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Trends in Welfare, Work and the Economic Well-Being of Female-Headed Families with Children: 1987- 2000

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Thomas Gabe
Specialist in Social Legislation
Domestic Social Policy Division

Trends in Welfare, Work and the Economic Well-Being of Female-Headed Families with Children: 1987 - 2000

Summary

Welfare reform legislation, signed into law in 1996 as the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) (P.L. 104-193), replaced the 61 year-old Aid to Families with Dependent Children (AFDC) program, a federal entitlement program for low-income families with children. In place of AFDC, the law created the Temporary Assistance for Needy Families (TANF) program, a federal block grant program providing resources to the states. TANF eliminated the federal entitlement to assistance that existed under AFDC and gave states increased flexibility to run programs to assist needy families with children. A major purpose of TANF is to end dependence of needy families on government assistance by promoting job preparation, work, and marriage.

This report examines trends in welfare, work and economic well-being of female-headed families with children, the principal group affected by the replacement of AFDC with TANF. The report presents analysis of 14 years of U.S. Census Bureau Current Population Survey (CPS) data, the principal source of information for U.S. family income and poverty statistics. The beginning of the analysis period precedes the Family Support Act of 1988, the last major nationwide welfare reform law passed by Congress before TANF. The analysis spans the run-up in welfare caseloads that began in 1989 and the historic caseload declines that have followed since reaching an all-time high in early 1994. Over the period studied, a variety of economic, demographic, and public policy and program changes, besides TANF, are likely to have affected welfare, work and the economic well-being of single-mother families. This report does not attempt to untangle these possible effects.

The analysis shows that there has been a dramatic transformation with regard to welfare, work and poverty status of single mothers over the past 14 years. Many of these changes began before the passage and implementation of TANF, but have continued, perhaps to an even greater extent, since. The analysis shows that single mothers are more likely to be working in recent than in past years, and that they are less likely to receive cash welfare or to be poor. However, reductions in poverty have not been as large as the large declines in welfare and the increased rates of work that have occurred. The analysis indicates that welfare receipt rates among *poor* families headed by single mothers have dropped considerably. Among single mothers whose incomes place them in the bottom fifth of all such mothers, income from earnings supplemented by the Earned Income Tax Credit (EITC) has grown markedly since 1993, but not until 2000 have these gains been sufficient to offset losses in cash welfare and food stamps that have occurred in each year since 1994. The report suggests that full-time full-year work may be necessary, but not sufficient, to raise single mothers' family incomes above poverty. U.S. income support policy will continue to be challenged to promote economic self-support through work and to reduce poverty and welfare dependency among families headed by single mothers. This may be especially true given the weakened state of the current economy.

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Introduction

Welfare reform legislation, signed into law in 1996, as the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) (P.L. 104-193), replaced the 61 year-old Aid to Families with Dependent Children (AFDC) program, a federal entitlement program to low-income families with children. In place of AFDC, the law created the Temporary Assistance for Needy Families (TANF) program, a federal block grant program to states. The AFDC program principally assisted low-income single-parent families, mostly headed by women. Federal law established the rules by which families might be determined eligible for assistance under AFDC, although states set their own benefit standards. TANF eliminated the federal entitlement to assistance that existed under AFDC, and gave states increased flexibility to design programs to assist needy families with children. A major purpose of TANF is to end dependence of needy families on government assistance by promoting job preparation, work, and marriage. Among its provisions, the federal welfare reform law imposes a maximum 5-year lifetime limit on receipt of federally-funded assistance (states may impose shorter limits than the federal maximum), and work participation requirements. A variety of groups are monitoring state programs under TANF, and the possible effects on vulnerable populations of TANF and other welfare policy changes enacted in PRWORA.

This report examines trends in welfare, work and economic well-being of female-headed families with children, the principal group affected by the replacement of AFDC with TANF. The report presents data from Congressional Research Service (CRS) analysis of U.S. Bureau of the Census March Current Population Survey (CPS), the principal source of information for U.S. family income and poverty statistics. The analysis is based on CPS data collected from March 1988 to March 2001. The earliest year's data precedes the passage of the Family Support Act of 1988 (P.L. 00-485), the last major nationwide reform to the AFDC program prior to its repeal under TANF. The data series begins before the most recent run-up in cash welfare caseloads that occurred under AFDC in the late-1980s and early 1990s, continues through the period in which caseloads peaked (March 1994), and follows through to 2000 when caseloads were still falling.

Over the period examined in this report, a variety of economic and demographic factors, and policy interventions are generally thought to have affected cash welfare caseloads. Increased numbers of single-mother families, especially never-married mothers who are prone to poverty and receipt of welfare, as well as the economic recession (July 1990 to March 1991) are generally thought to have contributed to the

increase in the AFDC caseload from mid-1989 to March 1994.¹ The 10-year long economic expansion (from March 1991 to March 2001), the longest in U.S. history, presented a most favorable economic climate to provide jobs to mothers who otherwise might rely on welfare, and is considered to have contributed to declines in welfare caseloads. CPS data are not yet available to capture possible effects of the economic recession that began in March 2001, so from these data it is too early to tell how severely the recent economic decline will impact families headed by single mothers.

A variety of welfare policy interventions are likely to have affected welfare caseloads by conditioning benefits on new behavioral requirements. For example, the 1988 Family Support Act extended work requirements (which could include work preparation activities, such as education and training) from mothers with child as young as 6 to mothers with a child as young as 3. (Under the law, states had the option of extending work requirements to mothers with a child as young as 1.) In the years immediately preceding passage of the 1996 welfare law, states experimented with changes to welfare policy under waiver authority granted to the Secretary of the Department of Health and Human Services (DHHS).² Among the features of state programs tested under waiver authority granted by the Secretary were efforts to strengthen work requirements, experiments requiring a “work first” approach rather than “training first, followed by work”, time limits, strengthened sanctions for noncompliance with welfare rules, and capping of welfare benefits for a new baby conceived or born while a mother was receiving welfare. After the passage of the 1996 welfare reform law, many states adopted these and many other approaches first tried under welfare waivers.

In addition, a number of other policy interventions are generally thought to have promoted work compared to welfare over the period examined in this report. Expanded eligibility and funding for child care has helped make work possible for mothers who otherwise might have difficulty finding child care. For example, the 1988 Family Support Act expanded eligibility for child care assistance in the form of transitional child care assistance for families working their way off AFDC. In 1990, federally funded child care assistance was extended to low-income families deemed to be at risk of receiving welfare under the Child Care and Development Block Grant (CCDBG).³ Expansions to the Earned Income Tax Credit (EITC) in 1990 (phased-in 1991 and 1992) and in 1993 (phased-in 1994 through 1996) expanded the credit’s “work bonus” to families with children, amounting to as much as 40 cents on each

¹See for example, CRS Report 93-7, *Demographic Trends Affecting Aid to Families with Dependent Children (AFDC) Caseload Growth*, by Thomas Gabe; and, Peskin, Janice. *Forecasting AFDC Caseloads, with an Emphasis on Economic Factors*. Congressional Budget Office Staff Memorandum, July 1993.

²Section 1115 of the Social Security Act grants the Secretary authority to waive compliance of states with certain sections of the Social Security Act for state experiments or demonstrations which the Secretary judges to promote specific objectives of the Act.

³See: CRS Report RL30785, *The Child Care and Development Block Grant: Background and Funding*, by Alice Butler and Melinda Gish.

dollar earned for a low-income family with two children.⁴ Over the period examined in this report, the minimum wage was increased 4 times.⁵ Additionally, most states allowed inflation to substantially erode the real value of welfare benefits over this period, diminishing the value of welfare relative to work.⁶ Furthermore, since the passage of TANF, most states have increased financial work incentives for families receiving cash assistance by allowing families to keep more of their cash welfare benefit as their earnings increase.⁷

Untangling the effects of demographic factors, the economy, welfare policy and other policy interventions on single-mothers' work behavior, welfare receipt, income, and poverty status, is beyond the scope of this report. Others have attempted to parcel out these effects with mixed success and differing conclusions as to the relative impacts of each.⁸ In contrast to these efforts, this report is intended to simply describe changes in single mothers' welfare, work, income and poverty status that have occurred over the past 14 years. The analysis which follows relies on data from the U.S. Bureau of the Census March CPS data. Over the period examined, the March CPS data provides a comparatively consistent approach for assessing changes in the economic status of single-mothers and their families. The March CPS asks questions about family composition in March, family members' labor force and

⁴For a description of the EITC, see: CRS Report RL30991, *The Earned Income Tax Credit: Current Issues and Benefit Amounts*, by Melinda Gish. For an analysis of the possible effects of the EITC on welfare receipt and mothers' work, see: Meyer, Bruce D., and Dan T. Rosenbaum. *Welfare, the Earned Income Tax Credit, and the Labor Supply of Single Mothers*. NBER Working Paper No. 7363, September 1999. (Hereafter cited as Meyer and Rosenbaum. *Welfare, the Earned Income Tax Credit*)

⁵The federal minimum wage increased from \$3.35 per hour to \$3.80 per hour, effective April 1990, to \$4.25 per hour, effective April 1991, to \$4.75 per hour, effective October 1996, and \$5.15 per hour, effective September 1997. For an analysis of possible effects of minimum wage increases on welfare participation, see: Turner, Mark. *The Effects of Minimum Wages on Welfare Reciprocity*. Paper presented at the National Association for Welfare Research and Statistics, August 1998.

⁶Maximum TANF benefits available for a family of three in the median state in January 2000 were nearly 22% below the maximum level available to a family under AFDC in January 1987, after adjusting for the effects of price inflation. In only one state, Hawaii, were TANF benefits in January 2000 equal to the January 1987 AFDC benefit level, and in one state, New Mexico, higher, after adjusting for price inflation. In all other states, maximum price adjusted TANF benefits were lower in January 2000 than January 1987 AFDC benefits.

⁷For a discussion of changes in work incentives under TANF compared to AFDC see: CRS Report RL30579, *Welfare Reform: Financial Eligibility Rules and Cash Assistance Amounts under TANF*, by Craig Abbey.

⁸See, for example: Council of Economic Advisors. *Technical Report: Explaining the Decline in Welfare Receipt, 1993-1996.* A Report by the Council of Economic Advisers, Washington, D.C. April 1997; Ziliak, James P., Figlio, David N., Davis, Elizabeth E., and Connolly, Laura S. "Accounting for the Decline in AFDC Caseloads, Welfare Reform or the Economy? *The Journal of Human Resources*, v. XXXV, no. 3, p. 570-586. Moffitt, Robert A. *The Effect of Pre-PRWORA Waivers on AFDC Caseloads and Female Earnings, Income, and Labor Force Behavior*, in *Economic Conditions and Welfare Reform*. Danziger, Sheldon (ed.), Kalamazoo, Mich. W.E. Upjohn Institute for Employment Research, 1999.

employment status in the month, and retrospective accounting of income and labor force participation during the prior year. The data presented in this report capture family composition from March 1988 to March 2001, and family income and poverty status from 1987 to 2000, providing a representative cross-section of families headed by single mothers in each year.⁹

Overview

CPS data show an increase in cash welfare receipt (AFDC, TANF, or other assistance) among single mothers during the late 1980s and early 1990s and a decrease in the mid-to-late 1990s. The CPS data generally correspond to the caseload rise and fall documented by administrative program data, but underestimates the caseload statistics to some extent.¹⁰ **Figure 1** shows that the total number of single mothers increased from 8.4 million in 1989, to about 9.9 million in 1993, an increase of 1.5 million, or 17%. From 1993 to 1998, the number of single mothers has remained fairly stable, between 9.8 and a peak 10.1 million (in 1996). Since 1998, the number of single mothers has dropped from 9.9 million to 9.4 million, in 2000.

The number of single mothers in families reporting receipt of cash welfare on the CPS increased from 2.5 million in 1989, to 3.4 million in 1993, an increase of 900,000, or 36% over the 4-year period. Since 1993, the number of single mothers reporting cash welfare has fallen to 1.2 million in 2000, (a two-thirds decline) (the bottom-shaded portion in **Figure 1**).¹¹ Over the same period, the number of poor single mothers who reported receiving no cash welfare increased by 378,000, from 1.721 million in 1993 to 2.1 million in 2000 (the middle-shaded area in **Figure 1**).

Figure 2 provides an overview of single mothers' welfare, work and poverty status from 1987 to 2000. The figure shows that since 1993, the share of single mothers who worked at some time during the year has increased markedly and that the share who received cash welfare (AFDC and, post-1996 TANF) has declined significantly, as has the share who are poor under the official poverty definition.¹² The figure illustrates that while both cash welfare reciprocity rates and poverty rates for single mothers have fallen, single mothers' welfare reciprocity rates have fallen faster than poverty rates.

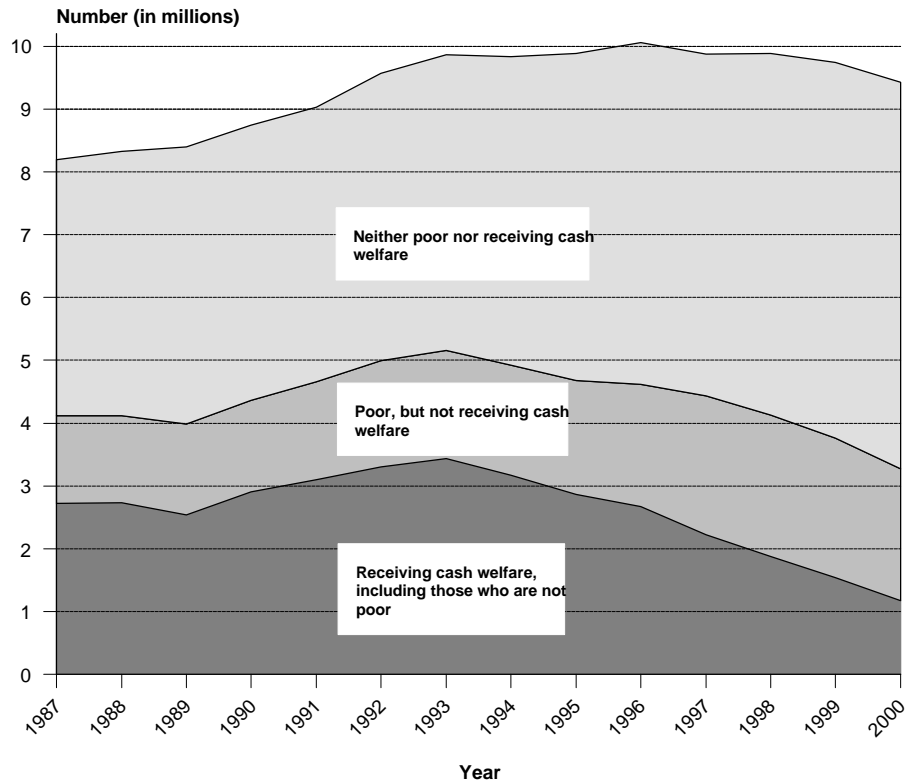
⁹ Unlike longitudinal surveys, the CPS does not follow the same families from year to year. Longitudinal surveys allow for the study of how individual families' circumstances change over time.

