

CLINTON-GORE RECORD

CEA
Michael
Britten
5-6982

EITC

- In 1997, the EITC reduced the number of children in poverty by 2.2 million. Over half the decline in child poverty between 1993 and 1997 can be explained by changes in taxes, most importantly the EITC.
- The President pushed hard to improve the EITC by insuring that OBRA 1993 significantly increased the maximum amount of the credit for families with two or more children by \$1,500, and eligibility for the credit was extended to families with incomes up to \$30,000 (or about \$3,600 above the prior law level.)
- The combined effects of the minimum wage and the EITC have dramatically increased the returns to work for families with children. Between 1993 and 1997, families with one child and one earner who worked full-time at the minimum wage experienced a 14 percent increase in their income; after inflation, just because of these two policies alone. Similar families with two children experienced a 27 percent increase in their income.

HEAD START

- The President is committed to expanding Head Start to serve 1 million children by 2002, including a doubling of infants and toddlers in Early Head Start.
- Under the Clinton Administration, Head Start funding has grown by 68 percent, and the program has added 120,000 children. For 2000, we are proposing a \$607 million increase, which would be the largest Head Start increase ever enacted.
- The Administration's proposal will allow Head Start to add 35,000 pre-school children and 7,000 infants and toddlers in 2000, bringing total enrollment to 877,000 children. The Administration will continue working to expand participation, and will pursue innovative ways of doing so within overall budget constraints.
- The Administration strongly supported the reauthorization of Head Start in 1998. We worked with Congress to ensure that Head Start allows our neediest children to reach school ready to learn. The reauthorization improved program quality and accountability; made the program more responsive to family needs and strengthen partnerships with other community services.
- The Administration has fought against cuts in the Republican Budget Resolution that would force deep cuts in key domestic priorities. After factoring in commitments made in their Resolution to tax cuts and protected programs, remaining programs would be slashed more than 10 percent in 2000 and more than 20 percent in 2004. If cuts are applied across-the-board, the Republican budget could mean that in FY2000 alone Head Start

funding would be cut by \$580 million cutting services to over 100,000 children.

HEAD START and WIC			
	1993	1999	2000
Head Start			
\$ million	\$2,776	4,660	5,267
participants	714,000	835,000	877,000
WIC			
\$ millions	\$2,860	3,924	4,105
participants (millions)	5.7	7.4	7.5
(average monthly)			

POVERTY

- **Poverty Rate Fell To 13.3 Percent in 1997 -- Down from 15.1 Percent in 1993.** In 1997, the poverty rate declined to 13.3 percent from 13.7 percent the year before. Since President Clinton signed his Economic Plan into law, the poverty rate has declined from 15.1 percent in 1993 to 13.3 percent last year -- that's the biggest four-year drop in the poverty rate in almost 30 years (1965-1969).

Overall Poverty Rate

1997	13.3%
1996	13.7%
1995	13.8%
1994	14.5%
1993	15.1%

- In 1997, the poverty rate among the elderly fell back to its record low of 10.5 percent, after a temporary rise to 10.8 percent in 1996.
- **The African-American Poverty Rate Dropped To Its Lowest Level In History.** In 1997, the African-American poverty rate declined from 28.4 percent to 26.5 percent -- that's its lowest level recorded since data were first collected in 1959. Since 1993, the African-American poverty rate has dropped from 33.1 percent to 26.5 percent. Between 1980-1992, the poverty rate for African American remained at 30% or more.

African-American Poverty Rate

1997	26.5%
1996	28.4%
1995	29.3%
1994	30.6%
1993	33.1%

- Last year, the Hispanic poverty rate dropped from 29.4 percent to 27.1 percent -- that's the largest one-year drop in Hispanic poverty since 1978.

CHILD POVERTY

- Child Poverty dropped from 22.7 percent to 19.9 percent between 1993 and 1997, lifting 1.6 million children out of poverty. This follows an increase from 19.5 percent in 1988 to 22.7 percent in 1993, when 2.8 million children were pushed into poverty.

