase in child support collections and that's helped. The minimum wage and the earned income tax credit have made work more attractive for people on the margins; that's helped. But make no mistake about it, our Council of Economic Advisors did a very rigorous analysis of this, making clear that a significant percentage of the people who had moved from welfare to work did so because of state welfare reform initiatives and because of the new law. So we know it can work.

Now, let me also say I know that a lot of you were concerned, as I was, about some of thing things that were in the welfare reform law that I felt should not have been there, and we are moving forward in this budget agreement to fix that. Among other things, the most egregious cuts in aid to legal immigrants will be restored under agreements we have already reached with the Republican and the Democratic leaders in the Congress. And there will be another $1.5 billion for food stamps, which I think is important, among other things, because it's important for us to remember that most people on welfare are single mothers and their little children, but a lot of unemployed people long-term in this society are single men, and we should not forget about them.

And one of the things that I like so much about what Governor Carnahan has been doing in Missouri is the attempt to integrate the efforts to put single men into the work force with the effort to put people from welfare into the work force. If we can't do this now when our unemployment is five percent nationwide and when prosperity is virtually uniform across the country, but there are pockets of people who are still unemployed, when can we do it.

So I believe that these restorations will help you in your efforts. And state officials were central to this budget debate without regard to party, and I thank you for your help in getting that into the agreement.

But there's also a lot more to be done. You asked to be cut loose from the federal government's bureaucratic strings, and we did that. But now you have continuing responsibility that is greater, and we have continuing responsibility because it's still a national priority. So I think we ought to take a look at how we're doing -- our successes, our shortcomings and our continuing challenges -- in four areas: jobs, child care, transportation and child support.

First, how well are we doing in creating the jobs that are necessary to move people from welfare to work? If we require people to work, they have to be able to work; there have to be jobs there for them. Nearly all the state welfare-to-work programs include the traditional elements of job search, training, education, community work experience, placement in unsubsidized jobs. But now -- I think this is remarkable -- now 36 of the 50 states are doing what I would encourage every state to do, using welfare checks to subsidize private employment for a period of time.

Almost every state in America today has more money under the welfare program of the reform law than you would have if the old law was in place, because we pegged the block grant to the time when welfare rolls were the highest and they've dropped at a record rate. So the 36 states that are doing this I predict will find much, much greater success in getting private employers to be willing to take a chance, because now that we've moved 3 million people off the rolls, you know as well as I do that the remaining adults on the rolls, by and large, are the hardest to place in employment in the private sector, need the most training, need the most support, may have a false start or two, and we cannot do it unless we have private sector support. So for those of you who have done this, I take my hat off to you.

We also know that there will be some places in this country where the impact of welfare is so great and the present absence of private sector successful job creation is limited, that we have to do more. So this agreement will include $3 billion to go to communities and states to help you create the work opportunities in those areas where the private sector will not be able to provide them alone. And I think that is a good thing.

We also have secured in this agreement from congressional leaders a private employers tax credit to help hire long-term welfare recipients. And I believe it is drawn as narrowly as we could draw it, so that the tax credit cannot, in effect, be used for people other than those who are actually moving from welfare to work. And I hope that will help you to meet your goals in each state. Pennsylvania and Massachusetts are among the states that are already doing this.

And I also believe, if I might say, that every one of these workers should earn the minimum wage. And I know there's been some debate about that. I've heard already from Governor Voinovich and Governor Miller what your position is, but I just want to reaffirm my view that when people go into the workplace and they earn the minimum wage they ought to be able to earn the minimum wage, they should be eligible for the earned income tax credit. That's what I believe. Whether we can work some resolution of some of the other issues, I don't know, but I feel very strongly about that.

I know right now that according to our analysis, the fact that we raised the minimum wage and raised the earned income tax credit is one of the reasons a lot of people voluntarily tried to move from welfare to work, and I don't think we ought to do anything that would undermine that incentive.

Let me say that we also have a welfare-to-work partnership nationally with CEOs of large, medium and small businesses. And I want to thank Governors Thompson and Carper for agreeing to co-chair the advisory council of that partnership. I think it would be a good thing if every state had a similar partnership. North Carolina, I know, is one of the states -- a growing list -- that have established them locally.

My experience has been that private employers are actually quite eager to help us solve this problem. If we will help them with some of their problems, I think that they will carry a lot of this load for us because all of America has a vest interest in seeing that welfare is a second chance, not a way of life.

MGM Grand Hotel here has hired over 1,000 welfare recipients during the past few years. And the state of Nevada has set a goal for new casinos to set aside 10 percent of all their positions for former welfare recipients. And we thank you for that.

The second thing that it seems to me we ought to look at is child care. We all know that it's essential if low-income families are going to succeed at work and at home. And I think we all agree that raising children will always be our most important job. It's more important than our day job. It is the most important thing any society can do. And we can't have people with young children moving into the work force unless they know that they're children are going to be well-cared-for and safe and secure in a nourishing environment while they're at work.

Now, we worked hard to add $4 billion to the welfare reform law to increase child care assistance to you. And states are now receiving more federal dollars, and about half the states over and above that are increasing their spending beyond what is needed to receive these federal funds. And for those of you that are doing that, I applaud you. And I think the states with the biggest drop in welfare loads would say -- I see Governor Thompson nodding his head -- I believe they would say that that has been critical in their endeavors. Florida, Wisconsin and a few other states have added quite a bit more than required under the federal law.

Some states are creating seamless child care systems which provide subsidies for all workers below a certain income whether they were once on welfare or not. That is a model that I hope one day we'll be able to have everywhere in America.

The First Lady and I have worked on this -- she, particularly --

for a long time. We think every child should have access to quality child care, and we think it's the next great frontier if we're going to make sure all Americans can succeed at home and at work. On October 23, we're going to have the first ever White House conference on child care, to discuss the strengths and weaknesses of the present system and what else we have to do. And I hope you will all be involved in that and will have representatives there.

The third thing we have to do is to make sure we have adequate transportation for those moving from welfare to work, because the jobs, the training programs and the child care centers are often outside the neighborhoods. I must say, I thought I knew a lot about welfare, but until we actually got into the law here, I was unaware that only six percent of the people on welfare have cars, and that in many big cities, no matter how long people are willing to ride the bus or the subway, they will never get to the available entry-level jobs. That is a stunning statistic.

At the same time, there are a lot of suburbs where businesses need new workers. And Congress, therefore, I think should put in this new transportation bill the proposal I've made for $600 million to help states and localities devise transportation strategies to move people from welfare to work. Some communities and states have already started. Kentucky has an Empower Kentucky initiative that uses the resources of four different Cabinet offices and a free transportation brokerage system to assure transportation in all areas of the state. And this will probably be something that all of us who come from states with large rural populations, where there are people in rural areas on welfare, will have to adopt.

Michigan's Project Zero provides transportation in its effort to put every able-bodied person to work. In Wisconsin -- this was a stunning statistic to me -- only 3.5 percent of the people on welfare have cars. So the state has a job ride initiative to van-pool literally thousands of central city workers to suburban jobs.

Other states are spending part of the welfare block grant you now have on transportation. And I would just encourage you to do more of it, and I ask you to please help me persuade Congress to put this $600 million in the new ISTEA bill, because it will help you to do what you have to do to meet your goals of employment.

Finally, let me say a word about child support. The governors have been in the vanguard of insisting on more uniform, tougher child support requirements. The legislation that has been passed and the efforts that we've made together have led to an increase of 50 percent in child support collections between '92 and '96. And that is very good -- that's billions of dollars. But with the unanimous support from this body we made sure in the welfare law there were tough new measures to help the states track deadbeat parents across state lines.

To date, however, as you saw from the study that was published a few days ago, not all states have put these measures in place. This is one of the critical steps to welfare reform. And the more people who are obliged to pay for their children, who can pay for their children, are unable to escape the obligation to pay for their children, the more there will be public money to spend on productive ways to help the people who actually have to have help. So I would urge all the states to put in place these tough, state-wide child support collections mechanisms as fully and quickly as possible.

Finally, let me say that I have some concern that the savings from welfare, which have been very considerable in some states, will not be used on welfare reform to move all the people who can move from welfare into the work force. We have lowered welfare rolls by $3 million over 4.5 years, and that's a great accomplishment. But we know we've been helped by the other things that I mentioned.

Now, I know in some state capitals there are big debates about how to use extra money caused by the fact that the block grant was pegged to the peak welfare caseload and the caseload is much lower in your states. But I think if we were to revert these savings to other things away from welfare reform, it would be a big mistake that would come home to haunt the states the next time there is an economic down turn. We would -- anybody who does it, I think, would really wind up regretting it the next time there's an economic down turn.

And if you can get people -- even in an economic down turn, if people lose their jobs, if they have work experience now, if we can get all these people into the work force now, then when they become unemployed, as there will always be some people who are unemployed, they will be far, far more likely to be unemployed for a shorter period of time and to get back to productive work more quickly.

Maryland has decided to take the money that they have from lowering caseloads and they're using all of it for child care, transportation and training people. And I think that that is the way to go. After a year of this law, we know that welfare reform will work -- we know it will. But we know that we have a ways to go to make a culture of dependency a thing of the past. And so in these four areas, for all you're doing, I applaud you. But I would urge you, all of you, to make sure that you've done everything you can in each area.

Finally, let me ask your help in one other area. As all of you know, and particularly those of you who served with me know, education has been not only the centerpiece of a lot of what I'm trying to do in this second term, it's been an obsession of mine throughout my public life. We have made a lot of progress since the Nation At Risk report was issued in the spring on 1983, and governors have led the way. But we have a lot more to do.

In the State of the Union address I asked every state to adopt high national standards and, by 1999, to participate in testing every 4th-grader in reading and every 8th-grader in math to make sure the standards are being met.

Since I issued that call, governors and education leaders in six states have agreed to participate. And I thank the governors of North Carolina, Maryland, Massachusetts, Michigan, Kentucky and West Virginia -- three Republicans and three Democrats -- along with the Department of Defense schools all over the world for stepping up to the challenge.

I wish Governor Weld were here for me to thank him, but I appreciate the fact that he's willing to go to Mexico. And I hope we can get him there. (Applause.)

Last week, Secretary Riley and I went to the National Association of Elementary School Principals where we were able to announce, thanks to the Coalition of Great City Schools, that 15 of the largest school districts in this country, including schools in six of the seven largest cities in America, have committed to adopt national standards and to participate in the program. This will get us up to about 20 percent of the children in America who are now committed to be a part of this in 1999.

Now, this is an astonishing thing. For those of us who have been at this for a long time, this five years ago -- the idea that 15 of the largest cities in America, which were written off in terms of their school system, would come up and say, not only do we not wish to be written off, we're willing to be held accountable, and if our kids aren't measuring up, we want to know about it, is an astonishing development in modern history of education reform and something we should all be very, very excited about and grateful for.

Now, I know there is some reluctance here, and I would just like to deal with a couple of issues. One is the cities wouldn't do it for a long time because they thought that our kids couldn't do it. That's the truth. They said America has a higher percentage of poor kids than other countries; America's got a more diverse student body than other countries; America's got all these problems in the way they work than other countries, and on and on and on -- and these kids, they just have too many loads to bear.

My theory is that the kids with too many loads to bear need to be held to the highest expectations and need a good education more than anybody else. And now we know we can do it. The results we got just a few weeks ago from the Third International Math and Science Tests, which include a few thousands kids from America -- but they are a representative sample by race, by region and by income -- had for the very first time on any international test -- our 4th graders scored way above the international average in math and science, way above the international average. It had never happened before. But we know we can do it now. (Applause.) That's the good news.

The bad news is, the kids in the 8th grade still scored below the international average. And we know why. When they reach adolescence, they -- all the problems of adolescence come to bear. They become more vulnerable to the gangs, the guns, the drugs, all the other things. The middle schools in many, many of our states were organized -- many of them are too big to be functional -- they were organized when our society was far more stable and coherent than it is now.

We know there are a lot of problems we have to face, but we don't have to guess anymore about whether our kids can do it. We don't have -- that's not -- it's not an open debate. They proved that they could do this. And we owe it to them. So we're not doing them any favors by not saying we're prepared to be held to international standards.

The second reservation I think is that somehow this was a power grab by the federal government to erode state's constitutional responsibility for education or local control of the schools.

Now, Secretary -- Governor Riley is going to be here after I leave, and I know he's been here, but let me reemphasize -- our basic role here is to pay for the development of this test. And most of you now participate in the national assessment of education progress -- over 40 states do. We participated in helping to pay for the development of that test, but it's a national test that is given to a representative sample of students; it has nothing to do with the federal government. They're not government questions, government standards, government anything. We helped them to develop the test. That's what we propose to do for all the kids at the 4th and 8th grade level -- not to have a federal standard, but a national standard.

Governor Romer has been working on that for years. When I handed over the leadership of the standards movement and he took it up, he's been, I think, perhaps out most passionate and certainly our most well-informed advocate on this issue for a long time.

But this is not a federal government power grab. It's a question of whether there should be national standards. Neither is it inconsistent with the fact that the Department of Education has actually given more say to states and local school districts than our predecessors in how to spend federal funds. So I think that that is not accurate.

Now, the third and the legitimate concern that a lot of you have is that you already have sometimes more than one other testing regime. That is a legitimate concern. And so we have to work with you if we're going to ask you to participate in this to try to reconcile these things so that you're not overburdened in terms of the administrative time, the time that kids spend, all that. I understand there are practical implementation issues that I consider legitimate. But I think we can work through those.

I just have to say, though, I do not believe that we will be the leading economy in the world 50 years from now unless we can do a more uniform job of getting people out of high school with excellent world-class educations. I do not believe that. You have to ask yourself whether you believe that. I don't believe that.

We've got the finest system of higher education in the world. It will continue to carry us a long way, but we simply have to do a better job in K through 12. And I believe this will help. And I want to implore you to work with us and try to work through the legitimate administrative concerns you have of the duplication of tests and the time and all that business. We will do everything we can to help with that. But I think this is a terrific opportunity for us and now we know we can do it.

So those are the things I wanted to say about the budget and welfare reform and education: state responsibilities involving education and welfare reform, but high national priorities; and critical to move with these forward into the 21st century.

Just very briefly let me mention one more thing. I have been helped greatly by two of your former colleagues, Governor Kean of New Jersey and Governor Winter of Mississippi, who agreed to be two of the seven members of our advisory board in this year-long effort we're making to look at the state of race relations in America, race reconciliation and where we're going into the 21st century. I think all of us know there is still some unfinished business, represented by the continuing debates we have in America over affirmative action and other issues. But what I think has not been as clearly thought through are the implications of where we're going racially as a country.

Today, Governor Cayetano is the governor of the only state in America that has no majority race. In Hawaii, about a third of the people are of European heritage, about a third of the people are of Japanese heritage, maybe a little lower, both; about 18 percent of Philippine heritage, about 16 percent native Pacific Islanders. But within five years the state of California will have no majority race. And unless there is a dramatic change in birth patterns and immigration patterns -- I mean a dramatic change -- within 30 to 40 years in our nation as a whole there will be no majority race. We have to think about the implications of this.

I just welcomed all the delegates from Girls Nation and Boys Nation to the White House. And both the delegates from Girls Nation -- Governor Carlson from Minnesota -- were Asian Americans, in Nordic Minnesota. This country is changing in dramatic ways. Race, ethnicity and religion is convulsing the rest of the world. If we can somehow not only respect, but actually celebrate our diversity and still have people say that the most important thing is I'm an American and we have one America, this is an unbelievable opportunity for us in the new century. It can do as much as anything else to preserve our world leadership for the things that we care about and to make America really work.

And so I would ask all of you over the course of the year, and maybe we'll take it beyond -- we'll be trying to get in touch with people in every state -- I hope you will participate in this. This will be a good, healthy thing for America. But it is also absolutely essential to the function of this country as we move into the 21st century. If we can't find a way to say it's good, whatever our ethnic heritage is and we celebrate it, but the most important thing is we are a part of one America. We can't achieve any of these other things we want to achieve over the long run.

And again I say, if you think about what the governors are about -- getting rid of false choices, getting rid of phony debates, going into the future -- this is at the core of that. So the country is in good shape, we're moving in the right direction. We've got to finish the job of balancing the budget, follow through on welfare, put education on the front burner and learn to work and live together. If we do that, then all of us together will leave our grandchildren an America that will be greater than it is today.

Thank you very much. (Applause.)

END 11:43 A.M. PDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 2, 1997

STATEMENT BY THE PRESIDENT
ON BUDGET AGREEMENT

Baltimore, Maryland

3:58 P.M. EDT

THE PRESIDENT: For more than four years now, I have worked hard to pursue a strategy that would keep our economy growing and creating opportunity for the American people, giving people a chance to be rewarded for their labors, and also imposing upon ourselves the discipline necessary to prepare for the future and to relieve ourselves of a lot of the problems that had been accumulated over the last several years, especially the deficit.

Now, we have reached agreement in broad but fairly specific terms that I am satisfied will do that with the Republican leaders today that would balance the budget by 2002, continue to increase our investments in education, in science and technology and medical research, require us to continue to show great discipline in other areas and to continue to downsize some government operations.

It would invest in doing what I think is important, to be sure that we can move people from welfare to work who are going to be required to go to work. It would expand coverage to millions of children who presently do not have health insurance. It would restore cuts to benefits for legal immigrants who are in this country who have sustained injuries and other problems for which they would otherwise be eligible for benefits. It will extend the life of Medicare and secure the integrity of the Medicaid program between now and 2002.

It will be the first balanced budget in three decades.

It's a good thing that it's coming today, when we learn that our employment rate had dropped to 4.9 percent for the first time in 24 years. We know that we have the biggest decline in inequality in our work force since the 1960s, and we've seen our economy produce the largest number of new jobs since 1993 ever produced in a four-year period. That happened because a lot of the people standing up here with me right now had the courage to vote for a plan to bring the deficit down in 1993 and get interest rates down and investments up.

This agreement will help us to finish the job. I have spoken several times over the last several days with Senator Lott and with Speaker Gingrich. I want to thank them personally for negotiating with me openly, candidly, and, I'm convinced, in complete good faith.

I have also had occasion to speak with the representatives of the Democratic Caucus, obviously, who were in this budget negotiation -- Senator Lautenberg for the Democrats and Congressman John Spratt from South Carolina, and the Republicans who were represented by their Chairs, Senator Domenici and Congressman Kasich. I want to thank all. I want to thank Senator Domenici and Congressman Kasich. They worked very hard and we know there are significant differences between us in how we look at what is the best way to balance the budget and they tried to bridge these gaps. Congressman Spratt and Senator Lautenberg did as well. And I'm very proud of all four of them. They served America well. They put the interests of the country first in trying to work through to get us as close as we are today. And so I appreciate that very much.

Now, let me say again -- let me give you just some of the details very quickly. The plan will protect Medicare, extending the life of the trust fund for a decade; extending new benefits for annual mammograms and diabetes screening. Home health will be shifted from Part A to Part B, and there will be a modest premium for home health services being phases in at $1 per month, a year.

Second, and perhaps most important, this budget meets my goal of making education America's number one priority on the edge of the 21st century. It will have the largest increase in education funding in 30 years. It will have the largest increase in Pell Grant scholarships in 20 years. It will help us to make sure that every 8-year-old will be able to read, every 12-year-old can log on to the Internet, every 18-year-old can go into college. I am very, very pleased that it will also include in a tax cut per person aid to help people go on to college and to finance college education.

Third, as I said, it will extend health insurance to 5 million uninsured children. This is a major breakthrough in our efforts to move toward coverage for all Americans.

Fourth, it will give businesses incentives and work with mayors to hire people from welfare to work. It will also, as I said, address the concerns I raised in last year's welfare law -- restoring benefits to disabled legal immigrants and moderating excessive cuts in food stamps, along with giving the states a reserve, so that if people would be unjustly cut off food stamps because they simply cannot go to work, the states will be able to avoid malnutrition and real harm to those people in these cases.

Fifth, it will protect the environment, providing funds to clean up 500 of our most dangerous toxic waste sites, cleaning up toxic sites in urban areas and adding resources for environment enforcement.

Six, it includes tax relief for the American people, but, thanks to the rules of the Senate and the agreement of the leaders, the tax relief will be limited and we'll know the dollar amount not only for the first five years, but for the second five years following, so that we will not run the risk of having an explosion in the deficit as a result of unintended leaks in a tax program -- so that when we tell the American people we're going to balance the budget we know we can keep it balanced and we won't get ourselves back into the difficulties we've seen over the last 15 years.

Like Americans of all political views, I have been deeply committed to this, but I wanted a balanced budget with balanced values. I believe we have got it today. There are things in this budget that -- not everyone will find something that he or she disagrees with; everyone could find something that he or she wishes were in the budget. There is no perfect agreement, but as I said, we know America is more prosperous when we have fiscal discipline, when we invest in our future, and when we do it in the right way. We have evidence of that.

It will never get any easier to do this job. Senator Lott made that point to me on the phone the other night -- he said, you know, when you're doing well, it's easier to balance the budget than it is when you're not. This is not going to get any easier, we have to do it now. And I said, I agree with you, and we are going to do it.

So I ask Americans of all political parties and all philosophies to look at this plan, give it your support. Let's balance the budget and get on about the new business of preparing America for a new century.

And I thank you, and I'd like to ask Senator Daschle now and come up and say a word.

* * * * *

THE PRESIDENT: Thank you. I just can't help saying there for a moment I thought the Vice President was sad he's not going to get to cast another tie-breaker in this vote. (Laughter.)

THE VICE PRESIDENT: Right.

Q Mr. President, during the campaign, you repeatedly expressed concern about cuts -- potential cuts in Medicaid and Medicare. Are you satisfied that no one will be hurt --

THE PRESIDENT: Yes.

Q -- in the changes?

THE PRESIDENT: Yes, I am. This -- let me say, first of all, I think we have improved the Medicaid program in this budget agreement -- and I want to make full disclosure here -- with the full support of the Republican negotiators, over and above what it was in the budget I presented. Now, that's been made possible partly because we know the economy is getting better -- but we have.

The Medicare program, I'm convinced, first of all, the savings in Medicare which I proposed, meeting the Republicans halfway between our differences last time, are, by and large, rooted in policy, which I believe is good policy, designed not only to save money for five years but to save money over the long run. We need to change some of the policies to show appropriate discipline. They don't hurt people, but they will impose more rigor in the system.

The modest one-dollar-a-month premium for home health services I think is an appropriate contribution, given the fact that people, I believe, at 120 percent of the poverty line and down are exempted. I think it's an appropriate contribution for what is the fastest growing element of the Medicare program and something that -- 150 percent, they just told me, are excluded, and below. The home health part is the fastest growing part of Medicare, and has not been subject to any premium, and I think should. There should be some contribution, just as is associated with other elements of Part B. But it will not be burdensome, and the aggregate premium will still be much lower than would have been the case if we had -- if I hadn't vetoed the budget in '95.

So I think we've reached out to the health care experts in our caucus and in the Republican caucus. We've reached out to interest groups throughout the country that would be affected by this. I believe they will support this. I believe there will be broad support for this, and I think it will be seen for just what it is. It will preserve and strengthen the integrity of the Medicare program for a decade. We can't responsibly let this trust fund get down to a year or two and just kick it down the road for another year or two. We need to keep it a decade or more out all the time.

Q Senator Daschle described this as an agreement that was tentatively reached 24 hours ago. Can you give us an idea of what transpired between that point and now? (Laughter.)

THE PRESIDENT: I don't think it would be --

THE VICE PRESIDENT: Sausage. (Laughter.)

THE PRESIDENT: Let me just say, I think what Senator Daschle said is accurate, but let me try to recast it a little bit. We had some broad outlines 24 hours ago. We went back to our folks, they went back to theirs to talk about some details. We came back with some details, they came back with some details. We got some of the details we wanted and some we just had to abandon -- and knowing that there will still be disagreements within various categories as this budget comes up.

Keep in mind, this is an agreement. Then it has to be embodied in law. Then it has to be embodied in specific appropriation bills and tax bills this year and in the years to come. So there is still some room for some debate between the two parties and within the two parties over some issues. But the framework is pretty specific -- guarantees the essential elements that were necessary to get the Democrats and the Republicans to support it, and to get the President to support it.

So we did get some more specifics in and had to leave some more specifics out in the last 24 hours, but I think, in fairness to the Republicans with -- as I said, I am convinced they negotiated with me and with Senator Lautenberg and Mr. Spratt in complete good faith. And in fairness to them, without talking to them about it, I don't think I should characterize exactly what happened in the last 24 hours.

Q Mr. President, how big is the tax cut in the package? Can you give us any indication? Who will get tax relief?

THE PRESIDENT: It is a tax cut of a net of $85 billion, which is -- over five years -- which is considerably smaller than we were, and they were, discussing. And then in the second five years, it must not exceed about -- what is it? About $170 billion, $165 billion, something like that.

And you'll get briefings on that; back at the White House they'll explain it. But also, we have gone as far as we could -- keep in mind, the tax-writing committees were not part of this negotiating process, the budget committees were. So let me finish. We have gone as far as we could also in discussing what the components are. You know the things the Republicans want in it. You know we want an education tax cut as well as some environmental relief for brownfields and some other very specific things, and we want to protect the tax cuts that are progressive in our tax code, particularly the earned income tax credit for low income people, the low income housing credit, and we want to try to protect the pension programs from being raided. And we've gone about as far as we can in doing that in an agreement that does not include the leaders of the tax-writing committee.

And Secretary Rubin, who is our guardian on that, finally signed off and said, well, this is the best we're going to be able to do.

Q Mr. President, the Republicans are happy they got their tax cut, you're happy you got your investments. It can't all be win-win. What did you have to give up? Where will Americans feel a pinch? Where's the sacrifice?

THE PRESIDENT: Well, first of all, they're taking a smaller tax cut than they had originally sought. We're providing larger savings in this budget than previously in Medicare and in other areas. But the growth in the economy has made it easier than it otherwise would have been. And we've all acknowledged that. I think we have to acknowledge that.

So, for example, the difficult questions that had been raised around the CPI, the cost of living adjustment for benefits. The sense of both sides is that that should continue to be handled in the ordinary course of business, that there will be an adjustment of some kind coming out of the Bureau of Labor Statistics in the process, that we have a fairly good idea of what it is. But even if it's not sufficient to cover everything -- and they acknowledge they can't analyze all the relevant factors -- that is an issue which now can be handled outside of this budget negotiations. And that is an issue which would have been very difficult here.

Q Mr. President, how big a selling job do you still have?

THE PRESIDENT: Well, I don't know. We're going to have to see how the Democrats and Republicans react to it. The Democrats will think that the tax cuts are too big and too skewed to people with high incomes. The Republicans will think that we're investing too much in education and other things, I think -- many of them may think that. And I'm sure that there will be some on both sides who won't vote for it. And then some people will be disappointed that, even though we did some good reform in the Medicare program, that without a consumer price adjustment that's larger, some will say we're not doing enough to save Social Security.

My argument is we can look at saving Social Security independent of this; let's balance the budget. We don't have to mix the two and we can take that on its own merits.

But there will be a lot of things in here that -- as I said, no one will look at this budget and say, this is perfect; it has everything in it I want and there's nothing in it I don't like. So everybody will say I wish something was in it -- were in it that isn't; I wish that there were things that are in it that weren't. But I think we've got a good shot at getting the majority of both parties in both Houses, which has been my goal from the day one. And if it happens, America will be much better off.

Keep in mind, the bottom line is, if we show discipline here and keep interest rates down by balancing the budget, the American people in the private sector will grow the economy for us. That solves a lot of problems. If we show discipline in continuing to invest in our future, then we will grow the economy in a way that will give us high-wage jobs, higher incomes and greater equality, which will solve our problems for us.

And meanwhile, we'll have a little honest -- an honorable compromise; that's part of the way the process works.

Thank you. There will be a briefing on more specifics down at the White House shortly.

END 4:25 P.M. EDT

Divider Title: **ARTICLES**

Clinton Plan to Seek Out Those Eligible for Food Stamps

By ROBERT PEAR

WASHINGTON, July 13 — Alarmed at a precipitous drop in the food stamp rolls, President Clinton on Wednesday will announce a major national effort to sign up people who are eligible for such aid.

The number of people receiving food stamps has dropped more than 35 percent in five years, to 18.1 million this spring, from a peak of nearly 28 million in March 1994.

Millions of people leaving the welfare rolls have also lost food stamps. Even though they are still eligible for the coupons, stringent rules limiting eligibility for cash assistance appear to have discouraged many people from seeking food stamps, Federal officials said.

An Agriculture Department official said Mr. Clinton would announce a "national education and information campaign to reach out to potential food stamp recipients" and help them apply for benefits.

A 1996 law gave states vast discretion to design and operate their cash welfare programs with lump sums of Federal money. State and local officials, including New York City's welfare commissioner, Jason A. Turner, have complained bitterly that they do not have similar flexibility and freedom to run their food stamp programs.

On Wednesday, Administration officials said, Mr. Clinton will announce several steps intended to increase access to food stamps for the working poor, while giving states new discretion.

A national effort after a steep decline in beneficiaries.

Under current law, states are subject to financial penalties if they give food stamps to someone who is later found to be ineligible. But if a state improperly denies food stamps, the state is generally not penalized. Therefore, state officials say, in close cases, they have a financial incentive to reject food stamp applications or terminate benefits for people already receiving aid.

Administration officials said they would offer several options to states, including these:

¶States could relax existing requirements for food stamp recipients to report an increase in the number of hours they work, provided they are still working part-time for the same employer at the same hourly wage.

¶Households would not have to inform the authorities of a change in income unless the change exceeded \$100 a month. (The threshold is now \$25.) Under this option, a household with earnings of \$500 a month would not have to notify state officials unless its monthly income rose above \$600 or fell below \$400.

¶People receiving food stamps could file regular reports on their income every three months. Under current rules, they are supposed to report any significant change in income, but the requirements are so complex that many people fail to comply.

¶If every member of a household is receiving cash assistance or other benefits financed by the new Federal program of Temporary Assistance for Needy Families, the household would be automatically eligible for food stamps. The household would be able to get such food aid even if it had an automobile worth more than the current limit of \$4,700.

Mr. Clinton's new initiative will reduce the risk of states' suffering financial penalties when they provide food stamps to the working poor, Administration officials said.

States could, for example, liberalize requirements for food stamp recipients to report changes in household income. This would simplify life for state officials and for the working poor, whose household income, on which food stamp allotments are based, often fluctuates.

A parent who leaves welfare and finds a job typically works 34 hours a week and earns about \$6.50 an hour. A family of three with such earnings would be eligible for food stamps worth almost \$150 a month, or nearly \$1,800 a year, assuming it had moderate housing costs.

Maintenance Company Charged With Murder in Valujet Crash

Continued From Page A1

face a fine under the state charge, although prosecutors did not say how large. But because Sabretech has ceased operations and sold its assets, meaningful punishment is unlikely unless the company sought to resume operations, said Donald R. Ungurait, a spokesman for Ms. Rundle.

Sabretech's assets were sold to Aviation Management Systems Inc. of Orlando. Valujet renamed itself Airtran Airways.

lenzuela, 30, both mechanics employed by subcontractors to Sabretech, and Daniel Gonzalez, who is in his mid 50's, then Sabretech's vice president for operations.

"These are not criminals," Mr. Quinn said. "They are honest, well-intentioned mechanics who were trying to do the best they could with inadequate information that had been given them, by the airline and the Federal Government." After the accident, the F.A.A. suspended their licenses for a year, he said.

Mr. Quinn said the company and murder charges might make it difficult in future crashes to win the cooperation of all parties involved in investigations, including the airline, the aircraft maker, manufacturer of engines and other parts and the unions representing the crew. The chairman of the House Aviation Subcommittee, Representative John J. (Jimmy) Duncan Jr. of Tennessee, said today that he doubted the wisdom of the decision to indict and that if the case did not succeed, he would favor a Congressional inquiry about why it was brought.

that was being loaded with baggage for the flight to Atlanta.

"We were not able to prove that any single individual was responsible for the homicides," Ms. Rundle said, but she added that "cumulative acts" made the airline culpable.

Guy Lewis, an assistant United States Attorney, said that "critical maintenance steps were left out," and that company personnel falsely indicated that the safety caps had been installed. He did not say why the investigation took three years.

Aviation experts differed on what

WASHINGTON IN BRIEF

Food Stamp Restrictions to Be Eased

President Clinton will issue orders today making it easier for some low-income workers to have a car and collect food stamps, White House officials said yesterday.

The president also will simplify welfare paperwork requirements and launch a public awareness campaign to make more workers aware that they may qualify for food stamps. Clinton will announce the executive actions in Baltimore when he speaks to the Democratic Leadership Council, a centrist group that backs work-over-welfare policies.

Now, working families that receive in-kind government assistance—such as child care or on-the-job training—don't qualify for food stamps if they own a car worth $4,650 or more. Clinton, arguing that most working people need reliable cars, will grant states today the right to waive that limit.

He also will allow states to require that food stamp recipients report their income quarterly instead of monthly, as current rules require. Monthly incomes fluctuate significantly for many recipients, the White House said. Also, because only 39 percent of working families eligible for food stamps actually apply for them, administration aides said Clinton will launch "a nationwide public education program" and toll-free number to help families know if they qualify.

The new policies will cost about $250 million over five years, said White House domestic policy adviser Bruce Reed.

Capitol Deals With Workplace Woes

The Architect of the Capitol, cited for health and safety violations in the congressional workplace, formed a new division yesterday to confront the problems.

The Life Safety Program Division will focus on workplace safety, fire protection and environmental concerns, architect spokesman Herb Franklin said.

The latest five citations were announced Monday by the congressional Office of Compliance. The report concluded that the architect's office endangered lives at the Library of Congress when untrained employees—working on poorly maintained equipment—accidentally started a fire. The fire occurred April 30 at the library's Madison Building, which houses rare documents. The documents escaped damage, but an electrician was burned.

Nerve Gas Exposure Estimate Is Cut

Far fewer Persian Gulf War soldiers than previously estimated were exposed to nerve gas in Iraq, the CIA told a presidential commission yesterday.

The assessment came as special investigators for the Pentagon and the CIA told the Special Oversight Board on Gulf War Illness that they have just about exhausted all efforts to determine a clear cause for Gulf War illnesses, with no firm evidence of a culprit.

However, former senator [illegible] N.H.), chairman of the Pentag[illegible] case studies and investigatio[illegible] still be conducted, and that th[illegible]

The CIA in 1997 estimated [illegible] have been exposed to low lev[illegible] the inadvertent destruction o[illegible] Khamisiya Pit. The Pentagon [illegible] as many as 100,000 soldiers [illegible] low levels of chemical agents. [illegible] said, the levels were too low t[illegible]

"We now estimate—in mo[illegible] was released, primarily becau[illegible] now available," testified Rob[illegible] special assistant on Gulf War i[illegible]

He said the latest CIA analy[illegible] provided by the U.N. Special C[illegible]

—Compiled from reports by staf[illegible]

The News and Observer (Raleigh, NC)

July 4, 1999 Sunday, FINAL EDITION

SECTION: EDITORIAL/OPINION; Pg. A29

LENGTH: 683 words

HEADLINE: This Fourth, renew our commitment...

BYLINE: Michael M. Marnell

BODY:

CHAPEL HILL -- At the end of his "Notes of the Debates in the Federal Convention of 1787," James

Madison reports that while the last delegates were signing the new Constitution, "Dr. Franklin, looking at the President's chair at the back of which a rising sun happened to be painted, observed to a few of the members near him that painters had found it difficult to distinguish in their art a rising from a setting sun. I have, said he, often in the course of the session, and the vicissitudes of my hopes and fears as to the issue, looked at that behind the President without being able to tell if it was rising or setting. But now at length I have the happiness to know that it is a rising and not a setting sun."

At any isolated moment in time it is difficult to determine whether a nation is growing stronger in the ideals and hopes that bind it together to face an uncertain future; or whether divisions of self-interest are threatening to undermine hopes for national progress.

Dr. Franklin's doubts and hopes expressed at the end of the 18th century -after he had witnessed decades of struggle to bring a new nation into existence - present a challenge to each generation of Americans to reflect on the current state of our union. For a national future is never guaranteed; it is a matter of choices we must make again and again.

The last Fourth of July of the 20th century seems an appropriate time for such national reflection. There is much to celebrate that appears to foretell great hopes for the beginning of the new millennium: economic growth, declining crime rates, reasonable cooperation among world powers. America seems poised with both the means and the opportunity to create the society of justice, peace and prosperity that has been the dream of generations from the Pilgrims through the Founders through the waves of immigrants who helped build an America where their children could enjoy a life they only dreamed of.

But as Franklin noted, there are always other forces in society that place those dreams in doubt.

Franklin, Madison, and other founders feared that the narrow interests of the individual states would undermine national purpose, after the Revolutionary War had removed the common threat of English rule. It took much resolve and courage for the delegates at Philadelphia to look beyond the immediate benefits of their own states and make the United States a reality.

Today our challenge may be less based on divisions of states, and more on emerging economic classes that are fragmenting our national unity.

[illegible]n the midst of prosperity, 20 million children live in poverty; a recent [illegible]t notes that 1 million children are homeless. While investors celebrate [illegible]e-digit returns, many working families find it hard to find affordable housing or health care. Private food banks report record increases in requests for assistance, often from working families whose wages do not reach to the end of the month. Increasing numbers of elderly find themselves needing to make choices between food and medicine.

Is our national sun rising or setting?

We have a choice, but this calls for a renewed dedication to the welfare of all society, not just our own narrow part of it. Will political leaders today have the courage to lead us beyond self-interest, or will they only cater to the desires of those who can offer thousands of dollars to political campaigns? Will business leaders have the courage to challenge investors to see increased salaries for low-income workers as an asset for the future of business rather than just a threat to short-term profits? Will we, the people, demands such inclusiveness of vision in the leaders we select, be it in a national election, a local bond issue, of a union hall vote?

All this takes courage, hope and perseverance. But it is only by such choices and actions, taken again and again, that we, like Franklin, can be confident that our sun is rising on a new century, a new millennium.

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(Dr. Michael M. Marnell teaches ethics in the department of philosophy and religion at N.C. State University.)

LANGUAGE: ENGLISH

LOAD-DATE: July 5, 1999

LEVEL 1 - 6 OF 33 STORIES

The Associated Press State & Local Wire

May 25, 1999, Tuesday, PM cycle

SECTION: State and Regional

LENGTH: 496 words

HEADLINE: Survey: Demand up at food pantries, soup kitchens

BYLINE: By DIANE SCARPONI, Associated Press Writer

DATELINE: HARTFORD, Conn.

BODY:

Demand for food is outpacing donations at state food pantries and soup kitchens, a survey has found.

The report by the Connecticut Association for Human Services, a nonprofit advocacy group, also found that more people are using food pantries and soup kitchens on a regular basis instead of in emergencies as they struggle to feed their families on low-paying jobs. And volunteerism is down at many emergency food centers, which are seeing more families and working people than in the past, the group reported Monday.

