

CRS Report for Congress

Received through the CRS Web

Children in Poverty: Profile, Trends, and Issues

December 1, 2004

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Summary

Since 1996, when Congress enacted the block grant program of Temporary Assistance for Needy Families (TANF), family cash welfare rolls have fallen by more than 50%, the employment rates of single mothers in the general population have risen dramatically, and the number of poor children has declined by more than 1 million. In these years child poverty rates decreased for both lone-mother families and married-couple families, with a relatively sharper decline for the former group. At the same time, however, the incidence of poverty increased overall among families who have at least one full-time, year-round worker.

Dramatic gains have occurred in work by lone mothers. Since 1999, the employment rates of single mothers have topped those of married mothers, even among mothers with a child under age three. However, some have joined the working poor. In 2003, 15% of the children whose single mother worked year round at full-time jobs were poor. Annual hours worked by lone mothers peaked in 2000. That year 20% worked about 1,800 hours or more. The rise in mothers' work makes some of them potentially eligible for unemployment insurance in case of involuntary job loss.

In records dating back to 1959, the incidence of poverty among related children in families has ranged from a peak of 26.9% in 1959 to a low of 13.8% in 1969. In 2003, the rate was 17.2% (representing 12.3 million children). Who are these poor children? Fifty-seven percent are in families headed by the mother; 34% have no family worker, but 30% are in families with a year-round full-time worker; and 25% are in families headed by an immigrant.

The social safety net for children consists of (1) earnings-based social insurance and tax credits and (2) need-based transfers of cash and noncash benefits. Work-related monthly benefits from social security are paid to 3.8 million children (almost 5% of all U.S. children) whose breadwinner is dead, disabled, or aged. In Fiscal Year (FY) 2003, \$34 billion in Earned Income Tax Credit refunds went to 19 million families with earnings (mostly working parents), and child tax credit refunds for working parents totaled \$6 billion. Need-based monthly cash welfare benefits now go to about 5 million children (4.1 million from TANF and 0.9 million from Supplemental Security Income — SSI). (Also, large outlays from TANF funds are made for child care, job training, and various other services.)

The Census Bureau's official count of the poverty population is based on money income before taxes and any capital gains. Thus, it includes social insurance cash payments and cash welfare. However, it excludes noncash aid and tax credits. If families' only cash income consisted of earnings, child poverty rates generally would be about one-fourth higher than the official figures.

This report, which will be updated, examines trends in the economic well-being of children. It presents data on official poverty among children and employment rates of mothers.

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Children in Poverty: Profile, Trends, and Issues

Introductory Note

This is an opportune time to examine the economic status of families with children. The 109th Congress faces a decision on what terms to continue the major cash welfare program for children (Temporary Assistance for Needy Families — TANF) and entitlement child care funding. Congress may also consider making changes in social security, which now makes monthly payments to almost 4 million children whose breadwinner is dead, disabled, or aged.

Since enactment of TANF in 1996, family cash welfare rolls have fallen by more than 50%, the employment rates of single mothers in the general population have risen dramatically, and the number of poor children has declined by more than 1 million. However, the data show that “full-time working poverty” has increased overall among families with children.

The social safety net for children consists of (1) earnings-based social insurance benefits and tax credits and (2) need-based transfers of cash and noncash benefits. In 2003, the House voted that the (overarching) purpose of TANF should be to “improve child well-being.” This report profiles the economic well-being of children. It presents data on official poverty among children and employment rates of mothers. It discusses 2003 child poverty rates in detail: by family type, by work experience and education of the family head, and by immigration status of the family head. Lastly, it provides a brief background discussion about government “safety net” policy.

Background

To avoid poverty, most children need an adult breadwinner. The economic well-being of children usually depends on how well their parent(s) fares in the labor market. Children most at risk of poverty are in families without an earner. However, some are poor despite the work — even the full-time work — of a parent. They are among the working poor.

Numerous programs operate in the U.S. to aid children without a breadwinner, or with one whose earnings are low.

- Social insurance programs (Social Security and Unemployment Insurance-UI) provide payments for children whose parent has paid payroll taxes but is now out of the workforce. Social security benefits are paid to children whose parent is dead, disabled, or retired. Unemployment insurance benefits are paid temporarily to

some workers who have lost a job (but most state UI programs do not provide dependents' benefits). Neither program imposes an income test. Benefits are an earned entitlement. Refundable tax credits (the federal Earned Income Tax Credit (EITC) and the child tax credit) supplement low earnings of parents.

- Cash welfare programs make payments to some needy children and their parents. Major welfare programs for children are Temporary Assistance for Needy Families (TANF) and, for disabled children, Supplemental Security Income (SSI). These programs impose an income test (and, usually, an assets test). TANF seeks to move parents into the labor market and requires states to condition eligibility (beyond two months) on parental work. Most children who receive TANF have two able-bodied parents, but the second parent lives apart from them. Noncash welfare programs, such as food stamps, subsidized housing, Medicaid and the State Children's Health Insurance Program (SCHIP) provide in-kind benefits. These programs also are means-tested.

How is Child Poverty Measured?

The Census Bureau measures poverty by comparing money income of the child's family with thresholds that vary by family size and composition. For this purpose, the Bureau counts only *money income before taxes* (and any capital gains). For 2003, the poverty threshold for a single parent with two children was \$14,824; for two parents with two children, it was \$18,660.

The official count of the poverty population takes into account all cash income (other than any capital gains) before taxes. Thus, it includes social insurance cash payments and cash welfare. It excludes noncash aid and tax credits. The Census Bureau also issues alternate poverty counts that assign value to major noncash benefits and tax credits, but they are not included in this CRS report.

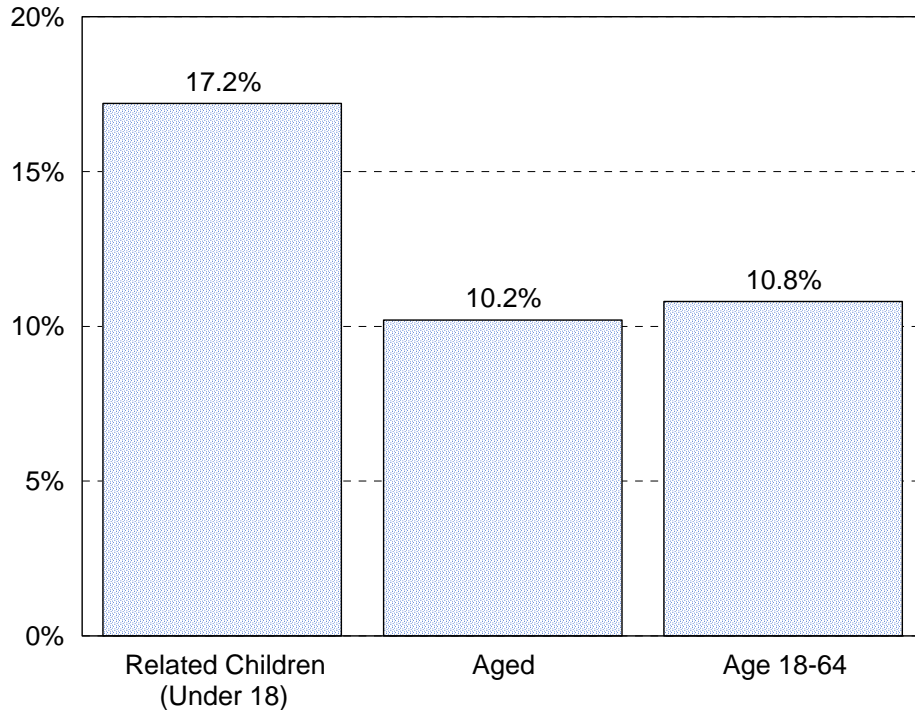
Child Poverty in 2003

In 2003, 12.3 million children¹ out of a total of 71.9 million lived in families whose pre-tax money income that year fell short of the poverty threshold. This translates into a child poverty rate of 17.2%.

As a group, children are more likely to be poor than are either the aged (persons aged 65 or older) or nonaged adults (persons 18 to 64 years old). **Figure 1** compares 2003 poverty rates of children, the aged, and nonaged adults. It shows that children were almost 70% more likely to be poor than the aged and that the incidence of poverty among the nonaged adults was only slightly higher than that of the aged.

¹ Another 0.5 million poor children lived with neither parent. The 2003 poverty rate for all persons under age 18, including those living with a person other than a parent, was 17.6%.

Figure 1. Poverty Rates of Children, the Aged, and Nonaged Adults, 2003



Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

There are some well known correlates to child poverty. A child's risk of being poor varies by family structure and size and by race/ethnicity. Further, since children primarily rely on adult workers for income, child poverty also varies by the educational attainment and age (which is related to work experience) of the family's head, and (if present) spouse.

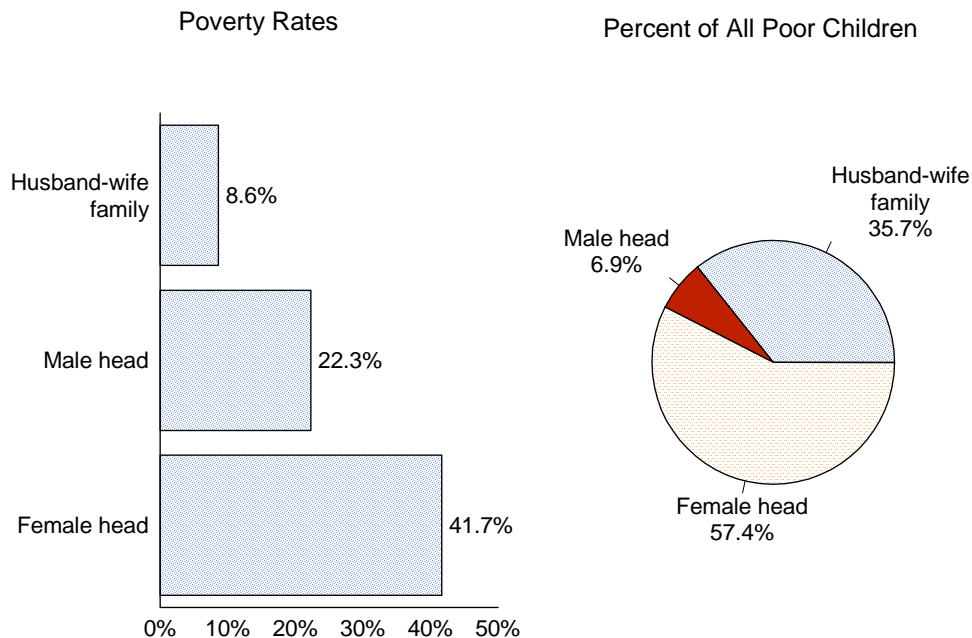
This section provides a profile of child poverty in 2003. Shown are child poverty rates by characteristics of the family, child, or family head and spouse. This perspective answers the question, among children, who are most at risk for being in poor families? This section also provides the composition of child poverty by those characteristics, answering the question who are the poor children?

Child Poverty by Family Type. Living arrangements of U.S. children have undergone a dramatic shift since the 1960 census. In 1960, 88 out of 100 children lived with two parents. The proportion living with two parents averaged 81% during the 1970s, 75% in the 1980s, and 70% in the 1990s. Corresponding increases were registered by children living with mother only (the family type most afflicted with money income poverty): 8% in the 1960 census; 15% during the 1970s; 20% in the 1980s, and 23% in the 1990s. The data for children living with father alone: 1% in the 1960 census, 3% on average during the 1970s and the 1980s, and 4% during the

1990s. Finally, the share living with neither parent averaged 3% during the 1970s and 1980s, but rose to 4% in the 1990s².

Figure 2 presents data about poverty rates of children who lived in families in 2003 (it excludes children living with neither parent). The bar chart presents 2003 child poverty rates by type of family. As it shows, children in married-couple families had a much lower poverty rate (8.6%) than those in lone-mother families (41.7%) or in father-only families (22.3%). The pie chart shows the composition of the 12.3 million related poor children. Female-headed families held the majority of poor children — 57.4%, or 7.1 million. Children in husband-wife families, despite their relatively low risk of poverty, comprised 35.7% of all poor children, or 4.4 million. The remaining 0.8 million poor children (6.9%) were in male-headed families (no wife present).

