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[Note: August 22, 1999 is the third anniversary of the federal welfare law.]

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Extreme Child Poverty Rises By More Than 400,000 in One Year, New Analysis Shows

***States Must Do Far More to Make Welfare Changes
Safe and Effective for All Children, Says Children's Defense Fund***

Washington, DC. -- The number of American children living in families with incomes below one-half of the poverty line rose to 2.7 million in 1997, up by 426,000 from the previous year, according to an analysis of government data released today by the Children's Defense Fund (CDF).

Moreover, the increase in children below half of the poverty line -- termed "extreme poverty" in the report -- was directly linked to the weakening protective role of cash assistance and food stamps, CDF found. One-half of the poverty line in 1997 was equal to \$6,401 a year for a three-person family (equivalent to \$123 a week) or \$8,200 a year for a family of four. The analysis differs from past reports because it takes into account taxes and noncash benefits such as food stamps, not just cash income (which includes sources such as earnings and public assistance).

Most of the increase in children below one-half of the poverty line occurred among single mother families; the group most affected by recent welfare changes, CDF found. The number of extremely poor children in single-mother families jumped by 372,000 -- or 26 percent -- from 1996 to 1997, according to CDF's analyses of data from the Census Bureau's annual Current Population Survey.

The sudden jump in extreme child poverty is especially startling because it occurred despite an unusually strong economy. Prior to the 1997 increase, the number of children living below half the poverty line had dropped for four straight years, the CDF analysis found.

"More families have been successful in finding work, and some of these are escaping poverty. But more than 400,000 children have been pushed much deeper below the poverty line," said Deborah Weinstein, director of CDF's Family Income division. "For many families, increases in earnings have been outweighed by the loss of aid. Too often, families lose food stamps or other help that by law they should continue to get. These families can plunge through the holes in the safety net into extreme poverty."

"States are not doing enough to help the worst-off families find and keep jobs. Food stamps, child care, training, and other work supports can lead to stable work, instead of deeper

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poverty," said Weinstein, adding that for some families facing multiple hurdles, still other interventions will be needed.

August 22 will mark the third anniversary of the welfare law signed by President Clinton. "When children fall into extreme poverty, they suffer significant increases in stunted growth, lower academic test scores, and lower earnings years later. States must use the funds available to them now to prevent these lifelong losses for children," said Weinstein. Most states have not spent all the federal welfare funds given to them under the 1996 welfare law.

The study found a direct link between increased extreme child poverty and the dwindling protective role of public assistance and food stamps. In 1996, family income from cash assistance and food stamps kept more than 3.6 million children above half of the poverty line, according to the analysis. By 1997, however, these two programs kept less than 3 million children from extreme poverty – meaning they protected 652,000 fewer children than the year before. Had this protective role merely remained constant, the number of extremely poor children would have *shrunk* by 226,000 in 1997, the report found, due to rising employment and growth in non-welfare income among the poorest families. Instead, the weakening of assistance allowed 426,000 more children to fall below half the poverty line.

CDF specially noted the crucial role of food stamps. "In dollar terms, food stamp income didn't decline as much as cash welfare in 1997 for single mother families. But losing food stamps was often the final loss that tipped the family into extreme poverty," explained CDF analyst Arloc Sherman. "Food stamp losses are the big reason we found increases in extreme child poverty, while the official government numbers – which do not count food stamps – do not." Sherman noted that many families who lose food stamps when leaving the cash assistance rolls probably qualify to keep them, but may not know they remain eligible. In addition, most states require families to take time off from work for frequent trips to the welfare office to document their continuing eligibility for food stamps. These rules may make it impossible for working parents to get the assistance their children need.

To make the new welfare systems safe and effective for all children, CDF recommended that states make sure that food stamps and health coverage reach low-income families, whether or not they receive cash welfare. "Outreach by public and private agencies can help to inform families about their eligibility for food stamps, and eligibility should be restored for all legal immigrant children," said Weinstein. "States need to change food stamp office hours and procedures to make them working parent-friendly." CDF also recommended expanded work supports like child care and transportation; effective job training; and a flexible response to severe barriers to employment, which include domestic violence, chronic illness, illiteracy, or pockets of high unemployment. "Some states have started to offer the supports families need," Weinstein said, "but the jump in extreme child poverty shows that, in too many cases, the states aren't doing nearly enough to help the neediest families."

The mission of the Children's Defense Fund is to *Leave No Child Behind®* and to ensure every child a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start*, and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities.

Extreme Child Poverty Rises Sharply in 1997



By Arloc Sherman



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About CDF

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CDF provides a strong, effective voice for all the children of America, who cannot vote, lobby, or speak for themselves. We pay particular attention to the needs of poor and minority children and those with disabilities. CDF educates the nation about the needs of children and encourages preventive investments in children before they get sick or into trouble, drop out of school, or suffer family breakdown.