The study is more proof that Connecticut increasingly is divided into rich and poor, said Rep. Jack Thompson, D-Manchester. He said the survey would help support arguments that more state aid is needed for the poor and the groups that serve them.

"There is suffering in our state that's entirely unnecessary," Thompson said. "I'm hopeful this is a wake-up call for the Legislature."

The survey of 128 soup kitchens and food pantries around the state found that most sites were serving at least as many or more people while donations remained constant or declined.

About half the pantries surveyed said they sometimes have stretched supplies - giving out less food to each individual so they could serve more people.

Of the 400 recipients of assistance who were surveyed, 41 percent reported getting food stamps.

The survey dispelled some stereotypes about who seeks emergency food aid. About 86 percent spoke English as their first language, and 63 percent were white, non-Hispanic. Also, 78 percent said they rented or owned their home, while 22 percent were homeless or living in shelters.

About a third of those surveyed were receiving welfare, while 22 percent earned wages and 15 percent had no income. The rest were receiving disability pay, unemployment compensation, child support, pensions or a combination of these benefits.

These survey results mirror many of the challenges Lillian Maffia has seen in her 15 years running the soup kitchen and food pantry at the St. Vincent DePaul Society in Waterbury.

The soup kitchen serves about 500 people a day. A few years ago, they served 400 or so. The food pantry serves more than 500 families a month.

"There's been an increase, and I would say that's because some of the men work, but they don't make enough money. Most have temporary labor, and they certainly can't support themselves on 12 hours, 14 hours a week," Maffia said.

At the same time, donations for food at the pantry have gone down because many people who once donated have now found themselves in need, she said.

The opposite story was true for the Tri-Town Pantry in Vernon. Director Martha Boyle said numbers of needy families have decreased, as more of them find work in the good economy.

"I know some are just hanging by their teeth right now, because the jobs they're getting are not enough support," Boyle said, "but they still receive food stamps, and it seems to be working out with the families I know."

LANGUAGE: ENGLISH

LOAD-DATE: May 25, 1999

LEVEL 1 - 20 OF 33 STORIES

The Associated Press State & Local Wire

April 4, 1999, Sunday, AM cycle

SECTION: State and Regional

LENGTH: 814 words

HEADLINE: Demand on food pantries increases despite booming economy

DATELINE: LITTLE ROCK

BODY:

Organizations that provide food for the poor in Arkansas expected that demand for their services would drop as the robust economy in the state and nation continued.

But they say that hasn't been the case, despite increases in the number of employed people and drops in the numbers of those without jobs.

Jo Ann Cayse, who runs a food pantry in the small Calhoun County town of Thornton, says that, more and more, the people coming in for free food have jobs.

Laura Rhea, executive director of the Rice Depot at Little Rock - a clearinghouse of donated food distributed to food pantries like Ms. Cayse's - says her group handed out one-third more food in 1998 than it had the previous year.

A big factor, Ms. Rhea said, is the effort to overhaul the welfare system in the nation and Arkansas. Most of the jobs available to low-skilled people, she said, provide enough money to disqualify the workers from food stamps and government-funded health insurance programs - but not enough to pay all the bills and buy food.

"They've been cut off everything," Ms. Cayse says. "Not only are they using my food pantry more, they're begging for medicine more, and ways to get their children to the doctors, because they've been cut off Medicaid, too.

"It's just a sad situation," she says. "People say that welfare reform is working. It's working because the system can't see them anymore ... so Laura and I are catching it. ... We're having to make the system work."

Ms. Cayse said that, over the past several months, her operation in Thornton has doubled the amount of food it gives out.

In July 1997, state officials began implementing the requirements of the 1996 federal Personal Responsibility and Work Opportunity Reconciliation Act, or welfare reform measures. At that time, about 22,000 Arkansas families depended on what was then the Aid to Families with Dependent Children program. As of February 1999, about 12,000 families were getting assistance.

The goal is to shift families who depend on government assistance into a temporary assistance program as they learn new skills and move into the work force. As of July 1998, the new system gives a recipient two years of benefits in a lifetime.

Ms. Rhea says she supports the changes in the welfare system, but says the job market for unskilled or low-skilled workers has changed dramatically in the past two decades. Government efforts to move folks off the dole may not take that into account, she said.

"Used to be, you could get a job, and I mean any job, and you were OK," Ms. Rhea says. "You could pay the rent and pay for your utilities and put food on the table."

But many jobs are now only part-time, she says, $ 6 or $ 7 an hour for 28 to 32 hours a week. Heads of many families find themselves having to work two jobs and getting basic benefits like sick pay at neither of them.

A day missed to stay home with an ill child or to have a car repaired could mean no money at the end of the week for food, she says.

At another charitable-food clearinghouse, the Arkansas Foodbank Network, director Al Hodges says he increased distribution of food last year by 22 percent - from 6.8 million pounds in 1997 to 8.3 million pounds in 1998.

The increase was in line with the food bank's annual growth, but for the first time, he said, the increase isn't meeting the demand.

"I could move more food if I could get it," Hodges says. "I could move a lot more."

More charities are forming to meet the need, Hodges says. In 1997, the food bank served 300 organizations. The food bank's client list now has swollen to 373.

Phil Price, appointed by the Legislature to monitor the state's welfare-revision efforts, said he had heard from food pantries that use is up because of the welfare-revision efforts. But he said no statewide reports document the problem.

"When you ask for hard information, a lot of (food pantry directors) don't have it," Price said. "You hear about trends, but you can't put your arms around the situation."

Price also says that welfare-revision is still in its early stages. That makes some food pantry directors fear they are seeing only the first wave of what could be greater and greater demands for their services, he said.

On the whole, Ms. Rhea and Hodges say that, in the long run, the welfare revisions are good, even if they mean an increased dependency on the private charities.

"At least this way you have them out there working and not sitting back on the couch watching TV drawing a check," Hodges says.

But Ms. Rhea is less positive.

"It's so very easy to point the finger at the poor folks and say they're responsible, that if they'd get up off their butts and get to work they'd be able to take care of themselves," she said. "It would be equally easy to say that if people would pay a living wage and benefits, then the poor could go to work and make a living."

LANGUAGE: ENGLISH

LOAD-DATE: April 4, 1999

LEVEL 1 - 25 OF 33 STORIES

University Wire

March 17, 1999

LENGTH: 432 words

HEADLINE: Pennsylvania works to lessen aid, confusions about welfare

BYLINE: By Beth Lucas, Daily Collegian

SOURCE: Pennsylvania State U.

DATELINE: State College, Penn.

BODY:

Recent decreases in welfare rolls have resulted in similar decreases in programs such as Medicaid and food stamps nationally because of public confusion concerning which programs are considered welfare.

This month alone, about 38,000 Pennsylvania welfare recipients were taken off the rolls because of a two-year time limit given to find employment. Nationally, welfare rolls have almost been cut in half since 1993.

Similar decreases in Medicaid and food stamps can be attributed to a myth that they are a part of welfare, because the term welfare is used generically, said Stephen Zuckerman, health economist for The Urban Institute.

But even in State College, there are agencies working to counter this trend by educating recipients about the difference between assistance programs.

Although Pam Santavicca, executive director of the Food Bank of the State College Area, 208 W. Foster Ave., has not seen an obvious change in the number of visitors to the local food bank, she is trying to fight the confusion.

The food bank distributes a seasonal newsletter listing the groceries recipients can pick up four times a year. It includes advertisements educating the recipients about free assistance they are unaware of or believe to be welfare, including earned income tax credit, free lawyer service and health coverage for children.

The main confusion is caused by the fact that welfare is cash assistance, which is separate from any other more specific program.

"You can get Medicaid without cash assistance if you have a low income," Zuckerman said. "It definitely looks like the numbers receiving Medicaid assistance are going down with welfare, which is a problem. No one really wanted this."

Santavicca decided to distribute information after she watched recipients she came to know from her seven years at the food bank end their cash assistance and find minimum-wage jobs.

"The jobs usually have no health benefits," she said. "The amount they are earning is not enough to support themselves alone."

Food stamp coverage has also decreased because it has been erroneously connected with welfare, Harold Leibovitz, director of communications for the institute, said.

Educating the public about who can receive different kinds of benefits is a major challenge for each state, Zuckerman said.

"Case workers (statewide) are working to inform the public of changes," said Jay Pagni, spokesperson for the Pennsylvania Department of Public Welfare. "I would recommend people speak with a case worker to discuss their various options."

LANGUAGE: ENGLISH

LOAD-DATE: March 17, 1999

LEVEL 1 - 2 OF 31 STORIES

The Associated Press State & Local Wire

June 23, 1999, Wednesday, AM cycle

SECTION: State and Regional

LENGTH: 597 words

HEADLINE: Welfare reform may be hurting children, report says

BYLINE: By NANCY PARELLO, Associated Press Writer

DATELINE: TRENTON, N.J.

BODY:

Less children are on welfare, food stamps and Medicaid.

That sounds like good news.

But it could mean that more needy families are avoiding these programs and children are going hungry or without health care, Ciro Scalera, executive director of the Association for Children of New Jersey, said Wednesday.

The association's eighth annual report, Kids Count, also shows that from 1995 to 1996 more pregnant woman went without prenatal care, infant mortality was up and more babies were born with low birth weights.

The problem, Scalera said, is people don't know they can still get Medicaid even if they are no longer receiving welfare. And because fewer people are applying for welfare, where they historically also signed up for Medicaid, fewer needy families are getting medical coverage.

"These are the unintended consequences of welfare reform," Scalera said.

The report did offer some good news.

Of the 15 "indicators" used to measure children's well-being, 12 showed long-term improvement, including a 15.7 percent drop in the number of children on welfare since 1990 and a 10 percent decline in the number of children on food stamps.

Since 1990, births to teens have decreased 11.4 percent, child deaths are down 2.4 percent and teen deaths are down 7.5 percent.

But, 4.6 percent fewer children are receiving Medicaid - a bad sign since that means they probably aren't getting necessary medical attention, Scalera said.

Part of the problem is that in 1996 Congress "de-coupled" welfare and Medicaid, so getting Medicaid is no longer an automatic part of getting welfare. At the same time, state welfare caseworkers have failed to fully inform clients about these programs, Scalera said.

Another sign that the lower Medicaid numbers may be hurting children's health is a one-year jump in infant mortality rates. While the percentage of babies who died at birth decreased 23.9 percent from 1990 to 1996, the number inched up 2.2 percent from 1995 to 1996.

Scalera cautioned against making assumptions based on one year, but he added that it could be a "red flag" that lack of healthcare is again contributing to these health problems.

Scalera said county welfare agencies should become "one stop shopping" centers where needy families can easily sign up for "safety net" programs, such as Medicaid and food stamps.

"We have to rethink county welfare agencies," Scalera said.

Scalera also called on state lawmakers to heed Gov. Christie Whitman's call to use some of the money from a national tobacco settlement to fund campaigns aimed at reducing infant mortality and encouraging poor, pregnant women to get prenatal care.

The report also pointed to another sign of trouble. Since 1990, there has been a 54 percent jump in the number of juveniles who have been committed to detention centers.

In 1990, 961 juveniles were in these institutions. That number has grown steadily over the years, skyrocketing to 1,451 in 1997.

But, the number of juveniles arrested for serious crimes has dropped. From 1996 to 1997, it went from about 23,000 to about 20,500.

Scalera attributed the increase in commitments to tougher laws and a shift away from rehabilitation programs and toward punitive ones. Judges are more willing to commit juveniles, Scalera said, as they respond to both "legislative and public demand."

Lee Moore, spokesman for the Juvenile Justice Commissioner, agreed that more judges are committing juveniles. He added, however, that more stringent parole supervision is sending more teens back to detention centers when they violate parole.

LANGUAGE: ENGLISH

LOAD-DATE: June 23, 1999

U.S. News & World Report

June 14, 1999

SECTION: U.S. NEWS; Pg. 21

LENGTH: 1098 words

HEADLINE: The food stamp mystery

BYLINE: By Jodie T. Allen

HIGHLIGHT:
Piles of unspent funds suggest a brighter poverty picture

BODY:

When Congress was looking for ways to cover (or cover up) the costs of the "emergency" spending bill it splurged on last month, it decided to raid an unlikely pantry--the food stamp program. Tucked in the fine print of the $ 15 billion measure today for the war in Kosovo--not to mention numerous pet projects pushed by various congressmen--was the revelation that $ 1.25 billion was being diverted from one of the federal government's best-known anti-poverty programs. Is this a case of guns literally crowding out butter?

Not quite. What's behind the raid on food stamps is a complicated but largely encouraging story about the current state of welfare reform and poverty in the United States. But it's also a cautionary tale of how, in the current cannibalistic budget climate, unclaimed money can be gobbled up for unintended purposes. "When I close my eyes, I see tongues hanging out," says Rep. Nancy Johnson, who chairs the Ways and Means subcommittee that deals with welfare.

Less care or less need? Johnson has particular cause for concern. The Congressional Budget Office estimates that reserves under the reformed Temporary Assistance for Needy Families program could exceed $ 20 billion by 2002. States are spending less than a fifth of the $ 4.2 billion earmarked for the Children's Health Insurance Program created in 1997 to aid low-income children. Most of the $ 3 billion meant to help special-problem welfare recipients find jobs has also gone begging. New York had accumulated $ 689 million in unspent welfare money by the end of 1998; California has spent only $ 9 million of its allocated $ 162 million for job training.

Whether diverting these surpluses is a good idea or not depends in large part on what caused them in the first place. Do they arise from a shortage of compassion on the part of states charged with finding and helping the needy? Or simply from a shortage of needy people?

Advocates for the poor argue that as welfare caseloads have dropped--an astounding 44 percent since their 1994 peak--some states aren't making good-faith efforts to reach out to the poor. Newspapers and welfare watchdogs cite scattered reports of families resorting to soup kitchens or abandoning their children to protective agencies. "Some aspects of this picture must be considered troubling," Wendell Primus of the Center on Budget and Policy Priorities recently told Johnson's subcommittee. Primus calculates that the very poorest single-parent families had lost an average $ 860 in annual income between 1995 and 1997, as tougher welfare policies went into effect.

But while welfare reform may not be the timeless masterpiece that Ways and Means Committee Chairman Bill Archer implied when he compared problems to "cracks" in the Sistine Chapel ceiling, it has impressed even the most skeptical of critics. A meaty new committee report notes that even as caseloads have declined, so has poverty among families: In 1997, it fell by a record 7 percent among black children. Curiously, the steepest declines came in states where welfare caseload reductions were the largest. Strong local job markets no doubt help a great deal, but as the committee noted, job growth was strong in the late 1980s and welfare rolls went up.

University of Maryland School of Public Affairs Prof. Douglas Besharov notes that employment among welfare-prone, never-married mothers has increased from 44 percent to nearly 62 percent since 1993. And Urban Institute researcher John Holahan says that unused child health insurance is unsurprising because states are having the usual start-up problems, the number of low-income children keeps declining, and, from the start, Congress greatly overestimated the number eligible under current rules. As for food stamp declines, working families leaving welfare may well skip the bother of signing up for food stamps even if they are still eligible. But preliminary analysis by the research firm Mathematica Policy Research suggests that the decline in food stamp use since 1993 has roughly followed the decline in people eligible to apply for them.

In short, says subcommittee staff director Ron Haskins, while reform has likely produced individual cases of hardship, "nothing bad has happened that you can put a number on in a national data set." Of course in any evolving social transformation, "data sets" don't tell the whole story. But the anecdotal evidence is also encouraging. In one study, despite complaints about being "hassled" by caseworkers, large majorities of recipients in two states rejected the notion that "life was better when you were getting welfare." Similarly, in focus groups conducted by five universities, most current and former recipients expressed "cautious optimism" about the new system.

Trouble ahead. Still, Haskins and most other experts concede that Primus is right that many families have been left behind and the hardest part of welfare reform may lie ahead. That's where the unspent money becomes so crucial, and why the nation's governors recently warned Congress to keep its hands off their cash. "Welfare reform originated in the states due to the hard work of governors," says Wisconsin Gov. Tommy Thompson. "It would be a breach of trust and commitment on the part of Congress to go back on their promises." Part of the "block grant" deal under which states accepted fixed sums instead of the previous system of federal matching grants was that they would get to keep any surpluses in return for assuming the risk of deficits. Diverting that money now would deprive states of the extra funds needed to deal with the hardest-to-help families and to cope with expanding caseloads should the economy falter.

For the moment, both liberals and conservatives seem inclined to give states the leeway they are requesting. (The food stamp money was completely under federal control.) "Republicans in Congress think states should use some of their surpluses to handle unmet needs such as child care," says Ways and Means Committee spokesperson Trent Duffy. "States are doing a lot of interesting experimentation," says Eileen Sweeney of the Center on Budget and Policy Priorities, but they are only starting to focus on the families with multiple barriers to work--substance abuse, child abuse, disabled dependents, and so on. "Congress definitely should be patient," she adds.

But patience is not high on Congress's roster of virtues. And as budget pressures grow, so will the temptation to pilfer from state piggy banks--and from the poor.

GRAPHIC: Picture, A Baltimore welfare center: Plunging caseloads leave excess cash--and hard-to-solve problems. (Robert Trippett--SIPA for USN&WR)

LANGUAGE: ENGLISH

LOAD-DATE: June 10, 1999

LEVEL 1 - 19 OF 115 STORIES

Los Angeles Times

May 28, 1999, Friday, Home Edition

SECTION: Part A; Page 13; National Desk

LENGTH: 897 words

HEADLINE: MORE EX-WELFARE RECIPIENTS ARE WORKING BUT STILL POOR;
SERVICES: BETWEEN 63% AND 87% HAVE FOUND JOBS, BUT MANY STILL NEED ASSISTANCE, DATA SHOW. STUDIES CAUSE GOP TO CLAIM VICTORY IN REFORM DEBATE.

BYLINE: MELISSA HEALY, TIMES STAFF WRITER

DATELINE: WASHINGTON

BODY:

Former welfare recipients have found jobs at a rate between 63% and 87%, but with few exceptions their earnings do not lift them out of poverty, according to one of the most comprehensive studies to date of those who leave welfare rolls.

Almost three years into welfare reform, those numbers touched off a heated debate over the success of the landmark overhaul, prompting Republicans to declare an early victory and many longtime critics to counsel caution.

The study by the General Accounting Office was one of two released Thursday that provided a snapshot of former welfare recipients who typically work part time, often at several jobs, yet continue in large numbers to rely on government assistance such as Medicaid and food stamps.

Both studies--the other was conducted by the Washington-based Urban Institute--are essentially roundups of assessments conducted in the last two years by several states.

Since the federal government no longer administers the program now known as Temporary Aid to Needy Families and does not track the fate of former recipients nationally, the studies represent the first broad overview of those who have left the rolls under new welfare rules. They also provided the first comprehensive look at welfare reform's success beyond the dramatic decline in caseloads in the last three years.

California, which has not systematically tracked those who leave its welfare rolls, was not among the seven states included in the GAO survey, or among those in the Urban Institute report.

The surveys provided grist for both supporters and opponents of the 1996 welfare overhaul act, which was authored and passed by Republicans and then signed by President Clinton over the opposition of many Democrats.

"While caseload reduction is an important indicator, what's more impressive is that people who have left the rolls are staying gainfully employed and increasing their take-home pay," said House Speaker J. Dennis Hastert (R-Ill.). "In three short years, we've broken the mold from a lifestyle of generational welfare dependency."

Hastert and several other Republican leaders touted the employment rates of those who left the rolls, as well as data showing that the average number of hours worked by adults in each welfare family is more than 32 hours a week. They also pointed to opinion polls conducted by South Carolina and Wisconsin in which 76% and 68% of former welfare recipients, respectively, disagreed or disagreed strongly with the statement that "life was better when you were getting welfare."

That prompted Rep. Bill Archer (R-Texas) to conclude at a news conference that "welfare recipients' lives are getting better, poverty is going down and more Americans are enjoying the freedom of independence from the chains of welfare."

But opponents of the 1996 law found plenty to criticize in both reports. According to the GAO, Congress' investigative arm, three-month earnings of former recipients were between $ 2,378 and $ 3,786--figures which, if computed as annual earnings, would fall below the federal poverty level for most families. Beyond that, many departees--from 19% in Maryland to 30% in Wisconsin--landed back on the rolls in three to 15 months. And many more continued to rely on Medicaid (from 44% to 83% of families) or food stamps (31% to 60%) to make ends meet.

Wendell Primus, a former Clinton administration official who resigned in protest of the welfare reform law, told lawmakers Thursday that many who leave welfare can rely on transitional assistance and sometimes income supplements to keep them afloat. That, he warned, will not last much longer.

"Time limits aren't in effect yet," said Primus, referring to the provision of the law that limited a recipient's lifetime receipt of welfare to no more than 48 months. "The thing I find troubling is that, when the time limits take effect . . . there are some people who are not going to be able to support their families without assistance from the government."

And even some of the law's admirers cautioned lawmakers that the hardest part of welfare reform lies ahead.

"Don't declare victory too soon," said Richard Larson, director of policy, research and systems for the Maryland agency that administers welfare. "We still have to see what happens" when the economy turns down, he said.

Although welfare rolls have plummeted, Larson said, the recipients who remain dependent on public aid tend to have the most serious obstacles to overcome before they can support themselves, including high rates of domestic violence, substance abuse, mental illness and depression.

"This group is going to present a formidable challenge," Larson said.

The reports come a day after the Senate rejected by one vote a bid to have the federal government track the well-being of those who leave the welfare rolls. The proposal, authored by Sen. Paul Wellstone (D-Minn.), would have created a portrait of former recipients. Under the 1996 law, the states may use part of their federal welfare block grants to study the fate of those who leave the rolls. But because it is expensive and difficult to do so, most do not.

That led Rep. Pete Stark (D-Hayward), an outspoken critic of the 1996 law, to charge: "We don't want to know what happened to those people who left the rolls. We just want to reduce the caseloads. Ignorance is bliss."

LANGUAGE: English

LOAD-DATE: May 28, 1999

LEVEL 1 - 7 OF 31 STORIES

MAY 27, 1999, THURSDAY

SECTION: IN THE NEWS

LENGTH: 3980 words

HEADLINE: PREPARED STATEMENT OF
WENDELL PRIMUS
DIRECTOR OF INCOME SECURITY
CENTER ON BUDGET AND POLICY PRIORITIES
BEFORE THE HOUSE COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON HUMAN RESOURCES
SUBJECT - HEARING ON THE EFFECTS OF WELFARE REFORM

BODY:

Mr. Chairman and Members of the Subcommittee on Human Resources of the Committee on Ways and Means:

I very much appreciate your invitation to testify on the impact of welfare reform on low-income families. My name is Wendell Primus and I am Director of Income Security at the Center on Budget and Policy Priorities. The Center is a nonpartisan, nonprofit policy organization that conducts research and analysis on a wide range of issues affecting low- and moderate-income families. We are primarily funded by foundations and receive no federal funding.

My testimony today will draw on some preliminary findings from a much larger analysis of the initial impacts of welfare reform that is nearing completion and will be released by the Center on Budget and Policy Priorities in the near future. Introduction

Participation in the Aid to Families with Dependent Children (AFDC) and food stamp programs began to decline in 1994; this decline was gradual until 1996 and accelerated after enactment of the federal welfare law. Because AFDC (which has been replaced by the Temporary Assistance to Needy Families or TANF block grant) and food stamp participation have declined so sharply, the conventional wisdom is that the federal welfare law and state welfare reforms are working very well. Caseload reduction alone, however, is an inadequate measure of the success of welfare reform. The ultimate criteria should include whether the economic well-being of children and families has been enhanced. For that to occur, the loss of benefits would have to be more than offset by increases in other sources of income: through increased labor force participation and earnings of custodial parents, increased child support collections received by custodial parents, or an increase in the number of children who reside with both parents.

Over the past several years, two major trends have influenced the economic well-being of the nation's poorest families with children. First, strong economic growth, unusually low unemployment rates, continued expansion of the Earned Income Tax Credit (EITC), expanded availability of Medicaid coverage for children in low-income working families, and welfare policy changes have contributed to an increase in employment among poor families. Second, at the same time, other changes in the policies of means-tested programs(1) (e.g., increased sanction rates, diversion policies, and restricted eligibility for legal immigrants) have led to a dramatic decrease in the number of families receiving public assistance, many of whom have left without having a job.

Data that begin to shed light on the combined effect of these divergent trends on the economic well-being of poor families with children are just becoming available on a national basis. This study focuses on the effects on single-mother families and their children, as reflected in Census data.

These data show that the disposable incomes of single-mother families rose substantially and across-the-board from 1993 to 1995. The data from 1995 to 1997, which cover the period from just before passage of the federal welfare law in 1996 to just after, tell a different and less promising story. Despite continued growth in the national economy and further expansion in the EITC, the average disposable income of the poorest fifth of single-mother families fell during this two-year period, with a substantial drop in means-tested benefits the primary contributing factor. The average disposable income of the next-to-the- bottom fifth of single-mother families was unchanged -- earnings and EITC gains were completely offset by declines in means-tested assistance, leaving the families no better off.

Data Sources and Methodology Issues

This analysis uses the Census Bureau's Current Population Survey (CPS) data as well as administrative data from means-tested programs to examine trends in the economic well-being of mothers and children in single-parent families, with a particular focus on the poorest single- mother families. We examine a cross-section of families each year.(2) We measure the welfare receipt and income of a cross-section of families over the four years from 1993 to 1997, a period of sustained economic growth and increasing employment. This analysis examines how the average income of single-mother families changed between 1993 and 1995, a time when many states were implementing state welfare reform policy through waivers, and also examines changes in the economic status of these families between 1995 and 1997, the year prior to and the year after enactment of the federal welfare law. During the second period, state-level reforms began taking effect on a larger scale, and program participation fell sharply.

To examine changes in the economic well-being of single-mother families by income level, we first array all single-mother families from poorest to richest by their incomes, adjusted for family size. (The methodology used is identical to that employed by the Congressional Budget Office in its analyses of family incomes.) We use a comprehensive measure of income, which includes as income the approximate cash value of food stamps, school lunch, and housing assistance, and EITC benefits, and deducts state and federal income taxes as well as payroll taxes. This is similar to the recommendations of a distinguished National Academy of Sciences panel in 1995 concerning how to count income when measuring poverty.

As noted, we divided the population into groups of equal size (such as fifths or tenths of the population) and compared the average income of persons in one part of the distribution in a given year to the average income of persons in the same part of the income distribution in another year. For example, the average incomes of those in the poorest fifth of single-mother families in 1995 can be compared to the average income of those in the poorest fifth of single-mother families in 1997. Each tenth, or decile, of individuals in single-mother families consists of about three million individuals. Each fifth, or quintile, includes about six million people.

The analysis examines changes in the average incomes of single-mother families throughout the income distribution but with a special emphasis on the bottom three- fifths of single-mother families, most of which are eligible for means-tested benefits. All of the single- mother families in the bottom three quintiles have disposable incomes of below 155 percent of the poverty line. Between 1993 and 1997, the under-reporting of means-tested benefits in Current Population Survey increased. Under-reporting of income occurs when the total amount of benefits from a means-tested benefit, as reported in the Current Population Survey, is less than the total amount of benefits that data from the program show to have been issued. Under-reporting of means-tested benefits in the CPS is a well- known phenomenon; as long as the degree of under-reporting from year to year remains unchanged, under-reporting does not distort comparisons of data from different years.

In the 1990s, however, the degree of under-reporting of income from means-tested benefits increased in the CPS. To ensure that the results of this analysis are not an artificial result of the increase in under-reporting of these benefits, this analysis adjusts both AFDC/TANF benefit receipt and food stamp benefit receipt to compensate for this decline in reporting.
The analysis does not adjust for work-related expenses incurred by single-mothers leaving welfare for work. A better measure of family well-being would take into account the fact that a family may not be better off if increased earnings are more than offset by increased work expenses such as child care. If, on the other hand government expenditures on such work supports as child care and transportation are sufficient to compensate families entering the labor force fully for their increased expenses, income gains among these families would represent true improvements in well-being. Some preliminary estimates of the annual cost of child care incurred by single mothers that have left TANF for work seem to indicate that increased government expenditures on child care have not been sufficient to fully compensate families leaving TANF for their increased child care costs.
Findings
Caseload declines exceed decline in need. AFDC/TANF and food stamp participation has declined far more sharply in recent years than can be explained by increases in the earnings of poor households. For example: * From 1995 to 1997, the number of people in single-mother families who had income below the poverty line before receipt of means-tested government benefits declined by 0.8 million people, or 5.4 percent. By contrast, the number of people receiving AFDC/TANF benefits fell by 3.0 million, or 22.6 percent.
* Similarly, from 1995 to 1997, the number of people (both in single- mother families and in other families) who had incomes below the poverty line before considering the effects of means-tested benefits fell 2.5 percent. The number of people receiving food stamps dropped by 16.6 percent, five times as much.
Trends in disposable income.(3) This paper examines changes in earnings, the EITC, and other sources of income as well as changes in means-tested benefits. By examining the change in the income that single-mother families received from each income source, we can identify the causes of these trends. (All of the figures noted below are adjusted for inflation and expressed in 1997 dollars, rounded to the nearest ten dollars; thus $702 is expressed as $700.) Table 1, which summarizes the findings of this analysis, shows the following: * Between 1993 and 1995, the average earnings and incomes of single- mother families increased substantially. The increases were particularly large for the poorest 60 percent of persons in single- mother families, who experienced double-digit percentage gains in disposable income, on average. For the poorest 20 percent of individuals in single-mother families, disposable income increased an average of

13.7 percent between 1993 and 1995, or more than $1,000 per family, after adjusting for inflation. Earnings increased by one third, or $430 per family. Income from the Earned Income Tax Credit and means-tested benefit programs also increased.

* Between 1995 and 1997, by contrast, the poorest single-mother families experienced a significant decline in their disposable incomes, largely due to sizeable declines in welfare assistance and food stamps, but also due to a drop in earnings. Table 2 shows how the various components of income have changed for the poorest single- mother families. As shown, among the poorest 20 percent of the population in single-mother families, average disposable income fell by $660, a 7.6 percent decline.(4) About 82 percent, or $540, of this income loss was due to declines in means-tested assistance.

* For the poorest 10 percent of persons in single-mother families, average income declined by $860. This represents a decline of 15.2 percent.(5) Nearly 80 percent, or $660, of this income decline was due to a decrease in the average amount of means-tested assistance these families receive.

* The next-to-the-poorest fifth of single-mother families experienced an average increase in earnings of $900 from 1995 to 1997 and an average EITC increase of $400. These gains were fully offset, however, by an average loss of $1,580 per family in means-tested benefits.(6) (7) As a result, their average incomes remained unchanged despite strong economic growth.

Anti-poverty effectiviness of the safety net. Between 1995 and 1997, a period of rapid caseload declines and extensive policy changes, certain parts of the safety net for poor children weakened significantly. Table 3 shows the number and percent of children lifted from poverty by government programs in 1989 and each year since 1993. As shown, in 1997, means-tested benefit programs lifted from poverty smaller percentages of children who otherwise would be poor -- and did a less effective job of increasing the incomes of children who remain poor -- than in 1995. Some 700,000 more children would have been lifted out of poverty in 1997 if means-tested benefits had not weakened since 1995.

The decline in the number of children removed from poverty by means- tested assistance is offset to a large extent by the increase in the number of children removed from poverty by federal tax policy due to the impact of the EITC. Approximately 450,000 more children were removed from poverty by federal taxes in 1997 than in 1995 due to the strengthening of the EITC, offsetting slightly less than two-thirds of the decline in the strength of means-tested assistance. As this example illustrates, when government programs have been strengthened, as in the case of the EITC, the number of children removed from poverty has increased. In contrast, when government programs have been weakened, as in the cases of TANF and food stamps, the number of children removed from poverty has declined.

Findings should be considered initial. These findings are based primarily on data from the Current Population Survey for 1997. Data from another Census Bureau survey, the Survey of Income and Program Participation, are not yet available for 1997, and 1998 CPS data will be available in several months. When those data become available, they should be carefully evaluated to see if they confirm the income trends found in the 1997 CPS data for single-mother families. These results also should be more carefully reconciled with data from state studies of families that have left public assistance rolls and other national evaluations of changes in welfare policies. (State "leaver" studies are surveys of a random sample of families who have left the TANF or AFDC programs during a given time period. These surveys examine the employment and financial circumstances of families that have left the rolls. The findings from our study are not inconsistent with the leaver studies conducted to date, which have found that families leaving welfare for work have below-poverty earnings, that many leave welfare without work, and that, in some states, the financial well- being of some children has worsened.)

Conclusions and Policy Recommendations

Among other findings, this study finds that the average disposable income of a significant percentage of the poorest single-mother families was lower in 1997 than the average disposable income of their counterparts (families in the same place in the income distribution) two years earlier. It also finds that whereas income trends among poor single-mother families were very positive from 1993 to 1995, these trends changed for the worse in the 1995 to 1997 period. These surprising and unanticipated findings occurred during a period of strong economic growth and before any sizeable number of welfare recipients reached their time limits. They suggest considerable caution ought to be exercised before pronouncing welfare reform an unqualified success.

Many states now have substantial amounts of unspent TANF funds that can be used to aid poor families. These funds could be used to provide more adequate support for families that have gone to work but remain poor and to provide more intensive assistance to help families with serious barriers to employment surmount these barriers. For instance, efforts should be made to improve the performance of the food stamp program in serving eligible working poor families. Benefit restorations could be made to poor households no longer eligible for assistance. Additional efforts are also needed to reach children and parents, primarily in working families who are eligible for health insurance under Medicaid or a state child health insurance program. States should continue to work with families that lose assistance due to non-compliance to ensure that the requirements are understood and that there is a way for these families to overcome the barriers to compliance.(8)

In addition, the formula used to award the "high performance" bonuses provided to some states under the welfare law should be reexamined in the light of the findings discussed here. The federal government could allocate a portion of these funds to reward the states that are most successful in serving low-income working families in food stamps and Medicaid and in reducing child poverty. The bonuses currently are rewarded entirely on state performance in increasing work effort among TANF recipients, an important goal, but one that should be supplemented.

The federal welfare law has provided more funding and more flexibility to states. Many families have benefitted from these changes. Employment has increased, and there has been a greater emphasis on work. The flexibility has allowed states to expand earnings disregards and thereby provide supplemental cash assistance to more families that go to work, to increase funding for child care, to treat two-parent families more equitably, to assist more non-custodial parents, and to experiment with some innovative measures to assist families with the most severe employment barriers. One key aspect of the federal legislation -- federal and state time limits -- had not yet been implemented to any great extent by 1997. Most families will not begin to reach the federal time limits until 2001 or later. In addition, the law has been in effect for only a short period of time, during which states have run budget surpluses.

The wide-ranging features of welfare reform are still being implemented. A final judgment on the law's impacts is premature. Such a judgment should not be rendered until several years after time limits are in full effect and we also have seen how the incomes of the poor change through all phases of the economic cycle, including recession. In the interim, these findings provide a preliminary picture of some of the impacts of welfare reform on the incomes of single-mother families with children. Some aspects of this picture must be considered troubling.

Table 1

Average Earnings and Income of Single-Mother Families by Income Level (1997 dollars) 1993 1995 1997 Change Change

1993 - 1995 1995 - 1997 Average Earnings Poorest Decile $820 $973 $862 $153** - $111* Poorest Quintile $1,270 $1,705 $1,523 $435** - $182** Second Quintile $3,314 $4,956 $5,857 $1,642** $901** Third Quintile $10,044 $13,404 $13,299 $3,360** - $105 Fourth Quintile $20,724 $22,742 $23,687 $2,018** $945 Fifth Quintile $45,738 $47,218 $52,453 $1,480 $5,235** Average Disposable Income Poorest Decile $4,888 $5,688 $4,825 $800** - $863** Poorest Quintile $7,588 $8,627 $7,968 $1,039** - $659* Second Quintile $13,433 $15,754 $15,746 $2,321** -$8 Third Quintile $17,908 $20,304 $20,454 $2,396** $150 Fourth Quintile $25,757 $27,972 $27,454 $2,215* - $518 Fifth Quintile $47,638 $47,960 $51,959 $322 $3,999* *statistically significant, a = .1

**statistically significant, a = .05 Averages in the tables are weighted by persons

Explanation of Table 1

Table 1 shows the average family earnings levels and average family incomes, including government benefits, of single-mother families weighted by persons by income group for 1993, 1995, and 1997. Figures in the "Change" column with asterisks designate statistically significant differences between 1993 and 1995, and between 1995 and 1997. Figures without asterisks indicate that changes were not statistically significant. For example, in the poorest quintile, average disposable income was $8,627 in 1995 and was $7,968 in 1997. This represents a $659 difference or a 7.6% decrease in income, which was found to be statistically significant. The earnings figures in the table represent average family earnings over all single-mother families, including both families with a worker and families without a worker. Average earnings just among families with a worker are higher than the average earnings figures in the table.

Table 2

Income Amounts by Source for Single-Mother Families by Income Level

1997 dollars 1993 1995 1997 Change Change

1993-1995 1995- 1997 Poorest tenth Earnings $820 $973 $862 $153** - $111* EITC $123 $250 $261 $127** $11 Means-tested $2,778 $3,370 $2,706 $592** - $664** income+ Other $1,413 $1,095 $996 -$318 -$99 Disposable income $4,888 $5,688 $4,825 $800** - $863** Poorest quintile Earnings $1,270 $1,705 $1,523 $435** - $182** EITC $171 $399 $472 $228** $73** Means-tested $4,868 $5,163 $4,623 $295 - $540** income+ Other $1,279 $1,360 $1,350 $81 -$10 Disposable income $7,588 $8,627 $7,968 $1,039** - $659* Second quintile Earnings $3,314 $4,956 $5,857 $1,642** $901** EITC $454 $971 $1,369 $517** $398** Means-tested $7,620 $7,594 $6,013 -$26 - $1,581** income+ Other $2,054 $2,233 $2,507 $179 $274 Disposable income $13,433 $15,754 $15,746 $2,321** -$8 + Includes AFDC/TANF, food stamps, SSI, and housing assistance

*statistically significant, a = .1

**statistically significant, a = .05 Averages in the tables are weighted by persons

Note : Tests for statistical significance were not performed on the "Other" source of income category.