Figure 2. Poverty Among Related Children, by Family Type, 2003



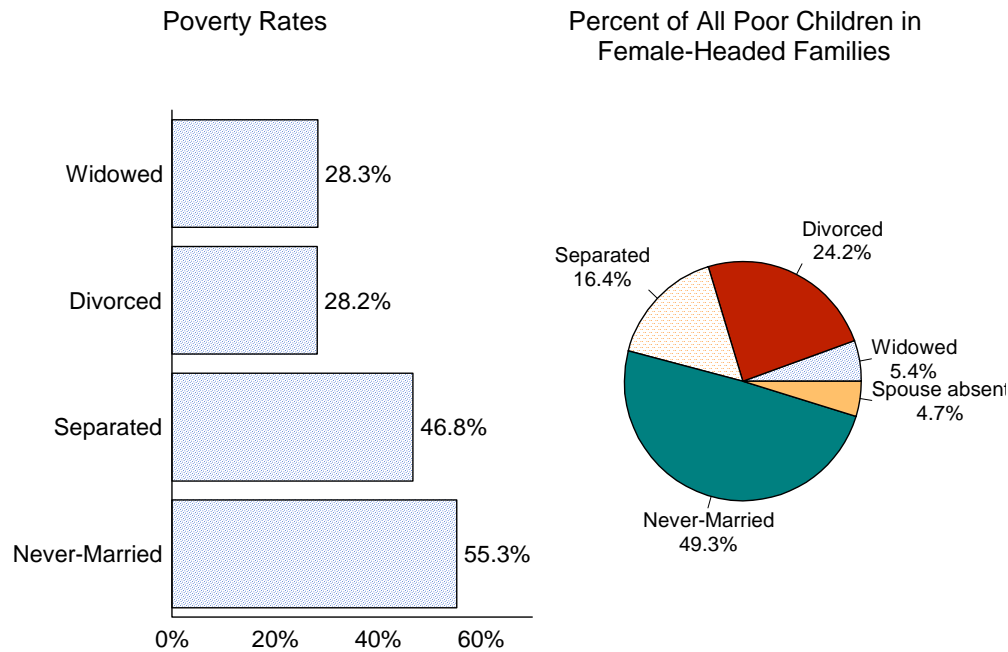
Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

Because of the relatively high poverty rate among children in female-headed families, much of the policy discussion about child poverty centers on this group. Further, welfare reform debates are focused on lone-mother families, who make up about 90% of all cash welfare families. Therefore, much of this remaining profile provides information on the poverty rate and composition of poverty for children in single parent families as well as for all children.

² U.S. Census Bureau, *Living Arrangements of Children Under 18 Years Old, 1960 to Present*, Table CH-1, Internet release date Sept. 15, 2004.

Among children in female-headed families, poverty rates vary by the marital status of the single mother. Children with mothers who never married are about twice as likely to be poor (a 55.3% poverty rate) as children whose mothers either divorced or were widowed (poverty rates of 28.2% and 28.3%, respectively). Moreover, the number of all children in families where the single mother never married now slightly exceeds the number of children in families where the mother divorced. Thus, children in families with never-married mothers account for a large share of poor children, almost half of all poor children in female-headed families.

Figure 3. Poverty Among Children in Female-Headed Families, by Marital Status of the Female Head, 2003

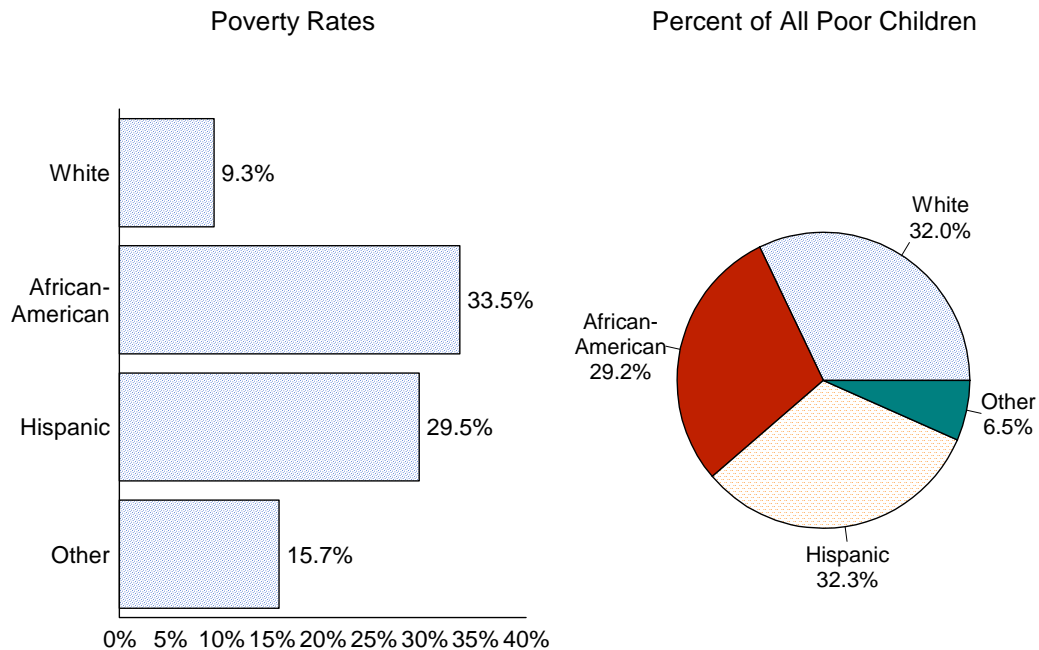


Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

Child Poverty by Race and Ethnicity. Children in racial and ethnic minorities tend to have higher poverty rates than white children. **Figure 4** shows that in 2003, the poverty rate among African-American (non-Hispanic) children was 33.5% — 3.6 times the poverty rate for white (non-Hispanic) children of 9.6%. Hispanic children had lower poverty rates than African-American children, but higher poverty rates than white children.

Despite the variance in poverty rates by race and ethnicity, the populations of poor white, African-American, and Hispanic children are of about equal size. The larger population of white children, when multiplied by the lower poverty rates of this group, yields a number of poor white children about equal to the number of poor children in each of the two other racial/ethnic groups.

Figure 4. Poverty Among Related Children, by Race and Ethnicity, 2003

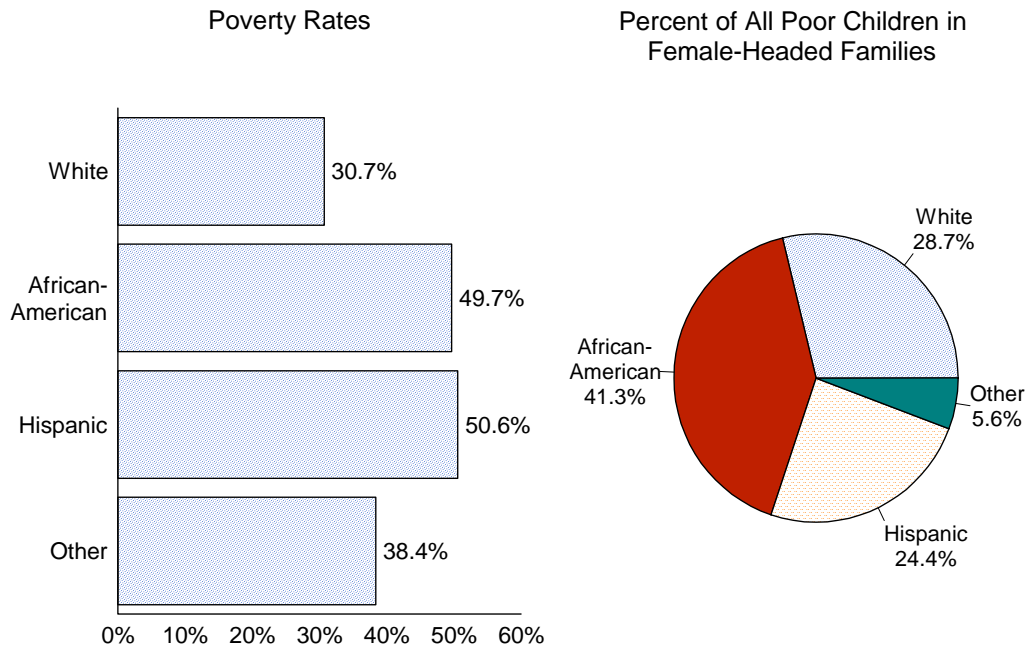


Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

Figure 5 shows poverty rates and the composition of poor children by race and ethnicity for children in female-headed families. As in the overall child population, minority children have higher rates of poverty than do white children — the poverty rates for African-American (49.7%) and Hispanic (50.6%) children are about 1.6 times that of white children in female-headed families (30.7%). However, African-American children comprise the largest group of poor children in female-headed families — accounting for over four out of 10 poor children in female-headed families.

There are interrelationships among the characteristics examined in this profile of poor children. African-American children are more likely to reside in female-headed families than children of other racial/ethnic groups. Hispanic children are more likely to be in married-couple families. Therefore, examining the poverty rates and composition of poverty by racial/ethnic group among the subgroup of children in female-headed families yields some results that might seem surprising. Among children in female-headed families, the child poverty rate among African-American and Hispanic children is similar. However, because the number of African-American children in female-headed families is quite large, this group makes up a much larger share of poor children in female-headed families than do Hispanic children.

Figure 5. Poverty Among Children in Female-Headed Families, by Race and Ethnicity, 2003

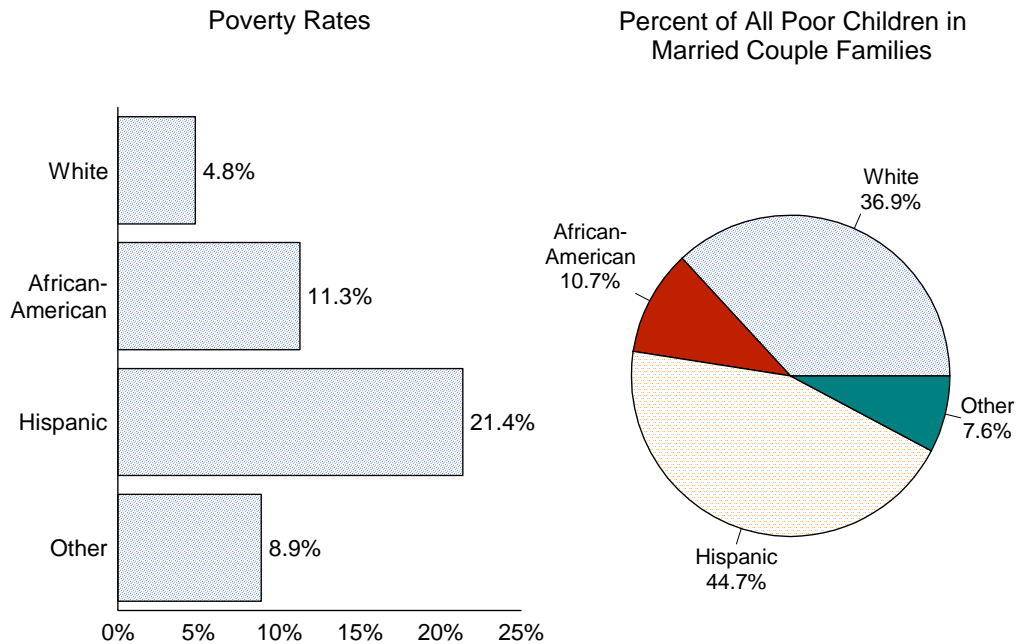


Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

Additionally, Hispanic children are highly likely to be in married-couple families. See **Figure 6**. Among children in married-couple families, Hispanic children have a poverty rate (21.4%) higher than that of whites (4.8%) or African-American children (11.3%). Hispanics account for the largest share of poor children in married-couple families (44.7%).

Thus, Hispanic children in female-headed families have a slightly higher poverty rate than African-American children in female-headed families, and also have a substantially higher poverty rate than African-American children in married-couple families. However, their poverty rates among all children are lower than those for African-Americans. This is because Hispanic children are more likely than African-American children to be in married-couple families, and children in married-couple families have lower poverty rates than children in female-headed families.