CDF began in 1973 and is a private, nonprofit organization supported by foundations, corporation grants, and individual contributions. We have never taken government funds.

Extreme Child Poverty Rises Sharply in 1997

Introduction

Much attention has been paid to the dramatic drop in welfare caseloads that followed the signing of the 1996 welfare law on August 22, 1996. Since then, government figures have revealed an increase in employment for the welfare population, which is important good news. For most of the families leaving the rolls, however, earnings have not risen enough to raise their children out of poverty. For many, employment is unstable at best. Often, available jobs are not enough to offset the loss of government help – a loss that, despite state and federal policies to the contrary, often includes food stamps and medical coverage as well as cash assistance.

One result, according to the findings in this report, appears to be a significant rise in 1997 in the number of children experiencing the most extreme form of poverty. Among children in single-mother families – the group most affected by the welfare law – the number of children living below one-half of the poverty line rose by 26 percent from 1996 to 1997. Additional findings indicate that this surge in extreme childhood poverty was due to the weakening protective role of public cash assistance and food stamps.

The new findings strongly suggest that some families are not yet receiving the help they need to make a successful transition from welfare to work. The findings are consistent with other recent studies, which have found deepening poverty among the poorest families with children, as well as joblessness, inadequate wages, and inability to pay for food and shelter among a sizeable minority of former welfare recipients.

This report is based Children's Defense Fund (CDF) analyses of annual Census Bureau survey data. Extreme poverty in this report is defined as family income below one-half of the federal poverty line – that is, below \$6,401 a year (equivalent to just \$533 a month or \$123 a week) for a three-person family or below \$8,200 for a family of four.

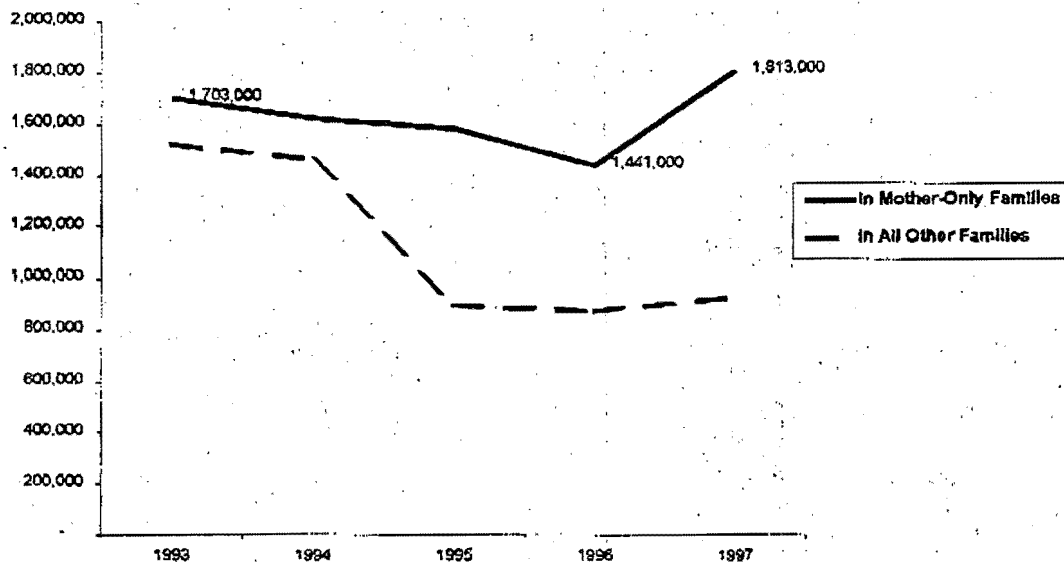
The report uses an inclusive definition of income that accounts for taxes and the value of certain noncash help (such as food stamps) as well as conventional sources of cash income counted in official government figures (such as wages and salaries, self employment earnings, government benefit payments, child support, and dividends). (See the technical appendix for detailed definitions.) Although this expanded income definition is broader than the official definition, it is commonly used by researchers both within and outside of government.

The New Findings: Extreme Child Poverty Grows in 1997

Using this expanded definition of income, CDF found that:

- The number of children living in families with incomes below one-half of the poverty line increased by 426,000 (from 2.3 million up to 2.7 million) between 1996 and 1997.
- Most of this increase occurred in mother-only families, the group most affected by the welfare law. The number of extremely poor children in such families surged by 372,000 children – or 26 percent – in 1997, a statistically significant increase.
- By 1997, 1.8 million children in mother-only families lived below half the poverty line.
- In 1997, 10.8 percent of children in mother-only families lived below one-half of the poverty line, up from 8.6 percent the year before.
- The number of extremely poor children in other families (those headed by males or married couples) grew much less, rising by just 54,000 (6 percent) to reach 927,000 in 1997.