Children's Poverty Rate

1997	19.9%
1996	20.5%
1995	20.8%
1994	21.8%
1993	22.7%

- Child poverty among African Americans remains high, but is now at a record low of 37.2 percent having dropped from 46.6 percent in 1992.
- In 1997, the Hispanic child poverty rate dropped from 40.3 percent to 36.8 percent -- that was the largest one-year drop on record (data first collected in 1976).

UNEMPLOYMENT

- The Lowest Rate in 29 Years.
- The unemployment rate averaged 7.1 % and rose to more than 10 % in 1982 and 1983.
- In June 1999, the unemployment rate was 4.3 % -- the lowest level in 29 years. The unemployment rate has been below 5 % for 24 consecutive months. [Source: BLS]

Unemployment for African Americans

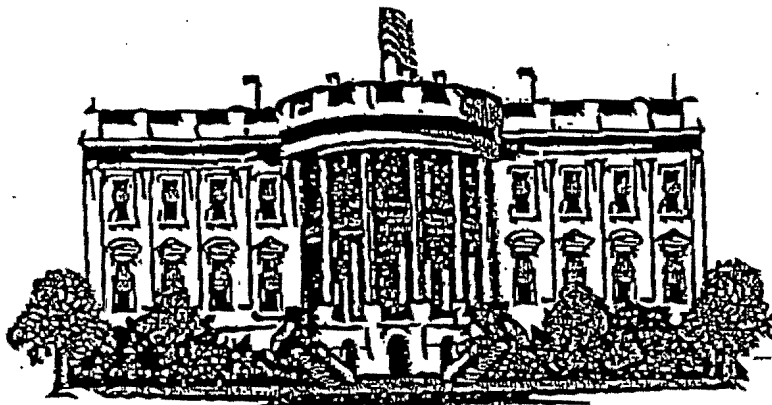
- Lowest on record.
- African American unemployment reached 21.2 % in January 1983-- a record high, and never dropped below 10 % between 1983-1992.
- The African-American unemployment rate has fallen from 14.1 % in January 1993 to 7.3 % in June 1999 -- a record low.

Unemployment for Hispanics

- Went from record highs during the Reagan/Bush administrations to achieve record lows in the Clinton administration
- Hispanic unemployment hit a record high of 15.7 % in 1982.
- Hispanic unemployment hit a record low of 5.8% in 1999.

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THE WHITE HOUSE

Domestic Policy Council

DATE: 8/12FACSIMILE FOR: Ruby ShamirPHONE: () - 65696FAX: () - 65696/66244FACSIMILE FROM: Genie ChoughPHONE: () - 6566FAX: () - 67431

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- ☐ FOR YOUR REVIEW
☒ PER MY E-MAIL OR VOICE-MAIL MESSAGE TO YOU
☐ PER YOUR REQUEST

COMMENTS: CDF report



Children's Defense Fund

Memo

To: [REDACTED]
From: Deborah Weinstein, Director, Family Income Division
Date: 08/03/99
Re: Jump in Number of Children Living Below Half the Federal Poverty Line in First Year of Welfare Law

This new analysis of Census data (not released anywhere before) shows that when noncash benefits like food stamps and welfare assistance are taken into account, as well as counting the effect of federal taxes, the number of children in single mother families living below half the federal poverty line (about \$6,400 a year for a family of three) jumped from 1996 to 1997: 374,000 more children that poor, a surge of 28 percent.

We cannot have a full picture of the impact of welfare changes without paying attention to what is happening to children. This new analysis shows that, despite a strong economy, there has been a substantial increase in extreme poverty for children. The loss of benefits has not been outweighed by a gain in earnings for these families.

Please call me for more information or explanation; (202) 662-3565.

Thanks for your attention.