¹⁰ See Appendix A, which compares CPS estimates to AFDC/TANF caseload counts.

¹¹ Administrative caseload statistics show the caseload as peaking in March 1994, with nearly 5.1 million cases. By June 2001, the caseload had dropped to 2.1 million cases; a 59% decline from its March 1994 peak.

¹² The "official" U.S. Census Bureau definition counts cash, pre-tax, income against poverty thresholds that vary by family size and composition. In 2000, for example, a single mother with one child would be considered poor if her income were below \$11,869, and if she had two children, below \$13,874.

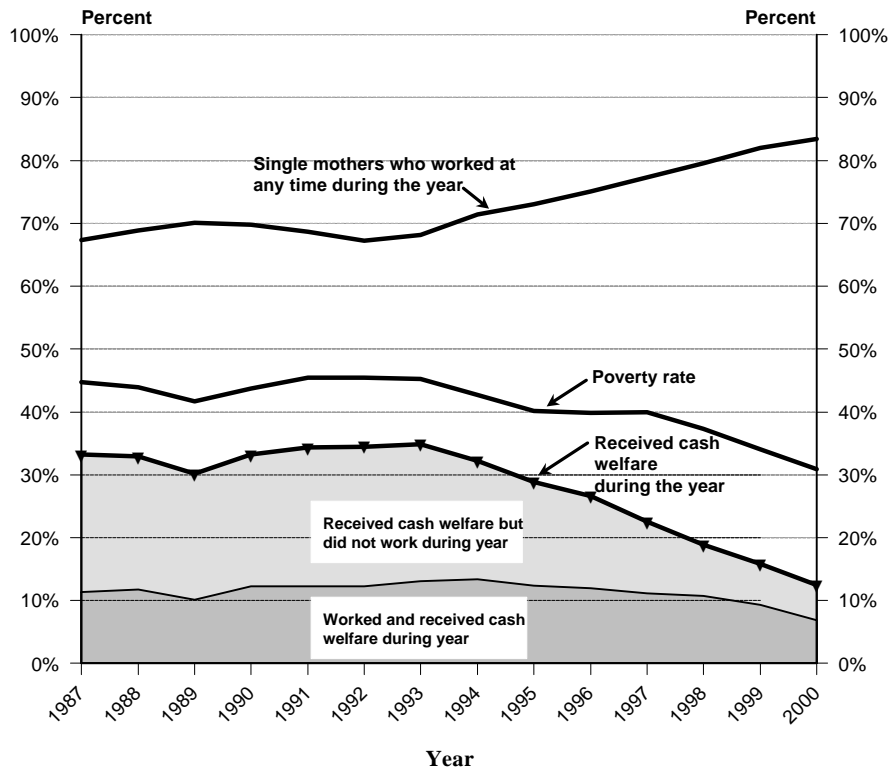
Figure 1. Single Mothers: Poverty and Cash Welfare Receipt, 1987-2000



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

Figure 2 shows that during the 1987 to 1993 period, the share of single mothers who worked at any time during the year hovered just below 70% in most years; since 1993, the share working has increased each year, reaching 84% in 2000. During the 1987 to 1993 period, roughly one-out-of-three single mothers received cash welfare. In 1993, the most recent peak year of welfare receipt on the CPS, about 35% of single mothers received cash welfare; since then the cash welfare receipt rate has declined each year, falling to 12.5% in 2000—about one-third the 1993 rate. The figure shows that the poverty rate among single mothers which from 1987 to 1993 ranged from 44% to 45% (except in 1989), has fallen from about 45% in 1993 to about 31% in 2000—about two-thirds the 1993 rate.

Figure 2. Welfare, Work and Poverty Status Among Single Mothers, 1987 to 2000



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

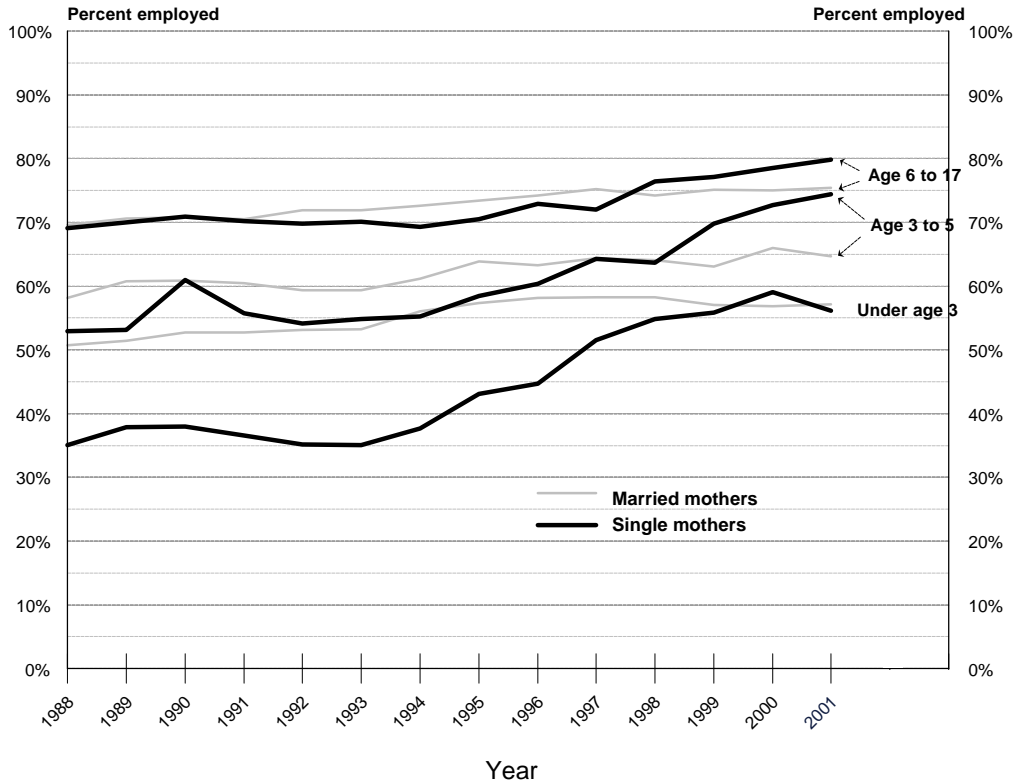
Single Mothers' Employment Rates

While welfare receipt has declined, dramatic gains in single mothers' employment have occurred since 1993. **Figure 3** shows employment rates of single and married mothers by age of youngest child in March, from 1988 to 2001. The chart shows that gaps that had existed between single and married mothers' employment have virtually been eliminated in recent years, with single mothers now being more likely than their married counterparts to be working.

The increase in employment among single mothers with young children has been most dramatic. Among mothers with a child under the age of 3, their employment rate increased from a recent low of 35.1% in March 1993 to a high of 59.1% in March 2000, a 24 percentage point increase over the period. Their employment rate dropped slightly to 56.1% in March 2001. Single mothers with a youngest child age 3-5 also experienced marked employment gains over the mid-to-late 1990s. Their employment rate grew from a recent low of 54.1% in March 1992, to 74.4% by March 2001, a 20.3 percentage point increase over the period. In March 2001, the employment rate of single mothers with a youngest child age 3-5 surpassed that of their married counterparts by 9.7 percentage points. Single mothers whose youngest

child was of school age (age 6-17) had employment rates about equal to those of their married counterparts over the 1988-2001 period.

Figure 3. Employment Rates of Single and Married Mothers, by Age of Youngest Child, March 1998 to March 2001



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

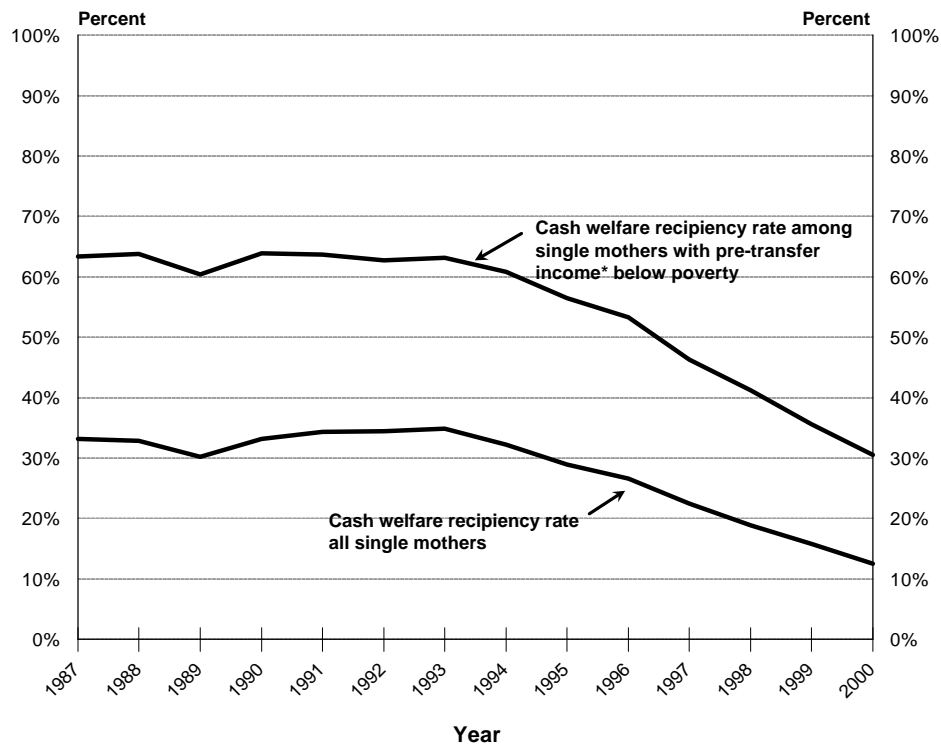
The healthy economy, combined with a transformed welfare system, improvements to the EITC, and increases in the minimum wage, are among factors thought to have encouraged work among single mothers in recent years. TANF, and the AFDC waivers that preceded it, transformed cash assistance from a needs-based entitlement to a program of temporary assistance, encouraging work and personal responsibility. Imposition of work requirements, time limits, and sanctions, and in most states, more generous earnings disregards, all serve to encourage work, either in lieu of welfare or, for a temporary period, in conjunction with welfare. The EITC, which is conditioned on earnings, is thought to encourage work among most groups, especially single parents who were not working, or who were marginally attached to the labor market. 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.¹³ Other factors, such as increased funding for child care subsidies, may also have contributed to making work possible for more single mothers.

¹³Meyer and Rosenbaum, (Hereafter cited as Meyer and Rosenbaum. Welfare, the Earned Income Tax Credit), attribute 60% of the increase in single mothers weekly and annual employment between 1984 and 1996 to the EITC.

Welfare Receipt Among Single Mothers

Figure 4 shows that cash welfare reciprocity rates among single mothers overall, and among *poor* single mothers based on their pre-transfer income (i.e., cash income excluding cash welfare), remained fairly steady during the 1987-93 period, but have fallen considerably since. Among single mothers overall, about one-third received cash welfare during the late-1980s and early 1990s, with a low of about 30% in 1989 and a peak of about 35% in 1993. Cash welfare reciprocity rates among single mothers began to fall after 1993, falling to 12.5% in 2000 – about a two-thirds drop in the rate from 7 years earlier.

Figure 4. Single Mothers: Cash Welfare Reciprocity Rates, 1987 to 2000



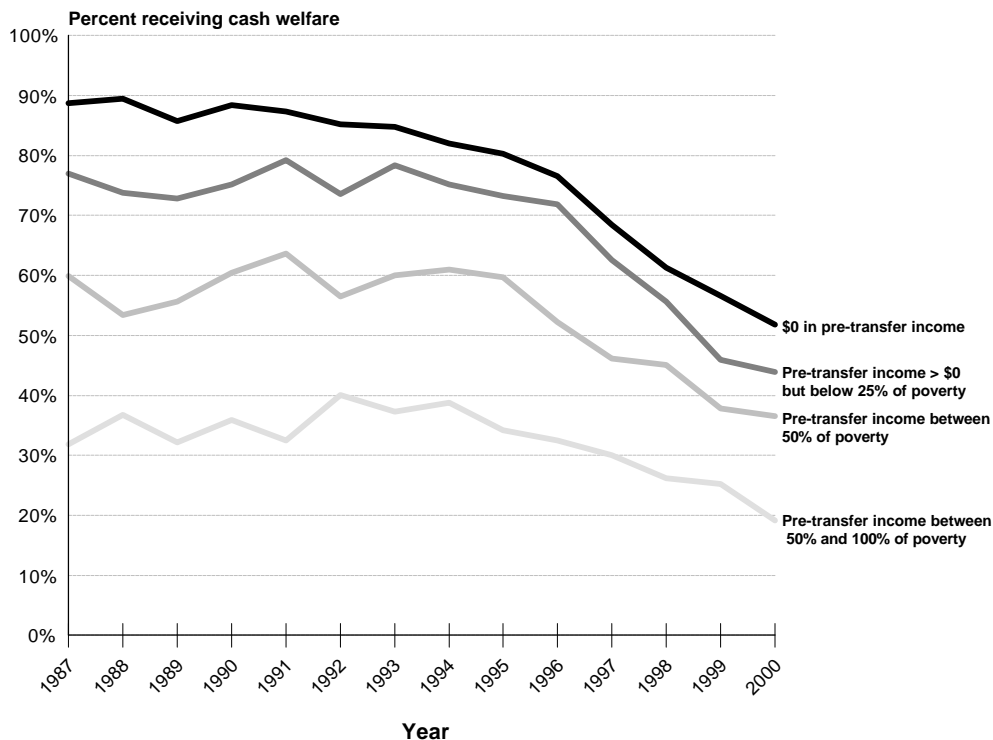
Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

* Pre-transfer income is cash income other than cash welfare payments.