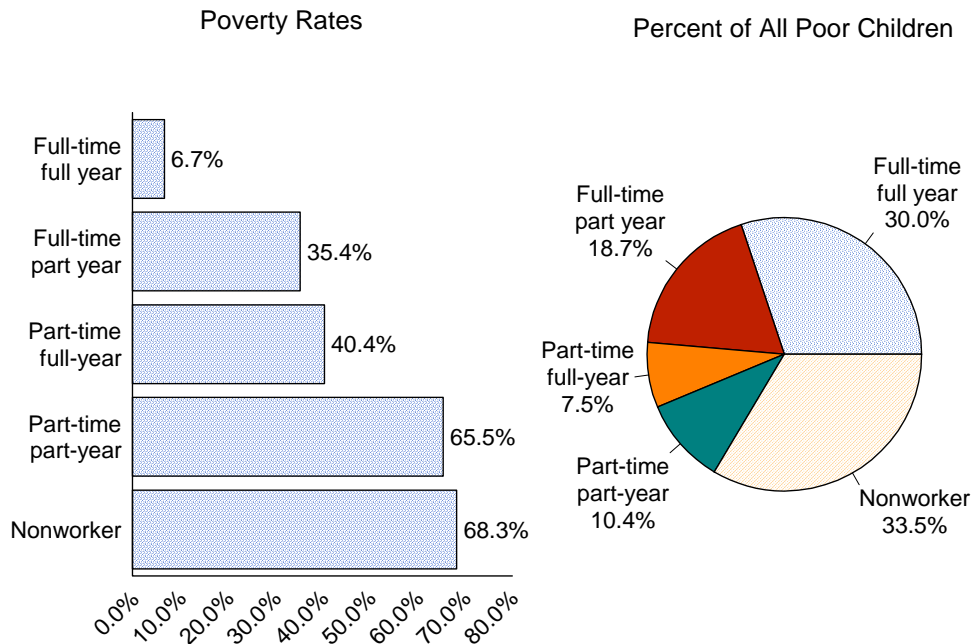
Figure 6. Poverty Among Children in Married Couple Families, by Race and Ethnicity, 2003



Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

Child Poverty by Annual Work Experience of the Family Head or Spouse. If a family has no earnings, a child is almost certain to be poor. The poverty rate in 2003 for children without a working parent (or spouse of the family head) was 68% (bar chart of **Figure 7**). However, millions of children are poor even though the family head (or spouse) works full time, year round. In 2003, almost seven out of 100 children with such a worker were poor. The number of these children totaled 3.7 million, and they accounted for 30% of all poor children (pie chart in **Figure 7**). Most children (77%, not shown on the chart) live in families where either the head or, if present, the spouse is a full-time, full-year worker. Hence, these children account for a relatively large share of all poor children even though their poverty rate is low. The bar chart shows that the incidence of poverty is lower among families with full-time work part of the year (35.4%) than among those with part-time work throughout the year (40.4%).

Figure 7. Poverty Among Related Children, by the Work Experience of the Family Head and Spouse, 2003

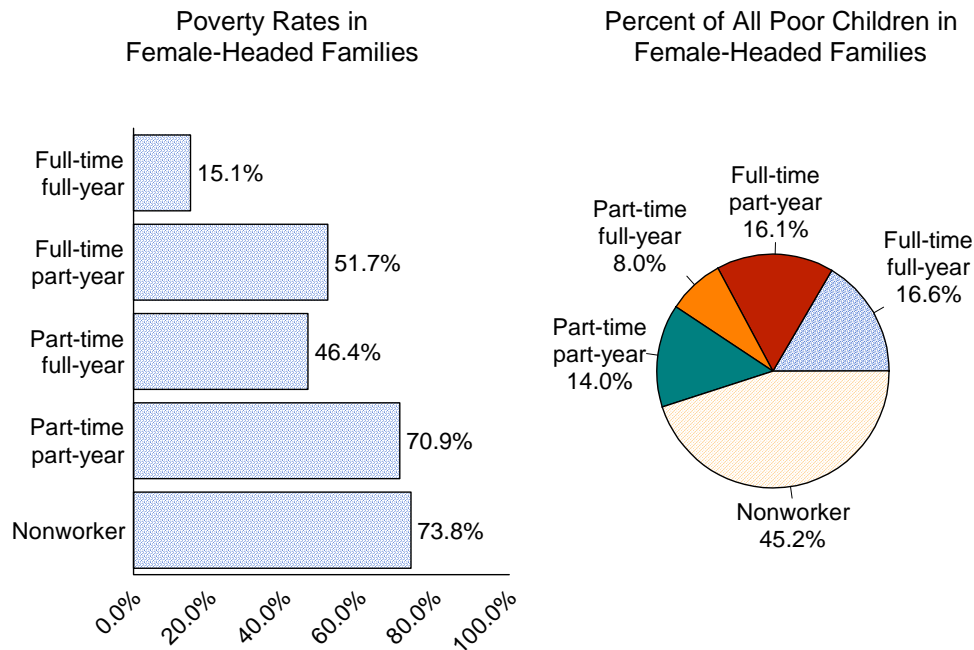


Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

The relationships between work experience for family adults over the year and child poverty also hold for children in female-headed families (though these families are without a potential spouse to supplement the work of the family head). Among children in female-headed families with at least one full-time, year-round worker, 15% were poor (bar chart of **Figure 8**). Of children in mother-only families without an earner, 74% were poor.

The pie chart in **Figure 8** depicts the composition of all poor children in mother-only families. Of these children, 16.1% — totaling 1.2 million children — lived in families where the mother was a full-time worker, year round. However, the pie chart also shows that 45.2% of all poor children in these families had a mother who did not work during the year. Though work among lone mothers has increased dramatically in recent years (discussed later in this report), 25% of all children in female-headed families had a mother who did not work. In comparison, only about 2% of all children in married-couple families had neither a mother or father in the workforce.

Figure 8. Poverty Among Related Children in Female-Headed Families, by Work Experience of the Female Head, 2003



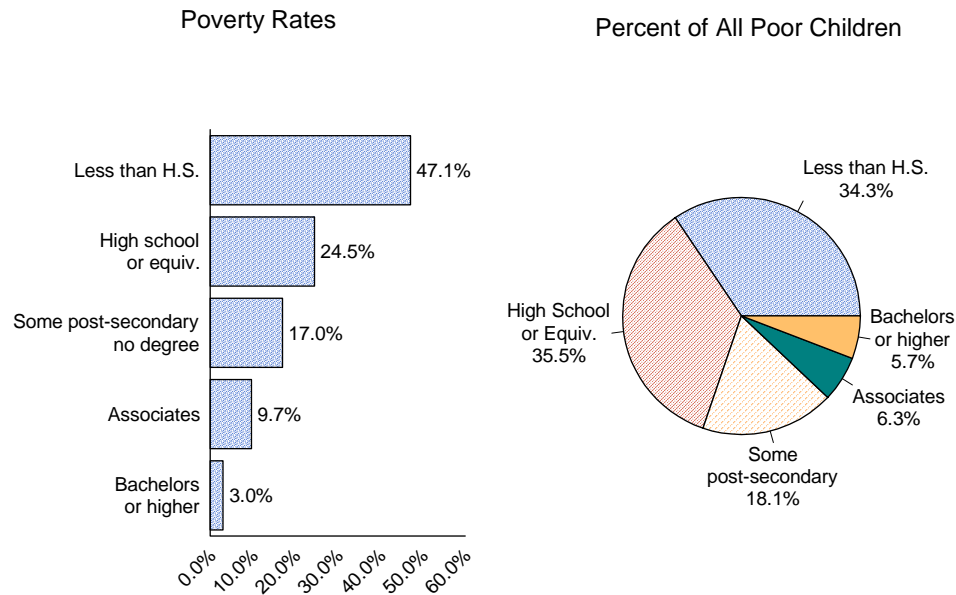
Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

Child Poverty by Educational Credential of the Family Head or Spouse. From 1960 to 2002, the share of the population (at least 25 years old) with a high school diploma (or more) has more than doubled, from 41.1% to 84.1%. In the same period the share with a college degree (or more) more than tripled, from 7.7% to 26.7%.³ The returns to education have also increased over time, as the average wages of those with a college degree have increased relative to the average wages of those without such a degree. Increasingly, job applicants must have postsecondary credentials. By some measures, high school graduates and those who failed to complete high school have seen declining real wages.

Thus, child poverty rates depend in part on the educational level of the family head (or spouse). In 2003, almost half (47.1%) of children whose family head had not completed high school were poor. This group made up 34.3% of all poor children (**Figure 9**). Children whose family head had completed high school, but not gone beyond it, had a poverty rate of 24.5% and represented 35.5% of all poor children. If the family head achieved an associates degree, the child poverty rate was sharply lower (9.7%) than that of one with some postsecondary education, but no degree (17.0%).

³ "Educational Attainment by Race and Hispanic Origin: 1960 to 2002." Table 227 *Statistical Abstract of the United States*, 2003, p. 153.

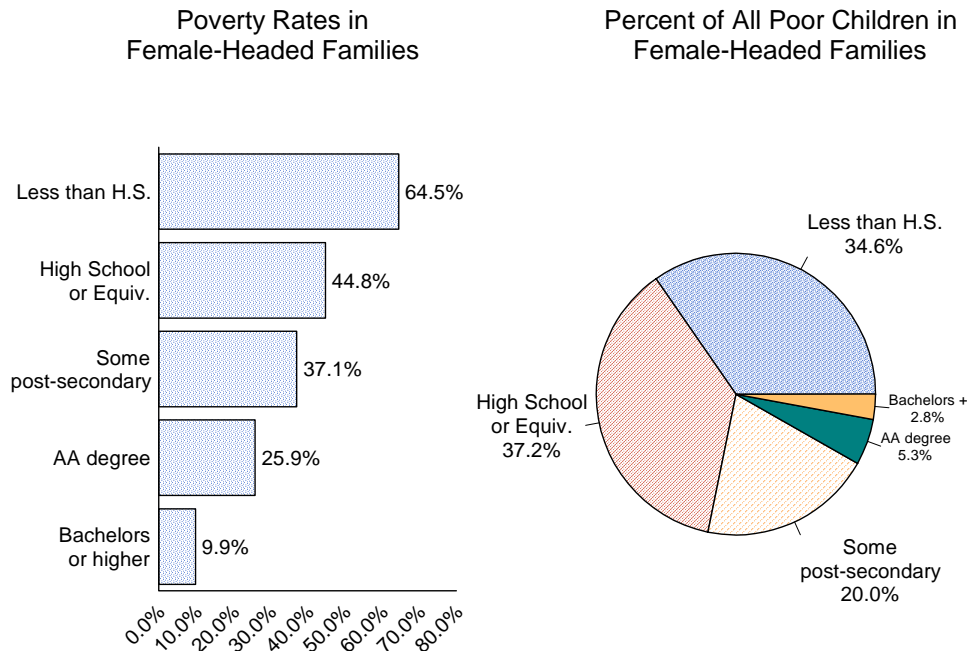
Figure 9. Poverty Among Related Children, by the Educational Attainment of the Family Head or the Spouse, 2003



Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

In 2003, almost two out of three children (64.5%) in families headed by a mother who failed to complete high school were poor. This group represented 34.6% of all poor children in female-headed families. Attainment of a high school diploma reduced the child poverty rate, but it still was almost one-half (44.8%). As with the overall child population, poverty rates were much lower when the female head earned a college degree. Children in families where the female head received an associates degree had a poverty rate of 25.9%, compared with 37.1% for those who had some post-secondary education but no degree. Poverty rates were relatively low (less than 10%) for female heads who had a bachelors degree or an advanced degree.

Figure 10. Poverty Among Related Children in Female-Headed Families, by Educational Attainment of the Female Head, 2003



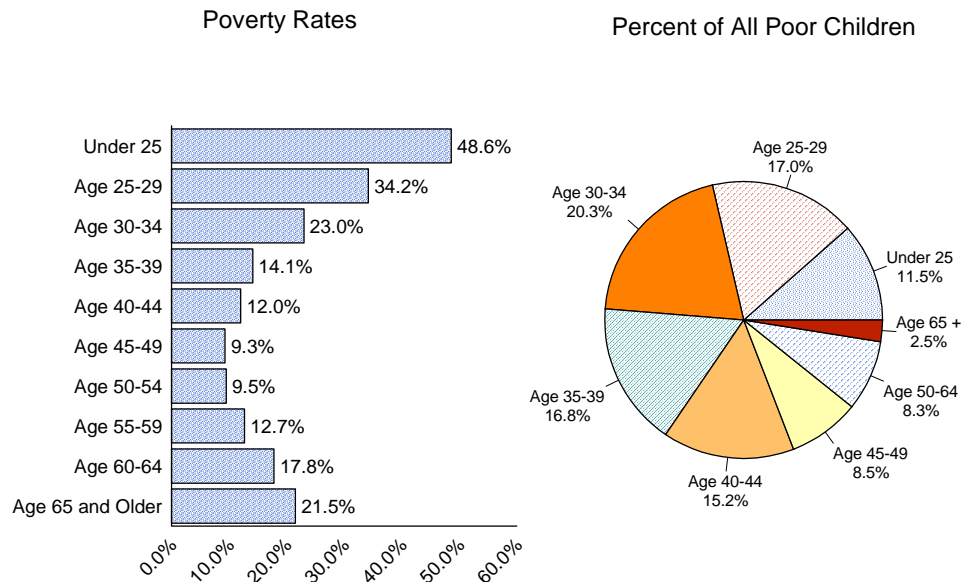
Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

Child Poverty by the Age of the Head or Spouse. Child poverty rates are highest in *young* families with children. The poverty rate for preschool children (children under the age of six) was 19.8% in 2003, compared with a 15.9% poverty rate for older children. This is because, in part, these children have on average younger parents. Younger parents, who have less job experience in the workforce, tend to earn less than older adults with more experience.