**Number of Children Below Half the Poverty Line
Using an Expanded Definition of Income, 1993-1997**



Source: CDF analysis of March Current Population Survey (March 1994 - March 1998).
See Appendix Table 1 for data.

The increase in extreme child poverty revealed by this expanded measure is surprising for at least two reasons. First, it is sudden. Prior to increasing in 1997, this measure had

been falling for four straight years. Second, it runs counter to broad economic trends. The increase coincided with an unusually strong, sustained, and widespread economic boom, which resulted in higher incomes, more employment, and declines in the overall rate of poverty for both children and adults.

In contrast to overall poverty, however, extreme child poverty is a more revealing measure for tracking potential negative effects of welfare changes. That is because most children who receive cash assistance are already in poverty but may not be in extreme poverty. Therefore, it is not appropriate to measure declines in their economic well-being by examining in their poverty status; but it is appropriate to track their exposure to extreme poverty.

Reasons for the Increase in Extreme Child Poverty Among Mother-Only Families

The 1997 increase in extreme child poverty has passed unnoticed until now because official tabulations of Census Bureau data for children under one-half of the poverty line do not account for noncash aid and taxes. Analyses using the official definition of income do not show a significant change in extreme child poverty in 1997.¹

The Weakening Protective Role of Public Assistance and Food Stamps

Why did CDF find a significant rise in extreme poverty when the official figures did not? One major reason is the role of food stamps. Welfare recipients often stop getting food stamps when they leave the welfare rolls – even though many remain legally eligible for food stamp help. Further, most legal immigrants lost food stamp eligibility in the 1996 welfare law. The following table for mother-only families – the group most affected by welfare changes – shows that simply counting food stamps in the measure of income uncovers a substantial increase in extreme child poverty that is not seen under the official income definition.

These figures suggest that additional outreach to re-enroll these families in the food stamp program could help address the increase in extreme child poverty among mother-only families. Restoring aid to legal immigrants would be another positive step.

¹ As previous CDF publications have noted, the official cash income definition showed an increase of 394,000 extremely poor children from 1995 to 1997. This increase was noteworthy for three reasons. First, it occurred at a time of general economic growth and falling overall child poverty. Second, it coincided somewhat with increases in state-initiated welfare changes. Third, CDF analyses showed that it could be explained by the diminishing protective role of cash assistance in keeping family incomes above one-half of the poverty line. (See CDF, *Welfare to What?*, 1998.) On the other hand, the official figures on extreme child poverty showed that most of the increase occurred in 1996 and not in 1997, when states were presumably implementing even greater welfare changes. Moreover, a large minority of the increase occurred among married-couple families, which are less affected by welfare changes than are mother-only families. Therefore, the timing and demographic pattern of the earlier data suggested only an ambiguous relationship between welfare changes and welfare policy changes.

**Children in Mother-Only Families
Below One-Half of the Official Poverty Line,
By Definition of Income, 1996 and 1997**

Income Definition	1996	1997	Change	Percent Change
Cash Income (Official Measure)	4,399,000	4,394,000	-4,000	0%
Cash + Food Stamps	2,576,000	2,864,000	+288,000	+11%
Cash + Food Stamps + School Lunch + Housing + EITC - Taxes (CDF measure)	1,441,000	1,813,000	+372,000	+26%

Note: Table shows children younger than 18 in female-headed families (including "unrelated subfamilies," that is, families not related to the head of the household in which they live) with no spouse present.

Source: CDF analysis of March 1997 and March 1998 Current Population Survey data.

Additional analyses confirm a direct link between the 1997 increase in extreme child poverty and the dwindling protective role of public assistance and food stamps. In 1996, family income from cash assistance and food stamps together kept more than 3.6 million children out of extreme poverty. These were children whose families' incomes from other sources (that is, excluding public assistance and food stamps) were below half the federal poverty line. But counting income from public cash assistance and food stamps put them over that threshold.

By 1997, however, these two government income sources kept fewer than 3 million children from extreme poverty. Thus, *the total number of children protected from extreme poverty by cash aid and food stamps dropped by 652,000 in one year alone.* Had the protective role of these two programs merely remained constant, with 3.6 million children kept from extreme poverty, the number of extremely poor children would have *shrunk* by 226,000 in 1997, due to rising employment and other factors that boosted the non-welfare income among the poorest families. Instead, the weakening of assistance allowed 426,000 children to fall below half of the poverty line. (See Appendix Table 5 for additional details.)

The data indicate that, for these children – whose support from the public safety net has weakened more than their family earning power has improved – extreme childhood poverty was the direct result of declines in government assistance.