Table 3

Child Poverty and Means-Tested Benefits

(in thousands) Calendar Number of Poor Number of Percentage of Percentage Year Children before Children Children Poor Reduction in Receipt of Removed from

before Receipt Child Poverty
Means-tested Poverty by of Government Gap due to benefits Means-Tested Benefits who Means- tested Programs were Removed Benefits from Poverty by Means-Tested Benefits 1989 13,846 2,437 17.6% 52.1% 1993 16,685 2,811 16.8% 52.2% 1994 16,324 3,112 19.1% 52.3% 1995 15,717 3,241 20.6% 52.1% 1996 15,426 2,850 18.5% 49.6% 1997 14,898 2,379 16.0% 45.0% Source: CBPP calculations based on Census data

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1. Means-tested programs include cash assistance such as welfare and SSI as well as non-cash means-tested programs including food stamps, school lunch, and housing assistance.
2. The study does not follow the same families over several years; it is not a longitudinal study. The Current Population Survey is not a longitudinal survey. The CPS examines a representative sample of families, including low-income families, each year.
3. Disposable income includes all cash income including both means- tested and non-means-tested cash transfers, the approximate cash value of means-tested non-cash transfers including food stamps, school lunch benefits, and housing assistance, and the EITC, less state and federal income and payroll taxes.
4. This is statistically significant at the 90 percent confidence level.
5. This is statistically significant at the 90 percent confidence level. Several other statistical tests show this finding to be robust and not a product of data anomalies at the bottom of the income distribution.
6. These families also gained an average of $274 in "other" income. The increase in earnings of $901 plus the increase in the EITC of $398 and an increase in other income of $274 minus the reduction of $1,581 in means-tested benefits meant these families had average incomes of $8 less in 1997 than in 1995. ($901+$398+$274-$1,581=-$8). The $8 change is not statistically significant.
7. The average disposable income of the middle fifth of single mother families did not change significantly from 1995 to 1997. Their average disposable incomes jumped by $2,400 from 1993 to 1995. The fifth of single mother families with the highest disposable incomes experienced a large boost in income from 1995 to 1997, of $4,000 on average. From 1993 to 1995 their disposable income increased by $320 on average.
8. The states of Tennessee and Connecticut have implemented innovative approaches in this area.

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END

LANGUAGE: ENGLISH

LOAD-DATE: June 2, 1999

The Atlanta Journal and Constitution

May 19, 1999, Wednesday, ALL EDITIONS

SECTION: Gwinnett Extra; Pg. 1JJ

LENGTH: 675 words

SERIES: Home, An occaisonal series.

HEADLINE: POVERTY IN THE PROMISED LAND;
Food stamp use in decline;
Factors include better jobs, economy, tighter restrictions

BYLINE: Craig Schneider, Staff

BODY:
Food stamp cases in Gwinnett County have dropped 27 percent in the past two years, officials said Tuesday.

Welfare officials said the fact that there are 1,133 fewer cases is due largely to the county's robust economy and abundance of jobs. It's also in keeping with state and national trends.

But they acknowledged that other factors have contributed to the decline, such as stricter eligibility rules for immigrants and time limits on collecting food stamps for childless, unemployed adults. These reasons do not reflect a decline in local poverty, they noted, as much as tougher national welfare reforms adopted in 1996.

Gwinnett still had 2,999 food stamp cases as of March, said Susan Savage, a supervisor for the county Department of Family and Children Services. A case is a family or individual collecting food stamps.

The decline in food stamp recipients has meant less spent in taxpayer dollars. In Gwinnett, the figure dropped by $ 1.5 million to $ 7.8 million from 1997 to 1998.

Still, operators of local food pantries say the downturn doesn't tell the whole story.

"Poverty is definitely not going away in Gwinnett," said Shirley Cabe, director of the Norcross Cooperative Ministry, which provides the needy with food, clothing and emergency rent assistance. "Our numbers have gone up."
Employed, still needy

Cabe's ministry helped 300 families in April, she said, compared with 232 in April 1998. With more people coming in for help, five of the six cooperative ministries in Gwinnett are moving into or planning larger quarters. Several say that as people come off public assistance, many move into low-wage jobs that keep them needy.

Shawn Myers, a 24-year-old single mother of three, talked about her struggle Tuesday as she reapplied for food stamps in the Lawrenceville welfare office. She was cut off from benefits after missing an appointment with a caseworker about a month ago. She had been receiving $ 321 a month.

"Gwinnett is in denial about its poverty. I know a lot of people who are receiving food stamps and still working," said Myers, who has collected them on and off for 10 years. Child support comes every now and then.

She works at the Motorola assembly line in Lawrenceville and takes vocational courses on management at Gwinnett Tech. "At $ 8 an hour, with three boys, I don't make a lot of money," she said.

To qualify for food stamps, a family can earn 130 percent above the poverty level. For example, a household of three people with no income can receive up to $ 329 a month in benefits.

Stricter eligibility rules targeted legal immigrants, making many of them ineligible for food stamps. Those who retain eligibility include those connected to the military, children and the elderly who were in the country before August 1996, and those in families who have worked a combined 10 years in this country.
Transitions to work

In general, able-bodied, jobless adults without children can collect food stamps for only three months over a 36-month period. However, they can collect for more months in that period if they start job training.

Nationally, use of food stamps has dropped by 27 percent since 1996. In Georgia, the figure has dropped 20 percent. Part of the decline is linked to drops in other forms of welfare, particularly Temporary Aid to Needy Families. Caseworkers are pressing hard for these clients to get jobs. As they become employed, many earn too much to qualify for food stamps.

Ellen Vollinger, legal director for the Washington-based Food Research and Action Center, said many people coming off TANF are not aware they still qualify for food stamps.

"People are not being told that they still may be eligible for food stamps," said Volllinger. Some welfare offices have old computer programs that mistakenly take a person leaving TANF off all benefits, she said.

Savage, however, said that Gwinnett caseworkers are instructed to inform clients of all their eligible benefits and that the computers are updated to handle today's policies.

GRAPHIC: Photo
"I know a lot of people who are receiving food stamps and still working," says Shawn Myers, who works at Motorola and was reapplying for the stamps at the Lawrenceville DFACS office. / PAM PROUTY / Staff

LOAD-DATE: May 19, 1999

LEVEL 1 - 10 OF 31 STORIES

Milwaukee Journal Sentinel

May 17, 1999 Monday Final

SECTION: News Pg. 1

LENGTH: 841 words

HEADLINE: Thousands of kids remain poor despite working parents, report says

BYLINE: MARY BETH MURPHY

SOURCE: Journal Sentinel staff

BODY:

Tens of thousands of Milwaukee County children continue to live in poverty, despite the increased work efforts of their parents, according to a report to be released today on the state of Milwaukee's youngest children.

And child care, food stamps and medical assistance -- services critical for low-income families struggling to become self-sufficient -- continue to be underused, the study says.

"For too many children, Milwaukee is a poor community," said Joyce Mallory, executive director of Start Smart Milwaukee, which will issue its sixth annual report at a noon luncheon at the Italian Community Center. "The report wasn't designed to point blame but to simply report facts as they exist . . . and to say this is not acceptable."

This year's report features a new "Spotlight Series" on family income and economic support to determine how well Milwaukee children, from birth to age 6, are faring after the transition from public assistance to the Wisconsin Works (W-2) welfare reform. That report was written by Lois Quinn of the University of Wisconsin-Milwaukee's Employment and Training Institute, in consultation with Mallory.

Anne Arnesen, director of the Wisconsin Council on Children and Families, called the findings on family income and economic support sobering.

"It confirms again what we have known -- it's not a pretty picture what's happening in Milwaukee to kids," Arnesen said. "In this zeal to reform welfare, a lot of kids are losing out on programs they need."

Among the Spotlight Series findings:

65,000 fewer children receive public income support than five years ago.

State tax returns for the last five years show a 39% increase in Milwaukee County single parents classified as "working poor." One out of every three employed single parents had income below the poverty level in 1997 and two out of three had income below 185% of poverty.

Nearly half of employed families with children in Milwaukee County were headed by single parents. The poverty level for a family of four is $16,050; 185% of poverty would be $29,692.

Only one in five full-time job openings with no education or experience requirements paid enough to support a family of four above the poverty level.

More than 111,500 Milwaukee County children were in families with income below 185% of poverty. Of those, at least 92,000 children were in employed families with income below 150% of the poverty level. Of those, at least 61,000 children were in employed families with earnings below poverty in 1997.

In spite of the state's increased funding for day care and a near doubling of children receiving county-administered day care, less than 15% of eligible Milwaukee County children get day care assistance.

At the same time, enrollment in Head Start programs -- which prepare low-income children to start school -- has declined 11% since 1994. Because parents now are working full time under W-2 requirements, and Head Start is a half-day program, parents frequently can't arrange transportation.

Food stamp and medical assistance benefits declined among eligible families.

Although the number of working poor families has increased, the number of children receiving food stamps dropped by nearly 30,000 (34%) from 1993 to 1998. Yet, in 1998, 73%, or 72,989, of the students enrolled in Milwaukee Public Schools were eligible for free or reduced price lunches. That same year, the Hunger Task Force's Emergency Food Pantry Network served an average of 30,246 people a month, more than half of whom were children.

From 1993 to 1998, the number of children with medical assistance dropped by 12,233, or 14%.

Jean Rogers, economic support administrator for the state's Department of Workforce Development, which developed the W-2 program, said Wisconsin is a national leader in the number of comprehensive programs it runs for children. Rogers said the decline in food stamp use is a national issue and Wisconsin has more extensive food stamp coverage than most other states.

"The main concern I would have with the report is that the tone is on the negative -- which has always been the problem with the way some people look at these programs -- instead of focusing on the positive," she said.

The bright news in the economic report is that more families are working and "hopefully over time we'll see them earning more," Mallory said.

Among other findings in the overall report:

Improvements continue in lead abatement, immunizations and the number of women receiving early prenatal care.

There has been little change over the past five years in the number of babies born in Milwaukee County to teen mothers -- 17% of all babies born in 1997 in

The Milwaukee Journal Sentinel May 17, 1999 Monday

the county were to mothers younger than 20.

50% of all babies born in Milwaukee County in 1997 were to single mothers.
There has been little change in the annual percentage of low birth-weight babies born in Milwaukee County since 1993. The city's rate -- 10.1% of total births -- is double that of surrounding suburbs.

GRAPHIC: Chart
Alma Ayala
Journal Sentinel, Start Smart Milwaukee

Fewer using services
Families not on W-2 remain eligible for
food stamps and medical assistance, but these federal entitlement programs continue to show declines in Milwaukee County.

LOAD-DATE: May 18, 1999

LEVEL 1 - 11 OF 31 STORIES

The Associated Press State & Local Wire

May 2, 1999, Sunday, AM cycle

SECTION: State and Regional

LENGTH: 829 words

HEADLINE: To dismay of anti-hunger activists, Texas leads U.S. in food stamp drop

BYLINE: By MICHELLE MITTELSTADT, Associated Press Writer

DATELINE: WASHINGTON

BODY:

More than 1 million people have vanished from Texas' food stamp rolls in the last three years, to the dismay of anti-hunger activists who say the drop cannot be attributed solely to the state's vibrant economy or federal welfare policy changes.

No state has experienced a sharper caseload decline than Texas, which has seen its rolls shrink by 41 percent between 1996 and this year. Nationally, food stamp enrollment is down 28 percent.

"Clearly, this is a national problem and it's not only in one state," said Ellen Vollinger, legal director of the Food Research and Action Center, a Washington, D.C. group working to eradicate domestic hunger. "But there are degrees, and Texas is at one end of the spectrum."

The Agriculture Department, which oversees the federal food stamp program, reported 1.44 million Texans received food stamps in January. By contrast, 2.45 million Texans were on food stamps in January 1996.

FRAC and other advocates for the poor acknowledge that caseloads nationally and in Texas owe some of their decline to good economic times and welfare policies that place a new premium on moving people off welfare and into the workforce.

But with Texas' poverty rate declining by less than 3 percent and applications for food stamp assistance remaining relatively stable in recent years, they say other factors are at play.

They blame confusion over Congress' 1996 rewrite of federal welfare laws affecting food stamps and other safety net programs.

Congress abolished the Aid to Families with Dependent Children program, replacing it with Temporary Assistance to Needy Families - a time-limited cash assistance program.

Welfare recipients have a maximum five years' eligibility for TANF over their lifetimes. Because of that time clock, welfare caseworkers are urging their charges to find work and not apply for TANF if they can avoid it.

Unlike TANF, food stamps are not time-limited and remain available to the working poor. But the fear is that caseworkers mistakenly are ending food stamp aid for recipients when they leave TANF for jobs or when their TANF eligibility ends.

"I don't want to suggest that there's any kind of conspiracy going on to deny people food stamps," said Celia Hagert, a nutrition policy analyst with the Austin-based Center for Public Policy Priorities.

But, she added, "I think caseworkers were given the message that they should encourage people coming in the door to apply for a job instead of getting TANF cash benefits. And I think that message got mixed up and people got the impression that they shouldn't apply for (food stamps)."

The Texas Department of Human Services attributes the caseload decline to the increased availability of jobs. "We really do think the economy has a very large role in the decline," said department spokeswoman Sherron Heinemann.

Metropolitan areas such as Dallas and Houston that have posted significant job gains account for most of the caseload decline, she said.

But the Department of Human Services is taking pains to remind its staff of the different eligibility thresholds for TANF and food stamps.

"There have been a number of messages that have gone out to staff," Ms. Heinemann said. "Probably in the last six months to a year, there's been more awareness on our part that there may have been confusion out there."

As for anti-hunger groups' belief that the food stamp caseloads are too low - a conclusion reflected, they say, in the growing clientele seen by emergency food pantries and soup kitchens - Ms. Heinemann said: "I don't know that we really have a sense that they are lower than they should be."

But federal officials are worried about the plummeting caseloads.

"There is a concern that the numbers have fallen faster than can be explained by the improved economy, welfare reform, things like that," said Phil Shanholtzer of USDA's Food and Nutrition Service. "One of the concerns is that people don't realize as they make the transition from welfare to work that they may be able to retain some of their eligibility for food stamps."

Individuals earning less than $ 873 monthly, or $ 1,783 for a family of four, are eligible for federal nutrition assistance.

Food stamp recipients receive an average $ 71 per person monthly, with the maximum for a family of four capped at $ 419 monthly.

The Agriculture Department this month set up a toll-free phone number to provide information about food stamp eligibility and benefits.

And USDA and the Department of Health and Human Services are reaching out to state agencies to make sure they are aware of the eligibility guidelines and share that information with the public.

Ms. Vollinger calls the food stamp decline an "unanticipated consequence" of Congress' policy changes.

"I don't think anybody realized how implementing TANF might have spillover effects on how people would access food stamps," she said.

The USDA food stamp toll-free information line is 1-800-221-5689.

LANGUAGE: ENGLISH

LOAD-DATE: May 2, 1999

Los Angeles Times

April 28, 1999, Wednesday, Home Edition

SECTION: Metro; Part B; Page 1; Metro Desk

LENGTH: 764 words

HEADLINE: WELFARE TIME LIMIT BOOSTS HUNGER AND HOMELESSNESS, 2 STUDIES FIND

BYLINE: CARLA RIVERA, TIMES STAFF WRITER

BODY:

Los Angeles County's imposition of time limits on general relief welfare benefits has done little to help recipients find work and instead has plunged many of them into greater homelessness, two surveys released Tuesday have found.

The loss of benefits has also increased hunger and forced recipients to rely on soup kitchens, shelters and other community organizations for their well-being, according to the independent surveys conducted by researchers at UCLA and the nonprofit Shelter Partnership.

The findings are based on surveys of 276 people who were terminated from the general relief program after the county Board of Supervisors last year restricted cash aid to five out of 12 months. About 15,000 people lost their monthly $ 221 cash grant, although they remained eligible for food stamps and health care.

"We believe the adverse impacts of general relief time limits, especially in the areas of such basic human needs as food and housing, are substantial enough to warrant reexamination of the county's policy," said Ailee Moon, an associate professor of social welfare and coauthor of the study. The survey was funded in part by the Los Angeles Coalition to End Hunger and Homelessness and the Institute for the Study of Homelessness and Poverty.

At a joint news conference, Assemblyman Gil Cedillo (D-Los Angeles) called for the elimination of time limits on the cash benefits. Cedillo has introduced legislation that would provide a state match to the federal food stamp employment program for counties that eliminate time limits. The funds would be used to boost job training and education programs and for transportation and other social services.

In a statement read at the news conference, Cedillo said: "Time limits on the receipt of aid increase the misery and despair that very impoverished people experience; it clearly does not lead them to successfully find and keep employment."

Although general relief is a state-mandated program, legislators allowed counties to impose time limits in response to the financial squeeze of growing caseloads. More than half of all people on general relief in the state reside in Los Angeles County. In February, the caseload numbered about 58,000 people, down from 80,000 a year ago. Cash aid is restricted to unemployed adults with no dependents who are generally ineligible for other forms of aid.

Many advocates had predicted more hardship after the introduction of time limits, but surveys released Tuesday were the first to document the strains.

Moon interviewed 174 recipients throughout Los Angeles County. Among the findings: 15% of the respondents lived on the streets before the cutbacks, while 38% lived on the streets afterward; 81% of the respondents ate at least twice a day before the cuts, but only 32% ate two meals a day when the cuts were imposed; 61% were able to get where they needed to go before the cuts while 23% said they could not get around afterward.

Shelter Partnership conducted 102 interviews. Most of the results closely resembled the UCLA findings. The number of respondents who reported living in a homeless shelter doubled from 31% before the cuts to 61% after. Additionally, many of the respondents were extremely socially isolated, with 38% saying they had no friend or relative in Los Angeles.

In one area where the surveys diverged, a lower percentage of the UCLA respondents, 65%, reported looking for a job after losing general relief benefits compared with 72% before the cuts. In the Shelter Partnership survey, 45% of all respondents reported looking for work more often after losing benefits. However, 84% said they failed to find work.

Most said they were hampered by having no fixed address, no means of transportation, and a lack of training and skills. Both studies found that participation in a job training program led to more successful job searches and increased self-sufficiency.

County officials cautioned that the surveys were small and might not be representative of the entire welfare population. And Patricia Knauss, who is in charge of general relief programs for the Department of Public Social Services, said the surveys did not take into account a new job training program launched in February that provides more aid for welfare recipients.

The new program provides welfare-to-work services, such as skills assessment, classroom training, job search assistance and motivational support. Recipients can receive aid for six months and if complying with all requirements can receive an additional three months of cash benefits.

LANGUAGE: English

LOAD-DATE: April 28, 1999

Sarasota Herald-Tribune

April 26, 1999, Monday, ALL EDITIONS

SECTION: A SECTION, Pg. 1A

LENGTH: 872 words

HEADLINE: Many may still be eligible for transitional benefits

BYLINE: Bebe Bahnsen STAFF WRITER

BODY:

The state has managed to cut cash assistance to 118,000 people, but it still provides some benefits to those who are struggling in low-paying jobs.

The problem, those who work with former welfare recipients say, is that many people don't know they're still eligible for those benefits.

Under certain circumstances, former welfare recipients can get Medicaid, food stamps, child-care subsidies, job training and help paying for transportation to work.

Federal officials point to a decline in food stamp use as an indication that some people mistakenly believe they no longer qualify. In Florida, it dropped 32 percent - the 10th-largest decline nationwide - between 1995 and 1998.

"There does seem to be a misperception that these programs are no longer available to people who have a job . . ." said Julie Paradis, undersecretary for food, nutrition and consumer services for the U.S. Department of Agriculture, which administers the Food Stamp Program. ". . . Many families are working at jobs that do not provide income enough to allow them to rise above the poverty level."

Food bank officials in particular are afraid that people who unnecessarily dropped out of the food stamp program are going hungry or coming to them. Many pantries are running out of supplies, unable to meet the increasing demand.

"Our shelves are very low right now," said Kay Durandetto of the Seventh- day Adventist Community Service Center in Port Charlotte, a common refrain among Southwest Florida food banks.

Requests for food have increased 40 percent over the past year at the All Faiths Food Bank in Sarasota. Supplies there have been so low at times that volunteer food sorters have been sent home.

"There are 102,600 meals (monthly) that we're responsible for distributing now so that people can eat now," said Director Amy Goetz.

The story is the same in Charlotte County.

"We're projecting to increase our distribution by 60 percent in Charlotte County," said Hawley Botchford, director of the Harry Chapin Food Bank in Fort Myers.

Manatee County, inexplicably bucking the national trend, is faring better, with the demand beginning to taper off there.

"When it (welfare reform) first went into effect we saw more of a demand than we have recently," said Ellen Campbell, director of Meals on Wheels Plus, which serves as Manatee's main food bank.

Stepped-up efforts

The USDA has begun prodding states to do a better job of informing former welfare recipients that they may still qualify for food stamps and other benefits.

Part of the problem may be that the criteria to be eligible for such benefits and the time periods for receiving them vary.

They can receive food stamps indefinitely, as long as their incomes remain low and they continue to comply with WAGES regulations. Even when parents are cut off, their children may be eligible for food stamps and Medicaid.

For up to one year after getting a low-paying job, they may be able to get Medicaid coverage and transportation assistance - bus tickets, gas vouchers, auto repairs, etc. For up to two years after getting a job, they may be eligible for child-care assistance and education and job training.

"We have stepped up our efforts to work with states to make sure they're administering the food stamp program consistent with the law and in a way that supports working families," Paradis said.

Florida WAGES Chairman Michael Poole said that changes are in the works to improve how the program informs former welfare recipients about their eligibility for food stamps and other benefits.

"I would say that our service delivery, as it relates to welfare programs, is not customer-friendly," he said. "We can do a better job of making sure welfare clients know when they go off of cash assistance that they can still qualify, based on income, for the other welfare programs that the federal government and the state offer."

Virginia Judge, chairwoman of the Sarasota-Manatee WAGES coalition, admitted there's room for improvement.

"I think there has to be a better job done explaining to the WAGES clients what's out there for them in the transition time," she said.

The Florida Legislature is trying to pass laws to make sure the coalitions do that.

The Senate has passed a bill this session that would require WAGES coalitions to improve their methods of informing welfare recipients about transitional benefits.

And a House committee passed a bill that details what WAGES coalitions must do, including developing written information about benefits that can be given to clients. A final bill must be worked out between the House and the Senate.

Don Winstead, Florida's welfare reform administrator, said getting people to take advantage of the transitional benefits will save the state money in the long run.

Staff writer Bebe Bahnsen can be contacted at 486-3069 or at bahnsen£aol. com.

Interested?

For information about food stamp qualifications, call:

* 316-6000 in Sarasota County

* 741-3001 in Manatee County

* 613-2000 in Charlotte County

To volunteer or contribute food to a pantry, call:

* All Faiths Food Bank, Sarasota, 379-6333

* Manatee County Food Bank, Bradenton, 747-4655

GRAPHIC: PHOT;

Volunteers help people picking up food from the Englewood Bible Church in Englewood, where demand for food has doubled in the past year.;

STAFF PHOTO/AMY SHARPE

LANGUAGE: ENGLISH

LOAD-DATE: April 27, 1999

LEVEL 1 - 44 OF 115 STORIES

The New York Times

April 17, 1999, Saturday, Late Edition - Final

SECTION: Section A; Page 1; Column 3; National Desk

LENGTH: 1339 words

HEADLINE: Most Get Work After Welfare, Studies Suggest

BYLINE: By CAREY GOLDBERG

DATELINE: BOSTON, April 16

BODY:

From Idaho to South Carolina, a growing collection of state reports are coalescing into a preliminary but increasingly suggestive picture of the fates of the millions of Americans who have left the welfare rolls under new restrictions, from the success many have at finding jobs to the hunger some endure.

In Washington State, former welfare recipients earn a median hourly wage of $7.40, while in South Carolina the average is closer to $6. In Kentucky, people who leave welfare tend to work in retail or service jobs; in Maryland, both wholesale and retail trade dominates among new paychecks.

And in general, according to the early and possibly over-optimistic glimpse these studies offer of life months after welfare, about two-thirds of former recipients find jobs and about one-fifth find themselves worse off than before.

In the latest such detailed study to come out in Massachusetts, a report released today found that 71 percent of people who got off and stayed off welfare reported a year later that someone in their household was working, and 86 percent reported that their families were at least as well off as in their welfare days. Among those here working full time after a year, the average weekly earnings were $323.

The report "is very, very good news," said Claire McIntire, the state commissioner of what used to be called public welfare and is now called transitional assistance. But, Ms. McIntire said, it also "clearly points out areas we need to keep working on."

Those areas include hunger and food stamp use, Ms. McIntire said. The study found that three months after leaving welfare, about 10 percent of former recipients reported having gone hungry, the same percentage as reported having gone hungry while still on welfare. But though the number did not change, the length of time they said they went without food grew, reaching 10 days or more in several cases.

Also, food stamp use, in keeping with a national phenomenon, looked low: only 6.5 percent of the households still off welfare after a year were receiving food stamps, even though many more were eligible.

Such studies tend to present an overly rosy picture, officials acknowledge, because they depend on a small sample -- 210 households, in the case of Massachusetts -- of welfare recipients willing to be interviewed, and those worst off are by nature tougher to find and less willing to talk. Nonetheless, they do suggest that the pattern of widespread deprivation feared by critics of welfare changes has not yet materialized, though they also document a measurable minority that is clearly worse off.

Like many reports on welfare reform, the Massachusetts study "is a case of whether the glass is two-thirds full or one-third empty," said Lawrence Bailis, a poverty and welfare expert at Brandeis University. Some people are clearly better off, Mr. Bailis said, "but our data and the welfare department data showed there are people falling through the cracks."

In addition, the main thing to keep in mind about such reports is that they are essentially best-case scenarios, cautioned Deborah Harris, a staff lawyer for the Massachusetts Law Reform Institute. "It shows what happens in a booming economy, when the people who are most likely to be able to survive without welfare leave welfare, and are not being forced off by a time limit," Ms. Harris said. "And even so," she added, interpreting data from the innards of the 61-page report, "only slightly more than half had family income from earnings after a year."

The Massachusetts economy is indeed booming, with the latest unemployment rate at 2.8 percent. But the state's welfare numbers are much the same as those turning up elsewhere, said Sheldon Danziger, a professor of social work and public policy at the University of Michigan who is working on Michigan's tracking of former welfare recipients. In particular, the finding that about two-thirds of former recipients are working is about par, Professor Danziger said.

"What I would say is that there are no longer people on welfare who were the stereotypical case that upset the public -- that is, people who could have gotten jobs but stayed on welfare -- because all those people have been pushed off," he said.

So now, the two-thirds proportion many researchers are finding "raises the issue of whether there are people who are truly needy who are not getting anything under the new system," Professor Danziger said. "My own view is that some recipients being forced off the rolls are going to need some sort of guaranteed work-for-your-welfare position of last resort" in a sheltered environment, because private employers will not hire them.

Here in Massachusetts, time limits on certain welfare recipients have begun to kick in, and thousands have exhausted their two-year maximum and are being knocked off the welfare rolls. Advocates for the poor complain that the state is unusually tough about granting extensions to those who apply.

Intentionally, Commissioner McIntire said. Otherwise, she said, "we wouldn't have a time limit."

But the report, advocates said, highlights the kinds of troubles awaiting those who lose their welfare benefits now. The report showed that about one-quarter of those who left welfare got back on it, Ms. Harris pointed out. Other states have shown similar numbers, with 24 percent of families returning to welfare within three months in Michigan, 19 percent in Maryland and 38 percent in New Jersey, according to a compilation by the National Conference of State Legislatures.

But with new time limits, many would lose that option, Ms. Harris and other advocates emphasized. And those who remain on the rolls are likelier to be in more difficult situations than those who promptly left.

Brian Flynn, a lawyer at Greater Boston Legal Services, offered as an example his client, Rene Marvel, whose request to get back on welfare after she lost her job was recently denied. Ms. Marvel was told -- incorrectly, Mr. Flynn said -- that she could not get food stamps without welfare. So, though she is scraping by raising a family of five children and sometimes goes hungry, she has not applied, Ms. Marvel said.

"They referred me to the food pantry," she said. "They don't tell you what you really need to know. They tell you what they want you to know, which is that you've been on assistance for this amount of time, you need to find a job."

Ms. McIntire said Massachusetts officials were investigating why the rate of food stamp use was so low, and would not tolerate hunger in the commonwealth. The state is gathering more data and looking into programs to get more information about food stamps to current and former welfare recipients who do not realize it is a separate program with separate eligibility, and will also move to make the stamps easier to apply for, she said.

The Massachusetts report highlighted an array of other telling aspects of life after welfare. It found, for example, that a year out, nearly 18 percent of respondents reported income over $500 a week, while 12 percent reported income below $150. Households also reported greater debt a year out than earlier on, with 20 percent reporting debt of over $10,000, compared with 17 percent after three months.

What the report did not answer, however, was a central mystery of welfare reform: how the many thousands of people who have dropped off the welfare rolls but are not working are managing to support themselves.

In the Massachusetts report, Ms. Harris said, 23 percent were "off welfare and not working, and we have no idea what their sources of income were."

Ultimately, said Mr. Bailis of Brandeis, the bottom line of the report must be that "even if most are better off, we as a society have a concern for people who are in trouble, and our data and these data showed hungry kids."

"I know the commonwealth has planned all kinds of steps to make sure people don't fall through the cracks," he said, "but this is suggesting that even more may be needed."

LEVEL 1 - 69 OF 115 STORIES

The Washington Post

March 07, 1999, Sunday, Final Edition

SECTION: A SECTION; Pg. A02

LENGTH: 975 words

HEADLINE: Drop in Food Stamp Rolls Is Worrying Officials

BYLINE: Judith Havemann, Washington Post Staff Writer

BODY:

Advocates for the poor and some members of Congress are alarmed by a steep drop in the number of Americans receiving food stamp assistance and have begun pressing for changes to ensure that poor families have enough to eat.

Nearly 8 million Americans have left the food stamp rolls during the past four years, a 28 percent reduction that is far greater than the decline in poverty for roughly the same period, according to new federal figures.

Agriculture Secretary Dan Glickman said that suggests "that a lot of poor families left the program even though the need was still there."

The combination of plummeting food stamp rolls and a similar, but smaller decline in the number of people in Medicaid, the health insurance program for the poor, has fueled concerns among advocates for the poor that the 1996 federal welfare reform law may be discouraging some families from seeking needed aid. Private food pantries and charitable organizations have reported an increased demand for food assistance.

Rep. Nancy L. Johnson (R-Conn.), chairman of the Ways and Means human resources subcommittee, said the declines are "quite mysterious" and need to be investigated because they "far exceed expectations." Johnson said that the availability of health care benefits is "core" to whether welfare reform succeeds and that it is unclear whether states are doing enough to inform poor families of their eligibility for assistance. She plans to hold hearings to draw attention to the problem.

State welfare officials, meanwhile, will converge on Washington today to ask Congress to abolish rules that they say are an obstacle to getting food stamps and are incompatible with welfare reform. For example, they say, it is absurd that a low-income family with a car valued above $ 4,650 is almost automatically ineligible for food stamps when some state welfare agencies are helping welfare families obtain cars to get to work.

The state officials, members of the American Public Human Services Association, also will urge the Agriculture Department to reduce some of the program's red tape, including requirements that states continually summon recipients to county welfare offices to recertify their eligibility.

But advocates for the poor charge that the real problem may be the states themselves.

The welfare application process traditionally has been the main entry point for food and medical assistance, as well as cash. Since the 1996 welfare reform law was passed, some states have been "diverting" poor families from welfareby making them search for jobs or giving them a onetime payment to tide them over. Food advocacy groups say that welfare rules have also "diverted" families from the food stamps and medical insurance that the families need more than ever.

The groups cite studies showing that only about half of the decline in food stamp usage has been propelled by a booming economy and changes in the law that have made about 700,000 legal immigrants ineligible. The rest of the drop, they say, is a result of states discouraging potential applicants, intentionally or inadvertently, because workers are so focused on moving them into jobs.

Moreover, welfare reform has stigmatized all forms of aid, they say, making many poor families reluctant to apply for government help of any kind. Some Americans are simply unaware that they are poor enough to qualify for food stamps if they earn less than $ 1,783 a month to support a family of four. Also, many former welfare recipients are not told they are entitled to at least six months of Medicaid benefits to help them make the transition to work, these advocates say.

" 'Kinder, gentler' is a thing of the past," said Rep. Fortney "Pete" Stark (D-Calif.). "Some states . . . have been illegally telling people they are no longer qualified."

Second Harvest, which operates the largest network of food banks in the country, said that demand is up, particularly among families, but said it was unable to compare the 26 million people who sought help during 1997 with earlier years.

Rep. Robert T. Matsui (D-Calif.) called for a review of the rules that govern food stamp and Medicaid eligibility, while Rep. Robert W. Goodlatte (R-Va.), chairman of the Agriculture subcommittee that oversees food stamps, said he would favor efforts to turn over the food stamp program to the states in the same manner as welfare if there is broad support for such a move.

Douglas Besharov, a senior fellow at the American Enterprise Institute, said the decline in Medicaid and food stamp rolls is not fully understood. But he said some of it represents a common-sense decision by recipients who don't want to miss a day of work every six months to visit welfare offices to qualify for a small allotment of food stamps. Moreover, because poor people can sign up for Medicaid when they visit an emergency room, they are less inclined to go through the sign-up process when they are not in immediate need of care.

"There is no evidence of a significant increase in the level of hardship the poor are facing, and evidence, in fact, that the condition of the poor has improved," Besharov said.

Food stamp usage fell from 27.5 million in 1994 to 19.8 million last year, while those living in poverty fell from 38.1 million to 36.6 million in 1997, the last year for which figures are available.

The Medicaid rolls fell from 41.4 million to 40.3 million during the same period, even as federal and state health officials beat the bushes to extend health insurance to the many qualified uninsured families.

FOOD STAMP DROP

The number of people who receive food stamps fell from a high of 27.5 million in 1994 to 19.8 million last year.

Number of recipients, in millions

1991: 22.6 million

1994: 27.5 million

1998: 19.8 million

SOURCE: Agriculture Department

GRAPHIC: Chart, The Washington Post

LANGUAGE: ENGLISH

LOAD-DATE: March 07, 1999

The New York Times

February 26, 1999, Friday, Late Edition - Final

SECTION: Section A; Page 1; Column 1; Metropolitan Desk

LENGTH: 3018 words

HEADLINE: Welfare Policies Alter The Face of Food Lines

SERIES: EMPTY SHELVES: First of two articles.

BYLINE: By ANDREW C. REVKIN

BODY:

Twenty months ago, after more than a decade on public assistance, Ann McGinniss transformed herself from a welfare mother into a working mother.

She now follows the rhythms of suburban parenthood, rising before dawn to prepare her daughter and son for school, then driving from her home in Peekskill, N.Y., to her bookkeeping job at a nearby car dealership.

Her income -- $290 a week, take home -- means she is doing too well to qualify for food stamps. Yet after rent, car payments, insurance and utilities, she says, she has almost no cash left for food. So almost every weekend, she reverts to a ritual of poverty. She enlists her 12-year-old son to help her lug bags of groceries gleaned from food pantries in the basements of churches in their community 30 miles north of New York City.

She is 40 years old now. Work, she had hoped, would allow her to end a life of dependency. But she has simply come to rely on private largesse instead of public aid. "I'm tired of always having to say, 'Please help me,' " she said.

Ms. McGinniss is part of a stream of low-wage workers, retirees and refugees from public assistance who are swelling the lines at soup kitchens and food pantries across America.

Some, like Ms. McGinniss, are the welfare-to-work versions of an old phenomenon: the working poor caught in the middle -- too well off for public assistance but not well off enough to make it on their own. Some are immigrants, here legally but cut off from food stamps under new Federal welfare laws. Some are following a path of least resistance: rather than jump through hoops meant to tarnish the appeal of public aid, they are turning to private charities that ask few questions and require little in return for the food they give away. And some are lining up for free food simply because it is there.

Together, they are changing the face of food lines long occupied by the addicted, the disabled, the generally down-and-out. And they may help explain a puzzle confronting poverty analysts: Why have the lines kept growing when unemployment is at its lowest level in a generation and the economy has remained healthy for years?

Statistically, the picture remains murky. Neither the charities nor the Federal Government have done detailed year-by-year studies of food charities or their clientele. Even so, several states have measured a steady growth in the doling out of free food.

In New York, the number of grocery handouts and soup kitchen meals rose dramatically between 1987 and 1995, from 13.5 million to slightly more than 21 million. And officials believe the growth has continued.

Across the country in Arizona, the picture looks much the same. After holding fairly steady from 1990 to 1993, the number of meals distributed through the statewide food-charity network has since risen 50 percent. And a 1997 study found that 41 percent of the network's client families had at least one person with a job.

The reasons for this rising demand are not much more precise than its statistical dimensions. But on both sides of the ideological aisle, many agree that tough welfare policies -- and general squeamishness about public assistance these days -- have had some role in lengthening the food lines.

Most of all, attention has focused on food stamps: specifically, on a deep and unexpected drop in the number of people receiving them, from 28 million to fewer than 19 million over the last four years.

Federal food-stamp officials and advocates for the poor say this decline is far too steep to be attributed simply to welfare-to-work success. Many people, they believe, remain eligible for food stamps, but are shying away or being pushed away by overzealous local officials. And there is growing evidence, they say, that significant numbers of them are finding their way to the food lines. Indeed, it was just that concern that late last year led the Department of Agriculture, which runs the food-stamp program, to commission the first Federal study of who receives private food handouts and why. Findings are expected in July 2000.

Nowhere, perhaps, is there a starker sign of such a shift than in New York City, where workers at certain welfare offices, rechristened "job centers," began encouraging applicants last year to go to food pantries instead of seeking food stamps. Last month, a Federal judge ruled that this and other new welfare application procedures had improperly denied people prompt access to food stamps and health coverage.

But a far fuller accounting comes from Wisconsin, which recently released a study of its welfare-to-work program, generally seen as the most rigorous and far reaching in the nation. While the state has had great success in moving people into jobs, the study found that after leaving the rolls, families were 50 percent more likely to say they did not have enough money for food. In all, nearly a third reported such problems.

Some conservative groups that have helped shape new welfare policies say that while tighter rulesmay have lengthened the lines, the shift from public to private aid is overdue. Charity, they say, is the responsibility of communities, not governments.

Other conservatives, though, question whether the lengthening food lines reflect dire need. Indeed, some of them say, if the private charities followed the trend in welfare offices and required work or stricter means tests, the lines would shrink. In essence, they say, the food pantries and soup kitchens are the last bastions of the free lunch.

"You're always going to find recipients diverted to the most lenient welfare system," said Robert Rector, a welfare analyst at the Heritage Foundation, a conservative research group in Washington. "They are breeding their own clientele."

But many liberal analysts and food-charity workers insist that, in most cases, the need is quite genuine. "Most people who don't have a real need don't go stand in lines at soup kitchens," said Robert Greenstein, executive director of the Center on Budget and Policy Priorities, a research group in Washington.

Whatever their motivation, rising numbers are repeat customers, not just people seeking a one-time boost to get through a crisis. And the growing presence of working people is leading the charities to adjust their schedules and their style.

A year ago, the pantry at St. Joseph's Church in the Rockland County community of Spring Valley, N.Y., began opening up on Wednesday evenings; 5:30 on a recent Wednesday brought a virtual rush hour, largely made up of working immigrants from Haiti. By 6, more than 100 shopping bags loaded with canned goods, bread and snacks were gone.

And at the Church of St. Paul and St. Andrew's food pantry on the Upper West Side of Manhattan, food is now displayed on shelves like those in a supermarket, rather than simply handed out in bags. The new setup, workers there say, dulls the stigma of accepting a handout.