Figure 11 shows the child poverty rate by the age of the household head or spouse if present. For married-couple families, the age of the older adult was used to determine the age of the head or spouse. It shows that child poverty rates tend to mirror the “life-cycle” pattern of earnings of adults. That is, earnings tend to be low in the early years, peak in middle age, and decline as adults approach and reach retirement age. This explains some of the pattern shown on the figure. However, children in families with a never-married female head (the group with the highest poverty rate) also tend to be in families where the head was young.

Children in families with the head or spouse under age 25 have the highest poverty rates, almost 50%. For children in families with a head or spouse aged 30 to 34, the poverty rate drops to 23%. Among poor children, half are in families with the head or spouse younger than age 35. Child poverty rates drop below the average rate for all children (17.2%) for age groupings of the head or spouse over 35 and younger than age 60, but then rise again in the age 60-64 and age 65 and older brackets.

Figure 11. Poverty Rates Among Related Children, by Age of the Family Head or Spouse, 2003



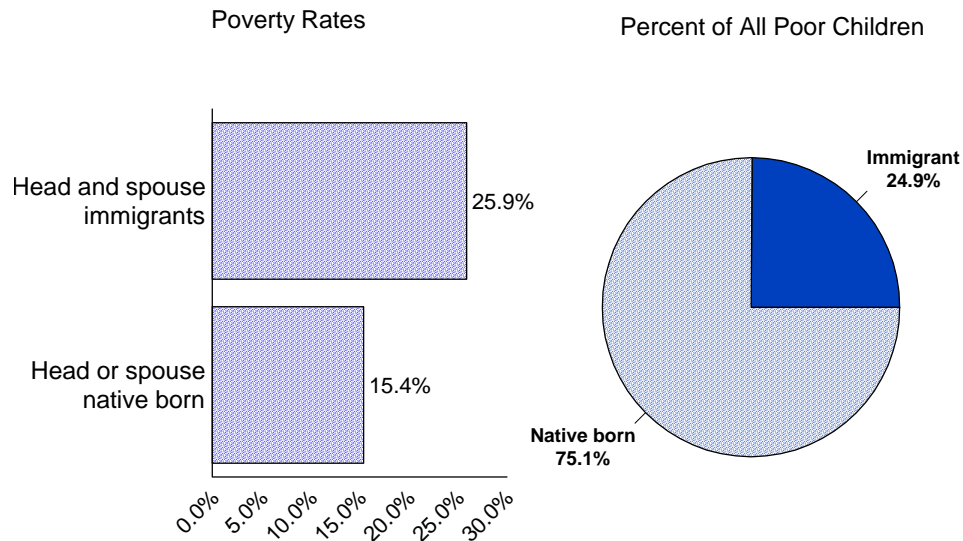
Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

The basic relationships between child poverty and age of the family's adults shown in **Figure 11** also tend to hold for children in female-headed families: the highest poverty rates are for children with younger parents. (No figure is shown.) However, poverty rates for children in female-headed families are higher than for all related children for all age categories of the family head.

Child Poverty by Immigrant Status of the Family Head or Spouse.

Figure 12 shows that one out of every four poor children is the child of a person born outside the United States. The poverty rate for these children in 2003 was 25.9%, compared with a rate of 15.4% for children whose family head or spouse was native born. From 1991 to 2001, more than 9 million persons immigrated to the United States. Any children born in the United States are citizens, regardless of their parents' citizenship status.

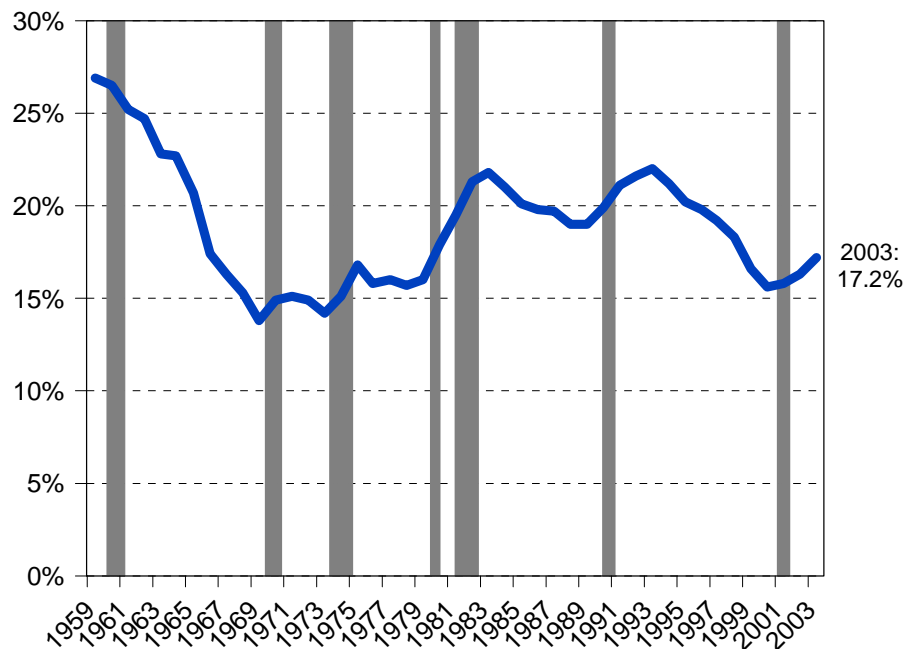
Figure 12. Poverty Among Related Children, by Immigrant Status of the Family Head and Spouse, 2003



Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

Trends in Child Poverty

Children have been more likely than any other age group in the U.S. to be poor since 1974, when their poverty rate first topped that of the aged. In records dating back to 1959, the incidence of poverty among related children in families has ranged from a peak of 26.9% (1959) to a low of 13.8% (1969). **See Figure 13.** In 2003, the rate was 17.2%. Child poverty rates display both cyclical and longer term trends. Except for the 1961-62 recession, poverty rates rose during economic slumps, peaking in the year or two after the end of the recession.

Figure 13. Poverty Rates for Related Children, 1959-2003

Source: Congressional Research Service (CRS) based on data from the U.S. Bureau of the Census and the National Bureau of Economic Research.

Note: Shaded areas indicate periods of economic recession.

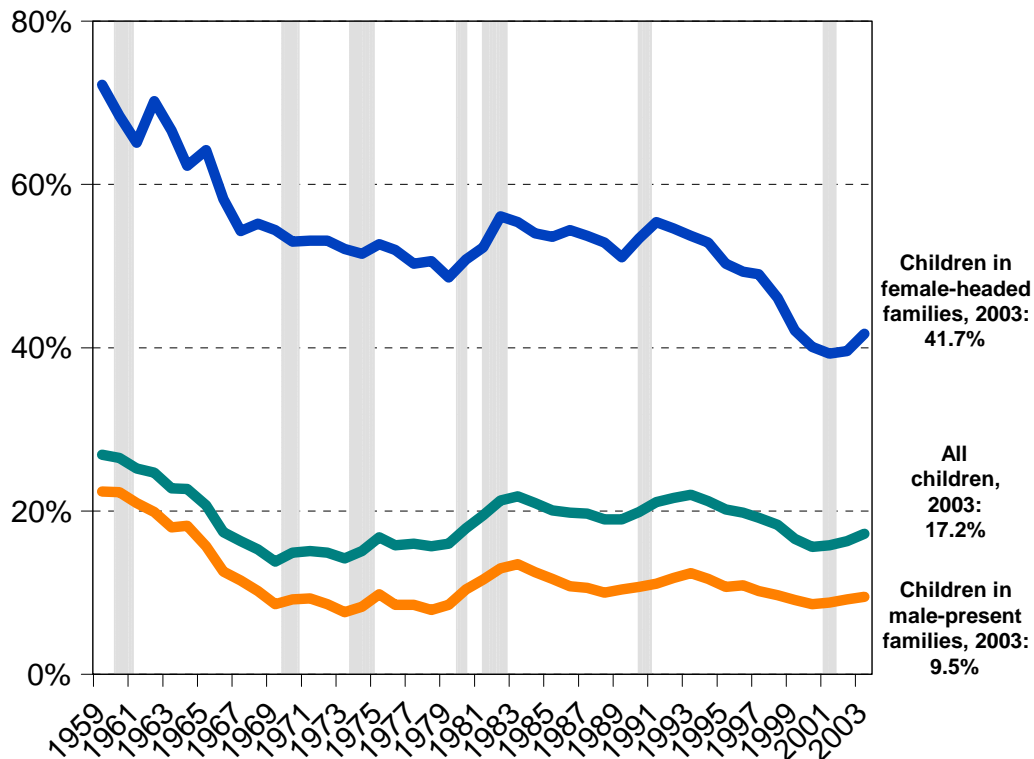
During the years covered by **Figure 13**, the poverty rate for the aged (not shown) fell from 35.2% in 1959 to 9.7% in 1999. It then turned upward and was 10.2% in 2003.

Trends in Child Poverty Rates, by Type of Family. **Figure 14** shows poverty rates of related children, by family type, from 1959-2003. Poverty rates for children in female-headed families have been higher than those for children in male-present (married couple or families with a male-head but no spouse) since poverty data have been recorded. The figure shows that poverty rates for both female-headed families and male-present families fell in the early period (1960s). Since then, much of the variation in poverty rates among children in male-present families has been cyclical.

Poverty rates for children in female-headed families show little cyclical variation in the first three recessions shown (1961, 1970-71, 1974-75). However, by the 1982-83 recession, poverty rates for children in female-headed families do begin to exhibit cyclical increases and decreases, likely attributable to increased labor force participation of women. Poverty rates for children in female-headed families also show pronounced secular (noncyclical) patterns. Rates during the entire economic expansion of the 1980s were higher than in the mid- and late-1970s, coincident with the increase in the number of children of never-married mothers, who have high poverty rates compared to children in other types of female-headed families. Further,

there was a large drop in the poverty rate for children in female-headed families in the late 1990s, the period in the wake of the 1996 welfare reform law. Over the six years from 1997-2003, child poverty rates decreased for both lone-mother families (who dominate TANF rolls) and married-couple families, but the decline was relatively sharper for the former group. From 1997 to 2003, child poverty rates declined 15% for lone-mother families, compared with 9.5% for married-couple families. Measured another way, a child being raised by her/his mother alone in 1997 was 5.2 times as likely to be poor as one in a married-couple family; by 2003, this differential had fallen to 4.8 times.

Figure 14. Child Poverty Rates by Family Type, 1959-2003



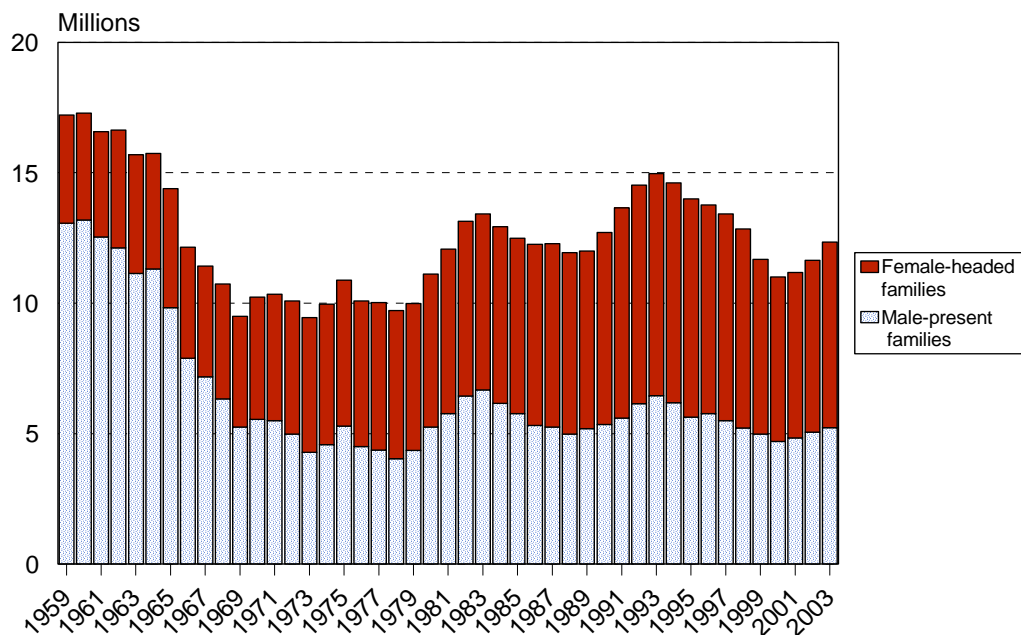
Source: Congressional Research Service (CRS) based on data from the U.S. Bureau of the Census and the National Bureau of Economic Research.