Which mattered more, loss of cash assistance or food stamps? Previous analyses of income trends have found that, in dollar terms, means-tested cash assistance fell more than food stamps did for the average mother-only family.² Nonetheless, the data shown in this report indicate that, for many families, that loss of food stamps -- while perhaps smaller -- was frequently the final loss that tipped a mother-only family into extreme poverty.

Larger Families Appear to Face Harder Struggle

Not all types of mother-only families experienced equal increases in extreme poverty in 1997. In fact, much of the increase in extreme childhood poverty among such families occurred in families containing more than two children, the findings suggest.

The circumstances of large families are particularly important for children because a disproportionate number of children live in large families. While large families -- with more than two children -- comprise only about one in five mother-only families in America, they account for two out of five of the children living in mother-only families. (The size of these "large" families, however, is generally not excessive: on average they have only 3.5 children.)

Among children in these larger mother-only families, the rate of extreme poverty skyrocketed from 10.8 percent in 1996 to 15.3 percent in 1997. In families containing just one or two children, by contrast, the rate rose more slowly, from 7.1 percent to 7.7 percent. Large families accounted for more than 90 percent of the total increase in 1997 in the number of extremely poor children living in single-mother families. The number of extremely poor children in large single-mother families jumped by 50 percent (to 1.0 million), but rose just 3 percent in single-mother families with one or two children. These findings appear to be consistent with earlier results from state studies, which found that, among former TANF recipients, those with more children suffer lower work rates and greater income losses.

One possible explanation for this pattern might be problems with child care. Larger families who leave welfare in search of work may be experiencing special difficulties in finding and keeping a job due to the high cost of child care for their children. Child care expenditure data make clear why these costs might be prohibitive for a large family. The latest Census Bureau figures (for 1993) indicate that the average working mother with just one preschool child in paid child care paid \$66 a week for child care -- equivalent to about \$3,300. For a family of three or more children and very low potential earnings, the result may often be that the cost of child care is simply too great.

A second factor could be greater loss of benefits when families move from welfare to work. States traditionally varied their AFDC cash assistance payments by family size, providing more help to larger families in response to their greater needs. But employers do not typically pay higher wages for larger families. Therefore, a large family that moves

² Richard Bavier, "An Early Look at the Effects of Welfare Reform," draft manuscript, June 14, 1999. Bavier is an analyst at the Office of Management and Budget.

from welfare to work may be at particular risk of losing more in benefits than it gains in earnings.

The problems of large families suggest that future research should consider the perspective of children – not just families – when assessing family economic well-being. Analyses of income trends should take a child's perspective – by, for example, examining children's rate of poverty or extreme poverty – or run the risk of missing key changes among the disproportionate number of children who live in large families.

Findings of Deeper Poverty Are Bolstered by Earlier Studies

The increases in extreme child poverty for mother-only families are consistent with related (but little noticed) findings from other recent studies. These studies have found:

1. Children fell nearly \$2 billion deeper into poverty from 1995 to 1997. One way to see how far children are below the poverty line is to look at the "child poverty gap," which is the amount required to lift the incomes of all families with children up to the federal poverty threshold. According to newly released data in the U.S. Department of Health and Human Services' Second Annual Report to Congress on the TANF Program, it would have taken \$27.0 billion to close the "child poverty gap" in 1997. (These HHS figures count noncash benefits and taxes.) Notably, the figures show that the child poverty gap has grown by \$1.9 billion in the last two years, from \$25.1 billion in 1995. This deepening of the child poverty gap resulted entirely from a steep decline in payments to otherwise-poor families from government programs, the figures show. By 1997, payments from these programs alleviated the child poverty gap by much less – over \$4 billion less – than they had in 1995. Although rising earnings and other income sources helped to offset this loss of benefits, they offset little more than half of the deepening poverty gap.

2. One in five former welfare recipients has no job, no disability benefits, and no earnings from a spouse. According to Pamela Loprest of the Urban Institute, 39 percent of former recipients nationwide are not working. Twenty-five percent have neither a job nor a working spouse. Of these, only one in 100 say they have no need or desire to work.

Some of those with no work and no working spouse rely on government disability benefits that may not be intended to support an entire family. Others receive forms of income that may be both meager and unreliable, such as child support. Some lack even these sources of income. Among all former welfare recipients, about 20 percent -- one in five -- are not working, do not have a spouse who is working, and do not receive government disability benefits. About 12 percent furthermore do not receive child support or social security.

3. Even among welfare recipients who find a job, weekly wages are often below half of the poverty line. According to Census Bureau data previously analyzed by the Children's Defense Fund, 28 percent of 1997 welfare recipients who were earning a paycheck by March 1998 were earning wages of less than \$125 a week. Wages that low could not lift a

three-person family above half of the poverty line, even if the job lasted year round (which the majority of jobs held by former welfare recipients do not).