**Number of Children in Mother-Only Families
Living Below One-Half of the Poverty Line
Jumps Sharply in 1997**

Extreme child poverty rose sharply in 1997 (Source: CDF data, see attached table)

- After accounting for noncash benefits and taxes, the number of children in mother-only families that were below one-half of the poverty line jumped upward by 26 percent between 1996 and 1997.
- This jump in extreme poverty was statistically significant. Notably, it occurred while both the total population of such children and the number below the regular poverty line were edging downward.
- The increase has passed unnoticed until now because official tabulations of Census data for extreme child poverty (children under one-half of the poverty line) do not account for noncash benefits and taxes.
- Some people have attacked similar analyses for (a) leaving out boyfriends and other household members and (b) ignoring a growing tendency for people to underreport their welfare income to Census interviewers. But CDF's preliminary findings suggest that addressing both problems would not alter the basic result.

The poorest mother-only families lost about \$500 a year since 1995 (Source: OMB analyst)

- Between 1995 and 1997, the poorest one-fifth of female family heads with children lost \$503 (7 percent) from their average inflation-adjusted annual income, counting noncash benefits and taxes, according to unofficial analyses by OMB analyst Richard Bavier.
- The losses were caused by a \$412 loss of TANF and a \$140 loss in food stamps.
- The losses are astonishing because this group's income had been *rising* for the two previous years. Wealthier quintiles of mother-only families did not lose as much (or actually gained) from 1995 to 1997, Bavier's analysis found.

After years of decline, the number of children in extremely poor female-headed families rose significantly in 1997

Children in female-headed families (families of the household head and unrelated subfamilies)

	1993	1994	1995	1996	1997	Absolute Change '96 to '97	Percent Change '96 to '97
<i>Number of Children</i>							
Total	16,856,000	16,732,000	17,357,000	16,946,000	16,884,000	(63,000)	-0.4%
Official Income Is Below 100% of Poverty Line	8,985,000	8,857,000	8,737,000	8,354,000	8,311,000	(43,000)	-0.5%
Alternate Income Is Below 100% of Poverty	7,780,000	7,217,000	8,684,000	8,609,000	8,471,000	(137,000)	-2.1%
Official Income Is Below 50% of Poverty Line	4,618,000	4,725,000	4,180,000	4,389,000	4,384,000	(4,000)	-0.1%
Alternate Income Is Below 50% of Poverty	1,702,000	1,641,000	1,590,000	1,453,000	1,827,000	374,000	25.7%
<i>Percent of Children</i>							
Total	100%	100%	100%	100%	100%	0%	0%
Official Income Is Below 100% of Poverty Line	54.0%	52.9%	50.3%	49.3%	49.2%	-0.1%	-0.1%
Alternate Income Is Below 100% of Poverty	46.8%	43.1%	50.5%	50.7%	50.3%	-0.7%	-1.7%
Official Income Is Below 50% of Poverty Line	28.0%	28.2%	24.0%	26.0%	26.0%	-0.1%	0.3%
Alternate Income Is Below 50% of Poverty	10.2%	9.8%	9.2%	8.6%	10.8%	2.2%	26.2%

Note: Official income means cash income (including government cash benefits).

Alternate income means cash plus food and housing assistance and EITC, minus payroll and income taxes.

Source: CDF tabulations of the March Current Populations Survey (March 1995-March 1998)

11/4/99

cc: CR
Cemie

TO: Nicole

FROM: Sarah B
Andrea

Might you might be interested in these new state-by-state child poverty estimates for 1996. Census calculates these based on a model using tax return + food stamp data to get state level valid child poverty rates. As the article says, these estimates are used for allocating federal funds. They are used for much else, but they may come in handy.

*please
get study*

1 of 3 D.C. Children Living in Poverty

By SARI HORWITZ
Washington Post Staff Writer

More than one in three children under 18 living in the District is poor, according to annual U.S. Census figures released yesterday.

Nationally, the poverty rate has been declining in the past few years, but that has not been the case in the District.

About 35.6 percent—or 38,366—youths younger than 18 lived in poverty in the District in 1996, according to the report, which uses a combination of food stamp records, data from federal income tax returns and census figures to determine who is poor. When compared with the 50 states, D.C.'s child poverty rate ranks highest.