Note: Shaded areas indicate periods of economic recession.

Trends in the Number and Composition of Poor Children. In 1959, the first year of official poverty data, 17.2 million children were counted as poor (**Figure 15**). The poor child population declined through most of the 1960s and hovered around 10 million during the 1970s (with an all-time low of 9.4 million in 1973). During the 1980s the peak number was 13.4 million (1983); and during the 1990s, 15 million (1993). It rose in 2003 to 12.3 million. Since 1970, the number of poor children has fluctuated because of both the economy and demographic trends (the number of related children under 19 fell from 70 million in 1968 to 62 million in 1978 before this number began rising again).

Figure 15 shows the number of poor children from 1959 to 2003 by family type. It shows both the variation in the number of poor children, and its changing composition. In 1959, most poor children and most children lived in married-couple families. Since 1972, the majority of poor children have been in female-headed families.

Figure 15. Number of Poor Related Children, by Family Type, 1959-2003



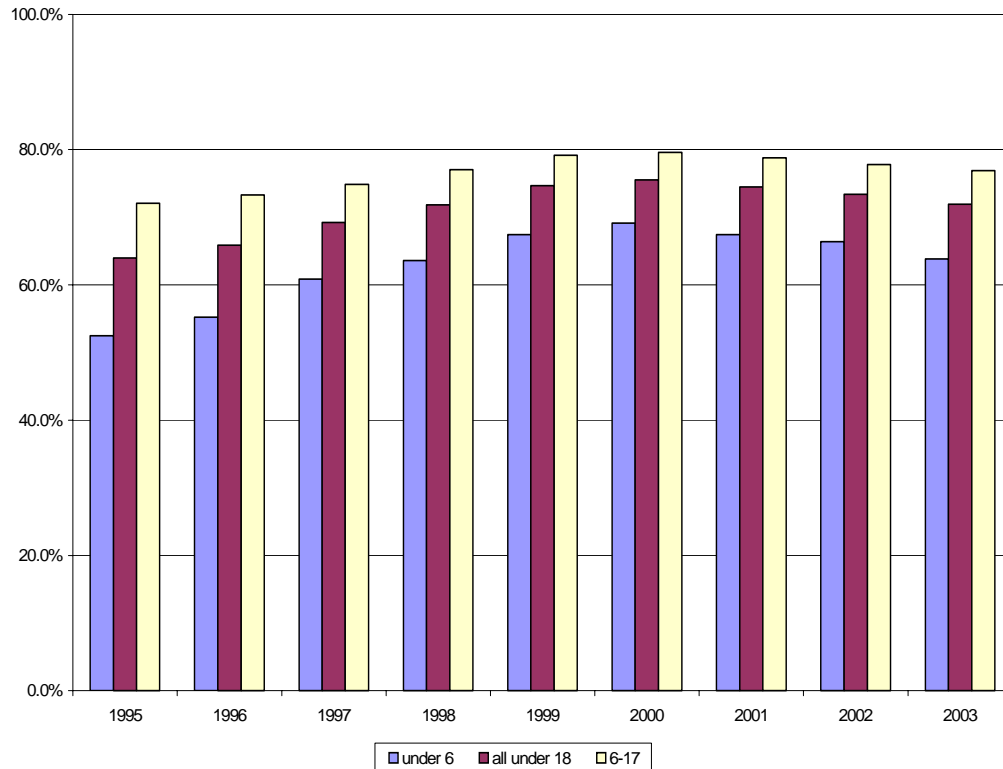
Source: Congressional Research Service (CRS) based on data from the U.S. Census Bureau.

Rise in Work by Lone Mothers. Dramatic gains have occurred in recent years in work by lone mothers. The Department of Labor (DOL) reports that the share of mothers maintaining families who were employed (in an average week of the year) rose from 64% in 1995 to a peak of 75.5% in 2000 and then receded to 71.9% in 2003.⁴ As **Figure 16** shows, the largest gains in employment rates occurred among lone mothers with a child below age six. In 1995, only 52.5% of these mothers were employed. Their employment rate climbed to 69.1% in 2000 and then declined, after the 2001 recession, to 63.8% in 2003. For lone mothers with school-age children (aged 6-17), the corresponding rates were 64%, 75.5% and 72.9%. Over the eight-year period, employment rates of single mothers with preschool children drew closer to those of mothers whose children all were of school age.

⁴ "Families with Own Children: Employment Status of Parents by Age of Youngest Child and Family Type" **Table 4** in annual reports of the Department of Labor on Employment Characteristics of Families.

Since 1999, employment rates of single mothers have surpassed those of married mothers. This holds true for those with a child under age three as well as for those with children of other ages (**Figure 17**). The March 2004 employment rates for single mothers (followed by married-mother data in parentheses): youngest child under age three, 54.1% (52.4%); youngest child age three to five, 69.5% (62.3%), youngest child six to 17, 75.7% (72.7%), and overall, with a child under age 18, 69.7% (65.3%).

Figure 16. Percent of Mothers Maintaining Families Who Were Employed, by Age of Youngest Child, 1995-2003



Source: Figure prepared by the Congressional Research Service (CRS) on the basis of data from the Department of Labor.

Factors encouraging work by single mothers include a healthy economy during much of the 1990s, the transformation of the family cash welfare program into a work-conditioned and time-limited operation, increases in the EITC and increases in the federal minimum wage. TANF — and preceding state-waivered programs of Aid to Families with Dependent Children (AFDC) — converted cash assistance from a needs-based entitlement to a program of temporary help aimed at promoting work and personal responsibility. Under the TANF block grant, most states reward work by permitting recipients to add to their benefits some (or all) of their earnings, at least for a time. And most states have increased sanctions for failure to perform required work. Increases in the EITC, passed by Congress in 1993 and phased in between

1994 and 1996, have increased the financial incentive for single mothers to work.⁵ Other factors, such as increased funding for child care subsidies, may also have contributed to making work possible for more single mothers. For more details about trends in welfare, work, and the economic well-being of lone-mother families with children, see CRS Report RL30797, *Trends in Welfare, Work and the Economic Well-Being of Female-Headed Families with Children: 1987-2002*.

Figure 17. Employment Rates of Single Mothers and Married Mothers, by Age of Youngest Child, March 1988 to March 2004



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau Mar. 1988 to 2004 Current Population Survey (CPS) data.

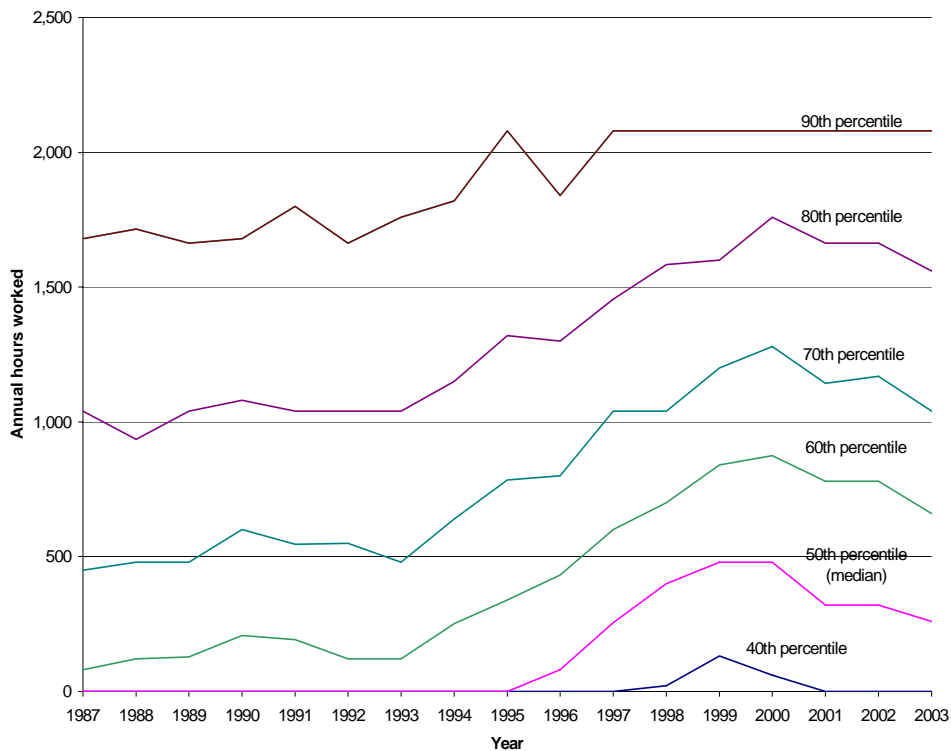
r: Revised estimates based on expanded CPS sample and 2000 decennial census-derived weights.

How Many Single Mothers Are Poor Despite Working? Figure 18 shows the trend in the distribution of annual hours worked by *poor* lone-mothers from 1987 to 2003. The figure shows, for example, that poor lone-mothers increased their job attachment during these years, based on annual hours of work. The picture of hours worked mirrors the employment rate numbers depicted earlier, in **Figure 17**. Hours worked among poor lone-mothers increased over the same period in which their employment rates were increasing. Lone-mothers are not only more likely to

⁵ Bruce D. Meyer and Dan T. Rosenbaum attribute 60% of the increase in single mothers' weekly and annual employment between 1984 and 1996 to the EITC. See their paper, "Welfare, the Earned Income Tax Credit, and the Labor Supply of Single Mothers," NBER Working Paper No. 7363, Sept. 1999.

be working in the later years than in earlier years, but are likely to be working more hours. For example, in 1995, half of all poor lone mothers did not work, as indicated by the median number of hours worked (i.e., estimated hours worked was zero at the 50th percentile). By 1999 and 2000, half of all poor single mothers (the 50th percentile) were working nearly 480 hours per year or more, and in 2000 20% (80th percentile) were working 1,760 or more hours. The figure shows the decline in hours worked since 2000, for all but the top 10% of poor working mothers (90th percentile), probably reflecting the effects of the last recession on poor mothers' work attachment.

Figure 18. Annual Hours Worked by Poor Mothers in Mother-only Families at Various Percentile Rankings of Hours Worked 1987 to 2003



Source: Estimates prepared by the Congressional Research Service based on U.S. Census Bureau Mar. 1988 through 2004 Current Population Survey (CPS) data.

Overall, among all types of families with related children, Census Bureau data show that the incidence of “full-time work poverty” increased somewhat from 1987 to 2003. Among all children, the rate at which at least one of their parents were full-time, full-year workers increased from 71.8% in 1987 to 79.8% in 2000, before the rate again declined to 76.6% in 2003. The decline was due, at least in part, to the 2001 recession and unemployment in its aftermath. Tracking this trend, the percent of *poor* children in families where one parent was a full-time, year-round worker rose from 19.6% of poor children in 1987 to 35.4% of poor children in 2000, before falling to 30% in 2003. The share of children in families with lone mothers who worked full-time year-round also increased fairly sharply, from 8.3% in 1987 to 21.6% in 2000, before falling to 16.6%. Increases in the share of poor children in

families with a full-year full-time worker were also observed for poor children in married couple families.

Table 1. Percent of Related Children in Families Below the Poverty Threshold with at Least One Full-Time, Year-Round Worker, 1987-2003

| Year | Percent of children in families with a full-time, year-round working parent | Percent of poor children with a full-time, year round working parent | | |
|------|---|--|-------------------------|----------------------|
| | | All families | Married couple families | Mother-only families |
| 1987 | 71.8 | 19.6 | 36.5 | 8.3 |
| 1988 | 72.7 | 22.6 | 40.8 | 10.3 |
| 1989 | 72.3 | 22.4 | 41.2 | 9.4 |
| 1990 | 72.5 | 22.6 | 39.2 | 9.7 |
| 1991 | 71.3 | 20.8 | 37.3 | 10.4 |
| 1992 | 71.7 | 19.9 | 36.0 | 9.9 |
| 1993 | 71.4 | 21.5 | 38.8 | 9.6 |
| 1994 | 72.7 | 24.3 | 45.5 | 10.9 |
| 1995 | 73.9 | 25.4 | 44.6 | 14.1 |
| 1996 | 74.9 | 24.8 | 47.3 | 10.2 |
| 1997 | 75.5 | 25.4 | 45.7 | 13.2 |
| 1998 | 76.6 | 31.5 | 55.0 | 17.6 |
| 1999 | 78.4 | 31.4 | 51.4 | 18.6 |
| 2000 | 79.8 | 35.4 | 57.8 | 21.6 |
| 2001 | 78.4 | 31.9 | 53.3 | 18.7 |
| 2002 | 77.6 | 33.4 | 49.1 | 19.0 |
| 2003 | 76.6 | 30.0 | 52.6 | 16.6 |

Source: Table prepared by the Congressional Research Service, based on data from the U.S. Census Bureau.