4. More than one-third of former recipients sometimes run out of food or cannot or pay bills. According to the Urban Institute's Pamela Loprest, more than one in three former recipients nationwide reported that, sometime during the last, year, they ran out of food and didn't have money for more (38 percent) or couldn't pay their rent, mortgage, or utility bills (39 percent). These rates of hardship are significantly higher than among other low-income mothers.

Conclusion

The sudden rise in extreme child poverty is alarming. Although largely ignored until now, it offers evidence that some children are falling through the cracks in the still unfinished floor of welfare reform, and is one indication of how much more remains to be done to fulfill the promise of real reform for America's poorest families. Although states have begun to replace welfare with work, most have taken only baby steps toward the goal of ensuring that all families can obtain stable work and an income that is adequate to successfully raise a child.

Important additional steps for states will include increased investments in making child care affordable and accessible, as well as providing help with transportation; more education and training; wage supplements (including state earned income tax credits) for below-poverty jobs; and special attention to the needs of families experiencing multiple problems such as low skills, domestic violence, or chronic illness in the family.

States have a clear responsibility to reverse the trend of children falling below half the poverty line. As recent research has shown,³ helping children avoid extreme poverty today is an investment that every state can make towards the future success and learning of these children and their productivity as they grow to enter the workforce.

States must also recognize their responsibility to help families climb above the poverty line itself. In the long run, the payoff for ending child poverty is ample, in both economic and human terms.

³ For evidence on the benefits of ending child poverty, especially extreme child poverty, see Arloc Sherman, *Poverty Matters* (Washington, DC: Children's Defense Fund, 1997); and Greg J. Duncan and Jeanne Brooks-Gunn, eds., *Consequences of Growing Up Poor* (New York: Russell Sage, 1997), especially chapter 12.

Technical Notes and Definitions

Poverty (poor). The terms "in poverty," "below the poverty line," and "poor" all refer to families with annual income below the official federal poverty thresholds used by the Census Bureau. These thresholds vary by family composition and are adjusted each year for inflation. In 1997, the thresholds were \$12,802 a year (equivalent to \$1,067 a month or \$246 a week) for an average three-person family, or \$16,400 for a family of four.

Extreme poverty. Extreme poverty in this report means family income below one-half of the federal poverty threshold. For a three-person family, one-half of the poverty threshold was \$6,401 per year. For a four-person family, it was \$8,200 a year.

Income. The expanded definition of income used in this report is broader than the official income definition used by the Census Bureau. Like the official definition, it includes all cash income (such as earnings, child support, dividends, and all government payments such as Social Security, public assistance, unemployment benefits, or SSI). Unlike the official definition, it also includes the value of certain noncash benefits (food stamps, school lunch, and housing assistance), and accounts for estimates of the FICA payroll taxes and federal and state income taxes owed by the families (including the federal earned income tax credit). Because the tax amounts are simulations by the Census Bureau and assume that all eligible families will claim the earned income credit, they are likely to overstate families' income from the tax credit.

It is important to note that work expenses such as child care expenditures are not accounted for in this expanded income definition (nor are child care subsidies). If work expenses were counted, thereby capturing the rising out-of-pocket costs to families who are moving from welfare to work, the increase in extreme child poverty would undoubtedly be even greater than is shown here.

The expanded definition also excludes the value of Medicaid and other health insurance, in order to maintain some consistency with the poverty thresholds (which are intended to reflect family needs not counting medical needs).⁴

Public assistance. Public assistance income includes Aid to Families with Dependent Children or AFDC (now called Temporary Assistance to Needy Families or TANF) and a very small amount of state General Assistance, which is typically targeted to childless individuals.

Families. A family is any group of people sharing living quarters and related by birth marriage or adoption. Unlike most official Census Bureau data, this report includes families not related to the head of their household (called "unrelated subfamilies" by the Census Bureau). The inclusion of this small number of additional families does not substantially affect the findings. (See Appendix Table 1 for a comparison of trends with and without unrelated subfamilies.)

⁴ Experts on the definition of poverty note that, whenever the income definition is altered, it may become important to make corresponding changes in the poverty threshold, in order to maintain consistency between the types of family resources counted as income and the types of family needs implicit in the poverty line. For simplicity, the figures shown in this report do not make any changes to the federal poverty thresholds. However, any comprehensive redefinition of poverty should consider such changes.

Mother-Only (Single-Mother) Families. In this report, the terms "mother-only families" and "single-mother families" refer to female-headed families with children (no husband present). In some cases, the actual head of these families is not the mother of the children but another relative such as a grandmother or aunt.