"We've seen demand triple in the last 10 years," said Doreen Wohl, executive director of the West Side Campaign Against Hunger, which runs the dispensary. "People who are working come more, now that it feels like a store."

The Limits of Income
Enough for Rent, But Not for Food

On a chilly morning in Greenwich, Conn., as Range Rovers and Lincoln town cars rolled along tree-lined Putnam Avenue, an inconspicuous trickle of people made a different commute: down stone steps and through a metal door into the basement of Christ Church, where low-income families in this high-income town receive weekly handouts from a charity called Neighbor to Neighbor.

Even in a well-off town like Greenwich, they were a microcosm of today's food lines.

Margaret Porter, 65, was laid off four years ago from a customer service job at Valley Labs, a subsidiary of Pfizer. Now, her Social Security payments and small pension add up to $1,000 a month, enough for her public housing rent and other expenses, but not for food. Her town social worker calculated she could qualify for food stamps, she said, but only about $10 a month. "It just wasn't worth it," Ms. Porter explained.

Many others had jobs. There was a cook from a local French restaurant, a construction worker, housekeepers from nearby estates who made the minimum wage, $5.15 an hour, and a woman who cared for the children of housekeepers.

For some, the free food was less a way to stave off hunger than to preserve a precarious rendition of suburban stability.

Ronald Culver, 45, a bearded, booted construction worker, stopped by on his lunch break to pick up groceries for himself, his girlfriend, their 20-month-old baby and her three children. Although his girlfriend works at a pharmacy, together they barely make enough to pay their utilities, car costs and $1,500-a-month apartment rent, not a lot in a town where studio apartments go for $1,000 a month.

The demand for free food in Greenwich grew so much last year that when Neighbor to Neighbor's roster of certified clients hit 85, Greenwich opened its own food pantry in an unmarked walk-in closet in Town Hall.

Many of those seeking food have moved from public assistance to low paying jobs, said Elisabeth Steinberg, director of adult and family services for Greenwich. And while Connecticut has a relatively high cost of living, the jobs obtained by people leaving welfare are mostly part time, often lack benefits and average $6.12 an hour, she said.

To accommodate people whose work schedules conflict with the pantry hours, two town social workers have begun making food deliveries on their own time.

One of them, Cynthia Bowser, piled plastic bags of groceries into the back seat of her car on a recent morning, then circled a parking lot in the center of town until she spotted a faded black Oldsmobile parked amid the Explorers and Lexuses. The car belonged to Traci Camacho, 32, a mother of three who makes $8 an hour as a baby sitter at the Greenwich Y.M.C.A. Her husband, Erik, fixes elevators in New York City, but it costs him $280 a month just to commute.

The family missed qualifying for food stamps by a few dollars, Ms. Bowser said. So once a week, Ms. Camacho leaves the right front door of her car unlocked when she goes to work, and Ms. Bowser discreetly leaves the groceries inside.

Perhaps the most comprehensive statistical sign of this shifting clientele came in a survey of tens of thousands of food pantries and soup kitchens released last year by Second Harvest, the nation's largest private network of food charities and the source of much of the food at the Greenwich pantries. The survey found that 60 percent of the 21 million recipients of Second Harvest food in 1997 said they had sought handouts because of a chronic food gap, and nearly 40 percent of the households had at least one person employed.

In contrast, when Second Harvest was created 20 years ago, most of those seeking food were at charity's door for a one-time handout, after their lives had been disrupted by a layoff or some other emergency.

In Homestead, Fla., on the fringe of the Everglades southwest of Miami, crowds gather once or twice a month when a local group, Farm Share, hands out canned goods and unsold produce collected from nearby farms.

On a hot Wednesday morning, drawn by fliers and newspaper ads, dozens, then hundreds, of people gathered at a public park, towing collapsible shopping carts or children's toy wagons, many bringing folding chairs to endure the long wait in 90 degree heat. Some arrived hours before dawn to claim slips of paper with numbers marking their places in line.

Volunteers and a work crew from a nearby prison set out half-ton bins of tomatoes and sweet potatoes, stacks of boxed papayas, and cases of frozen turkey breasts that steamed in the humid air.

Kimberly Johnson, 29, a mother of three and the wife of a cook earning $19,000 a year, said a friend had told her about the handouts last spring. Ms. Johnson, who recently returned to college, said she was reluctant to go, never having relied on charity or public aid. But after exhausting every other option, she said, she began making the 40-minute drive to Homestead.

"I make my own bread, I buy dry beans, I stretch the budget every way I can, but I still have to come," she said. "I'm embarrassed and shocked," she added, scanning the ranks around her. "People I know volunteer here."

Food Stamp Drop-Off
Issues of Access And Eligibility

At 10:30 on a recent weekday morning, a caseworker began her standard speech to several dozen jobless men and women at the Hamilton Job Center, a former welfare office in upper Manhattan.

She gave a grim description of the city's workfare program and the relative benefits of even a minimum-wage job. Anyone looking for immediate help with food, she told them, was basically in the wrong place:

"This is a job center," she said. "If you need food, we have lots of pantries that give good meat, good food."

One who was turned away was 25-year-old Lakisha Reynolds, who had sought food stamps and public assistance for herself and her 3-year-old son in December, seven months after losing a full-time job and then a series of temporary jobs. In an affidavit filed as part of the Federal court suit against the city, she described the contents of her kitchen when she applied for help: "a piece of meat, two cans of vegetables, three tangerines, some hot cereal, a little rice, and some carrots." By the time she arrived at the food pantry that she was sent to, it had run out of food, she said.

The city is now formulating new procedures for the job centers, in an effort to meet the objections the judge made as a result of the suit. In the interim, it has changed the morning routine at the Hamilton center, trading the staff speech for a videotape that makes no mention of emergency food stamps. Jobless people who ask for immediate food aid are directed to the line for welfare benefits, where they must demonstrate their eligibility for food stamps.

New York City's welfare authorities have sought an extraordinarily hard line. But across the nation, there is growing evidence linking the huge drop in the food stamp rolls and the growing lines at the food-charity doors.

Part of that drop can be attributed to the cutoff of food stamps to legal immigrants that went into effect in the summer of 1997. Surging lines at food charities through the following winter eventually prompted Congress to restore food stamps for immigrant children, the disabled and the elderly, but hundreds of thousands of immigrants remain without food stamps altogether.

Many other people, like Ann McGinniss, have lost food stamps because they now make too much money; the limit is $1,138 in monthly net income for a family of three. But often, what with today's anti-welfare climate, the deterrent is simply an unwillingness to deal with the hassle or stigma, or a lack of understanding on eligibility.

In ~~Wisconsin's recent~~ welfare study, for example, a third of former welfare recipients incorrectly believed that having a job automatically disqualified them from food stamps. Altogether, 49 percent stopped receiving food stamps after leaving the welfare rolls, many more than could be accounted for simply by a higher income, according to the study. And in Wisconsin, as in New York City, people without enough food are often told to head to a food pantry or soup kitchen.

In the wake of the study, officials in Wisconsin say they are planning to intensify their efforts to improve food stamp access.

Perhaps the clearest statistical line away from government aid to private charity comes from Arizona, where the drop in food stamp use has almost precisely paralleled the rise in demand on the state's food charities: From March 1994 to July 1998, participation in the food stamp program declined more than 50 percent, according to studies by state and Federal poverty groups. In roughly the same period of time, there was a 50 percent increase in meals distributed through the state's charity network.

The Hunt for Meals
Full Refrigerators Turn Empty Again

The statistics translate into a subculture in which households float between work and welfare, food stamps and food pantries. Sometimes, the hunt for food can seem like a second job.

In Newburgh, N.Y., Yolanda Baptist and her boyfriend, Lawrence McGriff, both 30, have a strict routine to feed themselves and Ms. Baptist's three children. Following a guide distributed by a local ministry, they walk around town for handouts or hot meals, visiting different charities on different days.

Mr. McGriff's last job was at a Burger King, but he stopped working after he broke his ankle. Ms. Baptist has been selling Avon products, but still manages to receive welfare benefits.

On the eighth day of every month, Ms. Baptist picks up and spends her food stamps. Recently, after a $130 shopping trip, she filled the refrigerator, which the day before contained nothing except a few leftovers and a small hunk of ham.

Then she began filling a separate freezer the family had found on the street; they use it as a kind of savings account, for food instead of money. By the end of the month, the account would be drawn down nearly to zero again.

In Peekskill, Ann McGinniss's life got more difficult this month when her family lost its Medicaid benefits because of her income, adding medical bills to an already tight budget. To get a little extra food, she continues to tell the volunteers at some food pantries that she has four children, even though her two oldest no longer live at home.

With just $50 or $100 a month in food stamps, she said, "I could make it." Still, if a life of handouts is the price of staying employed, it is worth it; anything, she added, is better than the years she lost on welfare -- a stream of soap operas watched from the couch, punctuated by fights with her longtime boyfriend, who has since fled to Florida without paying child support.

"One way or the other," she said, "I'm not going back."

NEXT: As demand for donated food rises, supplies are lagging.

GRAPHIC: Photos: A part-time worker in a French restaurant picking up groceries for his family at a pantry at Christ Church in Greenwich, Conn. (Suzanne DeChillo/The New York Times)(pg. A1); Homestead, Fla. -- In a ritual born of poverty, hundreds of people wait in 90-degree heat for free food. Surplus produce is gathered from local fields on the fringe of the Everglades, southwest of Miami, and distributed by a group called Farm Share: Newburgh, N.Y. -- Yolanda Baptist with her children, from left, Latisha, Carlissa and Carl, who are having pancakes in a makeshift dining arrangement before moving to another apartment. Spring Valley, N.Y. -- A stream of low-wage workers, retirees and refugees from public assistance getting food handouts at St. Joseph's Church in Rockland County. (Photographs by SUZANNE DECHILLO/The New York Times)(pg. B11)

LANGUAGE: ENGLISH

LOAD-DATE: February 26, 1999

LEVEL 1 - 11 OF 15 STORIES

The New York Times

February 25, 1999, Thursday, Late Edition - Final

SECTION: Section A; Page 1; Column 5; National Desk

LENGTH: 1161 words

HEADLINE: A Plunge in Use Of Food Stamps Causes Concern

BYLINE: By ANDREW C. REVKIN

BODY:

The nation's food stamp rolls have dropped by one-third in four years, leading to a growing concern that the decline is caused partly by needy people's hesitance to apply for benefits.

A vibrant economy is clearly a major reason that the number of people using food stamps fell to fewer than 19 million last November, from nearly 28 million people four years earlier. But some in Congress, at the Agriculture Department, which administers the food stamp program, and at private poverty groups say they feel that a significant number of people are not seeking help even though they still lack food and are eligible.

Some officials say they believe that stringent rules intended to put welfare recipients to work and reduce the welfare rolls may have also discouraged people from seeking food stamps.

States and cities seeking to cut welfare rolls aggressively, for example, require applicants to search a month or more for a job before they can get benefits. Often, officials say, people in need of emergency food aid simply walk out the door.

"The goal was to get people off welfare programs, but people may have failed to understand that the food stamp program is not a welfare program," said Shirley R. Watkins, the Under Secretary of Agriculture for food, nutrition and consumer service. "It's nutritional assistance."

In other cases, Ms. Watkins says, it may be the rising stigma surrounding public aid that is keeping people from applying for food aid.

For conservative analysts, though, the decline is a tonic for the overuse of public aid in earlier years.

The notion that too many people have abandoned food stamps has caused a flurry of activity at the Agriculture Department.

The department recently commissioned a study to understand a simultaneous rise in the demand on private food charities like church-basement food pantries and soup kitchens. The goal is to determine if some of these charity seekers are asking for handouts at private charities because they have lost access to public food aid, agriculture officials said.

Obtaining food stamps requires a simple showing of financial need, unlike other Federal benefits with more stringent regulations and requirements.

Medicaid has similar broad eligibility, and it too has recorded a similar unexplained drop in its rolls. Some officials have said that while this drop, too, can be attributed partly to the economy, it may also be the result of recipients believing, inaccurately, that once they are removed from welfare rolls, they are also ineligible for Medicaid.

Ms. Watkins said there were indications from states like Wisconsin that some people leaving welfare for low-wage work are not continuing to seek food stamps that could help them make it through the month.

Her misgivings are shared by some members of Congress from both sides of the aisle.

It is becoming apparent that the welfare reforms of 1996 did not anticipate how tightly access to food stamps was linked to access to welfare, said Representative Nancy L. Johnson, Republican of Connecticut and chairwoman of the House Ways and Means Subcommittee on Human Resources.

"We do think there's a problem here," Mrs. Johnson said. "We need to see why state systems don't seem to capture the food-stamp eligible population very well.

"When you make a big change in one system it's going to have ramifications for other systems," Mrs. Johnson said. "Some are positive. If people aren't getting food stamps because they're making more money, that's a good thing."

She said her committee was planning to hold hearings on the matter this year.

So far analysts have been able to gauge only roughly how many eligible people have left the food stamp program even though they need the aid. Last year, for example, the Congressional Budget Office calculated that 2.9 million such people left the food stamp rolls from 1994 to 1997. The budget office report, a projection of economic conditions through 2008, proposed that the rising stigma and barriers surrounding welfare offices could be driving eligible people away.

Whatever the reasons, no one disputes how drastically the program has shrunk, both in the number of people enrolled and in the cost of providing the aid. Since 1994, the cost of the food stamp program has fallen to $18.9 billion from $24.5 billion, according to the Agriculture Department.

But some conservative poverty analysts say the drop in food stamp rolls does not indicate a problem. Robert Rector, who studies welfare for the Heritage Foundation, a private group in Washington, said the drop was simply a recovery from a period through the early 1990's when access to food stamps and other assistance became too easy.

"In the late 80's and early 90's you had this notion of one-stop shopping, getting people on as many benefits as you could," Mr. Rector said. "A lot of the decline now is hyped."

He said that Congress would do well to make food stamps less readily available, by instituting work requirements and other rules similar to those already imposed on other forms of assistance.

But Agriculture Department officials are pushing the states to be sure their welfare offices are in line with Federal rules, which require prompt processing of food stamp applications.

On Jan. 29, the administrator of the food stamp program, Samuel Chambers Jr., sent a letter to the commissioners of welfare and food stamp programs in every state urging them to review their policies to make sure they do not violate Federal law.

Federal officials had been particularly concerned with the situation in New York City, where newly revamped welfare offices, now called job centers, were delaying food stamp applications and often directing applicants to private food pantries instead.

After a Federal judge last month ruled that the city food stamp process violated Federal law, the city promised to change its practices.

In recent days, the city made another, unrelated policy change that city officials say will trim several thousand people from food stamp rolls. Under the 1996 package of Federal welfare changes, single able-bodied adults can be cut off from food stamps after three months if they do not work at least 20 hours a week or participate in a workfare program.

Counties can seek waivers to the work requirement if they have high unemployment rates, and for two years the counties in New York City had all sought the waivers, preserving the food aid.

This year, though, the city has chosen not to seek the waivers, so that city residents who are single and able to work must find work or lose their food stamps, said Deborah Sproles, a spokeswoman for the city Human Resources Administration.

Yesterday, private groups focused on poverty issues criticized the city's decision, saying it could put as many as 25,000 people at risk of hunger. But, Ms. Sproles said, "this is part of the city's overall effort to start helping people gain self-reliance."

GRAPHIC: Graph: "KEEPING TRACK: Fewer People Seeking Food Stamps"
The number of people and households in the United States receiving food stamps has been dropping. Graph shows the average monthly participation for each fiscal year since 1988, ending in September. (Source: Department of Agriculture)(pg. A22)

LANGUAGE: ENGLISH

THE FORT WORTH STAR-TELEGRAM

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BYLINE: Wire Reports

BODY:

Food stamp rolls decline, prompting public concern

The nation's food stamp rolls have dropped so sharply that there is growing concern it is not just a vibrant economy, but needy people's hesitance to apply for benefits, that is causing the decline, The New York Times reported in today's editions.

With the number of people using food stamps falling to fewer than 19 million, from nearly 28 million people four years ago, many in Congress, at the Agriculture Department, which administers the food stamp program, and at some private poverty groups believe that a significant number of people are not seeking help even though they still lack food and are eligible.

Some officials think that stringent rules intended to put welfare recipients to work and reduce the welfare rolls may have also discouraged people from seeking food stamps.

"The goal was to get people off welfare programs, but people may have failed to understand that the food stamp program is not a welfare program," said Shirley R. Watkins, the undersecretary of agriculture for food, nutrition and consumer service. "It's nutritional assistance. "

Arizona executes German who switched to injection

FLORENCE, Ariz. - A German citizen who chose the gas chamber over lethal injection in a legal maneuver was executed by injection last night after being given a last-minute choice.

Earlier yesterday, the U.S. Supreme Court overturned a lower court and cleared the way for the execution of Karl LaGrand. The federal appeals court had ruled that the use of cyanide gas was cruel and unusual punishment, as LaGrand had maintained in a motion for a stay of execution.

LaGrand, 35, was executed for fatally stabbing a bank manager during a botched robbery in 1982. He apologized to the family of his victim and to a woman injured during the robbery. His brother, Walter, 37, is scheduled to be executed next week for the same crime.

Racketeering trial paints minister as a victim

LARGO, Fla. - The Rev. Henry Lyons' racketeering trial is a case of "corporate giants and the little preacher," his lawyer told jurors yesterday, saying the minister's failed business deals are not crimes.

Lyons and co-defendant Bernice Edwards are accused of swindling more than $ 4 million from corporations seeking to market products to members of the National Baptist Convention USA.

Lyons, president of the organization, was approached by companies who wanted access to the group's 8.5 million members, defense attorney Grady Irvin said in his closing arguments. Prosecutors have said that number was a hoax, and the real number is closer to 1 million.

"The case really should be about corporate deals that didn't work out. Not enough profit was made by corporations. But nobody held a gun to their head. Corporate giants and the little preacher. "

Virginia bans junk e-mail to protect consumers

RICHMOND, Va. - Virginia is making criminals out of flagrant junk e-mailers with a new law to protect computer users from getting "spammed" with pitches for weight-loss plans, get-rich-quick schemes and pornography.

The legislation approved Tuesday makes Virginia the nation's fourth state to pass an anti-spamming law, and 18 others are considering them, said the National Conference of State Legislatures.

Like Virginia, California's law allows for the jailing of some spammers while laws in Washington and Nevada impose civil fines.

Among those seeking the law - and its biggest beneficiary - was America Online, the Virginia-based company whose 16 million subscribers make it the biggest Internet service provider.

The legislation would cover junk e-mail sent through any Internet service provider based in Virginia, meaning that AOL could use the law against spammers from other states who bombard its subscribers.

But civil libertarians say Virginia and other states are rushing to unconstitutionally curtail commercial free speech on the Internet.

Eighth-grader holds principal at gunpoint

MARYVILLE, Tenn. - An eighth-grade boy described as a very good student took his principal hostage yesterday afternoon and held him at gunpoint for about three hours before freeing him unharmed.

The boy surrendered about 90 minutes after releasing Montvale Elementary School Principal Jim Ratledge, Blount County Sheriff James Berrong said.

"He said from the very beginning, 'I do not want to hurt anyone,' " said Dr. Gary Pack, the Blount County schools superintendent.

Ratledge was freed about 5:30 p.m., Berrong said.

The boy brought the gun to school and other students alerted Ratledge, who confronted the boy, Berrong said. When the boy was in Ratledge's office, he pulled the weapon, Berrong said.

Report blames Internet for increase in hate groups

MONTGOMERY, Ala. - The Internet is to blame for an increase in the number of hate groups operating in the United States, the Southern Poverty Law Center says.

Their ranks rose to 537 last year, up from 474 in 1997, the center said Tuesday in its annual Intelligence Project report.

"The Internet is allowing the white supremacy movement to reach places it has never reached before - middle- and upper-middle class, college-bound teens," said Mark Potok, a researcher for the center.

"The movement is terribly interested in developing the leadership cadre of tomorrow," he said. "As a rule, they're no longer interested in recruiting street thugs, people to beat up blacks and gays in bars. "

Florida led the nation in 1998 with 38 hate groups, followed by California with 36, Texas with 31, Pennsylvania with 27 and Alabama with 25.

MAP(S): Locating Maryville, Tenn.

LANGUAGE: ENGLISH

LOAD-DATE: February 26, 1999

Clinton Presidential Records
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Divider Title: **PERSONAL STORIES**

LEVEL 1 - 2 OF 115 STORIES

The New York Times

July 4, 1999, Sunday, Late Edition - Final

SECTION: Section 1; Page 1; Column 2; National Desk

LENGTH: 3223 words

HEADLINE: Conflicts at Home Mine the Road to Independence

SERIES: LIFE AFTER WELFARE -- Family ties.

BYLINE: By JASON DePARLE

DATELINE: MILWAUKEE, July 3

BODY:

Lashanda Washington was a street-smart, fight-hardened girl of 16, riding a city bus home from school, when she saw the face that she had been dreaming about for years.

The woman boarding the No. 14 looked older than the one who had long starred in her fading childhood memories. She was thin like an addict and bloated like a drinker. She was scarred like a fighter and worn like a pauper. She was as beautiful as anyone Ms. Washington had ever seen. The girl's heart nearly exploded from the rush of fear and joy.

"Are you my mama?" she asked.

"Are you my daughter?" the woman replied.

A few weeks later, Ms. Washington traded a foster mother she had never liked for the troubled mother she scarcely knew. She helped her mother find an apartment, worked two jobs for a while to pay the rent and worried her way through the alcoholic storms that battered her mother each day.

Four years later, Ms. Washington is a single mother herself, swept up in the vast migration off the nation's welfare rolls. And like countless other young inner-city women, she has found her efforts to build a new life complicated by family bonds more powerful than many policymakers understand.

At 39, her mother, Linnie Washington, remains in her care, where she is at once a cherished matriarch, a wellspring of solace and a source of almost daily sabotage. She mocks her daughter's attempts to work, blames her for her own drinking, and locks her out of the house. Yet nothing seems to diminish the fidelity she receives in return.

"My mama is like everything to me," the younger Ms. Washington said. "I love my mama to death."

Loving a troubled relative to death, a struggle often forgotten in policy forums, is one of the most common situations poor women face when leaving the welfare rolls. Even in families with far fewer problems than the Washingtons, loyalties to the job often conflict with loyalties at home. Addicted sisters, imprisoned brothers, needy cousins and aunts -- the great national drive from welfare to work winds through a forest of familial distractions.

Now 20, Lashanda is an energetic, resilient woman who weds earnestness with streetwise flamboyance. She said she was eager to escape "all that ghetto stuff" that has followed her all her life, and sometimes she tries to break free. She can land jobs quickly. She can charm people in positions of authority. She talks of becoming a nurse.

And she focuses on her mother more than she focuses on anything else.

As Lashanda has landed and lost jobs over the last five months, Linnie, by her own account, has staggered drunk in the street and been hit by a car; checked into a psychiatric ward; weathered immobilizing outbreaks of herpes, and started many days crying to her family that she fears she is dying. Lashanda said her mother grew so angry when she refused to buy her cocaine that she cut the phone line with a butcher knife. Linnie said she grew so desperate for money that she offered sex to the rent collector, trying to forestall an eviction.

Skipping work to keep watch at home, Lashanda has found herself trapped in irreconcilable roles: breadwinner, daughter, confidante, playmate, social worker, nurse and cop. She wakes her mother and chides her to eat; buys her beer when she gets the shakes, and searches the alleys when she disappears.

Her mother is not the only troubled relative in her care. Her 16-year-old sister, Tashanda, spent much of the spring in Lashanda's home, hiding from the police. And troubled relatives are not the only obstacles between Lashanda and steady work. She said she lost her chance at one job when she tested positive for marijuana. She quit another because she did not like the boss.

But inside the family, even her talk of mainstream achievements brings as much resentment as respect. When sober, her mother boasts that Lashanda is so smart she talks like a secretary. When drunk, she accuses her of trying to "act white" and she mocks Lashanda's light-skinned son, Jermaine, as "Casper." These are biting words in an African-American family deeply suspicious of the predominantly white judges, lawyers and social workers who have ruled their lives.

"Everything was fine until momma got to talking" and "calling me stupid," Lashanda confided to a diary this spring. "Little do she know I cry like every three days inside to myself."

But in public, the anger and frustration get tucked away, behind avowals of ferocious daughterly devotion. "As long as I see my mama and know she's safe, that gets me through the day," she said.

Ms. Washington began 1999 at the Academy of Excellence, a two-week course that tries to prepare poor women for a post-welfare life. Five months later, its graduates could fill a book with stories of family strife.

Tammie Pettigrew was one of the most earnest students and the first to find work, as a receptionist at the academy itself. In class, she mentioned that she was once on the "way to Doomsville" with a sister. It was a casual aside and an eerie premonition. A few weeks later, her sister's body was found in a melting snowbank. Distraught, Ms. Pettigrew left the job.

Savaria Johnson was one of the quietest students, sharing little but her smile. No one would have known her house was a battleground for warring family factions. She recently said she fought with a brother, who fought with an aunt, who summoned the police. Ms. Johnson and her children finally fled, but she ignored her work requirements and lost her welfare benefits.

Even the Academy's most celebrated graduate has faced family conflicts. After landing her first job in years, Michelle Crawford was invited by Wisconsin's Governor, Tommy G. Thompson, to take part in his annual legislative address. Mr. Thompson later acknowledged he had no idea of the conflicts still rocking her home: a jealous sister, a violent husband, a son arrested for selling drugs.

Proud of her caretaking role, Lashanda Washington helped reconstruct her family saga in unusual detail, sharing letters and diaries and approving the release of child welfare records normally kept under court seal. It is a story of incessant worry that still awaits a happy ending.

"My mama is sick real bad," she wrote in her diary last month. "I hate seeing her like that. And I know my mama loves all her kids."

The Family History
A Trail of Abuse And Liquor Bottles

Linnie Washington lost her mother, too. She grew up in a home with eight children, two violent parents, and a trail of empty liquor bottles. One night her father came home and beat her mother until she agreed to have sex. Then her mother got up and shot him four times as the children looked on. Linnie was 7.

With her mother serving 15 years for murder, she stayed with her grandmother. She began drinking heavily in her teens, gave birth to Lashanda when she was 18 and quickly had four more children. She also got custody of a young nephew, T.J., who was taken from her sister. Social workers thought she would provide a better home, though there was evidence to the contrary.

Linnie's grandmother had warned child welfare officials early on about her abuse of alcohol and drugs. Then left unattended one summer day in 1987, Lashanda's 2-year-old sister fell from a second-story porch and suffered a concussion. Ten months later, it was T.J. who suffered the 15-foot fall. Linnie put him to bed and when she awoke the next morning, the 5-year-old boy was dead. "I'm scare, cause I might go to jail," Linnie wrote in a panicked note summoning a sister. "Help me wake this boy up."

In a hostile interview with a social worker afterward, Linnie denied she had an alcohol problem. Then she burst into tears and confessed she simply could not stop drinking. The worker found her "suffering immensely from guilt and shame." The state took her children away.

Lashanda was 9 when she began a harrowing search for a home. She stayed with an aunt until her father finished a sentence for armed robbery. She stayed with her father until he went back to prison, for sexual assault. She went to a

foster home in a drug trading zone, and she was held at gunpoint by robbers threatening rape. The attack revived the terror she had felt as a young child during episodes of sexual abuse. She was hospitalized just before her 13th birthday after several suicide attempts.
By the time she was 15, she had climbed out of the abyss and onto the eighth-grade honor roll. A social worker speculated on the key to her growing success: no contact with her mother, sisters or brother. "Lashanda copes," she wrote, "by isolating herself."

But Lashanda said good grades never quenched the yearning for her family. "That's all I ever wanted to do, was to go stay with my mother, be with my sisters again," she said. "I wanted to be like everybody else -- they have their mama."

She had not seen her mother for years when they collided on the bus. But it took her just two weeks to persuade a court to let her go home. Soon her sister, Tashanda, then 13, ran away from her foster home and joined the reunion. Her mother drank. Her sister fought. Lashanda herself could be quick with her fists. Over the next three years the Washingtons moved five times, chased by landlords, neighbors and the police.

As a 16-year-old family boss, Lashanda worked long shifts at McDonald's to pay the rent, and took a second job at a grocery store. She had a son in the spring of her junior year and left school that fall. Her son's father left her. Her apartment caught fire. She ran through four jobs in eight months. Then she took a step that offended her pride in herself as a worker: She applied for welfare. "I was depressed," she said.

The Welfare Class
Mastering Problems In a 2-Week Course

The "Academy of Excellence" is two classrooms on Martin Luther King Jr. Drive, in the heart of Milwaukee's welfare district. It is the first stop for people seeking benefits from YW-Works, one of five private agencies hired by the state to run the welfare program in Milwaukee.

Under the state's strict new system, virtually everyone receiving cash assistance must join a work program. Before receiving a work assignment, academy students spend two weeks studying life's basic arts: negotiating with the gas company, avoiding domestic violence, securing birth control.

More than 70 percent of Milwaukee's welfare recipients are black, though the county is 73 percent white, and the classroom often rang with Afrocentric invocations. "Go down in prayer when you get scared," one of the speakers urged. "Think about your chained ancestors" surviving slave ships and cotton fields and "declare to yourself, 'I can do something.' "

Like corralled indigents in similar classes citywide, Lashanda arrived a skeptic. "I have to sit here and let these people run their mouth," she said at the time. But she later called the academy a positive place where "nobody talked bad" when she opened up.

"In my house, there ain't no compromise -- I either do it, or I get cussed out," she told the class. "That's how my mama is."

Anne Paczesny, a counselor at YW-Works, said family conflicts were nearly universal among her clients, with a mother's drug abuse among the most common afflictions. Oldest daughters in particular, she said, often grow deeply invested in their identity as the family caregiver.

"I can't believe the number of women we see who will stay at home, essentially to keep their moms under lock and key," she said. "They know their moms are dope-dating, bringing men into the house. And if it's not the moms, it's a sister or another close relative. They feel if they don't take care of them, nobody will."

Though recipients can lose $5.15 for every hour of work or class they miss, policy is no match for biology. "The parent-child bond is more profound than any work program we have," Ms. Paczesny said.

Those who do try to get ahead, she said, often meet a backlash from relatives who tell them, "Either you're down with us -- oppressed economically, spiritually, educationally -- or you're not one of us."

Lashanda, an oldest daughter, describes her own identity in strikingly similar terms. She is proud. ("I can handle it.") She is concerned. ("I worry about my mama every day.") She is angry. ("I shouldn't have to do this.") And she is terrified of what might happen if she stops looking after her mother. ("I feel responsible," she said. "Can't live with that guilt.")

In mid-February, when she finished the academy, her instructor put a note in her file: "Excellent student. Tries hard. Home situation is tough."

The Chaos at Home
Insults and Injuries Of a Difficult Spring

If only the instructor knew.

After leaving the academy, Lashanda was sent to sort hangers at a factory and to study for her high school diploma. But her mother's drinking was on the rise. So were her reprisals when Lashanda refused to buy beer or drugs.

She cut the phone line. She tried to tear down the bedroom door. When Lashanda left for work or class, Linnie locked her out. Though Lashanda was the one paying the rent, she said her mother called the landlord and tried to have her evicted.

One Friday afternoon, Lashanda raced home from the factory after her mother collapsed at the stove. On Sunday, Linnie was hit by a car. On Monday, Lashanda was supposed to start training as a nurse's assistant. Instead, she spent the morning urging her mother to sober up and seek care for her untreated bruises.

Then the focus turned to her sister. For months, Tashanda had turned the home into a fugitive's lair, hiding from the police, who were trying to arrest her for a fight with a neighbor. That Wednesday, they finally caught her. Lashanda spent the rest of the week shuttling to court and parrying her mother's drunken accusations that she had caused her mother to get hit and her sister to get arrested.

"It's always my fault," she said.

When she is sober, Linnie acknowledges her problems. "My kids always tell me to go to treatment, but I'm hard-headed," she said. "They said I might die because I'm drinking myself to death. My kids love me, and I'm trying to show back the love I lost from them. I'm playing catch-up."

She spoke gratefully of Lashanda's devotion. "She acts like she's a social worker," she said. "She'll sit me down and say, 'Ms. Washington, you ain't supposed to. . . .' Can't hide nothing from that child." Perhaps saying more than she intended, she added, "She loves me too much."

But when she drinks, such boasts give way to bile. Of all the insults, the words that sting her daughter the most are, "You're trying to act like you're white."

"She knows that hurts me," Lashanda said. "I say, 'mama, don't call me white! I don't call you names. I don't call you no ghetto mama, no hood rat. I don't call you no hoochie mama.' She's just drunk. She can't control herself."

Penalized for missing work and class, Lashanda saw her welfare check dwindle to $286 in May, from a possible $673. She quit welfare and worked for a few weeks through a temporary employment agency. She lost the chance at another job when she tested positive for marijuana. By the end of May, she fell ill with anemia and stopped working on doctor's orders. She got by on food stamps and $981 of overdue child support from her son's father.

By then, she faced a new crisis -- the need to get Linnie out of the house. Child welfare officials were ready to release Tashanda, and she was ready to go. "These white folks is getting to me so much!" she wrote her mother. One social worker, she warned, was getting "ready to get her head busted 4 sho." But the state would only release Tashanda once Linnie was out of the house.

A social worker helped Linnie find a residential sobriety program. But first an agonizing and contagious outbreak of herpes had to be brought under control. In the chaos, an eviction notice arrived and the family had to move -- unjustly in Linnie's view, since she said she was promised a rent reduction in exchange for sex.

As the spring wore on, Lashanda confided her problems in a prized diary. Mostly it is an account of the seasons' insults and injuries, but it also records the happiest moment of the year. With Tashanda locked up, the welfare check cut, and the unpaid bills on the rise, Linnie turned to Lashanda one day and did something that truly stunned her. She apologized.

"It shocked me," Lashanda said. "She always just cusses me out." She said she was sorry Lashanda faced so much pressure. She asked whether she could handle it. She asked whether she ever cried.

"I said, 'mama, I cry all the time -- I cry like every other day," she said, "You can't let people see you cry because they'll take advantage of your weakness." Then for a few days running, a happy young woman told her diary that her mother finally understood. "She knows that I'm doing everything," Lashanda wrote. "She is trying. She is in my heart."

THE GRADUATES
A Pride in Accomplishment, Though It Is Not Always Easy

Mary Rhoden liked the Academy of Excellence, and she became one of the most outgoing members of the class. "They show you how to keep yourself going," she said this week.

But keeping herself going has been hard. She has missed many days of the work assignment as a clerical aide that followed. "Sometimes I get to an 'I don't care' point," she said.

With the welfare rolls in Wisconsin down 90 percent, many of those left behind are accustomed to difficult lives. As a child, Ms. Rhoden helped her parents pick crops in West Coast fields. She ran away, married young and had five children. Her ex-husband is in prison.

Ms. Rhoden, 35, said welfare used to come easier. "I'm not going to lie -- I used to play the system to be with my kids," she said. Now her absences typically cost her half of her maximum monthly benefit of $673.

Jo Ann Watkins, another Academy graduate, fared worse, losing all her aid. But Tanya Moore has delighted in the part-time position she found at an AIDS education program, and Cheryl Roeming quickly left welfare for a full-time clerical job.

Ms. Rhoden is proud of her children's achievements. Her son, Alphonso, 14, has a job making hotel beds. Her daughter, Vicie, 13, was just valedictorian of her eighth-grade class. On a resplendent day, Vicie stood before the school and thanked her family "for always being there."

Ms. Rhoden beamed. "To see her accomplish so much, with all the chaos that goes on around here -- it's a great feeling," she said.

Life After Welfare

With the nation's welfare rolls down 43 percent, President Clinton, as well as his Republican critics, count the 1996 welfare law as the cornerstone of their respective legacies. The law replaced a 60-year-old cash safety net with time limits and work requirements.

No place has come closer than Wisconsin to the goal of "ending welfare." A decade ago, 100,000 families relied on public aid. Now 9,000 do. The changes taking place in the stae, particularly in Milwaukee, its largest city, continue to reverberate in broad and unpredictable ways. Throughout the year, The New York Times is returning to Milwaukee to plot the pattern of change.

The articles and related coverage of welfare issues are available on The New York Times on the Web at: www.nytimes.com/politics.

GRAPHIC: Photos: Lashanda Washington's attempts to leave welfare have been complicated by family bonds. She lives with her son, Jermaine, 2, and her boyfriend, T. L. Gardner, background, as well as with an alcoholic mother. (Nicole Bengiveno/The New York Times)(pg. 1); LOOKING TO THE FUTURE -- At an Academy of Excellence class earlier this year, Ms. Washington prepared for the changes that would come after she stopped receiving welfare. Mary Rhoden at her door after her children had left for school. FEELING THE STRAINS OF RESPONSIBILITY -- Lashanda Washington, left, has been caught in conflicting roles as she has tried to earn a living while caring for her son, Jermaine, and for her often abusive mother, Linnie. (NICOLE BENGIVENO/The New York Times)(pg. 14)

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The New York Times

May 25, 1999, Tuesday, Late Edition - Final

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For 2 Improbable Pals, A Few Notable Weeks

BYLINE: By JASON DePARLE

DATELINE: MILWAUKEE, May 21

BODY:

With his brief career as a central-city grocer coming to a close, Tremayne Franks displayed the uncommon charms that have won him local renown.

He cursed. He pouted. He sucked a grape lollipop. He proposed to women three times his age. He followed his boss around the store mocking his accented English; "MAH-ka-shay! MAH-ka-shay!" he taunted, in make-believe Arabic. When a customer asked for a box of hair gel, he tried to sell her a condom.

And with each violation of workplace decorum, he offered a disarming defense: one of the most winning smiles the city has seen on either side of a candy counter.

Ten years old but going on 21, the neighborhood's youngest corner grocer is too short to reach the cash register without standing on a milk crate and too streetwise to pass as a child. In a life without refuge, he has been searching for a shelter, and he found one fleetingly at the Fast Deal Super Market, among the pork rinds and hot pickles. Until the store unexpectedly closed the other day, he wore an impressive if self-awarded title: the "Always Only Assistant Boss."

His mother is one of 30,000 women shorn from the city's welfare rolls. He says she went South to work as a stripper and has not been heard from since. His father just returned to jail. His grandmother, a hospital housekeeper, works all night and sleeps most of the day.

Only Mohammad Shaqroum, the store's sociable owner, seemed able to abide the boy's mischievous intensity. They came to a kind of understanding: the "A.O.A.B." could keep up his foul, flamboyant banter as long as he worked the mop.

"I tried to make it rough on him," Mr. Shaqroum said, trying not to sound dejected after three burglaries, a flood and a lease dispute forced a going-out-of-business sale. His own life savings were flying out the door along with the cans of discounted Beefaroni, but he hoped to leave behind a lesson. "I want to make him hate the store and love the school," he said.

Lots of poor inner-city boys search for male role models. But not many find them among the city's Palestinian shopkeepers. Relations between the foreign-born grocers and their poor black customers are famously tense. At least a dozen of the central-city merchants have been murdered over the last decade, including several of Mr. Shaqroum's friends.