Government “Safety Net” Policy

The framework for federal cash income support policy can be found in the Social Security Act and the Internal Revenue Code. A two-tier safety net was put into place in the 1935 Act. The first tier, consisting of Old-Age Insurance (usually thought of as social security) (Title II) and unemployment insurance (Title III) aimed to protect families from the economic risks associated with the retirement or unemployment of their workers. Workers earned rights to these social insurance benefits by paying payroll taxes in a covered job. The second tier made grants to states to help make means-tested payments to specified categories of needy persons

not expected to work, namely, the aged (Title I),⁶ children (with only one able-bodied parent in the home) (Title IV), and the blind (Title X).

Added to the social insurance tier over time were Survivors' Insurance (1939 Social Security Act Amendments), Disability Insurance (1956 Amendments), and Medicare (1965 Amendments) health insurance for the elderly. Added to the welfare tier over time was aid for needy persons who were permanently and totally disabled (1952), replaced in 1972 by a 100% federal cash program for the aged, blind, and disabled called SSI. Health insurance for low-income aged, blind, and disabled persons and for needy families with children was added in the form of the Medicaid program (1965 Amendments). Health insurance for low-income children ineligible for Medicaid was added by enactment of the State Children's Health Insurance Program (SCHIP) (Balanced Budget Act of 1997). Also, the cash welfare program for needy children was opened up to some unemployed two-parent families (1961) and, finally (1996) was replaced by a block grant for temporary assistance.

The social insurance programs are designed to provide benefits when a family loses earnings because its breadwinner is permanently or temporarily out of the labor market (through death, disability, unemployment). At the outset the welfare programs were restricted to persons not expected to work, but over time, work requirements have been added to the cash welfare program for families with children, and it now places great stress on moving families from welfare to work.

In 1975, Congress enacted a program to explicitly support and supplement the income of working poor parents — the EITC. This provision of the tax code makes payments from the Treasury to parents whose credit exceeds any income tax liability. In FY2003, EITC refunds totaling \$34.2 billion were made to 19 million tax filers (mostly working parents). In 1997, Congress created a child tax credit and, in 2001, made it refundable for families with specified earnings.⁷ In FY2003, Treasury refunds of child tax credits totaled \$6.4 billion.

In addition child care subsidies have been expanded for families receiving cash welfare by the Family Support Act of 1998, the Omnibus Budget Reconciliation Act of 1990, which created child care programs for the working poor, and the 1996 welfare reform law, which created entitlement child care funding. FY2003 appropriations for child care totaled \$4.8 billion (\$2.7 billion for the mandatory child care block grant and \$2.1 billion for the Child Care and Development Block Grant).

Finally, the federal child support enforcement program (begun in 1972) has shifted its role from reimbursing federal and state governments for welfare costs to facilitating income transfers to families with children where one parent (usually the father) is noncustodial. The increased role of child support is particularly important in light of the growth of female-headed families. In FY2003, child support enforcement offices collected \$21.2 billion: \$10.3 billion assigned to TANF and

⁶ Aid to the needy aged was placed in Title I as the most popular provision of the Social Security Act.

⁷ Before the 2001 law, the credit was refundable only to some taxpayers with three or more children.

former TANF families and \$10.9 billion for families who were never on the cash welfare rolls. Of the \$10.3 billion for TANF families and former TANF families, \$7.2 billion was distributed to former TANF families and \$837 million to TANF families, and most of the rest was used to reimburse federal and state governments for the cost of cash welfare benefits.

Social Security. As noted above, the Social Security Act established an old-age insurance system for workers; and later, social security was enlarged to cover dependents and survivors of retired or disabled workers.⁸ With these additions, social security became a system of comprehensive insurance for all families with a worker who paid social security payroll taxes.⁹ If the family breadwinner died or became disabled, social security would provide cash for his dependents and survivors. It was widely hoped that coverage by work-related social insurance eventually would eliminate most need for cash relief to families who lost their breadwinner.

Today the federal government makes social security payments to almost 5% of U.S. children. In December 2002, 3.816 million children received benefits: 1.8 million survivors of workers; 1.5 million dependents of disabled workers, and 0.5 million dependents of retired workers. In addition, 0.2 million widowed mothers and fathers received benefits. In all, survivor and dependents' benefits for children and their parents totaled \$1.6 billion monthly, an annual rate of almost \$20 billion. These outlays, although not means-tested, have aided many thousands of children in poor families.

In 2003, 20.4% of children in families that received social security had incomes below the poverty threshold, compared with a 16.9% poverty rate for children in families that did not receive social security. For related children in families receiving social security, 23% received more than half of their total family income from social security.¹⁰

Unemployment Insurance. The Social Security Act also established the federal-state unemployment insurance (UI) program. This program provides temporary unemployment benefits to workers who are unemployed through no fault of their own, provided they have earned a state-determined sum of wages during an established base period, usually the first quarter of the last five completed calendar quarters, and are available for work.

Historically there has been concern that UI eligibility rules present barriers to low-wage workers with unstable work history. To what extent might unemployment

⁸ Child survivor benefits were first paid in Jan. 1940.

⁹ Until 1950, social security omitted farm and domestic workers.

¹⁰ A Social Security Administration study found that in Mar. 1996, Social Security provided more than half of family income for almost 35% of child beneficiaries (Chad Newcomb, "Demographic and Economic Characteristics of Children in Families Receiving Social Security," *Social Security Bulletin*, vol. 65, no. 2, 2003-2004).

benefits be available for former welfare recipients who lose a job?¹¹ Studies of former cash recipients in a number of states conclude that most recipients who leave welfare for work have sufficient earnings to qualify for UI at some point after leaving welfare.¹² However, having sufficient earnings is only one of the qualifying conditions for receiving UI upon losing a job. The job loss must be considered as occurring through no fault of the potential recipient, a definition that varies among the states. A study of welfare leavers in New Jersey, considered a fairly liberal state with respect to UI eligibility rules, found that as many as 60% of those with monetary eligibility might have been disqualified for other reasons — especially the high rates of voluntary quitting a job. It found that about half of the job quitters did so for a personal reason, such as a health problem, having to care for a child at home, or a transportation issue. Advocates of broadening UI rules to qualify more low-wage workers have recommended that states permit job quits for “good reason.”

In 2003, children in married-couple families were more likely than children in lone-mother families to receive UI. Of the children in married-couple families headed by a part-year worker who usually worked full-time schedules when employed, 40% received UI. The corresponding rate for children in female-headed families was 25%. That year, 6 million children were in families that received UI (8% of all children). Of these 6 million children, 1 million (17.5%) remained poor. Among children in female-headed families, 1.2 million were in families that received UI but almost 0.7 million (40%) were poor.

Cash Public Assistance for Children. Before passage of the Social Security Act in 1935, some states offered “mothers’ pensions” so that needy mothers could stay home to raise their children. This aid was largely restricted to “paternal orphans,” children whose father had died.¹³ In response to the Great Depression, the Social Security Act provided federal funds to enable states to help certain needy groups, including children whose second parent was dead, incapacitated, or continually absent from home — Aid to Dependent Children (ADC).¹⁴ The original purpose of AFDC was to help states enable needy mothers to be full-time caregivers

¹¹ For a discussion of unemployment insurance issues raised by the welfare-to-work movement, see *Rethinking Income Support for the Working Poor, Perspectives on Unemployment Insurance, Welfare, and Work*, edited by Evelyn Ganzglass and Karen Glass (Washington, D.C., National Governors Association, 1999).

¹² See Anu Rangarajan, Carol Razafindrakoto, and Walter Corson, *Study to Examine UI Eligibility Among Former TANF Recipients: Evidence from New Jersey, Final Report* (Princeton, N.J., Nov. 2002, Mathematica Policy Research, Inc.). This study was prepared for the U.S. Department of Health and Human Services and the Department of Human Services of New Jersey. See also Anu Rangarajan and Carol Razafindrakoto, *Unemployment Insurance as a Potential Safety Net for TANF Leavers: Evidence from Five States* (Princeton, N.J., Sept. 2004, Mathematica Policy Research, Inc.). Prepared for the Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.

¹³ In 1931, widows made up 82% of the needy mothers who received state aid (mothers’ pensions) and whose marital status was known. Winifred Bell, *Aid to Dependent Children* (New York and London: Columbia University Press, 1965), p. 9.

¹⁴ In 1962, the program was renamed Aid to Families with Dependent Children (AFDC).

at home. Thus, it had no expectation of mothers' work and no requirement for it. In fact, the law penalized work by requiring states to reduce benefits by the full amount of any earnings (including those spent on work expenses).

However, this changed over the years. Gradually the assumption that AFDC mothers belonged at home faded as more and more nonwelfare mothers went to work and as rising numbers of unwed mothers joined AFDC, altering the character of the caseload.

Since the early 1960s, Congress has tried to promote work and self-support of welfare families by means of work requirements, financial incentives,¹⁵ and various services. The first work rule (1961) applied to unemployed fathers (a group that Congress admitted to AFDC — at state option — that year). The rule required states to condition AFDC for Unemployed Fathers (AFDC-UF) on acceptance of work. In 1967, Congress established a Work Incentive Program (WIN) for AFDC families and required states to assign “appropriate” persons to this education and training program. The 1967 law required states to give AFDC parents who went to work a financial reward: disregard of some earnings when calculating benefits.¹⁶ In 1971, Congress removed from states the discretion to decide who must work or train. Instead, it specified that states must assign to WIN all able-bodied custodial parents except those with a preschool child, one under age six. In the Family Support Act of 1988, Congress lowered the young child age threshold for work exemption. It required states to assign to a new Jobs and Basic Skills (JOBS) Training program for AFDC families all able-bodied custodial parents except those with a child under age three (under age one, at state option). However, the law required states to “guarantee” child care for children below age six.

Finally, in 1996, Congress replaced AFDC with the TANF block grant. TANF law requires states to engage certain percentages of adult recipients in specified “work activities.” The law exempts no one from work participation, but it permits states to exempt a single parent caring for a child under age one (and to exclude that parent in calculating the state’s work participation rate). In addition, the law bars a state from penalizing a single parent with a child under age six for failure to engage in required work if the person cannot obtain needed child care because appropriate care is unavailable (or available care is unsuitable). States decide individual participation rules.

Monthly cash welfare benefits now go to about 5 million children. In FY2003, a monthly average of 4.1 million children received cash benefits from TANF

¹⁵ In 1962, Congress removed the financial work penalty by requiring states to permit working parents to add to their AFDC grant “any expenses reasonably attributed to the earning of income.”

¹⁶ States were to disregard the first \$30 monthly in earnings plus one-third of the remainder. By regulation, the “reasonable” work expense deduction, including child care cost (already in law) was added to the new disregard and taken last. In 1981, Congress capped the general work expense disregard, added a capped child care disregard, and specified that these disregards must be taken first; it also put a time limit on the one-third disregard. These changes reduced the earnings level at which a person lost AFDC eligibility.

programs or separate state-funded (TANF) programs, and in December 2002, 0.9 million disabled children received SSI payments. The TANF block grant is \$16.6 billion per year. In FY2003, about \$7.7 billion in federal TANF funds were spent on ongoing basic cash aid. In addition, large outlays from TANF funds were made for child care, job training, and various other services. FY2003 benefit payments for disabled SSI children totaled \$5.6 billion.