Basic conclusions are not affected by adjustments for household income and undercounted welfare income. Recently, some welfare researchers have criticized Census Bureau data for leaving out non-family household members and also for ignoring a growing tendency for people to underreport their welfare income to Census interviewers. But additional analyses by the Children's Defense Fund suggest that addressing both problems would not alter the finding that extreme child poverty increased significantly in this population from 1996 to 1997.⁵

⁵ To examine the effect of nonrelatives' income and the increased undercounting of public assistance over time, CDF repeated its analysis making four changes: (1) counting the income of all household members regardless of family relationship; (2) adjusting the poverty line to reflect the needs of all household members (by increasing the poverty line by \$2,800, in 1997 dollars, for each nonrelative); (3) inflating the amount of public assistance income in each survey household that has public assistance income (in order to counteract a 3 percent average increase in underreporting from 1996 to 1997 in the amount of TANF income reported among families who report at least some TANF income); and finally, (4) inflating by an additional 8 percent the number of children in households lifted out of extreme poverty due to TANF (in order to counteract an 8 percent decline in the estimated likelihood that TANF families will report any TANF income). After making these changes, the estimated number of children in mother-only families in extreme poverty still grew by more than 20 percent – a statistically significant rise.

Appendix Table 1

**Trends in Poverty and Extreme Poverty
Among Children in Mother-Only Families
Using Two Definition of Income, 1990-1997**

CHILDREN IN MOTHER-ONLY FAMILIES

	1990	1991	1992	1993	1994	1995	1996	1997	Change: 1996 to 1997	Percent Change: '96 to '97
<i>Including unrelated subfamilies</i>										
Number of Children (000s)										
Total	14,553	15,279	15,598	16,656	16,732	17,357	16,946	16,884	-63	0%
Poor (Official Income Definition)	7,843	8,482	8,542	8,995	8,857	8,737	8,354	8,311	-43	-1%
Alternate Definition	6,661	7,182	7,232	7,724	7,223	6,669	6,556	6,450	-106	-2%
Extremely Poor (Official)	4,115	4,441	4,802	4,819	4,725	4,160	4,399	4,394	-4	0%
Alternate Definition	1,463	1,584	1,901	1,703	1,624	1,583	1,441	1,813	+372	+26%
Percentage of Children										
Total	100%	100%	100%	100%	100%	100%	100%	100%	0%	
Poor (Official Income Definition)	53.9	55.5	54.8	54.0	52.9	50.3	49.3	49.2	-0.1	
Alternate Definition	45.8	47.0	46.4	46.4	43.2	38.4	38.7	38.2	-0.5	
Extremely Poor (Official)	28.3	29.1	30.8	28.9	28.2	24.0	26.0	26.0	0.0	
Alternate Definition	10.1	10.4	12.2	10.2	9.7	9.1	8.5	10.7	+2.2	
<i>Excluding unrelated subfamilies</i>										
Number of Children (000s)										
Total	13,793	14,545	14,801	15,844	15,924	16,637	16,213	16,175	-38	0%
Poor (Official Income Definition)	7,363	8,065	8,032	8,503	8,427	8,364	7,990	7,928	-61	-1%
Alternate Definition	6,196	6,794	6,755	7,265	6,840	6,349	6,235	6,118	-117	-2%
Extremely Poor (Official)	3,819	4,198	4,479	4,534	4,477	3,952	4,177	4,179	+2	0%
Alternate Definition	1,205	1,392	1,646	1,471	1,458	1,434	1,294	1,635	+341	+26%
Percentage of Children										
Total	100%	100%	100%	100%	100%	100%	100%	100%	0%	
Poor (Official Income Definition)	53.4	55.5	54.3	53.7	52.9	50.3	49.3	49.0	-0.3	
Alternate Definition	44.9	46.7	45.6	45.9	43.0	38.2	38.5	37.8	-0.7	
Extremely Poor (Official)	27.7	28.9	30.3	28.6	28.1	23.8	25.8	25.8	0.0	
Alternate Definition	8.7	9.6	11.1	9.3	9.2	8.6	8.0	10.1	+2.1	

Definitions:

"In poverty" and "poor" mean in a family with annual income below the appropriate federal poverty threshold (\$12,802 for a three-person family in 1997, or \$16,400 for a family of four).

"Extreme poverty" and "extremely poor" mean in a family with annual income below one-half of the poverty threshold.

"Official income definition" means all cash income (e.g., wages, salaries, self-employment, government payments, dividends).

"Alternate income definition" means official income plus food stamps, school lunch, housing assistance, and the earned income tax credit, minus federal and state income tax and payroll tax.

"Unrelated subfamilies" means a family not related to the head of household. (Most family income data published by the Census Bureau excludes unrelated subfamilies.)

Source: Children's Defense Fund analysis of the March Current Population Survey (March 1991-March 1998).