Mayor Anthony A. Williams yesterday called it "problematic" to compare the District to states, but he said that the "census remains a valuable tool in receiving federal funding."

Experts consider it misleading

to compare statistics on the District, a small and entirely urban jurisdiction, with states that have urban, rural and suburban populations. The estimates are important, said Census Bureau statistician Paul Siegel, because they are used in administering federal programs and allocating federal funds to local jurisdictions, including the District.

In Virginia, the rate of children younger than 18 living in poverty in 1996 was 16.5 percent, and in Maryland it was 14.1 percent. Nationally, the percentage was 20.5.

"Despite the fact that the economy is nominally good, the economy for low-skilled people is bad and D.C. has a shortage of low-skilled jobs," said Liz Siegel, co-founder of D.C. Action for Children, a children's advocacy group.

Liz Siegel, no relation to the census statistician, said: "We've always had a small middle class. We have a lot of fairly wealthy people, and then we have a lot of very low income residents. Our

school system and public safety issues have chased the middle class out to the suburbs."

The mayor has said that improving services to children, especially those living in poverty, is one of his top priorities. He and two D.C. council members recently began a program designed to address the needs of District children in a comprehensive fashion.

The overall poverty rate in Maryland in 1996 was 9.6 percent and in Virginia 11.3 percent. Nationally, the percentage was 13.7.

Compared to the 50 states, the District ranks as one of the poorest. The census figures from 1996 actually show the District as the worst in the country, with 21.1 percent living in poverty. But census officials said that the estimated percentage of people living in poverty in four states—West Virginia, Louisiana, Mississippi and New Mexico—is so statistically close that none of the four or the District can definitively be called the worst.

The Washington Post

THURSDAY, NOVEMBER 4, 1999

U.S. Census Bureau**State Estimates for People Under Age 5 in Poverty for US: 1996****Table E96-00. Estimated Number and Percent People Under Age 5 in Poverty by State: US 1996**

(Estimates model 1996 income reported in the March 1997 Current Population Survey.)

State	People Under Age 5 in Poverty			
	Number		Percent	
	Estimate	90% Confidence Interval	Estimate	90% Confidence Interval
United States	4,582,979	4,295,268 to 4,870,690	23.4	21.9 to 24.9
-Alabama	88,276	82,478 to 94,075	29.6	27.6 to 31.5
-Alaska	9,000	7,857 to 10,142	17.6	15.3 to 19.8
-Arizona	101,624	93,687 to 109,560	27.5	25.3 to 29.6
-Arkansas	56,485	51,808 to 61,162	31.2	28.6 to 33.8
-California	746,177	674,743 to 817,610	27.6	24.9 to 30.2
-Colorado	49,463	45,282 to 53,644	17.4	15.9 to 18.9
-Connecticut	30,715	26,580 to 34,851	14.0	12.1 to 15.9
-Delaware	8,801	8,045 to 9,557	17.7	16.1 to 19.2
-District of Columbia	11,746	10,202 to 13,291	35.0	30.4 to 39.7
-Florida	257,070	241,138 to 273,002	26.4	24.7 to 28.0
-Georgia	149,067	142,141 to 155,994	25.7	24.5 to 26.9
-Hawaii	17,269	14,135 to 20,403	19.5	16.0 to 23.0
-Idaho	20,230	18,298 to 22,163	21.4	19.4 to 23.5
-Illinois	182,863	170,811 to 194,916	20.0	18.7 to 21.3
-Indiana	71,624	65,048 to 78,200	16.9	15.3 to 18.4
-Iowa	30,078	26,952 to 33,203	16.1	14.4 to 17.7
-Kansas	32,324	29,788 to 34,860	17.5	16.2 to 18.9
-Kentucky	77,285	72,737 to 81,834	28.7	27.0 to 30.4
-Louisiana	110,575	102,238 to 118,912	33.8	31.3 to 36.4
-Maine	14,537	12,717 to 16,358	20.8	18.2 to 23.4
-Maryland	54,834	47,192 to 62,475	15.3	13.2 to 17.5
-Massachusetts	61,937	54,012 to 69,862	15.1	13.2 to 17.0
-Michigan	146,167	132,676 to 159,658	21.4	19.5 to 23.4
-Minnesota	42,488	36,887 to 48,090	13.0	11.3 to 14.7
-Mississippi	72,919	64,895 to 80,942	34.7	30.8 to 38.5
-Missouri	84,332	79,422 to 89,241	22.7	21.4 to 24.0
-Montana	15,152	13,704 to 16,600	28.0	25.4 to 30.7
-Nebraska	19,657	17,424 to 21,890	17.1	15.1 to 19.0
-Nevada	22,540	20,185 to 24,895	16.8	15.0 to 18.5
-New Hampshire	7,456	5,629 to 9,283	9.8	7.4 to 12.2
-New Jersey	81,841	71,819 to 91,863	14.3	12.5 to 16.0