Child Poverty Trends Since Passage of TANF (1996). The TANF block grant program, enacted in August 1996 (P.L. 104-293), ended the entitlement to cash aid of families found needy by their state. TANF seeks to end dependence on government benefits (and reduce family need) by promoting job preparation, work and marriage. TANF is a work-conditioned and time-limited program of relief. With some hardship exceptions, states may not use federal TANF funds to pay ongoing basic cash relief for longer than 60 months to an individual adult (or her family). The TANF law (the Personal Responsibility and Work Opportunity Act) made sweeping changes in other welfare programs (for example, it eliminated federal welfare benefits for most legal immigrants, reduced SSI benefits for children, and restricted food stamp benefits).¹⁷ At passage, the Congressional Budget Office (CBO) estimated that it would reduce federal outlays by a net total of \$54.1 billion over five years (with 44% of savings attributed to restrictions on benefits for noncitizens, and 43% to food stamp revisions). An Urban Institute study projected that the legislation, when fully phased in, would increase the poverty population (measured by the official pre-tax money income definition) by 0.8 million persons, or 2%.¹⁸

To promote work, TANF law requires states, under pain of financial penalty, to engage a certain percentage of adult recipients in specified work or work-related activities. All states were required to begin TANF by July 1, 1997, but most did so earlier. The incidence of poverty among all related children in families fell from 19.2% in FY1997 to below 16% in FY2000-01, but climbed to 17.2% in FY2003 after the 2001 recession. The number of related poor children fell from 13.4 million in 1997 to 11 million in 2000, but then rose to 12.3 million in 2003. Thus, the net drop over the six years was 1.1 million children (8%).

Work by TANF Adults. Many TANF parents combine welfare with work. Almost all states now offer financial incentives for work, permitting TANF recipients to keep a portion of TANF benefits when they work.¹⁹ States may use federal TANF funds to pay for this work incentive for 60 months (longer, in cases of hardship). In addition, the EITC offers a cash supplement (at maximum, 40 cents per earned dollar) for a worker with two children. CRS analysis of national TANF data files for

¹⁷ Congress later modified many of these provisions.

¹⁸ Using a broader measure of poverty (post-tax cash income plus noncash aid from food stamps and housing assistance) the study projected that the legislation would add about 1.1 million children (12%) to the poverty rolls. Shelia Zedlewski, Sandra J. Clark, Eric Meiei, and Keith Watson, *Potential Effects of the Congressional Welfare Reform Legislation on Family Income*, Research Report (Washington, D.C., The Urban Institute, July 26, 1996), p. 2, www version: [<http://www.urban.org/url.cfm?ID=406622>].

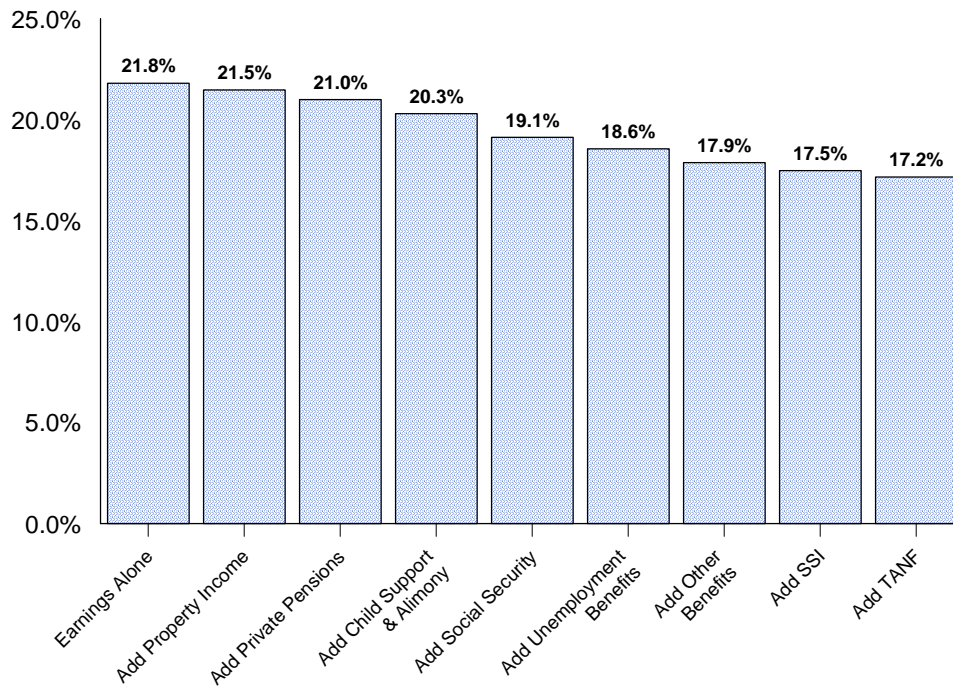
¹⁹ See CRS Report RL32598, *TANF Cash Benefits as of January 1, 2004*, by Meredith Walters, Gene Falk, and Vee Burke, Sept. 23, 2004, pp. 10-15.

FY2002 shows that 35% of all TANF recipients who engaged in recognized work activities did so for 35 or more hours per week (20%, for 40 or more hours weekly). The movement of TANF mothers into the labor market makes them eligible for the EITC and, potentially eligible — depending upon their work history and earnings — for coverage by the Social Security programs of Old-age, Disability, and Survivors Insurance and for unemployment insurance.

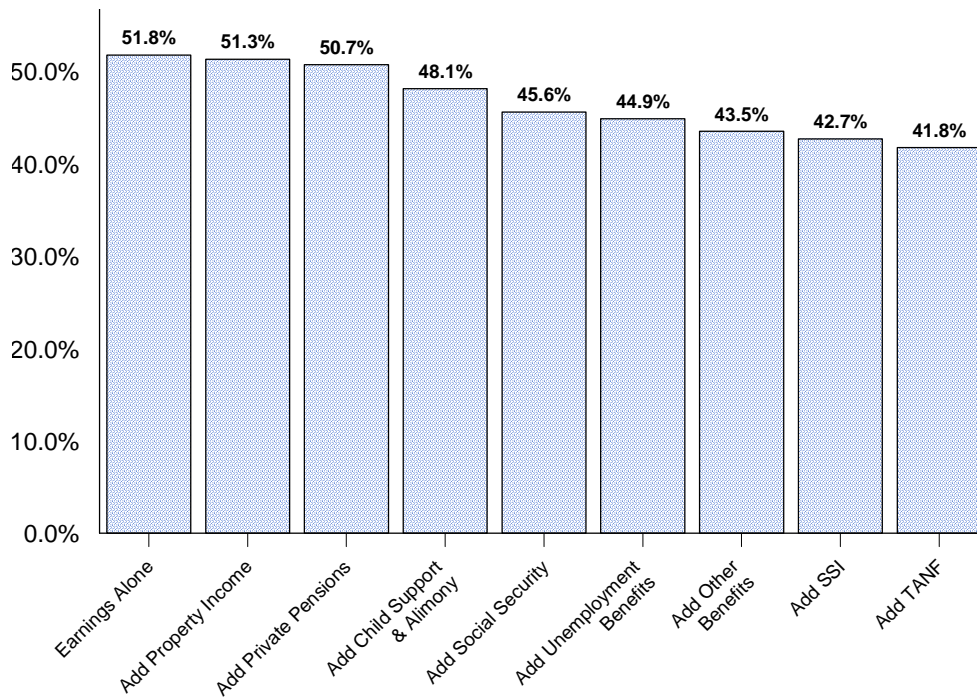
Money Income Poverty Rates of Children, by Income Source

Although there are numerous government “safety net” programs that aid families with children, the chief component of money income for most families with children is earnings. The first bars in **Figures 19 and 20** show what child poverty rates in 2003 would have been if families had no cash income other than earnings. The rates would have been 21.8% for all related children and 51.8% for related children in lone-mother families. The last bars show the official money income poverty rates, 17.2% for all related children and 41.8% for children being raised by the mother alone. In succession, the intervening bars show the poverty-reducing contributions of (1) cash from other family effort (property income, private pensions, child support and alimony), and (2) government cash transfers (social insurance, other cash benefits, and cash welfare). In general, the official poverty rates are about 20% lower than market income (earnings only) poverty rates. **Figures 19 and 20** show only sources of pre-tax money income (income counted in determining official poverty rates). They exclude noncash aid and tax benefits.

**Figure 19. Poverty Rates of All Related Children, 2003,
by Source of Income**



**Figure 20. Poverty Rates for Related Children in Lone Mother
Families, 2003, by Source of Income**



Conclusion

As this report shows, earnings are the chief determinant of official child poverty rates. A family's earnings depend on the wage rates that its members can command, the number of its earners, how much they work weekly and how many weeks they work yearly. Child poverty rates are correlated with factors associated with wage rates, such as the parent(s)' educational attainment and work experience (age is used in this report as a proxy for potential work experience); the amount of work done during a year; and family type, which affects the likelihood that a family will have a second earner.

Without family earnings, a child is almost certain to be poor; but earnings often fail to overcome poverty. In 2003, 30% of all poor children were officially classified as poor despite full-time, year-round work of the adult. It seems unrealistic to expect that these parents, who are already working at least full-time all year, can work many more hours. In married-couple families, additional market work from a spouse might help to lift some families' incomes above poverty, but at the cost of having to arrange for alternative means of child care. For these working poor families, the route out of poverty may be through higher wages. This suggests the need for upgrading skills and education of many working parents. The ability to find and keep a full-time job is essential, but so too is job advancement.

The report also shows that about 18.7% of all poor children have parents who work full time but less than year round, and 17.9% have parents who work part-time year round. Though women are more likely to work part-time than men, only 22% of poor children in mother-only families have mothers who usually work part-time schedules.

For some of the families in which the parent works less than full-time, year-round, more weeks or hours of work may alleviate poverty. However, the remaining 34% of poor children have no family earner. They face persistent poverty. Who are the nonworking parents, and why don't they have a job? Is it because of a lack of jobs, lack of effort, personal problems or disabilities? How well does the current safety net deal with the problem of families headed by parents with little or no attachment to the world of work?

Access to two major parts of the safety net, social insurance and refundable tax credits, is restricted to families with a current or previous wage earner. Social insurance, in the form of social security retirement, survivors' and disability benefits and unemployment insurance, makes payments to families in which a breadwinner lacks the ability to earn market income because of death, old-age, or disability, or structural or cyclical downturns in the economy. Rights to these benefits are established through work, and are characterized as earned entitlements. Although not targeted on the poor per se, together, these programs have a significant impact on reducing poverty among families with children.

The federal government supplements low earnings of parents with billions of dollars in refundable Earned Income Tax Credits. As a work support, the EITC helps to offset the financial disincentives relating to work that poor families face under traditional welfare programs. For some families with very low earnings the EITC

may supplement up to 40 cents on every dollar a parent earns. The EITC is thought to have played a major role in moving families off cash welfare through increased work — especially for families headed by single parents. Although these payments are not counted in the official poverty measure (not counted also are work expenses such as payroll taxes), the EITC surpasses the role of cash welfare in assisting lower income families when measured in terms of federal dollars spent. Under alternative definitions of poverty that include food stamps and the EITC as income, full-time minimum-wage work by a parent lifts the income of many families above poverty. The federal government also supplements earnings of many working families by means of the refundable child tax credit.

The remaining tier of the social safety net consists of need-tested cash and noncash benefits. Means-tested aid for families with children underwent a major transformation in 1996, after several decades of tinkering and social experimentation. The 1996 welfare reform law ended individual entitlement to cash aid, created TANF block grants to states, put a time limit on benefits, and conditioned continued eligibility on work. It imposed work participation requirements on states and increased child care subsidies. Welfare caseloads have declined dramatically since creation of TANF, and the incidence of child poverty has been reduced somewhat. More single mothers are working, but many, though working, are still poor.

Other major “social supports” such as food stamps, housing subsidies and medical benefits provide assistance to the poor, and near poor, but are not counted under the official poverty measure. Together, these programs, along with cash welfare, cast an uneven net of basic support to families. Moreover, when parents receiving need-tested benefits go to work, benefits usually are significantly reduced as earnings increase, at times creating perverse disincentives to work. Implicit tax rates on work faced by poor families (through these earnings-related benefit reductions) far exceed explicit tax rates faced by families in the highest federal income tax brackets. Thus, for many families with limited earnings capacity, the route towards self-sufficiency can at times be a steep climb, yielding only small economic gain for additional work effort.

Much of the recent debate during consideration of welfare reform legislation has focused on requiring work and “making work pay,” by increasing the *rewards* to work. However, the world of work does not guarantee a steady income. *Risks* include loss of a job and periods of unemployment, including those stemming from the normal economic cycle during recessions. Are programs of social insurance (unemployment insurance) and cash welfare (TANF) structured to hedge against the risk of job loss in the current labor market? Do other programs aimed at supplementing low wages (for example, the EITC) provide timely help to families who suffer temporary job loss?

Government is challenged to increase family self-support through work-based policies, while addressing the poverty of children whose parent has no attachment to the labor force. The dilemma is how to help children in nonworking families without undermining the efforts of working parents.