Recent declines in cash welfare reciprocity rates have not simply been due to diminished need for assistance, as reciprocity rates have fallen even among mothers who would appear to be in economic need, based on their pre-transfer income relative to poverty. For example, **Figure 4** shows that among single mothers who were poor based on their pre-transfer cash income, the share who received cash welfare generally hovered around 63% over the 1987-93 period. Since 1993, the cash welfare reciprocity rate among single mothers with pre-transfer income below poverty has fallen each year, reaching a low of 31% in 2000.

Figure 5 shows cash welfare reciprocity rates in greater detail by families' level of financial need, as measured by families' levels of pre-transfer income relative to poverty. The figure shows that cash welfare reciprocity rates have fallen considerably in recent years even among single mothers who might be considered especially needy by having very low levels of pre-transfer income relative to poverty. For example, the top line of **Figure 5** shows that nearly 90% of single mothers with no pre-transfer income reported receiving cash assistance from 1987 to 1990. However, since 1990, the reported rate of cash welfare reciprocity among this group drifted downwards, to 77% in 1996, and afterwards fell abruptly, to about 52% by 2000. Similarly, for single mothers with very low pre-transfer income relative to poverty (below 25% of poverty), and for families with pre-transfer incomes between 25 and 50% of poverty, cash welfare reciprocity rates also show dramatic declines after 1996: for the former group from 72% in 1996 to 44% in 2000, and for the latter group from 60% in 1995 to 37% in 2000.

Figure 5. Cash Welfare Reciprocity Rates Among Single-Mother Families, by Pre-transfer Income*Poverty Status, 1987 to 2000



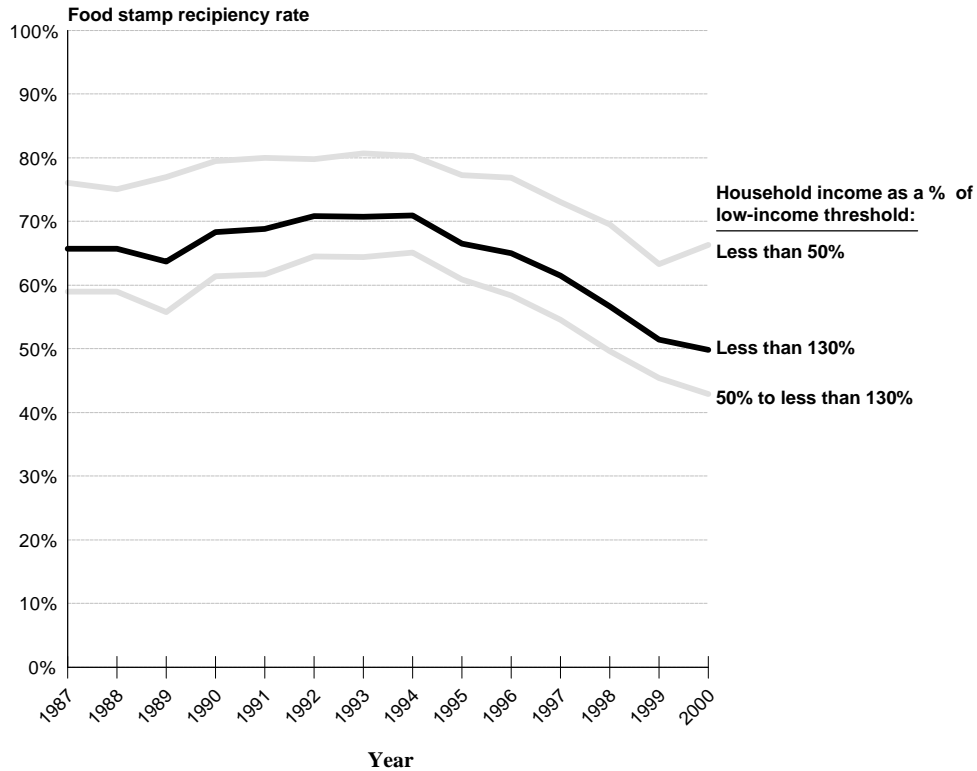
Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

* Cash income excluding cash welfare relative to poverty.

Likewise, food stamp reciprocity rates among low-income households have also fallen in recent years, although the declines have not been as dramatic as the declines in cash welfare reciprocity rates shown above. **Figure 6** shows that in 1994, 71% of single-mother families with household income below 130% of poverty (the Food Stamp Program's gross income qualifying limit) reported receiving food stamp benefits; by 2000 the share had fallen to about 50%. Among those with household incomes below 50% of the low-household income threshold, in 1994, 80% reported

food stamp receipt; in 1999 just 63% reported food stamp receipt. The food stamp reciprocity rate for this group increased slightly in 2000, to 66%.

Figure 6. Food Stamp Reciprocity Rates Among Single Mothers, by Household Income Relative to Household Low-Income Threshold, 1987 to 2000



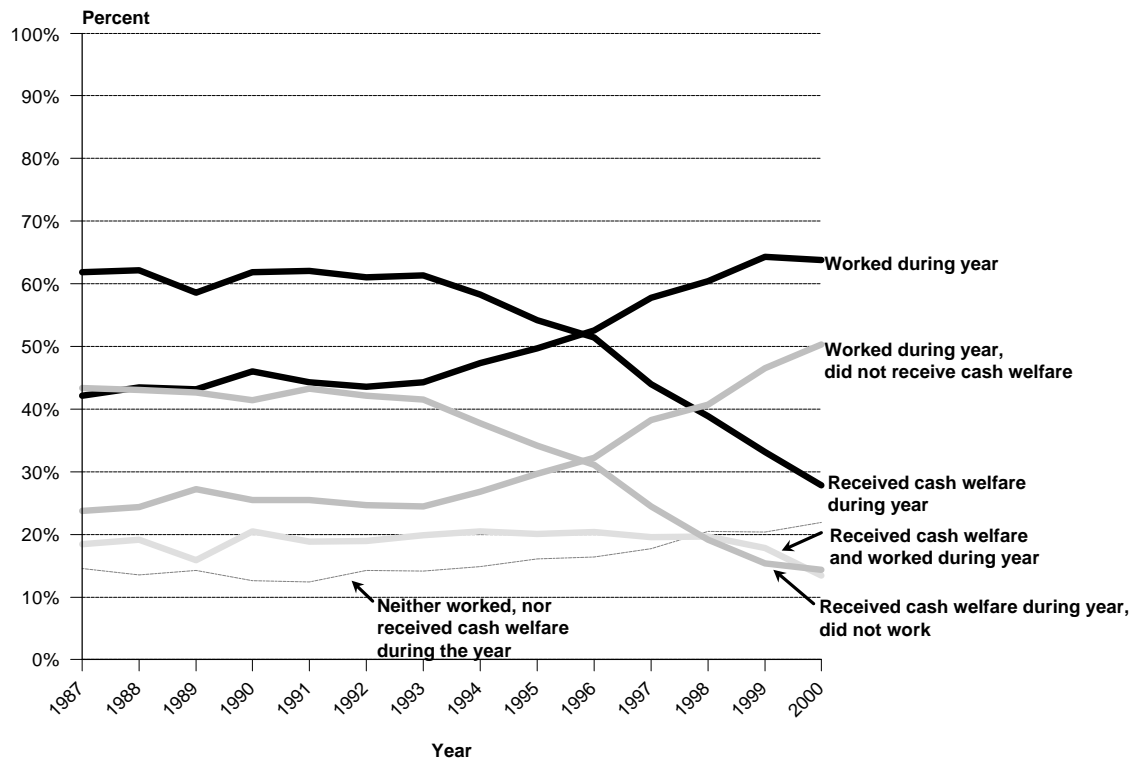
Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

To at least some extent, the declining cash welfare and food stamp reciprocity rates shown in **Figures 4** through **6** are likely due to increased under-reporting of welfare receipt on the CPS. Worsened reporting of cash welfare on the CPS makes it difficult to gauge how much of the drop in welfare receipt among female-headed families with children represents eligible families who do not receive assistance rather than families who do not report actual welfare aid on the CPS. See **Appendix A** for a brief analysis of the possible extent of under-reporting of cash welfare on the CPS.

Poor Single Mothers' Work and Welfare Status

Although poverty rates among single mothers have declined in recent years, there is a greater likelihood today, than in years past that a *poor* single mother will be working, rather than receiving welfare. As shown above, poor single mothers are less likely to be receiving cash welfare in recent than in earlier years (**Figures 4 and 5**). Similarly, like all single mothers, *poor* single mothers are also now more likely to be working than not. Changes in poor mothers' participation in work and welfare status first became evident in the early-to-mid 1990s, with rates of employment increasing after 1992 and rates of welfare receipt declining after 1993 (see **Figure 7**, 2 darkest lines). A crossover point was reached between 1995 and 1996, when the chances that a *poor* single mother would be working exceeded the chances that she would be receiving welfare.

Figure 7. Poor Single Mothers: Work and Welfare Status During the Year, 1987 to 2000



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

Figure 7 shows that the share of *poor* single mothers who received cash welfare at any time during the year fell from just over 60% in the 1987-93 period, to about 28% in 2000 – a decline of over two-thirds. The rate of decline in welfare receipt among *poor* single mothers has been greatest since 1996, a period coinciding with the passage and implementation of national welfare reform legislation. Similarly, the share of *poor* single mothers who were working at any time during the year increased

from around 44% in 1992, to about 64% in 1999 and 2000, regardless of whether they were receiving cash welfare.

The share of *poor* single mothers who relied on cash welfare without working dropped from a peak of 43% in 1991, to about 14% in 2000 (a two-thirds drop from the 1991 rate). The share of *poor* single mothers who worked without relying on cash welfare has increased from a recent low of about 25% in 1993, to 50% in 2000 (double the 1993 rate). The share of *poor* single mothers who combined work and welfare over the year which had remained relatively constant over the prior 13 years, at around 20%, fell to about 13% in 2000. While the share of poor mothers who worked remained unchanged between 1999 and 2000, the share of working poor mothers receiving cash welfare declined.

The share of *poor* single mothers who reported that they neither worked nor received cash welfare during the year (the dashed line in **Figure 7**) has increased from a low of about 12% in 1991 to around 22% in 2000. This surprising combination may reflect a mix of circumstances, including income or support from other sources such as family members, support from unrelated household members (which is not included in the official poverty measure), and other means of support from outside the household not captured on the CPS. It may also reflect income reporting problems on the CPS, especially with regard to welfare income.¹⁴ Finally, welfare diversion and sanction policies may have contributed to the increased number of poor mothers neither working nor receiving welfare.

Effects of Earnings, Transfers, and Taxes on Single Mothers' Poverty Status

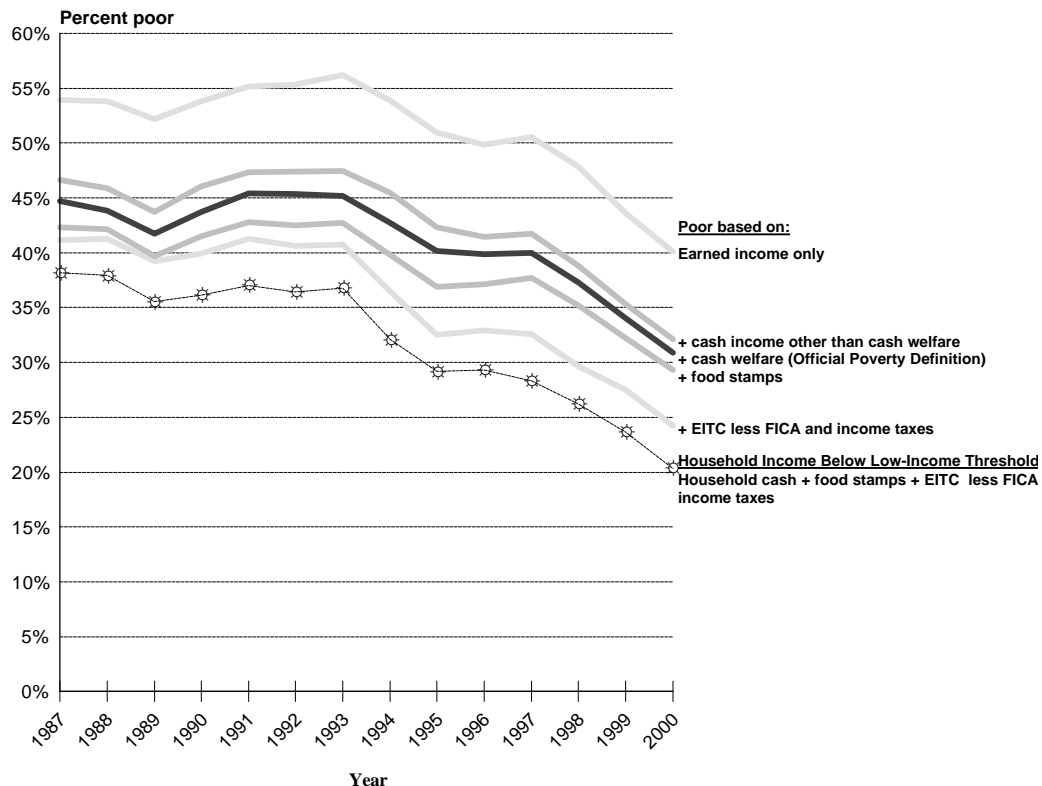
As shown earlier, in **Figure 2**, single mothers' poverty status has improved since 1993. Changes in the economy and changes in welfare policy and other programs, such as the EITC, have both direct and indirect effects on income and poverty. However, the official U.S. poverty measure counts only family cash income (excluding capital gains and lump sum or one-time payments) against a family's poverty threshold (which varies by family size and composition) to determine whether a family is counted as poor. The definition does not include the value of in-kind benefits, such as food stamps, school lunches, or public housing subsidies, nor does it include the effects of taxes or tax credits such as the EITC. Inclusion of in-kind benefits and the EITC provides a more comprehensive income definition than the official definition. Additionally, other unrelated household members may contribute to the family's economic well-being, but determining the extent to which resources are shared among unrelated household members is often difficult.