In the close-knit circle of Arab-American grocers, Mr. Shaqroum, 24, was known for his fearlessness: he worked long hours, always unarmed, on one of the city's most dangerous blocks. To his customers, he was known for his friendliness: he learned all their names, and those of their babies, and gave favored families credit when their food stamps ran out.

In the hands of an urban sociologist, the last days of the Fast Deal could be weighted with fancy freight. The story could be called a window onto strained race relations or a portrait of fatherless boys. It could serve as a study of one troubled family dropped from the welfare rolls. It could be heard as a sad echo of the vast black migration out of the segregated South, or a sad echo of the Palestinian migration out of the troubled West Bank.

Some people would say the story indicts Milwaukee's unparalleled welfare reductions: Tremayne's mother abandoned him not long after losing her aid.

Others would say it is welfare itself that the story indicts: years of welfare checks did not solve the family's problems, and the boy's grandmother thinks they made things worse.

As Fast Deal's closing neared, the A.O.A.B. mopped on, unburdened by such questions. To him the moral was something simpler: the surprising happiness in nasty chores and a wage that ranged from nothing at all up to a yo-yo a day. "Dude, it ain't the money," he said in exasperation. "I just like to have someplace to go."

"I started coming here because I had a lot of stress on my mind," he said. "This is a nice, calm place."

Like many stories in Milwaukee's central city, this one began two generations ago and about 750 miles south. In 1962, Glendora Johnson, the young grocer's grandmother, left Mississippi for Chicago and then Milwaukee. She reared five children. One did well as a social worker. Two others, including Tremayne's father, are in jail for drug-related offenses.

From the start, Tremayne's intelligence was both obvious and neglected. His parents, Terry Johnson and Carolyn Franks, fought, separated and fought some more. Doctors gave him heavy doses of Ritalin to calm him, and he spent years in an enervated state. Off the medication now, he is known as one of the brightest fourth graders in his school and one of the most frequently suspended. He is not mean, his teachers say, just manic.

"I talk a lot," he said. "When the teacher says stop, I don't. That's one of my problems."

About the time he was 6, his grandmother says, another drug hit the family: cocaine. In 1995, court documents show, Tremayne's father drew a nine-month sentence, and was ordered into substance-abuse counseling, after he broke into Ms. Franks's home, sliced her sofa with a butcher knife and beat her in the street.

Ms. Franks had other problems. Hearing her called a "shake dancer" and a "stripper," Tremayne asked one day what that meant. "She said, 'I dance in front of the men, and they give me money,' " he said. But sometimes the men robbed her. Once, he recalls, she went to "go dance for these dudes," and "they beat her up real bad." His worst memory of his mother's problems is that she sent him to school dirty.

"Other kids would say, 'Oh, the dude comes to school bummy,' " he said. "And I'd have to beat them up."

When the welfare system gave her a work assignment in 1996, Ms. Franks refused to comply. She lost her $517 monthly check, was evicted and moved in with a sister. She left town early last year. Tremayne says she went to Mississippi to dance, or maybe to Louisiana. She never sent a forwarding address.

Though he often talks of missing his mother, he sides with the officials who took away her aid.

"She didn't go to the interviews, so they cut her off," he said. "I don't blame them. You got to work for your money."

After 19 years on the night shift, his grandmother takes an even dimmer view of welfare.

"They just made a bunch of sorry people, welfare did," she said.

Things began looking up last summer when his father got out of jail, where he had been serving 17 months for selling cocaine. After an unhappy stay with his grandmother, who says she is so tired she no longer wants to care for him, Tremayne was elated to have a parent again, even one on parole.

"He said, 'I'll never leave you,' " Tremayne recalled. " 'I'm going to stay with you the rest of my life.' "

His father found a job and impressed Tremayne's teachers with earnest concern about the boy's suspensions. He took his son out for frequent dinners and movies. But he also smoked marijuana in the living room. "I told him every day, 'Dad, would you please stop smoking weed?' " Tremayne said. " 'You're going to go to jail.' "

And he did, last month, after failing a urine test.

Mindful of his parents' problems, Tremayne thinks he may have a solution.

"I'm going to be a lawyer," he said. "I'm going to make a lot of money when I grow up so I can take care of my dad and, if she comes back, my mom.

"I love both of them."

As the Franks family was being dropped from the welfare rolls in 1996, Mr. Shaqroum's journey to the United States was getting under way. Reared in Ramallah on the West Bank, he married a neighbor with American citizenship and followed her family to Louisiana. They split up within a month, and Mr. Shaqroum joined a sister in Milwaukee. He climbed the corner-grocery ladder, saved $12,000 and opened the Fast Deal last August.

It was not a propitious time. When the cash welfare rolls fall 80 percent, as they have in Milwaukee, welfare grocers feel the bite. Food stamp caseloads have also fallen, by about 35 percent. In the old days, a store like the Fast Deal would gross about $2,000 a day, Mr. Shaqroum said. But he took in only about $800.

It was not a safe time, either. In January, a storekeeper a few blocks away was bludgeoned to death by three young men with a champagne bottle. They made off with about $20. Fearful of his own temper, Mr. Shaqroum will not carry a gun. Instead, he doodles Arabic poems on brown paper bags.

One recent work struck a note of faith: "Sometimes business is slow -- it's in God's hands." Another had more of a martial flair. According to Mr. Shaqroum's translation, it goes something like this: "I am Arab. I love everybody. And all the people. But if somebody try to hit me, I'm going to eat his meat."

His dreams of riches were fading this spring when his future junior partner wandered in. Tired of cruising Internet pornography sites at the public library, Tremayne was looking for something new to do after school. "I kept asking Mo could I work here," he said.

At first, the answer was no. "But Tremayne, he kept coming back," Mr. Shaqroum said. Unable to dissuade the boy, the grocer tried to disgust him. He made him carry rancid meat to the Dumpster and mop the bathroom floor. The pay was erratic, if there was any pay at all.

In truth, the A.O.A.B.'s efforts were erratic too: he was better known for his insubordinate patter than his perseverance with a broom. But Mr. Shaqroum liked the company. "Some days are boring for me," he said. "He makes every day fun."

The Fast Deal's fast demise left both partners in a foul mood. Even as the end neared, Mr. Shaqroum was still pondering a fight to keep his lease. Then the roof literally caved in. With rain pouring onto his floors, he decided it was time to close.

"I'm going to be grocery-ing today, boy," the A.O.A.B. said when reporting on his final day. It proved to be false cheer. A half-hour later he was baiting two teen-age girls a full head taller than he. "Hey, gay girls!" he said, shadowboxing in their direction. They chased him to the back of the store, opened an empty soda cooler and tried to stuff his 4-foot-6-inch frame inside.

Mr. Shaqroum exploded.

"Tremayne," he said, "go home! Go home! You're going to break the cooler!"

The A.O.A.B. paused as if to check his disbelieving ears. Then he bolted from the store. A neighbor found him in the parking lot a few minutes later, his body racked with sobs. She led him back inside, where Mr. Shaqroum's head was buried in his hands.

"You got to stop playing and work!" he said.

"I hate you," Tremayne replied.

"Wipe your eye, don't cry like a girl," Mr. Shaqroum said.

They were partners once again.

In the twilight of his short career, the A.O.A.B. was uncharacteristically quiet. He finished unloading the cooler, leaving a neat stack of soft drinks for the wholesaler to repossess. Mr. Shaqroum gave him a severance package -- a $5 bill -- and the young man snapped it in the air.

It is difficult to say who fought harder to avoid a humiliating new outbreak of tears. Mr. Shaqroum locked the front door and climbed into his car. But he promised to return the following day to finish dismantling the store.

The A.O.A.B. briefly brightened. "I'll see you tomorrow," he said. Then he walked across the empty parking lot, heading nowhere in particular.

GRAPHIC: Photos: Tremayne Franks at the store where he learned to be a corner grocer. "I started coming here because I had a lot of stress on my mind," he said. Tremayne with Mohammad Shaqroum, the Palestinian immigrant merchant who befriended him. (Photographs by Nicole Bengiveno/The New York Times)

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CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS FISCAL YEAR 1997

February 1999

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PREFACE

The Personal Responsibility and Work Reconciliation Act of 1996 (PRWORA) took effect in fiscal year 1997. The legislation, enacted August 22, 1996, made the following significant changes to the Food Stamp Program (FSP):

- Most legal permanent resident aliens were disqualified from the FSP.
- Most able-bodied, non-working, childless adults were limited to three months of FSP benefits in any 36-month period.
- The maximum food stamp benefit was reduced from 103 percent to 100 percent of the Thrifty Food Plan.
- The standard deduction was frozen at fiscal year 1996 levels indefinitely.
- New shelter deduction caps were established for fiscal years 1997 through 2001, and the cap is frozen at fiscal year 2001 levels in subsequent years.

In the last half of fiscal year 1997, many permanent resident aliens were gradually removed from the FSP and those applying for the program were denied unless they met certain criteria. Additionally, many able-bodied, childless adults reached the time-limit and were removed from the FSP. The fiscal year 1997 data provides the first opportunity to examine the effects of PRWORA. However, it does not provide a complete picture since PRWORA takes place in stages throughout the fiscal year; average estimates include data from before many participants were removed.

The Balanced Budget Act of 1997 increased funds for the Food Stamp Employment and Training program, restricted the use of these funds, and made them available until expended. States were required to earmark 80% of their federal food stamp employment and training funds to provide approved work or training programs for childless, able-bodied 18-50 year-olds. The Balanced Budget Act also allowed states to grant discretionary exemptions from the time limits for up to 15% of a state's unwaived able-bodied caseload.

On June 23, 1998, the Agricultural Research, Extension and Education Reform Act was approved. The law restored eligibility to permanent resident aliens who were in the United States when PRWORA was enacted and are disabled, under age 18, or were over 65 in August 1996. Beginning November 1, 1998, these persons were again eligible for the FSP. Additionally, it extended the exemption for refugees, asylees, and deportees from five to seven years. The effects of that bill, as well as any other changes to the programs, will be noted in future reports in this series.

EXECUTIVE SUMMARY

The Food Stamp Program (FSP) provides millions of Americans with the means to purchase food for a nutritious diet. The FSP is the largest of the 15 domestic food and nutrition assistance programs administered by the U.S. Department of Agriculture's Food and Nutrition Service (FNS). In an average month in fiscal year 1997, the FSP served approximately 22.9 million people.[1] This report presents the characteristics of food stamp households nationwide in fiscal year 1997 (October 1996 to September 1997) based on FSP household data for that period collected by FNS for quality control purposes.

FSP Participation and Costs

In an average month of fiscal year 1997 the FSP provided benefits to 22.9 million people living in 9.5 million households across the United States. The total cost for the program over fiscal year 1997 was $21.5 billion, $19.5 billion of which were for food stamp benefits. The average monthly food stamp benefit per household in fiscal year 1997 was $169. Compared with fiscal year 1996, the level of FSP participation decreased by 10 percent, and FSP benefit costs decreased by 12.8 percent.

Characteristics of Food Stamp Households and Participants

In fiscal year 1997 slightly over half of all food stamp participants were children, 41 percent were nonelderly adults, and 8 percent were elderly people. About 66 percent of the children were school age, and more than two-thirds of the adults were women.

More than 90 percent of food stamp households lived in poverty, according to the fiscal year 1997 federal poverty guidelines issued by the Department of Health and Human Services (see Appendix E). Food stamp benefits were concentrated among poorer households: While the gross income of 39 percent of all food stamp households was less than or equal to half of the poverty guideline, they received 57 percent of all benefits. If the value of food stamps is included as income, 7 percent of all food stamp households moved above the poverty guideline as a result of receiving food stamps, and 22 percent moved from below to above half of the poverty guideline.

Of all food stamp households, 86 percent contained either a child or an elderly or disabled person, and these households received 90 percent of all benefits. Households with children received a relatively large average monthly food stamp benefit ($234), reflecting their relatively large average household size (3.4 people, compared with 2.4 people on average overall). Most of the food stamp households with children were single-parent households, and the majority of these single-parent households received support from Aid to Families with Dependent Children/Temporary Assistance to Needy

[1]The figure 22.9 million people is based on FNS administrative records. The participant count of 23.1 million cited later in the report and the other figures provided throughout the report are estimates from the Food Stamp Quality Control sample. For an explanation of the difference in the counts see Appendix H.

Families (AFDC/TANF). About 35 percent of food stamp households with children had earned income; 29 percent of single-parent households and 55 percent of multiple-adult households with children had earnings.

More than three-quarters (78 percent) of food stamp households with an elderly member consisted of an elderly person living alone. These individuals received an average monthly benefit of $47. The average monthly food stamp benefit for all households containing an elderly person was $63, reflecting their smaller-than-average household size.

TRENDS IN FSP PARTICIPATION FROM 1994 THROUGH 1997

Participation in the FSP decreased by 15 percent from 1994 through 1997. Some of this decrease was caused by improving economic conditions while some was caused by welfare reform initiatives. Indeed, FSP participation fell most among the three groups affected by welfare reform—AFDC/TANF recipients, permanent resident aliens, and able-bodied adults. As participants left the FSP, the characteristics of the caseload changed.

From 1994 through 1997, the proportion of food stamps households with cash welfare (income from AFDC/TANF or GA) decreased from 44.8 percent of the caseload to 40.7 percent of the caseload. Over the same time, the proportion of food stamp households with earned income increased from 21.4 percent of the caseload to 24.2 percent of the caseload. The proportion of food stamp households with children decreased from 61.1 percent to 58.3 percent. This decline occurred primarily among households with young children. The proportion of food stamp households with elderly increased from 15.8 percent to 17.6 percent, and the proportion of food stamp households with disabled increased from 13.0 percent to 22.3 percent.

In an average month, 1.5 million permanent resident aliens participated in the FSP from 1994 to 1996. Then, after welfare reform, the number of permanent resident aliens participating in the FSP fell to 547 thousand by September 1997. Permanent resident alien food stamp recipients are concentrated in four states: California, Florida, New York and Texas. The declines in permanent resident alien participation in California and Texas account for over 50 percent of the total decline in permanent resident alien participation. After welfare reform, those permanent resident aliens still participating tended to have some other source of income, and many have earnings. The percentage of food stamp households with permanent resident aliens that had earned income increased from 29.8 percent in 1994 to 31.7 percent in 1997.

On average, between 1.1 million and 1.5 million able-bodied adults without dependents (ABAWDs) participated in the FSP from 1994 through 1996. After welfare reform, the number of ABAWDs fell to 662,000 by September 1997. Over 40 percent of ABAWDs are female, and most ABAWDs—male or female—live alone. After welfare reform, the proportion of ABAWDs who were employed increased from 14.6 percent to 19.1 percent. The proportion of ABAWDs that were out of the labor force increased from 61.6 percent in 1994 to 64.4 percent in 1996, and then decreased to 60.1 percent in 1997. The decline in ABAWD participation after welfare reform was less than the decline in permanent resident alien participation after welfare reform.

Households with AFDC/TANF are leaving the FSP faster than other households. Households with AFDC/TANF decreased from 38.1 percent of all FSP households in 1994 to only 34.6 percent in 1997. However, at the same time, more households combine work with AFDC/TANF. In 1994, 7.9 percent of households with AFDC/TANF had an employed household head, while in 1997, 11.9 percent had an employed household head.

The proportion of food stamp households with earnings increased from 21.4 percent of the caseload to 24.2 percent of the caseload. More single-adult households with children had earnings, and more households with children combined earnings with AFDC/TANF. While the nominal value of average household earnings increased from 1994 through 1997, the increase did not change their economic status relative to the poverty level.

CHAPTER 1: INTRODUCTION

The Food Stamp Program (FSP) is a central component of America's antipoverty program. The major purpose of the FSP is "to permit low-income households to obtain a more nutritious diet . . . by increasing their purchasing power" (The Food Stamp Act of 1977, as amended, P.L 95-113). The FSP is the largest of the domestic food and nutrition assistance programs administered by the U.S. Department of Agriculture's Food and Nutrition Service (FNS). During fiscal year 1997 the FSP served approximately 22.9 million people in an average month at a total cost of $21.5 billion.

The FSP is the only low-income assistance program available nationwide to essentially all financially needy households, and it imposes few nonfinancial categorical criteria.[1] The FSP is also unique in that it provides benefits through coupons or electronically. Food stamp benefits can be redeemed for food in more than 180,000 authorized stores across the nation.

Federal, state and local governments share the costs and administration of the FSP. Congress authorizes the FSP and appropriates necessary funds, while the Department of Agriculture establishes FSP regulations under the Food Stamp Act of 1977, as amended. FNS administers the FSP nationally, while state and local welfare agencies operate the program locally. The federal government fully funds the benefits of the FSP. Administrative costs are shared by the cooperating agencies, with FNS usually paying 50 percent of the costs.

Since food stamps are available to most people who meet the income and resource standards set by Congress, the FSP serves a broad spectrum of needy people. Using FSP household data, which FNS periodically collects for quality control review purposes, FNS produces a series of reports (see Appendix L for a list of titles) to enhance understanding of those served by the program. This report presents a picture of households and individuals participating in the FSP in fiscal year 1997.[2]

Chapter 2 provides an overview of the FSP and the regulations used to determine eligibility and food stamp benefits, as well as the factors that affect program participation and costs, such as legislative changes and trends in the national economy. Chapter 3 describes the characteristics of individuals and households participating in the FSP in fiscal year 1997. Chapter 4 focuses on trends in FSP participation among permanent resident aliens, able-bodied adults, Aid to Families with Dependent Children/Temporary Assistance for Needy Families (AFDC/TANF) recipients, and the working poor since 1994. The appendices include supplemental tables, detailed tabulations of household characteristics for the nation and by state, details of the changes in fiscal year 1997, and a brief description of the sample design and the sampling error associated with the estimates.

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[1]In fiscal year 1997, the FSP imposed two new nonfinancial categorical criteria on program eligibility. Specifically, most legal permanent resident aliens and many able-bodied, childless adults are ineligible for food stamps. See Appendix D for more details on these individuals.

[2]Prior to the fiscal year 1995 report, reports in this series did not concentrate on the full fiscal year. Rather, reports were based on a subset of the year, such as the summer months.

CHAPTER 2: AN OVERVIEW OF THE FOOD STAMP PROGRAM

The characteristics of food stamp households and the level of FSP participation change over time in response to economic and demographic trends and to legislative changes in eligibility requirements. This chapter begins by explaining FSP eligibility requirements, application procedures, benefit computation, and food stamp issuance. The chapter then describes how the program changed from fiscal year 1996 to fiscal year 1997 and concludes with a summary of program participation and costs and their relationship to the economy in fiscal year 1997.

PROGRAM ELIGIBILITY REQUIREMENTS

The Food Stamp Act of 1977, as amended, establishes uniform national eligibility standards for the FSP and defines the basic FSP unit, the "household." The eligibility criteria include gross and net income limits, an asset limit, and various nonfinancial criteria. Some exceptions to these uniform standards exist for certain high-cost areas, such as Alaska and Hawaii, and for certain individuals such as elderly people (age 60 and over) and disabled people.

The Household

In general, individuals who live in a residential unit and purchase and prepare food together constitute a household as defined in the FSP. The income and assets of each household member are aggregated to determine eligibility and benefits. Individuals who live together in a residential unit but do not purchase and prepare food together can apply as separate household units; thus, their income and assets are considered separately in eligibility and benefit determinations, with some exceptions. Special provisions allow elderly and disabled people who cannot prepare and purchase food because of a substantial disability to apply as a separate household as long as the gross monthly income of the remainder of their residential unit is less than 165 percent of the official federal government poverty guidelines.[3]

Income Eligibility Standards

Monthly income is the most important determinant of a household's FSP eligibility. The majority of households that apply for food stamps must meet two income eligibility standards – a gross income standard and a net income standard. As defined in the Food Stamp Act of 1977, as amended, gross

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[3]Federal poverty guidelines for many assistance programs are established annually by the Secretary of the U.S. Department of Health and Human Services. The FSP used 1996 poverty guidelines (published in the February 1996 *Federal Register*) for all fiscal year 1997 income eligibility tests. These guidelines were developed on the basis of the 1995 Census poverty thresholds. This means that the income eligibility tests applied to food stamp households in fiscal year 1997 are based on 1995 poverty measures. See Appendix E for a listing of the fiscal year 1997 FSP poverty guidelines.

income includes most cash income (with the exception of specific types of income such as loans) and excludes most noncash income, or in-kind benefits.

First, the gross monthly income of all households without an elderly or disabled member must be at or below 130 percent of the poverty guideline ($1,690 for a family of four in the contiguous United States in fiscal year 1997). Households with elderly and disabled members are not subject to the gross income test. Second, all households must meet a net income eligibility standard, defined as net monthly income at or below 100 percent of the poverty guideline ($1,300 for a family of four in the contiguous United States in fiscal year 1997). Net income is determined by subtracting deductions permitted under the FSP from monthly gross income. Both the gross and net income eligibility standards are established for various household sizes (Appendix F). Households are exempt from these income tests, as well as the asset test, if all members of a household receive AFDC or TANF income, State General Assistance (GA), or Supplemental Security Income (SSI).[4]

The FSP deducts the following from a household's gross monthly income to arrive at the net monthly income:[5]

- ***Standard deduction.*** All households automatically receive a standard deduction, equal to $134 in the contiguous United States and the District of Columbia in fiscal year 1997. The standard deduction for outlying states and territories varies to reflect price differences between these areas and the contiguous United States (Appendix G).

- ***Earned income deduction.*** Households with earnings receive a deduction equal to 20 percent of the combined earnings of household members.

- ***Dependent-care deduction.*** Households with dependents receive a deduction for expenses involved in caring for children and other dependents while household members work, seek employment, or go to school. The maximum dependent-care deduction in fiscal year 1997 was $200 per month per dependent under age 2 and $175 per month per dependent age 2 or older (Appendix G).

- ***Medical deduction.*** A deduction is available only to households that contain elderly or disabled members. These households can deduct all medical costs incurred by the elderly or disabled person that exceed $35. Medical expenses reimbursed by insurance or government programs are not deductible. If a household contains more than one

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[4]These categorically eligible households have their benefits determined according to the same rules used for other eligible households.

[5]There is a distinction between a household's deduction entitlement and the amount actually used to compute food stamp benefits. The entitlement is the deduction that a household would receive on the basis of its earned income and dependent-care, shelter, and medical expenses if the total of these allowable deductions was less than the household's gross income. Because net income cannot be less than zero, households with total deductions greater than their gross incomes can only claim a portion of their deduction entitlement.

disabled or elderly person, it can deduct the combined medical expenses that exceed each elderly or disabled person's initial $35 expense.

- ***Child support payment deduction.*** Households can deduct legally obligated child support payments made to or for a non-household member.

- ***Excess shelter expense deduction.*** All households are entitled to a deduction equal to shelter costs (such as rent, mortgage payments, utility bills, property taxes, and insurance) that exceed 50 percent of a household's countable income after all other potential deductions are subtracted from gross income. This deduction is subject to a limit. However, households that contain elderly or disabled members are entitled to subtract the full value of shelter costs that exceed 50 percent of their adjusted income. The limit on the excess shelter expense deduction for households without elderly or disabled members was $247 through December 31, 1996, then increased to $250 on January 1, 1997. The excess shelter expense deduction for outlying states and territories varies to reflect price differences between these areas and the contiguous United States (Appendix G).

Assets

The second most important determinant of FSP eligibility is a household's assets. Most households are permitted up to $2,000 in countable assets. However, households with elderly people are allowed up to $3,000. Countable assets include cash, assets that can easily be converted into cash (such as money in checking or savings accounts, savings certificates, stocks or bonds, and lump-sum payments), and nonliquid resources. However, selected pieces of property such as family homes, tools of a trade, or business property used to earn income are not counted. Assets also do not include any vehicles used as a home, to produce income, or to transport disabled people. Vehicles not used for these purposes are counted in the following way: for the first vehicle and any additional vehicles used to commute to work or qualifying job training programs, any fair market value exceeding $4,650 is counted toward the asset limit; for all other vehicles, the higher of either any fair market value in excess of $4,650 or any equity (fair market value minus remaining liens) is counted.

Nonfinancial Eligibility Standards

The FSP has some nonfinancial eligibility standards, such as restrictions on the participation of students, strikers, and people who are institutionalized. In addition, most legal permanent resident aliens are ineligible for benefits, and able-bodied adults without dependents are subject to time-limits.

Permanent resident aliens are not eligible for the program unless they are accorded refugee, asylee, or deportee status, have accumulated 40 quarters of work in the United States, are currently serving in the U.S. Armed Forces, or are veterans of the U.S. Armed Forces. Refugees, asylees, and deportees are eligible for only five years after entering the country.[6] The spouses and dependent children of eligible permanent resident aliens are also eligible for the FSP. Additionally, a permanent resident alien who becomes a naturalized U.S. citizen is eligible.

Able-bodied adults without dependents (ABAWDs) are required to work or participate in work-related activities. Those who do not meet work requirements are restricted to 3 months of food stamp benefits in any 36-month period. The following individuals are exempt from the ABAWD work requirements.[7]

- People younger than 18 or older than 59
- People who are disabled
- People who are mentally or physically unfit for employment
- Women who are pregnant
- People needed in home to care for an ill or incapacitated person
- Relatives or other caretakers of dependent children
- Students meeting FSP eligibility requirements
- People who work at least 20 hours per week
- People who receive unemployment compensation
- People complying with work requirements under another program
- People participating in a drug or alcohol rehabilitation program
- People participating in a work experience program.

APPLICATION PROCEDURES

To apply for food stamps, individuals are required to appear in person at their local food stamp offices. However, elderly and disabled people and people who have transportation problems can be interviewed by telephone or at their homes. All states must allow individuals to apply for food stamps when they apply for AFDC/TANF. Individuals applying for SSI benefits can simultaneously apply for food stamps.

The Food Stamp Act of 1977, as amended, requires that local offices process applications for food stamps within 30 days after they are received. However, households without significant income or

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[6]See Appendix D for more details on recent changes to permanent resident alien eligibility.

[7]See Appendix D for more details on recent changes to ABAWD eligibility.

resources can receive expedited food stamp eligibility verification and acquire food stamp benefits within five calendar days after they apply. Those eligible for expedited service include (1) homeless people, (2) migrant or seasonal farm workers with assets equal to or less than $100, (3) households with gross income equal to or less than $150 and assets equal to or less than $100, and (4) households with shelter costs that exceed their gross income and assets combined.

FSP participants are required to appear in person at their local food stamp offices periodically for recertification. The certification period varies according to the likelihood of a change in a food stamp household's financial circumstances. In fiscal year 1997, food stamp households were certified for food stamps for an average of 10 months.

BENEFIT COMPUTATION

After a household is certified for food stamps, its monthly food stamp benefit is computed on the basis of its net monthly income, the benefit reduction rate, and the maximum food stamp benefit for its household size and location. The maximum benefit to which a household is entitled is based on the June cost of the Thrifty Food Plan (TFP) for a family of four, adjusted for different household sizes and geographic areas outside the contiguous United States. The cost of the TFP is based on an economical and nutritious diet, adjusted for household size and composition. Maximum benefits are revised annually to reflect changes in the cost of the foods in the TFP. As specified in the Food Stamp Act of 1977, as amended, the maximum benefit was 100 percent of the TFP through 1988, 100.65 percent in 1989, 102.05 percent in 1990, 103 percent in 1991 to 1996, and 100 percent of the TFP in 1997.[8] Thus, in fiscal year 1997 the maximum monthly benefit for a family of four in the contiguous United States was $400 (Appendix H).

The benefit reduction rate is the rate at which benefits are reduced for every additional dollar of net income. The benefit reduction rate is 30 percent, reflecting the assumption that a household will spend 30 percent of its net income on food and that the FSP will provide the difference between that amount and the maximum benefit. Thus, benefits are reduced by 30 cents for every additional dollar of net income.

A household's monthly food stamp benefit is computed by subtracting 30 percent of its net income from the maximum benefit. If a household has zero net income, it receives the maximum food stamp benefit. All eligible one- and two-person households are guaranteed a minimum benefit of at least $10 per month (except during the initial month of participation). For new participants, benefits are prorated for the first month.

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[8]In 1995, legislation was adopted to freeze maximum benefit amounts for Alaska at their 1994 levels. In 1993 an additional amendment to the Act required that 1993 maximum benefit amounts in the contiguous United States remain constant at 1992 values despite a drop in the value of the TFP in June 1992.

FOOD STAMP ISSUANCE

State and local food stamp offices use various systems to provide food stamp benefits. The four main methods of issuance:

- ***ATP card.*** An authorization-to-participate (ATP) identification card is mailed to the participant each month; the participant then exchanges the card for food stamps at an authorized issuance office.
- ***Mail.*** State and local offices mail the food stamps directly to the participant.
- ***Manually.*** The participant obtains food stamps directly from the food stamp office.
- ***On-line electronic benefit transfer.*** The participant receives a "debit" card, similar to a bank card, which is used when making food purchases at authorized retail stores. The household's monthly benefit is electronically transferred to a benefit account created specifically for FSP benefits. When a purchase is made, the amount of the purchase is debited from the household's FSP account.
- ***Off-line electronic benefit transfer.*** A few states have pilot programs that use "smart cards." Unlike on-line electronic benefit transfer cards, these cards contain food stamp benefit information in a chip on the card.

PROGRAM CHANGES SINCE THE PREVIOUS FISCAL YEAR

PRWORA was enacted on August 22, 1996 and made the following changes to the FSP:[9]

- The household definition was expanded to include married children and children who are parents, under age 22, who also live in the household.
- Most permanent resident aliens are ineligible to participate in the FSP.
- Most ABAWDs who are not working are only eligible for 3 months of benefits in a 36-month period.
- The age at which a student's earnings begin to be included in the household's income was lowered from 22 years to 18 years.
- The maximum monthly benefit was lowered from 103 percent of the TFP to 100 percent.
- The fair market value limit for vehicles increased from $4,600 to $4,650.

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[9]See Appendix D for more details on PRWORA.

- The deduction for shelter costs was increased to $247 from $250, starting January 1, 1997.

FSP PARTICIPATION AND COSTS

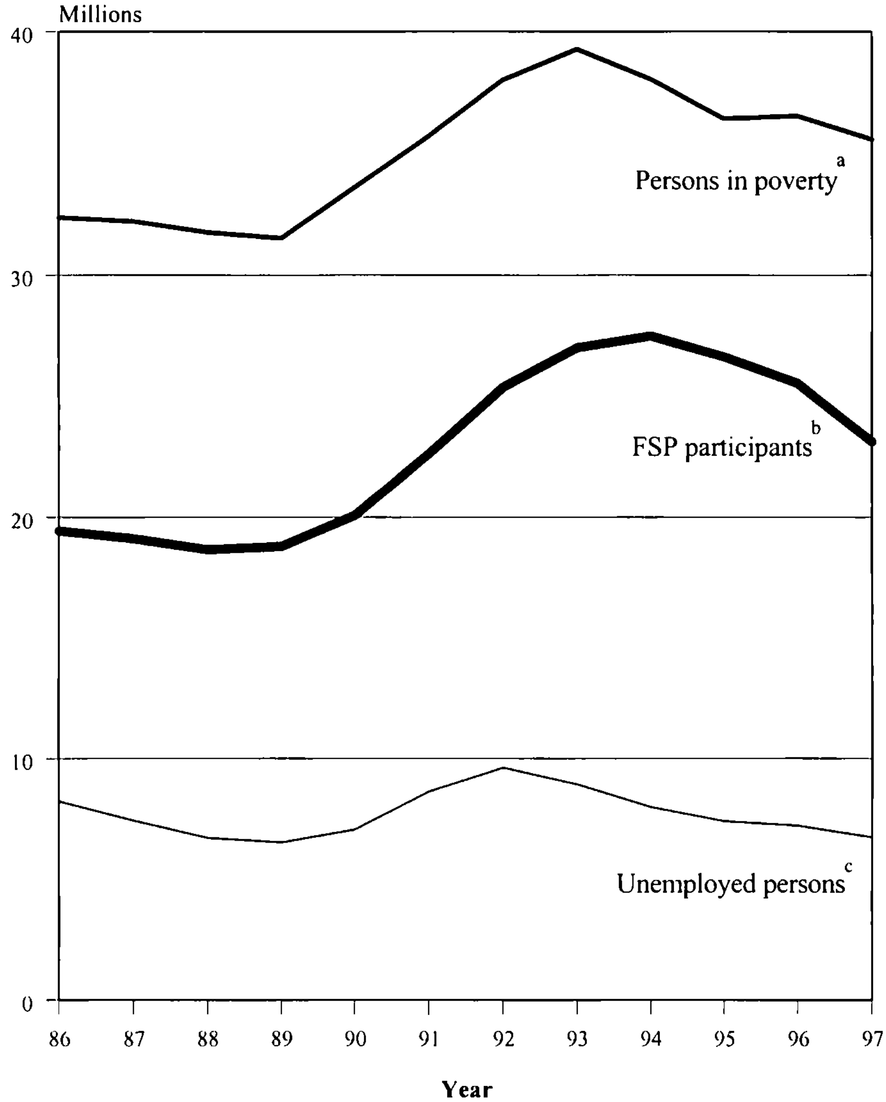
After declining slowly from 1983 through 1989, FSP participation grew substantially during the early 1990s. As illustrated in Figure 2.1, FSP participation increased by 35 percent from fiscal year 1990 through fiscal year 1993. FSP participation peaked at 28.0 milion people in March 1994. Since then, the number of FSP participants has declined steadily. Fiscal year 1997 started with 24.4 million participants. The number fell to 21.0 million by September 1997.

Over the past 10 years, trends in FSP participation levels have been similar to trends in major economic indicators (Table 2.1). The increase in FSP participation beginning in 1989 and continuing into 1993 was associated with an economic recession that began in 1990. Major economic indicators for most of this period portray a downturn. As the economy improved between 1993 and 1997, FSP participation leveled off and then began to decline. However, it should be noted that the decline in people living in poverty leveled off between 1995 and 1996, while the FSP caseload continued to fall.

Total FSP costs decreased from $24.3 billion in fiscal year 1996 to $21.5 billion in fiscal year 1997. The reduction in costs occurred in part because of the reduction in the caseload and in part because the average monthly benefit fell from $71 per person in fiscal year 1996 to $70 per person in fiscal year 1997. The total cost of the FSP in fiscal year 1997 included $19.6 billion in benefits, $1.9 billion in state administrative costs, and $78 million in other costs.

FIGURE 2.1

FOOD STAMP PROGRAM PARTICIPANTS, UNEMPLOYED PERSONS, AND POOR PERSONS (1986-1997)



[a]Source: Bureau of the Census, *Poverty in the United States,* P60-201

[b]Average Monthly Value. Source: United States Department of Agriculture

[c]Average Monthly Value. Source: *Economic Report of the President,* March 1997

Table 2.1--Major Economic Indicators, Calendar Years 1986-1997

	Calendar Year											
Economic Indicator	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Real GDP[a]	3.1	2.9	3.8	3.4	1.2	-0.9	2.7	2.3	3.5	2.0	2.8	3.8
Productivity[b]	2.6	-0.1	0.7	0.8	0.7	0.6	3.4	0.1	0.6	0.3	2.7	1.7
Unemployment Rate[c]	7.0	6.2	5.5	5.3	5.6	6.8	7.5	6.9	6.1	5.6	5.4	4.9
Inflation Rate[d]	2.6	3.1	3.6	4.2	4.3	4.0	2.8	2.6	2.4	2.5	2.3	2.0
Interest Rate[e]	9.0	9.4	9.7	9.3	9.3	8.8	8.1	7.2	8.0	7.6	7.4	7.3
Persons Below 100 Percent of												
Number in Thousands	32,370	32,221	31,745	31,528	33,585	35,708	38,014	39,265	38,059	36,425	36,529	35,574
Percentage of Total Population	13.6	13.4	13.0	12.8	13.5	14.2	14.8	15.1	14.5	13.8	13.7	13.3

[a]Percent change from preceding year.

[b]Percent change from preceding year in output per hour, business sector.

[c]Unemployment rate for all civilian workers.

[d]Percentage change from preceding year in the implicit price deflator for Gross Domestic Product.

[e]Corporate Aaa bond yield.

Source for first line of data: *Economic Report of the President*, Washington, DC, March 1997.

Source for second line of data: Department of Labor, Bureau of Labor Statistics. "Major Sector Productivity and Costs Index."

Source for third through fifth lines of data: *Economic Report of the President*, Washington, DC, March 1997.

Source for last two lines of data: U.S. Bureau of the Census, *Poverty in the United States*, P60-201.

CHAPTER 3: CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS AND PARTICIPANTS

The FSP serves the nutritional needs of a broad spectrum of low-income Americans.[10] In an average month in fiscal year 1997, the FSP provided benefits to 23.1 million people living in 9.5 million households.[11] Almost all food stamp households lived in poverty (according to the federal poverty guidelines for program eligibility in fiscal year 1997). The vast majority of food stamp households contained either a child (under age 18), an elderly person (over age 59), or a disabled person. The average food stamp household received a monthly food stamp benefit of $169, had an average gross monthly income of $558, had an average net monthly income of $299, was entitled to an average total deduction of $291 a month, and had an average household size of 2.4 people. This chapter elaborates on the economic status of food stamp households and discusses the composition of food stamp households, the characteristics of food stamp participants, and changes in the characteristics of food stamp households from fiscal year 1996 through fiscal year 1997.

THE POVERTY STATUS OF FOOD STAMP HOUSEHOLDS[12]

The FSP provides benefits to households in need. The gross monthly income of 91 percent of food stamp households in fiscal year 1997 was less than or equal to 100 percent of the federal poverty guideline.[13] The gross monthly income of almost two-thirds of all food stamp households was less than or equal to 75 percent of the poverty guideline, and the income of 39 percent of all food stamp households was less than or equal to 50 percent of the guideline (Table 3.1).

The FSP effectively targets benefits to the most needy households. That is, poorer households receive larger food stamp benefits than do households with more income. While only 39 percent of all food stamp households had a gross monthly income less than or equal to 50 percent of the poverty guideline, they received 57 percent of all benefits. In contrast, the households that had gross monthly income

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[10]The information provided in this chapter and the estimates in Appendices A, B and C are based on a sample of 48,854 households that participated in the FSP in fiscal year 1997. The sample was drawn from food stamp households in the 50 states, the District of Columbia, Guam, and the Virgin Islands. Households in Puerto Rico and the Northern Mariana Islands were not included in the sample because Puerto Rico has its own Nutritional Assistance Program which replaced the FSP there in July 1982, and the Northern Mariana Islands participate in another block grant program instead of the FSP.

[11]The figure of 23.1 million participants differs from the number of food stamp participants according to FNS administrative records, 22.9 million people, because the sample estimate is weighted by households rather than by individuals (see Appendix I).

[12]For more information on the economic status of food stamp households, see appendix Tables A-3 through A-8.

[13]See Appendix E for the Poverty Guidelines.