-New Mexico	48,178	44,138 to 52,218	34.7	31.8 to 37.6
-New York	343,557	314,453 to 372,661	26.3	24.1 to 28.6
-North Carolina	117,201	110,086 to 124,315	21.8	20.4 to 23.1
-North Dakota	8,039	7,218 to 8,860	19.4	17.4 to 21.4
-Ohio	150,791	140,032 to 161,550	19.7	18.3 to 21.1
-Oklahoma	70,647	65,438 to 75,857	30.5	28.2 to 32.7
-Oregon	47,836	45,417 to 50,255	21.9	20.8 to 23.0
-Pennsylvania	142,502	131,093 to 153,910	18.8	17.3 to 20.3
-Rhode Island	12,856	11,746 to 13,966	19.6	17.9 to 21.3
-South Carolina	69,456	65,195 to 73,718	26.8	25.1 to 28.4
-South Dakota	12,018	10,580 to 13,455	23.8	20.9 to 26.6
-Tennessee	95,034	86,695 to 103,373	25.5	23.3 to 27.8
-Texas	501,111	461,062 to 541,160	30.3	27.8 to 32.7
-Utah	31,804	27,668 to 35,941	15.5	13.5 to 17.6
-Vermont	6,263	5,208 to 7,318	18.1	15.1 to 21.2
-Virginia	83,378	77,180 to 89,577	18.1	16.8 to 19.5
-Washington	74,505	68,458 to 80,553	19.1	17.5 to 20.6
-West Virginia	36,170	32,082 to 40,259	34.0	30.1 to 37.8
-Wisconsin	50,551	42,226 to 58,876	14.7	12.3 to 17.1
-Wyoming	6,548	5,814 to 7,282	20.7	18.4 to 23.0

These estimates were released in November 1999.

Source: U.S. Census Bureau
Small Area Income and Poverty Estimates Program

[Return to Tables for States and Counties by Income Year and Statistic](#)

Last Revised: *Thursday, 28-OCT-99*

U.S. Census Bureau**State Estimates for People Under Age 18 in Poverty for US: 1996****Table D96-00. Estimated Number and Percent People Under Age 18 in Poverty by State: US 1996**

(Estimates model 1996 income reported in the March 1997 Current Population Survey.)