Figure 8 shows the effects of income from these other sources on poverty among all single mothers. Components of family income are sequentially added and measured against families' poverty thresholds, as one moves from the top line of the chart to subsequent lines below:

¹⁴See **Appendix A** on CPS under-reporting.

- **Line 1:** The top line shows the percent of single mothers who would be counted as poor if only family earnings were counted against the poverty line.
- **Line 2:** The second line down includes other sources of cash income, in addition to earnings, that were already counted above (e.g., social security payments, unemployment compensation, workers compensation, interest and dividends, inter-family transfers). However, this line does not include cash welfare.
- **Line 3:** The third line down adds cash welfare to the other sources already mentioned, and with those sources, represents the income definition used in the *official poverty measure*.

Figure 8. Effects of Earnings, Transfers and Taxes on Family Poverty and Household Low-Income Status of Single Mothers, 1987 to 2000



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

Lines 4 through 6 include food stamps, taxes (including the effects of the EITC) and income of other unrelated household members that are not included under the “official” U.S. Bureau of the Census poverty definition:

- **Line 4:** The fourth line down shows the market value of food stamps when added to cash income and compared to the family poverty threshold.
- **Line 5:** The fifth line down shows the effect of adding the value of the EITC, less federal and state income taxes and payroll taxes, to line 4.
- **Line 6:** The bottom (dashed) line shows the effects of counting all income in the household in which the single mother lives, not just that of her related

family members, and comparing it to an unofficial “household low-income threshold.” The household low-income threshold used here applies family poverty income thresholds, which are based on family size and composition, to households, based on household size and composition. It must be noted that official poverty measurement is based on a family concept, which assumes that family members share income and economies of scale that result from shared living arrangements. It is generally agreed among researchers that assumptions regarding income sharing and shared economies of scale among related family members, who have ties based on blood, marriage, and adoption, do not apply to the same extent among unrelated household members. Consequently, these estimates of household low-income status likely overstate the effect of household income on reducing poverty among families headed by single mothers.

In viewing **Figure 8**, note that the trend in earnings is the principal factor affecting the declining trend in poverty, whereas the other income sources, with the exception of the EITC, affect the level of poverty, more than its trend over time. Evidence of this effect is that most lines in the chart, with the exception of the EITC, roughly run parallel to the ones above.

Effect of Earnings and Other Nonwelfare Cash Income on Poverty

Figure 8 shows that between 1993 and 2000, single mothers’ poverty, based on family earnings alone, fell from 56.2% to 40.1% (**line 1**). Adding other cash income, except cash welfare, to family earnings (line 2), reduces poverty in 1993 from 56.2% to 47.4%, and in 2000 from 40.1% to 32.1%.

Effect of Cash Welfare on Poverty

When added to other income, cash welfare benefits have only a small impact on the poverty rate, as these benefits generally are not sufficient, even when combined with other cash income, to lift families above the federal poverty threshold. In the vast majority of states the level of earnings or other cash income at which states’ cash welfare benefits under TANF become unavailable for a family are well below the poverty line for example. In January 2000, in only 10 states could a single mother with two children have earnings above the poverty line and still continue to receive TANF cash assistance.¹⁵ Consequently, cash welfare benefits have little impact on the poverty rate. The addition of cash welfare (**line 3**, representing the official income definition for measuring poverty) reduces poverty only slightly: from 47.4% (**line 2**) to 45.2% (**line 3**) in 1993, and from 32.1% to 30.9% in 2000. Nonetheless, cash welfare benefits can have a significant impact on the level of poor families’ incomes, affecting the degree to which their incomes fall below the poverty income standard. This impact is not captured by changes in the poverty rate as shown above in **Figure 8**.

¹⁵ See: U.S. House of Representatives Committee on Ways and Means. *2000 Green Book*. Table 7-13 (Breakeven Points), p. 398-400. Washington, D.C. Oct. 6, 2000.

Effect on Poverty of Counting Selected Income Sources Not Included in the “Official” Poverty Measure

The following three measures include income from sources not included under the “official” U.S. Bureau of the Census poverty definition (i.e., food stamps, taxes (including the effects of the EITC) and income of other unrelated household members.

Effect of Food Stamps on Poverty. The fourth line from the top in **Figure 8** shows the effect on the poverty rate of single mothers by counting the value of food stamps. The line shows that food stamps reduce the poverty rate of single mothers from about 2 to 3 percentage points over the period. The anti-poverty effectiveness of food stamps seems to have lessened somewhat in recent years. In 1995, food stamps reduced the poverty rate from 40.2% (its official measure) to 36.9%, a 3.3 percentage point (8.1%) reduction in poverty. In 2000, food stamps reduced the poverty rate from its official rate of 30.9%, to 29.3%, a 1.6 percentage point (5.2%) reduction.

Effect of the EITC and Taxes on Poverty. As noted above, the net effect of the EITC¹⁶ (after counting the effect of reductions in income from federal and state income taxes and FICA taxes) (**line 5**), when added to total family cash income and food stamps (**line 4**), causes a divergence in trend from the lines above. This is especially notable after 1993. A major expansion of the EITC, passed by Congress in 1993 and phased in between 1994 and 1996, increased the amount of the EITC work bonus families might receive. The anti-poverty effectiveness of the EITC was approximately three times greater in 2000 than in 1993. In 1993, the EITC reduced the poverty rate (counting food stamps) among single mothers from 42.7% (**line 4**), to 40.7% (**line 5**), a 2.0 percentage point (4.6%) reduction. In 2000, the EITC reduced poverty from 29.3% to 24.2%, a 5.1 percentage point (17.4%) reduction.

As receipt of the EITC is conditioned on earnings, the growing impact of the EITC in part reflects the rise in work rates among single mothers. Among those who are working and poor (before counting the EITC), the EITC helps lift the income of some above the poverty line. Although the EITC expansion provided additional income to low-income families who were already working, it may also have helped induce increased employment among family heads with low to moderate earnings potential, and thus contributed to the decline in poverty based on earned income only that has occurred since 1993 (shown as the **top line** in the chart).

Note too, that to the extent that changes in cash welfare programs in recent years have encouraged work (such as work requirements and increased earnings disregards), these changes may have had an indirect effect on poverty by increasing earnings and, through earnings, making the EITC available to a greater number of families.

¹⁶Note that the value of the EITC on the CPS is based on Census Bureau imputations, rather than actual reported tax credits. Also, the EITC is different from most sources of income, as most families receive the EITC as a lump sum refund.

Effect of Unrelated Household Member's Income on Poverty. The household low-income line (**bottom line**) shows that if all household members' income were shared equally among household members, the poverty rate among single mothers would drop by at most 3 to 4 percentage points over the 1987 to 2000 period. Adding other non-family members' income, and counting them as though they were family members who shared income equally, reduced the post in-kind transfer, post-tax, poverty rate in 1993 from 40.7% to 36.8%; in 2000 the post-in-kind transfer, post-tax, poverty rate would have dropped from 24.2% to 20.3%. Again, this is most likely an overstatement of the possible effect that shared household living arrangements might have on single mothers' poverty status, because of uncertainty about the extent to which such income is actually shared.

Degree of Poverty Among Poor Single Mothers

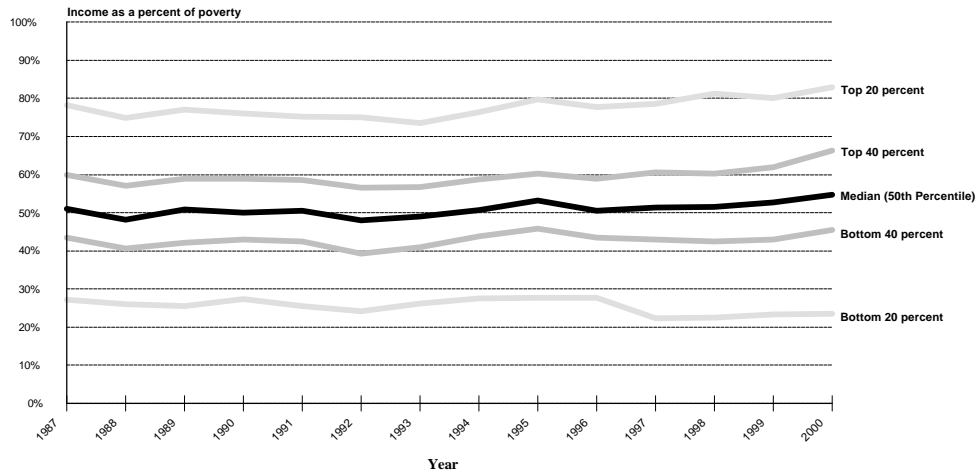
As noted above, the poverty rate measures only the percent of families whose incomes fall below their respective poverty thresholds, based on family size and composition. Although the poverty rate provides an overall indication of the level of need in the population, it does not measure the extent of need among poor families. **Figures 9** and **10** show two different measures of the “*poverty gap*” among poor families headed by single mothers—that is, the degree to which poor families incomes fall below the poverty income level. In these figures the poverty gap is depicted as family income as a percent of poverty among poor families. **Figure 9** is based on the cash income poverty measure, whereas **Figure 10** is based on cash income plus the value of food assistance and taxes (including the EITC). Note that the families depicted in **Figure 10** are a subset of those included in **Figure 9**, as they are families who remain poor after considering food stamps and taxes (including the EITC)—the effects of which are not counted in **Figure 9**. In each figure the extent of poverty among poor families is depicted at various percentiles, based on families' ranked by family income as a percent of poverty.

Figures 9 and **10** show that the median family income as a percent of need (i.e., poverty) among poor families has remained relatively steady over the past 14 years. Based on “official” cash income, for purposes of measuring poverty, the median family income as a percent of need among poor families headed by single mothers has ranged from a low of 48%, in 1988 and 1992, to as high as 55% of poverty in 2000 (**Figure 9**). Looking at just the subset of single-mother families who were poor based on a more comprehensive income definition that includes food stamps and taxes (including the EITC), the median family income as a percent of need was somewhat higher over the period, ranging from a high of 65% of poverty, as recently as 1995, to a low of 62% of poverty, in 1998 and 1999, and 63% in 2000 (**Figure 10**).

Both **Figures 9** and **10** show recent declines in income relative to poverty for the poorest families headed by single mothers. For example, **Figure 9**, shows that for the bottom 5th of poor single mothers, family income relative to poverty fell from a recent high of 28% of poverty in 1996, to a low of 22% of poverty the following year. Since 1997 the income of the poorest 5th of families head by single mothers has increased only slightly, to about 24% of poverty in 2000. Looking at the subset of single-mother families that were poor based on the more comprehensive income definition

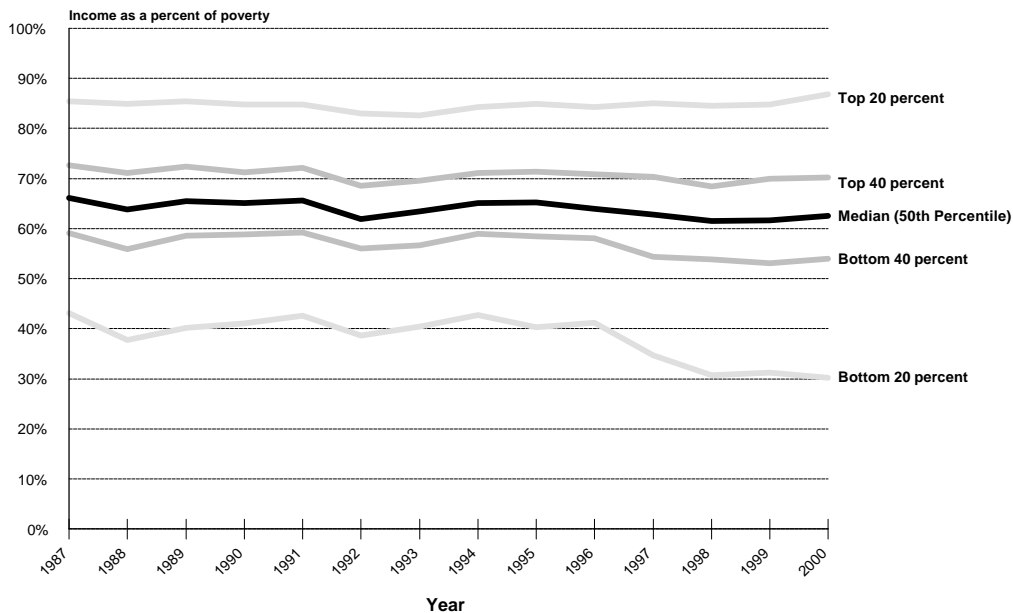
(cash, food stamps, and taxes (including the EITC)), the bottom 5th have seen a decline in relative economic well-being from a high of 43% of poverty, in 1994, to a low of 30% of poverty in 2000 (**Figure 10**).

Figure 9. Poverty Gap*Percentiles Based on Cash Income for Poor Single-Mother Families, 1987 to 2000



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.
 * Poor families' cash income as a percent of families' poverty thresholds.

Figure 10. Poverty Gap*Percentiles Based on Net After-Tax Cash Income (including the EITC) and the Value of Food Stamps, for Poor Single-Mother Families, 1987 to 2000



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.
 * Poor families' based on cash after-tax income and the market value of food stamps as a percent of families' poverty thresholds.

Sources and Level of Income Among Lower-Income Single Mothers

The composition and level of income among the single-mother families at the bottom of the income distribution has changed markedly in recent years, reflecting increased earnings supplemented by increased EITC and reductions in cash welfare and food stamps. For single mothers in the bottom fifth (bottom quintile), increased earnings and EITC had not been sufficient, until 2000, to offset losses in cash welfare and food stamps that had occurred since 1994, the previous peak income year for this group. Families in the bottom 20% to 40% (second quintile) also received less cash welfare and food stamps and increased earnings supplemented by the EITC in recent years. Total income for this group reached a new high in 2000.