Table 3.1-- Distribution of Households and Benefits by Income as a Percentage of Poverty Guideline, Fiscal Year 1997

Gross Income as a Percentage of Poverty Guideline[a]	Percentage of:	
	All Households	All Benefits
Total[b]	100.0	100.0
25% or less	17.4	23.7
26 - 50%	21.8	33.6
51 - 75%	25.6	26.0
76 - 100%	26.3	13.6
101 - 130%	8.3	3.1
131% or more	0.5	0.1

[a] Defined as the fiscal year 1997 poverty guidelines published by the Department of Health and Human Services (see Appendix E).

[b] Due to rounding, the sum of individual categories may not match the table total.

Source: Fiscal Year 1997 Food Stamp Quality Control sample.

over the poverty guideline, which accounted for 8.8 percent of all food stamp households, received only 3.2 percent of all benefits.

To estimate the impact of food stamps on a household's purchasing power, add the dollar value of the food stamps to household income and then examine the distribution of households by poverty status.[14] As shown in Table 3.2, the combination of cash and food stamps—an alternative measure of gross income that includes food stamp benefits—yields a significantly different distribution of food stamp households by poverty status. Specifically, the alternative measure of income sufficiently increased the income of food stamp households to move 7 percent of them above the poverty guideline. Food stamp benefits had an even greater impact on the poorest households, moving 22 percent of food stamp households above 50 percent of the poverty guideline.

HOUSEHOLDS WITH SPECIAL NEEDS

The FSP effectively serves many households that contain people with special needs—that is, children and elderly or disabled people. In fiscal year 1997, 86 percent of all food stamp households had either a child, an elderly person, or a disabled person. These households received 90 percent of all food stamp benefits. This section describes the characteristics of food stamp households with children, elderly people, or disabled people.[15]

Households with Children

In fiscal year 1997, the FSP served approximately 12 million children each month, representing more than half of all participants. Of all food stamp households, 58 percent had children (Table 3.3). Compared with other food stamp households, households that contained children received a relatively high average food stamp benefit of $234 per month (Table 3.4). This relatively high benefit primarily reflects the fact that the average household size among food stamp households with children (3.4 people) was larger than the average household size among all food stamp households (2.4 people).

Children who received food stamps in fiscal year 1997 tended to live in households that were headed by single parents and that received AFDC/TANF benefits in addition to food stamps. Of all food stamp households with children, 69 percent were headed by a single parent, representing 40 percent of all food stamp households. Since the AFDC/TANF program serves predominantly single-parent families, a large percentage (63 percent) of these single-parent food stamp households also received AFDC/TANF. More than one-quarter of the single-parent food stamp households had earnings.

Ten percent of food stamp households contained married couples and children, representing 17 percent of all food stamp households with children. The characteristics of married-couple households with

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[14]This comparison assumes that program participants value their food stamp benefits at face value.

[15]See Appendices A-4,A-6, A-17, A-22, A-27, and A-28 for more details concerning these households.

Table 3.2–Effect of Food Stamp Benefits on the Poverty Status of Food Stamp Households, Fiscal Year 1997

Gross Income as a Percentage of Poverty Guideline[a]	Distribution of Households in Relation to Poverty Guideline: Based on Cash Only	Distribution of Households in Relation to Poverty Guideline: Based on Cash and Food Stamps	Difference in Percentage Points
Total[b]	100%	100%	0
50% or less	39.3	17.1	-22.2
51-100	51.9	66.8	14.9
101 or more	8.8	16.1	7.3

[a]Defined as the fiscal year 1997 poverty guidelines published by the Department of Health and Human Services (see Appendix E).

Source: Fiscal Year 1997 Food Stamp Quality Control sample.

Table 3.3-- Household Composition and Selected Characteristics of Participating Households, Fiscal Year 1997

Households With:	All Households		Households With:									
			Earned Income		Social Security		AFDC/TANF		General Assistance		SSI	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
Total[a]	9,452	100.0	2,284	100.0	1,999	100.0	3,270	100.0	588	100.0	2,504	100.0
Children	5,508	58.3	1,935	84.7	435	21.8	3,187	97.5	103	17.6	730	29.2
Single-Adult Household	3,806	40.3	1,102	48.3	262	13.1	2,415	73.8	67	11.5	468	18.7
Married Couple Household	933	9.9	568	24.9	90	4.5	328	10.0	23	3.9	149	5.9
Other Multiple-Adult Household	426	4.5	183	8.0	77	3.9	247	7.6	10	1.7	106	4.2
Children Only	331	3.5	79	3.5	5	0.3	189	5.8	3	0.5	7	0.3
Unknown	11	0.1	3	0.1	1	0.0	9	0.3	–	–	1	0.0
Elderly	1,667	17.6	57	2.5	1,149	57.5	71	2.2	81	13.8	987	39.4
Living Alone	1,292	13.7	21	0.9	905	45.3	4	0.1	62	10.6	778	31.1
Not Living Alone	375	4.0	37	1.6	244	12.2	67	2.1	19	3.2	209	8.3
Disabled	2,108	22.3	178	7.8	833	41.7	501	15.3	91	15.5	1,756	70.1
Living Alone	1,110	11.7	44	1.9	495	24.8	2	0.1	61	10.3	883	35.3
Not Living Alone	998	10.6	133	5.8	338	16.9	499	15.3	30	5.1	873	34.9
Other Households[b]	1,307	13.8	253	11.1	0	0.0	68	2.1	341	58.0	1	0.0
Single-Person Household	1,168	12.4	195	8.6	0	0.0	51	1.5	325	55.2	1	0.0
Multi-Person Household	139	1.5	58	2.5	–	–	17	0.5	16	2.8	–	–

[a] The sum of individual categories does not match the table total because a household can have more than one of the characteristics in the table.

[b] Households not containing children, elderly persons, or disabled persons.

– No sample households are found in this category.

Source: Fiscal Year 1997 Food Stamp Quality Control sample.

Table 3.4-- Average Values of Selected Characteristics by Household Composition, Fiscal Year 1997

Households With:	Average Values			
	Gross Monthly Income (Dollars)	Net Monthly Income (Dollars)	Monthly Food Stamp Benefit (Dollars)	Household Size (Persons)
Total	558	299	169	2.4
Children	648	364	234	3.4
Single-Adult Household	576	302	228	3.1
Married Couple Household	953	614	269	4.6
Other Multiple-Adult Household	838	538	268	4.4
Children Only	372	158	165	2.0
Unknown	553	272	295	3.7
Elderly	577	319	63	1.3
Living Alone	521	266	47	1.0
Not Living Alone	767	503	118	2.5
Disabled	687	418	104	2.1
Living Alone	525	244	52	1.0
Not Living Alone	868	612	162	3.4
Other Households[a]	185	52	118	1.1
Single-Person Household	159	38	110	1.0
Multi-Person Household	407	170	185	2.2

[a] Households not containing children, elderly persons, or disabled persons.

Source: Fiscal Year 1997 Food Stamp Quality Control sample.

children varied considerably from those of single-adult households with children. The average monthly food stamp benefit for single-adult households was lower than that of married-couple households due to the smaller size of single-adult households. The per capita benefit was higher for people in single-adult households than people in married-couple households ($74 versus $58) because single-adult households were poorer. Single-adult households with children had substantially lower gross monthly incomes ($576 versus $953). Of all married-couple households with children, 61 percent received income from earnings and 35 percent received AFDC/TANF. Households with children constituted 85 percent of all food stamp households with earnings.

Households With Elderly People

In fiscal year 1997 the FSP served an average of 1.8 million elderly people each month.[16] As shown in Table 3.3, food stamp households containing elderly members represented 18 percent of all food stamp households. These households received an average food stamp benefit of $63 per month (Table 3.4).

Elderly people who received food stamps tended to live alone, and thus received relatively small food stamp benefits. In fiscal year 1997, 78 percent of all food stamp households with elderly members were single-person households. These households received an average food stamp benefit of $47 per month compared with $118 in benefits for households with elderly people not living alone. Elderly people not living alone lived in households averaging 2.5 people.

Food stamp households that contained elderly people tended to receive SSI or Social Security income. In fiscal year 1997, 59 percent of all food stamp households with elderly members received SSI, 69 percent received Social Security, and 36 percent received both SSI and Social Security income. Food stamp households with elderly members represented 39 percent of all food stamp households with SSI and 57 percent of food stamp households with Social Security income.

Households With Disabled People

In fiscal year 1997, households that contained disabled people represented 22 percent of all food stamp households (Table 3.3).[17] These households received an average monthly food stamp benefit of $104.

Similar to households with elderly members, households containing a disabled person living alone received a lower average monthly food stamp benefit than did households that contained disabled people not living alone ($52 compared with $162). About 53 percent of food stamp households that contained disabled people were single-person households, while 47 percent were multiple-person

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[16]Elderly people are those age 60 or over.

[17]In this report, disabled people are defined as those under age 65 who receive SSI and those age 18 to 61 who receive Social Security, veterans benefits, or other governmental benefits as a result of disability. Before 1995, disabled people were defined as those who receive SSI but are not elderly. The new definition allows individuals to be classified as both elderly and disabled when applicable and has the effect of increasing the number of FSP participants who are considered disabled.

households. Once again the difference in benefits between the two groups reflects differences in average household size. Disabled people who did not live alone lived in households averaging 3.4 people.

Other Households Served by the FSP

The FSP serves needy households other than those that contain children, elderly people, or disabled people. In fiscal year 1997, 14 percent of all food stamp households consisted solely of one or more nonelderly, non-disabled adults (Table 3.3). These households received an average food stamp benefit of $118 per month (Table 3.4). They tended to be single-person households (89 percent) and represented the majority (58 percent) of households that received General Assistance (GA).

Of all food stamp households in fiscal year 1997, 38 percent were individuals who lived alone. Because these households only contained one individual, the average monthly food stamp benefit was only $71. Most of these individuals (62 percent) were female, and 36 percent were elderly. Compared with all food stamp households, a relatively small proportion of food stamp participants living alone received earnings (8 percent), and a relatively high proportion had zero gross income (17 percent).[18]

CHARACTERISTICS OF FSP PARTICIPANTS

The FSP serves a broad spectrum of individuals. In fiscal year 1997 more than half were children (less than 18 years old), 41 percent were nonelderly adults (age 18 to 59), and 8 percent were elderly adults. Approximately 66 percent of the children served by the FSP were school age (between ages 5 and 17). Seventy-two percent of elderly adults and 70 percent of nonelderly adults were female. The majority (70 percent) of nonelderly adult food stamp participants lived in households with children – approximately 57 percent were single parents and 29 percent were married parents.[19]

With the exception of certain groups of individuals, such as caretakers of small children and people working at least 30 hours a week, all able-bodied nonelderly adult food stamp participants are required to register for work and accept suitable employment as a condition of receiving food stamps. As with participants in the FSP, participants in other assistance programs often are required to register for

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[18]For more information or other households served by the FSP, see appendix Tables A-4, A-22, and A-28.

[19]For more information on FSP participants and household heads, see appendix Tables A-24 and A-27 through A-30.

work. In fiscal year 1997, 22 percent of all food stamp household heads were registered for work under the FSP or another assistance program.[20] Most food stamp household heads (73 percent) were exempt from work registration requirements – 24 percent of household heads were disabled, 13 percent were younger or older than the required ages, 17 percent were the caretakers of a child or an incapacitated adult, 11 percent were already employed full time, and 9 percent were exempt for other reasons.[21]

CHANGES IN THE ECONOMIC CONDITION OF FOOD STAMP HOUSEHOLDS

The overall economic conditions of the average food stamp household improved between fiscal year 1996 and fiscal year 1997. The average net income of food stamp households increased by 6.2 percent in real dollars (Table 3.5), and the percentage of households with zero net income (23 percent) decreased slightly (from 25 percent in 1996). The percentage of households with earnings increased from approximately 23 percent in fiscal year 1996 to 24 percent in fiscal year 1997. The percentage of households receiving AFDC/TANF fell from 37 percent to less than 35 percent while the percentage of all FSP households with children dropped slightly from 60 percent to 58 percent. The increase in the percentage of households with a disabled member was associated with an increase in the percentage of households receiving SSI (from 24 percent to 27 percent).

The average food stamp benefit decreased in real dollars from $169 in fiscal year 1996 to $165 in fiscal year 1997, due in part to the reduction of the maximum allotment from 103 percent of the cost of the Thrifty Food Plan to 100 percent. The real value of the maximum food stamp benefit for a family of four in the continental United States decreased from $397 to $390. The percentage of food stamp households receiving the maximum benefit dropped from 25 percent to 23 percent.

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[20]Reports in this series prior to summer 1989 included as work registrants only people required to register for work under the FSP; the summer 1989 through fiscal year 1997 reports include as work registrants food stamp participants registered for work under the FSP and food stamp participants registered for the Job Opportunities and Basic Skills (JOBS) program. For more information on the work registration status of food stamp participants and household heads, see appendix Table A-29.

[21]The work registration status of 4 percent of household heads was unknown.

Table 3.5–Average Nominal and Real Values of Selected Characteristics, Fiscal Year 1996 and Fiscal Year 1997

Selected Characteristics	Nominal Values			Real Values	
	Fiscal Year 1996	Fiscal Year 1997	Percentage Change	Fiscal Year 1997	Percentage Change
Average Gross Income[a]					
Per Household	$528	$558	+6.5	$545	+3.2
Per Person	258	278	+7.8	272	+5.4
Average Net Income[a]					
Per Household	275	299	+8.7	292	+6.2
Per Person	123	137	+11.4	134	+8.9
Average Total Deduction[a]	287	291	+1.4	284	-1.1
Average Household Benefit[b]	174	169	-2.8	165	-5.2
Maximum Coupon Benefit for a Family of Four in the Continental U.S.[b]	397	400	+0.8	390	-1.8
Consumer Price Index					
All Items	156.9	160.5	+2.3		
Food at Home	154.3	158.1	+2.5		

[a]Real values are in constant fiscal year 1996 dollars. Fiscal year 1997 values were deflated by the change in the CPI-U for all items between fiscal year 1996 and fiscal year 1997 (2.3 percent).

[b]Real values are in constant fiscal year 1996 dollars. Fiscal year 1997 values were deflated by the change in the CPI-U for food at home between fiscal year 1996 and fiscal year 1997 (3.2 percent).

Source of CPI-U average values: U.S. Department of Labor, Bureau of Labor Statistics.

Source of nominal values: Fiscal Year 1996 and Fiscal Year 1997 Food Stamp Quality Control samples.

CHAPTER 4: TRENDS IN FSP PARTICIPATION FROM 1994 TO 1997

The FSP caseload has fallen sharply since its peak of 28 million participants in March 1994. The robust U.S. economy combined with state and federal welfare reform initiatives are credited with causing most of the reduction in FSP participation. As a result of the caseload declines, the characteristics of the FSP caseload changed after 1994.

This chapter examines the changes in the characteristics of FSP participants since the 1994 peak in participation.[22] The first section briefly describes the economic and policy changes that occurred after 1994. The second section examines the overall caseload changes from 1994 through 1997. The remaining four sections examine trends in the characteristics of four specific groups of interest: (1) permanent resident aliens, (2) able-bodied adults, (3) AFDC/TANF recipients, and (4) the working poor.

The single federal initiative that caused the most sweeping reforms to the FSP is the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The analysis in this chapter, which relies in part on fiscal year 1997 data, provides the first glimpse of the FSP after the passage of PRWORA. However, because PRWORA was implemented in stages over 1997, the full impact will not be apparent until fiscal year 1998 or later.

ECONOMIC AND POLICY CHANGES AFFECTING THE FSP SINCE 1994

Participation in the FSP has fallen 15 percent since 1994. In an average month of 1997, 9.5 million households received food stamp benefits, down from 11.1 million in 1994. By the last month of fiscal year 1997, only 20.9 million people were receiving food stamps, the fewest since 1990.

The 1994 turning point in the FSP caseload coincided with an economic recovery. After a two-year recession, the U.S. economy began growing in 1992. Unemployment rates dropped and continued falling until they reached the lowest point in several decades. Increases in productivity and real Gross Domestic Product led to the creation of millions of new jobs in the 1990s. In 1994, the poverty rate decreased for the first time since 1989, and it continued to fall through 1997.

As the economy improved, low-income adults moved into the labor force and moved their families off food stamps and cash assistance. Many families that were unemployed in 1992 and 1993 were working and self-sufficient in 1995 and 1996. The decline in the FSP caseload was matched by steep declines in the AFDC and other public assistance caseloads.

The early stages of the economic recovery occurred at the same time many states were implementing welfare reform initiatives. The U.S. Department of Health and Human Services granted numerous waivers allowing states to reform their AFDC programs in the early 1990s. Many of these reforms

[22] Unless otherwise stated, the estimates for each year described in this chapter reflect the characteristics in an average month of that year.

included intensive efforts to move welfare recipients into the work force. Because a large proportion of food stamp households also receive AFDC/TANF (in 1994, 38.1 percent of households received AFDC), these state-level reforms likely had an impact on the FSP.

The welfare reform efforts that began under state waivers culminated in the passage of PRWORA. PRWORA made sweeping changes to the AFDC and Food Stamp programs. New initiatives were created to move welfare recipients into the labor force. At the same time, the legislation made most permanent resident aliens ineligible for food stamp benefits, subjected some able-bodied adults to time limits on food stamp receipt, and lowered food stamp benefits for almost all households.[23]

It is still unclear exactly how much of the decline in food stamps and cash assistance caseloads was caused by the economy and how much was caused by state and federal welfare reforms. However, it is likely that both circumstances contributed significantly to the decreasing trends.

OVERALL FSP CASELOAD TRENDS SINCE 1994

The characteristics of all FSP participants changed from 1994 through 1997. In particular, fewer households had preschool-age children while more have elderly or disabled members. Furthermore, more households receive earned income while fewer households received cash public assistance.

From 1994 through 1997, the number of food stamp households with children fell by 18.7 percent (Table 4.1). Historically, children constitute a significant portion of the FSP. Households with children were 61.1 percent of the caseload in 1994 but only 58.3 percent in 1997. This decline was steady over the analysis period and was observed primarily among those households with preschool age children. The percentage of households with preschool-age children fell from 35.7 percent in 1994 to only 31.4 percent while the percentage of households with school-age children remained unchanged.

From 1994 through 1997, while the actual number of households with elderly remained relatively constant, the proportion of households with elderly increased from 15.8 percent to 17.6 percent of the caseload. The number of households with disabled individuals increased by 46.5 percent, and the proportion of households with disabled individuals increased from 13.0 percent to 22.3 percent. While some of the increase in households with disabled is the result of the change in the definition of disabled from 1994 to 1995, the increase over the remaining years indicates a clear, upward trend.[24]

From 1994 through 1997, the proportion of food stamp households with earnings increased from 21.4 percent to 24.2 percent. At the same time, fewer households report receiving public assistance. The

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[23]See Appendix D for more details on the provisions of PRWORA.

[24]In 1995, the definition of disability changed to allow individuals to be classified as both elderly and disabled. This increased the number of FSP participants considered disabled.

Table 4.1-- Distribution of Participating Households, Persons, and Benefits by Household Composition, Income Source, and Food Stamp Benefit Amount, FY 1994 - FY 1997

Household Characteristic	FY 1994 Households		FY 1995 Households		FY 1996 Households		FY 1997 Households		Change from FY 1994 to FY 1997	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
Total	11,091	100.0	10,883	100.0	10,552	100.0	9,452	100.0	-1,638	-14.8
Household Composition										
Children	6,773	61.1	6,492	59.7	6,280	59.5	5,508	58.3	-1,265	-18.7
School Age	4,768	43.0	4,622	42.5	4,538	43.0	4,111	43.5	-657	-13.8
Preschool Age	3,961	35.7	3,719	34.2	3,555	33.7	2,969	31.4	-992	-25.0
No Children	4,318	38.9	4,391	40.3	4,272	40.5	3,945	41.7	-373	-8.6
Elderly Persons	1,753	15.8	1,741	16.0	1,710	16.2	1,667	17.6	-86	-4.9
No Elderly Persons	9,337	84.2	9,141	84.0	8,841	83.8	7,785	82.4	-1,552	-16.6
Disabled Persons	1,439	13.0	2,052	18.9	2,131	20.2	2,108	22.3	670	46.5
No Disabled Persons	9,652	87.0	8,831	81.1	8,421	79.8	7,344	77.7	-2,308	-23.9
Income Source										
Gross Income	9,959	89.8	9,830	90.3	9,473	89.8	8,584	90.8	-1,375	-13.8
No Gross Income	1,132	10.2	1,053	9.7	1,078	10.2	868	9.2	-264	-23.3
Net Income	8,446	76.2	8,165	75.0	7,928	75.1	7,311	77.3	-1,135	-13.4
No Net Income	2,645	23.8	2,718	25.0	2,624	24.9	2,142	22.7	-503	-19.0
Earned Income	2,374	21.4	2,329	21.4	2,379	22.5	2,284	24.2	-90	-3.8
No Earned Income	8,717	78.6	8,553	78.6	8,173	77.5	7,168	75.8	-1,548	-17.8
Unearned Income	9,563	86.2	9,451	86.8	9,119	86.4	7,415	78.4	-2,148	-22.5
No Unearned Income	1,528	13.8	1,432	13.2	1,432	13.6	2,037	21.6	509	33.3
AFDC/TANF Income	4,225	38.1	4,171	38.3	3,866	36.6	3,270	34.6	-955	-22.6
No AFDC/TANF Income	6,866	61.9	6,712	61.7	6,686	63.4	6,183	65.4	-683	-10.0
GA Income	769	6.9	786	7.2	677	6.4	588	6.2	-180	-23.5
No GA Income	10,322	93.1	10,097	92.8	9,875	93.6	8,864	93.8	-1,458	-14.1
AFDC/TANF or GA Income	4,974	44.8	4,926	45.3	4,529	42.9	3,848	40.7	-1,125	-22.6
No AFDC/TANF or GA Income	6,117	55.2	5,957	54.7	6,022	57.1	5,604	59.3	-513	-8.4
SSI	2,371	21.4	2,461	22.6	2,538	24.1	2,504	26.5	133	5.6
No SSI	8,720	78.6	8,422	77.4	8,014	75.9	6,949	73.5	-1,771	-20.3
Social Security Income	1,998	18.0	2,019	18.6	2,034	19.3	1,999	21.1	1	0.1
No Social Security Income	9,093	82.0	8,864	81.4	8,518	80.7	7,454	78.9	-1,639	-18.0
Gross Income as a Percentage of Poverty Guideline										
0%	1,132	10.2	1,053	9.7	1,078	10.2	868	9.2	-264	-23.3
1-50	3,463	31.2	3,577	32.9	3,300	31.3	2,842	30.1	-621	-17.9
51-100	5,511	49.7	5,356	49.2	5,268	49.9	4,909	51.9	-602	-10.9
100+	985	8.9	897	8.2	905	8.6	834	8.8	-152	-15.4
Food Stamp Benefit										
Minimum Benefit	494	4.5	473	4.3	478	4.5	625	6.6	131	26.5
Maximum Benefit	2,659	24.0	2,734	25.1	2,633	25.0	2,146	22.7	-513	-19.3

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

proportion receiving AFDC/TANF fell from 38.1 percent to 34.6 percent, and the proportion receiving GA fell from 6.9 percent to 6.2 percent. Proportionately more households report receiving SSI and Social Security, which is likely the result of the increases in househdds with elderly and disabled food stamp participants.

TRENDS IN PERMANENT RESIDENT ALIEN PARTICIPATION

Prior to PRWORA, 4.5 to 6.0 percent of food stamp participants were permanent resident aliens.[25] PRWORA makes most permanent resident aliens ineligible for food stamps.[26] As these provisions took effect, the percentage of permanent resident aliens on the FSP fell sharply (Figure 4.1). The proportion of permanent resident aliens in the caseload decreased from 5.6 percent in March 1997 to only 2.6 percent in September 1997.

As the alien proportion of the caseload decreased, the proportion composed of naturalized citizens increased. In 1994, households with naturalized citizens made up 2.0 percent of the caseload, while in 1997, they made up 3.2 percent of the caseload. Naturalized citizens are eligible for food stamps on the same basis as other citizens. The increase in naturalized citizens could result from two factors: (1) an increase in the number of naturalized citizens that join the FSP, and (2) an increase in the number of participating permanent resident aliens (or other aliens) that naturalize (the naturalization rate).

Households with Aliens

From 1994 through 1996, between 8.4 and 9.1 percent of food stamp households contained at least one permanent resident alien, compared with only 7.1 percent in 1997 (Table 4.2). From 1996 through 1997, the average monthly number of households with permanent resident aliens fell by over 250,000, from 941,000 to 675,000.[27]

In an average month of 1994, 2.0 percent of food stamp households contained a naturalized citizen. By 1997, 3.2 percent of households contained naturalized citizens. Again, this could be driven, in part, by increases in the naturalization rate of permanent resident aliens receiving food stamps.

The proportion of households with refugees declined slightly over the analysis period. Historically, refugees make up a small proportion of the FSP caseload—smaller than the proportion of naturalized citizens. In an average month of fiscal year 1994, 1.5 percent of households contained a refugee,

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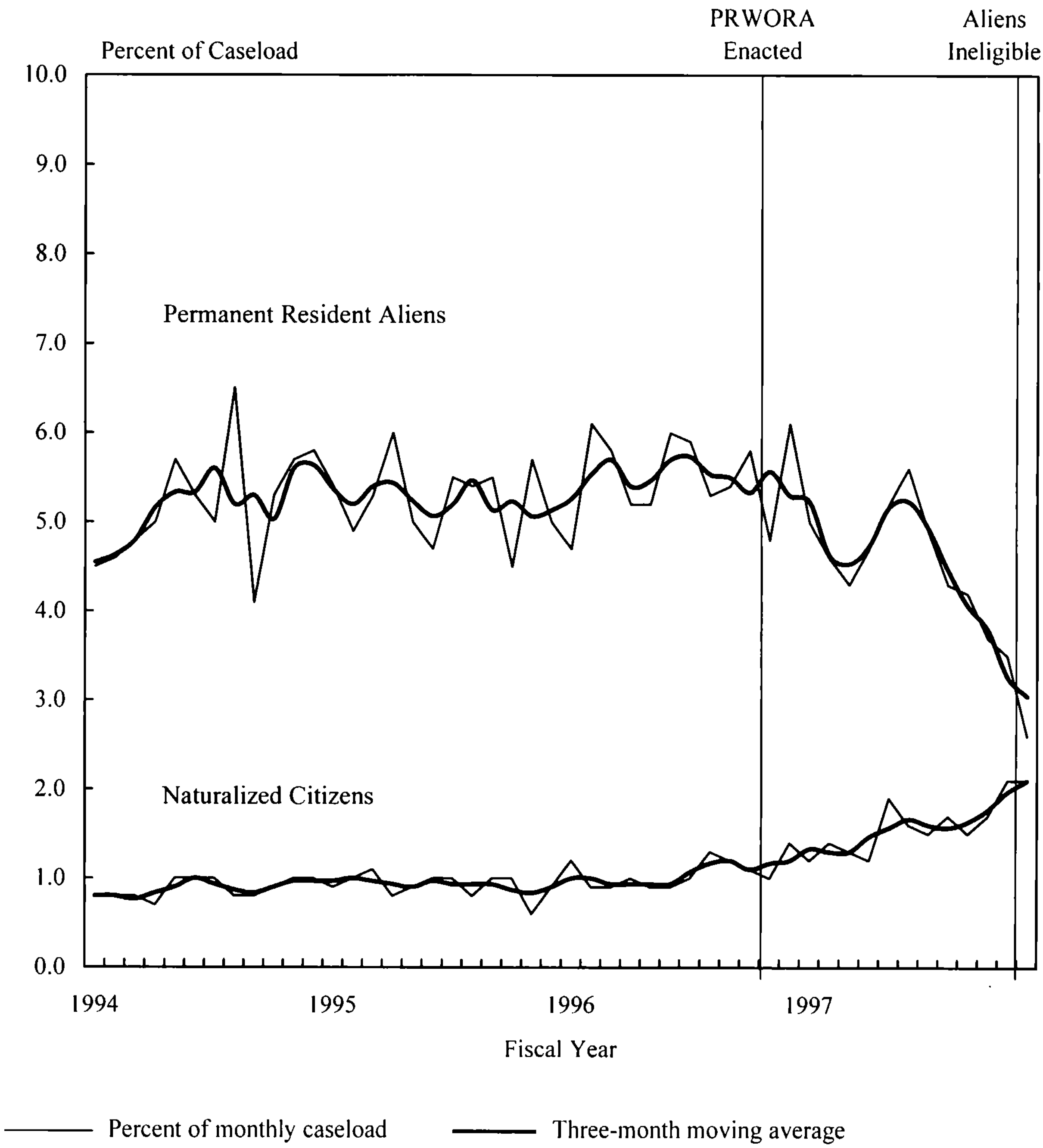
[25] Permanent resident aliens are immigrants entitled to live permanently in the United States.

[26] For more details on the alien provisions of PRWORA, see Appendix D.

[27] The average monthly number of permanent resident aliens in fiscal year 1997 does not reflect the food stamp caseload after PRWORA because some of the provisions of PRWORA were not in effect until late in the fiscal year. For more information on the implementation of PRWORA, see Appendix D.

Figure 4.1

Permanent Resident Aliens and Naturalized Citizens by Month (1994 - 1997)



Source: Fiscal Year 1994, 1995, 1996 and 1997 Food Stamp Quality Control Samples.

Table 4.2-- Distribution of Households and Participants by Citizenship Status FY 1994 - FY 1997

Citizenship Status	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
	Households[a]									
Total	11,091	100.0	10,883	100.0	10,552	100.0	9,452	100.0	-1,638	-14.8
Aliens										
Permanent Resident Aliens	932	8.4	989	9.1	941	8.9	675	7.1	-258	-27.6
Refugees	162	1.5	171	1.6	161	1.5	115	1.2	-47	-29.0
U.S. Citizens										
Born in U.S.	10,360	93.4	10,107	92.9	9,813	93.0	8,801	93.1	-1,558	-15.0
Naturalized	217	2.0	217	2.0	239	2.3	305	3.2	88	40.6
Other										
Citizenship Status Unknown	202	1.8	170	1.6	157	1.5	133	1.4	-69	-34.3
	Participants									
Total	28,009	100.0	26,955	100.0	25,926	100.0	23,117	100.0	-4,892	-17.5
Aliens										
Permanent Resident Aliens	1,453	5.2	1,451	5.4	1,463	5.6	1,023	4.4	-430	-29.6
Refugees	379	1.4	384	1.4	377	1.5	265	1.1	-114	-30.0
U.S. Citizens										
Born in U.S.	25,412	90.7	24,508	90.9	23,428	90.4	21,158	91.5	-4,254	-16.7
Naturalized	247	0.9	244	0.9	277	1.1	367	1.6	120	48.4
Other										
Citizenship Status Unknown	469	1.7	359	1.3	372	1.4	294	1.3	-175	-37.3

[a] Not mutually exclusive.

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

compared with 1.2 percent of households in 1997. The change in refugees is smaller than the change in permanent resident aliens because refugees do not face the same stringent eligibility restrictions.

In an average month of fiscal year 1994, households with permanent resident aliens received $182 million in food stamps, 9.7 percent of all food stamp benefits (Table 4.3). However, because permanent resident aliens sometimes live in households with citizens, not all of the $182 million was intended for permanent resident aliens. When benefits are prorated by the number of permanent resident aliens per household, permanent resident aliens received $92 million, or 5.0 percent of food stamp benefits in 1994.

Not surprisingly, the percentage of benefits paid to households with permanent resident aliens fell from 1994 through 1997. After increasing slightly to 10.2 percent in 1995, benefits to households with permanent resident aliens fell to 8.4 percent of all benefits in 1997. Similar trends occurred among prorated benefits: After increasing from 1994 through 1996, prorated benefits fell to 4.3 percent of all benefits.

The percentage of benefits going to households with naturalized citizens increased from 2.1 percent in 1994 to 3.1 percent in 1997. Similarly, the percentage of prorated benefits going to naturalized citizens increased from 1994 through 1997. Most of this increase occurred after 1996.

The percentage of benefits going to refugees decreased from 1.8 percent in 1994 to 1.5 percent in 1997. Again, the same trend occurs among prorated benefits. All of the decrease occurs after 1996.

Permanent Resident Aliens by State[28]

Historically, most permanent resident aliens who participate in the FSP live in one of four states: California, Florida, New York or Texas. In fact, in fiscal year 1994, more than three-fourths of permanent resident alien FSP participants (1.1 million out of 1.5 million) lived in those states (Table 4.4). Within each of those states, permanent resident aliens made up a large share of FSP participants. While permanent resident aliens were only 5.2 percent of the entire FSP caseload in 1994, they were 8.8 percent to 13.2 percent of the caseloads in California, Florida, New York, and Texas.

The proportion of FSP participants who were permanent resident aliens dropped significantly in these four states from 1996 through 1997; California and Texas had the largest decreases. In California, the number of permanent resident aliens decreased from 445,000 (13.5 percent of the California caseload) in 1996 to 302,000 (10.4 percent of the California caseload) in 1997. In Texas, the number of permanent resident aliens decreased from 246,000 (10.0 percent of the Texas caseload) in 1996 to 165,000 (7.8 percent of the Texas caseload) in 1997. Combined, the decreases in the number of permanent resident aliens in California and Texas account for 50 percent of the total decrease in FSP participants who were permanent resident aliens from 1996 through 1997.

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[28]The remaining discussion of aliens concentrates on permanent resident aliens because they are most affected by PRWORA. Additional data on naturalized citizens and refugees can be found in Appendix D.

Table 4.3-- Distribution of Benefits by Citizenship Status
FY 1994 - FY 1997

Citizenship Status	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
	Benefits to Households									
Total	1,863,906	100.0	1,870,039	100.0	1,840,613	100.0	1,593,653	100.0	-270,253	-14.5
Aliens										
Permanent Resident Aliens	181,655	9.7	191,230	10.2	186,188	10.1	133,140	8.4	-48,515	-26.7
Refugees	34,437	1.8	33,760	1.8	34,988	1.9	23,237	1.5	-11,200	-32.5
U.S. Citizens										
Born in U.S.	1,773,398	95.1	1,777,235	95.0	1,746,644	94.9	1,520,281	95.4	-253,117	-14.3
Naturalized	39,148	2.1	37,175	2.0	42,643	2.3	49,548	3.1	10,400	26.6
Other										
Citizenship Status Unknown	24,256	1.3	19,580	1.0	20,063	1.1	15,908	1.0	-8,348	-34.4
	Pro-Rated Benefits[a]									
Aliens										
Permanent Resident Aliens	92,405	5.0	99,183	5.3	99,245	5.4	68,545	4.3	-23,860	-25.8
Refugees	25,053	1.3	26,632	1.4	26,578	1.4	17,914	1.1	-7,139	-28.5
U.S. Citizens										
Born in U.S.	1,695,811	91.0	1,701,620	91.0	1,668,495	90.6	1,462,797	91.8	-233,014	-13.7
Naturalized	16,025	0.9	16,845	0.9	20,250	1.1	23,604	1.5	7,579	47.3
Other										
Citizenship Status Unknown	24,256	1.3	19,580	1.0	20,063	1.1	15,908	1.0	-8,348	-34.4

[a] Pro-rated benefits equal the benefits paid to households multiplied by the ratio of persons with given citizenship status to total household size.

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

Table 4.4-- Distribution of Permanment Resident Aliens and Refugees by State FY 1994 - FY 1997

Participant Characteristic	Participants									
	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Number (000)	Percent of State	Number (000)	Percent of State	Number (000)	Percent of State	Number (000)	Percent of State	Number (000)	Percent
Permanent Resident Aliens										
Total	1,453	5.2	1,451	5.4	1,463	5.6	1,023	4.4	-430	-29.6
California	463	13.2	431	13.2	445	13.5	302	10.4	-160	-34.7
Florida	132	8.8	127	8.9	157	10.9	103	8.4	-29	-21.9
New York	245	10.8	273	12.8	265	12.4	196	10.0	-48	-19.7
Texas	297	10.9	247	9.5	246	10.0	165	7.8	-132	-44.3
All Other States	316	1.8	373	2.1	350	2.1	256	1.7	-61	-19.2

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

The number of permanent resident aliens who were food stamp participants in other states increased from 316,000 in 1994 to 373,000 in 1995, and then decreased to 256,000 in 1997. The net change in permanent resident aliens in these states between 1994 and 1997 is proportionate to the change in total food stamp participation in those states.

Demographic Characteristics of Permanent Resident Aliens

Most permanent resident aliens who participate in the FSP are adults. In 1994, 65.6 percent of permanent resident aliens were age 18 to 60 and another 14.9 percent were older than 60 (Table 4.5). From 1996 through 1997, the proportion of permanent resident aliens who were over age 65 increased. This may have resulted from the fact that older food stamp participants tend to have longer participation spells than younger participants, and as such, older permanent resident aliens are more likely to have been participating before August 22, 1996. Furthermore, older permanent resident aliens are more likely to meet the exemption criteria of the alien provisions and thus retain food stamp benefits.

A very small proportion of permanent resident aliens who are food stamp participants are under age 18. In fiscal year 1994, only 19.5 percent of permanent resident aliens were children compared with 60 percent of the FSP as a whole.[29] This low percentage of children who are permanent resident aliens is to be expected because children born in the United States are U.S. citizens regardless of the citizenship status of their parents. Thus, the longer their parents have been in the United States, the more likely it is that the children are citizens. The percentage of permanent resident aliens who are under age 18 remained essentially unchanged from 1994 through 1997.

The majority of permanent resident aliens who are FSP participants are female. The proportion of permanent resident aliens who are female remained close to 60 percent from 1994 through 1997.

The proportion of permanent resident aliens who are disabled increased from 1994 through 1997. In 1994, less than 1 percent of permanent resident aliens were disabled. In 1995, 2.6 percent were disabled. Much of the increase from 1994 through 1995 is due to the change in the definition of disabled. After 1995, the percentage of permanent resident aliens who are disabled continued to increase, to 2.9 percent in 1996 and 3.4 percent in 1997.

Economic Characteristics of Permanent Resident Aliens

Overall, nominal monthly income grew slightly among households with permanent resident aliens. The average nominal gross income to households with permanent resident aliens fell from $688 in 1994 to $657 in 1995, and then increased to $692 in 1996 and to $706 in 1997 (Table 4.6). Similar trends occurred in net income. The average nominal food stamp benefit to households with permanent resident aliens remained relatively constant; in 1997, these households received an average of $197 a month in food stamp benefits.

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[29]Estimates for the entire FSP caseload from 1994 are for the summer months only.