State	People Under Age 18 in Poverty			
	Number		Percent	
	Estimate	90% Confidence Interval	Estimate	90% Confidence Interval
United States	14,463,480	13,990,149 to 14,936,811	20.5	19.8 to 21.1
-Alabama	276,459	263,913 to 289,005	25.3	24.1 to 26.4
-Alaska	29,785	27,109 to 32,460	15.4	14.0 to 16.8
-Arizona	296,088	281,661 to 310,516	23.5	22.3 to 24.6
-Arkansas	173,406	163,701 to 183,112	25.8	24.3 to 27.2
-California	2,285,048	2,145,130 to 2,424,965	25.2	23.6 to 26.7
-Colorado	150,542	141,241 to 159,844	14.6	13.7 to 15.5
-Connecticut	111,479	101,398 to 121,559	14.0	12.7 to 15.2
-Delaware	27,614	26,223 to 29,005	15.3	14.6 to 16.1
-District of Columbia	38,366	35,596 to 41,137	35.6	33.1 to 38.2
-Florida	782,830	747,770 to 817,890	22.3	21.3 to 23.2
-Georgia	469,275	454,701 to 483,849	23.1	22.4 to 23.9
-Hawaii	54,215	48,304 to 60,126	17.8	15.9 to 19.8
-Idaho	55,976	51,639 to 60,312	15.6	14.4 to 16.9
-Illinois	587,586	564,275 to 610,897	18.2	17.5 to 19.0
-Indiana	212,639	199,324 to 225,954	13.7	12.9 to 14.6
-Iowa	93,868	87,292 to 100,444	12.7	11.8 to 13.6
-Kansas	101,885	96,584 to 107,186	14.4	13.7 to 15.2
-Kentucky	252,368	242,638 to 262,098	25.5	24.6 to 26.5
-Louisiana	365,914	348,534 to 383,295	29.7	28.3 to 31.1
-Maine	51,373	46,697 to 56,049	17.1	15.5 to 18.6
-Maryland	184,357	171,868 to 196,847	14.1	13.2 to 15.1
-Massachusetts	214,928	195,992 to 233,863	14.6	13.3 to 15.9
-Michigan	500,364	477,870 to 522,857	19.3	18.5 to 20.2
-Minnesota	144,654	132,363 to 156,946	11.4	10.5 to 12.4
-Mississippi	231,558	215,497 to 247,619	29.8	27.7 to 31.9
-Missouri	270,822	259,619 to 282,025	19.1	18.4 to 19.9
-Montana	48,234	45,489 to 50,980	21.0	19.8 to 22.2
-Nebraska	54,601	49,506 to 59,697	12.2	11.1 to 13.3
-Nevada	63,272	58,543 to 68,002	14.0	13.0 to 15.1
-New Hampshire	22,720	18,935 to 26,506	7.5	6.3 to 8.8
-New Jersey	278,908	259,823 to 297,993	13.7	12.8 to 14.7

-New Mexico	150,032	141,313 to 158,752	29.2	27.5 to 30.9
-New York	1,164,818	1,097,875 to 1,231,762	25.4	23.9 to 26.9
-North Carolina	354,943	339,306 to 370,580	18.7	17.9 to 19.5
-North Dakota	25,580	23,478 to 27,683	15.3	14.0 to 16.6
-Ohio	479,761	457,914 to 501,609	16.5	15.7 to 17.2
-Oklahoma	222,488	212,612 to 232,364	24.9	23.8 to 26.0
-Oregon	143,821	131,523 to 156,118	17.3	15.8 to 18.8
-Pennsylvania	490,695	465,552 to 515,839	16.7	15.9 to 17.6
-Rhode Island	43,374	41,016 to 45,732	17.8	16.9 to 18.8
-South Carolina	225,898	214,400 to 237,397	23.4	22.2 to 24.6
-South Dakota	37,452	34,260 to 40,643	18.7	17.1 to 20.3
-Tennessee	287,827	269,449 to 306,205	21.4	20.0 to 22.8
-Texas	1,470,804	1,399,485 to 1,542,123	26.2	24.9 to 27.4
-Utah	82,107	72,363 to 91,850	11.6	10.2 to 12.9
-Vermont	21,356	18,888 to 23,824	14.6	12.9 to 16.3
-Virginia	273,536	262,904 to 284,168	16.5	15.8 to 17.1
-Washington	245,806	229,214 to 262,398	16.7	15.6 to 17.9
-West Virginia	126,064	116,728 to 135,400	29.9	27.7 to 32.2
-Wisconsin	166,937	148,758 to 185,117	12.2	10.9 to 13.5
-Wyoming	19,044	17,458 to 20,630	14.4	13.2 to 15.6

These estimates were released in November 1999.

Source: U.S. Census Bureau
Small Area Income and Poverty Estimates Program

Return to Tables for States and Counties by Income Year and Statistic

Last Revised: *Thursday, 28-OCT-99*