Figures 11 and 12 examine sources of income among the bottom quintile (bottom 20%) and the second lowest quintile (bottom 20% to 40%) of single-mother families, respectively, based on their pre-tax cash income relative to poverty. The income to poverty ratios demarcating the break points at which a family qualifies as being in the bottom and second from the bottom quintiles are shown in **Appendix B**. The charts show the average annual income, in 2000 dollars, from the following sources: cash public assistance (AFDC, TANF, and General Assistance (GA)); Supplemental Security Income (SSI); food stamps (market value); child support and alimony; other cash income other than earnings; net earnings (earnings net of the employee share of FICA payroll taxes and any federal or state income taxes); and the EITC. The employee share of FICA payroll taxes, and any federal or state income tax payments are also shown as negative values. Note that these estimates are based on year-to-year income comparisons of cross-sectional survey data, rather than a comparison of incomes for the same families over time.

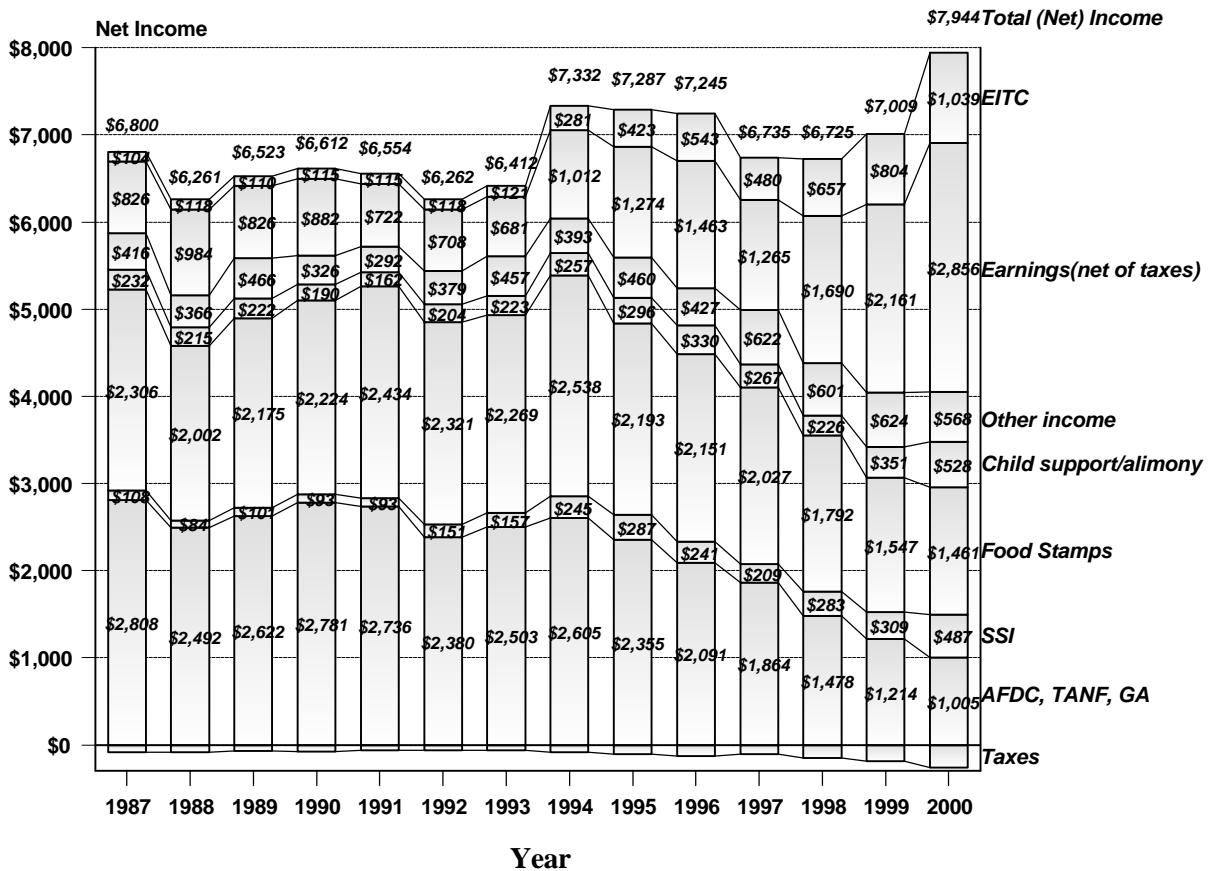
Figure 11 shows declining reliance on cash welfare and food stamps since 1994, and increased reliance on earnings, supplemented by the EITC, among families headed by single mothers in the bottom income quintile. However, not until 2000 have increased earnings, supplemented by the EITC, been sufficient to offset the losses in income from cash welfare and food stamps. In 2000, increased earnings and EITC helped to raise average total income of single mother families in the bottom income quintile to \$7,944, eclipsing the previous high of \$7,332 in 1994.

Average cash welfare and food stamp benefits reported by single mothers in the bottom quintile have fallen since 1994. In 1994, combined average AFDC and General Assistance benefits were \$2,605 for this population; by 2000 combined TANF and General Assistance had fallen to \$1,005, 39% of their 1994 value. Similarly, in 1994, average food stamp benefits amounted to \$2,538; by 2000 they had fallen to \$1,461, 58% of their 1994 value. In spite of increased earnings, supplemented by increased EITC benefits, earnings gains were insufficient to offset reduced cash welfare and food stamp aid until 2000.

The growing importance of the EITC as an earnings supplement, can be illustrated by comparing the average EITC as a share of average earnings shown in **Figure 11**. Legislative expansions to the EITC in 1990 (phased in between 1991 and 1992) and in 1993 (phased in from 1994 through 1996) expanded the credit's "work

bonus” to families with children, amounting to a supplement of as much as 40 cents on each dollar earned. In 1990, the average EITC depicted in **Figure 11** amounted to about 13% of average earnings of mothers in the bottom income quintile. By 1993, the EITC “work bonus” increased to 18% of earnings, and then doubled to 37% of earnings by 1996, once legislative expansions had completely phased in. In 2000, the average EITC (\$1,039) received by families headed by single mothers in the bottom income quintile slightly exceeds the average cash assistance (\$1,005) families in this income category receive. In addition to providing needed income to low-income working families, the EITC has also likely encouraged work and increased earnings.

Figure 11. Bottom Income Quintile of Single-Mother Families: Average Annual Income by Source, 1987 to 2000 (in 2000 dollars)



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

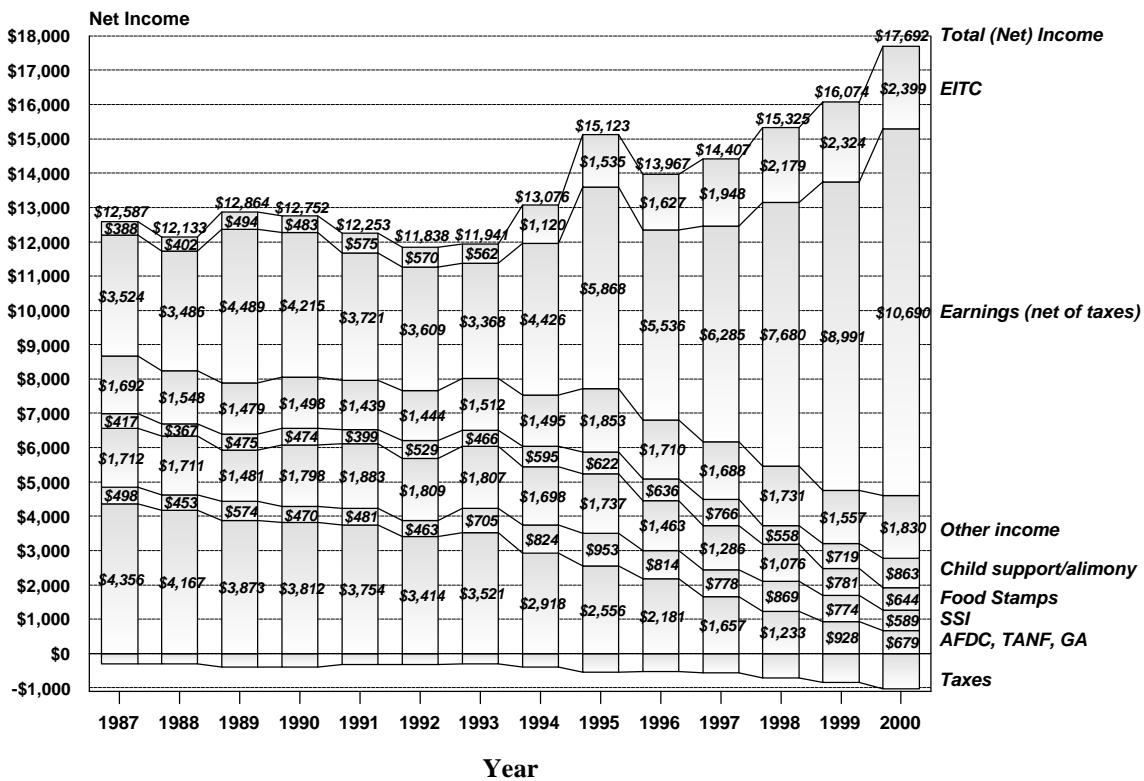
* Quintiles based on ranking of ratios of family cash, pre-tax income, relative to poverty. Taxes include federal and state income taxes and FICA taxes.

Figure 12 is similar to **Figure 11**, but shows average income by source for the second quintile of single-mother families, ranked by their income relative to poverty. The chart shows comparatively large gains in average total income from 1993 to 1995, due largely to increased earnings and EITC. Over this period, average total net income increased from \$11,941 to \$15,123, a gain of nearly 27%. With the exception of 1996, average earnings for single mothers in the second quintile continued to grow; however, earnings and the EITC were insufficient to offset declines in cash assistance

and food stamps in 1996 and 1997. From 1995 to 1997, combined earnings and EITC gains (\$833 offset only 62% of the loss in combined cash assistance and food stamp benefits (\$1,350) over the period.

By 2000, average total income among single mothers in the second quintile reached a new high. In 2000, earnings in combination with the EITC more than offset the loss in combined cash assistance and food stamps that occurred over the 1995 to 2000 period. Over the period, the gain in average net earnings, in combination with EITC (\$5,133), more than offset the \$2,970 loss in combined cash assistance and food stamps. By 2000, average net earnings (\$10,690) accounted for 60% of these families' incomes (\$17,692) and cash assistance (\$679) accounted for just under 4%. In contrast, in 1987, earnings accounted for about 28% of this group's income (\$3,524 in earnings out of a total net income of \$12,587) and cash assistance (\$4,356) comprised about 35%. In 2000, average total income for families in the second quintile (\$17,692) was 41% above that in 1987 (\$12,587).

Figure 12. Second Income Quintile* of Single-Mother Families: Annual Average Income by Source, 1987 to 2000 (in 2000 dollars)



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

* Quintiles based on ranking of ratios of family cash, pre-tax income, relative to poverty. Taxes include federal and state income taxes and FICA taxes.

Conclusions and Policy Implications

CRS analysis of 14 years of U.S. Census Bureau CPS data shows a dramatic transformation in single mothers' welfare, work, and poverty status over the period. CPS data generally follow the upsurge in the AFDC caseload evidenced by administrative/program statistics that occurred in the late-1980s and early 1990s, and the historic declines that followed. Increases in the number of families headed by single mothers during the late-1980s and early 1990s are likely to have contributed to the rapid growth in cash welfare caseloads under the AFDC program that occurred over the period. The number of single mothers increased from about 8.2 million in 1987 to a peak of just over 10 million in 1996; falling to about 9.4 million in 2000. Welfare caseloads have dropped dramatically since their most recent peak in March 1994. Economic conditions certainly contributed to the welfare caseload increase that began in the late 1980s and the historic declines since 1994. A number of policy interventions have helped to increase the economic returns to work and to encourage work over welfare. Increases to the EITC and the minimum wage, and erosion of most states' welfare benefit levels due to inflation, have helped to increase the economic returns to work compared to welfare in recent years. States' extension of work requirements to mothers with younger children, increased welfare sanction authority, and adoption of time-limits on welfare receipt, first experimented with under AFDC waiver authority, and now widely adopted by states under TANF, have helped to transform the welfare system from an entitlement program to a program that emphasizes self-support, primarily through work, and personal responsibility.

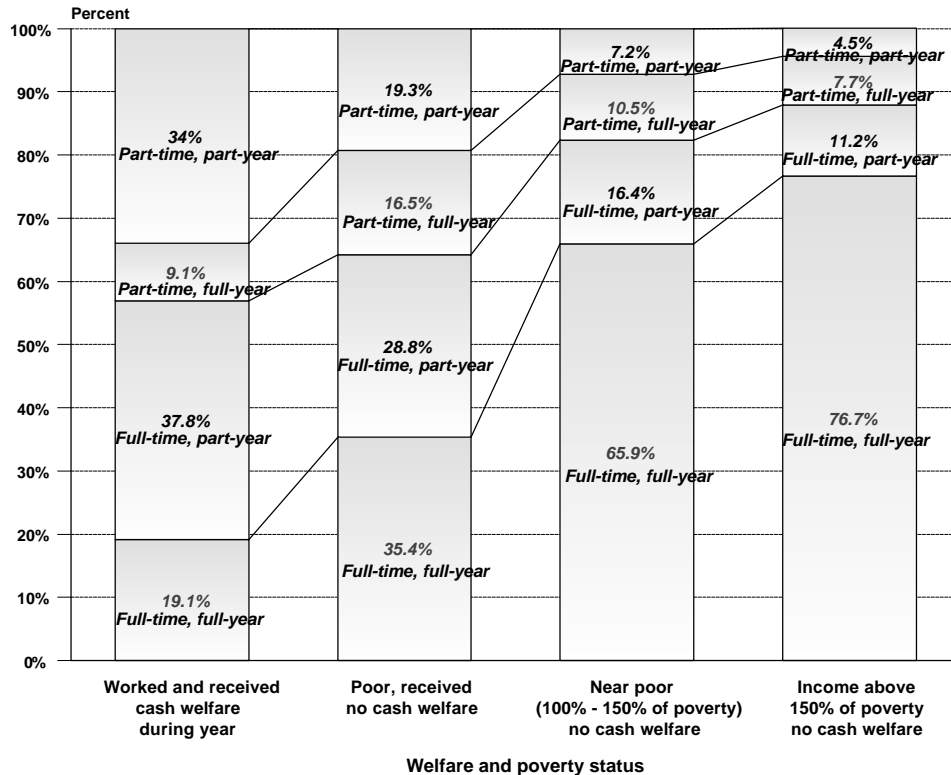
The CPS data shows that single mothers are considerably more likely to be working, and less likely to be poor or receiving welfare in most recent than in earlier years (**Figure 2**). Although many of these changes precede passage of the 1996 welfare law, reductions in welfare receipt have since been especially large. Since 1996, *poor* single mothers are more likely to work during the year than to receive welfare (**Figure 7**). However, reductions in poverty among single mothers have not been as large as the concurrent declines in cash welfare receipt and increased work among single mothers in recent years. Moreover, CPS data indicate that welfare receipt rates among very poor families based on their pre-transfer (i.e., other than welfare) income have dropped considerably in recent years (**Figure 5**).