Table 4.5-- Demographic Characteristics of Permanment Resident Aliens and Refugees FY 1994 - FY 1997

Participant Characteristic	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
	Permanent Resident Aliens									
Total	1,453	100.0	1,451	100.0	1,463	100.0	1,023	100.0	-430	-29.6
Age										
0-5	25	1.7	22	1.5	18	1.2	14	1.4	-10	-41.9
6-17	258	17.8	228	15.7	252	17.2	180	17.6	-79	-30.4
18-60	953	65.6	968	66.7	938	64.1	625	61.1	-328	-34.4
61-64	46	3.1	54	3.7	55	3.8	35	3.4	-10	-22.5
65+	172	11.8	179	12.3	199	13.6	168	16.5	-3	-1.8
Gender										
Female	899	61.9	925	63.8	873	59.7	637	62.3	-263	-29.2
Male	553	38.1	525	36.2	590	40.3	386	37.7	-168	-30.3
Disability Status										
Disabled	11	0.8	37	2.6	42	2.9	35	3.4	24	211.3
Not Disabled	1,367	94.1	1,315	90.6	1,322	90.4	909	88.9	-458	-33.5
	Refugees									
Total	379	100.0	384	100.0	377	100.0	265	100.0	-114	-30.0
Age										
0-5	29	7.7	21	5.4	35	9.3	19	7.1	-10	-35.5
6-17	100	26.2	120	31.3	108	28.7	82	30.8	-18	-17.8
18-60	208	54.8	187	48.6	192	50.9	128	48.1	-80	-38.5
61-64	13	3.4	15	3.9	10	2.7	6	2.4	-7	-51.5
65+	30	7.9	41	10.7	32	8.4	31	11.6	1	2.9
Gender										
Female	198	52.2	221	57.5	199	52.6	136	51.4	-61	-31.0
Male	181	47.8	163	42.5	178	47.3	129	48.6	-52	-28.9
Disability Status										
Disabled	3	0.8	6	1.6	5	1.2	6	2.2	3	82.8
Not Disabled	348	91.7	345	89.9	337	89.3	234	88.0	-114	-32.8

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

Table 4.6-- Economic Characteristics of FSP Households with Permanent Resident Aliens FY 1994 - FY 1997

Income Source	FY 1994 Households			FY 1995 Households			FY 1996 Households			FY 1997 Households			Change from FY 1994 to FY 1997	
	Total (000)[a]	Percent	Income[b] Source (Dollars)	Total (000)[a]	Percent	Income[b] Source (Dollars)	Total (000)[a]	Percent	Income[b] Source (Dollars)	Total (000)[a]	Percent	Income[b] Source (Dollars)	Total (000)	Percent
Total	932	100.0	-	989	100.0	-	941	100.0	-	675	100.0	-	-258	-27.6
Gross Income	855	91.7	688	932	94.2	657	892	94.7	692	643	95.3	706	-212	-24.8
Net Income	748	80.2	437	785	79.4	406	763	81.0	434	557	82.6	443	-191	-25.5
Food Stamp Benefit	932	100.0	195	989	100.0	193	941	100.0	198	675	100.0	197	-258	-27.6
Earned Income	277	29.8	819	289	29.2	741	299	31.8	823	214	31.7	803	-64	-22.9
Unearned Income	800	85.8	451	871	88.0	457	842	89.5	441	532	78.9	530	-267	-33.4
AFDC/TANF Income	354	37.9	518	391	39.5	509	346	36.7	514	245	36.3	490	-109	-30.8
General Assistance	61	6.6	299	91	9.2	318	83	8.8	309	55	8.1	282	-6	-10.4
AFDC/TANF or GA Income	415	44.5	486	479	48.4	476	428	45.5	475	299	44.4	452	-115	-27.8
Supplemental Security Income	179	19.2	421	214	21.7	424	223	23.7	454	183	27.1	457	4	2.2
Social Security	74	7.9	451	91	9.2	437	79	8.4	406	70	10.4	529	-4	-5.2
No Income	77	8.3	0	57	5.8	0	50	5.3	0	32	4.7	0	-45	-58.7

[a] Categories are not mutually exclusive.

[b] Average value of specified source over households with income from source.

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

The proportion of permanent resident alien households with SSI or Social Security increased from 1994 through 1997. This is consistent with the increase in the proportion of permanent resident aliens who are elderly or disabled. In 1994, 19.2 percent of permanent resident alien households received SSI and 7.9 percent received Social Security. By 1997, 27.1 percent received SSI and 10.4 percent received Social Security.

From 1994 through 1997, a greater portion of permanent resident alien households with food stamps had some other source of income. The percentage of food stamp households with permanent resident aliens that have earned income increased from 29.8 percent in 1994 to 31.7 percent in 1997. The proportion with no income fell from 8.3 percent in 1994 to 5.8 percent in 1995 and to 4.7 percent in 1997.

TRENDS IN ABLE-BODIED ADULT PARTICIPATION

Under PRWORA, able-bodied adults without dependents (ABAWDs) are subject to work requirements and time limits.[30] In this section, we examine trends in FSP participation among those who would be classified as ABAWDs if the ABAWD provisions of PRWORA had been effective since 1994. We define ABAWDs subject to sanctions as those who were likely to lose food stamp eligibility unless they were residing in a waiver area or exempted at the state's discretion.[31] We define ABAWDs not subject to sanctions as those who are eligible to receive food stamps in the month that they are in the sample.[32]

Historically, ABAWDs constitute between 4.0 percent and 5.0 percent of the FSP population (Figure 4.2). ABAWDs subject to sanctions constitute about half of that, or 2.0 percent to 2.5 percent. After PRWORA was enacted, the percentage of the caseload composed of ABAWDs decreased. By September 1997, ABAWDs made up only 3.2 percent of the caseload, and two-thirds of them were not subject to sanctions.

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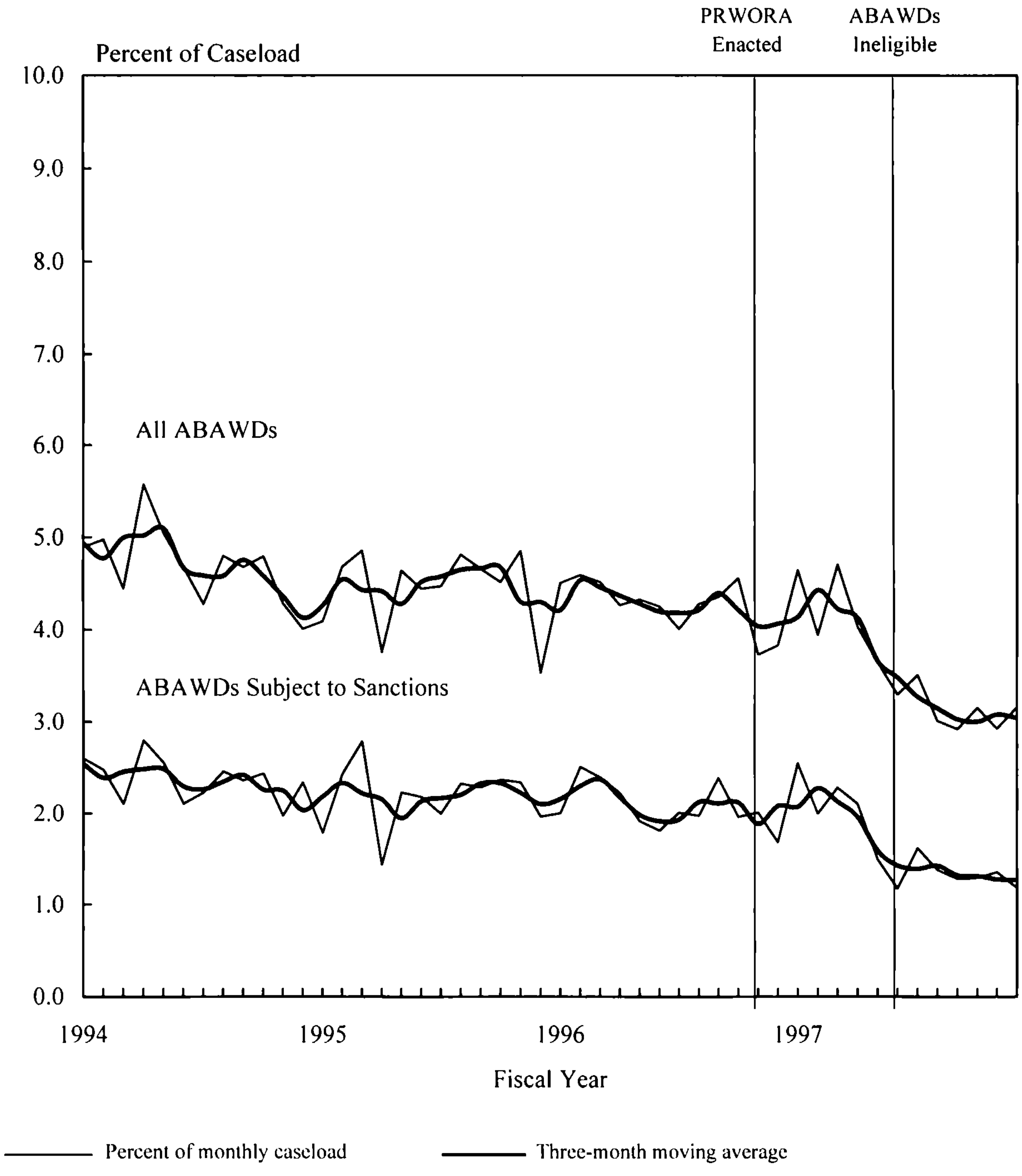
[30]See Appendix D for more details on the ABAWD provisions of PRWORA.

[31]These are individuals who are not meeting the work requirement and who have received food stamps in their current spell for more than three months. Note that many of these individuals will not lose eligibility because they are covered by the high unemployment waivers of the 15 percent exemption. Furthermore, we can not determine if all individuals who have received food stamps for more than three months actually do exceed the time limit.

[32]These are individuals who are meeting the work requirement in that month or are not meeting the work requirement but have received less than three months of food stamps in their current spell. Note that this does not account for high-unemployment waiver exemptions provided in PRWORA or the 15-percent exemptions provided under the Balanced Budget Act of 1997.

Figure 4.2

All ABAWDs and Non-Exempt ABAWDs by Month (1993 - 1997)



Source: Fiscal Year 1994, 1995, 1996 and 1997 Food Stamp Quality Control Samples.

Prior to PRWORA, households with ABAWDs received 7.0 to 8.0 percent of all food stamp benefits. When the ABAWD provisions took effect in 1997, households with ABAWDs received only 6.1 percent of food stamp benefits.[33]

ABAWDs by State

In general, ABAWDs are proportionately distributed across states, with the largest ABAWD populations occurring in the largest states. While there is some variation across states in the proportion of ABAWDs that are not subject to sanctions, much of this variation is due to the fact that some states have a very small number of ABAWDs.[34]

Demographic Characteristics of ABAWDs

By definition, ABAWDs are between the ages of 18 and 50. Within that range, ABAWDs tend to be older (Table 4.7). In 1994, 60.3 percent of ABAWDs were between the ages of 30 and 50. Of those, most were under age 40. The age distribution of ABAWDs did change slightly from 1994 through 1996. After PRWORA, most ABAWDs between the ages of 30 and 50 were over age 40.

In 1994, over 40 percent of ABAWDs were female. The proportion of female ABAWDs increased each year. By 1997, 45.0 percent of ABAWDs were female.

The majority of ABAWDs are U.S. citizens. In 1994, 89.7 percent of ABAWDs were citizens, and 4.2 percent were permanent resident aliens. After the alien provisions of PRWORA were enacted, the percentage of ABAWDs who are permanent resident aliens decreased to 3.1 percent.

ABAWDs tend to live by themselves. From 1994 through 1997, approximately 75 percent of ABAWD households had only one person, and another 20 percent of ABAWD households had only two people (Table 4.8).

Economic Characteristics of ABAWDs

From 1994 through 1997, the percentage of ABAWDs who were employed increased from 14.6 percent to 19.1 percent (Table 4.7). The largest increase occurred from 1996 through 1997, after PRWORA made some nonworking ABAWDs ineligible for food stamps. Of those who are employed, less than half are employed full time.

Most ABAWDs are out of the labor force. In 1994, 61.6 percent of ABAWDs were not working and were not looking for work. The percentage of ABAWDs out of the labor force increased to 64.4

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[33]See Appendix B for more details on benefits to ABAWDs.

[34]See Appendix B for more information on ABAWDs by state.

Table 4.7-- Demographic and Economic Characteristics of ABAWD Participants FY 1994 - FY 1997

Participant Characteristic	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
Total	1,318	100.0	1,197	100.0	1,107	100.0	833	100.0	-485	-36.8
Age										
18-21	198	15.0	174	14.5	150	13.6	118	14.1	-81	-40.7
22-30	325	24.7	286	23.9	251	22.6	184	22.1	-141	-43.4
30-40	428	32.5	372	31.1	376	34.0	249	29.9	-179	-41.8
40-50	367	27.8	365	30.5	330	29.8	283	34.0	-84	-22.8
Gender										
Female	547	41.5	526	43.9	492	44.4	375	45.0	-172	-31.4
Male	771	58.5	672	56.1	615	55.6	458	55.0	-313	-40.6
Citizenship Status										
U.S. Citizen	1,182	89.7	1,075	89.8	1,000	90.3	766	91.9	-417	-35.2
Permanent Resident Alien	55	4.2	58	4.9	53	4.8	26	3.1	-29	-53.0
Other Alien	2	0.1	1	0.1	1	0.1	0	0.0	-1	-84.1
Unknown	45	3.4	33	2.8	28	2.5	22	2.6	-23	-51.8
Employment Status										
Employed Full-Time	83	6.3	83	7.0	74	6.7	70	8.4	-14	-16.2
Employed Part-Time	64	4.9	63	5.3	68	6.2	56	6.7	-9	-13.7
Employed, Hours Unspecified	25	1.9	24	2.0	25	2.2	16	2.0	-9	-34.5
Migrant Farm Labor	0	0.0	1	0.0	–	–	–	–	0	-100.0
Primarily Self-Employed, Farming	0	0.0	1	0.1	0	0.0	1	0.2	1	400.5
Primarily Self-Employed, Nonfarming	20	1.5	17	1.4	14	1.3	15	1.8	-5	-25.5
Unemployed	284	21.6	238	19.9	199	18.0	161	19.3	-124	-43.4
Not Employed	812	61.6	753	62.9	713	64.4	501	60.1	-312	-38.4
Unknown	28	2.1	18	1.5	14	1.2	14	1.7	-14	-50.1

– No sample participants in this category.

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

Table 4.8-- Demographic and Economic Characteristics of ABAWD Households FY 1994 - FY 1997

Household Characteristic	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
Total	1,183	100.0	1,089	100.0	1,008	100.0	760	100.0	-423	-35.8
Household Size										
1	880	74.4	829	76.2	762	75.6	566	74.6	-314	-35.6
2	237	20.0	213	19.5	199	19.7	153	20.2	-84	-35.3
3	48	4.0	40	3.7	41	4.1	32	4.3	-15	-32.2
4	13	1.1	4	0.4	5	0.5	6	0.7	-8	-57.4
5	4	0.4	2	0.1	0	0.0	1	0.2	-3	-66.2
6+	1	0.0	1	0.1	1	0.1	0	0.1	0	-24.7
Length of Current Participation Spell										
Less than 3 months	358	30.2	321	29.5	312	31.0	228	30.1	-129	-36.1
3 months to 6 months	196	16.6	171	15.7	162	16.0	115	15.1	-82	-41.5
6 Months to 1 year	188	15.9	171	15.7	144	14.3	94	12.3	-94	-50.0
1 Year to 2 Years	142	12.0	143	13.1	122	12.1	95	12.5	-47	-33.2
More than 2 Years	160	13.5	149	13.7	150	14.9	125	16.5	-35	-21.8
Income Source										
Earned Income	230	19.4	212	19.5	208	20.6	175	23.1	-54	-23.6
No Earned Income	953	80.6	876	80.5	800	79.4	584	76.9	-369	-38.7
Unearned Income	578	48.9	538	49.4	452	44.8	257	33.8	-321	-55.5
No Unearned Income	605	51.1	550	50.6	556	55.2	503	66.2	-102	-16.9
AFDC/TANF Income	35	2.9	26	2.3	20	2.0	28	3.7	-7	-18.8
No AFDC/TANF Income	1,148	97.1	1,063	97.7	987	98.0	732	96.3	-417	-36.3
GA Income	269	22.7	242	22.2	172	17.1	110	14.4	-159	-59.2
No GA Income	914	77.3	847	77.8	836	82.9	650	85.6	-264	-28.9
SSI	71	6.0	68	6.3	70	6.9	52	6.8	-19	-27.0
No SSI	1,112	94.0	1,020	93.7	938	93.1	708	93.2	-404	-36.3
Social Security Income	55	4.6	49	4.5	51	5.0	41	5.4	-14	-25.2
No Social Security Income	1,128	95.4	1,039	95.5	957	95.0	719	94.6	-410	-36.3
Gross Income as a Percentage of Poverty Guideline										
0%	537	45.4	483	44.4	498	49.5	360	47.4	-177	-32.9
1-50	318	26.9	315	29.0	252	25.0	182	24.0	-136	-42.7
51-100	278	23.5	245	22.5	215	21.4	186	24.5	-92	-33.0
100+	50	4.2	45	4.2	42	4.1	31	4.1	-19	-37.8

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

percent from 1994 through 1996. After PRWORA's work requirements were enacted, the percentage of ABAWDs out of the labor force fell to 60.1 percent.

In 1994, 21.6 percent of ABAWDs were not working but looking for work (unemployed). From 1994 through 1996, the percentage of ABAWDs who were unemployed decreased to 18.0 percent as a greater share of ABAWDs either found employment or left the labor force altogether. After PRWORA was enacted, the percentage of ABAWDs who were unemployed increased to 19.3 percent. As the percentage of employed ABAWDs increased, the percentage of ABAWD households that have earnings increased (Table 4.8). In 1994, 19.4 percent of ABAWDs lived in households with earnings. That rose to 20.6 percent in 1996 and to 23.1 percent in 1997. This is likely the result of more ABAWDs working at the same time that non-working ABAWDs are becoming ineligible. Because ABAWDs tend to live in single-person households, it is likely that most of this income is earned by the ABAWDs themselves.

In 1994, about half of all ABAWD households received some unearned income. Of those with unearned income, the most common source was GA. The percentage of ABAWD households receiving GA decreased from 1994 through 1997. In 1994, 22.7 percent of ABAWD households received GA. This fell to 22.2 percent in 1995, to 17.1 percent in 1996, and to 14.4 percent in 1997.

The percent of ABAWD households receiving AFDC/TANF increased from 1994 through 1997. Although ABAWDs are ineligible for AFDC/TANF, they may still reside in households that received AFDC. Only 2.9 percent of ABAWD households received AFDC/TANF in 1994. After decreasing to 2.0 percent in 1996, the percentage of ABAWD households with AFDC/TANF increased to 3.7 percent in 1997.

From year to year, there are small changes in the overall income levels of ABAWDs. In each year from 1994 through 1997, just under 50 percent of ABAWD households have zero household income (the estimates range from a low of 44.4 percent in 1995 to a high of 49.5 percent in 1996). Typically, about one-fourth of ABAWD households have income between 1 and 50 percent of the poverty guidelines, and another fourth have income above 50 percent of the poverty guidelines. Given the minor fluctuations in income that occurred before 1996, it does not appear that PRWORA had a significant impact on the poverty status of ABAWDs.

Just less than one-third of all ABAWDs have received food stamps for less than three months in their current participation spell.[35] More than half of ABAWDs have received food stamps for less than one year. The distribution of ABAWDs by the length of their participation spell changed only slightly from 1994 through 1997.

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[35]Estimates of the length of food stamp participation do not include previous FSP participation spells.

TRENDS IN FOOD STAMP HOUSEHOLDS WITH AFDC/TANF

PRWORA replaced the AFDC program with Temporary Assistance to Needy Families (TANF). TANF provides block grants to states for programs of time-limited and work-conditioned aid to families. Though states were required to have their TANF programs in effect by July 1, 1997, most states did so earlier. In this section, we examine trends in food stamp households that receive AFDC (before PRWORA) or TANF (after PRWORA).

Households with AFDC/TANF

Traditionally, households receiving AFDC/TANF constitute about 40 percent of all food stamp households (Figure 4.3).[36] Beginning in 1995, there was a steady decline in the proportion of food stamp households receiving AFDC/TANF. The average number of households with AFDC/TANF decreased from 38.1 percent in 1994 to 34.6 percent in 1997. By September 1997, only 32.9 percent of food stamp households receiving TANF. Single female-headed households receiving AFDC/TANF, which constitute the majority of households receiving AFDC/TANF, experienced similar trends.[37]

While households with AFDC/TANF account for less than 40 percent of all food stamp households, they typically receive about 50 percent of food stamp benefits. In 1994, households with AFDC/TANF received $984 million in food stamp benefits (52.8 percent of all food stamp benefits), and in 1997 they received $785 million in food stamp benefits (49.3 percent of all food stamp benefits).

In most households with AFDC/TANF, every member of the household is covered by AFDC/TANF (referred to as "pure" AFDC/TANF households). However, from 1994 through 1997, the proportion of AFDC/TANF households that were pure decreased.[38]

Households with AFDC/TANF by state

The average monthly proportion of food stamp households with AFDC/TANF fell from 38.1 percent in fiscal year 1994 to 34.6 percent in fiscal year 1997 (Table 4.9). Within most states, the proportion of food stamp households with AFDC/TANF fell as well. However, the magnitude of the change varies widely by state.

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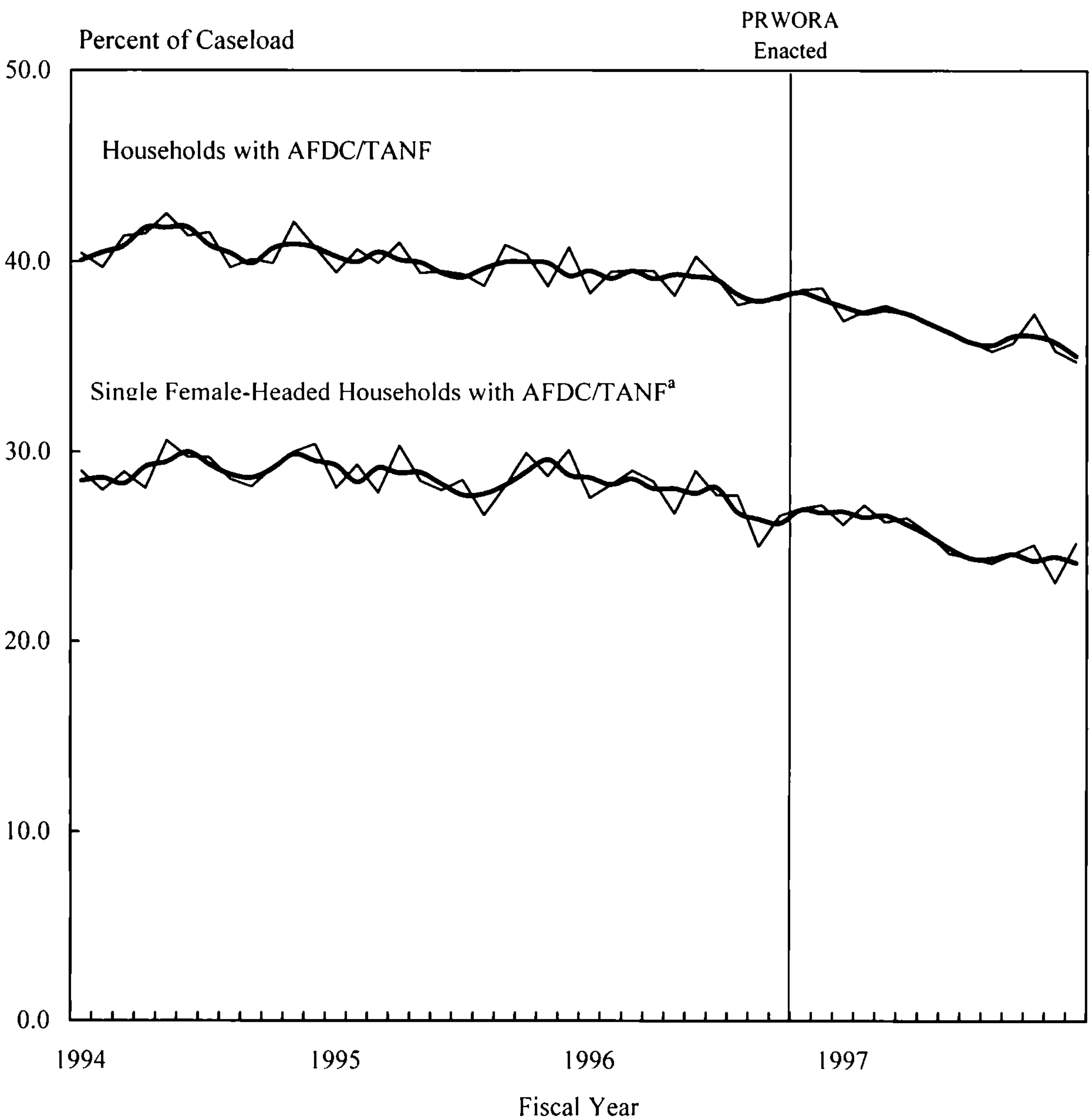
[36]Historically, almost all of the households that receive AFDC/TANF also participate in the FSP. In 1994 and 1995, approximately 88 percent of households that received AFDC also received food stamps.

[37]Single female-headed households are defined as households with one female adult and children, no other adults present.

[38]See Appendix B for more information on pure and mixed AFDC/TANF households.

Figure 4.3

All Households and Single Female-Headed Households with AFDC/TANF by Month (1994 - 1997)



Percent of monthly caseload — Three-month moving average

Source: Fiscal Year 1994, 1995, 1996 and 1997 Food Stamp Quality Control Samples.
a Defined as households with one female adult and children, no other adults present.

Table 4.9-- Households Receiving AFDC/TANF in the 10 States with the Largest Change from FY 1994 to FY 1997

States	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Number (000)	Percent of State	Number (000)	Percent of State	Number (000)	Percent of State	Number (000)	Percent of State	Number (000)	Percent
Total	4,225	38.1	4,171	38.3	3,866	36.6	3,270	34.6	-955	-22.6
Iowa	34	42.8	31	41.8	27	37.2	23	33.9	-11	-32.5
Louisiana	81	29.2	71	26.7	65	25.2	45	20.3	-37	-45.1
Maryland	82	50.0	79	46.5	74	45.0	60	39.4	-23	-27.4
Michigan	216	49.7	195	46.7	163	39.9	139	37.8	-77	-35.7
Minnesota	64	48.5	57	43.2	54	42.2	41	36.8	-24	-36.9
Montana	10	36.7	11	38.0	10	33.8	7	26.9	-3	-29.6
Oregon	35	27.5	32	24.4	31	22.6	20	16.9	-15	-41.6
South Carolina	48	33.2	44	31.3	41	29.3	34	24.1	-15	-30.4
Wisconsin	63	51.3	62	52.4	49	46.3	32	36.2	-31	-49.5
Wyoming	5	39.5	5	39.3	4	34.6	3	23.7	-2	-47.5

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

Wisconsin and Wyoming had the largest decreases. In Wisconsin, AFDC/TANF households fell from 51.3 percent of food stamp households in 1994 to just 36.2 percent in 1997. Most of this 15.1-percentage-point drop occurred after PRWORA. Food stamp benefits paid to AFDC/TANF households in Wisconsin fell from 69.1 percent of all state benefits in 1994 to only 51.1 percent in 1997 (Table 4.10).

In Wyoming, a state with low AFDC/TANF (and FSP) participation, households with AFDC/TANF fell from 39.5 percent of the state FSP caseload in 1994 to only 23.7 percent in 1997. Wyoming experienced similar decreases in food stamp benefits paid to AFDC/TANF households. Other states with large decreases in the percentage of FSP households with AFDC/TANF include, in order of the magnitude of the decrease: Minnesota, Michigan, Maryland, Oregon, Montana, South Carolina, Iowa and Louisiana. These states also had relatively large decreases in the percentage of FSP benefits going to households with AFDC/TANF.[39]

Demographic Characteristics of Food Stamp Households with AFDC/TANF

By definition, food stamp households with AFDC/TANF have children. The proportion of AFDC/TANF households with preschool-age children fell from 1994 through 1997 (Table 4.11). In 1994, 58.8 percent of food stamp households with AFDC had a preschool-age child. This fell to 54.6 percent in 1997. At the same time, the proportion with school age children increased. Much of the change occurred after PRWORA.

While the average size of food stamp households with AFDC/TANF remained relatively constant, the distribution of households by household size varied slightly. In 1994, one-third of food stamp households with AFDC had one or two members and one-half had three or four members. From 1994 through 1996, the proportion of households with one or two members increased and the proportion with four members decreased. After PRWORA, the proportion of households with one member continued to increase, but the proportion with two members fell.

From 1994 through 1996, the proportion of AFDC/TANF households with long participation spells increased. The percentage of food stamp households with participation spells of more than two years increased from 35.0 percent in 1994 to 40.7 percent in 1997. The proportion of households with participation spells less than two years decreased. Much of the change occurred between 1994 and 1995, suggesting that as the economy recovered, short-term participants left the caseload.

Economic Characteristics of Food Stamp Households with AFDC/TANF

Between 1994 and 1997, a greater percentage of AFDC/TANF households had household heads that were employed. In 1994, only 7.9 percent of the heads of food stamp households with AFDC were employed while 80.3 percent were out of the labor force. From 1994 through 1997, the percentage

[39]For data on AFDC/TANF receipt in other states, see Appendix B.

Table 4.10-- Food Stamp Benefits to Households Receiving AFDC/TANF in the 10 States with the Largest Change from FY 1994 to FY 1997

State	Benefits to Households with AFDC/TANF									
	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent	Dollars (000)	Percent
Total	983,586	52.8	996,149	53.3	941,914	51.2	785,330	49.3	-198,256	-20.2
Iowa	7,084	59.8	6,727	57.9	6,037	53.1	5,011	50.5	-2,073	-29.3
Louisiana	22,980	43.7	20,519	40.3	19,332	38.2	12,768	31.5	-10,212	-44.4
Maryland	20,522	67.1	20,545	64.7	19,244	62.4	15,875	56.7	-4,647	-22.6
Michigan	47,842	65.7	44,080	64.0	37,107	54.4	32,211	54.5	-15,631	-32.7
Minnesota	12,954	64.7	12,182	62.3	11,828	62.0	9,114	59.3	-3,840	-29.6
Montana	2,380	52.2	2,601	57.1	2,383	49.8	1,765	38.5	-615	-25.9
Oregon	8,343	44.0	8,089	39.7	7,425	36.7	4,123	24.2	-4,220	-50.6
South Carolina	13,172	51.6	12,093	47.8	10,667	44.5	8,540	38.3	-4,632	-35.2
Wisconsin	12,609	69.1	13,520	70.9	10,556	61.6	6,756	51.1	-5,853	-46.4
Wyoming	1,077	51.7	1,219	52.7	1,068	45.5	665	34.3	-412	-38.2

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

Table 4.11-- Demographic and Economic Characteristics of Households Receiving AFDC/TANF FY 1994 - FY 1997

Household Characteristic	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
Total	4,225	100.0	4,171	100.0	3,866	100.0	3,270	100.0	-955	-22.6
Age of Youngest Child										
Preschool Age	2,483	58.8	2,415	57.9	2,206	57.1	1,784	54.6	-699	-28.1
School Age	1,662	39.3	1,676	40.2	1,600	41.4	1,403	42.9	-259	-15.6
Household Size										
1	56	1.3	115	2.8	103	2.7	143	4.4	87	156.0
2	1,359	32.2	1,354	32.5	1,294	33.5	1,009	30.9	-350	-25.8
3	1,260	29.8	1,217	29.2	1,150	29.8	963	29.4	-297	-23.6
4	855	20.2	816	19.6	714	18.5	598	18.3	-257	-30.1
5	400	9.5	374	9.0	348	9.0	315	9.6	-84	-21.0
6+	296	7.0	295	7.1	257	6.6	242	7.4	-53	-18.0
Average Size	3.3	–	3.3	–	3.2	–	3.3	–	0	0.0
Length of Current Participation Spell										
Less than 3 months	646	15.3	604	14.5	569	14.7	470	14.4	-176	-27.2
3 months to 6 months	588	13.9	503	12.1	497	12.8	403	12.3	-185	-31.5
6 Months to 1 year	648	15.3	657	15.8	587	15.2	487	14.9	-162	-25.0
1 Year to 2 Years	702	16.6	628	15.1	581	15.0	465	14.2	-238	-33.8
More than 2 Years	1,480	35.0	1,626	39.0	1,485	38.4	1,330	40.7	-150	-10.1
Employment Status of Household Head										
Employed Full-Time	130	3.1	147	3.5	159	4.1	184	5.6	54	41.6
Employed Part-Time	148	3.5	146	3.5	160	4.1	171	5.2	23	15.4
Employed, Hours Unspecified	46	1.1	45	1.1	32	0.8	26	0.8	-20	-43.7
Migrant Farm Labor	–	–	0	0.0	0	0.0	0	0.0	–	–
Primarily Self-Employed, Farming	2	0.0	0	0.0	1	0.0	0	0.0	-2	-89.7
Primarily Self-Employed, Nonfarming	7	0.2	16	0.4	17	0.4	10	0.3	2	31.6
Active Duty Military Service	1	0.0	0	0.0	0	0.0	1	0.0	0	29.5
Unemployed	411	9.7	369	8.9	337	8.7	335	10.2	-77	-18.6
Not Employed	3,392	80.3	3,230	77.4	2,921	75.6	2,283	69.8	-1,109	-32.7
Unknown	88	2.1	217	5.2	239	6.2	260	8.0	173	197.2

– No sample households in this category.

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

of AFDC/TANF household heads who were out of the labor force shrank while the percentage employed and the percentage unemployed grew. By 1997, 12 percent of the heads of food stamp households with AFDC/TANF were employed, another 10.2 percent were unemployed but looking and only 69.8 percent were out of the labor force.

TRENDS IN FOOD STAMP HOUSEHOLDS WITH EARNINGS

Much of the focus of welfare reform initiatives was to increase employment and earnings among AFDC/TANF and food stamp recipients.

Households with Earnings

From 1994 through 1997, the percentage of food stamp households with earnings from employment increased (Figure 4.4). Most of this increase occurred after PRWORA. The percentage of households with earnings increased from 21.4 percent in 1994 to 22.5 percent in 1996 and then to 24.2 percent in 1997.

More single-adult households with children had earned income over the analysis period. In 1994, 42.2 percent of all households with earnings were single adults with children (Table 4.12). This proportion increased to 46.4 percent in 1995, then decreased to 45.0 percent in 1996, and increased to 483 percent in 1997. Overall, the total number of single-adult households with children that had earned income increased by 9.9 percent, even while the entire caseload fell by 14.8 percent.

More households with children combined earnings with AFDC/TANF over the analysis period. The number of households with earnings and AFDC increased by 13.7 percent over the analysis period. Most of this increase occurred from 1995 through 1996. The proportion of households with earnings and AFDC/TANF that had adults decreased while the proportion that had children only increased.

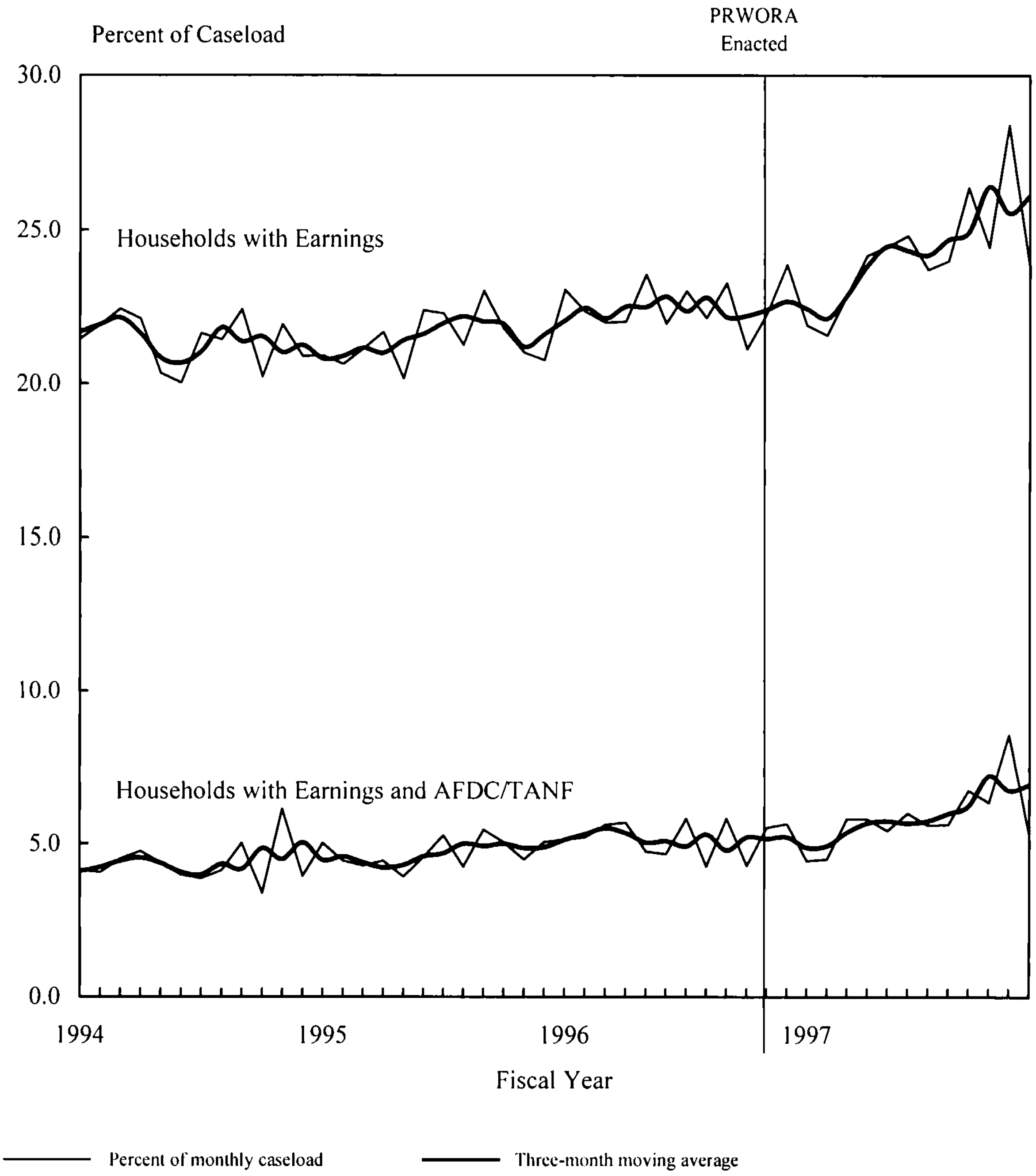
Between 1994 and 1997, proportionately more of the households with earnings had disabled household members. At the same time, a smaller proportion had elderly members.