Appendix A: Support Tables to Selected Figures in this Report

**Table A1. Poverty Rates and Number of Poor Children,
by Family Type, 1959-2003**
(Support Table for Figures 13-15)

| Year | Poverty rates for related children under age 18 | | | Number of poor related children under age 18 (in thousands) | | |
|------|--|-------------------------------|------------------------------|---|-------------------------------|------------------------------|
| | All families | Female- headed families | Male- present families | All families | Female- headed families | Male- present families |
| 1959 | 26.9 | 72.2 | 22.4 | 17,208 | 4,145 | 13,063 |
| 1960 | 26.5 | 68.4 | 22.3 | 17,288 | 4,095 | 13,193 |
| 1961 | 25.2 | 65.1 | 21.0 | 16,577 | 4,044 | 12,533 |
| 1962 | 24.7 | 70.2 | 19.9 | 16,630 | 4,506 | 12,124 |
| 1963 | 22.8 | 66.6 | 18.0 | 15,691 | 4,554 | 11,137 |
| 1964 | 22.7 | 62.3 | 18.2 | 15,736 | 4,422 | 11,314 |
| 1965 | 20.7 | 64.2 | 15.7 | 14,388 | 4,562 | 9,826 |
| 1966 | 17.4 | 58.2 | 12.6 | 12,146 | 4,262 | 7,884 |
| 1967 | 16.3 | 54.3 | 11.5 | 11,427 | 4,246 | 7,181 |
| 1968 | 15.3 | 55.2 | 10.2 | 10,739 | 4,409 | 6,330 |
| 1969 | 13.8 | 54.4 | 8.6 | 9,501 | 4,247 | 5,254 |
| 1970 | 14.9 | 53.0 | 9.2 | 10,235 | 4,689 | 5,546 |
| 1971 | 15.1 | 53.1 | 9.3 | 10,344 | 4,850 | 5,494 |
| 1972 | 14.9 | 53.1 | 8.6 | 10,082 | 5,094 | 4,988 |
| 1973 | 14.2 | 52.1 | 7.6 | 9,453 | 5,171 | 4,282 |
| 1974 | 15.1 | 51.5 | 8.3 | 9,967 | 5,387 | 4,580 |
| 1975 | 16.8 | 52.7 | 9.8 | 10,882 | 5,597 | 5,285 |
| 1976 | 15.8 | 52.0 | 8.5 | 10,081 | 5,583 | 4,498 |
| 1977 | 16.0 | 50.3 | 8.5 | 10,028 | 5,658 | 4,370 |
| 1978 | 15.7 | 50.6 | 7.9 | 9,722 | 5,687 | 4,035 |
| 1979 | 16.0 | 48.6 | 8.5 | 9,993 | 5,635 | 4,358 |
| 1980 | 17.9 | 50.8 | 10.4 | 11,114 | 5,866 | 5,248 |
| 1981 | 19.5 | 52.3 | 11.6 | 12,068 | 6,305 | 5,763 |
| 1982 | 21.3 | 56.1 | 13.0 | 13,139 | 6,696 | 6,443 |
| 1983 | 21.8 | 55.4 | 13.5 | 13,427 | 6,747 | 6,680 |
| 1984 | 21.0 | 54.0 | 12.5 | 12,929 | 6,772 | 6,157 |
| 1985 | 20.1 | 53.6 | 11.7 | 12,483 | 6,716 | 5,767 |
| 1986 | 19.8 | 54.4 | 10.8 | 12,257 | 6,943 | 5,314 |
| 1987 | 19.7 | 53.7 | 10.6 | 12,275 | 7,019 | 5,256 |
| 1988 | 19.0 | 52.9 | 10.0 | 11,935 | 6,955 | 4,980 |
| 1989 | 19.0 | 51.1 | 10.4 | 12,001 | 6,808 | 5,193 |
| 1990 | 19.9 | 53.4 | 10.7 | 12,715 | 7,363 | 5,352 |
| 1991 | 21.1 | 55.4 | 11.1 | 13,658 | 8,065 | 5,593 |
| 1992 | 21.6 | 54.6 | 11.8 | 14,521 | 8,368 | 6,153 |
| 1993 | 22.0 | 53.7 | 12.4 | 14,961 | 8,503 | 6,458 |
| 1994 | 21.2 | 52.9 | 11.7 | 14,610 | 8,427 | 6,183 |
| 1995 | 20.2 | 50.3 | 10.7 | 13,999 | 8,364 | 5,635 |
| 1996 | 19.8 | 49.3 | 10.9 | 13,764 | 7,990 | 5,774 |

| Year | Poverty rates for related children under age 18 | | | Number of poor related children under age 18 (in thousands) | | |
|------|---|------------------------|-----------------------|---|------------------------|-----------------------|
| | All families | Female-headed families | Male-present families | All families | Female-headed families | Male-present families |
| 1997 | 19.2 | 49.0 | 10.2 | 13,422 | 7,928 | 5,494 |
| 1998 | 18.3 | 46.1 | 9.7 | 12,845 | 7,627 | 5,218 |
| 1999 | 16.6 | 42.1 | 9.1 | 11,678 | 6,694 | 4,984 |
| 2000 | 15.6 | 40.1 | 8.6 | 11,005 | 6,300 | 4,705 |
| 2001 | 15.8 | 39.3 | 8.8 | 11,175 | 6,341 | 4,834 |
| 2002 | 16.3 | 39.6 | 9.2 | 11,646 | 6,590 | 5,056 |
| 2003 | 17.2 | 41.7 | 9.5 | 12,340 | 7,106 | 5,234 |

Source: Table prepared by the Congressional Research Service, based on data from the U.S. Census Bureau.

Table A2. Number of Mothers Maintaining Families Who Were Employed, by Age of Youngest Child: 1995-2003.

(in thousands)

(Support Table for Figure 16)

| Year | Youngest child under 6 | | Youngest child 6-17 | | All children under 18 | |
|------|------------------------|------------------|---------------------|------------------|-----------------------|------------------|
| | Total mothers | Employed mothers | Total mothers | Employed mothers | Total mothers | Employed mothers |
| 1995 | 3,073 | 1,613 | 4,360 | 3,142 | 7,433 | 4,755 |
| 1996 | 3,076 | 1,699 | 4,393 | 3,221 | 7,469 | 4,919 |
| 1997 | 3,092 | 1,882 | 4,531 | 3,393 | 7,623 | 5,276 |
| 1998 | 2,936 | 1,867 | 4,638 | 3,573 | 7,573 | 5,440 |
| 1999 | 2,931 | 1,976 | 4,722 | 3,737 | 7,653 | 5,713 |
| 2000 | 2,945 | 2,036 | 4,668 | 3,715 | 7,613 | 5,751 |
| 2001 | 2,916 | 1,967 | 4,750 | 3,743 | 7,665 | 5,710 |
| 2002 | 3,094 | 2,054 | 4,959 | 3,856 | 8,053 | 5,910 |
| 2003 | 3,061 | 1,953 | 5,009 | 3,851 | 8,069 | 5,804 |

Source: Table 4 in annual news releases on *Employment Characteristics of Families*. U.S. Department of Labor.

Table A3. Employment Rates of Single Mothers and Married Mothers, by Age of Youngest Child, March 1988 to March 2004
(percent of single mothers employed in March, Support Table for Figure 17)

| Year | Single mothers | | | | Married mothers | | | |
|-------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
| | With a child under age 18 | Youngest child under age 3 | Youngest child age 3 to 5 | Youngest child age 6 to 17 | With a child under age 18 | Youngest child under age 3 | Youngest child age 3 to 5 | Youngest child age 6 to 17 |
| 1988 | 57.4 | 35.1 | 52.9 | 69.1 | 61.8 | 50.7 | 58.1 | 69.6 |
| 1989 | 58.2 | 37.9 | 53.1 | 70.0 | 63.0 | 51.4 | 60.8 | 70.6 |
| 1990 | 60.3 | 38.0 | 61.0 | 70.9 | 63.4 | 52.7 | 60.9 | 70.8 |
| 1991 | 58.1 | 36.6 | 55.7 | 70.2 | 63.1 | 52.7 | 60.5 | 70.5 |
| 1992 | 57.3 | 35.2 | 54.1 | 69.8 | 63.9 | 53.1 | 59.4 | 71.9 |
| 1993 | 57.3 | 35.1 | 54.8 | 70.1 | 63.9 | 53.2 | 59.4 | 71.9 |
| 1994 | 58.0 | 37.7 | 55.2 | 69.3 | 65.5 | 56.0 | 61.2 | 72.6 |
| 1995 | 61.1 | 43.1 | 58.5 | 70.5 | 67.1 | 57.4 | 63.9 | 73.4 |
| 1996 | 63.5 | 44.7 | 60.4 | 72.9 | 67.6 | 58.2 | 63.3 | 74.2 |
| 1997 | 65.6 | 51.5 | 64.3 | 72.0 | 68.5 | 58.3 | 64.4 | 75.2 |
| 1998 | 68.8 | 54.8 | 63.7 | 76.4 | 67.9 | 58.3 | 64.1 | 74.2 |
| 1999 | 70.7 | 55.8 | 69.8 | 77.1 | 67.9 | 57.0 | 63.1 | 75.1 |
| 2000 | 72.8 | 59.1 | 72.7 | 78.5 | 68.4 | 56.8 | 66.0 | 75.0 |
| 2001 | 73.0 | 56.1 | 74.4 | 79.8 | 68.5 | 57.1 | 64.7 | 75.4 |
| 2001r | 72.5 | 57.6 | 71.3 | 79.1 | 68.0 | 56.0 | 64.2 | 75.1 |
| 2002 | 71.2 | 57.9 | 71.0 | 76.3 | 66.7 | 54.9 | 61.7 | 74.1 |
| 2003 | 69.6 | 54.8 | 69.3 | 75.4 | 66.3 | 53.5 | 61.7 | 74.2 |
| 2004 | 69.7 | 54.1 | 69.5 | 75.7 | 65.3 | 52.4 | 62.3 | 72.7 |

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Census Bureau Mar. 1988 to 2004 Current Population Survey (CPS) data.

r: Revised estimates based on expanded CPS sample and 2000 decennial census-derived weights.

**Table A4. Annual Hours Worked by Poor Mothers in Mother-only Families
at Various Percentile Rankings,
1987 to 2003**
(Support Table for Figure 18)

| Year | 10th percentile | 20th percentile | 30th percentile | 40th percentile | 50th percentile (median) | 60th percentile | 70th percentile | 80th percentile | 90th percentile |
|------|--------------------|--------------------|--------------------|--------------------|--------------------------------|--------------------|--------------------|--------------------|--------------------|
| 1987 | 0 | 0 | 0 | 0 | 0 | 80 | 450 | 1,040 | 1,680 |
| 1988 | 0 | 0 | 0 | 0 | 0 | 120 | 480 | 936 | 1,716 |
| 1989 | 0 | 0 | 0 | 0 | 0 | 128 | 480 | 1,040 | 1,664 |
| 1990 | 0 | 0 | 0 | 0 | 0 | 208 | 600 | 1,080 | 1,680 |
| 1991 | 0 | 0 | 0 | 0 | 0 | 192 | 546 | 1,040 | 1,800 |
| 1992 | 0 | 0 | 0 | 0 | 0 | 120 | 550 | 1,040 | 1,664 |
| 1993 | 0 | 0 | 0 | 0 | 0 | 120 | 480 | 1,040 | 1,760 |
| 1994 | 0 | 0 | 0 | 0 | 0 | 252 | 640 | 1,150 | 1,820 |
| 1995 | 0 | 0 | 0 | 0 | 0 | 340 | 784 | 1,320 | 2,080 |
| 1996 | 0 | 0 | 0 | 0 | 80 | 432 | 800 | 1,300 | 1,840 |
| 1997 | 0 | 0 | 0 | 0 | 255 | 600 | 1,040 | 1,456 | 2,080 |
| 1998 | 0 | 0 | 0 | 21 | 400 | 700 | 1,040 | 1,584 | 2,080 |
| 1999 | 0 | 0 | 0 | 132 | 480 | 840 | 1,200 | 1,600 | 2,080 |
| 2000 | 0 | 0 | 0 | 60 | 480 | 875 | 1,280 | 1,760 | 2,080 |
| 2001 | 0 | 0 | 0 | 0 | 320 | 780 | 1,144 | 1,664 | 2,080 |
| 2002 | 0 | 0 | 0 | 0 | 320 | 780 | 1,170 | 1,664 | 2,080 |
| 2003 | 0 | 0 | 0 | 0 | 260 | 660 | 1,040 | 1,560 | 2,080 |

Source: Estimates prepared by the Congressional Research Service based on U.S. Census Bureau, Mar. 1988 through 2004 Current Population Survey (CPS) data.