Appendix Table 2

Profile of Children (All Incomes) By Characteristics of the Family Head, 1993-1997

	1993	1994	1995	1996	1997
In All Families					
Total Number	69,008,000	69,729,000	70,243,000	70,283,000	70,668,000
Percentage Distribution					
Total	100%	100%	100%	100%	100%
1-2 Children	62%	62%	62%	62%	62%
3+ Children	38%	38%	38%	38%	38%
Family Has Child Under 6	53%	53%	52%	51%	51%
No Child Under 6	47%	47%	48%	49%	49%
Did Not Finish High School	20%	19%	20%	19%	18%
High School Graduate	80%	81%	80%	81%	82%
Never Married	8%	8%	9%	10%	10%
Ever Married	92%	92%	91%	90%	90%
White (Non-Hispanic)	67%	67%	66%	65%	65%
Black (Non-Hispanic)	15%	15%	15%	15%	15%
Hispanic	14%	14%	14%	15%	15%
Worked Last Year	84%	84%	85%	85%	85%
Worked 1000+ Hours	76%	76%	77%	77%	76%
In Mother-Only Families					
Total Number	16,656,000	16,732,000	17,357,000	16,946,000	16,884,000
Percentage Distribution					
Total	100%	100%	100%	100%	100%
1-2 Children	61%	60%	59%	62%	60%
3+ Children	39%	40%	41%	38%	40%
Family Has Child Under 6	53%	52%	52%	48%	48%
No Child Under 6	47%	48%	48%	52%	52%
Did Not Finish High School	30%	30%	30%	28%	27%
High School Graduate	70%	70%	70%	72%	73%
Never Married	31%	30%	32%	34%	35%
Ever Married	69%	70%	68%	66%	65%
White (Non-Hispanic)	45%	46%	44%	45%	45%
Black (Non-Hispanic)	37%	36%	36%	35%	35%
Hispanic	16%	16%	17%	16%	17%
Worked Last Year	62%	65%	68%	71%	71%
Worked 1000+ Hours	49%	50%	54%	56%	56%

TABLE READS: "In 1993, 61 percent of all children in mother-only families lived in a family that contained one or two children."

Note: Income includes non-cash benefits and taxes. Families include unrelated subfamilies.

Source: CDF analysis of the March Current Population Survey (March 1994-March 1998).

Appendix Table 3

Profile of Extremely Poor Children
(Children in Families With Income Below One-Half the Poverty Line,
Using an Expanded Definition of Income)
By Characteristics of the Family Head, 1993-1997

	1993	1994	1995	1996	1997
In All Families					
Total Number	3,225,000	3,087,000	2,478,000	2,314,000	2,740,000
Percentage Distribution					
Total	100%	100%	100%	100%	100%
1-2 Children	52%	48%	44%	51%	45%
3+ Children	48%	52%	56%	49%	55%
Family Has Child Under 6	65%	63%	70%	67%	65%
No Child Under 6	35%	37%	30%	33%	35%
Did Not Finish High School	42%	41%	46%	39%	44%
High School Graduate	58%	59%	54%	61%	56%
Never Married	26%	24%	34%	34%	31%
Ever Married	74%	76%	66%	66%	69%
White (Non-Hispanic)	47%	47%	41%	45%	43%
Black (Non-Hispanic)	26%	25%	30%	29%	27%
Hispanic	22%	24%	23%	20%	22%
Worked Last Year	48%	45%	41%	40%	40%
Worked 1000+ Hours	27%	26%	19%	17%	17%
In Mother-Only Families					
Total Number	1,703,000	1,624,000	1,583,000	1,441,000	1,813,000
Percentage Distribution					
Total	100%	100%	100%	100%	100%
1-2 Children	55%	47%	47%	52%	43%
3+ Children	45%	53%	53%	48%	57%
Family Has Child Under 6	69%	68%	71%	67%	68%
No Child Under 6	31%	32%	29%	33%	32%
Did Not Finish High School	50%	45%	46%	41%	44%
High School Graduate	50%	55%	54%	59%	56%
Never Married	41%	41%	48%	49%	40%
Ever Married	59%	59%	52%	51%	60%
White (Non-Hispanic)	39%	38%	33%	39%	40%
Black (Non-Hispanic)	37%	39%	43%	38%	35%
Hispanic	23%	21%	21%	20%	19%
Worked Last Year	33%	33%	34%	32%	34%
Worked 1000+ Hours	10%	8%	9%	9%	8%

TABLE READS: "In 1993, 55 percent of extremely poor children in mother-only families lived in a family that contained 1 or 2 children."

Note: Income includes non-cash benefits and taxes. Families include unrelated subfamilies.

Source: CDF analysis of the March Current Population Survey (March 1994-March 1998).