Households with Earnings by State

Within most states, the proportion of households with earnings increased (Table 4.13). Delaware had the largest increase in households with earnings. From 1994 through 1997, the percentage of households in Delaware that had earnings increased by 12.4 percentage points (from 18.1 percent to 30.5 percent). In Michigan, the percentage of households with earnings increased by 10.4 percent points to 29.8 percent. Other states with large increases in the proportion of their benefits to households with earnings include, in order of the magnitude of the change: Wisconsin, California, Iowa, Montana, Massachusetts, Pennsylvania, Utah and Louisiana. Similar changes occurred in the percentage of food stamp benefits going to households with earnings (Table 4.14).

Figure 4.4

Households with Earnings by Month
(1993 - 1997)



Source: Fiscal Year 1994, 1995, 1996 and 1997 Food Stamp Quality Control Samples.
a Defined as households with one female adult and children, no other adults present.

Table 4.12-- Composition of Food Stamp Households with Earnings FY 1994 to FY 1997

Households With:	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
	Households with earnings									
Total[a]	2,374	100.0	2,329	100.0	2,379	100.0	2,284	100.0	-90	-3.8
Children	1,987	83.7	1,951	83.8	2,000	84.0	1,935	84.7	-51	-2.6
Single-Adult Household	1,003	42.2	1,080	46.4	1,070	45.0	1,102	48.3	100	9.9
Married Couple Household	756	31.9	649	27.9	670	28.2	568	24.9	-188	-24.8
Other Multiple-Adult Household	180	7.6	167	7.2	183	7.7	183	8.0	3	1.7
Children Only	46	1.9	54	2.3	75	3.1	79	3.5	34	74.1
Unknown	2	0.1	1	0.0	2	0.1	3	0.1	0	18.2
Elderly	73	3.1	68	2.9	65	2.7	57	2.5	-16	-21.6
Living Alone	26	1.1	25	1.1	25	1.1	21	0.9	-6	-21.7
Not Living Alone	47	2.0	43	1.8	40	1.7	37	1.6	-10	-21.5
Disabled	112	4.7	159	6.8	184	7.7	178	7.8	65	57.9
Living Alone	26	1.1	42	1.8	53	2.2	44	1.9	19	73.5
Not Living Alone	87	3.7	116	5.0	131	5.5	133	5.8	46	53.3
Other Households[b]	296	12.5	277	11.9	269	11.3	253	11.1	-43	-14.4
Single-Person Household	196	8.3	193	8.3	190	8.0	195	8.6	-1	-0.5
Multi-Person Household	100	4.2	83	3.6	79	3.3	58	2.5	-42	-41.8
	Households with earnings and AFDC/TANF									
Total[a]	484	100.0	509	100.0	549	100.0	550	100.0	66	13.7
Children	477	98.6	504	98.9	545	99.4	527	95.9	50	10.6
Single-Adult Household	297	61.5	328	64.4	324	59.1	324	59.0	27	9.1
Married Couple Household	118	24.5	106	20.9	131	23.9	110	20.0	-8	-7.0
Other Multiple-Adult Household	60	12.4	61	12.0	66	12.0	71	12.9	11	18.0
Children Only	1	0.2	8	1.5	23	4.2	21	3.8	20	2,077.3
Unknown	0	0.0	0	0.0	1	0.2	1	0.2	1	418.4
Elderly	8	1.6	6	1.2	6	1.0	6	1.1	-2	-20.5
Living Alone	–	–	–	–	–	–	–	–	–	–
Not Living Alone	8	1.6	6	1.2	6	1.0	6	1.1	-2	-20.5
Disabled	24	5.0	28	5.4	34	6.1	36	6.5	11	46.4
Living Alone	–	–	–	–	0	0.0	–	–	–	–
Not Living Alone	24	5.0	28	5.4	33	6.1	36	6.5	11	46.4
Other Households[b]	4	0.9	6	1.1	2	0.4	22	4.1	18	414.4
Single-Person Household	2	0.3	3	0.5	0	0.0	20	3.6	18	1,135.1
Multi-Person Household	3	0.6	3	0.6	2	0.3	2	0.4	0	-10.8

[a] The sum of individual categories does not match the table total because a household can have more than one of the characteristics in the table.

[b] Households not containing children, elderly persons, or disabled persons.

– No sample households are found in this category.

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

Table 4.13-- Households with Earnings in the 10 States with the Largest Change from FY 1994 to FY 1997

State	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
Total	2,374	21.4	2,329	21.4	2,379	22.5	2,284	24.2	-90	-3.8
California	225	19.1	238	20.3	276	23.6	308	29.5	83	37.1
Delaware	4	18.1	5	22.1	5	22.1	6	30.5	2	52.6
Iowa	20	25.2	24	31.5	23	31.5	22	33.3	2	12.5
Louisiana	69	24.9	72	26.9	72	28.2	64	29.0	-6	-8.1
Massachusetts	17	8.9	17	9.6	19	11.4	21	14.1	4	24.7
Michigan	84	19.4	94	22.5	106	25.9	109	29.8	25	29.6
Montana	8	29.3	7	25.0	9	30.2	10	35.7	1	17.2
Pennsylvania	76	14.4	83	16.1	91	18.5	86	19.4	9	12.3
Utah	16	35.5	15	34.6	14	33.5	15	40.3	-1	-8.0
Wisconsin	26	21.1	27	22.5	29	27.3	27	30.9	1	4.8

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

Table 4.14-- Food Stamp Benefits to Households with Earnings in the 10 States with the Largest Change from FY 1994 to FY 1997

State	FY 1994		FY 1995		FY 1996		FY 1997		Change from FY 1994 to FY 1997	
	Dollars (000)	Percent of State Benefits	Dollars (000)	Percent of State Benefits	Dollars (000)	Percent of State Benefits	Dollars (000)	Percent of State Benefits	Dollars (000)	Percent
Total	433,703	23.3	434,064	23.2	454,164	24.7	427,570	26.8	-6,133	-1.4
California	36,772	17.8	38,330	18.5	46,609	21.3	49,438	25.2	12,666	34.4
Delaware	719	18.0	954	24.2	858	21.3	1,033	29.7	314	43.7
Iowa	3,156	26.6	3,774	32.5	3,939	34.7	3,714	37.4	558	17.7
Louisiana	13,803	26.2	15,269	30.0	16,088	31.8	13,492	33.3	-311	-2.3
Massachusetts	2,659	9.6	3,237	11.9	3,101	12.7	3,606	16.4	946	35.6
Michigan	15,658	21.5	17,406	25.3	21,542	31.6	19,781	33.5	4,123	26.3
Montana	1,302	28.5	1,145	25.1	1,583	33.1	1,771	38.6	469	36.0
Pennsylvania	13,084	16.2	14,006	17.1	17,780	22.1	15,841	22.4	2,757	21.1
Utah	2,953	38.6	2,870	37.5	2,805	38.7	2,884	45.8	-70	-2.4
Wisconsin	4,340	23.8	5,076	26.6	5,686	33.2	5,007	37.8	667	15.4

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

Economic Characteristics of Households with Earnings

Like the average benefits to all food stamp households, the average benefits to food stamp households with earnings increased from 1994 through 1996 and then decreased from 1996 through 1997 (Table 4.15). This is likely the result of PRWORA, which lowered food stamp benefits for most households. Households with earnings tend to have higher benefits than other food stamp households because they tend to have more people.

The average nominal value of earnings for food stamp households with earnings rose steadily between 1994 and 1997. In 1994, households with earnings earned $679 in an average month; in 1997, these households earned $708 in an average month. The average earned income for households with earnings and AFDC/TANF rose substantially, from $460 to $515.

The increase in the nominal value of earnings for food stamp households with earnings between 1994 and 1997 did not affect poverty status. Households with earnings had, on average, household income at 77 percent of poverty in 1994 and 1997. Households with earnings and AFDC/TANF had, on average, income at 74 percent of poverty in 1994 and 1997.

SUMMARY

Participation in the FSP decreased by 15 percent from 1994 through 1997. As participants left the FSP, the characteristics of the caseload changed.

- ***Fewer food stamp households have children while more have elderly or disabled people.*** The decline in households with children occurred primarily among those households with young children. The number of households with elderly remained relatively constant from 1994 through 1997, but they increased as a proportion of the caseload. The number of households with disabled people increased between 1994 and 1997.

- ***The number of permanent resident aliens receiving food stamps decreased sharply.*** Most of this decrease occurred after PRWORA. Permanent resident alien food stamp recipients are concentrated in four states: California, Florida, New York and Texas. The declines in permanent resident alien participation in California and Texas account for over 50 percent of the total decline in permanent resident alien participation. After PRWORA, those permanent resident aliens still participating tend to have some other source of income, and many had earnings. The decline in permanent resident alien participation after PRWORA was greater than the decline in ABAWD participation after PRWORA.

- ***The number of able-bodied adults receiving food stamps decreased significantly.*** Almost half of ABAWDs are women, and ABAWDs tend to live by themselves. After PRWORA, the proportion of ABAWDs who were employed increased while the proportion that were out of the labor force decreased.

Table 4.15-- Average Values of Selected Characteristics of FSP Households FY 1994 - FY 1997

Household Characteristic	Average Monthly Values for Households With:																	
	All Households						Households with Earnings						Households with Earnings and AFDC/TANF					
	FY 1994	FY 1995	FY 1996	FY 1997	Change from FY 1994 to FY 1997		FY 1994	FY 1995	FY 1996	FY 1997	Change from FY 1994 to FY 1997		FY 1994	FY 1995	FY 1996	FY 1997	Change from FY 1994 to FY 1997	
					Change	Percent					Change	Percent					Change	Percent
Food Stamp Benefit	168	172	174	169	1	0.6	183	186	191	187	4	2.2	200	204	209	198	-2	-1.0
Household Size	2.5	2.5	2.5	2.4	-0.1	-4.0	3.4	3.3	3.3	3.3	-0.1	-2.9	3.7	3.6	3.6	3.5	-0.2	-5.4
Income and Countable Resources																		
Gross Income	507	514	528	558	51	10.1	827	842	865	879	52	6.3	826	847	866	884	58	7.0
Net Income	268	265	275	299	31	11.6	461	463	481	495	34	7.4	493	501	508	531	38	7.7
Earned Income	145	146	158	171	26	17.9	679	683	699	708	29	4.3	460	469	491	515	55	12.0
AFDC/TANF	146	145	136	129	-17	-11.6	64	71	75	76	12	18.8	316	326	324	318	2	0.6
Income as a Percentage of Poverty Guildeline																		
Gross Income	56.7	56.0	56.6	58.4	1.7	3.0	77.3	76.8	77.3	76.6	-0.7	-0.9	73.3	73.5	74.0	74.4	1.1	1.5
Net Income	28.3	27.2	28.0	29.9	1.6	5.7	41.0	40.1	40.8	41.3	0.3	0.7	42.0	41.9	41.7	43.2	1.2	2.9
Deductions																		
Total Deduction	272	283	287	291	19	7.0	377	391	397	395	18	4.8	337	349	362	355	18	5.3
Earned Income Deduction	29	29	32	34	5	17.2	136	137	140	141	5	3.7	92	94	98	103	11	12.0

Source: Fiscal Year 1994, 1995, 1996, and 1997 Food Stamp Quality Control samples.

- ***Households with AFDC/TANF are leaving the FSP faster than other households*** Households with AFDC/TANF decreased from 38.1 percent of all FSP households in 1994 to only 34.6 percent in 1997. From 1994 and 1997, through withAFDC/TANF tend to have longer participation spells, but the percentage with an employed household head increased.

- ***The proportion of food stamp households with earnings increased modestly.*** More single-adult households with children had earnings, and more households with children combined earnings with AFDC/TANF. While the nominal value of average household earnings increased from 1994 through 1997, there was no impact on the average income of households with earnings relative to the poverty level.

ACRONYMS AND DEFINITIONS FOR USE WITH APPENDICES

ACRONYMS AND DEFINITIONS FOR USE WITH APPENDICES

ACRONYMS

ABAWD	- Able-Bodied Adult Without Dependents
AFDC	- Aid to Families with Dependent Children
E&T	- Employment and Training Program
FSP	- Food Stamp Program
GA	- General Assistance
IRCA	- Immigration Reform and Control Act
JOBS	- Job Opportunities and Basic Skills
PRWORA	- Personal Responsibility and Work Opportunities Act of 1996
SSI	- Supplemental Security Income
TANF	- Temporary Assistance to Needy Families
TFP	- Thrifty Food Plan
UI	- Unemployment Insurance

DEFINITIONS

Able-Bodied Adult Without Dependents (ABAWD). Individual between 19 and 60 years of age who is not mentally or physically disabled, or responsible for a dependent. In fiscal year 1997, ABAWDs were required to work or be enrolled in an Employment and Training Program to be eligible for the FSP unless granted an exemption.

Alien. Participant who is a noncitizen, including permanent residents, immigrants accorded permanent resident status, refugees, persons granted political asylum, aliens granted a stay of deportation, aliens residing in the United States under color of law, nonimmigrants admitted for a specified period, Mexican citizens with a "border" card, and undocumented aliens. See also *Legal Immigrants, Other Aliens and Permanent Resident Aliens.*

Children. Persons under age 18.

Child Support Payment Deduction. Deduction for households with legally obligated child support payments made to or for a non-household member. See also *Deductions*.

Countable Resources. Cash on hand and assets that can be easily converted to cash, such as money in checking or savings accounts, savings certificates, stocks or bonds, and lump sum payments. They also include some nonliquid assets, although the family home, one or more family vehicles if necessary to transport disabled persons or to produce income, and business tools or property are not counted. See also *Resource Limit.*

Deductions. Allowable deductions from a household's gross monthly income to arrive at FSP net monthly income. The deductions shown in the tables are those to which households were entitled. Some of the deductions may not have been used, however, before a household reached zero net income status. Therefore, total deductions do not equal the difference between gross and net income amounts. See also *Total Deduction, Standard Deduction, Earned Income Deduction, Dependent-Care Deduction, Excess Shelter Deduction, and Medical Deduction.*

Dependent-Care Deduction. Deduction received by food stamp households for expenses involved in caring for dependents while other members work, seek employment, or go to school. In fiscal year 1997 the deduction was subject to a maximum of $200 per month for each dependent under age 2 and $175 per month for each dependent age 2 or more. See also *Deductions*.

Disabled Persons. Individuals under age 65 who receive SSI and individuals age 18 to 61 who receive Social Security, veterans benefits, or other government benefits as a result of disability.

Earned Income Deduction. Deduction received by households with earnings, equal to 20 percent of the combined earnings of household members. See also *Deductions*.

Earned Income. Includes wages, salaries, self-employment, and farm income.

Elderly. Adults over age 59.

Employed Full Time. Employed at least 30 hours per week or receiving weekly earnings equal to or greater than the federal minimum wage multiplied by 30 hours. This estimate is based on an employment status variable.

Employed Part Time. Employed less than 30 hours per week.

Employment and Training (E&T). Refers to employment and training services received under FSP E&T programs. Services provided include work experience, educational programs, and job search training.

Entrant Households. Includes households newly certified during fiscal year 1997.

Excess Shelter Deduction. Deduction received by households with shelter costs, equal to those shelter costs that exceed 50 percent of the household's countable income after all other potential deductions are subtracted from gross income. There is a limit on the shelter deduction for households that do not contain elderly or disabled members. See Appendix F. See also *Deductions*.

Exempt from Work Registration. See *Work Registration Status Definitions and Notes* below.

Expedited Service Households. Households which initially received expedited service for the certification period in effect during fiscal year 1997.

Gross Income. Total monthly income of household in dollars, before applying deductions.

Gross Income Limit. Food stamp program gross monthly income eligibility standards, determined by household size; equal to 130 percent of the poverty guidelines. See Appendix E.

Households With Preschool-Age Children. Households with at least one member under age 5.

Households With Elderly. Households with at least one member age 60 or older.

Households With Elderly or Disabled. Households in which at least one member is age 60 or over or at least one member is under age 65 and receives SSI, or at least one member is age 18 to 61 and receives Social Security, veterans benefits, or other government benefits as a result of disability.

Households With School-Age Children. Households with at least one member age 5 to 17.

Households With Disabled. Households with at least one member who is under age 65 and receives SSI or at least one member who is age 18 to 61 and receives Social Security, veterans benefits, or other government benefits as a result of disability.

Households With Children. Households with at least one member age 17 or less.

Initial Certification Households. Includes both households certified for the first time within the current certification period and previously certified households that have not received benefits for at least 30 days.

Legal Immigrants. All immigrants legally residing in the United States, including all permanent resident aliens, refugees, assylees and deportees. See also *Other Alien, Permanent Resident Alien, Refugee.*

Maximum Benefit. Based on 100 percent of the cost of the Thrifty Food Plan in the preceding June for a reference family of four, rounded to the lowest dollar increment. Maximum benefit varies from the Continental U.S. in Alaska, Hawaii, Guam and the Virigin Islands. See Appendix H.

Medical Deduction. Deduction available to households that contain elderly or disabled members, equal to all medical expenses incurred by the elderly or disabled person that exceed $35. See page 5. See also *Deductions*.

Minimum Benefit. $10 for one- or two-person households.

Net Income. Total monthly income of household in dollars, after applying deductions.

Net Income Limit. FSP net monthly income eligibility standard, determined by household size. See Appendix E.

Nonelderly Adults. Adults age 18 to 59.

Not Employed. Not working and not looking for work, and therefore not part of the labor force.

Other Alien. A nonimmigrant admitted for a specified period, a Mexican citizen with a "border" card, an undocumented alien, or an alien permanently residing in the United States under color of law. See also *Legal Immigrants, Permanent Resident Alien, Refugee.*

Permanent Resident Alien. An immigrant lawfully admitted for permanent resident status. See also *Legal Immigrants, Other Alien, Refugee.*

Personal Responsibility and Work Opportunities Reconciliation Act of 1996 (PRWORA). This act disqualified many permanent resident aliens and able-bodied adults from the Food Stamp Program.

Poverty Guideline. The poverty guidelines used in fiscal year 1997 were issued by the Department of Health and Human Services and published in the 1996 *Federal Register*. Dividing these guidelines by 12 yields the monthly net income limits for the FSP. The Bureau of the Census establishes other poverty thresholds which are used primarily for statistical purposes. See Appendix D.

Preschool-Age Children. Children less than 5 years old.

Public Assistance. Includes Aid to Families with Dependent Children and General Assistance.

Refugee. An alien accorded refugee status, an alien granted political asylum, or an alien granted a stay of deportation. See also *Legal Immigrants, Permanent Resident Alien, Other Alien*

Resource Limit. For most households the resource limit was $2,000 in fiscal year 1997. Households with at least one member age 60 or older were allowed up to $3,000 of resources. See also *Countable Resources.*

Rural. A household is considered to be located in a rural area if the county in which its local food stamp agency is located is not in a Metropolitan Statistical Area as defined by the Census Bureau.

School-Age Children. Children age 5 to 17.

Shelter Deduction. See *Excess Shelter Deduction.*

Standard Deduction. Deduction received by all households which varies by area to reflect price differences among areas. See Appendix F. See also *Deductions.*

Student. Participant age 18 or older enrolled at least half time in a recognized school, training program, or institution of higher education.

Thrifty Food Plan. Market basket of goods based on an economical and nutritious diet, adjusted for household size and composition. Used to determine maximum food stamp benefit amounts.

Total Deduction. Includes earned income, child support payment, dependent-care, excess shelter, medical, and standard deductions to which the FSP household is entitled. In some cases this exceeds the amount deducted from gross income because net income cannot be less than zero. See also *Deductions.*

Unearned Income. Includes Aid to Families with Dependent Children, General Assistance, Supplemental Security Income, Social Security, Unemployment Income, Veterans' Benefits, Workers' Compensation, Other Government Benefits, Household Contributions, Household Deemed Income, Educational Loans, Child Support Enforcement Payments, and other unearned income.

Unemployed. Not working but looking for work, and therefore part of the labor force.

Urban. A household is considered to be located in an urban area if the county in which its local food stamp agency is located is in a Metropolitan Statistical Area as defined by the Census Bureau.

Work Registration Status Definitions and Notes

Required to register for work. Able-bodied food stamp household heads required to register for work under the FSP or JOBS.

Exempt from work registration. Food stamp household heads not required to register for work for one or more of the reasons listed below.

> **Under the required age.** Less than age 18. (However, the Food Stamp Act of 1977, as amended, requires 16- and 17-year-olds who are household heads and who are not in school or otherwise exempt to register for work.)
>
> **Over the required age.** Age 60 or over.
>
> **Pregnant.** This exemption applies only to the AFDC program. States may exempt household heads from participation in FSP E&T programs for this reason, but not from FSP work registration.
>
> **Caretaker.** For the FSP, this exemption includes both caretakers of children under 6 and caretakers of children under 18 when another

able-bodied parent is registered for work or exempted because of employment; for the AFDC program, this exemption applies to caretakers of children under age 3 (or age 1 as a state option).

Employed full time. Employed at least 30 hours per week or receiving weekly earnings equal to or greater than the federal minimum wage multiplied by 30 hours.

Student. Enrolled at least half time in a recognized school, training program, or institution of higher education.

Program not offered. This exemption applies only to the AFDC program. States may exempt household heads from participation in FSP E&T programs for this reason, but not from FSP work registration.

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Divider Title: **REPORT #2**

Reaching Those in Need:

HOW EFFECTIVE IS THE FOOD STAMP PROGRAM?

USDA

By Allen L. Schirm
Mathematica Policy Research, Inc.

The Food Stamp Program is a central component of American policy to reduce poverty and hunger. The program's main purpose is "to permit low-income households to obtain a more nutritious diet . . . by increasing their purchasing power" (Food Stamp Act of 1977, as amended). The Food Stamp Program is the largest of the domestic food and nutrition assistance programs administered by the U.S. Department of Agriculture's Food and Nutrition Service. During fiscal year 1997, the program served about 23 million people in an average month at a total annual cost of nearly $20 billion. The average monthly food stamp benefit was just over $170 per household.

Although the cost of the Food Stamp Program and other assistance programs has been at the center of recent federal budget debates, the Government Performance and Results Act calls for policymakers to pay close attention to the effects of programs, not just total dollars spent. One important measure of a program's performance is its ability to reach its target population. The national food stamp participation rate — the percentage of eligible people in the United States who actually participate in the program — has long been a standard for assessing the program's performance (see, for example, Stavrianos 1997).

This document presents the first widely released estimates of food stamp participation rates for States. These estimates can be used to focus efforts to improve program performance. They also provide a benchmark to help understand the consequences of welfare reform for the Food Stamp Program. The participation rates, which pertain to January 1994, provide one indicator of how effectively each State was serving eligible people before the program changes that were brought about by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). See the last page for a list of the key food stamp provisions of the act.

Food Stamp Participation Rates for States

In January 1994, about 71 percent of eligible people in the United States received food stamps. Participation rates varied widely from State to State, however. Estimated rates ranged between 38 percent in Alaska and 100 percent in Vermont and Maine. Although there were some large differences in State participation rates within most regions, there were also discernible patterns across regions. The highest regional participation rates were in the Mountain Plains, Midwest, and Mid-Atlantic Regions. Their 75 to 76 percent rates were significantly higher (in a statistical sense) than the 71 to 72 percent rates in the Southwest, Northeast, and Southeast Regions. The Western Region had the lowest participa-

tion rate, at 62 percent. This rate was nine percentage points below the national rate and significantly lower than any other regional rate. See the last page for a map showing regional boundaries.

All of the estimated participation rates presented here are based on fairly small samples of households in each State. Even after application of the shrinkage estimation methods described later, there is substantial uncertainty associated with the estimates for some States and with comparisons of estimates from different States. Nevertheless, the estimates show whether a State's participation rate probably fell at the top, at the bottom, or in the middle of the distribution. Vermont, Maine, West Virginia, Rhode Island, Hawaii, Delaware, Missouri, Mississippi, and Pennsylvania were very likely at the top, with higher rates than most other States. In contrast, Alaska almost surely had a lower rate than all other States. California, the District of Columbia, South Dakota, New Jersey, Nevada,

How Many Were Eligible in January 1994? What Percentage Participated?

Participation Rates and Confidence Intervals

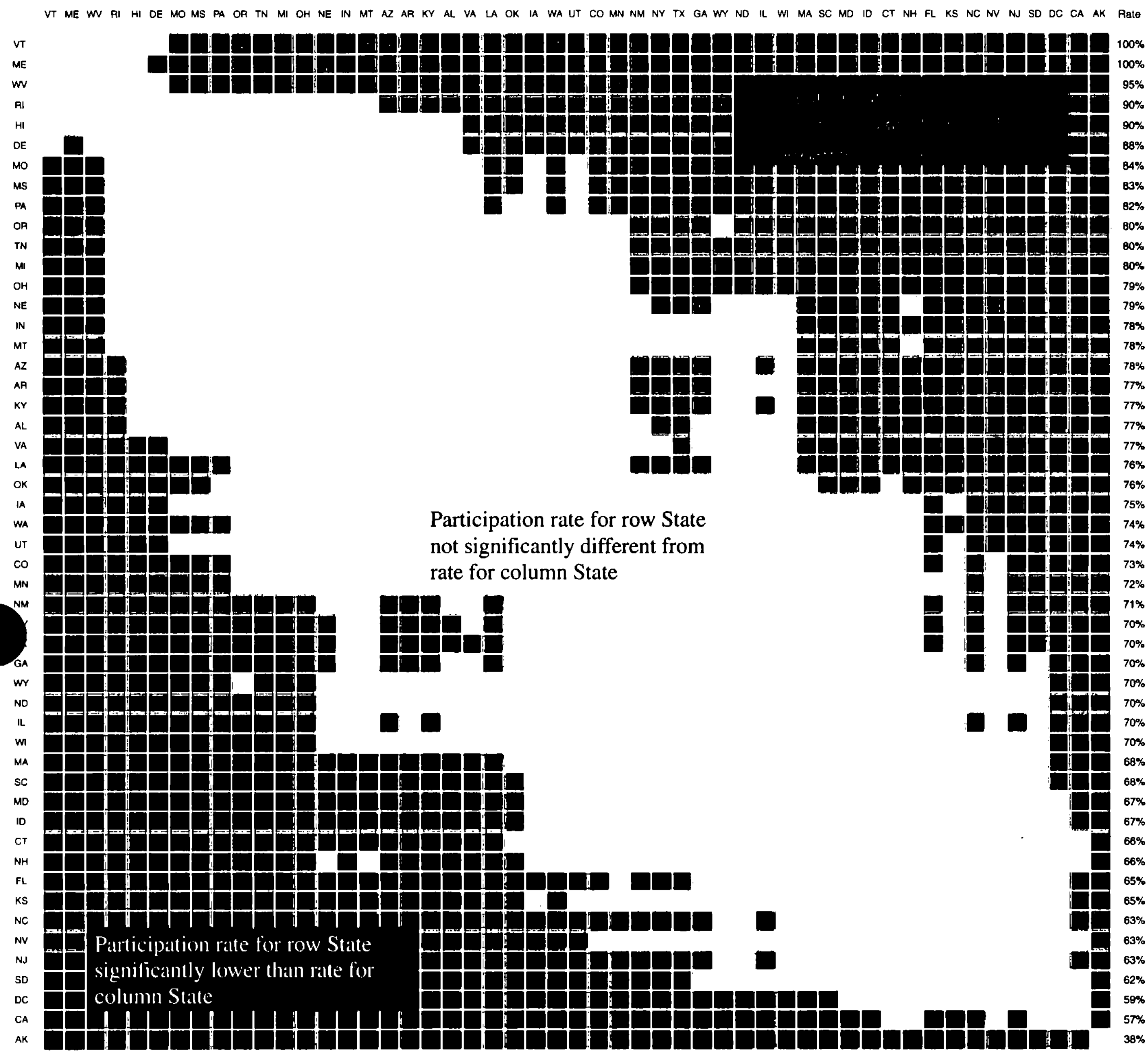
(Participation Rate = 100 × Number of People Participating ÷ Number of People Eligible)

(Estimated participation rates are in red; estimated bounds of confidence intervals are in black.)

Eligible People (Thousands)		Lower bound	Participation rate	Upper bound
74	Vermont	89%	100%	100%
135	Maine	91%	100%	100%
327	West Virginia	89%	95%	100%
103	Rhode Island	78%	90%	100%
123	Hawaii	75%	90%	100%
67	Delaware	76%	88%	100%
685	Missouri	76%	84%	93%
612	Mississippi	77%	83%	89%
1,429	Pennsylvania	76%	82%	87%
342	Oregon	70%	80%	90%
916	Tennessee	74%	80%	86%
1,267	Michigan	73%	80%	87%
1,530	Ohio	73%	79%	86%
136	Nebraska	69%	79%	89%
640	Indiana	68%	78%	89%
92	Montana	68%	78%	87%
627	Arizona	71%	78%	84%
370	Arkansas	70%	77%	85%
678	Kentucky	71%	77%	84%
709	Alabama	69%	77%	85%
671	Virginia	69%	77%	85%
1,002	Louisiana	70%	76%	81%
485	Oklahoma	69%	76%	82%
255	Iowa	64%	75%	86%
603	Washington	67%	74%	81%
170	Utah	64%	74%	84%
364	Colorado	65%	73%	81%
433	Minnesota	63%	72%	82%
339	New Mexico	66%	71%	75%
2,969	New York	66%	70%	74%
3,749	Texas	68%	70%	73%
1,144	Georgia	65%	70%	75%
47	Wyoming	62%	70%	78%
66	North Dakota	62%	70%	79%
1,670	Illinois	64%	70%	76%
468	Wisconsin	61%	70%	79%
636	Massachusetts	62%	68%	75%
569	South Carolina	61%	68%	75%
559	Maryland	59%	67%	75%
120	Idaho	59%	67%	75%
329	Connecticut	55%	66%	77%
89	New Hampshire	55%	66%	77%
2,202	Florida	60%	65%	70%
287	Kansas	57%	65%	73%
984	North Carolina	59%	63%	68%
151	Nevada	54%	63%	72%
844	New Jersey	57%	63%	69%
87	South Dakota	54%	62%	71%
145	District of Columbia	51%	59%	67%
5,499	California	54%	57%	60%
70	Alaska	30%	38%	45%
2,188	Mountain Plains Region	72%	76%	80%
6,008	Midwest Region	72%	76%	79%
4,042	Mid-Atlantic Region	72%	75%	79%
5,944	Southwest Region	70%	72%	74%
4,335	Northeast Region	68%	71%	75%
7,814	Southeast Region	69%	71%	74%
7,535	Western Region	60%	62%	64%
37,866	United States	70%	71%	72%

A confidence interval expresses our uncertainty about the true value of a participation rate. Each interval displayed here is a 90 percent confidence interval. One interpretation of such an interval is that there is a 90 percent chance that the true participation rate falls within the estimated bounds. For example, while our best estimate is that Virginia's participation rate was 77 percent in January 1994, the true rate may have been higher or lower. However, the chances are 90 in 100 that the true rate was between 69 and 85 percent.

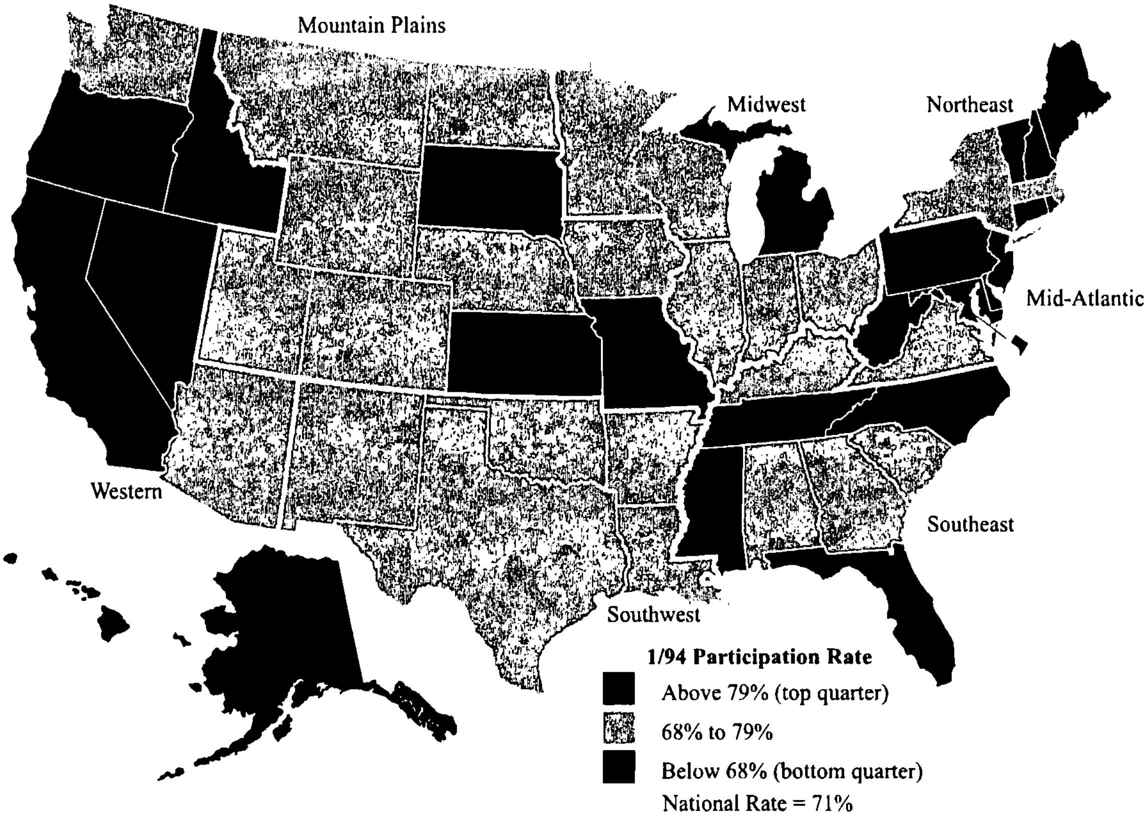
How Does Your State Compare with Other States?



Whether one State has a significantly higher participation rate than a second State can be determined from this figure by finding the row for the first State at the left of the figure and the column for the second State at the top of the figure. If the box where the row and column intersect is red, there is at least a 90 percent chance that the first State (the row State) has a higher true participation rate. If the box is blue, there is at least a 90 percent chance that the second State (the column State) has a higher true participation rate. Equivalently, there is less than a 10 percent chance that the first State has a higher rate. If the box is tan, there is more than a 10 percent chance but less than a 90 percent chance that the first State has a higher rate; thus, we conclude that neither estimated rate is significantly higher.

Taking Utah, the State in the middle of the distribution, as an example, we see that it has a significantly lower participation rate than six other States (Vermont, Maine, West Virginia, Rhode Island, Hawaii, and Delaware) and a significantly higher rate than eight other States (Florida, North Carolina, Nevada, New Jersey, South Dakota, the District of Columbia, California, and Alaska). Its rate is neither significantly higher nor significantly lower than the rates for the other 36 States, suggesting that Utah is probably in the broad center of the distribution, unlike, for example, Vermont and Alaska, which are surely at or near the top and bottom of the distribution, respectively. Although we use the statistical definition of "significance" here, most of the significant differences exceed ten percentage points, and all of them are at least five percentage points, a difference that seems important as well as significant.

Participation Rates Vary Widely



North Carolina, Kansas, and Florida probably fell in the bottom half of the distribution.

Estimation Method

The estimates presented here were derived using shrinkage estimation methods (Schirm and DiCarlo 1998). Drawing on data from the Current Population Survey, the Survey of Income and Program Participation, the decennial census, and administrative records, the shrinkage estimator averaged sample estimates of food stamp eligibles in each State with predictions from a regression model. The predictions were based on observed indicators of socioeconomic conditions, including levels of participation in government programs, such as the National School Lunch Program and the Aid to Families with Dependent Children program. Shrinkage estimates are substantially more precise than direct sample estimates from the Current Population Survey or the Survey of Income and Program Participation, the leading sources of current data on household incomes.

References

Schirm, Allen L., and John V. DiCarlo. "Using Bayesian Shrinkage Methods to Derive State Estimates of Poverty, Food Stamp Program Eligibility, and Food Stamp Program Participation." Washington, DC: Mathematica Policy Research, Inc., 1998.

Stavrianos, Michael. "Food Stamp Program Participation Rates: January 1994." In *Current Perspectives on Food Stamp Program Participation.* Alexandria, VA: Food and Consumer Service, U.S. Department of Agriculture, March 1997.

The key food stamp provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 do the following:

- Limit participation by legal noncitizens.
- Provide short-term assistance to unemployed, able-bodied adults ages 18 to 50 with no dependent children and link longer-term assistance to working or participating in a work program.
- Reduce benefits and limit future growth in benefits.
- Expand State administrative authority.

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Table 3: Income Trends among Food Stamp Households with Children, Wisconsin and U.S. 1989-97

United States:	1989	1990	1991	1992	1993	1994	1995	1996	1997
Number of Food Stamp Households with Children	4,358,142	4,714,217	5,355,357	6,261,251	6,699,754	6,774,736	6,491,875	6,280,049	5,507,648 -12.3%
Average Income/Poverty Ratio	0.566	0.563	0.555	0.547	0.536	0.545	0.537	0.538	0.551
Households with Children: Receiving AFDC	2,919,852	3,137,143	3,426,395	3,903,668	4,178,471	4,145,196	4,091,022	3,805,982	3,187,383
Income >75% of Poverty	731,239	730,289	749,404	429,621	425,091	474,742	487,307	511,247	486,264
Income 50%-75% of Poverty	839,255	901,520	927,230	1,358,184	1,430,753	1,436,667	1,370,600	1,208,829	1,039,477
Income <50% of Poverty	1,349,358	1,505,334	1,749,761	2,115,863	2,322,627	2,233,787	2,233,115	2,085,906	1,661,642
Average Income/Poverty Ratio	0.563	0.544	0.526	0.503	0.486	0.491	0.484	0.484	0.495
Households with Children: Not Receiving AFDC	1,438,290	1,577,074	1,928,962	2,357,583	2,521,283	2,629,540	2,400,852	2,474,067	2,320,265
Income >75% of Poverty	518,910	616,536	778,276	930,001	991,245	1,079,287	985,054	1,003,270	959,594
Income 50%-75% of Poverty	345,396	383,334	458,575	658,681	711,623	718,287	613,468	643,698	589,384
Income <50% of Poverty	573,984	577,204	692,111	768,901	818,415	831,966	802,330	827,099	771,287
Average Income/Poverty Ratio	0.572	0.602	0.607	0.619	0.618	0.63	0.628	0.62	0.627
Percent of Households with Income <50% of Poverty:									
All Households with Children	44.1%	44.2%	45.6%	46.1%	46.9%	45.3%	46.8%	46.4%	44.2% -2.4%
Receiving AFDC	46.2%	48.0%	51.1%	54.2%	55.6%	53.9%	54.6%	54.8%	52.1%
Not Receiving AFDC	39.9%	36.6%	35.9%	32.6%	32.5%	31.6%	33.4%	33.4%	33.2%

Source: U.S. Department of Agriculture, "Food Stamp Quality Control Sample," 1989-1997. Estimates calculated by ECONorthwest with standard errors in parentheses.