Among single-mother families whose incomes are lowest (the bottom 20% of single-mothers based on family income relative to poverty), income from earnings has grown markedly since 1993 (**Figure 10**). However, not until 2000 have earnings gains, supplemented by the EITC, been sufficient to offset the losses in cash welfare and food stamp benefits that have occurred since 1994 for this group, so as to increase their total income.

The CPS data show that although welfare receipt and poverty among single mothers has declined in recent years, mothers receiving welfare are now more likely to be working, and *poor* mothers are now less likely to be receiving welfare and more likely to be working than in past years. Prospects of single mothers working their way off welfare and out of poverty hinge in large part on their finding full-time, stable employment at a sufficient wage.

CPS data show that most single mothers work full-time schedules (35 or more hours per week) when they work (See **Figure 13**). Among single mothers who combined welfare and work during the year, 57% worked full-time schedules. In comparison, 64% of working single mothers who were poor but did not receive welfare worked full-time schedules. Poor single mothers not receiving cash welfare were also more likely to have worked full-year (50 to 52 weeks) (45%) than their counterparts who received cash welfare (29%).

Figure 13. Working Single Mothers' Job Attachment, by Welfare and Poverty Status: 2000



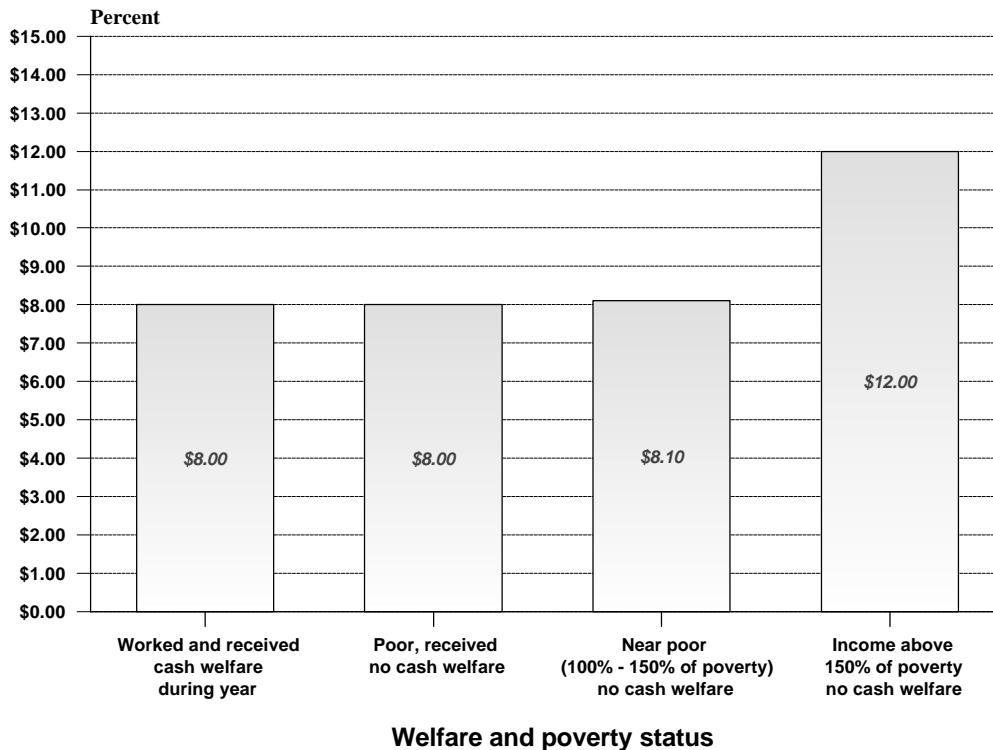
Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 2001 Current Population Survey (CPS) data.
NOTE: Detail may not sum to 100% due to rounding.

One policy challenge to reduce poverty and welfare dependency among single mothers may be to assist mothers in moving to full-time, full-year work. However, full-time full-year work is likely necessary, but not sufficient, for some single mothers to have incomes above poverty and not rely on cash welfare. Nearly one-fifth (19%) of single mothers who combined work and welfare worked full-time, full-year and 35% of poor single mothers who did not receive welfare worked full-time full-year. (See **Figure 13**). For these mothers, full-time attachment to a job was insufficient to move them off of welfare or out of poverty. Single mothers with incomes somewhat above poverty (100% to 150% of poverty) were nearly twice as likely to have worked full-time full-year (66%) than working poor mothers not receiving welfare (35%) and over three-times as likely as mothers who combined work and welfare during the year (19%).

In March 2001, most working single mothers who are poor or receive cash welfare earned more than the federal statutory minimum wage of \$5.15 per hour. **Figure 14** shows that in March 2001, there was no difference in the median hourly earnings of single mothers who received welfare during the prior year (\$8.00 per hour), and those who were poor but did not receive welfare.¹⁷ Median hourly earnings of working single mothers with incomes just above poverty, \$8.10 per hour, were not much different than working mothers who were poor or received cash welfare. Although there is not much difference in the median hourly wage of near poor single mothers, poor single mothers, and mothers who received welfare, near poor single mothers are substantially more likely to work full-time, full-year than their counterparts who received cash welfare or were poor. Clearly, full-time full-year work lessens the chances that a single mother and her children will be poor or receive cash welfare, but does not completely eliminate those chances. Among single mothers who did not work full-time full-year, 58% were poor or received cash welfare in 2000, compared to only 13% who worked full-time full-year (not shown in figures).

¹⁷The CPS asks questions about hourly wage rates of hourly workers for only about one fourth of the CPS sample who are leaving the survey—a group technically referred to as the “outgoing rotation group.” (The CPS interviews households for 8 months. After 4 months of interviews, a household leaves the survey for 4 months, and afterwards is interviewed for an additional 4 months, after which the household leaves the survey permanently. In March, selected questions, such as hourly wage rates, are asked only of households who have been in the survey for 4 or 8 months, and will be leaving the survey in the following month (either temporarily or permanently)). The estimates of hourly earnings shown in **Figure 14** are based on hourly wages of hourly workers, and for other workers, estimated hourly earnings based on reported gross weekly earnings divided by usual hours worked.

Figure 14. Median Hourly Wage* of Working Single Mothers in March 2001, by Welfare and Poverty Status in 2000



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 2001 Current Population Survey (CPS) data.

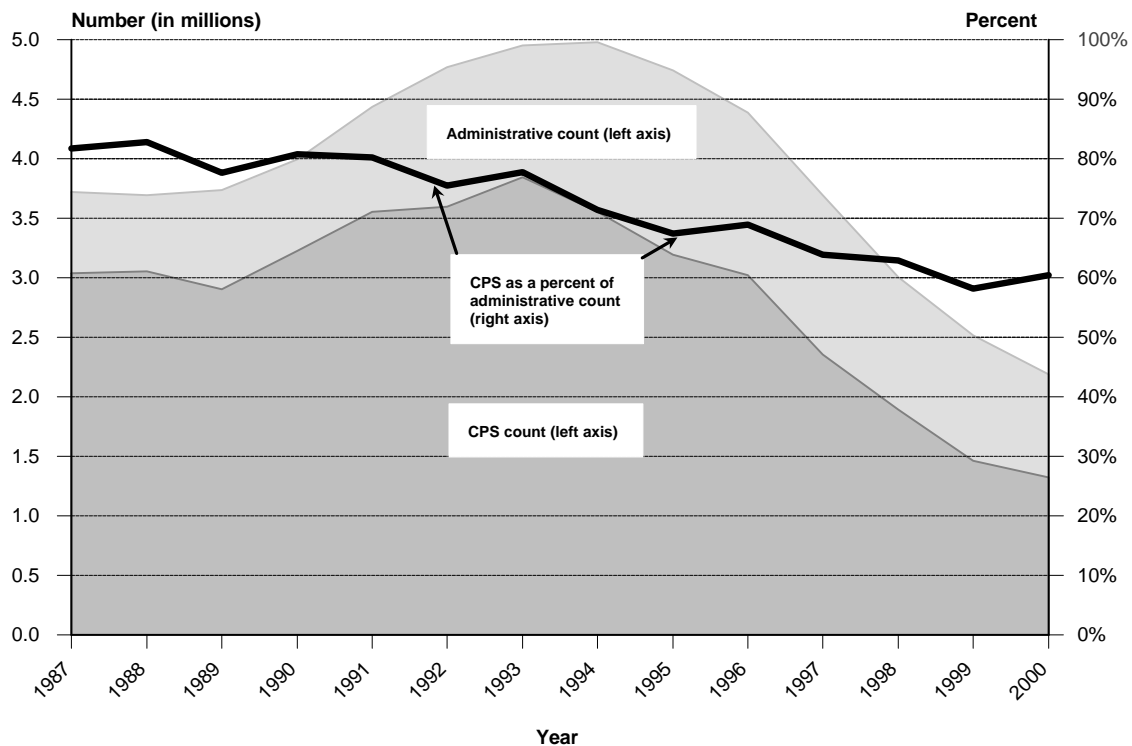
* Hourly wage for hourly wage workers, and estimated hourly wage equivalent, based on reported gross weekly earnings divided by usual weekly hours worked, for CPS outgoing rotation group (approximately 1/4th of CPS sample).

Absent significant increases in single mothers' job attachment or hourly earnings, income supports in the form of child support, earnings supplements, such as the EITC, food, housing, and medical assistance, as well as cash welfare, are likely to continue to play important roles in addressing the needs of single-mother families. A challenge for these and other approaches will be to reduce basic unmet need and at the same time promote economic self-sufficiency. Income support may become all the more important given the weakened state of the current economy.

Appendix A: Cash Welfare Under-reporting on the CPS

A comparison of AFDC/TANF administrative statistics and CPS-estimated caseload counts suggests that the CPS undercounts actual cases and that the CPS undercount has worsened in recent years. **Figure A-1** shows that from 1987 to 1991, the CPS accounted for roughly 80% of the AFDC administrative caseload count, but in 2000 the CPS was capturing only about 60%.¹⁸ Worsened reporting of cash welfare on the CPS makes it difficult to gauge how much of the drop in welfare receipt among single mothers represents eligible families who do not receive assistance, rather than families who do not report actual welfare aid on the CPS.

Figure 15A-1. AFDC/TANF Cases: CPS versus Administrative Caseload Counts (Annual Monthly Average), 1987 to 2000



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data and Department of Health and Human Services (DHHS) caseload data.

¹⁸The CPS estimates are for all adults reporting receipt of AFDC or TANF during the year, converted to an estimate of an annual monthly average, based on the number of months over the year recipients reported receiving assistance. For a detailed discussion of cash welfare under-reporting on the CPS and other surveys see: Bavier, Richard. *Accounting for increases in failure to report AFDC/TANF receipt*. Unpublished manuscript. Washington, D.C. Office of Management and Budget. 2000.

Figure A-1. Support Table 1. AFDC/TANF Cases: CPS versus Administrative Caseload Counts, Annual Monthly Average, 1987 to 2000

(numbers in millions)

Year	Persons reporting AFDC or TANF receipt on the CPS^a	AFDC and TANF cases based on administrative data^b	CPS as a percent of administrative total
1987	3.039	3.719	81.7
1988	3.056	3.691	82.8
1989	2.901	3.738	77.6
1990	3.226	3.995	80.8
1991	3.554	4.434	80.2
1992	3.596	4.765	75.5
1993	3.844	4.949	77.7
1994	3.551	4.974	71.4
1995	3.193	4.741	67.3
1996	3.022	4.387	68.9
1997	2.355	3.690	63.8
1998	1.892	3.000	63.1
1999	1.464	2.496	58.7
2000	1.320	2.186	60.4

Source: Congressional Research Service (CRS) estimates based on U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS) data and U.S. Department of Health and Human Services (DHHS) AFDC and TANF caseload data.

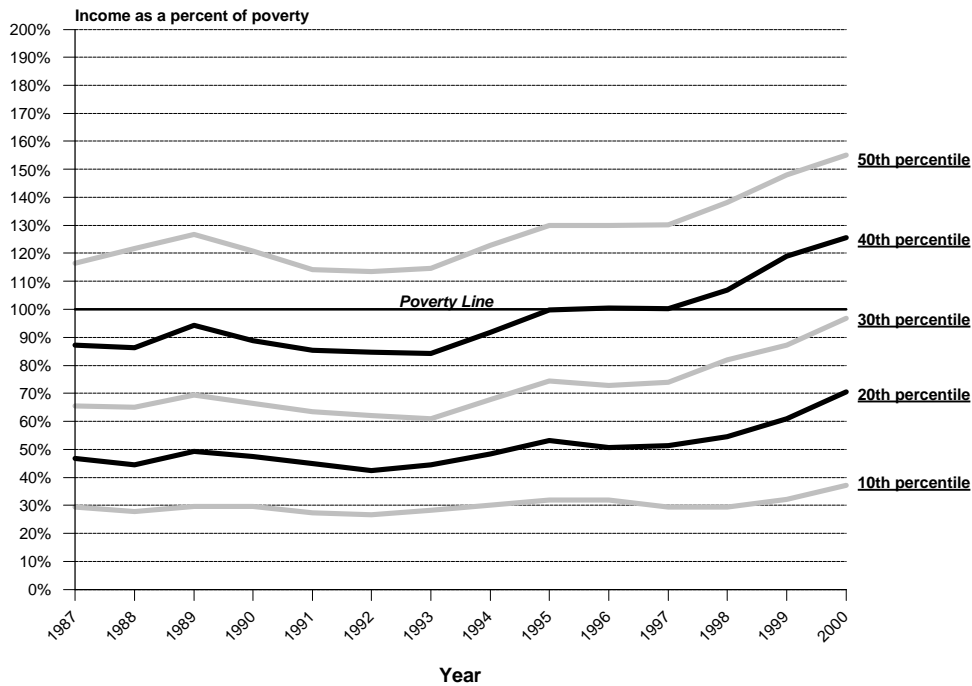
^aEstimated average monthly number based on number of months CPS respondents indicated they received AFDC or TANF during the year.