Appendix Table 4

**Children Below One-Half the Poverty Line
(Using an Expanded Definition of Income)
As a Percentage of All Children,
By Characteristics of the Family Head, 1993-1997**

	1993	1994	1995	1996	1997
In All Families					
Number Extremely Poor	3,225,000	3,087,000	2,478,000	2,314,000	2,740,000
Percent Extremely poor					
Total	4.7%	4.4%	3.5%	3.3%	3.9%
1-2 Children	4.0%	3.4%	2.5%	2.7%	2.9%
3+ Children	5.8%	6.1%	5.1%	4.3%	5.5%
Family Has Child Under 6	5.7%	5.2%	4.7%	4.3%	5.0%
No Child Under 6	3.5%	3.5%	2.2%	2.2%	2.7%
Did Not Finish High School	10.0%	9.3%	8.3%	6.8%	9.2%
High School Graduate	3.4%	3.3%	2.4%	2.5%	2.7%
Never Married	14.2%	12.8%	12.9%	11.5%	12.1%
Ever Married	3.8%	3.7%	2.6%	2.4%	3.0%
White (Non-Hispanic)	3.3%	3.1%	2.2%	2.3%	2.6%
Black (Non-Hispanic)	7.9%	7.3%	6.9%	6.1%	6.9%
Hispanic	7.4%	7.4%	5.6%	4.5%	5.7%
Worked Last Year	2.7%	2.3%	1.7%	1.5%	1.8%
Worked 1000+ Hours	1.6%	1.5%	0.9%	0.7%	0.9%
In Mother-Only Families					
Number Extremely Poor	1,703,000	1,624,000	1,583,000	1,441,000	1,813,000
Percent Extremely Poor					
Total	10.2%	9.7%	9.1%	8.5%	10.7%
1-2 Children	9.2%	7.7%	7.2%	7.1%	7.7%
3+ Children	11.8%	12.7%	11.9%	10.8%	15.3%
Family Has Child Under 6	13.3%	12.6%	12.6%	11.9%	15.3%
No Child Under 6	6.7%	6.5%	5.4%	5.4%	6.6%
Did Not Finish High School	16.8%	14.7%	14.0%	12.6%	17.5%
High School Graduate	7.3%	7.6%	7.0%	7.0%	8.2%
Never Married	13.9%	13.2%	13.7%	12.0%	12.3%
Ever Married	8.6%	8.2%	7.0%	6.7%	9.9%
White (Non-Hispanic)	8.7%	8.1%	7.0%	7.4%	9.5%
Black (Non-Hispanic)	10.2%	10.5%	10.9%	9.0%	10.7%
Hispanic	14.6%	12.7%	11.3%	10.4%	12.0%
Worked Last Year	5.4%	4.9%	4.6%	3.9%	5.1%
Worked 1000+ Hours	2.1%	1.6%	1.5%	1.4%	1.5%

TABLE READS: "In 1993, 9.2 percent of children in mother-only families whose family contained 1 or 2 children had family incomes below one-half of the poverty line."

Note: Income includes non-cash benefits and taxes. Families include unrelated subfamilies.

Source: CDF analysis of the March Current Population Survey (March 1994-March 1998).

Appendix Table 5

PUBLIC ASSISTANCE AND FOOD STAMPS PROTECT A DECLINING
NUMBER OF CHILDREN FROM EXTREME POVERTYChildren Falling Below One-Half of the Poverty Line
By Definition of Income, 1995-1997

	1995	1996	1997	Change: '96 to '97
In All Families				
<i>Number of children with family income below one-half of poverty line, based on:</i>				
1. All income (expanded definition)	2,478,000	2,314,000	2,740,000	+ 426,000
2. Income excluding public assistance	4,720,000	4,199,000	4,330,000	+ 131,000
3. Income excluding public assistance and food stamps	6,543,000	5,952,000	5,726,000	- 226,000
<i>Number protected from extreme poverty:</i>				
By public assistance (line 2 minus line 1)	2,242,000	1,885,000	1,590,000	- 295,000
By public assistance and food stamps (line 3 minus line 1)	4,065,000	3,638,000	2,986,000	- 652,000
In Mother-Only Families				
<i>Number of children with family income below one-half of poverty line, based on:</i>				
1. All income (expanded definition)	1,583,000	1,441,000	1,813,000	+ 372,000
2. Income excluding public assistance	3,381,000	2,987,000	3,167,000	+ 180,000
3. Income excluding public assistance and food stamps	4,876,000	4,424,000	4,272,000	- 152,000
<i>Number protected from extreme poverty:</i>				
By public assistance (line 2 minus line 1)	1,798,000	1,546,000	1,354,000	- 192,000
By public assistance and food stamps (line 3 minus line 1)	3,293,000	2,983,000	2,459,000	- 524,000

Note: Income includes non-cash benefits and taxes. Families include unrelated subfamilies.
Source: CDF analysis of the March Current Population Survey (March 1996-March 1998).