^bAverage monthly number of AFDC cases in the 50 states and the District of Columbia.

Appendix B: Family Income to Poverty Ratios—Cutoffs for Income Quintiles

Figure B-1 shows the income relative to poverty cutoffs for defining the first and second income quintiles depicted in **Figures 11** and **12**. The dark lines represent the level of family cash income (i.e., the income definition for measuring poverty under the official U.S. Bureau of the Census poverty definition) as a percent of poverty which defines the bottom fifth and bottom two-fifths of single-mother families, ranked by family relative to poverty. The lighter-shaded lines show other income percentiles relative to poverty. The figure shows, for example that the bottom fifth of single-mother families ranked by official cash income relative to poverty had family income below 42% of poverty in 1992; by 2000, the relative income of the bottom fifth (20th percentile) of single-mother families increased to having family income below 70% of the poverty line. Similarly, the second-fifth (between the 20th and 40th percentiles) of single-mother families had family income above 42% of poverty but below 85% of poverty in 1992; by 2000, the second-fifth of single mother families had family incomes above 70% of poverty but below 126% of poverty. The figure shows that the bottom 10% of single-mother families has shown only slight improvement in family income relative to poverty over the 14 year period, ranging from a low of 27% of poverty in 1992, to a high of 37% of poverty in 2000.

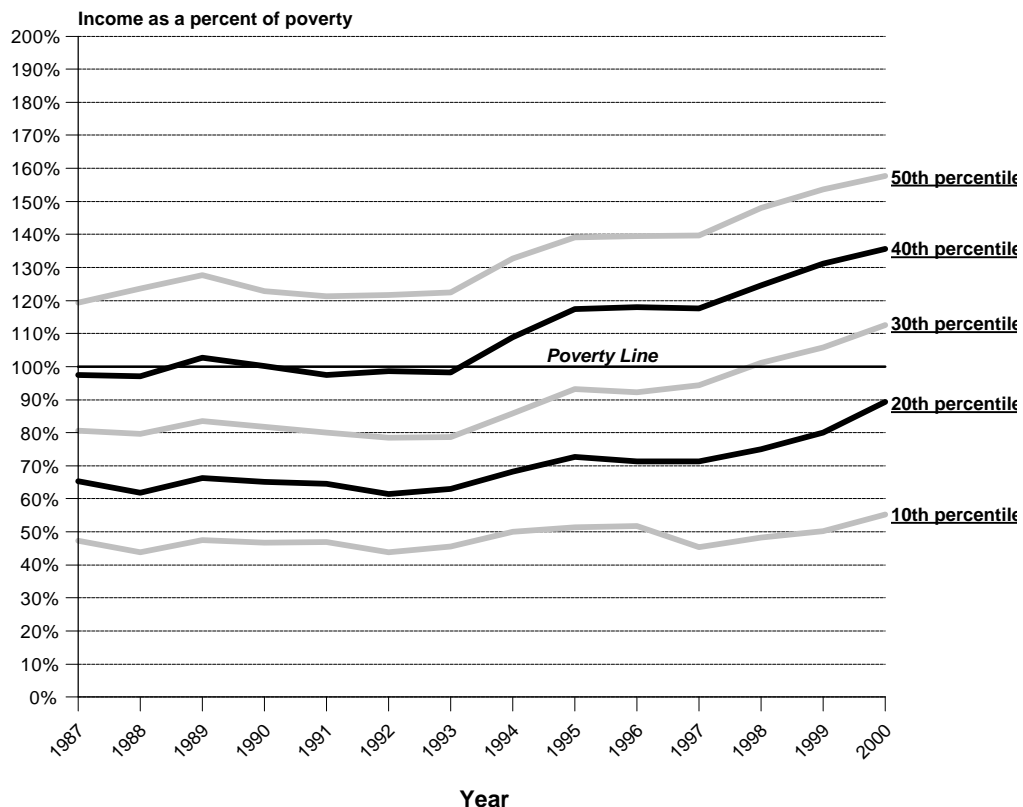
Figure 16B-1. Income to Poverty Percentiles of Mother-Only Families, Based on Ranking of Families by Family Cash Income Relative to Poverty Income Thresholds, 1987 to 2000



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

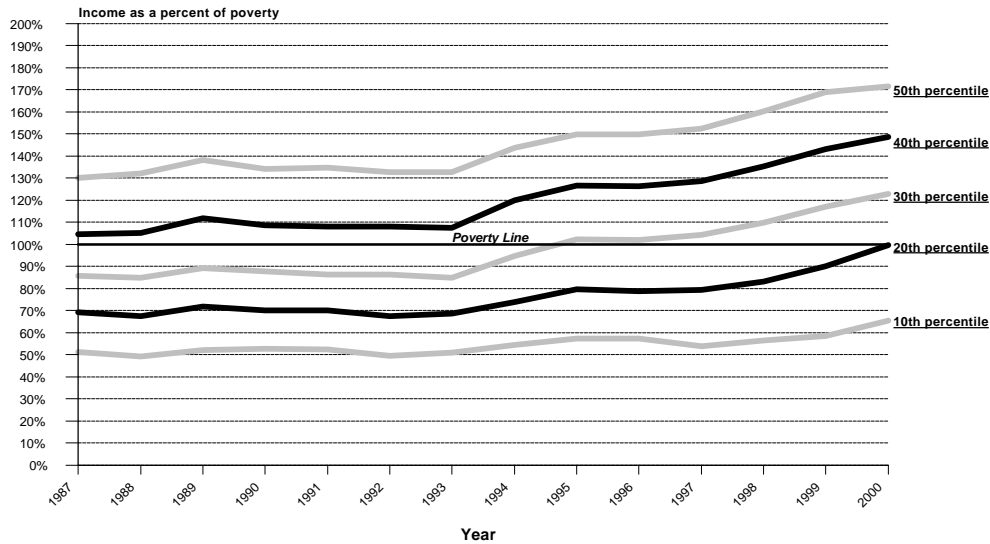
Figures B-2 and B-3 are similar to **Figure B-1**, but depict single-mother families' income rankings based on alternative definitions of income relative to poverty. **Figure B-2**, for example, ranks families based on family after-tax income (including the EITC) plus food stamps, whereas **Figure B-3** ranks families based on household after-tax income plus food stamps, relative to a household poverty income threshold based on household size and composition. In both cases, **Figures B-2 and B-3** show comparatively better income position relative to poverty than does **Figure B-1**, which uses the official poverty income definition. For example, in 2000, the bottom fifth of single-mother families had incomes below 70% of poverty under the official poverty income definition, shown in **Figure B-1**. When taxes, including the EITC, and food stamps are considered the bottom fifth of single-mother families had incomes below 89% of poverty (shown in **Figure B-2**), and if household after-tax income and food stamps are counted against a revised household poverty threshold, the bottom 20% of single-mother families have incomes below poverty (100% of the poverty threshold) (shown in **Figure B-3**). Although the alternate income definitions also result in improved income standing relative to poverty for the bottom 10% of single-mother families compared to the official poverty income measure, the trend in relative economic well-being for this group is only slightly improved in 2000 compared to its 1992 low under these alternative measures.

Figure 17B-2. Income to Poverty Percentiles of Mother-Only Families
Based on Ranking Families After-Tax Income Plus Food Stamps
Relative to Family Poverty Income Thresholds, 1987 to 1999



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

Figure 18B-3. Income to Poverty Percentiles of Mother-Only Families Based on Families Ranked by Household After-Tax Income Plus Food Stamps Relative to Household Poverty Income Thresholds, 1987 to 2000



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

Figure B-1 Support Table 2. Income Poverty Percentiles of Mother-Only Families Based Families Ranked by Cash Income Relative to Family Poverty Income Thresholds, 1987 to 2000

Year	Income as a percent of poverty defined at each percentile				
	10 th tile	20 th tile	30 th tile	40 th tile	50 th tile
1987	29.3	46.7	65.6	87.2	116.5
1988	27.8	44.5	65.0	86.2	121.7
1989	29.6	49.3	69.5	94.2	126.8
1990	29.6	47.3	66.5	88.8	120.7
1991	27.3	44.9	63.4	85.3	114.2
1992	26.5	42.5	62.0	84.7	113.5
1993	28.2	44.4	61.0	84.2	114.6
1994	30.1	48.2	67.9	91.8	122.9
1995	31.9	53.2	74.3	99.8	130.0
1996	31.9	50.6	72.8	100.5	130.0
1997	29.3	51.4	73.9	100.2	130.3
1998	29.5	54.5	82.0	106.9	138.3
1999	32.1	61.0	87.2	119.0	148.0
2000	37.2	70.5	96.7	125.7	155.0

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS) data.

Figure B-2. Support Table 3 Income to Poverty Percentiles of Mother-Only Families Based on Families Ranked by Family After-Tax Income Plus Food Stamps Relative to Family Poverty Income Thresholds, 1987 to 1999

Year	Income as a percent of poverty defined at each percentile				
	10th %tile	20th %tile	30th %tile	40th %tile	50th %tile
1987	47.2	65.3	80.6	97.5	119.3
1988	43.8	61.8	79.6	97.1	123.7
1989	47.4	66.2	83.5	102.7	127.8
1990	46.7	65.1	81.7	100.2	122.8
1991	46.9	64.5	80.1	97.6	121.3
1992	43.8	61.5	78.4	98.7	121.7
1993	45.7	62.9	78.7	98.2	122.4
1994	50.0	68.2	85.8	108.8	132.6
1995	51.5	72.6	93.3	117.4	139.1
1996	51.8	71.3	92.2	118.1	139.6
1997	45.4	71.4	94.3	117.7	139.7
1998	48.2	75.0	101.1	124.6	148.1
1999	50.1	80.1	105.9	131.2	153.7
2000	55.3	89.4	112.6	135.7	157.8

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS) data.

Figure B-3. Support Table 4. Income to Poverty Percentiles of Mother-Only Families Based on Families Ranked by Household After-Tax Income Plus Food Stamps Relative to Household Poverty Income Thresholds, 1987 to 1999

Year	Income as a percent of poverty defined at each percentile				
	10th %tile	20th %tile	30th %tile	40th %tile	50th %tile
1987	51.1	69.3	85.6	104.5	130.1
1988	49.1	67.5	85.0	105.1	132.2
1989	52.1	71.9	89.1	111.9	138.3
1990	52.8	70.2	87.8	108.7	134.0
1991	52.3	70.1	86.3	108.2	134.7
1992	49.4	67.6	86.3	108.1	132.7
1993	50.9	68.7	84.9	107.6	132.6
1994	54.5	74.0	94.7	119.9	143.6
1995	57.2	79.7	102.4	126.7	149.8
1996	57.2	78.7	102.0	126.3	149.8
1997	54.0	79.4	104.4	128.7	152.3
1998	56.4	83.2	109.8	135.3	160.2
1999	58.6	90.2	117.1	143.0	168.9
2000	65.4	99.5	122.8	148.6	171.4

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS) data.

Appendix C: Support Tables

Figure 1. Support Table 5. Single Mothers: Poverty and Cash Welfare Receipt, 1987 to 2000

(in thousands)

Year	Number of mother only families	Number receiving AFDC/TANF	Poor but not receiving AFDC/TANF	Neither poor nor receiving AFDC/TANF
1987	8,193	2,719	1,399	4,076
1988	8,321	2,737	1,380	4,204
1989	8,400	2,537	1,452	4,411
1990	8,745	2,901	1,456	4,387
1991	9,031	3,101	1,554	4,375
1992	9,567	3,300	1,691	4,575
1993	9,860	3,439	1,722	4,700
1994	9,837	3,166	1,754	4,916
1995	9,887	2,862	1,818	5,207
1996	10,052	2,669	1,946	5,437
1997	9,874	2,225	2,211	5,438
1998	9,881	1,872	2,253	5,756
1999	9,741	1,543	2,216	5,981
2000	9,425	1,174	2,100	6,151

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS) data.

Figure 2. Support Table 6. Welfare, Work and Poverty Status Among Single Mothers, 1987 to 2000

Year	Percent who worked during year	Percent poor ("official definition")	Percent who received AFDC/TANF during the year		
			Total	Did not work during year	Worked during year
1987	67.3	44.7	33.2	21.8	11.4
1988	68.9	43.9	32.9	21.1	11.8
1989	70.1	41.7	30.2	20.1	10.1
1990	69.8	43.7	33.2	20.9	12.3
1991	68.7	45.4	34.3	22.0	12.3
1992	67.2	45.4	34.5	22.2	12.3
1993	68.1	45.2	34.9	21.8	13.1
1994	71.4	42.7	32.2	18.8	13.4
1995	73.0	40.2	28.9	16.5	12.4
1996	75.1	39.8	26.6	14.6	12.0
1997	77.3	40.0	22.5	11.4	11.1
1998	79.6	37.3	18.9	8.2	10.7
1999	82.0	34.0	15.8	6.5	9.3
2000	83.4	30.9	12.5	5.6	6.9

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS) data.

Figure 3. Support Table 7. Employment Rates in March of Single Mothers and Married Mothers by Age of Youngest Child, March 1988 to March 2001

(percent of single mothers employed in March)

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

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Census Bureau March 1988 to 2001 Current Population Survey (CPS) data.

Figures 4. and 5. Support Table 8. Single-Mother Family Cash Welfare Reciprocity Rates, by Pre-Transfer Income Poverty Status*, 1987 to 2000

All single-mother families		Single-mother families with pre-transfer income below poverty										
		Total		0\$ in pre-transfer income		Pre-transfer income below 25% of poverty		Pre-transfer income from 25% to below 50% of poverty		Pre-transfer income from 50% to below 100% of poverty		
Year	Number (in 1,000s)	AFDC/TANF reciprocity rate (percent)	Number (in 1,000s)	AFDC/TANF reciprocity rate (percent)	Number (in 1,000s)	AFDC/TANF reciprocity rate (percent)	Number (in 1,000s)	AFDC/TANF reciprocity rate (percent)	Number (in 1,000s)	AFDC/TANF reciprocity rate (percent)	Number (in 1,000s)	AFDC/TANF reciprocity rate (percent)
1987	8,193	33.2	3,820	63.4	1,020	88.7	1,003	77.0	609	59.9	1,179	31.8
1988	8,321	32.9	3,816	63.8	1,055	89.5	970	73.8	723	53.3	1,064	36.8
1989	8,400	30.2	3,672	60.5	1,022	85.7	871	72.8	593	55.6	1,183	32.2
1990	8,745	33.2	4,029	63.8	1,142	88.4	909	75.1	677	60.4	1,294	35.9
1991	9,031	34.3	4,276	63.6	1,215	87.3	973	79.2	689	63.6	1,391	32.4
1992	9,567	34.5	4,536	62.7	1,159	85.2	1,102	73.5	819	56.4	1,450	40.1
1993	9,860	34.9	4,679	63.2	1,104	84.7	1,180	78.3	909	60.0	1,477	37.3
1994	9,837	32.2	4,474	60.8	961	82.0	1,058	75.2	835	61.0	1,618	38.7
1995	9,887	28.9	4,181	56.5	753	80.3	941	73.2	862	59.7	1,625	34.2
1996	10,052	26.6	4,168	53.3	776	76.6	838	71.9	994	52.2	1,560	32.4
1997	9,874	22.5	4,119	46.3	685	68.4	846	62.6	843	46.2	1,736	30.0
1998	9,881	18.9	3,834	41.2	554	61.3	778	55.7	806	45.1	1,682	26.2
1999	9,741	15.8	3,443	35.6	378	56.5	711	46.0	736	37.9	1,617	25.2
2000	9,425	12.5	3,019	30.6	350	51.8	482	43.8	651	36.5	1,536	19.2

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to March 2001 Current Population Survey (CPS) data.

Note: Details may not sum to totals due to rounding.

* Family poverty status based on cash income other than cash welfare.

Figure 6. Support Table 9. Food Stamp Reciprocity Rates Among Single-Mother Families, by Household Income Relative to Poverty, 1987 to 2000

Year	Household income below 130% of poverty							
	All single-mother families		Total		Household income less than 50% of poverty		Household income from 50% to below 130% of poverty	
	Number (in 1,000s)	Food stamp reciprocity rate	Number (in 1,000s)	Food stamp reciprocity rate	Number (in 1,000s)	Food stamp reciprocity rate	Number (in 1,000s)	Food stamp reciprocity rate
1987	8,193	35.8	4,063	65.7	1,595	76.1	2,469	59.0
1988	8,321	36.3	4,121	65.7	1,706	75.1	2,414	59.0
1989	8,400	33.9	3,917	63.7	1,466	76.9	2,451	55.8
1990	8,745	37.1	4,265	68.4	1,651	79.4	2,614	61.4
1991	9,031	39.1	4,472	68.8	1,736	79.9	2,736	61.7
1992	9,567	41.1	4,756	70.9	1,970	79.8	2,787	64.5
1993	9,860	42.5	4,990	70.8	1,955	80.7	3,034	64.4
1994	9,837	40.2	4,673	70.9	1,786	80.3	2,887	65.1
1995	9,887	37.2	4,494	66.5	1,539	77.3	2,955	60.9
1996	10,052	35.8	4,545	65.0	1,633	76.8	2,912	58.4
1997	9,874	32.4	4,392	61.5	1,642	73.1	2,750	54.6
1998	9,881	29.8	4,193	56.7	1,491	69.5	2,703	49.6
1999	9,741	24.9	3,746	51.5	1,274	63.3	2,472	45.4
2000	9,425	22.3	3,420	49.8	1,013	66.3	2,407	42.9

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to March 2001 Current Population Survey (CPS) data.

Note: Details may not sum to totals due to rounding.

Figure 7. Support Table 10. Poor Single Mothers: Work and Welfare Status During the Year, 1987 to 2000

Year	Number of poor single mothers (in 1,000s)	Percent					
		Received cash welfare during year	Received cash welfare but did not work during year	Combined work and welfare over the year	Worked at any time during the year	Worked but did not receive cash welfare at any time during the year	Neither worked, nor received welfare during the year
1987	3,661	61.8	43.3	18.5	42.2	23.7	14.5
1988	3,650	62.2	43.0	19.2	43.5	24.3	13.5
1989	3,506	58.6	42.7	15.9	43.1	27.2	14.2
1990	3,821	61.9	41.4	20.5	46.0	25.5	12.6
1991	4,101	62.1	43.3	18.8	44.3	25.5	12.5
1992	4,339	61.0	42.1	18.9	43.6	24.7	14.3
1993	4,456	61.4	41.5	19.8	44.3	24.5	14.1
1994	4,203	58.3	37.8	20.5	47.3	26.8	14.9
1995	3,971	54.2	34.2	20.0	49.7	29.7	16.1
1996	4,005	51.4	31.1	20.3	52.6	32.2	16.4
1997	3,946	44.0	24.5	19.5	57.8	38.3	17.7
1998	3,685	38.9	19.2	19.7	60.4	40.7	20.4
1999	3,314	33.1	15.4	17.8	64.3	46.5	20.3
2000	2,911	27.9	14.4	13.5	63.8	50.3	21.9

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to March 2001 Current Population Survey (CPS) data.

Figure 8. Support Table 11. Effects of Earnings, Transfers, and Taxes on Family Poverty and Household Low-Income Status on Single Mothers, 1987 to 2000

Percent poor based on:						
	Preceding column +:	Preceding column +:	Preceding column +:	Preceding column +:	Preceding column +:	Preceding column +:
Year	Family earned income only	family cash income other than welfare	family cash welfare ("official poverty income")	family food stamps	family EITC less FICA and income taxes	household cash income + food stamps + EITC less FICA and income taxes
1987	53.9	46.6	44.7	42.3	41.1	38.2
1988	53.8	45.9	43.9	42.2	41.3	37.9
1989	52.2	43.7	41.7	39.7	39.2	35.5
1990	53.8	46.1	43.7	41.5	39.9	36.1
1991	55.2	47.4	45.4	42.8	41.3	37.0
1992	55.3	47.4	45.4	42.5	40.6	36.5
1993	56.2	47.4	45.2	42.7	40.7	36.8
1994	53.9	45.5	42.7	39.8	36.5	32.1
1995	51.0	42.3	40.2	36.9	32.5	29.2
1996	49.8	41.5	39.8	37.1	32.9	29.3
1997	50.6	41.7	40.0	37.7	32.6	28.3
1998	47.9	38.8	37.3	35.2	29.7	26.2
1999	43.6	35.3	34.0	32.2	27.5	23.6
2000	40.1	32.1	30.9	29.3	24.2	20.3

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS) data.

Figure 9. Support Table 12. Poverty Gap Percentiles* Based on Cash Income for Poor Single-Mother Families, 1987 to 2000

Year	Bottom 20%	Bottom 40%	Median (50 th percentile)	Top 40%	Top 20%
1987	27.2	43.4	51.1	60.0	78.2
1988	26.1	40.7	48.1	57.1	74.9
1989	25.6	42.1	50.9	58.9	77.1
1990	27.4	43.0	50.0	58.9	76.1
1991	25.6	42.5	50.5	58.6	75.2
1992	24.2	39.3	48.0	56.6	75.1
1993	26.2	41.0	49.0	56.7	73.6
1994	27.6	43.8	50.7	58.7	76.3
1995	27.7	45.8	53.3	60.3	79.7
1996	27.7	43.5	50.5	58.9	77.7
1997	22.3	42.9	51.3	60.7	78.6
1998	22.6	42.5	51.5	60.3	81.2
1999	23.4	43.1	52.8	62.0	80.1
2000	23.5	45.5	54.8	66.3	82.9

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS).

*Poor families' cash income as a percent of families' poverty thresholds.

Figure 10. Support Table 13. Poverty Gap Percentiles* Based on Cash Income, Food Stamps, and Net Taxes Including the EITC for Poor Single-Mother Families, 1987 to 2000

Year	Bottom 20%	Bottom 40%	Median (50th percentile)	Top 40%	Top 20%
1987	43.1	59.1	66.1	72.7	85.4
1988	37.7	55.9	63.8	71.1	85.0
1989	40.1	58.6	65.4	72.3	85.4
1990	41.1	58.9	65.1	71.3	84.8
1991	42.6	59.3	65.6	72.1	84.8
1992	38.6	56.0	61.9	68.6	83.0
1993	40.5	56.7	63.4	69.6	82.6
1994	42.7	59.0	65.1	71.1	84.3
1995	40.3	58.5	65.2	71.4	85.0
1996	41.2	58.0	64.0	70.8	84.3
1997	34.7	54.3	62.8	70.3	85.0
1998	30.7	53.9	61.5	68.4	84.6
1999	31.3	53.1	61.6	70.0	84.8
2000	30.2	54.0	62.6	70.2	86.8

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS).

*Poor families' cash income as a percent of families' poverty thresholds.

**Figure 11. Support Table 14. Bottom Income Quintiles of Single Mother Families:
Average Annual Income by Source, 1987 to 2000**

(in 2000 dollars)

Year	Federal and state income taxes and FICA taxes	AFDC, TANF, General Assistance	Supplemental Security Income (SSI)	Food stamps (market value)	Child support and alimony	Other income	Family earnings (net of taxes)	EITC	Total income net of taxes
1987	-\$81	\$2,808	\$108	\$2,306	\$232	\$416	\$907	\$104	\$6,800
1988	-\$87	\$2,492	\$84	\$2,002	\$215	\$366	\$1,071	\$118	\$6,261
1989	-\$73	\$2,622	\$101	\$2,175	\$222	\$466	\$899	\$110	\$6,523
1990	-\$77	\$2,781	\$93	\$2,224	\$190	\$326	\$960	\$115	\$6,612
1991	-\$63	\$2,736	\$93	\$2,434	\$162	\$292	\$785	\$115	\$6,554
1992	-\$61	\$2,380	\$151	\$2,321	\$204	\$379	\$769	\$118	\$6,262
1993	-\$61	\$2,503	\$157	\$2,269	\$223	\$457	\$742	\$121	\$6,412
1994	-\$86	\$2,605	\$245	\$2,538	\$257	\$393	\$1,099	\$281	\$7,332
1995	-\$105	\$2,355	\$287	\$2,193	\$296	\$460	\$1,379	\$423	\$7,287
1996	-\$126	\$2,091	\$241	\$2,151	\$330	\$427	\$1,589	\$543	\$7,245
1997	-\$108	\$1,864	\$209	\$2,027	\$267	\$622	\$1,373	\$480	\$6,735
1998	-\$150	\$1,478	\$283	\$1,792	\$226	\$601	\$1,840	\$657	\$6,725
1999	-\$189	\$1,214	\$309	\$1,547	\$351	\$624	\$2,350	\$804	\$7,009
2000	-\$258	\$1,005	\$487	\$1,461	\$528	\$568	\$3,113	\$1,039	\$7,944

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS) data.

* Quintiles based on ranking of ratios of family cash pre-tax income relative to poverty. Taxes include federal and state income taxes and FICA taxes.

Figure 12. Support Table 15. Second Income Quintile of Single Mother Families: Average Annual Income by Source, 1987 to 2000

(in 2000 dollars)

Year	Federal and state income taxes and FICA taxes	AFDC, TANF, General Assistance	Supplemental Security Income (SSI)	Food stamps (market value)	Child support and alimony	Other income	Family earnings (net of taxes)	EITC	Total income net of taxes
1987	-\$293	\$4,356	\$498	\$1,712	\$417	\$1,692	\$3,524	\$388	\$12,578
1988	-\$300	\$4,167	\$453	\$1,711	\$367	\$1,548	\$3,486	\$402	\$12,133
1989	-\$389	\$3,873	\$574	\$1,418	\$475	\$1,479	\$4,489	\$494	\$12,864
1990	-\$395	\$3,813	\$470	\$1,798	\$474	\$1,498	\$4,215	\$483	\$12,752
1991	-\$327	\$3,754	\$481	\$1,883	\$399	\$1,439	\$3,721	\$575	\$12,253
1992	-\$319	\$3,414	\$463	\$1,809	\$529	\$1,444	\$3,609	\$570	\$11,838
1993	-\$296	\$3,521	\$705	\$1,807	\$466	\$1,512	\$3,368	\$562	\$11,941
1994	-\$392	\$2,918	\$824	\$1,698	\$595	\$1,495	\$4,426	\$1,120	\$13,076
1995	-\$553	\$2,256	\$953	\$1,737	\$622	\$1,853	\$5,868	\$1,535	\$15,123
1996	-\$516	\$2,181	\$814	\$1,463	\$636	\$1,710	\$5,536	\$1,627	\$13,967
1997	-\$557	\$1,657	\$778	\$1,286	\$766	\$1,688	\$6,285	\$1,948	\$14,407
1998	-\$702	\$1,233	\$869	\$1,076	\$558	\$1,731	\$7,680	\$2,179	\$15,325
1999	-\$845	\$928	\$774	\$781	\$719	\$1,557	\$8,991	\$2,324	\$16,074
2000	-\$1,201	\$679	\$589	\$644	\$863	\$1,830	\$10,690	\$2,399	\$17,692

Source: Congressional Research Service (CRS) estimates based on analysis of U.S. Bureau of the Census March 1988 to 2001 Current Population Survey (CPS) data.

* Quintiles based on ranking of ratios of family cash pre-tax income relative to poverty. Taxes include federal and state income taxes and FICA taxes.